Seattle Office of Labor Standards

Seattle's App-Based Worker Minimum Payment Ordinance (SMC 8.37), the First Report: An Analysis of the First Eighteen Months for App-Based Delivery Workers

Covering Delivery Workers on the Five Largest Worker Platforms from January 2024 - June 2025

April 2026

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Contents

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Introduction

The Ordinance

Seattle's App-Based Worker Minimum Payment (ABWMP) Ordinance (SMC 8.37) became effective on January 13, 2024. The ordinance provides new rights for app-based workers who perform services for covered "network companies," including delivery services (e.g., restaurant, grocery/retail, and parcel delivery) and non-delivery services (e.g., shift work, moving, and household services). App-based workers typically do not benefit from the standard protections offered by employment law because they usually are treated as independent contractors. The ordinance requires that covered network companies pay workers a guaranteed minimum amount, which is based on time worked and miles traveled for each "offer" of work that the worker accepts and either completes or cancels due to a qualifying reason.

Under the minimum payment provisions, network companies must pay the greater of a "minimum per-offer amount" or the sum of the "minimum per-minute amount" for "engaged time" and a "minimum per-mile amount" for "engaged miles." Below shows the minimum amounts applicable during the first eighteen months of the ordinance's effective period, which corresponds to the data examined in this report.

2025

- Minimum Per-Minute Amount $0.45
- Minimum Per-Mile Amount $0.77
- Minimum Per-Offer Amount $5.20

2024

- Minimum Per-Minute Amount $0.44
- Minimum Per-Mile Amount $0.74
- Minimum Per-Offer Amount $5.00

For on-demand offers, which start within two hours of acceptance, engaged time and miles begin upon acceptance of an offer (e.g., accepting a food delivery offer in the app) and continue through completion.[1] For pre-scheduled offers, which are scheduled more than two hours in advance, engaged time and miles begin when the worker starts performing the offer (e.g., reporting to a warehouse to pick up packages) and end upon completion.

[1] "Engaged time" is the equivalent of "P2" and "P3" time, in the parlance of rideshare regulation.

Because paid time does not include all time a worker must spend working to successfully find and perform offers, the minimum per-minute amount is higher than Seattle's minimum wage for employees on a per-minute basis. The intent is to apply a higher per-minute rate to a shorter period of paid time to ensure that app-based workers are compensated more adequately for working time. The per-minute amount also accounts for uncompensated non-mileage expenses that app-based workers incur.

The minimum per-mile amount is based on the United States Internal Revenue Service's standard mileage rate for business use of automobiles and includes a markup to account for the fact that engaged miles do not capture all miles that app-based workers may need to drive to perform work for network companies.

SMC 8.37's scope is broader than simply requiring minimum payment. It also mandates "transparency" and "flexibility" protections. Transparency protections include the right to upfront disclosures of offer information and access to receipts and payment records. Flexibility protections include the right to access the network platform, the right not to be penalized for limiting availability or refusing offers, and the right to cancel an offer with cause. Transparency and flexibility rights are not discussed in this report, which focuses on quantifying workers, offers, and pay. However, these rights should be understood as operating together with the ordinance's minimum pay standards to create a new framework in Seattle.

SMC 8.37 is administered and enforced by the City of Seattle Office of Labor Standards (OLS).

SMC 8.37 Requires Affirmative Reporting of Records

The ordinance requires covered network companies to routinely and affirmatively transmit to OLS certain records deemed "necessary, appropriate, or convenient to administer, evaluate, and enforce" the ordinance.[2] The ordinance also tasks OLS with developing reporting requirements and regulating records transmission.

In 2024, OLS developed these records and transmission requirements, which are described in *SHRR 240-160* and *Affirmative Records Reporting Guide for Network Companies*. Data produced under the ordinance's requirements includes worker and offer counts, working time, worker compensation, distance traveled during working time, and other related metrics.[3] With one

[2] SMC 8.37.070.G.

[3] The five largest network companies (each with 1,000 or more employees worldwide) submitted their first data installment in January of 2025, consisting of one year of retroactive data dating back to the ordinance's effective date. Following their initial submissions, these network companies began

exception,[4] all data points are submitted in aggregated form at either the weekly or quarterly-level.[5] OLS also required a one-time submission of a sample disaggregated dataset from the large network companies. By verifying the sample dataset and its aggregation, OLS was able to assist network companies in correcting and resubmitting records with improved data quality. However, reliance on aggregated data limits OLS' ability to identify the underlying causes of certain data trends and anomalies.

First Analysis of App-Based Delivery Work in Seattle to Use Comprehensive Data

This analysis of app-based working conditions in Seattle is the first to use comprehensive data sets submitted by the large delivery network companies, which include all associated workers and offers covered by the ordinance. Other publications have relied upon more limited, and therefore less reliable, samples from self-reporting workers. For example, data aggregated from applications used by workers to monitor and/or maximize earnings may overrepresent workers who are highly active and experienced users of network company platforms.

OLS analyzed the data submitted by the five largest network companies, covering the period from January 15, 2024, to June 29, 2025, approximately 18 months in total. These companies facilitate the vast majority of covered delivery offers in Seattle and include the largest app-based restaurant, grocery/retail, and package delivery network companies operating in the city. Because each of these five companies facilitate delivery services, the report does not cover the policy impacts in non-delivery sectors, such as pre-scheduled shift work, moving, and household services. Furthermore, the ordinance's transparency and flexibility rights are not discussed in this report, which focuses on quantifying workers, offers, and pay. Accordingly, this

submitting data on a quarterly basis. Other covered network companies began to submit data in July of 2025 and will continue to report records on a quarterly basis as well.

[4] The records transmission provision requires covered network companies to submit all app-based workers' five-digit zip codes as well as the first one and last four digits of their phone numbers to understand the ratio of app-based workers working for multiple platforms and to calculate the actual number of app-based workers in Seattle.

[5] For example, rather than submit individual records of worker pay for each delivery, companies were required to produce the average pay for each week, as well as the weekly worker pay at the 10th, 25th, 50th, 75th, and 90th percentiles.

analysis should not be construed as a comprehensive review of the ordinance's impacts. It is only a picture of a segment of impacted workers and companies—albeit a significant segment.

This report presents analyses of relevant metrics without drawing conclusions or attempting to make causal determinations. All records analyzed pertain to the period after the ordinance took effect; therefore, the report does not include a pre- and post-ordinance comparison. Nonetheless, several studies document app-based workers' pay and working conditions prior to 2024. Two reports that focus specifically on Seattle's app-based delivery workers are Working Washington's 2022 report, *Seattle's App Gap*, and the UC Berkeley Labor Center's 2025 report, *Earnings of Delivery Network Company Drivers in Seattle Prior to the App-Based Worker Minimum Payment Ordinance*. Despite using different methods of data collection and measurement, both reports found that on-demand delivery workers' net earnings were substantially lower than Seattle's employee minimum wage (about or lower than half of the employee minimum wage) in 2022.

Key Takeaways

During the first eighteen months of implementation, the ordinance covered 92,801 workers working for the five largest network companies.

- From Quarter 2 2024 to Quarter 2 2025, the number of unique engaged workers grew slightly by 2.8%.
- More than 85% of the workers only worked on one app. On average, app-based workers worked 12 hours per week per app.[6]

The number of offers completed by the largest network companies grew by 3.2%.

- When comparing the first half of 2024 to first half of 2025, the number of weekly completed offers increased from 197,148 offers to 203,469 offers per week.

Average worker pay increased significantly compared to pre-ordinance reports and continued increasing from 2024 to 2025.

- The average network company payment, or "base payment," per engaged hour was $30.12, after subtracting mileage expenses incurred during actively engaged time.[7]

[6] Due to data limitations, OLS cannot determine workers' total hours *across* apps. Accordingly, the average amount of weekly hours worked may be higher than reported here.

[7] Throughout this report, references to "pay per engaged hour" are after subtracting mileage expenses incurred during actively engaged time.

- The average "pay for time online" – a metric that accounts for additional work time and expenses, including time and expenses while logged on but not actively completing tasks – was $15.98 per hour. This represents a significant increase from pre-ordinance levels, which, according to outside analysis, were as low as $3.17 per hour.[8]
- Workers' pay for time online increased from 2024 to 2025, from $15.29/hour to $16.29/hour during the first half of each year.
- Pay for time online varied substantially based on network company, ranging from $12.09 to $25.37 per hour.

Tips and bonuses made up a much smaller share of earnings than pre-ordinance estimates, indicating that earnings became more predictable and transparent.

- Worker pay was comprised primarily of base payment, rather than tips and bonuses. Greater than 85% of workers' compensation was base payment, around 14% was from tips, and only about 0.2% was bonuses/incentives from network companies. This is a substantial shift from the composition of earnings prior to implementation, when tips were reported to make up as much as 48.8% of earnings.[9]
- When including tips and bonuses, worker earnings averaged $36.36 per engaged hour, and pay for time online was $19.98/hour.

A substantial portion of customer payments were network company fees, and fees increased from 2024 to 2025.

- When paying for orders, nearly 20% of the customer payments were fees paid to network companies. (Network companies have multiple other revenue streams in addition to customer fees, including but not limited to commissions, service fees, and advertising fees paid by third parties such as restaurants, brands, and retailers.)
- When comparing the first half of 2024 to the first half of 2025, there was an increase in the average platform fee percentage from 18.5% to 19.6%.

Important Definitions and Frameworks

Worker vs. Worker Account

This report uses two different terms when evaluating worker activity:

[8] Ken Jacobs, "Earnings of Delivery Network Company Drivers in Seattle Prior to the App-Based Worker Minimum Payment Ordinance" (University of California Berkeley Labor Center, December 2025), 2, https://laborcenter.berkeley.edu/earnings-of-delivery-network-company-drivers-in-seattle-prior-to-app-based-worker-minimum-payment-ordinance/.

[9] *See* Jacobs, "Earnings of Delivery Network Company Drivers in Seattle," 2.

- Worker: An individual worker, who might have been engaged on multiple network companies' worker platforms (e.g., worker A may have been engaged on one or multiple apps).

- Worker Account: An individual account that a worker has with a network company. A single worker can have multiple worker accounts (e.g., worker A may have a worker account with Company X and a separate worker account with Company Y).

While OLS tries to use "workers" when possible, this metric is often unavailable because data was submitted on an individual network company basis and so mostly represents worker accounts.

Base Payment

OLS uses the term "base payment" in this analysis to refer to the network company's payment to the worker that compensates them for engaged time and miles. Bonuses and tips cannot count towards the network company's minimum pay obligations,[10] and they are not counted as "base payment" in this report.

Pay per Engaged Hour

OLS uses the term "pay per engaged hour" to refer to the network company's base payment to the worker, less mileage expenses incurring during actively engaged time, divided by hours actively engaged in the performance of offers.

Pay for Time Online

OLS uses the term "pay for time online" to describe how workers' pay compares to W-2 employees' earnings.[11] Pay for time online adjusts payment from the network company to account for both compensated and uncompensated time logged on (available + engaged time), mileage-based expenses at the IRS rate (available + engaged miles), and their non-mileage expenses at a rate of 12%. This methodology is described in greater detail in Table 1 of the Appendix.

[10] SMC 8.37.060.

[11] Other reports may refer to this time as "employee-equivalent hourly wages" or similar.

Comparing Time Periods with Accuracy

Where practicable, OLS compared the first half of 2024 (Half 1 2024) to the first half of 2025 (Half 1 2025) to better evaluate trends in metrics while correcting for seasonality. OLS also made adjustments to both years when data was unavailable or incomplete during the first weeks of 2024.

Comparing Half 1 2024 to Half 1 2025 is preferable to quarterly comparisons (e.g., Quarter 1 2024 vs. Quarter 1 2025, Quarter 2 2024 vs. Quarter 2 2025, etc.). The adjusted Half 1 comparisons allow for the calculation of broader trends, reducing the concern of small window size and quarter-over-quarter fluctuations. Moreover, Half 1 metrics still contain any post-implementation trends in the weeks after SMC 8.37 went into effect that would be ignored if just looking at, for example, Quarter 2 comparisons.

Because the law became effective on January 13, 2024, the first two weeks of 2024 are not present in the dataset. To compare the two years in a way that is "apples-to-apples," OLS "adjusted" Half 1 2025 by removing the first two weeks.

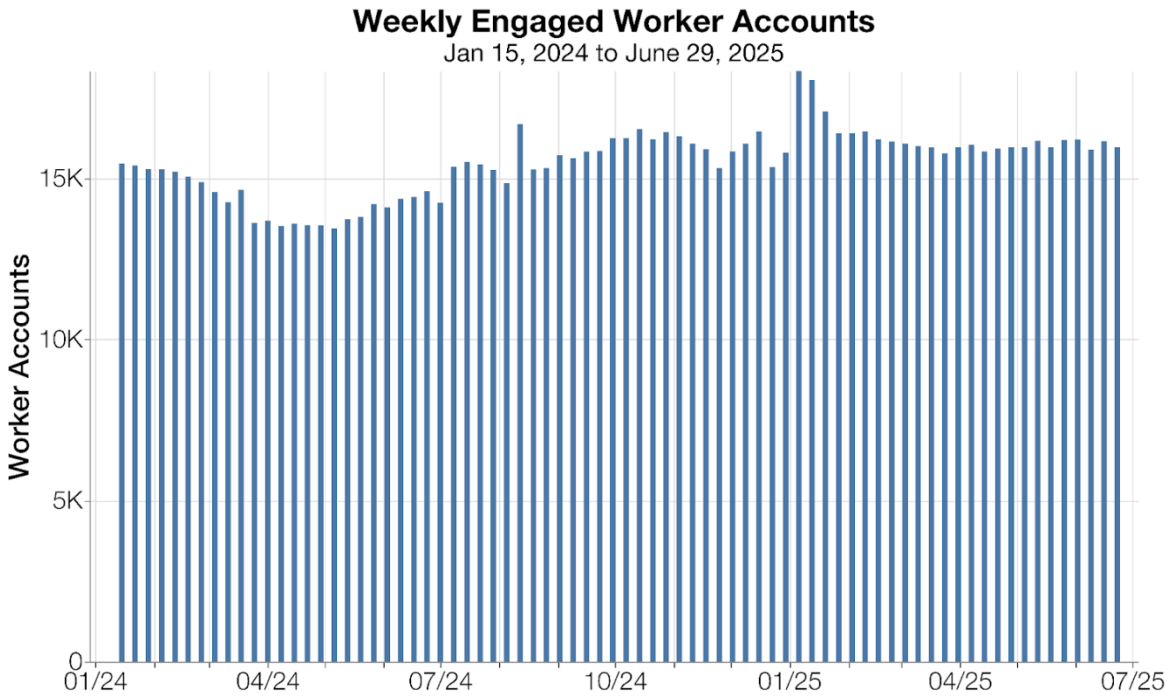
In some cases, such as available miles and pay for time online metrics, OLS adjusted the Half 1 calculations to remove the first four weeks. Not all network companies in the dataset submitted data regarding available miles for January 2024, so the adjustment was necessary to keep the right network company-mix reflected in the average.

Market Volume

First, OLS calculated overall trends in the number of engaged worker accounts associated with the five largest network companies. For the duration of this analysis, there were on average **15,489 engaged worker accounts**[12] **per week**. From Half 1 2024 to Half 1 2025 (excluding the first two weeks of each half), there was an **increase** in average weekly engaged workers accounts **from 14,345 to 16,200 worker accounts** (+1,855 or 12.9%).

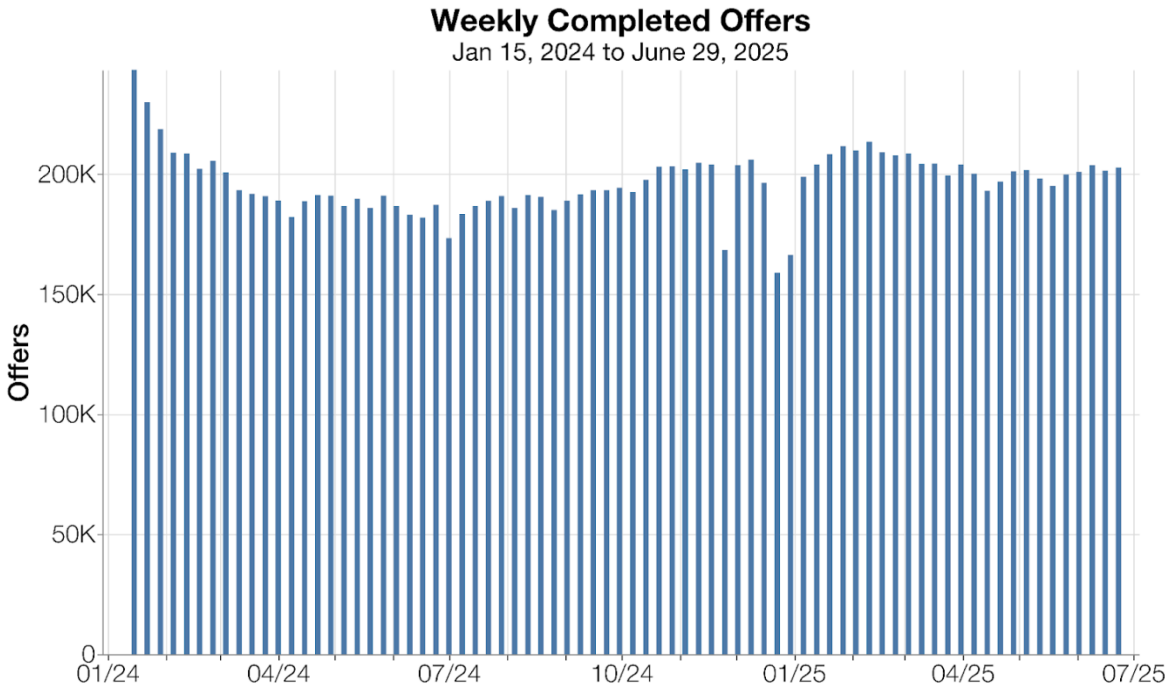
[12] "Worker accounts" represent worker-company pairings (i.e., a single worker may have multiple worker accounts with different network companies). "Engaged worker accounts" means that the worker completed some engaged time for the week in question.

Figure 1



In addition, OLS analyzed the number of completed offers. For the period shown, there was an average of **196,871 offers per week** completed by the five largest companies. From Half 1 2024 to Half 1 2025 (excluding the first two weeks of each half), there was a small **increase** in average weekly offers **from 197,148 offers to 203,469 offers** (+6,321 offers per week or +3.2%).

Figure 2



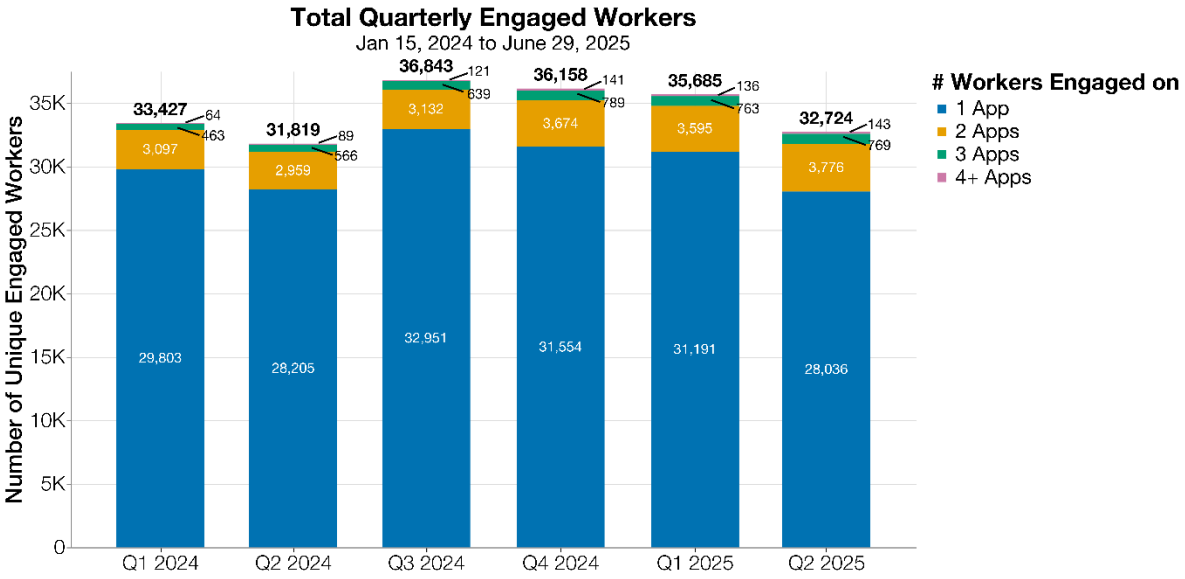
Worker Multi-Apping & Retention

The data submitted by network companies allowed OLS to analyze how many workers worked for multiple large network companies.[13] Due to the format in which the data was submitted, OLS compared the second quarter of 2024 to the second quarter of 2025.

First, OLS analyzed the total number of unique engaged workers, deduplicating workers if they engaged with multiple network companies. There was a **total of 92,801 unique workers** in the first eighteen months after the law became effective. Across all complete quarters shown, there was an average of **34,646 unique engaged workers per quarter**. From Quarter 2 2024 to Quarter 2 2025, the number of unique quarterly engaged workers **grew by 905 workers** (+2.8%).

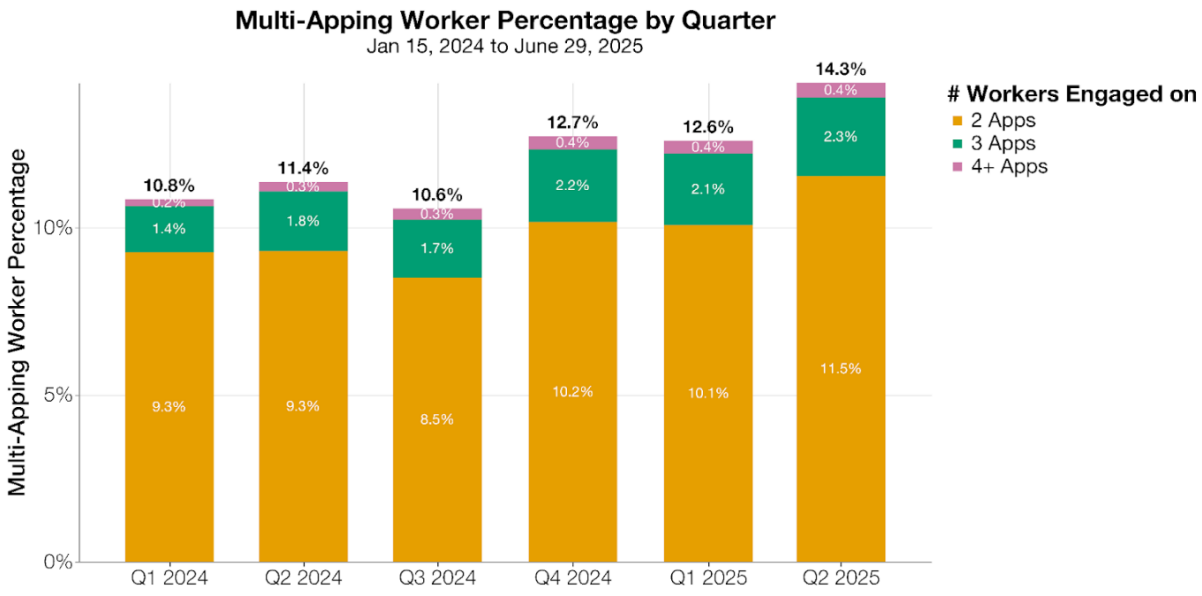
[13] OLS computed this percentage by comparing anonymized worker datasets submitted by each network company. If two worker accounts shared the same zip code, first digit of their phone number, and last four digits of their phone number, they were deemed the same worker.

Figure 3



Then, OLS analyzed multi-apping workers as a percentage of unique engaged workers (i.e., workers engaged on two or more large network companies in the same quarter). Since implementation of the law, the **proportion of multi-apping workers grew from 10.8%** in Quarter 1 2024 **to 12.6%** in Quarter 1 2025 (+1.8 percentage points). From Quarter 2 2024 to Quarter 2 2025, the **proportion grew by a larger amount from 11.4% to 14.3%** (+2.9 percentage points). This growth was mostly driven by the proportion of workers engaged on exactly two apps, which grew by 0.8 percentage points from Quarter 1 2024 to Quarter 1 2025, and by 2.2 percentage points from Quarter 2 2024 to Quarter 2 2025.

Figure 4

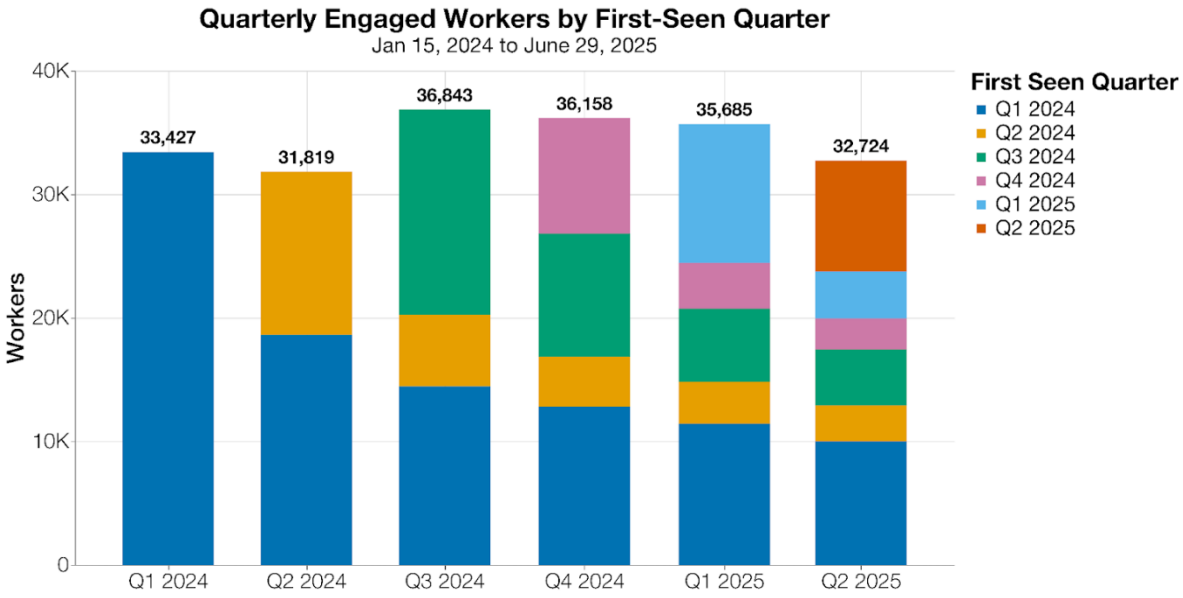


We analyzed quarterly worker retention, which shows how likely workers were to remain engaged on any of the five large network companies in subsequent quarters.[14] Using individual cohorts of workers that were engaged in each quarter of 2024, OLS measured for each cohort whether those workers remained engaged in all of the remaining quarters in the dataset. **60.4% of workers** engaged in any given quarter of 2024 **were engaged in the following quarter**, on average.[15] When comparing Quarter 2 2024 to Quarter 2 2025, **the worker retention rate from the previous quarter increased from 58.5% to 63.4%**. Additionally, some workers will not perform offers for any of the major apps for months at a time but may return later to find work. When we included data from 2024, we found that 9.2% of workers had not engaged in Quarter 1 2025 but had worked in previous quarters and returned to work for the network companies in Quarter 2 2025.

[14] For example, a worker would be counted as retained one quarter later if in Quarter *n* they had engaged with Network Company A, and in Quarter *n+1* they had engaged with Network Company B.

[15] As a point of comparison, one report cites the average annual restaurant industry turnover rate as 71.6% prior to 2020, when lockdown orders in response to the COVID-19 pandemic drastically increased turnover statistics. "How to Help Reduce Restaurant Turnover Rates and Foster Retention," Toast, accessed Feb. 23, 2026, https://pos.toasttab.com/blog/on-the-line/restaurant-turnover-rate.

Figure 5

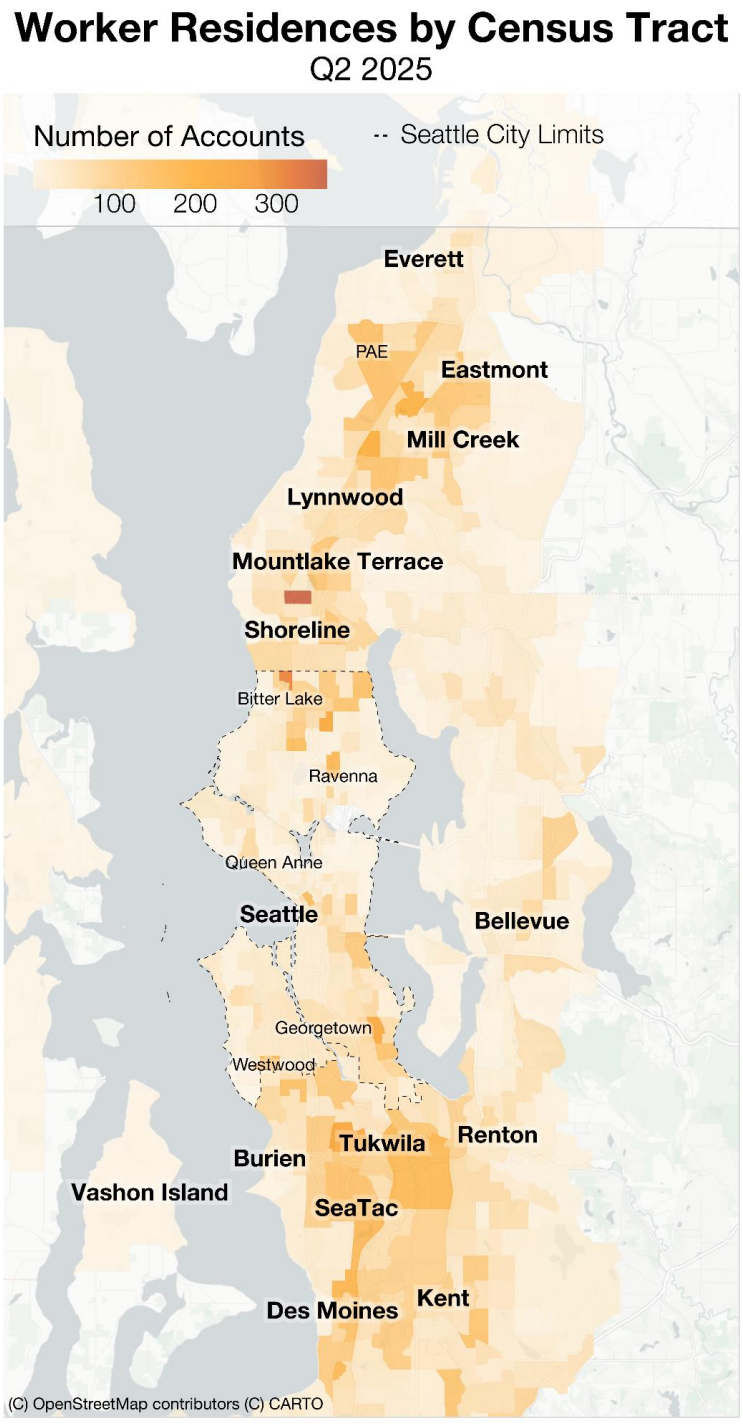


Worker Demographics

OLS analyzed residences associated with worker accounts using census tracts. OLS found that, while there were a few hot spots of worker residences inside the city limits, most workers reported living outside of the City of Seattle, in cities like Kent, Renton, and Shoreline. In Quarter 2 2025, **25.3% of engaged worker accounts were located within Seattle city limits**, whereas 74.7% of worker accounts lived outside.

The map below shows total counts of app-based worker accounts associated with each census tract.

Figure 6

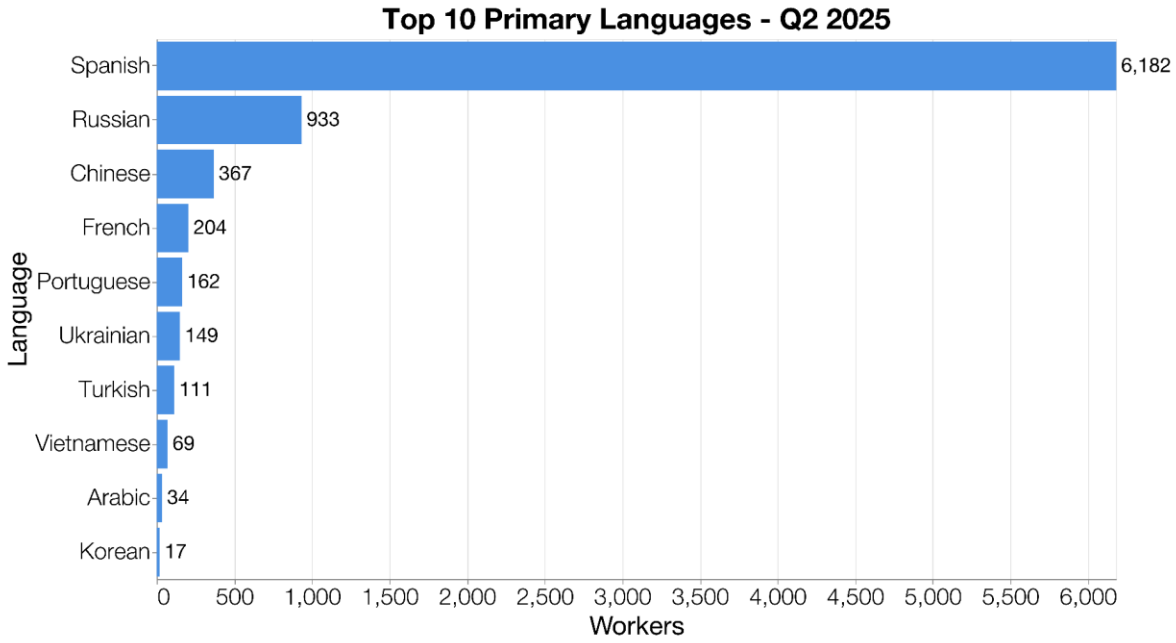


The census tracts where the most app-based workers lived varied in terms of worker accounts as a proportion of the population. SeaTac had the highest density of workers, with 27 workers per 1,000 people. Shoreline (18/1,000 population), Tukwila (18/1,000 population), Mountlake

Terrace (16/1,000 population), and Kent (14/1,000 population) followed. Seattle proper had the 11th highest density of worker account residences among cities analyzed.

OLS also analyzed the percentage of worker accounts using different languages to navigate network companies' apps. As of Q2 2025, **English users comprised the majority of all worker accounts (72.9%), followed by Spanish (20.3%), Russian (3.1%), and Chinese (1.2%)**. This data gives a picture of app-based workers' language use, but it does not tell the whole story as many workers who prefer another language may still use the app in English.

Figure 7



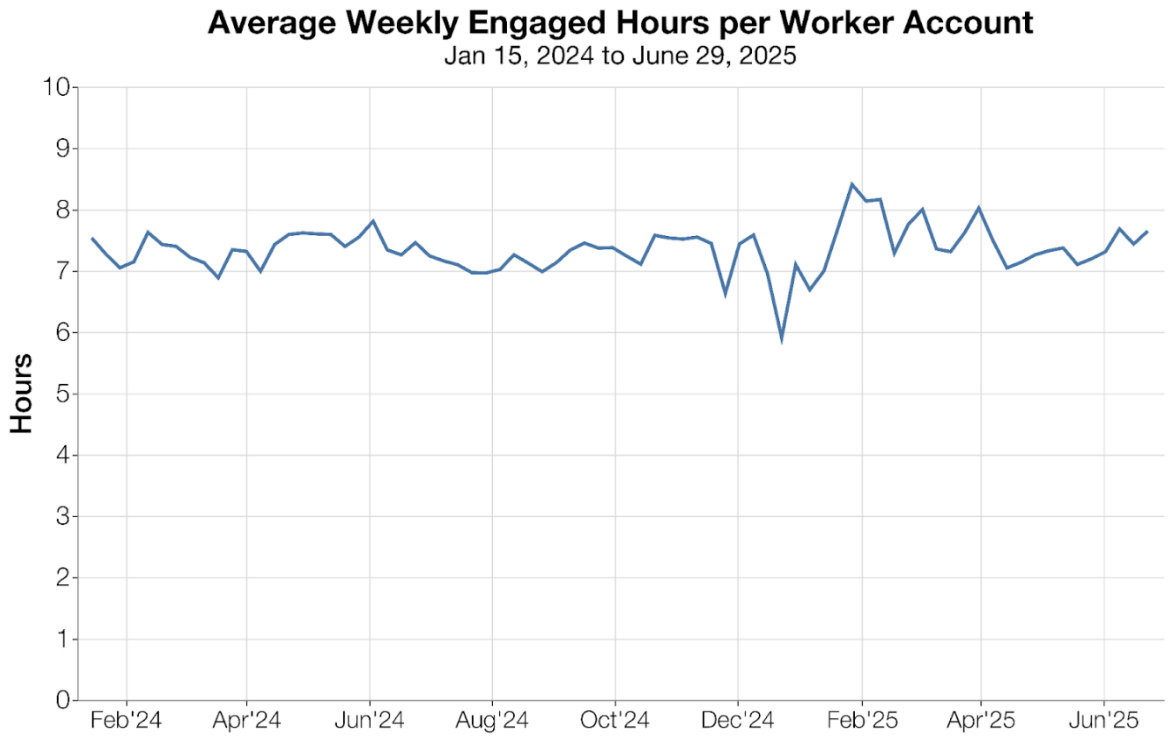
Work Time and Distance

OLS analyzed trends in work time and distance traveled per worker account (i.e., services performed by the same worker for each of the five largest companies were analyzed separately). "Engaged time" is defined by the ordinance as time spent by a worker to complete an offer. For on-demand offers (i.e., generally restaurant and grocery delivery), engaged time begins from the worker's acceptance of the offer and ends when they complete the offer. For example, for a food delivery offer, engaged time typically begins when a worker accepts an offer in the app and ends when that worker delivers the food order. For prescheduled offers (i.e., shift-based package delivery work from distribution centers), engaged time begins when the worker begins performance of the offer or reports to the work location and ends when the

app-based worker completes performance of the offer. Engaged time is work time that is subject to the per-minute component of SMC 8.37.[16]

For the period shown, there was an average of **7.3 engaged hours per worker account per week**.[17] From Half 1 2024 to Half 1 2025 (excluding the first two weeks of each half), there was a **small increase** in weekly engaged hours per worker **from 7.4 hours to 7.5 hours** (+2.0%).

Figure 8



In addition to engaged time, OLS also analyzed available time, which is defined by SHRR 240-100.3 as *"A time period that is less than one hour, occurs between (1) two periods of engaged time; (2) the worker logs-on to the worker platform (becomes available) and begins a period of engaged time; or (3) when the worker ends a period of engaged time and when the worker logs off of the worker platform (availability is terminated)."* Available time, unlike engaged time, is not required to be compensated under SMC 8.37but may reasonably be considered to be

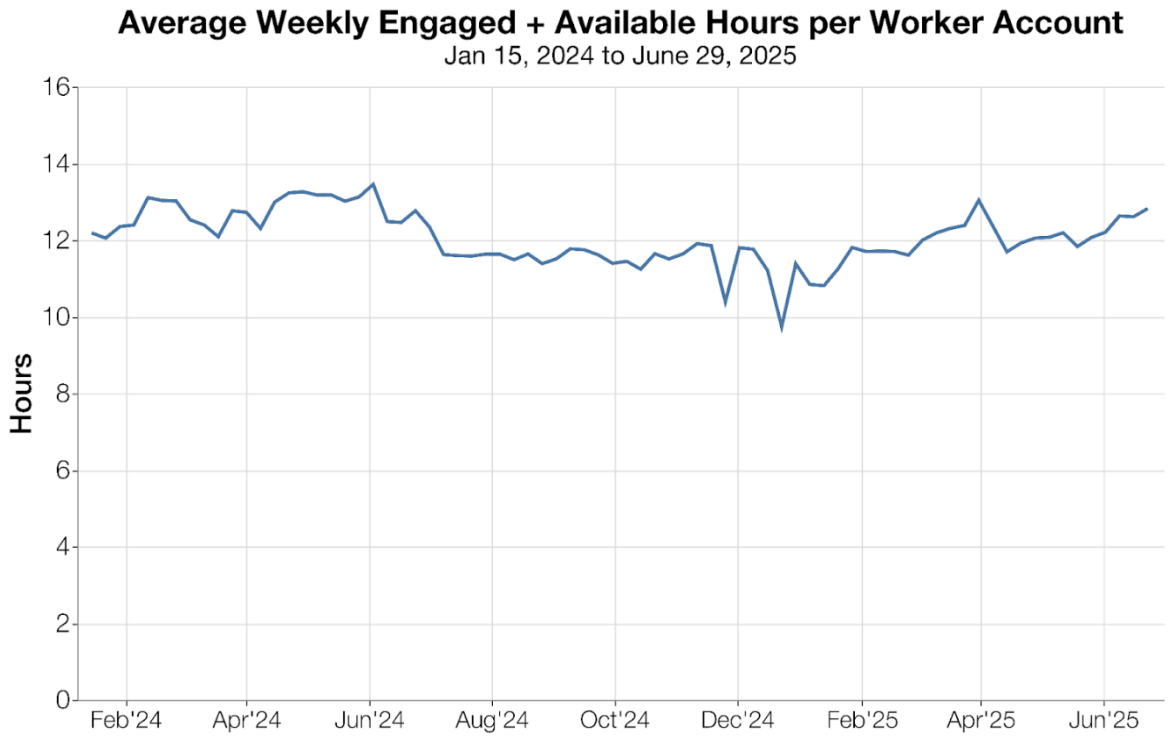
[16] SMC 8.37.020 (definition for "engaged time").

[17] This metric provides an underestimate of the average engaged hours per worker across all apps used to find work, since workers may have been active on multiple delivery apps at once. Moreover, some workers may have been active on delivery, rideshare, and other types of app-based platforms during the same weeks.

working time.. Comparable analyses have used a similar one-hour metric when analyzing available time.[18]

During the period shown, for the four largest on-demand network companies, for which workers incur available time (i.e., excluding one company that primarily facilitates pre-scheduled offers), there was an average of **12.0 engaged + available hours per worker account per week**. From Half 1 2024 to Half 1 2025 (excluding the first two weeks of each half), there was a **decrease** in weekly engaged + available hours per worker **from 12.7 hours to 12.0 hours** (-0.7 hours or -5.6%).

Figure 9

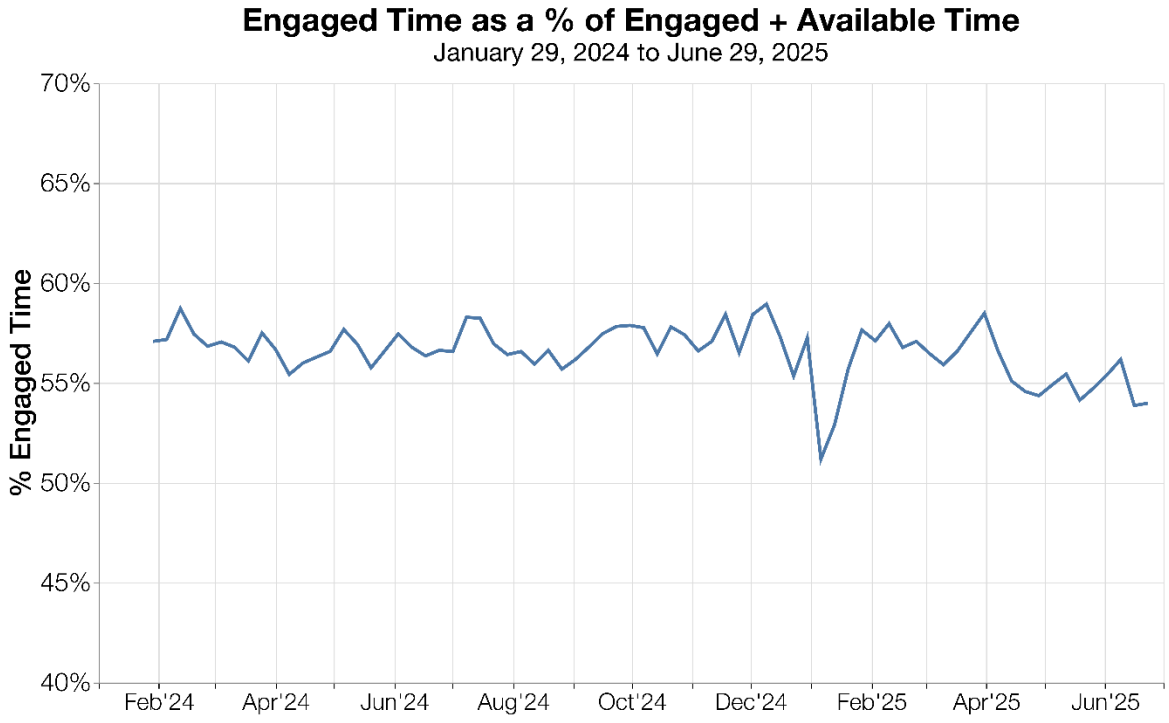


[18] Ken Jacobs et al., "Appendix: Adjustment to the Gridwise Data: Appendix to the Report: Gig Passenger and Delivery Driver Pay in Five Metro Areas" (Center on Wage and Employment Dynamics and Center for Labor Research and Education, University of California, Berkeley, May 2024), https://laborcenter.berkeley.edu/wp-content/uploads/2024/05/Appendix-Adjustments-to-the-Gridwise-Data.pdf.

OLS computed the percentage of engaged time, or the proportion of total online time (engaged + available hours) each week that was composed of engaged hours.[19] For the period shown, there was an average of **56.5% engaged time per week**.[20]

For the four largest on-demand companies, during Half 1 2024 to Half 1 2025 (excluding the first four weeks of each half), there was a **small decrease** in average engaged time percentage **from 56.8% to 56.0%** (-0.8 percentage points).

Figure 10



In addition, OLS computed the percentage of engaged miles, which is the proportion of miles driven during online time (engaged + available time) that were miles driven during engaged time.[21] For the four on-demand network companies, where workers incur available miles, the

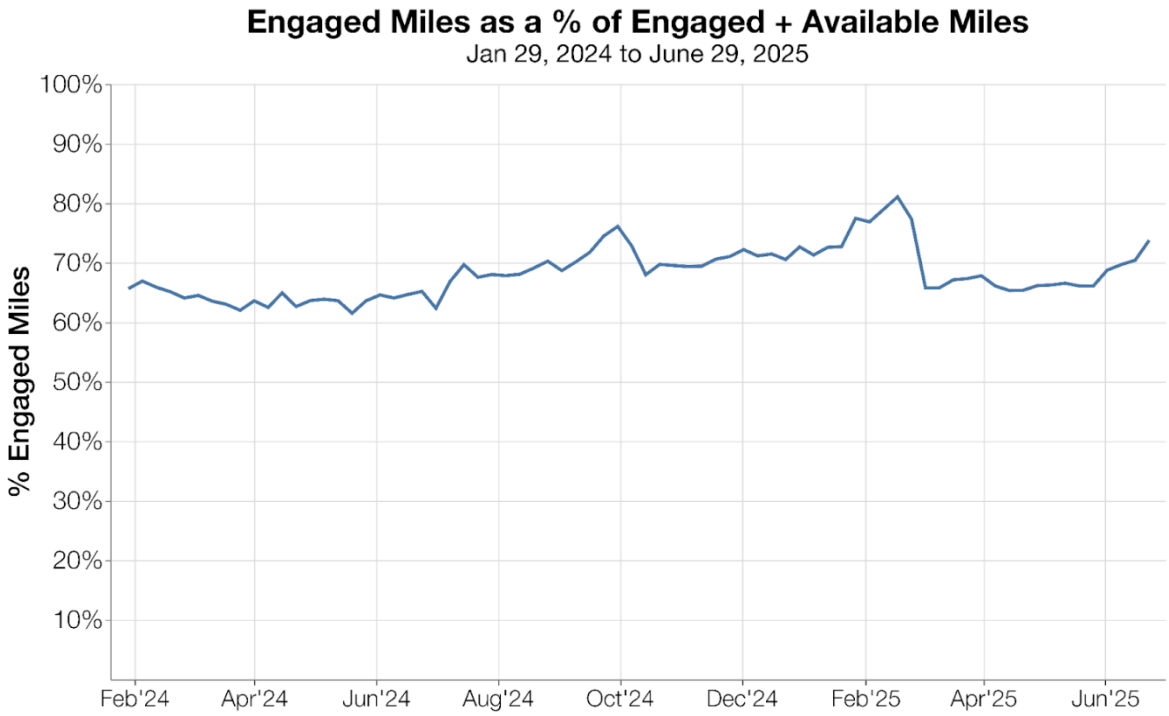
[19] One network company was excluded from this metric given most of their offers are pre-scheduled and thus do not incur available time.

[20] The reason that this number is not equivalent to the average of weekly engaged hours divided by the average of weekly engaged + available hours (both reported above) is that this metric is a weighted average, whereas the metrics reported above are simple averages.

[21] Available miles are defined by the rules as "miles traveled according to the routed distance between the offer completion location and the offer acceptance location of the subsequent offer." SHRR 240-100.2. The routed distance is defined as "shortest driving distance between two locations as

proportion of engaged miles was 69.2% on average. From Half 1 2024 to Half 1 2025 (excluding the first four weeks of each half[22]), there was an **increase** in the average engaged miles percentage **from 64.1% to 70.8%** (+6.7 percentage points).

Figure 11



Worker Pay

OLS was able to compute a variety of worker pay metrics using the data submitted by the five largest network companies. Firstly, OLS summarized the average base payment (the network company payment before deductions and not including tips or bonuses). For the period shown, **base payments averaged $274.51 per worker account per week**. From Half 1 2024 to Half 1

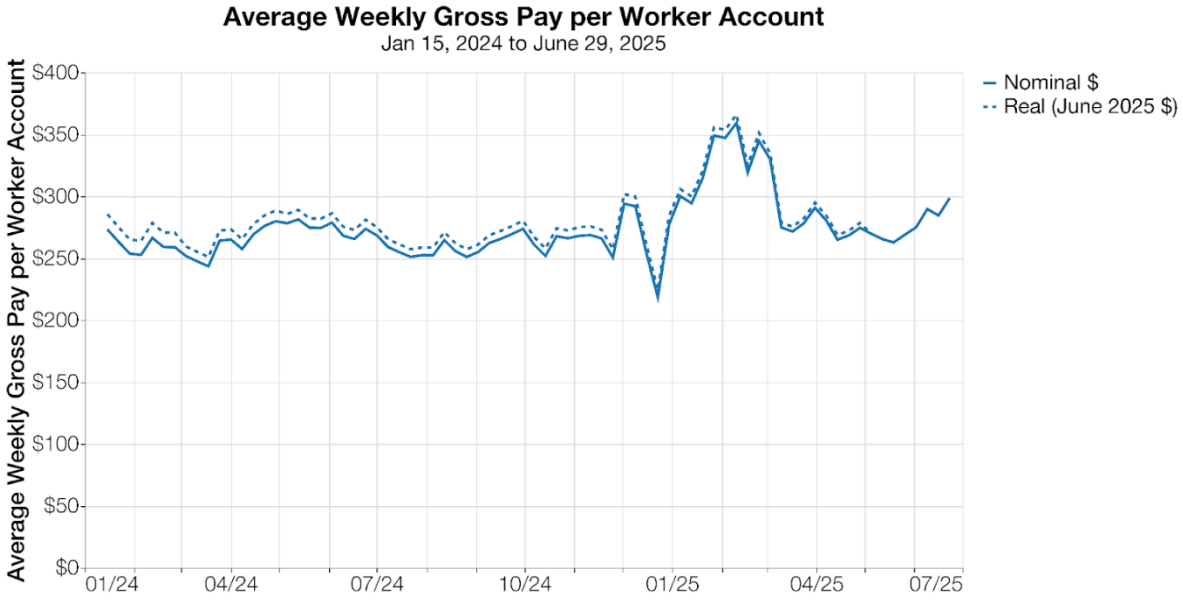
determined by the routing service used by the network company." SHRR 240-100.15. To further align the definitions of available miles and time for this analysis, OLS limited segments of available miles to only correspond to available time periods that were less than an hour. As a result, this analysis may be underestimating the actual number of miles driven by workers.

[22] The first four weeks were excluded for the H1 comparison windows, because not all companies submitted available miles data for the first four weeks of H1 2024.

2025 (excluding the first two weeks of each half), the average weekly base payment per worker account **increased from $265.42 to $295.10** (+$29.68 per week or +11.2%).

When adjusting for inflation for wage-earners in the Seattle Metropolitan area,[23] the average weekly base payments per worker account **increased in *real* terms** (in June 2025 $) **by 4.5%** (+$9.67 per week) between Half 1 2024 and Half 1 2025 (excluding the first two weeks of each half).

Figure 12

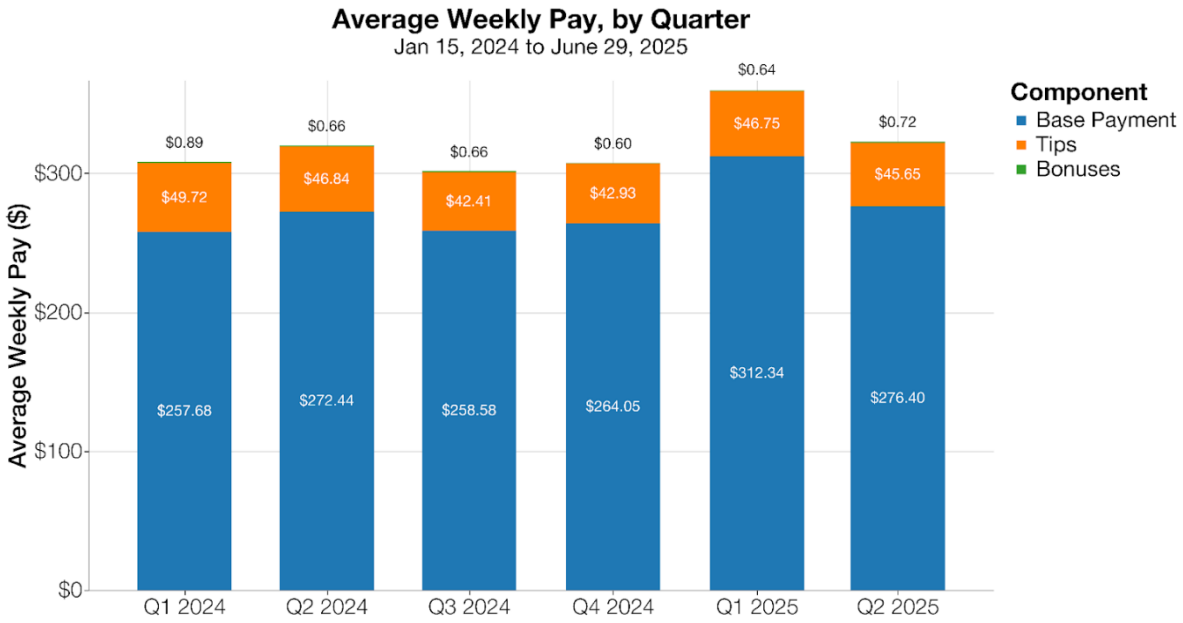


Secondly, OLS analyzed the composition of worker accounts' base payment, tips, and bonuses. On average, worker accounts received $274.51 per week in base payment, $45.56 per week in tips, and $0.69 per week in bonuses, for **total average weekly earnings of $320.76**.

Between Half 1 2024 and Half 1 2025 (excluding the first two weeks of each half), average weekly base payment increased by $29.68 (from $265.42 to $295.10), average weekly tips decreased by $2.37 (from $48.21 to $45.84), and average weekly bonuses decreased by $0.09 (from $0.77 to $0.68), resulting in a **net increase** in total average weekly earnings **of $27.22** (from $314.40 to $341.62).

[23] The inflation index used to adjust pay data was the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Seattle-Tacoma-Bellevue, WA metropolitan area. "Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)," U.S. Bureau of Labor Statistics, accessed Mar. 2, 2026, https://data.bls.gov/dataViewer/view/timeseries/CWURS49DSA0.

Figure 13



Finally, OLS computed the average hourly pay for time online for these worker accounts. This figure allows us to understand how workers are compensated for their time logged onto worker platforms—including time when they are actively completing offers as well as time between offers (i.e., available time) that may reasonably be considered working time.[24] OLS calculated this figure by taking into account prior calculations of their average pay, time logged onto the worker platform (available + engaged time), mileage-based expenses at the IRS rate, and their non-mileage expenses at a rate of 12%. This metric is calculated as shown in Table 1 in the Appendix and makes the assumptions:

1. Worker accounts' total time online is composed of both engaged *and* available time[25]

[24] To capture "available time" that may reasonably be considered working time, OLS included the time between engaged time segments of one hour or less. SHRR 240-100.3. *See also* SMC 8.37.020 (noting that "time that app-based workers spend . . . engaged to wait for work without compensation" includes work activities such as "[r]eviewing offers", "[c]ommunicating with network companies and customers", "[r]elocating in anticipation of future offers", [c]onducting administrative tasks", and [t]aking rest breaks."

[25] Available time data is limited to segments of less than one hour.

2. Worker accounts' net income is comprised of their base payment, minus total mileage expenses for miles driven during engaged *and* available time (using the annual per-mile automobile expense rates, calculated by the IRS[26])

3. Non-mileage expenses, which are paid by app-based workers, not network companies, "are necessary to conduct app-based work" and are defined by SMC 8.37 through the concept of the "associated cost factor" to be 12% of earnings.[27]

In the first eighteen months after SMC 8.37 went into effect, the average **pay for time online was $15.98 per hour**. This is significantly lower than the average base payment per engaged hour, which was $30.12 after subtracting mileage expenses solely incurred during engaged time at the IRS rate. Moreover, the average **pay for time online varied** substantially between network companies, ranging **from $12.09 to $25.37 per hour**.

Variation in time spent online but not actively completing offers (referred to as "available time" in the data reporting framework) appears to be the key factor impacting average hourly pay for time online. The network company that facilitates pre-scheduled offers had the highest average hourly pay for time online.

At the same time, the quantity of uncompensated time spent online differed significantly across the on-demand worker platforms. In other words, how long workers spent logged on and not actively completing an offer depended on the company. Companies that primarily facilitate restaurant deliveries reported more uncompensated online time than the company that

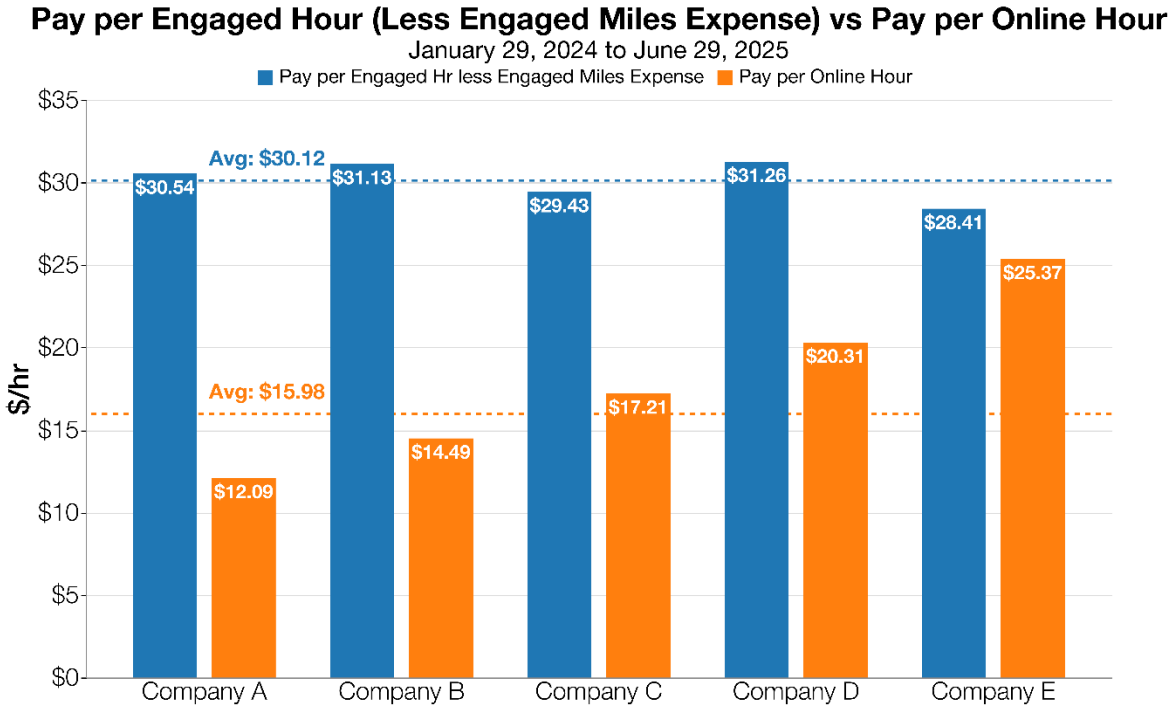
[26] The IRS commissions a study each year to calculate the fixed and variable costs of operating a vehicle, which is used for its standard mileage rate for business use of a vehicle. The mileage rate in 2024 was $0.67/mile and the rate in 2025 was $0.70/mile. "Standard mileage rates," U.S. Internal Revenue Service, accessed Mar. 2, 2026, https://www.irs.gov/tax-professionals/standard-mileage-rates.

[27] This amount is defined as the "associated cost factor" in SMC 8.37.020, and is intended to account for the following "non-mileage expenses that are necessary to conduct app-based work": employer-side payroll taxes that app-based workers must pay; paid family and medical leave insurance; state-provided unemployment insurance; workers' compensation insurance; business taxes that app-based workers must pay; business licensing fees that app-based workers must pay; the cost of miscellaneous expenses such as purchase of cellular phones, data plans, and other equipment required for work.

While the "associated cost factor" or non-mileage expenses are defined as 12% of the minimum wage equivalent rate in SMC 8.37, another paper establishes that the amount is actually larger, at 13.55%. *See* Ken Jacobs et al., "Gig Passenger and Delivery Driver Pay in Five Metro Areas" (Center on Wage and Employment Dynamics and Center for Labor Research and Education, University of California, Berkeley, May 2024), 24, https://laborcenter.berkeley.edu/gig-passenger-and-delivery-driver-pay-in-five-metro-areas/.

primarily facilitates grocery deliveries. Nevertheless, variation was still considerable among the three companies that deliver meals.

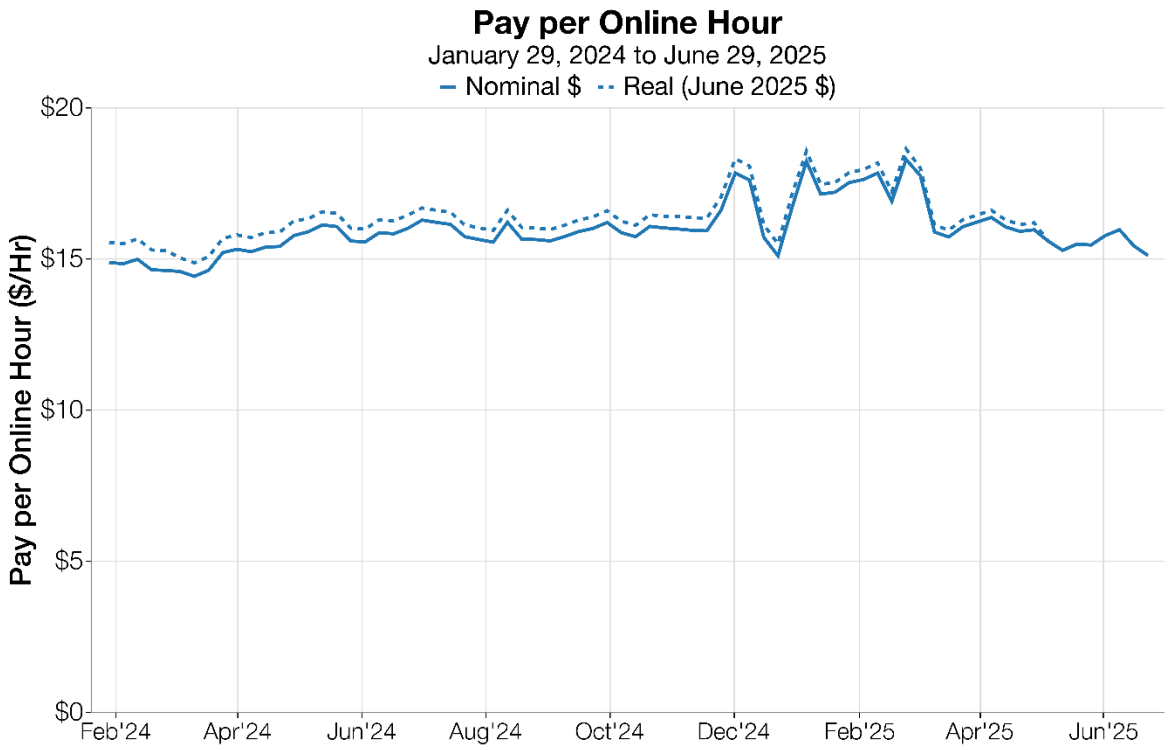
Figure 14



Between Half 1 2024 and Half 1 2025, there was **an increase** in average pay for time online from **$15.29/hr to $16.29/hr** (+$1.00/hr or +6.5%). When adjusting for inflation for wage-earners in the Seattle Metropolitan area, the average pay for time online hourly pay **increased in *real* terms** (in terms of June 2025 $) **by +$0.66** (+4.2%) between Half 1 2024 and Half 1 2025 (excluding the first four weeks[28] of each half).

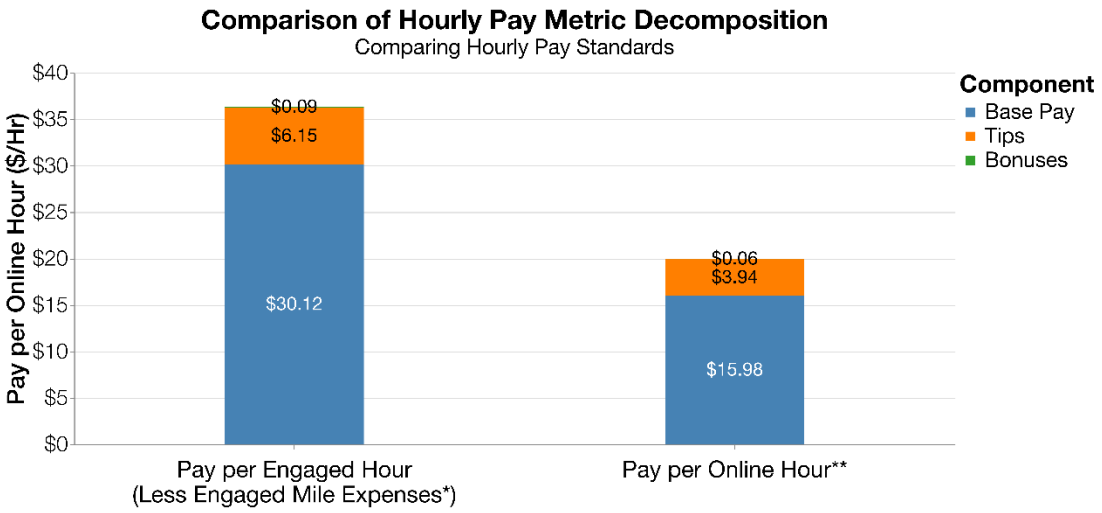
[28] The first four weeks were excluded for the H1 comparison windows, because not all companies produced available miles data for the first four weeks of H1 2024.

Figure 15



In addition to pay for time online, workers receive tips and bonuses. On average, worker accounts received $15.98 per hour in pay for time online, $3.94 per hour in tips, and $0.06 per hour in bonuses, for a **total average hourly pay of $19.98**. Between Half 1 2024 and Half 1 2025, average hourly pay for time online increased by $1.00 (from $15.29 to $16.29), average hourly tips decreased by $0.08 (from $4.00 to $3.92), and average hourly bonuses remained stable at $0.06, resulting in a **net increase** in total average hourly pay **of $0.92** (from $19.35 to $20.27).

Figure 16



** Mileage expenses calculated using the IRS standard mileage rate ($0.67 in 2024 and $0.70 in 2025).*
*** Pay per Online Hour is Base Pay divided by Engaged plus Available Time, across workers, less Engaged and Available Mile costs. Additionally, it accounts for a 12% cost factor for "non-mileage expenses that are necessary to conduct app-based work," including: employer-side payroll taxes, paid family and medical leave insurance, state unemployment insurance, workers' compensation insurance, business licensing fees, and miscellaneous expenses like cellular phones, data plans, and other required equipment.*

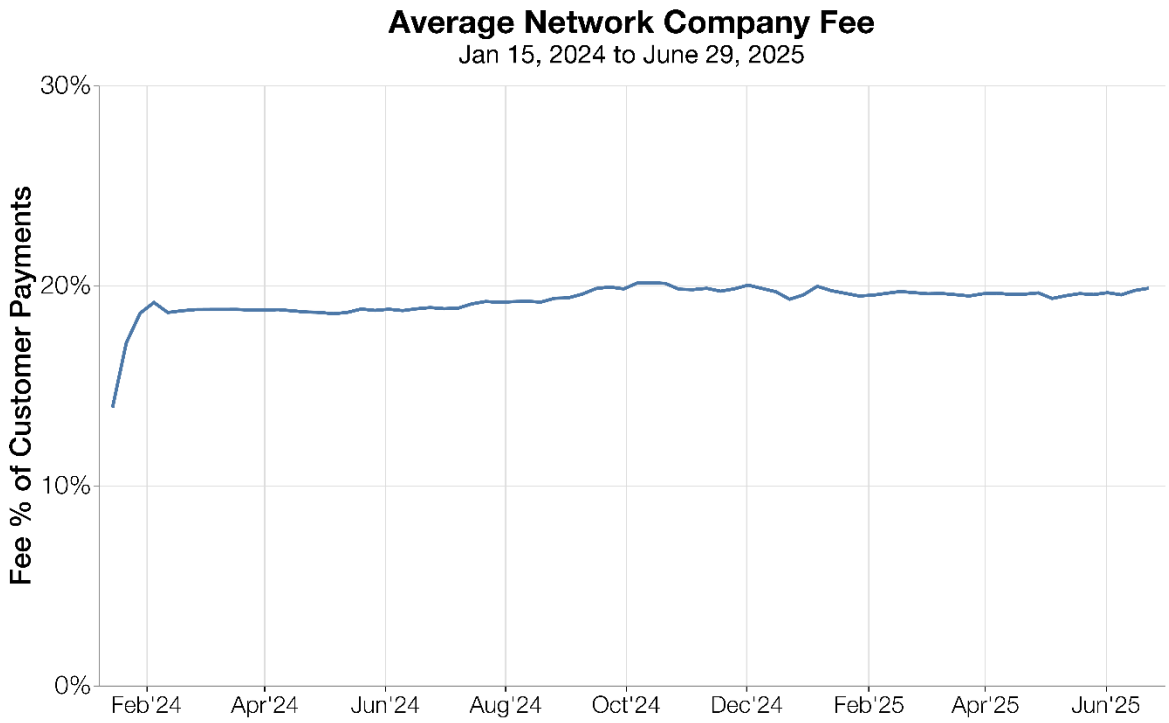
Network Company Fees

OLS analyzed the average network company fee as a percentage of the total customer payment per offer for four network companies. The network company fee is defined as "any amount charged to paying customers in excess of the amount charged for the underlying goods or services provided."[29] When fees are waived or reduced due to a customer's active subscription, the cost of subscription is not included in this calculation, which only includes fees specifically attached to individual offers.

For the period shown, there was an **average platform fee of 19.3% per week**. From Half 1 2024 to Half 1 2025 (excluding the first two weeks of each half), there was an **increase** in average platform fee **from 18.5% to 19.6%** (+1.1 percentage points).

[29] SHRR 240-100.6; SHRR 240-160.12.b.

Figure 17



Conclusion

Analysis of the comprehensive data reported to OLS by the five largest network companies finds that the number of workers largely remained consistent throughout the first 18 months after SMC 8.37 was implemented, increasing slightly when one compares Q1 and Q2 of 2024 to Q1 and Q2 of 2025. Completed offers decreased in the weeks immediately following the ordinance's effective date but grew on average from first half of 2024 to first half of 2025. Both base payment and pay for time online also increased by the end of the period, as did fees as a percentage of customer payments. Pay for time online differed substantially by network company, which was primarily a result of large variation in uncompensated time online across the network companies. Prior to the ordinance, it was reported that almost half of workers' pay was composed of tips. Post-implementation, base payment became by far the largest portion of pay.

OLS will continue to analyze the quarterly records reported by covered network companies. The Department looks forward to reporting the results in the future, including a broader analysis

that incorporates the many smaller network companies that were excluded from this report. Additionally, OLS will conduct qualitative research designed to understand workers' experience post-ordinance. Direct engagement with app-based workers may shed light on topics such as use of uncompensated online time, perspectives on the availability of offers and use of flexibility rights, how app-based work fits into workers' needs and other obligations, and other topics.

Appendix

Appendix 1: Calculation of Pay for Time Online

Part 1: Pay for Time Online Step-by-Step Calculation

#	Metric	Source	Value
1	Average Weekly Base Payment per Worker Account	Data	$274.68[30] / week
2	Average Weekly Engaged + Available Miles per Worker Account	Data	101.5 miles / week
3	IRS Standard Mileage Rate	IRS	$0.67/mi in 2024 and $0.70/mi in 2025
4	Average Weekly Mileage Expenses per Worker Account	Computed #2 * #3	$69.06 / week
5	Average Weekly Engaged + Available Hours per Worker Account	Data	11.48 hours / week
6	Average Base Pay per Hour	Computed #1 / #5	$23.93 / hr
7	Average Hourly Rate, Adjusted for Mileage Expenses	Computed (#1 - #4) / #5	$17.91 / hr
8	Non-Mileage Expense Ratio (Associated Cost Factor)	Various	12%[31]
9	Pay for Time Online	Computed #7 / (1 + #8)[32]	$15.98 / hr

[30] This number differs slightly from the figure cited in the body of the report ($274.51). This is due to the exclusion of January 2024 data, for which OLS received incomplete information about time and miles and therefore could not include those weeks in the pay for time online calculation.

[31] Assumed by SMC 8.37.050: Associated Cost Factor is 1.12.

Part 2: Pay for Time Online Equations

(a) Pay for Time Online formula:

$$Pay\ for\ Time\ Online\ = \frac{\frac{Avg\ Weekly\ Base\ Pay - (Avg\ Weekly\ Engaged\ Miles + Avg\ Weekly\ Available\ Miles) \times IRS\ Expense\ Ratio}{Avg\ Weekly\ Engaged\ Hours + Avg\ Weekly\ Available\ Hours}}{1 + Nonmileage\ Expense\ Ratio}$$

(b) Calculation with data from the analysis:

$$\frac{\frac{\$274.68/week\ -\ (101.5\ miles/week)\ \times\ \$0.68/mi}{11.5\ hours/week}}{1\ +\ 0.12} = \$15.98/hour$$

Part 3: Pay for Time Online Waterfall Chart