

May 30, 2024

The Honorable Keith Ellison Minnesota Attorney General 445 Minnesota Street Suite 1400 St. Paul, MN 55101

Dear Attorney General Ellison:

On behalf of Chamber of Progress – a tech industry association working to ensure all Americans benefit from technological leaps – I write in response to the recently approved HF4746, establishing a new wage floor for rideshare drivers.

While the effects of the law remain to be seen for both consumers and drivers, the debate over the law illustrated one thing: **Minnesota rideshare drivers wanted** higher wages and better benefits – but also value their independence and aren't asking to be reclassified as employees.

We urge you to bear this sentiment from drivers in mind as you continue your work with the Advisory Task Force on Worker Misclassification.

App-based gig workers have consistently reported that they want to remain independent. In a 2022 poll, 77% of app-based workers supported maintaining their status as independent contractors.<sup>1</sup> Nationwide, 36% of app-based workers work full time (more than 30 hours per week) in addition to their gig work, and 20% are balancing unpaid caregiver responsibilities.<sup>2</sup>

As the Department of Labor and Industry found in its report on transportation network drivers, a majority of rideshare drivers in Minnesota are immigrants.<sup>3</sup> Gig workers value the ability to set their own hours, work across multiple

<sup>&</sup>lt;sup>1</sup> https://www.flexassociation.org/post/mcworkersurvey

https://www.flexassociation.org/wp-content/uploads/2024/03/Flex-Economic-Impact-Report-2024.pdf

<sup>&</sup>lt;sup>3</sup> https://www.kare11.com/article/news/politics/walz-signs-ride-share-driver-pay-bill/89-4ceb45c9-1573 -48a9-a812-a41bd10fbafc

platforms, and take breaks whenever needed – **benefits that are possible only if they remain independent contractors**. In fact, 63% of Lyft drivers in Minnesota report that they would stop driving if they lost their independent status.<sup>4</sup>

The legislature correctly recognized drivers' desires to remain independent while finding ways to make gig work better. With the Governor's signature on HF4746, Minnesota has joined the ranks of California, Washington, and New York by protecting workers' flexibility while guaranteeing wage levels and benefits for certain app-based gig workers.

This third-way approach best protects the interests of app-based workers. As House Majority Leader Jamie Long said, "This was the best deal we could possibly get for drivers."

As you continue your work with the Advisory Task Force on Misclassification, we urge you to keep the views of drivers in mind as you consider app-based gig workers. Overwhelmingly, app-based workers report that they prefer being independent contractors because of the flexibility they are afforded.

As Minnesota, New York, Washington, and California have now demonstrated, there are ways to extend benefits to app-based workers without sacrificing the flexibility they value and threatening consumers' access to critical services.

We urge you to focus on industries where workers are truly misclassified and denied benefits they deserve, rather than turn back progress for app-based workers by sacrificing their independent status.

Sincerely,

**Ruth Whittaker** 

**Director of Civic Innovation Policy** 

**Chamber of Progress** 

<sup>4</sup> https://drive.google.com/file/d/1wsPs-2EicuWfgN5piX-h56JKt7uYhr0R/view