

September 16, 2024

The Honorable Ron DiSanto Chair Senate Banking & Insurance 168 Main Capitol 501 N 3rd Street Harrisburg, PA The Honorable Sharif Street Minority Chair Senate Banking & Insurance 535 Main Capitol 501 N 3rd Street Harrisburg, PA

Dear Chair DiSanto, Senator Street, and members of the committee:

On behalf of Chamber of Progress – a tech industry coalition promoting technology's progressive future – I write in **support** of **SB 967**, which would create portable benefits accounts for app-based gig workers while also protecting their independence.

Millions of workers rely on app-based work as a significant source of income.¹ Gig work has proven to be an economic lifeline for millions of Americans met with increasing financial strain due to inflation. In Pennsylvania, there are 260,000 active app-based workers, and 32% of the population have earned an income on an app-based platform.² Women, in particular, have relied heavily on gig driving, having been disproportionately impacted by the pandemic due to an increasing need for childcare and homeschooling, as well as job cuts in the home cleaning, hospitality, and service industries. Women now make up 58% of DoorDash drivers³ and about 50% of Uber's delivery drivers.⁴ The flexibility of app-based services allows drivers to generate income on their own schedule.

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.⁵ 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.⁶ App-based workers also consistently report that the ability to set their own hours, work across multiple platforms, and work when and where they want are the benefits they value most.⁷ The flexibility that workers value would not be possible without their independent status.

¹https://www.isonline.com/story/money/careers/2022/04/07/delivery-driving-apps-helped-wisconsin-citizens-through-pandemic/9440418002/

² https://www.flexassociation.org/industry-impact/economic-impact-by-state/

³https://doordash.news/dasher/a-majority-of-dashers-are-women-heres-why-they-choose-doordash/

⁴ https://www.axios.com/2021/08/26/women-gig-economy-doordash-uber-delivery-driver

⁵ https://www.flexassociation.org/post/mcworkersurvey

 $^{^{6}\,\}underline{https://www.flexassociation.org/wp-content/uploads/2024/03/Flex-Economic-Impact-Report-2024.pdf}$

¹ https://www.flexassociation.org/wp-content/uploads/2024/03/Flex-Economic-Impact-Report-2024.pdf

SB 967 would protect the independence that workers value while expanding access to other important benefits. Unlike traditional employer-sponsored benefits, portable benefits programs would allow app-based workers to accrue benefits while working across multiple platforms or balancing multiple forms of employment. The accounts created by this bill would give eligible app-based workers access to paid time off, health insurance, and retirement savings. The bill would also require that all app-based workers, regardless of their earnings on the platform, be covered by occupational accident insurance. Providing these benefits while protecting their independence will help improve app-based work without compromising workers' priorities.

Other states have successfully implemented similar models. After passing SB 233 last year,⁸ Utah became the first state to implement a statewide portable benefits program. Utah's first-of-its-kind public-private model allows Utah gig workers to receive health coverage, paid time off, long-term savings, and other benefits through a portable benefits savings account without stripping them of their independent contractor employment status. Similarly, California, Washington, and New York have adopted policies extending benefits like sick leave, health insurance stipends, and workers' compensation for different groups of app-based workers. This bill would also create a model similar to a pilot program DoorDash launched in Pennsylvania this year, which Governor Josh Shapiro called a "positive step forward," providing workers "greater access to benefits."

Survey results show that approximately 80% of self-employed workers would support voluntary portable benefits programs.¹⁰ We respecfully urge you to **support SB 967**, which would expand access to valuable benefits for app-based workers without forcing them to sacrifice their independence.

Sincerely,

Brianna January,

Director of Government Relations, Eastern US

⁸ https://le.utah.gov/~2023/bills/static/SB0233.html

https://about.doordash.com/en-us/news/pa-portable-benefits-pilot

¹⁰ https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.34.1.170