

# Social Mobility

Driving System Change in the Gig Economy through Worker Ownership

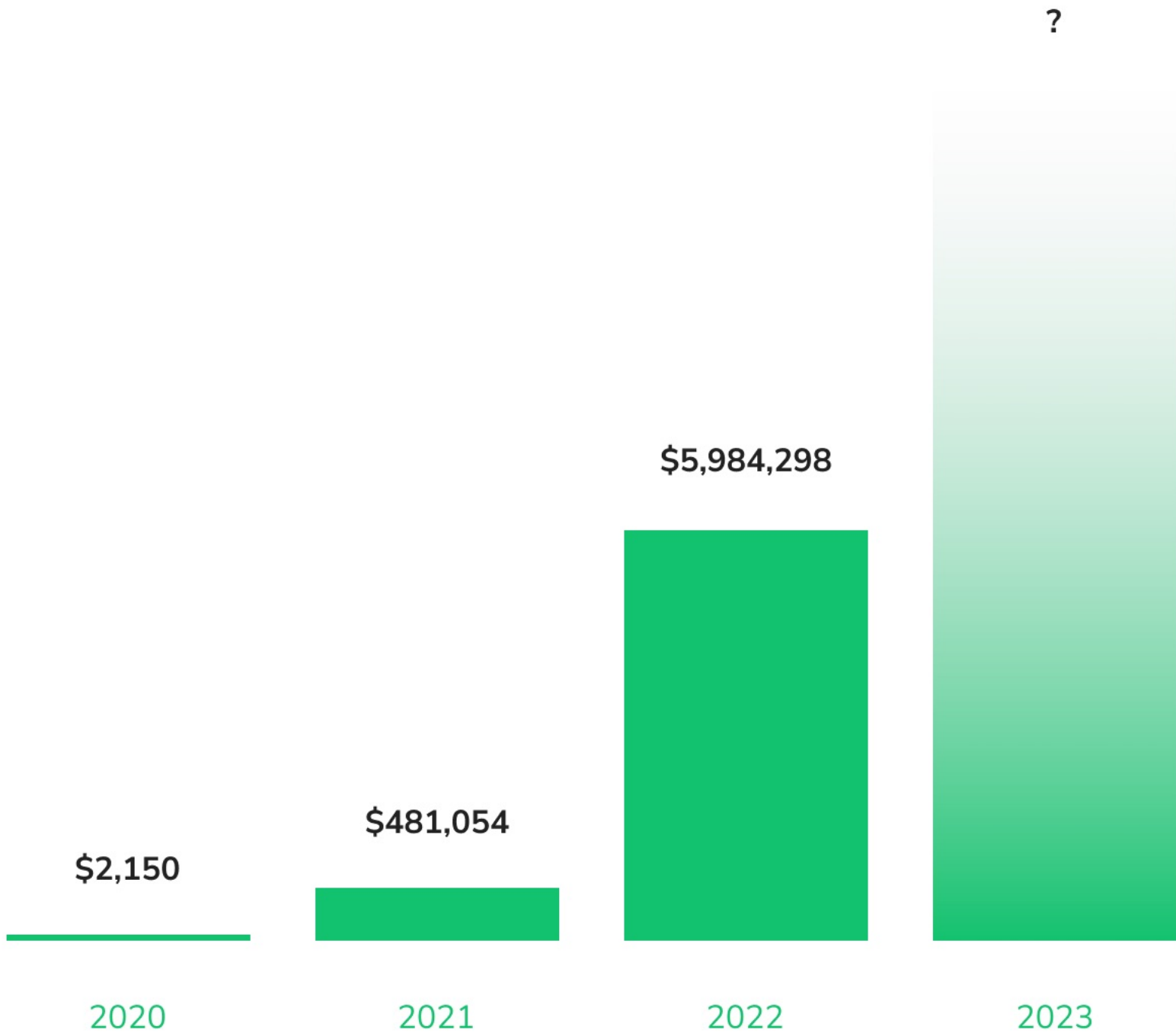
Annual Report of The Drivers Cooperative

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2023



# Revenue



# Table of Contents

Letter from the Board of Directors	4
Our Mission	5
Traction	6
The Problems We're Solving	7
Theory of Change	17
How We're Doing It: Strategy	19
Our App: Co-op 2.0	23
Our Partners	24
In Memoriam: Ramon Pebenito	27

# Letter from the Board of Directors

Dear Fellow Cooperators,

Over the past year, our first full year of operation, The Drivers Cooperative achieved 12x revenue growth to over \$5.9 million in sales, established a \$30/hr minimum wage for our members, and we are now approaching profitability. And that's not even the most exciting news we have to share.

We have now launched Co-op 2.0, a brand new rideshare platform we built from scratch, with parity on back-end functionality with our venture-backed competitors. [Download it here and tell your friends](#). Co-op 2.0 will unblock the next phase of our growth not just in New York City, but everywhere as we share our technology with locally-owned cooperatives worldwide.

We know you're not surprised. You believed in us from the start. We're not surprised either— we know that there is nothing that can stop an idea whose time has come.

But ideas don't become reality all on their own. It takes hard work and smart choices. There are challenges, breakthroughs, setbacks, disappointments, conflict, and loss. Sometimes the losses are personal. We lost our incredible Organizing Director, Ramon Pebenito, son of a Lyft driver, to cancer in December. We remember Ramon and honor his memory by continuing the fight.

We share this report because you are a stakeholder in this journey. This company is an unconventional startup— we didn't start with capital, we started with labor. We were a group of drivers and allies who came together in a classroom in 2019 determined to build the driver-owned platform of the future. At that time, the venture community wouldn't support us and few foundations understood us. The Drivers Cooperative was capitalized by the cooperative movement— by you. Now many more people see what you knew all along— cooperatives aren't just good, they are a better way of doing business. In this report we will share details of what we have achieved, and the roadmap ahead.

We look forward to going the distance together.

In cooperation,

*The Drivers Cooperative*

# Our Mission

The Drivers Cooperative is bringing about system change in the rideshare gig economy through worker ownership and a just, green transition. We build technology to upgrade job quality for drivers, and enhance service quality for people with disabilities. We create *social mobility* for those who need it most.



# Traction



**\$5.9 Million**  
In Revenue FY 2022

\$5.2 million in wages paid to drivers, and 165,294 successful trips.



**12x**  
Sales Revenue Growth

From \$481k in 2021 to \$5.9 million in 2022.



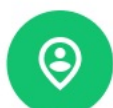
**\$30/hr**  
Living Wage

Through our Economic Security Program, we have created a \$30/hr minimum wage for our members. This is the first-ever hourly living wage guarantee in the transportation gig economy. It is historic, and it's just the beginning.



**Co-op 2.0**  
Custom-Built A New Rideshare App From Scratch

Co-op business logic with back-end integrations with powerful APIs for routing and matching made possible through a partnership with Google.



**9,000+ Drivers**  
In Onboarding

Nearly 15% of the total driver workforce in New York City.



**Green Transition**  
Secured Sponsorship Of Legislation

Our legislation will bring about a just, green transition to electric vehicles across the industry.



**3 New Major Contracts**  
Positioned For Growth

Contracts with all three paratransit brokers in New York City.



**100%**  
Current On Debt Payments

Over \$150,000 paid back to lenders, two loans paid off in full.

# The Problems We Are Solving

We are addressing some of the biggest challenges of our time with cooperative innovation.



Job Quality in the Gig Economy



Disability Justice



Tech Justice



Environmental Justice



Equitable Enterprise

# The Problems We Are Solving

## Job Quality in the Gig Economy

### The Problem

In New York City, the 91% immigrant, predominantly people of color workforce that powers Uber and Lyft is pushed into poverty by the corporate platforms by high commissions and a business model that externalizes all vehicle costs onto drivers, while exempting drivers from the rights and protections that most workers take for granted. On average, drivers net approximately \$30k per year while working more than full-time hours. Nationally, over 800,000 people make a living in the rideshare gig economy, with earnings in the lowest 10% of all occupations.<sup>1</sup>

### What We're Doing

The Drivers Cooperative is upgrading job quality in the gig economy: through our Economic Security Program drivers make a guaranteed \$30/hr— the first and only stable living wage in rideshare. We paid out \$5.2 million in wages in 2022, and we're just getting started. Increased gross income is only half the battle because expenses eat up 50 cents of every dollar drivers make. To help drivers reduce expenses, we have partnerships with the Lower East Side People's Federal Credit Union and Hebrew Free Loan Society for low-interest and 0%-interest car loans, with a focus on wheelchair-accessible vehicles, electric vehicles, and refinancing to allow drivers to escape predatory lending.

*We are turning the piece-rate precarity of the gig economy into stable, living-wage work.*

<sup>1</sup> <https://www.epi.org/publication/uber-and-the-labor-market-uber-drivers-compensation-wages-and-the-scale-of-uber-and-the-gig-economy/>



# Our members



*“The Drivers Cooperative is a great company that offers low commission for drivers to grow their businesses and make great money.”*

**- William W.  
Driver-Owner**

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William is a military veteran and has been a TLC-licensed driver since 1986. He joined The Drivers Cooperative in 2021. Through the cooperative's living wage guarantee and partnership with the Hebrew Free Loan society, William recently was able to upgrade to a new wheelchair-accessible vehicle.

# The Problems We Are Solving

## Disability Justice

### The Problem

Just 25% of New York City's subway stations are wheelchair accessible, in violation of the Americans with Disabilities Act, and the problem is even worse in cities nationwide.<sup>2</sup>

Public transit agencies meet legal requirements for "equivalent service" through outsourced paratransit programs that rely on taxis and black cars. But less than 6% of New York City's fleet of 96,000 for-hire vehicles are wheelchair accessible, and most paratransit providers use outdated technology that degrades service quality for riders, and employ the same gig economy business model that impoverishes drivers.

### What We're Doing

The Drivers Cooperative has become a leading provider of transportation for people with disabilities in New York City.

We have subcontractor agreements with all three paratransit brokers, and additional service contracts in the pipeline. We are now piloting our AI-powered routing technology to upgrade job quality for drivers and enhance service quality for the riders who need mobility the most.

*The Drivers Cooperative is uniting with people with disabilities to bring about system change in paratransit.*

<sup>2</sup> <https://thehill.com/changing-america/respect/accessibility/3533211-95-percent-of-new-york-subway-stations-to-be-accessible-by-2055-officials-say/>

# Our members



"Together we stand to provide service for those who need transportation just as anyone else who travels around the city but can not use public transportation, but deserves the same quality service."

- Valerie J.  
Access-a-Ride  
Coordinator

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Valerie joined The Drivers Cooperative as Access-a-Ride Coordinator in 2022 following many years as an advocate for transportation justice for people with disabilities. At the co-op, she is responsible for training drivers to provide excellent service to all riders, and manages onboarding for the co-op's Access-a-Ride program.

# The Problems We Are Solving

## Tech Justice

### The Problem

Silicon Valley startups use the power of technology to change the world, creating immense wealth for a fortunate few. Often, this exacerbates inequalities of race, class, and gender and creates other negative externalities. But what if we built tech for good?

### What We're Doing

We're building technology to solve major social problems. Over the past year, we have completed Co-op 2.0, the first ever 100% driver-owned transit tech platform. The business logic is designed to build wealth for our community. We are applying AI to the vehicle routing problem to enhance job quality for drivers, while optimizing service quality for people with disabilities- and for everyone. We are now ready to share our technology with the world through the power of federation.

*The Drivers Cooperative is building tech for good– our Co-op 2.0 platform is built from the ground up to optimize for job quality for drivers, and service quality for riders with disabilities. We're ready to share it with the world.*

<sup>2</sup> <https://thehill.com/changing-america/respect/accessibility/3533211-95-percent-of-new-york-subway-stations-to-be-accessible-by-2055-officials-say/>

# Our members



*“I started driving for Uber in 2014. Since then they kept cutting pay and increasing their commission. They locked drivers out completely when NYC implemented minimum pay regulations. That’s why I joined the cooperative.”*

**– Will H.  
Data Analyst**

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Will joined the co-op as a driver in 2021. He became an Organizing Fellow, supporting the co-op’s outreach and operations, and then came on staff as Data Coordinator to support our Economic Security Program and related data needs. With the support of the co-op, Will learned SQL and gained Google certification as a Data Analyst, and now serves the co-op in that role.

# The Problems We Are Solving

## Environmental Justice

### The Problem

New York City's for-hire vehicle fleet puts 1.4 million tons of CO2 into the air each year. The rideshare gig economy is based on fossil fuel extraction— and neither of the major platforms has a realistic roadmap to change that. Well, we do.

### What We're Doing

We are implementing the Community Power Plan to Electrify Rideshare. In our “EV Navigator” program, drivers help their peers navigate the EV purchase process and access existing subsidies and loans from our non-extractive financial partners. To help with the costs, the co-op collects a \$1 “Green Transition Surcharge” on each trip that goes into a savings fund your driver can tap to buy an EV.

We have a realistic roadmap to a 100% electric fleet, but we're just one company, so we're partnering with NYC City Councilmember Amanda Farías and her colleagues to pass an innovative package of bills to bring about a just, green transition of the for-hire vehicle industry as a whole by creating a new stakeholder-governed public authority- an innovation in governance that for the first time provides stable financing for the Green New Deal our world needs. It's a model that can be replicated nationwide. Stay tuned.

*The Drivers Cooperative is leading the way with a realistic roadmap to a just, green transition of the for-hire vehicle industry.*

<sup>2</sup> <https://thehill.com/changing-america/respect/accessibility/3533211-95-percent-of-new-york-subway-stations-to-be-accessible-by-2055-officials-say/>



The Drivers Cooperative



Above: founding members of The Drivers Cooperative Erik Forman, Ken Lewis, and Mohammad Hossen and State Assemblymember Amanda Septimo at the NYSERDA Clean Transportation Prize award ceremony.

Through “The Bronx is Breathing” coalition led by Volvo, The Drivers Cooperative is a subawardee of a \$10 million Clean Transportation Prize from the New York State Energy Research and Development Authority to build an electric truckers’ cooperative and EV charging hub in the South Bronx— a key component in our Community Power Plan to Electrify Rideshare.

# The Problems We Are Solving

## Equitable Enterprise

### The Problem

The corporate form as we know it has faced substantial criticism. Even the Business Roundtable called for a turn to multi-stakeholder orientation.<sup>3</sup> But talk is cheap- who is actually doing something different?

### What We're Doing

The Drivers Cooperative is a multi-stakeholder worker cooperative with a deep commitment to equity. It hasn't been easy to be different in a world full of pressures that constantly push us to be the same as other companies. When we launched in 2021, our Board of Directors was 60% white and 80% male, our management and core staff was 66% white and 83% male and our leadership was largely appointed (we had to start somewhere- you have to create the organization before you can have elections). Today, our leadership is almost entirely elected (and will be entirely elected after the close of the current elections), and largely reflects the diversity of our membership. We promote from within, creating a pipeline of opportunity for our members. As a result, our Management Team is now 100% drivers and 100% people of color, and while we still have work to do to achieve gender equity, 33% of our management and staff are women in an industry with a 90% male workforce. Our pay differential from lowest to highest is 1:1.6 Innovation is a process, but we have made progress toward being the kind of company we all want to see in the world.

*The Drivers Cooperative is turning piece-rate precarity into stable, living-wage jobs provided by an equitable enterprise, while leading the way toward systemic change in our industry. With this proof of concept, the next step is to scale...*

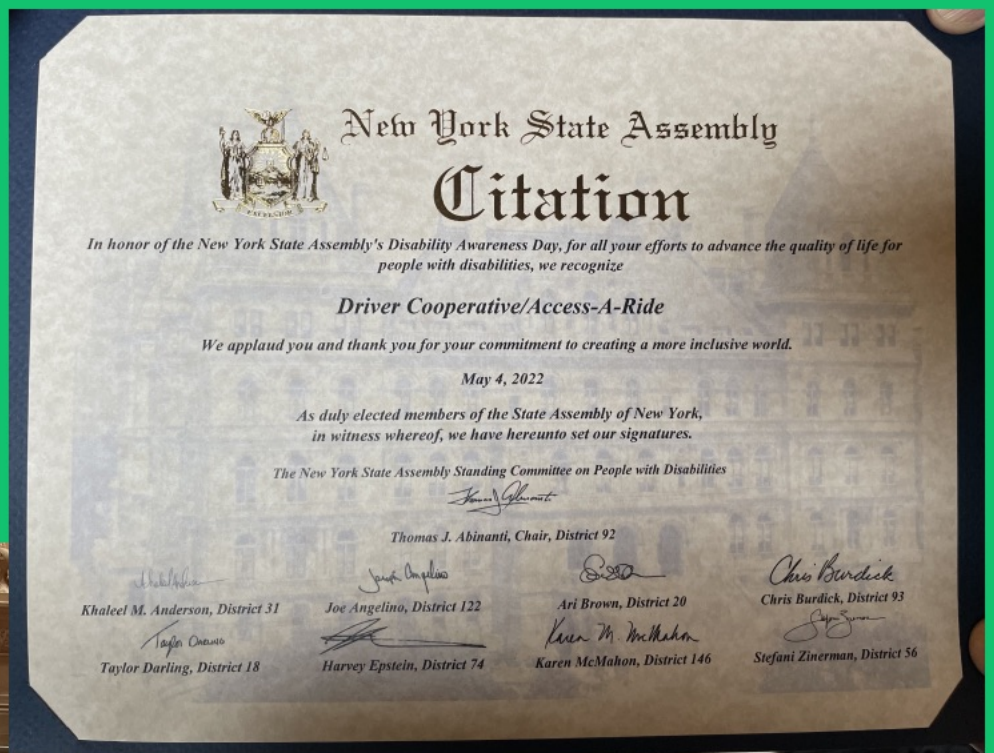
<sup>3</sup> <https://opportunity.businessroundtable.org/ourcommitment/>



# Theory of Change

Through driver ownership of the platform and custom-built transit tech, we can upgrade job quality in the gig economy, optimize service quality for people with disabilities, and bring about a just, green transition of the for-hire vehicle industry— first in New York City, and then the world.





Above: Members of The Drivers Cooperative at the New York State Capitol with members of the NYS Assembly.

**The Drivers Cooperative was awarded a Citation from the New York State Assembly recognizing our advocacy for disability justice.**

# How We're Doing It: Strategy

Our mission is to revolutionize rideshare— an \$85 billion global industry that relies on tens of millions of drivers worldwide completing billions of trips each year. It's a big goal. In general, the way to achieve big goals is to break them down into small steps. In marketplace-based businesses, a specific approach is needed to achieve “network effects” at each stage of growth. We are implementing a phased strategy to achieve impact at successively greater scales.



# Phase 1: Pre-Scheduled Trips

## Defensible Niche

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While we have always made our service available for any member of the public to book a trip on-demand, in our first phase we have focused on the pre-scheduled segment of the New York City ground transportation market— a move which allows us to focus on our strength: our value proposition to drivers.

In the prescheduled market, we are able to secure large volumes of trips without needing a large rider marketing campaign. The core of the prescheduled market is government-funded paratransit and Non-Emergency Medical Transportation (NEMT), as well as staff transportation, creating around 30,000 trips/day in New York City, a Total Addressable Market of around \$300 million/year. The problems of this sector include low job quality for drivers, and low on-time performance for riders.

The Drivers Cooperative has developed a cooperative approach to solving the problems of this sector: our Economic Security Program stabilizes driver incomes by providing a guaranteed minimum of \$30/hr, we partner closely with disability advocacy organizations to provide training for drivers to enhance service quality, and we will soon be rolling out routing technology to increase utilization, allowing us to boost driver incomes more— a decisive competitive advantage. Our “defensible niche” in prescheduled allows us to build a large and active fleet of committed drivers, a key precondition for achieving network effects in rideshare.



# Phase 2: Rideshare

## Network Effects

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There are approximately 600,000 rideshare trips per day in New York City, creating a \$4.4 billion TAM. The key to serving this market is short ETAs and competitive prices for riders. The key to having short ETAs is to have a large fleet of drivers on the road. Without actively recruiting, over 9,000 drivers have joined The Drivers Cooperative so far— over 10% of the active for-hire vehicle driver workforce in New York City, and over 40,000 riders have downloaded our app as a result of earned media and our grassroots marketing strategies. As we reach break- even in our prescheduled business, we will be ramping up outreach efforts to be able to offer competitive ETAs as we launch into rideshare.



# Phase 3: Federation

## A Global Brand

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We have custom-built Co-op 2.0, a prescheduled transportation and rideshare platform that can allow drivers and their allies anywhere in the world to execute the same strategy we have used in New York City to build a large and thriving cooperative. We will be making our technology, brand, and business systems available to drivers and allies across the world to rapidly achieve the same scale as our corporate competitors. We will become a global brand.

Just as franchising changed the face of the American economy in the 20th century with the proliferation of fast food restaurants and chain store retailers, we can shape the economy of the 21st century by rapidly scaling cooperatives through federation.



# Our Platform

## Co-op 2.0

100% custom-built, 100% driver-owned

Top-shelf rider user experience

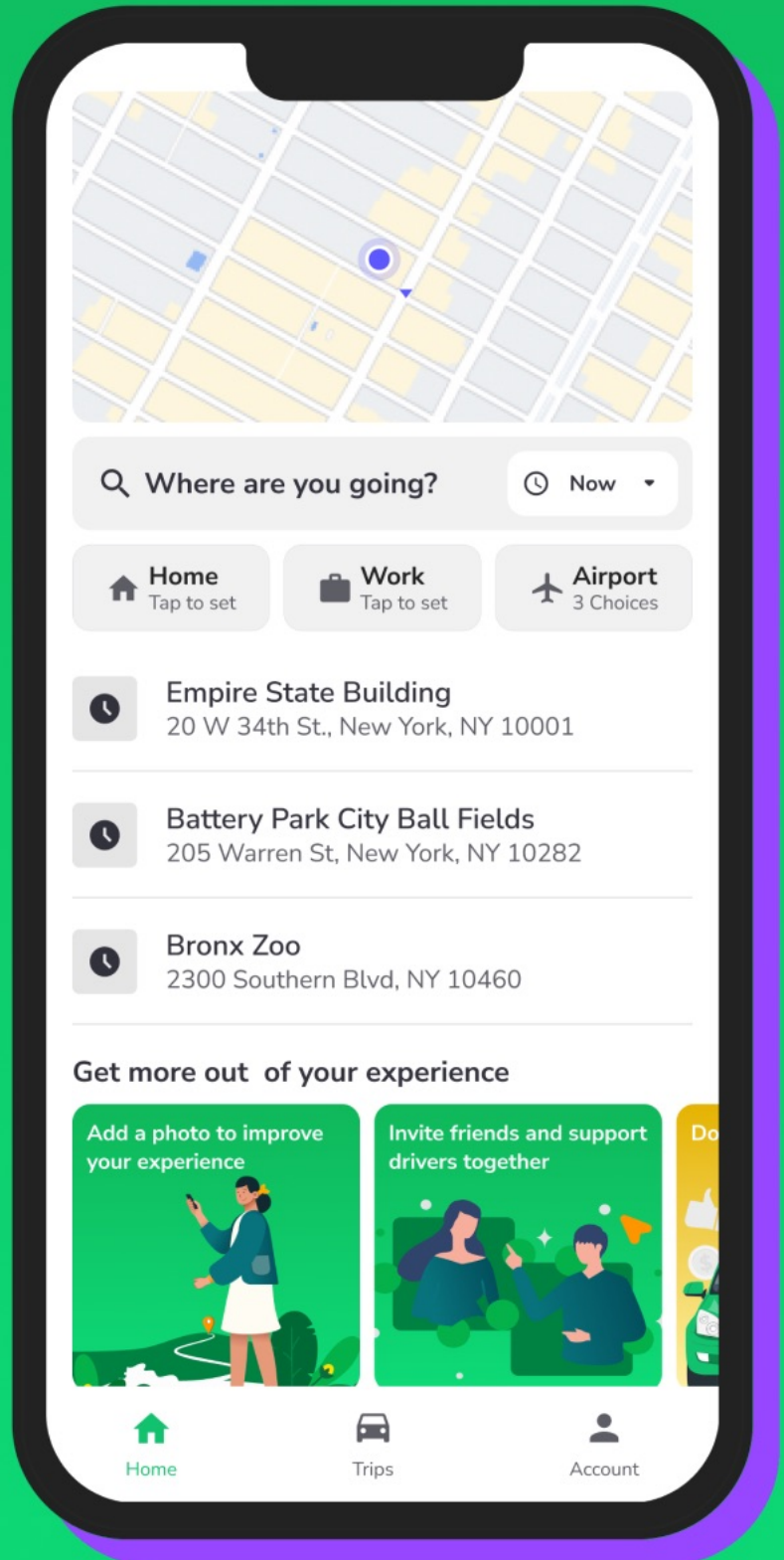
Automated calculation of guaranteed hourly living wage for drivers

Universal design - optimized for service quality for people with disabilities

First-ever rideshare app built around the GTFS-Ondemand standard for easy integration with journey planning apps

Integration with AI for routing

And more!



# Our Partners

Investors in the cooperative future...



+ over 1,000 individuals

Thank you.



# Our Partners

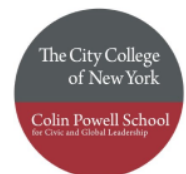
Building technology together...



Mobilizing law for justice...



In-kind and technical support from...



Movement allies...



# Our Partners:

We are grateful for the support of our clients...



## The Kitchen



Seeing beyond disability.



A Driving Force in Non-Emergency  
Medicaid Transportation Management



Memorial Sloan Kettering  
Cancer Center™



+ over 100,000 individuals.  
And many more!

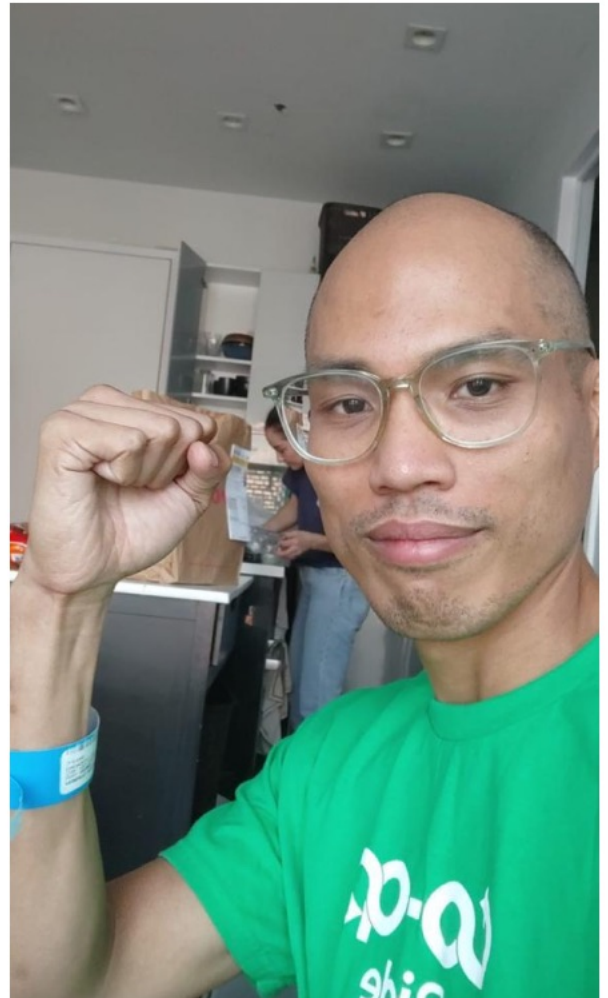
# In Memoriam: Ramon Pebenito

June 13th, 1983 - December 30th, 2022

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We mourn the loss of Ramon Pebenito, Organizing Director of The Drivers Cooperative, and much more to us and so many more people.

Rest in power, fellow cooperator.





**We're The Drivers Cooperative.  
Join the Movement.**

**Support our work- donate here:  
[https://donorbox.org/donate-to-  
the-drivers-cooperative](https://donorbox.org/donate-to-the-drivers-cooperative)**

**drivers.coop**