CALIFORNIA APPLICANTS' ATTORNEYS ASSOCIATION

YOUR WORK COMP BRIEFING

A FAIR GIG

Last week, Governor Newsom signed into law Assembly Bill 5, authored by Assemblywoman Lorena Gonzalez (D - San Diego), signaling a big win for labor groups in California.

The legislation, one of the most hotly-contested bills of the latest session, will help many working Californians obtain benefits such as a minimum wage, unemployment insurance and workers' compensation.

A good chunk of those workers are working in the "gig economy," driving for ride-share apps like Uber and Lyft, or delivering meals through DoorDash and Postmates. These workers have been misclassified as independent contractors so that their employers wouldn't have to pay up to give their employees any sort of safety net, or even livable wages.

Let's look at some findings from a recent report, titled "A Renewed Struggle for the American Dream: PRRI 2018 California Workers Survey," from the Public Religion Research Institute (PRRI) that sheds light on why this legislation is needed:

- Nearly half (47%) of California workers are struggling with poverty
- A little over one in ten (11%) Californians said they participated in the gig economy in the last year
- Workers struggling with poverty are nearly twice as likely to report participating in the gig economy compared to workers who are not struggling with poverty (17% vs. 9%)
- Nearly half (48%) of the workers participating in the gig economy are workers who reported they were struggling with poverty

Without the safety nets of workers' compensation, unemployment insurance or employer-provided health insurance, California taxpayers would be on the hook for any number of emergencies that could land these poverty-stricken workers in the emergency room and beyond.

Meanwhile, Uber paid its top 5 executives $145 million last year while Lyft's CEO made over $41 million in 2017.

These companies can certainly afford to give the workers who drive their business (no pun intended) a fair gig.