

As rideshare prices skyrocket, Uber and Lyft take a bigger piece of riders' payments

We booked 10 rides with Uber and 10 with Lyft. Drivers pocketed an average of 52 percent of our fares.



by DAVID MAMARIL HOROWITZ
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A Lyft driver passing through the Mission. (Photo by David Mamaril Horowitz)

Update: *The week after this story was published, [Uber changed its policy](#) to show drivers the full fare.*

Uber contacted Mission Local after the publication of this article, which has been updated to include the company's explanation for why it tells drivers that riders pay lower fares than they actually do.

On a July weekday afternoon, I booked an Uber to my Visitation Valley home, a 2.5-mile trip for \$17.16. My driver — we'll call him Ryan — showed me how much he made: \$7.54.

Uber has long claimed that the amount it takes from fares on average, known as a “take rate,” is around **25 percent**, yet the driver got just 44 percent of my payment. A cursory [Google search](#) can quickly pull up

screenshots that show this is nothing new, and many media outlets have collected data shedding insight on the companies' take rates.

What's new is the growing appetite of the rideshare companies. Not satisfied with 25 percent, they now appear to need or want more — frequently half of the fare and, in some cases, nearly three times the publicized take rate, according to the bottom line on 20 recent rides.

Perhaps the most exhaustive attempt to track rideshare companies' take rate was in 2019, when the media outlet Jalopnik examined 14,756 fares and concluded that Uber kept 35 percent of the revenue, while Lyft kept 38 percent. (Uber and Lyft disputed these analyses but did not provide data sets to Jalopnik upon request showing otherwise.)

However, as the supply of rideshare drivers has declined and prices have spiked, the split has become unseemly. The driver's pay is determined by a base amount, trip duration, trip distance and potential surge pricing, along with incentives such as reaching a certain number of rides within a time frame — and is not determined by what customers pay.

Mission Local decided it was time to again track the companies' take rates. We booked 20 rides in San Francisco with drivers who shared their pay for our trips. Drivers said demand is indeed back up and prices are higher, but none said they noticed more pay per trip.

The unscientific sampling showed that, of 10 rides, drivers with Uber received an average of 56 percent of what I paid; of 10 with Lyft, drivers received an average of 47 percent of what I paid. Of all 20, drivers took home an average of 52 percent of what I got charged.

Uber rider fare	Uber driver pay	Percentage Uber drivers kept
\$9.55	\$4.12	43.14%
\$10.89	\$4.75	43.62%
\$17.16	\$7.54	43.94%
\$14.71	\$7.13	48.47%
\$10.31	\$5.58	54.12%
\$12.90	\$7.44	57.67%
\$19.76	\$12.33	62.40%
\$16.83	\$11.04	65.60%
\$20.11	\$14	69.62%
\$15.79	\$11.47	72.64%
		Average Uber drivers kept: 56%
		Median Uber drivers kept: 56%
Lyft rider fare	Lyft driver pay	Percentage Lyft drivers kept
\$28.82	\$9.40	32.62%
\$15.82	\$5.36	33.88%
\$11.83	\$4.38	37.02%
\$10.89	\$4.33	39.76%
\$26.94	\$11.03	40.94%
\$11.99	\$6.01	50.13%
\$14.84	\$7.78	52.43%
\$13.96	\$7.44	53.30%
\$13.99	\$9.19	65.69%
\$15.89	\$10.54	66.33%
		Average Lyft drivers kept: 47%
		Median Lyft drivers kept: 46%
		Total average between Uber and Lyft: 52%
		Total median between Uber and Lyft: 51%

Mission Local booked 20 rides and noted down how much drivers got. On average, drivers pocketed 52 percent of what was paid. (Chart by David Mamaril Horowitz)

To calculate how much Uber and Lyft make from that, some fees have to be taken into account.

For Uber, airports aside, the share is what remains after the city's tax, or roughly 3.25 percent, generally less than a dollar per ride in San Francisco.

Lyft doesn't show drivers a fee breakdown per ride beyond what they make. In an email, the company explained that it replaced drivers' single-ride breakdown with a weekly snapshot of how much riders pay per week. It does this, wrote Lyft, to highlight aggregate earnings and insights rather than individual ride details, which the rideshare company says can be misleading.

Money Unaccounted For

One of my Uber drivers, P.J., showed me on his phone that he was paid \$11.47 for a 6-mile ride.

He accessed a cost breakdown that showed a driver pay of \$11.47, an Uber service commission of 44 cents and the city fee of 59 cents, all adding up to a “customer price” of \$12.50.

But wait — *my* Uber application said I paid \$15.79, about 26 percent more. *Huh?* That would have given Uber \$3.73 — not the above 44-cent service commission.

A comparison of my Uber application with driver James Allen’s that shows a discrepancy of how much I paid. We took two trips together, the first shown here and a second described in the article. (Video by David Mamaril Horowitz.)

In five out of five Uber trips where drivers accessed price breakdowns, I paid Uber more than the amount Uber showed drivers that I paid. What I paid was 19.6 percent to 26.3 percent more than what the driver was told by Uber. That would add up to around \$3 more per trip.

<u>Uber rider fare</u>	<u>How much Uber told the drivers we paid</u>	<u>Our fare compared to what Uber told drivers it was</u>
\$20.11	\$16.81	119.63%
\$19.76	\$16.46	120.05%
\$14.71	\$12.18	120.77%
\$16.83	\$13.53	124.39%
\$15.79	\$12.50	126.32%

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Eric Dryburgh, field director for the rideshare advocacy organization Rideshare Drivers United, said he’s seen or heard of five or six cases of this.

But it’s hard to keep track of, as drivers don’t usually ask to see riders’ phones, he noted.

Three drivers who have been with the company for multiple years commented on the missing money, and their response was the same: From their experience, it’s not surprising. Added one driver with more than 15,000 rides, “I’ve always known things aren’t always what they seem to be.”

A Hefty Service Fee

Back to the companies’ ride takes.

Looking at the past 30 rides on driver James Allen’s Uber application, it would seem that the company took an average of 24.7 percent per trip.

That would be in line with Uber’s calculation that it takes 25 percent, but it’s also using the inaccurate customer price that Uber consistently showed drivers in our rides — the one that excludes the marketplace fee and driver benefits fee.

Case in point, if we were to believe Allen’s application, he kept \$12.33 of the \$16.46 that Uber reported as charged, or 75 percent of my payment. Yet, accounting for the marketplace and driver benefits fees, I paid \$19.76, giving 62.4 percent to the driver, 34 percent to Uber and 3.6 percent to the city.

If we count the marketplace and driver benefits fees as money that goes Uber — where else could it go? — and subtract the city fees of about 3.25 percent, the company pocketed an average and a median of 42 percent in the trips I took. Only in one fare was its share at or below 25 percent, and it was exactly that.

Of the average I was getting at the time, Allen, a 4.99-rated driver with more than 4,000 rides, said, “I just would like to have full transparency into how much Uber takes. They have a lot of overhead, so I’m OK with them taking a 25 percent cut, but I just want to know what the numbers are.”



James Allen, a 4.99-rated Uber driver with more than 4,000 rides, poses for a picture. He said he’s grateful for the work Uber provides but hopes to see more transparency about how much the company takes per trip. Mission Local found a discrepancy between what Uber tells drivers a customer pays and what customers actually pay. (Photo by David Mamaril Horowitz)

Rondu Gantt, an Uber and Lyft driver with the advocacy platform Gig Workers Rising, said he’s long known about the high take rates.

The Bay Area driver said he's had 10 to 20 customers complain this year about the price of his ride, and in response, he asks them how much they're paying.

Usually when this happens, Gantt says, less than half of the fare goes to him, and around half the time, he gets a third of it.

"The fact that two-thirds of it goes to Uber or Lyft feels like a cash grab that doesn't feel intuitively just to either riders or drivers," he said.

The issue is something that Eric Dryburgh, of Rideshare Drivers United, said drivers have taken issue with.

"Drivers are very confused at this point even what the commission is," he said. "We've been speaking to drivers, and what we've heard from drivers is that ... the fares passengers are paying are much higher than the actual payment that the drivers are receiving."

A driver asked to be named Molhado, who's been with the two companies for around seven years, also wants to know, so he frequently asks customers about their fares. He said that from what he's noticed companies kept around 50 percent almost every ride he asks about, and sometimes 60 percent to 70 percent.

"All the time, they change the prices, sometimes customers complain, 'Why they charge me double or triple?'" he said. "Not for me — for me, it's regular."

He dropped me off, and we checked our fares: He got around half.

"Does that look like 25 percent to you?" he said.

Update: *Following multiple requests for comment and after the publication of this article, Uber contacted Mission Local to explain its fee structure. California riders, a spokesperson said, are charged a marketplace fee and a driver benefits fee that are excluded from the fares Uber shows drivers.*

The driver benefits fee covers the worker benefits under Proposition 22, a measure passed last November that established drivers as independent contractors while granting them certain benefits, said Zahid Arab, a regional public affairs representative for Uber.

*This fee needs some context. Uber and Lyft wrote Proposition 22 and were among a group of gig-economy companies that spent **\$224 million** to support the proposition, so the driver benefits fee, along with the marketplace fee, can be viewed as self-imposed and presumably set by the ridesharing companies.*

Asked why drivers' applications don't include these fees, Uber said, "drivers see breakdowns that apply to them on the trip."

Arab, the company spokesperson, added that “Uber’s median take rate has remained the same” — that is, around 25 percent.

But it becomes increasingly unclear what a “take rate” is. After paying the city tax, all that Uber “takes” from the rider’s payment is within Uber’s control. It can then pay its bills from that “take” and keep what is left in profit. However, since Uber has yet to turn a profit, all of its “take” pays bills — from benefits to administrative salaries.

Arab also linked a [Twitter thread](#) from company CEO Dara Khosrowshahi disputing the narrative that drivers weren’t getting a bigger cut as ride costs increased.

But drivers in the 20 rides we took were definitely not getting a bigger cut. Uber was getting that.