

Lyft Provides Childcare Incentives To Drivers

Insights

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One of the drawbacks of entering the gig economy as a worker is that gig businesses are somewhat hamstrung by current law from providing a raft of benefits usually associated with full-time employment. That's because companies that provide such benefits could run themselves into a problem by casting themselves close to the "employer" side of the misclassification debate. It's a concern we have frequently written about, most recently just last month when Uber announced vague plans to begin offering benefits to its drivers. Now Lyft has joined the fray in a creative manner.

Jacklyn Wille from Bloomberg reports that Lyft is experimenting with a childcare benefit to certain drivers who work in the Washington, D.C. area. Provided they meet certain minimum driving requirements—200 rides per month (about 25 hours per week) and some other similar criteria—Lyft will now provide two days of free childcare per month at a local provider, starting November 1. She reports that the concept was inspired by the fact that many new drivers who show up to the Driver Hub to sign up bring small children with them, demonstrating that they have limited childcare options.

According to the company's demographic data, about 30 percent of its drivers in the area are taking care of children. If that number ends up increasing, it may signal that the program is successful in attracting a new class of workers to its ranks, and may lead the company to expand its service to other parts of the country. Given the hypercompetitive nature of the industry, it would not be surprising to see other gig companies add similar features in order to keep up with Lyft.

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