



# New York City Sets Nation's First-Ever Gig Economy Minimum Wage

Insights

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We've been expecting this since August, when the New York City Council passed a proposal establishing that ride-sharing driver should earn a minimum rate of pay, the first such minimum wage in the nation. Today, the other shoe dropped and the minimum wage was set.

The Taxi and Limousine Commission (TLC) voted to set the minimum gross pay at \$26.51 per hour, which, according to Crain's, will boil down to \$17.22 after expenses. "That is the equivalent for an independent contractor of \$15 per hour, including paid sick leave and payroll taxes," the article concludes. According to a TLC study, the average ride-share driver in NYC currently earns about \$11.90 an hour, so the new rules will mean a hefty raise for them—which annualizes to more than \$9,000. In fact, 85 percent of drivers currently earn less than \$15 per hour.

In statements to Gizmodo, both Uber and Lyft warned of problems that this rate increase would cause. Uber said that the new law will "lead to higher than necessary fare increases," while Lyft said it will "undermine competition by allowing certain companies to pay drivers lower wages, and disincentive drivers from giving rides to and from areas outside Manhattan."

The minimum wage will take effect in 30 days, or on January 3, 2019.

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