Skyrocketing gasoline prices place unbearable burdens on rideshare and delivery drivers

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Rapidly rising gasoline prices are placing financial burdens on rideshare and delivery drivers for such companies as Lyft, Uber and DoorDash. These drivers, who are classified as independent contractors rather than employees, are among the most exploited sections of the working class and had already been making meager incomes and few if any benefits.

Gasoline prices represent the largest expense for these drivers. Prices had already been rising before the invasion of Ukraine and are now skyrocketing.

At the beginning of 2021, the average gasoline price across the US was $2.25, according to GasBuddy. By the end of the year, it had reached a high of nearly $3.50, the first time it was above $3.00 since 2014.

Drivers in California, where gasoline prices have long been the highest in the country, are being hit with prices averaging more than $5 per gallon, but other areas are rapidly approaching that mark, with the nationwide average now over $4 a gallon. In Massachusetts, for example, the average price has increased by two-thirds within a year, rising from $2.68 to $4.16 per gallon. As of March 11, the American Automobile Association (AAA) reported the national average had reached $4.33, an all-time high.

For rideshare and delivery app drivers, whose compensation is largely based on a flat rate per mile, the skyrocketing price of gasoline is squeezing their already tight margins to the point that continuing to work is becoming economically infeasible.

A petition to rideshare companies Uber and Lyft asking for adjustments to compensation to deal with this growing burden has so far garnered more than 7,000 signatures. Unsurprisingly, the companies have made only token moves to address these concerns.

Delivery service DoorDash has suggested that drivers take advantage of the 2 percent cash back they can obtain by using its DasherDirect credit card to purchase gasoline and for car maintenance. This sop would barely make a dent in drivers' rising costs, but would bring in more revenue to the company via interest charged on card balances. Similarly, Uber has instituted a measly 25 cents per gallon cash-back program.

Scott Trowbridge, a rideshare driver in California for over five years, told Fox News, "Our take has dropped and we're paying outrageous gas prices. They're not compensating us. We are working a lot more for a lot less."

Joseph Klappenger, who has driven for multiple food delivery and rideshare companies in the San Antonio, Texas area for five years, described his situation to local station KSAT. "I was using this to pay for certain necessities like insurance and, you know, gas money, smaller bills that I had. But now I just don't do it anymore because it's not profitable for me at all." He could fill up his Honda for $25 and go 400 miles. Now, that only gets him half a tank.

In Minnesota, rideshare driver Kafi Ali told CBS, "It's absolutely very bad, we have to maybe look for another job because of the gas."

Boston Lyft driver Ed Bushard, complained to CBS, "I went from approximately $100 a week in gas up to almost $150."

The steeply rising price of oil will have widespread and very painful impacts on the working class as a whole. Russia is the world's third-largest supplier of crude oil. With that source being rapidly shut off by US/NATO sanctions, and other suppliers not able or willing to ramp up production at a commensurate rate, the price of oil will almost certainly continue to increase rapidly. This will drive up not only fuel prices, but also a wide range of commodities and services dependent on transportation, or on oil as a raw material.

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