AUSTIN:
A Mobility Case Study
The map on the cover shows Uber trips that took place over the course of one day in Austin. In just 24 hours, residents and visitors use Uber to travel across the entire road network of Austin and across the Hill Country.
HOW UBER WORKS

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How Uber Works

Uber is a technology company that provides a smartphone application connecting drivers with people who need a ride. With Uber, there’s no need to call a dispatcher or hail a car on the street: getting a ride is as easy as tapping a button. Uber enables driver-partners to use their own personal car to provide rides and earn money.

Our technology enables Uber to focus on safety for riders and driver-partners before, during, and after a trip in ways that others cannot. Before each trip starts, the rider typically sees the driver’s first name, photo, license plate number and a picture of the vehicle, and the driver can see a rider’s first name and rating to ensure they’re taking a trip with the right person. During the ride, Uber uses GPS to keep a record of where a driver goes, creating accountability and a strong incentive for good behavior. After the ride ends, riders enjoy the convenience of a cash-free transaction because the cost of the ride is billed directly to the credit card linked to their account. And before booking or accepting another ride, all riders and drivers are asked to give feedback. Our safety team reviews this information and investigates any issues.
Introduction

Uber launched in Austin in June 2014, giving residents the ability to request a ride from drivers via the app. In year one alone, Uber coordinated more than 2.5 million rides in Austin and the surrounding area.

The Uber platform connects residents and visitors with a safe, convenient, and affordable way to get where they need to go at a moment’s notice. It also empowers thousands of independent, for-hire drivers (“driver-partners”) with a reliable and flexible earning opportunity. Having lowered the economic barriers to entering the for-hire driver market, the Uber platform has made driving a part- or full-time opportunity that is available to anyone with the necessary vehicle, skills, and clean driving record.

The Uber app works like this: a rider opens the app to get a ride and is shown the nearest drivers on the Uber platform. The nearest driver is notified of the request through the app and can choose to accept it or not. If he/she does not accept it, the request then goes to the next nearest driver. This process works to keep rider wait times, or ETAs, very low in Austin.

The average wait time for an Uber ride in and around the city of Austin is three minutes and one second.

These short ETAs equate to less “down time” between rides and more money earned by drivers. High utilization and low wait times mean that riders can depend on the service and pay low fares, while drivers are able to spend more of their time earning income.
1

Improving the Rider Experience
As Uber has grown, its availability and reliability across Austin has steadily improved. The following figure shows the average wait times across the Greater Austin Area:

**Uber Offers Reliable Rides with Low Wait Times Throughout Austin**

The colors of each zip code area correspond to the average wait time for Uber pickups in that area.

- **Less than 5 minutes**
- **5-7 minutes**
- **7-10 minutes**
- **10-13 minutes**
- **Over 13 minutes**

Data is from February to August 2015.
Uber serves all parts of the City of Austin and its suburbs

Uber’s service is available and convenient in every neighborhood across the Greater Austin area. As the graph below shows, 32% of Austin trips in August 2015 began or ended in East Austin.

UBER CONNECTS EAST AUSTIN

Lines represent Uber trips that began or ended in East Austin, shown in light blue.

Data is from one day in August 2015. Points have been jittered for privacy.
Uber enhances public transit

Austin’s public transit system provides frequent and convenient service across the Greater Austin area, but it represents only one piece of increasing transportation access throughout the city. Uber offers residents of areas underserved by public transit a reliable and fast link to public transportation, effectively expanding the coverage of existing transit networks.

Nearly two-thirds of Uber rides are “one-way trips,” meaning that riders may have completed the next stage of their journey using another transportation option. An increase in transit ridership also means more paid fares for the CMTA and Austin’s transit infrastructure.

Uber helps take public infrastructure dollars farther, as riders use the platform to travel to and from the outer terminuses of the Capital Metro, making entire neighborhoods that previously lacked sufficient transportation options newly accessible. By feeding more commuters into public transit, Uber helps take cars off congested downtown roads and reduces the need for parking lots. Because riders can always be confident of a ride back from their destination, Uber also removes the worry over whether transit services will be reliable or operating late at night, encouraging more people to use the Capital Metro when they head out for a night on the town.

As Uber continues to expand service in and around Austin, more and more people will be using the platform to connect to public transit and, in doing so, may become less dependent on their personal car. At zero public expense and requiring only the city’s existing vehicle fleet and road infrastructure, Uber allows more Austinites to make the shift from a two-car to a one-car household or, in some cases, they can even go car-free. Our vision for uberPOOL means helping urban environments solve some of their toughest problems, whether it’s congestion, pollution, or lack of access to transportation.
Creating Opportunities for Well-Paying and Flexible Work
Local drivers choose to partner with Uber over other options, like driving with taxi companies, because the platform provides more opportunities to earn income in a flexible working environment. According to a recent study conducted by Alan Krueger, former Chairman of the President’s Council of Economic Advisors, and Jonathan Hall, Uber’s Head of Policy Research, there are four main reasons Uber’s driver-partners choose to drive:

The most common reasons (combining major and minor reasons) for joining the platform were: “to earn more income to better support myself or my family” (91 percent); “to be my own boss and set my own schedule” (87 percent); “to have more flexibility in my schedule and balance my work with my life and family” (85 percent); “to help maintain a steady income because other sources of income are unstable/unpredictable” (74 percent).²

Uber driver-partners value the flexibility the platform provides

Driver-partners can log onto the platform whenever they choose and serve riders in their own neighborhood, on 6th Street or near West Campus. Because there is no daily or weekly lease payment, like what is required to drive a taxi in Austin, Uber driver-partners have no incentive to drive any more or less than they prefer. Driver-partners can choose to work around their own schedules, maximizing their hourly earnings by driving when they can complete many trips per hour, or only on the weekends as a source of supplemental income to complement a full-time job. In the middle of the day, they can log off to pick up their kids from school or attend personal appointments.

The Uber platform also extends benefits beyond opportunities to earn income in a flexible working environment. Uber’s model makes flexible work not only possible, but also profitable. At the touch of a button, Uber offers driver-partners the ability to leverage the large-scale, multi-year investments that Uber has made in brand, global marketing, payments infrastructure, technology, and algorithms. Drivers on the Uber platform can decide in one moment that they want to work and then, in the very next moment, be immediately connected to a deep marketplace of buyers for their services. At any point in time, drivers can immediately switch over to one of Uber’s competitors if they think that they can earn more money that way.

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**BY THE NUMBERS**

<table>
<thead>
<tr>
<th>Reason</th>
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<tr>
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² The percentage of driver-partners surveyed who cited “earn[ing] more income to better support myself or my family” as a major reason for working with Uber.

³ The percentage of driver-partners surveyed who cited “be[ing] my own boss and set[ting] my own schedule” as a major reason for working with Uber.

⁴ The percentage of driver-partners surveyed who cited “hav[ing] more flexibility in my schedule and balan[cing] my work with my life and family” as a major reason for working with Uber.

⁵ The percentage of driver-partners surveyed who cited “to help maintain a steady income because other sources of income are unstable/unpredictable" as a major reason for working with Uber.
A safe work environment

Because taxi riders are anonymous, taxi drivers have little recourse in the event that a rider behaves badly in a cab or fails to pay for a ride. In contrast, drivers on the Uber platform take on no payment risk. Payment is cashless and handled through the app. Uber’s technology can also identify riders who do not use the platform responsibly.

At the national level, taxi drivers are the most likely professionals to be the victim of a crime, according to statistics from the Occupational Safety and Health Administration in 2014. Non-anonymous riders, trip paths recorded during rides, and electronic payments through the Uber platform all serve to protect driver-partners from many of the crimes that are perpetrated against taxi drivers.

Perhaps the best, most direct evidence for the value derived by driver-partners from the Uber platform is the breadth and depth of the population that engages with the platform to drive. More than ten thousand partners actively engage with Uber every month in Austin, and tens of thousands more use the app across the state. The Uber platform provides access to flexible earning opportunities for everyone who qualifies, and many Austinites are choosing to partner with Uber over other earning opportunities.

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**UBER DRIVER-PARTNERS HAIL FROM ACROSS AUSTIN**

Each zip code area is colored based on the number of partners who list an address there.

- **MANY PARTNERS**
- **MANY PARTNERS**
- **FEW PARTNERS**

Deactivated partners are not included. Only zip codes with 5 or more partners are shown.
Supporting a Safe and Sustainable City
Beyond improving transportation availability and affordability for individual riders and providing a desirable platform for driver-partners, Uber has and will continue to improve the quality of life in the state of Texas as a whole. Some of these second order benefits of Uber to the state include: a reduction in drunk driving incidents, more options for residents seeking safe and reliable transportation, improved access to small and independent businesses, and increased efficiency of existing vehicle fleets and roads.

Helping to drive down DWI rates

Uber helps to reduce drunk driving, making roads safer not just for riders and drivers on the Uber platform, but also for other drivers and pedestrians as well. Extensive research has been conducted on the decision-making process that leads to driving drunk, and a small number of influences have been found to play the biggest role in such poor choices: the lack of convenient and readily available alternatives to driving and unfamiliarity with alternative transportation service routes and options. The availability of safe and reliable rides on the Uber platform provides residents and out-of-town visitors with an easy alternative to driving drunk: a bar-goer who sees that an Uber is only four minutes away may be willing to pick up his or her car in the morning rather than risk driving home.

Fortunately, Uber is already helping many Texas residents make the responsible choice to not drive after drinking. As one might expect, Uber sees a statewide spike in ride requests in the middle of the night on weekends. As the graph below demonstrates, it is at precisely those times when alcohol-related driving accidents are likeliest that Uber is helping the most to stop people from getting behind the wheel.

This evidence is supported by research conducted at Temple University by Professors Brad N. Greenwood and Sunil Wattal. The researchers estimate that Uber’s entrance into various markets in California over the course of several years caused an approximate 5% drop in alcohol-related driving fatalities. The authors show that the effect builds over time as the network matures. Similarly, a report on which MADD and Uber collaborated estimated a 6.5% decrease in alcohol-related crashes for those under the age of 30 in California as a result of Uber’s entrance to the market.

The availability of safe and reliable rides on the Uber platform provides residents and out-of-town visitors with an easy alternative to driving drunk.
Making trips safer for both riders and driver-partners

Only drivers who have passed Uber’s thorough, multi-layered background checks are given access to the platform. Before a driver-partner arrives, the rider can typically see his or her information including photograph, name, license plate number, and vehicle type. Riders also see an estimated arrival time and a map with the car’s position as it moves toward them, minimizing the amount of time they need to spend waiting on the street late at night or in low foot traffic areas.

At any time during the journey, riders can share current location, specific route, and estimated arrival time with those who are expecting them, adding yet another layer of security and accountability. Drivers must also meet riders’ expectations of high-quality service: at the end of each trip, riders rate their experience (from 1-5 stars) and have the opportunity to leave additional written feedback. In the event of an incident where law enforcement is investigating, Uber works to provide authorities with an unprecedented level of journey information, including route taken and exact pickup and drop-off times.

Uber driver-partners benefit just as much as riders from the platform’s safety features. The driver is able to see the rider’s name ahead of the pickup as well as call the smartphone from which the request was made, ensuring the right person enters the vehicle. Unlike traditional taxi drivers who are required to carry cash, drivers on the Uber platform operate on a cashless system and are therefore far less appealing targets for would-be robbers (driver-partners also no longer need to worry about riders running off without paying.) Uber driver-partners work in not just a safe but a respectful environment. Just as riders rate drivers, drivers rate riders. As a result, riders are also held accountable for their conduct during the trip.
Meeting demand for visitors to Austin’s marquee events

Uber helps power Austin’s economy by making the city more welcoming and accessible to the more than 22 million tourists who visit the Greater Austin area every year. With visitors embracing Uber in their home cities, the platform’s growing presence in Austin ensures they now have at their fingertips a familiar, reliable, convenient, and inexpensive way to explore the Live Music Capital of the World. Hundreds of thousands of people from outside the Austin area used Uber when visiting the city over the past year. One of the largest spikes in rides by tourists came during South by Southwest (SXSW). The festival brought more than 84,000 visitors to Austin from around the globe in March 2015 and Uber helped many of them get around. From touchdown to take off, Uber is improving visitors’ first and last impressions of Austin, helping an already forward-thinking city raise the bar for other tourist destinations.

UBER IS USED BY VISITORS AROUND THE WORLD DURING SXSW

Lines show country of origin of non-US riders who took an Uber trip during SXSW.

Data is from March 2015.
As the figure below shows, the Uber platform experienced nearly double the demand for rides from visitors during SXSW than any other time of the year. Uber was able to meet that demand because the current progressive ridesharing ordinance allows for a flexible supply of drivers and facilitated more than 250,000 trips during SXSW 2015.
uberPOOL as the next major breakthrough for Austin

Uber is still growing in Austin, and there are many benefits created through this technology that have yet to be realized. uberPOOL arrived in Austin in March 2015, allowing riders who are traveling along a similar route to split the cost of rides. By increasing the average number of passengers per trip, shared rides through uberPOOL make rides more efficient and affordable, while reducing the number of single-occupancy vehicles on Austin’s streets. For example, within a year of uberPOOL’s launch in San Francisco, nearly half of all uberX rides in the city were uberPOOL trips. As Uber’s network grows, the utilization and potential impact of uberPOOL in Austin will grow as well.

To many Austin residents, using a combination of mass transit and Uber’s various products—uberX to commute, uberXL to get to the airport, and uberPOOL to get home from a night on the town—may now be more affordable and convenient than owning and driving a personal car.

NOTE: Figure reports comparisons between uberPOOL and car ownership, based on modeled cost of trips in a mature uberPOOL city.
Conclusion

In just one year, Uber has improved how both residents and tourists alike move around Austin, helping to bring people, businesses, and neighborhoods closer together. Removing technological and practical barriers that once stymied willing drivers from connecting with people who needed rides, Uber has already made a significant impact on the lives of riders, drivers, and the city as a whole. Riders finally have near-instant access to rides throughout the entire city, at all times of day or night, at a fraction of the cost of a taxi. Drivers are earning additional income on their own schedules and are able to balance other priorities in their lives.

Perhaps the most exciting element of Uber’s impact is that these benefits - access, affordability, and higher incomes for driver-partners - are just the start. In the coming months and years, Uber’s impact will grow and evolve as its technology improves and its network expands.

Some of them, while difficult to imagine today, will be breathtaking and transformative for residents, tourists, and employers, but fundamental for the health and growth of the city itself. Indeed, the best is yet to come.
Notes

1 Defined as trips for which the user’s next trip starts at least two miles or two days from that trip’s end.


