

**A GLOBAL THINK TANK DEDICATED TO
DELIVERING DATA-RICH ANALYSES AND
EXPERT INSIGHTS FOR THE PUBLIC GOOD**

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About the data

The JPMorgan Chase Institute Online Platform Economy dataset

Out of a sample of **39 million Chase checking accounts**, we tracked payments directed through **128 online platforms** to 2.3 million families participating in the Online Platform Economy **between October 2012 and October 2018**.

The 128 platforms met the following criteria:

- 1 Connect independent suppliers to customers
- 2 Mediate the flow of payment from customer to supplier
- 3 Empower participants to enter and leave the market whenever they want

We defined four distinct sectors in the Online Platform Economy:

Labor Platforms



Capital Platforms

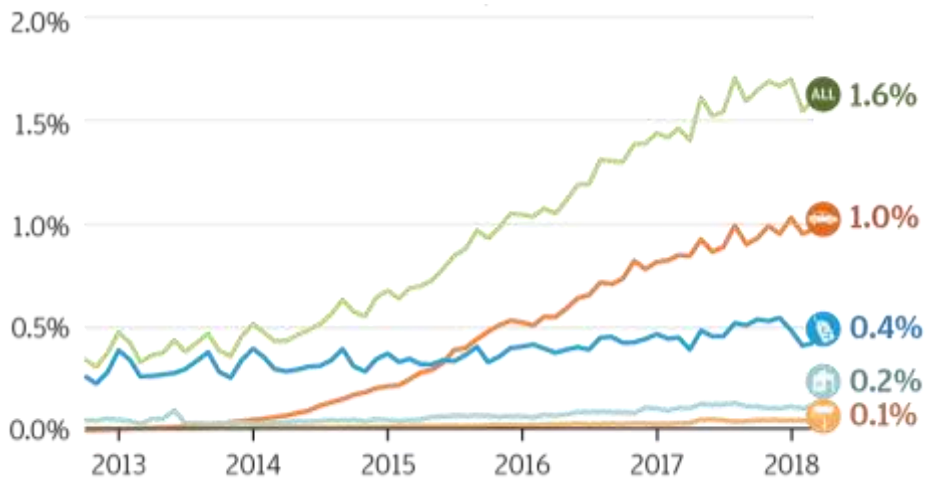


The Online Platform Economy: Background and Motivation

In previous research, we tracked supply-side participation and revenue in four sectors of the Online Platform Economy and reported:

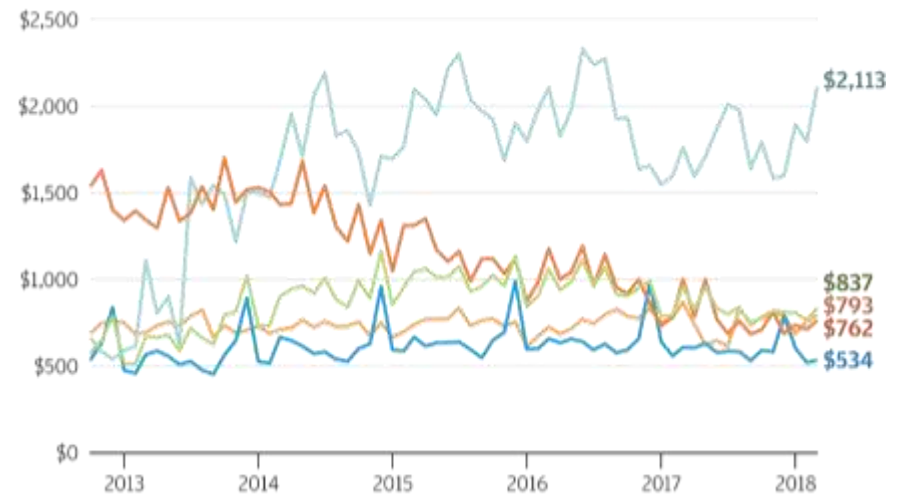
- Substantial variation in participation levels across sectors and over time
- Secular decline in average monthly revenues on **transportation platforms** and secular increase in revenues on **leasing platforms**

Fraction of sample generating income from platforms each month



 Transportation
  Non-transport work

Average monthly revenue among participants active this month



 Selling
  Leasing
  ALL All sectors

Most participants in the Online Platform Economy are active in just a few months out of the year, with drivers slightly more engaged than participants in the other sectors

Fraction of participants by number of months with positive revenue in the year ending July 2016

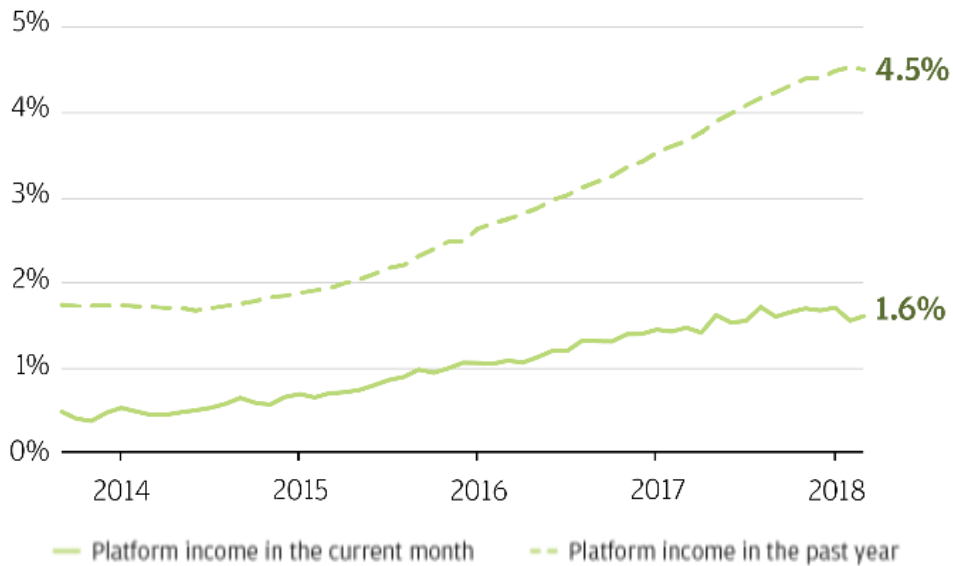


Assessing on the basis of annual – rather than monthly – participation, 4.5% of families engaged in platform work in 2018

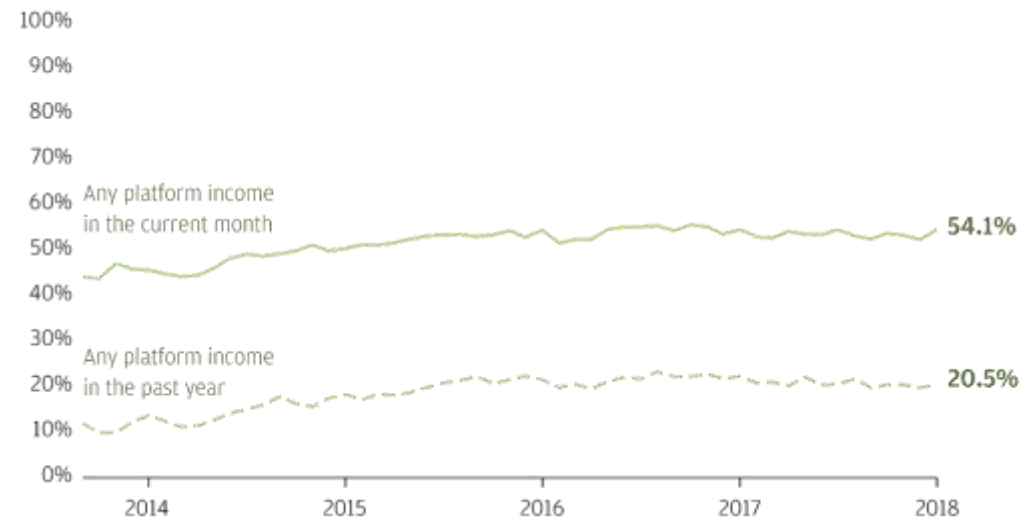
Given the rarity of participants engaging every month, a complete picture of the online platform economy's impact accounts for participants with any engagement during the year:

- Participants in any given month represent just one-third of those who participated over the prior year
- Platform revenue represent a major source of income for families in the months they participate, but just 20 percent of income among those who have participated at any point over the prior year

Fraction of sample generating platform income



Ratio of platform revenue to total observed take-home income

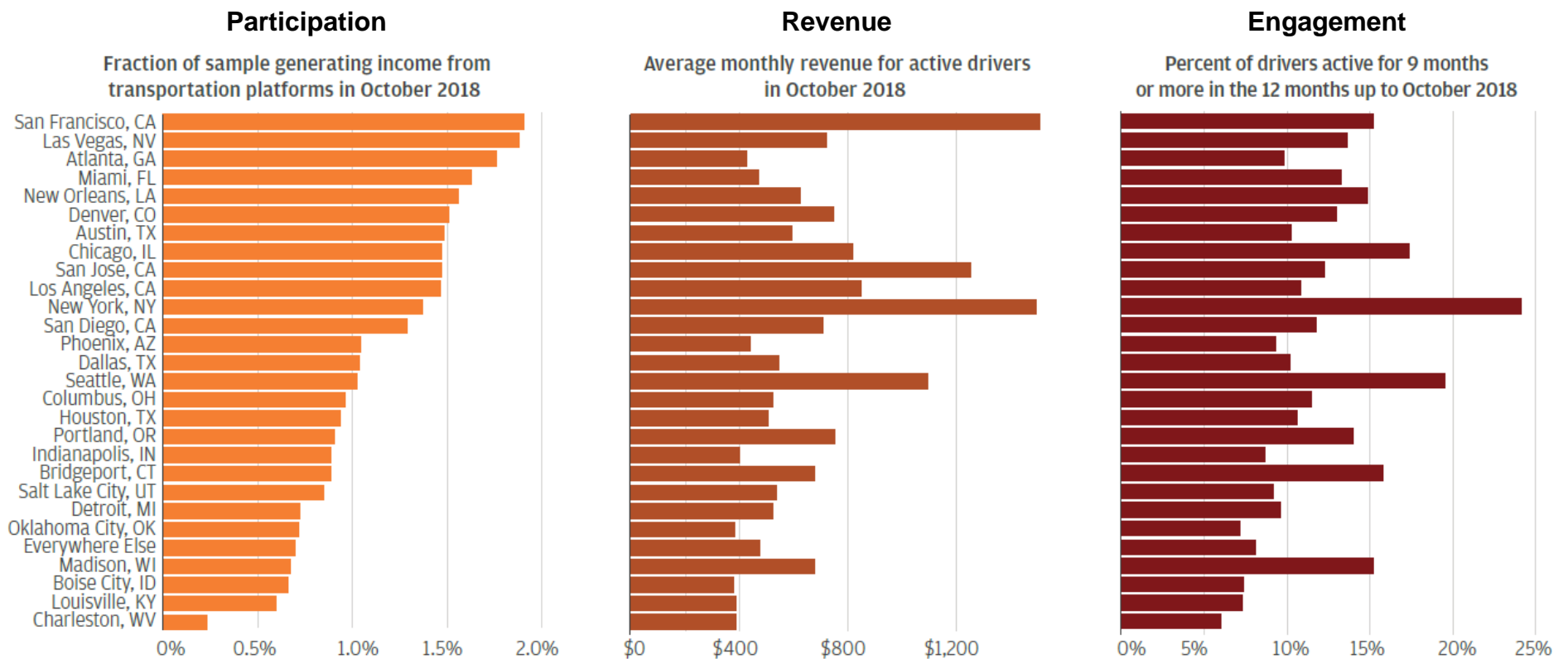


Across metropolitan areas, there is significant variation in terms of participation and revenues, but consistent revenue patterns throughout



The significant variation across metropolitan areas reflects patterns in average monthly revenues and levels of engagement among participants

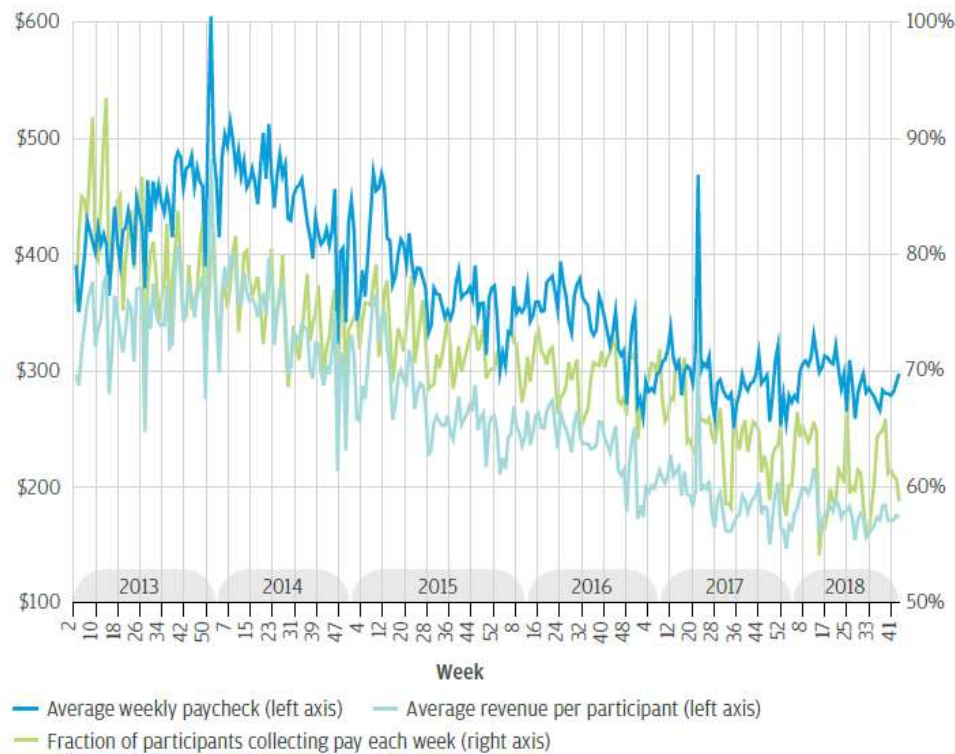
- Variation across metro areas in terms of participation (left panel) does not perfectly reflect variation in terms of revenues (center panel)
- Patterns in engagement reflect patterns in revenues
 - Most of the highest revenue cities – San Francisco, New York, and Seattle –have highly-engaged drivers
 - Cities with high rates of participation but low revenues – Las Vegas, Atlanta – have lower engagement



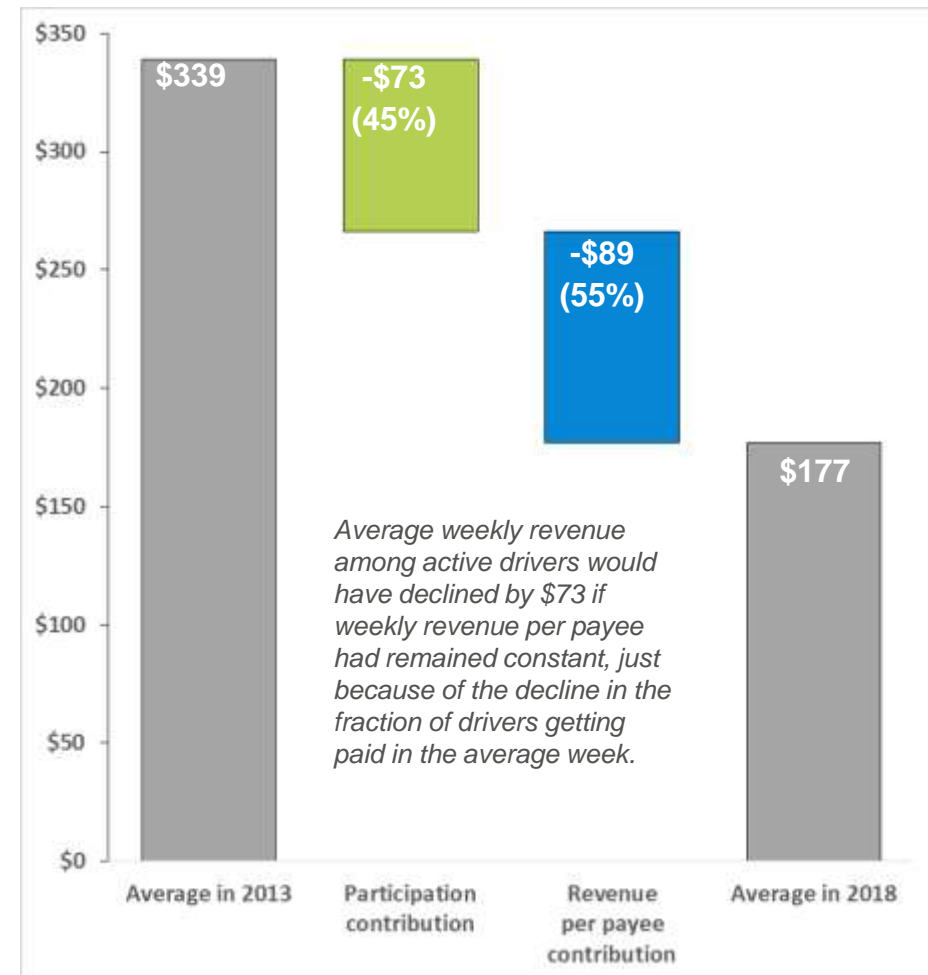
At least 45 percent – and likely more – of the decline in revenues was driven by less intense participation on the part of drivers

The decline in average revenue among drivers active in a month was caused by both fewer drivers per week (lower participation) and lower revenue among drivers active that week (lower revenue per payee)

Average weekly revenue among drivers active in a month (left axis) is equal to average weekly revenue among drivers active that week (left axis), times the fraction of that month's drivers who were active that week (right axis)



Average weekly revenue per driver fell by \$162. Of that, \$73 (45%) was accounted for by fewer drivers generating any revenue in a week



Conclusions and Implications

The Online Platform Economy is comparable in size to a major employment sector.

About 1.6 percent of our sample generated at least some platform revenue in March 2018 and 4.5 percent at some point over the prior year, comparable in size to the public administration sector (4.6 percent of all employed in 2017)

Platform participants are not quitting their day job to earn income off of platforms.

The Online Platform Economy is a source of significant income for families in the months when they engage with it. However, it remains a secondary source of income overall. Very few families engage on a sustained, year round basis, and the vast majority of participants earn income from other sources as well.

Platform use and participation have changed over time as the Online Platform Economy has grown.

In 2013, 80 percent of drivers who generated revenue in any given month were active in any week of that month. By 2017, that fraction had fallen to 60 percent. Important policy questions around whether and how occasional drivers impact the revenue prospects of those who would prefer to use these platforms as a primary source of income.

Platform work provides flexible control over positive cash flow, likely a key participation motivator.

In the weeks before joining the Online Platform Economy, families on average experience declining labor income and spend down their savings. Participation, especially on transportation platforms, increases dramatically in the weeks around receipt of a first unemployment insurance payment (and the involuntary job loss implied by that).

There is likely still room for supply-side growth in the transportation and leasing sectors.

Although rates of participation have grown in every metropolitan area we analyzed, our findings indicate that this expansion in participation has not put downward pressure on revenues, which are more influenced by the size of the potential market, rather than by competition from other platform participants.

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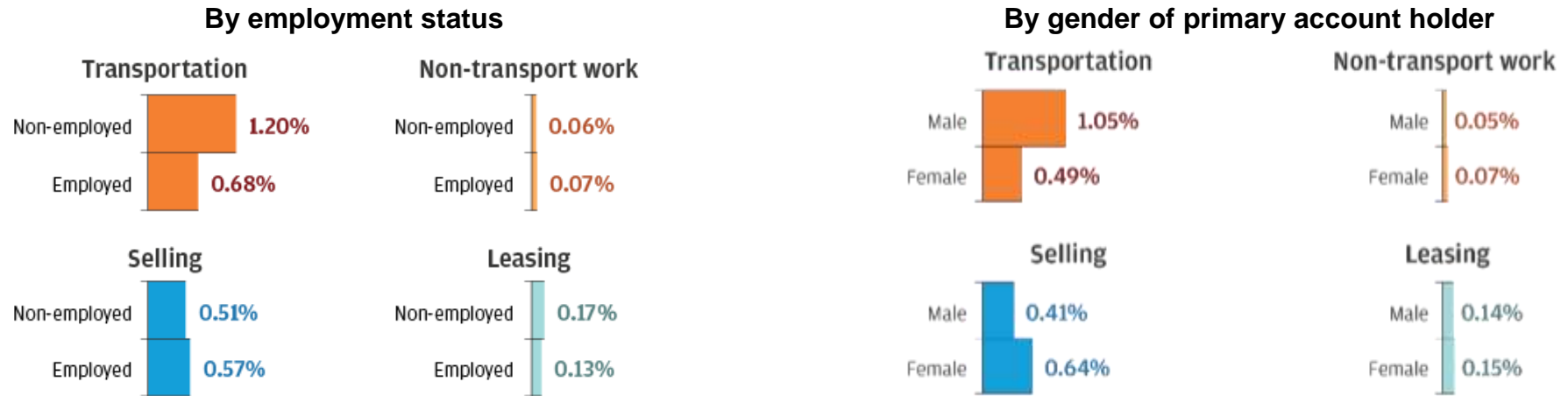
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APPENDIX

The non-employed and men were more likely to drive than the employed and women.

Fraction of the sample generating income from platforms in October 2017



Labor platform income offsets dips in non-platform income. Capital platform income supplements non-platform income.

Non-platform and platform revenue in months with and without platform participation

