RideFair

How Low Can Ridehail Driver Pay Go?

New Data From Toronto Show How Uber Is Testing the Limits

Ridefair Toronto, May 1, 2026

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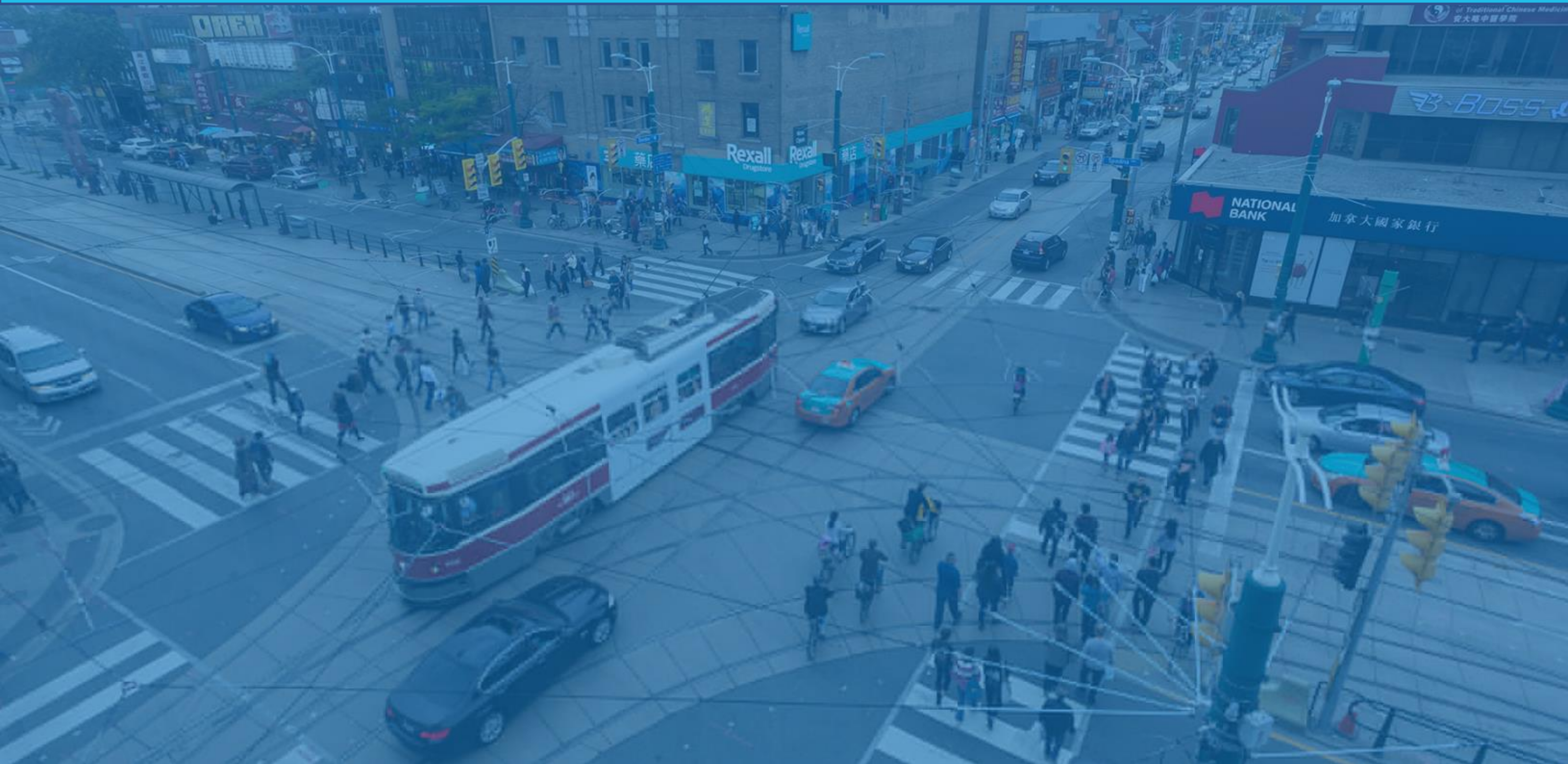

1. Summary

Five years ago, RideFair and allies successfully pushed for a council resolution ordering the continuous public disclosure of comprehensive trip, driver and fare information from Uber and other "private transportation companies" (PTCs). Now, the City of Toronto has started to publish open data about ridehail in the city, and it offers a new level of transparency into an opaque industry.

Here are some lessons from the first release:

- In 2025, ridehail drivers had no passenger for half their time on the app ("deadheading"), an increase from 40% four years ago. See Section 2.[i]
- Drivers only earn money when they have passengers in the car, so a higher deadheading rate is effectively a pay cut. Over a four-year period, customer fares have fallen slightly and studies outside the open data show Uber's portion of the fare increasing (Binns et al. 2025). These trends together conspire to push wages even lower. See Section 3.
- About half of all drivers leave within a year of joining the platforms. This high turnover shows how far gig work is from being a "good job".
- The high rate of deadheading adds to traffic congestion, especially in the popular downtown areas. See Section 4.

The Ontario government's toothless "Digital Platform Worker's Rights Act" and its recent Northern Rideshare Pilot are endorsements of an unregulated or self-regulated ridehail system, but the public data paints a timely portrait of an industry in need of reform.

2. "Deadheading" increased in 2025

Figure 1 shows that drivers spent more time "deadheading" (with no passenger in their vehicle) than at any time since the Covid pandemic. Deadheading rates have risen from 40% to 50% over the last four years. In 2025, ridehail vehicles had no passenger half the time.

It has often been said that a higher volume of trips leads to a more efficient ridehail system, with drivers spending less time waiting for trips. However, the trend has been the opposite: after a decade of operation in the city, Uber and other ridehail platforms continue to be inefficient in their use of road space and driver time. Deadheading imposes costs on drivers and on other road users, but costs Uber and ridehail platforms less than nothing: the platforms don't pay for their large fleet of available drivers, but do benefit from short wait times for passengers.

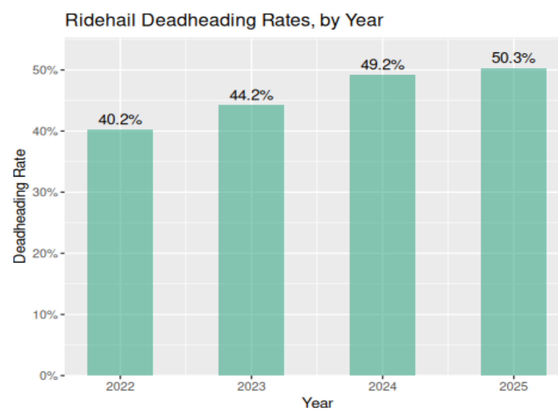

Figure 1: The deadheading rate is the overall percentage of time ridehail vehicles are operating without a passenger. Ridehail deadheading has risen, year-over-year. In 2025 ridehail vehicles were empty half the time.

3. Deadheading cuts Uber drivers' pay

Drivers are only paid for their time on a trip with passengers, so an increase in deadheading is a pay cut. Instead of being paid for 36 minutes of each hour (40% deadheading rate in 2022) they are earning money only 30 minutes in each hour (50% deadheading rate in 2025), which amounts to a 17% pay cut, other things being equal.

Over the same four-year period, customer fares have fallen slightly (Young, Farber, and Rahman 2024) and evidence from earnings statements and other sources show Uber's portion of the fare increasing. These trends together conspire to push driver pay even lower.

Being an Uber driver, like other gig-economy work, is low-paid and difficult. A City study (Young, Farber, and Rahman 2024) showed that in 2024 the average pay for an Uber driver after expenses was $5.97 per hour. But there are still limits to how low Uber can push the wages without losing drivers, and the new City data shows that Uber may have pushed earnings as low as it can.[ii]

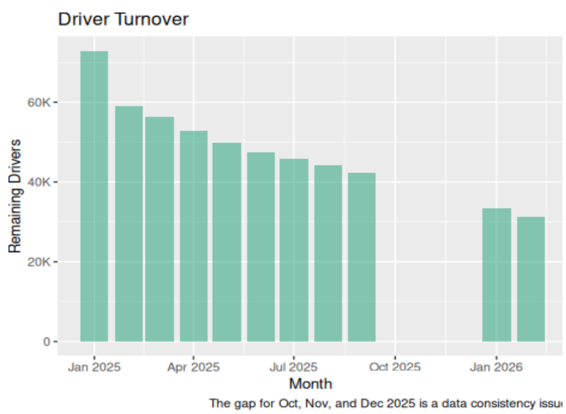

Figure 2: Of all drivers who drove at least one trip in January 2025, how many still gave at least one trip in subsequent months.

There has always been a high turnover for ridehail drivers. Figure 2 shows that half of all ridehail drivers active in January 2025 were no longer active in January 2026. However, Figure 3 shows that new drivers kept the overall fleet size steadily increasing until 2025. In the second half of 2025, for the first time, the number of drivers fell. There has been a net loss of 10,000 drivers in the six months leading up to February 2026. Figure 3 also shows that the remaining drivers are putting in longer hours.

The drop lends support to driver claims that the low and unpredictable pay of being an Uber driver is forcing drivers to look elsewhere. (The gas price rises caused by the US-Iran war did not really take effect until March, and so their effects do not appear in these graphs.)

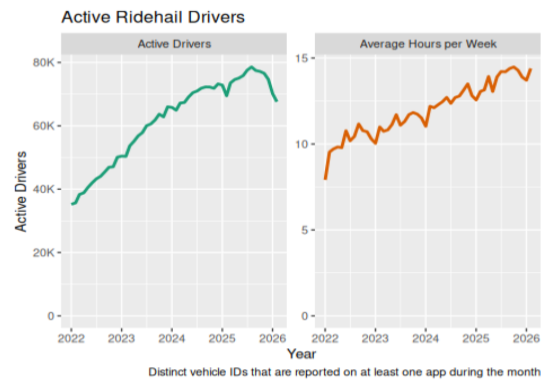

Figure 3: There is always a lot of churn among ridehail drivers, but 2025 has seen a net drop in numbers. Each distinct vehicle ID that takes at least one trip in a month is counted as a driver.

A drop in driver numbers and a rise in trips should produce a higher utilization rate, and while 2025 was exceptionally low, there are limits to how low Uber can push driver pay. The exodus has helped deadheading rates to fall at the beginning of 2026, as shown in Figure 4.

Figure 4 shows why Uber needs a large excess of idle drivers: the more idle drivers there are waiting for a trip, the more likely there is to be one nearby, so a low utilization rate (many idle drivers) makes for a short wait time as well. Keeping a large number of "idle" drivers on the app is key to the platform business model.

Uber and other ridehail platforms seem to be experimenting to find out how low driver pay can be pushed (how many idle drivers they can keep available) without losing supply. It's an asymmetric competition between them and the individual drivers. One measure to give drivers more influence would be for the City to implement direct registration of drivers rather than the current practice of delegating registration to each platform company: direct registration would make it easier for drivers to switch between ridehail companies.

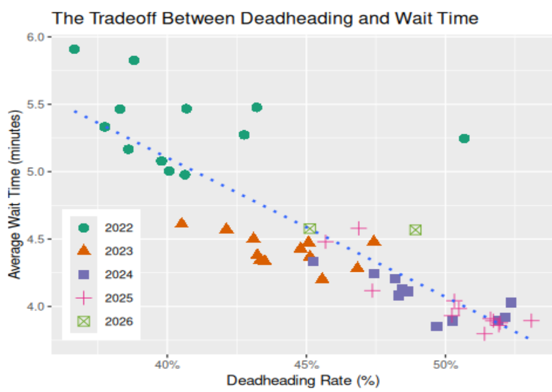

Figure 4: Deadheading rates and wait times. The 2025 rates are the red crosses, with high deadheading rate and short wait times. The two 2026 rates are the empty green squares with a cross, showing lower deadheading rates and longer wait times.

4. Ridehail is making congestion worse

Figure 5 shows that the volume of ridehail trips has grown steadily over the last five years, reaching a quarter of a million trips per day in 2025. Together with the high deadheading rate, this volume means that ridehail vehicles place an additional burden on already-congested Toronto streets.

In December 2024 the City of Toronto Data and Analytics Unit issued a report that showed how, even based on 2023 numbers, Uber vehicles were affecting traffic flow (Data & Analytics Unit 2024). In 2023 "PTC [Private Transportation Company] vehicles" drove a total of 0.8 billion kilometres ("vehicle-kilometres travelled" or VKT). The vehicles were not spread out evenly over the city: "In September 2024, PTCs accounted for 14.2% of total traffic in the downtown core, compared to 3.6% in the suburban areas, and 4.5% city-wide." Also, "Further examination of select weekday hours in the downtown core shows that PTCs make up about an estimated 11.6% to 12.7% of vehicle traffic during AM and PM peak hours, when traffic volume is highest." The authors concluded that "While it is difficult to isolate the congestion impact of the 14.2% of vehicular traffic being PTCs in a changing environment, it is unquestionable that they are contributing to slowing down traffic."

Figure 6 shows that PTC VKT have increased from 0.6 billion in 2022 and 0.8 billion in 2023 (matching the numbers in the City report) to 1.13 billion kilometres in 2025. The public data does not allow for the detailed analysis that the City carried out in 2024, but other things being equal, this would mean that PTC vehicles now make up 20% of vehicles in the downtown core (one in five), and 17% in peak hours. If they were already contributing to slowing down traffic in 2023, their impact in 2025 must have been significantly greater. If the 50% utilization rate holds in the downtown core, then one in ten vehicles is a "deadheading" PTC vehicle without a passenger.

Ridehail trip volume recovered to pre-pandemic levels in late 2023, and is now 25% higher than before the pandemic. The latest Sector-Based Emissions Inventory (City of Toronto 2024) suggests that overall VKT had not recovered by 2023. This is another indication that ridehail vehicles are contributing to an overall increase in traffic volume, and are an increasing component of traffic volume, undermining TransformTO goals of reducing single car travel.

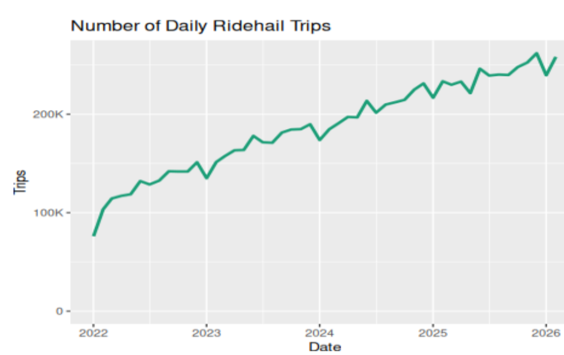

Figure 5: The number of trips has risen each year, to 250,000 per day

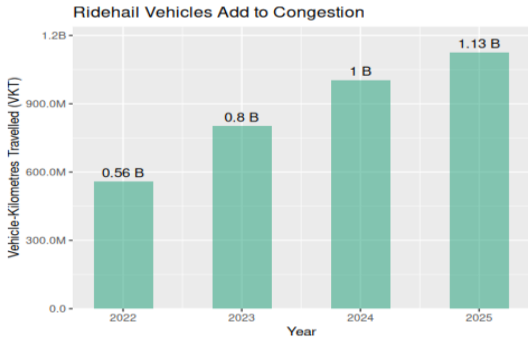

Figure 6: In 2025, PTC vehicles in Toronto drove 1.13 billion kilometres, the highest ever.

5. Conclusions

The City of Toronto's new open data provides a welcome window into an opaque industry. It shows how Uber and other ridehail platforms are experimenting to find just how little they can pay before drivers are forced to look elsewhere, puts a spotlight on "deadheading" vehicles crowding downtown streets, and highlights the inefficiency of the system as a whole.

The data is a good step forward, but it is only valuable if the lessons it teaches are acted on. The Ontario government's embrace of a deregulated or self-regulated ridehail industry, through its so-called Digital Platform Workers' Rights Act and through the recent Northern Rideshare Pilot, are steps in the wrong direction (Wieditz, 2026).

6. Appendix

The City of Toronto has started publishing open data about ridehail operations in the city:

- Private Transportation Companies - Summary and Trip Data. two data sets. *Summary Stats* is a small file with per-day city-wide statistics (3000 rows) like trip counts and utilization averages, which is useful for describing overall trends. *Trips* consist of 20 million rows, each describing trips between municipalities or, for Toronto itself, city wards (trip count, average distance, average fare etc.).
- Private Transportation Companies – Vehicle Operating Data. There are 300 million rows in this set. Each row is one vehicle active in one hour, with information about its time on the app (P1, P2, P3), fares, estimated distance travelled, and more.

For more details, see the readme file the City provides on each of the download pages.

These data sets comprise the best public data sets we know about ridehail activity. They go beyond the Chicago and New York public data sets in that they include utilization data (including "P1 time": driver time "on the app" but not assigned to a particular trip), and with fare data as well it gives a lot of leverage to ask some questions. Also, the City Transportation Services team has implemented route-modelling algorithms to fill out the reported data, so this is more than just a dump of what Uber and Lyft gave them. Congratulations and thanks are due to the City of Toronto Transportation Services Data and Analysis staff for the scope and expertise of their work.

7. References

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8. Endnotes

[i] The data set covers all platform transportation companies and does not distinguish trips by company. Here, we sometimes use the term "Uber driver" as shorthand, both because Uber provides the large majority of trips (several reports suggest 75% of trips in North American cities (Kaczmarski (2024)), and because in daily use "Uber" has become a commonplace generic term for ridehail services. In addition to Uber, Lyft has been active in Toronto for several years, and in 2025 HOVR and Hopp entered the market.

[ii] Strictly speaking, the data set tracks vehicles. We assume here that one vehicle equals one driver.