



A Promising New Approach for App-Based Work: DoorDash's Portable Benefits Savings Pilot Program in Pennsylvania

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I. Highlights of the Report

In April 2024, DoorDash launched a first-of-its-kind portable benefits savings pilot program for Dashers in Pennsylvania.

After six months of launch:

1. 4,400 Dashers enrolled in the portable benefits savings pilot program, resulting in an enrollment rate of 23%. This rate is favorable compared to the initial introduction rates of 401(k) retirement plans and high-deductible health plans.
2. On average, participating Dashers are estimated to earn nearly \$400 in their portable benefits accounts over twelve months. This could cover a theoretical \$400 emergency medical expense that over a third of Americans currently struggle to cover without borrowing.
3. The two most common uses of pilot funds are for emergency savings (32%) and paid time off (21%), benefits that many of the survey participants otherwise lack.
4. Nearly 27% of mid-program survey respondents in October indicated that the program improves their financial security, while 67% felt about the same as before the pilot. However, if the program were to become permanent, these numbers would rise to 59% and 40%, respectively.
5. About 89% of mid-program survey respondents reported that the program is beneficial overall. Furthermore, 82% of survey respondents would prefer to maintain their current level of flexibility and benefits rather than receive an increased level of benefits at the cost of decreased flexibility.

Evidence from DoorDash's pilot program in Pennsylvania is promising. The portable benefits program appears to be a viable solution for people who do app-based work and has successfully provided benefits to Dashers as intended. Like any benefits initiative, this novel program will require time and effort to refine its design on the benefit amount, eligibility criteria, and qualified spending categories, to promote it effectively, and to educate stakeholders. A partnership between the private and public sectors is crucial for its success.

¹ Nam D. Pham is Managing Partner at ndp | analytics. Stephanie Barelo and Ilma Fadhil provided research assistance. DoorDash provided financial support to conduct this study. The opinions and views expressed in this report are solely those of the author.

II. Portable Benefits Savings for App-based Work

Workers in the United States are classified into two main categories: employees and independent contractors. Though classification tests vary at the federal and state levels, in general, an employee works under the supervision of an employer to perform their tasks. In contrast, an independent contractor is hired to perform specific tasks without supervision and is not considered an employee of a company.² Employees must follow company policies, such as working hours, schedules, and procedures. They receive wages and can be eligible for certain benefits, such as health insurance, retirement plans, and paid time off, depending on the state, the employer, and the number of hours worked. Unlike employees, independent contractors have the flexibility to work when and where they want. However, independent contractors often lack the benefits that employees receive from their jobs.

App-based workers such as Dashers, who use the DoorDash platform to provide delivery services for restaurants, grocery stores, and many other retailers, are classified as independent contractors. Among many attractive features, Dashers consistently identify flexibility and independence as their primary reasons for turning to DoorDash. Like other app-based workers, Dashers have the flexibility to decide when and where they want to work. Dashers can turn down offers they do not wish to complete, and they can take months away from the DoorDash platform without losing the opportunity to work on the platform in the future. The ability to choose working schedules attracts a variety of individuals. According to a 2023 DoorDash survey, only 18% of Dashers rely solely on its platform for their income, while the majority of Dashers have other income sources and responsibilities. About 41% of Dashers have other full-time jobs, 10% have other part-time jobs, 13% are stay-at-home parents or caregivers, 5% are students, 6% are self-employed or business owners, and 6% are retirees.³

The vast majority of Dashers spend relatively little time delivering to supplement their incomes. Dashers spend an average of four hours per week delivering, with 90% of Dashers spending 10 hours or less per week. Most Dashers receive health and retirement benefits from another job, a spouse, or a family member. A small group of Dashers do not have benefits from other sources and are interested in obtaining them. They are mostly people who work more hours than the average Dasher. Although varying across Dashers, the top three desired benefits are retirement savings, paid time off, and paid sick leave.⁴

The idea of portable benefits has gained traction in the U.S. in the last decade. In 2023, U.S. Senators introduced bipartisan legislation to provide competitive grants to states, local governments, and nonprofit organizations to encourage experimentation with portable benefits frameworks.⁵ DoorDash adopted the concept to provide a way for highly active Dashers and other app-based workers to access benefits. Portable benefits are particularly suitable for app-based workers because they are personalized to individuals, flexible in benefit selection, transferable to other work, and proportional to earnings. A portable benefits account remains with the worker regardless of their working contract with a company. In addition, an app-based worker can use the same benefits account to receive contributions from multiple platforms.⁶

This concept had not yet been tested — until now.

² Muhl, Charles J. 2002. "What is an employee? The answer depends on the Federal Law." Monthly Labor Review.

³ 2023 Dasher survey conducted by Quadrant.

⁴ DoorDash. 2023. Portable Benefits: A Framework to Strengthen Independent App-Based Delivery Work.

⁵ S.1696 - Portable Benefits for Independent Workers Pilot Program Act. 118th Congress (2023-24).

⁶ DoorDash. 2023. Portable Benefits: A Framework to Strengthen Independent App-Based Delivery Work.

III. Description of the Portable Benefits Savings Pilot Program in Pennsylvania

In April 2024, DoorDash launched its Portable Benefits Savings Pilot Program in Pennsylvania. All Dashers in Pennsylvania received an e-mail announcing the program and outlining the eligibility requirements. To be eligible for the program, Dashers must have completed at least 100 deliveries from Pennsylvania merchants and have earned a minimum of \$1,000 (before tips) between April 1 and June 30, 2024.

In July 2024, DoorDash invited all eligible Dashers to participate in the pilot program, reaching out via email, SMS, and phone, as well as offering a webinar. Eligible Dashers had the month of July 2024 to enroll by opening a free account with Stride Save, a financial technology company offering a no-fee benefits savings account via a partnership with an FDIC-insured bank. Participants in the pilot program would receive additional funds equal to 4% of their gross earnings (before tips) from the DoorDash platform. These funds in the pilot program could be used for any expenses based on workers' preferences, including retirement savings, health insurance, dental insurance, vision insurance, paid time off, or emergency savings.⁷

In mid-July, DoorDash started depositing funds to the Stride accounts of pilot enrollees. The first deposit, made shortly after the enrollment period began, amounted to 4% of each Dasher's pre-tip earnings from the previous three months of April, May, and June 2024. Those who continued to work and earn income from the DoorDash platform received three additional deposits in August for July earnings, September for August earnings, and October for September earnings.

In early October 2024, DoorDash extended the pilot program for an additional six months, continuing through March 2025. From November 2024 to April 2025, enrolled Dashers will receive monthly deposits equal to 4% of their earnings from the previous month.

IV. Enrollment in the Portable Benefits Pilot Program in Pennsylvania

At the end of the pilot eligibility period in June 2024, 19,113 individuals met the eligibility requirements of a minimum of 100 deliveries and \$1,000 in pre-tip earnings between April and June 2024. Of these, 4,400 enrolled in the portable benefits pilot program, for an adoption rate of 23.0%. (Table 1)

Table 1.
Total, Eligible, and Enrolled Dashers in Pennsylvania⁸

	End-July 2024
Eligible for the Portable Benefits Pilot Program	19,113
Enrolled in the Portable Benefits Pilot Program	4,400
as % of eligible Dashers	23.0%

⁷ While the portable benefits savings pilot program is intended for health-related insurance, retirement savings, or paid time off, the Stride accounts for the pilot program in Pennsylvania do not currently impose any restrictions on spending categories.

⁸ DoorDash.

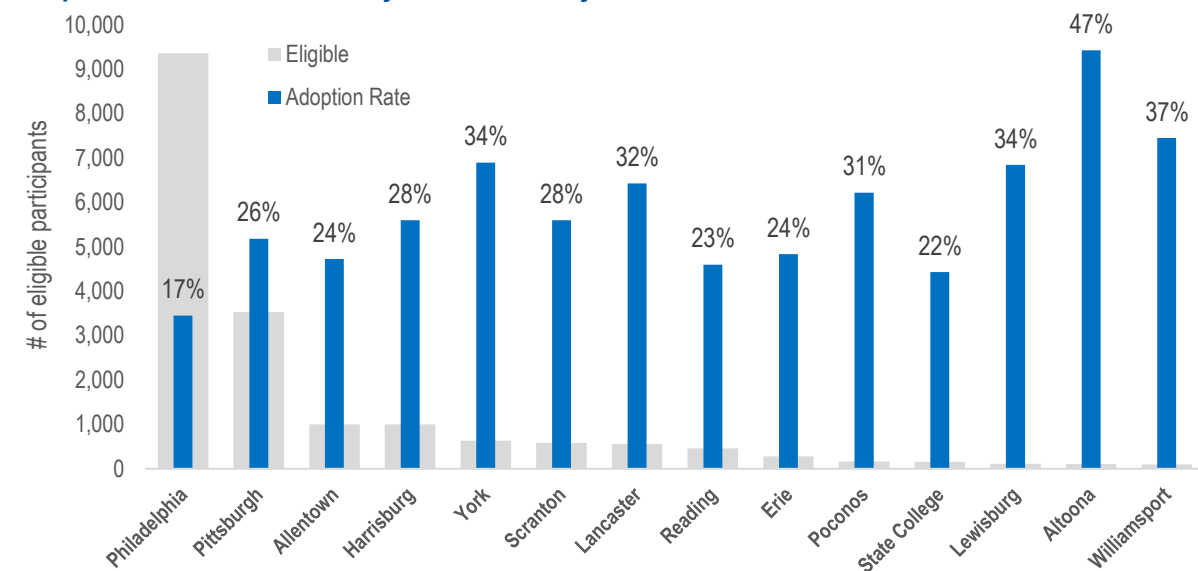
Compared to the most popular benefits programs in the U.S. over the last several decades, DoorDash’s portable benefits savings pilot program has an impressive adoption rate. While programs like 401(k) and high-deductible health plans (HDHPs) are now widely accepted, their initial uptake reflects their novelty. When 401(k) retirement plans were introduced in the early 1980s, only 13.3% of workers were eligible to enroll.⁹ Before HDHPs gained popularity, only 11% of workers with employer-sponsored health coverage were enrolled in an HSA-qualifying (health savings account) HDHP in 2013, compared to 24% in 2023.¹⁰

Dashers who enrolled in the portable benefits pilot program tend to be older, make more deliveries, and have been on the platform longer than eligible Dashers who did not enroll. The average age of enrollees was 41.1 (2.5 years older than eligible non-enrollees). By October 2024, enrollees, on average, had completed an average of 3,715 deliveries over their lifetimes (3,108 for non-enrollees) and had been on the platform 92 weeks (71 weeks for non-enrollees).¹¹

The DoorDash portable benefits savings pilot program’s adoption rate varied substantially across Pennsylvania. The adoption rate is also unrelated to the number of eligible Dashers in different localities. Despite having the largest number of eligible participants, Philadelphia’s adoption rate was only 17% compared to the 23% state-wide average (9,361 eligible participants and 1,616 enrollees). In contrast, Altoona, a city in Pennsylvania’s Blair County, had only 104 eligible participants but had an adoption rate of 47%.

Figure 1 illustrates the adoption rate of the 14 areas with the highest numbers of eligible participants.

Figure 1.
Adoption Rates across Pennsylvania, end-July 2024¹²



⁹ Poterba, James M., Steven F. Venti, and David A. Wise. 1992. “401(k) Plans and Tax-Deferred Saving.” NBER Working Paper.

¹⁰ Consumer Financial Protection Bureau. 2024. “Health Savings Accounts.” Issue Spotlight.

¹¹ DoorDash.

¹² DoorDash submarkets correspond roughly to political boundaries. DoorDash.

V. DoorDash Deposits to the Portable Benefits Savings Pilot Program in Pennsylvania

In July 2024, DoorDash made its first deposit of \$442,965 to 4,400 Dashers enrolling in the portable benefits pilot program in Pennsylvania. On average, Dashers received \$100.67 deposited into their Stride Save accounts. The deposit represents 4% of each individual’s total earnings, before tips, from April to June 2024 in Pennsylvania. (Table 2) The 4% amount is comparable to the savings-to-income ratio of lower-middle-income households in the U.S., which was 4.2% in 2023.¹³

After the enrollment period closed on July 31, 2024, DoorDash made monthly deposits for three additional months. Each deposit also equaled 4% of the enrollees’ previous monthly earnings before tips. In August 2024, DoorDash deposited \$137,558 to 4,124 Dasher accounts, averaging \$33.36 per Dasher. In September 2024, DoorDash deposited \$120,167 to 3,892 Dasher accounts, averaging \$30.87 per Dasher. In October 2024, DoorDash deposited \$102,032 to 3,644 Dasher accounts, averaging \$28.00 per Dasher.

From July to October 2024, DoorDash made four deposits totaling \$802,722 to all enrollees. On average, each Dasher received \$190.90 deposited into his or her Stride Save account. (Table 2)

Table 2.
DoorDash Deposits from July to October 2024¹⁴

Deposit Date	Earning Period	Total Deposits to Dashers	Average Deposit per Dasher
Jul 2024	April-June earnings	\$442,965	\$100.67
Aug 2024	July earnings	\$137,558	\$33.36
Sep 2024	August earnings	\$120,167	\$30.87
Oct 2024	September earnings	\$102,032	\$28.00
Total		\$802,722	\$190.90

DoorDash extended the Pennsylvania pilot program in early October for six additional months. DoorDash will make six additional monthly deposits for the existing enrolled Dashers. The last deposit in April 2025 will cover Dashers’ pre-tip earnings for March 2025.

If enrolled Dashers earn similar amounts during the period from October 2024 to March 2025 to their earnings from April to September 2024, they will each receive an average of \$381.80 in deposits. This could assist Dashers in building their reserve funds. According to the Federal Reserve’s 2023 Survey of Household Economics and Decisionmaking (SHED), 37% of all adults in the U.S. indicated that they would need to borrow money, sell something, incur credit card debt, or would not be able to cover an unexpected expense of \$400 within their households.¹⁵

¹³ O’Trakoun, John. 2023. “Savings Still High, but Not for All Households.” Federal Reserve Bank of Richmond.

¹⁴ DoorDash.

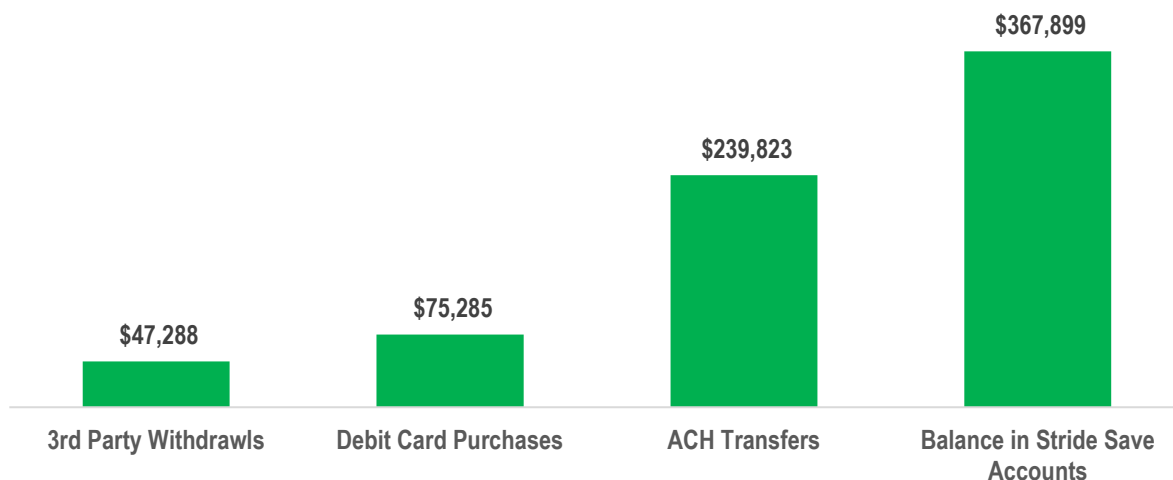
¹⁵ Federal Reserve Board. 2024. “Economic Well-Being of U.S. Households in 2023.” Boards of Governors of the Federal Reserve System.

VI. Fund Withdrawals and Savings from Stride Save Accounts

Portable benefits program beneficiaries have four ways to use funds they receive: (1) third-party withdrawals, (2) debit card purchases, (3) ACH transfers, and (4) keep the money in their Stride Save accounts. Dashers can initiate transfers via third-party financial apps such as PayPal, Apple Pay, and Venmo, use the Stride virtual debit cards to make purchases, or transfer funds from their Stride Save account to their external bank accounts via ACH transfer. Alternatively, Dashers can leave their funds in Stride Save accounts, which they always maintain access to, earning market-rate interest.

In early October 2024, before the pilot program was extended, \$730,295 was accumulated in Dashers' individual Stride Save accounts. These funds consist of \$700,690 of DoorDash deposits, \$27,194 of self-contributed funds, and \$2,411 in interest. Dashers spent \$47,288 via third-party financial apps (6.5% of total funds) and \$75,285 via virtual debit cards (10.3%) to pay for purchases. Dashers transferred via ACH \$239,823 (32.8%) to their external bank accounts. Over half of the funds (\$367,899) were still saved in Stride Save accounts as of early October 2024. (Figure 2)

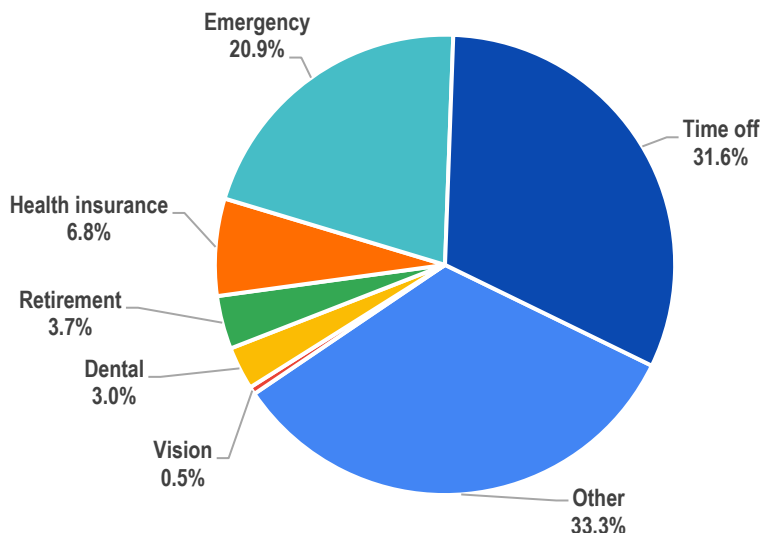
Figure 2.
Fund Withdrawals and Savings, early October 2024¹⁶



Aside from debit card purchases, neither DoorDash nor Stride have precise insight into Dasher expenditures. However, for ACH transfers, the Stride interface prompts users to indicate the planned use for the transferred funds. Based on these data, respondents spent the largest amount of funds on time off (31.6%), followed by spending on emergency savings (20.9%), health-related expenses (health insurance, dental, and vision) (10.3%), and retirement savings (3.7%). The proportion of spending on health-related expenses is impressive given that the initial period did not include open enrollment, so participants would only have been able to acquire insurance if they experienced a qualifying life event, such as marriage or birth of a child. (Figure 3)

¹⁶ Contributions Pilots - Analytics and Business Insights - First 3 Months, Stride and DoorDash.

Figure 3.
Fund Withdrawals and Spending, end-October 2024¹⁷



The portable benefits program enhances Dashers' financial security and well-being in various ways. About 87% of enrollees in the portable benefits pilot program had saved more than 50% of the deposits as of early October.¹⁸ The share of enrollees who save (87%) is much more than the number of Americans expecting a tax refund who say they plan to save it (28% of taxpayers).¹⁹ With the monetary benefits, Dashers can afford to take time off that would benefit their mental and physical health and work productivity. Estimates show that nearly 23% of the civilian labor force in the U.S. lacks access to paid sick leave, with higher shares among the lowest-paid workers, part-time workers, and female cohorts.²⁰ Based on DoorDash's pilot program, Dashers, on average, could build up a \$400 fund within a year from the contributions. As shown above, 37% of all adults in the U.S. struggle with a theoretical \$400 unexpected expense. Financial hardship can lead to forgoing healthcare treatment and costs. According to SHED, 27% of all adults went without some form of medical care because they could not afford it.²¹

VII. Participant Experiences: Mid-Program Survey Results

In October, six months after the launch of the pilot program, DoorDash conducted a survey to ask enrollees about the pilot program, their spending, and their opinions about being an independent contractor.

¹⁷ Contributions Pilots - Analytics and Business Insights - First 3 Months, Stride and DoorDash.

¹⁸ Contributions Pilots - Analytics and Business Insights - First 3 Months, Stride and DoorDash.

¹⁹ Kelton Katie. 2024. "Survey: Nearly half of Americans expecting a tax refund say they'll use it to save or pay off debt, instead of as fun money." Bankrate.

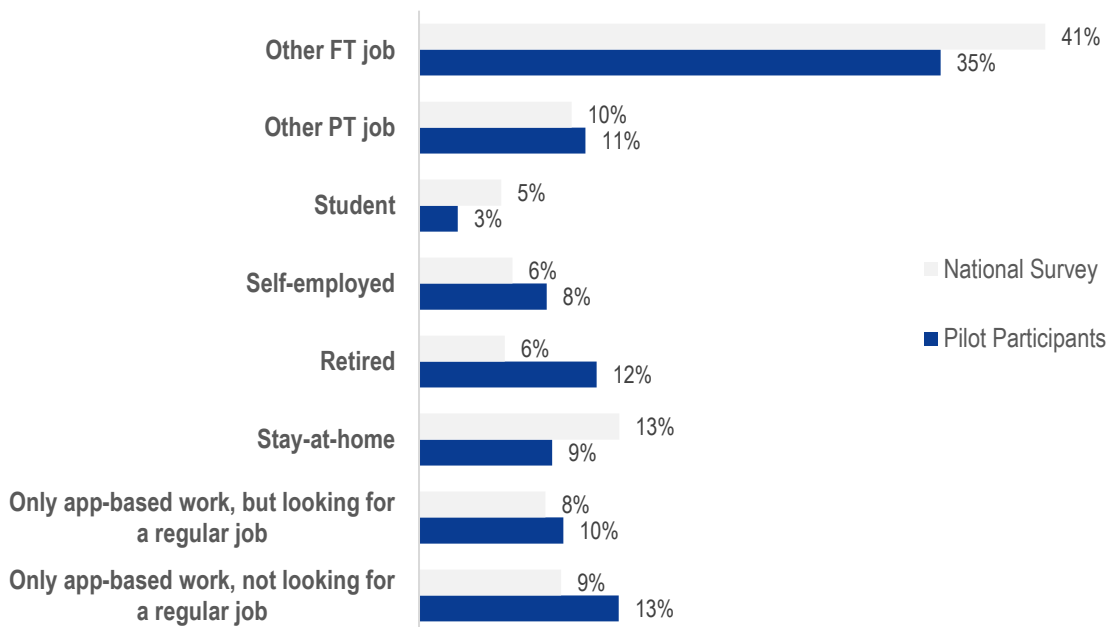
²⁰ Mehta, Sapna and Jessica Milli. 2023. "Millions of Working People Still Don't Have Access to A Single Paid Sick Day." The Center for Law and Social Policy.

²¹ Federal Reserve Board. 2024. "Economic Well-Being of U.S. Households in 2023." Boards of Governors of the Federal Reserve System.

DoorDash received 272 respondents in this survey. The survey participants come from diverse backgrounds: 20% are people of color, 26% hold a four-year college degree or higher, 27% have a disability or chronic illness, and 42% are parents or guardians of children under the age of 18.

Among the Dashers who participated in the portable benefits pilot program, a lower percentage had full-time jobs (35%) compared to the overall average of 41% from a national sample in 2023. Additionally, these participants were more likely to work exclusively in the app-based economy, with 23% working solely in the app-based economy compared to 18% nationally. (Figure 4)

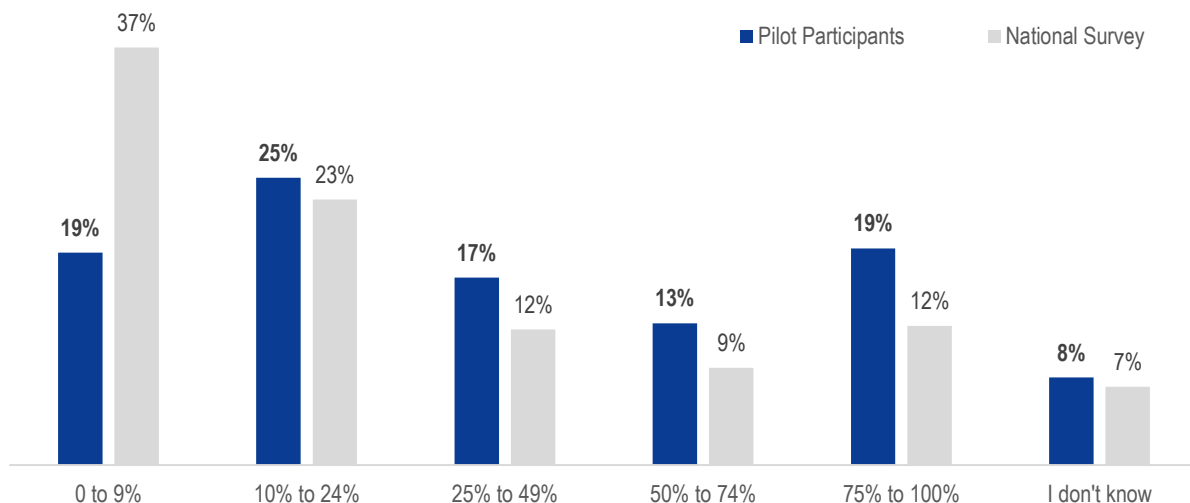
Figure 4.
Responsibilities Outside of Dashing²²



As the portable benefits pilot program targeted higher-earning Dashers, participants earned more of their income from dashing than the national average. (Figure 5)

²² Mid-program Survey, October 2024.

Figure 5.
Share of Income from Dashing²³



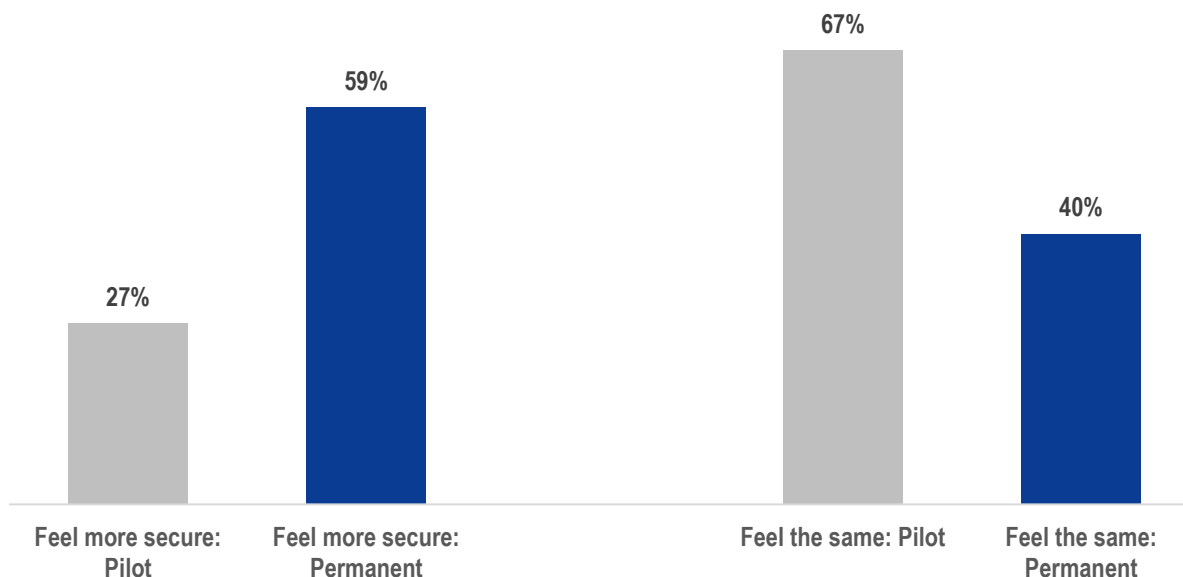
Approximately 89% of respondents indicated that the program is beneficial overall, and for many, it improved their financial security. About 27% of respondents reported feeling more financially secure because of the pilot program, while 67% felt about the same. When respondents were asked about their feelings if the pilot program were made permanent, the percentage of respondents who said they would feel more financially secure doubled to 59%, with 40% saying they would feel about the same. (Figure 6)

As one respondent said, “It’s money I would not have put away myself.”

The portable benefits savings pilot program is more beneficial and important for Dashers who spend more time on the DoorDash platform. Indeed, 91% of Dashers who earned at least \$5,000 (pre-tip) during April–September 2024 reported that the program is beneficial overall. Nearly 39% of Dashers in this group felt more financially secure due to the portable benefits savings pilot program and 69% would feel more financially secure if the program were made permanent.

²³ Mid-program Survey, October 2024.

Figure 6.
Portable Benefits Savings Pilot Program and Financial Security²⁴



The flexible nature of DoorDash’s portable benefits savings pilot program is reflected in the variety of ways participants use the program. According to the survey, the two most common uses for these funds are savings for time off (33% of survey respondents) and emergency savings (31% of survey respondents). The results of this survey aligned closely with the data reported by Stride in Section VI above. (Figure 7)

As a Dasher said, “It allows me the flexibility to take a day off that is paid and the extra money comes in handy for emergencies.”

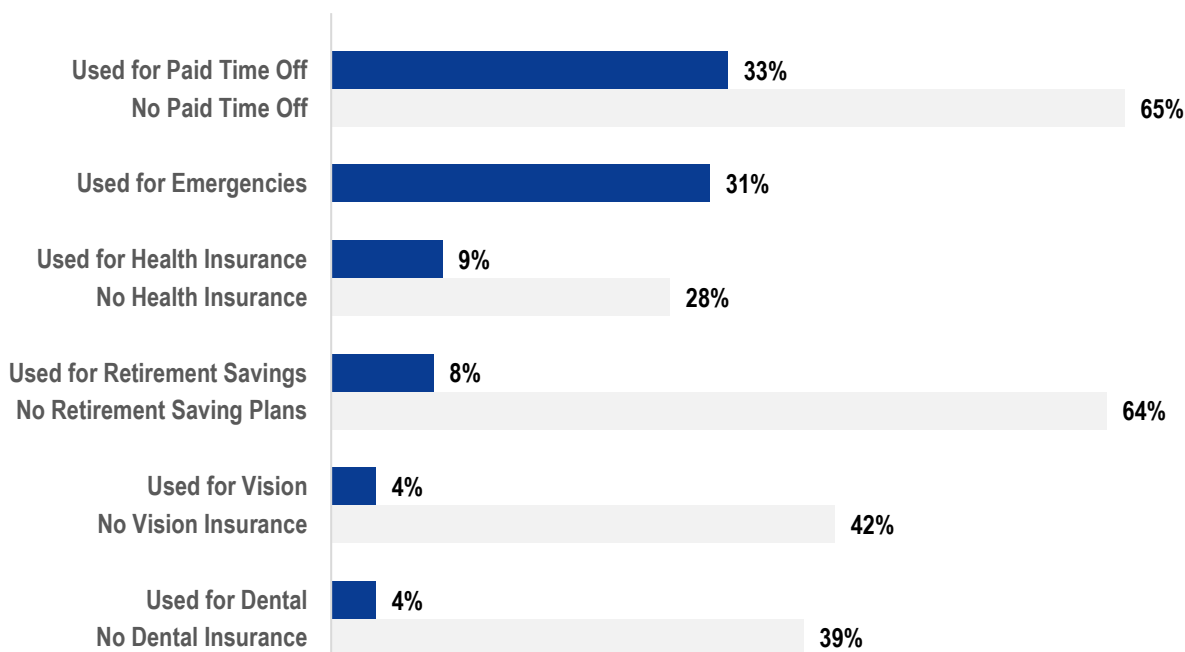
This is consistent with paid time off being the benefit that most survey respondents (65%) currently lack.²⁵ Fewer participants used funds for health insurance (9% of survey respondents), retirement savings (8%), vision (4%), and dental (4%). (Figure 7) The low levels of health-related spending reflect that the majority of participants (72%) have health-related insurance from other sources. In addition, the survey was conducted before the open enrollment period, during which 43% of respondents without health insurance prior to the pilot indicated they intended to purchase health insurance by the end of the year.

Top earners use their portable benefits savings funds differently than more casual Dashers. For example, among Dashers who made at least \$5,000 (pre-tip) during April–September 2024, a larger share of respondents used funds for traditional benefits items (health, dental, and vision insurance or retirement savings) than those earning less than \$5,000 (pre-tip) during this period. Conversely, they were less likely to use their funds for paid time off or emergency savings.

²⁴ Mid-program Survey, October 2024.

²⁵ The mid-program survey in October did not ask if pilot participants have emergency funds.

Figure 7.
Uses of Portable Benefits Savings Funds²⁶



Flexibility is crucial for Dashers since some individuals need multiple jobs to earn enough income, while others cannot maintain regular schedules due to personal responsibilities. For most Dashers surveyed, the 4% benefit amount strikes an appropriate balance between benefits and flexibility. Approximately 82% of survey respondents prefer to keep their current flexibility with the portable benefits savings offered in the pilot program rather than receiving a higher level of benefits but reduced flexibility.

People who do app-based work overwhelmingly support the current independent contractor classification with portable benefits savings programs. Over 72% of survey respondents prefer that the government continue to classify app-based workers as independent contractors. This survey figure, lower than the 91% of Dashers who prefer to remain independent contractors in the national survey, likely reflects that this group of Dashers spends significantly more time on the platform than typical Dashers.²⁷ With the option of portable benefits, the share of survey respondents who feel that app-based workers should remain independent contractors increased by 14 percentage points, from 72% to 86%. Among those who prefer this classification, 54% of respondents preferred independent contractor status with portable benefits. (Figure 8) Furthermore, 89% of survey respondents support a proposal to require companies to deposit funds into portable benefits savings accounts as tested in the pilot program.

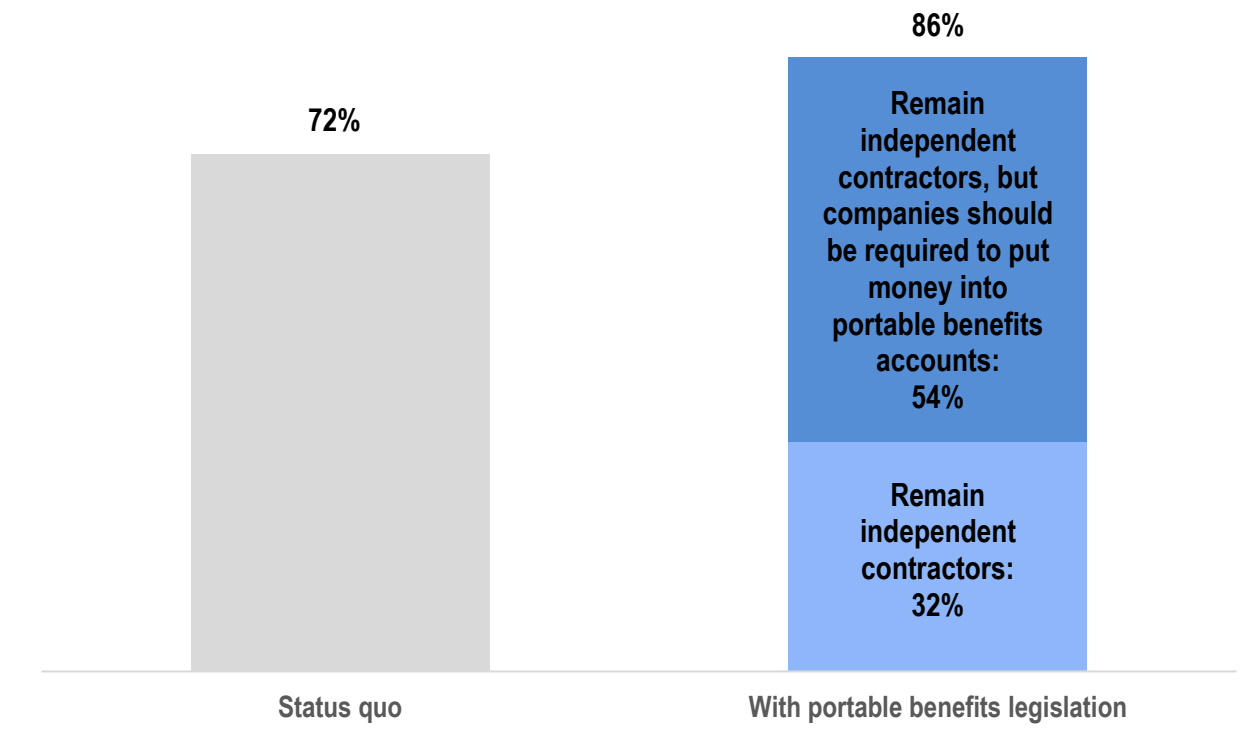
²⁶ Mid-program Survey, October 2024.

²⁷ Public First. 2023. "The Impact of DoorDash in the United States in 2023."

Figure 8.

App-based Workers' Preference for Independent Contractor Classification²⁸

Share who prefer independent contractor status



VIII. Conclusion

The flexible nature of app-based jobs appeals to a diverse range of people. A key trade-off for some of these people is the lack of employment benefits that employees can be eligible for. While many people who do app-based work obtain health insurance through other jobs or family members, most do not have access to paid time off or a retirement plan.

A portable benefits savings program could be a promising solution for people who do app-based work. Evidence from DoorDash's pilot program in Pennsylvania is encouraging. The program successfully benefits Dashers, as the program intended to do. The adoption rate of DoorDash's portable benefits savings pilot program was notably high compared to other novel benefits programs in the U.S. in recent decades.

Nearly 89% of participants in the mid-program survey found the program beneficial, and the same share support legislation mandating that app-based companies contribute to portable benefits accounts. While some participants used the funds for healthcare expenses, nearly two-thirds saved the money for time off and emergency savings. Moreover, approximately 59% of survey respondents indicated they would feel more financially secure if the portable benefits savings pilot program were made permanent.

²⁸ Mid-program Survey, October 2024.

As Dashers said, “It helps me put away for an emergency fund” and “... become more financially stable.”

People who do app-based work prefer to remain independent contractors, even with limited benefits, rather than become employees who receive more comprehensive benefits. While this pilot program is only the first of its kind, these initial findings show that portable benefits savings programs could be a third way to offer benefits to independent workers. Like any benefits program, this initiative requires time and effort to refine its design on the benefit amount, eligibility criteria, and qualified spending categories; promote it effectively; and educate stakeholders. A partnership between the private and the public sectors is essential for success.

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