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Discrimination in Ridehail and Taxi Services

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Topic / Issue

Ridehail services such as Uber and Lyft have revolutionized how people access cars. The closest historical analog to new ridehail services are taxis, which have a history of discrimination, particularly against black riders and neighborhoods. Ridehail services may discriminate less than taxis and extend reliable car access to neighborhoods underserved by taxis. Or they may not. While a 2016 study in Seattle suggests that discrimination may occur against black ridehail users, no research has yet evaluated potential biases against riders of other races or ethnicities, or evaluated ridehail services alongside taxis.

Research Findings

Evidence of discrimination exists against black riders relative to white riders, but no differences exist between Asian, Hispanic, and white riders or between men and women. While taxi service overall was remarkably poor — 10 percent of taxis did not arrive within one hour — it was worst for black riders. Black riders were 73 percent (or 11 percentage points) more likely to have a driver cancel on them compared to white riders. On both Uber and Lyft, the difference in probability of a trip being cancelled was four percentage points higher for black compared to white riders. Notably, however, cancellations on taxis meant that one in four black taxi riders never reached their destination. On Uber and Lyft, 99.7 percent of riders reached their destination even if one driver cancelled a trip. In other words, while unlawful discrimination precludes many black riders from taxi service, driver biases on Uber and Lyft result in delayed, but not denied, mobility.

Differences by rider race persisted when riders were picked up. On taxis, black riders waited 52 percent longer (between about 6 and 15 minutes) than white riders; by comparison, black riders waited between 11 seconds and 1 minute 43 seconds longer for ridehail services than white riders. In other words, while ridehailing does not erase the gap between riders, it comes close.

Study

Researchers at UCLA conducted the first audit study of taxi, Uber, and Lyft services in Los Angeles. Between October and December 2017, travelers hailed over 1,700 Uber, Lyft, and taxi rides, collecting data 12 hours per day and seven days per week for three months. Researchers evaluated how wait times and ride request cancellations varied across riders' races, ethnicities, and genders to determine if discrimination is occurring in the ridehail and taxi industries.

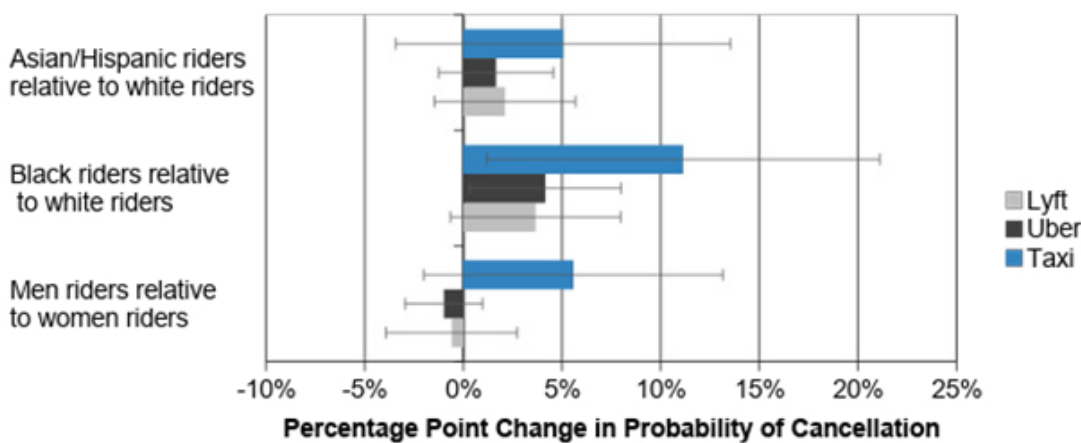
KEY TAKEAWAYS

- Taxis provide remarkably worse service than ridehail companies; one in five taxi riders were not picked up, and those who were picked up waited 24 minutes on average compared to less than six minutes on Uber and Lyft.
- Discrimination in the taxi industry results in higher cancellation rates and longer wait times for black riders compared to white riders. By contrast, ridehail services nearly eliminate the racial-ethnic differences in service quality.

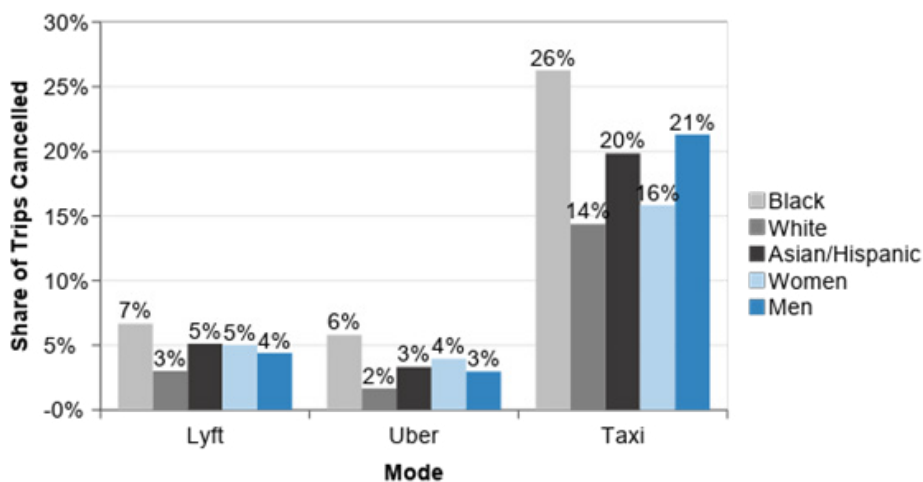
“In other words, while ridehailing does not erase the gap between riders, it comes close.”

Conclusion / Recommendations

- Discrimination in the taxi industry results in higher cancellation rates and longer wait times for black riders compared to white riders. By contrast, ridehail services nearly eliminate the racial-ethnic differences in service quality.
- Ridehail innovations including cashless payments, star ratings, and greater driver accountability may help to deter discrimination.
- Platform-specific interventions may help to close the gap between ridehail riders entirely. Tracking driver behavior and holding drivers accountable for discriminatory behavior is the most direct form of intervention. Driver training, altered incentives, permitting rider pseudonyms, and changing what or when drivers learn a rider’s information may also help to close the remaining gap.
- The public sector may require periodic taxi and ridehail industry audits to ensure companies do not illegally discriminate. Abundant ridehail data may help to monitor and deter discrimination.



Percentage point change in probability in cancellation by rider characteristics. Error bars indicate 9% confidence intervals.



Share of trips canceled, by service and rider characteristics.

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