## TECHNOLOGY

## I Delivered Packages for Amazon and It Was a Nightmare

Amazon Flex allows drivers to get paid to deliver packages from their own vehicles. But is it a good deal for workers?

**ALANA SEMUELS** JUNE 25, 2018



AYGUN ALIYEVA / SHUTTERSTOCK.COM / ARSH RAZIUDDIN / THE ATLANTIC / GOOGLEMAPS

I'm sure I looked comical as I staggered down a downtown San Francisco street on a recent weekday, arms full of packages—as I dropped one and bent down to pick it up, another fell, and as I tried to rein that one in, another toppled.

Yet it wasn't funny, not really. There I was, wearing a bright-yellow safety vest and working for Amazon Flex, a program in which the ecommerce giant pays regular people to deliver packages from their own vehicles for \$18 to \$25 an hour, before expenses. I was racing to make the deliveries before I got a ticket—there are few places for drivers without commercial vehicles to park in downtown San Francisco during the day—and also battling a growing rage as I lugged parcels to offices of tech companies that offered free food and impressive salaries to their employees, who seemed to spend their days ordering stuff online. Technology was allowing these people a good life, but it was just making me stressed and cranky.

"NOT. A. GOOD. DEAL," I scrawled in my notebook, after having walked down nine flights of stairs, sick of waiting for a freight elevator that may or may not have been broken, and returned to my car for another armful of packages.

Welcome to the future of package delivery. As people shop more online, companies like Amazon are turning to independent contractors—essentially anyone with a car—to drop parcels at homes and businesses. Flex is necessary because Amazon is growing so quickly—the company shipped 5 billion Prime items last year—that it can't just rely on FedEx, UPS, and the Postal Service. Flex takes care of "last mile" deliveries, the most complicated part of getting goods from where they're made to your doorstep. It also allows Amazon to meet increases in demand during the holiday season, Prime Day, and other busy times of the year, a spokeswoman told me in an email.

But Flex operates year-round, not just during the holiday season, which suggests there's another reason for it: It's cheap. As the larger trucking industry has <u>discovered</u> over the past decade, using independent contractors rather than unionized drivers saves money, because so many expenses are borne by the drivers, rather than the company.

Amazon has rolled out Flex in more than 50 cities, including New York; Indianapolis, Indiana; and Memphis, Tennessee. The company doesn't share information about how many drivers it has, but one Seattle economist calculated that 11,262 individuals drove for Flex in California between October 2016 and March 2017, based on information Amazon shared with him to help the company defend a lawsuit about Flex drivers.

On the surface, these jobs, like many others in the gig economy, seem like a good deal. But Flex workers get no health insurance or pension, and are not guaranteed a certain number of hours or shifts a week. They are not covered by basic labor protections like minimum wage and overtime pay, and they don't get unemployment benefits if they suddenly can't work anymore. And when workers calculate how much they're pulling in on a daily basis, they often don't account for the expenses that they'll incur doing these jobs. "A lot of these gig-type services essentially rely on people not doing the math on what it actually costs you," Sucharita Kodali, a Forrester analyst who covers ecommerce, told me.

One Amazon Flex driver in Cleveland, Chris Miller, 63, told me that though he makes \$18 an hour, he spends about 40 cents per mile he

drives on expenses like gas and car repairs. He bought his car, used, with 40,000 miles on it. It now has 140,000, after driving for Flex for seven months, and Uber and Lyft before that. That means he's incurred about \$40,000 in expenses—things he didn't think about initially, like changing the oil more frequently and replacing headlights and taillights. He made slightly less than \$10 an hour driving for Uber, he told me, once he factored in these expenses; Flex pays a bit better.

Miller's wife has a full-time job with benefits, so his Flex earnings are helpful for paying off his family's credit-card bills. But "if I were trying to make this work as a single guy on my own, it would be tough to do that," he said. His costs might actually be lower than what most drivers spend: The standard mileage rates for use of a car for business purposes, according to the IRS, are <u>54.5 cents a mile</u> in 2018.

I became an Amazon Flex independent contractor by downloading an app, going through a background check, and watching 19 videos that explained in great detail the process of delivering packages. (I did not get paid for the time it took to watch these videos, nor was there any guarantee that I would be approved as a driver once I watched the videos.) The videos covered topics like what to do if a customer decides they don't want their order anymore ("Isn't this customer nuts?!," Amazon asks), and how to deliver alcohol (asking customers how old they are, it turns out, is not an acceptable form of checking ID). Because the videos were followed by quizzes, I actually had to pay attention.

After I was finally approved as a driver, a process that took weeks, I

signed up for a shift. Flex drivers get work by opening the app and clicking on available shifts; current Flex drivers told me that newbies get offered the best hours and rates. My first shift was from 11:00 a.m. to 2:30 p.m. on a Tuesday, delivering packages from an Amazon logistics center in South San Francisco, about 30 minutes from my apartment. Different shifts offer varying rates; my three-and-a-half-hour block was going to net me \$70, according to the app, though of course I had to pay for my own fuel and tolls. The app would tell me where to pick up the packages, where to drop them off, and what route to take, so the task seemed pretty easy. I anticipated a few leisurely hours driving between houses in a sleepy San Francisco suburb, listening to an audiobook as I dropped packages on doorsteps, smelling the lavender and sagebrush that grace many front lawns here.

My first hint that the afternoon was not going to be the bucolic day I had imagined came when I drove into the Amazon warehouse to pick up the packages. I was handed a yellow safety vest to wear inside the warehouse so other drivers could see me, "compliments of Amazon," a man told me, and was directed to a parking spot where a cart of packages awaited. I began loading them into my trunk, but paused when I saw the addresses printed on them. I was assigned 43 packages but only two addresses: two office buildings on Market Street, the main thoroughfare in downtown San Francisco. This meant driving into downtown San Francisco in the middle of a workday, stashing my car somewhere and walking between floors and offices in the two buildings.

## [Readers weigh in on the pitfalls of the gig economy.]

"Where am I supposed to park?" I asked the two men who were guiding traffic in the warehouse, as I loaded giant boxes and slim white Prime envelopes into my overstuffed car. They both shrugged. "Lots of people just get tickets," one told me.

I was still feeling optimistic as I headed through 30 minutes of traffic to downtown San Francisco. I saw container ships on the horizon of the Bay as I drove up Highway 101, and for a moment, felt like an integral part of a global delivery chain that brought these packages from China, across the sea, to the port, over the roads, into the backseat of my car, and now to the people eagerly awaiting them.

By some measures, delivering packages is one of the few "good" jobs left in America for people without college degrees. The Teamsters represent roughly 260,000 UPS workers, who make around \$36 an hour. The American Postal Workers Union represents around 156,000 clerks and support workers, who make, on average, \$75,500 annually, according to the union. The National Association of Letter Carriers, which did not respond to requests for comment, represents the actual Postal Service delivery workers.

Yet these union jobs are under pressure. "These are good jobs, and they can get much worse really fast," Steve Viscelli, a sociologist at the University of Pennsylvania who writes about the trucking industry, told me. The Teamsters recently gave workers the go-ahead to call a strike amid ongoing contract negotiations, although the two sides said late

last week they'd reached a tentative deal. The American Postal Workers Union is about to begin contract negotiations too. Workers are pushing back over weekend deliveries and the lower pay and benefits given to part-time workers. UPS now has a second tier of part-time workers who make as little as \$10 an hour; the Postal Service has added workers it calls city carrier assistants who make less than regular mail carriers.

And then, of course, there's Flex. If the delivery workforce continues to shift toward nonunionized workers and independent contractors, the industry could go from one where workers can support a family to one where they are making less than minimum wage. That's what happened in the long-haul trucking industry, according to Viscelli. The average long-haul trucker today makes <u>about \$40,000</u>, down from the equivalent of \$100,000 in 1980.

"There's been a whole movement to try to contain costs and undercut labor costs by classifying drivers as independent contractors so companies don't have to worry about wage laws," says Shannon Liss-Riordan, an attorney who has filed numerous lawsuits against tech companies for misclassifying workers as independent contractors. Amazon Flex employees sometimes make below the minimum wage in the city where they live—including in Seattle, where the minimum wage is \$15 an hour—and they do not receive time-and-a-half for the hours they work over 40 hours a week, according to a lawsuit Liss-Riordan filed on behalf of Flex workers in U.S. District Court in Washington State. (Amazon said it does not comment on pending litigation.)

For some people, being an independent contractor is one of the best parts of driving for Flex. Jeremy Brown, a 36-year-old Flex driver in Milwaukee, told me that he likes the freedom of being his own boss. If he wakes up in the morning and doesn't feel like driving for Flex, he can go back to sleep, or spend his time leading the music worship service at his church, or homeschooling his kids. He makes enough money—around \$120 a day, when he factors in expenses—from Flex that his family relies on it for the bulk of their income.

Brown often finishes his two-hour shifts in a shorter time than Amazon has estimated they will take. But if it takes a Flex driver longer to complete their deliveries than Amazon has calculated it will, they don't get paid for the extra time. (An Amazon spokeswoman told me that "the vast majority" of blocks are completed within or in less than the estimated time.) If the driver gets into a car accident, the driver, not Amazon, is responsible for medical and insurance costs. If a driver gets a speeding ticket, the driver pays. (UPS and FedEx usually <u>pay</u> their trucks' tickets, but Amazon explicitly says in the contract Flex drivers sign that drivers are responsible for fees and fines.)

Because of the way Flex works, drivers rarely know when blocks of time will become available, and don't know when they'll be working or how much they'll be making on any given day. Brown likes to work two shifts delivering groceries for Amazon, from 4:30 to 6:30 a.m. and 6:30 to 8:30 a.m., but the morning we talked, no 4:30 shifts were available. He sometimes wakes up at 3 a.m. and does what Flex workers call the "sip and tap," sitting at home and drinking coffee while refreshing the app, hoping new blocks come up. He does not get paid for the hour he

spends tapping. Twice in the last year, he's been barred from seeing new blocks for seven days because Amazon accused him of using a bot to grab blocks—he says he just taps the app so frequently Amazon assumes he's cheating. When he is barred from seeing blocks, he has no recourse but to repeatedly email Amazon, which has never led to his suspension being lifted. Amazon also does not break down how much he receives in tips and how much he receives in pay from the company—for all he knows, people are tipping him \$20 and Amazon is paying him less than minimum wage. And he doesn't have a boss he can ask what's going on.

Kelly Cheeseman, an Amazon spokeswoman, told me that Flex is a great opportunity for people to be their own boss and set their own schedule. If workers prefer to be full-time employees, rather than independent contractors, the company has a "wide variety" of full- and part-time opportunities, she said. (Of course, many of the full-time jobs are <a href="mailto:physically challenging">physically challenging</a> as well. Chris Miller, the Cleveland worker, told me that he preferred working as a contractor to working as an employee for Amazon, which is infamous for <a href="mailto:high-levels-of-stress">high-levels-of-stress</a> and pressure among employees.)

Cheeseman said that most Flex workers are doing the job as a side gig to make money when they're in school or raising kids. But Nikolay Akunts, a driver who administers a Facebook group for Flex workers in the San Francisco Bay Area, told me that 70 to 80 percent of the drivers in the group are doing so full-time. (Akunts drives for Flex in Sunnyvale, California, from 4:30 to 8:30 a.m. and then goes to his full-time job at a software company.)

Even people who work for Flex full-time know they can't always depend on the app to make money. Akunts said that people often get "deactivated," which means they receive a message telling them they can no longer drive for Flex. Sometimes, the workers don't know why they've been terminated and their contract annulled, he told me. It can take as long as a month to get reinstated. Akunts, who likes working for Flex and makes a lot of money doing so, told me that he's one of the only drivers left after three years delivering packages in Sunnyvale who hasn't been deactivated or quit. "Amazon keeps you on a high standard," Akhunts said. If someone ordered a grocery delivery but doesn't answer the phone, Akunts keeps trying—the customer might be in the shower or on the other line, he said. This dedication to the customer, he said, is what Amazon expects from its workers.

When I arrived at the Market Street address where the first batch of packages were supposed to be delivered, I swiped "I've arrived" on the Flex app. The app informed me that I should actually be delivering the packages at the freight elevator on Ellis Street, in the back of the building—a two-minute walk, but a traffic-choked 10-minute drive, away. Once I arrived there, I discovered there was nowhere to park legally. I was already nearly an hour into my shift and hadn't delivered a package yet, so I parked at a red parking meter reserved for trucks with six wheels or more from 7 a.m. to 6 p.m. and started to make trips to the building, my arms full of parcels.

often
fill
their
cars
to
the
brim
before
delivering
packages.
(Alana
Semuels
/
The
Atlantic)

I tried to move quickly so that I wasn't leaving my car unattended for very long, but after walking in circles through the building, I reemerged onto Ellis Street and encountered a parking enforcement officer about to write me a ticket. I explained my difficulty: that I was delivering for Amazon, but there was nowhere to park, since I didn't have commercial plates. What was I supposed to do? My only option, since I was driving a personal car, he said, was to park in a garage, or deliver the packages at night. But lots of people risk it and park illegally in meters, he told me—the number of parking citations issued in the first three months of the year for people parking illegally at red and yellow meters grew 29 percent from 2016, according to data provided to me by the city. I eventually convinced him not to give me a ticket, which would have cost \$110 and wiped out my earnings for the day, but even as he pulled away, he warned me that another officer could be coming by soon and wouldn't hesitate to write me one. Later, when I returned to the warehouse, I encountered a few Flex drivers who had two people in the car, presumably so one could drive and watch out for traffic enforcement officers while the other hopped out to deliver

packages.

Parking headaches weren't the only problem. One of the packages I had to deliver was a huge box weighing more than 30 pounds. Because of the limited parking, I ended up walking two blocks with it, resting every 100 steps or so. At one point, a friendly police officer tried to lift it for kicks and groaned audibly. The security guard at the front door of the office building chastised me for carrying the box, and told me that I should be using a dolly to transport it. (None of the 19 videos I had to watch to be a Flex driver recommended bringing a delivery cart or a dolly.) Had I injured myself carrying the package, I would not have been able to receive workers' compensation or paid medical time off. I also would have been responsible for my own medical care. Brown, the Milwaukee Amazon Flex driver, is the sole provider for his family, and uses BadgerCare, the Wisconsin health-insurance program for lowincome residents, for his family's health insurance.

And then there was the fact that the Flex technology itself was difficult to use. Flex workers are supposed to scan each package before they deliver it, but the app wouldn't accept my scans. When I called support, unsure of what to do, I received a recorded messaging saying support was experiencing technical difficulties, but would be up again soon. Then I got a message on my phone telling me the current average wait time for support was "less than 114,767 minutes." I ended up just handing the packages to people in the offices without scanning them, hoping that someone, somewhere, was tracking where they went. (Amazon says it is constantly taking driver feedback into consideration to improve Flex.)

Two of the small offices I was supposed to deliver packages to were locked, and there was no information about where to leave the deliveries. When I finally reached support and asked what to do with those undeliverable packages, I was told I could either drive them back to the warehouse in South San Francisco, 35 minutes away through worsening traffic, or keep trying to deliver them until the recipients returned. When I tried to use the app to call the recipients, it directed me to the wrong phone numbers; I eventually called a phone number printed on an office door and left a message. But there was no efficient way to register my problems with Amazon—I was on my own.

All my frustration really hit when I went to the second office building on Market Street, home to a few big tech companies. One of them took up multiple floors, smelled strongly of pizza, and had dog leashes and kibble near the front door. Young workers milled around with laptops and lattes, talking about weekend plans. They were benefiting from the technology boom, sharing in the prosperity that comes with a company's rapid growth. Technology was making their jobs better—they worked in offices that provided free food and drinks, and they received good salaries, benefits, and stock options. They could click a button and use Amazon to get whatever they wanted delivered to their offices—I brought 16 packages for 13 people to one office; one was so light I was sure it was a pack of gum, another felt like a bug-spray container.

Until then, I had been, like them, blithely ordering things on Amazon so I wouldn't have to wait in line at a store or go searching for a particular product (even though I knew, from <u>talking to warehouse</u>

workers, that many of the jobs that get those packages to my door aren't good ones). But now, technology was enabling Amazon to hire me to deliver these packages with no benefits or perks. If one of these workers put the wrong address on the package, they would get a refund, while I was scurrying around trying to figure out what they meant when they listed their address as "fifth floor" and there was no fifth floor. How could these two different types of jobs exist in the same economy?

Gig-economy jobs like this one are becoming more and more common. The number of "non-employer firms" in the ground-transportation sector—essentially freelancers providing rides through various platforms—grew 69 percent from 2010 to 2014, the most recent year for which there is data available, according to a Brookings <u>analysis</u> of Census Bureau and Moody's data. Big cities like San Francisco, Boston, and Denver led the growth, according to Mark Muro, a senior fellow and policy director at the Metropolitan Policy Program at Brookings. Regular payroll employment in ground-transportation companies grew at a much slower rate, Brookings found.

People are worried that automation is going to create a "job apocalypse," but there will likely be thousands more driving and delivery jobs in upcoming years, according to Viscelli. Technology has allowed people to outsource the things they don't want to do; they can now have someone else go grocery shopping for them, pick up their takeout, bring them packages in under two hours so they don't have to

go to a store. "We're going to take the billion hours Americans spend driving to stores and taking things off shelves, and we're going to turn it into jobs," Viscelli said. "The fundamental question is really what the quality of these jobs is going to be."

This shift could create even more congestion in cities as hundreds of small passenger cars flood the streets. It also could fundamentally change people's relationship with their employers—think of people like Chris Miller, the Ohio Flex driver, who for years was a full-time employee at various radio stations, and now is on his own. "It concerns me that this could be the way of the world," he told me.

There are efforts to make some of the people who drive for Flex employees rather than independent contractors, a move that worker advocates say could go a long way in improving the quality of these jobs. The lawsuit filed by Shannon Liss-Riordan in Washington State, for example, argues that Flex drivers are employees, not independent contractors, because they receive unpaid training about how to interact with customers and handle deliveries, they must follow Amazon's instructions about where to make deliveries, and they can be terminated if they don't follow the company's policies. Liss-Riordan filed the lawsuit on behalf of five plaintiffs, but is hoping to add more.

The California Supreme Court <u>ruled</u> in April that businesses must use an "ABC" standard when deciding how to classify workers. The standard, already in use in Massachusetts and New Jersey, means a worker is an independent contractor only if the work is done without direction and control from the employer, outside the course of the

employer's usual business, and is done by someone who has his or her own independent business doing that kind of work. This may make it harder for employers to classify workers as contractors—but still, it will be hard for Amazon Flex workers in California to change their classification. They will have to file a formal complaint or take the matter to court, assuming Amazon and other gig-economy companies do not reclassify them on their own.

Liss-Riordan says one of the biggest obstacles in getting workers to take legal action over their classification is that many Flex workers agree, upon signing up to deliver packages, to resolve disputes with Amazon through arbitration. Companies can now use arbitration clauses to prevent workers from joining together to file class-action lawsuits, because of a May Supreme Court ruling. (A new lawsuit now in front of the Supreme Court argues that transportation workers are exempt from that rule.) Looking back through the many things I'd agreed to when signing up for Flex, I found that I, too, was governed by a binding arbitration agreement. The only way to opt out of this arbitration agreement would have been to inform Amazon I did not want to be covered by it within 14 days of signing the agreement.

For me, being an independent contractor meant that the job was lonely, with no colleagues to share stories with, and no boss to ask about the many confusing aspects of being a first-day driver. (Flex drivers complained to me that even when they do contact support with a complaint, they often receive back a form letter, making them feel like they are working for a robot rather than a company that employs actual humans.) Many drivers take to Facebook to share stories and

tips, but I only found those pages much later. My only interactions, aside from the parking enforcement officer, were with the people receiving the packages, who often said a distracted "thank you" as they tore open their packages, and with receptionists, who would nod me to mail rooms overflowing with brown boxes.

Being an independent contractor also meant that the job was hard to leave behind, even when I was done for the day. A few hours after I'd finished my shift, I received a call on my cellphone from a woman to whom I'd tried to deliver a package earlier that day. There had been no instructions about where to leave the package, but she told me she had frequently asked Amazon to leave her packages with another office. As she began chastising me—and Amazon—for my failures, I told her I wasn't responsible anymore and hung up the phone. Even weeks after I'd stopped driving for Flex, I kept getting new notifications from Amazon, telling me that increased rates were available, tempting me to log back in and make a few extra bucks, making me feel guilty for not opening the app, even though I have another job. And I didn't even have to put up with the early, unpaid hours of the "sip and tap" drivers who depended on Flex for work that they never knew for sure was coming the next day.

Flex was not a good deal for me. My shift lasted slightly longer than the three-and-a-half hours Amazon had told me it would, because I had to return two undeliverable packages to the South San Francisco warehouse. On my traffic-choked drive there, I passed a billboard showing a man who had made millions through Bitcoin sitting on a beach.

My tech-economy experience was far less lucrative. In total, I drove about 40 miles (not counting the 26 miles I had to drive between the warehouse and my apartment). I was paid \$70, but had \$20 in expenses, based on the IRS mileage standards. I had narrowly avoided a \$110 parking ticket, which felt like a win, but my earnings, added up, were \$13.33 an hour. That's less than San Francisco's \$14 minimum wage. I eagerly awaited my paycheck, which was supposed to be deposited into my bank account the Friday after my shift. It never came. Something had gone wrong with the way I entered my bankaccount number into the app, and when I wrote to support to report this, I received a form letter back that said I was emailing Amazon from the wrong email address. I'm still corresponding with Amazon to figure out exactly how to get paid—more time spent trying to eke out a meager wage in the gig economy.

We want to hear from you. Please email your response to <u>letters@theatlantic.com</u>.

We want to hear what you think about this article. <u>Submit a letter</u> to the editor or write to letters@theatlantic.com.

