

Who Sets Prices?

How Minimum Wage Broke the Gig Work Economy

Stossel in the Classroom

SITC.org

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Video Length: 4:59

Lesson Description

What happens when a city decides, by law, how much a job is worth? In this video, John Stossel examines Seattle's \$26 minimum pay standard for app-based delivery drivers and asks a simple question: did it work? Drawing on the experiences of drivers and customers, along with commentary from Judge Glock of the Manhattan Institute, the video traces how a well-intentioned law meant to help workers raised prices, cut order volume, reduced tips, and left drivers no better off. It is a clear, real-world case study in price controls, supply and demand, and the unintended consequences of policy.

Objectives

Students will be able to:

- define the terms price control, supply, and demand as they apply to app-based delivery work.
- describe how Seattle's minimum pay standard changed delivery prices, order volume, and driver tips.
- trace the chain of cause and effect that kept drivers' total earnings from rising after pay per task increased.
- judge whether a per-task minimum pay law is an effective way to raise gig workers' incomes.

Concepts & Key Terms

App-Based Gig Work: paid work, such as food delivery or ride-hailing, that is arranged through a smartphone app and paid by the task rather than by a fixed salary or hourly wage.

Free Entry: a condition in which new workers can join a market easily, with few barriers; when pay rises, more workers enter and compete for the same amount of work.

Gig Economy: work arranged through short-term jobs or app-based tasks rather than a traditional full-time job.

Incentive: a reward or penalty that influences how people behave; a change in pay or price changes the incentives facing workers, businesses, and customers.

Local Law 115 of 2021: the New York City law that required the Department of Consumer and Worker Protection to study app-based delivery work and set a minimum pay rate for delivery workers.

Minimum Wage: a pay rate set by law as the lowest amount an employer may pay; a minimum pay standard applies the same idea to each delivery task.

Price Control: a government rule that sets the amount charged for a good, service, or labor above or below the level buyers and sellers would otherwise establish.

Price Floor: a legal minimum amount that may be charged for a good or service, or paid for labor, set above what buyers and sellers might otherwise establish.

Profit: the money a business keeps after paying its costs; the video questions the claim that companies can simply absorb new costs without raising prices.

Supply and Demand: the relationship between how much of something is offered for sale and how much buyers want; when the price of delivery rises, the quantity customers demand falls.

Tip: an extra, voluntary payment from a customer to a worker; in delivery work, these payments often make up the majority of a driver's pay.

Trade-Off: giving up one thing to gain another; raising pay per task came at the cost of fewer orders and lower tips.

Unintended Consequence: an outcome of a decision or policy that was not planned or expected, such as a law meant to raise pay leaving workers no better off.

Preview Activity

Use Think, Pair, Share to have students answer and discuss these preview questions:

- If a city passed a law saying delivery drivers must be paid more, who do you think would end up paying for that raise? Why?
- When the cost of running a business goes up, what choices does the business have? Which choice do you think it usually makes?
- Who do you think should decide how much a job is worth: the government, the business, the customer, or some combination? Explain.

OR

Distribute copies of the K-W-L worksheet to the class. Have students fill in the K and W sections. After showing the video, have students complete the L section and answer the questions at the bottom of the worksheet.

Viewing Guide Instructions

We recommend that teachers show the video twice: first to allow students to view the video and focus on the issues presented, and second to allow them time to complete the viewing guide. After they complete the viewing guide, allow students a few minutes to work in pairs to share and verify answers.

Answers to Viewing Guide

1. wage
2. prices
3. supply
4. less
5. orders
6. customers

Who Sets Prices?

Viewing Guide

Name _____ Date _____

Class _____ Period _____ Teacher _____

Directions: As you watch the video, fill in the blanks with the correct words.

1. Seattle politicians' well-crafted solution was to guarantee delivery drivers a \$26 minimum _____.
2. After all, companies like Uber and DoorDash make so much money they can eat the cost without raising _____.
3. And drivers did not benefit. Why? _____ and demand.
4. To pay drivers more, apps raised prices. So customers order _____.
5. DoorDash says it got 1.7 million fewer _____.
6. Free enterprise requires businesses to constantly adjust pay and prices to attract both workers and _____.

Take a few moments to reflect on the video and answer these questions.

The video says raising pay per task did not raise drivers' total pay. In your own words, explain why.

Who set the \$26 pay rate, and who do you think should decide what a delivery is worth? Explain.

Discussion & Analysis

1. What problem did activists and Seattle politicians say they were trying to solve for gig workers?
2. New York City's Local Law 115 of 2021 required officials to study app-based delivery work and set a minimum pay rate. Why did lawmakers think this rule would help delivery workers?
3. What was the city's solution, and what specific pay rate did it guarantee delivery drivers?
4. According to the video, what did supporters assume companies such as Uber and DoorDash would do with the higher costs? What actually happened?
5. The video shows a customer paying \$122 for three items of Thai takeout. How does that example illustrate the idea that costs to businesses become costs to customers?
6. Judge Glock calls these "almost unimaginably complicated markets." Why does he argue that a city council cannot simply set the "right" wage by reading the news?
7. Two years after the law, what did the data show about drivers' earnings? Why does Stossel point to "supply and demand" as the explanation?
8. What happened when delivery apps responded to the higher wage rule by changing fees, tipping prompts, or the number of available delivery slots? What does this show about unintended consequences?
9. DoorDash reported 1.7 million fewer orders in Seattle. Walk through the chain of cause and effect: higher pay per task leads to what, and then to what?
10. Why did drivers' tips fall after the law took effect, and why does that matter when tips make up the majority of delivery pay?
11. Seattle's city council president said, "We created a problem and it's our responsibility to fix it," but proposed to "tinker with the numbers" rather than repeal the law. What does the video suggest is the risk of "tinkering"?
12. Stossel says, "The market is actually deciding what someone's job is worth." What does he mean by this, and how is it different from a politician setting the price?
13. The same pattern appeared in New York City, where higher pay came with lower tips. Why might similar laws produce similar results in different cities?
14. How do incentives explain the behavior of customers, drivers, and the apps after prices rose? Who changed their behavior, and why?
15. Identify one trade-off created by the law. Who benefited, who bore the cost, and was anyone left no better off?
16. The video calls some city officials "economically illiterate" and refers to "the conceit of politicians." How does this kind of language shape the way a viewer sees the issue? Is it fair?

17. Defenders of minimum pay laws argue they protect vulnerable workers from being underpaid. What is the strongest version of that argument, and how might the video's evidence respond to it?
18. The video argues that competition, not regulation, is the best way to raise pay. Based on the evidence presented, do you find that claim convincing? What additional information would help you decide?
19. Stossel warns against the instinct to say, "There ought to be a law!" When, if ever, do you think government should set prices or wages? Defend your position.
20. Big picture: what does this case study suggest about the difference between the goal of a policy and its real-world results?

Discuss These Lines from the Video

Leftist media say, gig workers are exploited. So activists demand politicians do something.

After all, companies like Uber and DoorDash make so much money they can eat the cost without raising prices. But they did.

Obviously, when you're increasing costs to businesses, you're going to increase costs to customers.

Two years later, the data is in. And drivers did not benefit. Why? Supply and demand.

To pay drivers more, apps raised prices. So customers order less. DoorDash says it got 1.7 million fewer orders.

The market is actually deciding what someone's job is worth.

Free enterprise requires businesses to constantly adjust pay and prices to attract both workers and customers.

Competition is the only good way to handle that.

Quotes for Discussion

The rise in the legal minimum-wage rate is a monument to the power of superficial thinking.
– Milton Friedman

In short, no one is employable or unemployable absolutely, but only relative to a given pay scale.
– Thomas Sowell

The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design.
– Friedrich A. Hayek

We must look at the price system as such a mechanism for communicating information if we want to understand its real function.
– Friedrich A. Hayek

The art of economics consists in looking not merely at the immediate but at the longer effects of any act or policy; it consists in tracing the consequences of that policy not merely for one group but for all groups. – Henry Hazlitt

There is only one difference between a bad economist and a good one: the bad economist confines himself to the visible effect; the good economist takes into account both the effect that can be seen and those effects that must be foreseen. – Frederic Bastiat

It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. – Adam Smith

It seems to me to be equally plain that no business which depends for existence on paying less than living wages to its workers has any right to continue in this country. – Franklin D. Roosevelt

[I would accept the appointment only if FDR supported] a 40-hour work week, a minimum wage, unemployment compensation, worker's compensation, abolish child labor, direct federal aid to the states for unemployment relief, Social Security, a revitalized federal employment service, and universal health insurance. – Frances Perkins

If your business model depends on paying your workers starvation wages, you should not be in business. – Robert Reich

Activities

1. Have students complete the K-W-L chart in class or for homework. (Recall that the K and W sections are to be completed before watching the video and the L section after.)
2. Have students complete the PMI chart in class or for homework.
3. Have students complete the political cartoon activity in class or for homework.
4. Have students complete and submit the Exit Ticket as they leave class.
5. Write a one-page letter to a Seattle city council member arguing either for keeping or for repealing the app-based minimum pay law. Use at least two specific pieces of evidence from the video to support your position.
6. In pairs, conduct a structured debate. One student argues that government should set a minimum pay rate for gig workers; the other argues that pay should be set by competition. Each side must use evidence from the video.
7. Read the abstract of the research study behind this video — "Delivering Higher Pay?" by An, Garin, and Kovak (NBER Working Paper 34545), available at <https://www.nber.org/papers/w34545>. In a short paragraph, compare what the researchers found about tips and total monthly earnings with what

the video claims, and note one detail the study adds that the video does not mention.

8. Draw a simple supply-and-demand diagram for food delivery. Show what happens to the price customers pay and the quantity of orders when the cost of each delivery rises. Write two sentences explaining your diagram.
9. Create a cause-and-effect chain (a flow chart) that begins with "City sets a \$26 minimum pay standard" and ends with "Drivers earn no more than before." Include at least four steps in between.
10. In small groups, list everyone affected by the law — drivers, customers, restaurants, and the apps — and describe how each group's behavior changed. Present your group's findings to the class.
11. Imagine the price of a product you buy regularly suddenly doubled because of a new fee. Write a paragraph describing how you would change your behavior, and connect it to the idea of supply and demand.
12. Hold a class discussion: the video uses sharp language, such as calling some officials "economically illiterate." Discuss whether strong language helps or hurts the video's argument, and how persuasive writing can shape opinion.
13. Research how a price control in another setting (for example, rent control or gas-price caps) affected the people it was meant to help. Write a one-paragraph summary and compare it to the Seattle delivery case.
14. As a class, brainstorm peaceful, voluntary alternatives that might raise gig workers' pay without a government price control. Evaluate which ideas seem most workable and why.
15. Using the NBER Digest summary of the study (a plain-language version), have students identify one claim from the video that the research supports and one question the research leaves open. Discuss as a class.

Additional Resources

- [*Lessons in Lyrics: "Incentives Matter"*](#) — An SITC.org resource exploring why people respond to incentives, and how changing a reward changes behavior. A natural companion to this video's supply-and-demand theme.
- Stossel in the Classroom Economics Collection — SITC.org's library of short videos and teacher guides on markets, trade-offs, regulation, and unintended consequences. Browse by topic at SITC.org or check out our Economic Policies module <https://stosselintheclassroom.org/modules/economic-policies/> and our Economic Systems Module. <https://stosselintheclassroom.org/modules/economic-systems/>
- ***Both Sides of the Issue***: We have multiple Both Sides pairings that explore minimum wage, including "\$20 Minimum Wage" <https://stosselintheclassroom.org/both-sides-20-minimum-wage/> and "Examining the Minimum Wage." <https://stosselintheclassroom.org/both-sides-examining-the-minimum-wage/>

References

The sources below were used in preparing this guide and can help teachers verify the video's claims or explore the topic in more depth.

An, Yuan, Andrew Garin, and Brian K. Kovak. "Delivering Higher Pay? The Impacts of a Task-Level Pay Standard in the Gig Economy." National Bureau of Economic Research, Working Paper 34545, December 2025.

<https://www.nber.org/papers/w34545> — The study of Seattle's law that this video is based on. It documents that base pay per task roughly doubled, but that falling tips and fewer orders left drivers' total monthly earnings unchanged.

An, Yuan, Andrew Garin, and Brian K. Kovak. "Impact of Minimum Pay Rules on Gig Delivery Drivers." *The NBER Digest*, 2026.

<https://www.nber.org/digest/202603/impact-minimum-pay-rules-gig-delivery-drivers> — A short, plain-language summary of the study, well suited for student reading.

City of Seattle, Office of Labor Standards. "App-Based Worker Minimum Payment Ordinance." <https://www.seattle.gov/laborstandards/ordinances/app-based-worker-ordinances/app-based-worker-minimum-payment-ordinance> — The official summary of the law discussed in the video, which took effect January 13, 2024.

Stossel, John. "Who Sets Prices? How Minimum Wage Broke the Gig Work Economy." Stossel TV, 2026. <https://www.youtube.com/watch?v=brWGiG5fkeA> — The video this guide accompanies.

Jardim, Ekaterina, Mark C. Long, Robert Plotnick, Emma van Inwegen, Jacob Vigdor, and Hilary Wething. "Minimum-Wage Increases and Low-Wage Employment: Evidence from Seattle." *American Economic Journal: Economic Policy* 14, no. 2 (2022): 263–314. — A widely cited study of Seattle's earlier city-wide minimum wage, useful for comparing how minimum wage laws affect traditional and gig work.

Koustas, Dmitri, James Parrott, and Michael Reich. "Effects of Mandated Driver Pay Increases on the Gig Economy: Evidence from New York City." 2020. — A study of New York City's minimum pay standard for ride-hailing drivers, offering a point of comparison with the Seattle delivery case.

Name _____

Date _____

Class _____ Period _____

Teacher _____

Quiz: Who Sets Prices?

Directions: Select the answer that best completes the sentence.

1. Seattle's law guaranteed app-based delivery drivers a minimum pay of _____.
 - A. \$7.25 an hour
 - B. \$26
 - C. whatever the customer tipped
 - D. double the federal minimum wage
2. Supporters assumed the apps would cover the higher cost without _____.
 - A. raising prices
 - B. hiring drivers
 - C. paying taxes
 - D. leaving Seattle
3. After prices rose, the number of delivery orders in Seattle _____.
 - A. stayed the same
 - B. went up sharply
 - C. fell by about 1.7 million
 - D. could not be measured
4. The video says drivers did not benefit mainly because of _____.
 - A. supply and demand
 - B. bad weather
 - C. a software glitch
 - D. higher fuel costs
5. The main idea of the video is that setting pay by law _____.
 - A. always helps workers
 - B. has no effect on prices
 - C. can backfire and leave workers no better off
 - D. is required by the Constitution

Answer Key:

B
A
C
A
C

Name _____

Date _____

Class _____ Period _____

Teacher _____

Political Cartoon Activity

Who Sets Prices?

Directions: Use the political cartoon to answer the questions.

What is happening in the cartoon, and who are the main figures? _____



The burger is marked \$12, but the total is \$31.48. What do the fees inside the maze show about how that price was reached? _____

The official says, "Problem solved!" while the driver thinks, "Still waiting..." Why place those two reactions side by side? _____

Why draw the path from a \$12 burger to a \$31.48 total as a maze rather than a straight line? _____

The caption says some customers "order less — or not at all." Why did they order less? How could fewer orders affect the drivers the law meant to help? _____

Name _____

Date _____

Class _____ Period _____

Teacher _____

Who Sets Prices?

PMI Chart

- P = Plus:** What might be some pluses of requiring delivery apps to pay delivery drivers a higher wage?
- M = Minus:** What might be some minuses of requiring delivery apps to pay delivery drivers a higher wage?
- I = Interesting:** What is interesting or surprising about requiring delivery apps to pay delivery drivers a higher wage?

+ Pluses +	- Minuses -	I

Did the wage rule help delivery drivers overall? Explain your reasoning.

Who ended up paying for the higher wage rule: the companies, customers, restaurants, or drivers? Explain.

Name _____

Date _____

Class _____ Period _____

Teacher _____

Who Sets Prices?

K-W-L Chart

Directions: Complete the **K** and **W** sections prior to watching the video. After you have seen the video, complete the **L** section and answer the questions below the K-W-L chart.

K	W	L
What I know about delivery apps...	What I want to know about delivery apps...	What I've learned about delivery apps...

What did you learn about how wages, prices, and customer choices are connected? _____

Why might a policy meant to help workers have results that are different from what lawmakers intended? _____

Infographic – The Price of Good Intentions – Seattle's Gig Economy Experiment



Link: <https://drive.google.com/file/d/134Nyo23KDPjX2zQm9QMStxUk4aPnfJAJ/view?usp=sharing>

Exit Ticket

Name	
Admit One	Why didn't delivery drivers make more money after the city required a higher wage, and what does that show about who really sets prices?
EXIT TICKET	

Name	
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EXIT TICKET	

Name	
Admit One	Why didn't delivery drivers make more money after the city required a higher wage, and what does that show about who really sets prices?
EXIT TICKET	

Name _____

Date _____

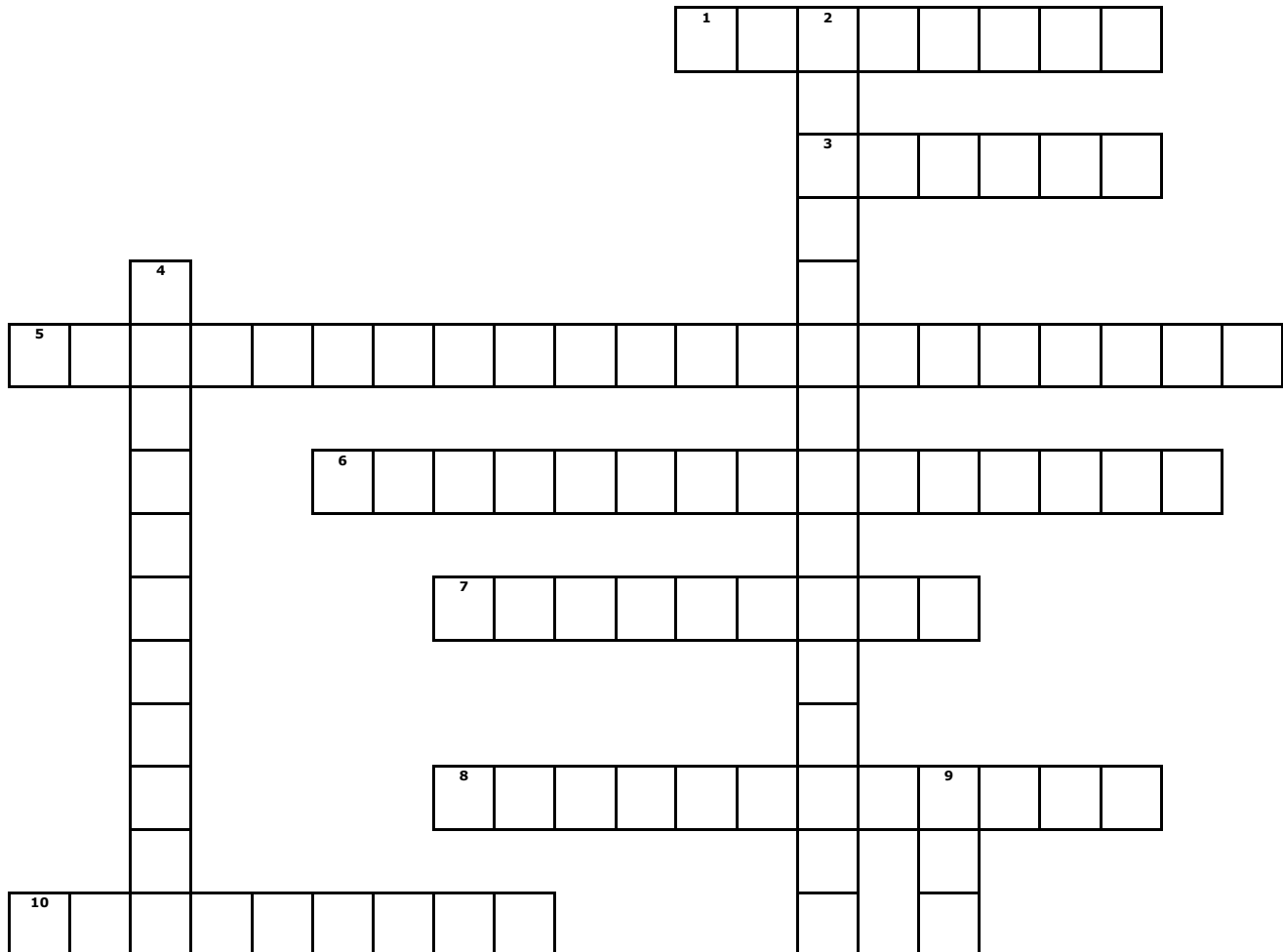
Class _____ Period _____

Teacher _____

Who Sets Prices?

Crossword Puzzle with Word Bank

Use the word bank to help fill in the puzzle.



Word Bank: PRICE CONTROL SUPPLY AND DEMAND TIP PROFIT FREE ENTRY
TRADE-OFF MINIMUM WAGE INCENTIVE UNINTENDED CONSEQUENCE APP-
BASED GIG WORK

Across

1. giving up one thing to gain another
3. the money a business keeps after paying its costs
5. an outcome of a decision or policy that was not planned or expected

- 6.** the relationship between how much of something is offered for sale and how much buyers want
- 7.** a reward or penalty that influences how people behave
- 8.** a government rule that sets the price of a good, service, or labor above or below the level the market would otherwise reach.
- 10.** a condition in which new workers can join a market easily, with few barriers

Down

- 2.** paid work, such as food delivery or ride-hailing, that is arranged through a smartphone app and paid by the task rather than by a fixed salary or hourly wage.
- 4.** a pay rate set by law as the lowest amount an employer may pay
- 9.** an extra, voluntary payment from a customer to a worker

Name _____

Date _____

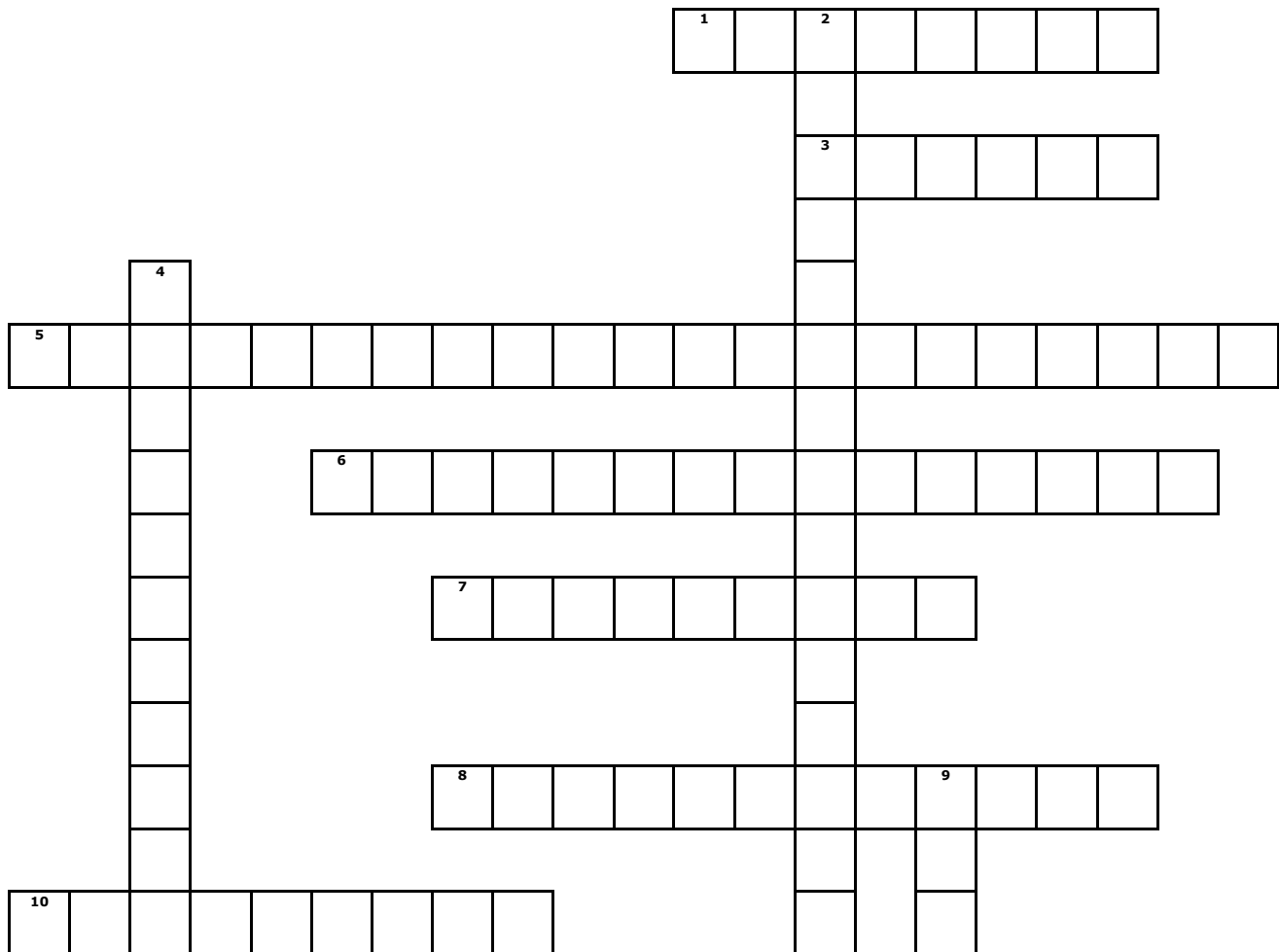
Class _____ Period _____

Teacher _____

Who Sets Prices?

Crossword

Read each clue and fill in the puzzle.



Across

1. giving up one thing to gain another
3. the money a business keeps after paying its costs
5. an outcome of a decision or policy that was not planned or expected
6. the relationship between how much of something is offered for sale and how much buyers want
7. a reward or penalty that influences how people behave

8. a government rule that sets the price of a good, service, or labor above or below the level the market would otherwise reach.

10. a condition in which new workers can join a market easily, with few barriers

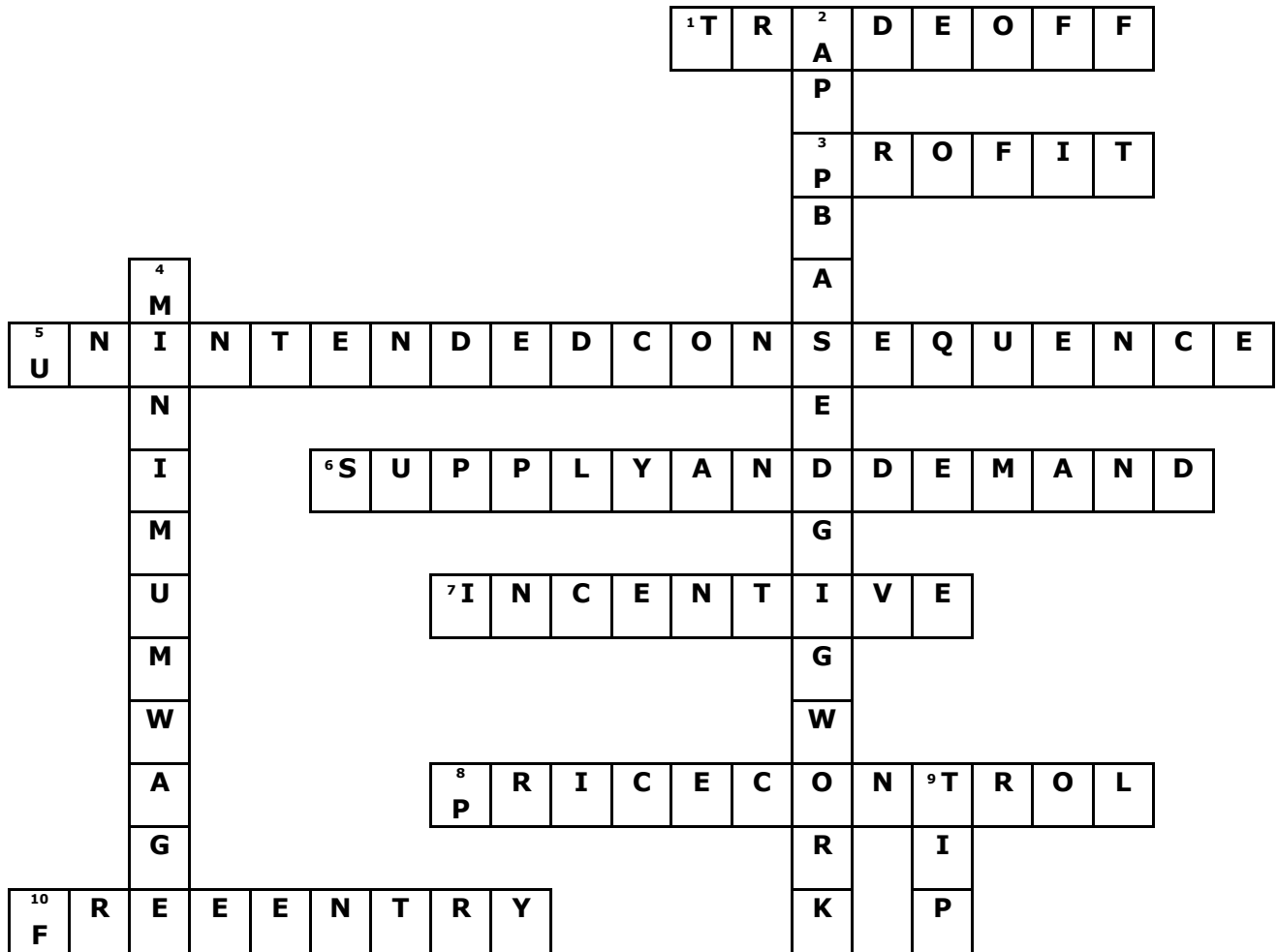
Down

2. paid work, such as food delivery or ride-hailing, that is arranged through a smartphone app and paid by the task rather than by a fixed salary or hourly wage.

4. a pay rate set by law as the lowest amount an employer may pay

9. an extra, voluntary payment from a customer to a worker

Crosswords — Answer Key



Name _____

Date _____

Class _____ Period _____

Teacher _____

Word Search - Who Sets Prices?

R	Z	D	D	P	I	S	A	P	P	B	A	S	E	D	G	I	G	W	O	R	K
H	G	I	H	P	R	L	X	W	O	V	U	M	R	H	U	O	Q	D	Q	S	A
Q	R	V	L	T	H	I	M	P	V	C	N	N	O	D	K	H	O	J	U	N	S
D	F	G	I	X	T	M	C	I	S	U	I	Y	Z	F	U	A	Q	P	X	X	I
A	Z	P	P	K	W	U	G	E	Z	U	N	J	A	X	M	L	P	G	R	I	H
C	Z	G	I	R	A	A	E	S	C	S	T	Z	Z	E	K	L	G	E	T	T	J
Q	J	A	G	N	M	V	S	M	Z	O	E	R	U	U	Y	X	V	Z	O	S	R
I	Q	J	R	C	V	P	W	P	U	F	N	N	A	A	B	W	D	X	D	I	V
M	K	N	X	M	P	C	M	W	U	D	D	T	N	D	X	N	H	T	A	Y	O
E	I	U	A	L	F	V	I	E	M	I	E	D	R	F	E	J	K	U	T	K	N
B	L	N	H	W	T	O	A	L	N	V	D	M	P	O	E	O	T	Y	Y	L	W
S	J	Z	I	R	E	P	O	C	W	E	C	A	O	Y	L	L	F	H	N	P	H
T	Q	K	P	M	J	T	E	H	M	N	O	K	D	E	F	R	B	F	Y	W	V
Y	D	Y	M	E	U	N	L	A	C	G	N	V	G	A	D	K	I	S	H	U	R
T	I	T	S	J	T	M	N	L	K	M	S	A	S	D	S	O	O	U	K	H	I
D	F	V	J	I	P	D	W	V	B	Q	E	E	E	Q	G	W	I	G	I	L	B
C	W	E	V	Z	X	R	H	A	W	B	Q	Z	E	A	B	E	M	N	S	N	A
F	E	E	V	Q	Q	E	O	P	G	D	U	L	X	C	X	E	A	C	Z	L	E
L	K	G	J	G	R	K	M	F	R	E	E	E	N	T	R	Y	C	K	F	I	P
R	F	R	W	E	M	A	O	E	I	I	N	E	Y	V	E	R	X	T	I	W	I
J	W	A	Q	S	L	W	M	R	G	T	C	M	D	D	U	R	F	O	Z	Q	F
C	V	S	D	Z	D	N	E	Y	X	B	E	O	U	D	M	I	J	E	Q	Q	H

Word Bank

Phrases appear in the grid with no spaces between words.

- App-Based Gig Work
- Free Entry
- Incentive
- Tip
- Price Control
- Profit
- Supply and Demand
- Minimum Wage
- Trade-Off
- Unintended Consequence

Word Search Answer Key

R	Z	D	D	P	I	S	A	P	P	B	A	S	E	D	G	I	G	W	O	R	K
H	G	I	H	P	R	L	X	W	O	V	U	M	R	H	U	O	Q	D	Q	S	A
Q	R	V	L	T	H	I	M	P	V	C	N	N	O	D	K	H	O	J	U	N	S
D	F	G	I	X	T	M	C	I	S	U	I	Y	Z	F	U	A	Q	P	X	X	I
A	Z	P	P	K	W	U	G	E	Z	U	N	J	A	X	M	L	P	G	R	I	H
C	Z	G	I	R	A	A	E	S	C	S	T	Z	Z	E	K	L	G	E	T	T	J
Q	J	A	G	N	M	V	S	M	Z	O	E	R	U	U	Y	X	V	Z	O	S	R
I	Q	J	R	C	V	P	W	P	U	F	N	N	A	A	B	W	D	X	D	I	V
M	K	N	X	M	P	C	M	W	U	D	D	T	N	D	X	N	H	T	A	Y	O
E	I	U	A	L	F	V	I	E	M	I	E	D	R	F	E	J	K	U	T	K	N
B	L	N	H	W	T	O	A	L	N	V	D	M	P	O	E	O	T	Y	Y	L	W
S	J	Z	I	R	E	P	O	C	W	E	C	A	O	Y	L	L	F	H	N	P	H
T	Q	K	P	M	J	T	E	H	M	N	O	K	D	E	F	R	B	F	Y	W	V
Y	D	Y	M	E	U	N	L	A	C	G	N	V	G	A	D	K	I	S	H	U	R
T	I	T	S	J	T	M	N	L	K	M	S	A	S	D	S	O	O	U	K	H	I
D	F	V	J	I	P	D	W	V	B	Q	E	E	E	Q	G	W	I	G	I	L	B
C	W	E	V	Z	X	R	H	A	W	B	Q	Z	E	A	B	E	M	N	S	N	A
F	E	E	V	Q	Q	E	O	P	G	D	U	L	X	C	X	E	A	C	Z	L	E
L	K	G	J	G	R	K	M	F	R	E	E	E	N	T	R	Y	C	K	F	I	P
R	F	R	W	E	M	A	O	E	I	I	N	E	Y	V	E	R	X	T	I	W	I
J	W	A	Q	S	L	W	M	R	G	T	C	M	D	D	U	R	F	O	Z	Q	F
C	V	S	D	Z	D	N	E	Y	X	B	E	O	U	D	M	I	J	E	Q	Q	H

Name _____

Date _____

Class _____ Period _____

Teacher _____

Who Sets Prices?

Claim Evidence Reasoning Activity

Claim: What is the claim from this video you are evaluating?

Evidence: What evidence is presented (or can you find) in support of the claim?

Reasoning: How does the evidence support (or dispute) the claim?

Transcript

John Stossel

Not long ago, new kinds of jobs appeared: app-based gig work. [woof] Dog walkers, Taskrabbit, DoorDash, and, most common, Uber and Lyft drivers. Gig work is paid by the job, and some say, not paid enough!

Gig Worker

I'm just basically working part-time to pay my bills and survive.

John Stossel

Leftist media say, gig workers are exploited.



Apps like Uber and Lyft exploit their workers.

November 17, 2021

YouTube/Seattle Channel – Mikey Pullman

We're paid as little as \$2 a job.

John Stossel

So activists demand politicians do something.

YouTube/Seattle Channel – Daniell Alvarado

We have a well-crafted solution.

John Stossel

Seattle politicians' "well-crafted" solution was to guarantee delivery drivers a \$26 minimum wage.



Seattle passes legislation that guarantees a minimum wage for delivery drivers

May 31, 2022

YouTube/Seattle Channel – Andrew Lewis

You get the dignity, you get the benefits of what's coming to you.

John Stossel

What could go wrong? After all, companies like Uber and DoorDash make so much money they can eat the cost without raising prices.

YouTube/Seattle Channel – Lisa Herbold

Annual revenues of billions of dollars a year, so I wouldn't assume that prices are going to go up.

John Stossel

But they did.

KING 5 Seattle - News Clip

Getting whipped with new charges on food delivery apps.

John Stossel

Oops.

KING 5 Seattle – Customer

It was three items of, you know, Thai takeout food for \$122. I just deleted the app.

Judge Glock

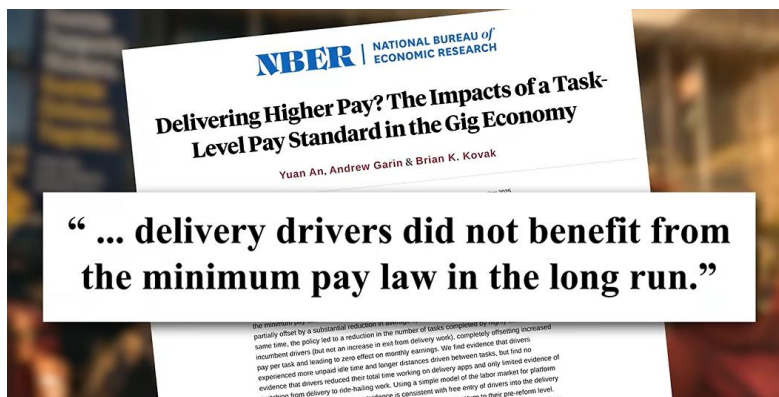
Obviously, when you're increasing costs to businesses, you're going to increase costs to customers. These are very, almost unimaginably, complicated markets where the company's main job is actually interfacing between restaurants and delivery workers and customers. And then you have, frankly, usually an economically illiterate city council or mayor who comes in and thinks basically by looking at an industry through reading the daily news, they can appropriately regulate the exact wage.

YouTube/Seattle Channel – Lisa Herbold

We want an economy in our city that works for everybody.

John Stossel

Two years later, the data is in. And drivers did not benefit. Why? Supply and demand. To pay drivers more, apps raised prices. So customers order less. DoorDash says it got 1.7 million fewer orders.



 **" ... Seattle consumers placing 1.7 million fewer orders on ... DoorDash ... in 2024."**

February 5, 2025

KOMO NEWS -News Clip

Why do you think it's slow in Seattle right now? Well, it has become slow because of the new law. Business has plummeted because of Seattle's new food delivery ordinance.

John Stossel

That's what happens when politicians micromanage.

Judge Glock

We have a system in America that decides fairness by what the market will bear.

John Stossel

But the politicians don't get it. They say, we can fix it. We just have to tinker with it.

Judge Glock

The market is actually deciding what someone's job is worth.

John Stossel

Seattle's then-city council president realized they'd made a mistake.

KOMO NEWS - Council President

I believe that we created a problem and it's our responsibility to fix it.

John Stossel

Good. So they repealed their harmful law? No. She said, "We just have to tinker with the numbers."

KOMO NEWS - Council President Sara Nelson

If we had gotten the minimum pay standard right, we would not see the decline in the revenue.

John Stossel

Give me a break. The conceit of politicians. Free enterprise requires businesses to constantly adjust pay and prices to attract both workers and customers. Yet Seattle politicians confidently say, "The price we pick is the right one."

Judge Glock

When you think about it, it's actually just patently absurd on its face.

John Stossel

Dumb as these rules are, the regulators have the power and they can force this.

Judge Glock

You're not going to have any improved wellbeing for people, and you're not going to have increased wages for those workers.

John Stossel

[bike bell] The same thing happened in New York City.

FOX 5 NEWS

App-based food delivery workers are getting \$19.56 an hour. But with the bump in pay came a reduction in tips.

Judge Glock

The decrease in tips and increased competition for jobs offset all of the gains, basically, from that imposed minimum wage.

John Stossel

That upsets New York's new mayor.

YT/NYC Mayor's Office – Mayor Mamdani

Make no mistake. We will have those workers' backs each and every time.

Judge Glock

It's this continual whack-a-mole tendency where, yes, the market responds. We need a new regulation to try to prevent that response. They think that the next regulation is somehow going to squelch the greed out of the system, but there's simply no way to do that.

John Stossel

Right. Competition is the only good way to handle that. We asked my mayor and Seattle's city council members, "How do you know better than the push and pull of the market?" They didn't respond.

Judge Glock

A lot of politicians want to believe there's a free lunch or just a fixed pot of money that they can give out to the neediest people in America. The actual effect was not to improve the wellbeing of any workers, but it was to increase costs for customers and to sabotage one of the most successful businesses in the city.

John Stossel

One that pays people for something they like to do.

YOUTUBE/Gareth Leonard

We got one more last pick up in Margaritaville. Let's go pick up that order. We're live here in New York City! Look at that!

(4:59)