



**Testimony provided by Chad Horrell with DoorDash to the  
Finance Committee of the Maryland Senate**

March 5, 2025

Thank you, Chair Beidle, and members of the Committee.

My name is Chad Horrell, and I am with DoorDash. Our company was founded over ten years ago with the goal of growing and empowering local economies. Tony Xu, our co-founder and CEO, worked alongside his mom in a restaurant after moving to this country from China. He created DoorDash to help local restaurants and other businesses grow, while providing opportunities for delivery workers – or Dashers, as we call them – to earn extra income.

We are proud to be accomplishing our mission in Maryland. For the state's restaurants and small businesses, the competitive landscape has changed dramatically in just the last few years. For these local businesses to grow and compete, they need to expand their customer base and reach more people in their communities. DoorDash gives them a powerful way to reach more customers and grow their bottom lines.

For Dashers, the DoorDash platform provides something unique: a way to tap into extra income, when it fits into their schedule, with no commitment to work any more than they choose. Over 220,000 people in Maryland last year used DoorDash to earn extra income for them and their families. They deliver on average for just a few hours a week, they come and go from the platform as they choose, and they choose whether or not to work. The vast majority of them already have a full- or part-time job or other reason why they are not looking for dashing to be employment.

SB 938 puts many types of work in the state, including dashing, at risk. This bill would make a sweeping change to how the state has traditionally defined “employment” under the state’s wage and hour laws. That change could force large numbers of the state’s independent workers across a wide range of industries, including Dashers, to give up their independent work. This bill, in other words, is not about giving the state more tools to root out companies that intentionally misclassify their workers. This bill is designed to forcibly *reclassify* large swaths of workers who work independently, creating confusion for businesses and workers alike and putting jobs at risk. We respectfully urge you to not support this bill.

**Dashers value the ability to tap into independent work for a few hours a week. SB 938 could take that away.**

Over 220,000 people in Maryland last year used DoorDash to earn extra income. Why do so many people in the state choose to be “Dashers”, rather than find other sources of income, like a traditional, part-time employment job?

- **Maryland Dashers deliver on average for just 3.4 hours per week.**<sup>1</sup> Dashers can use DoorDash to tap into small, occasional amounts of work when it works for their schedule, with no commitment to work more than they choose.
- **Dashers can scale their hours up or down as it suits them.** Nearly all Dashers in Maryland – 90% – use dashing to deliver for, on average, 10 hours or less per week.<sup>2</sup> But if something comes up, like an unexpected expense or a loss of another job, Dashers can take on more work on the fly, without having to search for a new job or ask a manager for more hours (which often isn't possible).
- **Dashers can come and go as they choose.** We never tell Dashers when to work, so unlike an employee, they can start and stop as they choose. A Dasher might dash for a month or two to work toward a savings goal, then stop dashing entirely for a month, only to start again (with no advance notice to us) the next month. That's not a far-fetched example: for Dashers, coming and going is common. When we looked at the data, we found that, over a given thirteen-week calendar quarter, a large majority of Dashers – 73% – chose to step away from dashing for 4 weeks or more over that span.<sup>3</sup>
- Being able to tap into work occasionally, in small increments – with no commitment to work more – is important to Dashers, because **the vast majority of Dashers (82%) already have a full- or part-time job, or own their own business, or have another reason for not wanting to commit to an employment job**, whether that's because they're a student, a stay-at-home caregiver, or retired.<sup>4</sup> Converting dashing into employment would not make sense for them, because they cannot or do not want to commit to dashing as employment.

After looking at who Dashers are, and how they use this work, it's easy to see why hundreds of thousands of people in Maryland value this work: it offers a way to tap into extra income that Dashers can fit around their other work and other commitments. That's unique, and that would be lost if dashing were converted into just another type of hourly, part-time employment job.

Yet some still claim that Dashers and all other app-based workers would rather work as employees. But Dashers have had those jobs, and they don't need someone to tell them what those jobs are like. Working as an employee – especially an hourly, part-time employee, which is the closest employment analog to dashing – means the kind of “short shifts and variable weekly hours” that's “known to create work-life challenges for employees who lack consistent schedules.”<sup>5</sup> A Tufts University report concluded that if the laws were changed to convert

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<sup>1</sup> Measured during the fourth quarter of 2024.

<sup>2</sup> Measured during the fourth quarter of 2024.

<sup>3</sup> DoorDash, *Behind the Dash: Insights into the Flexibility and Freedom of Dashing* (July 27, 2023), <https://about.doordash.com/en-us/news/insights-into-the-flexibility-and-freedom-of-dashing>.

<sup>4</sup> DoorDash, *Delivering the Goods: The Impact of DoorDash in the United States in 2023*, at 12 (2024), <https://doordash2023.publicfirst.co/wp-content/uploads/DoorDash%202023%20Community%20Impact%20Report.pdf>.

<sup>5</sup> Center for State Policy Analysis, Tufts University, *Understanding the Ballot Question that Could Reshape Rideshare and Gig Driving*, at 7 (2022), [https://cspa.tufts.edu/sites/g/files/lrezom361/files/2022-04/cSPA\\_understanding\\_gig\\_driving\\_ballot\\_question.pdf](https://cspa.tufts.edu/sites/g/files/lrezom361/files/2022-04/cSPA_understanding_gig_driving_ballot_question.pdf).

app-based workers into employees, a likely outcome is that app-based work would end up like those kinds of employment jobs.<sup>6</sup>

Even for employees fortunate enough to be assigned a schedule that's relatively constant from week to week, having to work a schedule that an employer assigns does not work for everyone. A Dasher with a full- or part-time job who is looking for just a few extra hours of work cannot get that from an employment job. A Dasher who is a stay-at-home caregiver likewise may not want or be able to commit to the structure of employment. And Dashers who are students, or retired, may not be able – or want – to trade the control dashing gives them for assigned hours.

Like we mentioned above, the vast majority of Dashers fall into one of these categories. **That's why, when we ask Dashers across the country, nearly all of them – a full 91% – tell us that they prefer to remain independent contractors, rather than be reclassified as employees.**<sup>7</sup> They know where to find a typical, hourly employment job, but they've chosen dashing precisely because it's different. When outside groups claim to speak for Dashers and say that Dashers would prefer to be converted into employees, they are not in touch with the value that this kind of work offers to so many people, both in Maryland and across the country.

Sometimes, when outside groups or commentators push for Dashers or other app-based workers to be converted into employees, they focus on the outliers: the small number of workers who use this work not for extra income, but to work longer, more employment-like hours. As we mentioned, those are outliers: only 10% of Maryland Dashers average more than 10 hours per week delivering (still a small number of hours by comparison to employment), and the percentage who dash for even longer than that is much smaller still. But even those Dashers – the highly active ones – tell us, overwhelmingly, that they, too, prefer to remain independent,<sup>8</sup> which allows them to work independently without a manager supervising them and choose for themselves when, where, and how to work.

It's true – for that small number of highly active Dashers – that they currently face a tradeoff, which independent contractors all across the economy have long faced. Working independently as a Dasher puts them in control of their time and their work, but may cause them to miss out on the kinds of benefits they might be able to get from employment. But the solution for that very small proportion of Dashers is not to take away – from all 220,000-plus Maryland Dashers – the option they value to tap into independent work.

The solution instead is to pursue policies that can strengthen independent work. That means policies that can, for those highly active Dashers, open up access to benefits and protections that traditionally have been reserved for employees, without forcing all Dashers to give up the independence and control that draws them to this work in the first place.

That's why we're experimenting with new policy solutions, like portable benefits, which would enable independent contractors like Dashers to accrue contributions toward benefits based on how much they work. We partnered last year with Governor Josh Shapiro of Pennsylvania to

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<sup>6</sup> *Id.*

<sup>7</sup> *Delivering the Goods*, *supra* note 4, at 17.

<sup>8</sup> *Behind the Dash*, *supra* note 3.

launch a pilot portable-benefits program,<sup>9</sup> and we're continuing to work with policymakers to find solutions that work for Dashers.

**SB 938 threatens a wide range of workers in industries all across Maryland's economy.**

The purpose of SB 938 is not merely to give state agencies more tools to go after employers who flout the law and misclassify their workers. This bill is not, in other words, about helping to root out *misclassification*: this bill is about *reclassification*. The bill intends to change the definition of employment under the state's wage-and-hour laws to try to shift many types of independent contractors in the state into the structure of employment.

For Maryland's businesses, that means having to either hire some of their independent contractors as employees or, when that's not feasible, simply cut ties with them. For many of Maryland's independent workers, that means, at best, having to trade in their independence for employment. At worst, that means losing their jobs.

That is not a hypothetical. In the late 2010s, California adopted a similar definition of employment to the one that SB 938 proposes. That California law, like SB 938, applied a version of a test for worker-classification called an "ABC test." But California legislators quickly recognized that the new law could upend the state's economy and threaten the livelihoods of a wide range of workers who commonly work as independent contractors.

Over the next year, the California legislature scrambled to exempt more and more occupations from the new law. By the time the legislature was done, it had amended the law twice and carved out a swath of more than 50 types of occupations across a jumbled, confusing range of industries. Some of those include:

- Licensed insurance businesses or individuals
- Certain commercial fishermen
- Physicians, surgeons, dentists, and podiatrists
- Psychologists
- Veterinarians
- Lawyers
- Architects
- Engineers
- Private investigators
- Accountants
- Registered securities broker-dealers and investment advisers
- Marketers
- Human resources administrators
- Travel agents
- Graphic designers
- Grant writers
- Fine artists
- Freelance writers, editors, and cartoonists

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<sup>9</sup> DoorDash, *DoorDash Announces Portable Benefits Savings Program for Dashers in Pennsylvania* (Apr. 3, 2024), <https://about.doordash.com/en-us/news/pa-portable-benefits-pilot>.

- Some licensed estheticians, manicurists, barbers, and cosmetologists
- Repossession agents
- Newspaper carriers
- And a wide range of performing artists, including songwriters, lyricists, composers, musical engineers, vocalists; and independent radio promoters<sup>10</sup>

In addition to the occupations the California legislature carved out via amendments, **California voters, in a referendum, voted overwhelmingly – by a 17-point margin<sup>11</sup> – to carve app-based workers, like Dashers, out of the law in order to protect their ability to work independently.**

California’s experience with a law like SB 938 teaches two things. First, that this kind of law had far-reaching and unintended effects on the state’s economy, which led to confusion and uncertainty for businesses and workers alike and left California with a law containing a jumbled collection of over 50 exceptions and exceptions-to-those-exceptions.

Second, and more importantly, California’s experience proved that the law is bad policy. The purpose of the law was to define “employment” – to lay down a test for drawing the line between employees and independent contractors. But if a test has to contain over 50 exceptions, it is not a good test.

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SB 938 would have major, real-world consequences for many people in Maryland. The bill threatens jobs across many industries, including dashing, which over 220,000 people in the state use to bring in extra income for themselves and their families. The bill will create uncertainty for both companies and workers, make companies less willing to work with independent contractors of all stripes, and leave the state’s many independent workers unsure about their livelihoods. We respectfully urge the Committee to not support this bill.

Thank you.

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<sup>10</sup> See California Act of Sept. 18, 2019, ch. 296, 2019 Cal. Stat. 2888 (known as A.B. 5); California Act of Oct. 2, 2019, ch. 415, § 1, 2019 Cal. Stat. 3747, 3750 (known as A.B. 170); California Act of Sept. 4, 2020, ch. 38, 2020 Cal. Stat. 1836 (known as A.B. 2257).

<sup>11</sup> State of California, *Statement of Vote*, at 67 (2020), <https://elections.cdn.sos.ca.gov/sov/2020-general/sov/complete-sov.pdf>.