



**CONTEXT IS EVERYTHING**

# **ECONOMIC IMPACT OF RIDESHARE EXPANSION IN ONTARIO SUMMARY REPORT**

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## UNDERSERVED AREA

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**13%**

Of Ontario's Population

**1.9m**

People

**258**

Communities

**70,000**

Businesses

## BACKGROUND

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On-demand rideshare services began operating in Ontario in 2014, starting with Toronto. Municipal regulations for ridesharing have since developed into a fragmented patchwork, with each municipality taking its own approach. This has created an inconsistent experience for both users and drivers across the province, leading to often competing rules regarding licensing, insurance, vehicle standards, and compliance requirements. As a result, drivers face challenges like being restricted to specific municipalities, which limits inter-municipality rides and creates inefficiencies, such as "deadheading" (returning to home municipality without passengers).

This lack of a provincial framework hinders rideshare service providers' ability to expand, particularly into underserved areas like rural and northern communities, and increases operational costs due to varying municipal requirements. As of the 2021 census, an estimated 13% of Ontario's population is underserved by ridesharing operations.

A provincial framework would streamline regulations by replacing municipal rules with consistent standards across Ontario, allowing drivers to operate seamlessly between municipalities. Standardized licensing, insurance, and vehicle requirements would lower compliance costs and simplify processes for both service providers and drivers.

This unified approach would also enable expansion into underserved areas, fostering greater accessibility and supporting regional economic growth.

## OVERVIEW

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With increasing interest from municipalities and Ontarians in bringing ridesharing services to their communities, Uber commissioned this study to explore the potential advantages of a standardized provincial framework for ridesharing in Ontario, aiming to facilitate operations across the province.

It examines the economic benefits, such as job creation and increased local business activity; the social advantages, including improved transportation accessibility and reduced impaired driving; and the administrative efficiencies that consistent regulations could deliver.

By recognizing the challenges in expansion posed by the current patchwork of municipal rules, the research underscores how a provincial framework could foster economic growth, support underserved communities, and improve community mobility.

The ultimate objective is to inform policymakers and advocate for provincial-level action that aligns with Ontario's broader economic and social priorities, ensuring equitable access to ridesharing services for all Ontarians.

This report delves into the methodologies and data that underpin the insights presented, offering a comprehensive view of the research process and findings.

By aligning with Ontario's "open for business" vision, this study highlights opportunities to foster innovation and economic growth.

### **Goals in Researching Economic Benefits:**

- Quantifying ridesharing's contribution to GDP through increased local business spending and improved access to jobs.
- Highlighting economic growth driven by ridesharing support for small businesses, including hospitality and tourism.
- Assessing time savings for passengers and drivers, linking increased productivity and work efficiency to GDP growth.

### **Goals in Researching Social Benefits:**

- Understanding the potential for ridesharing to reduce driving-under-the-influence incidents.
- Analyzing ridesharing's role in improving mobility for rural areas, ensuring access to essential services like healthcare and employment.
- Assessing the societal impacts of enhanced community connectivity for adult residents of all ages.

## METHODOLOGY – PRIMARY SOURCES



### CRG Business Survey

The survey examined the impact of ridesharing services like Uber on businesses, focusing on how customer and employee mobility influences sales growth and operational adjustments in areas where these services are available. For businesses in areas without ridesharing services, it explored potential benefits such as expanded customer reach, improved staffing flexibility, and growth opportunities.

- December 12 – December 20, 2024
- n=287 Respondents
- Decision makers of small businesses (<100 employees) in Ontario
- Operates a physical location, such as a storefront or office, that customers can visit

### In-Depth Interviews

A series of in-depth interviews were conducted with stakeholders from municipalities that did not have or had limited rideshare options, ranging from mayors, councilors, representatives from local Chambers of Commerce, etc. These interviews, lasting 30 to 45 minutes each, explored the potential economic and social benefits of ridesharing.

- November – December 2024
- n=8 Interviews
- Limited or no ridesharing services available in area
- Municipal decision makers

### Public Opinion Study

The study, conducted by Campaign Research, explored public opinion on ridesharing services across Ontario, assessing their availability, usage patterns, and perceived benefits. It highlighted significant regional disparities, particularly in Northern and Eastern Ontario, where services are less accessible. Respondents largely supported provincial regulation to standardize and expand ridesharing, emphasizing economic and social advantages, such as improved mobility and reduced impaired driving.

- November 11th – November 13th, 2024
- n=2,744 respondents (residents of Ontario)

## METHODOLOGY – SECONDARY SOURCES

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- The Impact of Uber in Canada 2023
  - *Public First*
- Advocacy Letter Supporting a Provincial Ridesharing Framework
  - *Eastern Ontario Wardens' Caucus (EOWC)*
- Policy Note on Transportation Options and Ridesharing Framework
  - *Uber Canada Policy Division*
- Study on Rideshare Usage
  - *Pew Research*
- Survey Insights from Rideshare Drivers and Delivery Workers
  - *Pollara Strategic Insights*
- Competitive Safety in Uber versus the Taxi Industry
  - *The Journal of Private Enterprise*
- Strategic Plan Presentation for Provincial Police Operations
  - *Ontario Provincial Police (OPP)*
- Towing and Storage Safety and Enforcement Act (TSSEA)
  - *Legislative Assembly of Ontario*
- Transportation Network Company Regulations under the Highway Traffic Act (Newfoundland and Labrador Regulation 96/23)
  - *Newfoundland and Labrador House of Assembly*
- National Input-Output Multipliers 2021
  - *Statistics Canada*
- Bill 17, An Act Respecting Remunerated Passenger Transportation by Automobile
  - *National Assembly of Quebec*
- Transportation Network Companies Regulation under the Traffic Safety Act (Alberta Regulation 100/2016)
  - *Legislative Assembly of Alberta*
- The Vehicles for Hire Act (Chapter V-3.2 of the Statutes of Saskatchewan, 2018)
  - *Legislative Assembly of Saskatchewan*
- Resolution in Support of Rideshare
  - *City of Pembroke Council*
- Resolution in Support of Rideshare Framework (No. 2024-099)
  - *Parry Sound Council*
- Resolution to Broaden Support for Rideshare Framework in Surrounding Region (No. 2024-133)
  - *Parry Sound Council*
- Key Small Business Statistics 2023
  - *Innovation, Science and Economic Development Canada*
- Rural Canada Business Profiles 2021
  - *Statistics Canada*
- Rideshare's Impact on Alcohol-Related Fatalities and Arrests
  - *Forbes*



## BUSINESS SURVEY

The **business survey** aimed to explore how rideshare services influence operations, customer access, and workforce dynamics. The results are striking – ridesharing is not just a convenience; it's a critical tool for enhancing business performance and opening new opportunities.

These results make a compelling case for expanding ridesharing to support economic growth and enhance business performance in underserved regions.

## OVERALL FINDINGS



**93%** believe ridesharing is **beneficial** to their business



Customer Access 63%



Workplace Access 55%



Geographic Reach 51%



**55%** say ridesharing **helped** with **business operations**



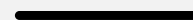
Employee Punctuality and Availability 36%



Extended Hours 26%



Increased Customer Traffic and Sales 20%



## IMPACT ON BUSINESS

**Ridesharing** is a vital asset for businesses and communities. Key benefits include improved customer access, enhanced operations, reduced absenteeism, and cost savings. Ridesharing has also boosted customer spending by 10-20%, emphasizing its role in driving economic growth and operational efficiency.

Without ridesharing, many anticipate fewer customer visits, and they foresee challenges like employee commuting issues and profit declines.

## ADDITIONAL INSIGHTS



### When thinking about the benefits of rideshare...

**99%** think that it impacts the community

**67%** feel it enhances convenience for customers

**57%** say it enables access from customers farther away

**55%** believe it allows them to enhance operations

**54%** agree that it helps with employee absenteeism

**43%** think it lowers cost compared to driving

### In the absence of rideshare...

**74%** say customer visits would drop

**58%** believe employees would find it harder to come to work

**56%** feel their overall profit would decrease

**76% felt that customer spending has increased by**  
**10-20%**  
**due to ridesharing**

## POTENTIAL ECONOMIC BENEFITS OF EXPANDING INTO UNDERSERVED AREA

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Annual Ontario GDP Increase

**\$580m**

Average Revenue Increase for Businesses

**12.7%**

Annual Consumer Surplus

**\$1.5b**

Total Time Saved Per Year

**2.4m hrs**



## FACTORS IN GDP INCREASE CALCULATION



### PROJECTED SMALL AND MEDIUM ENTERPRISES (SMEs) IN AREA

Estimates the number of Ontario businesses (SMEs) in regions currently lacking ridesharing services using figures from ISED Canada.

### ADOPTION RATE

Utilizes survey insights backed by secondary research to estimate the percentage of consumers likely to utilize ridesharing services in underserved area.

### AVERAGE SME REVENUE (RURAL)

Data provided by Statistics Canada.

### GDP MULTIPLIER

Quantifies how increased spending from ridesharing expansion contributes to overall economic growth using multipliers calculated by Statistics Canada.

### ESTIMATED PROFIT INCREASE

Derived from survey data, it estimates potential revenue growth for SMEs with ridesharing expansion.

### RESIDENT AND VISITOR CONTRIBUTION

Evaluates the combined economic activity generated by local residents and tourists using expanded ridesharing services through current data from Uber Canada.

**POTENTIAL ANNUAL ONTARIO GDP INCREASE**  
**\$580m**

## CONSUMER SURPLUS

**Consumer surplus** refers to the economic benefit that is generated for consumers when they pay less for a service than the amount that they are willing to pay. That price difference highlights the additional value they derive from the service.

For the underserved region, the estimated consumer surplus is based on information provided by Uber. It involves estimations of the population, adoption rates, and considerations of differences between residents and visitors.

## FACTORS IN CONSUMER SURPLUS INCREASE CALCULATION



### Ontario-Wide Surplus Figure

Calculated as a proportion of the total consumer surplus generated by Uber offerings to derive rideshare only figures.

### Resident and Visitor Surplus

Calculated by multiplying the consumer surplus per rider with the population or number of visitors in underserved municipalities.

### Adoption Rate

The percentage of consumers likely to utilize ridesharing services in underserved area.

## POTENTIAL CONSUMER SURPLUS INCREASE

# \$1.5b

## **TIME SAVED**

**Time saved** measures the reduction in travel time per person per trip when using ridesharing services compared to alternative transportation options. This metric captures efficiency improvements for both employees and customers.

## **FACTORS IN INCREASE IN TIME SAVED CALCULATION**



### **Employee Reduced Travel Times**

Calculated using survey data and a punctuality improvement factor. Weighted averages by trip duration provided precision.

### **Customer Reduced Travel Times**

Derived from survey data on customer ridesharing adoption, total customer numbers, and average time saved per trip, with weighted averages applied for accuracy.

### **Average Time Saved Per Person**

Combined employee and customer time savings to capture overall productivity gains from ridesharing services.

## **POTENTIAL TOTAL TIME SAVED**

# **2.4m hrs**



## SOCIAL BENEFITS

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**The interviews** provided valuable insights into the social benefits of ridesharing, reinforcing suggestions found in other literature regarding the social benefits of ridesharing. These perspectives underline the deeper societal value ridesharing brings beyond operational metrics.

These benefits foster stronger, more inclusive societies by improving access to essential services, increasing mobility, and reducing inequalities.

## SOCIAL BENEFITS

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### AGING IN PLACE

For older residents, local leaders believe that ridesharing provides a vital lifeline that supports their ability to age in place. By enabling seniors to maintain mobility, ridesharing keeps them connected to their communities, reducing social isolation and allowing access to essential services such as grocery stores, recreational activities, and healthcare facilities.

### RESIDENT MOBILITY

Ridesharing enhances mobility and accessibility for a broad range of residents, including those in rural and underserved urban areas. Local leaders acknowledge that by bridging gaps in public transportation, ridesharing ensures that people can navigate their towns and cities more easily, fostering a more inclusive and connected community.



## COMMUNITY BENEFIT

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**Communities** that experience enhanced transportation options, safer environments, and greater social inclusion often see improved quality of life for their residents, creating a foundation for economic and social growth.

When individuals can reliably access healthcare, education, and employment, it strengthens the overall resilience and productivity of the community.

## SOCIAL BENEFITS – CONT

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### WORKFORCE MOBILITY

Ridesharing facilitates workforce mobility by helping employees reach job sites that are not easily accessible by public transit. This improves punctuality, supports flexible work schedules, and local leaders recognize that this broadens employment opportunities for residents in both urban and rural areas.

### REDUCTION OF DUIs

Ridesharing services are highlighted by local leaders as critical tools to combat impaired driving by providing accessible and safe alternatives. Ridesharing fills gaps in late-night transportation, reducing DUI-related incidents by offering a convenient way to avoid risky behaviour. Other studies have echoed these findings, showing a strong correlation between ridesharing availability and fewer impaired driving incidents.

## **RIDESHARING IMPACT**

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**Ridesharing services** help deliver these social benefits by addressing transportation gaps, particularly in underserved areas. By expanding access to reliable and affordable transportation, they reduce barriers to economic participation, enhance workforce mobility, and support local businesses.

Improved connectivity and reduced impaired driving contribute to safer, more productive communities.

## **SOCIAL BENEFITS – CONT**

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### **HEALTHCARE ACCESS**

Ridesharing can significantly improve access to healthcare by offering reliable and on-demand transportation for medical appointments. Local leaders state that this is especially important in areas with limited or no public transit infrastructure. Ridesharing can ensure that individuals without private vehicles, particularly in rural areas, can access critical health services without undue delays.

### **PARKING LIMITATIONS**

By reducing the number of personal vehicles on the road, ridesharing can minimize parking congestion, allowing cities to repurpose valuable urban spaces for other needs. This reduction in parking demand also benefits businesses and event venues, as customers no longer need to factor in the time and hassle of finding parking, leading to smoother traffic flow and enhanced urban mobility.

## SUMMARY OF BENEFITS

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**\$580m**

Annual Ontario GDP  
Increase

**\$1.5b**

Annual Consumer  
Surplus

**2.4m**

Hours Saved

**1.9m**

More People With Access  
to Rideshare

## OPPORTUNITY FOR GROWTH IN ONTARIO

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Implementing a provincial framework for ridesharing represents a transformative possibility for Ontario. By addressing inefficiencies in the current patchwork of municipal regulations, this framework has the potential to unlock substantial economic and social benefits. If implemented, it could deliver a \$580 million annual GDP increase and \$1.5 billion in annual consumer surplus, strengthening the province's economic foundation, supporting local businesses, and creating jobs. With the potential to save up to 2.4 million hours annually, this initiative could enhance productivity, accessibility, and mobility across Ontario. Additionally, it has the capacity to serve new markets encompassing over 1.9 million people.

This framework positions Ontario to become a leader in innovation, workforce mobility, and inclusive transportation. By enabling ridesharing services like Uber to expand province-wide, Ontario has the opportunity to foster safer, more connected communities, empowering residents to participate fully in economic and social activities. The result could be a stronger, more resilient Ontario, where economic growth and social progress are seamlessly intertwined, paving the way for long-term prosperity.

It's time to unlock ridesharing's full potential in Ontario and **drive** the future forward.

*For any questions or comments, please contact us.*

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## CONTEXT RESEARCH GROUP

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Our strong experience in the sector and knowledge of the research landscape allows us to bring unparalleled insights to this research initiative.