



To: Committee Chairwoman Sen. Diane J. Savino and members of the New York Senate Standing Committee on Internet and Technology

From: John Lapham, General Counsel, Rover.com; Kay Neth, Director, Government Affairs, Rover.com; and David Howenstine, Government Affairs Counsel, Rover.com

Date: October 16, 2019

Re: Examination of the Gig Economy, a public hearing to hear from stakeholders within the “Gig Economy,” to identify the needs of workers and employers operating outside the traditional employee-employer dynamic and determine possible legislative avenues—including S.6538, The Dependent Worker Act—and impact on the workforce

Introduction

Thank you for inviting stakeholders to share their experiences, knowledge, and perspectives to support information-sharing and development of legislation related to non-employee work arrangements.

We appreciate this opportunity, as well as the collaborative, informed approach that Committee Chairwoman Sen. Diane J. Savino and committee members are adopting in this effort.

We offer our testimony on behalf of Rover.com (Rover). Rover provides a website and app that pet owners use to connect with pet caretakers in their community: With the Rover website/app, people who want traditional, home-based care for their pets—such as pet sitting or dog walking from and to the dog’s home—can find and book services with other people in their community who want to offer that type of pet care. Pet caretakers use the Rover website app on their own terms and schedules (with the average caretaker in New York providing just 11 services in 2018.)

This year, the independence of pet caretakers using the Rover website/app to control their own business was recognized by California legislators in Assembly Bill 5 (AB 5), which fully exempted animal service providers using the Rover model from the new employment test.

Our testimony provides information regarding:

- Rover and the Rover community of pet lovers across New York.
- The occasional-use model that characterizes how the community uses the Rover website/app.
- Why the California legislature protected traditional, home-based, independent pet care and exempted the Rover model from the ABC default employment test.

Rover and the Rover community of pet lovers in New York

In 2018 alone, approximately **12,000 New York residents leveraged the Rover website/app in offering pet services to 51,000 pet-owning families.** Along the way, **more than 59,000 pets received care.**

- People who want to take care of pets can use the Rover website/app to list and facilitate the pet services that they want to offer. They are earning additional income while doing important work that they love.
- People who have pets go to the Rover website/app to find other people in their community who offer pet sitting and other traditional, home-based, independent pet services.

Home-based pet care isn’t new: People have been pet sitting or walking dogs in their neighborhoods or near where they live for as long as people have had pets. Pet owners and pet caretakers can easily find each other without the Rover



website/app, in the longstanding underground economy of pet care, strung together by word of mouth, Craigslist, and bulletin boards. But many pet lovers are turning to the Rover website/app instead.

For the Rover community, the website/app functions as an online business directory, but with added advantages for pet caretakers and pet owners alike—advantages that are not available in the underground economy of pet care. For example, Rover offers **24-7 access to trust-and-safety support staff**, built-in **communication tools** in the website/app, **clear and documented payment** from pet owners to caretakers, and **issuance of 1099s** as required by law..

The Rover mission is for everyone to be able to experience the love of a pet. Through the Rover website/app, pet owners are able to find affordable, accessible, quality care in the community. Some pet owners, including those with special- needs dogs, have told us that without the care they find through the Rover community, they would not have been able to continue to care for their pet. Meanwhile, more than 30 percent of pet sitters in that survey are using the Rover website/app to offer services not primarily for income, but mainly as a way to spend time with other people's pets.

The occasional-use model

In New York in 2018, pet caretakers using Rover provided an average of about **11 services a year** for **\$900 in extra earnings**. Approximately 80 percent chose to use the website/app for side earnings of under \$1,000 a year.

Why are New York residents using the Rover website/app to offer services on such a limited basis? **Because providing individual- driven pet care as a home business is rarely a full- time or even part- time endeavor. Rather, it is a source of supplemental income.** Pet care earnings are a buffer against day-to-day expenses. To note the top three uses for pet care income based on our survey of 21,000 pet sitters using Rover in mid-2017, pet care earnings are used for bills, as an opportunity to save for special purchases, and a way to put aside money for emergencies.

Why California's Assembly Bill 5 (AB 5) fully exempted the Rover model from the ABC test

The California legislature enacted AB 5 to codify the so-called "ABC test" for governing whether a worker should be treated as an employee or an independent contractor. In drafting AB 5, California lawmakers recognized the importance of exempting many categories of workers from application of the strict ABC test because the nature and circumstances of their work and industry made it appropriate for them to be categorized as independent contractors.

AB 5 includes an exception designed to protect businesses like Rover that help connect truly independent service providers offering pet services to clients. The service providers who offer small-scale pet care services using the Rover website/app maintain control over how they work, when they work, what services they offer, the tools they use, what they wear, what they charge, and with which pet owners (and pets) they work. This freedom and flexibility are key because many of the service providers operating their own small businesses already have full-time professions, college schedules, or family commitments, so they only provide pet care services on an occasional basis for supplemental income.

California lawmakers understood the importance of allowing pet caregivers to stay independent contractors when they possess this type of meaningful freedom over their own work. This exemption provides a common-sense approach that recognizes the unique nature of small-scale pet care services. It also allows entrepreneurs to continue doing the work they love with dogs, cats, and other pets.



Conclusion

By enabling stakeholders to work together, we believe that New York's leadership is laying the groundwork for successful, actionable, intelligently conceptualized legislation that reflects the interests of the people of New York, including New York residents who offer independent services, and New York residents who use those independent services. Thank you for your consideration of independent pet care. We look forward to continuing this important conversation.