THE POSTMATES ECONOMIC IMPACT REPORT:
How On-Demand Technologies are Fueling the Future of Retail & Commerce in Cities

2018
Postmates engaged Edelman Intelligence, a global research and analytics consultancy, to develop an economic impact model to measure the company’s impact on the markets where Postmates operates. This included applying econometrics modeling techniques to over 80 demographic, industry and labor market characteristics over a seven-year period and across 300 U.S. markets. Results measure Postmates’ incremental impact to the retail sector, food service and the local economies.

Commerce in cities is transforming. Some e-commerce companies build a wholesale warehouse outside of your city. We treat the whole city as the warehouse, and give local merchants the tools they need to distribute their goods. On-demand technologies provide a way for brick and mortar retail to modernize and compete in the 21st century by plugging them into smart algorithms and a vast courier network that expands their reach, and connects customers to on-demand convenience.

Anything, anywhere, anytime. We get it.
$6.6 BILLION IN ECONOMIC ACTIVITY
ACROSS ALL SALES, COURIER EARNINGS AND MERCHANT GROWTH

$1.2 BILLION IN REVENUE
GENERATED THROUGH POSTMATES PLATFORM
This revenue was calculated by Postmates as of 2017 - Q1 of 2018

3.7X FASTER GROWTH
FOR MERCHANTS USING POSTMATES

$216.8 MILLION EARNED
OVERALL BY POSTMATES IN 2017

Economic activity reflects $584 million in sales generated in 2017
Postmates enables partner merchants to grow 3.7X faster, as compared to merchants that don’t use Postmates, helping local business compete with the e-commerce Goliaths of our day.

Representative of the growth of new partners on the platform, compared to their performance prior to signing a partnership agreement with Postmates.
Postmates delivery adds to our growth with new customers, doubled revenue each week and new jobs. We’ve added personnel staffing in the front of the house so we can handle the volume.

– DANNY TREJO

TREJO’S TACOS
La Brea, Hollywood, Pasadena, Woodland Hills, Woodland Hills, and USC Village
On average, Postmates earn $18.32 per hour during an active job. That’s 153% more than the national minimum wage.

In 2017 alone, Postmates fleet made a collective $216.8 million.
We couldn’t do what we do without our Postmates fleet

THEY’VE TRAVELED THE DISTANCE OF GOING TO THE MOON AND BACK MORE THAN 212 TIMES TO DATE.

Our Postmates are exemplary of the modern, mobile and independent workforce, and with an entire city for their workspace, they “get it.” That’s why we are also invested in national policy and legislative discussions to preserve our flexibility and explore new ways to invest in the economic certainty of our fleet.

We love our Postmates to the moon and back.
Postmates made more than 35 million deliveries to customers, generating more than $1.2 billion in revenue through the Postmates platform and saving customers more than 11 million hours in time.

These totals were calculated by Postmates as of April 1, 2018
The Ripple Effect

When we grow, so do the markets we operate in. Some call us a disruptor. We just believe in working with local businesses to meet the needs of the consumer, and empowering mom & pop retailers to compete in a digital economy.
Overall, Postmates business creates $6.6 billion in economic activity across the U.S. each year.

Postmates markets experience a $267 million increase to GDP, according to most recent data.

Calculated using sales and earnings as of Dec. 31, 2017
THE POSTMATES PLATFORM CONNECTS INDIVIDUAL CONSUMERS TO HUNDREDS OF MERCHANTS IN THEIR LOCAL MARKET.

For every $1 in sales on the Postmates platform, merchants see a boost in business.

Merchants expand and bring on more employees, generating an additional $18.55 in economic impact.

As a result, the overall economy grows 1% faster in a Postmates market (as compared to non-Postmates markets).
Market-by-Market Impact

Every city is unique.
We get it.
NEW YORK
CONCRETE JUNGLE
Postmates enables partner merchants to grow 3x faster
Postmates generated $127.7 million in sales
Postmates saved customers more than 1 million hours (or 41K days)

LOS ANGELES
CITY OF STARS
Postmates enables partner merchants to grow 10x faster
Postmates generated $380 million in sales
Postmates saved customers more than 3.9 million hours (or 164K days)
Postmates cities experience an average 0.9% lift in employment growth, above non-Postmates markets.
EACH YEAR, POSTMATES ADDS 5,766 JOBS TO THE U.S. ECONOMY. OF THOSE, 3,850 ARE IN FOOD SERVICES EMPLOYMENT.

as measured by the Bureau of Labor Statistics and Gross Domestic Product as reported by the U.S. Census Bureau
Since joining Postmates, Cheers Market has grown over 300 percent. By utilizing the on-demand services, we have been able to gain new customers as well as learn the new trend hitting the industry. Due to the on-demand business, we’ve had the opportunity to expand not only in Northern California, but also in Southern California. Postmates has truly helped small businesses like mine by giving us the power of a delivery fleet, as well as marketing that attracts customers that would have never found us.

– RAHIM ALI
CORDOVA MARKET & DELI
San Francisco, CA 94112
OVERVIEW:

To measure the impact that Postmates has on the local economy, a matched-pair ANCOVA/analysis is employed. This process pairs markets – with and without Postmates – to calculate differences in retail wage, employment and GDP growth. Because many factors can contribute to differences in economic performance, data on other factors* (or covariates) are included in the model, enabling us to isolate “The Postmates effect.”

Through this process, we have also created a database on Postmates sales, wages paid to couriers, distances, community characteristics, GDP, overall employment and unemployment by industry, local demographics and other key metrics. We are also using data to calculate a “factbook” containing a myriad of descriptive statistics on Postmates’ contributions to the local economies and businesses in which it operates.

HOW DOES THIS CAPTURE DIFFERENT MARKET BEHAVIOR?

We map Postmates sales data (Zip-level data) to U.S. Metropolitan Statistical Areas, and pair markets with similar qualities to control for natural and unrelated variance in the dependent variable.

WHAT KIND OF DATA IS USED?

Postmates data extracts are paired with US. Bureau of Labor Statistics, U.S. Census Bureau, American Community Survey, IRS, and Bureau of Economic Analysis sources.