

Testimony of Kristin Sharp, CEO of Flex
House Small Business Committee Hearing
“Independent Work, Real Opportunity: The Gig Economy and the Future of Entrepreneurship”

Kristin Sharp Testimony – Small Business Committee

Chairman Williams, Ranking Member Velazquez, and distinguished members of the committee, thank you for the opportunity to appear today.

My name is Kristin Sharp, and I am the CEO of the Flex Association. Flex represents America’s leading rideshare and delivery platforms and the people who count on them.

Across dozens of platforms – from mobility to freelance to creative marketplaces – millions of Americans are earning, shopping, and building businesses through technologies that simply didn’t exist a generation ago.

In 2024, the app-based industry contributed more than \$212 billion to the US economy. For consumers, the platform industry has delivered savings, access, and convenience. For workers, it’s a powerful opportunity to be your own boss, with real control over your time and money. And for the restaurants and local businesses deliveries’ come from, it expands markets and reaches new customers.

A Significant Boost for Small Businesses

Small businesses are the backbone of the American economy. And app-based platforms have become one of the most powerful tools they have. These marketplaces connect small businesses to digital customers and help them compete with bigger firms by providing critical supports - including on-demand workers, logistics, digital payments, and targeted marketing tools. As a result, millions of American businesses have modernized how they operate and have found new pathways to scale.

Nearly two-thirds of consumers have used an app-based platform for grocery delivery. 60% for package delivery. The average American takes rideshare 16x a year. These aren't abstract statistics. They represent real customers walking through the digital doors of businesses that might not otherwise reach them.

Income on Demand

The scale of the app-based industry has provided millions of Americans with an essential lifeline to navigate financial uncertainty. Digital platforms offer immediate, flexible income – no lengthy hiring process, no restrictions on the number of platforms one uses, just a smartphone, an idea, and the ability to start earning immediately.

For parents, students, and workers between jobs, this flexibility fills gaps that traditional employment cannot. Nearly 9 in 10 workers with children say app-based work makes it easier to balance family and work, and 69% say it has helped them earn money in an emergency. In an unpredictable labor market, on-demand earning provides real-time stability.

A Route to Entrepreneurship

But here's something that rarely gets mentioned. App-based work is quietly one of the most powerful engines of entrepreneurship in the American economy.

It helps workers practice skills like multi-tasking and evaluating opportunity. It helps them accrue start-up capital to launch an idea or business. And it creates the confidence to take risks by being a ready supply of temporary income while getting a business up and running or riding out a slow period.

That's why a recent study of U.S. tax records found that app-based workers start new companies at more than three times the rate of the general working-age population, and why those businesses generate 39% higher gross profits in the first year than those started by the broader population.

It's opening doors for people who've historically been locked out of entrepreneurship – younger workers, lower-income earners, veterans, those taking care of kids or elderly parents.

So, when someone drives through Uber, or delivers through DoorDash, or shops with Instacart, they may not just be making ends meet. They may be developing the skills they need to succeed in business.

How Policymakers Can Help

So what do we ask of policymakers? Reflect reality.

There is encouraging progress on this front. Last year, Congress passed the “No Tax on Tips” initiative, ensuring that tipped app-based workers pay lower taxes.

The Flex Association also applauds the Department of Labor's decision to propose a commonsense, pro-worker classification rule. This rule helps preserve the flexible, independent work model that underpins the app-based economy that millions of American workers and businesses rely on.

The modern labor market is defined by constant change. Workers – especially younger ones – get this. Last year, more than half of millennial and Gen Z Americans earned money outside a primary job, often as solo entrepreneurs with many income streams.

So protect that flexibility. Don't shoehorn independent workers into conventional employment against their wishes and strip away the flexibility they've chosen.

We support the Small Business Administration's efforts to track and streamline regulatory requirements for independent workers. And we would be pleased to work with the SBA to strengthen education around tax filings, digital business formation, and income growth strategies for solo entrepreneurs.

The nature of work is changing, but it brings so much opportunity. If we want an economy that works for today's small businesses, we should support the systems that people are already relying on to build them.

App-based work is a key piece of that puzzle. Thank you.