

Cab Rides Down 23 Percent In Chicago This Year As Uber And Lyft Take Bite



By [Tanveer Ali](#) | September 30, 2016 4:45am | *Updated on September 30, 2016 9:03am*
[@tanveerali](#)



"There is no more cab business anymore," said Arshad Kanji, a taxi medallion owner who has driven a cab since moving to Chicago nearly two decades ago. "We're finished." [View Full Caption](#)
DNAinfo/Tanveer Ali

CHICAGO — As Uber and Lyft grow in the city, the number of cab rides have plummeted by 23 percent in the first half of the year compared with the same period in 2015, city data shows.

And as the number of people hailing cabs plunges, so does the value of a taxi medallion, the once-coveted license allowing cabs to legally operate.

"There is no more cab business anymore," said Arshad Kanji, a taxi medallion owner who has driven a cab since moving to Chicago nearly two decades ago. "We're finished."

Chicago cabs logged 11.3 million trips during the first six months of the year, based on [data provided](#) by the city's Business Affairs and Consumer Protection department via a Freedom of Information Act request.

That's 3.3 million fewer trips than during the same period in 2015 and 4.4 million fewer than during the same period in 2014.

Kanji and others in Chicago's cab industry said they weren't shocked, putting the blame on ride-hailing services such as Uber and Lyft.

"We don't have the flexibility that Uber and Lyft have," said Charles Goodbar, a Chicago lawyer who owns 59 taxi medallions. "The minute the taxi industry doesn't exist, there's going to be an oligarchy between Uber and Lyft. Our rates are regulated. Theirs aren't."

Goodbar started buying his medallions in 2004 at prices as low as \$70,000 and as high as \$360,000. Between 2006 to 2014 — with Uber coming into the city in 2011 initially connecting riders with licensed cabs — Goodbar said the taxi business increased.

But since then, everything about the cab industry in Chicago — from ownership to driving — has become less lucrative in recent years.

In 2013, 370 taxi medallions changed ownership at an average price of \$348,466. So far this year, only 24 have been sold at an average price of \$66,479.

Kanji said he bought his medallion over 20 years ago for around \$65,000 because "when you drive for someone else you are paying them first."

But owning the cab comes with costs exceeding \$600 a month for insurance and association fees on top of vehicle maintenance, gas and replacing his taxi every few years to keep it in line with city codes.

In the last few years, taxis and ride-hailing companies have been a regular topic in City Hall, leading to the adoption of [two official taxi-hailing apps](#), a hike in taxi fares and, after some threats by Uber and Lyft that they would leave Chicago, a [watered-down ordinance regulating the companies and their drivers](#).

"The City of Chicago is focused on expanding and improving safe and reliable transit options for residents," Mika Stambaugh, spokeswoman for the Business Affairs and Consumer Protection department, said in a statement.

The effects of the new taxi-hailing apps — Curb and ARRO — have been limited. In August, just 20,000 ride requests were made using the apps, according to Stambaugh.

Kanji says he works 15 hour days, starting at 7 a.m. and heading Downtown, which is usually the only part of the city with a decent probability of finding a fare. While in the past he used to take side streets down expecting to pick up a

fare along the way, he now takes Lake Shore Drive knowing Lyft and Uber drivers have already scooped them up.

"They don't have any rules for Ubers," Kanji said, pointing to the fact that cabs must wait in lines at the airport and have a [chauffeur's licensing process](#) that is more rigorous than drivers for the app-based services.

Neither Lyft nor Uber would provide ridership numbers to compare with taxi ridership in Chicago, though both provided statements on the appeal of the services.

Lyft spokesman Adrian Durbin said that "Lyft has become the preferred choice for thousands of Chicagoans."

An Uber spokeswoman cited city data that said "ridesharing provided 92 percent of rides to and from underserved communities between October 2015 and March 2016 while taxis only provided 8 percent.

"Sometimes they'll drive their taxi for a week and rideshare for another week. the drivers are really well educated."

But Kanji also knows many longtime cab drivers who drive for Uber and Lyft, either in addition to taxis or full-time.

"They don't have a choice. You somehow have to make a living," Kanji said.