



THE GIG ECONOMY

From the Marketplace-Edison Research Poll
DECEMBER 2018

THE GIG ECONOMY

Originally associated with musicians playing periodic “gigs” with no consistent work, the “gig economy” refers to a growing segment of the labor market where employment is outside a traditional full-time or part-time model, usually in a freelance capacity. The gig economy is being fueled by technology, which has facilitated the mobility of employees. With computing, smartphones, apps, and online payment options, employees have the ability to market themselves, execute work, and receive payment, all without the constraints of an office or traditional job site. Participation in the gig economy may be the result of necessity or it may be a choice. Whether it is the unavailability of work in the traditional job market for those recently educated or between jobs, or a lack of interest in traditional employment, there are almost endless gig options to fill the gaps.

The latest iteration of the Marketplace-Edison Research poll, a regular series of surveys that measures how the U.S. population feels about their personal economy in the landscape of the larger economy, finds that almost one-quarter of Americans age 18+ are employed in some way in the gig economy.

The survey uses a national sample of the United States population age 18 and older. There were 1,044 interviews conducted via landline phone, cell phone, and online. Interviews were conducted from February 14, 2018 to February 20, 2018. This is the first time that the Marketplace-Edison Research poll has included questions about earning money through the gig economy.

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24%

of Americans 18+ earn income by working in the gig economy

Gig employment may include:

- Driving for car services such as Uber or Lyft
- Selling products or services on sites such as Etsy or eBay,
- Working as a freelance writer, web designer or musician
- Working for pay apps such as TaskRabbit
- Selling products such as Mary Kay or Pampered Chef
- Renting space in your personal home with sites such as Airbnb
- Any one-time, tasked-based job

With gig jobs affecting such a large portion of the population, and with some of these employment options being relatively new to the American workforce, it is important to understand who these gig workers are and how they feel about their financial situation. Also, because we know economic outlook is an influencing factor as voters go to the polls, understanding how gig workers view the economy is information that may prove vital in an election year.

Gig work may be the primary source of income or a secondary source of income. As our data shows, those who earn their primary income through work in the gig economy have different characteristics and different anxiety levels from those who participate in the gig economy only as a secondary source of income. When one earns a primary income through the gig economy, he or she is more likely to have high anxiety levels, fear unexpected expenses, and feel financially insecure.

- For 44% of gig workers, their work in the gig economy is their primary source of income.
- For over half of age 18-34 gig workers (53%), their gig job is their primary source of income.
- Gig workers are vastly more likely to have a high Anxiety Index score than those in traditional employment, and gig workers who have gig jobs as their primary source of income are even more likely to have high Anxiety Index scores.
- 80% of gig employees whose gig work is their primary source of income say that an unexpected expense of \$1,000 would be difficult to pay.
- 85% of gig employees whose gig work is their primary source of income say they worry about how an economic recession in the U.S. would affect them.
- Persons age 18-34 are more likely to work within the gig economy (38%) versus those age 35-54 (25%) or age 55+ (11%).

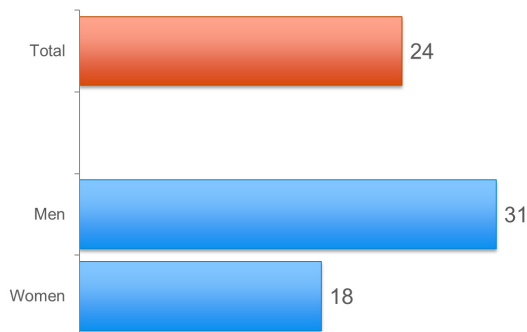
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- Men (31%) are more likely than women (18%) to be employed in the gig economy.
- Women (56%) are more likely to have a gig job as secondary income than men (51%)
- For over half of African-American gig workers (55%), their gig job is their primary source of income.
- 51% of gig workers say they work harder for their income than those in traditional jobs.



Gig economy workers

Sex



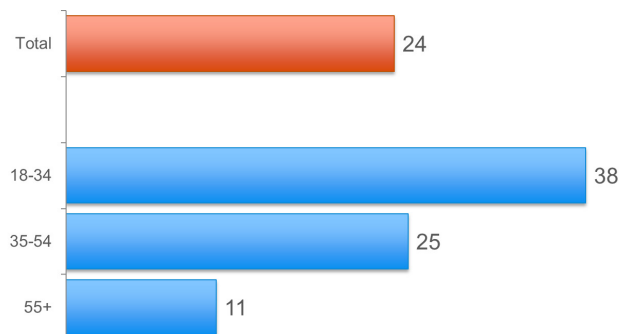
Source: Marketplace-Edison Research Poll 2018

Twenty-four percent of adults 18+ earn money through working in the gig economy. Men are more likely to be gig workers than women, with 31% of men saying they earn money in the gig economy. Eighteen percent of women also say they earn money through the gig economy.



Gig economy workers

Age



Source: Marketplace-Edison Research Poll 2018

Gig employees are more likely to be young, with 38% of 18-34 year olds being part of the gig economy.

Twenty-five percent of adults age 35-54 are gig workers, and 11% of those age 55+ have gig jobs. The age composition of those in the gig economy can be the result of a combination of factors. Students are likely to be looking for jobs that can allow them to work and still attend classes, recent graduates may not be established in the traditional job market, younger people may be more open to gig work that involves apps or technology, or they may have fewer family ties and are freer to travel for gig work.

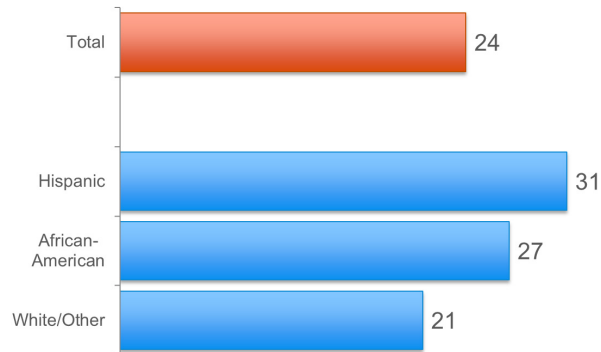
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Gig workers are more highly concentrated among Hispanic or African-American adults than White adults. Almost one-third (31%) of Hispanic adults 18+ earn money through the gig economy, compared to 27% of African-Americans. White adults are the least likely to earn money through the gig economy at 21%.



Gig economy workers

Ethnicity

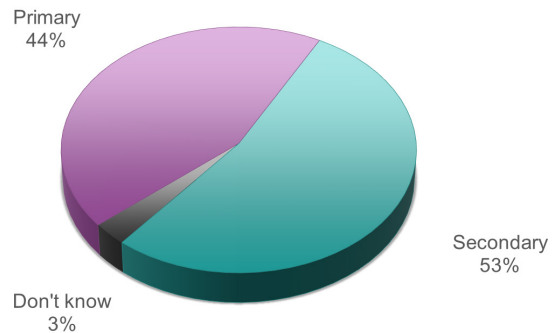


Source: Marketplace-Edison Research Poll 2018

Within the survey, gig economy workers were asked if they considered the money they earned through the gig economy their primary or secondary source of income. The majority of individuals who earn money through the gig economy consider that income to be a secondary source. Income opportunities within the gig economy, for instance driving for Uber or selling items on Etsy, make it easy for many to earn an additional income.



Would you consider the money you earn from your work in the gig economy your primary source or secondary source of income?



Source: Marketplace-Edison Research Poll 2018

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Drastic differences can be seen among those who receive their primary income from gig economy work and those who consider the gig economy a secondary source of income. First, differences can be seen when looking at the demographics of each group. Men (47%) are more likely than women (40%) to have gig work as their primary source of income. A larger number of women, 56%, are employed in gig jobs as secondary income, compared to only 51% of men.

The biggest variances are seen in age and ethnicity. Americans age 18-34 have the highest concentration of gig workers whose gig job is their primary source of income, 53%. Only 39% of gig workers age 35-54 say their gig money is their primary income, and just over a quarter, 27%, of gig workers age 55+ have a gig job to provide their primary income. Over half of African-American gig economy employees, 55%, say that their gig economy job is their primary source of income. White gig employees are the least likely to have a gig job as their primary income, 41%. Of Hispanic gig employees, 47% say their gig job provides their primary income.

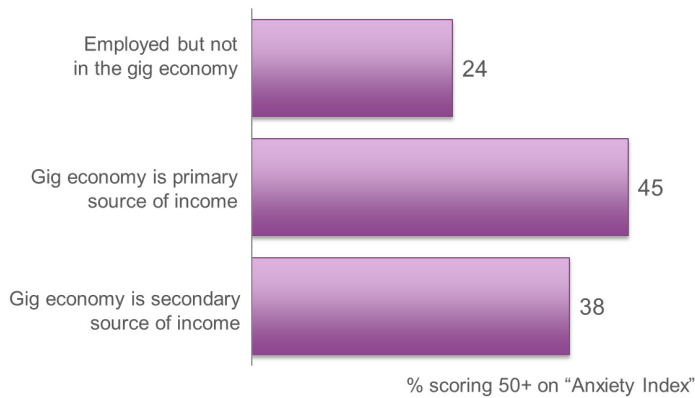
	Gig economy is primary source of income	Gig economy is secondary source of income
Total	44	53
Men	47	51
Women	40	56
Age 18-34	53	43
Age 35-54	39	57
Age 55+	27	70
Hispanic	47	43
African-American	55	46
White	41	57

Source: Marketplace-Edison Research Poll 2018

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Anxiety Index Score



Source: Marketplace-Edison Research Poll 2018

The Marketplace-Edison Research Poll is designed to examine how the population feels about the current economic environment and their personal financial situation and part of that feeling includes stress. The Economic Anxiety Index is a tool designed by Edison Research and Marketplace to measure the amount of stress a person feels about their individual financial situation. A series of twelve questions is asked regarding job security, saving and expenses, and general financial anxiety. The higher the number, the more stress a person is experiencing. The mean Anxiety Score for all respondents, regardless of employment, is 31. The chart above shows the

percentage of employees who have an Anxiety Score over 50.

Those in the gig economy are much more likely to have a high Anxiety Index score than those in traditional employment. Only 24% of those who are employed (but not in the gig economy) have an Anxiety Score over 50. Almost 40% of those who are employed in the gig economy as a secondary source of income have an Anxiety Score over 50.

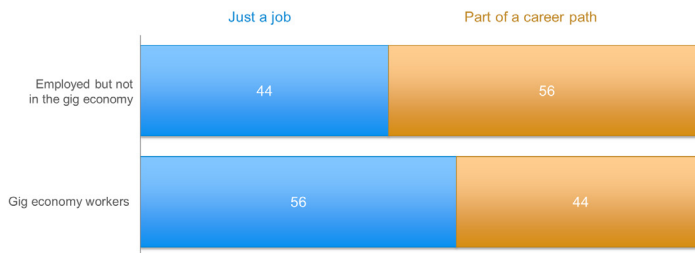
Those who are employed in the gig economy as their primary source of income are even more likely to have an Anxiety Score over 50 – 45% of those who work in the gig economy as a primary source of income have an Anxiety Score over 50.

While the gig economy can afford flexibility in some cases, it also carries with it volatility. Gig work can be unpredictable because of the short-term nature of many assignments, leaving employees with concerns about how long a gig will last. Gig work also generally provides no benefits, which means workers must consider how to handle insurance and sick or disability leave. For some gig work, the employee must handle the prospecting, marketing, booking, billing – all stages of the work – which translates to more difficult work and more possibilities for mistakes. Finding gig work in one's chosen field may be a challenge, which may lead to gigs that are taken for the sake of finding any employment.

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Which of the following comes closer to describing how you feel about your current primary employment? Do you consider it...?



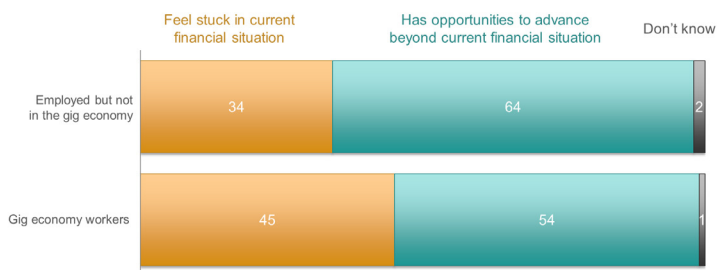
Source: Marketplace-Edison Research Poll 2018

Base: Employed full-time or part-time

Over half (56%) of gig workers feel that their job is “just a job”. This is 12 percentage points higher than those employed but not in the gig economy. One explanation for this may be the need to take available gig work instead of gig work that is one’s chosen field. Also, this might indicate that there is a lack of opportunity to advance within gig work, making it harder to secure a career path within this type of work.



Which better describes your current employment situation?



Source: Marketplace-Edison Research Poll 2018

Base: Employed full-time or part-time

Gig employees are more likely to feel as if they are stuck in their current financial situation than those in a more traditional work environment.

Forty-five percent of gig workers say they feel stuck in their current financial situation versus 34% of those employed not in the gig economy.

Because gig jobs aren’t structured like traditional employment, the opportunities for advancement may be unclear or nonexistent. Without a hierarchy to provide promotion, and with the gig workers sometimes being their own boss, gig workers may not know how to advance themselves, or they may not have access to resources for advancement that are in a traditional workplace.

Gig workers are also less likely to say they have opportunities to advance beyond their current financial situation. Sixty-four percent of those in more traditional employment would describe their current employment situation as giving them opportunities to advance but only 54% of gig workers would say the same thing. On the positive side, this means that over half of gig employees feel that they have the opportunity to advance financially.

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51%

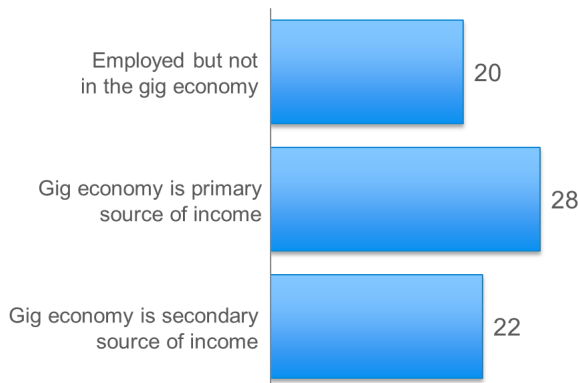
of those who work in the gig economy say they work harder for their money than they would in a more traditional position

Over half of those who work in the gig economy say that they work harder for their money than those in a more traditional work position. The positive aspects of most gig jobs, including flexible hours and managing one's own schedule to some extent, can have a negative side. A flexible schedule can be potentially long or unregulated, short-term assignments can have unreasonable deadlines, and being self-employed generally means few or no benefits but still all the pressure to generate sales and manage the work.



About your financial situation, which best describes you?

Percent saying "not financially secure"



Source: Marketplace-Edison Research Poll 2018

Workers who earn their primary source of income from the gig economy are also the most likely to say they are not financially secure (28%). This is significantly higher than those who are employed in more traditional jobs and those who earn a secondary source of income from the gig economy. Even though gig work may provide enough income for an individual or household, the temporary nature of gig work and the lack of benefits may contribute to the lack of financial security. Gig employees usually don't have the financial safety nets such as 401Ks, matching funds, health care spending, and insurance in general. Gig employees may not even have the assurance of when their next gig assignment is happening, which increases the financial insecurity.

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About your financial situation, which best describes you?

Percent saying “frequently anxious”



Source: Marketplace-Edison Research Poll 2018

There is a dramatic difference among gig workers and their level of being “frequently anxious” about their financial situation. It is clear that the most anxious group depends on the gig economy for their primary income. Half of gig workers who are in the gig economy as a primary source of income say they are frequently anxious about their financial situation. Only 15% of those who participate in the gig economy as a secondary source of income describe themselves as “frequently anxious,” which is on par with those who are employed but not in the gig economy, at 17%. The very nature of gig work is temporary, so it inherently lacks

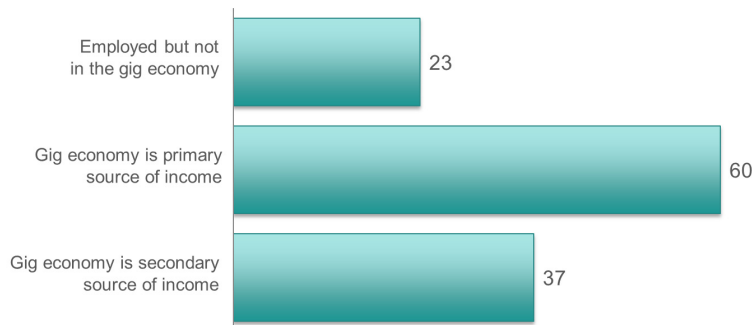
the stability of traditional employment.

To better quantify these fears or concerns, questions are asked in the Marketplace-Edison Research Poll about specific financial situations and everyday expenses. The following results demand attention because they reveal uncertainty among all gig workers, primarily those who consider the gig economy to be their primary source of income.



Do you fear being unable to make a car payment?

Percent saying “yes”



Source: Marketplace-Edison Research Poll 2018

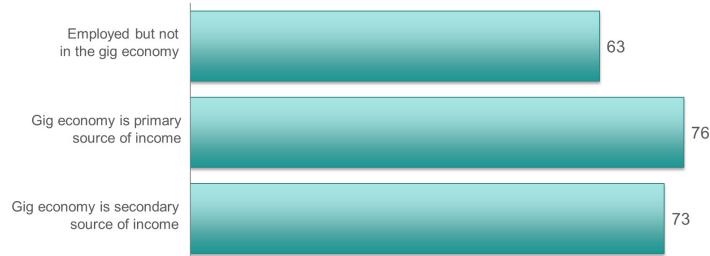
Sixty percent of gig workers who work in the gig economy as a primary source of income say they fear being unable to make a car payment, putting them far ahead of other gig workers and traditional employees for this measure. Almost 40% of those who work in the gig economy as a secondary income source say the same.

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Do you fear facing an unexpected medical bill?

Percent saying "yes"



Source: Marketplace-Edison Research Poll 2018

Affording an unexpected medical bill is a large concern for all working Americans, even more so than the pressure of a monthly auto payment. Those in gig economy jobs are especially concerned. Once again, those who earn their primary income from the gig economy are the most fearful of facing an unexpected medical bill (76%). While this number is startlingly high, it is not significantly higher than those employed in traditional jobs and those who earn a secondary income from the gig

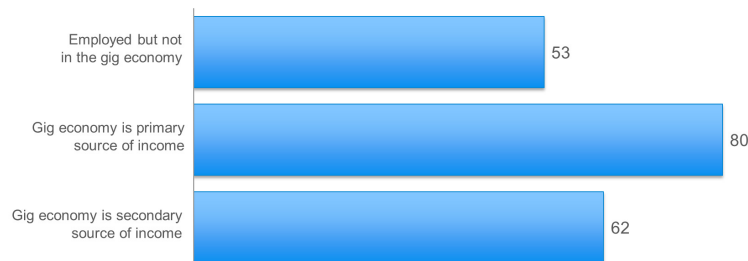
economy. The graph above shows that the majority of working Americans are fear being able to afford healthcare in this country.

When looking at measures such as auto payments and medical bills separately, it is easy to see how people who depend on the gig economy as their primary source of income are more likely to have high Anxiety Index scores. The uncertainty of income with gig work, and the uncertainty of the length of gig assignment, means that an unexpected expense of \$1,000 could prove difficult.



Would it be difficult to pay an unexpected expense of \$1,000?

Percent saying "yes"



Source: Marketplace-Edison Research Poll 2018

Paying an unexpected expense of \$1,000 would be difficult to pay for most working Americans. Over half of people who are employed but not in the gig economy (53%) would find it difficult to pay an unexpected expense of \$1,000. The number increases to 62% when looking at those who are working in the gig economy as a secondary income. The number skyrockets when looking primary earners in the gig economy. A staggering 80% of those whose primary income is earned in the gig economy say it

would be difficult to pay an unexpected expense of \$1,000.

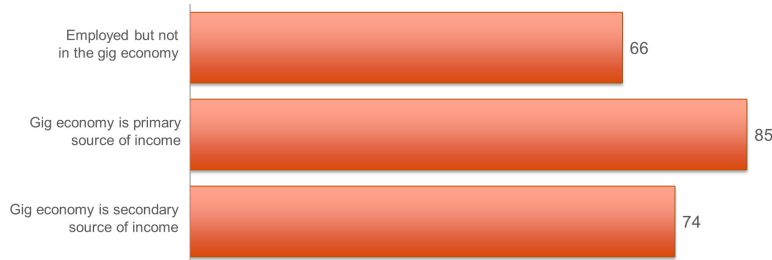
Interestingly, primary-income and secondary-income gig workers are close in their lack of financial security measure (28% and 22%), but much farther apart when it comes to the difficulty of paying an unexpected expense of \$1,000 (80% and 62%). This may speak to what each group considers to be "financially secure" and the reality that those who choose gig work as a secondary income are more likely to be able to access \$1,000 if needed.

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Do you worry about how much an economic recession in the U.S. would affect you?

Percent saying "yes"



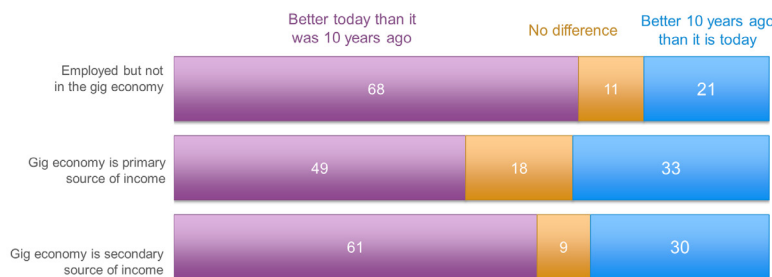
Source: Marketplace-Edison Research Poll 2018

workers, the ones who use gig work for secondary income, were slightly less likely to express worry, but a significant 74% said they worried about how a recession would affect them. Even those who are employed (but not in the gig economy) are worried – 66% said that they worry about how an economic recession in the U.S. might affect them.

Beyond just their current financial situations, respondents were asked to think about the possibility of an economic recession in the U.S. and how it might affect them. Again, those in the gig economy who do gig jobs as their primary source of income had the highest concentration of worried individuals. Eighty-five percent of those whose primary income comes from the gig economy said they are worried about how they would be affected by an economic recession in the U.S. Other gig



Thinking back to 2008, do you think your personal financial situation is...?



Source: Marketplace-Edison Research Poll 2018

Base: Those age 25 and older

money in the gig economy as a secondary income are not too far behind, with 61% of them saying their personal financial situation is better today. The gig-as-primary-income earners, however, are not as optimistic as the other groups, 49% of them say their financial situation is better today, and 33% say their financial situation was better a decade ago.

Respondents age 25+ were asked to think back to 2008 and compare their personal financial situation then with their personal financial situation now. Those most likely to say that their personal financial situation is better today than it was ten years ago are those who are employed but not in the gig economy. Sixty-eight percent of those employed in a more traditional job feel they are in a better personal financial position now than in 2008. Those who earn

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CONCLUSIONS

The result of a combination of economic conditions, technology, and increased mobility, gig jobs are more prevalent than ever in today's job market. Twenty-four percent of Americans age 18+ participate in the gig economy through a variety of modes of work.

The gig economy is a place where one is more likely to find men and adults age 18-34, although both men and women of all ages hold gig jobs. Gig workers are more likely than those employed (but not in the gig economy) to say that they feel stuck in their current financial situation, and less likely to say they have opportunities to advance beyond their current financial situation.

Differences in gig employees become apparent when comparing those who have gig jobs as their primary source of income to those who have gig jobs as secondary incomes.

The gig-as-primary-income earners are more likely to experience fear or worry when it comes to potentially missing an auto payment or having an unexpected medical bill, and they are much more likely than other gig employees or employees in the traditional economy to find it difficult to handle an unexpected expense of \$1,000.

Those who work in the gig economy as their primary income source are more likely to report a high Anxiety Score, a measure of how much stress one is feeling about their personal financial situation. Young adults, those age 18-34, as well as African-American adults, who are gig workers, are more likely than those of other ages or ethnicities to rely on their gig employment as their primary source of income.

The gig economy will most certainly continue to evolve with personal and family needs, technology, and available work. It will be beneficial to continue following the economic attitudes and concerns of gig economy workers, particularly those who depend on the gig economy as a primary income source.

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