



What Will 2022 Bring for the Gig Economy?

Insights

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As gig economy businesses – and other employers that implement gig-like workforce models – gear up for a new year, it's natural to look ahead and begin to set expectations for what the road ahead might bring. We've scoured the industry to create a few predictions and highlight trends we expect to see across the gig economy in 2022. Here are the six most significant developments we foresee for the coming year.

Artificial Intelligence Will Boost Efficiency

One way we foresee the gig economy maturing in 2022 is through enhanced usage of AI principles. Most notably, as pointed out by [Andy Tian](#) of the Asia Innovations Group [in a January 13 Forbes post](#), "AI can shift work production from mature markets to emerging markets," thereby once again solving the age-old economic concern of idle capacity. If one segment of an economy or industry (or geographic region) is unable to produce necessary work, AI can quickly identify when and how to shift those work opportunities through gig work models – and of course, where that work should be sent. Tian also notes that AI can assist the gig economy in 2022 by breaking down large work streams into smaller chunks, integrating the results back into the work stream, and optimizing work assignments across a larger set of workers.

HR Functions Will Adopt Gig Economy Practices

In noting that human resources tech will get more "granular" in the coming year, [Phil Albinus of HR Executive wrote a piece a few weeks ago](#) leaning on software expert Derek McIntyre of TCP Software to demonstrate a way in which typical gig principles will be used in businesses across all industries. According to McIntyre, HR teams should consider creating a "gig worker repository" in 2022. By developing and maintaining a "consolidated database of vetted freelancers who can be notified when a work assignment arises," McIntyre says HR teams and department managers can more easily ensure projects are completed through gig-like assignments.

Gig Work Will Become Even More Multi-Generational

[As noted by Robert Bruce at The Penny Hoarder](#), "the gig economy is open to all generations, and all generations are taking advantage of it." He notes that there has been a steady increase in workers across all age ranges seeking flexible work arrangements, and these numbers are expected to remain strong in 2022. [According to a Wonolo study](#) Bruce cites, Baby Boomers (ages 57-75) and

Generation X (41-56) are spending the most time as gig economy workers on its platform. But Gen Z (18-25) is increasingly getting in on the act. While Gen Z comprised only 8% of the total jobs completed on Wonolo as recently as two years ago, that number jumped to 22% in 2021. As these younger workers enter the labor pool in greater numbers, look for that number to grow even more in 2022.

Pay for Gig Work Will Continue to Rise...Leading to Larger Talent Pool

Another recent report from Wonolo noted that the average hourly pay for gig workers on its platform rose to \$15.59 in December 2021, an increase of over \$1 per hour from \$14.43 the previous year. Moreover, average hourly pay rose 7.4% in the fourth quarter of 2021 compared to the previous year, further demonstrating that this is not a one-month or holiday-season anomaly. You can expect pay for gig work to increase throughout 2022, meaning that you may need to adjust your budgets and your pricing models – and expect better quality workers interested in joining your platforms.

Companies Will Face Business Model Challenges

While those operating in this sector are accustomed to constant legal challenges to their business models, the year ahead could turn out to be particularly demanding. Thanks to the efforts of an aggressive Biden administration and energized state governments, a variety of forces are gathering to make 2022 another turbulent ride. Some of the actions of late that will have repercussions in the new year include:

- A late December announcement by the National Labor Relations Board (NLRB) that it will reconsider the current legal standard for determining whether workers are independent contractors or employees. This almost certainly means we'll see a new test created in 2022 that makes it harder for gig economy companies and other businesses to classify their workers as contractors for union organization and other labor relations purposes.
- A January 6 announcement that the Department of Labor and NLRB will combine efforts on a variety of fronts – including information-sharing and possible joint investigations on allegations of worker misclassification.
- Don't forget that California's Prop 22 – the ballot measure that passed with 58% of votes ensuring that app-based rideshare and delivery drivers could be classified as independent contractors – was struck down by a state court judge in August. While the battle continues at the appeals courts, the status of this law remains uncertain as we start the new year.
- And hiding way in the background is the potential for California's restrictive ABC test to be unfurled across the country. Though unlikely given the current political climate and the long list of priorities stacked in front of it in 2022, there still sits a proposal in the Senate that would reform the nation's unemployment system by requiring states to use the California version of the ABC test for purposes of determining eligibility for unemployment insurance benefits.

Months to Watch for the Spotlight

Massachusetts will take the Spotlight

Finally, it's not all bad news and roadblocks at the government level. Another state is lining up to test out the theory that the average citizen – not to mention the average app-based gig economy driver – wants gig workers to retain contractor status and not be saddled with an employee label. Massachusetts is heading into an election season battle that will determine the fate of its state law regarding worker classification, with businesses hoping to pass a Prop-22-like law that will allow for continued flexibility for workers and companies. Stay tuned for much more on this topic in the coming weeks and months on our [Gig Economy Insights](#) page, and [make sure you're signed up to get updates directly to your inbox.](#)

Conclusion

We will monitor these developments and provide updates as warranted, so make sure that you are subscribed to [Fisher Phillips' Insights](#) to get the most up-to-date information direct to your inbox. If you have further questions, contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in our [Gig Economy Team](#).

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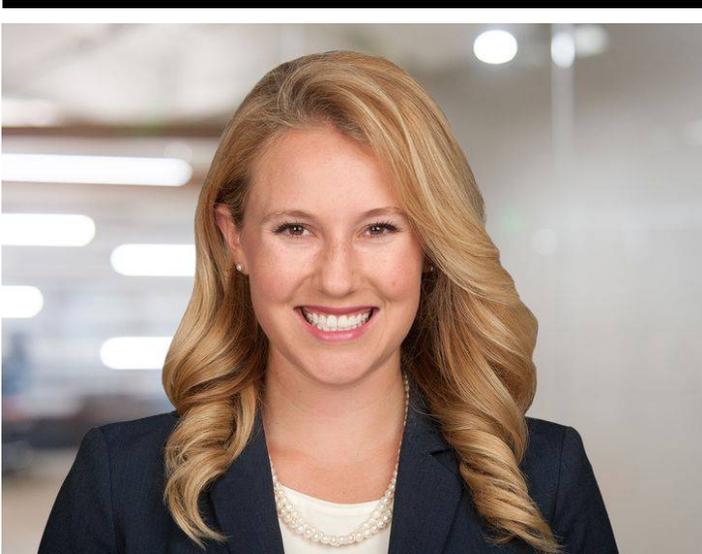




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