

NEW REPORT SHOWS INFLATION DRIVING MORE PEOPLE TO GIG ECONOMY WORK: THE SECRET TO TURNING THIS TREND TO YOUR COMPANY'S BENEFIT

Insights
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According to a recent survey of over 1,000 workers who turned to gig work in the last six months, 85% have recently increased or planned to increase their gig work – with 58% citing inflation as the primary reason for seeking more work. [The Second Annual Gig Payments Report from Branch and Margeta](#), released on April 14, demonstrates that gig economy businesses have a unique opportunity to offer meaningful opportunities to willing and able contractors while bolstering their talent pools by adding talented workers to their rolls. And lying deeper within the survey is a hidden piece of information that could help differentiate your business from your competitors when it comes to attracting talent.

Inflation is Key Driver at Present

You don't need us to tell you that inflation is of broad concern at the present time. [A recent article in Forbes Advisor](#) reported that prices rose 8.5% in March compared to the year prior, according to the [most recent](#) Consumer Price Index (CPI) report. According to Forbes, this is the biggest year-over-year gain in the index since December 1981. [NPR Report noted in an April 16 report](#) that consumers have responded to inflation by spending less at gas stations and grocery stores, although "spending overall has remained fairly steady."

What are New Gig Workers Looking For?

The April 14 report also provides more information about what this new class of gig workers is looking for as inflation

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drives them to their smartphones for work. It should come as no surprise that survey respondents cited higher pay (67%) and scheduling flexibility (60%) as their main reasons for joining the gig world. **But coming in third, trailing not too far behind, was the lure of faster payouts (59%) as a top incentive for taking on gig work.**

While the first two factors are common refrains that the gig economy has heard for years, the fact that workers are wanting faster payouts as a job perk is a somewhat newer phenomenon. Of course it makes sense – faster access to cash is an important factor in meeting their financial needs in the current inflationary environment. 68% of survey respondents prefer to be paid the same day they work, with 39% preferring being paid right after each job and 29% at the end of the day. In fact, being paid instantly without fees would likely cause 80% of respondents to choose one gig platform over another.

This trend is starting to crop up in the world of mainstream traditional employment as well. [Check out our recent Insight providing five tips to employers seeking to retain and attract talent through on-demand pay \(also known as earned wage access\).](#)

Some Other Findings From Survey

What business sectors are gig workers currently choosing to work in? The report indicates that most gig workers are choosing the food/grocery delivery sector (50%) and cleaning/home repair services (12%) as their primary industries, with a decrease in the rideshare sector from 10% of respondents in 2021 to 5% this year. The rise in fuel costs means that these figures aren't all too surprising, with 61% identifying fuel as their biggest current expense.

The report states there were about 23.9 million independent workers in the United States in 2021, an increase from 12.9 million in 2017. [That number is expected to nearly quadruple by 2027.](#) The Report also confirms that the so-called "Great Resignation" is driving interest in gig work, with 35% of respondents citing they've quit, or plan to quit, full-time employment in the past year to join the gig economy."

What Should You Do?

The growing number of gig workers, in combination with the current worker shortage, will no doubt continue to pressure

gig economy companies to adopt more worker-friendly policies. And the key, it seems, is ensuring that your service offers pay to your gig workers as quickly as possible after their jobs are complete. The report noted above makes clear that this can make gig work not just a more attractive alternative to traditional employment, but can make working for your business a more attractive alternative than doing so for one of your competitors.

We'll continue to monitor this development and provide updates where warranted, so make sure you're subscribed to [Fisher Phillips' Insight system](#) to get the most up-to-date information. If you have further questions, contact your Fisher Phillips attorney, the author of this Insight, or any attorney in our [Gig Economy Team](#).