



New Studies Provide Insight into the On-Demand Economy

Insights

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Seems you can't swing a cat without hitting a new study aimed at better understanding the gig economy and gig workers. Just within the past couple of weeks, two important studies were released that provide in-depth data about types of gig workers and what motivates them.

The first report is from the Institute for the Future, a Palo Alto-based think tank that studies workplace trends. The report, *Voices of Workable Futures: People Transforming Work in the Platform Economy*, reflects in-depth interviews with 31 workers across a range of ages and socio-economic backgrounds in cities across the U.S. to determine patterns of workers' experiences. The report breaks workers into seven archetypes: the part-time pragmatist, the savvy consultant, the freelancer, the full-time gig worker, the re-entry worker, the entrepreneur, and the hustler, profiling each with detailed examples. The second part of the report discusses eight building blocks these workers are shaping, given that the workers, who lack traditional HR departments or onboarding processes, "must often improvise, learn from each other, and make their own way." The report's conclusion, which urges policymakers to take action, is aptly titled "something gained, something lost," pointing to benefits and pitfalls of platform economy work.

The second report, *Independent Work: Choice, Necessity, and the Gig Economy*, by McKinsey Global Institute, reflects satisfaction levels of workers engaged in independent work in the U.S., France, Spain, Sweden, Germany, and the U.K. The results are not surprising: those who work gigs by choice report that they are "happier than people in traditional jobs by every measure." The broad study includes not only those working for the well-known app-based companies like Uber, but also workers such as maids, therapists, accounts, personal trainers, babysitters, and tutors. In addition to perks like independence and flexibility, nearly 20% of such full-time workers earn more than \$100,000 a year.

According to the study, which includes a survey of 8,000 gig workers and data from the government and other sources, of the estimated 20% to 30% of the populations (about 60 million people in the U.S. alone) in the six countries who engage in independent work, 44% count on gig work for their primary income. The vast majority of the gig workers who rely primarily on independent work for income do so by choice; only a small percentage of the workers claim to work independently by necessity. These numbers vary among the six countries that were the subject of the study, with a much higher percentage of workers who gig by necessity in Spain than in the other countries.

Overall, the research reflected in the McKinsey study confirms what we have repeatedly heard: despite a minority of reluctant gig workers, most gig workers have a high level of satisfaction and have no desire to return to the traditional work model. Another interesting point from the research is the surprisingly small percentage of gig workers who earn money from app-based companies like Uber and its rivals. While the percentage of the workforce engaging in alternative work arrangements has increased by more than 50% in the past decade, only 0.5% of the workers gig for app-based companies.

The undeniable takeaway from these most recent studies? The gig economy is exponentially growing and we still have a lot to learn. Thankfully, you have no shortage of resources, starting with this blog.