



Do the Hustle: Gig Economy's Side Hustle Goes Mainstream

Insights

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When a friend took Van McCoy to New York City's Adam's Apple bar to watch an underground dance known as the "Hustle," Van knew he had struck gold. In one hour, Van had written the future wedding reception staple "The Hustle." With its only lyrics "Do the Hustle," the song reigned supreme on the Billboard Charts of 1975. As stated in his Associated Press obituary, the Hustle was "a revolutionary dance... highly stylized and more sophisticated than the more 'hang loose' dances of the decade, such as the bump and the boogaloo." Van's album "Disco Baby" spread this revolution from the basements of New York City dancehalls to the hi-fi's of middle America.

A new hustle has moved from the periphery of American culture into the mainstream. Uber, the most well-known of the gig economy businesses, reaches out to new drivers with the slogan "Get your side hustle on!" And workers are heeding this call. When the term "gig economy" was coined in 2009, it described the workplace of the sometimes-unfortunate souls forced outside of the traditional workforce by the Great Recession. By 2015, roughly 54 million Americans, one out of every three members of the workforce, have entered to some degree into the gig economy – and the great majority have done so of their own accord.

With these increased numbers of available workers, the gig economy is adapting to the mainstream. Not only has the gig economy appeared in the halls of legislature, but more traditional businesses are incorporating gig economy concepts into their business models. A recent article in Quartz Media described how Papa John's relies on a staffing app to deliver pizzas. On rainy days, the amount of requested deliveries goes up. Since meteorological phenomena are hard to chart a year in advance, it is not feasible to hire sufficient employees to sit around waiting on a rainy day. Instead, Papa John's posts job requests on an app known as Wonolo that reaches out to 30,000 workers across eight urban areas to find independent contractors who can fill in at a moment's notice. Papa John's is not alone in this endeavor. Over 600 businesses, including lions of industry such as Coca-Cola (an investor in Wonolo), Johnson & Johnson, and Target use Wonolo to fill staffing needs.

Wonolo is not alone in using a digital interface to solve staffing needs. As other companies grow to fill in any staffing gaps, it is likely that we will see more and more companies supplementing their regular employees with independent contractors discovered using this technology. As noted in Deloitte's Global Human Capital Trends 2016, over 40% of CEOs envision an increased role of contingent workers over the next five years. The benefits of an on-demand contingent workforce are

obvious: employers do not maintain unnecessary labor expenses to accommodate emergencies and workers have the flexibility to work when they choose.

Despite the benefits to both parties and increased presence of gig economy ideals in traditional business, companies contemplating incorporating gig workers into their workforce need to think about not only practical restraints and workplace culture, but potential legal issues. These innovations are still relatively uncharted paths. Most of the business world has watched on as major gig economy businesses have had to slog their way through legal battles over independent contractor classification and wage and hour issues. We are full swing in a revolutionary dance that will likely change the way the world works. Regardless, legal standards are still stuck in the age of the Bump and the Boogaloo. For a number of industries, such as deliveries, transportation and warehouse/storage, the benefits of the gig economy side hustlers is too great to pass up, but require deliberate steps to minimize legal risk.