

ACA Repeal Could Put Dent In The Number Of Gig Workers

Insights

7.26.17

Bloomberg BNA reporter Madison Alder has written [an eye-opening article](#) that suggests the possible repeal of the Affordable Care Act (ACA) could force many gig economy workers to abandon their freelance lifestyle and secure full-time work. Gig companies everywhere should [read the piece](#) and start planning for how this possible legislative action could impact their organizations.

Besides the advent of ubiquitous smartphones, Alder's piece notes that the passage of the ACA is one of the major reasons why many Americans have been able to choose to work in a self-employed venture, including independent contractor or freelance work through a gig economy platform. She cites to a Treasury Department study from earlier this year noting that 20 percent of those who purchased healthcare on the ACA marketplace described themselves as either small business owners or self-employed.

The article also points out what most of us already know: that while many Americans might still be laboring under the false assumption that the average gig worker is supplementing their income by picking up occasional ride-shares when not working at their "real" job, the statistics tell a much different story. It cites to a McKinsey Global Institute study from 2016 showing that about 46 percent of gig workers rely on freelance work as their primary source of income. It is this large chunk of the gig workforce that would be most impacted by the ACA repeal. Unless these workers have some other means by which to acquire healthcare insurance – such as a family member including them on their plan – many of them will need to decide whether to give up their gigs and secure steady W-2 employment, or continue to stick with gig work and risk not having health insurance.

While the article does not discuss one possible solution, it is worth noting that the creation of a [portable benefits solution](#) could aid these workers and permit them to stay in their gigs while still securing health insurance. [The status of federal legislation that seeks to advance this concept](#), however, is uncertain at this time. Since it was introduced in May, the legislation has not advanced much and [still sits in committee](#). We will continue to monitor this legislation for any developments.

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