

Did Gig Economy Growth Contribute To Strong November Jobs Report?

Insights

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By most objective measurements, the Labor Department's December 4 jobs report was solid. CNN Money reported that employers added 228,000 jobs in November, while the unemployment rate remained at a 17-year low of 4.1%. Meanwhile, average weekly paychecks increased by 3.1% over the last 12-months, the first time that reading has topped 3% in nearly seven years. According to global talent solutions firm Randstand Sourceright, the strong November jobs report from the Bureau of Labor Statistics can partly be credited to the gig economy. According to its analysis, 61% of employers plan to switch up a significant chunk of their full-time permanent positions (one-third or greater) to contingent jobs at some point in the near future. This continuing pivot towards a gig model has helped streamline operations and demonstrates the continued value of the freelance workforce for any organization.

According to HR Dive, this development is a positive one for most organizations, but it does present challenges. Specifically, the specter of misclassification remains an ever-present risk, and moreover, workers may believe they need to unionize in order to lock in benefits and protections that might otherwise be unavailable to them in a freelance world. To address these concerns, it is recommended that businesses update their employee handbooks and work closely with legal counsel to stay up-to-date on independent contractor laws near them. "The second, and arguably the most important preparation, strategically, is to adapt strategies for talent sourcing and upskilling to accommodate for emerging roles within the organization," says HR Dive's Ryan Golden. He notes that all workers will need to adapt their skillsets to adapt to coming technological changes, and that companies need to adjust their perspective as well when it comes to recruiting, training, and development.

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