



Labor Secretary Acosta Says It Is Time to Embrace the Gig—**I Mean, The “Entrepreneurial” Economy**

Insights

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The federal government has not meaningfully measured the contingent workforce since 2005. However, two economists, Lawrence Katz (Harvard) and Alan Krueger (Princeton), conducted a 2015 survey that is currently acknowledged as the best available measurement of the contingent workforce to date. And when Monique Morrissey, an Economist with the Economic Policy Institute, testified before the U.S. Senate Health, Education, Labor & Pensions Subcommittee early last month, she cited some data from this study.

The Katz-Krueger data leaves little doubt that the contingent workforce has been growing, and continues to grow. Interestingly, as Ms. Morrissey noted in her testimony, while “companies like Uber, Lyft, Etsy, Airbnb, and TaskRabbit loom large in people’s imaginations,” sharing-economy companies are not driving this growth. Instead they are riding the overall surge of the contingent work economy. According to Ms. Morrissey’s testimony and the Katz-Krueger data, the “gig economy,” defined as workers “employed via online platforms,” is “very small and not growing as fast as people assume.” In fact, the data shows that such workers represent only about 0.5 percent of jobs.

Be that as it may, while there have been occasional conferences and hearings on the gig economy on Capitol Hill, the federal government has taken no significant steps toward bringing about the many regulatory and legislative reforms that this segment of our economy needs.

That appears about to change. As noted previously on this blog, the Bureau of Labor Statistics is preparing to publish an updated Contingent Worker Survey, which promises to shed meaningful light on the actual size of the gig economy. And in case there was doubt in anyone’s mind, Labor Secretary Acosta recently commented on the significance of the Survey data, indicating that the data will show that there has been a “substantial increase” in the number of workers participating in the gig economy.

Even more encouraging for those who are looking for legislative and regulatory reform, in a recent speech to the Chamber of Commerce, Secretary Acosta indicated that the Survey data “needs to be a starting point for many conversations we need to have about the economy...We don’t need to avoid it. We need to embrace it.” Secretary Acosta specifically referenced needed changes in the federal regulations that govern the gig economy, and he promoted the phrase that he prefers to use instead of gig economy: the “entrepreneurial economy”

ology economy: the entrepreneurial economy.

Secretary Acosta's speech laid to rest any doubts that Washington is now paying attention to the "entrepreneurial economy." That said, it is anyone's guess what changes in federal legislation and regulation may be on the table, or when any such changes may be implemented.

Participants in the "entrepreneurial economy," including business owners and workers, will want to look for the BLS Contingent Worker Survey data to be published and pay attention to the promised conversations in Washington.