

Sustained Economic Growth Means We'll See Continued Use Of Contract Workers In 2018

Insights

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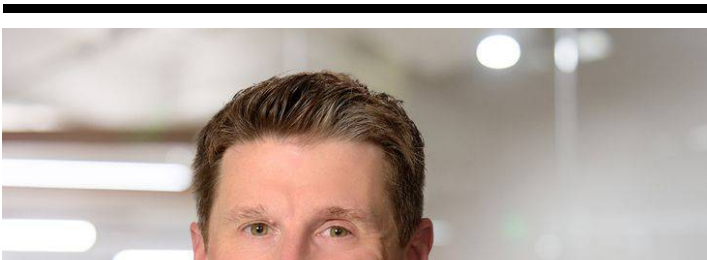
According to a recently released study by American Express and Institutional Investor, we can expect to see a slight increase in the use of freelancers and contract workers in the year ahead. "After a strong 2017, economies in all parts of the world are experiencing growth, especially North America, Asia-Pacific, and Europe," the study says. "Senior finance executives at large companies worldwide expect continued economic expansion over the next year, albeit at a slower rate than last year." And while 56 percent of American companies surveyed expected to increase their headcount by 6 percent or more in 2018, 57 percent of businesses expect to do so by making greater use of temporary or contract workers. This is a decrease from 63 percent in the previous year, but still a significant number.

When asked to explain their rationale for utilizing contract work, 72 percent of responders indicated they wanted to maintain cost flexibility in their workforce. 60 percent believed that a contract workforce allowed them to limit their regulatory compliance and other similar overhead burdens, while 57 percent appreciated the fact that they could expand their headcount with making long-term staffing commitments.

The final statistic of note for our purposes: 55 percent of those surveyed see the use of contractors and freelancers as an "important part" of their employment strategies. Meanwhile, 4 percent indicated that such workers were "central" to their business model.

This survey confirms what we have known for some time: the independent contractor model is now firmly embedded in our national economy, and a significant percentage of companies utilize contract work to get their business needs met. This further confirms that the gig economy will continue to play a major role in the future of work in this country.

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