



Millennials and the Gig Economy

Insights

8.24.16

Millennials are typically defined as those born between the early 1980s and the early 2000s. Recent reports from the Pew Research Center estimate there are 75.4 million Millennials in the United States today, making them the country's largest living generation – even bigger than the Baby Boomer generation. Current estimates show that the Millennial population is projected to peak in 2036 at 81.1 million. Until then, the numbers will grow with immigration, but afterwards, mortality is projected to outweigh net immigration. By 2020, Millennials are expected to make up 50% of the workforce.

The large (and growing) Millennial population is important to the continuing development of the gig economy. Many Millennials had their job prospects sizzle, and their careers derailed as the economy plunged just as they were entering the workforce. The result has been a sizable population with no choice but to turn to whatever “gig” comes their way in order to make ends meet. Additionally, some still have an interest in working for organizations that might not require a lengthy job history.

Working in the gig economy can also be a helpful bridge to students who have recently graduated but not yet found full-time employment. The gig economy offers flexibility for students to work as much or as little as they want for as many different companies as they wish. In fact, a recent study by Accenture Strategy revealed that only 1 in 7 new college graduates want to work for a big company, presumably out of concern over inflexibility and lack of personalized options for growth.

While the greatest downside to gig work tends to be that benefits such as retirement options and healthcare are not typically provided by gig employers, these are often items that are not as important to younger workers just out of school as they are to individuals who already have a family and mortgage. Interestingly, the same is also true for those workers past retirement age who have already raised their families but would still like to boost their incomes.

The gig economy also appeals to Millennials who have grown up with technology and social media providing an instant connection with others. Gig economy staples such as Uber and Lyft provide for social interaction with peers as people with cars and phones are matched up almost instantaneously with those needing a ride. Other gig-related options place creative and talented workers, such as handymen, artisans, and tutors directly in contact with individuals searching for their services without the need for a middleman. This instant connection appeals to Millennials and provides them with a degree of control and flexibility not usually present at more traditional jobs.

As the gig economy continues to evolve, so will the Millennial generation and its expectation for career development. The next decade will reveal whether Millennials stick with gigs over nine-to-five jobs, or if their inclinations change as they age.

Related People



Lisa A. McGlynn
Partner
813.769.7518
Email