August 2019

GIG ECONOMY:

An Analysis of Gig Workers Surveyed

Mother Lode Region

Central Mother Lode Regional Consortium

California Community Colleges Doing What MATTERS™ for Jobs and the Economy

UC San Diego Extension

Table of Contents

Prepared by:

Erik Buchholz, M.A.

August 2019

The Gig Economy in the Mother Lode Region

Executive Summary

Gig workers (n=234) were recruited from the Mother Lode region, consisting of seven counties with approximately 30 gig workers each. Gig workers tended to sell services (25 percent), complete one-time, task-based jobs (21 percent), and provide contract work (18 percent). Historically, classifying gig workers has been difficult, so the research team classified respondents as gig workers if they completed any of the non-traditional work listed in the survey or self-identified as self-employed. In addition, gig workers may be working so much that it is as if they are taking on an additional full-time job. The research team considered what could define a full-time gig job, and they provided two definitions: (1) more than 30 hours of non-traditional work in a week and (2) non-traditional work constitutes more than 50 percent of total income. According to the first definition, only 33 percent of gig workers work a full-time gig job. According to the second definition, only 37 percent of gig workers work a full-time gig job. So, a majority of gig workers are taking on a supplemental part-time gig job. Though it is supplemental, many gig workers view it as a necessity for survival (39 percent).

The typical gig worker is female (65 percent), between 25-44 years old (49 percent), is white (61 percent), has some college education or an Associate degree (47 percent), and earns between $10,000 and $50,000 per year (47 percent). For gig workers, the highest industries worked include Retail Trade (21 percent); Healthcare and Social Assistance (14 percent); and Arts, Entertainment, and Recreation (12 percent). Many gig workers have some difficulty finding work (50 percent), and they may have a lot of difficulty finding work if they are aged 45-54 (24 percent), or working part-time (36 percent). Most gig workers use friends and family (55 percent) to find gig work rather than online apps (26 percent). Of those who used apps, many used Uber (30 percent), Freelancer (23 percent) or Task Rabbit (23 percent). Most wanted to continue gig work because of the ability to choose their own schedules (57 percent) or be their own boss (56 percent). Gig workers *considered* quitting gig work because of concern for enough work (45 percent), low wages (45 percent), and being overworked (30 percent). Gig workers *actually* quit gig work because of low wages (40 percent), other reasons (27 percent), and being overworked (20 percent). Current gig workers were interested in being trained to market themselves to increase sales (29 percent), finding non-traditional work or clients (27 percent), and managing personal finances (26 percent). Previous gig workers were interested in being trained in managing business finances (23 percent), managing personal finances (20 percent), and using social media (17 percent). Similar trends were revealed in follow-up phone interviews (n=25).

Important Disclaimers

All representations included in this report have been produced from primary research and/or secondary review of publicly and/or privately available data and/or research reports. This study examines the most recent data available at the time of the analysis; however, data sets are updated regularly and may not be consistent with previous reports. Efforts have been made to qualify and validate the accuracy of the data and the report findings; however, neither the Centers of Excellence for Labor Market Research (COE), COE host district, nor California Community Colleges Chancellor's Office are responsible for the applications or decisions made by individuals and/or organizations based on this study or its recommendations.

Introduction

Many workers participate in the "Gig Economy," which involves non-traditional work outside of the typical 9-to-5 job. The term "gig" was borrowed from the music industry, where musicians take on multiple gigs or short-term jobs.[1] While some of these workers classify themselves as self-employed or independent contractors, many simply drive for Uber, complete tasks on TaskRabbit, or sell items on eBay. Gig work can function as a supplement to a traditional full-time job or comprise 100 percent of an individual's income. Estimating the number of people who conduct gig work has been difficult. Intuit has estimated that 34 percent of the economy functions as gig work[2], and Upwork predicted that the gig workforce grew three times faster than the regular workforce.[3] By contrast, the Bureau of Labor Statistics estimated that 10 percent of American workers participated in "alternative work arrangements," though it excluded people who did gig work in addition to a full-time job.[4] To combat this exclusion, researchers worked with the IRS to count the number of 1099-MISC forms since 2000 and estimated an increase of 22 percent, with the total number of 2014 1099-MISC forms totaling 91 million compared to the 235 million W-2 forms.[5]

While it is unclear exactly how many people participate in the Gig Economy, the fact remains that gig workers exist and that their training and educational needs differ from the traditional worker who works a 9-to-5 job. This study examines survey and interview responses from gig workers and makes recommendations as to how the Mother Lode region's community colleges could devise programs and curricula to meet the training needs of gig workers.

---

[1] Sundararajan, Arun. "The 'gig economy' is coming. What will it mean for work?" *The Guardian*, Business Opinion, 25 July 2015, https://www.theguardian.com/commentisfree/2015/jul/26/will-we-get-by-gig-economy

[2] Gillespie, Patrick. "Intuit: Gig Economy is 34% of US Workforce." *CNN Business*, May 24, 2017, https://money.cnn.com/2017/05/24/news/economy/gig-economy-intuit/index.html

[3] "Freelancers predicted to become the U.S. workforce majority within a decade, with nearly 50% of millennial workers already freelancing, annual "Freelancing in America" study finds." *Upwork Global Inc.,* Oct. 17, 2017, https://www.upwork.com/press/2017/10/17/freelancing-in-america-2017/

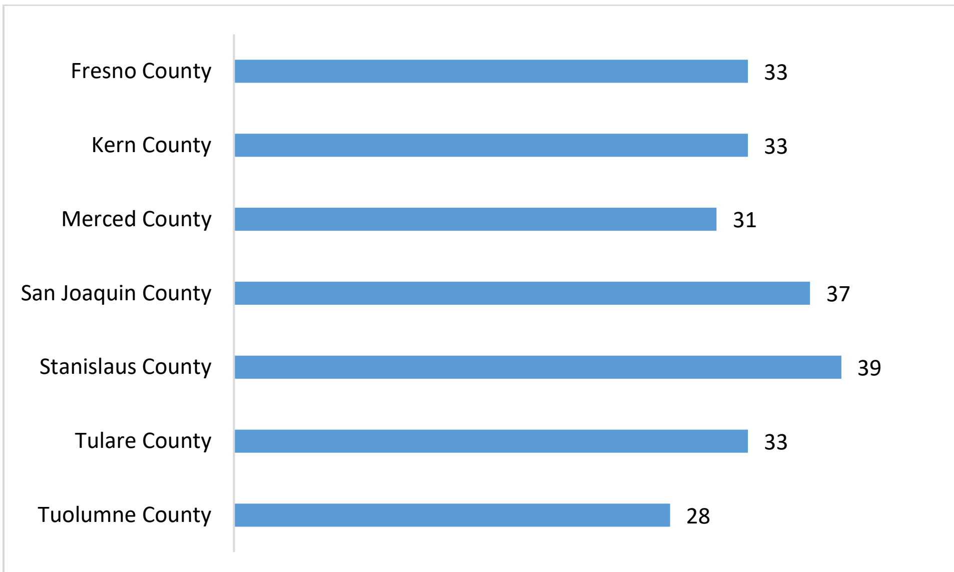
[4] Casselman, Ben. "Maybe the Gig Economy Isn't Reshaping Work After All." *NY Times,* June 7, 2018, https://www.nytimes.com/2018/06/07/business/economy/work-gig-economy.html

[5] Dourado, Eli, and Christopher Koopman. "Evaluating the Growth of the 1099 Workforce." *Mercatus Center at George Mason University*, December 10, 2015, https://www.mercatus.org/publication/evaluating-growth-1099-workforce

Employment

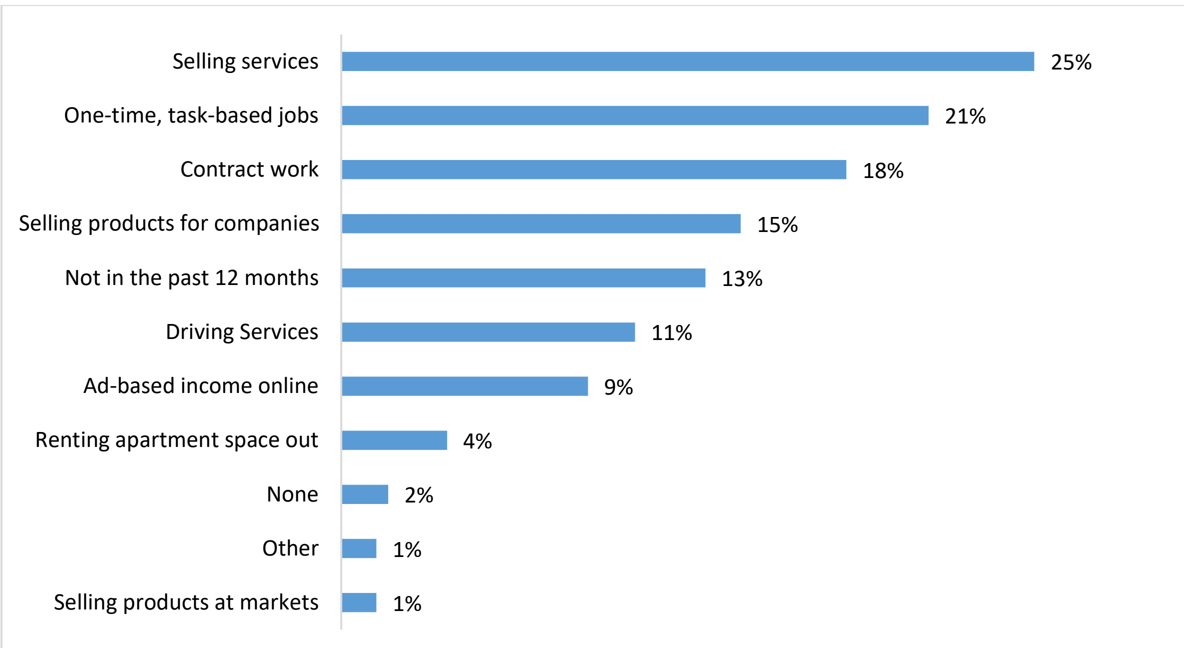
The Central Mother Lode Regional Consortium commissioned the University of California San Diego Extension (UCSD) to conduct a survey of gig workers currently residing in the Mother Lode region. In the study, gig workers included respondents who *currently* worked as gig workers and *previously* worked as gig workers. Between November and December of 2018, 234 gig workers in the Mother Lode region responded to an online survey about the Gig Economy. Figure 1 displays the gig workers by county in the Mother Lode region. In addition, a subset of those gig workers (n=25) were interviewed by phone to provide more qualitative responses, which served to provide more context to the quantitative surveys.

Figure 1: Gig Workers by County (n=234)



Given the uncertainty of what constitutes gig work, the research team focused on classifying respondents by the type of gig work they performed. Respondents were classified as gig workers if they fell into one of three groups: (1) they completed "non-traditional work" in the past 12 months; (2) they used to do "non-traditional work", but not in the past 12 months; or (3) they identified as self-employed, but completed none of the "non-traditional work" listed in the survey. Non-traditional work includes tasks outside of a routine 9-to-5 job (e.g., Uber, Lyft, Etsy, 1099 contracted work, freelance services). For gig workers who performed non-traditional work in the past 12 months, the top types of gig work were selling services, one-time task-based jobs, and contract work (Figure 2). Similarly, phone interviews revealed gig workers who primarily sold services or performed task-based jobs.

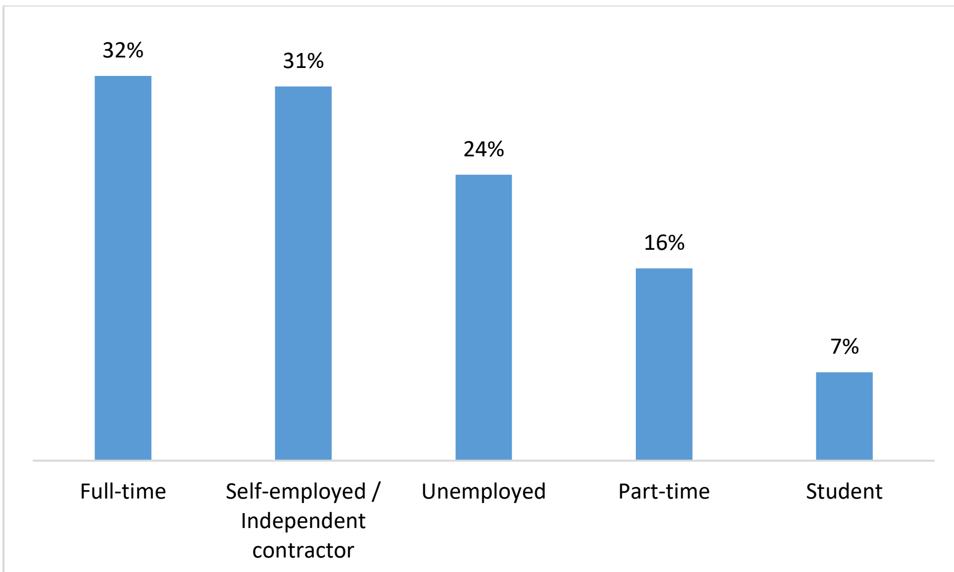
Figure 2: Non-Traditional Work Completed in the Past 12 Months by Survey Respondents (n=234)[6]



[6] Percentages exceed 100 percent because respondents were allowed to select more than one response.

Because previous research has not permitted self-employed workers to select multiple employment categories, respondents were asked to select *all* categories for employment status (e.g., employed full-time, part-time, self-employed, independent contractor, unemployed). Of the 234 respondents, 31 percent classified themselves as self-employed or independent contractors (Figure 3). So, even though all respondents performed some type of non-traditional work, only a third of them recognized it as self-employed work. Note that the responses do not clarify if gig workers are employed full-time *as* independent contractors or have a full-time traditional job while completing *supplemental* non-traditional work on the side.

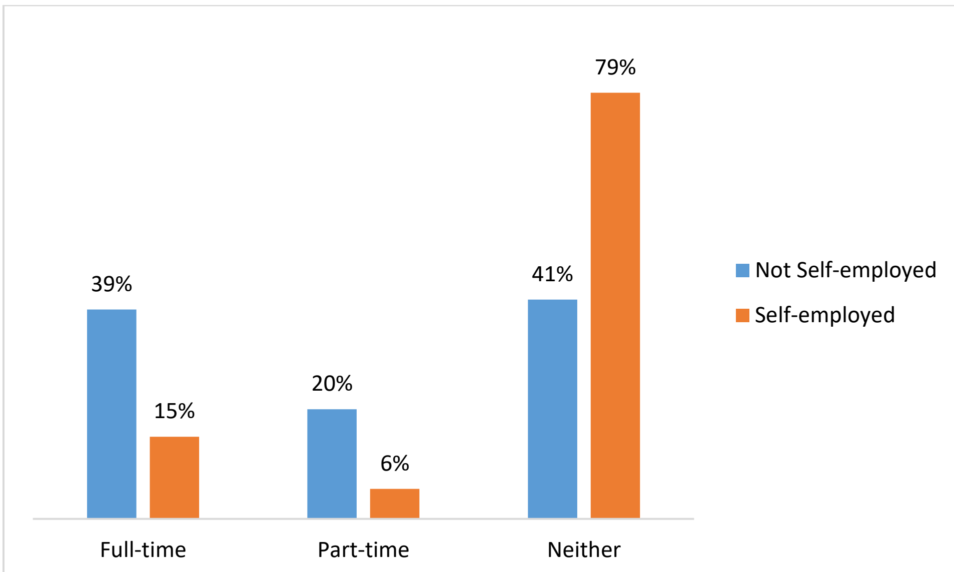
Figure 3: Employment Status of Survey Respondents (n=234)[7]



[7] Percentages exceed 100 percent because respondents were allowed to select more than one response.

To clarify this distinction, the research team compared how self-employed and non-self-employed workers classify themselves. Only 15 percent of self-employed workers classify themselves as full-time and 6 percent classify themselves as part-time (Figure 4). Consequently, gig workers distinguish self-employment and full/part-time employment as fundamentally different types of work. Therefore, it is likely that gig workers who identify as being employed full-time are participating in traditional work, but use non-traditional work as supplemental work. Yet, this supplemental work can occupy a substantial amount of time, and gig workers may be working so many hours that it is as if they are working full-time jobs on the side.

Figure 4: Employment Status of Survey Respondents: Self vs. Not Self-employed (n=234)



The research team next investigated whether (1) a large proportion of gig workers are working full-time hours and (2) a large proportion of gig workers classifying themselves as self-employed are working full-time hours. Non-traditional work could be classified as full-time work using different methods. For instance, a full-time job typically requires at least 30 hours of work per week while a part-time job requires less than 30 hours of work per week. Respondents were asked how many hours per week they spent on non-traditional work. If hours are used to categorize non-traditional work into full-time and part-time work, most current gig workers perform non-traditional work as if it was a part-time job (67 percent; Figure 5a) rather than a full-time job. In addition, most self-employed workers perform non-traditional work as if it was a part-time job (63 percent; Figure 5b). Furthermore, there is little difference between the proportion of self-employed and non-self-employed workers working full-time and part-time hours.

Figure 5a: Hours of Gig Work in a Week for Survey Respondents (n=204)

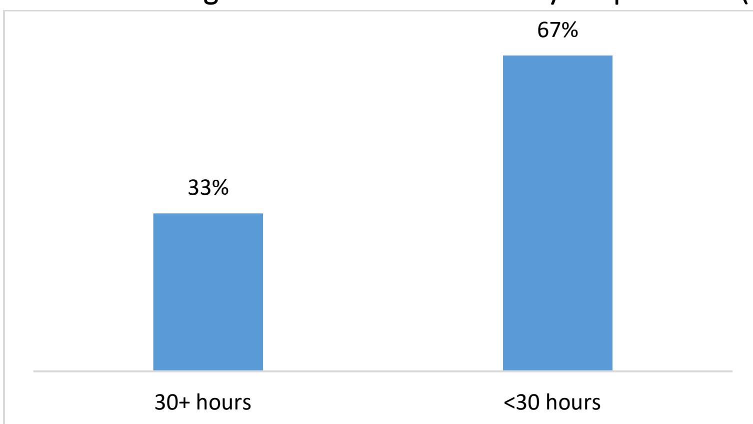
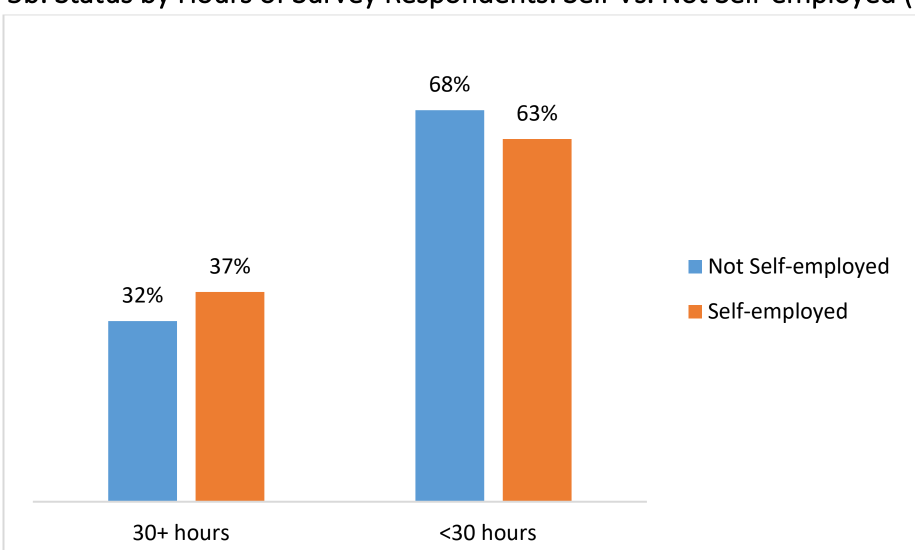


Figure 5b: Status by Hours of Survey Respondents: Self Vs. Not Self-employed (n=204)



Non-traditional work could also be classified as full-time according to the percentage of income it constitutes. That is, full-time gig workers could be anyone who receive 50 percent or more of their income from non-traditional work. Respondents were asked how much of their income non-traditional work constitutes. The research team next investigated whether (1) a large proportion of gig workers are working full-time by income and (2) a large proportion of gig workers classifying themselves as self-employed are working full-time by income. If income is used to categorize non-traditional work into full-time and part-time work, most current gig workers perform non-traditional work as if it was a part-time job (63 percent; Figure 6a) rather than a full-time job. By contrast, most self-employed workers perform non-traditional work as if it was a full-time job (56 percent; Figure 6b). Furthermore, there is a large difference between the proportion of self-employed (56 percent) and non-self-employed workers (27 percent) working full-time by income. So, those who do not identify as self-employed (73 percent) are using non-traditional work as less of their income.

Figure 6a: Non-traditional Work as Percentage of Income for Survey Respondents (n=204)

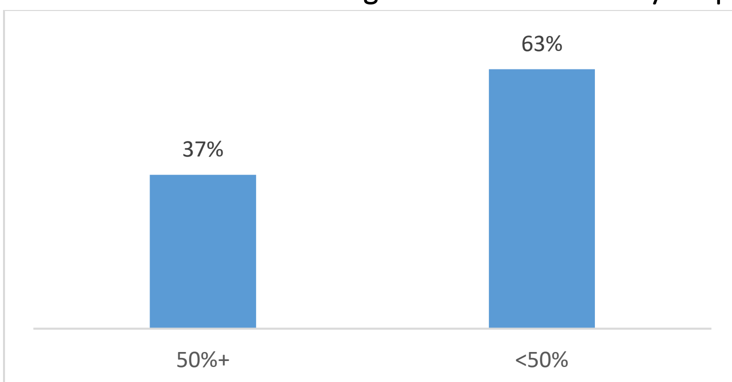
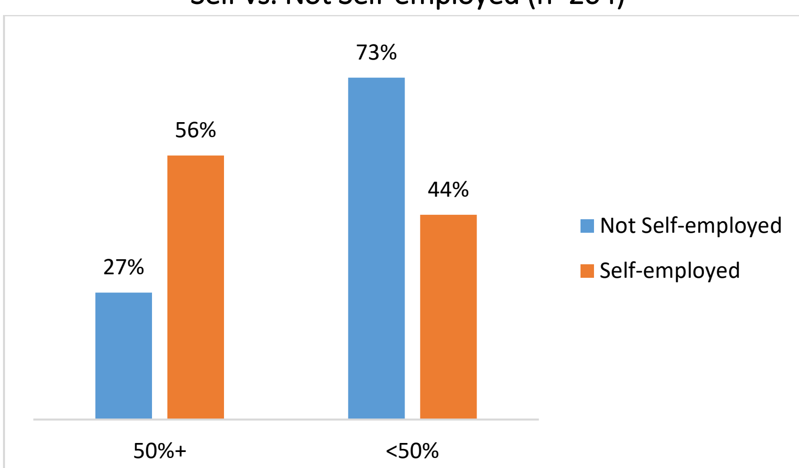
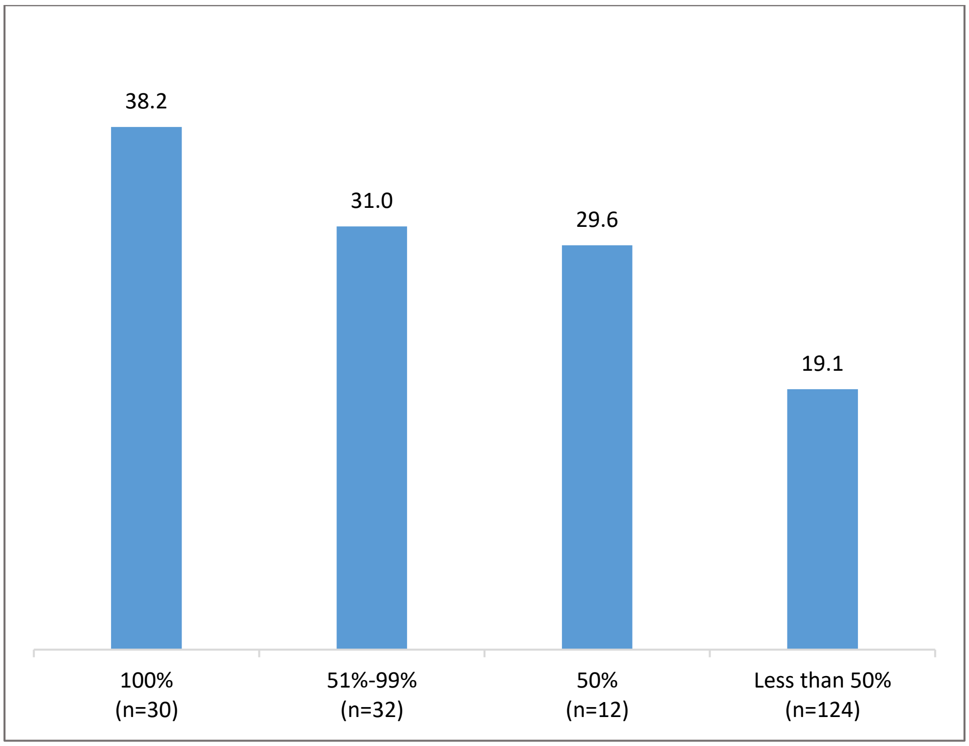


Figure 6b: Non-traditional Work as Percentage of Income for Survey Respondents: Self vs. Not Self-employed (n=204)



Because it is possible that those who worked the most hours used gig work as the highest percentage of their income, the research team investigated how hours worked were distributed across four income categories: 100%, 51%-99%, 50%, and less than 50%. According to Figure 7, greater number of hours corresponded to greater percentage of income (r = .468, p<.001). Those working above 30 hours per week used non-traditional work as greater than 50% of their income. Because the majority of gig workers used non-traditional work as less than 50 percent of their income, gig workers worked an average of 24 hours per week, accounting for 41 percent of their income.

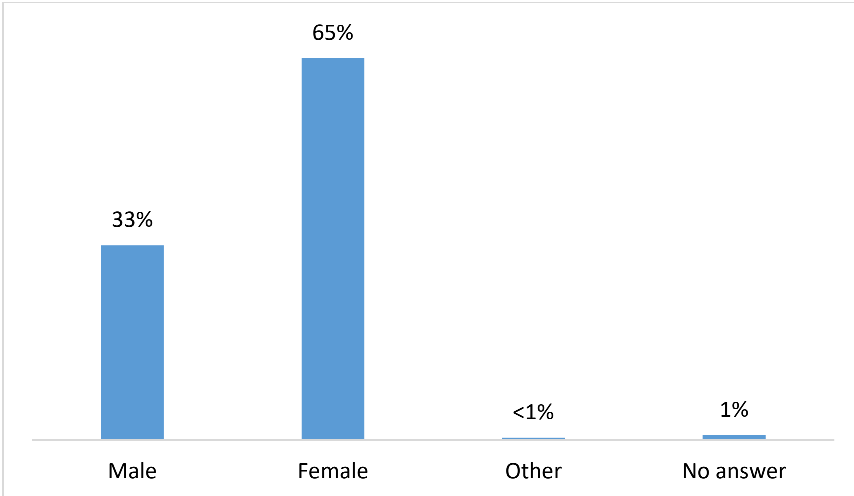
Figure 7: Hours Worked by Percentage of Total Income of Survey Respondents (n=198)



Demographics

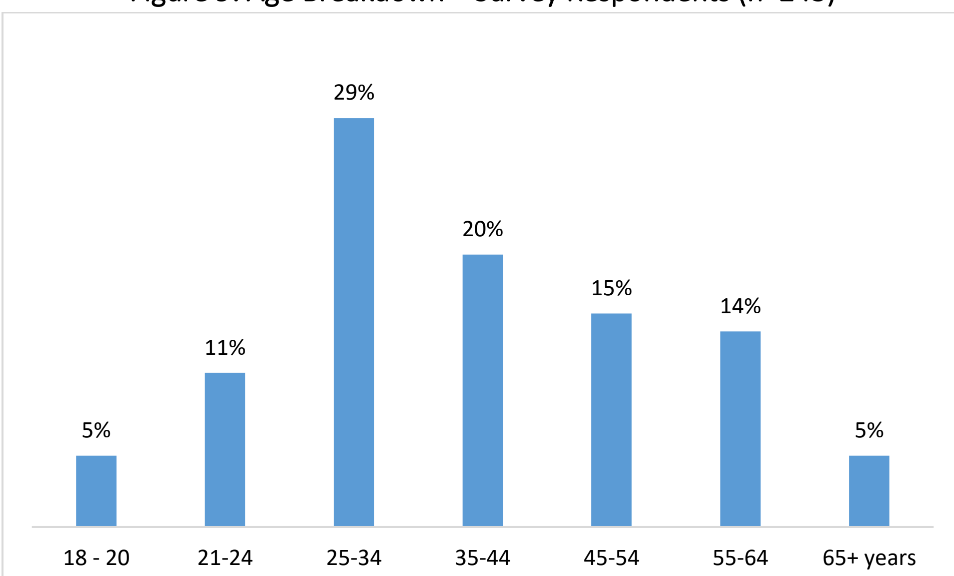
Besides employment, gig workers were classified according to a number of demographics. For respondents, 65 percent identified as "female" and 33 percent identified as "male." The remaining declined to state or chose "Other" (Figure 8).

Figure 8: Gender Breakdown – Survey Respondents (n=234)



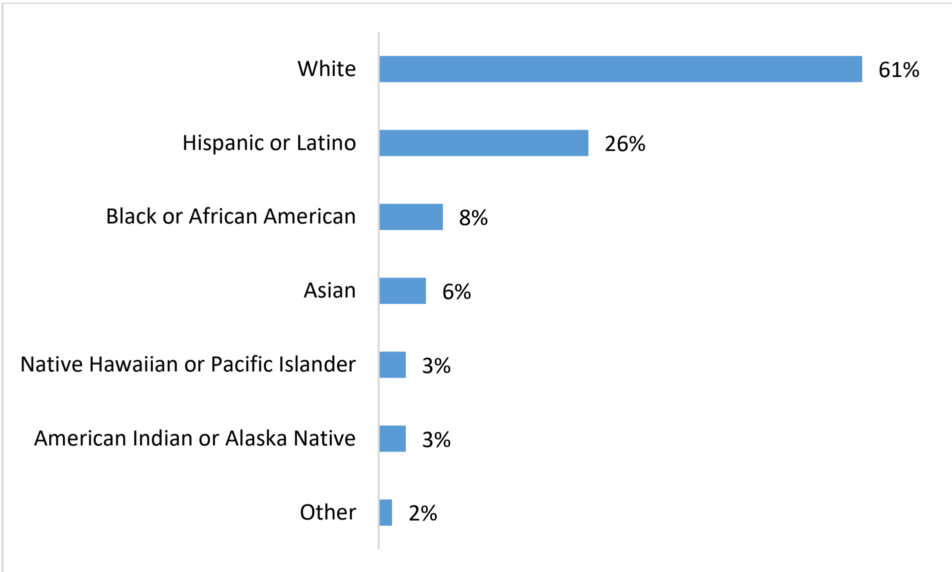
The majority of gig workers surveyed were between the ages of 25 and 44 years old (49 percent; Figure 9).

Figure 9: Age Breakdown – Survey Respondents (n=243)



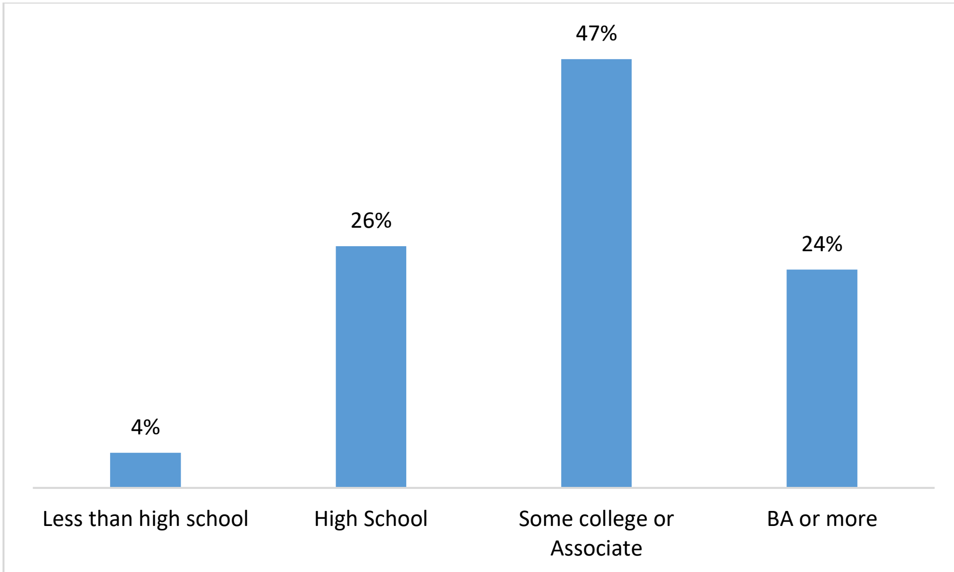
An overwhelming majority of survey respondents were white (61 percent; Figure 10), followed by Hispanic or Latino populations accounting for 26 percent of respondents.

Figure 10: Ethnic Breakdown – Survey Respondents (n=234)



About half of gig workers had some college education or an Associate degree (47 percent; Figure 11).

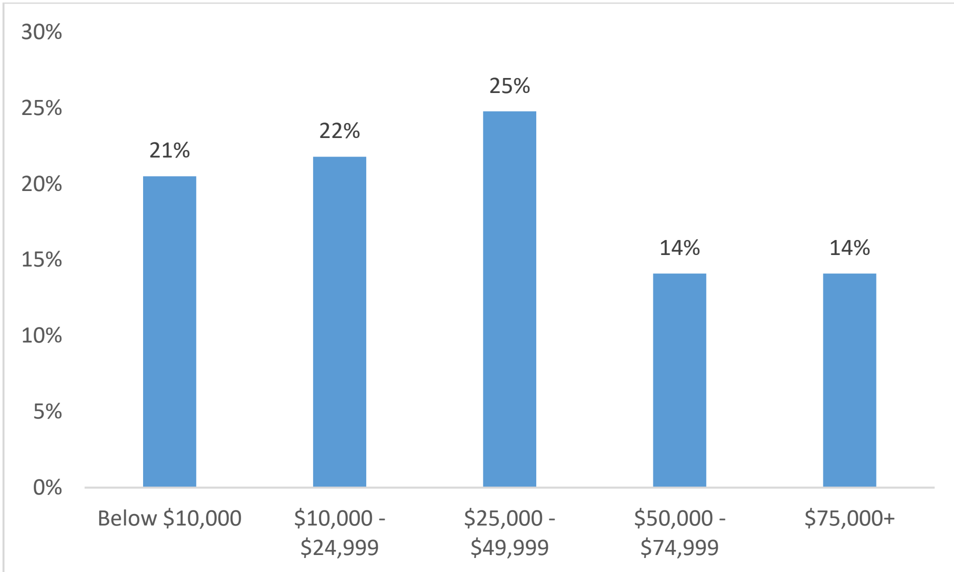
Figure 11: Educational Attainment[8] (n=234)



[8] San Diego County population includes anyone age 15 and over.

Nearly half of the gig worker population earned between $10,000 and $49,999 annually (47 percent; Figure 12).

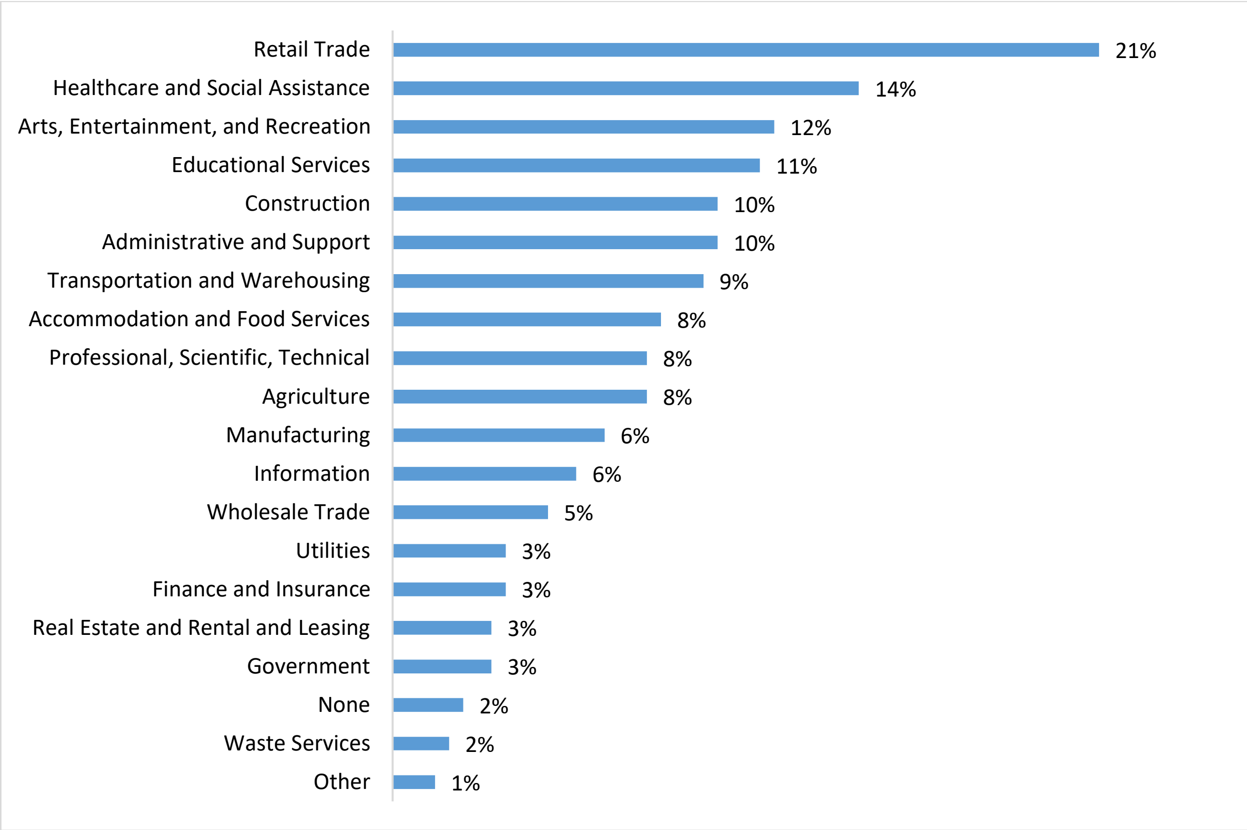
Figure 12: Income –Survey Respondents (n=234)



Industries

The top three industries that survey respondents worked in were Retail Trade (21 percent; Figure 13); Healthcare and Social Assistance (14 percent); and Arts, Entertainment, and Recreation (12 percent).

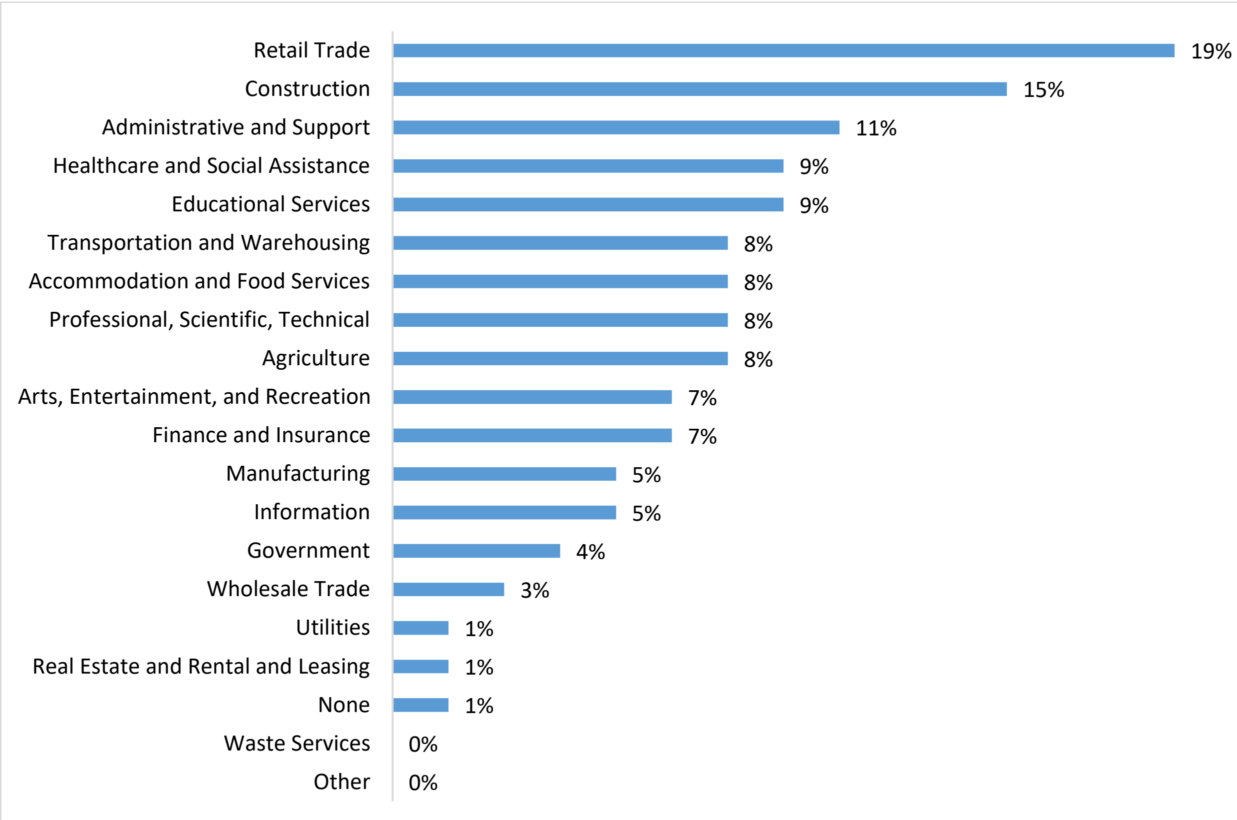
Figure 13: Percent of Employment by Industry, Survey Respondents (n=234)[9]



[9] Respondents were allowed to select more than one industry; therefore, percentages do not add up to 100 percent.

A different picture emerges when survey respondents are segmented into “employed full-time” categories. This group identified their top three industries to be Retail Trade (19 percent; Figure 14); Construction (15 percent); and Administrative and Support (11 percent).

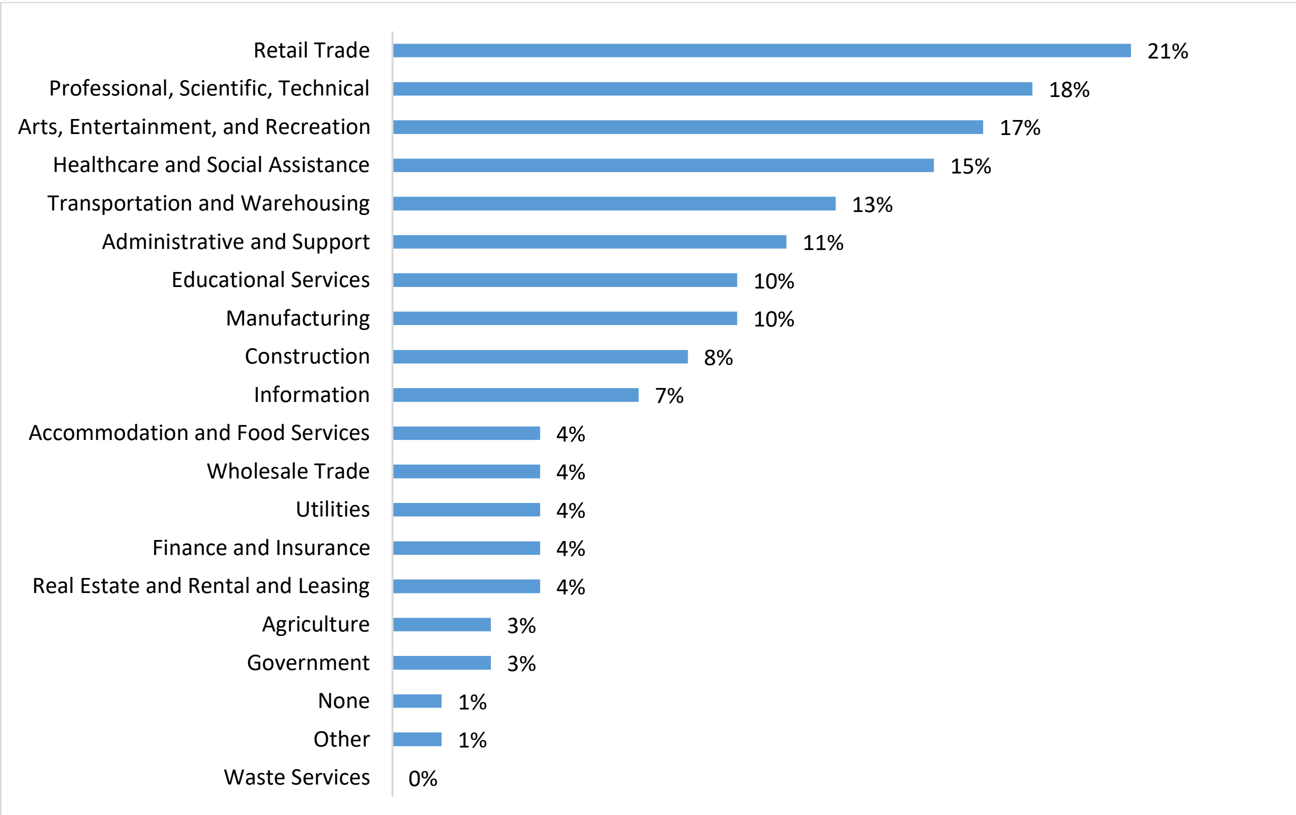
Figure 14: Percent of Employment by Industry, Survey Respondents (Employed Full-time, n=74)[10]



[10] Respondents were allowed to select more than one industry; therefore, percentages do not add up to 100 percent.

Respondents who identified to be "self-employed or independent contractors," however, reported their top three industries to be Retail Trade (21 percent; Figure 15); Professional, Scientific, and Technical Services (18 percent); and Arts, Entertainment, and Recreation (17 percent).

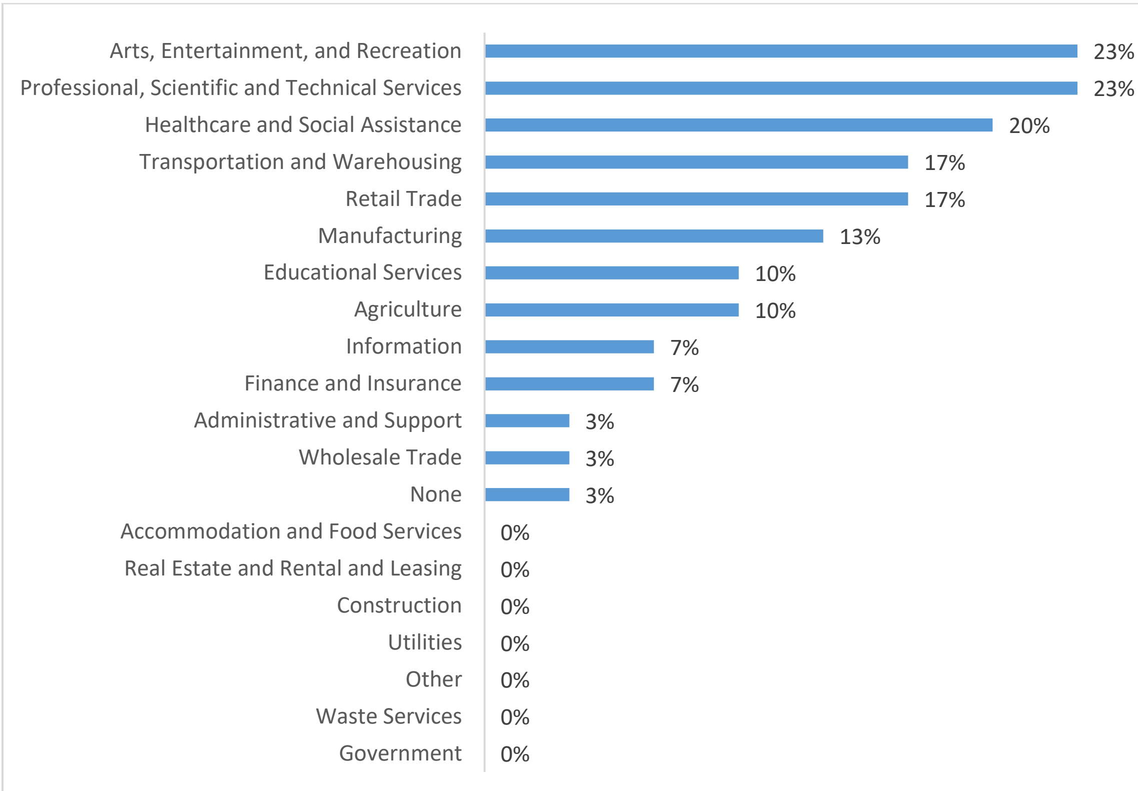
Figure 15: Percent of Employment by Industry, Survey Respondents (Self-employed or Independent Contractors, n=85)[11]



[11] Respondents were allowed to select more than one industry; therefore, percentages do not add up to 100 percent.

Respondents who identified as using non-traditional work as 100% of their income reported their top three industries to be Arts, Entertainment and Recreation (23 percent; Figure 16); Professional, Scientific, and Technical Services (23 percent); and Healthcare and Social Assistance (20 percent).

Figure 16: Percent of Employment by Industry, 100% of Income from Non-traditional Work (n=30)[12]

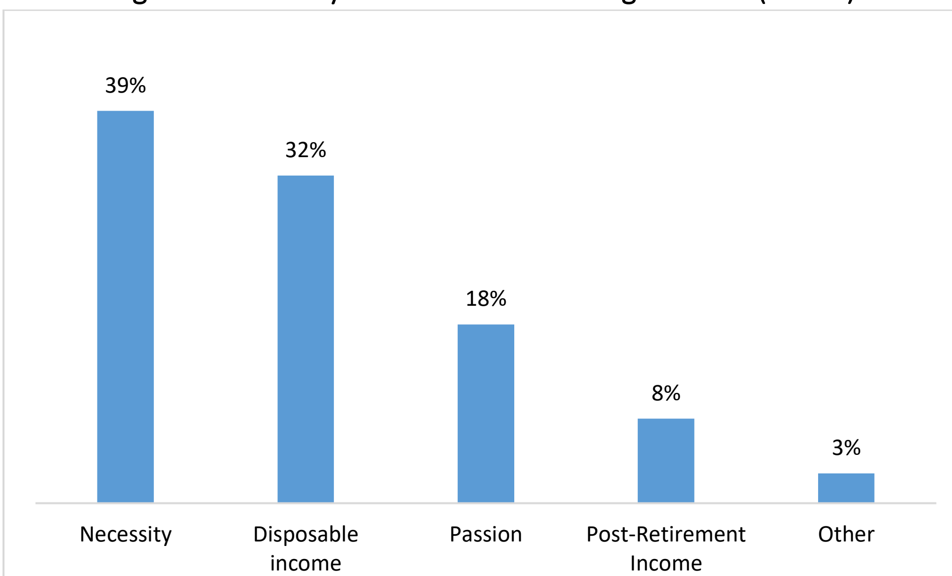


[12] Respondents were allowed to select more than one industry; therefore, percentages do not add up to 100 percent.

Participating in the Gig Economy

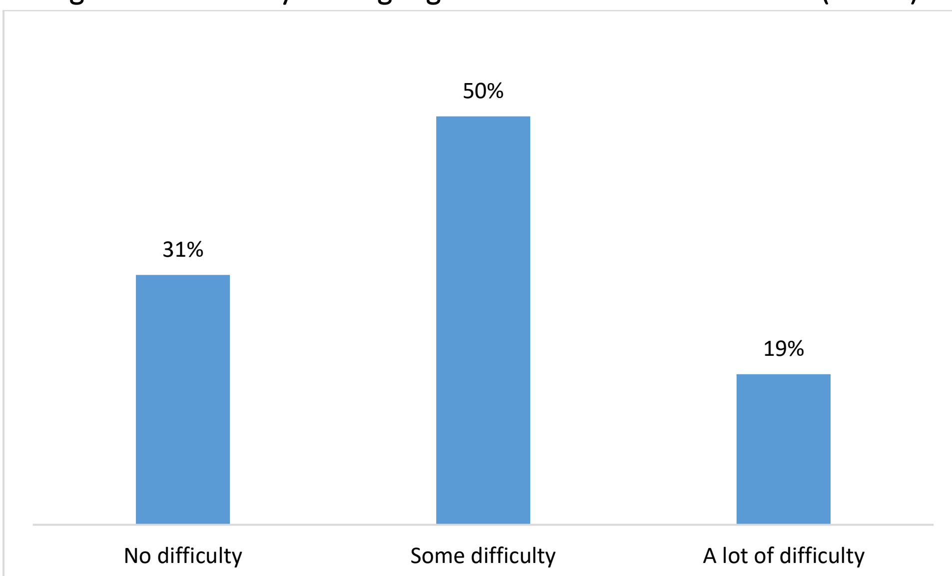
Survey respondents (current gig workers only) were asked about their primary reason for starting gig or non-traditional work. Thirty-nine percent of gig workers surveyed chose to engage in gig work primarily out of necessity (Figure 17), followed by disposable income (32 percent), and passion (18 percent). Phone interviews revealed similar trends, where several people chose gig work out of necessity, followed by acquiring extra income. However, some interview respondents reported that this choice was the result of job loss or injuries sustained while working. In addition, some reported that caring for their children interfered with traditional work schedules, so they transitioned to gig work instead.

Figure 17: Primary Motives of Current Gig Workers (n=204)



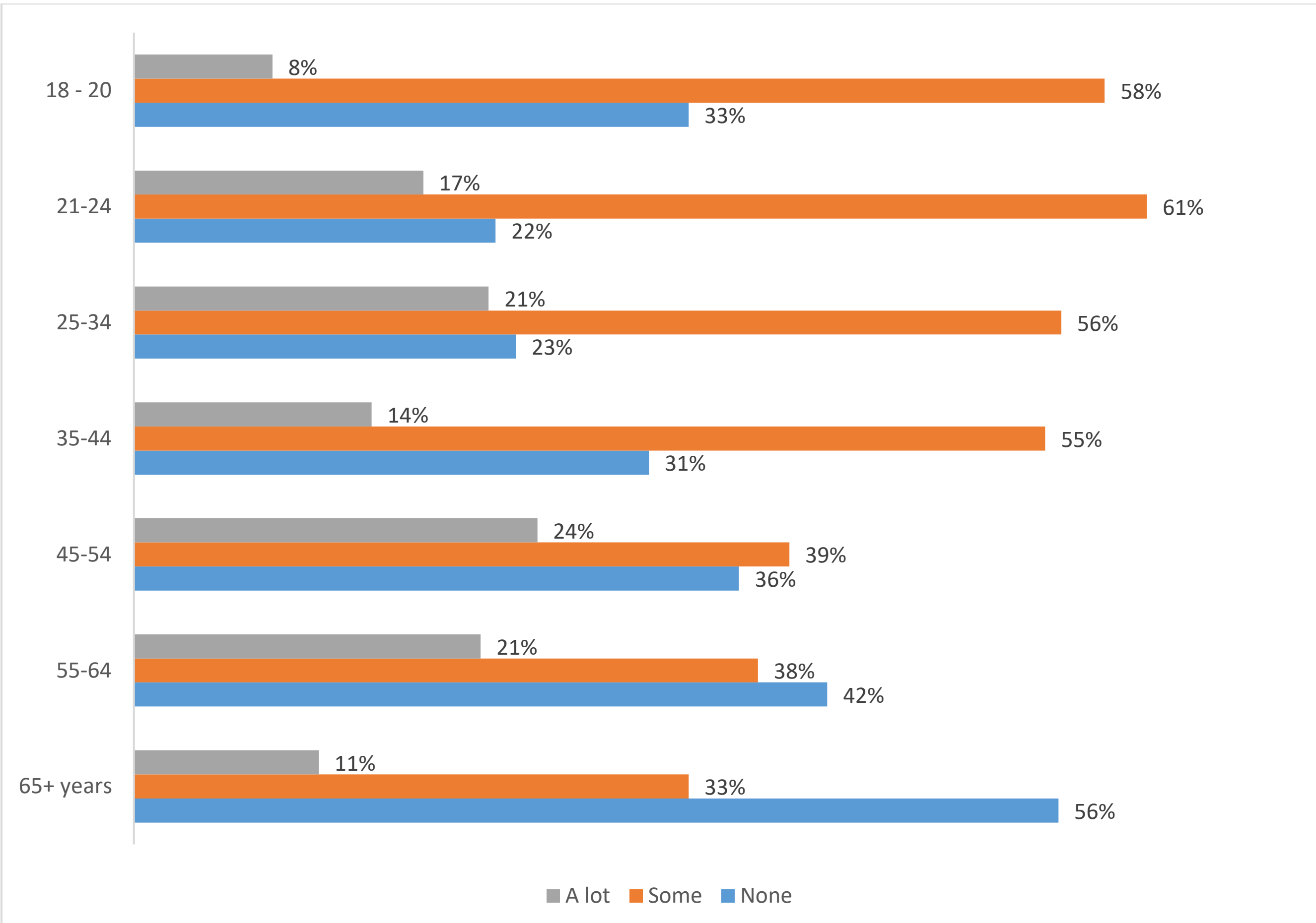
In terms of finding enough gig work to meet income needs, 31 percent of respondents reported having no difficulty (Figure 18), followed by 50 percent with some difficulty, and 19 percent with a lot of difficulty. Phone interviews revealed some of the causes of this difficulty. Sometimes demand fluctuated with the seasons, such as photography, selling child accessories, and providing home-care needs. Others encountered competition because the cost of entry was low for photographers and voice actors (e.g., microphone equipment is cheap. Sometimes a job would be scheduled, and the recipient would not show up. Alternatively, online tasks, such as surveys, might never compensate the survey taker. In addition, when selling products, buyers may want to haggle on the price after agreeing to it beforehand. Even if work could be found, other difficulties arose. These included driving too far, underestimating the cost of supplies for the gig, and committing too much time.

Figure 18: Difficulty Finding Gig Work to Meet Income Needs (n=204)



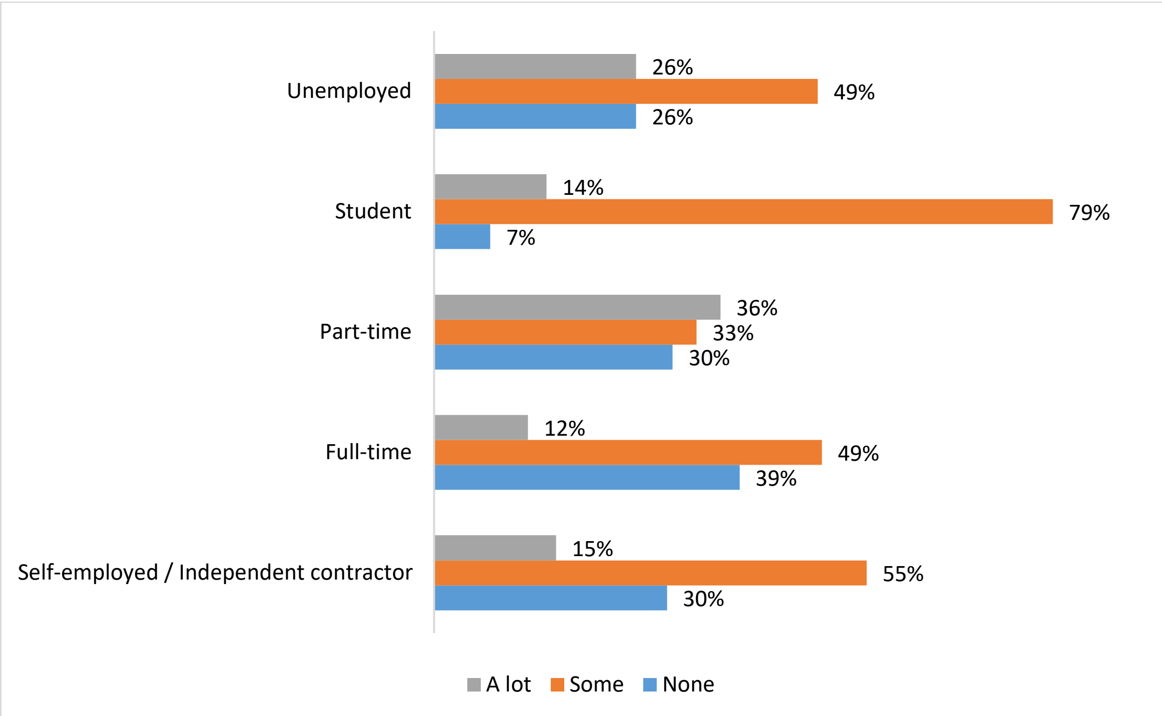
Because it was unclear if any particular group of individuals was having a lot of difficulty finding work to meet income needs, the research team disaggregated results by age (Figure 19a) and employment status (Figure 19b). To emphasize any group differences, percentages were calculated as percentage of each group rather than percentage of all gig workers (e.g., 11 percent of those age 65+ reported a lot of difficulty). Those aged 45-54 reported the highest percentage of having a lot of difficulty (24 percent), so social assistance may target these individuals.

Figure 19a: Difficulty Finding Work by Age of Respondents (n=204)



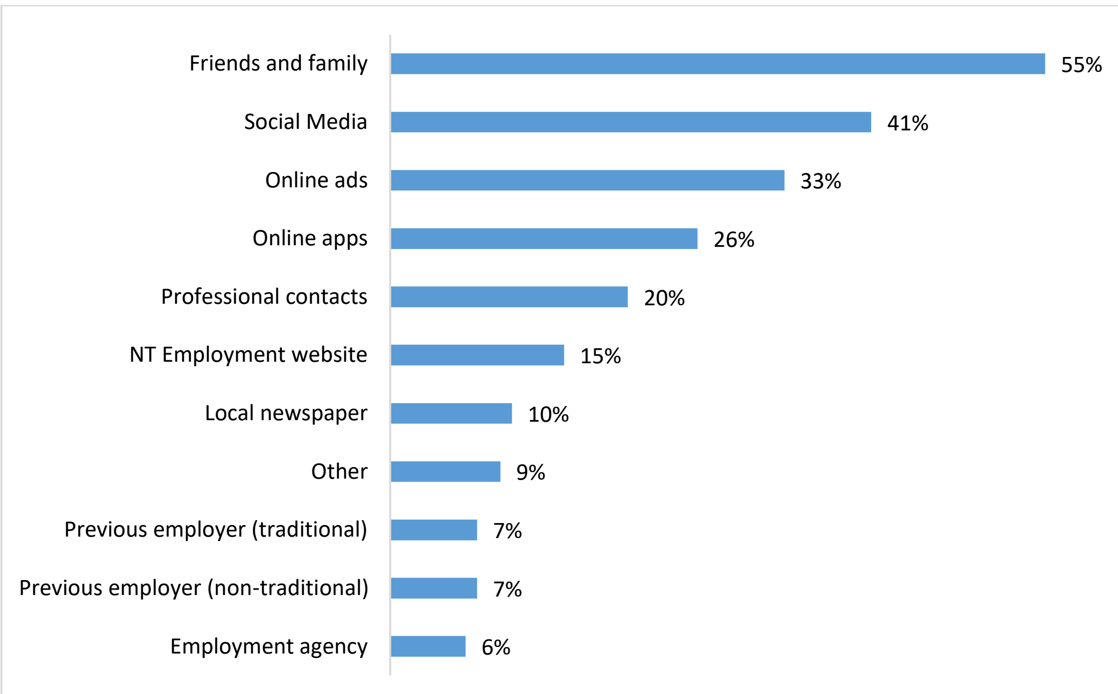
It was clear that part-time workers reported the most difficulty in finding enough work (36 percent; Figure 19b).

Figure 19b: Difficulty Finding Work by Employment Status of Respondents (n=150)



Regardless of difficulty finding work, respondents used a variety of methods to find gig work. Survey respondents primarily used friends and family to find gig work (55 percent; Figure 20), despite the proliferation of online apps (26 percent). Phone interviewees revealed similar patterns. Sometimes, friends would have too many homecare patients, and they would ask someone to help them out. Other times, someone would gain a reputation for selling jam, and a friend would set them up for church fairs. In addition, other people would gain a reputation for computer services or food art, and the word would spread to others. Gig workers also used web services, such as Facebook Marketplace or Etsy to sell products. Craigslist was often used to sell services. For those who completed one-time tasks, apps were often utilized.

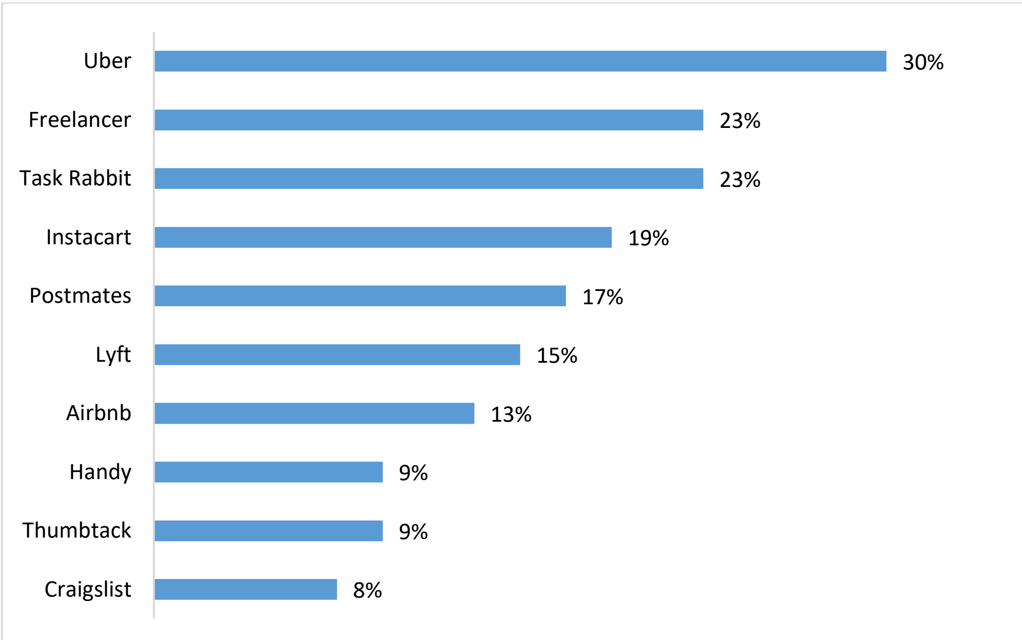
Figure 20: Methods of Finding Gig Work (n=204)[13]



[13] Percentages exceed 100 percent because respondents were allowed to select more than one response.

As indicated in Figure 20 above, 26 percent of respondents found gig work through online apps. The top apps used were Uber (30 percent; Figure 21), Freelancer (23 percent) and Task Rabbit (23 percent). Phone interviewees reported similar results, stating their frequent use of Uber and Task Rabbit. They also made use of Field Agent, Craigslist, Facebook, and LinkedIn.

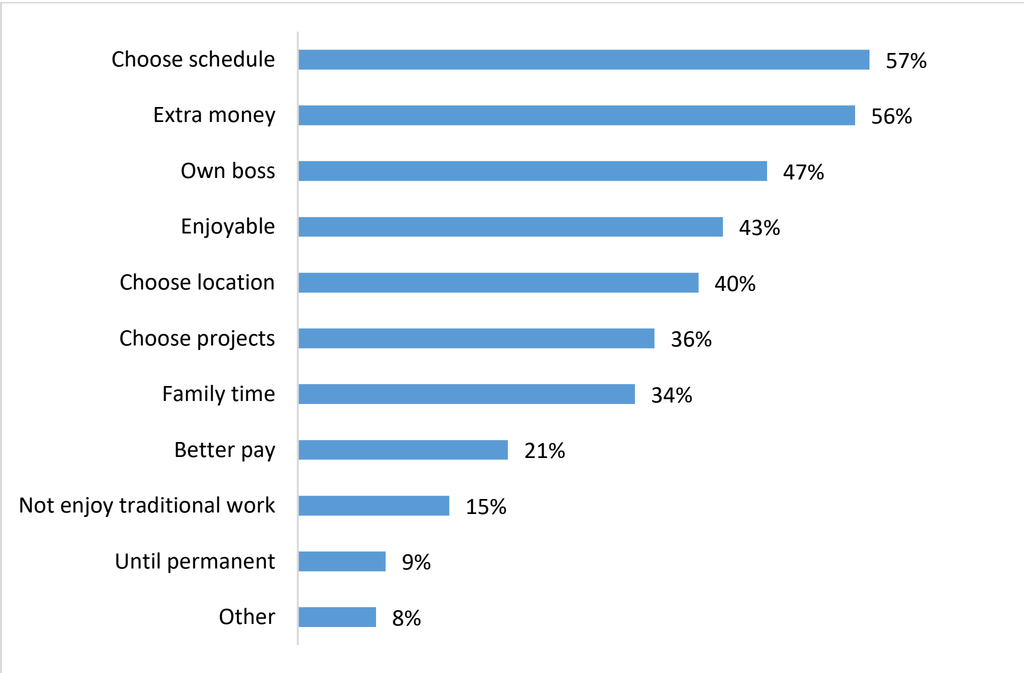
Figure 21: Apps Used to Find Gig Work (n=53)[14]



[14] Percentages exceed 100 percent because respondents were allowed to select more than one response.

Besides reporting on apps for gig work, respondents also reported on their other motivations for pursuing gig work. Of the current gig workers, a high proportion said that their motivation for continuing gig or non-traditional work was for choosing their own schedule (57 percent; Figure 22) and earning extra money (56 percent). Phone interviewees revealed a similar pattern, frequently valuing their flexible schedule and ability to be their own boss. Some liked being able to work from home and take their children to doctor's appointments when needed. Others enjoyed meeting other people and exploring the community. Alternatively, some workers liked being able to *avoid* people, particularly the office politics of traditional jobs. Some simply liked having no set schedule.

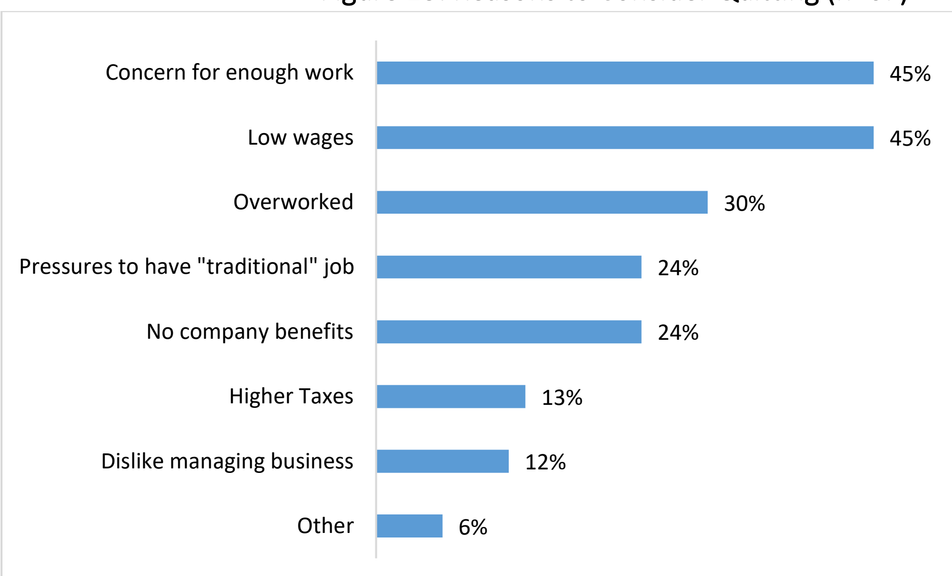
Figure 22: Motivation for Continuing Gig Work (n=204)[15]



[15] Percentages exceed 100 percent because respondents were allowed to select more than one response.

Some respondents even considered quitting gig work. When asked if they considered quitting, sixty-seven respondents reported, “yes” and the primary reasons were concern for enough work (45 percent; Figure 23) and receiving low wages (45 percent). When asked about the disadvantages of gig work, several phone interviewees commented on the inconsistent nature of work, lack of time, lack of benefits, and low pay. Others felt like they were being pulled in opposite directions, completing a variety of tasks, but never having the same employer. When asked about continuing gig work in 5 years, many were ambivalent. While some planned to continue gig work, other demands would cause them to reduce the number of hours committed to gig work. For instance, continuing an existing full-time job or starting school would interfere with gig work. Furthermore, for some, simply getting a full-time job would halt their need for gig work altogether. Others, who did not completely depend on gig work but wanted extra income, would continue the extra work, as long as it remained interesting, and they had enough time available. Lastly, those who expected to maintain a high level of clients did not anticipate quitting gig work.

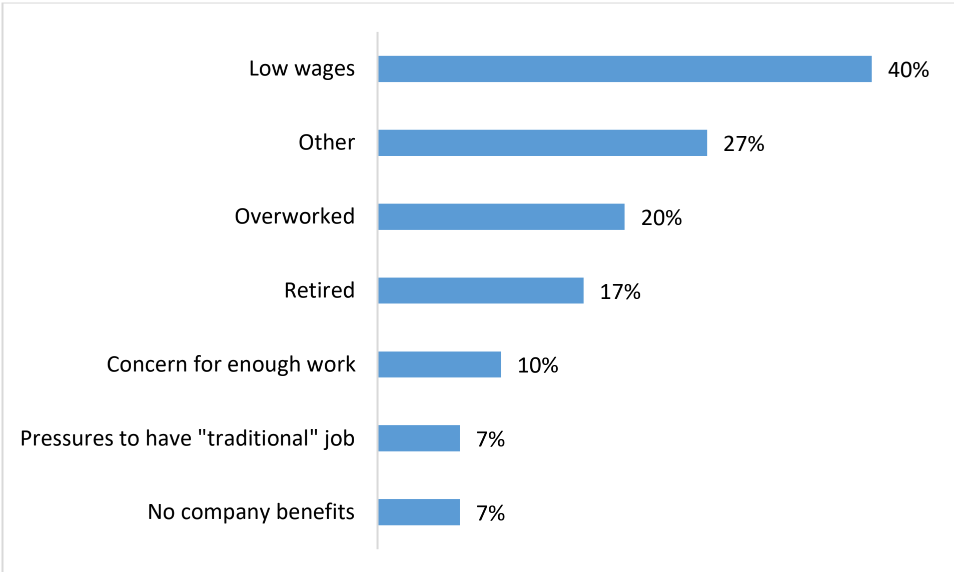
Figure 23: Reasons to Consider Quitting (n=67)[16]



[16] Percentages exceed 100 percent because respondents were allowed to select more than one response.

Some respondents had already quit their gig work. For the 30 respondents who reported that they no longer did gig work, the top reasons for quitting were low wages (40 percent; Figure 24) and other reasons (27 percent), which were sufficiently diverse that no categories could be generated. Phone interviewees who already quit gig work reported escaping their bad financial situation, which had necessitated taking on gig work. Others were starting school or full-time jobs, so gig work was now deemed unnecessary. Some also stopped their contract work because they had developed a disability.

Figure 24: Reasons Why Respondents Quit Gig Work (n=30)[17]

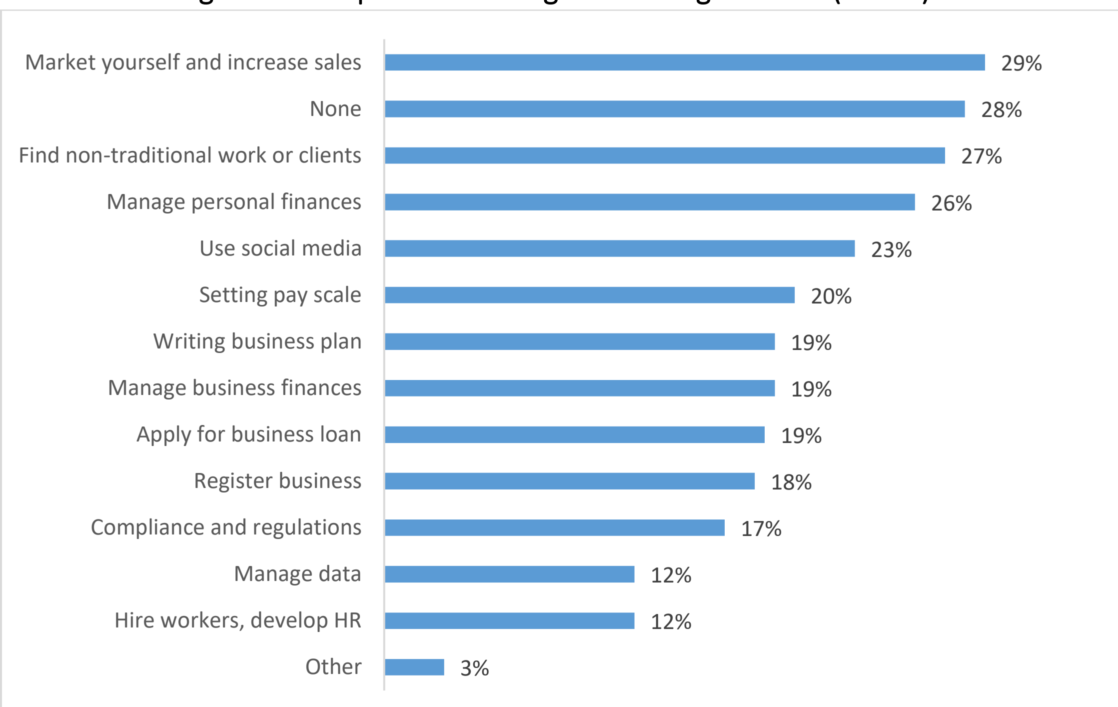


[17] Percentages exceed 100 percent because respondents were allowed to select more than one response.

Training Topics

When considering training topics, a large percentage of current (29 percent; Figure 25a) and previous workers (60 percent; Figure 25b) felt self-sufficient and were not interested in any training. However, when topics were considered important, current gig workers focused on marketing themselves (29 percent), finding non-traditional work (27 percent), and managing personal finances (26 percent). Previous gig workers focused on managing business finances (23 percent), managing personal finances (20 percent), and using social media (17 percent). Phone interviewees followed a similar trend, valuing marketing, social media, finances, taxes, and business startup assistance. Many expressed limited experience with taxes and finances, so some training would be appreciated. When interviewees were forced to pick the most important topic, no result stood out. There was a four-way tie between business startup assistance, finances, taxes, and one-on-one business coaching. That is, phone interviewees tended to most value learning the day-to-day practical aspects of managing their business. By contrast, when evaluating all gig workers, it appeared that they most valued marketing themselves and finding more work.

Figure 25a: Topics for Training Current Gig Workers (n=204)[18]



[18] Percentages exceed 100 percent because respondents were allowed to select more than one response.

Figure 25b: Topics for Training Previous Gig Workers (n=30)[19]

[19] Percentages exceed 100 percent because respondents were allowed to select more than one response.

Recommendations

Recommendation # 1: Community colleges should teach gig workers how to market themselves, use social media, find non-traditional work, and manage both personal and business finances.

Recommendation #2: People who participate in the gig economy could give lectures on lessons learned and practical solutions to finding work and dealing with challenges.

Recommendation # 3: Given concerns over low wages, community colleges could assist gig workers in finding higher wage gigs and writing contracts to avoid wage exploitation.

Recommendation #4: Career counselors could help gig workers turn their various gig work experiences into a coherent career path. App users may face difficulty in creating a career trajectory when their employment seems scattered: driving on Uber, performing handyman jobs on Task Rabbit, or completing various projects on Freelancer. In addition, counselors could help gig workers market themselves in a more focused manner if they work in Retail Trade, Healthcare and Social Assistance, or Arts, Entertainment and Recreation industries.