

GALLUP'S PERSPECTIVE ON

# The Gig Economy and Alternative Work Arrangements



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the Gig Economy?**

## Executive Insights

1

Broadly defined, the gig economy includes **multiple types of alternative work arrangements** such as independent contractors, online platform workers, contract firm workers, on-call workers and temporary workers.

2

Using this broad definition, Gallup estimates that **29%** of all workers in the U.S. have an **alternative work arrangement** as their primary job. This includes a quarter of all full-time workers (**24%**) and half of all part-time workers (**49%**). Including multiple job holders, **36% have a gig work arrangement** in some capacity.

3

Gallup data indicate **"a tale of two gig economies."** Independent gig workers (freelancers and online platform workers) often enjoy the advantages of nontraditional arrangements, while contingent gig workers (on-call, contract and temp workers) are treated more like employees without the benefits, pay and stability that come with traditional employment.

4

Workers with **traditional employment** arrangements are **more likely** to say they are doing their **preferred type of work (71%)** compared with **gig workers (64%)**.

5

Baby boomers participate in the gig economy at higher rates than millennials or Gen Xers do. About **one in three baby boomers** have a primary job that is gig. Meanwhile, only about **a quarter of millennials (26%) and Gen Xers (27%)** have full-time or part-time alternative work arrangements.

6

**Legal challenges** involving worker classification are complex and evolving, both in the U.S. and abroad. Misclassifying employees can result in serious **financial consequences**.

7

Alternative workers have **fewer relationships** within organizations, placing additional responsibility on team leaders to communicate culture, values and expectations. Leaders who depend on a gig talent pool must constantly **"check the pulse"** of their alternative workers and **proactively** meet their needs.



# 36%

**of all U.S. workers  
participate in the gig  
economy in some capacity,  
including part timers and  
multiple job holders.**

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# The Way We Work Is Changing

## **Our Changing Economy**

Since the Great Recession, many analysts have taken notice of the gig economy — a labor market characterized by workers who do not have a traditional, long-term employee-employer relationship.

Don't be mistaken: A majority of Americans still have traditional jobs working for an employer. However, there is no doubt that technology has enabled people to have more flexible income when they need it, whether as a side gig, a job to fill an income gap or a permanent arrangement. From Uber drivers to remote contract workers, Americans are finding alternative ways of working by piecing together a "work life" from a variety of income sources. Some may argue that we have always worked in this fashion. However, many experts are wondering how a rise in gig work would change the social contract between employees and employers. The experience of gig workers depends a great deal on the kind of work they do. Independent gig workers (freelance and online platform workers) typically have greater autonomy and flexibility than traditional workers do, leading to higher engagement. Contingent gig workers (on-call and temporary workers, for example) show much lower levels of engagement at work. In this, we see "a tale of two gig economies."

For executives and other organizational leaders, these unconventional relationships between employers and workers come with new opportunities and challenges such as: *How do I engage a temporary or on-call workforce? What do contingent workers expect from our organization? How can we effectively deliver on our brand promise and distinctive culture with gig workers? What roles or functions are best suited for gig work?* For U.S. policymakers and the general public, these relationships raise fundamental questions such as: *Is the gig economy good or bad for workers? Does it help or exacerbate long-standing economic concerns about access to high-quality work experiences and a sustainable middle-class income?* This report includes Gallup's latest insights on the gig economy and how organizations can use alternative workers to be increasingly agile in ever-changing workplaces and markets.

## **What kinds of work arrangements are included in the gig economy?**

Recent media coverage of the gig economy has mostly resulted from the increase in mobile- or online-based platform work, like Uber or TaskRabbit. However, online platform workers only make up a small proportion of the U.S. workforce, with 7% of workers doing tasks either online only (e.g., Amazon Mechanical Turk) or customer facing (e.g., Lyft). Larger proportions of gig workers include independent contractors and those who have conditional or short-term working relationships. Despite recent interest in the gig market, wage earners working outside traditional, permanent jobs have long been a mainstay of the U.S. economy. The U.S. Bureau of Labor Statistics (BLS) recently published a long-awaited update to its 2005 report, *Contingent and Alternative Employment Arrangements*. The BLS classifies alternative workers as those who are independent contractors or freelancers, contract firm workers, on-call workers, and temporary help agency workers. The BLS also measured multiple definitions of contingent workers — people who don't expect their jobs to last.

## The Prevalence and Growth of the Gig Economy

When the BLS last measured alternative work arrangements in 2005, it found that 11% of U.S. workers had an alternative work arrangement as their primary job — a metric that had changed very little over a decade of tracking.<sup>1</sup> Similarly, in its most recent update,<sup>2</sup> the BLS found that this estimate has remained largely unchanged, at 10% — suggesting even a possible decrease in the gig economy during the 13-year gap between measurements. However, several other studies conducted by academics, private research firms and government entities since the Great Recession have found larger estimates of U.S. workers engaged in the gig economy. In one such study, economists Larry Katz and Alan Krueger compared the results of a RAND survey conducted in 2015 with BLS estimates.<sup>3</sup> They estimated that 16% of workers were in gig arrangements and contrasted their estimate with the 11% found by the BLS in 2005, suggesting a sizable increase.

Using alternative definitions of gig work, the Federal Reserve's *Report on the Economic Well-Being of U.S. Households in 2017* found that 31% of adults engage in gig work — up three percentage points from its 2016 estimate.<sup>4</sup> Additionally, tax form trends released from the IRS of those holding 1099-MISC forms (i.e., those most closely associated with freelance workers) indicated an increase, versus a decrease in W-2 forms.<sup>5</sup> These two government data sources would conflict with the recent BLS findings and suggest a rise in the gig economy. Other private organizations' estimates of the gig economy surpass those found by the BLS. For instance, the McKinsey Global Institute studied the independent workforce in 2015 and found that 12% of working-age adults were doing this type of work as their primary job. When including supplemental jobs, their estimate increased to 27%.<sup>6</sup> Additionally, Upwork and Freelancers Union found that the percentage of freelancers rose from 34% in 2014<sup>7</sup> to 36% in 2017.<sup>8</sup>

Recent Gallup research finds that 29% of U.S. workers have an alternative work arrangement as their primary job — including one in four full-time workers (24%) and half of part-time workers (49%). Further, when we include workers who have any connection with gig work — including those who work multiple jobs — that proportion is 36%. This means that more than **one in three workers today have some type of job in the gig economy.**

1 U.S. Bureau of Labor Statistics. (2005). *Contingent and alternative employment arrangements, February 2005*. Retrieved from <https://www.bls.gov/news.release/pdf/conemp.pdf>.

2 U.S. Bureau of Labor Statistics. (2018). *Contingent and alternative employment arrangements, May 2017*. Retrieved from <https://www.bls.gov/news.release/conemp.htm>.

3 Katz, L., & Krueger, A. (2016). *The rise and nature of alternative work arrangements in the United States, 1995-2015*. NBER Working Paper No. 22667. Retrieved from <http://www.nber.org/papers/w22667>.

4 Board of Governors of the Federal Reserve System. (2018). *Report on the economic well-being of U.S. households in 2017*. Retrieved from <https://www.federalreserve.gov/publications/files/2017-report-economic-well-being-us-households-201805.pdf>.




5 Dourado, E., & Koopman, C. (2015). *Evaluating the growth of the 1099 workforce*. Retrieved from <https://www.mercatus.org/publication/evaluating-growth-1099-workforce>.

6 McKinsey Global Institute. (2016). *Independent work: Choice, necessity, and the gig economy*. Retrieved from <https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Employment%20and%20Growth/Independent%20work%20Choice%20necessity%20and%20the%20gig%20economy/Independent-Work-Choice-necessity-and-the-gig-economy-Full-report.ashx>.

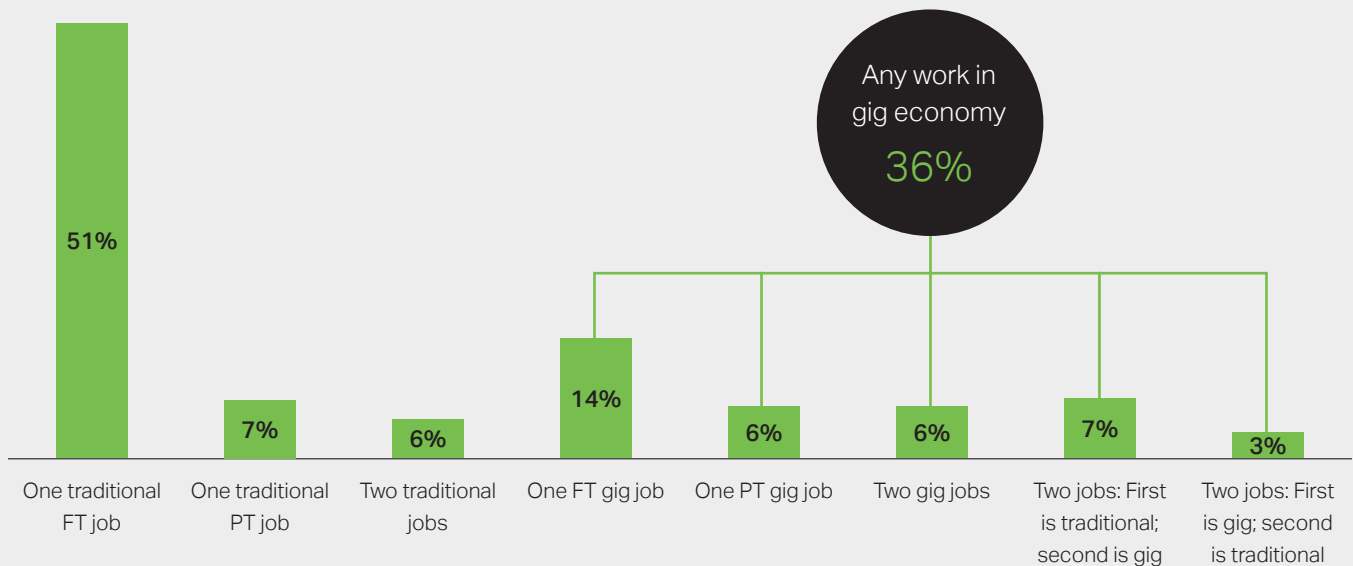
7 Edelman Intelligence, Upwork & Freelancers Union. (2014). *Freelancing in America: A national survey of the new workforce*. Retrieved from <https://www.slideshare.net/oDesk/global-freelancer-surveyresearch-38467323/1>.

8 Edelman Intelligence, Upwork & Freelancers Union. (2017). *Freelancing in America 2017*. Retrieved from <https://www.upwork.com/i/freelancing-in-america/2017/>.



Worker Type	Definition	Example	Weighted Estimate of Workers' Primary Job	
<b>CONTRACT FIRM WORKERS</b>	Employees who work for a company that provides their services to another entity on a contractual or project basis	A traveling nurse who is hired and placed by a staffing firm in a hospital for a three-month rotation during a nursing shortage		% of FT workers: 8.5
				% of PT workers: 11.3
				% of all workers: 9.1
<b>INDEPENDENT CONTRACTORS</b>	People who provide goods and services under a specific contractual agreement to another entity	A freelance graphic design consultant who is self-employed and redesigns logos and advertisements for small to mid-sized businesses		% of FT workers: 10.9
				% of PT workers: 31.1
				% of all workers: 14.7
<b>ON-CALL WORKERS</b>	Those who only work on an as-needed basis, not including workers who work on-call shifts as part of their regular job	A substitute teacher who works for several different school districts and only works when there is an open teaching vacancy		% of FT workers: 4.4
				% of PT workers: 14.7
				% of all workers: 6.4
<b>ONLINE PLATFORM WORKERS</b>	Workers who find short jobs through a mobile or online marketplace that connects them directly with customers, either in person or online	A delivery driver who picks up dry cleaning, grocery or food items and delivers the product directly to the customer via a mobile platform request		% of FT workers: 6.8
				% of PT workers: 9.5
				% of all workers: 7.3
<b>TEMPORARY WORKERS</b>	Workers who have short-term work arrangements, often assigned to them by a temp or staffing agency	A data entry specialist who is given a short-term assignment entering medical records into a system for a healthcare organization		% of FT workers: 4.5
				% of PT workers: 16.6
				% of all workers: 6.8
<b>ALL WORKERS WHO HAVE ANY OF THE ABOVE ALTERNATIVE WORK ARRANGEMENTS AS THEIR PRIMARY JOB</b>				% of FT workers: 24.4
				% of PT workers: 49.4
				% of all workers: 29.1

**When all workers were asked about their primary and secondary jobs ...**



Note: Among respondents who worked at least one hour in the past week; n=5,025 (weighted to the U.S. working population)

**Who Participates in the Gig Economy?**

Men are more likely than women to participate in gig work — 29% of men compared with 19% of women work in these arrangements full time. That difference is slightly smaller when we consider all gig workers (32% men vs. 26% women) — indicating that more women may be doing part-time gig work. This finding may suggest that the gig economy may benefit individuals who otherwise might be excluded from the traditional workforce, such as working mothers.

Baby boomers participate in the gig economy at higher rates than millennials or Gen Xers do. About one in three baby boomers have a full-time or part-time gig job as their primary job. Meanwhile, only about a quarter of millennials (26%) and Gen Xers (27%) have

full-time or part-time alternative work arrangements. These results indicate that baby boomers may be transitioning into more flexible work arrangements during retirement to supplement fixed incomes.

Additionally, Gallup finds that millennials in alternative work arrangements (44%) are much less likely to say they are doing their preferred type of work compared with their counterparts in traditional jobs (64%). However, this generational gap is less likely to exist among both Gen Xers (70% of gig workers vs. 71% of traditional workers) and baby boomers (79% of gig workers vs. 83% of traditional workers). This trend is generally consistent for both independent and contingent types of gig work. These findings indicate that younger workers may be turning to alternative jobs based more on necessity than preference.

Younger workers may be experimenting in the gig economy more out of necessity than choice — for older workers, gig work is their preference.

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Are Gig Workers  
Happy or  
Desperate?

## What Gig Workers Want

Controversy over the gig economy largely centers on what these trends mean for the U.S. labor market, organizational effectiveness and workers' rights.

Are gig workers taking on piecemeal work out of necessity, doing whatever it takes to make ends meet? Or are they consciously opting out of traditional 40-hour, 9-to-5 positions to gain more flexibility and autonomy?

Optimists claim these changing work relationships represent a movement toward increased entrepreneurship and worker empowerment. Critics counter that this trend could signal the deterioration of the social contract between employees and employers, as some organizations employ more contingent workers to cut liabilities and costs, such as taxes and employee benefits.

**Preferred Number of Hours.** According to Gallup research, gig workers are more likely to work less than full time (less than 30 hours per week) compared with traditional workers. However, among those who are working less than full time, about six in 10 do not want to work more than 30 hours a week, while four in 10 are looking for more hours. This demonstrates a divide in the gig economy — some workers are getting the right amount of hours for their life situation, while others are striving for more.

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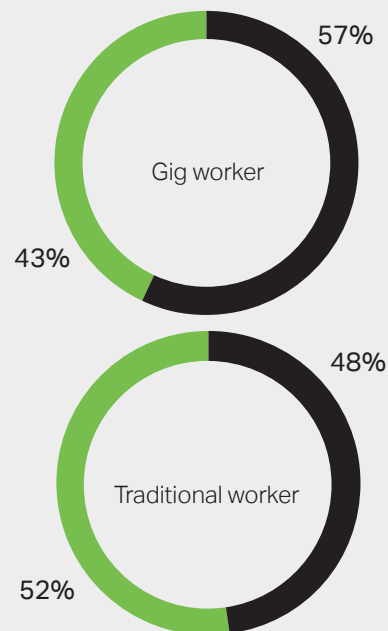
**Only half** of all gig workers have full-time employment. Of the gig workers who work less than full time, a majority don't want to work more hours.

### I already work at least 30 hours/week.



Note: Among respondents who worked at least one hour in the past week; n=5,025 (weighted to the U.S. working population)

### If working less, do you want more hours?

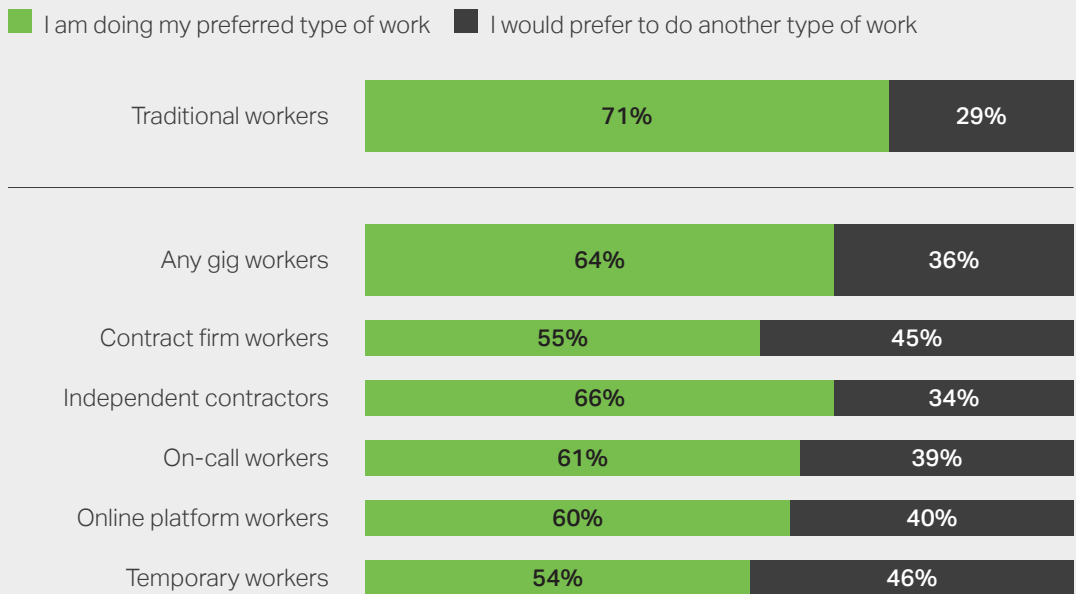


■ No, I do not want to work more than 30 hours/week  
■ Yes, I want to work more than 30 hours/week

Note: Among respondents who work less than 30 hours per week

**Preferred Type of Work.** Overall, traditional employees are more likely to say they are doing their preferred type of work (71%) than those in gig work arrangements (64%). However, a majority of gig workers still report preference for the type of work they are doing — with a high of 66% of independent contractors and a low of 54% of temporary workers. Taken together, these results show that although gig workers are less likely than traditional workers to say they are doing their preferred type of work, a majority within each alternative arrangement are working the way they want to.

**Do you prefer doing this type of work?**



Note: Among respondents who worked at least one hour in the past week; n=5,025 (weighted to the U.S. working population)

**Long-Term Career.** Eighty percent of traditional workers consider their current job as a long-term career. Gig workers are less likely to say they are in their long-term career (68%) and more likely to say they are actively looking for a different or additional job. These findings show that while alternative workers are less likely than traditional workers to see their job as a permanent vocation, a majority still consider it their long-term career.

As we will see with other aspects of the gig economy experience, satisfaction with gig work varies by role. Some workers are satisfied with their situation, and others are not. However, while gig workers overall are less likely than traditional workers to say they're doing their preferred type of work and less likely to see their job as a long-term career, a clear majority of gig workers still choose to engage in this type of work and plan to do so as their career.



# 71%

**of traditional workers say they are doing their preferred type of work, compared with 64% of gig workers — but a majority still say gig work is their preference.**

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Workers'  
Perspective:  
The Costs  
and Benefits  
of Gig Work



## The Psychology of Gig Work

The desire for a “good job” is a nearly universal human desire.

Having a job is about much more than getting a paycheck, even for gig workers. When someone is engaged at work, they are excited to show up, are willing to go above and beyond, and find what they do meaningful and rewarding. This matters for organizational success — for when employers meet the psychological needs of their workers, those workers in turn drive higher productivity, performance and profit.

Gallup measures 12 aspects of the employee experience that are reliably predictive of productivity, performance, retention, safety and profitability among individuals, teams and organizations. Although the workplace is constantly changing, Gallup’s meta-analyses have shown that these employee engagement items — together, the Q<sup>12</sup> — remain one of the best predictors of individual and team performance.

### So how engaged are alternative workers compared with their traditional counterparts?

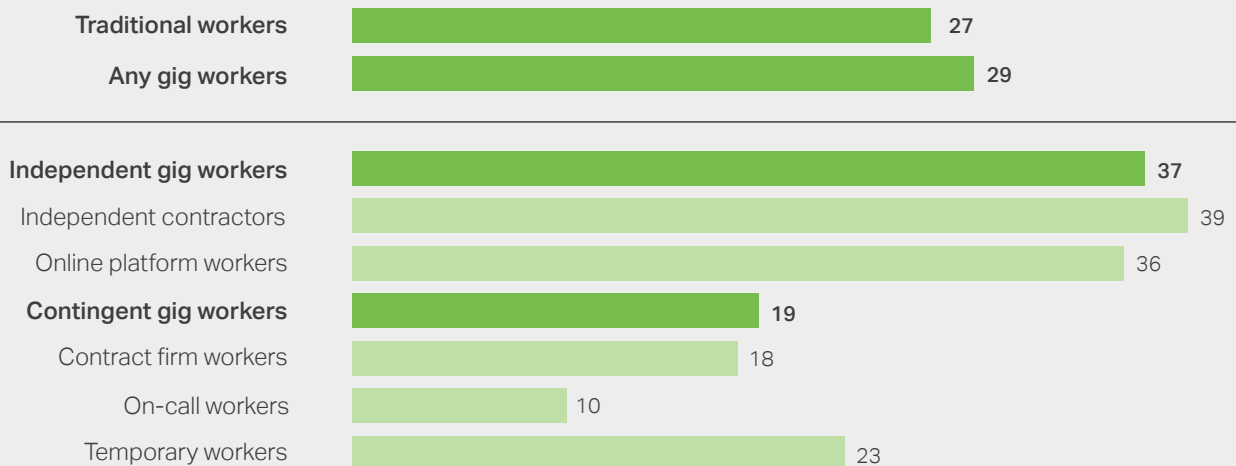
On the surface, gig workers would seem to have similar engagement levels as traditional workers (29% vs. 27% engaged, respectively).

However, there are some stark differences within these alternative work arrangements.

**Gig economy workers with more independent roles — independent contractors (39%) and online platform workers (36%) — are more engaged than traditional workers (27%). But only 19% of contingent gig workers — contract firm, on-call and temp workers — are engaged.**

### Employee Engagement

■ % Engaged



## **A Tale of Two Gig Economies: Independent vs. Contingent Work**

In addition to studying the engagement of gig workers, Gallup measured other dimensions of work such as creativity, flexibility, feedback, metrics and pay.

Given the transient nature of their work, it is not surprising that gig workers report having more trouble being paid accurately and on time compared with traditional workers. This is consistent across all gig workers.

However, when we look closely at the kinds of work being done, there is a significant divide between independent gig workers (independent contractors and online platform workers) and contingent gig workers (those who have on-call, temporary or contractual employment relationships).

Independent gig workers experience higher levels of work/life balance, motivational pay, meaningful feedback and creative freedom. Compared with traditional workers, independent gig workers enjoy much higher levels of flexibility, creativity, autonomy and even feedback. Notably, independent gig workers overall tend to score the highest across all of these workplace conditions, with the exception of being paid timely and accurately, where they score the lowest.

By contrast, temporary workers and on-call workers report receiving less feedback about their work and less freedom to innovate in their role. Only one in five say their performance metrics are within their control. In many aspects of their work — belongingness, passion, autonomy, creativity, feedback, performance metrics and hours — contingent gig workers are more similar to traditional workers than they are to independent gig workers.

Taken together with the employee engagement results, we see a divide in these nontraditional workplace arrangements, in which independent gig workers more often enjoy the positive outcomes of this nontraditional arrangement while contingent gig workers are treated more like employees without the benefits, pay and stability that come with employment.

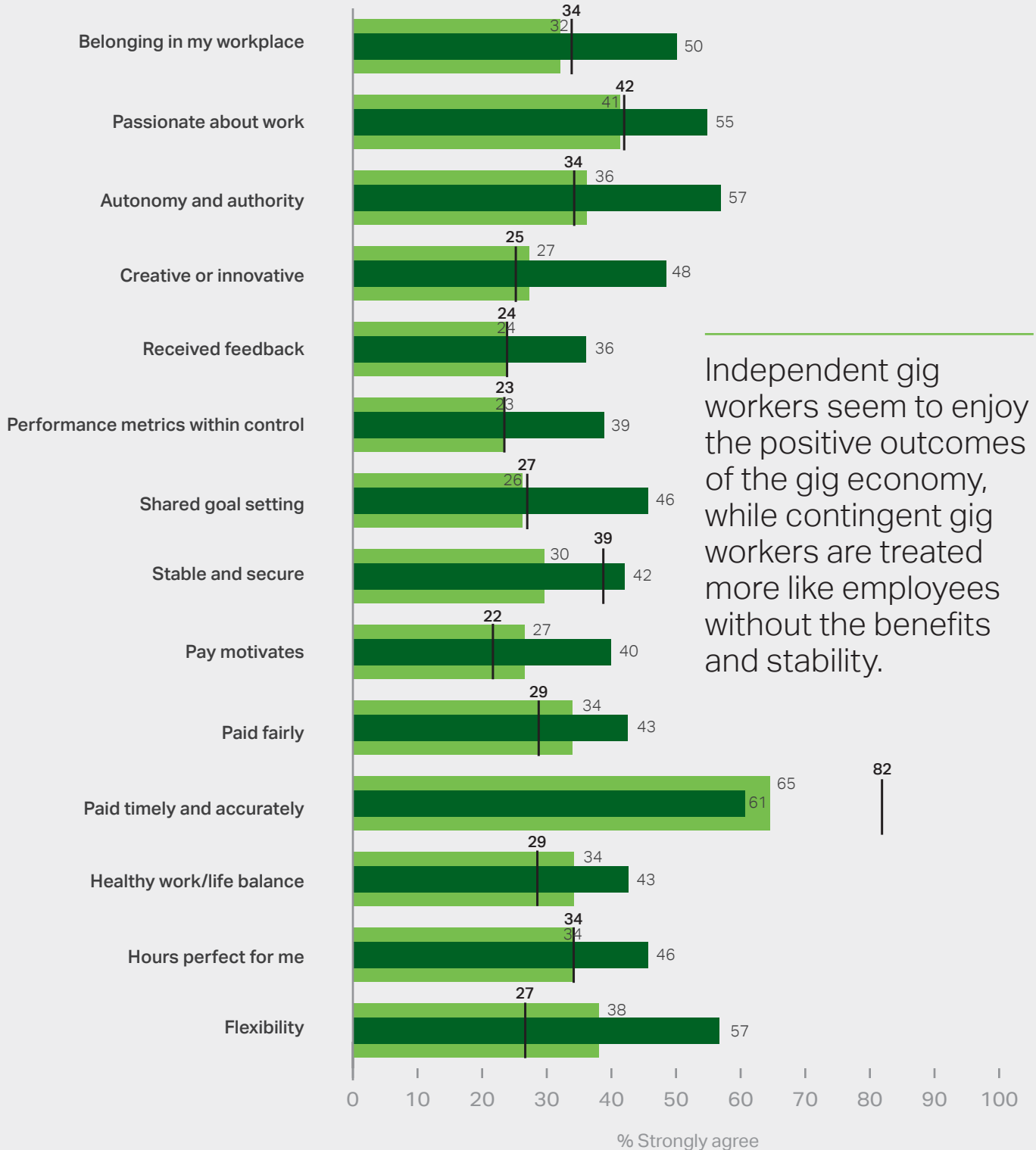
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1 in 5

contingent gig workers say their performance metrics are within their control.

### The Divide Between Independent and Contingent Gig Workers

Traditional workers    Contingent gig workers    Independent gig workers



Independent gig workers seem to enjoy the positive outcomes of the gig economy, while contingent gig workers are treated more like employees without the benefits and stability.

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Team Leaders'  
Perspective:  
How to Manage,  
Motivate  
and Engage  
Gig Workers

## Performance Management in the Gig Economy

The gig economy offers unique challenges to organizations with traditional management practices.

All workers have basic psychological needs that need to be met in order to perform at a high level. These needs are typically met by a manager who is responsible for engaging their team to increase performance. These manager interactions with gig workers can be complicated by the risk of worker misclassification if gig workers are treated similarly to employees. Team leaders may struggle to temporarily onboard and integrate these workers into their projects, teams and culture — leaving gig workers confused, disengaged or exiting with a bad impression. For all the complexity surrounding these kinds of work relationships, gig workers are people — motivated and inspired just like traditional workers, with a few key distinctions.

**The Roles of Managers and Teams.** There are meaningful differences between traditional workers, independent gig workers and contingent gig workers in terms of having managers and working in teams. About nine in 10 traditional workers (88%) have a manager, compared with 77% of contingent gig workers and 52% of independent gig workers. Similarly, 81% of traditional workers work as part of a team, compared with 73% of contingent gig workers and 58% of independent gig workers. In short, nontraditional workers have fewer relationships within their organization.

Gig workers' limited relationships place additional responsibility on managers to convey the organizational culture, values and expectations — often in an accelerated and concise yet meaningful way. Managers must onboard workers and ramp up performance quickly, investing the right amount of time while avoiding unnecessary details.

**Planning for Gig Teams.** Project managers who partner with gig workers must also pay attention to documentation and communication to maintain continuity while workers move in and out of projects. Because these workers are not true employees, it is difficult to directly manage and motivate these nontraditional workers using a typical approach to performance management. Organizations have little control over these workers' on-the-job performance outside of their contractual obligations and requirements. Managers might need additional training to help them inspire workers who may have very different motivations, needs and performance metrics than traditional workers.

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**Managers must convey**  
organizational culture, values  
and expectations — often  
in an accelerated, concise  
yet meaningful way.

## LEGAL CONSIDERATIONS IN THE GIG ECONOMY

Legal challenges involving worker classification are complex and evolving, both in the U.S. and abroad. Misclassifying employees as contract workers can result in serious financial consequences. Therefore, before outsourcing your workforce to gig workers, it is important to carefully consider the roles, tasks and types of work arrangements needed. Perhaps the most central issue is the degree of control an organization has over the worker and project.

Independent gig workers are not employees, and therefore have more autonomy as to how the job gets done. They typically use their own equipment, set their own schedules and decide the sequence of their work. This autonomy does not mean that organizations cannot make contractual demands (e.g., they can tell a painter to finish the job by Tuesday and only paint when they are closed for business). However, independent gig workers who are treated more like employees may be subject to benefits associated with employment.

By contrast, contingent gig workers such as on-call, temporary or contract firm workers are typically considered employees who are hired "by contract." They may even work side by side with employees who do the exact same job. However, they are often hired by a third party who ensures all of the requirements for employment are met, such as taxes and other withholdings. This type of relationship requires a careful balance between the authority of the contract firm and the hiring entity — often determined during contract negotiations.

## KEY TAKEAWAYS FOR MANAGERS:

- Managers must facilitate regular team communication between all types of workers.
- Even though relationships may be temporary, there should be meaningful cohesion between gig and traditional workers on the same team.
- Traditional employees should be available to partner with contractors. Regular employees should mentor and orient contractors to the organization, team and role.
- Managers should be trained to effortlessly express their organization's purpose, brand and culture.
- Gig worker onboarding time must be planned and executed promptly and with excellence.



**68%**

**of gig workers say they are in their long-term career, and they are more likely to say they are actively looking for a different or additional job.**

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Executives'  
Perspective: How  
Leaders Should  
Plan for the  
Gig Economy



## Creating Value in the Gig Economy

# Divided perspectives over the advantages and disadvantages of the gig economy are not merely a matter of public policy discussion.

This issue has become a major factor in human capital management. Gig workers provide a unique set of opportunities and challenges for established companies looking for talent in a fast-paced and competitive marketplace.

**Opportunities in the Gig Economy.** Perhaps the greatest benefit of using nontraditional workers in your organization is that your workforce can be quickly increased or decreased to match client or market demands. Retailers hire temporary seasonal workers to work in their stores for the holiday season. Similarly, hospitals and other healthcare facilities use “as-needed” or on-call workers to keep pace with patient volume or mitigate the costs of high turnover and employee absenteeism. Today, more complex and skilled roles are being filled in this way as well. For instance, when building a new technology system, organizations may temporarily hire or contract with programmers and IT professionals until implementation. Using alternative workers can also serve as a way to test out new talent before making costly bad hires.

Additionally, there are often one-time projects, trainings or technical tasks that require specific expertise. Organizations can use independent contractors or other contract firm workers to capitalize on their expertise without having to maintain those personnel on their balance sheets year-round. For example, during a merger or acquisition, organizational legal and accounting teams may need to hire additional support to coordinate that project to completion. Additionally, outside talent can be used to inspire a languishing project or bring fresh outside perspectives.

Organizations may also be able to use the “gig” concept to their advantage internally, by providing optional challenging tasks that serve business goals for additional incentive pay. This could inspire motivated employees to go beyond their job description and solve long-standing pain points in an organization.

### OPPORTUNITIES

- more flexible and agile workforce
- project-based work
- more accommodating workforce
- experts on demand
- avoiding bad hires

### CHALLENGES

- legal ambiguity of worker classifications
- less control over workers
- managing gig performance
- less team cohesion
- less financial certainty for workers

**Challenges With a Gig Workforce.** A flexible workforce also comes with challenges for executive leadership. The legal waters of job classification can be difficult to navigate. Meanwhile, technology continues to blur the lines between employees and more alternative workplace relationships. Courts in the U.S. are currently and cautiously weighing in on topics of worker classification, while some in the United Kingdom have taken action on policies in response to these changing work relationships.

Organizational leaders must analyze and decide which roles are best filled with gig workers — and which positions are business-critical from an operational, brand or information standpoint. Once these roles are decided, leaders need to consider how to develop ongoing relationships within a talent pool that may also be working for their competitors. How do organizations ensure they are keeping their best traditional workers while also maintaining bench strength for work they need done on an as-needed basis? Leaders who depend on a gig talent pool must constantly “check the pulse” of their alternative workers and proactively meet their needs.

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Workers in alternative arrangements are more likely to report feelings of flexibility and autonomy, as well as opportunities to be creative and innovative in their job.

### ARE SMALL-BUSINESS OWNERS THREATENED BY ONLINE PLATFORMS?

In a recent Wells Fargo/Gallup Small Business Index survey, we asked small-business owners if they thought online platforms like Uber and Fiverr were a threat or a benefit to their small business. A quarter of small-business owners say that these online platforms are a benefit (26%) versus a threat (15%) to their small-business operations.<sup>9</sup>

Many of the small-business owners we polled report using these online platforms for their business. The B2B side of the gig economy can provide delivery drivers for high-volume sales periods or expert freelancers for a specific, one-time project. Certainly, these B2B relationships have been a staple of the small-business American economy for decades — but these technology platforms make it easier than ever for owners to conduct their business and find the right people for the right task.

<sup>9</sup> McFeely, S. (2017). *Is the growing Uber-economy a threat to small businesses?* Retrieved from <https://news.gallup.com/opinion/gallup/211739/growing-uber-economy-threat-small-businesses.aspx>.

### KEY TAKEAWAYS FOR EXECUTIVES

- Identify positions or projects that are best suited for gig workers.
- Cutting costs should not be the primary goal of utilizing gig workers.
- Establish balance in terms of needs, control and maintaining culture.
- Create a strategic plan for utilizing temporary and contract firm workers.
- Communicate a compelling employee value proposition for alternative workers.
- Define a clear acquisition, retention and account leadership strategy to manage and maximize your gig workforce.
- Not all contingent workers are the same — understand your gig worker life cycle.

## Are You Ready for the Gig Economy?

Gallup offers practical analytics and advice to help leaders adapt to the changing world of work. We can help your organization better understand your part-time, contract and temporary workers to drive stronger partnerships and sustained growth. Gallup's approach is grounded in decades of research that can be applied to your organization to understand the local-level conditions for your gig workers.

We partner with leaders to answer critical questions about the gig workers in their organizations, such as:

### Work Arrangement Audit

- What are the different kinds of work arrangements in my organization?
- Which roles are most appropriate for traditional workers versus gig workers?

### Talent Pool

- How can I maintain a large talent pipeline of alternative workers?
- How are we vetting, selecting and assessing our outsourcing partners to ensure we get the most talented alternative workers?
- How can we create an organizational gig platform to staff special projects and agile teams with current employees?

### Gig and Contract Worker Survey

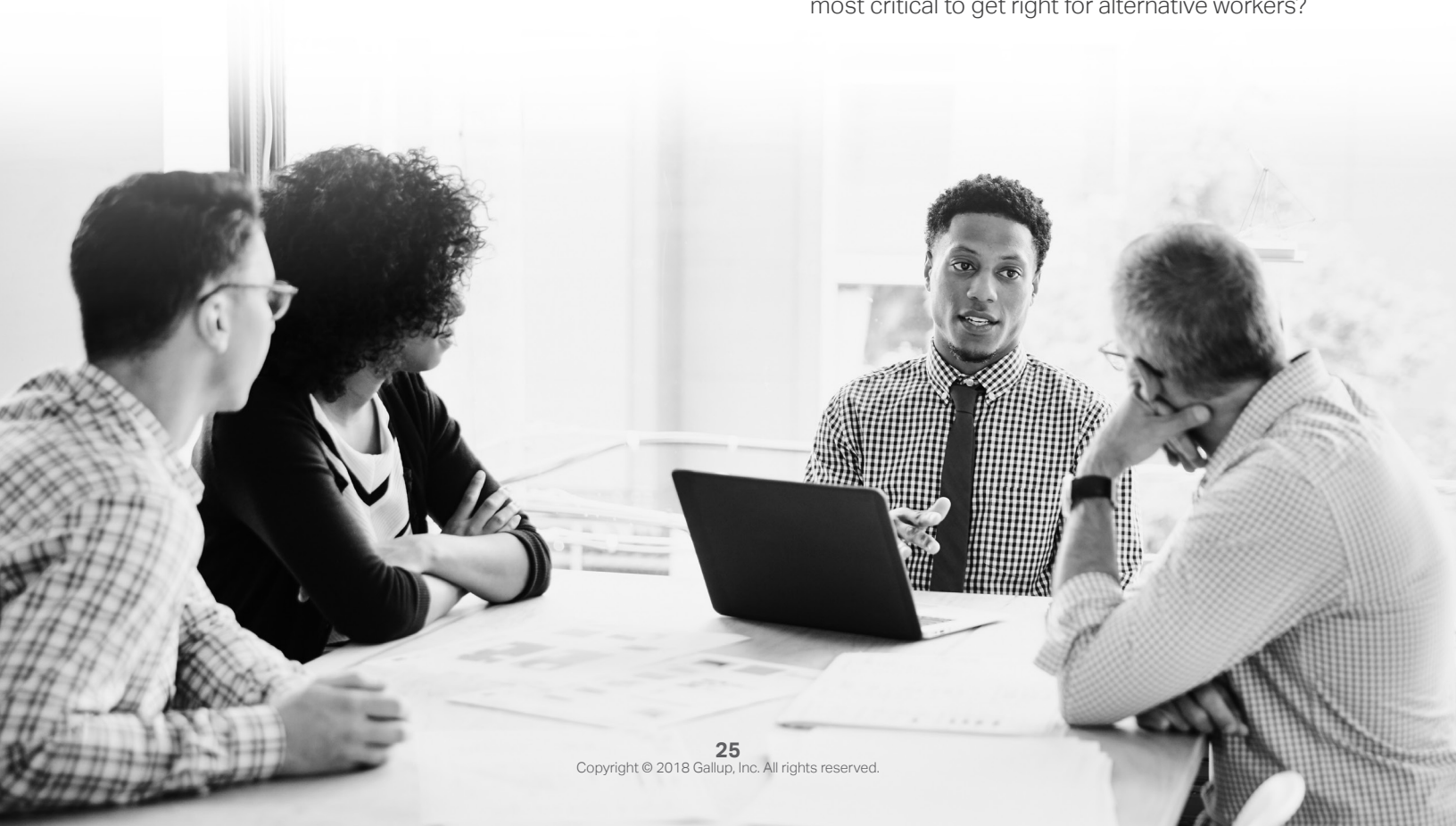
- What do gig workers want and need from my organization?
- What factors are most important for engaging and retaining gig talent?

### Manager Training

- How do my managers better integrate alternative workers into my permanent teams?
- How do I train managers to lead blended teams of traditional and nontraditional workers?

### Gig Worker Life Cycle

- What is the employee experience for my alternative workers?
- Which points on the employee life cycle are the most critical to get right for alternative workers?



## The Challenge With Measuring the Gig Economy

Understanding the size, scope and growth of the gig economy has been challenging for a number of reasons.

*First*, there has not been consistent measurement. The BLS contingent worker supplement — perhaps the most rigorous longitudinal data available — has six administrations unevenly spread across three decades and disparate economic conditions.

*Second*, many of the temporary, seasonal and task-based work is by its nature transient and short-term and difficult to measure on an annual basis — meaning, some workers might only participate in the gig economy for certain periods of the year. The temporary and seasonal nature of gig and alternative work arrangements might indicate that more regular measurement is needed.

*Finally*, there is not broad agreement on the operational definition of the gig economy. Some gig estimates include only self-employed gig workers such as online platform workers or freelancers; others encompass a wide range of alternative work arrangements. Some include only workers' primary job, while others measure side gigs. Others include people who make passive income in the sharing economy by renting out their property. These inclusion criteria affect gig worker estimates.

Gallup has maintained a broad definition of the gig economy to measure multiple types of alternative workers and their differing work experiences. Given their longitudinal track record, we used the BLS categories to start our investigation. However, we did not try to replicate all of the BLS' exclusion criteria. For instance, the BLS only included contract workers if they are assigned to one customer and work at the customer's site, while Gallup included all contract workers.

For Gallup estimates, we included all independent contractors, contract firm workers, on-call workers, temporary workers and online platform workers with little or no exclusion criteria.

One might argue that many types of contingent gig workers — like contract and temporary workers — are actually employees with a dual working relationship between a contracted entity and a hiring entity. However, some workers are only "hired" by a firm when there is a contract in place, and therefore their financial security depends on securing that next short-term contract.

The estimates presented in this paper are not meant to be comparative to previous estimates. We purposely used a broad definition and did not intend to replicate previously determined inclusion criteria. Additionally, there are substantial mode differences that could impact the comparability of estimates (e.g., web survey vs. in-person or phone interviews). Therefore, these data are not yet informative in establishing the growth of the gig economy.

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When thinking about the gig economy, it is critical to keep in mind the diverse arrangements workers can have within organizations.

## Methodology

These results are based on a Gallup Panel web study completed by 5,025 working adults, aged 18 and older, conducted in October 2017. The Gallup Panel is a probability-based longitudinal panel of U.S. adults whom Gallup selects using random-digit-dial phone interviews covering landline and cellular telephones. Gallup also uses address-based sampling methods to recruit Panel members. The Gallup Panel is not an opt-in panel, and members do not receive incentives for participating. The sample for this study was weighted to be demographically representative of the U.S. adult population, using 2017 Current Population Survey figures. For results based on this sample, one can say that the maximum margin of sampling error is  $\pm 1$  percentage point at the 95% confidence level. Margins of error are higher for subsamples. In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error and bias into the findings of public opinion polls. The questions below were derived from the Bureau of Labor Statistics.



### **Independent contractors said yes to this question:**

*Last week, were you working as an independent contractor, an independent consultant or a freelance worker? That is, someone who has to find customers either online or in person to provide a product or service?*



### **Online platform workers said yes to either of these two questions:**

*Some people select short ONLINE tasks or projects through companies that maintain lists that are accessed through an app or a website. These tasks are done entirely online and the companies coordinate payment for the work. Does this describe any of the work you did in the last seven days?*

*Some people find short IN-PERSON tasks or jobs through companies that connect them directly with customers using a website or mobile app. These companies also coordinate payment for the service through the app or website. For example, using your own car to drive people from one place or another, delivering something, or doing someone's household tasks or errands. Does this describe any of the work you did in the last seven days?*



**On-call workers said yes to this question:**

*Some people are in a pool of workers who are ONLY called to work as needed, although they can be scheduled for several days or weeks in a row, for example, substitute teachers and construction workers supplied by a union hiring hall. These people are sometimes called "on-call" workers. Were you an on-call worker in the last seven days? (Note: Some people with on-call work as part of their regular job — for example, doctors — are not on-call workers.)*



**Contract firm workers said yes to this question:**

*Some companies provide employees or their services to others under contract. A few examples of services that can be contracted out include security, landscaping or computer programming. In the past seven days, did you work for a company that contracts out you or your services?*



**Temporary workers said yes to either of these two questions:**

*Some people are in temporary jobs that last only for a limited time or until the completion of a project. Is your primary job temporary?*

*Are you paid by a temporary help agency?*

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