

The Gig Economy By The Numbers

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Why Should The Institute Tackle The Issue Of Gig Work?

Gig Work Represents An Increasingly Significant Amount Of The Workforce

(% of all workers)



Using this broad definition, Gallup estimates that gig work is the **primary job** for **29% of all workers in the U.S.**

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.

Gig workers are disproportionately Black and Latinx, especially in categories of work with lower wages, fewer protections, and greater instability and risk.

Misclassification Is A Denial Of Workers' Rights

The accelerated use by companies of the independent contractor loophole has caused a rapid erosion of the safety net for workers and families, and diminished hard-won protections forged beginning with the New Deal and Civil Rights movements through the present.

Protections that are commonly denied to gig workers include:

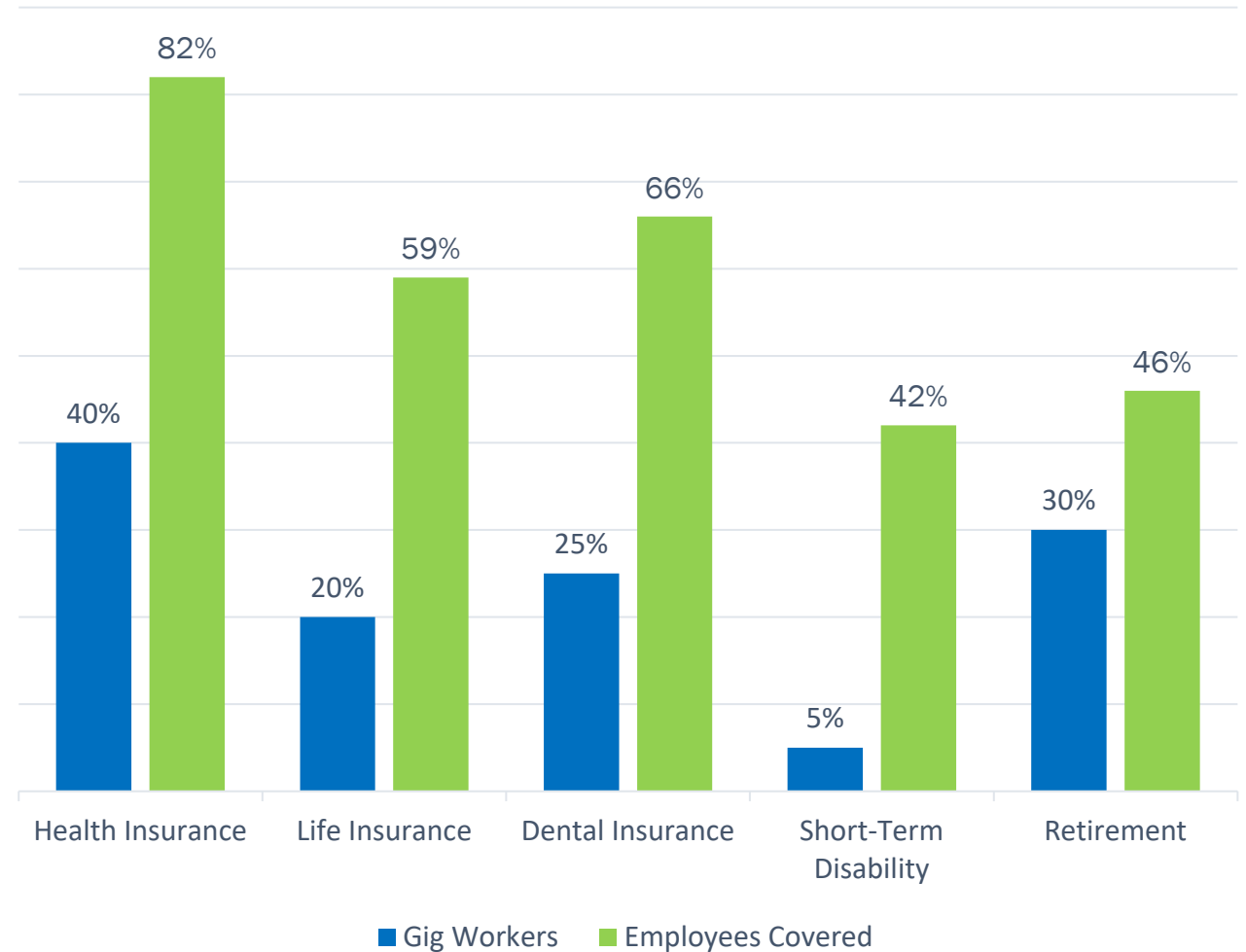
- Unemployment Insurance
- Workers' Compensation
- Social Security/Retirement Benefits
- Disability Benefits
- Health Insurance
- Paid Medical Leave
- Overtime Pay
- Minimum Wage
- Right To Unionize
- Anti-discrimination Protections
- Occupational Safety Protections

Gig Work: Financial Instability

Over half (54%) of gig workers do not have access to employer-based benefits, leaving them vulnerable to the key financial risks of premature death in the family, disability, or critical illness.

Gig Workers vs. Employees Covered

Access to benefits may also be attributable to a spouse or an affiliation with a professional association.



As one example of the kinds of harm faced by gig workers: 37% of surveyed insured gig workers forewent medical care due to high costs.

Alarming Trends For Workers

Companies are misclassifying workers at an alarming rate
—putting profits and cost-savings ahead of workers' rights.

In 2009, Pharmaceutical company Merck sold its factory in Philadelphia and the new owner fired all 400 Merck employees and rehired them as independent contractors.

Carve Outs | Handy, Uber, and several other gig companies have mounted a multijurisdictional policy campaign to rewrite the rules of worker classification to carve themselves out of labor standards and to codify misclassification.

“Temping Out” | Laws and government programs give special treatment to temp agencies, which entice host employers to temp out more and more of their work, forcing their workers to incur wage and benefit penalties and sacrifice job stability.

Race, Racism, And The Gig Economy

The data show that in the aggregate, increases in gig work arrangements reinforce and perpetuate racism in employment.

Black and Latinx workers are overrepresented in gig work on apps like Uber, Handy, Postmates, and Amazon Flex.

Black workers are 12.1 percent of the workforce, but 23 percent of in-person app workers.

Latinx workers are 16.6 percent of the workforce, but 18.5 percent of in-person app workers.

Combined, Black and Latinx workers comprise less than 29 percent of the workforce, but almost 42 percent of workers on apps like Uber, Handy, Postmates, and Amazon Flex.

Race Discrimination And The Gig Economy

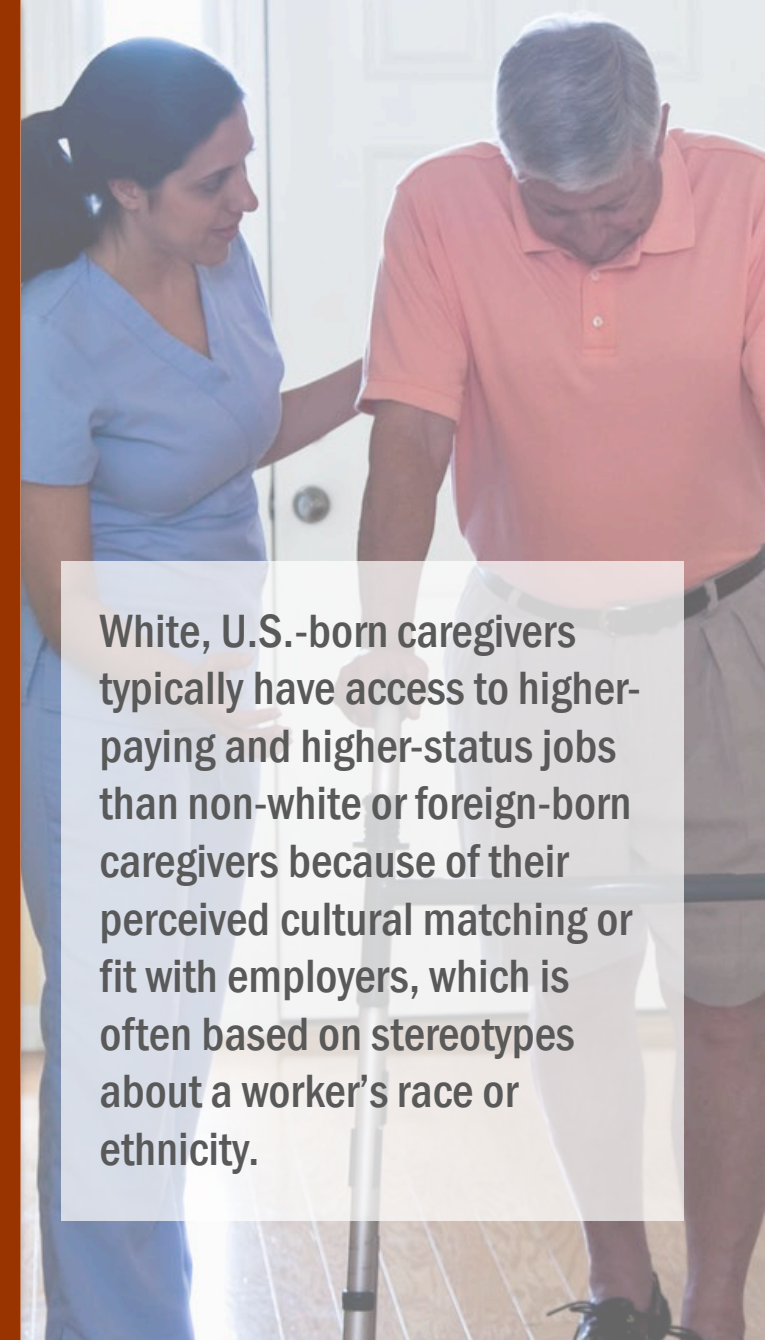
Gig workers can face discrimination in a variety of ways:

Not being hired due to arrest or conviction history | In 2012, the EEOC issued guidance stating that the consideration of criminal records in employment decisions violated Title VII because it had a disparate impact on people of color. Some gig employers claim this guidance does not apply to them.

Racial bias in rating systems | For example, Black drivers on Uber and Lyft receive lower ratings due to racial bias.

The termination or “deactivation” process | Many gig companies do not offer any explanation when they terminate their employees.

Online labor platforms can also exacerbate racial inequalities.



White, U.S.-born caregivers typically have access to higher-paying and higher-status jobs than non-white or foreign-born caregivers because of their perceived cultural matching or fit with employers, which is often based on stereotypes about a worker's race or ethnicity.

Race And Temp Agency Work

Black and Latinx workers are overrepresented in gig work with the lowest job quality—temporary help agency work.

Black workers comprise 12.1 percent of the overall workforce, but 25.9 percent of temporary help agency workers.

Latinx workers comprise 16.6 percent of the overall workforce, but 25.4 percent of temporary help agency workers.

Data on temp agency work shows that temp workers suffer greater economic harm and physical danger on the job than their permanent employee counterparts.

Benefits Penalties | 53.4 percent of workers in standard arrangements receive an employer-provided health insurance benefit, compared to only 12.8 percent of temp workers. And while 46.3 percent of workers in standard arrangements are covered by an employer-provided pension plan, only 6.6 percent of temporary help agency workers receive the same coverage.

Wage Penalties | Full-time temporary workers earn 41 percent less than workers in standard work arrangements and face disproportionate amounts of wage theft.

Worker Safety | The data show disproportionately higher fatality and injury rates for temp workers because of inadequate training and supervision. Temp workers also receive more dangerous work assignments than permanent employees.

COVID-19 And The Gig Economy

A survey conducted by University of California Santa Cruz of app-based gig workers in the San Francisco Bay Area during the COVID-19 pandemic reported:

15% of gig workers receive some form of public assistance, including 13% of food-delivery workers who depend on food stamps.

45% reported they could not handle a \$400 emergency expense without borrowing money.

An estimated **20% of drivers were losing money** to drive, given their other expenses.

Gig workers were asked to bear additional health risks with **no healthcare benefits**.

Contracting companies are not paying to enforce safety standards and the law makes it easier for them to avoid accountability.



In May, contract workers were sent to Midland, Michigan to aid in disaster relief efforts; most of them were Spanish-speaking immigrants.

The contract workers were forced to travel, lodge, and work in cramped conditions with no PPE; roughly twenty workers contracted COVID-19.

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For more information, please visit

<https://www.niwr/our-work/economic-dignity/>

