

Gig Economy

Index™

AUGUST 2018

42.7%

of gig workers receive 40 percent or more of their income from gig economy jobs.

84.5%

said they'd do more gig work if they were paid faster.

75.2%

would not quit their gigs for a full-time job.

A QUARTERLY
REPORT ABOUT THE

INs AND OUTs

OF THE GIG ECONOMY

Gig economy workers are projected to account for more than **\$1.4 trillion** of the total U.S. income in 2018.



Gig Economy

a PYMNTS.com



HYPERWALLET collaboration

Index™

ACKNOWLEDGMENT

The Gig Economy Index™ was done in collaboration with Hyperwallet, and PYMNTS is grateful for the company's support and insight. [PYMNTS.com](https://www.pymnts.com) retains full editorial control over the findings presented, as well as the methodology and data analysis.

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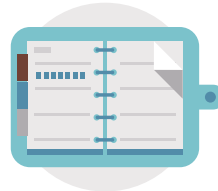
ABOUT

SUMMARY STATISTICS

GIG WORKERS' YEARLY COLLECTIVE EARNINGS TOTALS **\$1.4 TRILLION.**

33.8%

OF THE U.S. WORKFORCE PARTICIPATED IN THE GIG ECONOMY IN Q2 2018.



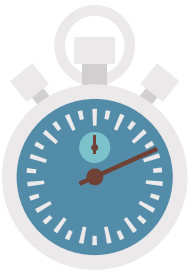
47%

OF GIG WORKERS HELD FULL-TIME JOBS IN Q2.



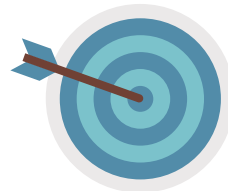
NEARLY 20%

OF FULL-TIME GIG WORKERS ARE ENGAGED IN ARTS, DESIGN, ENTERTAINMENT, SPORTS AND MEDIA-RELATED JOBS.



59%

FOUND THEIR GIGS ONLINE BECAUSE THEY CAN SEE DEMAND IN REAL TIME.



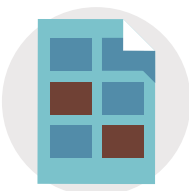
18%

OF GIG WORKERS ARE IN THE 45-TO-54 AGE BRACKET.



58%

OF FULL-TIME GIG WORKERS REPORTED WORKING FOR CONSUMERS IN Q2 2018.



38.5%

OF GIG WORKERS LIVE IN URBAN AREAS.



84.5%

OF GIG WORKERS WOULD DO MORE GIGS IF THEY DIDN'T HAVE TO WAIT TO SEE THEIR MONEY.



MORE THAN 1/3

OF FULL-TIME GIG WORKERS ARE PAID VIA PAYPAL, WHILE **24.8 PERCENT** ARE PAID VIA DIRECT DEPOSIT.

INTRODUCTION

- **Gig work now accounts for a sizable share of the U.S. economy:** 33.8 percent of the U.S. workforce participated in the gig economy in Q2 2018, down slightly from 34.5 percent in Q1 2018 – mostly due to seasonality.
- **Gig work is more than a side hustle:** Forty-seven percent of gig workers held, full-time jobs in Q2, down from 55 percent in Q1.
- **Gig work spans a variety of skilled and unskilled professions:** Nearly 20 percent of full-time gig workers are engaged in arts, design, entertainment, sports and media-related jobs.
- **Gig workers are greying:** Eighteen percent of them are in the 45-to-54 age bracket, up from 16.6 percent in Q1 2018, while the portion of those aged 25 to 34 declined to 26.9 percent in Q2, down from 28.6 percent in Q1.
- **Gig workers are more urban than rural:** 38.5 percent live in urban areas, while 13.4 percent live in more rural locations.
- **Gig workers use digital marketplaces to find their gigs:** Fifty-nine percent reported using one to do so because they can see demand in real time.
- **Full-time gig workers are hired by consumers, not just businesses:** Fifty-eight percent reported working for consumers in Q2 2018, up from 54 percent in Q1 2017.
- **Full-time gig workers like getting paid by eWallets:** More than one-third are paid via PayPal, while just under one-quarter are paid via direct deposit.
- **Gig workers would do more gigs if they could be paid faster:** Time is money, and 84.5 percent of them would complete more gigs if they didn't have to wait to see their money.

The gig economy is not a new phenomenon.

Direct sales companies like beauty supplier Avon and health and beauty firm Amway have offered independent agents the opportunity to earn money selling their products door to door for years. Meanwhile, staffing agencies have provided businesses with temporary workers to cover for those who are on leave or temporarily out sick for decades. These freelance, ad-hoc jobs were examples of gig work well before anyone affixed a “gig” label to them.

Then came digital – the age of connected devices, online payment platforms and platforms that aggregate supply and demand in real time – and the gig economy took off.

We see that in the numbers.

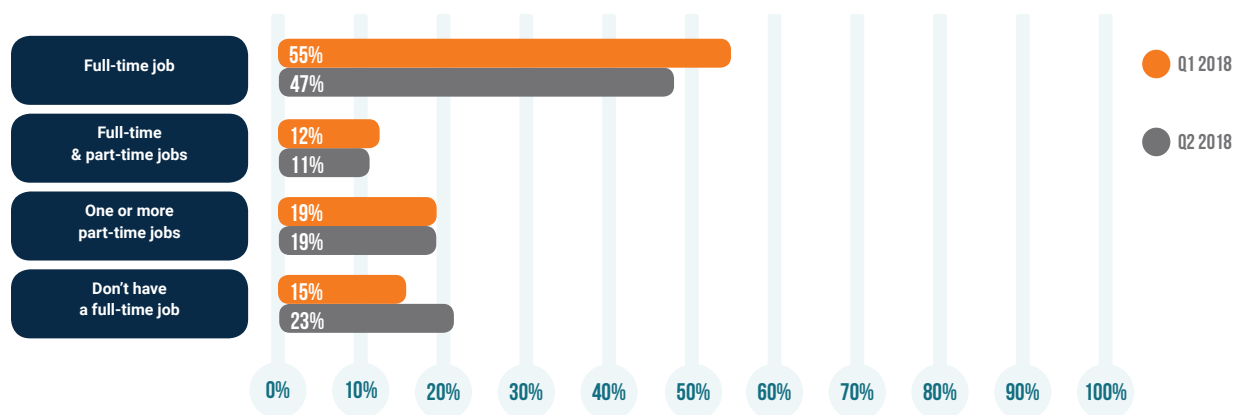


In collaboration with Hyperwallet, PYMNTS has been studying this important element of the U.S. workforce in quarterly reports since October 2016, gauging the undercurrents transforming the gig economy, highlighting market service gaps and explaining payments’ and digital marketplaces’ roles in accelerating its growth.

This report, our Q2 2018 Gig Economy Index, surveyed nearly 10,000 U.S. gig workers. As with most Indexes, it can be difficult to see large shifts when comparing quarter-to-quarter numbers. This edition is our sixth, and has given us interesting insights we believe may be foretelling of more significant shifts to come.

The share of gig workers without traditional full-time jobs jumped to nearly one-quarter of our sample in Q2 2018, for example, up from 15 percent in Q1. The gigs once considered a stop-gap solution until a more permanent, traditional job came along are now a preference for both skilled and unskilled workers. Flexibility is the big motivator, here — as is the ability to earn money to pay bills — and access to digital marketplaces is helping those in the gig economy find related work in real time.

FIGURE 1: GIG WORKERS WITH TRADITIONAL JOBS
 Portion of workers engaged in part-time and full-time work, Q1 2018 vs. Q2 2018



That means a relatively large share of workers now see the gig economy as a viable career path over more traditional full-time jobs. Nearly 58 percent say they neither want nor need a regular job, down from 60 percent in Q1 2018. That figure has been notching down over the last several quarters, too, as the share who wanted or had a full-time job stood at 45 percent in Q2 2017.

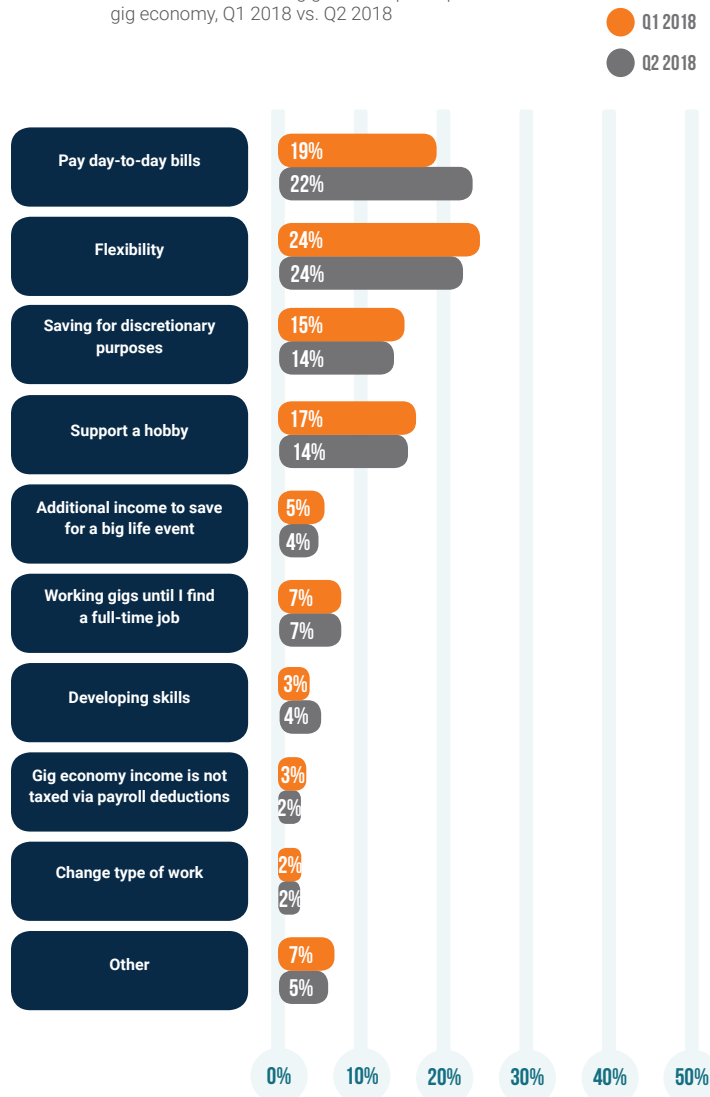
This is not surprising. Digital marketplaces make it easier for gig workers to find work and employers to find gig workers — and do it in real time. The demand

for gig workers is also increasing, with a growing share of companies turning to ad-hoc employees to fill project-based roles formerly completed by full-time staff. The “greying” of the gig workforce, which sees more gig workers over the age of 45 taking on gigs, suggests some experienced workers are leaving full-time positions to take on full-time gig work. This may be due to growing demand for their skills, the added possible income, gig work’s flexibility and the certainty that marketplaces provide easy access to gigs when their schedule suits.

WHY GIG WORKERS LIKE GIG WORK

Our data is conclusive: Flexibility is the primary factor driving workers to eschew traditional employment for full-time gig work, noted by 25 percent of surveyed gig workers. This becomes even more important for younger workers, as 22 percent of full-time gig workers aged 18 to 24 and 30 percent of those in the 25-to-34 bracket cited flexibility as the main reason they participated in the gig economy.

FIGURE 2: REASONS FOR GIG ECONOMY PARTICIPATION
Main reasons full-time gig workers participate in the gig economy, Q1 2018 vs. Q2 2018



That’s not to say flexibility is the only driver. After all, it, alone, doesn’t pay the bills, and gig workers have the same financial obligations as any other member of the workforce.

Gig work that enables them to pay the bills is the attractive one-two punch, however. Twenty-two percent of gig workers gig full-time to pay day-to-day bills, up from 18.6 percent in Q1 2018. Meanwhile, nearly 20 percent fewer workers pursue gigs to support a hobby, as seen in Figure 2, declining to just 14 percent in Q2 2018 from 17.4 percent in Q1.

This also suggests that gig work is no longer a side hustle, but an important contributor to household income. In fact, 42.7 percent of gig workers derived 40 percent or more of their income from gig work in Q2 2018, up from 37.2 percent in Q1.

WHAT GIG WORKERS DO FOR WORK

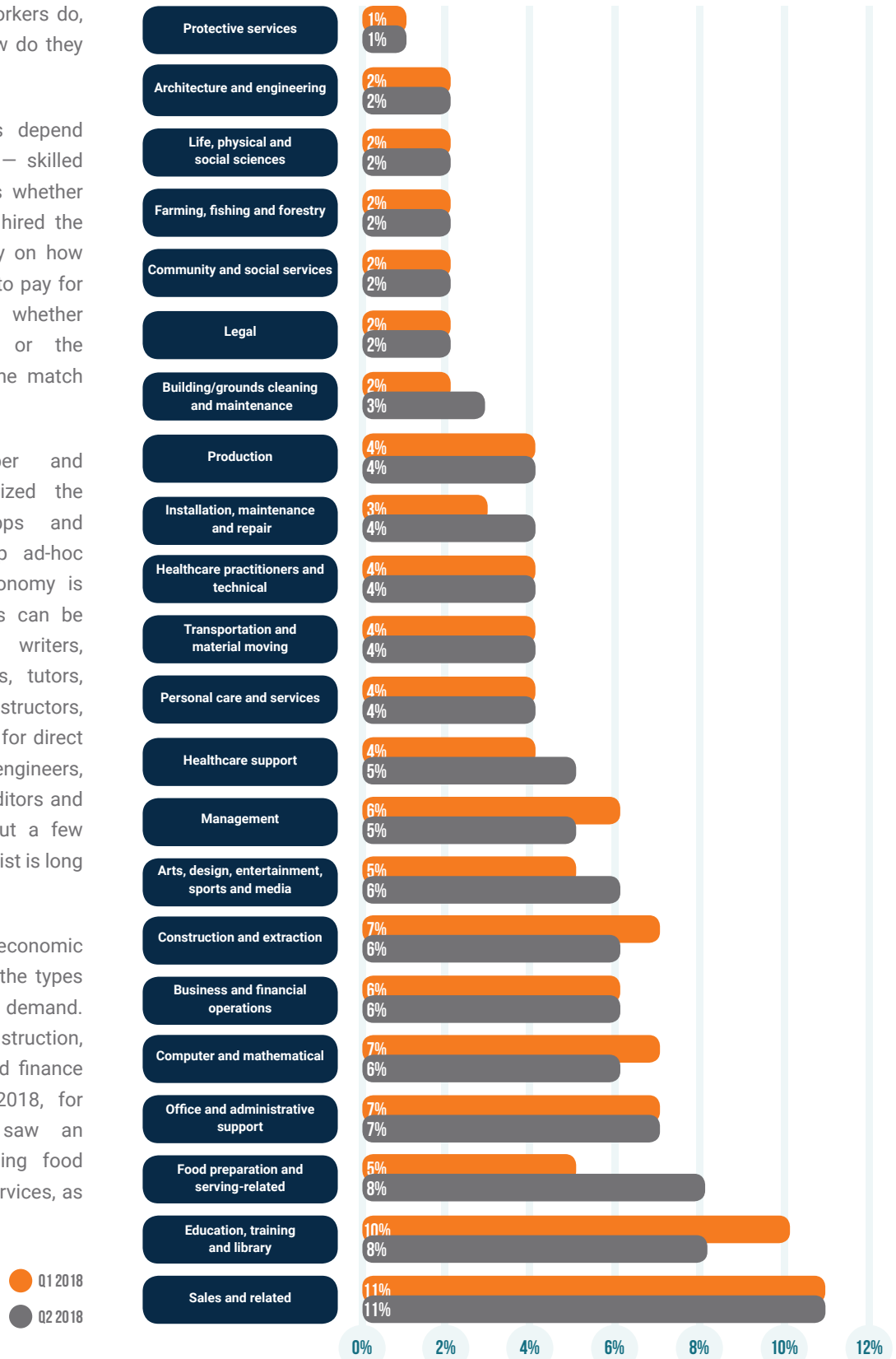
What do these workers do, though, and how do they like to be paid?

It appears these factors depend on the type of gig work – skilled or unskilled – as well as whether a consumer or business hired the gig worker. They also rely on how the hiring entity is set up to pay for the work and, therefore, whether a consumer, business or the marketplace that made the match makes said payments.

Ridesharing firms Uber and Lyft may have popularized the concept of using apps and marketplaces to pick up ad-hoc jobs, but today’s gig economy is far reaching. Gig workers can be architects, hairdressers, writers, home healthcare workers, tutors, accountants, fitness instructors, independent sales agents for direct marketing organizations, engineers, graphic designers, copy editors and stage hands, to name but a few possible professions. The list is long and varied.

Seasonality and macroeconomic conditions also influence the types of gig workers that are in demand. Slightly fewer held construction, education or business and finance operations gigs in Q2 2018, for example. Instead we saw an increase in those pursuing food preparation and related services, as shown in Figure 3.

FIGURE 3 PRIMARY AD-HOC JOBS IN THE GIG ECONOMY
Jobs pursued by gig workers, Q1 2018 vs. Q2 2018



WHAT GIG WORKERS DO FOR WORK

The gig economy area in which technology may be lagging is in how gig workers are paid for their efforts. More than 40 percent reported being paid via cash and check, and we observed both a 13 percent decline in direct deposit usage and a 3 percent increase in that of PayPal this quarter. These payment method changes reflect growth in the number of gig workers employed by consumers and those paid by marketplaces with PayPal as an eWallet option, as well as a slight dip in the number of businesses hiring gig workers. In fact, 58 percent reported working for consumers in Q2, up from 54 percent in Q1 2017.

Payment methods also seem highly correlated to gig work type and where that work is performed.

Today's gig economy worker lives in more densely populated urban centers, with 38.6 percent reportedly living in cities and just 13.4 percent residing in rural areas of fewer than 25,000 inhabitants. This is simply the law of large numbers – more people live in cities than in rural areas – but the digital marketplaces that expand both gig workers' and hiring entities' reaches have proven to be great gig economy innovations.

A graphics designer living in Stowe, Vermont –

population 4,423 people – can just as easily earn a gig from a technology company based in San Francisco, California, for example, so long as she has the right skills and is available for the assignment.

There's also a growing gig economy opportunity in these more rural geographies, though, one that has traditionally relied upon more seasonal gigs in landscaping, maintenance and construction. Twenty-five percent of gig workers living in rural areas reported taking up landscaping as a seasonal job, as did just 11 percent in urban areas.

Whether urban or rural, our Q2 figures showed high digital marketplace usage among gig workers who hold full-time, 9 a.m. to 5 p.m. jobs and continue to think of gig work as a "side hustle." Fifty percent in the transportation business, 67 percent in management and approximately 56 percent who work as architects and engineers view digital marketplaces as convenient sources of additional work – and money – as time permits.

Overall, 67 percent of urban gig workers and 45 percent of rural reported using digital marketplaces when sourcing gig jobs.

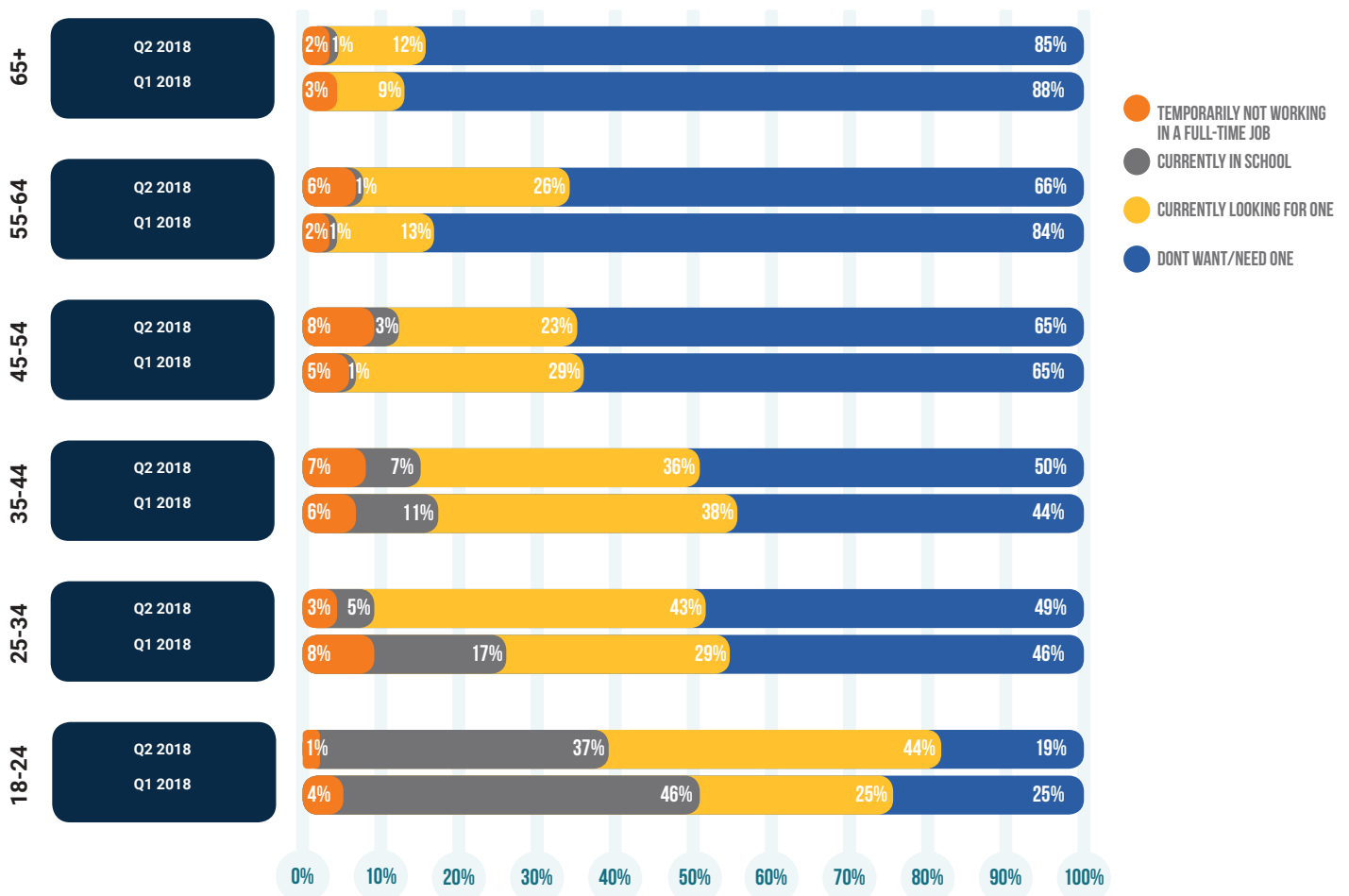


As of May 2018, 33.8 percent of U.S. workers were either currently working or had recently worked a gig job – a slight decline from the 34.5 percent noted in our Q1 2018 survey, and likely resulting from the gig economy’s inherent seasonality. In other words, certain industries kick into high gear during holidays and popular construction or vacation times, and overall participation in highly gig-centric sectors tends to sag in the spring.

Despite the very slight seasonality-related dip, the gig economy remains strong and growing. Evidence of this can be seen in the number of workers who leave traditional employers to take on full-time gig work – especially this quarter.

Gigs were the sole source of employment for more than 23 percent of surveyed workers in Q2 2018, up from 14.7 percent in Q1. In fact, the gig economy appears to

FIGURE 4 REASONS FOR NOT HAVING A FULL-TIME JOB
Portion of gig workers not seeking full-time employment, by age



have become more appealing as a primary source of income for a growing number of them.

What’s more, slightly fewer respondents expressed an interest in securing a regular, full-time job. Fifty-eight percent of career gig workers – those without regular jobs – said they neither wanted nor needed a regular job, a slight decline from Q1. Overall, 77 percent reported they would not quit their gig work for full-time employment.

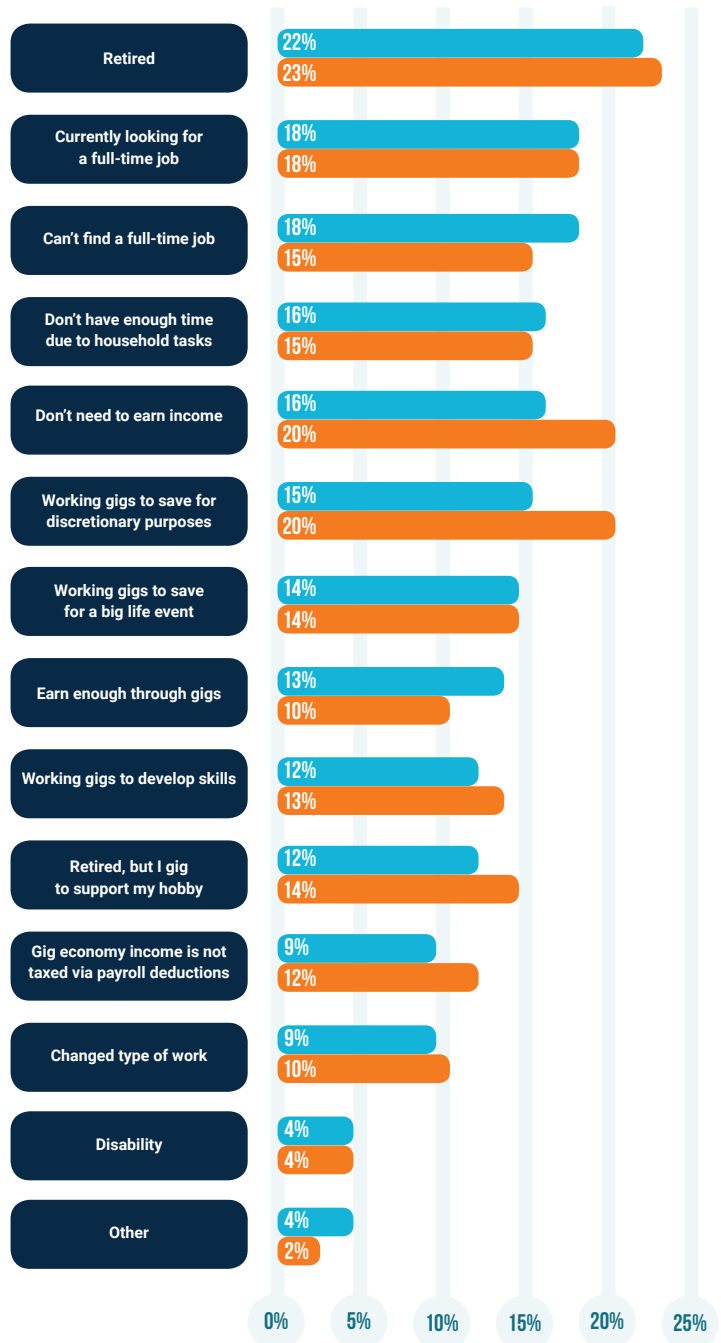
We did see a jump in the number of gig workers looking for a regular job, however: 30 percent in Q2 2018 compared to approximately 24 percent in Q1. A possible explanation could be an influx of college graduates who recently entered the job market. These workers might be working as full-time gig workers, but doing so with the ultimate goal of finding full-time employment in the future.

Several factors contribute to workers’ interest in the ad-hoc lifestyle. A growing share – 13 percent of our Q2 2018 respondents, up from 9.8 percent in Q1 – said the work is enough to financially sustain them, one of the largest jumps in Q1 2018 to Q2 2018 data. We also saw a 33 percent increase in workers who complete gigs to pay for discretionary costs.

Twenty-two percent of our gig workers are retirees who see the gig economy as a way to make some additional money, and therefore do not want a full-time job. This is down slightly from the 23.3 percent reported in Q1 2018, but retirement is still the most common reason gig workers cite for not seeking a regular, full- or part-time job.

FIGURE 5 REASONS FOR NOT HAVING A FULL-TIME JOB
 Portion of gig workers not seeking full-time employment, Q1 2018 vs. Q2 2018

● Q2 2018
 ● Q1 2018

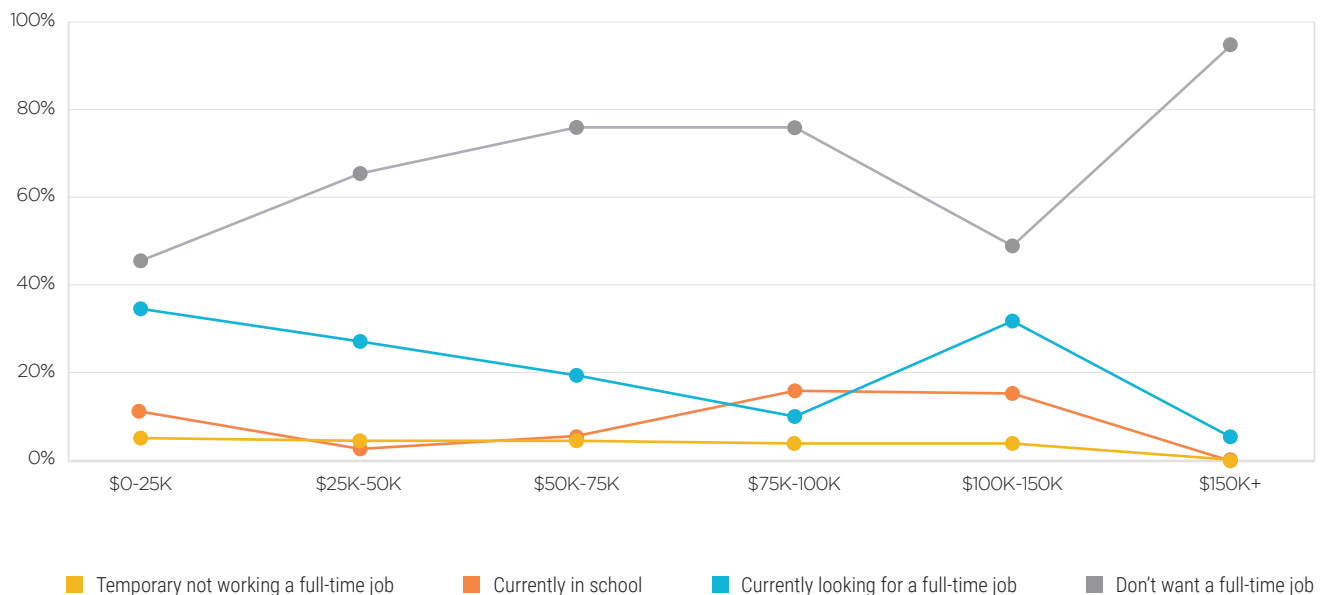




Income is yet another factor influencing decisions to stay in the gig economy. Full-time gig workers who earn \$150,000 per year are considerably more likely to say they do not want or need a more traditional full-time job, as Figure 6 indicates, and a low share of them are currently looking for one.

Younger workers under 35 appear more interested in pursuing gigs on the side, in addition to full-time employment. Those aged 35 and above, who make more than \$75,000 in annual income, are more likely to pursue gigs as a full-time occupation, though.

FIGURE 6 WORKERS' INTEREST IN PURSUING GIGS
Why workers prefer working in the gig economy over a full-time job, by income



CAREER VS. GOAL GIG WORKERS

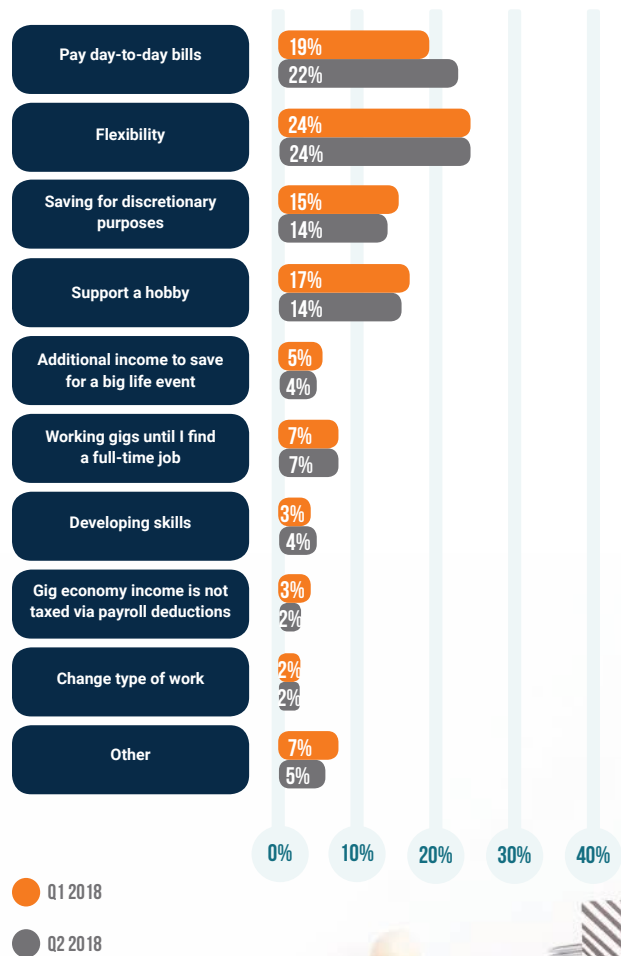
In examining goal gig workers, who work gigs on the side, compared to the characteristics of career gig workers, who make gig work their full-time occupation, one thing is very clear: Flexibility remains a compelling motivation.

The ability to set one's hours has long been a selling point of the gig economy. Twenty-four percent of career gig workers cited flexibility as the main reason they worked gigs, slightly more than to pay the bills (22 percent) or save for something special (14 percent).

Paying day-to-day bills was an important reason for working gigs, cited by 22 percent of both career and goal gig workers – and the top reason the latter opted into gig work at all.

Not surprisingly, perhaps, is that 18 percent of goal gig workers view gig work as a path to fund discretionary expenses – entertainment, furnishings, clothing, etc. – compared to 14 percent of career gig workers. Goal gig workers are also much more likely to work ad-hoc jobs to save money for a life event, including their children's college tuition, down payments on homes, wedding expenses and more.

FIGURE 8: MAIN REASONS FOR GIG ECONOMY PARTICIPATION
 Respondents' main reasons for working gigs, those with vs. those without full-time jobs



JOBS GIG WORKERS PREFER

Industry sectors have varying job and skill requirements, and the profile of full-time gig workers reflects that. While jobs in arts, design, entertainment, sports and media often require skilled workers who can work unusual hours, other sectors like transportation and delivery services are less reliant on a skilled workforce and more so on those who work gigs on the side. That influences both the demand for and concentration of career and goal gig workers.

Industries like arts, design, entertainment, sports and media have a higher concentration of career gig workers (20 percent) without full-time jobs than those with them (13 percent). Similarly, personal care and services, which require skilled professionals to be on call at unusual hours, employ twice as many career gig workers as goal gig workers.

FIGURE 9: SKILL LEVEL REQUIRED FOR GIG JOBS

Training required to complete gigs, those with full-time jobs vs. those without

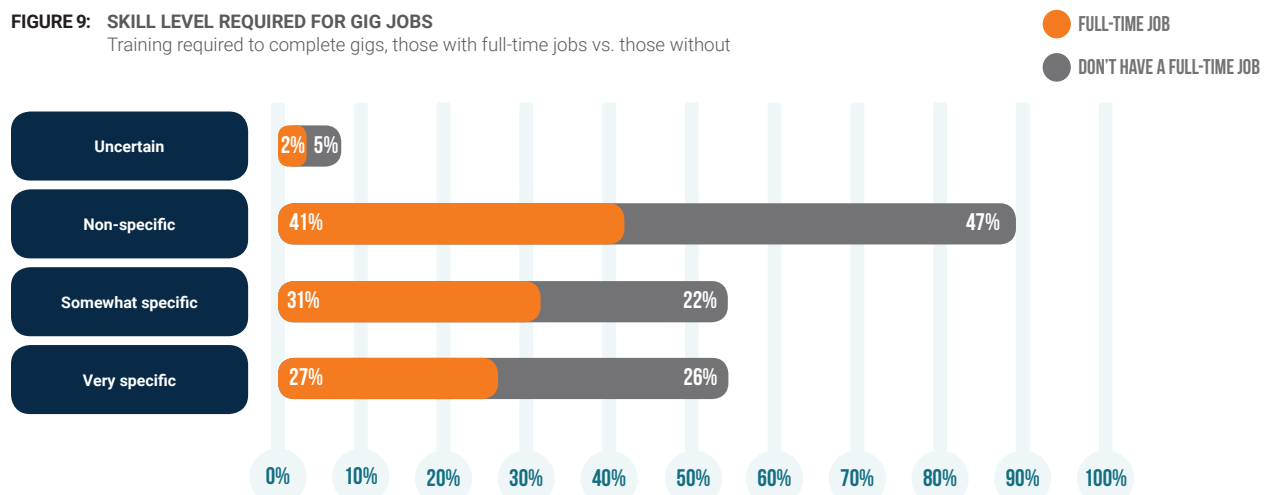
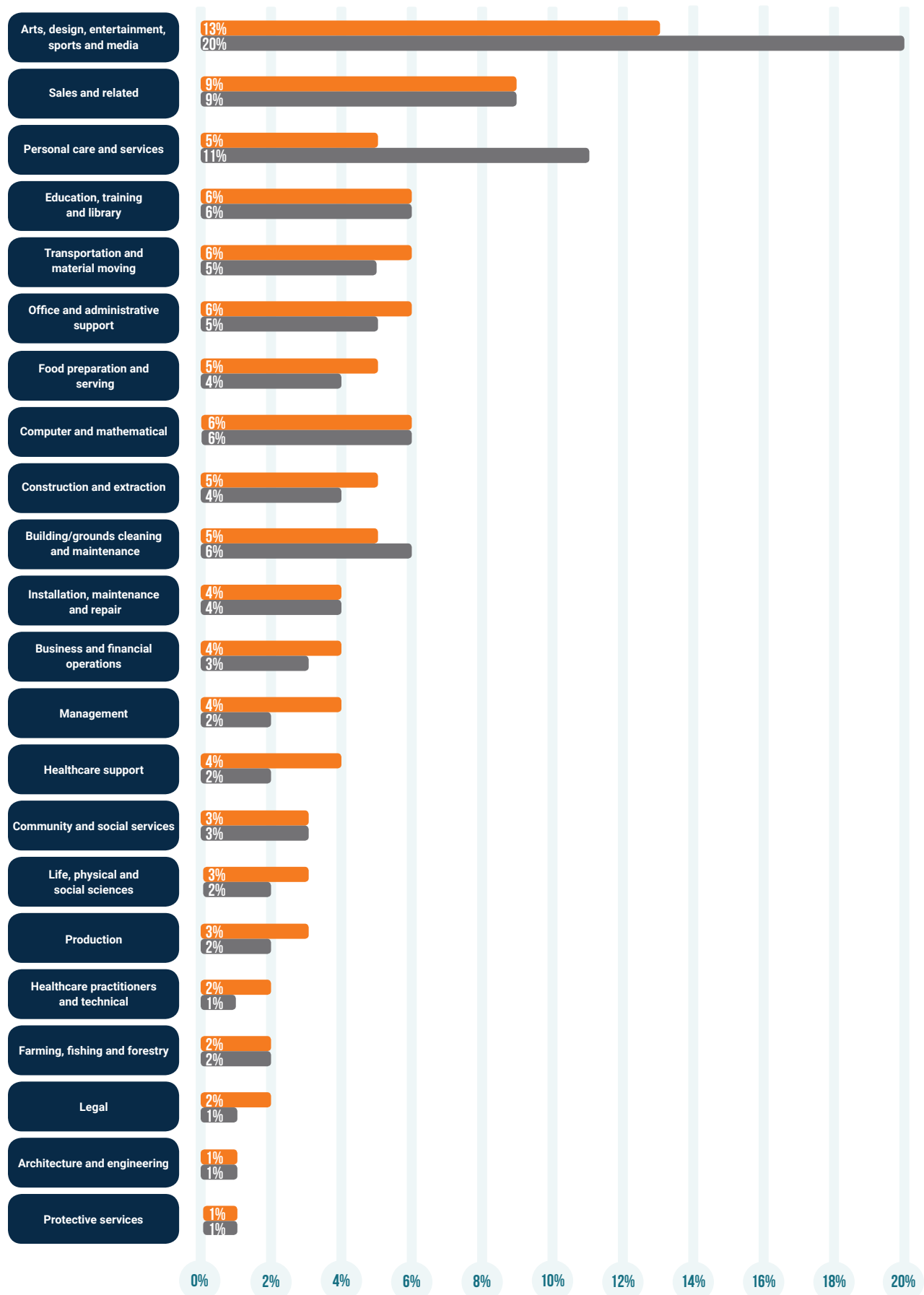


FIGURE 10 INDUSTRIES EMPLOYING GIG WORKERS

Sectors in which gig workers find gigs, those with full-time jobs vs. those without

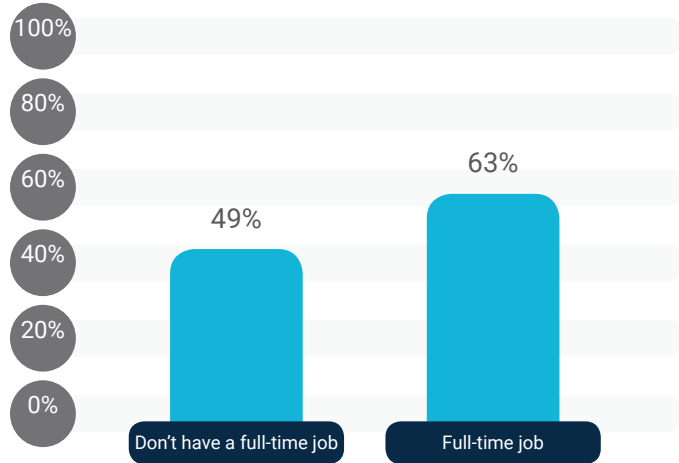
● FULL-TIME JOB

● DON'T HAVE A FULL-TIME JOB



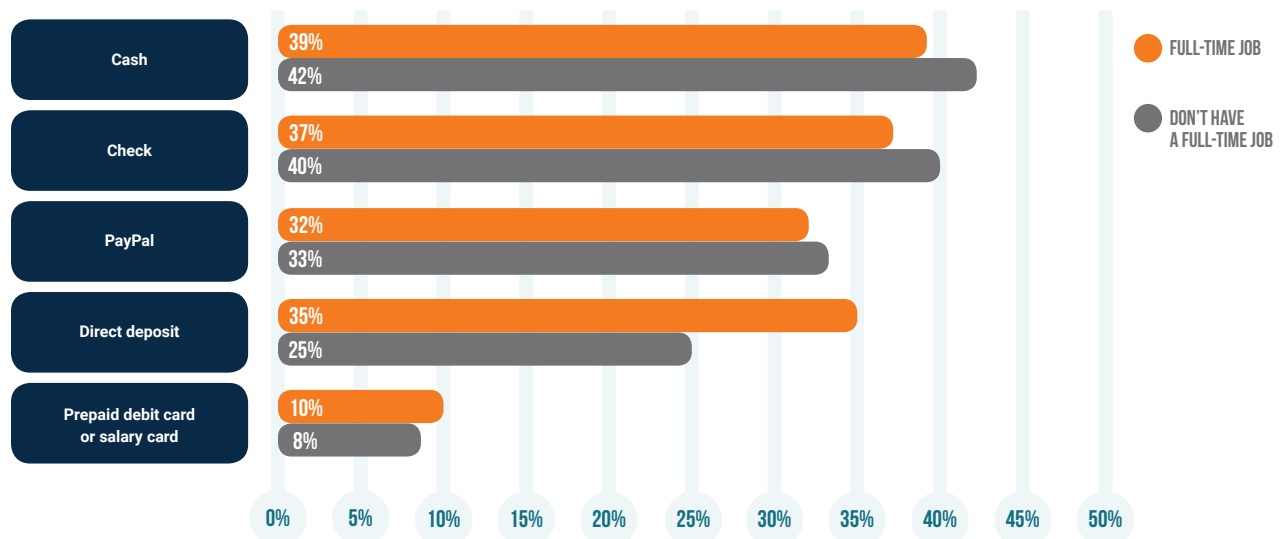
We see some interesting trends emerge when we compare how career and goal gig workers source and get paid for their gigs. Sixty-three percent of goal gig workers — those who are saving for something special — reported using digital marketplaces to find their gigs, as did just 49 percent of career gig workers. Goal gig workers typically have a full-time job, turning to digital marketplaces to find on-demand work in their free time. Career gig workers, on the other hand, gig full-time and are more likely to be well-connected in the market. As such, they don't necessarily use digital marketplaces as their only method to source jobs.

FIGURE 11: DIGITAL MARKETPLACE USAGE
Gig workers who use digital marketplaces, those with full-time jobs vs. those without



Gig workers' payments are dependent on the entity paying them. We saw an increase in the portion who were paid by consumers (49 percent), primarily for landscaping, cleaning and maintenance gigs. Forty-two percent of career gig workers collected cash for their jobs, as did 39 percent of career goal gig workers. Twenty-five percent of the latter reported payment through direct deposit, as did 35 percent of the former.

FIGURE 12 HOW GIG WORKERS ARE PAID
Portion of gig workers paid through select means, those with full-time jobs vs. those without



THE CHANGING FACE OF GIG WORKERS

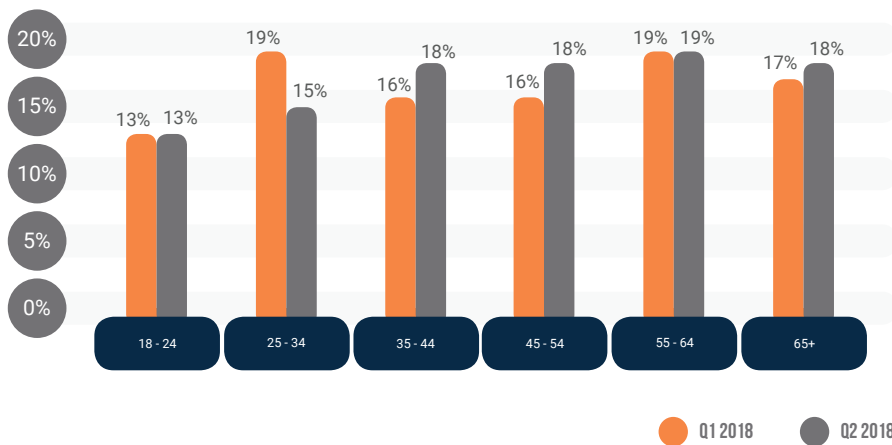
Our Q2 2018 Index reflects a slight shift in gig workers' demographic makeup. Those surveyed for this edition appear to be a little older, a little less educated and have slightly lower income levels. This is particularly true for workers using gigs as their only source of income or who work in niche industry segments like forestry, fishing and hunting.

The portion of full-time gig workers over age 35 has increased since Q1 2018, too, with the greatest growth in those aged 45 to 54. In addition, the share of those between 25 and 34 years of age has dipped from 19 percent to 15 percent.

There are several possible explanations for this. Millennials find themselves settling down, getting married and starting their families as they move from their mid-20s to their early and mid-30s. A stable source of employment in more traditional jobs is a high priority. The strong U.S. economy has also opened more traditional employment doors for millennials, many of whom were disadvantaged in the immediate aftermath of the 2008 financial crisis.



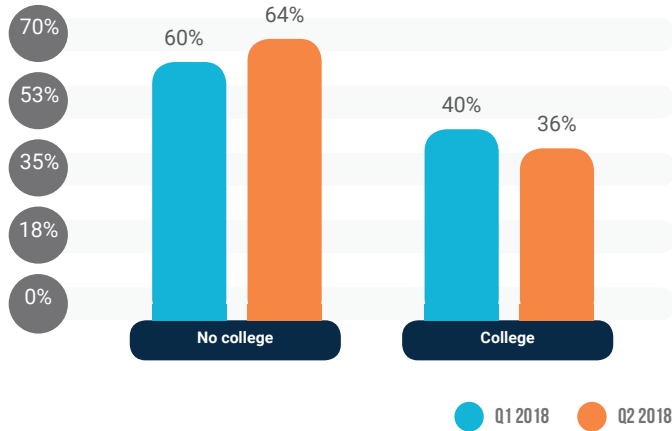
FIGURE 13 FULL-TIME GIG WORKERS' AVERAGE AGE
Average age of gig workers, Q1 2018 vs. Q2 2018



On the other end of the age spectrum, greying gig workers — those in the 45-to-54 age bracket — are seeing increased demand for their skills and new digital options to find appropriate supply. It's also possible that employers have shifted their hiring profiles to reduce labor costs for the jobs gig workers perform, particularly those in arts, design, entertainment, sports and media, training and library, administrative support and education. A once full-time job at a company might now be a somewhat full-time opportunity for a gig worker.

THE CHANGING FACE OF GIG WORKERS

FIGURE 14: FULL-TIME GIG WORKERS' AVERAGE EDUCATION LEVELS
Percentage of gig workers with college degrees, Q1 2018 vs. Q2 2018



All of that is still speculative, though. This is the first time we've observed this shift, after all, and one quarter does not a big trend make. If it persists, it could signal a change in the workforce composition — a trend for which we will continue to watch.

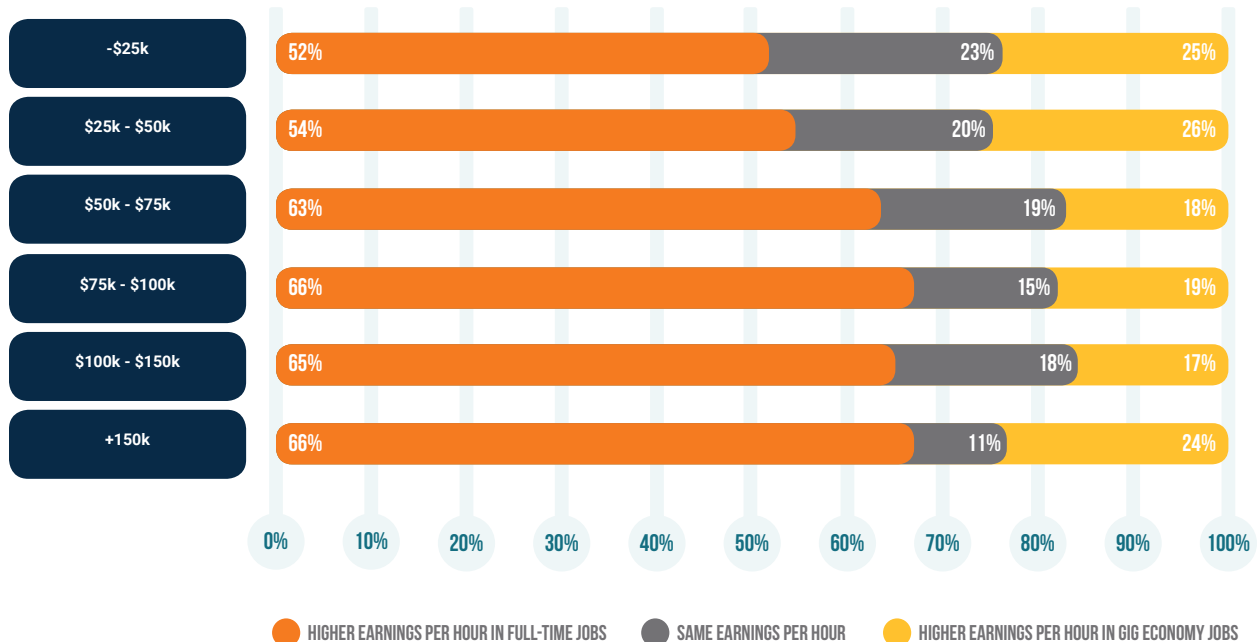
Separately, we also observed a slight dip in the number of full-time gig workers with college degrees: 36 percent this quarter compared to 40 percent in Q1 2018.

In terms of how much these gig workers earn from those gigs, it appears that age, occupation and status make a difference. Those in the 45-to-54 age group tend to more commonly work in professions like accommodation and food services and educational services. Those under the age of 35, on the other hand, are more commonly

engaged in manufacturing, management and utilities-related ad-hoc positions.

In terms of income, we also observed that a higher number of gig workers earning below \$75,000 annually tended to earn more per hour from their ad-hoc jobs than their regular jobs. Those making more than \$75,000 tended toward higher-paying full-time jobs, however, and these were their primary income sources.

FIGURE 15: EARNINGS FROM GIG WORK VS. FULL-TIME JOBS
Portion of gig workers comparing gig work and full-time job earnings



THE GIG ECONOMY'S DIGITAL MAKEUP

Digital marketplaces remain an important contributor to the gig economy's rise. Nearly half of our surveyed gig workers used digital marketplaces — online platforms like Uber and websites like Freelancer.com, among others — to find work, handle payments and manage matters like taxes and withholding. We found that a significantly higher total, 59 percent, used them in Q2.

More than two-thirds of those under the age of 34 relied on websites and online platforms to find gigs, a figure that's gone largely unchanged since the beginning of the year. Sixty-eight percent in the 35-to-44 bracket used digital marketplaces as well, up 15 percent from last Q1, as did 52 percent of gig workers aged 45-to-54. Conversely, the portion of those over 55 who used digital platforms declined in Q2 2018.

FIGURE 16 THE AGE OF DIGITAL MARKETPLACE USERS

Gig workers using digital marketplaces in select age brackets, Q1 2018 vs. Q2 2018

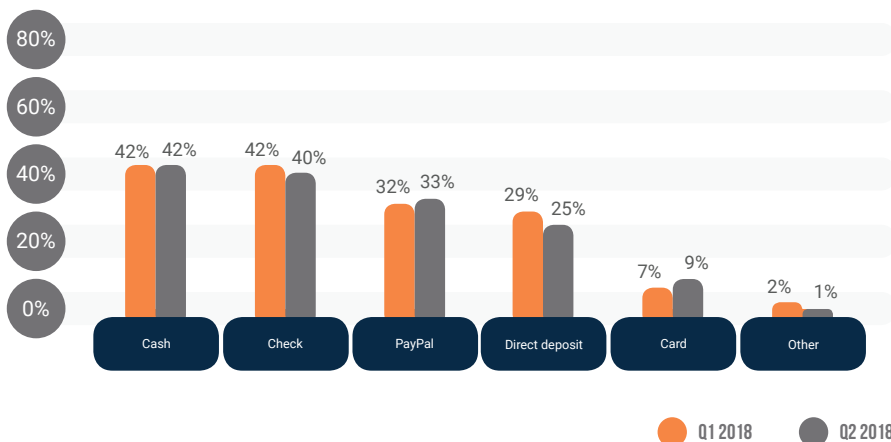


Gig workers value digital marketplaces for their lead generation capabilities. When asked, most cited leads over payment options and acquiring other benefits.

When it comes to how gig workers are paid, direct deposit dipped slightly last quarter at the expense of PayPal and debit cards via a person-to-person (P2P) bank transfer. We ascribe this shift to a

FIGURE 17 HOW GIG WORKERS GET PAID

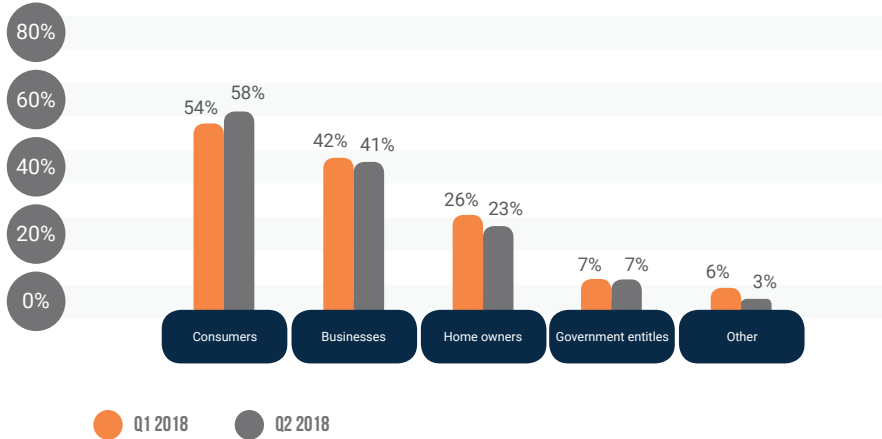
Portion of gig workers paid through various means, Q1 2018 vs. Q2 2018



WHO HIRES GIG WORKERS AND HOW ARE THEY PAID?

FIGURE 18 WHO HIRES GIG WORKERS?

Portion of full-time gig workers hired by various entities, Q1 2018 vs. Q2 2018

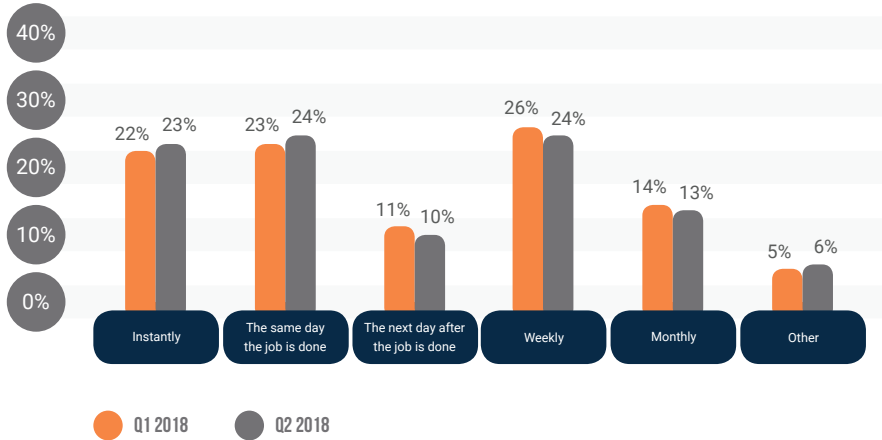


slight uptick in the number of consumers hiring gig workers and for whom those two options, in addition to cash, are more preferred for their accessibility.

A surprising, but positive, development is the uptick in gig workers paid within a day of performing their gigs – some even the same day. Prior research, affirmed in Q2, reflects the importance of faster payments on gig workers’ appetite for completing more gig work.

FIGURE 19 FREQUENCY OF GIG WORK PAYMENTS

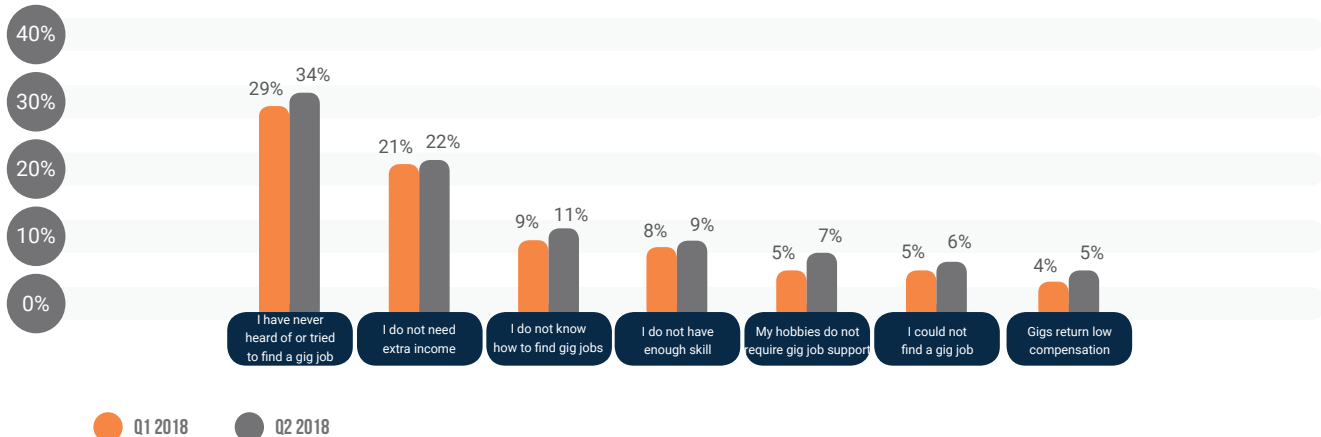
Portion of respondents who are paid for gig work during select timeframes



Though we have seen much progress in the gig economy, and much of the population is now involved in it, many workers employed in regular jobs aren’t aware of available gig economy opportunities. Thirty-four percent of our respondents said they were either unfamiliar with gigs or had never tried finding one, as seen in Figure 20.

FIGURE 20 GIG ECONOMY UNFAMILIARITY

Percentage of U.S. workers unfamiliar with the gig economy, Q1 2018 vs. Q2 2018



DEEP DIVE: GIG WORKERS & DIGITAL MARKETPLACES

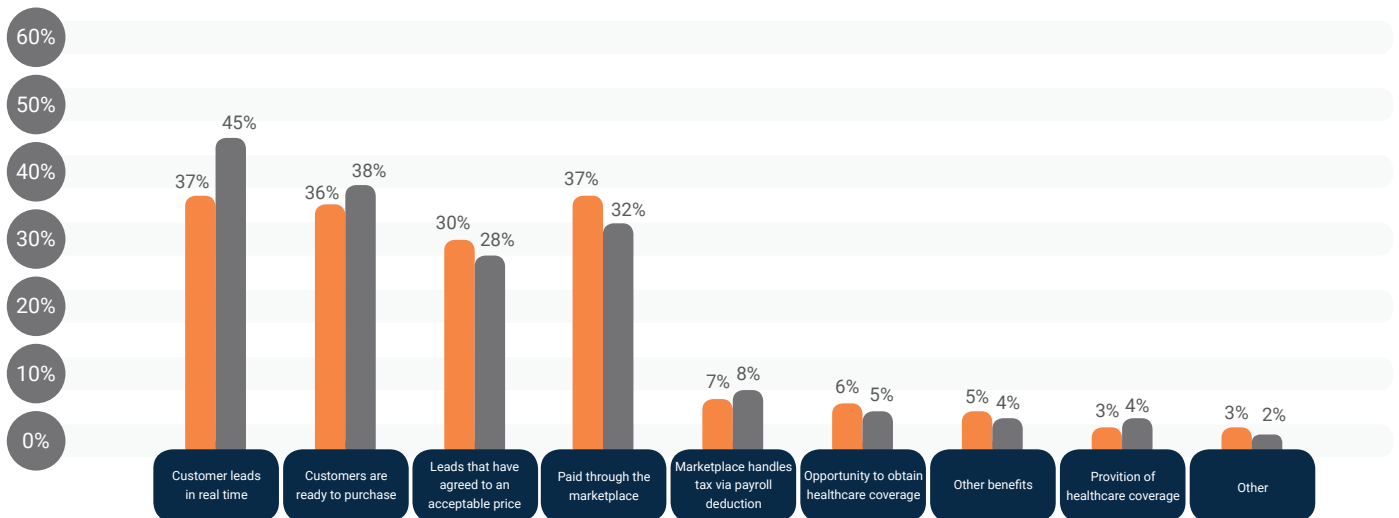
The demographic makeup of the gig economy is quickly evolving, and the digital marketplaces that help connect gig workers to employers are the tailwinds of that change. The key is to understand the value gig workers receive from such online marketplaces, and a look at our Q2 data suggests that finding qualified leads in real time is what matters.

Forty-five percent of our sample's full-time gig workers cited getting real-time customer leads as digital marketplaces' most valuable feature in Q2 2018, up from 37 percent in Q1 2018. This was true not only for those who make gig work their full-time occupation, but also the entities that use marketplaces to fill available gigs.



FIGURE 21 REASONS FOR USING DIGITAL MARKETPLACES
Full-time gig workers' reasons for tapping into digital marketplaces

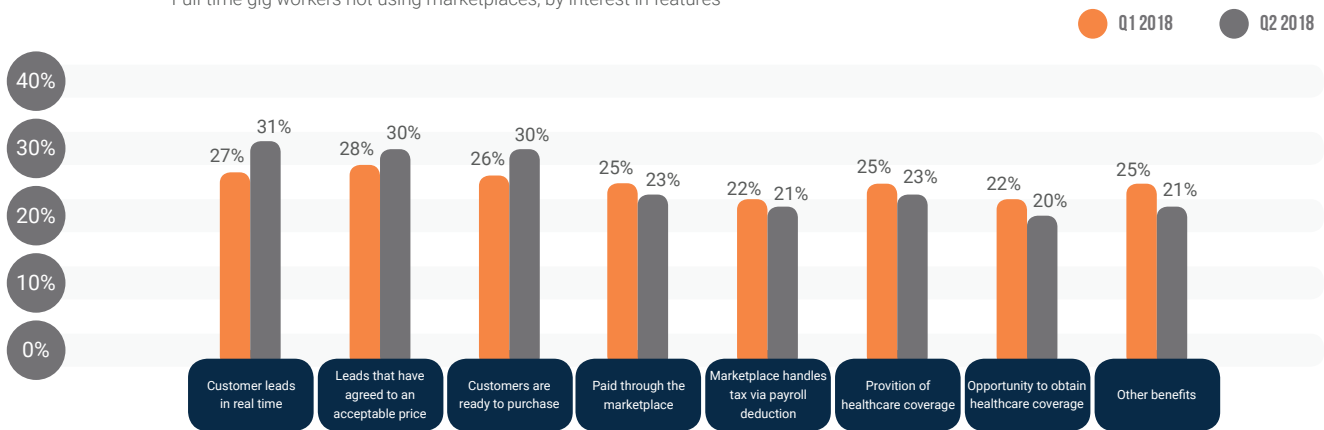
● Q1 2018 ● Q2 2018



Roughly one-third of our surveyed gig workers said getting paid through a marketplace was important. That figure is down slightly from Q1 2018, and a possible reflection of the slight uptick in consumers hiring gig workers last quarter.



FIGURE 22 IMPORTANT FEATURES OF DIGITAL MARKETPLACES
Full-time gig workers not using marketplaces, by interest in features



The same is true for the appeal of a marketplace that offers financial services and employee benefits. Slightly fewer workers desired healthcare coverage or help with handling their taxes. There are many reasons for this, most notably that another member of the household likely has those workplace benefits. The benefit gig workers most value and need is flexibility in earning income to support household bills.

NEW GIG WORKFORCE, NEW GIG MARKETPLACE PRIORITIES

Digital marketplaces' importance appears correlated to the type of work performed and, unsurprisingly, whether gig workers work full time in the gig economy or use platforms to find opportunities outside their full-time employment. They're critical for the former.

Their importance is also indicative of these marketplaces' verticalization. The highest share of full-time gig workers who consider digital marketplaces essential are employed in the personal care and services sector, including nurses, physical therapists and chiropractors. The same holds true for those in the arts, design, entertainment, sports and media professions, or those in transportation, delivery and sales-related jobs – all of whom use marketplaces that give buyers access to a more skill-specific pool of workers.



FIGURE 23 CATEGORIES USING DIGITAL MARKETPLACES
Gig workers using digital marketplaces, by occupation

● FULL-TIME JOB
● DON'T HAVE A FULL-TIME JOB

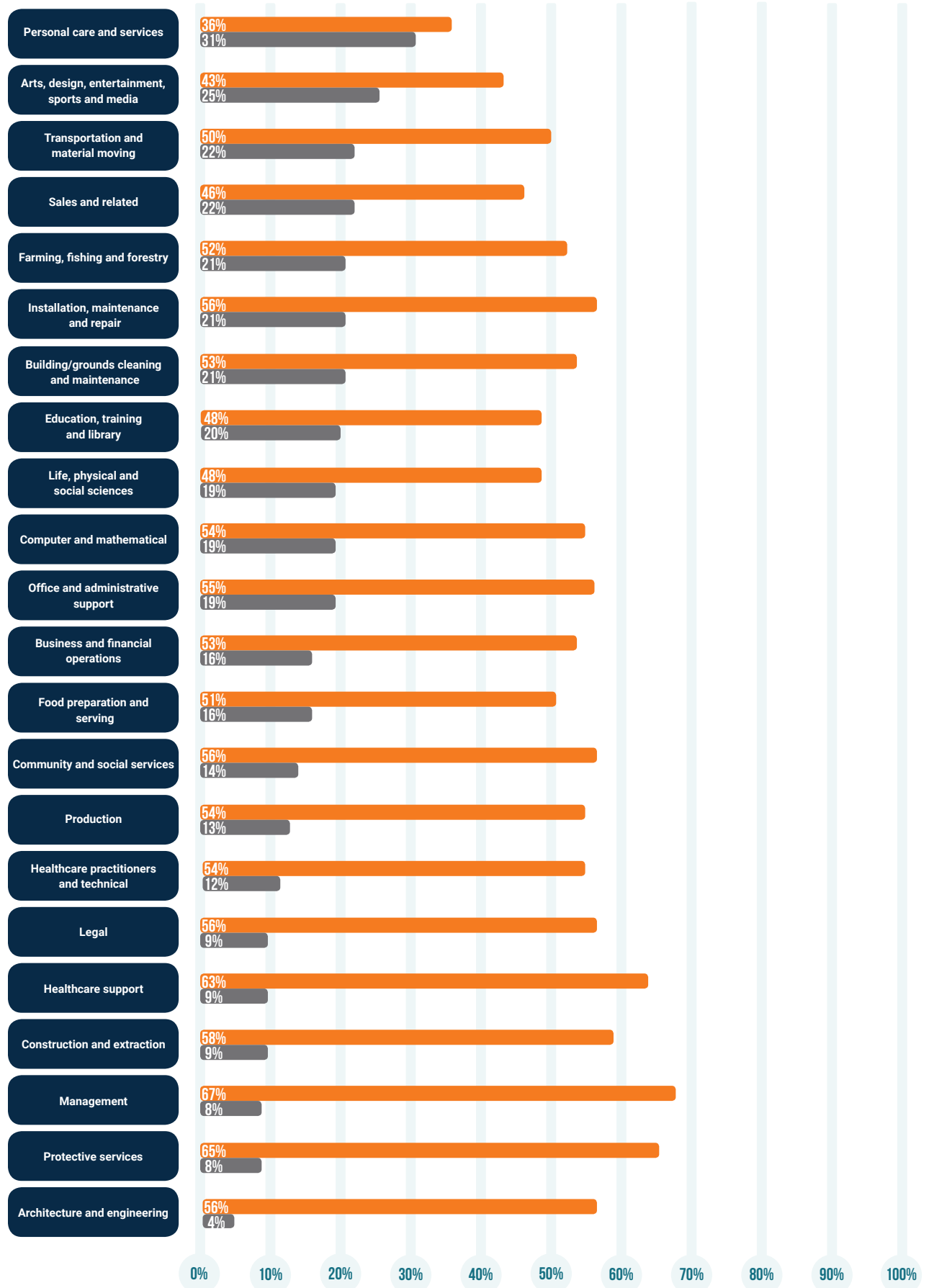
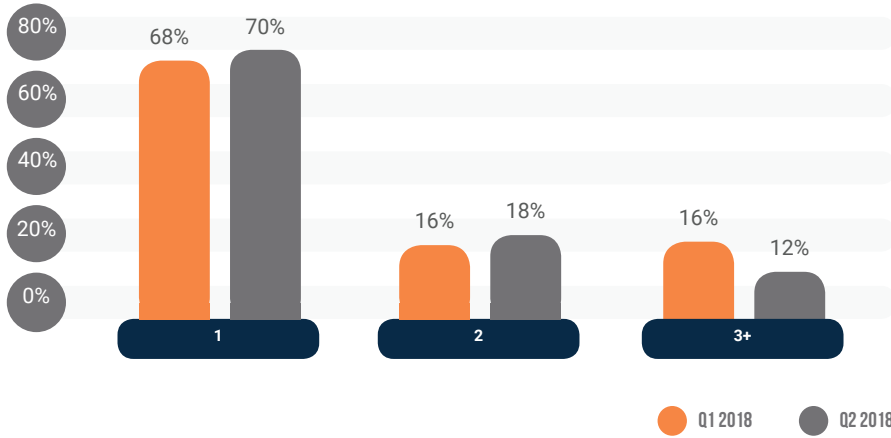


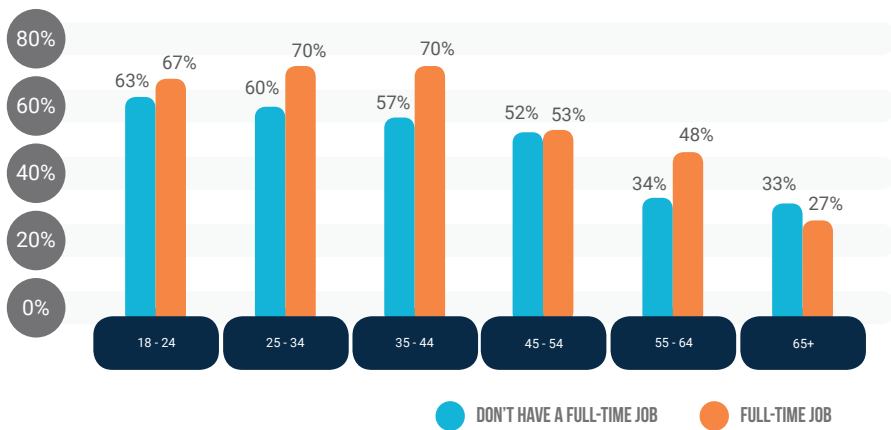
FIGURE 24: FULL-TIME GIG WORKERS' DIGITAL MARKETPLACE USAGE
Number of gig entities used, Q1 2018 vs. Q2 2018



They may be using fewer digital marketplaces, but gig workers both with and without regular jobs are highly active on at least one marketplace.

Digital marketplace usage is also strongly correlated to age. As Figure 25 shows, those aged 44 and younger are more likely to use marketplaces than those over 55. The highest share without a regular job and using marketplaces is between ages 18 and 24 years old.

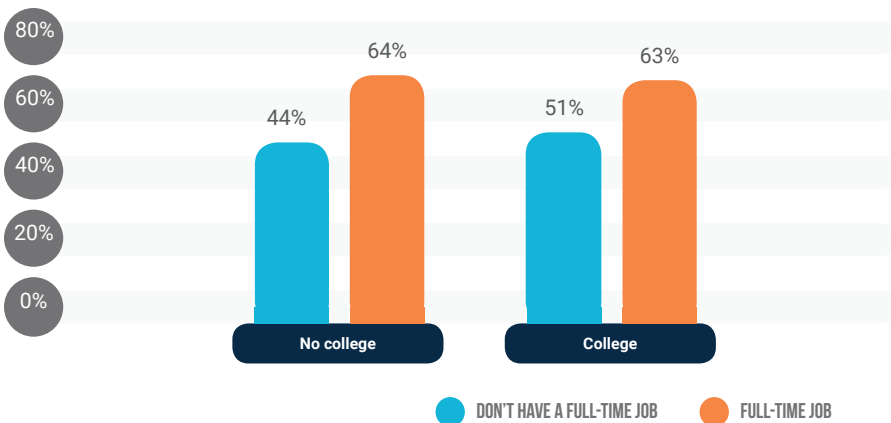
FIGURE 25: IMPACTS ON GIG WORKERS' DIGITAL MARKETPLACE USAGE
Gig workers' digital marketplace usage, by age



As gig workers with regular, full-time jobs get older, their usage of such marketplaces appears to decline. PYMNTS found that 33 percent of those aged 55 to 64 who do not have a regular job are using one compared to 27 percent with a regular full-time job.

Digital marketplaces see higher usage among those without a regular job, regardless of college education levels. This indicates that education is not necessarily a significant factor determining whether a gig worker turns to a digital marketplace to source gigs.

FIGURE 26: IMPACTS ON GIG WORKERS' DIGITAL MARKETPLACE USAGE
Full-time workers' digital marketplace usage, by education



Gig workers' education levels might not move the marketplace usage needle, but income is another story. A look at Figure 27 shows how usage varies by gig worker type. As personal income levels increase among those with regular full-time jobs, so, too, does digital marketplace usage, according to our data.

On the other hand, usage decreases for gig workers without full-time jobs as their income levels grow. Gig workers with regular full-time jobs and earning more than \$150,000 per year are twice as likely to use digital marketplaces as those without regular, full-time jobs.

This indicates that access to digital marketplaces is more important to full-time gig workers who earn less. A large share of these are younger, likely making them more dependent on such platforms to find gig assignments earlier in their careers. Older full-time gig workers earning more than \$150,000 per year are more likely to have established themselves in their respective fields and secured return clients, allowing them to be less dependent on marketplaces for work-related leads.

FIGURE 27 FULL-TIME GIG WORKERS' DIGITAL MARKETPLACE USAGE
Impact of income on marketplace usage, by employment



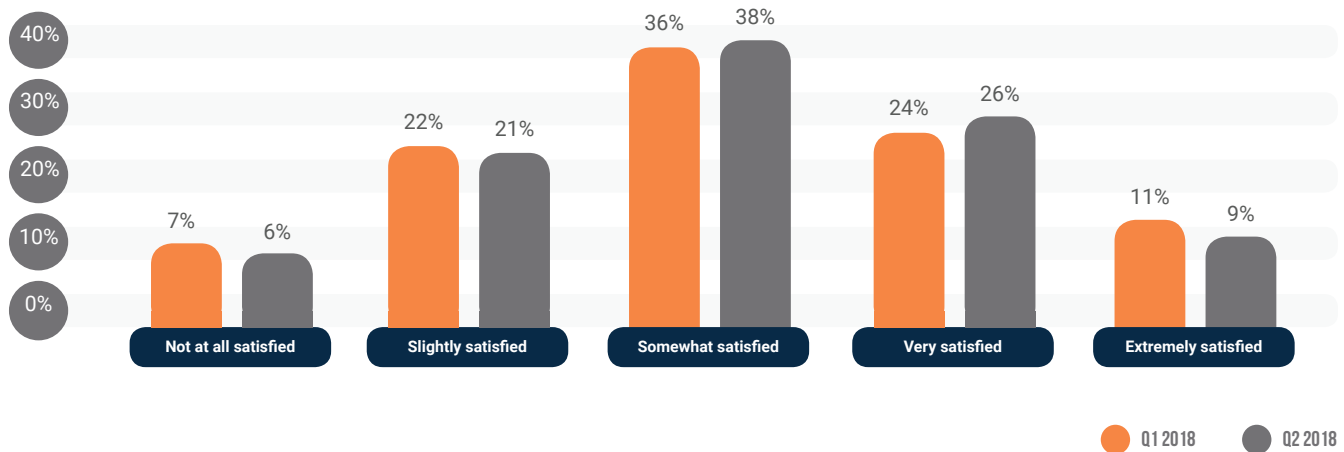
HOW FULL-TIME GIG WORKERS GET PAID

In terms of how full-time gig workers are compensated through digital marketplaces, one method holds a clear lead: PayPal. Fifty-one percent of full-time gig workers identified PayPal as the primary way they were paid for their services, followed by direct deposit. Physical payment methods – cash, checks and credit cards – ranked lowest.

Satisfaction levels with these platforms have largely gone unchanged since Q1 2018. The largest share of gig workers without a regular job said they were “somewhat satisfied” with their digital marketplace payments experiences.

That said, we saw an interesting trend emerge when we looked at workers’ satisfaction with payment methods

FIGURE 28: FULL-TIME GIG WORKERS' SATISFACTION WITH DIGITAL MARKETPLACES
Satisfaction with finding gig jobs through primary digital marketplace, Q1 2018 vs. Q2 2018



as a function of their affinity for the gig lifestyle. Eighty-four percent that like their lifestyle and plan to pursue jobs in the gig economy were “very” or “extremely” satisfied with their payment methods, up slightly from 82 percent in Q1.

Gig workers’ satisfaction with how they are paid seems tied to whether they are engaged in ad-hoc jobs that match their skill sets. Seventy-five percent of those who worked gigs requiring very specific skills reported being “very” or “extremely” satisfied with how they were paid this quarter. In comparison, just 60 percent who worked gigs requiring “somewhat specific” skills reported being as satisfied with their payment methods.

On a broader level, gig workers’ satisfaction with payment methods also tends to vary by profession, as seen in Figure 29. Workers in the installation, maintenance and repair industry were more satisfied with how they were paid than workers in other professions, for example. Eighty-two percent of these gig workers reported being “very” or “extremely” satisfied in Q2 2018, up from 74 percent in Q1.

Workers in the installation, maintenance and repair industry report high satisfaction with their payment methods, a likely result of Amazon Home Services, Handy, TaskRabbit and similar offerings’ recent proliferation. These have not only made it easy for consumers to find help, but also for gig workers to find jobs that match their skill sets – and get paid instantly.

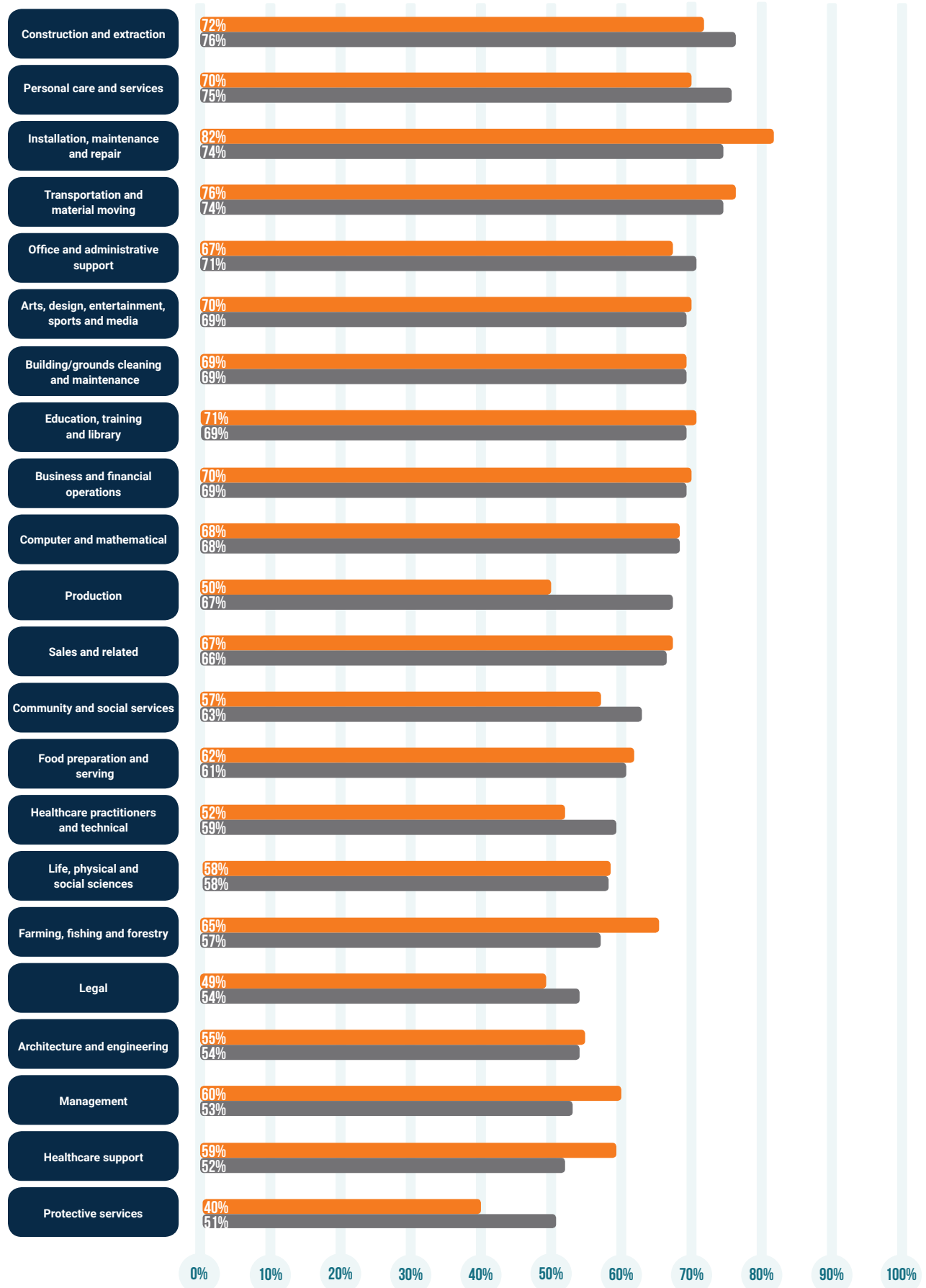


FIGURE 29 GIG WORKERS' SATISFACTION WITH PAYMENT METHODS

Gig workers who report satisfaction with a payment method, by primary gig industry

● Q1 2018

● Q2 2018





FEATURE STORY:

STREAMLINING HIRING WITH GIG WORKERS IN MIND

The internet made applying to jobs easier than ever, but it's also opened the floodgates, forcing employers to sift through hundreds, if not thousands, of applications to find a qualified fit for a position. This process is challenging for employers as well as job seekers, who must do their best to stand out among the competition.

Employers often use an applicant tracking system (ATS) to filter and process these large numbers of applications, utilizing algorithms to quickly [scan](#) resumes and documents for keywords and former job titles. Unfortunately, these algorithms also mean that human eyes never see most online [job applications](#).

This predicament can be especially frustrating for gig workers. They may look for work in their specialized areas as well as fields in which they have little experience, meaning a company's ATS may result in their resumes being overlooked.

Algorithmic hiring solution [tilr](#) is working to redesign the online application ecosystem's foundation for gig workers. PYMNTS spoke with Summer Crenshaw – its chief operating officer, chief marketing officer and co-founder – about what, exactly, is driving the growing

interest in gig work, and how changing the online application process' structure would impact gig professionals in the broader American economy.

What gig workers want from their gigs

A tight labor market, difficult job application processes and greater shifts in professional values are all contributing to gig work's increasing appeal, Crenshaw explained. There's no telling how long it will take to find full-time employment these days, and gig work often suffices as a temporary fix to keep people afloat during the search.

"It can take over 40 days [for a company] to get a new hire in the door, and it could go way longer for a job seeker," she said. "I think that people need a stop-gap. If people need to supplement their incomes, it's helpful to know that there is a way to do it that allows professionals to take control of their destinies."

The option to work gigs while searching for full-time options gives job seekers more flexibility and relieves their financial stresses in the interim. It also allows them a voice in how often they get paid – something Crenshaw has seen firsthand.

Feedback from the tilr community suggests potential employees are now demanding payments more frequently than the standard bi-weekly pay cycle. It was important to launch tilr with the promise of weekly pay, she said, but it didn't take long before members signaled their interest in even shorter cycles.

"Over 90 percent of our community members say they would love to have daily pay," Crenshaw noted.

There is more to the growing appeal of gig work than a tight labor market and tighter belts, however. That growth is also a sign of a wider shift in professional values that transcends both industries and generations.

Professionals who exclusively rely on gigs for their income make up approximately 15 percent of tilr's 30,000 members, but another portion of that community is comprised of full-time professionals seeking work for other reasons — interest in a new field, for example. The group, at large, seemingly shares a common desire for greater control over their careers, though.

"[Control as a priority is] definitely a cross-generational value," Crenshaw said. "It is not a millennial, Gen-X or baby boomer value. Rather, it is a workforce value — and what that value is, is that people want this new control over their daily ability to earn income for their families."

Using skills to match job seekers to employers

Whether an established professional looking for an enjoyable side job or a college graduate hoping to get his foot in the door, gig work can offer a new way for professionals to pursue their chosen paths. That said, Crenshaw recognizes that career paths are not always linear, and that using algorithms to search resumes for

specific titles and keywords can pose a problem.

"[Algorithms] are eliminating so much of the population that could do the job simply [because] they did not have a title," she said. "In the tightest labor market in 40 or 50 years, we have to think about talent differently."

tilr's solution involves shifting the focus away from titles and keywords, instead using algorithms to match professionals to potential employers based on their skill sets. It hopes this will expand an employer's talent pool, helping it find professionals that have not only worked in an industry, but also have the training necessary for the work they will be doing.

"We are agnostic about job titles," Crenshaw explained. "We really don't care if you were a customer service rep or an aerospace engineer. We want to know what skills you have, because we know that there is so much overlap from one company to another company, one type of job to another type of job."

tilr's community members receive background checks and an introductory interview before being admitted to the

community, at which point they can begin applying for jobs. When a "one-to-one" match occurs — with an applicant possessing all the skills required for the position — tilr sends an applicant a job offer via push notification.

"If they accept that job, they get it," Crenshaw said. "That is their job."

Staffing platforms like tilr have the potential to support America's expanding gig economy. They're streamlining and expediting the job search, thereby making gig work more feasible for the average professional.

“
**Over 90 percent
of our community members
say they would love
to have daily pay.**
”

THE CONCLUSION

The gig economy continues to grow year over year, with 33.8 percent of U.S. workers participating in some capacity as of Q2 2018. This labor pool's composition is changing, however, with more workers opting to make gig work their full-time avocation.

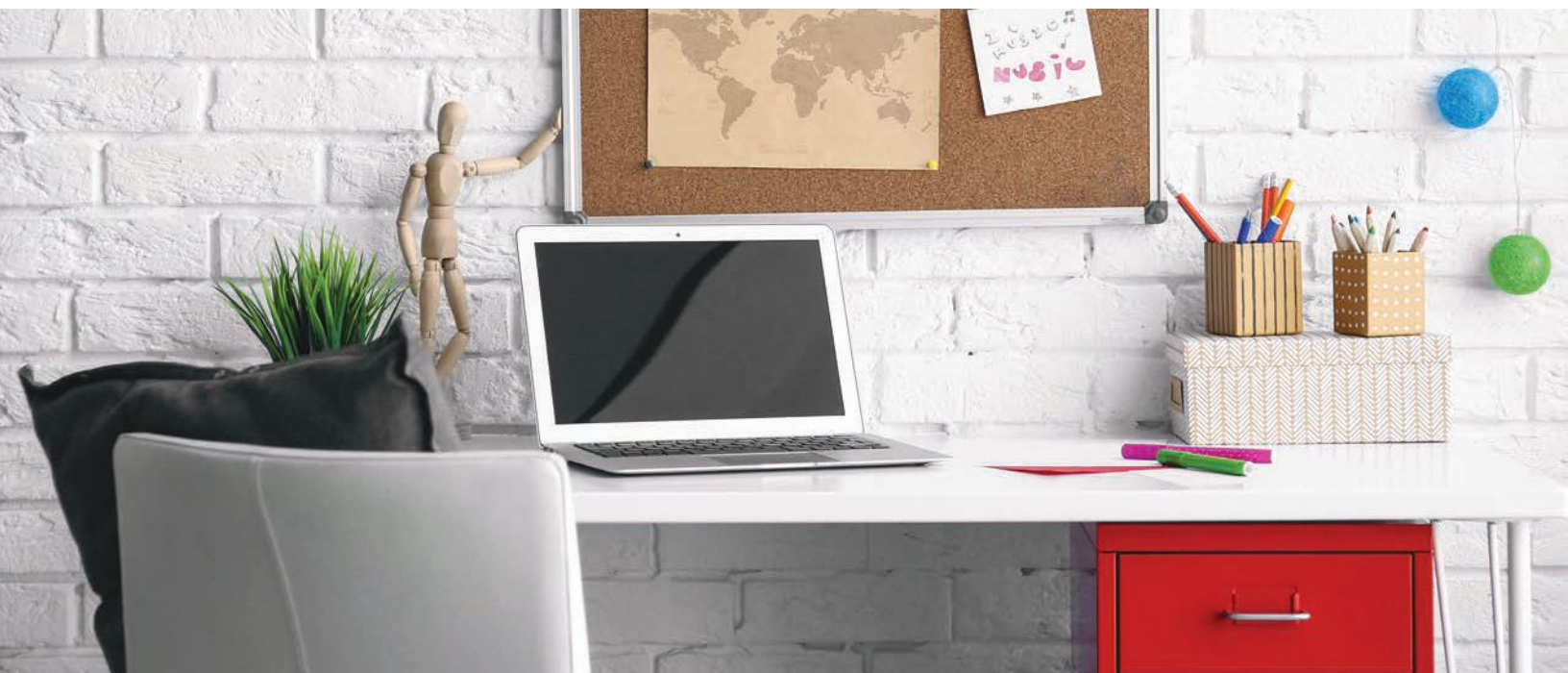
The share who gig as a “side hustle” has declined to less than half the sample for the first time since October 2016 – the quarter in which we began tracking the gig economy – and the share who work gigs without a full- or part-time position with a more traditional employer jumped to nearly one-quarter of it. The combination of a flexible work schedule and the ability to use gig work to pay household bills gives these workers the confidence to make that leap.

Digital marketplaces are also fueling the shift, given their ability to provide gig workers with leads from qualified buyers who need their help and skills. They are becoming increasingly verticalized, too, as evidenced by the increase in gig workers from more rural geographies finding mainstream retail and wholesale gigs, as well as positions in seemingly niche areas like forestry and fishing.

These digital marketplaces have streamlined the ways gig workers find gigs, but using them to receive their pay appears to be a work in process. This, perhaps more than anything else, has the potential to tip current gig workers into more gig work, and more workers into gigs as a full-time profession.

Just 30.5 percent of our sample reported being paid through a digital marketplace. Payment via cash and check dominated this quarter, likely correlated to an increase in consumers hiring for ad-hoc jobs – and paying by legacy payment methods – rather than an overall trend. On the other hand, businesses that hire skilled workers appear to be more likely to use payment methods like direct deposit to pay gig workers engaged in more skilled professions.

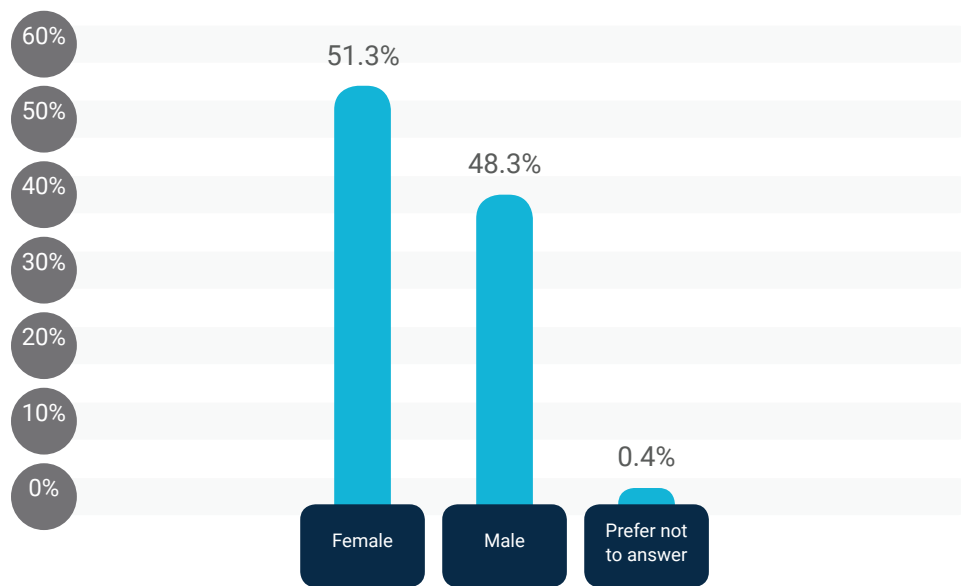
Either way, 84 percent of the gig workers in our sample said they would perform more gigs if they were paid faster. Digital marketplaces that can help gig workers source gigs, find gig workers for employers and also pay workers for their time and efforts could unleash the gig economy's untapped potential.



METHODOLOGY

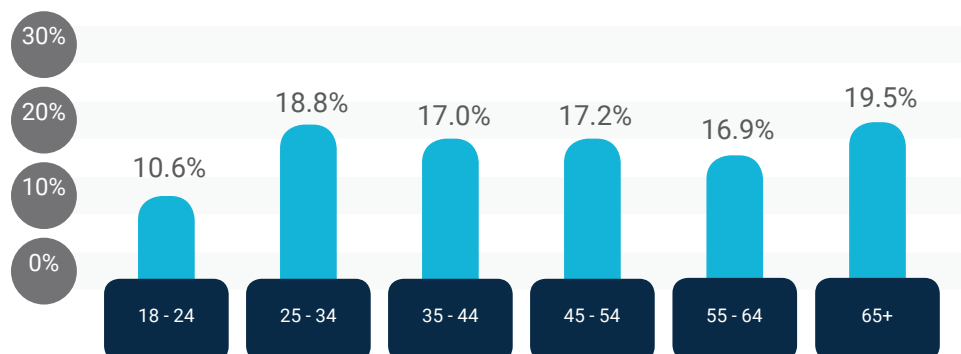
The survey contemplates the responses of 9,991 respondents, 65 percent of whom do not work in the gig economy and 35 percent who are now working – or have worked – in the gig economy in the past year. We divided respondents into two groups: gig workers and non-gig workers. Fifty-one percent of the respondents were women and 48 percent were men.

FIGURE 30 TOTAL RESPONDENTS
Breakdown: respondents, by gender



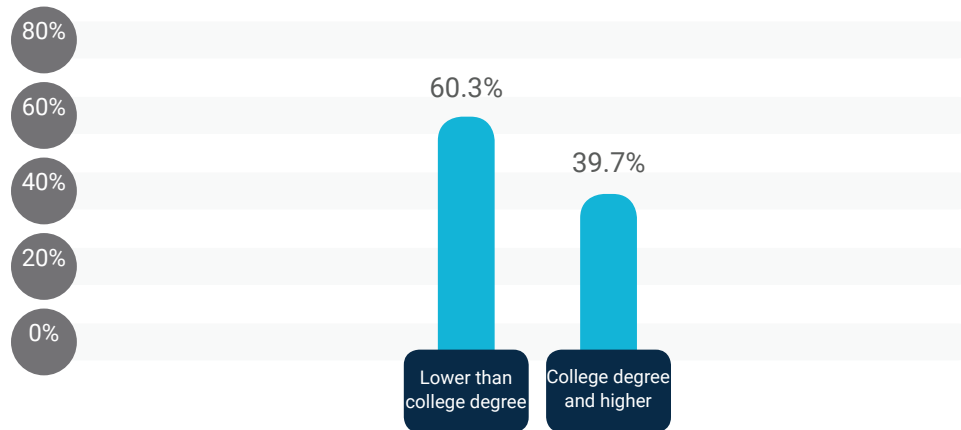
Almost 11 percent of respondents were between 18 and 24 years of age, and nearly 20 percent, the highest share of our sample, are over 65.

FIGURE 31 TOTAL RESPONDENTS
Breakdown: respondents, by age



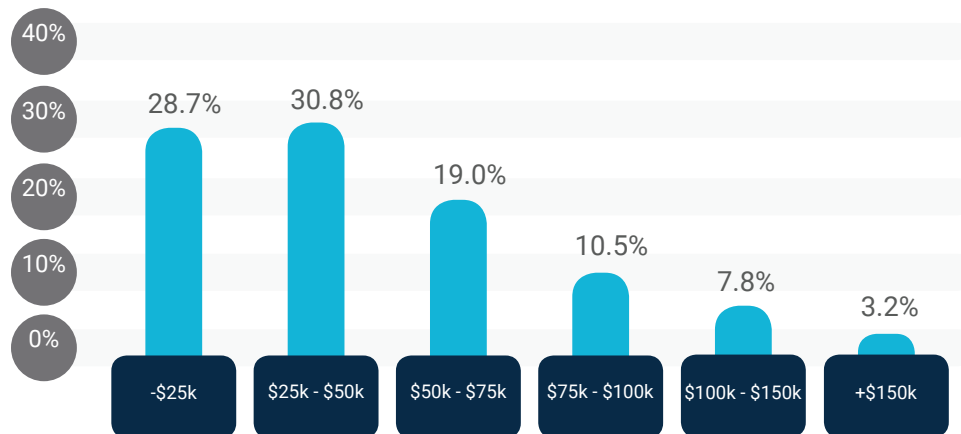
Less educated people represent a very high proportion of our respondents. Nearly 40 percent held graduate degrees or higher education.

FIGURE 32 TOTAL RESPONDENTS
Breakdown: respondents, by education levels



Our sample was mainly concentrated among middle to low income households.

FIGURE 33 TOTAL RESPONDENTS
Breakdown: respondents, by household income



ABOUT



Hyperwallet's payout platform provides growing organizations with a frictionless, transparent and reliable way to manage payments and enhance the payee's experience anywhere in the world. Trusted by enterprise, ecommerce, and on-demand platforms, Hyperwallet makes it easy to pay up to 7 billion people in a singular payment environment. Put your payees in control with enhanced financial management tools, integrated payment tracking technology, and user-friendly compliance and identity verification. Hyperwallet has offices in San Francisco, Austin, London and Vancouver. You can learn more at www.hyperwallet.com.

PYMNTS.com

PYMNTS.com is where the best minds and the best content meet on the web to learn about "What's Next" in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

Feedback

We are interested in your feedback on this report and where we take it over time. Please send your thoughts, comments or questions to gigeconomy@pymnts.com.

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