

GIG ECONOMY

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WorkGenius on how
**COVID-19 WILL CHANGE
THE GIG ECONOMY'S
FUTURE**

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Instacart, Walmart Grocery see
record app downloads in March

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How the COVID-19 pandemic is
exposing freelancer benefit gaps

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ACKNOWLEDGMENT

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WHAT'S INSIDE

Many gig economy participants have been considered essential workers during the COVID-19 pandemic. Restaurant workers, grocery clerks, delivery drivers and those working in fulfillment centers are keeping the world running by helping consumers gain access to groceries, medicines and other necessary supplies. Delivery-focused platforms have thus [increased](#) hiring as stay-at-home orders become the new normal. That trend could continue long after the pandemic's end, too, as consumers grow accustomed to the convenience of having what they need delivered to their doorsteps.

Gig workers in the United States [contributed](#) an annual \$1.4 trillion in earnings to the economy before the virus forced world governments to implement social distancing protocols. The resulting bottom line impacts have pushed companies to reevaluate their financial strategies to weather production and sales downturns and reexamine staffing practices to deliver what clients expect in a largely remote environment. Some are turning to freelance professionals to supplement the work that full-time employees are completing from home, enabling smooth daily operations while sticking to stricter budgets.

It will be a while before anyone can gauge the virus's long-term effects on freelancers, however, especially as those in some industries have seen their opportunities decline

since the outbreak. The pandemic has also highlighted traditional gig work frictions, including those concerning health benefits and payments. Payments processes heavily involve checks and invoices, which cause delays, and health benefits access can be complicated because freelancers are often [responsible](#) for their policies' costs.

It is difficult for gig workers to track down late payments from clients or find new work: 60 percent of freelancers still [rely](#) on word-of-mouth marketing to find jobs, but stay-at-home orders have restricted the client pool, even for those used to finding work remotely. It is thus important that firms that want to connect to freelancers examine both the pandemic's short-term effects on the gig economy and how international regulators are addressing them.

AROUND THE GIG ECONOMY PAYMENTS WORLD

The COVID-19 pandemic has had a massive impact on how consumers work and complete everyday tasks like banking or shopping, with many using digital offerings to protect their health. Independent grocery apps saw record downloads in March as the number of individuals in the U.S. using mobile grocery services climbed. Larger chains, including Walmart, also [saw](#) their app downloads



rise, and the case was the same for third-party services like Instacart, as delivery requests increased following the virus's outbreak. The long-term impacts of such downloads could be significant for associated gig workers, as the ease and convenience of delivered necessities may prompt consumers to keep using such services after the pandemic has passed.

Regulatory shifts have continued in other markets – independent of the COVID-19 outbreak – further complicating the gig economy's future. France's regulators have ruled on different freelance groups' employment statuses, with its highest court of appeals, la Cour de Cassation, [upholding](#) a decision finding that Uber drivers could not be considered independent contractors because the company sets their payment rates. This could lead to rapid changes in how they are paid for their rides as well as shifts to working relationships among the country's other gig services.

Several platforms were also introducing new gig economy features prior to the outbreak, some in response to workers' demands for faster payments. Freelance administrative solutions service UnderPinned and ad hoc solutions provider Banked have [developed](#) a feature for real-time payments, for example. The solution is tied into UnderPinned's Virtual Office platform, which helps freelancers track their bills and invoices. Adding payments to the solution will allow gig workers to access most of their freelancing-related financial and professional information in one place, cutting down on payment and invoice frictions.

For more on these and other gig economy headlines, check out the Tracker's News and Trends section (p. 11).

HOW THE PANDEMIC IS IMPACTING BUSINESS OPERATIONS

COVID-19 has heavily impacted how businesses safely conduct operations but has not changed that most companies still have work that needs to be completed. Governments' stay-at-home and quarantine orders have restricted companies that have lengthy hiring and onboarding processes for full-time workers, which can complicate project completion — especially if firms are short-staffed, overwhelmed or working with reduced budgets. This opens doors for freelancers, according to Marlon Litz-Rosenzweig, co-founder and CEO of freelancer platform [WorkGenius](#). For this month's Feature Story (p. 7), Litz-Rosenzweig discussed COVID-19's impacts and how the outbreak could push companies to reconsider their gig economy relationships.

DEEP DIVE: COVID-19 AND ITS EFFECTS ON GIG ECONOMY BENEFITS, HEALTHCARE

The COVID-19 outbreak might have a few positive effects on the gig economy, including advancing the discussion about sick pay, health insurance and other work-related benefits for freelancers. Gig workers like delivery personnel have seen demand for their services increase during the virus, but the nature of their work means they are often most at risk and may not be eligible for unemployment benefits. This could be changing, however, as U.S. lawmakers [included](#) support for self-employed individuals in a stimulus package signed into law in late March. The move could have wide-sweeping implications for how these benefits are treated in the future, including how healthcare for part-time workers is handled. This month's Deep Dive (p. 16) examines the ways the pandemic has impacted freelancers and society's relationship with the gig economy, and it describes how to better prepare for potential future disruptions.

EXECUTIVE INSIGHT

How has the ongoing COVID-19 pandemic impacted gig workers' payment preferences? How can platforms meet their needs?

"The population of gig workers [on] a platform may grow or shrink wildly in these uncertain times. Providers are going to hustle from one service to another to make ends meet. The speed and reliability of payments are the keys to weathering the storm in the COVID-19 era.

Gig workers cannot function and will leave marketplace platforms if they are not being appropriately compensated. You cannot expect to pay them net 30 as you would a traditional supply chain. Payments have to be more frequent. Partner onboarding is also critical at the same time. Seamless, self-service processes to bring on new gig workers — including capturing tax and payment details — is mission-critical in terms of payment processing. You cannot have your staff doing it. That process is not only insecure, but it also opens up organizations to risks, payment errors and manual effort costs. Finance teams are not customer support desks.

Manual onboarding also adds risks for finance workforces that are working from home by putting them too close to the personal and banking data of gig workers. It is time for organizations to abandon paper checks if they are still using them, finally. No one wants physical payments at this point, and drafting paper checks is itself a complexity. Only electronic payments like PayPal or direct bank transfers ... should be a part of the remittance process."

TODD MCGUIRE,
general manager of supplier success for [Tipalti](#)

FIVE

FAST FACTS

\$1.4T

Amount U.S. freelancers contribute in earnings to the country's economy annually



60%

Share of freelancers who are still finding work through word-of-mouth marketing



54%

Share of New Jersey residents that believe freelancers should be classified as independent contractors



80%

Portion of companies that now rely on a mix of full-time and freelance employees

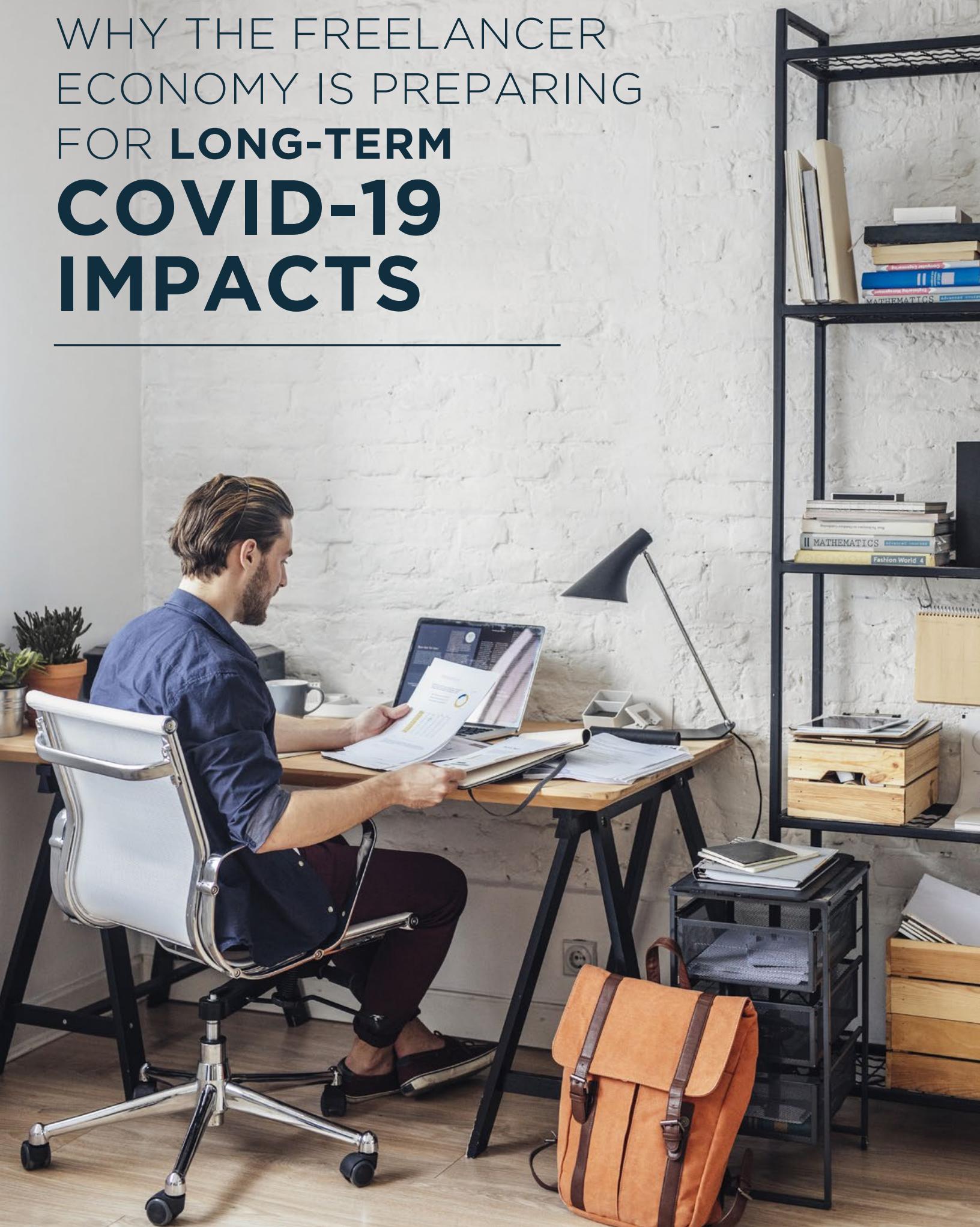


\$470B

Approximate value of the Chinese sharing economy in 2019



WHY THE FREELANCER ECONOMY IS PREPARING FOR **LONG-TERM** **COVID-19** **IMPACTS**



FEATURE

STORY

The COVID-19 pandemic has hit freelance and full-time workers hard. Concerns about financial stability, job security and when or if workers will [receive](#) their next paychecks remain high for all personnel, including those in nonessential or newer roles and gig workers with less-regular incomes.

The gig economy is huge, encompassing rideshare drivers, freelance photographers, self-employed business owners and many other participants – and the virus's short-term effects have proven equally diverse. Those who have found work have reported that clients are asking to [slash](#) rates, for example, and some contractors are chasing down late payments.

COVID-19's long-term freelancing impacts could be much different than those arising in the short-term, however. The outbreak is revealing how integral gig workers already are, Marlon Litz-Rosenzweig, co-founder and CEO of online freelance hiring platform [WorkGenius](#), noted in a recent interview with PYMNTS. Essential workers in the U.S. include freelance delivery drivers, order fulfillment workers and grocery clerks, who are all helping get necessary items to consumers and ensuring families can weather stay-at-home directives and quarantines.

More traditional companies that have had to switch to remote operations may also be turning to freelancers as

they find themselves working with tighter budgets and potentially with fewer team members following bottom line-saving measures like layoffs. These factors could lead to a future in which the remote, freelance model is more attractive to firms, Litz-Rosenzweig explained.

"With COVID-19, [our company has seen] more demand than ever," he said. "Companies are shifting to remote workforce models, and they are realizing that, 'Oh, for a lot of the work we thought we needed people on premises. We don't really need people on premises.'"

He believes that shift will last well past the stay-at-home period that COVID-19 has brought about, and that freelancers could find more opportunities as companies search for talent without taking location into account. Regularly hiring freelancers will require shifts in how these entities find, work with and pay contractors, however, and may lead to a rise in online freelance platforms' importance.



DEBATING FREELANCING'S FUTURE

The COVID-19 pandemic's influence will likely not result in companies replacing full-time workers with gig economy participants, but it may create an atmosphere in which firms' freelancer awareness increases and gig opportunities rise. Figuring out how that would look means examining the virus's short-term impacts, as not all workers are seeing professional disruptions. One effect has been the same for both freelancers and full-time employees, however: Social distancing and stay-at-home protocols have decreased the number of workers on-site.

"When people are saying, 'Oh, the freelance world is getting harmed [by COVID-19],' they are probably referring to on-premises gig work, which is like Uber and Lyft ... or maybe hospitality gig work," Rosenzweig said. "On-premises work is currently on hold, where everything needs to shift remotely, [but] you still need to get the work done."

The virus's outbreak has not changed companies' necessary tasks, but it may have reduced the time frames and resources firms have to complete them. Some companies may be stretched due to costs from shuttering physical storefronts or sick employees' healthcare expenses, making it difficult to hire on additional full-time workers to keep operations running as normal.

Collaborating with freelancers could provide a solution by giving firms access to talented pinch hitters who can help complete projects without requiring companies to allocate funds for salaries and benefits. It may also help them realize certain roles may be better suited to freelancers, Litz-Rosenzweig argued.

"[Companies] are realizing that being on payroll and being [in-office] for certain functions is not necessary, and I think now they have started to sort of embrace the freelance world a little bit more," he said. "Then they turn to a [freelance staffing] company ... that really provides the

technology to make that experience seamless, because if you are trying to do manual freelancing as a company you incur so much overhead.”

Companies invest approximately 11 hours for every 40 hours of freelance work they purchase when hiring internally, Litz-Rosenzweig said. Removing friction from hiring is thus key to creating the experiences companies confronting COVID-19-related budgetary constraints are looking to find – and a main reason they are using marketplaces.

“Companies [may have] stopped hiring because you cannot have anybody start on-premises, which makes sense,” Litz-Rosenzweig explained. “All you can do is do remote work, so instead of hiring new people and ... turning to staffing firms, [companies] now need to find freelancers [who] do that type of work for [them]. ... We think that change is here to stay. It will get entrenched.”

Companies looking to hire gig workers are utilizing online aggregation platforms during the outbreak, as are freelancers searching for more work. These platforms may occupy a greater role in the gig economy after COVID-19, meaning such solutions may see more competition over time.

FUTURE FREELANCE PLATFORMS

WorkGenius is one of numerous marketplaces pairing companies with talent, employing algorithms to match its approximately 400,000 freelancers with appropriate jobs. Workers build up their profiles by completing simple jobs in their fields, and their opportunities increase with their experience,

Litz-Rosenzweig said. This allows all parties more visibility into skill and experience, which is critical for quick onboarding.

Companies can attract top talent by making sure payments are as quick and easy as possible. WorkGenius has automated that process to keep its contractors coming back. Workers are paid in their local currencies through a partner 24 hours after projects are completed, removing the frictions involved in waiting for or tracking down late payments. Such moves could prove crucial to onboarding and retaining talent, especially as gig workers’ financial stabilities are more in flux during the pandemic.

The COVID-19 pandemic is still in full gear and predictions about its effects will likely continue over the next several months. Freelancers may offer flexibility and beneficial services to firms during this period, but an increase in opportunities also means competition among top talent is on the rise. Easy communication tools, online support and payments are as critical for companies seeking out talent as they are for the freelancers they hire. These firms will need to keep all these factors in mind regardless of the outbreak’s long-term impacts on the gig economy space.

NEWS & TRENDS

RESPONDING TO COVID-19

GROCERY APPS SEE RECORD DOWNLOADS AMID PANDEMIC

The COVID-19 pandemic is keeping many consumers self-isolating in or working from their homes, causing a surge in mobile app and online orders. This includes groceries, prepared meals or other essentials purchased through platforms like Instacart, Shipt and Walmart Grocery, which are experiencing download spikes and encouraging more ad hoc delivery drivers to pick up shifts and orders. A new [report](#) compared February and March mobile app downloads for these companies, finding that Instacart's downloads had increased 218 percent month-to-month. Shipt and Walmart Grocery saw downloads grow 124 percent and 160 percent, respectively, with the latter reporting 54,000 downloads on March 15 alone.

These numbers indicate consumers may be relying on the gig economy to bring essential items to their doorsteps during the pandemic. The downloads also show how receptive U.S. consumers have become to mobile solutions for daily tasks such as grocery shopping. COVID-19 has [brought](#) delivery drivers' health and wellbeing into the spotlight, too – an important topic, as such workers continue to fulfill necessary orders for communities around the U.S. despite the risks.

COVID-19 SHINES SPOTLIGHT ON THE NEW FREELANCER NORMAL

Online delivery is just one area in which gig economy workers have proven essential during the pandemic. Independent contractors' roles are shifting as many companies have stalled hiring processes but still need to find individuals to complete short-term projects. Freelancers are ideal to give businesses this helping hand, Mynul Khan, CEO of online freelancer matching service Field Nation, said in a recent [interview](#) with PYMNTS. Eighty percent of firms now rely on a mixed workforce of full-time and contract employees to complete their projects, and freelancers can be more flexibly onboarded, saving on overhead costs and providing convenient job sourcing, he said. Such relationships can be managed on digital communication platforms, too, meaning disruptions like the COVID-19 pandemic will not ruin projects' flows.

GIG COMPANIES RESPOND TO WORKERS' PAYMENT FEARS

Contractors who are unable to work during the pandemic have concerns about outstanding bills and payments as well as worries about health, but gig economy platforms seem to be trying to assuage these financial fears. Amazon and Uber both [released](#) statements to soothe workers' concerns. The latter has [promised](#) to give

quarantined drivers up to two weeks of sick pay as long as they can provide proper medical documentation, and the former has promised not to dock attendance points for warehouse workers that cannot make shifts because of the virus. Food delivery services DoorDash and Instacart have made similar pledges, as has rideshare platform Lyft.

Several companies are also crowdsourcing funds for contractors who need to pay outstanding medical bills during the outbreak, allowing other workers or third parties to support these freelancers. Such actions are meant to stave off future financial troubles, but they are largely directed toward those with confirmed symptoms or who

have come into contact with the virus. Those who are healthy thus have to choose between paying their bills or stopping work entirely to avoid the virus.

COVID-19 DEVELOPMENTS LEAD TO AB5 DEBATES

Gig economy platforms' decisions to offer sick leave, promote crowdfunding efforts and more are also sparking debate over freelancers' legal statuses. This is most notable in California, where firms are still responding to Assembly Bill 5 (AB5), the gig economy bill, which could designate freelancers on platforms like Lyft and Uber as employees. The bill outlined several factors differentiating contractors from employees, including their lack of access to benefits, and defined how many times they could submit to online publications while still being classified as independent contractors.

Platforms that have introduced sick pay in response to the COVID-19 pandemic have [added](#) another layer to this debate. California attorneys are arguing the move shows that gig workers should be granted employee status. Firms are sticking with their arguments that these individuals are contractors, however, with rideshare firms stating that drivers are private workers who use their platforms to find freelance opportunities. AB5 officially came into effect on Jan. 1, and DoorDash, Instacart, Lyft and others are teaming up on a California ballot measure that would change the law. It will be voted on in November and designate some wage protections for gig workers, but full medical insurance coverage would not be guaranteed. Regulators in New York and New Jersey are also debating regulatory shifts to separate freelance and full-time workers. Fifty-four percent of New Jersey residents believe gig workers should be [viewed](#) as independent contractors under the law, according to one recent survey, which



suggests that the need for a transparent legal distinction between these two groups is still high.

INDUSTRY DEVELOPMENTS

THIRD SUMMIT ACQUIRES VIDEO FREELANCER PLATFORM BLIS

Advertising and digital media agency Third Summit is looking to take a larger role in the gig economy with its recent [acquisition](#) of online and mobile platform Blis for an undisclosed amount. The latter service connects freelancers – typically those with online design or video skills – with businesses. Third Summit plans to support Blis as an independently branded solution before eventually moving Blis freelancers and firms to its Alteon Community platform. Cloud technology will help eliminate some of ad hoc hiring's frictions, like worker authentication, according to a recent press release, and the company plans to add a payments feature, Alteon Pay, to its Alteon Community platform. The solution will help the two platforms' 4.1 million U.S. freelancers more quickly access funds.

GRAB LAUNCHES BENEFITS PROGRAM FOR DRIVERS

Freelancers are also searching for more support from the platforms with which they work, and payments is just one aspect that may prevent them from moving to competitors' platforms. Rideshare firm Grab is looking to keep its Malaysian drivers loyal by [introducing](#) GrabBenefits, a rewards program that promotes savings and helps with fuel and health expenses. The program is available to all of its drivers and includes extensions on other GrabBenefits, including fuel rebates of up to approximately \$5 per month. That amount has been raised to just over \$8 per month but only applies to PETRONAS gas stations.



GrabBenefits includes similar cashback and rebate systems for healthcare costs as well as discounts on items like new tires or oil changes to help drivers maintain their cars. The firm is hoping these additions will bolster drivers' loyalties, as ridesharing remains one of the more competitive areas of the gig economy.

MANCHESTER DEVELOPS GIG ECONOMY INNOVATION PROGRAM

The United Kingdom is another region in which many are looking to provide further gig economy benefits, including support for individuals who may want to launch self-owned businesses. Andy Burnham, mayor of Greater Manchester, recently [opened](#) EnterprisingYou, an entrepreneurship program for self-employed or gig economy workers looking to create new products or companies. Approximately 18,000 workers currently fall under these categories, according to city officials. EnterprisingYou will look to support 2,500 of these individuals, a press



release noted, and candidates must have participated in the gig economy for at least six months and have incomes below approximately \$31,000. Those who are accepted will gain access to one-on-one sessions with mentors as well as tools for financial coaching. Greater Manchester hopes it will see economic benefits such as an uptick in overall spending and business investment by driving these businesses' development.

PAYMENT AND WORK TRENDS

FRENCH COURT CONFIRMS RULING CLASSIFYING UBER DRIVERS AS EMPLOYEES

Payments remain a top concern for freelancers in multiple countries, especially as regulators in Canada, France and the U.S. debate changes to gig economy benefits and taxes. France's top court of appeals, la Cour de Cassation, has [upheld](#) a ruling that categorized Uber drivers as employees rather than private contractors. This decision could change how the rideshare firm operates in the country, as employees are entitled to medical, vacation and other benefits not given to contractors. The court decided that drivers did not

count as contractors for several reasons, notably because they cannot set their own prices or grow their own client bases, which freelance artists, coders and other contractors can do.

France-based Uber drivers may be able to reclassify themselves as employees under this ruling, which has wide-sweeping financial and tax implications for the company. Taxes for freelancers and employees are distinctly different, with companies paying more for employees than for contractors. The ruling thus means Uber may wind up paying a greater share of company taxes for its contractors-turned-employees.

CANADIAN BOARD RULES ON FOODERA COURIERS

Regulators in Canada are following France's lead when categorizing its gig workers. The Ontario Labour Relations Board (OLRB) recently [ruled](#) that couriers working for food delivery application Foodera are dependent contractors rather than independent contractors who have more flexibility over their work and payments. Foodera is an online food delivery platform that operates like DoorDash or Seamless, with drivers signing up and making deliveries, and Canada's decision to view these drivers as dependent contractors was fueled by the fact that drivers could not decide their own rates – similar to France's Uber ruling.

The OLRB decision could represent significant shifts for the platform's couriers, who can now form unions, for example. These workers voted on whether to join the Canadian Union of Postal Workers (CUPW) in August 2019, but the final decision hinged on their legal employment status. The new ruling could even enable them to create their own union, which could encourage gig workers in other countries to consider creating such organizations.

EUROPEAN COMMISSIONER EXPRESSES SUPPORT FOR GIG WORKERS

Self-employed workers' benefits and roles are popular topics among lawmakers in Europe as well. Margrethe Vestager, the commissioner for competition, recently [voiced](#) support for freelancers seeking better wages and benefits. She believes these workers are often disadvantaged when negotiating with larger companies and finds tools and support systems that enable fair discussions between the two parties to be important.

The European Commission has not yet changed the rules preventing freelancers from organizing in the European Union, but Vestager's comments could indicate that the commission and other regulators are shifting their perceptions of the industry. Several EU regulations restrict how gig workers can lobby for changes, including banning them from asking for increased wages from platforms like DoorDash or Lyft. The commission will continue to discuss potential updates to gig worker benefits throughout 2020.

UNDERPINNED, BANKED PARTNER ON FREELANCER PAYMENTS

Freelancer administrative service platform UnderPinned is also responding to changing gig worker needs, including their demands for faster payments. The company will be [working](#) with ad hoc solutions provider Banked to create a real-time system that will enable workers to receive their wages in as little as 30 seconds. The solution will be grafted into UnderPinned's Virtual Office platform, which allows freelancers to find work and manage their existing projects by taking notes, designating tasks and creating invoices.

The service makes invoicing more streamlined to ensure payments are finalized with ease, according to Albert Azis-Clauson, founder and CEO of UnderPinned. He added that should also enable both platforms to keep better pace

with the growing number of individuals participating in freelance work.

FREELANCERS STILL RELY ON WORD-OF-MOUTH MARKETING TO FIND WORK

Easy access to payments remains critical for gig workers, but finding work is their main challenge, according to one recent [survey](#). Thirty-eight percent of freelancers reported that sourcing jobs and connecting with new clients was their top issue, compared to 15 percent who selected getting paid on time. Sixty percent also reported that word-of-mouth marketing was the primary way they found freelance work, despite the rise in online platforms capable of connecting them with businesses. This represents a key opportunity for services looking to appeal to the growing freelancer population. Enabling digital freelancer-employer connections could eliminate the stress involved in finding projects and developing relationships, which may encourage contractors to stay loyal to one platform over another.



DEEP DIVE

How COVID-19 Is **SHINING A LIGHT ON THE GIG ECONOMY'S IMPORTANCE**

Full-time and gig workers alike have felt the COVID-19 pandemic's impacts, even if just in the strain of moving their workspaces from office buildings to their homes. Others have seen more striking developments, with some employees [facing](#) furloughs as companies adjust their budgets and delivery drivers [choosing](#) between picking up shifts that might expose them to the virus or going without money to pay their bills.

The uncertainty of how stay-at-home and quarantine orders will impact freelancers has had a curious side effect: Regulators, companies and workers in multiple countries – including Germany and the U.S. – are now [discussing](#) how best to [protect](#) gig economy participants. Doing so has also increased awareness as to how large the economy has grown. One [study](#) predicts such workers will comprise half of the American workforce by 2028, for example, and the amount of money they earn grows every year. Other countries have seen similar jumps, with

the value of the Chinese sharing economy [reaching](#) \$470 billion in 2019, for example.

France, the U.K. and the U.S. were already creating laws to accommodate their rising freelancer populations' economic and financial needs prior to the COVID-19 outbreak. Each of these countries is now looking at how independent contractors and full-time employees are treated within their laws, as well as examining payment, tax and medical benefit questions. The virus may speed lawmakers' decision-making processes regarding which protections they will grant freelancers. A recently passed U.S. stimulus bill [includes](#) broad unemployment protections [under](#) its Pandemic Unemployment Assistance program, for example, while the U.K. has agreed to pay its freelancers or self-employed individuals a grant worth 80 percent of their typical monthly incomes to minimize their current financial stresses. Freelancers in France can [apply](#) for similar grants and tax exemptions, and several

of the country's organizations have also announced financial programs for workers such as musicians, performers and visual artists.

These countries are all responding to COVID-19 in ways designed to ease stress among gig workers. Understanding what the pandemic has revealed about the current state of the gig economy and how the virus may be affecting its workers will be critical to rolling out regulations and freelancing's future.

COVID-19'S IMPACT ON FREELANCER OPPORTUNITIES

The range of pre-virus debates concerning gig workers' health, finances and employment statuses prove perceptions have been changing for a while, but COVID-19's spread appears to have highlighted just how impactful freelancing has become. Knowing 57 million Americans work in the gig economy is one thing, but recognizing that many of them [count](#) among the essential workers keeping grocery stores, deliveries and supply chains moving is another.

Recognizing how large and varied this economy has become is key to understanding why the pandemic has affected some freelancers more than others. Food couriers, part-time grocery clerks and truck drivers are [seeing](#) more demand for their services and are thus most at risk of being medically or financially impacted by COVID-19. Job postings for mobile delivery platform couriers jumped 78 percent in March, according to one [report](#), and eCommerce company Amazon [announced](#) its intention to hire 100,000 workers to fill increasing online orders. Drivers may be more likely to come into contact with quarantined individuals, however, which [drove](#) many off the platform, despite the potential financial



consequences. Others have [made](#) the opposite calculation and have instead been taking on additional available shifts to earn extra income.

Freelancers in other fields fall at the end of each extreme, with some seeing potential work dry up and others finding their options have increased. Dog walkers, graphic designers, writers and wedding photographers may be seeing listings [decline](#) as companies cut staff or reduce budgets and couples cancel wedding receptions or engagement parties. They are thus out of work and reliant upon their savings or government aid to buy groceries, manage debts or pay bills, but they may not [qualify](#) for government assistance or find that the grant is not enough to cover their needs. Those in Italy will receive approximately €600 (\$653 USD) per month during the pandemic, for example, which could be far less than their monthly earnings. Some workers may be seeing

more job postings and opportunities crop up as digital marketplaces expand their offerings during the pandemic, however. Freelance hiring platform YunoJuno [launched](#) in the U.K. last month and finalized 2,000 bookings, for example.

The COVID-19 outbreak has also [highlighted](#) factors that separate full-time workers from contractors – mainly how their earnings and healthcare costs are protected under employment regulations. Out-of-work freelancers cannot access unemployment benefits and may be unable to pay for their health insurance policies, but finding ways to give them protection has been difficult for companies and lawmakers as they confront diverse work levels, incomes and fields. The decisions made regarding these workers now could thus significantly change how they are treated in the future, especially in countries that had been examining their earnings and healthcare coverage prior to the pandemic.

SHIFTING GIG ECONOMY REGULATIONS

The recent pandemic has [spotlighted](#) gig workers' lack of benefits. Freelancer and regulator concerns in the U.S. recently led to the Pandemic Unemployment Assistance program, a part of a stimulus package [signed](#) into law in late March that included wide-sweeping unemployment coverage for many gig workers. The program will provide many with the same unemployment benefits they would see if they were full-time employees, such as monthly checks and access to state-run healthcare services. Many platforms that rely on gig workers have made their own amendments to relieve the financial and other pandemic-related stresses, such as Uber's sick pay [initiative](#) and DoorDash's no-contact delivery [options](#).

Such adjustments have reignited the ongoing battle between regulators and larger gig economy

companies, however. California regulators [argue](#) these workers should be counted as employees, not independent contractors, if they have been given such protections, but platforms maintain they are self-employed individuals and should be covered as such. These companies are also protesting against the higher taxes they would be forced to pay if gig workers were classified as employees – a distinction that the government will make. This debate is continuing in California and will likely last long after the COVID-19 pandemic resolves. The government's federal stimulus protections for these freelancers will add another log to the fire for those advocating for additional benefits for the self-employed, however, because it is the first federal regulation with such wide-sweeping coverage for freelancers.

The time when COVID-19 is past is still a long way off, though. All parties are dealing with its immediate impacts, and how necessary these effects will prove to the future of work – for full-time employees as well as freelancers – is uncertain. The space is becoming more important, however, making its workers' financial, healthcare and payment needs essential components companies must consider as the pandemic continues.



ABOUT

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San Mateo, California-based Tipalti is a supplier payments automation service supporting streamlined AP and payment management products. The company’s AP solutions make sending payments as easy and seamless as possible for its clients, which work in the supply chain, vendor invoice processing and other industries. Its digital software allows companies to cut approximately 80 percent of their supplier payment backlog and can increase clients’ efficiencies, encouraging greater growth and innovation. For more information on Tipalti and its offerings, visit www.tipalti.com.

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