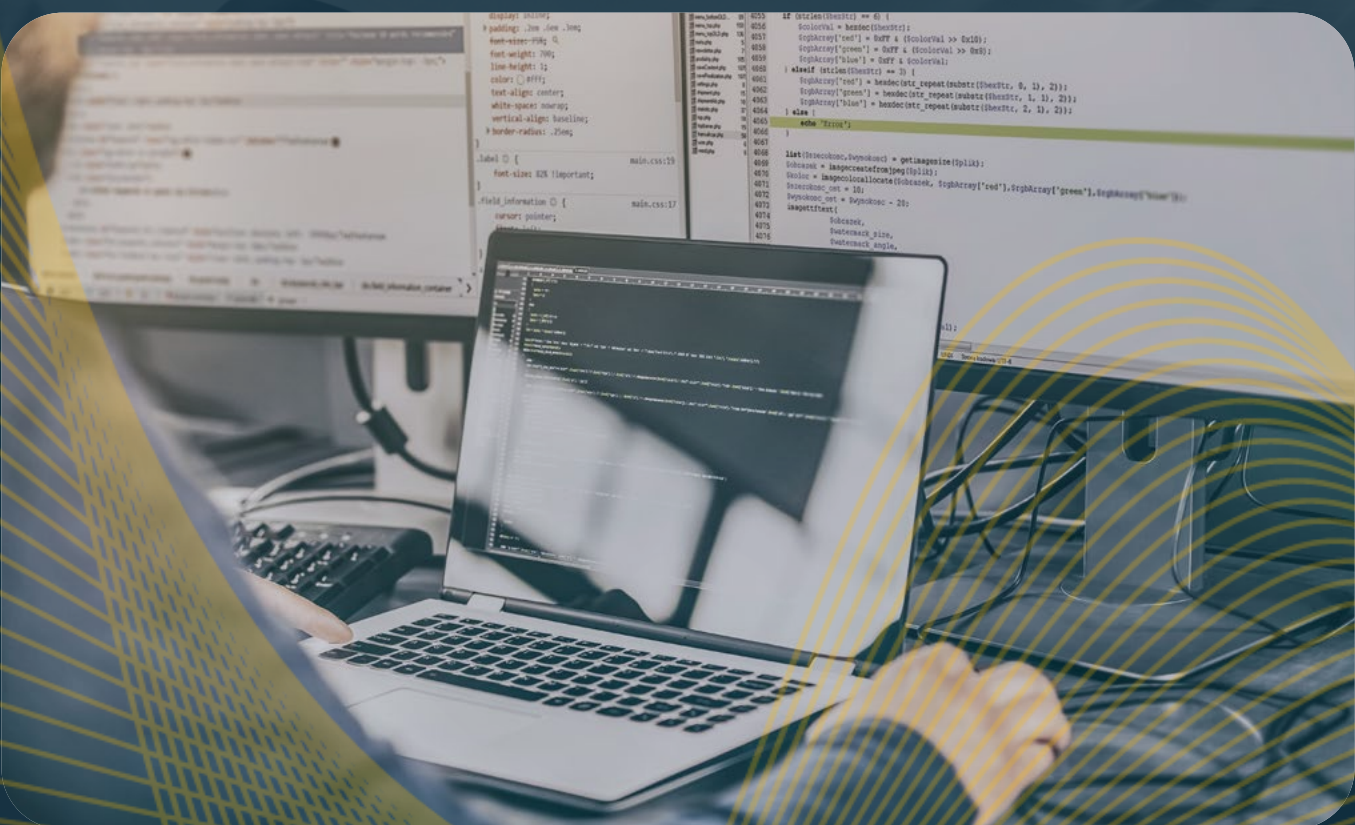


# GIG

# ECONOMY

TRACKER®



Why Steady Payments  
**ARE KEY TO ATTRACTING  
HIGHLY SKILLED GIG  
WORKERS**

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The U.S. SBA opens its lending  
program to freelancers and the  
self-employed

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How firms are using automation to  
eliminate costly freelancing invoice  
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# GIG

## ECONOMY

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#### ACKNOWLEDGMENT

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# WHAT'S INSIDE

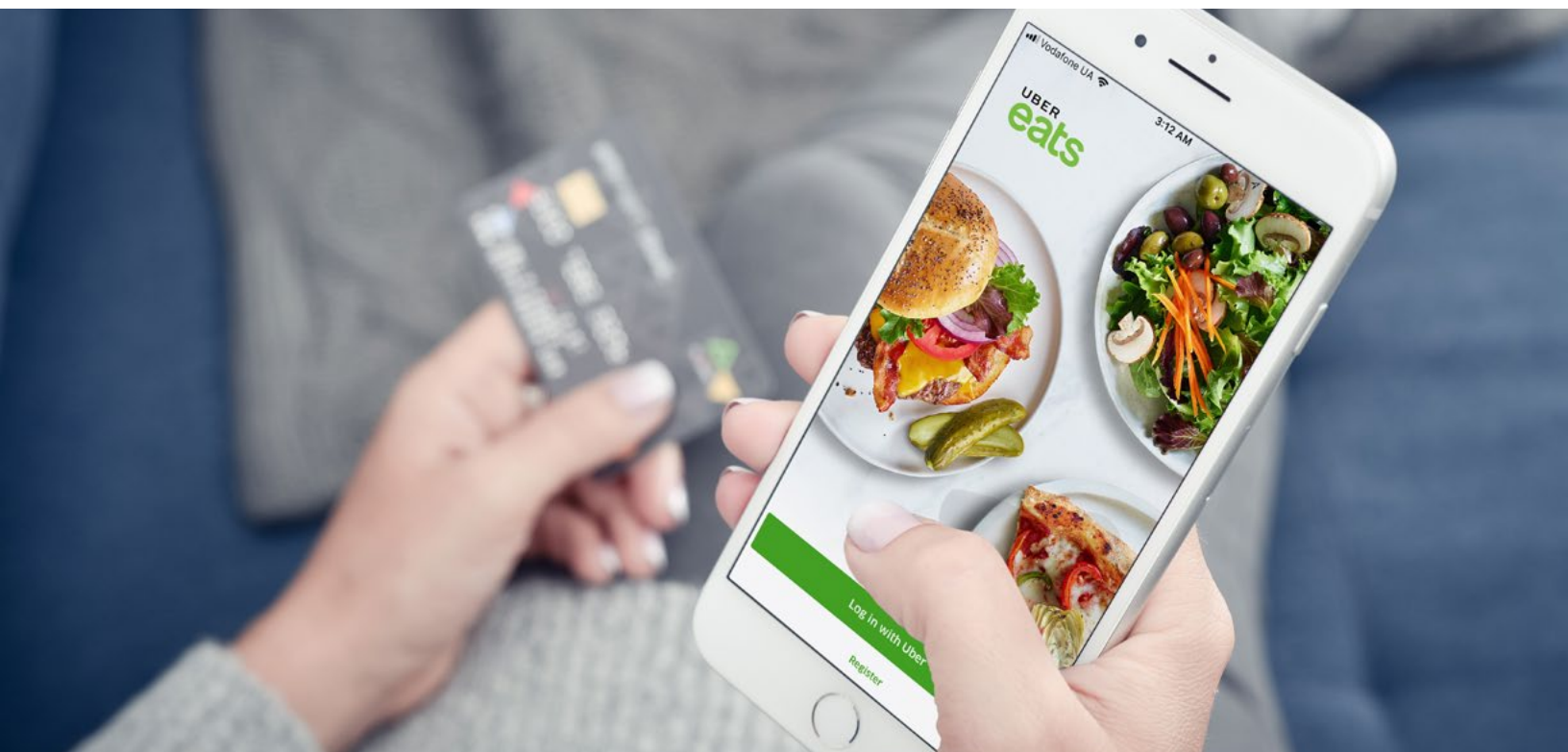
The United States has taken steps to stave off financial concerns for freelancers whose incomes have slowed during the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security (CARES) Act that [passed](#) in March opens gig workers up to unemployment benefits as well as the one-time stimulus payments designated to every citizen, but only 40 percent of those who freelance full-time are [eligible](#) for support. This is expanding an already-wide divide between those with dwindling incomes, like freelance musicians, and those with opportunities on the rise, such as graphic designers or software engineers.

Gig economy platforms are therefore moving to protect their freelancers, offering them sick pay or leave and drawing on other funds to help them access healthcare benefits. Food delivery aggregation service DoorDash [promised](#) sick pay to its delivery couriers impacted by COVID-19, for example, while Postmates has created a fund that gig workers can draw upon to pay their medical or daily bills. These developments are a first for American freelancers and could significantly change how they are treated by these platforms and under the law in the future.

Platforms may be reevaluating how they support freelancers, yet gig workers are also taking a closer look at their relationships with clients. This includes freelancers in skilled fields who appear to be [seeking](#) partnerships with firms that will quickly pay either because their fields are growing more competitive or they need to pay bills after months of relying on their savings during the pandemic. Companies that want to hire freelancers but employ outdated invoicing, payment and onboarding processes will find themselves losing out to others that can provide quick, seamless access to benefits and funds. They must instead lock into freelancers' specific needs, making it crucial that they figure out how COVID-19 has affected different groups of gig workers today and what that means for such workers' futures.

## AROUND THE GIG ECONOMY PAYMENTS WORLD

The COVID-19 virus has created more work for grocery and delivery drivers as consumers adhere to stay-at-home orders and limit their outdoor activities. Rideshare firm Uber is doing its part to serve those working from home, recently [launching](#) its Uber Eats food delivery service for Uber for Business clients after observing an increase in orders from such customers. The release comes a little over a year after it first piloted this service,



and Uber is hoping the expansion of the feature will help its drivers pick up additional hours. Those who only drive for its rideshare platform are likely experiencing falling incomes, but moving to courier services like Uber for Business may help lessen their losses.

Freelancers outside of delivery are starting to change how they find work, and the marketplaces they use to find jobs appear to be responding. Transcription solutions platform Rev has [upgraded](#) its new worker onboarding process to connect more individuals with firms searching for captioning, subtitling or transcription services during COVID-19. The company has added educational tools to help applicants quickly get familiar expectations, and the company has also raised the amount it will pay freelancers once they onboard and find their first jobs. These additions are designed to attract more skilled talent.

Part-time communication and media workers in the United Kingdom have been particularly affected by the pandemic and seem to be growing steadily concerned about their finances. One [study](#) found that 50 percent of communications freelancers there have already lost 60 percent of their incomes, an issue that is being compounded by fears that they will not be able to collect aid from the government. Support is restricted to those that make under a certain amount, according to the policies, and does not apply to workers who have been freelancing for less than a year. Self-employed individuals in other industries are also being impacted, with another [study](#) claiming that 46 percent of all U.K. freelancers have already lost income. Local government agencies are facing delays in sending out funds, too, meaning even freelancers eligible for support programs may not receive assistance until June.

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

## **GUN.IO SIMPLIFIES FREELANCER PAYMENTS FOR GREATER SATISFACTION**

Freelancers are fond of the flexibility that gig work gives them, but not of how they are paid. They want easy, quick access to payments on schedules that can help mitigate some of the financial stresses brought about by inconsistent incomes, and platforms that do not provide these options may find themselves with a lack of talent – especially in more competitive fields such as coding or programming. For this Tracker's Feature Story (p. 7), PYMNTS spoke with Teja Yenamandra, founder and CEO of software and programming freelancer website [Gun.io](#), about freelancers' evolving payment needs and what companies should watch for during COVID-19's aftermath.

## **DEEP DIVE: USING AUTOMATION TO SOLVE SLOW INVOICES**

Gig workers are accustomed to hunting down late payments from companies, with 71 percent [noting](#) they have worked with firms that have paid them late or not paid at all. This is irritating at best and financially draining at worst, even during normal business operations, and delayed funds represent a massive problem for the gig economy during periods of uncertainty, like the COVID-19 pandemic. Platforms thus need to find solutions that can speed up freelancers' invoicing and payment experiences or risk tarnishing their relationships with these individuals forever. This month's Deep Dive (p. 16) examines why slow invoices can have lasting impacts on gig workers' financial and professional well-beings and details how firms can use automated tools to avoid frictions that lead to late payments.

# **EXECUTIVE INSIGHT**

## ***How is the ongoing pandemic impacting gig workers' payment preferences?***

"The COVID-19 pandemic is creating major shifts in both the type of gig work available as well as payment preferences. Obviously rideshare and travel industries are being hurt, but delivery, gaming, and eCommerce are relatively strong. Even brick-and-mortar [businesses] have had to transition to some form of eCommerce – either by mail or pickup – and delivery.

In terms of payment preferences, digital payments or electronic payments [are] the new standard expectation. The days of drafting checks need to be over, as processing and reconciliation delays are now unacceptable. ... Direct deposit ACH, wire transfers and even PayPal [are] the new path forward, as is the ability for payees to choose the most optimal method for themselves. No payment method works across the board, and no one on the business side wants to spend time figuring it out for every payee. Letting the individual choose makes the most sense.

Lastly, cash flow management is on everyone's minds – both for the payors and the gig workers. Payors may look to extend payment terms from net 7 to net 30 or more as they are stretched. Meanwhile, gig workers are looking for ways to ensure they have payments coming in sooner so they can survive. At Tipalti, beyond our core payables automation solution, we are getting more interest from companies that are looking to offer early payment programs at scale so they can balance the needs of both and maintain gig worker loyalty."

**SARAH SPOJA,**  
chief financial officer at [Tipalti](#)

# FIVE

FAST FACTS

## 46%

Portion of U.K. freelancers who say they have lost money due to COVID-19



## 40%

Share of full-time gig workers who are eligible for funds under the CARES Act



## \$643

Average biweekly income for New York grocery delivery drivers during the COVID-19 pandemic



## 28 DAYS

Average time it takes for freelancers in India to receive payments from international firms



## 2.9%

Median amount that U.K. freelancer earnings fell this year between February and March



Why Steady Payments  
**ARE KEY TO ATTRACTING  
HIGHLY SKILLED  
GIG WORKERS**

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# FEATURE

## STORY

Payment speeds can make or break gig workers' interest in working for companies, especially for highly skilled ad hoc workers in competitive fields like software development and programming.

Gig workers in these categories are high earners: The average [income](#) for freelance web developers is just over \$75,000. These individuals want to work for companies that can provide many of the same benefits full-time workers receive, and that includes faster access to payments, Teja Yenamandra, founder and CEO of [Gun.io](#), a marketplace for ad hoc software engineers, said in a recent interview with PYMNTS.

Fast and easy access to payments has become essential to keeping gig workers engaged and satisfied, and it is therefore increasingly important for marketplaces facilitating these relationships to offer such solutions.

"Outstanding accounts receivable and collection problems [are] a big thing for freelancers. ... We are really able to [remove the risk] for freelancers and then [lower] the chances of freelancers ghosting for clients, and that is a huge value add," he said.

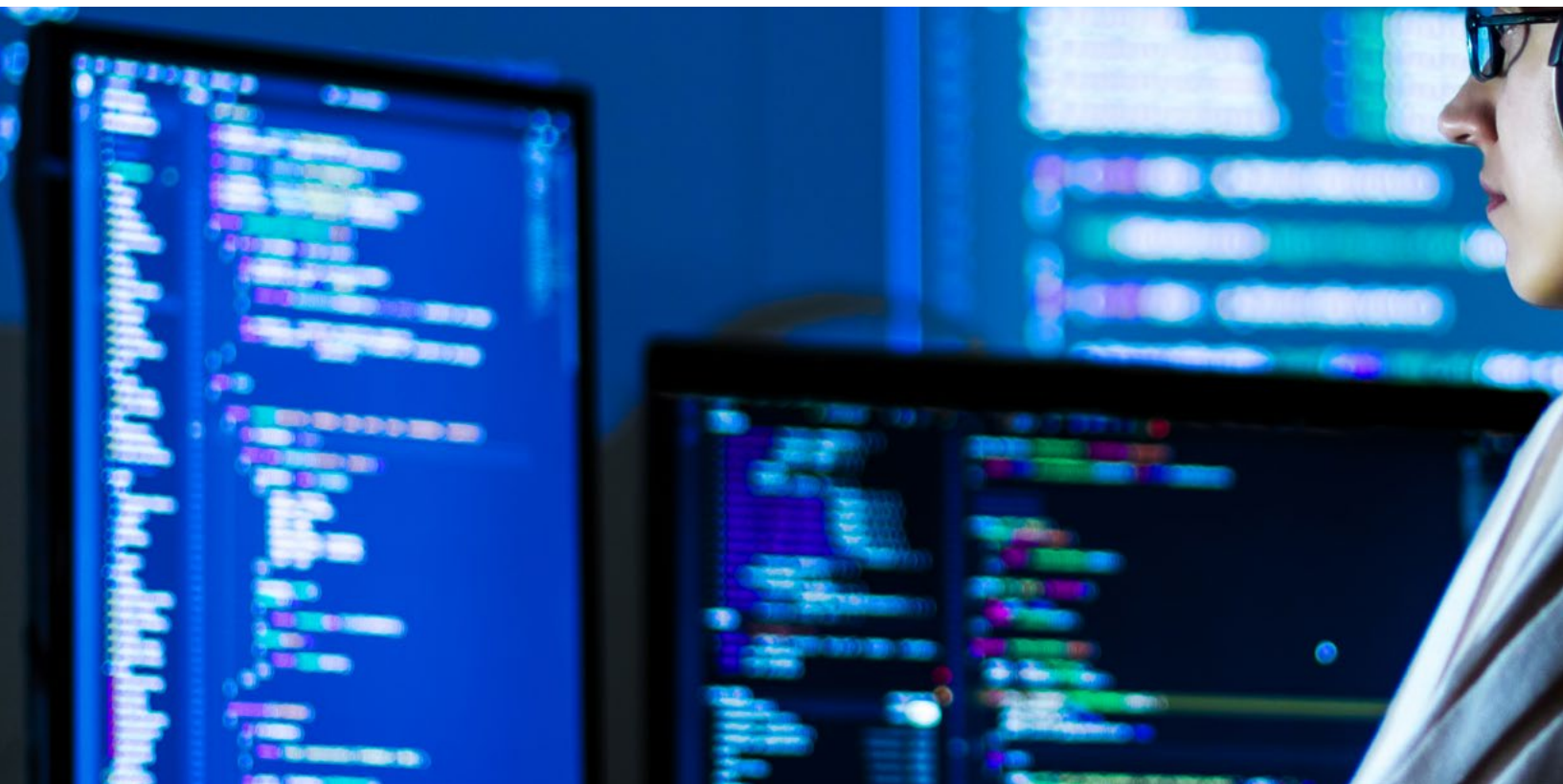
Providing that payment security and ease is one of the first steps businesses must take if they wish to attract and retain top talent, especially as workers' needs continue to change during the COVID-19 pandemic. Companies

that do not create personalized experiences for these individuals will likely find themselves scrambling for the expertise they need to complete projects.

### MEETING GIG WORKERS' EVOLVING PAYMENT NEEDS

Freelancers have disparate payment needs, depending on their industries and what they are looking to gain. Freelance software engineers appreciate the flexibility of the work, but expect to be compensated appropriately. Those in these skilled fields typically earn more per hour than 70 percent of workers in the U.S., according to one 2019 [study](#). The individuals on Gun.io's marketplace are most often based in the U.S., Yenamandra said, though they do work globally.

"[Gun.io] freelancers are typically senior folks who have been programming for 10, 15 years and [who] really view themselves as individual proprietors of their trade [as] craftspeople," he said.



These individuals want to quickly agree on a rate and get working, which means businesses must satisfy their expectations and preferences from the start. Ignoring the experience, expertise and income level of such freelancers can be a big mistake for companies, yet many firms fall victim to the error. Impacted freelancers then need to [spend](#) their time tracking down late payments, which has become more common during the pandemic.

"I still think a lot of [companies] looking [for freelancers] – those that do not have a mature business ... who are looking to hire development help – still think of the world in that way," Yenamandra said.

Gig marketplaces must then not only work toward helping ad hoc workers find job opportunities in general, but ones that meet their payment needs. That is something Gun.io has sought to address by enabling weekly payments access to freelancers through ACH. The platform is also looking to use machine learning (ML) to offer

suggestions for rates freelancers could charge, Yenamandra said.

"Everybody, in their heads, has some notional value of what their work is worth based on what they think their rates are, and companies have some notional value of what they want to pay, but ultimately, the market decides what the market price is," he explained. "Over time, as many businesses hire many developers [through Gun.io], we are really getting what market-clearing prices are for high-skilled labor."

This tool will create suggestions for working rates, providing freelancers with the same information they may be used to receiving and negotiating with in terms of full-time salaries, he said. Gun.io plans to release this feature later in 2020, although the firm is keeping an eye on how developments related to the COVID-19 pandemic could impact the needs of freelancers, employers and the broader gig economy.

## PREPARING FOR COVID-19'S AFTERMATH

It is still difficult to tell how COVID-19 will affect ad hoc workers in the long run, but the ongoing pandemic is already having significant effects on gig workers. Many ad hoc workers are finding themselves either out of work or trying to collect late payments. This is leading gig workers to seek employment with businesses that can pay them quickly and ways that meet their preferences. This desire for faster and flexible payments is expected to grow in the pandemic's aftermath. Freelancers in the U.S. are also [seeing](#) large-scale changes take place regarding the programs they can access for financial help, including sick pay programs and government financial initiatives.

Players in the gig economy space must also watch out for long-term trends. That includes the potential for the U.S. government to support digital wallets or digital dollars to disburse funds to citizens, which could have intriguing effects for freelancer payments as well, Yenamandra said.

"I think that is really interesting and I think that is a way to [potentially] lower transaction fees, such as the 2.9 percent processing fees on [card transactions]," he said. "I also think, for us over time, integrating digital currency could be interesting because of the minimal – basically zero – cost on the transaction fees."

Cryptocurrencies or other digital currencies often come with valuation risk, he clarified, and so they do not make a suitable form of daily payment right now

because their worth often changes. The fact that no fees are attached to making payments in digital currencies makes it intriguing for the future, however.

The idea of a digital dollar was originally included in the proposals for a recent U.S. COVID-19 relief act, but was [taken](#) out of subsequent versions of the bill. Digital dollars could add more speed to the payments experience for freelancers, who are more often expecting payments accommodate their personal needs.

Companies will need to keep a close eye on such developments and on what freelancers are truly asking for when it comes to payments. Lasting relationships with freelancers depend on firms' abilities to craft these personalized experiences. Making sure to offer what freelancers need will likely only grow more complicated after COVID-19, but marketplaces are preparing to rise to the challenge.

# NEWS & TRENDS

## GIG PLATFORMS RESPOND TO COVID-19

### UBER EATS OFFICIALLY LAUNCHES BUSINESS PLATFORM

The pandemic has caused a surge in consumers working from home and ordering in, utilizing online services to reduce their trips to brick-and-mortar stores. This has resulted in a rise in biweekly incomes for those making deliveries. The median income for grocery delivery workers rose from \$612 to \$643 in New York City, according to one recent [study](#).

This growth also underpins recent efforts by delivery platforms to diversify their services and cater to a wider user base. Online delivery platform Uber Eats, for example, is seeking to give itself more of an edge over its competition by [opening](#) up its food delivery business to Uber for Business customers in the U.S. The nationwide launch follows a 2019 pilot that was conducted in select U.S. areas and led to an increase in business order volume. Uber is also making its business delivery product available in four other international markets, including Brazil, Canada, France and the U.K. following its U.S. rollout. The company said that it plans to expand the service to 20 other markets by the end of 2020.

This is one of several moves Uber has made in response to the COVID-19 pandemic. The company is also

encouraging its ridesharing drivers to take on work on its other services, including Uber Eats and Uber for Business, to supplement income. The company's rideshare service has been heavily affected by the pandemic because consumers are limiting trips to essential outings.

### FOOD DELIVERY PLATFORMS OFFER DRIVERS SICK PAY

Uber Eats' competitors are also announcing new policies to protect and support the drivers that are not able to pick up orders. DoorDash, Instacart and Postmates have all [developed](#) sick pay programs for gig workers that cannot work due to COVID-19. These initiatives come after both Uber and Lyft [stated](#) they would be giving their drivers sick leave in early March.

Each platform is approaching these policies differently, however. Instacart grocery delivery workers could collect up to 14 days of sick pay, according to the platform, but the policy only applied for a 30-day period following its initial rollout on March 9. DoorDash similarly announced plans to give its couriers access to sick pay for that amount of time. The platform will send funds to workers that have been diagnosed with COVID-19 or those complying with quarantine orders issued by public health officials. Postmates is crowdfunding money for sick workers to pay their medical bills. These are some of the first programs that gig workers in the U.S. have been given access to.

## AIRBNB HOSTS REPORT REFUND ISSUES

Food delivery is experiencing a rise in demand during the pandemic, but demand in other verticals such as travel has rapidly declined. Guests around the world are canceling their bookings and requesting refunds, putting significant financial stress on Airbnb hosts. Many report receiving only certain percentages of the promised cancellation fee or no money at all, making it difficult for these hosts to pay their own bills. Affected homesharers are not collecting refunds, and their properties will also lie unused for an extended period of time without generating new income.

The platform [designated](#) \$250 million in relief funds to address its hosts that are struggling. Many that lost

money to cancelled bookings and were forced to bear the costs are struggling to access the relief funds, however. The company issued a [statement](#) noting that some of the payments might be delayed.

Airbnb was recently granted a \$1 billion loan to help it cover costs, which that could make it easier for it to reimburse affected hosts. These developments drove back its planned public offering another few months, though the company still wants to conduct an initial public offering (IPO) later in 2020.

## FREELANCE MARKETPLACE REV UPDATES ONBOARDING PROTOCOLS

The shift to remote working is creating more opportunities for gig workers in other service-based industries, like transcription and editing. Many platforms are seeking to improve their onboarding process as a result. Speech-to-text company Rev is enhancing the way that it onboards workers during the COVID-19 crisis. The enhancements will make it easier for workers to find potential new jobs in this field, the company [announced](#). Rev operates a platform that gives individuals part-time video captioning and transcription work. Its changes to its onboarding experience come with a raise in the entry-level base pay rate that new freelancers earn as well as access to innovative training videos and tools following their joining the platform.

New freelance workers are required to watch a video from the company before they can use the rest of the educational materials provided, according to Rev. The company is hoping these additions will allow its users to more quickly find work, as finding connections with companies that are also now operating remotely can be difficult.



## PAYCHECK AND PAYMENT CHALLENGES

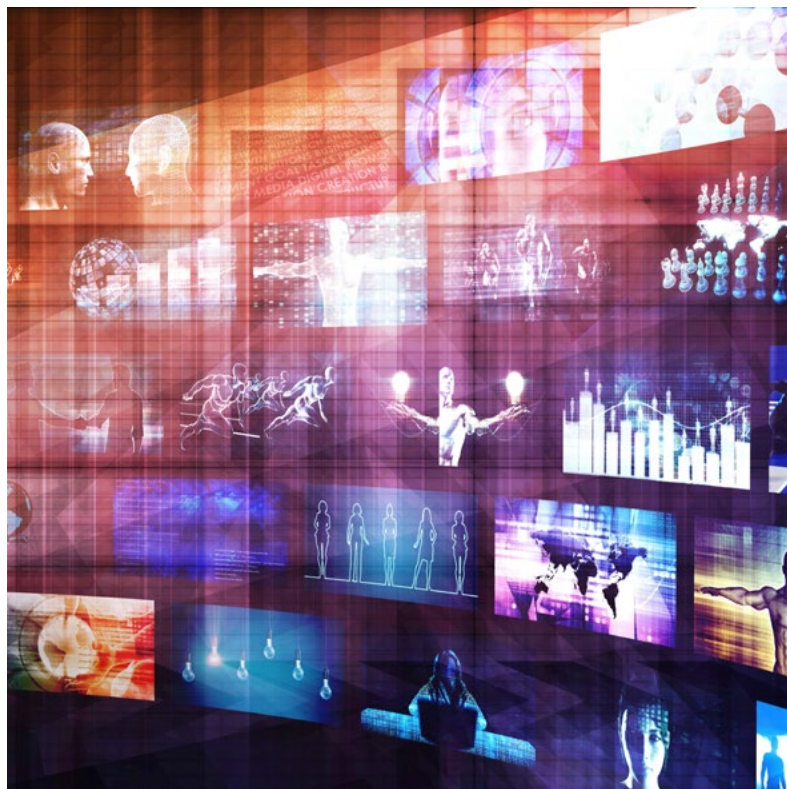
### COMMUNICATION PROFESSIONALS STRUGGLE TO COPE DURING COVID-19

The communication and media industry may have been the worst hit by the ongoing pandemic. A new [study](#) conducted in the U.K. found that half of the gig workers in these industries have lost 60 percent of their incomes since the pandemic began. A greater percentage of these freelancers are also worried that they will not qualify for the stimulus plan for gig workers that is being rolled out by the country's government. The U.K. Chancellor of the Exchequer, Rishi Sunak, stated that freelancers making below £50,000 will receive approximately 80 percent of their incomes to make it through COVID-19 – about £2,500 per month. Freelancers above this threshold are unable to apply and will have to seek other financial measures.

Reports that many of those funds will not be available until June have eligible communications professionals concerned, however. Sixty-seven percent of these workers are also worried that they will not qualify for the support payments, since they have either been freelancing for less than a year or work as the head of their own businesses, both factors that disqualify them from applying.

### INDIAN GIG WORKERS EXPERIENCE PAYMENT LAGS

Many freelancers are also facing problems collecting payments for outstanding projects, an issue that is particularly affecting gig workers in India. Payments to freelancers in India from domestic companies are now



taking 24 days on average, according to a [study](#) that surveyed more than 11,000 individuals working in the country as ad hoc content creators, designers or software developers. This is compared to the 19 days payments typically took before the spread of COVID-19. International payouts are taking even longer: approximately 28 days, rather than the 13-day average pre-COVID-19. Money owed from companies in Australia, the U.K. and the U.S. has reportedly been delayed the longest.

Self-employed workers are also having trouble finding new sources of income during this period. Indian freelancers, like their U.K. counterparts, are seeing potential work opportunities dry up as the pandemic continues. New projects from both domestic and foreign companies fell by 60 percent in the last week of March, the study found.



## US OPENS SMB LENDING PROGRAM TO SELF-EMPLOYED WORKERS

With gig workers in the U.S. struggling to make ends meet, the U.S. government is offering help to those that may not be covered under the federal CARES Act. The Small Business Administration (SBA) [opened](#) its Paycheck Protection Program (PPP) to ad hoc workers on April 10 to offer these individuals some aid. Freelancers and independent contractors have been historically unable to collect unemployment benefits, meaning their income options during the pandemic are even more limited than full-time employees.

While the passing of the CARES Act will help certain workers, those that do not qualify can apply for the PPP. This includes self-employed artists, electricians or other small business owners, according to the administration. The loans are large enough that they could help approved freelancers pay at least two months of their rent, Rafael Espinal, executive director for freelancer organization the Freelancers Union, said in a recent interview.

## VIRGINIA OPENS UNEMPLOYMENT APPLICATIONS TO FREELANCERS

While the CARES Act is offering financial support to eligible freelancers, various states are making their own efforts to help ad hoc workers. The Virginia Employment Commission (VEC) recently [announced](#) that self-employed individuals can now apply for unemployment benefits. This announcement comes approximately one month after it was clear that these individuals would be able to seek benefits with the passing of the CARES Act. The state reportedly spent time adapting applications to the program for freelancers, who typically have different income reporting needs than full-time workers.

One difference between the forms filed by self-employed individuals is that they do not have to submit the paperwork that provides earnings proof – as full-time workers must – to receive these funds. Virginian freelancers are just required to send in a Pandemic Unemployment Assistance (PUA) form, which the VEC will use to determine the amounts that will be sent and how long individuals will be able to receive benefits. Payments will be sent to successful applicants about two weeks afterward, the commission stated.

## LONG-TERM FREELANCING DEVELOPMENTS

### WHY MARKETPLACES MUST MOVE ON FROM BIWEEKLY PAYROLL

The ongoing pandemic is putting a spotlight on ad hoc workers' varying payroll needs and how businesses must adapt their strategies to retain talent. Relying on the typical biweekly payroll model to pay freelancers is no longer viable for firms that want to compete, [according](#) to Ron Ross,

co-founder and president of payroll management service Everee. This cycle cannot keep up with gig employees that need instant access to cash, and financial products such as payday loans that could help solve for cash flow issues are not a long-term fix for freelancers, he added.

Businesses must explore faster payout options. Many firms have looked at embracing ACH payments, but they must instead focus on supporting real-time payments to meet workers' expectations, Ross said.

### **US CHAMBER OF COMMERCE HIGHLIGHTS GIG ECONOMY'S IMPORTANCE**

Gig economy platforms are playing an ever-important role during the COVID-19 pandemic, the U.S. Chamber of Commerce [noted](#) in a recent blog post. These platforms include rideshare firms such as Uber and Lyft and grocery delivery platforms like Instacart. These platforms have all made donation efforts and created community initiatives to help with the pandemic, but the rise in demand also means they have been critical to keeping workers employed.

Instacart plans on hiring 300,000 more grocery couriers in the next few months, for example, and its order volume has increased 150 percent year-over-year. DoorDash is also reporting strong growth, with the average earnings of its delivery workers up by about \$5 per hour compared to this time last year.

### **SEAMLESS ONBOARDING IS KEY TO GIG ECONOMY'S FUTURE**

The gig economy's role in supporting both businesses and consumers during the pandemic is likely to result in an even greater use of these platforms in the aftermath of the virus. This growth also means more competition for freelance marketplaces, Todd McGuire, general manager of supplier

success for accounting technology firm Tipalti, said in a recent [interview](#) with PYMNTS. Companies are going to have to work to make sure they can easily onboard and pay gig workers, he continued, since these freelancers can and will jump ship to other marketplaces if either experience is too frustrating.

Keeping gig workers satisfied will become increasingly important in a world where freelance services are responsible for completing more projects. The post-COVID-19 world could lead many companies to decide that remote working is the direction for future operations, and freelancers will be critical here. Making sure they can quickly sign on to these marketplaces and keep working is step one in securing that future.

### **PLATFORMS STUMBLING TO HIRE DURING COVID-19 MUST PIVOT FAST**

Platforms that are not making swift moves to digitize many of their operations during COVID-19 will soon find themselves ousted by the competition, Monica Plaza, head of supply for on-demand staffing platform Wonolo, said in a recent [interview](#) with PYMNTS. The companies that have seen the highest increase in the number of workers applying to them are those that moved quickly to develop multichannel solutions that support their workers.

This is critical in an environment where workers often switch between platforms and freelancer marketplaces, she noted, which has seemingly become easier as more individuals pursue ad hoc roles. Firms that seek to create lasting relationships with gig workers will need to ensure that they have the tools to quickly onboard, pay and work with these individuals no matter where they are.

# DEEP DIVE

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## How Automation **CAN IMPROVE THE INVOICING EXPERIENCE DURING THE COVID-19 PANDEMIC**

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Paying out invoices to contractors or freelancers can be extremely time consuming for businesses that rely on manual processes. Firms must not only confirm that charges are legitimate and that invoiced work was delivered, but also process them and send out payments. That can be particularly challenging for companies that work with larger teams of freelancers.

Technology has advanced over the past decade, however, and so have freelancers' expectations for businesses to approve invoices and make payments in less time. Companies that cannot provide these speedy experiences are unlikely to maintain good relationships with individual contractors for long, especially in a post-pandemic world. The spread of the COVID-19 virus and the ensuing economic downfall has changed freelancers' priorities. Digital invoices and seamless payments have gone from

a nice perk to a financial necessity for many freelancers as they find themselves out of work and [needing](#) to jump on new sources of income. Enabling such seamless experiences was already becoming critical prior to the pandemic as approximately 35 percent of U.S. workers were then [freelancing](#) in some capacity. The ongoing crisis has highlighted the gap between firms that can send payments to workers on time and those that cannot.

The following Deep Dive explores how slow, paper-based invoices can cause financial frictions, both for freelancers and the companies with which they work, as well as how automation and advanced learning tools such as artificial intelligence (AI) may be able to help. The Deep Dive also analyzes how the COVID-19 pandemic has impacted freelancers' circumstances and what those changes could mean for future payment developments.

## THE LATE INVOICE RIPPLE EFFECT

Approving invoices is just the first step to paying freelancers, and paper-based processes can bog down the entire payments experience. Chasing down delayed invoice payments has long been frustrating for gig workers: 55 percent of U.K.-based gig workers reported in a 2019 [study](#) that they had not received funds for work they had completed. The same study found that 41 percent of companies hiring these workers paid late when they did send money. These practices put full-time gig workers in tough positions, as they could either spend valuable hours prodding companies to send late payments or look for opportunities to find work with firms that will hopefully have quicker turnarounds. Either choice can lead them to forfeit short-term funds and make them less likely to work with those same companies in the future.

COVID-19's spread has highlighted just how impactful slow invoices can be for these workers. Seven out of 10 global gig workers have had to [deal](#) with clients either paying late or not paying at all and the pandemic has raised the stakes by drying up new sources of income. Earnings among gig workers are declining across the board: The amount gig workers in the U.K. took home [fell by](#) 2.9 percent on average between February and March. These individuals are likely to be even less tolerant of invoice-processing delays as the pandemic continues because a significant share are relying on timely payments to make it through. Not receiving timely payments affects gig workers' abilities to pay their own bills on time.

Figuring out ways to quickly get payments to these freelancers should thus be a priority for the companies that utilize their services, and not only because doing so will help these individuals relieve financial pressures



during the pandemic. It will also help businesses attract top talent.

## AUTOMATION STRENGTHENS FREELANCER RELATIONSHIPS

Companies can integrate several features into their accounts payable (AP) processes that help deliver fast and secure invoicing and payments, and third-party accounting tools or even mobile apps can make these processes more transparent. One of most intriguing and versatile technologies firms can [use](#) is invoice automation, which can help eliminate the tedium associated with accepting, reviewing and manually approving myriad invoices.

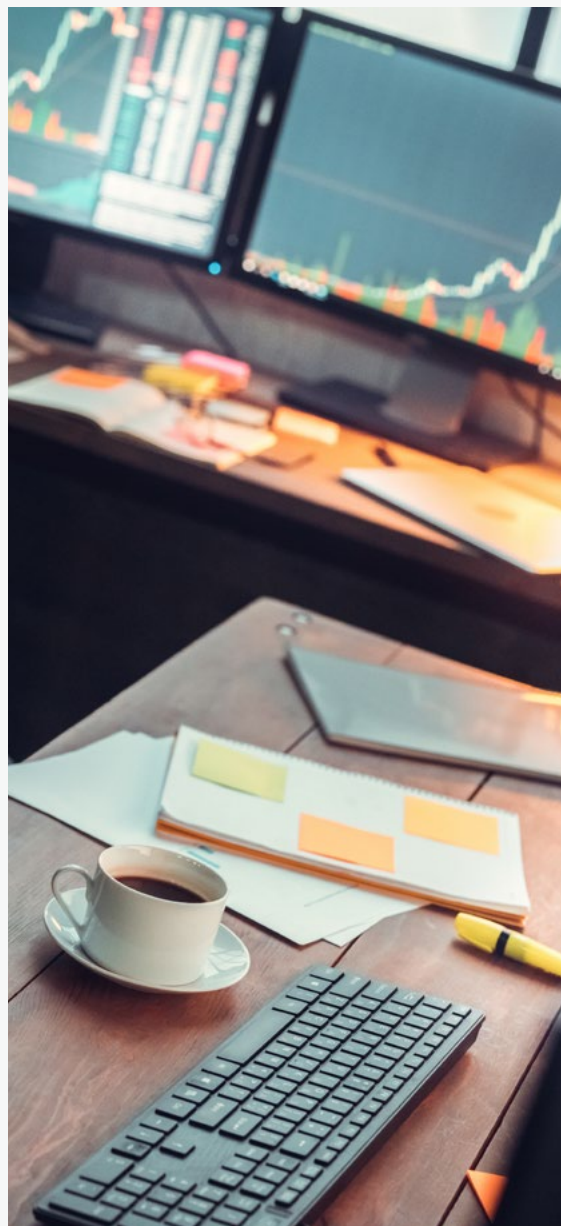
Freelancers may experience immediate benefits from companies that utilize these technologies, as they are able to receive their payments more quickly as well as

keep track of their progress more easily. This is essential in an environment where the bulk of businesses are working remotely.

Firms that are still relying on paper-based invoices are in a bind, since it is much more difficult to approve such documents in the midst of stay-at-home or quarantine orders without digital technologies. It is important to consider automation for the future as ad hoc workers are beginning to expect more speed and security.

Freelancers are gravitating towards firms that can provide them with innovative experiences, especially since digital tools can provide more financial security long-term and send quicker payments now. Invoice automation can also [help](#) freelancers file taxes, for example, as more transparent documents reduce the struggle of calculating yearly income. It would also help them [seek](#) unemployment benefits as part of the CARES Act, as applications often require an income summary.

Automating even part of this process can [save](#) both freelancers and firms crucial money and time, and resources are critical during the pandemic. Companies should also consider how freelancers' attitudes surrounding invoicing may have changed. Gig workers are unlikely to want to work with firms that kept them waiting, after all, and will most likely gravitate toward new businesses that will pay them quickly and without fuss. Businesses should be prepared for this future and plan accordingly.



# ABOUT

## 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.



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 [tipalti.com](https://tipalti.com).

We are interested in your feedback on this report. If you have questions or comments, or if you would like to subscribe to this report, please email us at [feedback@pymnts.com](mailto:feedback@pymnts.com).

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