Gig and Independent Work in the Washington Region

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50 percent of the American workforce will work irregular hours, earn irregular pay, and receive no benefits by 2030. #gigeconomy #futureofwork

Is the gig economy a myth?

Was the Gig Economy Overblown?
U.S. labor market largely unchanged since 2005, new data show
What IS gig and independent work?

What does gig and independent work look like in the Washington region?

What – if anything – do these changes mean?
Growing faster than employer-based work

Figure 2. Growth in Gig and Independent Work, Employee Work, and Population, Washington Region, 2005-16 (2005=100)

Source: US Census Bureau (Nonemployer Statistics, County Business Patterns, American Community Survey - IPUMS-USA) and Bureau of Economic Analysis; The Stephen S. Fuller Institute at the Schar School, GMU.

Important to the region’s industries

Professional services
- 23% of the region’s self-employed
- 20% of the region’s non-employer establishments
- 13% of all workers in this industry are self-employed

Construction
- 12% of the region’s self-employed
- 8% of non-employer establishments
- 17% of all workers in this industry are self-employed

Other services
- 12% of the region’s self-employed and non-employer establishments
- 17% of all workers in this industry are self-employed
Involves more people than money

Approximately 10-15% of people in the Washington region’s workforce perform gig and independent work.

An estimated 3% of income and 10% of earnings are associated with gig and independent work.

Average income or earnings from gig and independent work are declining.

Higher rates at lower and upper income ranges

Individuals with middle incomes are the least likely to conduct gig and independent work.

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Business or professional net income (less loss) amount</th>
<th>Salaries and wages amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $1</td>
<td>17.3%</td>
<td>76.9%</td>
</tr>
<tr>
<td>$1,000 - $9,999</td>
<td>11.0%</td>
<td>77.3%</td>
</tr>
<tr>
<td>$10,000 - $49,999</td>
<td>3.1%</td>
<td>84.1%</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>2.0%</td>
<td>81.0%</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>1.8%</td>
<td>79.0%</td>
</tr>
<tr>
<td>$100,000 - $199,999</td>
<td>2.3%</td>
<td>77.6%</td>
</tr>
<tr>
<td>$200,000+</td>
<td>3.7%</td>
<td>57.8%</td>
</tr>
<tr>
<td>Total</td>
<td>3.2%</td>
<td>71.2%</td>
</tr>
</tbody>
</table>
Independence is good, right?

You’re on your own
Awesome. Wow
Do you have a clue what happens now?

Oceans rise
Empires fall
It’s much harder when it’s all your call

“What Comes Next?”
Hamilton: An American Musical

Mostly positive for the Washington region

Work options that go beyond employed/unemployed
New opportunities for work and earnings for those who face barriers in the job market
Greater control, flexibility and income potential
Important supporting role in many of the region’s leading industries
Recent increase appears to be in supplemental activities or side businesses rather than primary jobs
Gig and independent work as a choice more than as an economic necessity
But not always and not for everyone

- Less secure and more unpredictable income
- Less likely to have health insurance or a retirement account; not covered by unemployment insurance
- A necessity rather than a choice for some
- Some business models that shift costs and risk to “independent contractors”
- What will happen during the next downturn?

Concluding thoughts

- Gig and independent work is not an economic driver, but it will influence the region’s competitiveness.
- Establishments of all types are likely to expand their engagement of gig and independent workers as a complement to their employee workforce.
- Preparing for independent work is becoming a career imperative.
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Thank you!