

Gig and Independent Work in the Washington Region

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Stephen S. Fuller Institute
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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?

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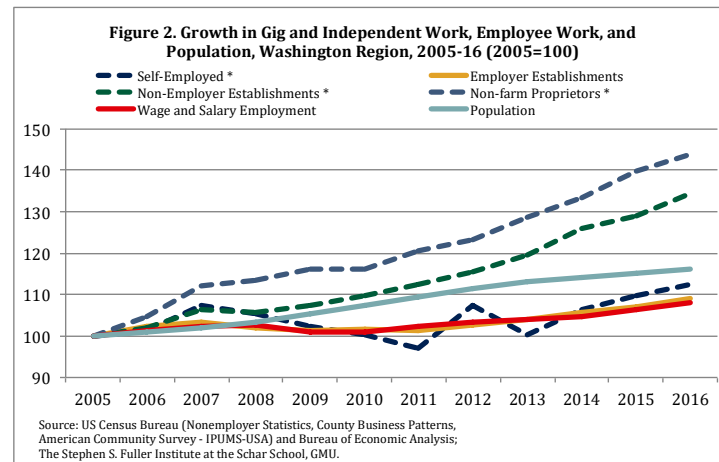
Gig and independent work is diverse



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Growing faster than employer-based work



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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

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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

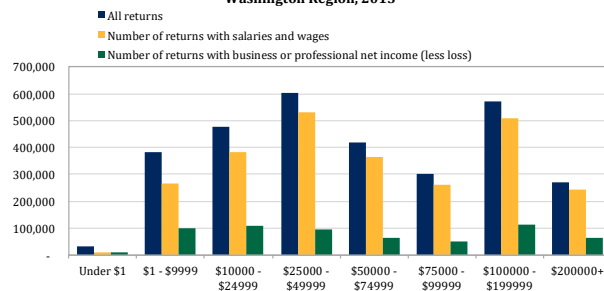
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Higher rates at lower and upper income ranges

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

Number of Tax Returns by Income Range and Select Source, Washington Region, 2015



Source: Statistics of Income, Internal Revenue Service; The Stephen S. Fuller Institute at the Schar School, GMU

Schedule C Income, Salaries & Wages as a % of Total Income, Washington Region, 2015

	Business or professional net income (less loss) amount	Salaries and wages amount
\$1 - \$9999	17.3%	76.9%
\$10000 - \$24999	11.0%	77.3%
\$25000 - \$49999	3.1%	84.1%
\$50000 - \$74999	2.0%	81.0%
\$75000 - \$99999	1.8%	79.0%
\$100000 - \$199999	2.3%	77.6%
\$200000+	3.7%	57.8%
Total	3.2%	71.2%

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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



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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

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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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<http://sfullerinstitutione.gmu.edu/research/reports/nature-of-work/>



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Thank you!
