

# Gig and Independent Work in the Washington Region

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Annual Economic Forum

Schar School, George Mason University  
October 2018



*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?

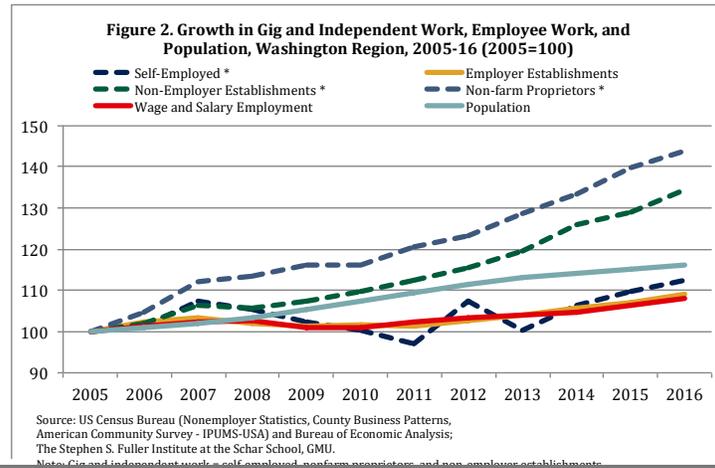
What does gig and independent work look like in the Washington region?

What – if anything – do these changes mean?

## Gig and independent work is diverse



## Growing faster than employer-based work



## 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.

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

Income Range	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%

## Independence is good, right?

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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

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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

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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

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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.

## For more information:

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# Thank you!

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