

GIG ECONOMY

Report Summary • November 2019

A Survey of Gig Workers in Imperial County

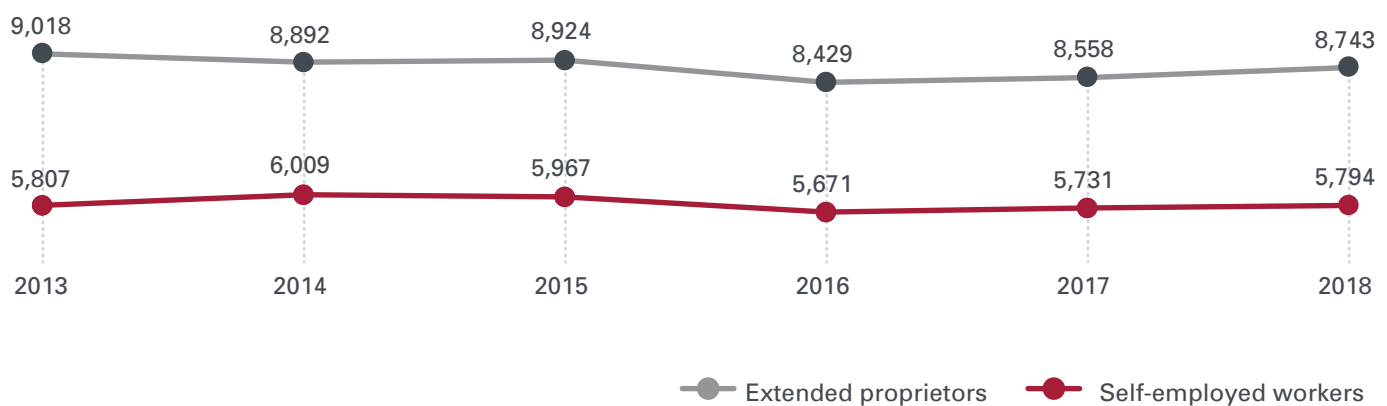


Gig Economy Overview

The “Gig Economy” is one of the many terms that describe the contingent or self-employed workforce. Gig workers generally have jobs that are assignment-based, limited in nature, explicit in scope, and/or fixed in duration. There is no standardized way to quantify the size of the Gig Economy. Nationally, Intuit estimated that 34 percent of the labor force are gig workers;¹ Upwork reported that number to be 36 percent;² and the U.S. Bureau of Labor Statistics estimated it to be 10 percent.³

While it is unclear exactly how many people participate in the Gig Economy, the fact remains that gig workers exist and that their training and educational needs differ from traditional workers (i.e., personnel employed at a company). Between 2013 and 2018, the number of self-employed individuals in Imperial County ranged between 5,807 and 5,794 individuals, and the number of extended proprietors ranged between 9,018 and 8,743 individuals.⁴ (Extended proprietors are workers who reported earning income that supplements their primary employment.⁵)

Number of Self-Employed Workers and Extended Proprietors in Imperial County, 2013-2018



To assist Imperial Valley College in better understanding the Gig Economy, the San Diego-Imperial Regional Director, Employer Engagement for Business and Entrepreneurship and Center of Excellence for Labor Market Research (COE) commissioned UCSD Extension to conduct surveys and focus groups of gig workers residing in Imperial County. This summary highlights key points from the study, *Gig Economy: A Survey of Gig Workers in Imperial County*.

Gig Workers (Survey Respondents)

Because the Gig Economy is defined very broadly, the survey targeted two types of gig workers typically seen at the community colleges: **1) independent contractors (1099 workers)** and **2) digital platform workers (e.g., Lyft, TaskRabbit)**. Respondents were classified as gig workers if they fell into one of three groups: 1) they identified as self-employed or independent contractors; 2) they completed “non-traditional work” (i.e., gig work) in the past 12 months; or 3) they previously did “non-traditional work,” but not in the past 12 months. Consequently, **120 Imperial County residents** who responded to the survey met these criteria.

¹ Gillespie, Patrick. “Intuit: Gig Economy is 34% of US Workforce.” CNN Business. 24 May 2017. money.cnn.com/2017/05/24/news/economy/gig-economy-intuit/index.html

² “Freelancers predicted to become the U.S. workforce majority within a decade, with nearly 50% of millennial workers already freelancing, annual “Freelancing in America” study finds.” Upwork Global Inc.. 17 Oct 2017. upwork.com/press/2017/10/17/freelancing-in-america-2017

³ Casselman, Ben. “Maybe the Gig Economy Isn’t Reshaping Work After All.” NY Times. 7 June 2018. nytimes.com/2018/06/07/business/economy/work-gig-economy.html

⁴ Emsi. Self-Employed Workers, Extended Proprietors. Imperial County. Data set 2019.03. 2013-2018.

⁵ economicmodeling.com/2012/07/09/emsi-data-update-four-new-categories

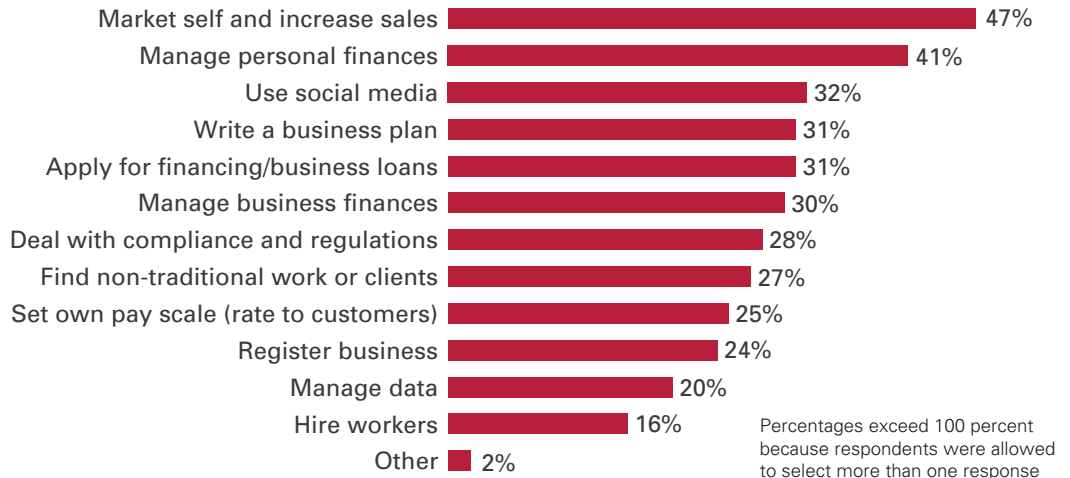
Key Findings and Recommendations

Based on surveys and focus groups from the study, the following section summarizes recommendations for Imperial Valley College (IVC) and how IVC could serve the region's demand for gig workers.

FINDING 1

When asked if they would be interested in receiving training, survey respondents' top three training topics were "market self and increase sales," "manage personal finances," and "use social media."

Topics that Gig Workers Would be Interested in Receiving Training (n=106)



RECOMMENDATION

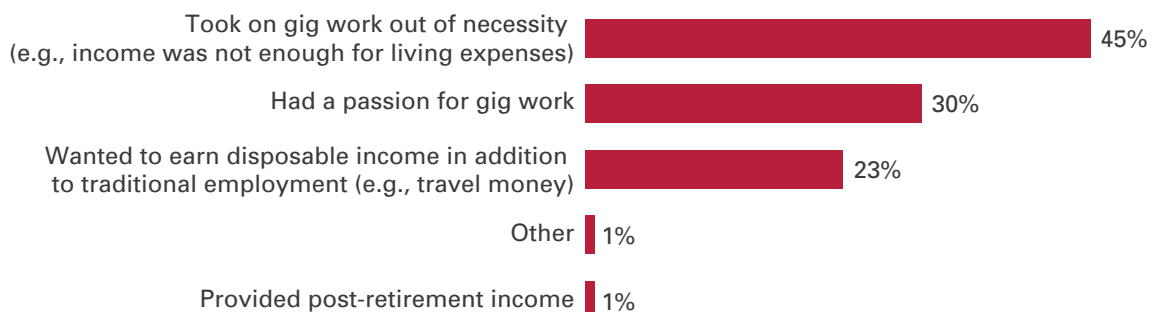
Imperial Valley College could incorporate these top three skills in their current training programs, or offer short, non-credit courses in the top topics that gig workers expressed interest in and market the training specifically to gig workers. Instead of creating new programs, IVC could partner with organizations in Imperial County that already offer these types of courses (e.g., Small Business Development Center, Imperial Valley Economic Development Corporation) and promote them to community college students and/or gig workers.

Focus group participants in Imperial County recommended that Imperial Valley College rebrand existing business classes as "gig worker" classes. Participants said that they were well aware of the free classes offered for "businesses" at Imperial Valley College. Gig workers did not consider these classes relevant to them because they did not consider themselves to be businesses. They considered businesses to be companies with multiple employees, whereas they were single employees doing contract work. They also admitted the need for assistance in filling out taxes and determining differences in completing W-2 forms and 1099 forms.

FINDING 2

45% of gig workers initially participated in the Gig Economy out of necessity because they did not have enough income for living expenses. A recurring theme for participants who did not already have a full-time job at a company was to continue gig work until full-time, traditional employment was secured.

Gig Workers' Primary Motive for Participating in the Gig Economy (n=113)



RECOMMENDATION

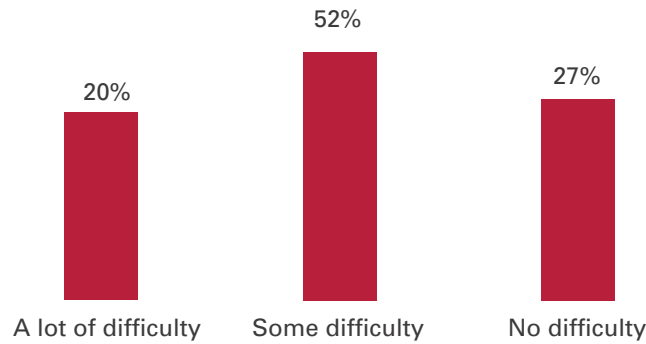
Imperial Valley College could market short-term Career Education programs that lead to in-demand jobs to gig workers. Gig workers want gainful employment in a full-time position, however, they cannot stop gig work for training; they need income for living expenses. Short-term CE programs that have flexible schedules (e.g., online, hybrid programs) may benefit gig workers who spend approximately 30 hours a week in the Gig Economy.



FINDING 3

The majority of gig workers reported having difficulty finding enough gig work to meet income needs. More specifically, self-employed or independent contractors had the most difficulty finding enough work. Self-employed or independent contractors primarily worked as Professional, Scientific, and Technical Services, such as consultants, interpreters, computer service providers, etc.

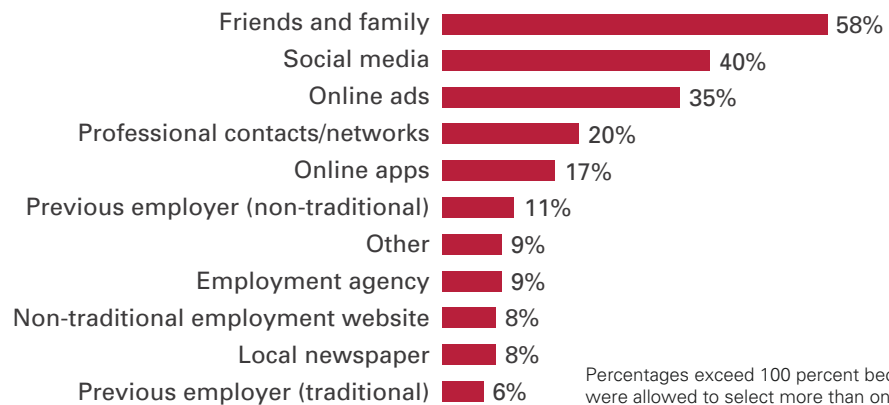
Current Gig Workers' Level of Difficulty in Finding Enough Work to Meet Income Needs (n=113)



FINDING 4

The top two ways gig workers found gig work were through friends and family or through professional networks. Of the 17% of respondents who found gig work through online apps, the top apps used were Uber and Freelancer.computer service providers, etc.

Current Gig Workers' Method of Finding Gig Work (n=113)



Percentages exceed 100 percent because respondents were allowed to select more than one response

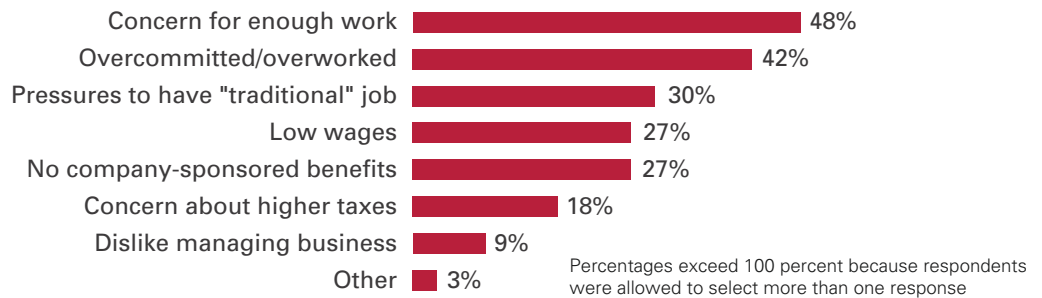
➤ RECOMMENDATION

Imperial Valley College could offer and/or promote courses specifically on business development (i.e., finding clients). Additionally, focus group participants expressed interest in learning how to find remote work.

FINDING 5

Gig workers reported that they quit gig work or considered quitting gig work because of 1) concern for enough work and 2) feeling overworked.

Reasons Why Current Gig Workers Considered Quitting Gig Work (n=33)



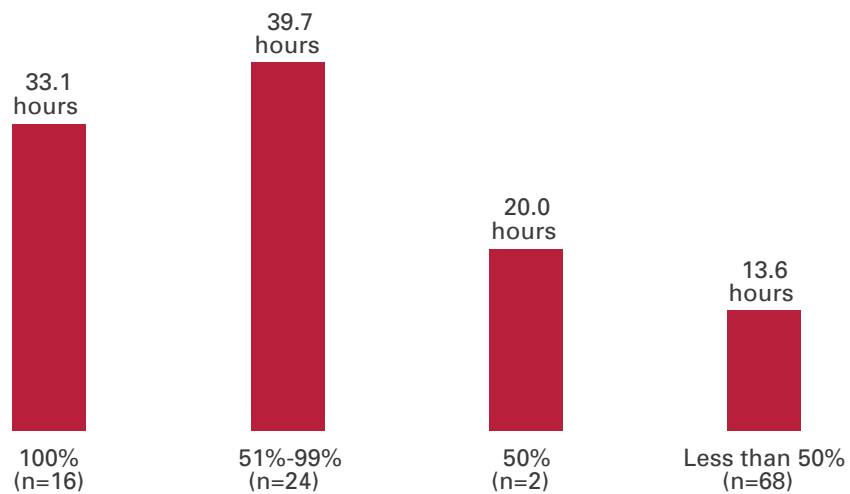
> RECOMMENDATION

In addition to not finding enough work as gig workers, focus group participants reported having unexpected issues (e.g., taxes) after securing a regular schedule in gig work. Gig workers would benefit from training that covers finance and legal issues related to the Gig Economy (e.g., worker rights, wage exploitation, copyright infringement, tax implications). According to a recent letter from the U.S. Department of Labor, "gig economy workers who find jobs through online platforms are not entitled to protection under the Fair Labor Standards Act." Interpretations of employment practices and policies for the Gig Economy are constantly changing; gig workers, especially students, should understand these implications before committing so much time in the Gig Economy and consequently dealing with legal or financial issues that may result from their gig work.

FINDING 6

Even if they spent 30 or more hours a week on gig work, survey and focus group participants did not consider gig work to be the same as full-time employment. Gig workers spend more than 30 hours per week in the Gig Economy if gig work amounted to 50 percent or more of their income. In other words, even if they do not consider gig work to be full-time, gig workers are committing a similar number of hours as full-time employees would at a company in a traditional employment setting.

Number of Hours Spent on Gig Work per Week by Percent of Income (n=113)



> RECOMMENDATION

Career counselors and faculty could provide training on how to help transition workers in the Gig Economy to full-time employment. Training could include how to communicate and translate gig work experiences into skills and traits that are in demand at companies (e.g., persistence, self-motivation). Gig workers may not be aware of how much time they are actually spending in the Gig Economy.



Important Disclaimers

All representations included in this report have been produced from primary research and/or secondary review of publicly and/or privately available data and/or research reports. This study examines the most recent data available at the time of the analysis; however, data sets are updated regularly and may not be consistent with previous reports. Efforts have been made to qualify and validate the accuracy of the data and the report findings; however, neither the Centers of Excellence for Labor Market Research (COE), COE host district, nor California Community Colleges Chancellor's Office are responsible for the applications or decisions made by individuals and/or organizations based on this study or its recommendations.

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For the full report, visit San Diego-Imperial at coecc.net or myworkforceconnection.org/lmi.