June 2019

# GIG ECONOMY:
## A SURVEY OF GIG WORKERS

## IN SAN DIEGO COUNTY

C·O·E CENTERS OF EXCELLENCE FOR LABOR MARKET RESEARCH

SAN DIEGO & IMPERIAL COUNTIES COMMUNITY COLLEGES

California Community Colleges

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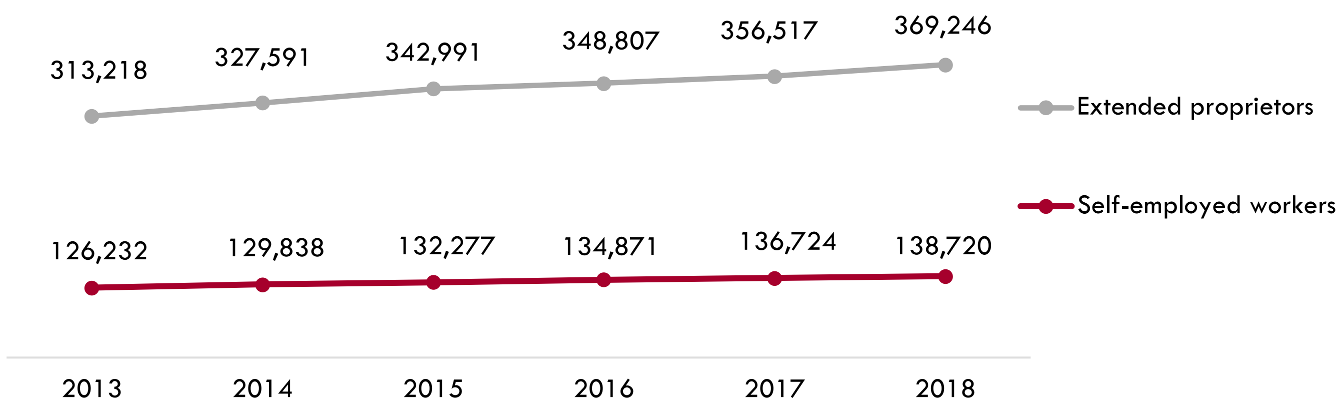
# INTRODUCTION

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. The term "gig" was adopted from the music industry where musicians take on multiple gigs or short-term jobs.[1] While some of these workers classify themselves as self-employed or independent contractors, many gig workers drive for Uber, complete tasks on TaskRabbit, or sell items on eBay. Gig work can function as a supplement to a traditional full-time job or comprise 100 percent of an individual's income. 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;[2] Upwork reported that number to be 36 percent;[3] and the U.S. Bureau of Labor Statistics estimated it to be 10 percent.[4]

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 who file W-2 forms and are employed at a company). Between 2013 and 2018, the number of self-employed individuals in San Diego County grew from 126,232 to 138,720—a 10 percent increase—and the number of extended proprietors increased by 18 percent (from 313,218 to 369,246) between 2013 and 2018 (Exhibit 1).[5] (Extended proprietors are workers who reported earning income that supplements their primary employment.)[6]

**Exhibit 1: Number of Self-Employed Workers and Extended Proprietors in San Diego County, 2013-2018**




As self-employment grows, the San Diego-Imperial community colleges need to better understand the Gig Economy, specifically why people engage in gig work (e.g., out of necessity, flexibility, life style) and whether gig workers have challenges in obtaining self-sufficient wages. This study examines survey responses from gig workers and makes recommendations as to how the San Diego-Imperial region's community colleges could develop training that gig workers need to be successful in their gig work and to obtain living wages.

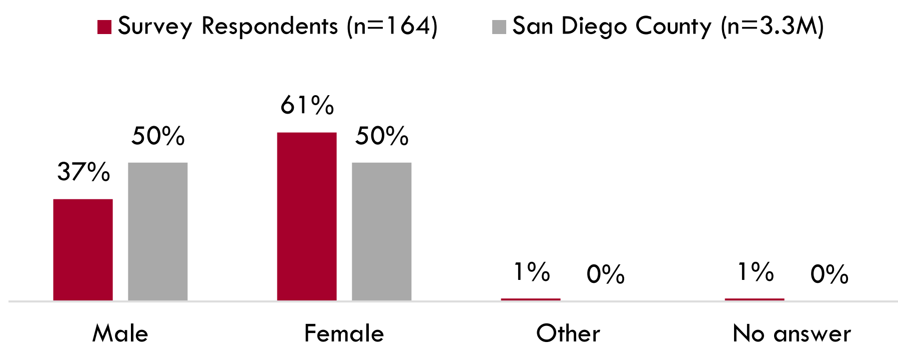
[1] Sundararajan, Arun. "The 'gig economy' is coming. What will it mean for work?" *The Guardian*, Business Opinion. 25 July 2015. theguardian.com/commentisfree/2015/jul/26/will-we-get-by-gig-economy
[2] Gillespie, Patrick. "Intuit: Gig Economy is 34% of US Workforce." *CNN Business*. 24 May 2017. money.cnn.com/2017/05/24/news/economy/gig-economy-intuit/index.html
[3] "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
[4] 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
[5] Emsi. Self-Employed Workers + Extended Proprietors. San Diego County. Data set 2019.01. 2013-2018.
[6] economicmodeling.com/2012/07/09/emsi-data-update-four-new-categories

# OVERVIEW OF SURVEY RESPONDENTS

Between October 2018 and January 2019, the San Diego-Imperial Deputy Sector Navigator (DSN) for Business and Entrepreneurship and Center of Excellence for Labor Market Research (COE) commissioned the University of California, San Diego (UCSD) Extension to conduct surveys and focus groups of gig workers currently residing in San Diego County. While it is difficult to quantify exactly how many people participate in the Gig Economy, this study attempts to capture a moderately representative sample of the general San Diego County population. The following exhibits demonstrate the demographic breakdown of the survey respondents compared to the general population.

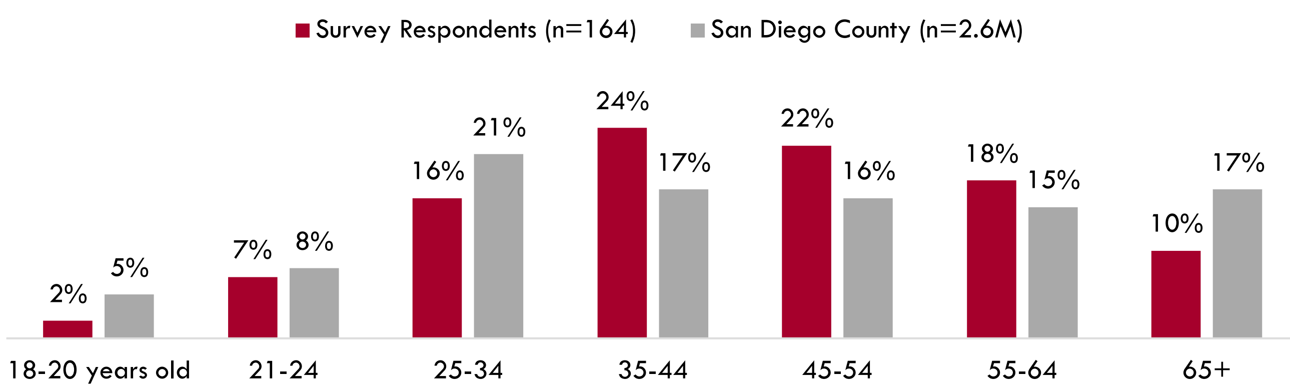
Of the 164 gig workers in San Diego County who responded to the online survey, 61 percent were female, compared to 50 percent in the general population (Exhibit 2).[7]

**Exhibit 2: Gender Breakdown of Survey Respondents vs. San Diego County Population**




The majority of gig workers surveyed were between the ages of 25 and 54 years old, similar to the general population; however, 10 percent of survey respondents were 65 years or older, compared to 17 percent of the population (Exhibit 3).[8]

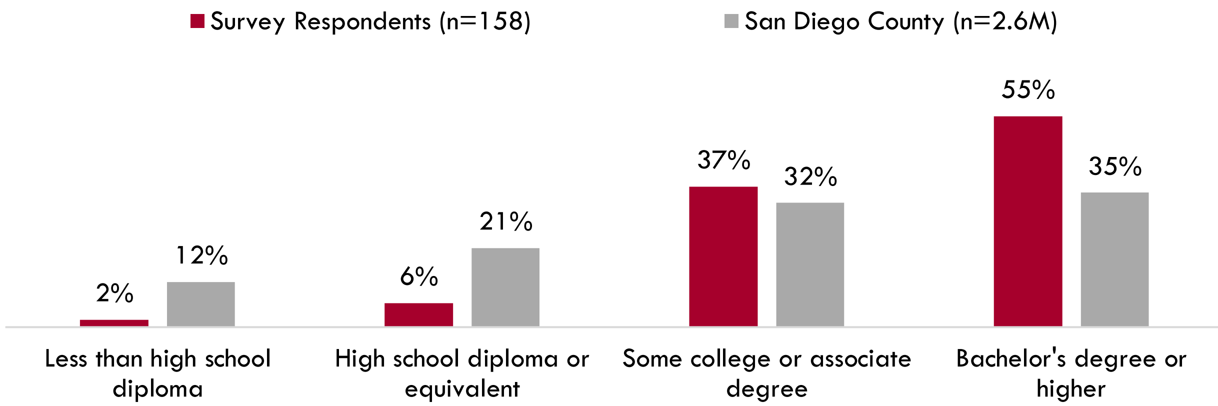
**Exhibit 3: Age Breakdown of Survey Respondents vs. San Diego County Adult Population**




[7] U.S. Census Bureau (2017). Sex by Age, *Universe: Total Population, 2017 American Community Survey 1-year Estimates*. Retrieved from factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B01001&prodType=table
[8] U.S. Census Bureau (2017). Sex by Age, *Universe Total Population, 2017 American Community Survey 1-year Estimates*. Retrieved from factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B01001&prodType=table

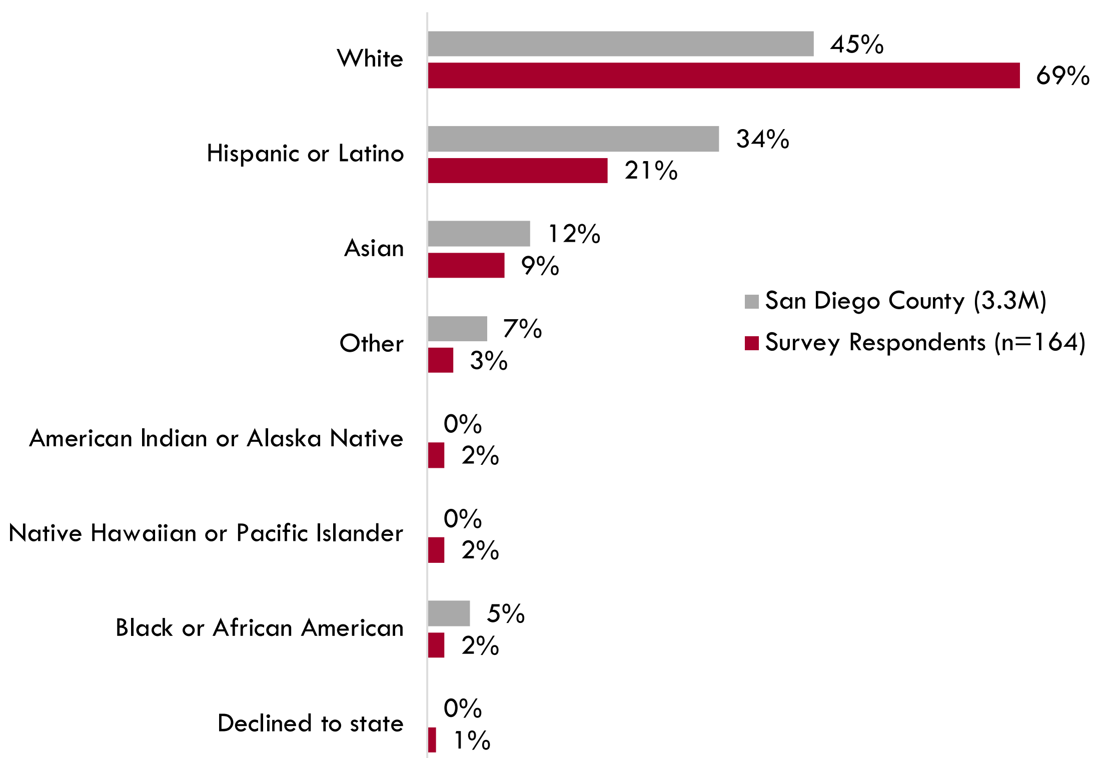
Survey respondents indicated higher levels of educational attainment than the general population; 55 percent of survey respondents reported having a bachelor's degree or higher, compared to 35 percent of the general population (Exhibit 4).

**Exhibit 4: Educational Attainment of Survey Respondents vs. San Diego County Population**




In terms of ethnicity, survey respondents differed from the general population, with 69 percent of survey respondents selecting "white" as their ethnicity, compared to 45 percent of the general population (Exhibit 5).[9]

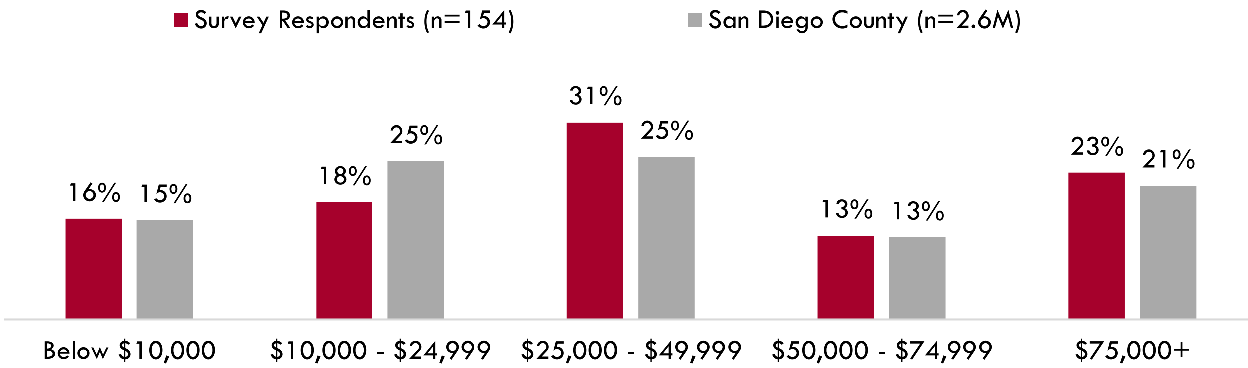
**Exhibit 5: Ethnic Breakdown of Survey Respondents vs. San Diego County Population**




[9] U.S. Census Bureau (2017). Hispanic or Latino Origin by Race, *Universe Total Population, 2017 American Community Survey 1-year Estimates*. Retrieved from factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B03002&prodType=table

The socioeconomic status of the survey respondents and the general population were similar, with 49 percent of survey respondents and 50 percent of the population earning between $10,000 and $49,999 (Exhibit 6).[10]

**Exhibit 6: Income Breakdown of Survey Respondents vs. San Diego County Population**




**Focus Groups' Insights**

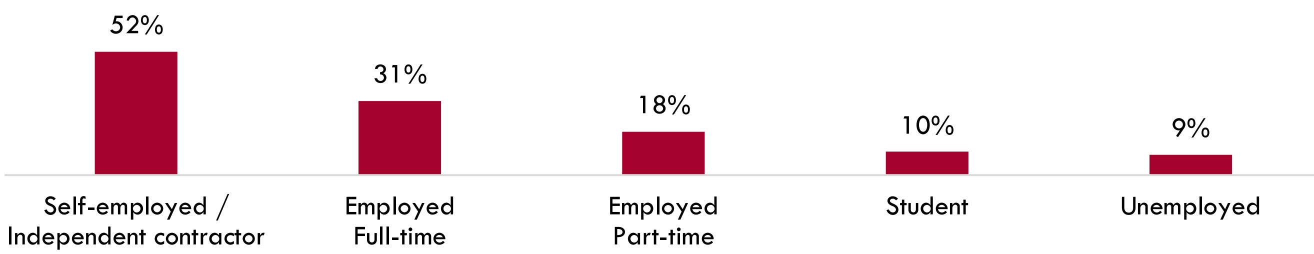
After receiving survey responses from 164 gig workers in San Diego County, the research team followed up with the gig workers and invited them to participate in focus groups in January 2019. The research team conducted three focus groups with the 24 participants who accepted the invitations. The qualitative information they provided in the focus groups are used throughout this study in the following sections to provide additional insight on the survey responses.

[10] U.S. Census Bureau (2017). *Place of Birth by Individual Income in the Past 12 months (in 2017 Inflation-adjusted dollars) in the United States, Universe: Population 15 years and over in the United States, 2017 American Community Survey 1-Year Estimates*. Retrieved from factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B03002&prodType=table

## DEFINING GIG WORKERS

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, 164 San Diegans who responded to the survey met these criteria. Of the 164 respondents, 52 percent considered themselves self-employed or independent contractors and were classified as gig workers for the purpose of this study (Exhibit 7).[11]

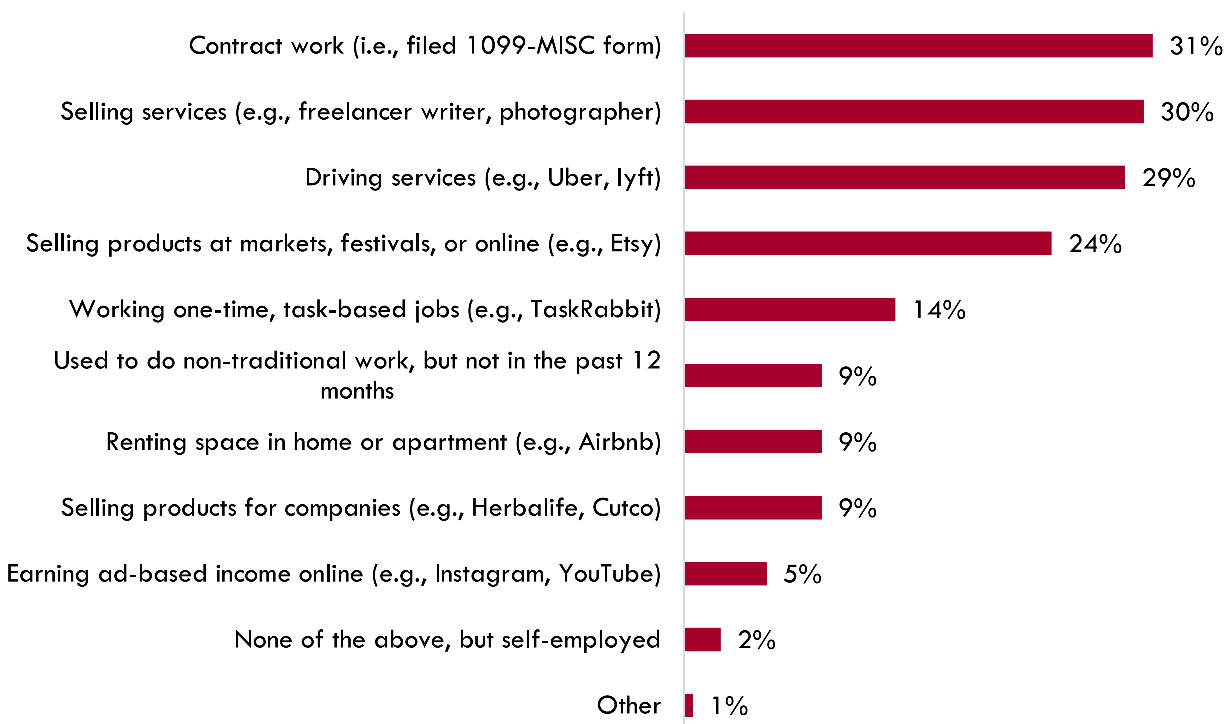
**Exhibit 7: Employment Status of Survey Respondents (n=164)**




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

If respondents did not identify themselves as self-employed, they were still classified as gig workers if they completed non-traditional (gig) work. Of the 164 respondents, all but two percent completed gig work (Exhibit 8).

**Exhibit 8: Non-Traditional (Gig) Work Completed in the Past 12 Months by Survey Respondents (n=164)**



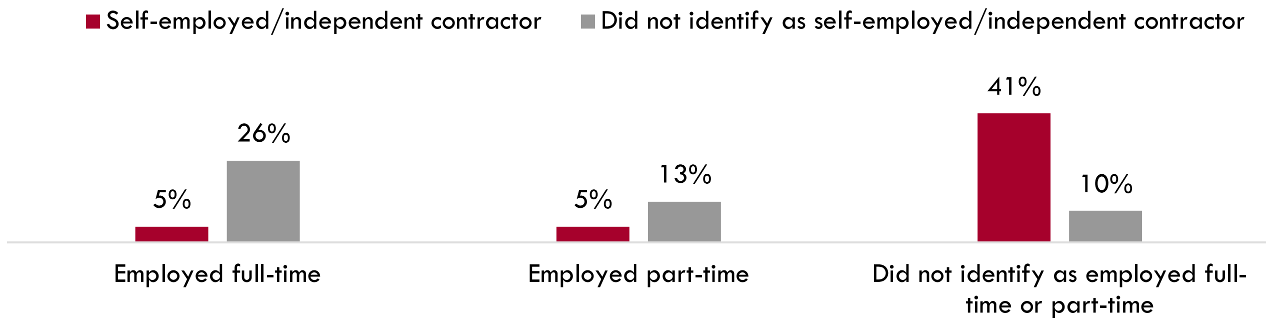

Percentages exceed 100 percent because respondents were allowed to select more than one response.

[11] The responses do not clarify if gig workers are employed full-time as independent contractors or have a full-time traditional job while completing *supplemental* non-traditional work on the side.

## TYPES OF GIG WORK

The gig workers surveyed distinguish self-employment and part-time or full-time employment as fundamentally two different types of work. As previously mentioned in Exhibit 7, 51 out of 164 respondents (31 percent) considered themselves employed full-time. Of the 31 percent, only five percent **also** identified as self-employed or independent contractors (Exhibit 9)—despite the fact that respondents had the option to select multiple types of employment statuses. In other words, **gig workers who are self-employed or independent contractors do not consider themselves to be employed part-time or full-time; part-time and full-time employment appear to be reserved for traditional workers** (i.e., personnel who file W-2 forms and are employed at a company). It is likely that survey respondents who identified as "employed full-time" or "employed part-time" have traditional employment and use gig work as supplemental work.

**Exhibit 9: Employment Status of Survey Respondents: Self-Employed vs. Non-Self-Employed (n=164)**

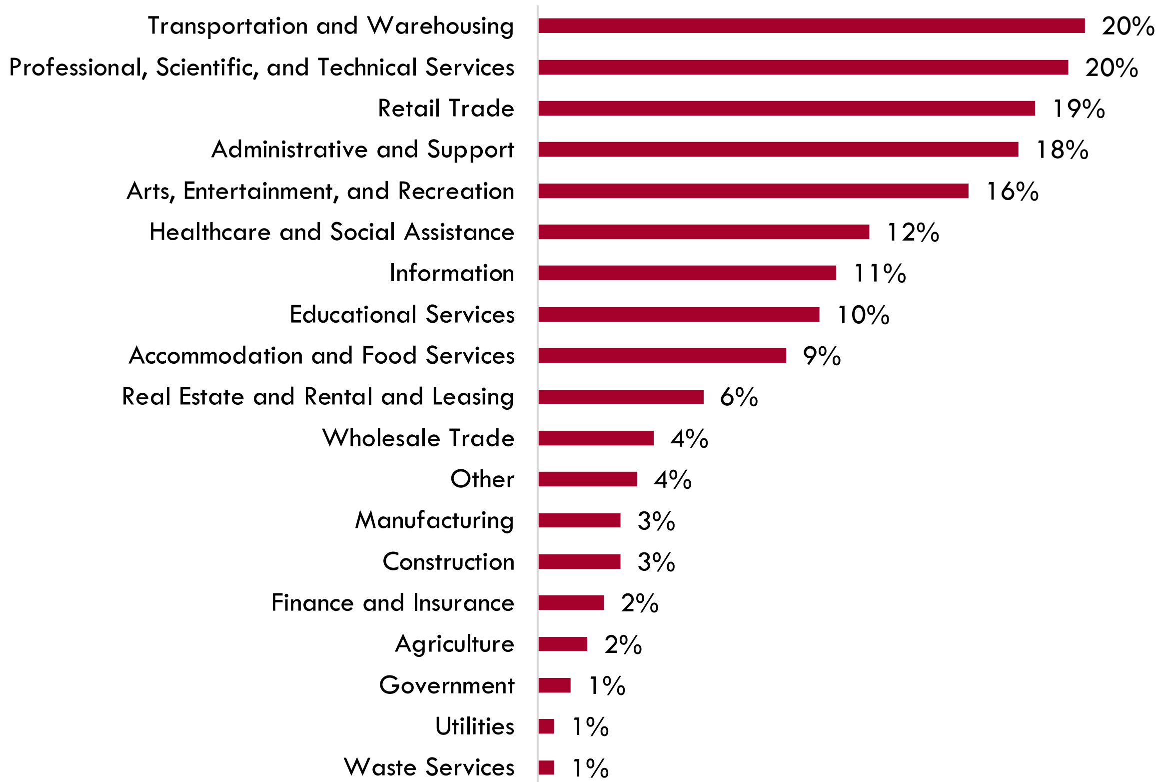



**Focus Groups Agree that Gig Work Does Not Necessarily Equate to Full-Time Employment**

Focus group participants confirmed that while a significant portion of their income come from gig work, they believe that their gig work was a temporary endeavor. The majority of focus group participants agreed that they would continue their gig work until they were able to obtain full-time employment with benefits at a company.

Survey respondents were asked to identify all industries in which they participated in gig work. The top three industries were Transportation and Warehousing; Professional, Scientific, and Technical Services; and Retail Trade (Exhibit 10).

**Exhibit 10: Employment by Industry by Percentage of Respondents (n=162)**




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

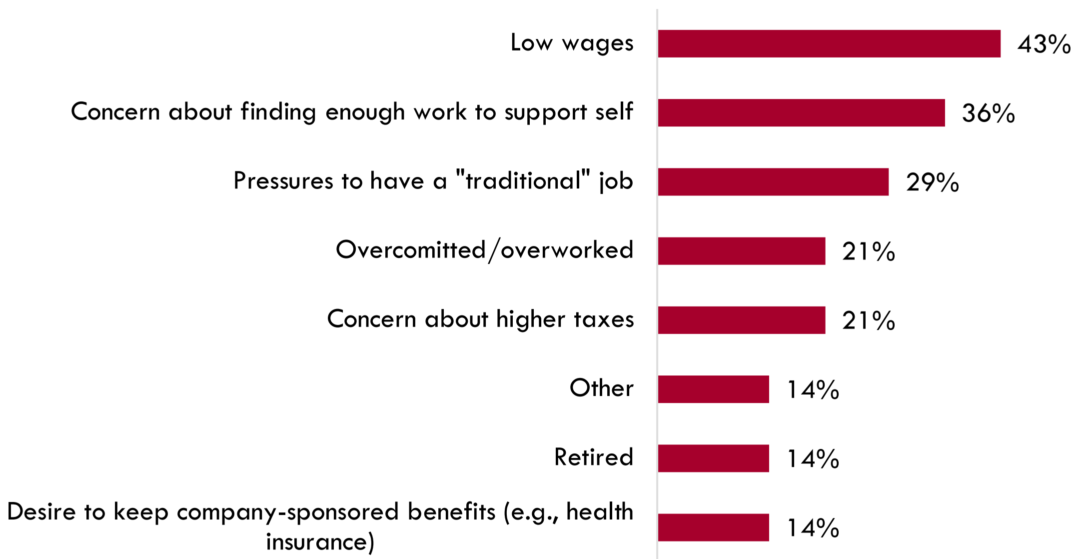
**Industries that Focus Group Participants Worked In**

At the time this study was commissioned, the research team predicted that the majority of survey and focus group participants would come from the Transportation and Warehousing industry due to the proliferation of Lyft and Uber drivers. However, the types of industries represented in this study are varied, with Transportation and Warehousing; Professional, Scientific, and Technical Services; Retail Trade; and Administrative and Support each comprising approximately 20 percent of survey responses. Focus groups yielded a similar representation of these industries: Lyft and Uber drivers represented the Transportation and Warehousing industry; interpreters, computer service providers, and photographers represented Professional, Scientific, and Technical Services; Etsy and eBay sellers represented Retail; and customer service workers and personal assistants represented Administrative and Support.

## CURRENT AND FORMER GIG WORKERS

The survey captured data from current and former gig workers. Of the 164 gig workers who responded to the survey, 14 reported that they have not completed gig work in the past 12 months. These former gig workers indicated that low wages and concern over finding enough work were the two top reasons for quitting gig work (Exhibit 11).

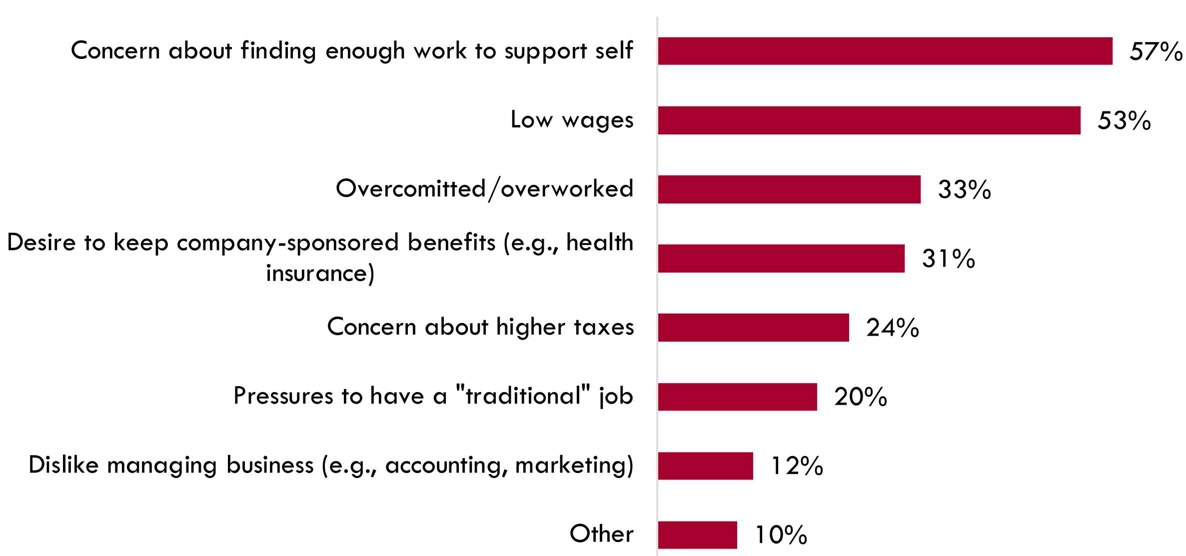
**Exhibit 11: Reasons Why Former Gig Workers Quit Gig Work (n=14)**




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

Of the 150 survey respondents still participating in the Gig Economy, 49 current gig workers indicated that they considered quitting gig work. The primary reasons were concern for enough work and receiving low wages, which is similar to the 14 respondents who no longer participate in the Gig Economy (Exhibit 12).

**Exhibit 12: Reasons Why Current Gig Workers Considered Quitting Gig Work (n=49)**



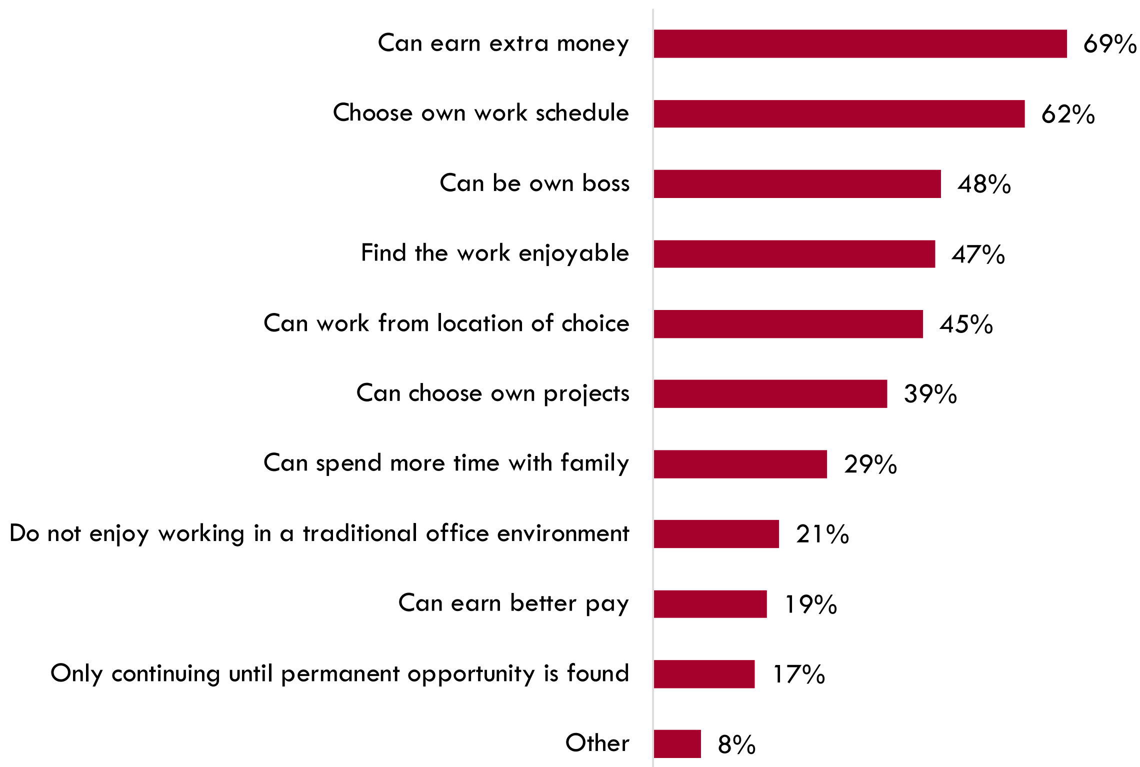

Percentages exceed 100 percent because respondents were allowed to select more than one response.

**Focus Groups' Considerations About Quitting Gig Work**

Nearly 33 percent of the current gig workers considered quitting their gig work. As a result, focus groups were asked to elaborate on whether they would continue their gig work over the next five years. Focus group participants indicated that 1) they enjoyed gig work and intended to continue indefinitely; 2) they viewed gig work as a temporary endeavor, which would end once they finished school or obtained a full-time job; or 3) they planned to continue with gig work, but would reduce the amount of gig work once they obtained a full-time job. Focus group participants sought full-time employment but were concerned about not being able to obtain it.

While some current gig workers contemplated quitting gig work, they indicated that their top motivations for continuing gig work were the extra income and ability to choose their own schedules (Exhibit 13).

**Exhibit 13: Motivation of Current Gig Workers for Continuing Gig Work (n=150)**

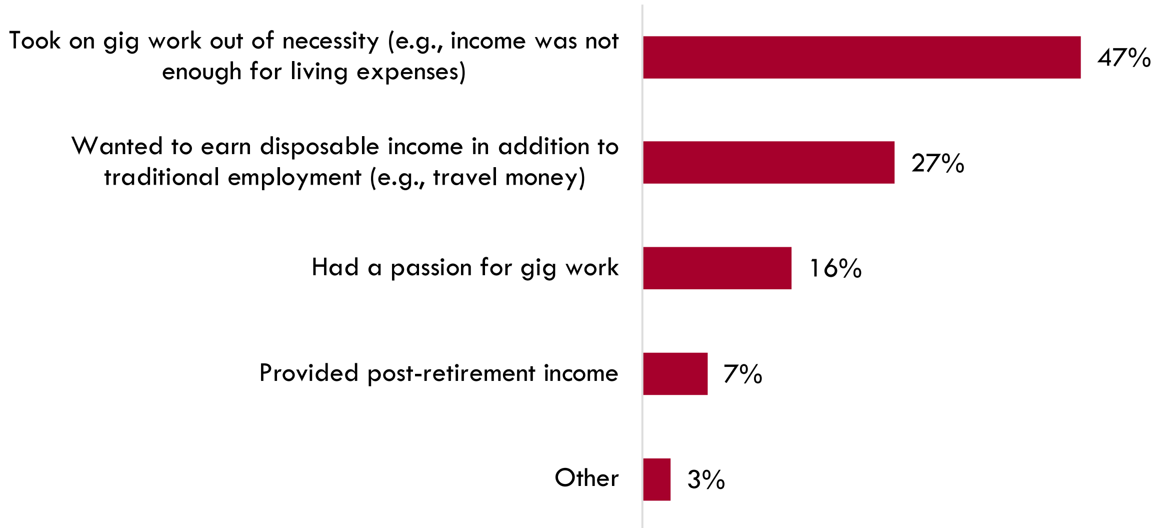



Percentages exceed 100 percent because respondents were allowed to select more than one response.

## PARTICIPATING IN THE GIG ECONOMY

Despite what their current motivations are for continuing gig work, nearly 50 percent of current gig workers began participating in the Gig Economy out of necessity, compared to 27 percent who started gig work to just obtain disposable income (Exhibit 14). This may be related to why 69 percent of current gig workers are motivated to continue gig work because they are looking to "earn extra money" as seen above in Exhibit 13.

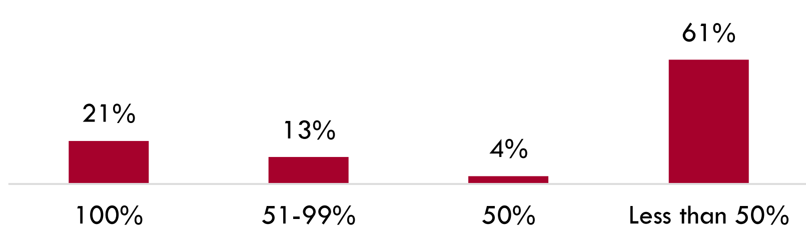
**Exhibit 14: Current Gig Workers' Primary Motive for Participating in the Gig Economy (n=150)**




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

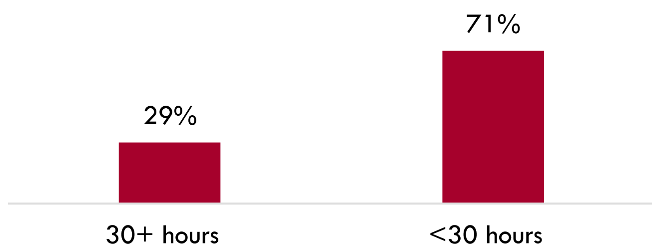
Income from gig work alone is not sufficient for survey respondents' living expenses. Only 21 percent of current gig workers indicated that 100 percent of their income comes from gig work (Exhibit 15). This suggests that, for **the majority of survey respondents, neither income from gig work or other sources are individually sufficient for current gig workers to make enough money for living expenses**.

**Exhibit 15: Current Gig Workers' Percent of Income from Gig Work (n=150)**



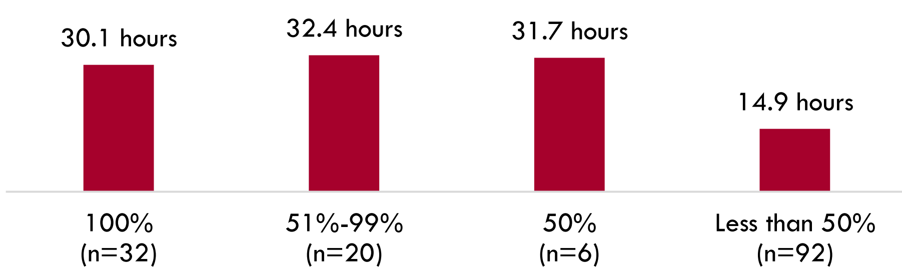
Furthermore, 29 percent of respondents reported spending more than 30 hours a week on gig work (Exhibit 16). (On average, 30 hours of work a week is considered full-time employment.) If gig work is considered supplemental work on top of traditional employment, this suggests that **survey respondents dedicate a significant portion of their time to the Gig Economy in addition to earning income elsewhere**.

**Exhibit 16: Current Gig Workers' Hours Spent on Gig Work per Week (n=147)**



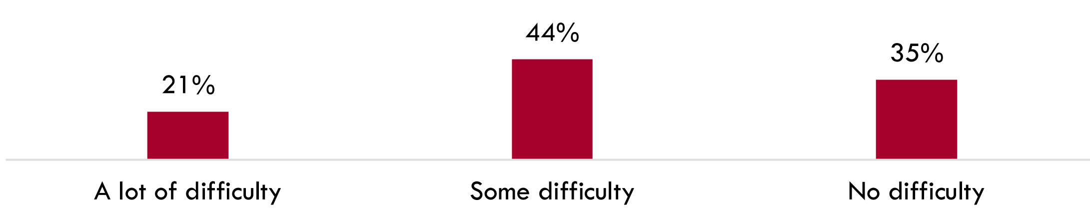

To quantify how significant that amount of time is, the following exhibit compares the percentage in which respondents said that gig work amounted to their total income (Exhibit 15) with the number of hours worked per week in the Gig Economy (Exhibit 16). Current gig workers spend more than 30 hours per week in the Gig Economy if gig work amounted to 50 percent or more of their income, and nearly 15 hours per week if gig work amounted to less than 50 percent (Exhibit 17).

**Exhibit 17: Number of Hours Spent on Gig Work per Week by Percent of Income (n=145)**




Not only do survey respondents spend a significant amount of time in gig work, the majority of current gig workers (65 percent) have "some difficulty" to "a lot of difficulty" in finding enough work to meet their income needs (Exhibit 18).[12]

**Exhibit 18: Current Gig Workers' Level of Difficulty in Finding Enough Work to Meet Income Needs (n=150)**




[12] To determine if there were varying levels of difficulty in finding enough work among different demographics, the research team disaggregated responses by age and industry. However, the disaggregation led to low sample sizes (e.g., n=3, n=9); therefore, "Difficulty in Finding Enough Work to Meet Income Needs" was illustrated in aggregate.

More specifically, when broken down by employment status, self-employed or independent contractors reported the most difficulty in finding enough gig work to meet income needs (Exhibit 19). These gig workers primarily work in the Professional, Scientific, and Technical Services industry (Exhibit 20).

**Exhibit 19: Level of Difficulty in Finding Enough Work to Meet Income Needs by Employment Status (n=150)**

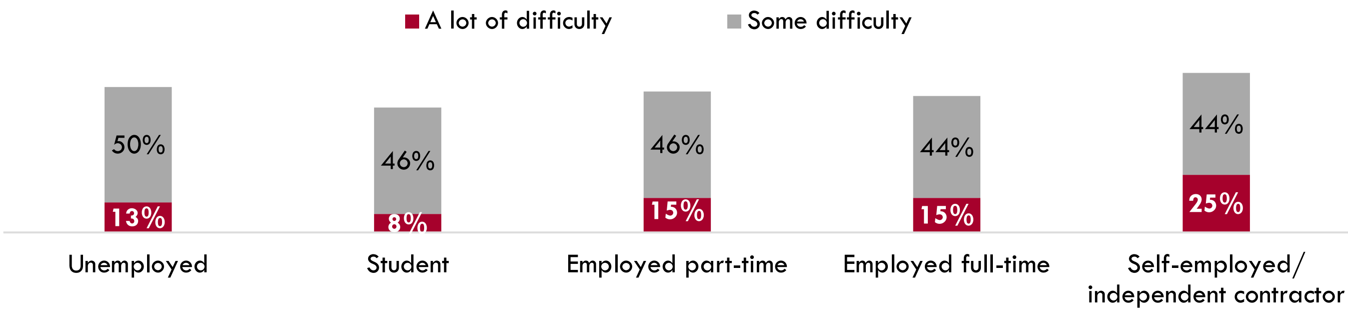
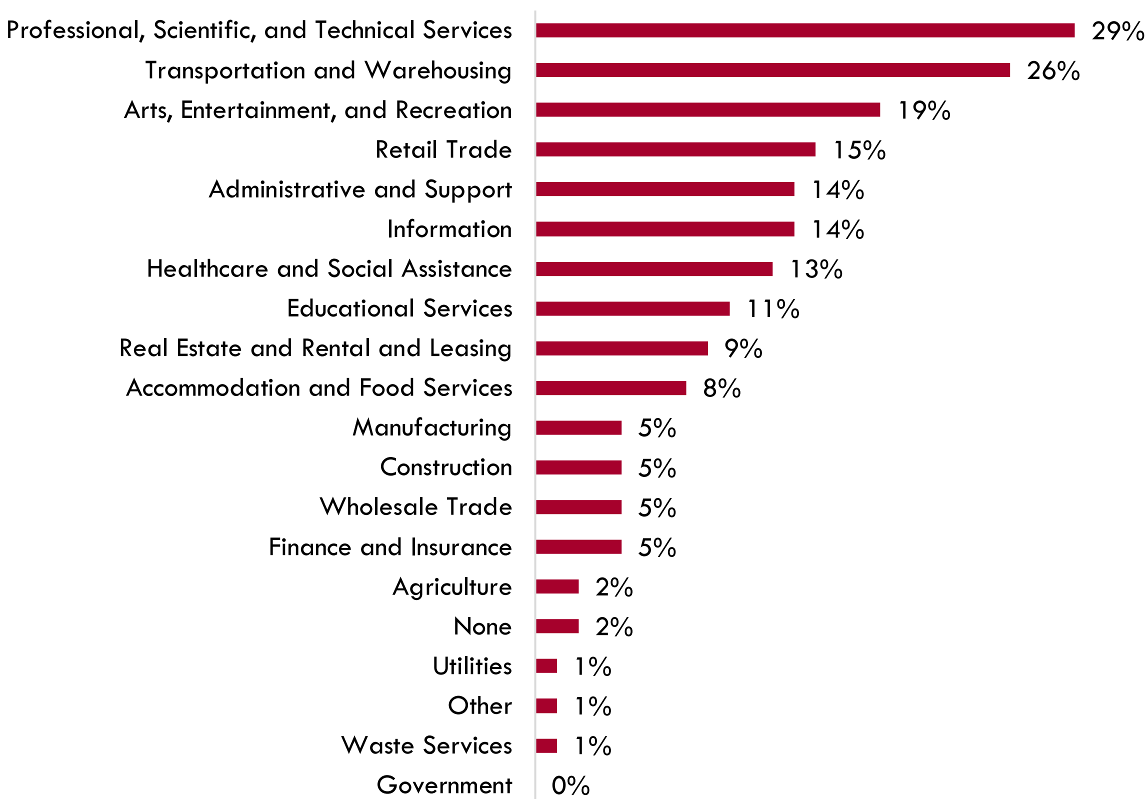


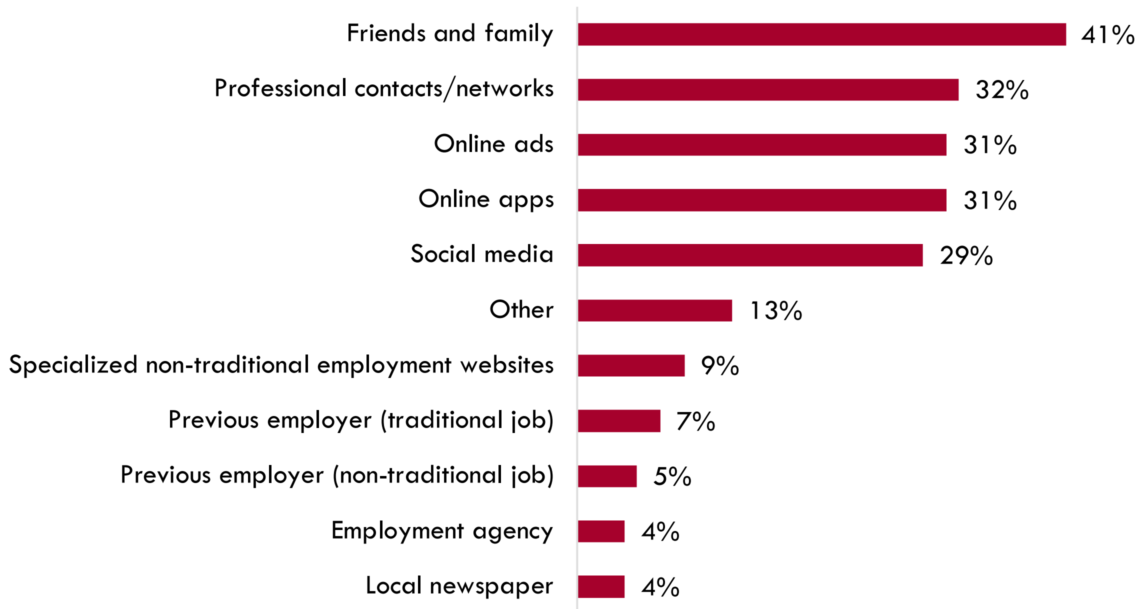

**Exhibit 20: Employment by Industry by Percentage of Respondents Who Identified as Self-Employed or Independent Contractors (n=85)**




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

Respondents used a variety of methods to find gig work. Despite the proliferation of online applications such as Task Rabbit, Uber, Thumbtack, etc., the primary method in which current gig workers find their non-traditional jobs is through friends and family (Exhibit 21).

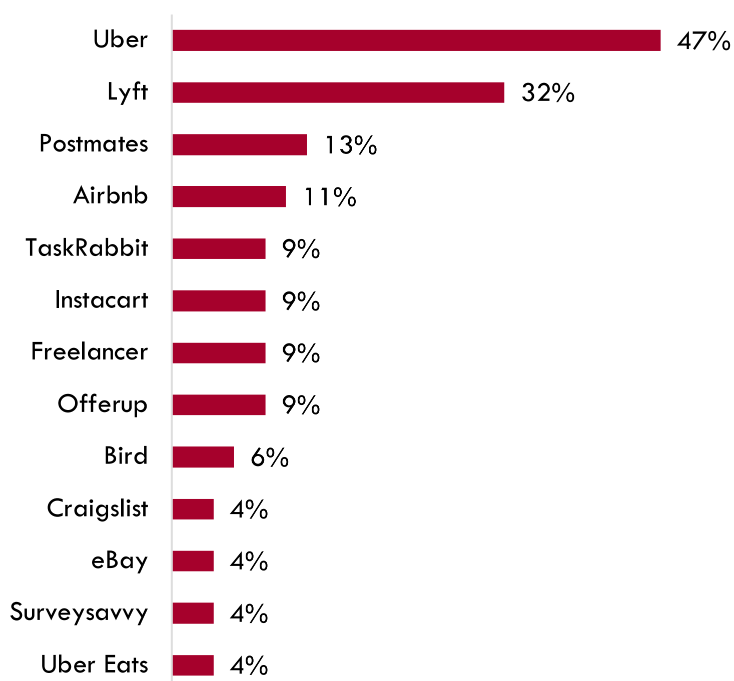
**Exhibit 21: Current Gig Workers' Method of Finding Gig Work (n=150)**




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

Of the 31 percent of respondents who found gig work through online apps (Exhibit 21), the top apps used were Uber and Lyft (Exhibit 22).

**Exhibit 22: Apps Gig Workers Use to Find Gig Work (n=47)**




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

**Focus Groups' Responses About Methods of Finding Gig Work and Online Apps**

Similar to the survey responses, focus group participants reported that they found work primarily through word-of-mouth from friends and family or professional contacts. A few participants mentioned that they initially started contract work with an agency and continued receiving referrals after completing their assignments with the agency.

In terms of online ads or web presence, a few participants used social media, such as Facebook, to sell products or organize groups. However, no one mentioned using Facebook to build a brand name for themselves. A small number of focus group participants used websites, such as Indeed or Craigslist, to find "work from home" jobs.

When asked what types of apps they used to find work, participants mentioned using eBay, Facebook Marketplace, Amazon, Instacart, Postmates, and Airbnb. However, while the majority of focus group participants reported using a variety of apps to find work, the use of apps was significantly lower for gig workers in general than for gig workers who depended on driving service apps (e.g., Lyft, Uber). Focus group participants reported that a wide range of apps are available to find work and the number of apps is increasingly growing. With so many apps available, focus group participants reported that it was difficult to determine which apps are more effective than others in helping them find work.

## KEY FINDINGS AND RECOMMENDATIONS

The Gig Economy, especially the digital labor market, continues to change, and as a result, the San Diego and Imperial Counties Community Colleges need to adapt accordingly. Based on the findings in the survey and focus groups, this study makes recommendations for the community colleges and how they could serve the region's demand for gig workers.

**1**

**Finding:** When asked if they would be interested in receiving training, more than 30 percent reported that they would like to know how to find non-traditional work or clients, how to market themselves and increase sales, and how to manage their personal finances (Exhibit 23).

**Exhibit 23: Topics that Gig Workers Would be Interested in Receiving Training (n=164)**


(Thirty-three percent of respondents selected "none of the above.")

**Recommendation:** The community colleges could offer short, non-credit courses in the top topics that gig workers expressed interest in and market the training specifically to gig workers. On the other hand, instead of creating new programs, the community colleges could partner with organizations in San Diego County that already offer these types of courses and promote them to community college students who may be participating in the Gig Economy. A few survey and focus group participants mentioned that do not need training in these topics because organizations such as the San Diego Employers Association (SDEA) and Small Business Development Center (SBDC) already provide such services.

**2**

**Finding:** 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. The top two ways gig workers found gig work were through friends and family or through professional networks.

**Recommendation:** Survey respondents selected "how to find non-traditional work or clients" as the top topic they would be interested in receiving training for (Exhibit 23). The community colleges 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.

**3**

**Finding:** Gig workers reported that they quit gig work or considered quitting gig work because of 1) low wages and 2) concern about finding enough work to support themselves. They also selected "how to manage personal finances" as one of the top three training topics that they would be interested in.

**Recommendation:** 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.

**4**

**Finding:** 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.

**Recommendation:** The community colleges should 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. For example, a survey participant indicated that s/he would like "to learn coding…to make phone apps" while working in the Gig Economy.

**5**

**Finding:** 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. As previously mentioned, current 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.

**Recommendation:** Career counselors 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). Gas prices are rising and gig workers, especially those in driving services, may not be aware of how much time they are actually spending in the Gig Economy. Transportation and Warehousing was one of the top industries for gig work, and Uber and Lyft were also the top two apps used by survey respondents to find gig work.

**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.

## Acknowledgments

**Jennifer Patel** – Deputy Sector Navigator for Business and Entrepreneurship, San Diego-Imperial

**Tina Ngo Bartel and John Edwards** – San Diego-Imperial Center of Excellence for Labor Market Research

**Josh Shapiro, Erik Buchholz, and Gladys Selfridge** – University of California, San Diego (UCSD) Extension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