

June 2019



GIG ECONOMY: A SURVEY OF GIG WORKERS

IN SAN DIEGO COUNTY



**SAN DIEGO & IMPERIAL COUNTIES
COMMUNITY COLLEGES**

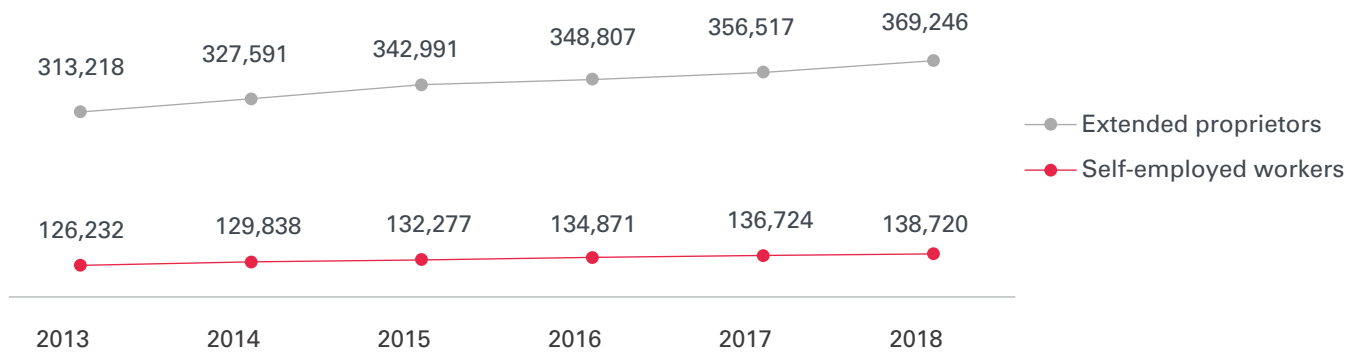


GIG ECONOMY OVERVIEW

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 workers and extended proprietors in San Diego County increased by 10% and 18%, respectively.⁴ (Extended proprietors are workers who reported earning income that supplements their primary employment.)

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



To assist the community colleges in better understanding the Gig Economy, 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 UCSD Extension to conduct surveys and focus groups of 164 gig workers residing in San Diego County. This summary highlights key points from the study, **Gig Economy: A Survey of Gig Workers in San Diego 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 1) identified as self-employed or independent contractors; 2) completed “non-traditional work” (i.e., gig work) in the past 12 months; or 3) used to do “non-traditional work,” but not in the past 12 months. Consequently, 164 survey respondents in San Diego County met these criteria. 52% considered themselves self-employed or independent contractors and the remainder completed other gig work (e.g., Uber, Lyft, Etsy, TaskRabbit, Herbalife, Cutco, eBay, Airbnb). The top three industries for gig workers were **Transportation and Warehousing; Professional, Scientific, and Technical Services; and Retail Trade**.

¹ money.cnn.com/2017/05/24/news/economy/gig-economy-intuit/index.html

² upwork.com/press/2017/10/17/freelancing-in-america-2017

³ nytimes.com/2018/06/07/business/economy/work-gig-economy.html

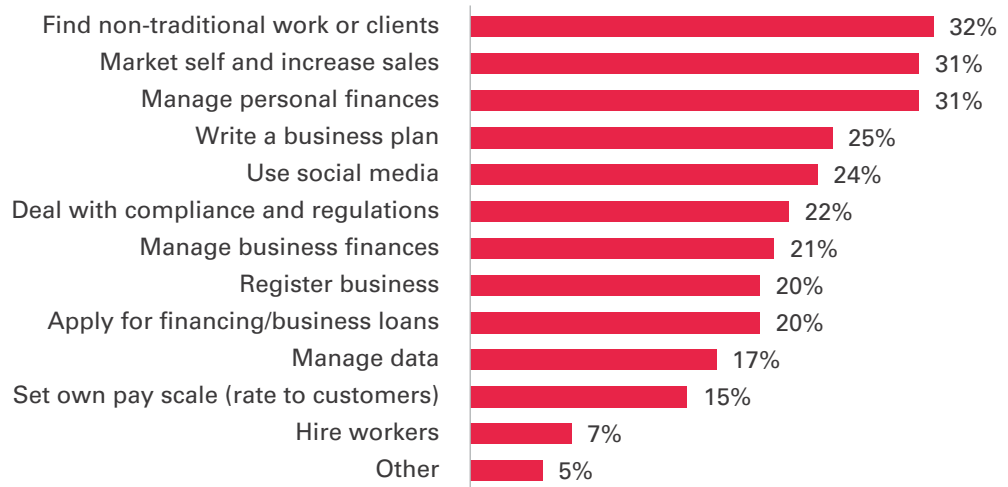
⁴ Emsi. Self-Employed Workers + Extended Proprietors. San Diego County. Data set 2019.01. 2013-2018.

KEY FINDINGS AND RECOMMENDATIONS

Based on surveys and focus groups from the study, the following section summarizes recommendations for the community colleges and how they could serve the region's demand for gig workers.

Finding #1: 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.

Topics that Gig Workers Would be Interested in Receiving Training (n=164)⁵

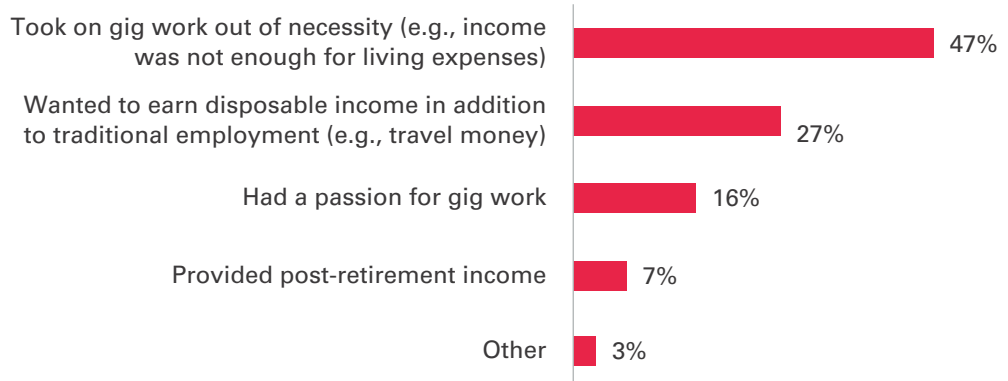


> Recommendation:

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. Instead of creating new programs, the community colleges could partner with organizations in San Diego County that already offer these types of courses (e.g., San Diego Employers Association, Small Business Development Center) and promote them to community college students and/or gig workers.

Finding #2: 47% 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=150)⁶



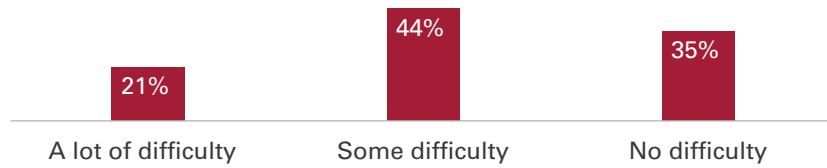
> Recommendation:

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.

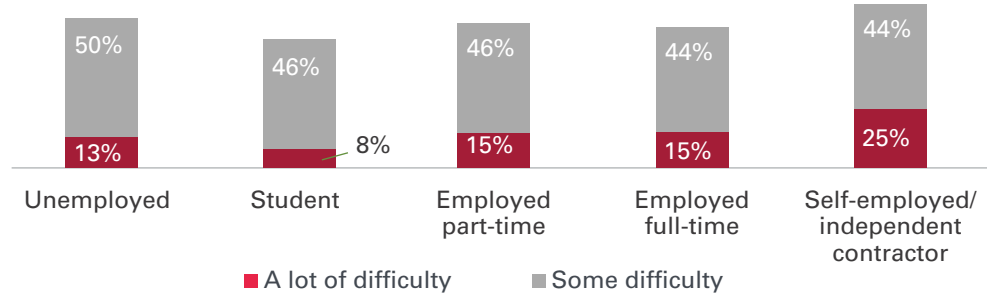
^{5&6} Percentages exceed 100 percent because respondents were allowed to select more than one response.

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=150)

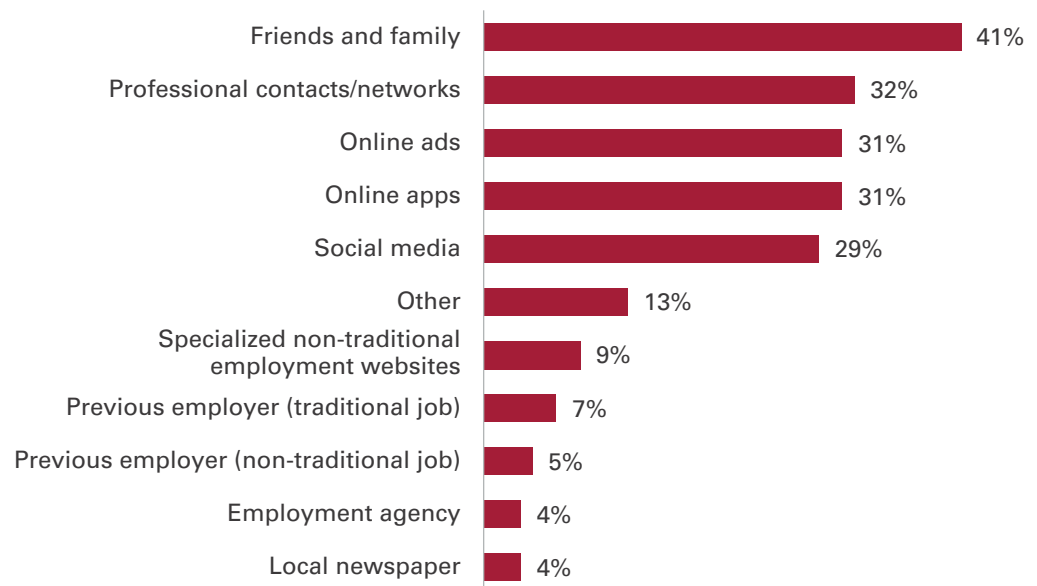


Level of Difficulty in Finding Enough Work to Meet Income Needs by Employment Status (n=150)



Finding #4: The top two ways gig workers found gig work were through friends and family or through professional networks. Of the 31% of respondents who found gig work through online apps, the top apps used were Uber and Lyft.

Current Gig Workers' Method of Finding Gig Work (n=150)⁷



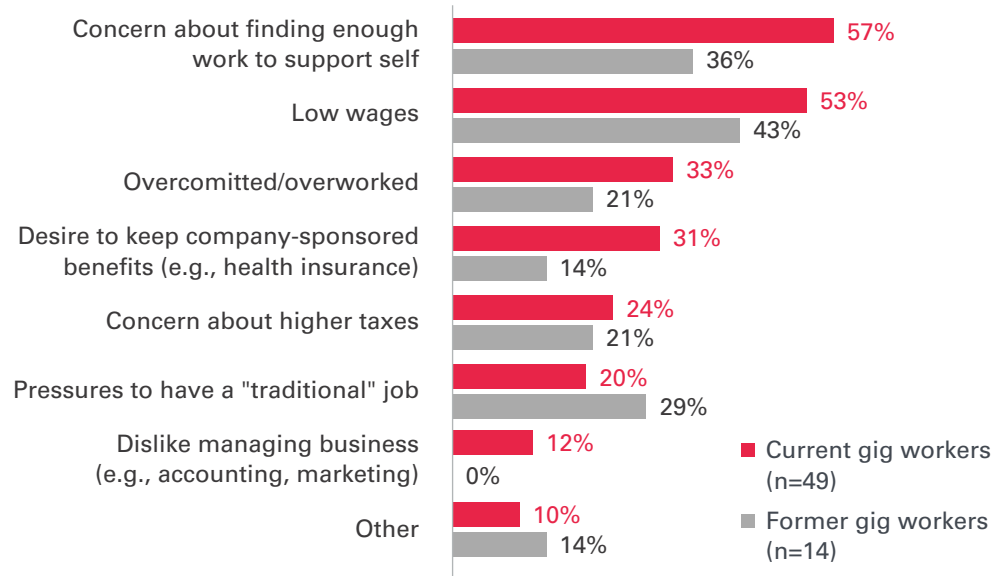
> Recommendation:

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.

⁷ Percentages exceed 100 percent because respondents were allowed to select more than one response.

Finding #5: 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.

Reasons Why Gig Workers Considered Quitting or Quit Gig Work⁸

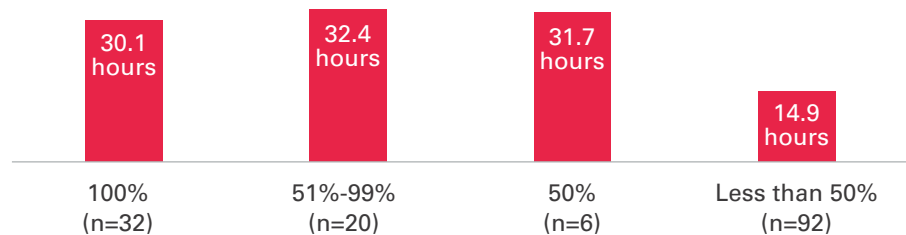


> Recommendation:

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."⁹ 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. 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.

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



> 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.

⁸ Percentages exceed 100 percent because respondents were allowed to select more than one response.
⁹ [wsj.com/articles/workers-finding-clients-through-online-platforms-arent-employees-labor-department-says-11556555768](https://www.wsj.com/articles/workers-finding-clients-through-online-platforms-arent-employees-labor-department-says-11556555768)

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



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