GIG ECONOMY

October 2019

A Survey of Gig Workers in Imperial County

COMMUNITY COLLEGES
SAN DIEGO & IMPERIAL COUNTIES
CAREER EDUCATION

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

California Community Colleges

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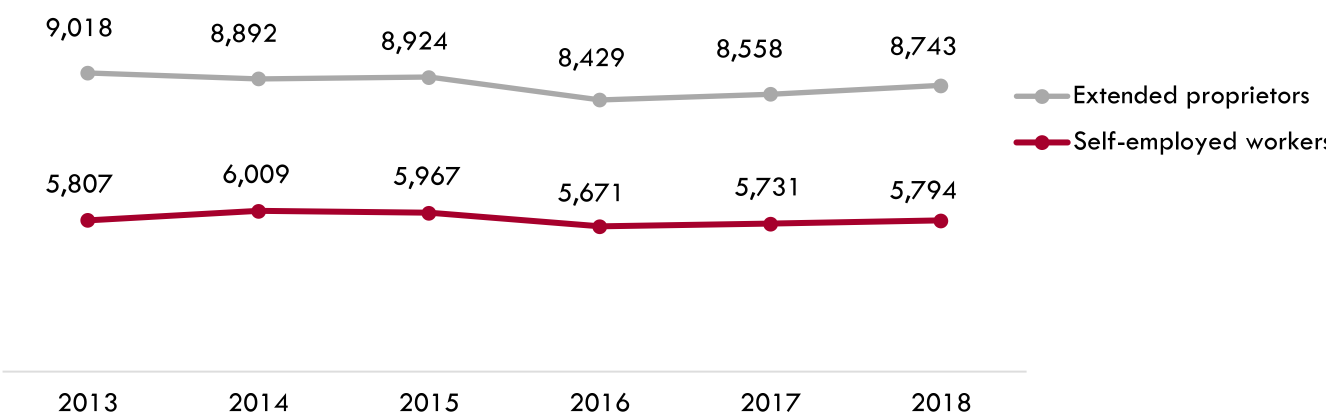
INTRODUCTION

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 Imperial County ranged between 5,807 and 5,794 individuals, and the number of extended proprietors ranged between 9,018 and 8,743 individuals (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 Imperial County, 2013-2018



As self-employment grows, Imperial Valley College needs to better understand the Gig Economy, specifically why people engage in gig work (e.g., out of necessity, flexibility, lifestyle) 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 Imperial Valley College could develop training that gig workers need to be successful in their gig work and to obtain living wages.

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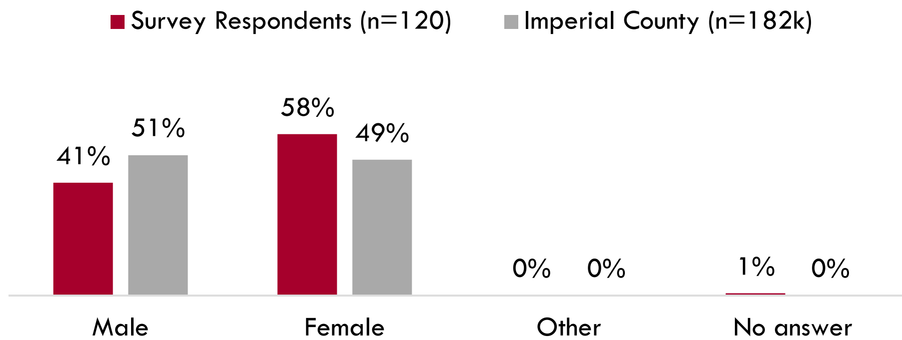
[1] Sundararajan, Arun. "The 'gig economy' is coming. What will it mean for work?" *The Guardian*, Business Opinion. 25 July 2015. theguardian.com/commentisfree/2015/jul/26/will-we-get-by-gig-economy
[2] Gillespie, Patrick. "Intuit: Gig Economy is 34% of US Workforce." *CNN Business*. 24 May 2017. money.cnn.com/2017/05/24/news/economy/gig-economy-intuit/index.html
[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. Imperial County. Data set 2019.03. 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 Regional Director, Employer Engagement 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 Imperial 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 Imperial County population. The following exhibits demonstrate the demographic breakdown of the survey respondents compared to the general population.

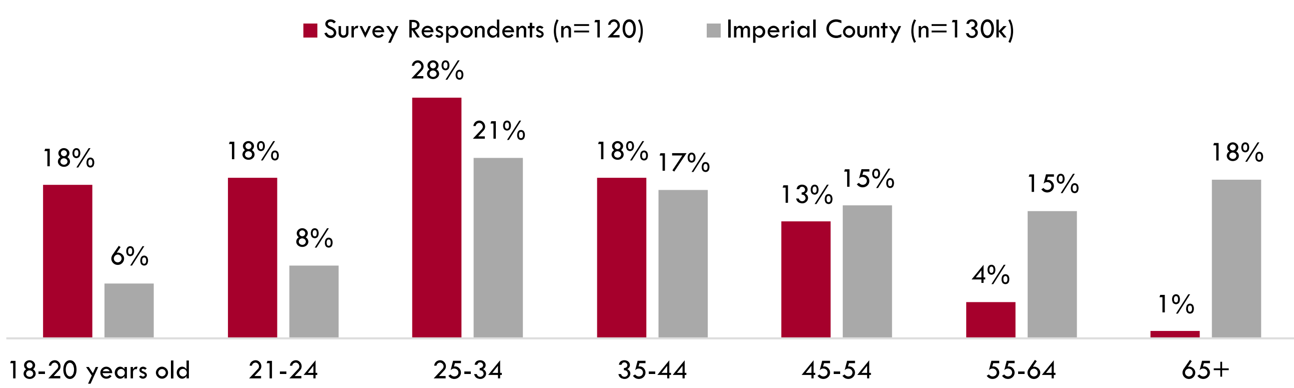
Of the 120 gig workers in Imperial County who responded to the online survey, 58 percent were female and 41 percent were male, compared to 49 percent and 51 percent, respectively, in the general population (Exhibit 2).[7]

Exhibit 2: Gender Breakdown of Survey Respondents vs. Imperial County Population



Unlike the general population, however, the majority of gig workers surveyed (82 percent) were between the ages of 18 and 44 years old. Comparatively, only 52 percent of the general population are within this age range (Exhibit 3).[8]

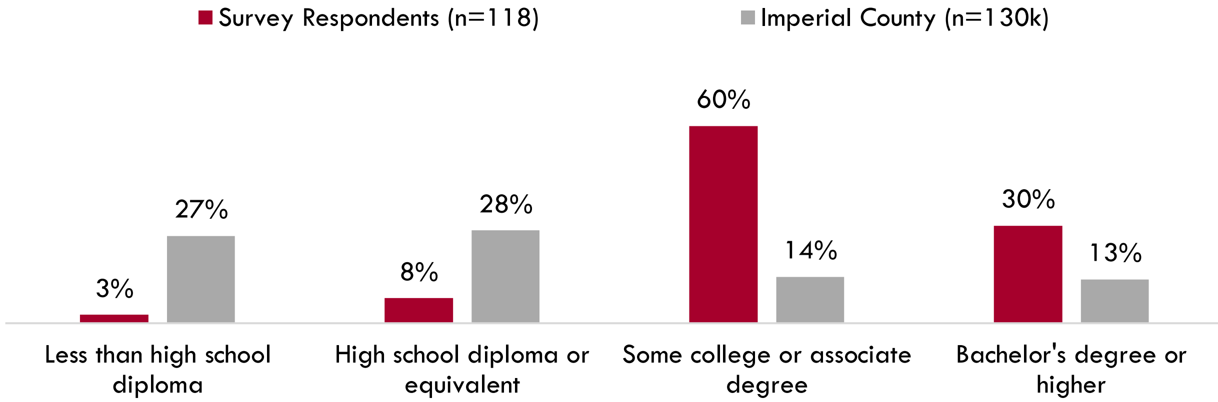
Exhibit 3: Age Breakdown of Survey Respondents vs. Imperial County Adult Population



Survey respondents indicated higher levels of educational attainment than the general population; 30 percent of survey respondents reported having a bachelor's degree or higher, compared to 13 percent of the general population (Exhibit 4).

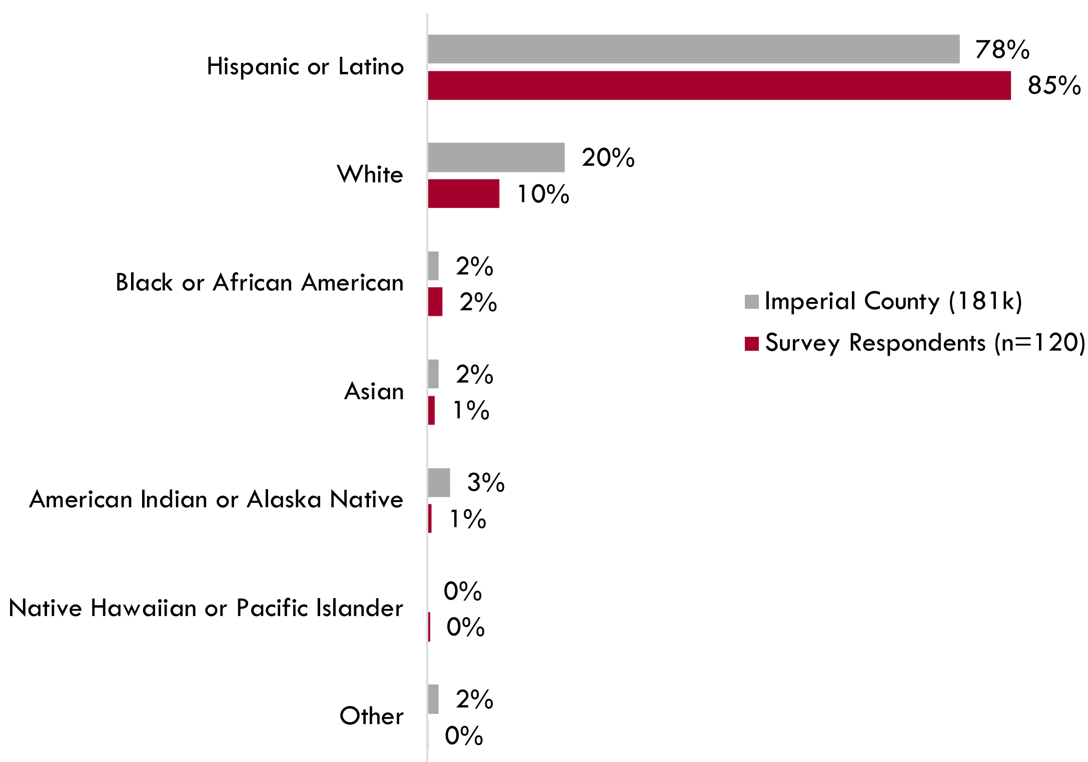
[7] U.S. Census Bureau (2017). Sex by Age, *Universe: Total Population, 2017 American Community Survey 1-year Estimates*. Retrieved from factfinder.census.gov
[8] U.S. Census Bureau (2017). Sex by Age, *Universe: Total Population, 2017 American Community Survey 1-year Estimates*. Retrieved from factfinder.census.gov

Exhibit 4: Educational Attainment of Survey Respondents vs. Imperial County Population



In terms of ethnicity, survey respondents differed slightly from the general population, with 85 and 10 percent of survey respondents identifying as "Hispanic or Latino" and "White," respectively, as their ethnicity, compared to 78 and 20 percent of the general population (Exhibit 5).[9]

Exhibit 5: Ethnic Breakdown of Survey Respondents vs. Imperial County Population



The socioeconomic status of the survey respondents and the general population were dissimilar, with 42 percent of survey respondents earning below $10,000 compared to 28 percent of the general population (Exhibit 6).[10]

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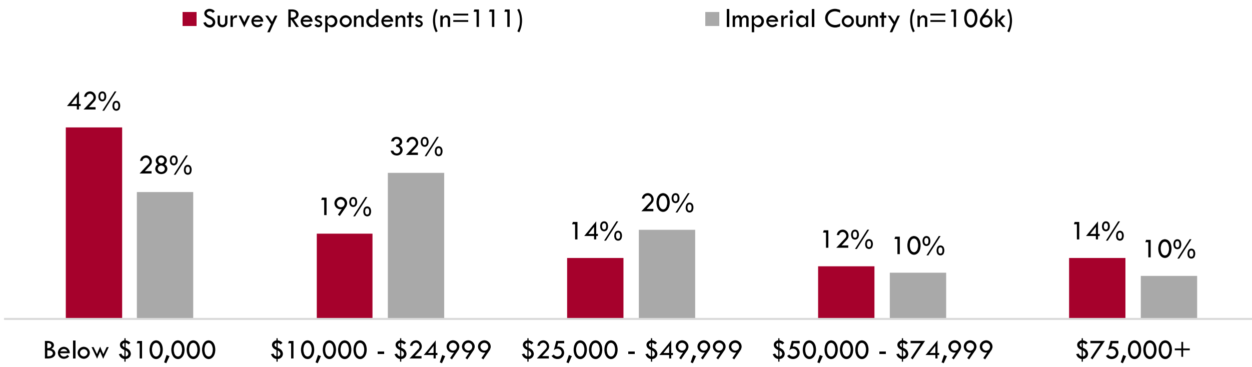
[9] U.S. Census Bureau (2017). Hispanic or Latino Origin by Race, *Universe Total Population, 2017 American Community Survey 1-year Estimates*. Retrieved from factfinder.census.gov

[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

Exhibit 6: Income Breakdown of Survey Respondents vs. Imperial County Population



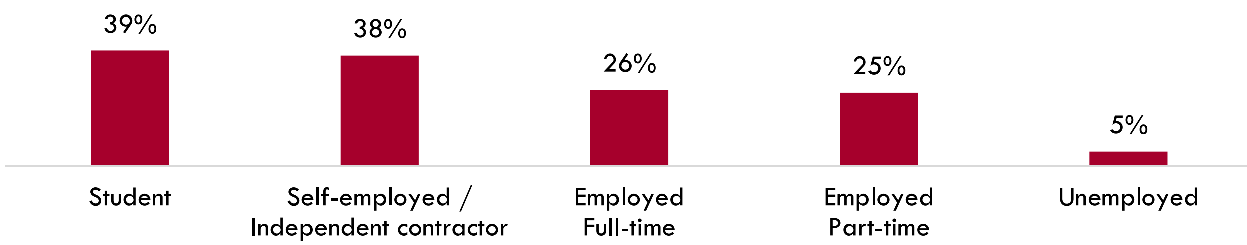
Focus Groups' Insights

After receiving survey responses from 120 gig workers in Imperial County, the research team followed up with the gig workers and invited them to participate in focus groups in June 2019. The research team conducted two focus groups with 12 participants who accepted the invitations. Due to the small sample size of the focus groups, the qualitative information they provided in the focus groups are used throughout this study as "side bars" in the following sections to provide additional insight on the survey responses.

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, 120 Imperial County residents who responded to the survey met these criteria. For example, 38 percent of the 120 respondents considered themselves self-employed or independent contractors and were classified as gig workers for the purpose of this study (Exhibit 7).[11]

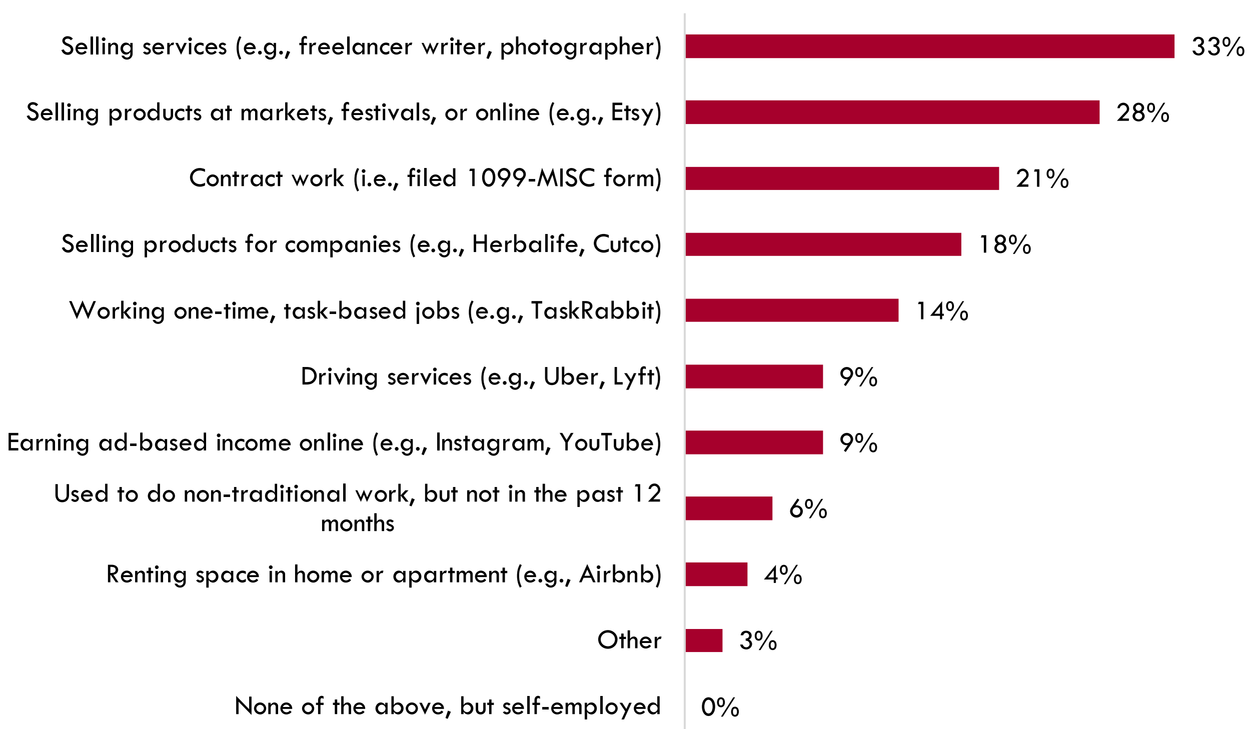
Exhibit 7: Employment Status of Imperial County Survey Respondents (n=120)



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

However, if respondents did not identify themselves as self-employed, they were still classified as gig workers if they completed non-traditional (gig) work. All respondents completed some type of gig work in the past 12 months (Exhibit 8).

Exhibit 8: Non-Traditional (Gig) Work Completed in the Past 12 Months by Survey Respondents (n=120)



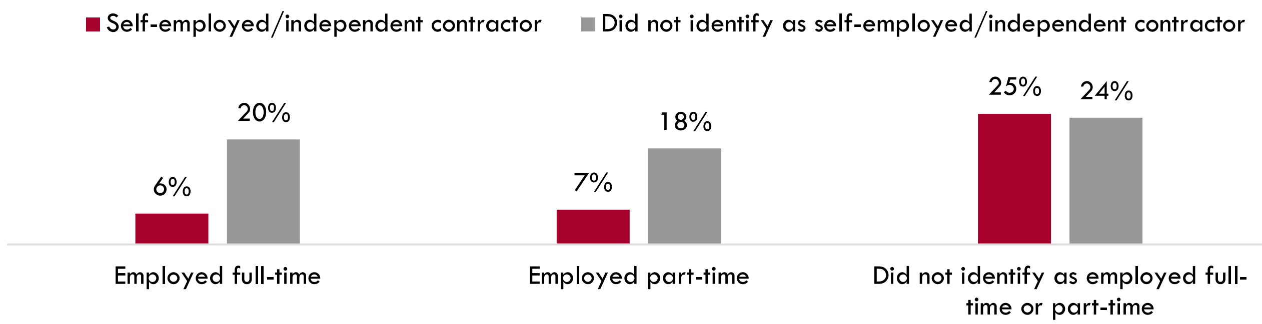
Percentages exceed 100 percent because respondents were allowed to select more than one response.

[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, 26 percent (or 31 respondents) of 120 respondents considered themselves employed full-time. Of the 31 respondents, only six 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=120)

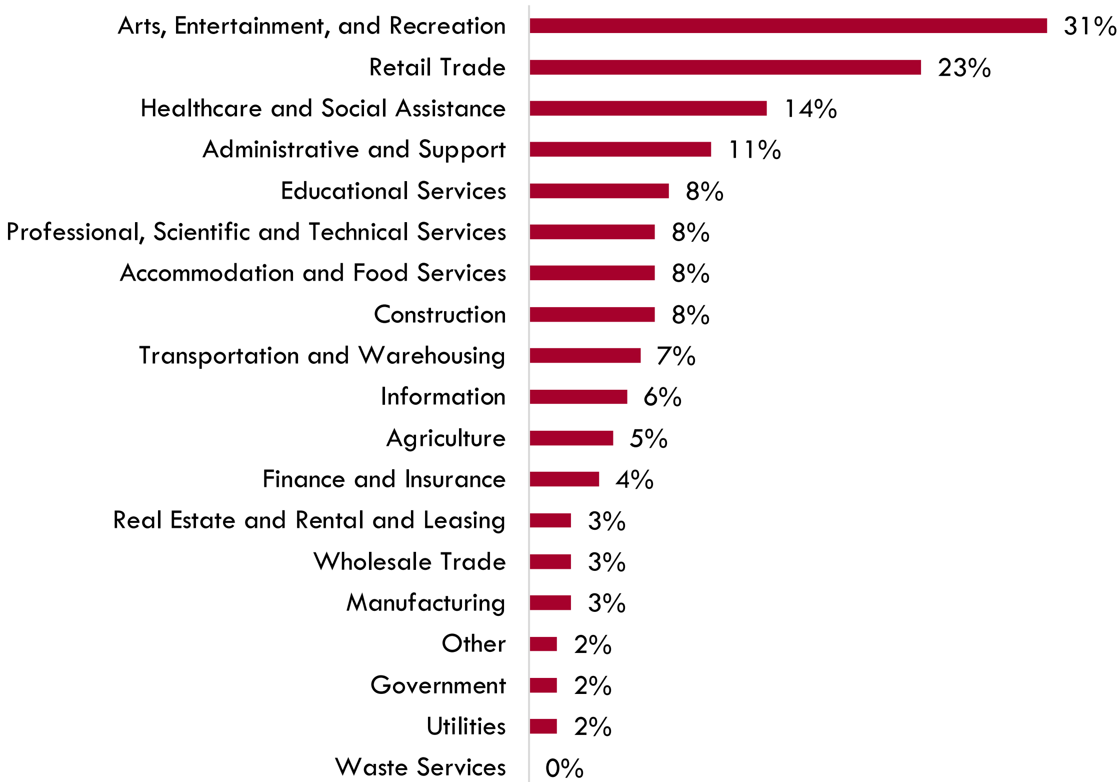


Focus Groups Agree that Gig Work Does Not Necessarily Equate to Full-Time Employment

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. Gig work simply did not offer enough income to make ends meet. For example, one focus group participant reported conducting gig work regularly at local bars and restaurants as a comedian; however, while the work was enjoyable, the earnings were minimal—even if the participant increased customer turnout and overall sales for the client. Others focus group participants had echoed similar experiences, such as not being able to find enough clients to sell cars to or to provide language tutoring.

Survey respondents were asked to identify all industries in which they participated in gig work. The top three industries were Arts, Entertainment, and Recreation; Retail Trade; and Healthcare and Social Assistance (Exhibit 10).

Exhibit 10: Employment by Industry by Percentage of Respondents (n=120)



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

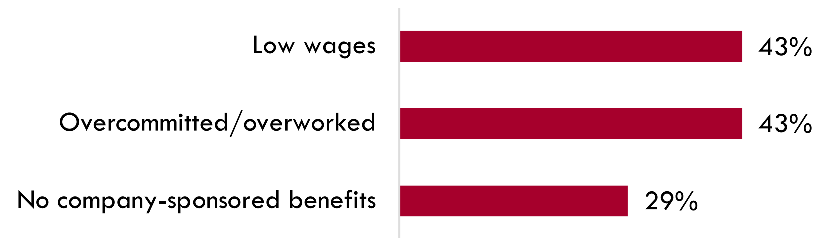
Industries that Focus Group Participants Worked In

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 Arts, Entertainment, and Recreation; Retail Trade; and Healthcare and Social Assistance each comprising 14 to 31 percent of survey responses. Focus groups yielded a similar findings. Focus group participants reported primarily selling services or selling products at markets.

CURRENT AND FORMER GIG WORKERS

The survey captured data from current and former gig workers. Of the 120 gig workers who responded to the survey, seven reported that they have not completed gig work in the past 12 months. These former gig workers indicated that low wages and feeling overworked were the two top reasons for quitting gig work (Exhibit 11).

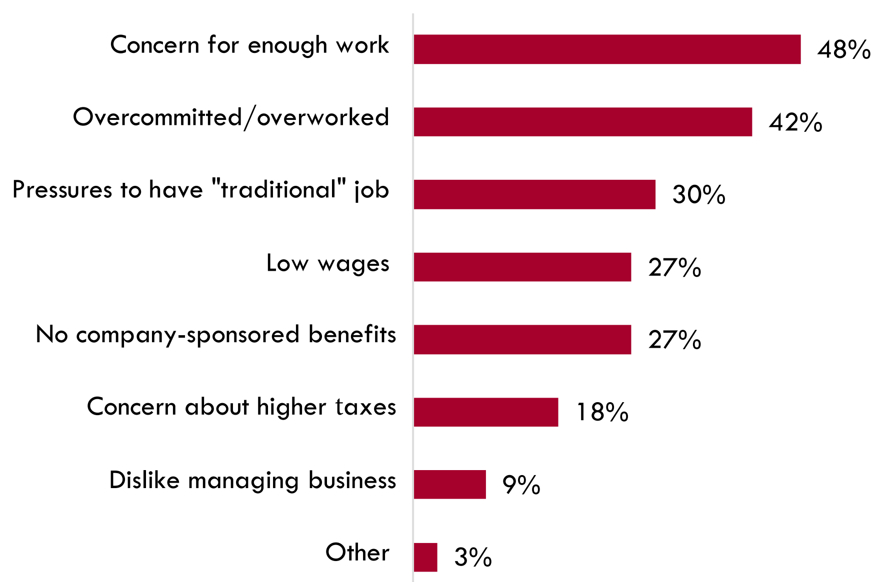
Exhibit 11: Reasons Why Former Gig Workers Quit Gig Work (n=7)



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

Of the 113 survey respondents still participating in the Gig Economy, 33 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 seven respondents who no longer participate in the Gig Economy (Exhibit 12).

Exhibit 12: Reasons Why Current Gig Workers Considered Quitting Gig Work (n=33)



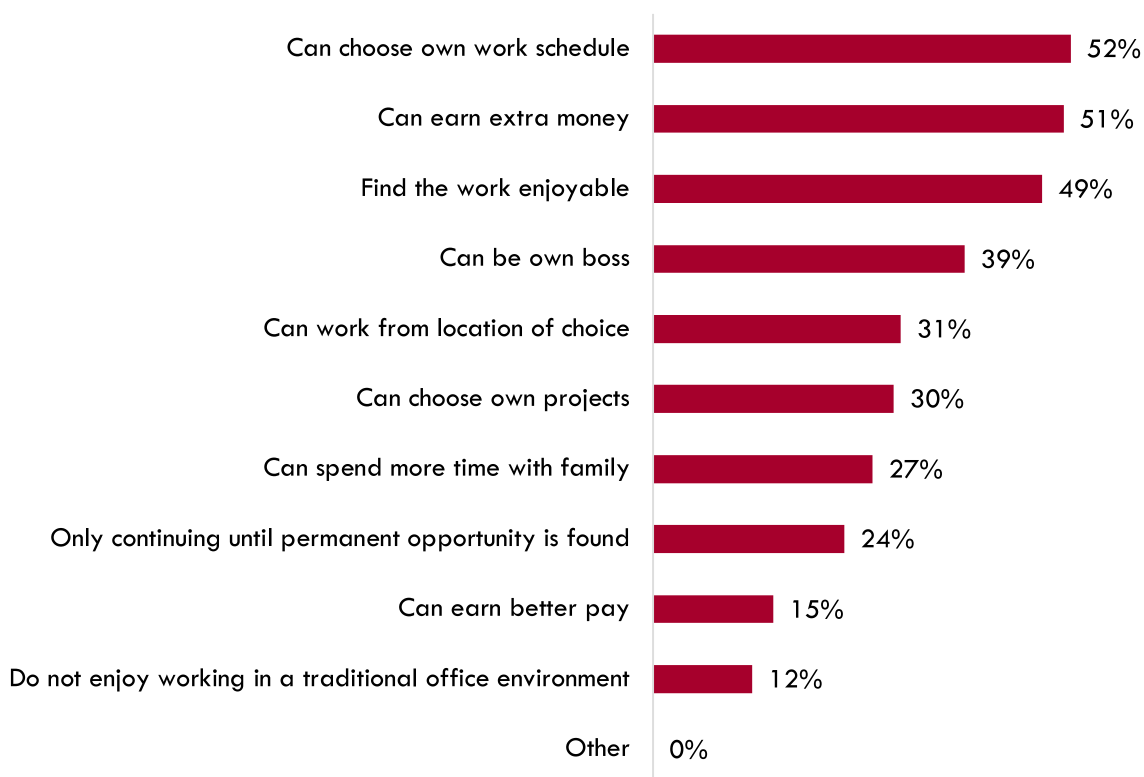
Percentages exceed 100 percent because respondents were allowed to select more than one response.

Focus Groups' Considerations About Quitting Gig Work

Thirty-three current gig workers (Exhibit 12) 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. Overall, focus group participants agreed that they sought full-time employment but were concerned about not being able to obtain it. However, focus group participants did say that they valued their flexible schedule, the extra income earned from gig work, and the enjoyment they received from conducting work within their interests.

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

Exhibit 13: Motivation of Current Gig Workers for Continuing Gig Work (n=113)

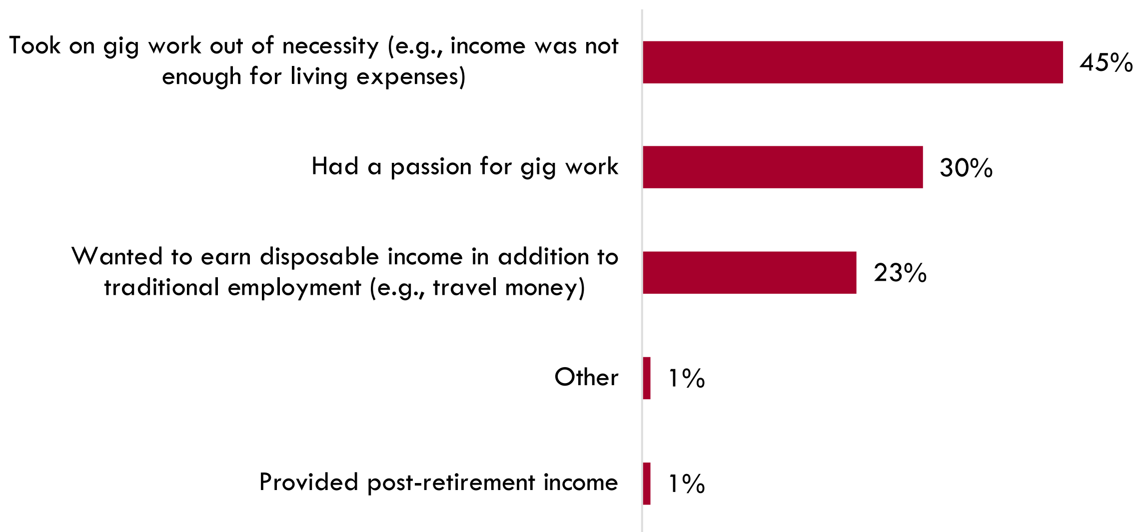


Percentages exceed 100 percent because respondents were allowed to select more than one response.

PARTICIPATING IN THE GIG ECONOMY

Despite what their current motivations are for continuing gig work, 45 percent of current gig workers began participating in the Gig Economy out of necessity, compared to 23 percent who started gig work to just obtain disposable income (Exhibit 14). This may be related to why 51 percent of current gig workers are motivated to continue gig work because they are looking to "earn extra money" as seen in Exhibit 13.

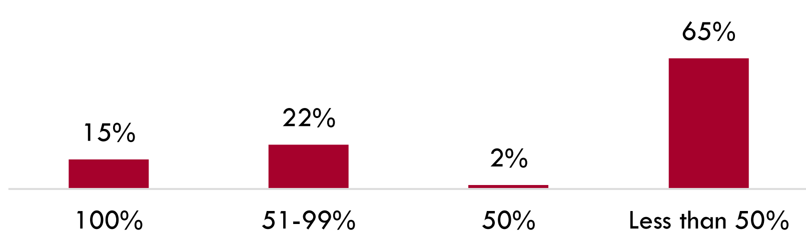
Exhibit 14: Current Gig Workers' Initial, Primary Motive for Participating in the Gig Economy (n=113)



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 15 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=113)

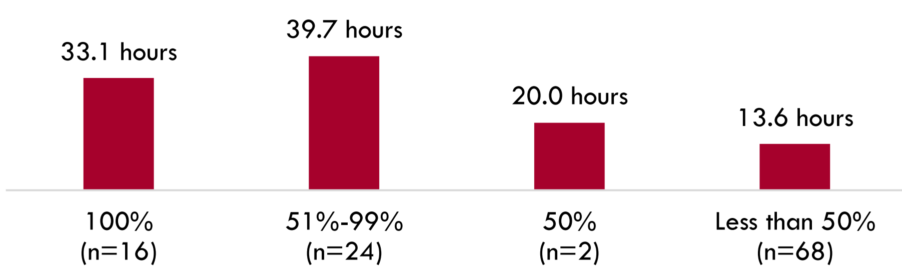


Furthermore, 30 percent of respondents reported spending more than 30 hours a week on gig work (Exhibit 16). (On average, 30 hours of work a week is considered full-time employment.) If gig work is considered supplemental work on top of traditional employment, this suggests that **survey respondents 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=111)

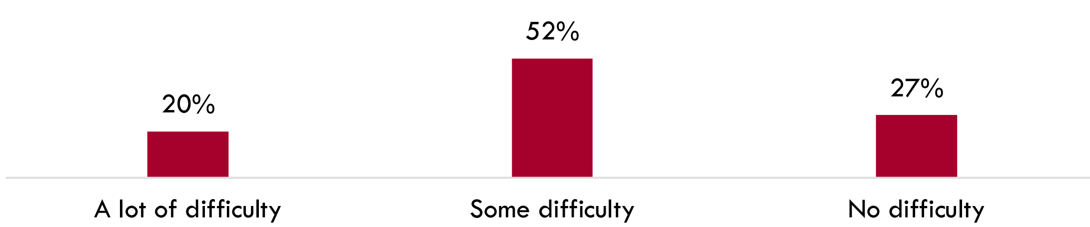
To quantify how significant that amount of time is, the following exhibit compares the percentage in which respondents said that gig work amounted to their total income (Exhibit 15) with the number of hours worked per week in the Gig Economy (Exhibit 16). Current gig workers spend more than 30 hours per week in the Gig Economy if gig work amounted to more than 50 percent of their income, and nearly 14 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=113)



Not only do survey respondents spend a significant amount of time in gig work, the majority of current gig workers (72 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=113)



[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, students reported the most difficulty in finding enough gig work to meet income needs (Exhibit 19). These gig workers primarily work in Arts, Entertainment, and Recreation, and Retail Trade (Exhibit 20).

Exhibit 19: Level of Difficulty in Finding Enough Work to Meet Income Needs by Employment Status (n=113)

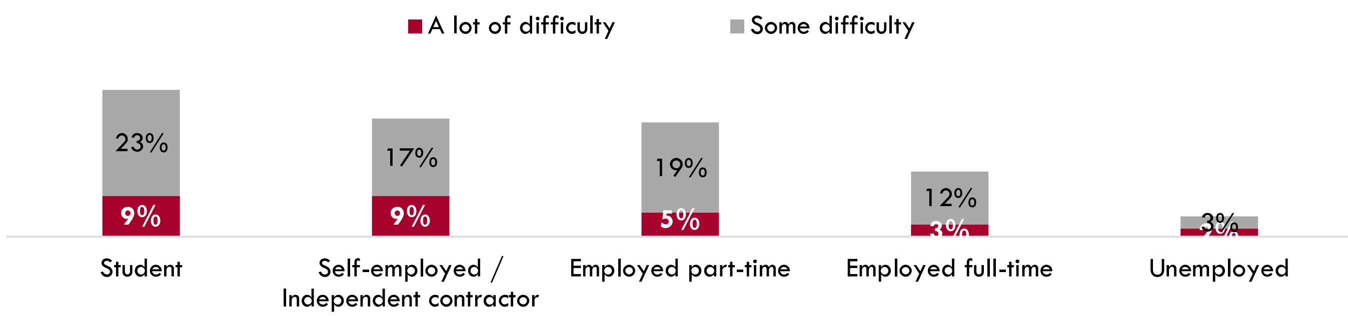
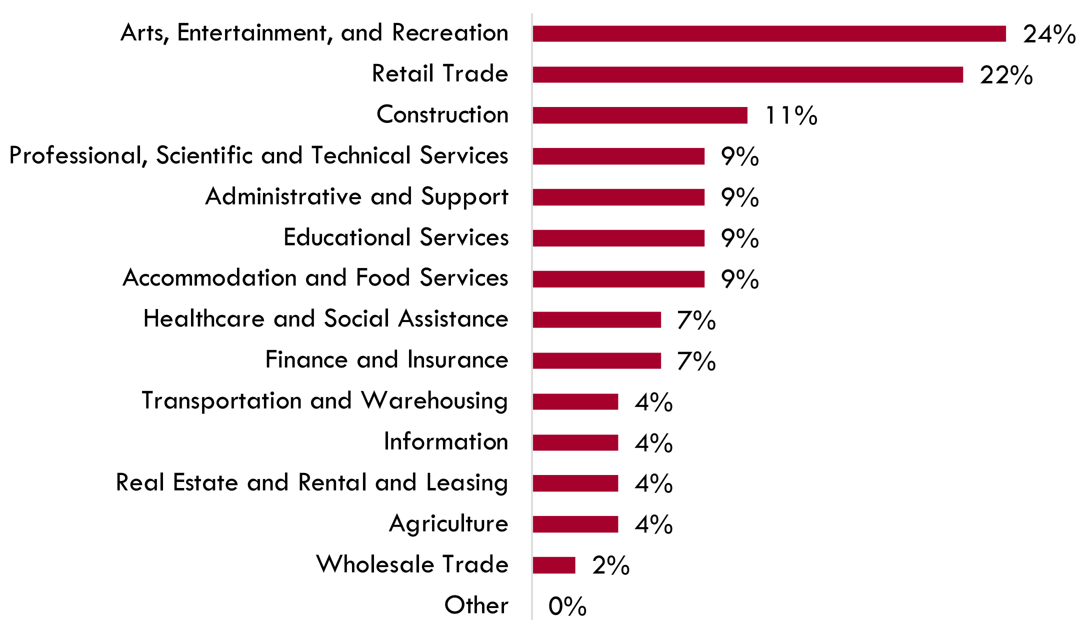


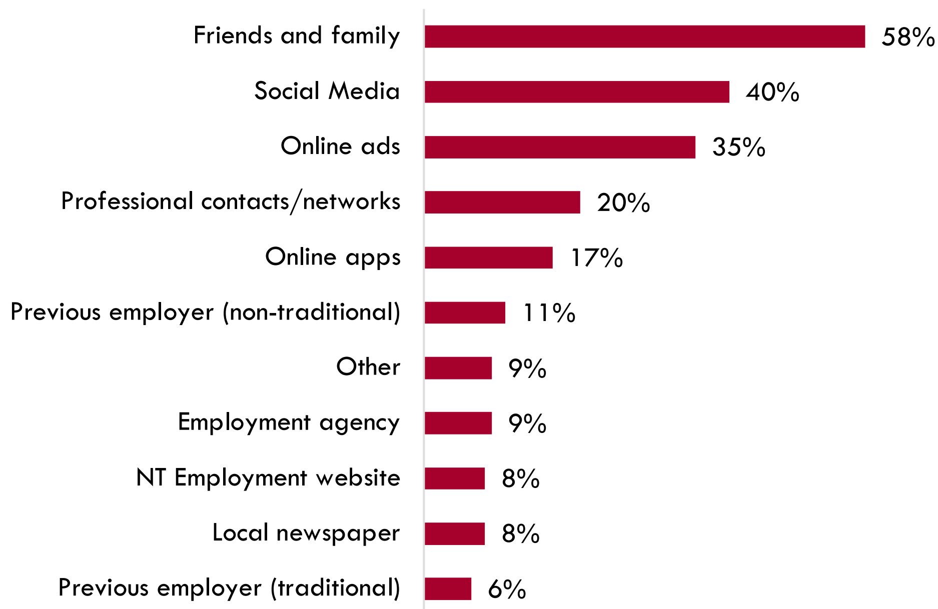
Exhibit 20: Employment by Industry by Percentage of Respondents Who Identified as Self-Employed or Independent Contractors (n=45)



Percentages exceed 100 percent because respondents were allowed to select more than one response.
*Other includes Manufacturing, Utilities, Waste Services, and Government, which were not selected by survey respondents

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).

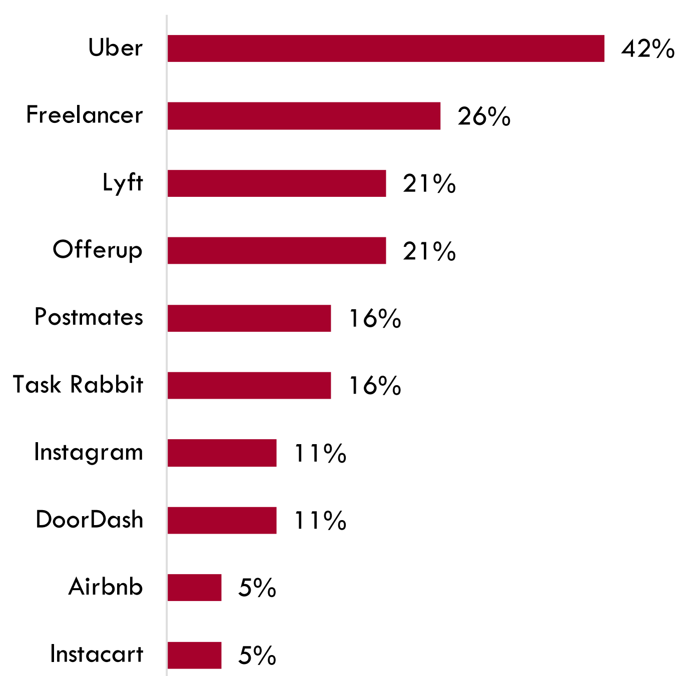
Exhibit 21: Current Gig Workers' Method of Finding Gig Work (n=113)



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

Of the 19 respondents who found gig work through online apps (Exhibit 21), the top apps used were Uber and Freelancer (Exhibit 22).

Exhibit 22: Apps Gig Workers Use to Find Gig Work (n=19)



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. Participants also mentioned that they used social media, such as Facebook, to sell products or organize groups. This is consistent with survey findings:

1) 40 percent of respondents reported using social media to find gig work (Exhibit 21)
2) 32 percent of respondents are interested in receiving training for social media (Exhibit 23)

When asked what types of apps they used to find work, participants mentioned using Freelancer. They also reported having difficulty with finding enough opportunities using Uber or Lyft. There simply was no market for rideshare services in Imperial County. They also expressed concern about the wear-and-tear on cars, increased car insurance costs, long hours, and lack of health insurance when working in rideshare services.

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. One participant reported starting his own DoorDash equivalent, and stated that Imperial County residents preferred to use his service over DoorDash.

Focus group participants who reported selling items online also disclosed that they did not sell their goods directly to Imperial County residents. They did not feel that there was a market their goods in Imperial County; therefore, the majority of their customers reside outside of the county.

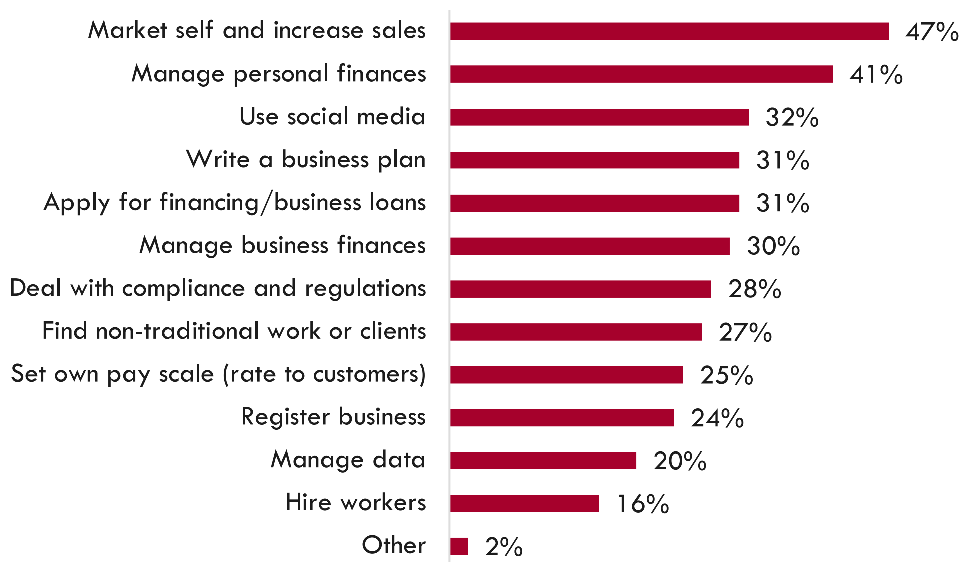
KEY FINDINGS AND RECOMMENDATIONS

The Gig Economy, especially the digital labor market, continues to change, and as a result, Imperial Valley College will need to adapt accordingly. Based on the findings in the survey and focus groups, this study makes recommendations how IVC could serve the region's demand for gig workers.

1

Finding: 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" (Exhibit 23).

Exhibit 23: 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. Words such as "entrepreneurship" and "accounting" seemed intimidating or irrelevant to them as gig workers. They considered businesses to be companies with multiple employees, whereas they were single employees doing contract work. The participants suggested that a branding change is necessary to appeal to gig workers. IVC could offer courses in accounting or entrepreneurship, but they would need to be branded as courses in how to use the gig economy or how to run a second job in the gig economy. They also admitted the need for assistance in filling out taxes and determining differences in completing W-2 forms and 1099 forms.

2

Finding: 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.

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.

3

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.

4

Finding: 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.

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.

5

Finding: Gig workers reported that they quit gig work or considered quitting gig work because of 1) low wages and 2) feeling overworked.

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.

6

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 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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