

Gig Economy

JULY 2017

a PYMNTS.com  HYPERWALLET collaboration

Index™



44%

of respondents receive 40 percent or more of their income from gig economy jobs.

77%

said they'd do more gig work if they were paid faster.

69%

would not quit their gig for a full-time job.

A QUARTERLY
REPORT ABOUT THE
INS AND OUTS
OF THE GIG ECONOMY.

“Gig economy workers are projected to account for more than \$711 billion of income in 2017, amounting to 3.7 percent of the GDP.”

Gig Economy

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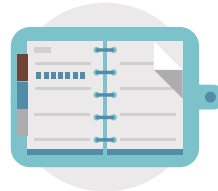
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SUMMARY STATISTICS

77%

SAID THEY'D DO MORE
GIG WORK IF THEY
WERE PAID FASTER.



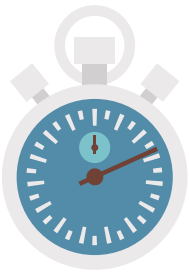
35%

OF GIG WORKERS SPEND
ALL OF THEIR WORK TIME
IN ONE GIG JOB.



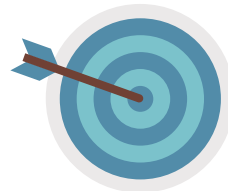
17%

OF GIG EMPLOYEES WORK
IN PROFESSIONAL SERVICES,
AND 19 PERCENT WORK IN
TRANSPORTATION SERVICES.



71%

ARE PAID WITHIN
ONE WEEK.



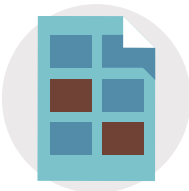
41%

GET PAID FROM
GIG ENTITIES.



44%

OF RESPONDENTS RECEIVE
40 PERCENT OR MORE OF
THEIR INCOME FROM GIG
ECONOMY JOBS.



50%

SAID MAKING MONEY IS THE
MOST IMPORTANT FACTOR
FOR GETTING A GIG.

69%

WOULD NOT QUIT
THEIR GIG FOR
A FULL-TIME JOB.



GIG ECONOMY WORKERS ARE PROJECTED TO ACCOUNT FOR MORE THAN
\$711 BILLION OF INCOME IN 2017, AMOUNTING TO **3.7 PERCENT OF THE GDP.**

SUMMARY STATISTICS

The word *gig* conjures up images of musicians banging drums at nightclubs and weddings, hopping from one job to another in an attempt to pay the bills and keep the lights on. However, these days, a growing number of Americans are supplementing (or forsaking) their day jobs with gigs. Gigs refer to ad hoc jobs, where people provide a service over a period of time or on demand, but they are different from part-time work or even contract-based employment.

Many major companies are even restructuring their workforce to accommodate hiring gig workers: Almost 40 percent are hiring on a project basis.¹ And it's not just America: In India, IT firms such as Persistent Systems and Infosys are exploring how to add gig employees to their ranks.² A plethora of platforms for high-skill gig employees have sprung up to meet growing demand in freelance professional services: Upwork for writers, programmers and designers; HireMeDirect for AV and IT help; and even DoctorOnDemand for doctors and psychologists.

No one is really quite sure what's behind the boom. Some economists cite the Great Recession, but gigs haven't gone away with the economic recovery. Others say that it's millennials' appetite for flexible hours and new technology that makes it easier to pair gig providers with customers have contributed to the boom.³

Still, the gig world isn't a bed of roses — since gig work is so nascent, it comes packaged with disadvantages: namely a lack of benefits. For every story of gig success, there is a tale of gig employees unable to make ends meet. California recently rolled out a tax credit for low-income gig employees,⁴ while the Democratic party introduced legislation that would create a \$20 million fund to experiment with benefits for giggers and freelancers.⁵ Still, the number of gig employees continues to expand.

Hyperwallet and PYMNTS.com are partnering to better understand workers in the gig economy — who they are, what services they supply to this economy and the percentage of their overall income the gigs represent.

To do this, we conducted a survey that received 6,651 survey responses; 4,493 were disqualified because respondents didn't work in the gig economy. The 2,158 respondents who had participated in the gig economy at least within the last three months answered a variety of questions covering who they were, what they did, how they were paid, why they worked in the gig economy and their plans for the future. In our survey, about half of our respondents currently worked in the gig economy, while 12 percent had recently worked in it and 4 percent had worked in the gig economy at some point in the past.

All data, unless noted otherwise, is original and proprietary.

¹ How To Win At The Gig 'Game' – Tips for Successfully Sourcing, Onboarding, and Retaining Independent Workers. JD Supra. <http://www.jdsupra.com/legalnews/how-to-win-at-the-gig-game-tips-for-27379/>. Accessed June 21, 2017.

² Sangani P. Infosys, Wipro, other IT companies exploring 'uberisation of workforce'. Economic Times. June 14, 2017. <http://economictimes.indiatimes.com/tech/ites/infosys-wipro-other-it-companies-exploring-uberisation-of-workforce/articleshow/59118611.cms>. Accessed June 21, 2017.

³ Strauss K. What Is Driving The 'Gig' Economy?, Forbes. February 21, 2017. <https://www.forbes.com/sites/karstenstrauss/2017/02/21/what-is-driving-the-gig-economy/#178f8159653c>. Accessed June 21, 2017.

⁴ People are going broke working in California's gig economy. This will help. The Sacramento Bee. <http://www.sacbee.com/opinion/editorials/article155474334.html>. Accessed June 21, 2017.

⁵ Kessler S. US legislators just proposed a \$20-million experiment that could bring benefits to freelance and gig-economy workers. Quartz. May 25, 2017. <https://qz.com/991270/us-senator-mark-warner-proposed-a-20-million-fund-to-experiment-with-portable-benefits-for-freelancers-gig-economy-workers-and-contractors/>. Accessed June 21, 2017.

OVERVIEW

While the gig economy is taking off, most gig employees still prefer to pair their gigs with another job. Forty-five percent of respondents also work a full-time job, while 17 percent have a part-time job. Only 27 percent rely on gigs as their sole means of income. Unsurprisingly, gig employees who have a full-time job usually have a higher income (and a higher education level), while gig employees with part-time jobs tend to have a low income.

The most popular gigs are in transportation services: Nineteen percent of our respondents said that transportation services were their primary gig. Professional service gigs were second in popularity, while 17 percent of respondents work in professional services. In third place, 12 percent of respondents said they worked labor and personal service gigs. Transportation services tended to be more popular among men, while women favored personal services as well as health and fitness gigs. Education and professional services gigs tended to have the largest proportion of highly educated gig employees, while household and delivery services had the least.

Overall, gig employees tended to be linked to a temp agency or an online platform — a gig entity — that connects customers with gig employees. In 74 percent of cases, these gig entities administer payment for employees — only 26 percent of gig employees receive payments directly from their customers. For the 74 percent of gig employees receiving payments from gig employers, 34 percent see their profits divided between themselves and their gig entity.

In general, gig employees are happy with their payment method (93 percent). However, payment methods are far from perfect: Only 53 percent of gig employees said they had not lost income from their payment method, and a further 17 percent said they had lost a large proportion of their income (10 to 20 percent). Worse, the percentage of gig employees who lose income seems to be increasing.

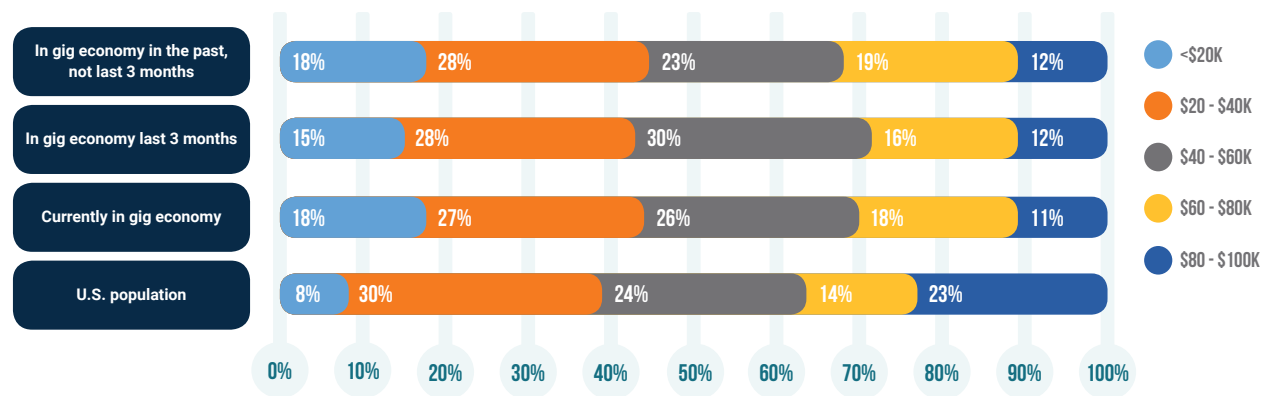


WHO ARE GIG EMPLOYEES?

Gig employees encompass a diversity of people, but we did manage to trace out some general characteristics. First, gigs tend to be most appealing for people going through an economic rough patch. In other words, gigs tend to be inversely related to income and popular with younger people. However, we also found that gigs are popular among people with a high level of education — but this could be because some gigs such as technological services have high educational barriers to entry. Overall, gig employees tend to live in rural areas or cities.

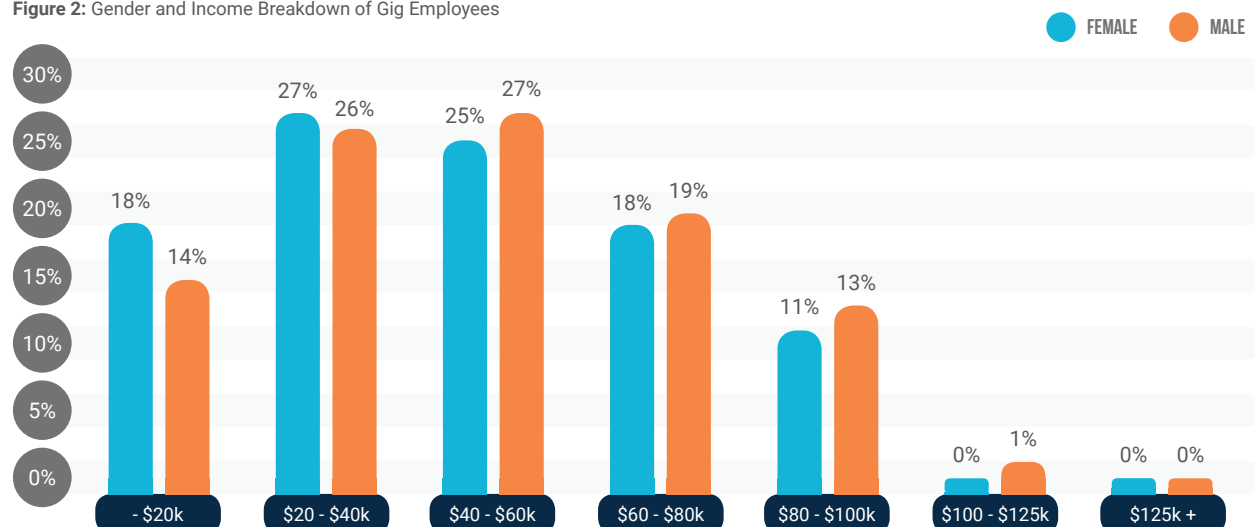
Income Level

Figure 1: Income of Gig Employees Compared to the Overall Population



There hasn't been much change in gig employee income distribution since the last quarter. Gig employees are still earning less on average than the general population. Just like last quarter, only 11 percent of gig employees fall into the top income bracket, but the percent of gig employees in the lowest income bracket rose from 15 percent last quarter to 18 percent this quarter.

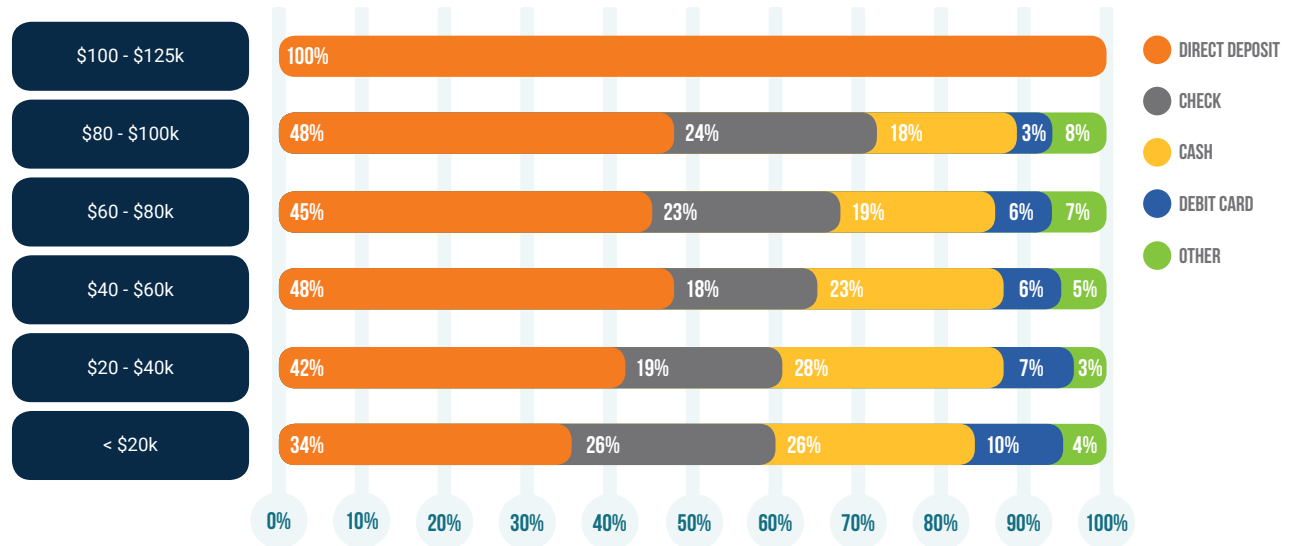
Figure 2: Gender and Income Breakdown of Gig Employees



WHO ARE GIG EMPLOYEES?

Gender gets tricky to analyze because 82.2 percent of our respondents were women. Still, as income levels rose, they showed that male gig employees tended to make more than females.

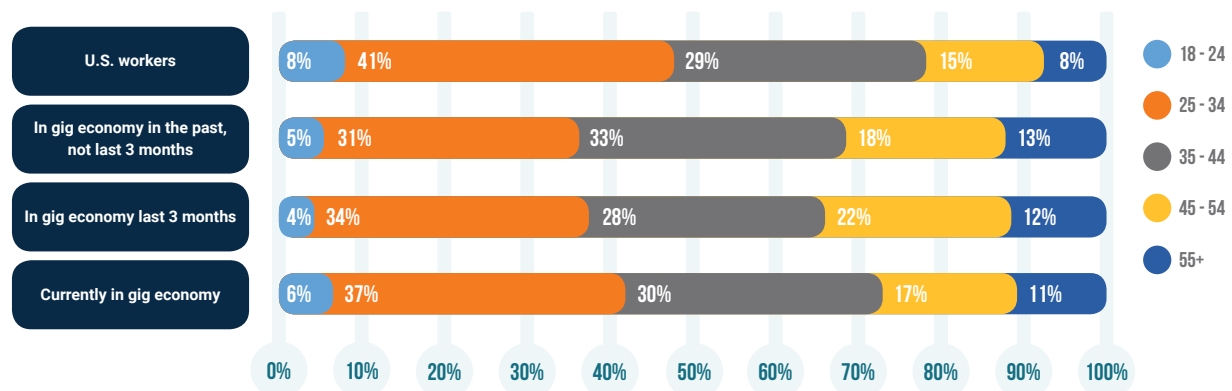
Figure 3: Payment Method of Gig Employees and Income Level



Interestingly enough, there's a relationship between income and how gig employees are paid. High-income gig employees tended to receive direct deposits, while lower-income gig employees tended to receive cash in higher proportions: Fifty-six percent of gig employees in the lowest income bracket are getting their payment through check, cash or another method, implying that they are underbanked.

Age

Figure 4: Age in Gig Economy Compared to the Overall Population

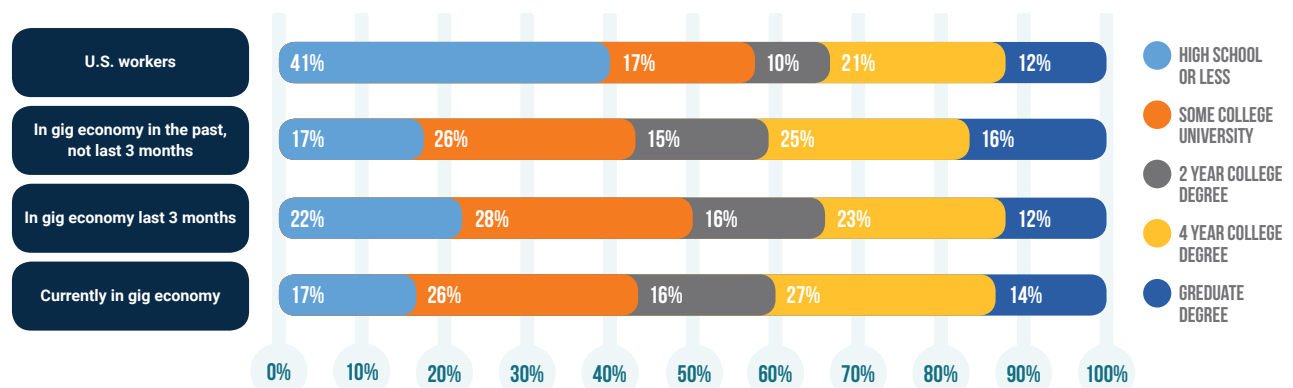


WHO ARE GIG EMPLOYEES?

Gig employees tended to be young. Last quarter 41 percent of employees were in the 25-to-34-year-old age bracket, but this quarter the number crept up to 43 percent. Meanwhile, last quarter only 8 percent were older than 55, whereas, this quarter only 11 percent were older than that age.

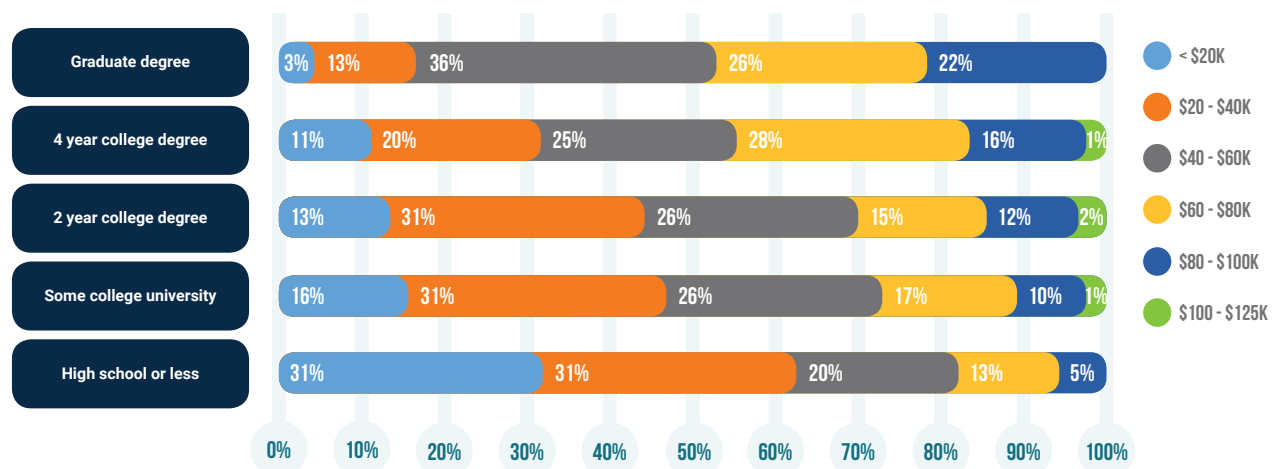
Education Level

Figure 5: Education in Gig Economy Compared to the Overall Population



It might seem counterintuitive, but gig employees tended to have more education than the general U.S. workforce. While 41 percent of the general population has a high school education or less, only 17 percent of gig employees do. And 27 percent of gig employees have a college degree compared to 21 percent of the general workforce.

Figure 6: Education of Gig Employees and Income Level

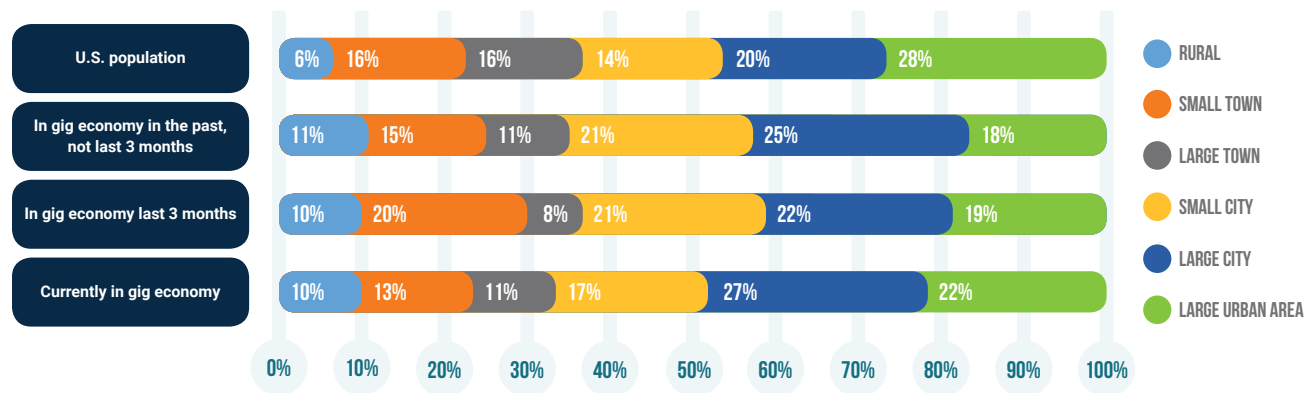


Unsurprisingly, income and education levels are correlated. The highest proportion of gig employees in the lowest income bracket are gig employees with a high school education or less. Conversely, the highest proportion of gig employees in the highest income bracket have at least a four-year college degree.

WHO ARE GIG EMPLOYEES?

Geography

Figure 7: Area Size in Gig Economy Compared to the Overall Population



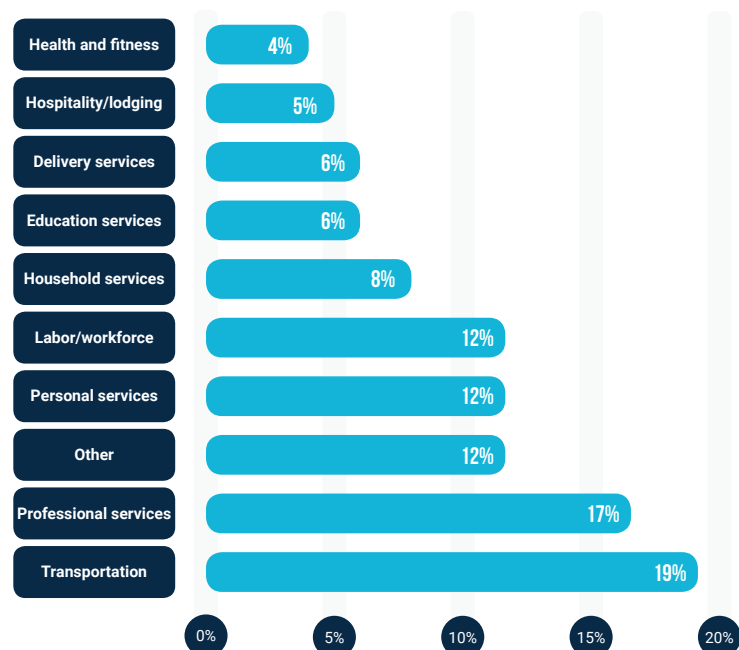
On average, more gig employees live in rural areas and small cities. (Forty-nine percent of people currently in the gig economy live in large cities or urban areas.)

Type of Gigs Worked



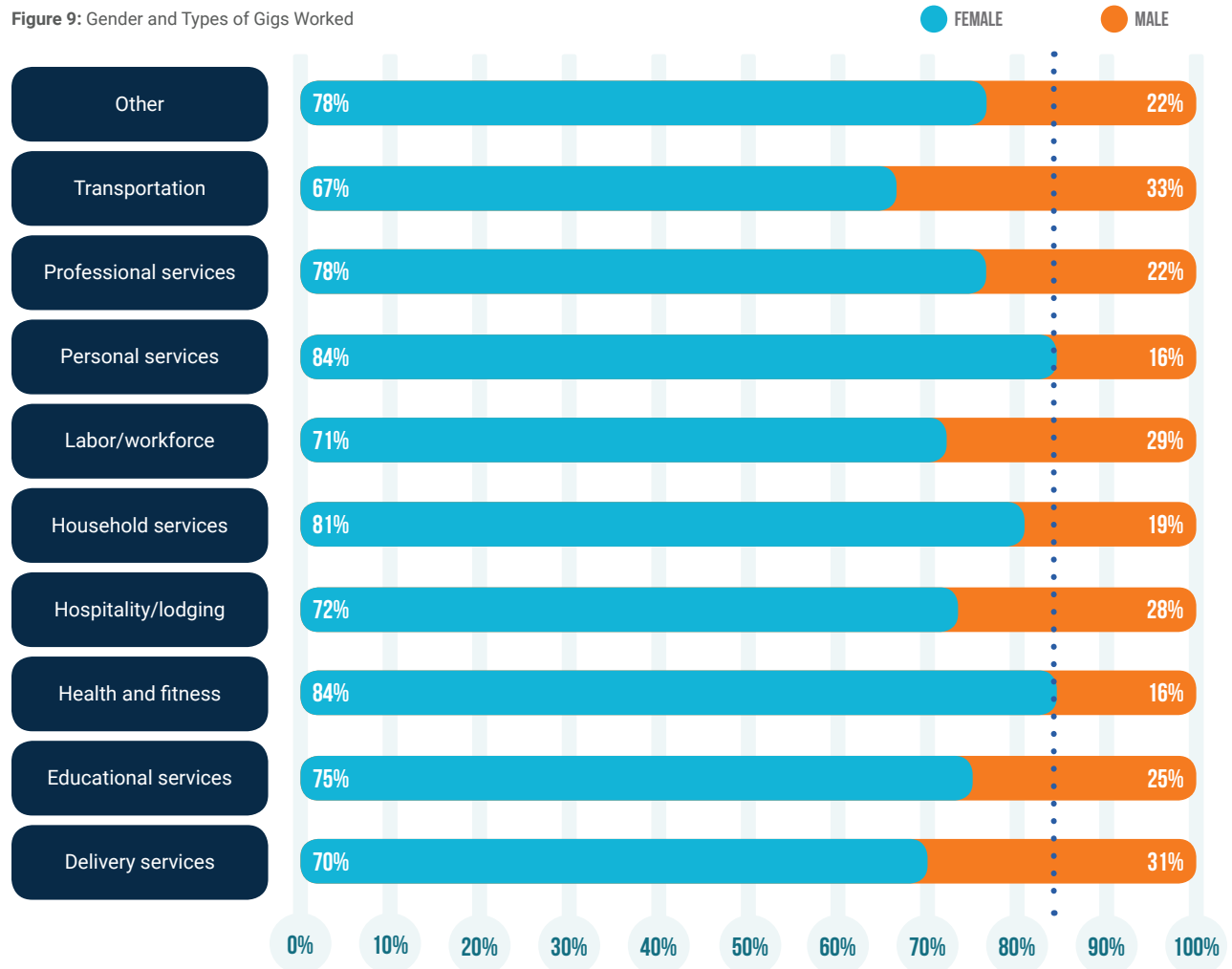
The most popular gigs were transportation services, followed by professional services. Labor and personal services tied for third most popular.

Figure 8: Types of Gigs Worked



WHO ARE GIG EMPLOYEES?

Figure 9: Gender and Types of Gigs Worked



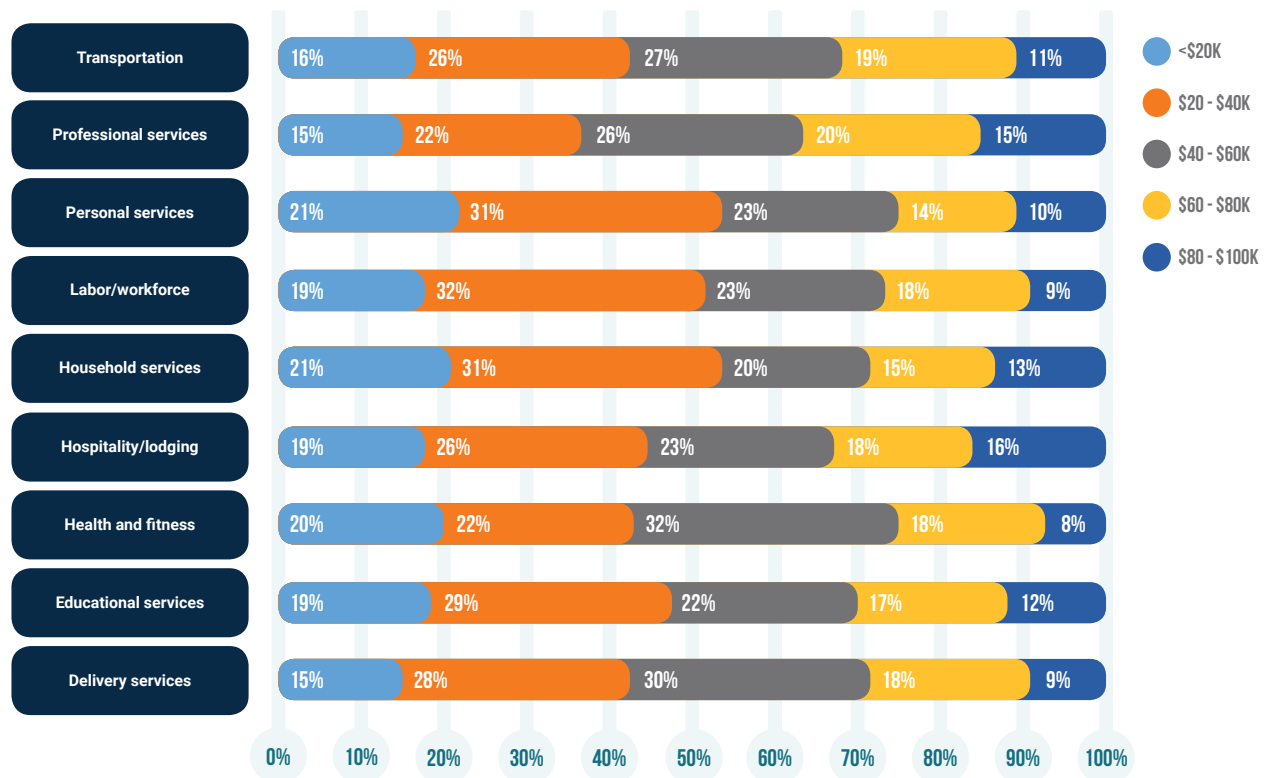
Overall, men tended to favor transportation services as well as delivery services, while women favored personal services as well as health and fitness.

Professional services and hospitality and lodging tended to net the highest income for gig employees, with 15 percent of professional service and 16 percent of hospitality and lodging gig employees falling in the highest income bracket. In contrast, personal and household services showed the biggest proportion of gig employees in the lowest income bracket: 21 percent for both industries.



WHO ARE GIG EMPLOYEES?

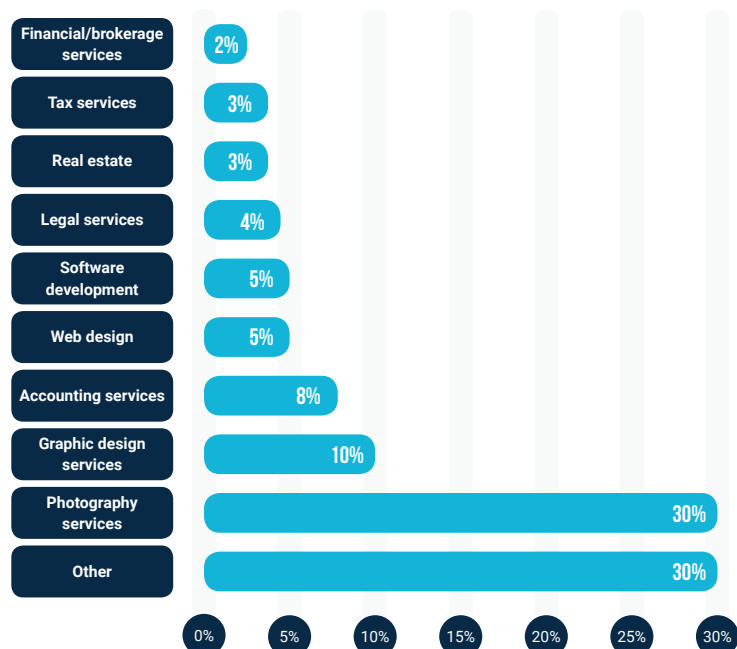
Figure 10: Type of Work per Income Segment



Spotlight on Professional Services

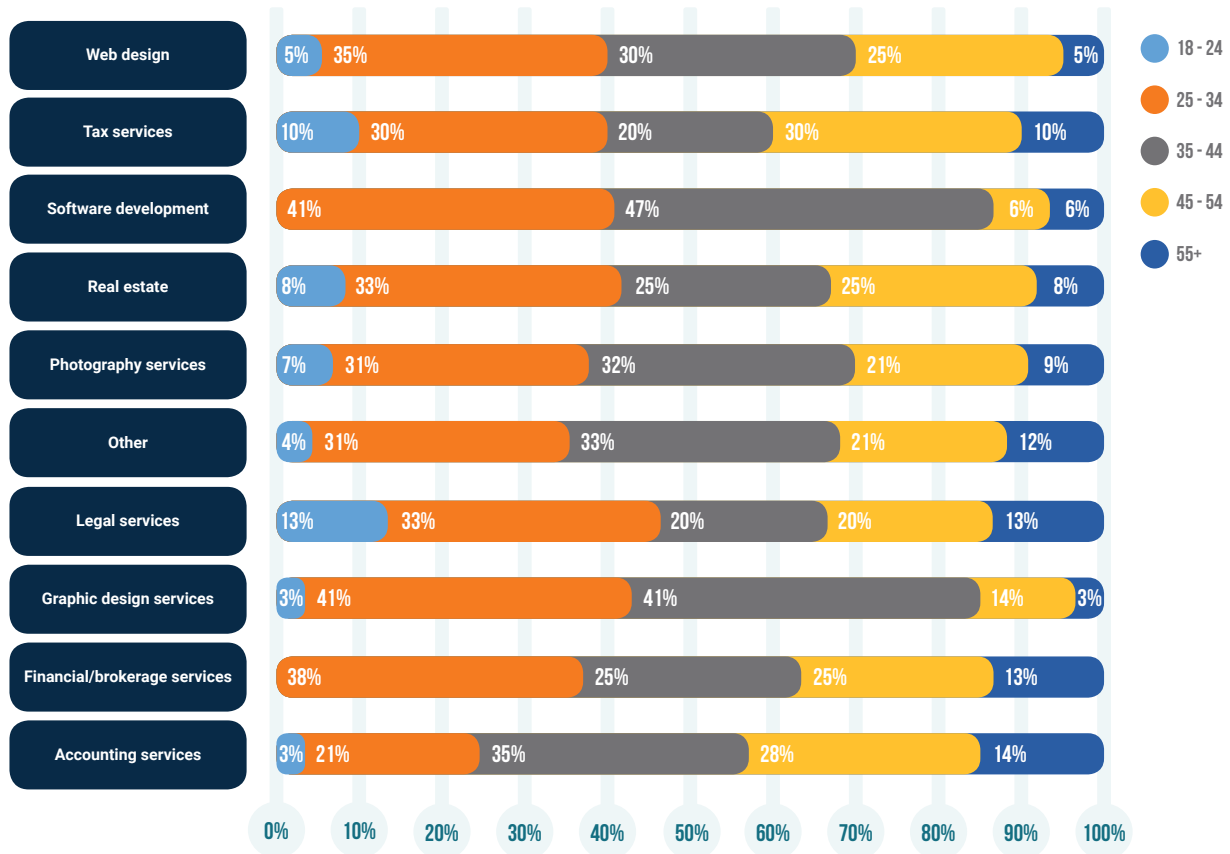
So what exactly are professional services? Professional services are those that require special training and range from photography to accounting or tax services. As with last quarter, photography was the most popular professional gig and accounted for 30 percent of professional services — down slightly from last quarter's 32 percent. However, web design, which was the third most popular professional service at 8 percent last quarter, has now fallen to fourth place, with only 5 percent of professional service gig employees offering it.

Figure 11: Professional Services among Gig Economy



WHO ARE GIG EMPLOYEES?

Figure 12: Professional Services by Age

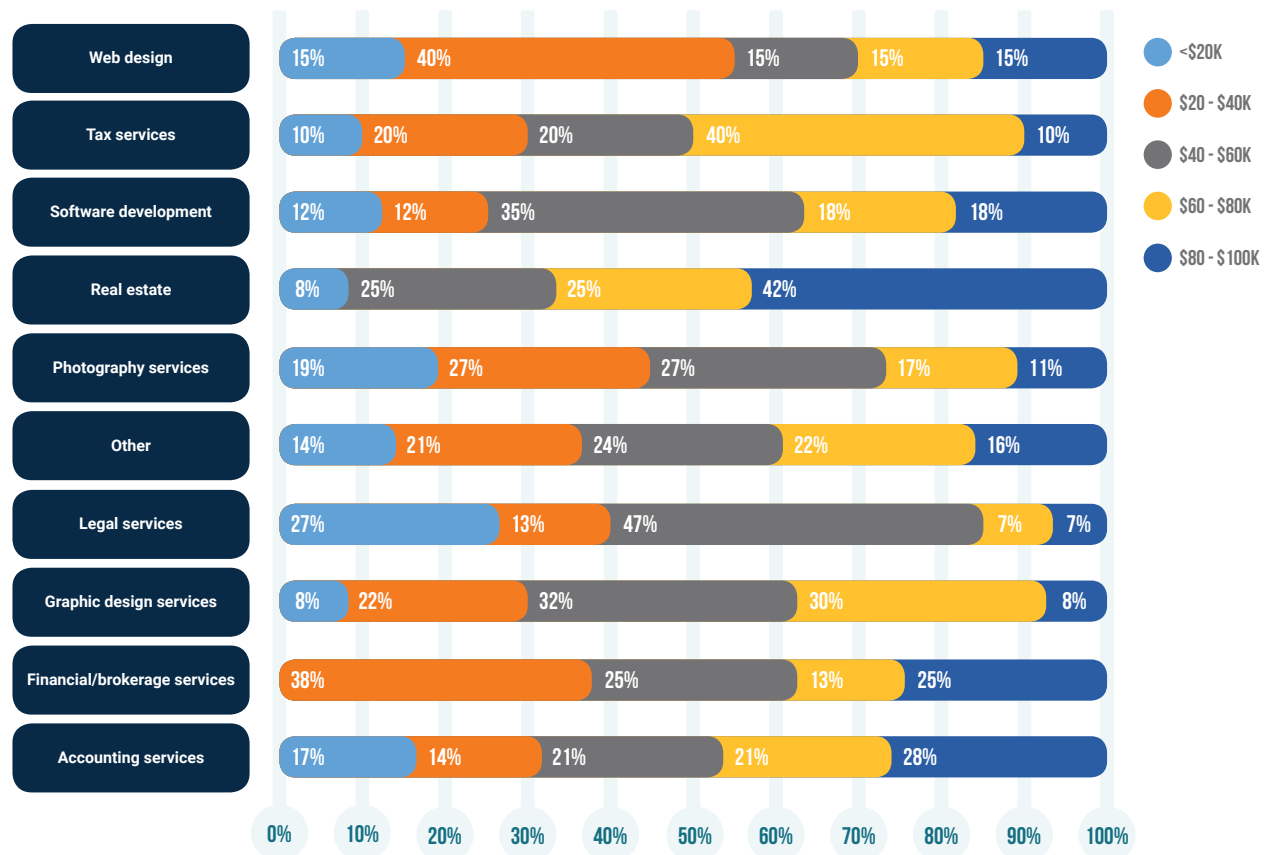


Overall, gig employees working in professional services tended to be older — perhaps because of the additional training required and the time it takes to establish a reputation in skilled work. (After all, who wants to hire an inexperienced tax accountant?) Software development and graphic design services have the highest proportion of 25-to-34-year-olds, perhaps because they rely so heavily on understanding how to use technology and remaining on the cutting edge of what's new.

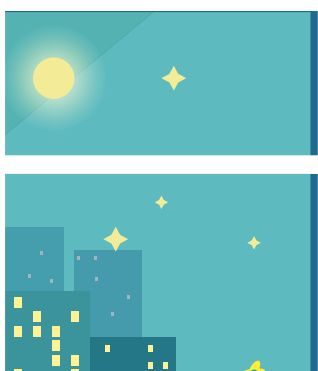


WHO ARE GIG EMPLOYEES?

Figure 13: Professional Services by Income Segment



Professional services are correlated with higher income levels: Fifteen percent of professional service gig employees fall in the highest income bracket, the highest percentage out of all of the different types of gig employment. Real estate, accounting and financial services tended to be correlated with the highest income brackets, while photography, accounting and — surprisingly — legal services were correlated with the lowest income brackets.

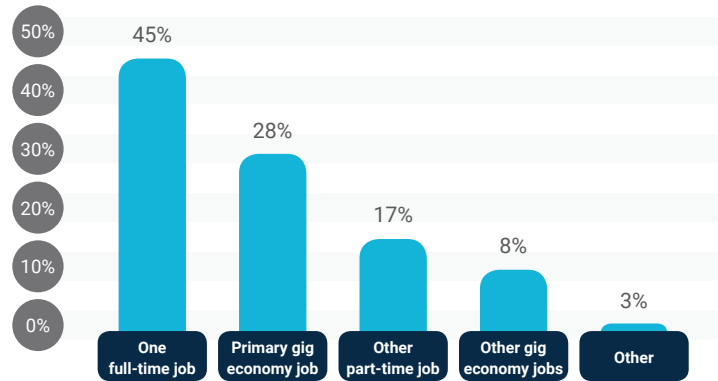


HOW GIG EMPLOYEES WORK THE WORK

Gig employees vary from people who only work gigs (exclusive giggers) to people who work part-time or full-time jobs (non-exclusive giggers). Roughly one-third of gig employees are exclusive giggers, and the other two-thirds are non-exclusive.

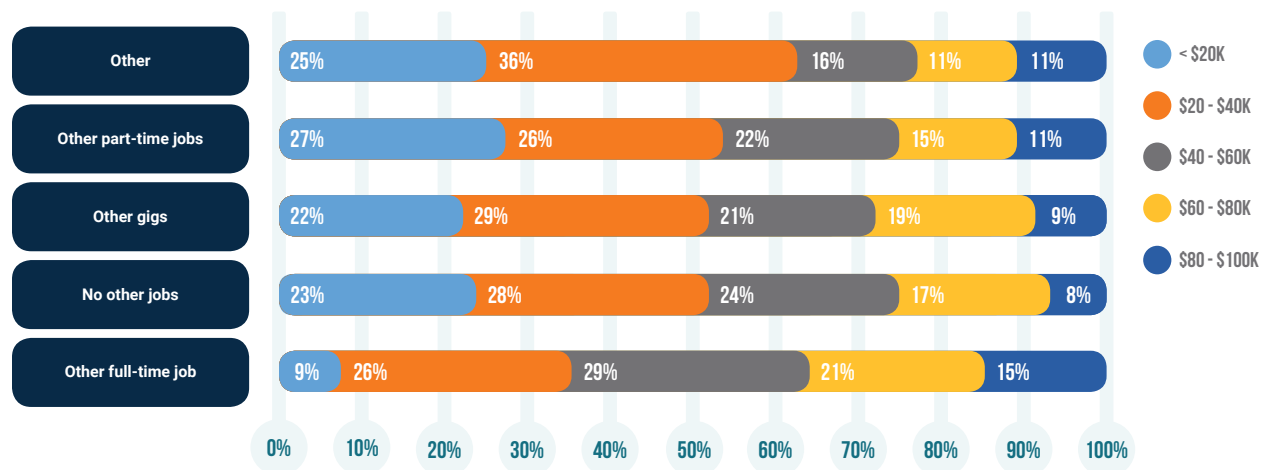
For non-exclusive giggers, gigs tend to be a supplement rather than a mainstay. A third said they spend 20 percent or less of their time on gigs. Meanwhile, 45 percent said they work a full-time job and 17 percent said they work a part-time job.

Figure 14: Jobs Held by Gig Employees Other than Their Primary Gig Job



Income

Figure 15: Jobs Held by Non-exclusive Gig Employees by Income Level

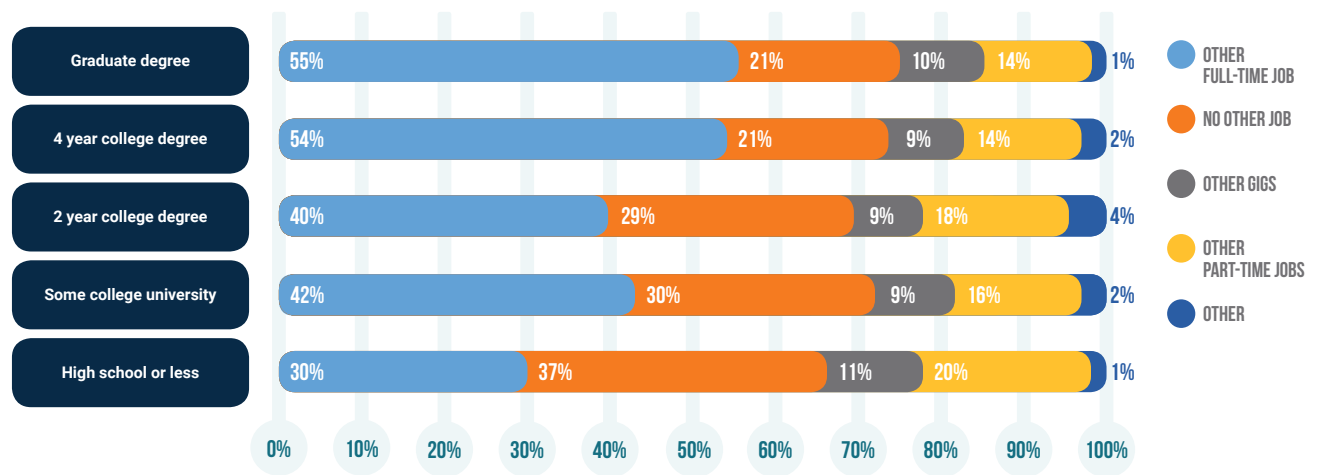


Gig employees with a full-time job tended to have a higher income than gig employees with part-time jobs. Fifteen percent of gig employees who worked a full-time job fell into the highest income bracket, while only 9 percent fell into the lowest income bracket. By comparison, 23 percent of exclusive gig employees fell into the lowest income bracket, and 27 percent of gig employees who work part-time jobs fell into that bracket.

HOW GIG EMPLOYEES WORK THE WORK

Education

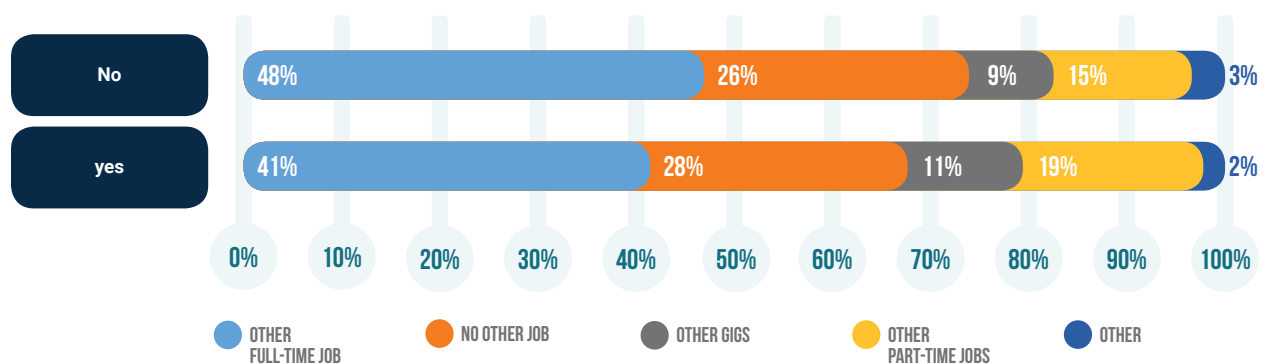
Figure 16: Non-exclusive Gig Employees by Education Level



Exclusive gig employees make up the highest proportion of gig employees with a high school education or less at 37 percent. Conversely, non-exclusive gig employees make up the highest proportion of gig employees with a graduate degree at 55 percent.

Children

Figure 17: Non-exclusive Gig Employees and Children



Gig employees with a full-time job are more likely to be childless — unsurprising given that both gigs and children take time and energy. However, gig workers with a part-time job are slightly more likely to have children — but perhaps this is because children are expensive and a gig could supplement part-time earnings.

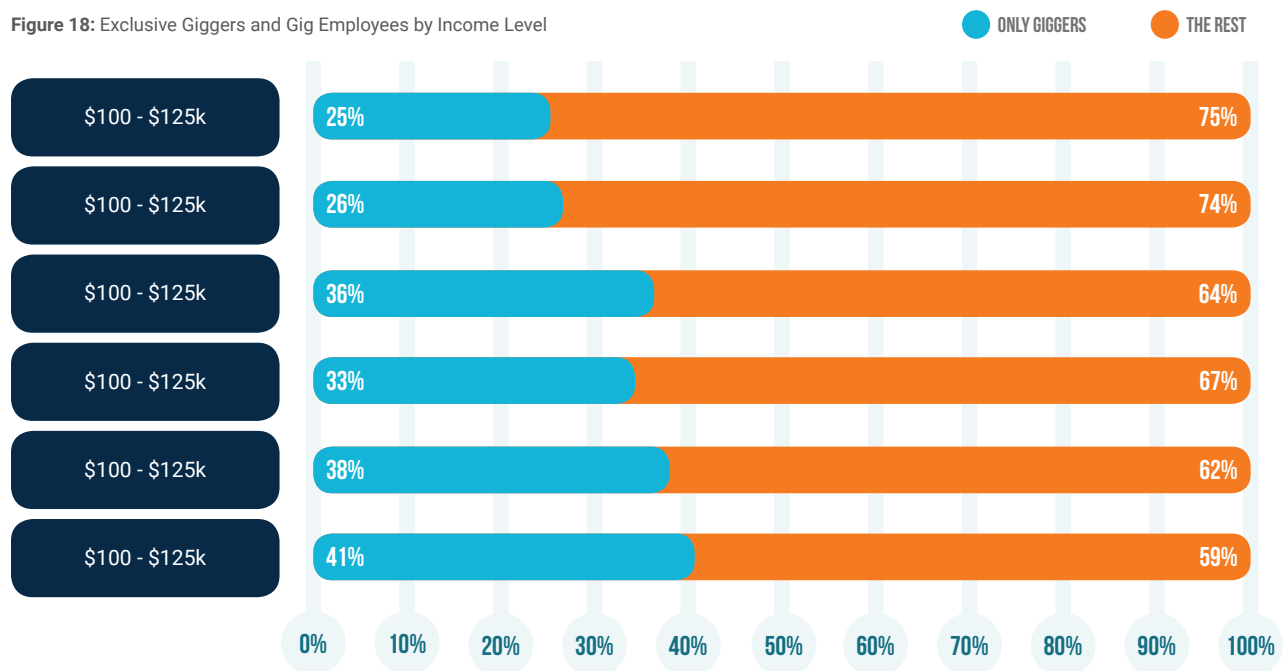
HOW GIG EMPLOYEES WORK THE WORK



Spotlight on Gig Employees Who Exclusively Work Gigs

Thirty-five percent of respondents in our survey said that they only worked gigs (one primary or multiple gigs). How are they doing? What makes them different from everyone else? We took a closer look.

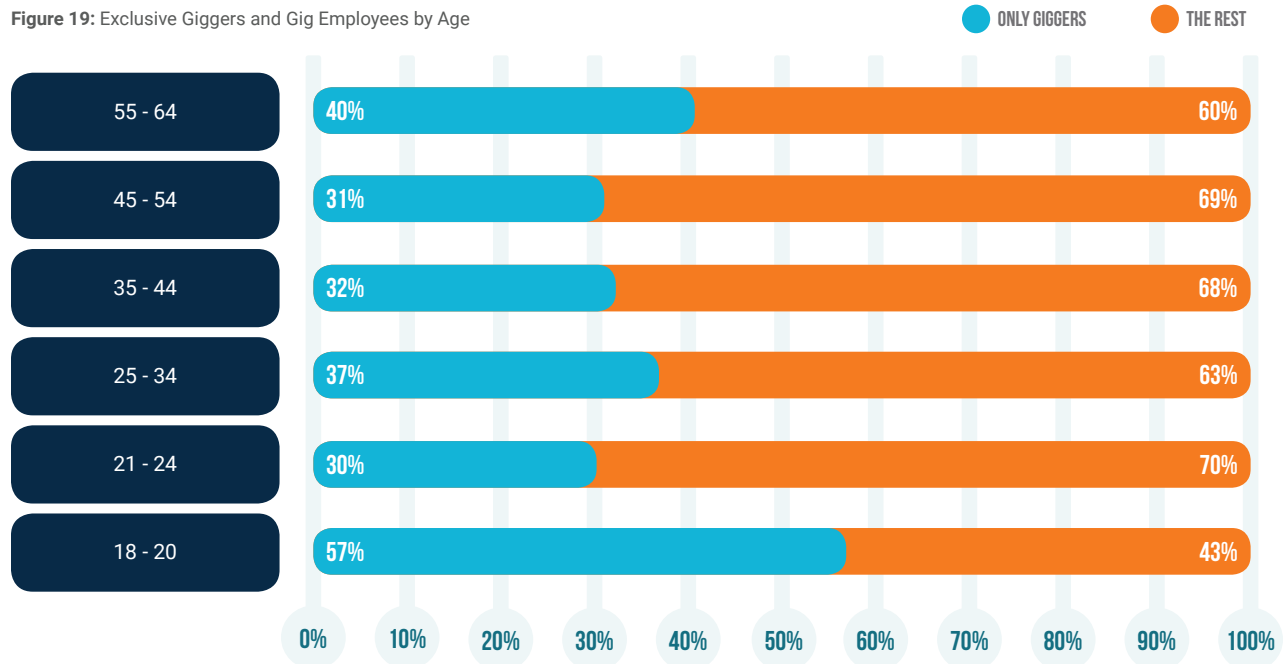
Figure 18: Exclusive Giggers and Gig Employees by Income Level



When it comes to income, exclusive giggers tended to fare worse than non-exclusive giggers. Exclusive gig employees represented 41 percent of the lowest income bracket, while only 25 percent fell under the highest income bracket.

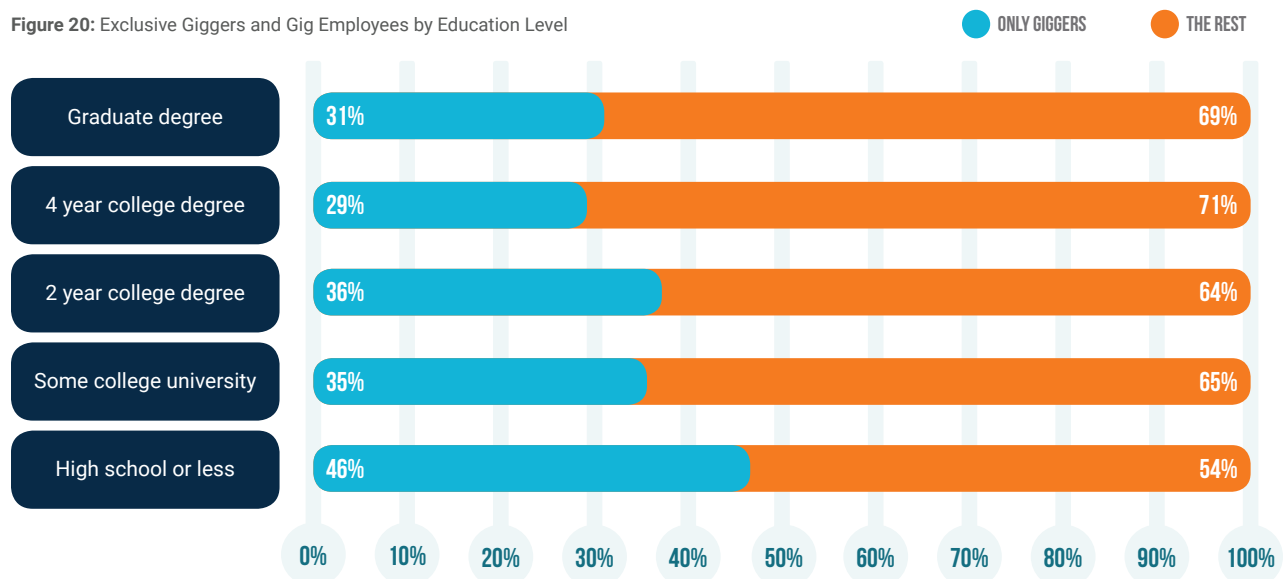
HOW GIG EMPLOYEES WORK THE WORK

Figure 19: Exclusive Giggers and Gig Employees by Age



Exclusive giggers tended to be younger: They make up 57 percent of the 18-to-20-year-old bracket. One possible reason for this is younger gig employees are students who are looking to make extra income but don't have the time for a formal job.

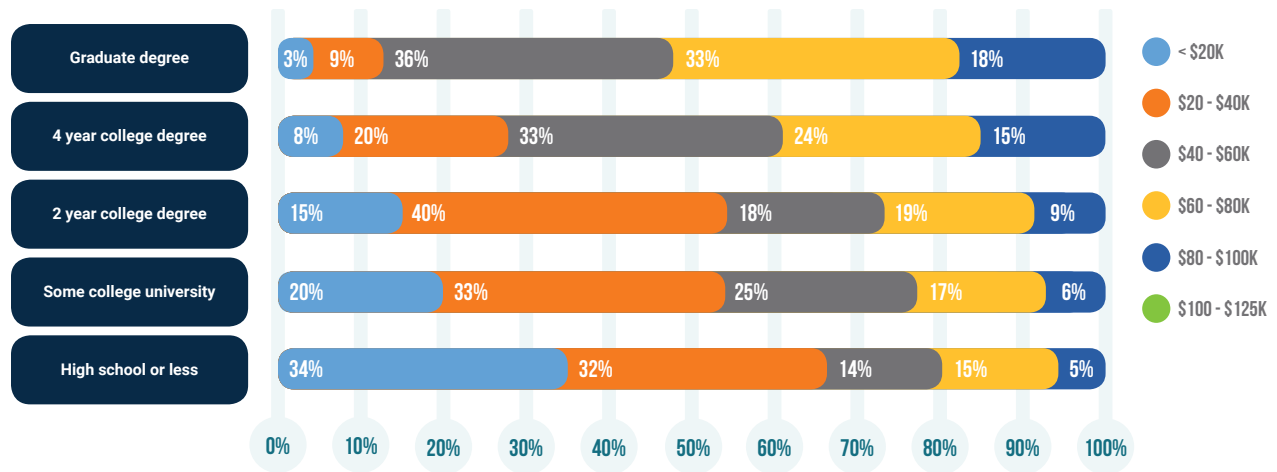
Figure 20: Exclusive Giggers and Gig Employees by Education Level



Indeed, when we look at education levels for exclusive gig employees compared to non-exclusive giggers, we can see that exclusive gig employees make up 46 percent of gig employees with a high school education or less, and only 31 percent of gig employees have a graduate degree.

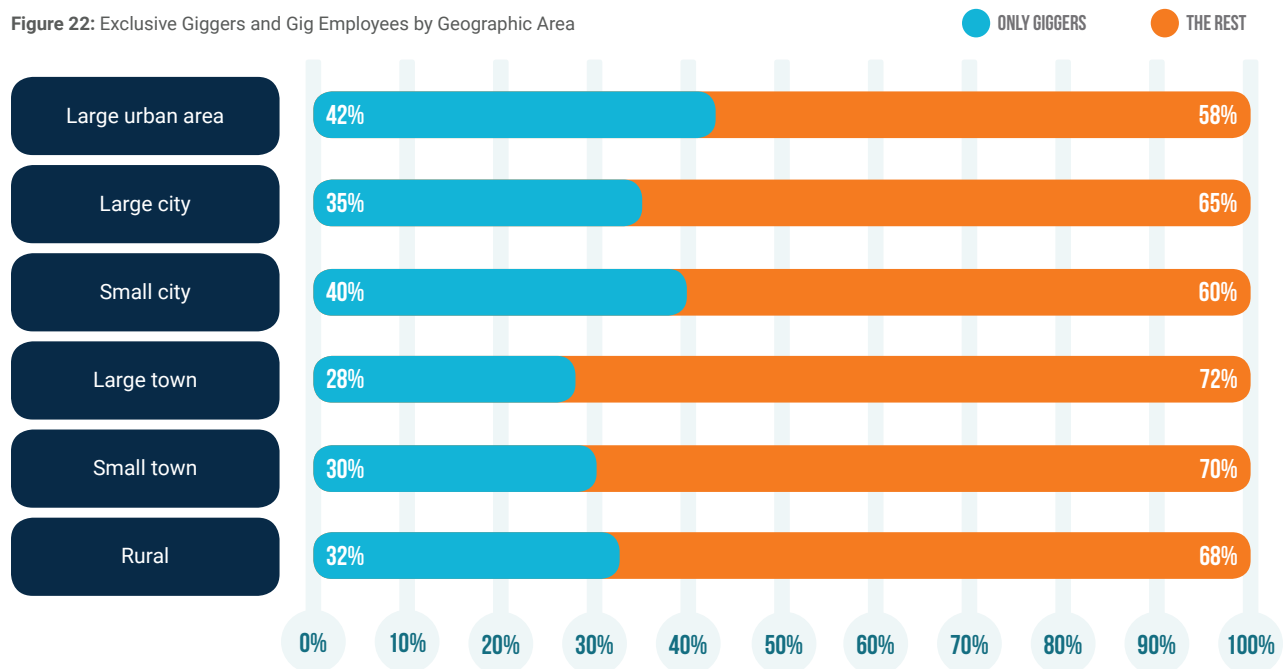
HOW GIG EMPLOYEES WORK THE WORK

Figure 21: Exclusive Giggers' Education and Income Level



Similar to gig employees who work formal jobs, income and education were correlated for exclusive giggers. Thirty-four percent of exclusive gig employees who have a high school education or less fell into the lowest income bracket. Meanwhile, 18 percent of exclusive gig employees who have a graduate degree fell into the highest income bracket — compared to 5 percent with a high school education or less.

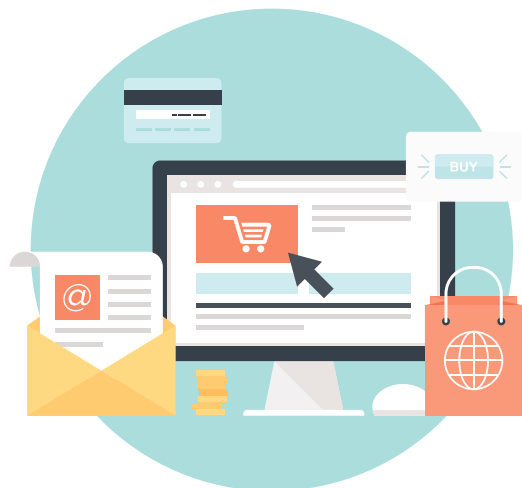
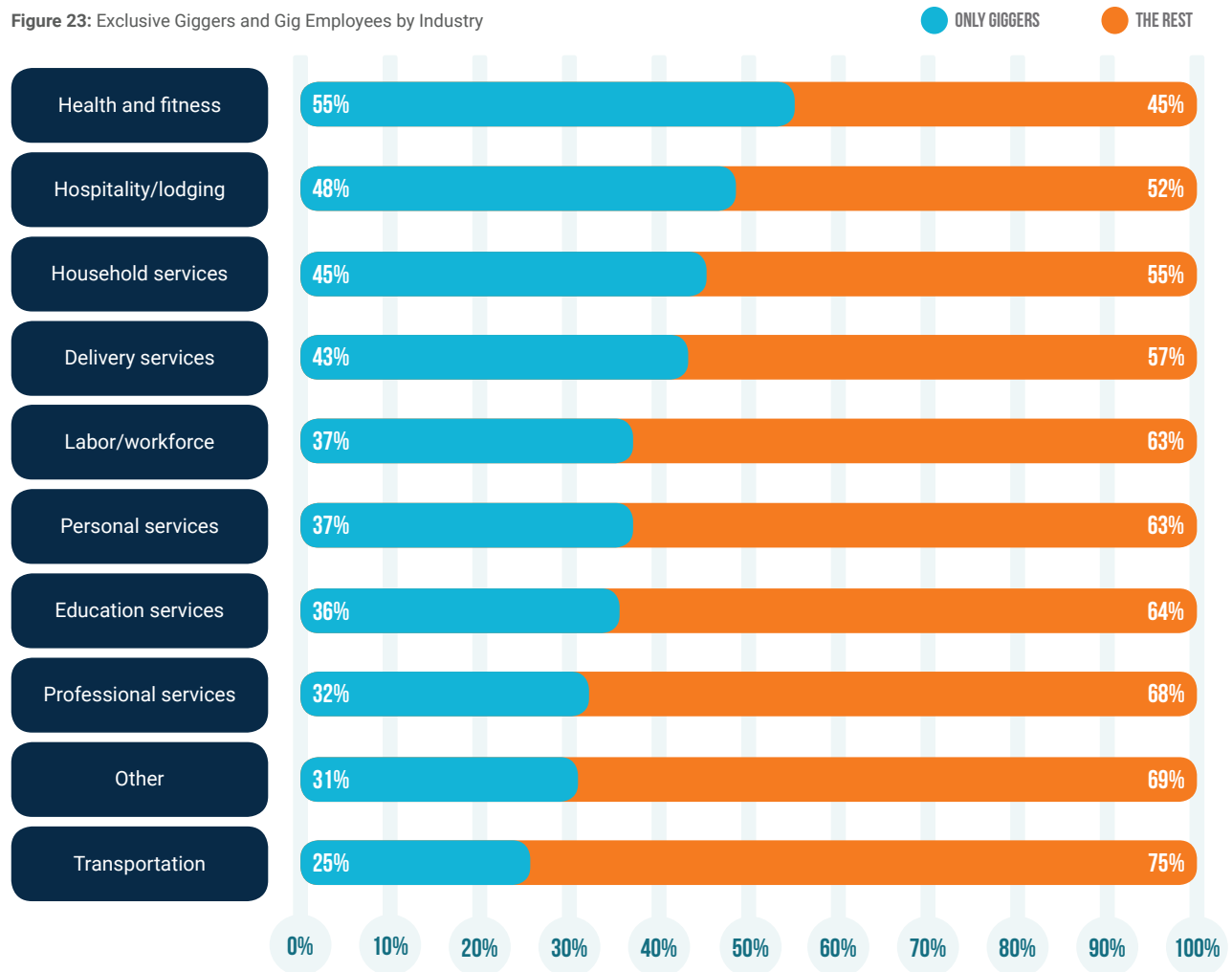
Figure 22: Exclusive Giggers and Gig Employees by Geographic Area



Unlike non-exclusive gig employees, who seem to prefer towns over large urban areas and show a surprising affinity for small towns, exclusive gig employees favor large urban areas. This could be because these areas offer more work opportunities.

HOW GIG EMPLOYEES WORK THE WORK

Figure 23: Exclusive Giggers and Gig Employees by Industry

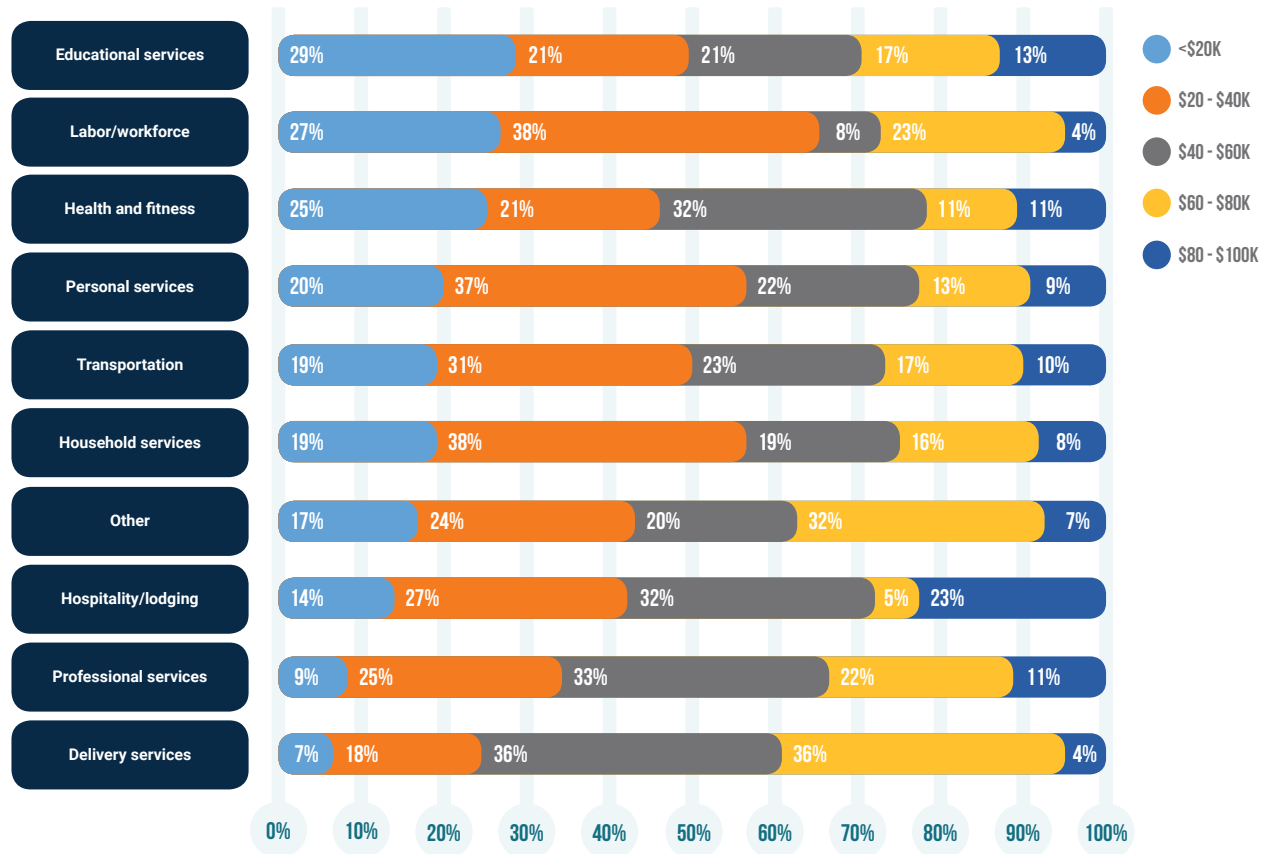


Exclusive gig employees favor health and fitness, hospitality and lodging, as well as household services jobs. Interestingly enough, they are least represented for transportation service jobs – which seem to be more attractive to people who have another line of stable income.

Hospitality and lodging accounted for the highest proportion of exclusive giggers in the highest income bracket, while delivery services and labor/workforce accounted for the lowest. Meanwhile, delivery services and labor/workforce made up a large proportion of exclusive gig employees in the second highest income bracket.

HOW GIG EMPLOYEES WORK THE WORK

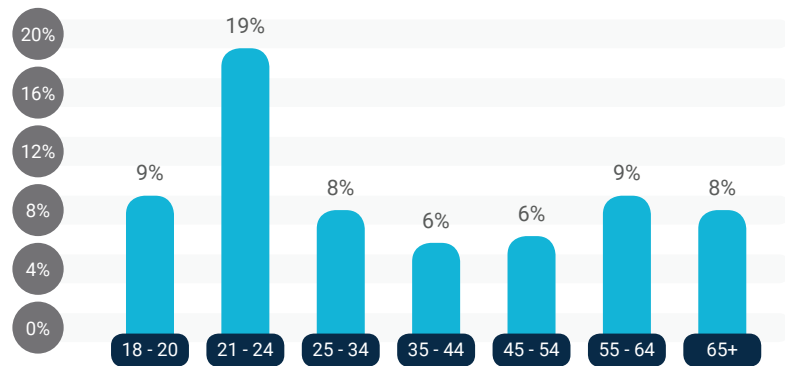
Figure 24: Exclusive Giggers by Industry and Income Level



Spotlight on Gig Employees Making \$20,000 or Less

We took a closer look at gig employees who earn less than \$20,000 a year: Twenty-eight percent of them are between the ages of 18 and 24. Meanwhile, 46 percent have a high school education or less.

Figure 25: Percentage of People with Income Lower than \$20,000 a Year, by Age Group



Most of these employees are working gigs that don't require a higher degree: 19 percent work in labor, and 14 percent in transportation.

Figure 26: Percentage of People with Income Lower than \$20,000 a Year, by Education Level

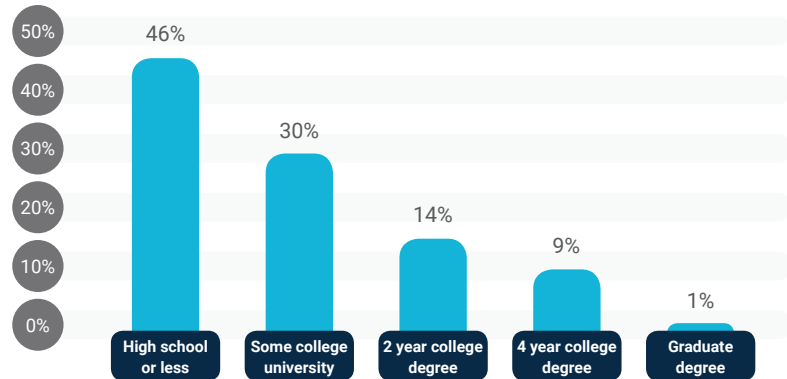
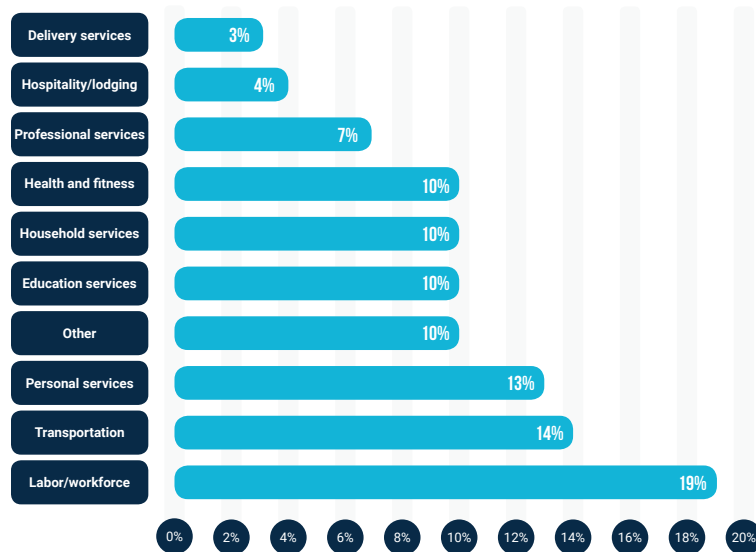
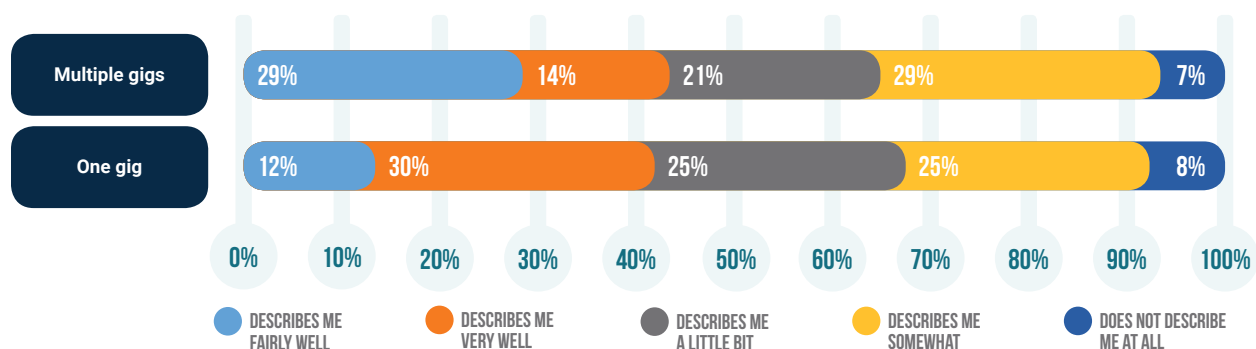


Figure 27: Job Type, as Percentage of People with Income Lower than \$20,000 a Year



However, employees in this income bracket who work several gigs seemed more satisfied with their situation than employees in this income bracket who worked only one gig. Overall, 29 percent of gig employees working multiple gigs and making under \$20,000 said they liked their lifestyle and planned to keep their gig, compared to 12 percent of employees who only worked one gig.

Figure 28: "I Like the Lifestyle and Plan to Keep My Gig Economy Job," for People with Annual Income Lower than \$20,000 a Year



HOW GIG EMPLOYEES WORK THE WORK

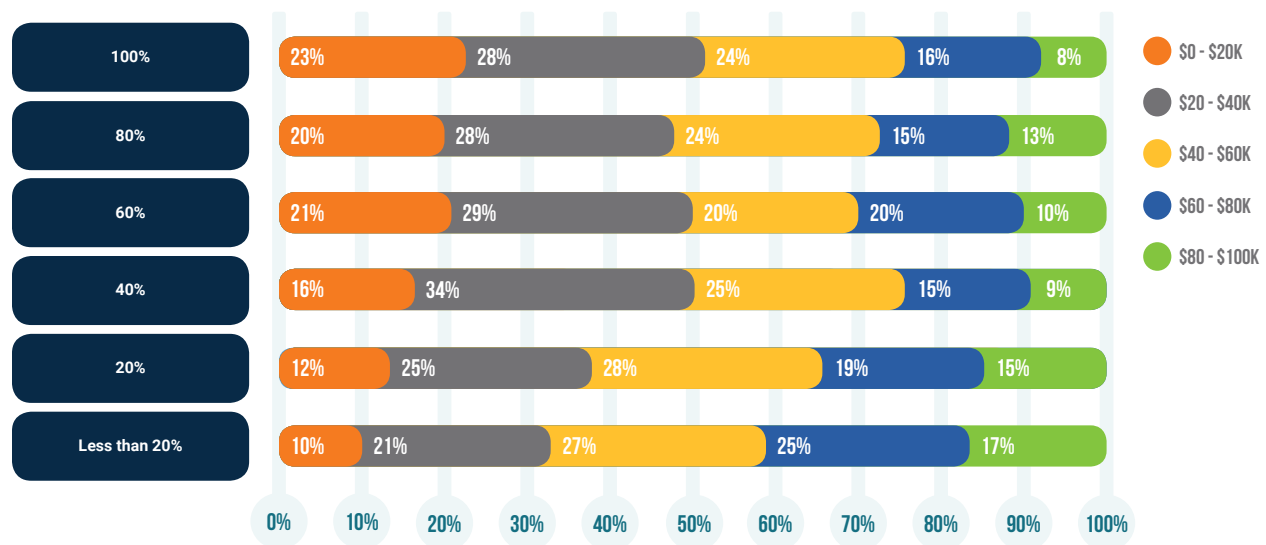


Time Spent on the Job

If the childless are more likely to hold down a gig and a full-time job, while gig employees with full-time jobs admit to spending 20 percent or less of their time on gigs, how much time are gig employees pouring into their gigs overall?

As income rose, the amount of time people spent on gigs decreased. In other words, for gig employees at the top of the income bracket, most of their dollars came from their jobs outside of gigs. For example, only 10 percent of gig employees dedicated less than 20 percent of their time to gigs and fell in the lowest income bracket. Meanwhile, 42 percent of gig employees who dedicated less than 20 percent of their time to gigs earned over \$60,000.

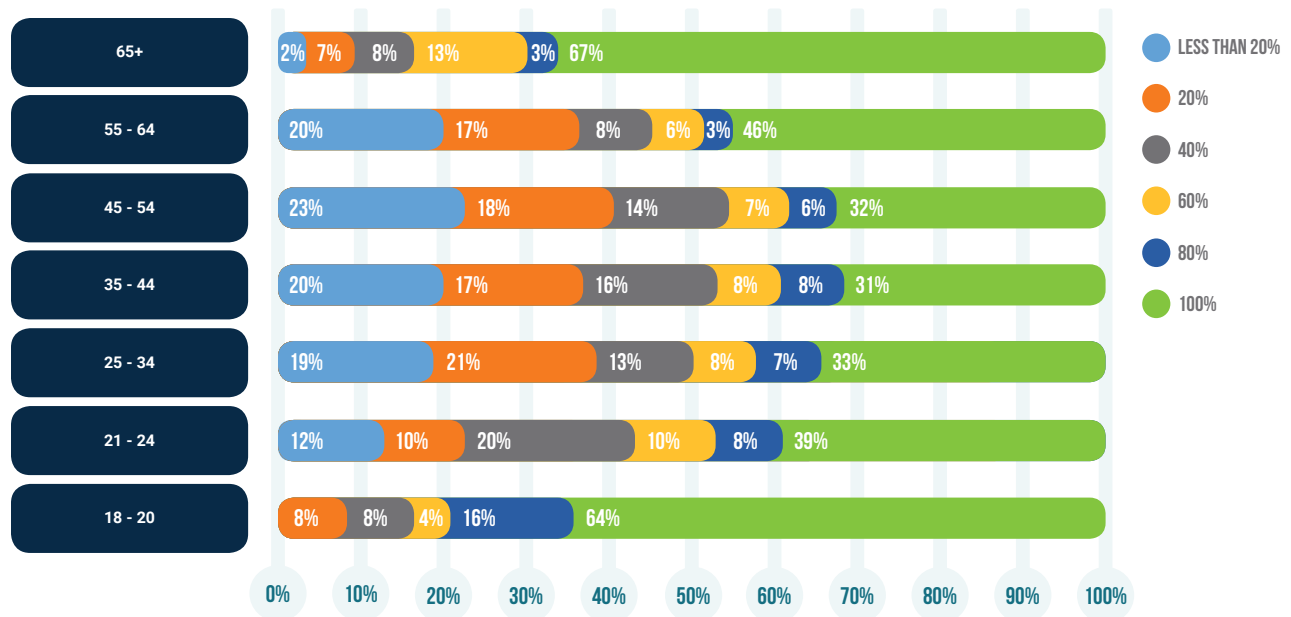
Figure 29: Time Spent on the Job by Income



There was a strong relationship between the age of a gig employee and how much time they spent on gigs. Younger and older gig employees tended to spend the most time on gigs. About 67 percent of gig employees age 65 or older spent all of their time on gigs compared to last quarter's 70 percent, while 64 percent of gig employees in the 18-to-20-year-old age group spent all of their time on a gig compared to last quarter's 56 percent. However, the percentage of people who spent all of their time on gigs dropped to the 30 percent range for employees between the ages of 21 and 54.

HOW GIG EMPLOYEES WORK THE WORK

Figure 30: Time Spent on the Job by Age



When Gig Employees Get Paid

In general, gig employees work through a temp agency or an online platform that links customers with workers. These intermediaries often handle payments: Only 26 percent of gig employees said they receive their income directly from the customers. In 34 percent of the cases, customers pay the employee's fee while the entity pays for the rest.

Figure 31: Who Pays for a Gig Economy Job

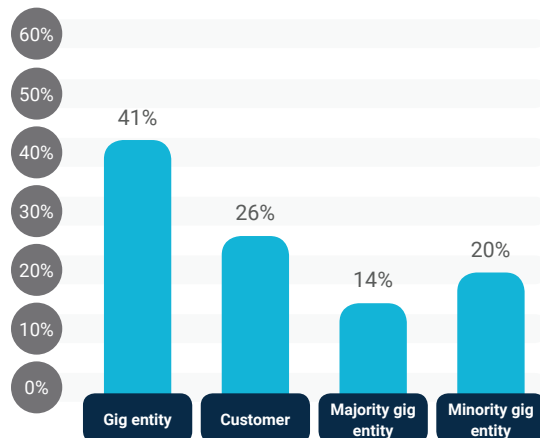
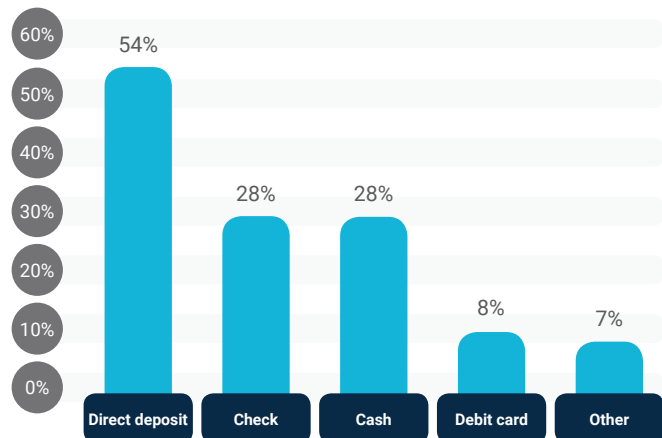


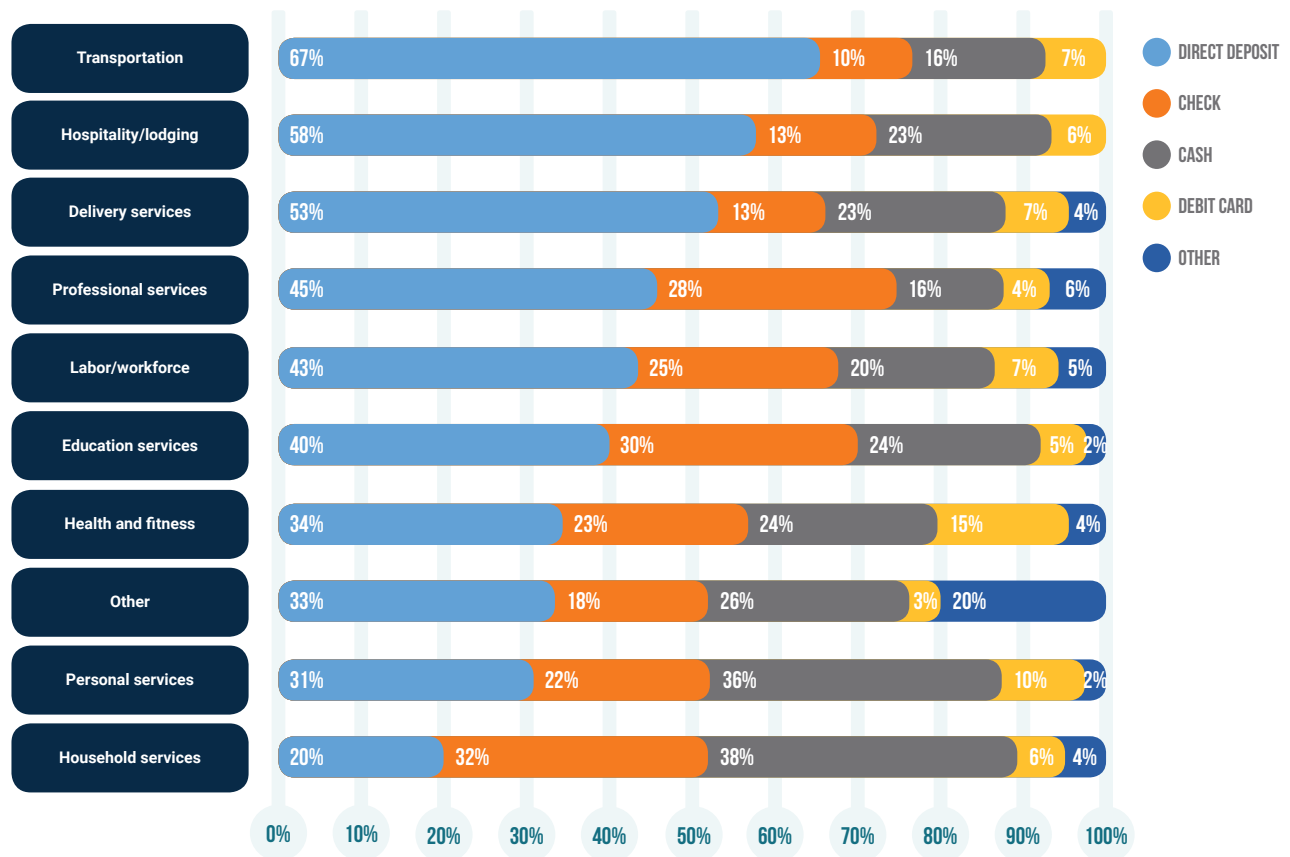
Figure 32: Payment Method



Direct deposit was the most popular form of receiving payments: Fifty-four percent of gig employees received direct deposit. However, old-school payment methods like check and cash accounted for 28 percent each.

HOW GIG EMPLOYEES WORK THE WORK

Figure 33: Industry by Payment Method

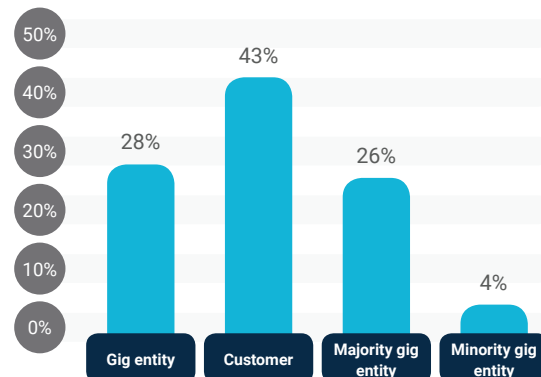


The majority of transportation service employees, 67 percent, were being paid by direct deposit, compared to only 20 percent of household service employees. Conversely, 38 percent of household service employees were paid in cash, the largest proportion of any industry, while only 16 percent of transportation service employees were paid by cash – the smallest proportion of any industry.

While gigs may not always pay well, they tend to pay promptly: Seventy-one percent of respondents said they received payment within a week, and 26 percent said they received payment within a month. Over a quarter – 28 percent – said they received payment almost immediately, while only 4 percent had to wait longer than a month for their pay.

Eighty-seven percent of respondents said they were happy with the speed of their pay, but 77 percent admitted they'd like to do more gig work if they could be

Figure 34: Payment Speed



HOW GIG EMPLOYEES WORK THE WORK

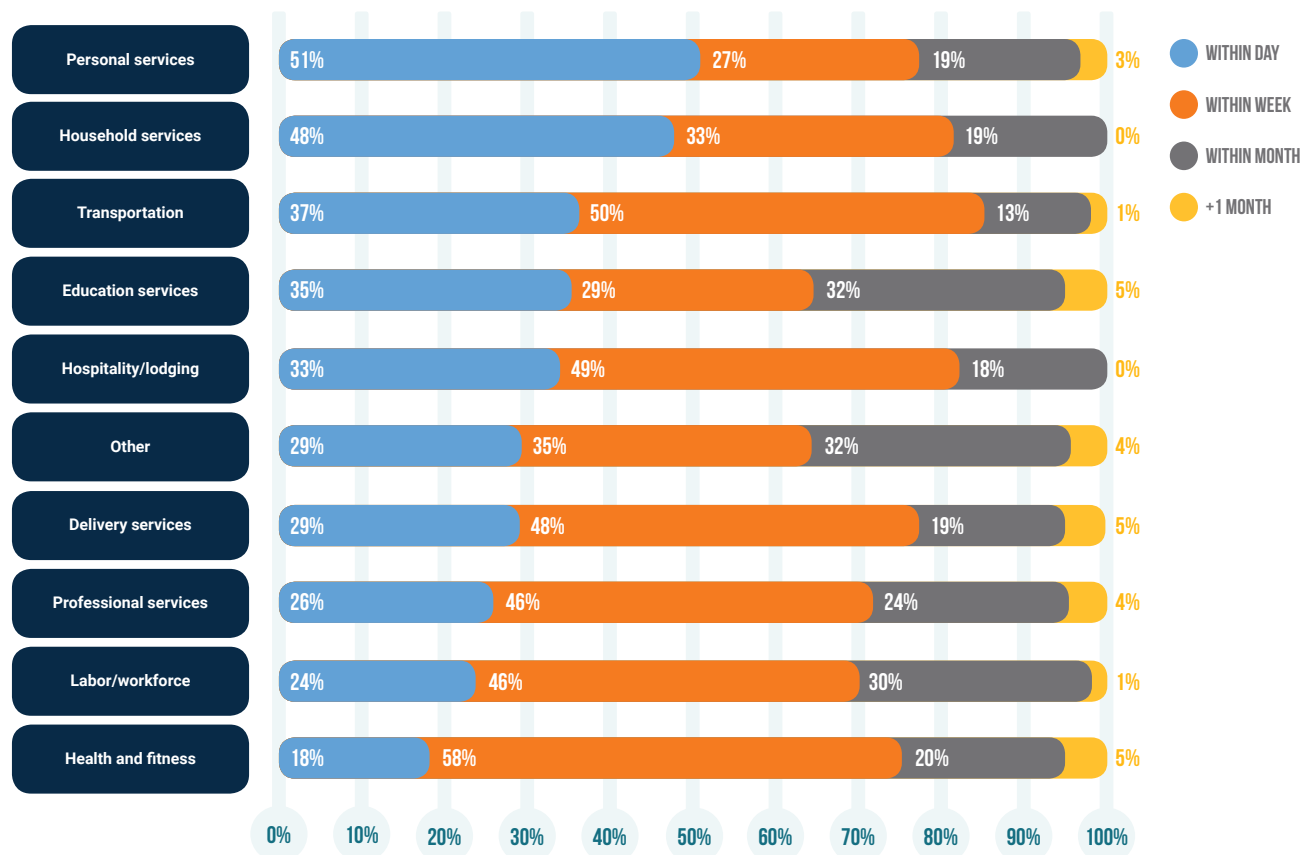


paid within a day. This is a decline from the first quarter's 81 percent, but the decline exists because the number of full-time workers increased from 44 to 46 percent during the same period, meaning gig employees have less time to dedicate to the gig economy.

Slightly over half — 53 percent — of gig employees said they received all of their pay, but 17 percent of gig employees said they lost about 10 to 20 percent of their income to their payment method.

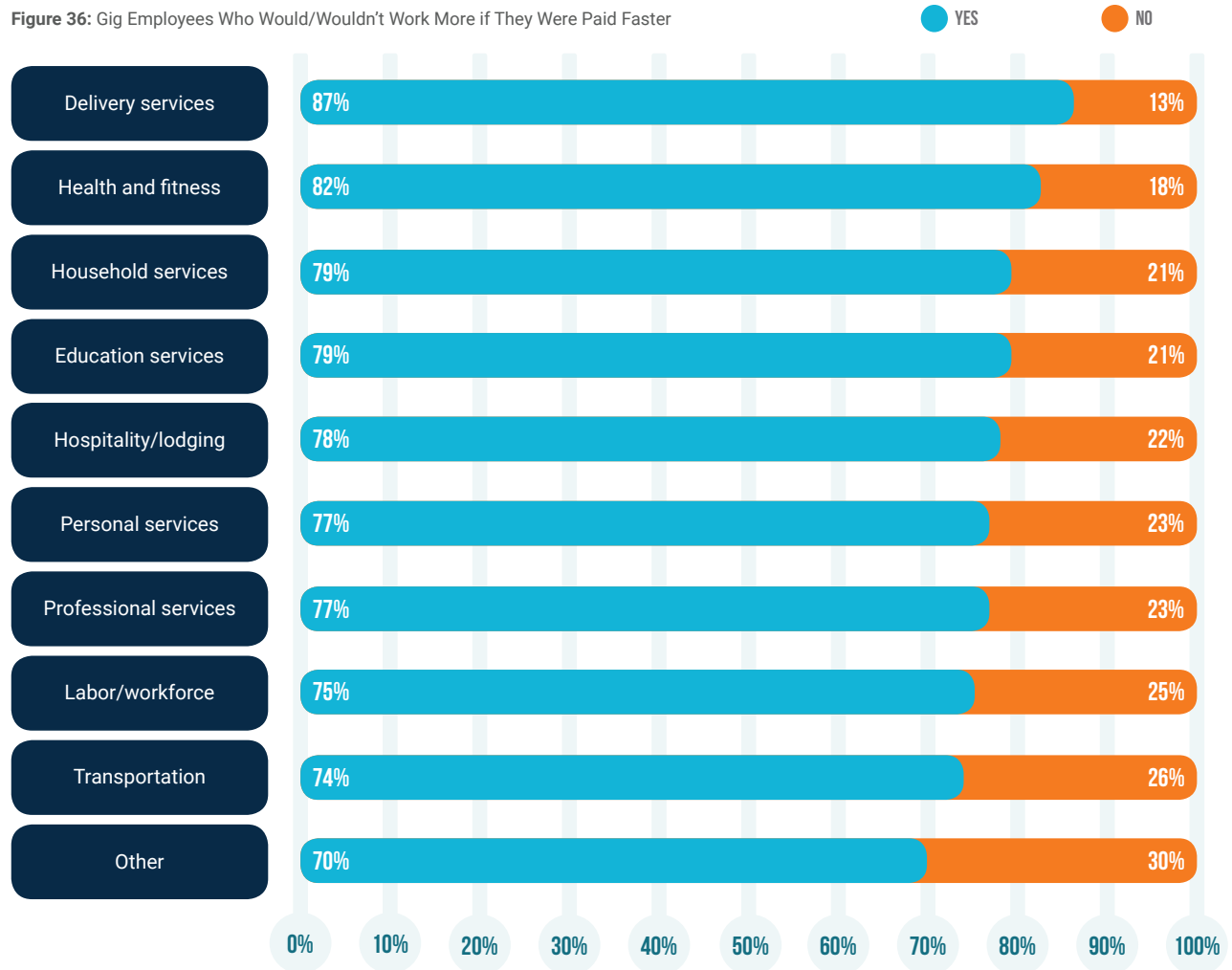
Overall, personal service gig employees received their payments the fastest: Fifty-one percent were paid within a day. However, education services and labor/workforce employees tended to have longer waits: Roughly a third of gig employees in these industries said it took about a month to get paid.

Figure 35: Industry by Payment Speed



HOW GIG EMPLOYEES WORK THE WORK

Figure 36: Gig Employees Who Would/Wouldn't Work More if They Were Paid Faster



Seventy-seven percent of respondents said they would do more gig work if they could be paid faster. The number was significantly higher for workers in delivery services — 87 percent. From the data above, we know that the majority of these gig employees receive direct deposits (53 percent) within a week (48 percent). Possibly, faster payments are more attractive to delivery services gig employees because they are responsible for gas and maintaining their vehicles.



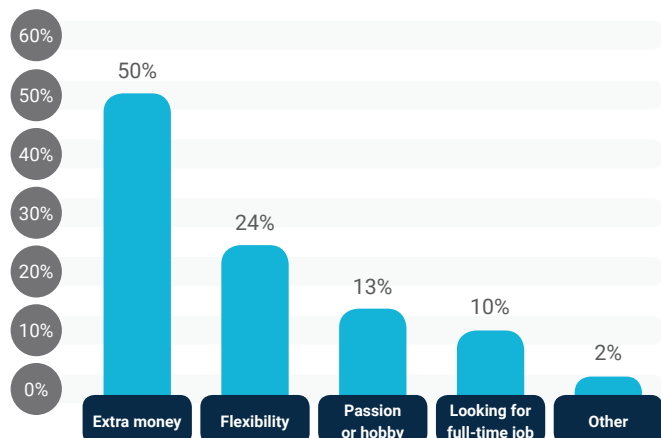
WHY WORK A GIG?



So why join the gig economy? It boils down to one word: money. Half of our survey respondents mentioned that money was their main reason for getting a gig. However, almost a quarter (24 percent) cited flexibility as their main reason for getting a gig.

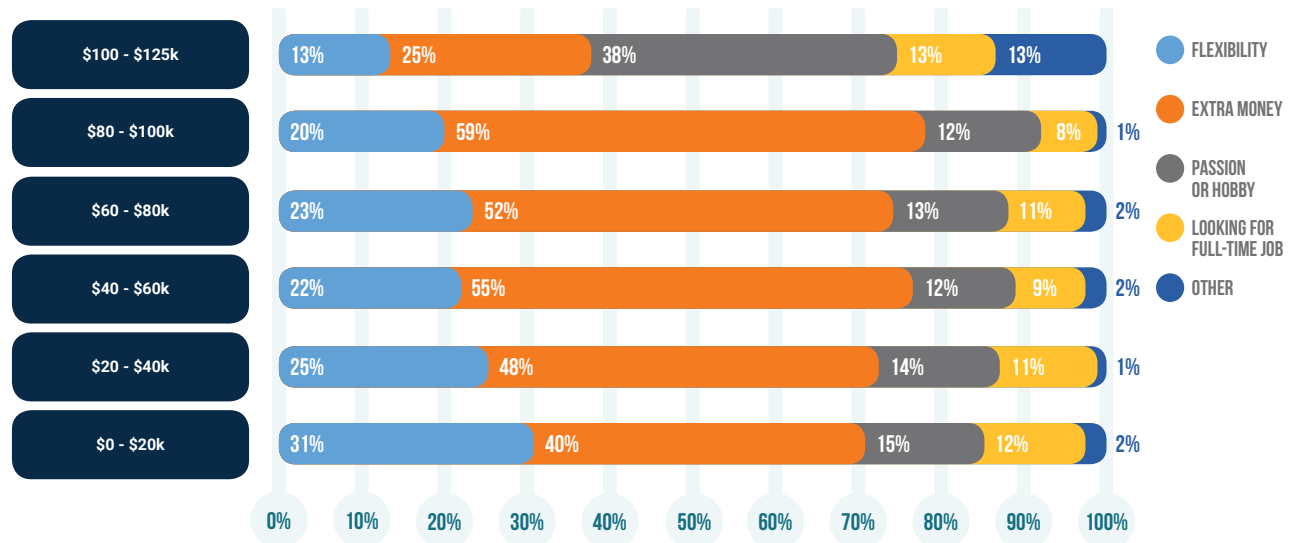
Unsurprisingly, gig employees with a lower income cited extra money and flexibility as their main reasons for joining the gig economy. Flexibility in particular is important for students who need to work around class schedules. And as demonstrated in Figure 3, flexibility and extra

Figure 37: Reasons for Joining the Gig Economy



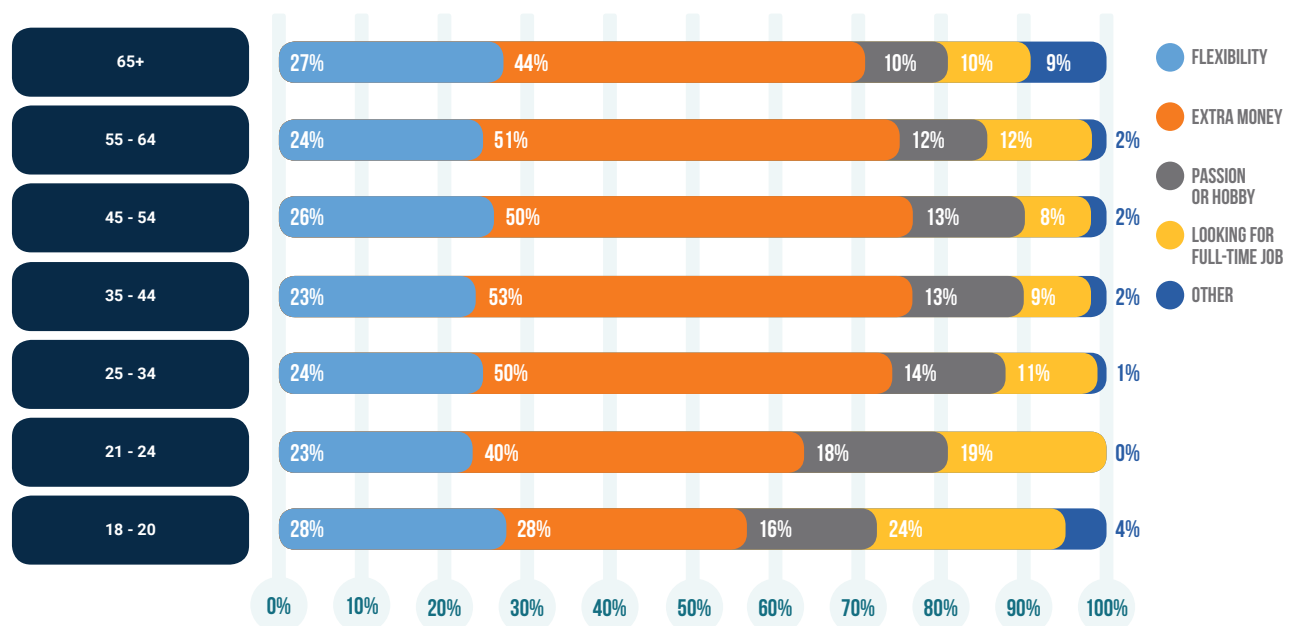
WHY WORK A GIG?

Figure 38: Reasons for Joining the Gig Economy by Income



money were equally prized by people in the 18-to-20-year-old age group. However, in the highest income bracket, 38 percent mentioned getting a gig because it was their passion or hobby. Surprisingly, however, the largest proportion of gig employees who cited extra money as their reason for getting a gig (59 percent) were in the \$80,000–\$100,000 income bracket.

Figure 39: Reasons for Joining the Gig Economy by Age





FEATURE STORY

“It’s experiences and memories
that count in life,
not possessions.”

Gig Economy POWERS

Growing Demand For EXPERIENCES

In this age of “Uber for (fill-in-the-blank),” where everything from food deliveries to car rides to vacation rentals are never more than a tap away, even the traditional wedding registry is eligible for disruption. Millennials have lost interest in asking for blenders and bath towels, opting instead to register for [activities](#) like spin classes and travel packages.

And it’s not just wedding registries. Increasingly, consumers of all stripes are picking experiences over possessions, a trend which is quickly reshaping the \$1 trillion gig economy. To meet the demand — or to create it, as the case may be — online marketplaces are recruiting gig workers to cater to changing consumer preferences.

In 2016, home-sharing giant Airbnb announced the launch of [Airbnb Trips](#), a new product that offers unique travel and leisure activities developed by the platform’s hosts. Since its launch last November, Airbnb Trips has expanded to include a multitude of memorable experiences, ranging from guided tours and musical

outings to pottery and wine and cheese pairing classes.

The [Marriott hotel chain launched](#) a similar program, giving local artists and musicians the opportunity to meet and teach classes to its guests. Booking.com launched [Booking Experiences](#), an AI-powered tool that enables travelers to find local events through their smartphones.

While interest in monetizing the growing demand for experiences via the gig economy might be recent, platforms matching freelancers with experience enthusiasts is nothing new.

Universe, a Toronto-based event tickets seller, began partnering with local artists, chefs and freelancers to offer experiences to interested parties back in 2011. The platform was later purchased by Live Nation Entertainment in 2015, and today works with around 32,000 event organizers.

In a recent interview with PYMNTS, Craig Follett, the

company's CEO, discussed the changing state of the gig economy and how it's increasingly powering sharing services like Universe.

According to Follett, the phenomenon of consumers picking experiences over possessions is unlikely to lose momentum — something his company is seeing firsthand.

"We started as a sharing economy platform that helped people share items, skills and activities with other people," explained Follett. "The idea was to create a marketplace across all those verticals and enable cross-sell."

Over time, the company's offering took another course. "What happened was we expanded into the activities vertical and focused in on events, more specifically, and that really created an inflection point in our growth," Follett said.

Integrating payments to steer clear of pitfalls

For online marketplaces, the process of selling experience-driven packages extends to providing a seamless payment experience.

Whether for a traveler buying tickets to an event or a freelance gig worker selling a creative service, Follett insisted that payments are a crucial part of the journey. The payment process gets much more complex when it involves multi-currency payouts — something Universe resolved through Hyperwallet's white label payment solution.

"We needed to process our payout more efficiently," said Follett. "Earlier, we were doing our payouts in-house and it grew to a scale where it just wasn't realistic to keep doing it by ourselves. By working with Hyperwallet, we were able to support the large volume of payments that we processed."

As Follett pointed out, the ability to make multi-currency payouts through a streamlined process also enabled

the company to quickly expand to new markets around the world. Follett advised that building out a payment infrastructure in-house to support growth can quickly hamper it, and working with Hyperwallet expedited this process for Universe.

Gig meets sharing economy

As the gig economy matures, Follett said he foresees gig workers increasingly powering the growth of the sharing economy.

"This is something that we see everywhere," Follett noted, adding that micro-events are becoming increasingly popular in the Americas, in addition to Asia-Pacific and Scandinavia. "We see tremendous potential growth."

Airbnb's early investor and LinkedIn's co-founder, Reid Hoffman, agrees about the vast potential that the gig and sharing economies have together.

"This allows people to develop all kinds of experiences no one ever thought of before," Hoffman said in an interview with [Vanity Fair](#).

Offering experiences through events, Follett said, is not only a creative outlet for gig workers to express their passions, but also a powerful tool for them to rise up in the economy. It is even motivating more gig workers to stay away from full-time office jobs.

In Q3 2017, 69 percent of gig workers said they wouldn't quit their freelance jobs for a full-time one, up from 65 percent in Q2 2017, according to the [PYMNTS Gig Economy Index](#).

According to Follett, the trend is only going to get stronger, and the gig economy will continue powering the growing demand for experiences.

"It's experiences and memories that count in life, not possessions," Follett added. Just ask a married couple celebrating their tenth anniversary how well that blender is hanging in there.

WHAT'S NEXT?



While gigs may not offer the best pay rate, overall gig employees seemed happy with the lifestyle. Gigs allow respondents to earn extra money, and in general, gig employees seemed to like doing their gigs and wanted to keep them.

Overall, 42 percent of respondents mentioned they liked their lifestyle and planned to keep their gig economy job. Only 11 percent mentioned this was not their plan.

Meanwhile, only 6 percent said they'd quit if they got a full-time job, while 45 percent mentioned they wouldn't quit even for a full-time job.

Figure 40: Respondents on the Accuracy of the Statement:
"I Like the Lifestyle and Plan to Keep My Gig Economy Job"

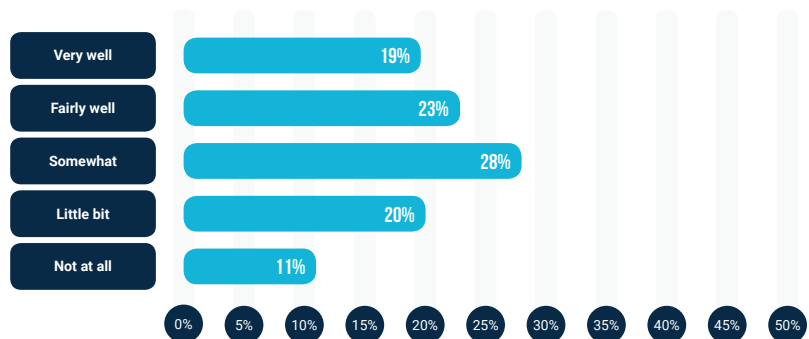
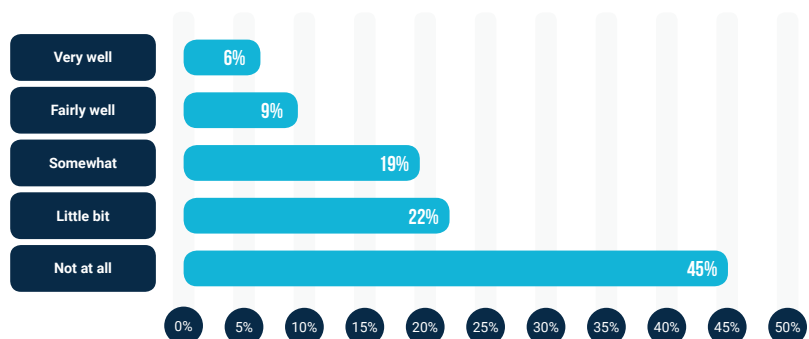


Figure 41: Respondents Describe the Accuracy of the Statement:
"I Will Quit My Gig Economy Job Once I Get a Normal Full-time Job"



QUARTER-BY-QUARTER COMPARISON

Overall, not much has changed in the gig economy since last quarter. However, the major changes indicate that even though gig employees love their work, making it work seemed to be getting more difficult. They were making less and paying more fees to their payment mechanism.

While the number of employees in the gig economy dipped slightly from last quarter — 33 to 32 percent — overall the gig economy is growing bigger. Since Q3 2016, it has grown 2 percent.

Increasingly, gig employees are pairing their gigs with other full-time and part-time jobs. Last quarter 44 percent of gig employees had another full-time job, while this quarter that number jumped to 46 percent. During Q3 2016, 27 percent of gig employees only worked gigs; this quarter it increased to 28 percent. Meanwhile, the gig employees who worked other gigs dropped from 12 percent last quarter to 8 percent this quarter, which possibly explains the growth in number of full-time workers. Seventeen percent of workers in our sample said they were looking for a full-time job.

Figure 42: Number of Gig Employees

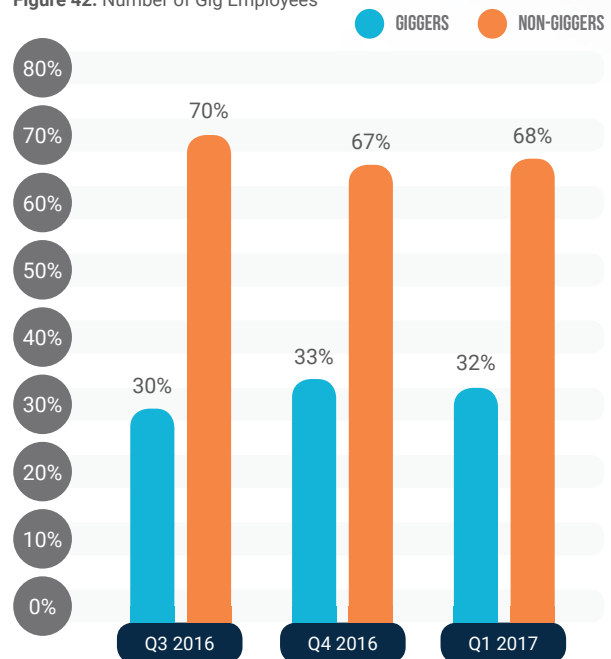
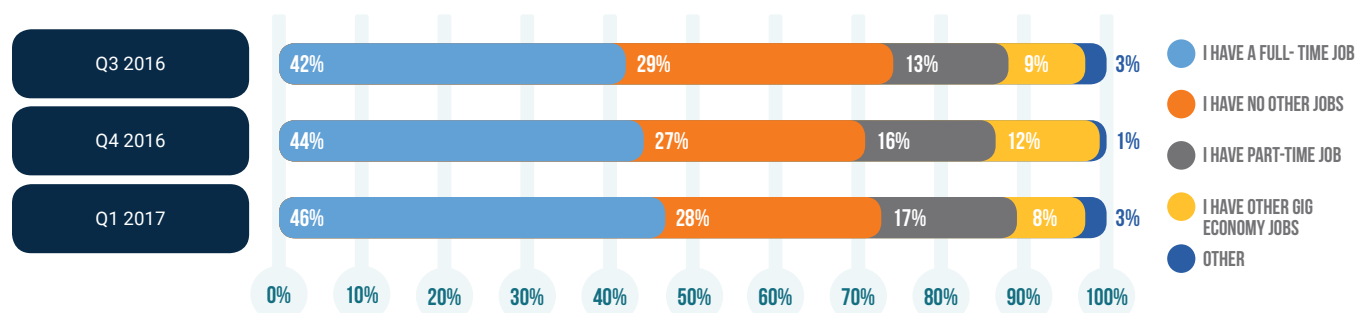
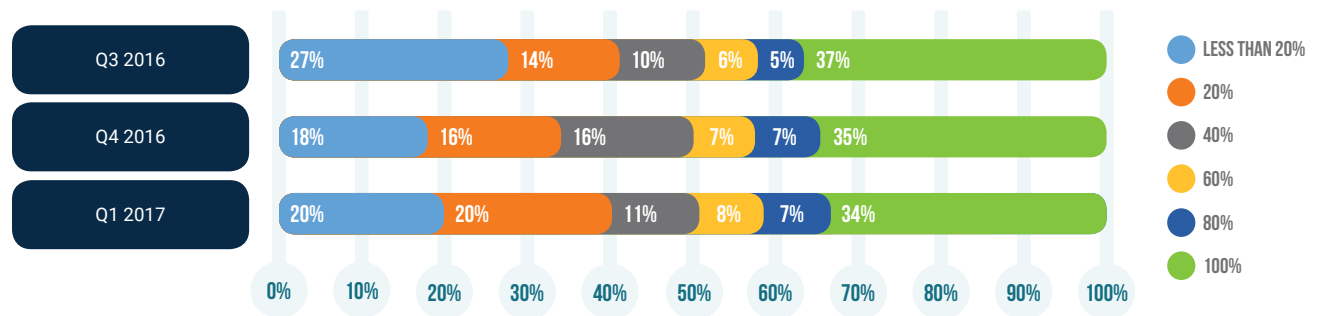


Figure 43: Quarter Comparison of Gig Employee Jobs



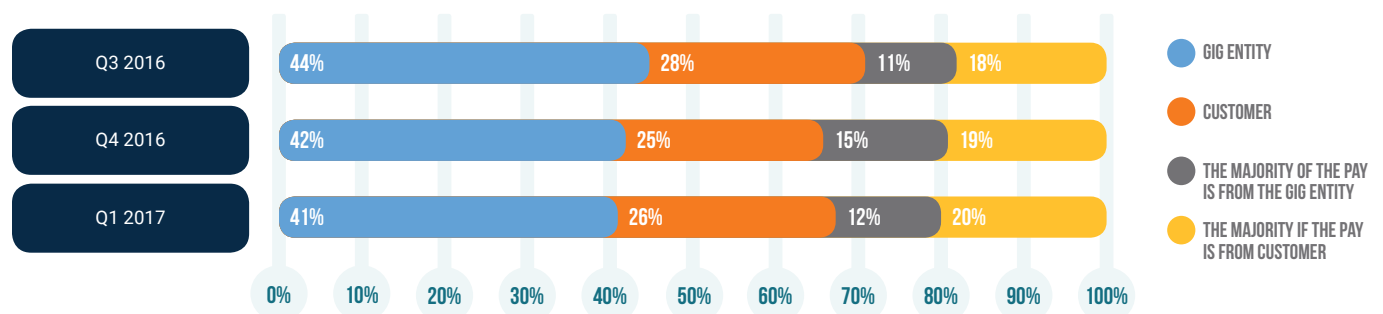
QUARTER-BY-QUARTER COMPARISON

Figure 44: Quarter Comparison of Work Time Spent in Gig Economy



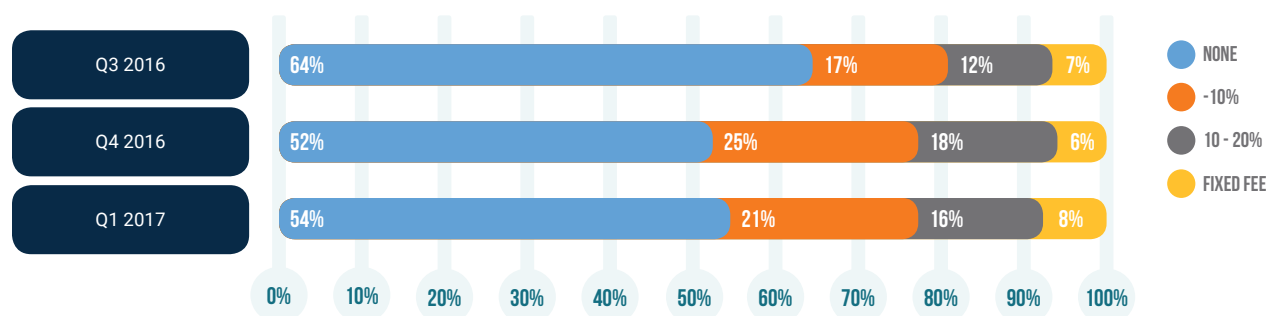
Gig employees are spending more time on their gigs. Since Q3 2016, the percent of gig employees who spent less than 20 percent of their time on gigs fell from 27 to 20 percent. Meanwhile, the next category up, gig employees who spent 20 percent of their time on gig work increased from 14 percent to 20 percent.

Figure 45: Quarter Comparison of Who Pays for Gig Economy Jobs



Since Q3 2016, the number of gig entities paying for the gig dropped from 44 percent to 41 percent. Meanwhile, gig entities have moved toward paying the minority share of the gig – the percentage jumped from 18 percent during Q3 2016 to 20 percent this quarter.

Figure 46: Quarter Comparison of Lost Income via Payment Method



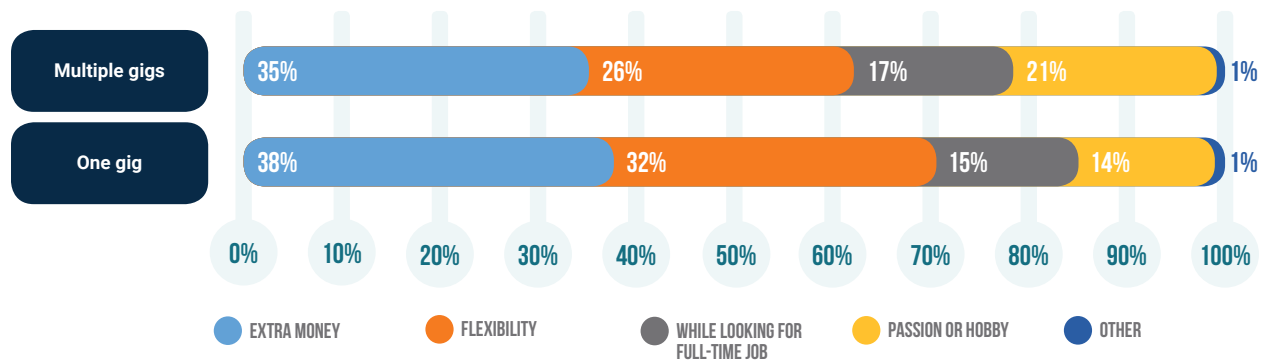
Most interestingly, the percentage of gig employees who were charged fees by their payment mechanism dropped from 64 percent to 54 percent. At the same time, gig employees who paid 10 percent in fees rose from 17 to 21 percent. Despite this, 93 percent of respondents were still satisfied with their payment method.

WHY WORK TWO GIGS WHEN YOU CAN WORK ONE?

We took a closer look at gig employees who worked one gig versus gig employees who worked several in order to understand the main differences. Here's what we found.

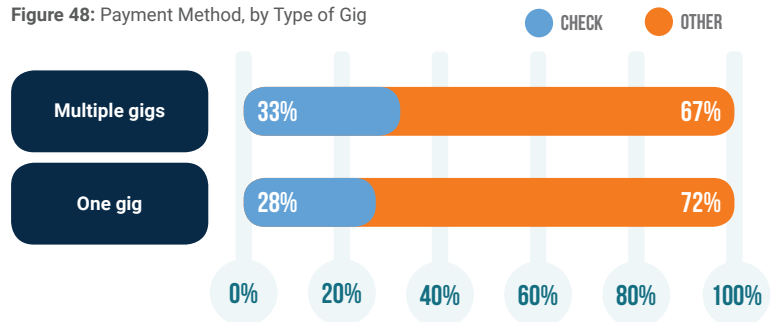
First, working one gig tended to generate more income because gig employees were able to devote their full attention to that gig. In addition, gig employees working one gig tended to have more flexibility because they didn't have to worry about the scheduling friction that comes from juggling multiple gigs. However, a higher percent of gig employees working multiple gigs said they were doing so for a passion or a hobby (21 percent compared to 14 percent).

Figure 47: Reasons for Joining the Gig Economy by Type of Giggers



Twenty-eight percent of gig employees who worked one gig received their payment as a check compared to 33 percent of gig employees who worked multiple gigs. This difference suggests gig employees working multiple gigs are more unbanked than their peers working one gig.

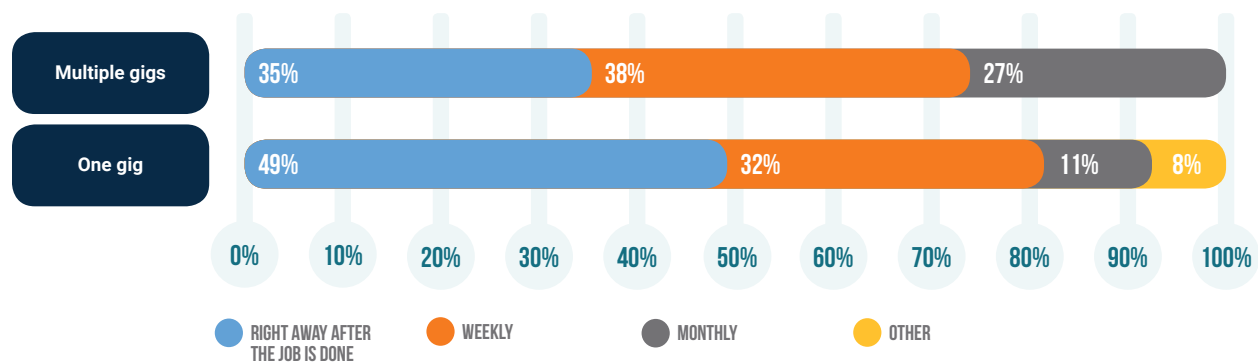
Figure 48: Payment Method, by Type of Gig



WHY WORK TWO GIGS WHEN YOU CAN WORK ONE?

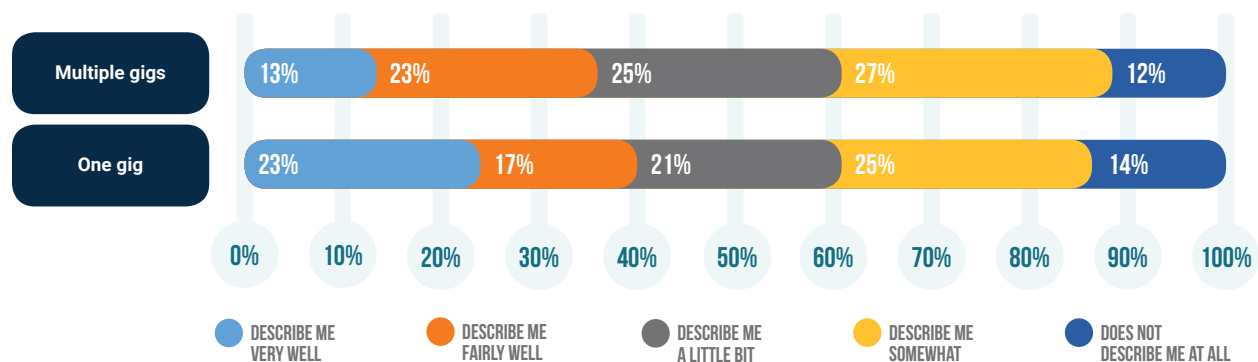
In addition, gig employees working one gig tended to receive their payment faster: Forty-nine percent said they received their pay right after a job is done, compared to only 35 percent of gig employees who worked multiple gigs. Meanwhile, 27 percent of gig employees who worked multiple gigs said they received their payment on a monthly basis, compared to 11 percent of gig employees who worked one gig.

Figure 49: Payment Time for Checks, by Type of Gig



Despite the longer payment periods and the lower income, gig employees with multiple gigs generally seemed more satisfied with their standard of living (23 percent) than those with a single gig (17 percent). A possible explanation for this is more of them are motivated to work their gigs not because they want the money or the flexibility but because the gig is a hobby or passion.

Figure 50: "I Like the Lifestyle and Plan to Keep My Gig Economy Job," by Check Receivers



PERSONA ANALYSIS



We've identified five main types of gig employee personas based on the number of gigs they work, which we've described in table 1.

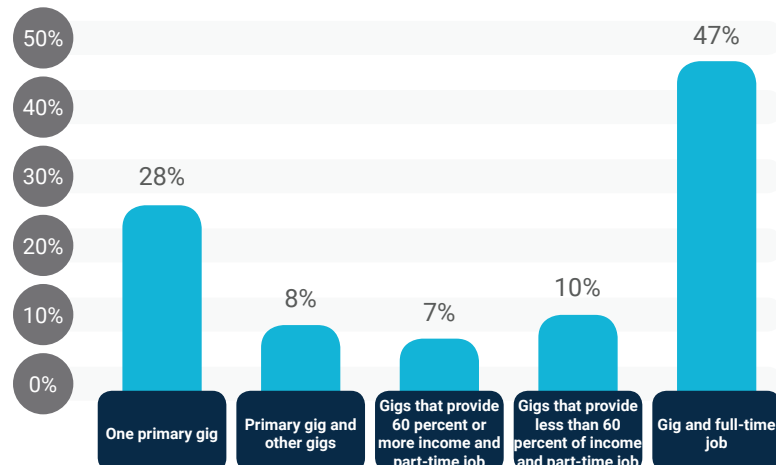
We've broken out their distribution below. The most popular persona is a gig employee who works a full-time job and pairs with gigs: This accounts for 47 percent of our respondents. The least popular is a gig employee who works a part-time job and has multiple gigs that account for 60 percent or more of their income: only 7 percent of our sample.

Table 1: Persona of Gig Workers

PERSONA	NUMBER
WORKS GIG AND FULL-TIME JOB	495
WORKS ONE PRIMARY GIG	302
WORKS GIGS THAT PROVIDE LESS THAN 60 PERCENT OF INCOME AND PART-TIME JOB	110
WORKS PRIMARY GIG AND OTHER GIGS	83
WORK GIGS THAT PROVIDE 60 PERCENT OR MORE INCOME AND PART-TIME JOB	71
TOTAL	1,061

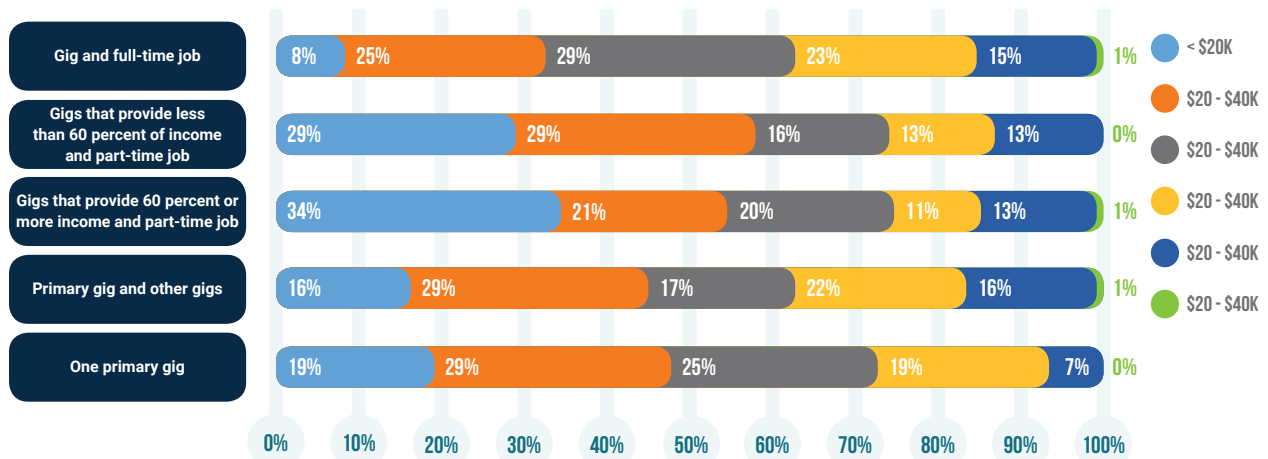
In terms of income, gig employees who pair a part-time job with multiple gigs tended to fare the worst, regardless of whether or not their gigs generated a substantial amount of their income or a slight amount.

Figure 51: Persona Distribution, as Percentage of Total



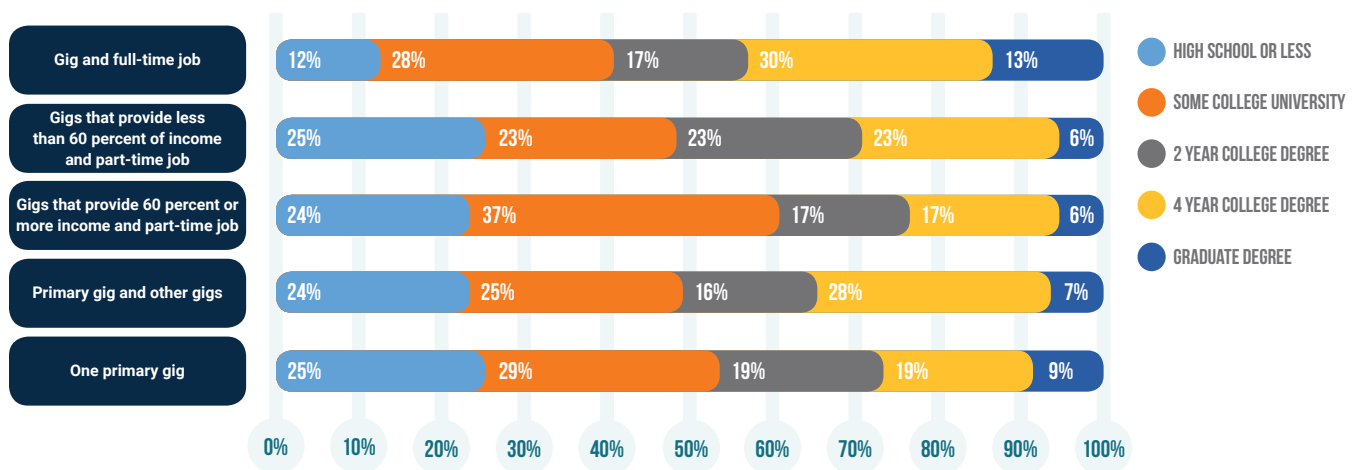
PERSONA ANALYSIS

Figure 52: Persona Distribution, by Income Level



Gig employees who worked a full-time job in addition to their gig or gigs tended to have the highest education level: Thirty percent had a four-year degree, and only 12 percent had a high school education or less.

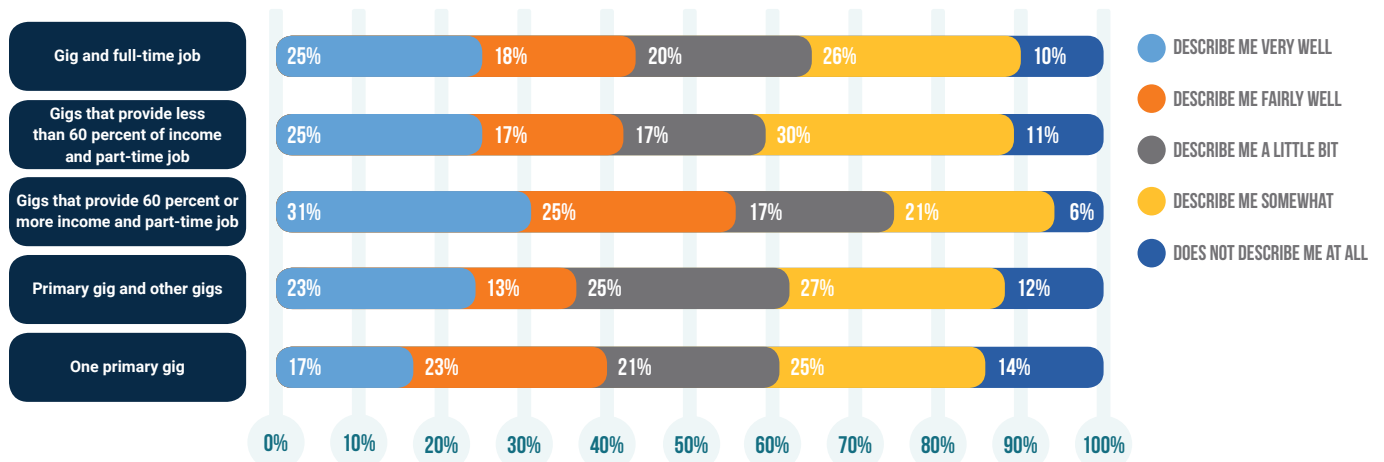
Figure 53: Persona Distribution, by Education Level



However, gig employees who worked a part-time job and earned 60 percent or more of their income through gigs tended to be the most satisfied with their lifestyle even though they made the least amount of money. Thirty-one percent reported being satisfied with their lifestyle compared to only 17 percent of gig employees who worked just one gig.

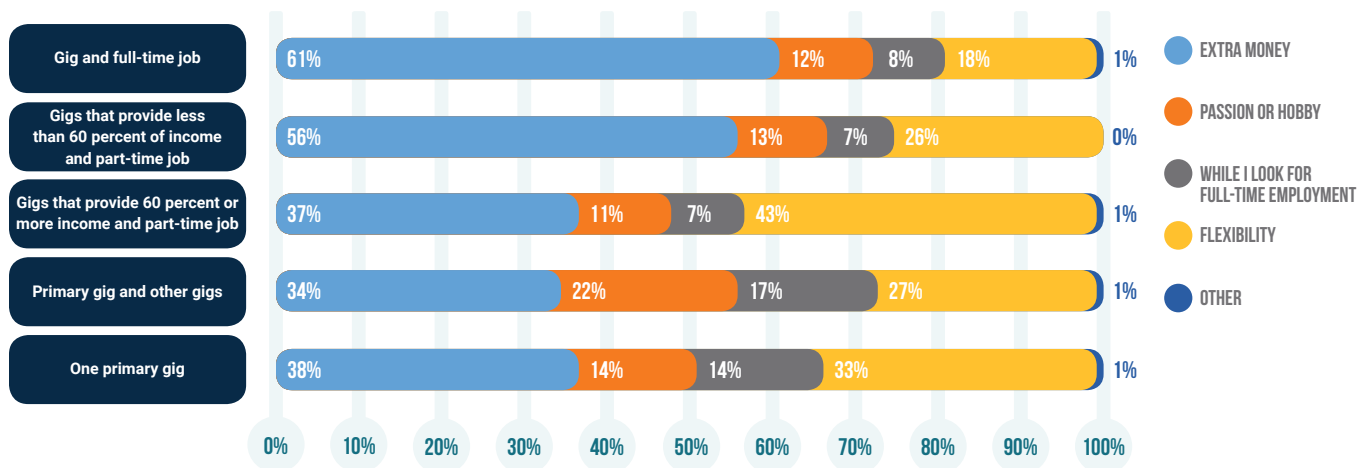
PERSONA ANALYSIS

Figure 54: "I Like the Lifestyle and Plan to Keep My Gig Economy Job"

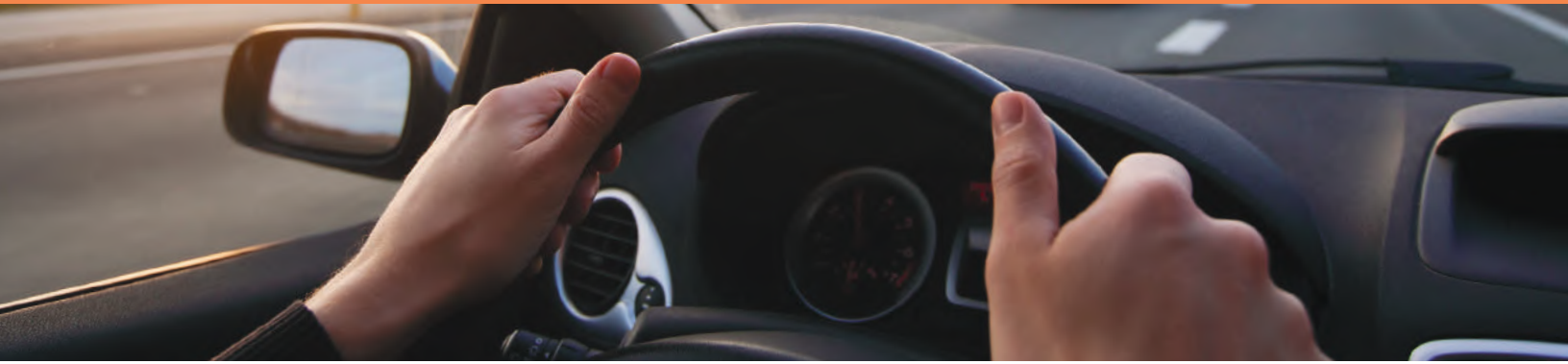


For most gig employees, earning extra money and having a flexible schedule are the key motivations for working in the gig economy. However, for people who worked multiple gigs, a passion or hobby tended to also be a strong source of motivation: 22 percent of gig employees working primary and other gigs.

Figure 55: Factors that Made People Become a Gigger



DEEP DIVE



LIFE AT THE BIG FOUR





In our sample, Uber, Lyft, Airbnb and Manpower, a manufacturing staffing agency, make up the big four by employing 17 percent of gig workers. We took a closer look at what they are doing, who they employ and how they pay. Here's what we found:

- Uber and Lyft employ a high percentage of people with university degrees.
- Very few 18-to-20-year-olds work for these marketplaces. One possible reason is in three of the top markets gig employees need a fixed asset (a car or house), which presents a barrier to entry, particularly for younger people.
- The big four behave similarly to the rest of the companies in our sample when it comes to the breakdown of the workforce.

So who are the gig employees who work for the big four?

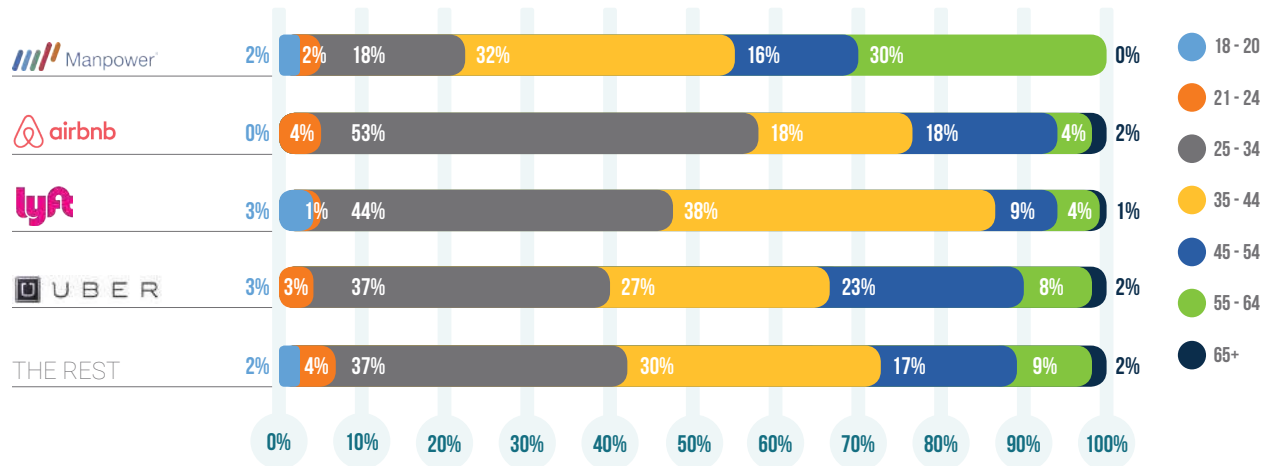
With the exception of Manpower, the big four showed an age distribution similar to the rest of the gig entities in our sample. Uber's popularity (despite its manifold troubles) seems to have resulted in older people joining: Over 30 percent

Table 2: State of Gig Workers at the Big Four

COMPANY/GIGGER CONDITION	NUMBER	% OF TOTAL
 U B E R		
CURRENTLY IN GIG ECONOMY	99	9.2%
IN GIG ECONOMY PAST THREE MONTHS	24	7.9%
IN GIG ECONOMY IN THE PAST, NOT PAST THREE MONTHS	57	7.1%
TOTAL	180	8.3%
 lyft		
CURRENTLY IN GIG ECONOMY	41	3.8%
IN GIG ECONOMY PAST THREE MONTHS	12	4.0%
IN GIG ECONOMY IN THE PAST, NOT PAST THREE MONTHS	26	3.3%
TOTAL	79	3.7%
 airbnb		
CURRENTLY IN GIG ECONOMY	27	2.5%
IN GIG ECONOMY PAST THREE MONTHS	6	2.0%
IN GIG ECONOMY IN THE PAST, NOT PAST THREE MONTHS	12	1.5%
TOTAL	45	2.1%
 Manpower		
CURRENTLY IN GIG ECONOMY	14	1.3%
IN GIG ECONOMY PAST THREE MONTHS	4	1.3%
IN GIG ECONOMY IN THE PAST, NOT PAST THREE MONTHS	27	3.4%
TOTAL	45	2.1%

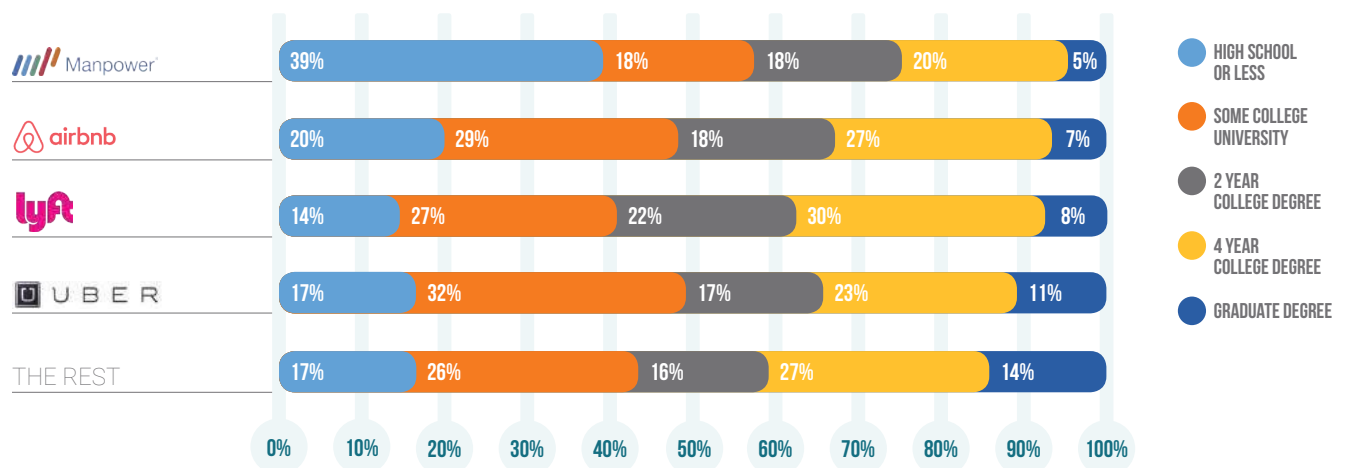
DEEP DIVE

Figure 56: Age: The Big Four vs. the Rest



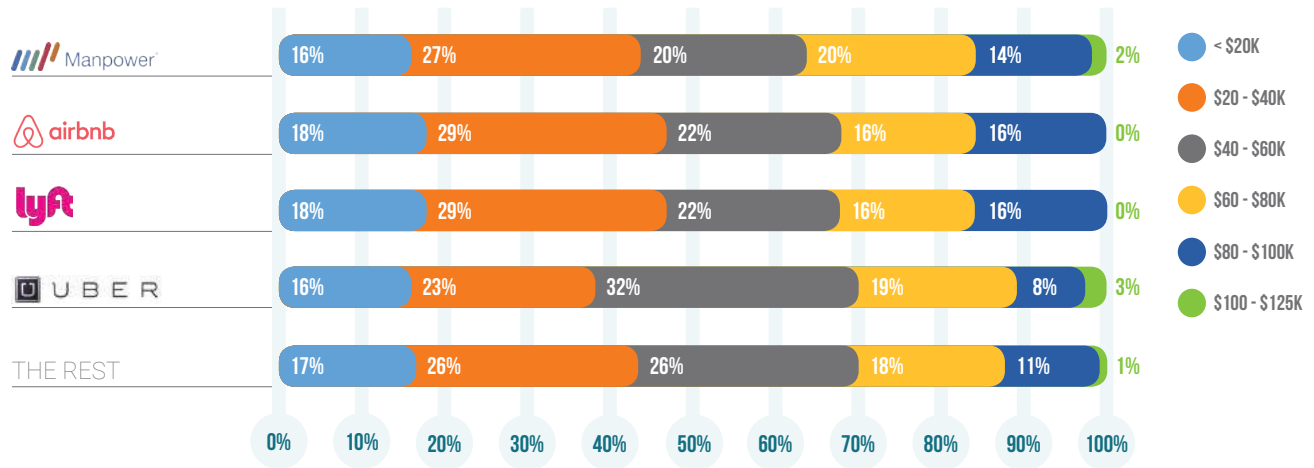
of its gig employees were ages 45 to 64. Lyft demonstrated the same pattern of having more older workers than younger workers. Both companies had very few gig employees under the age of 24. However, Lyft, Uber and Airbnb all require owning a house or car — which can exclude younger workers. Older workers tend to favor Manpower — perhaps because it's a more traditional firm that has been around for 60 years.

Figure 57: Education: The Big Four vs. the Rest



The big four tended to employ a smaller proportion of gig employees with graduate degrees, which is unsurprising, since none of them had work that required a graduate degree. However, what is surprising is they seemed to be roughly on the nose for four-year college degrees, with the exception of Manpower.

Figure 58: Income Level: The Big Four vs. the Rest



The big four also mirrored other gig employers when it came to income levels. Fascinatingly, while Lyft and Uber are in the same business, Uber had a higher percent of employees in the highest income gap, while Lyft had the highest percent of employees in the lowest income bracket. However, Lyft had twice as many gig employees in the second highest income bracket than Uber.



Future Changes

Gig entities are under pressure to make sure that they treat their workers well and customers have a good experience. Recently they've started to make a few changes. Uber has implemented modifications to make sure that a single bad review doesn't topple its entire average. Lyft increased commissions for new drivers to supplement their income and ease their transition into gig work. Finally, to combat discrimination complaints, Airbnb used instant booking, which means hosts automatically accept guests if they have a calendar opening.

OVERALL ROLE OF GIG ECONOMY WORKERS

So how big is the gig economy? How important is it? In numbers: We estimate that gig employees will earn \$711 billion in 2017, about 3.7 percent of the U.S. GDP.

We based our survey on adults with smartphones and screened their employment status. We found that 55.4 percent of people surveyed had part-time jobs (with or without another full-time job) or had no job. Of those 55.4 percent, 32.5 percent were part of the gig economy. They earned an average of \$17,000 from gigs during the past year.

For background, there are 301.3 million adults in the U.S., and 77 percent have smartphones, which brings us to 232 million. (We note this so it's possible to do an apples-to-apples comparison with our survey data.) Based on our previous analysis, 55.4 percent of the population doesn't work a single full-time job, which brings us to 128.5 million. About 32.5 percent in our sample had one or more gigs. We project that onto the population for 41.8 million people. So, if the 41.8 million people with gigs earned an average of \$17,000 from gig jobs, that means \$711 billion came from gigs in 2017, equaling 3.7 percent of the U.S. GDP for 2017.

As illustrated by the following two graphs, professional services and transportation contributed the most to

Table 3: The Gig Economy in Numbers

DESCRIPTION	DATA
Adults with smartphones (million) ⁶	232
Percentage of adults who do not have a single full-time job	55.4%
Adults with smartphones who have part-time jobs or aren't working (million adults)	128.5
Percentage of respondents who have gig economy jobs	32.5%
Number of adults in the gig economy (million adults)	41.8
Average income from gig economy work (thousands)	\$17
Total income from gig economy work (billions)	\$711
U.S. GDP (billions, 2017 estimated) ⁷	\$19,417

⁶ Mobile Fact Sheet. Pew Research Center. January 12, 2017. <http://www.pewinternet.org/fact-sheet/mobile/>. Accessed June 21, 2017.

⁷ World Economic Outlook. The World Bank. April 2017. <http://www.imf.org/external/pubs/ft/weo/2017/01/weodata/weorept.aspx?pr.x=89&pr.y=13&sy=2016&ey=2021&scsm=1&ssd=1&sort=country&ds=.&br=1&c=111&s=NGDP&grp=0&a=>. Accessed June 21, 2017.

the GDP: 0.6 percent and 0.8 percent, respectively. However, while personal services employed more people than household services — 4.8 million compared to 3.2 million — they contributed similar amounts to the GDP. Personal services contributed 0.36 percent, while household services contributed 0.32 percent. Meanwhile, labor/workforce also employed 4.8 million people but contributed 0.38 percent to the GDP.

Figure 59: Gig Economy by Industry as Percentage of GDP

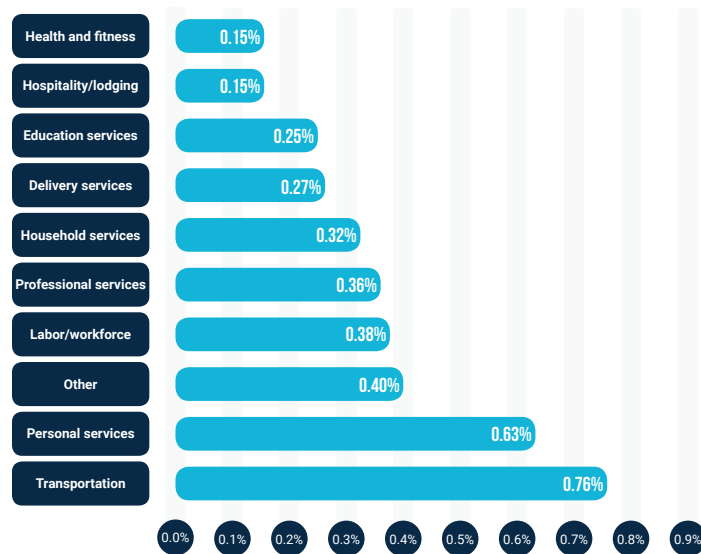
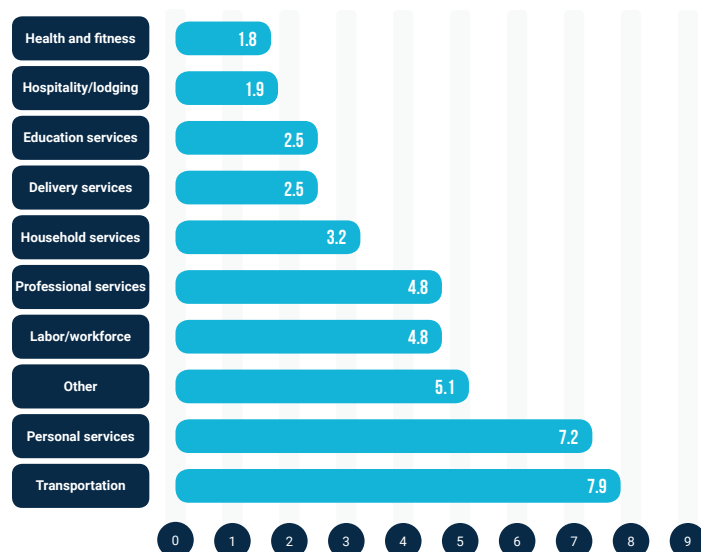


Figure 60: Number of People Working on Gig Economy by Industry in Millions



ABOUT



Hyperwallet's payout platform provides growing organizations with a frictionless, transparent and reliable way to manage payments and enhance the payee's experience anywhere in the world. Trusted by enterprise, ecommerce, and on-demand platforms, Hyperwallet makes it easy to pay up to 7 billion people in a singular payment environment. Put your payees in control with enhanced financial management tools, integrated payment tracking technology, and user-friendly compliance and identity verification. Hyperwallet has offices in San Francisco, Austin, London and Vancouver. You can learn more at <http://www.hyperwallet.com>.

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Feedback

We are interested in your feedback on this report and where we take it over time. Please send us your thoughts, comments or questions at gigeconomy@pymnts.com.

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