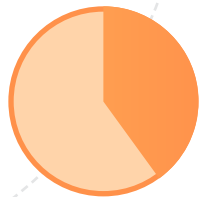


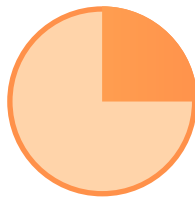
Gig Economy Index™

Third Quarter



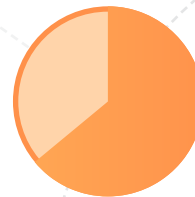
40 percent

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



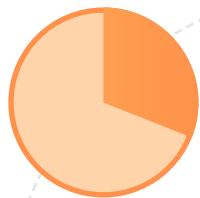
25 percent

of gig employees work in professional services.



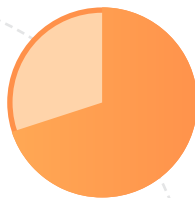
64 percent

of gig employees don't lose money on payment fees.



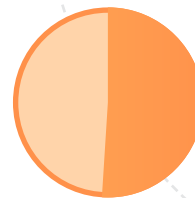
31 percent

support themselves through one gig.



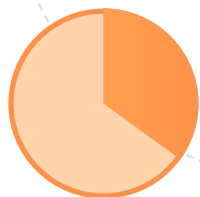
Over 70 percent

are paid within one week.



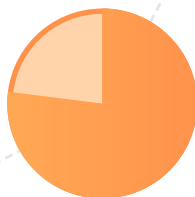
Over 51 percent

said making money is the most important factor for getting a gig.



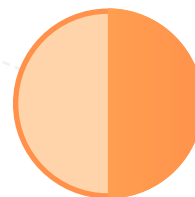
35 percent

of gig workers are aged 25 to 34. By contrast, only 23 percent of U.S. workers are in that age bracket.



77 percent

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



50 percent

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

Gig Economy Index™



Acknowledgment

Sponsorship for the PYMNTS.com Gig Economy Index™ was provided by Hyperwallet. Hyperwallet has no editorial influence over the Index's content. In addition, the data model and supporting research was developed exclusively by the [PYMNTS.com](https://pymnts.com) research and analytics team and is proprietary. Any research, unless indicated otherwise, is conducted exclusively by this team and without input or influence from the sponsoring organization.

Gig Economy Index™

Summary Statistics

- **40 percent** of respondents receive 40 percent or more of their income from gig economy jobs.
- **31 percent** support themselves through one gig.
- **23 percent** of 18-to-24-year-olds currently work a gig.
- **23 percent** of gig employees work in professional services.
- **Over 70 percent** are paid within one week.
- **77 percent** said they'd do more gig work if they were paid faster.
- **64 percent** don't have to pay fees to gig providers.
- **Over 40 percent** said making money is the most important factor for getting a gig.
- **50 percent** would not quit their gig for a full-time job.
- Gig economy workers are projected to account for more than \$734 billion of income in 2016, amounting to **more than 4.0 percent of the GDP**.

Employment today looks very different from how it did decades ago. Gone are the days of lifetime employment, where employees stayed at the same job for their entire lives. Millennials typically change jobs four times within the first 10 years of graduation. By comparison, their parents only changed jobs twice the first ten years. But that's not the only thing to change: 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 short period of time or on demand. This is different from part-time work or even contract-base employment. Often people are linked to customers through a service provider, whether it's a traditional temp agency or a startup that operates through mobile phone or internet technology to connect workers to customers. We call these workers "gig employees," these providers "gig entities," and the overall market the "gig economy."

Examples of those gigs include transportation providers such as Uber and photographers who sell their images through sites like Shutterstock and iStock. It includes freelance employers who are hired through Upwork, Freelancer, Guru and countless others.

In 2005, an estimated 10.1 percent of Americans worked gigs. By 2015, this had grown to 15.8 percent, an increase of 9.4 million workers. By comparison, during the same time period, the U.S. economy only gained 9.1 million jobs.²

¹ "The new normal: 4 job changes by the time you're 32," CNN Money, <http://money.cnn.com/2016/04/12/news/economy/millennials-change-jobs-frequently/>

² "The Gig Economy's Growing Influence on the American Workforce," Business News Daily, <http://www.businessnewsdaily.com/9194-gig-economy-katz-krueger.html>

Gig Economy Index™

Summary Statistics

Given that it's so hard to find data on gig employees, it's also useful to consider the data on freelancers — who are similar to gig employees in that their work is ad hoc, but freelancers often will get work through methods besides a gig entity (such as directly from a client or working flexibly for a major company).

Today there are 55 million freelancers, approximately 35 percent of the American workforce, earning approximately a trillion dollars, according to a new study from Upwork and the Freelancers Union.³ This is up from 53 million in 2014, and 63 percent of freelancers said they are working freelance by choice — up from 53 percent in 2014.

No one is really quite sure what's driving this boom: Some economists cite the Great Recession. But gigs haven't gone away with the economic recovery. Others say that millennials' appetite for flexible hours and new technology that makes it easier to pair gig providers with customers have contributed to the boom.⁴ And of course there are new platforms like Uber that are providing gig jobs.

In fact, when it comes right down to it, not a whole lot is known about the gig economy. The Bureau of Labor Statistics collected data on gigs until 2005 and then lost funding. It won't be collecting data again until 2017.⁵ What we do know, however, is that it looks like the gig economy is here to stay.

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 surveyed 3,496 people who are active online shoppers (meaning they are likely to be somewhat more familiar with online and mobile technology than the population as a whole). Of this, 68 percent said they'd never worked in the gig economy, 16 percent said they'd worked in the gig economy in the past but not during the past three months, and 16 percent said they currently worked in the gig economy. The 1,031 respondents who had participated in the gig economy 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.

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

³ Freelancing in America 2016, Upwork and the Freelancers Union, <https://www.upwork.com/i/freelancing-in-america/2016/>

⁴ "How Gig Economy Workers Make A Living," NPR.org, <http://www.npr.org/2016/08/14/489964135/how-gig-economy-workers-make-a-living>

⁵ "Working in a gig economy," Bureau of Labor Statistics, <http://www.bls.gov/careeroutlook/2016/article/what-is-the-gig-economy.htm>

Overview

Overall, gig employees can be divided into two types. The first type accounts for about a third of gig employees. The only job they have is their gig, and they tend to have children and be less educated.

The second type makes up about 40 percent of gig employees. Their gig supplements a full-time day job — making it likely that the gig is a source of supplemental income instead of a lifeline. They tend to have more education and a higher income and to be male.

Nearly a quarter of gig employees offer professional services — in other words, they offer a specialized skill or something that requires training. The most popular professional service gig is photography — which accounts for 28 percent of the professional service gigs.

While the main reason for having a gig seems to be the extra money, gigs don't seem to have anything on a full-time job when it comes to generating income. The majority of gig workers said they spent less than 20 percent of their time on gigs.

Over half (52 percent) of the gig employees in the \$80,000-plus total income (i.e., gig plus other) bracket reported having a full-time job. Meanwhile, 27 percent of gig employees in the \$80,000-plus bracket spent less than 20 percent of their time on a gig. However, people who spent 40 percent of their time on the gig fell into the lowest income bracket.

In total, gig workers earn a significant amount in these gig jobs. We estimate that gig employees earn \$734 billion per year from gigs. This represents 4.0 percent of estimated GDP for 2016.

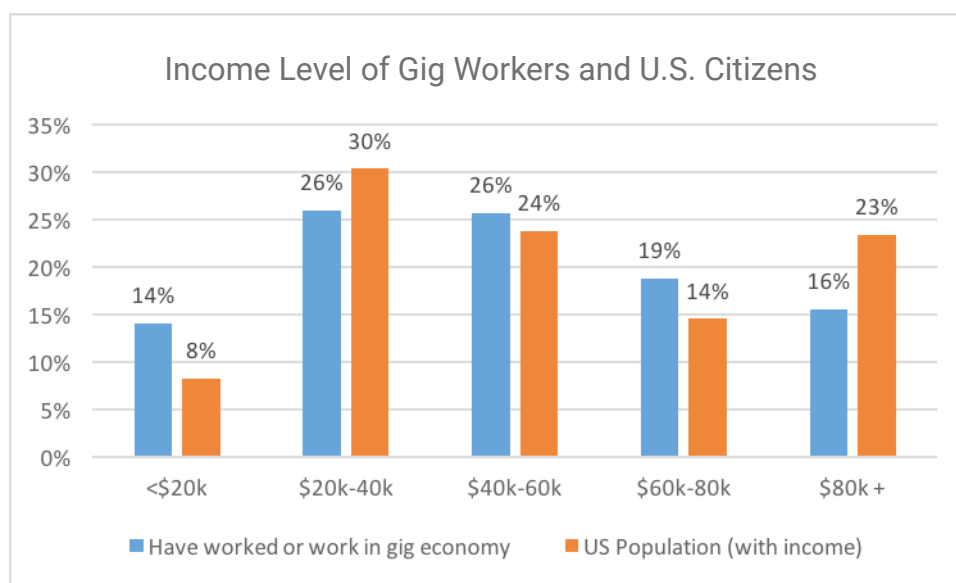
Despite their varying demographics, gig employees do agree on several things: They like working with their gig providers, the majority don't lose any income to gig providers or service fees and an overwhelming majority are paid within a week.

The future looks bright for the gig economy: Most gig employees say they are happy with their gigs and that they plan to keep them in the future.

Who Are Gig Employees?

So just who are gig employees? Just about anyone, but not quite everyone. Gig employees are split pretty evenly across gender lines and income brackets. The major definer seems to be education and age: Gig employees tend to be younger and more highly educated. In addition, there's an ever so slight tendency for gig employees to be childless (perhaps because they are younger). Geographically, there are more gig employees in areas with more people, which isn't surprising, of course; however, a larger percentage of the population participates in gigs in smaller towns.

Income Level



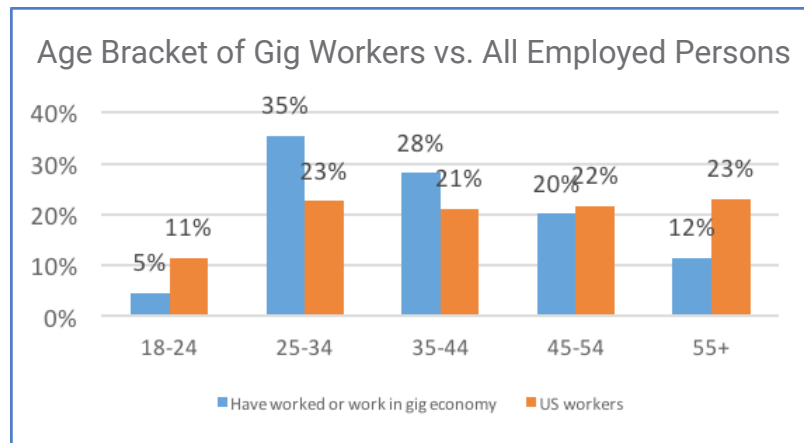
There's a strong correlation between the earnings of gig workers and those of the U.S. population as a whole, with slightly more U.S. citizens in the \$80,000-plus bracket than gig workers and slightly more gig workers in the less-than-\$20,000 bracket. We also note that the brackets from \$40,000 to \$60,000 and from \$60,000 to \$80,000 have more gig workers.⁶ Based on this analysis, the earnings of gig workers and those of the U.S. economy as a whole are essentially the same.

⁶ Selected Characteristics of People 15 Years Old and Over by Total Money Income in 2015, Work Experience in 2015, Race, Hispanic Origin, and Sex, PINC-01

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Who Are Gig Employees?

Age



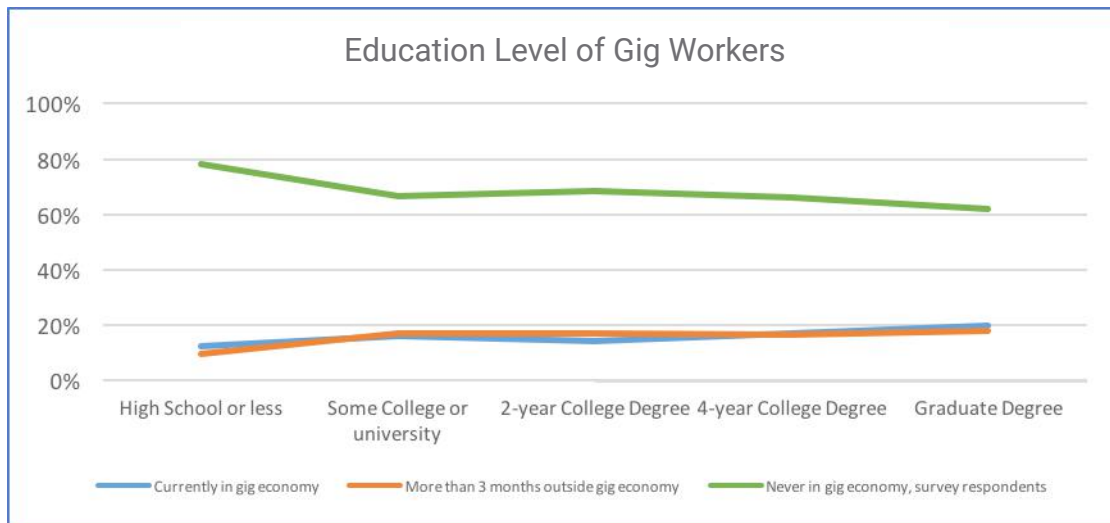
Gig workers tend to be younger than the overall U.S. working population. Based on our survey results, 35 percent of gig workers are in the 25-34 age bracket, compared to only 23 percent of U.S. full-time workers. In addition, 68 percent of gig workers are 44 or younger, compared to 55 percent of employed people in the same age group. By contrast, 45 percent of all employed people are 45 or older, compared to only 32 percent for gig workers.⁷

⁷ Current Population Survey, Employed persons and employment, U.S. Bureau of Labor Statistics, <http://www.bls.gov/web/empsit/cpseee08a.htm>

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Who Are Gig Employees?

Education Level

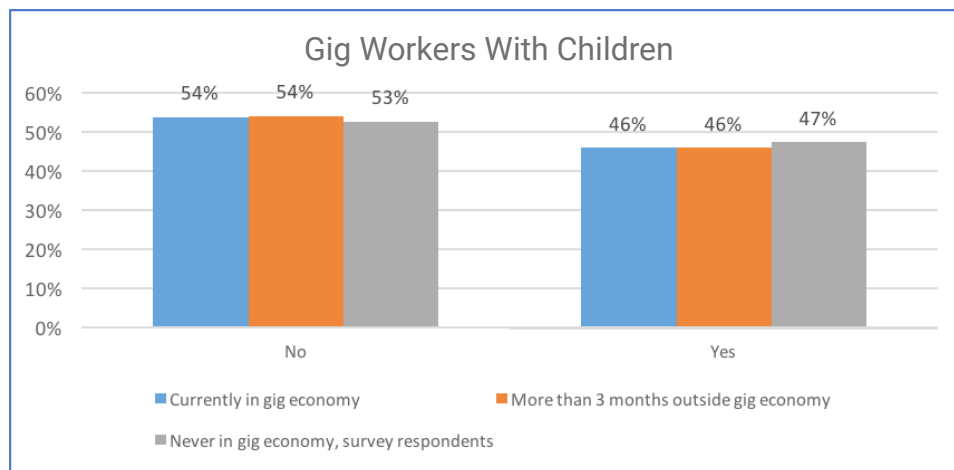


People in the gig economy tend to have more education than people who aren't. Only 10 percent of people with a high school education or less have worked a gig. Add in some college education, and the percentage of people working a gig jumps to 17 percent and hovers in this range regardless of whether the education level is a two-year college degree or graduate degree.

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Who Are Gig Employees?

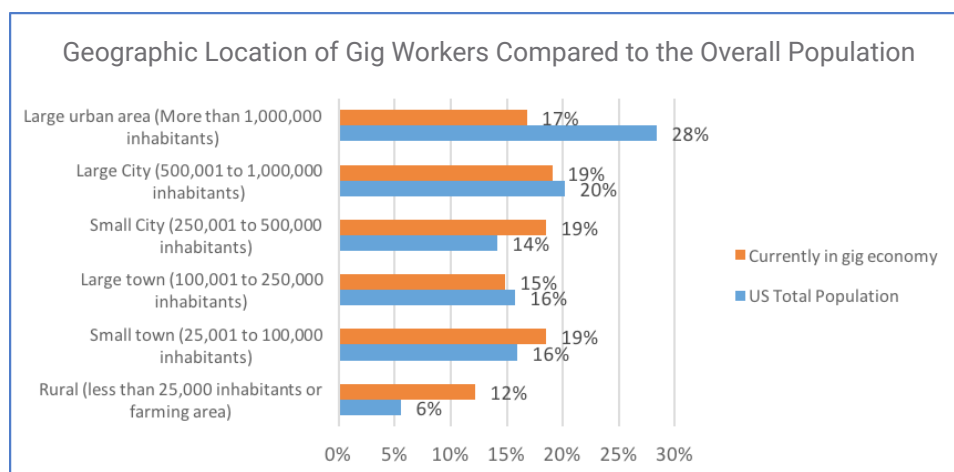
Children



People who have never had kids are more likely to have a gig — perhaps because gig employees tend to be younger and because gigs require extra time and effort. For people in the gig economy, 54 percent don't have kids and 46 percent do. People who were never in the gig economy had children in 47 percent of the cases. However, the difference is almost negligible.

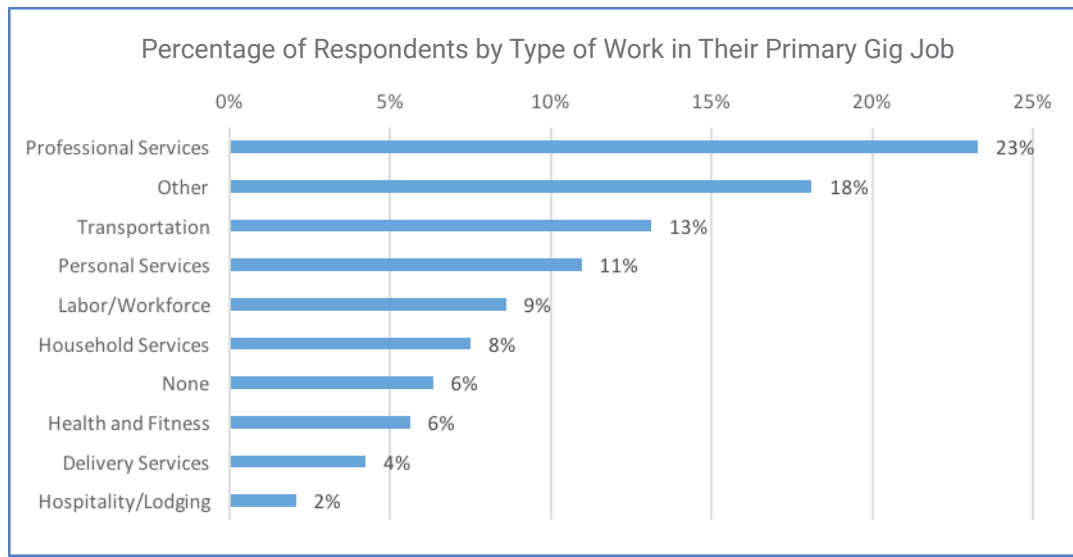
Where Do Gig Workers Live?

A positive correlation exists between the number of people working in the gig economy and residing in a larger area. However, the fact that there are more people living in cities than in rural areas or small towns indicates that people living in less densely populated areas are more likely to be a part of the gig economy. The figure below compares the percentage of people by the size of their community to the percentage of gig employees by the size of their community.



Who Are Gig Employees?

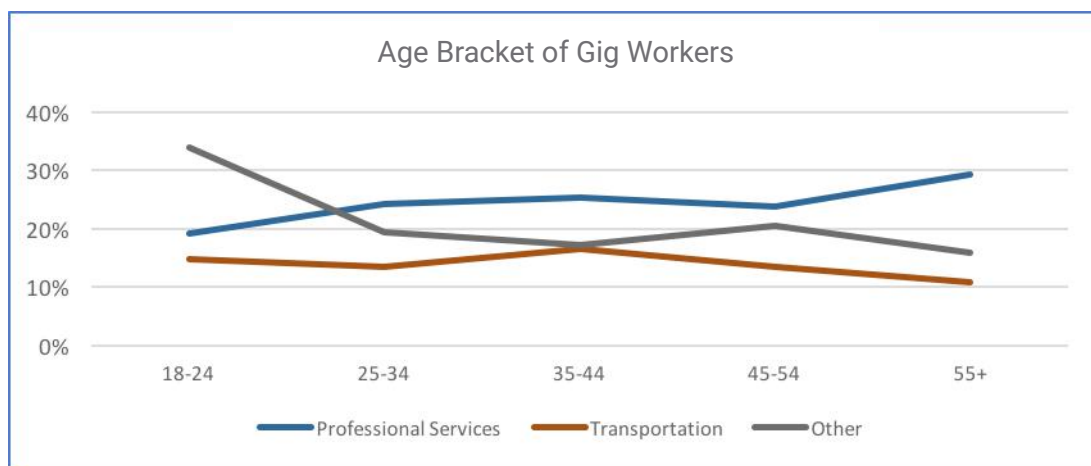
Type of Gigs Worked



Like the employees who work them, gigs cover a broad range of service sectors. They can be anything from coding webpages to catering weddings. About half of all gig workers work in professional services, transportation or personal services industries.

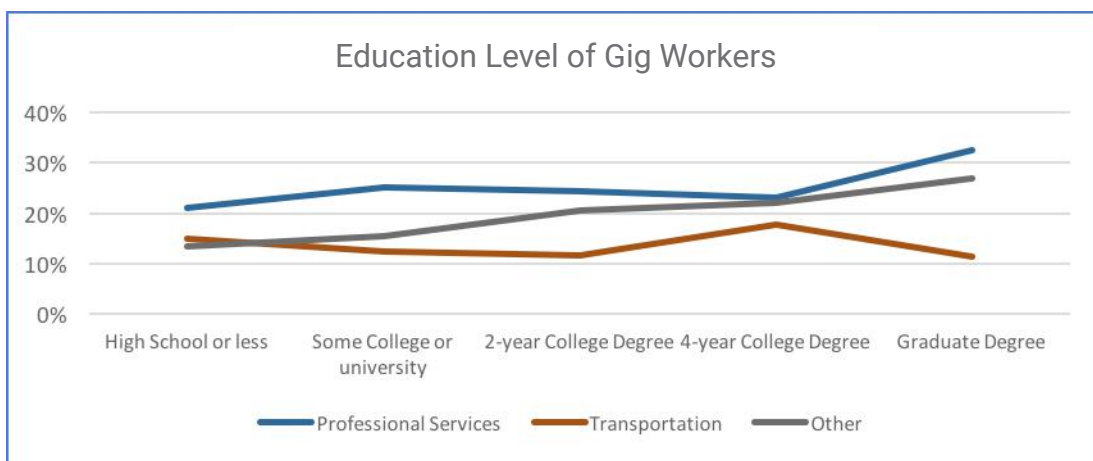
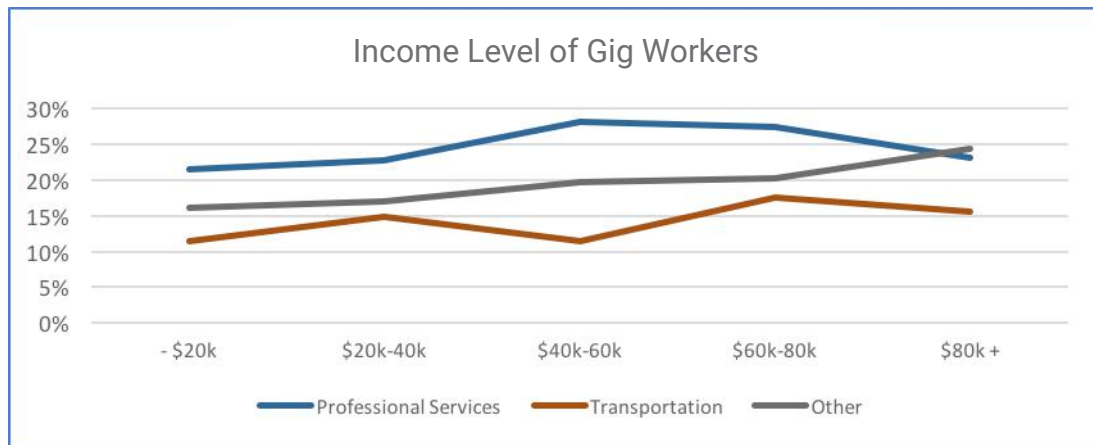
Demographics

Overall, demographics are very loosely correlated with gig types other than professional services. Gig employees who work in professional services also tend to be older, wealthier and highly educated.



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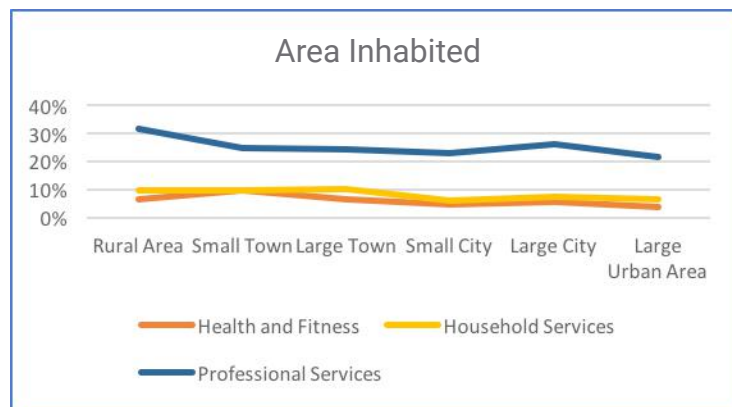
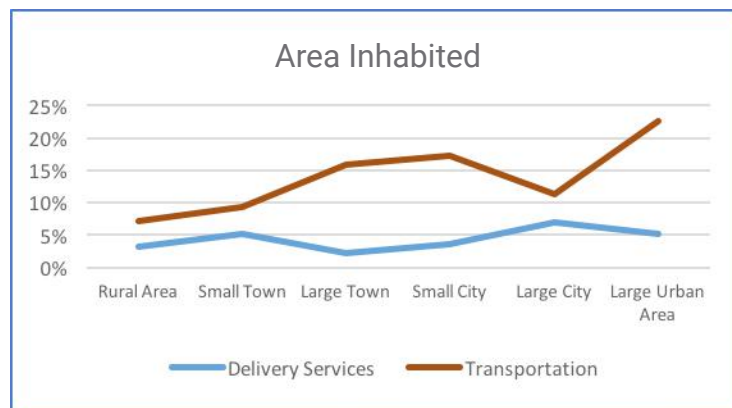
Who Are Gig Employees?



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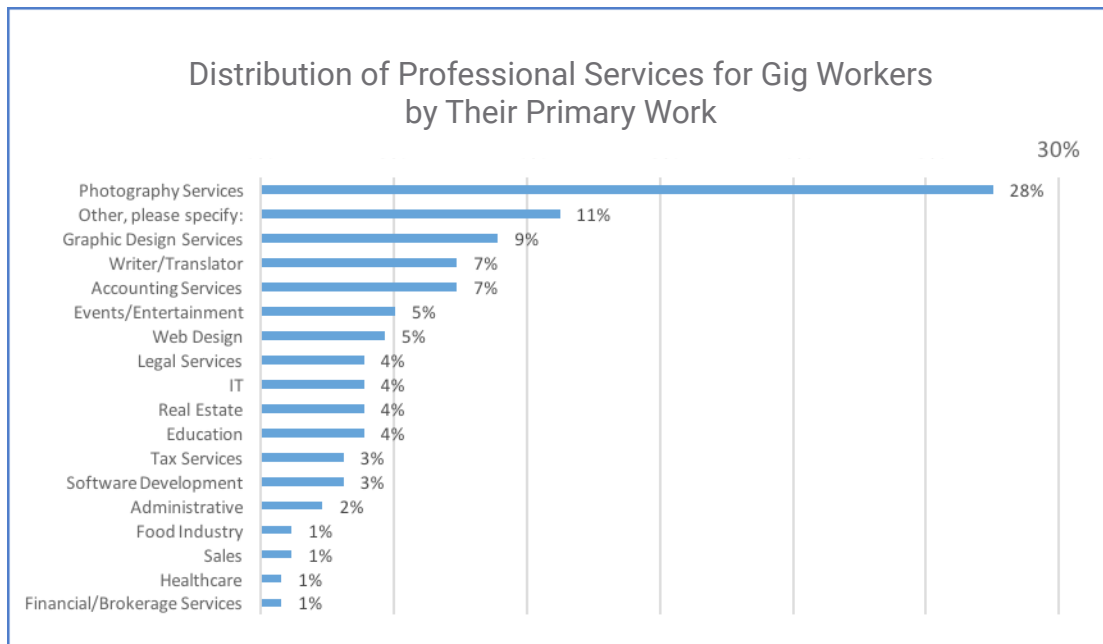
Who Are Gig Employees?

Geographic location has an impact on the types of gigs that are more likely to be available in each community. Transportation and delivery services are more popular in larger urban areas. Health and fitness, household services, and professional services are more popular in smaller places.



Who Are Gig Employees?

Professional Services



Professional services refer to anything that requires special training.⁸ These account for 23 percent of the gigs worked. As mentioned before, by far the most popular professional service gig was photography, which accounted for 28 percent of the professional service gigs.

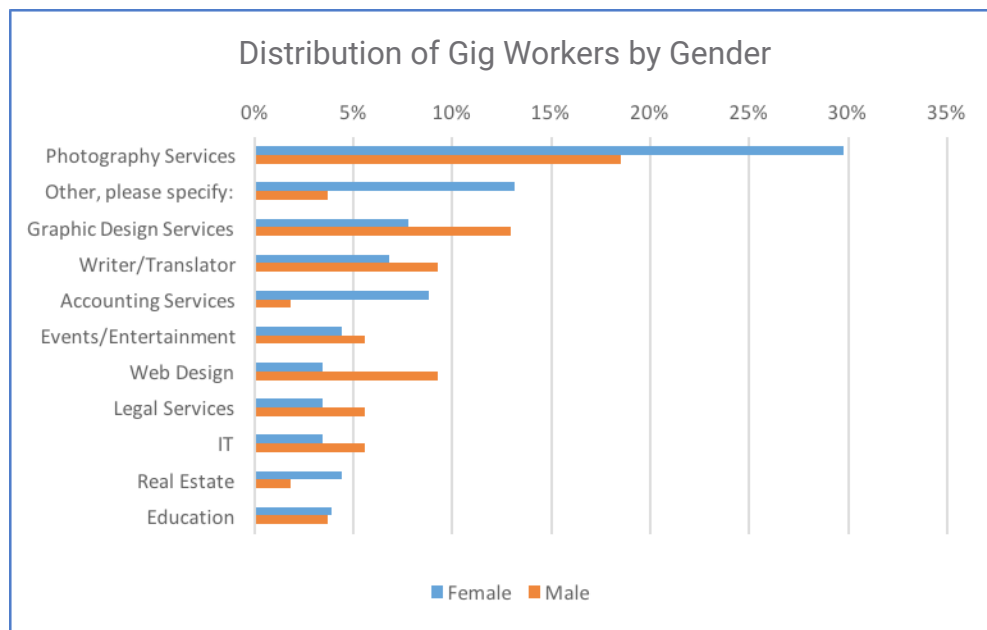
⁸ In this survey, respondents self-identified "professional services," so we occasionally had respondents who indicated certain professions that would not otherwise be considered professional services.

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Who Are Gig Employees?

Gender

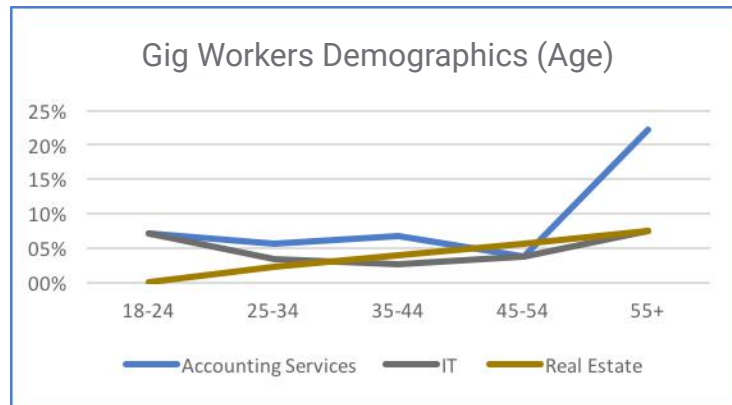
When it comes to gender, women are more likely to be photographers, accountants and real estate agents than are men. More men tend to be graphic designers and web designers or offer IT services.



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Who Are Gig Employees?

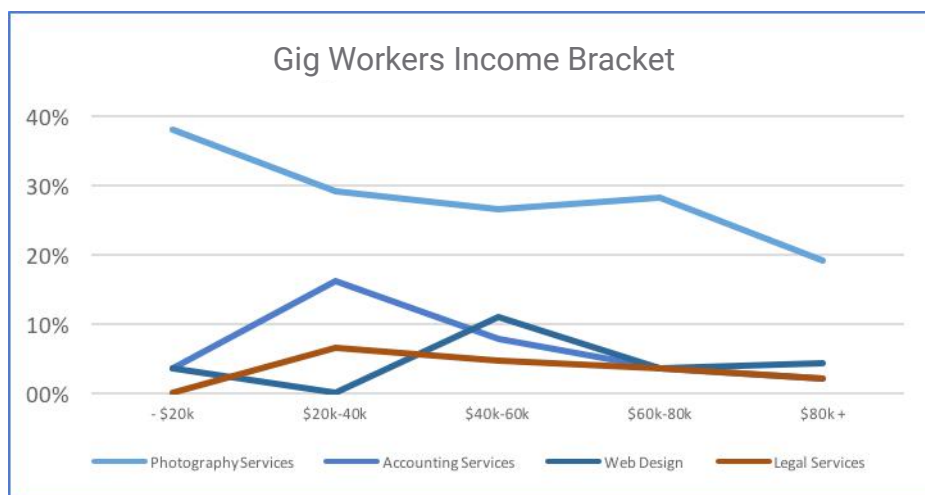
Age



In terms of age, a higher percentage of older workers tend to be in accounting and real estate. The IT sector shows a particularly interesting trend: IT gig employees tend to be on the oldest and youngest ends of the spectrum.

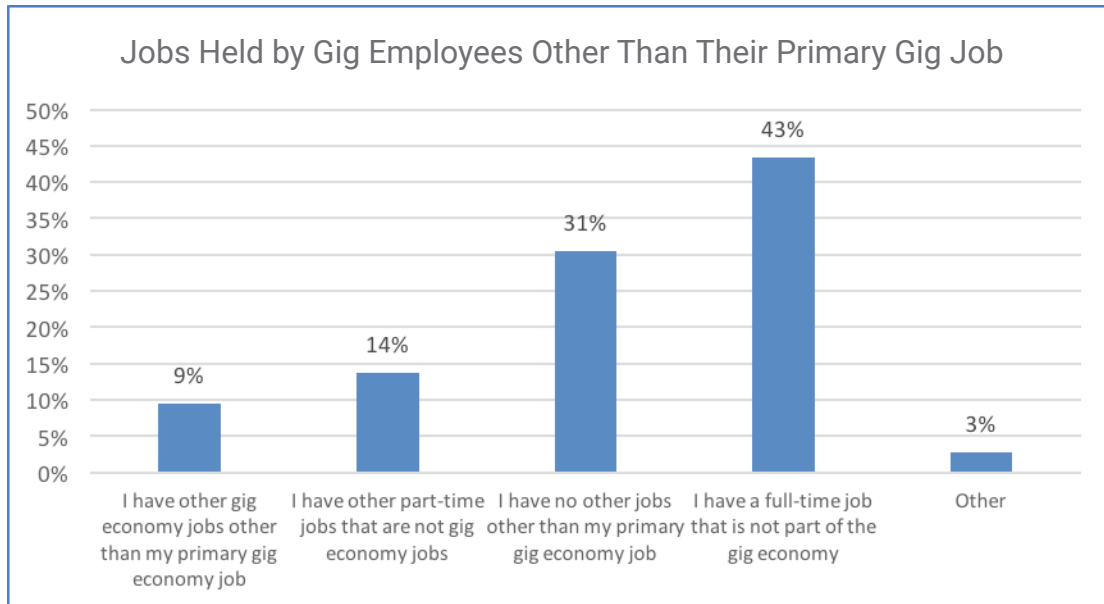
Income⁹

Gig employees on the higher end of the income scale tend to work in photography, web design and professional services. The lower end of the income spectrum tends to be correlated with accounting and legal services.



⁹ Income refers to the total income of the individual, not just the income from the gig work.

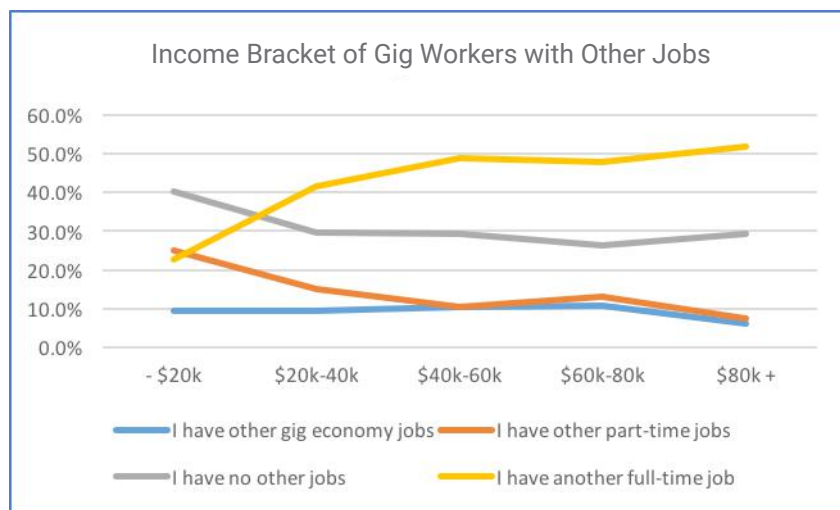
How Gig Employees Work



Most gig employees aren't just working their gig: They are juggling other jobs in addition to their other commitments. In our survey, 57 percent of respondents said they juggle their gig with other jobs that are not gigs: 43 percent said a full-time job, and 14 percent said a part-time job. In another survey, 9 percent said they have other gigs in addition to their primary gig.

Demographics

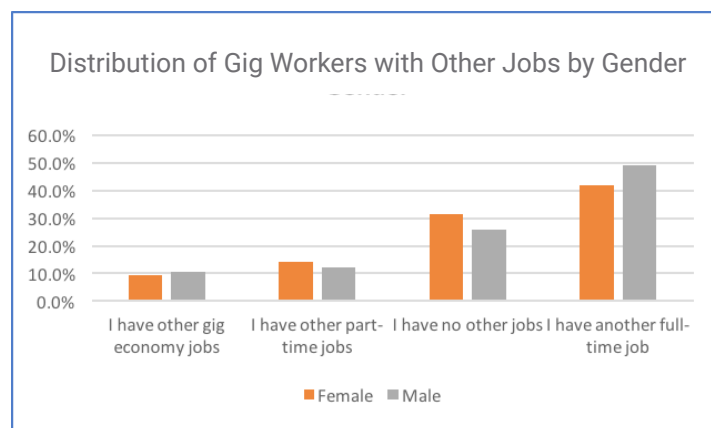
In general, the likelihood that a respondent will have another job is paired with higher income and education. Gig employees who work full-time jobs in addition to their gig are more likely to be male and childless.



Gig Economy Index™

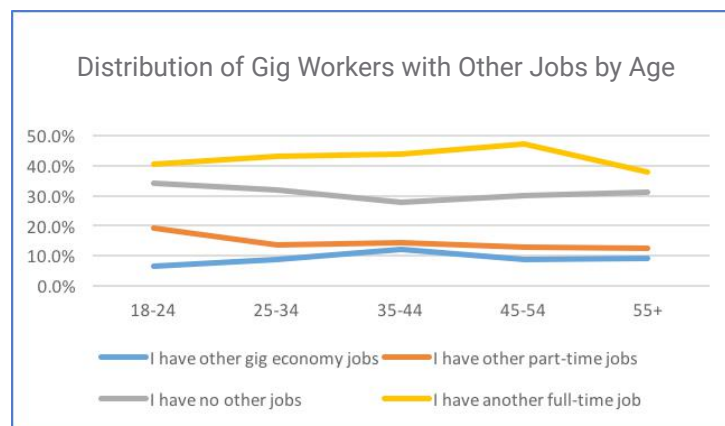
How Gig Employees Work The Work

Unsurprisingly, gig employees who had a full-time job tend to have higher incomes. Over half (52 percent) of the gig employees in the \$80,000-plus income bracket have a full-time job. However, 29 percent of employees who only work their gig also fall into the \$80,000-plus bracket. People balancing gigs and a part-time job fare the worst: they make up 23 percent of the lowest income bracket and only 8 percent of the highest income bracket.



In terms of gender, men are more likely to work full-time jobs in addition to their gig: 49 percent for men, compared to 42 percent for women. Meanwhile, women are more likely to only work their gig: 32 percent for women compared to 26 percent for men.

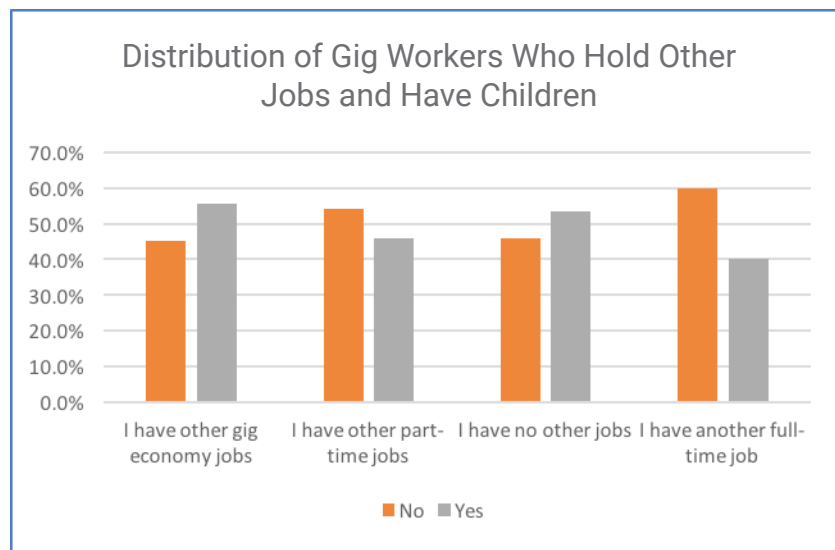
Age, on the other hand, is pretty evenly distributed across the different kinds of gig workers.



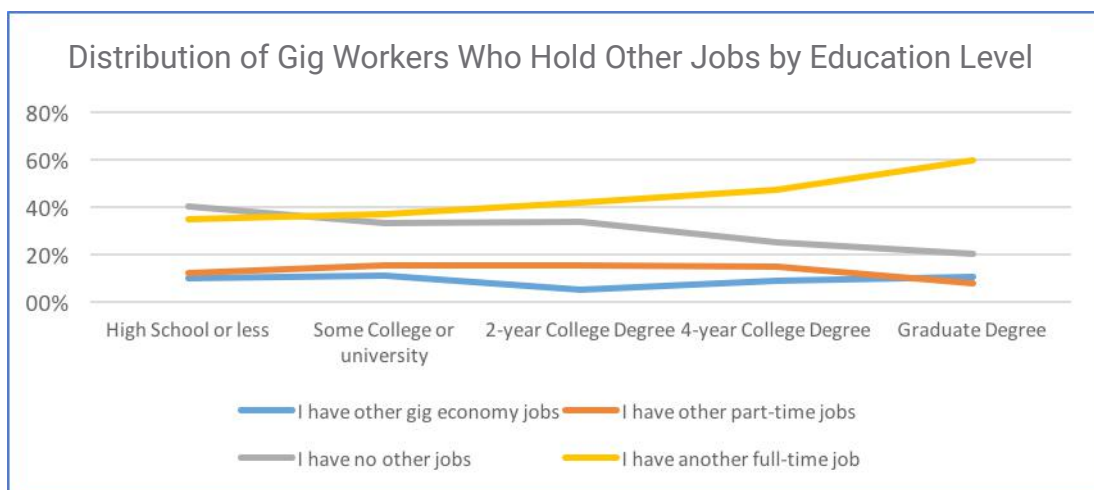
Gig Economy Index™

How Gig Employees Work The Work

Parenting, however, makes a big difference in what gig employees choose to do. Sixty percent of gig employees who work a full-time job are childless, compared to 40 percent who have children. Meanwhile, 53 percent of employees who work only their gig have children.



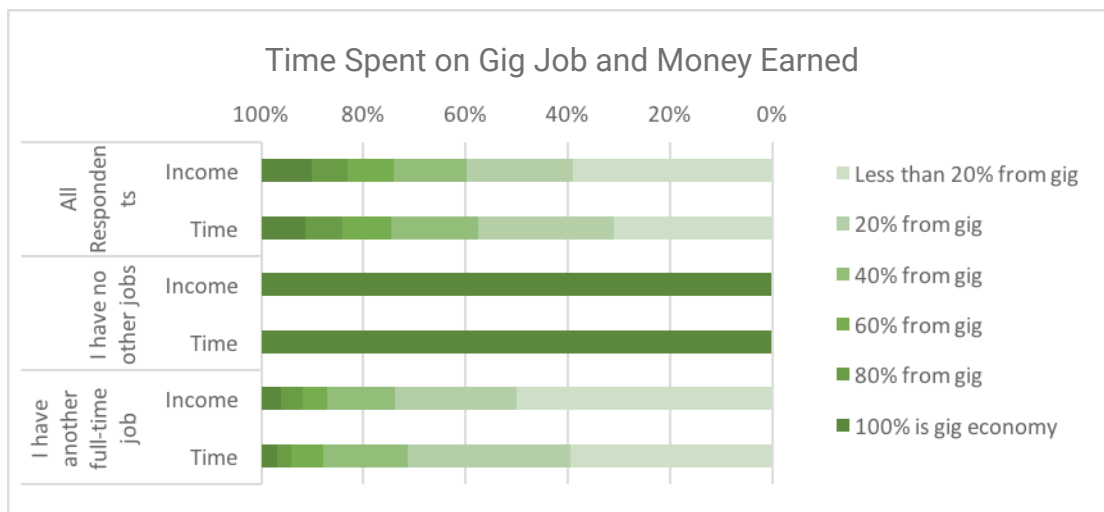
A higher level of education also indicates a full-time job. Sixty percent of gig employees with a graduate degree have full-time employment. Meanwhile, only 37 percent of the gig employees with a high school education or less are also working a full-time job. In addition, gig employees who only work their gig are less likely to have a graduate degree. Only 21 percent have a graduate degree, compared to 33 percent who have a high school education or less.



Gig Economy Index™

How Gig Employees Work The Work

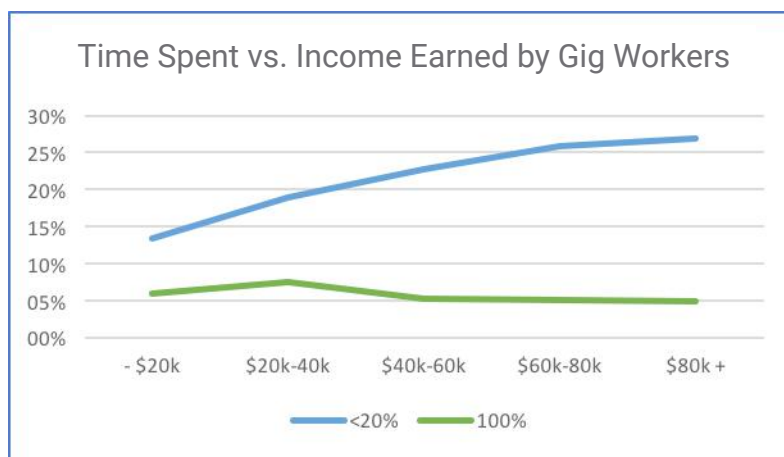
Time Spent on the Job and Money Earned



In general, gigs tend not to be full-time: 58 percent of respondents said they spend 20 percent or less of their time on gig economy jobs. Health and fitness and personal services tend to be full-time gigs. As education, age and income rise, the hours spent on a gig decline – fitting, considering that the presence of a full-time job is also an indicator of income and education level.

For most, gigs are a side stream of revenue rather than the main source. Sixty percent of respondents said they receive 20 percent or less of their income from gigs. Similar to time spent on a gig, as income, age and education levels increase, the proportion of income generated from gigs declines – indicating that most of these workers rely on a full-time job to provide the bulk of their income.

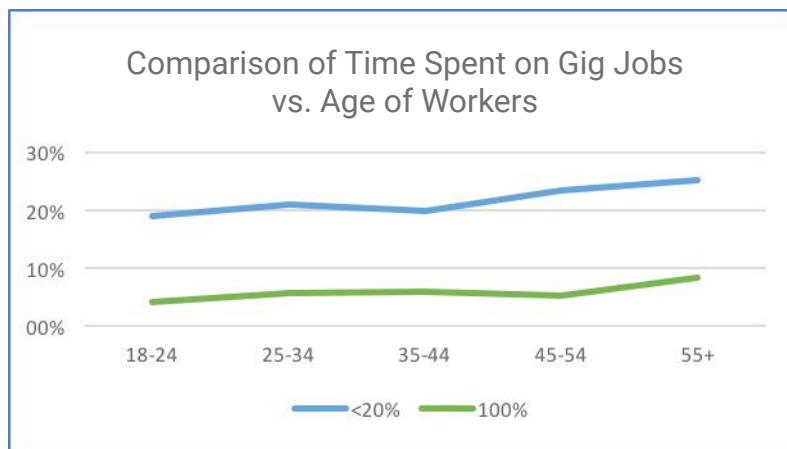
Time Spent on the Job



Gig Economy Index™

How Gig Employees Work The Work

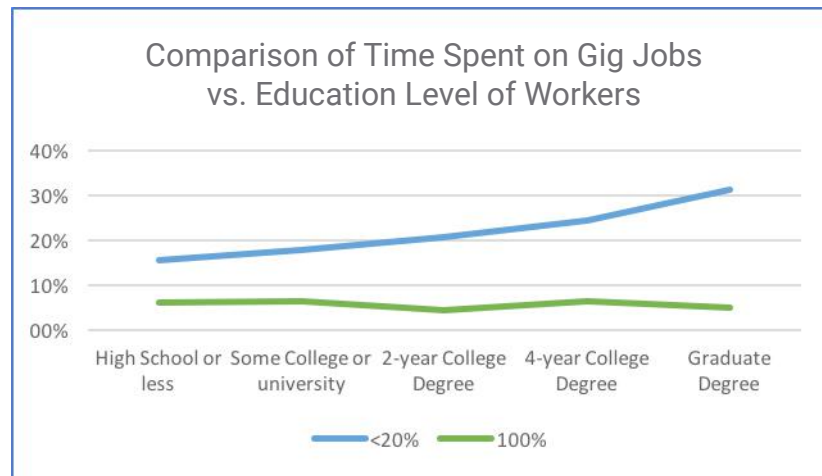
There's a clear correlation between income and time spent on the gig. This indicates that for people in a higher income bracket, gigs aren't the major source of income: 27 percent of gig employees in the \$80,000-plus bracket spend less than 20 percent of their time on a gig. However, people who spend 40 percent of their time on the gig fall into the lowest income bracket.



Older people spend the least amount of time on their gigs, while age is more or less evenly distributed for people who spend all of their time on gigs. Twenty-five percent of people in the 55-plus age bracket spend less than 20 percent of their time on gigs. By comparison, just 8 percent of people in the 55-plus category spend all of their time on a gig.

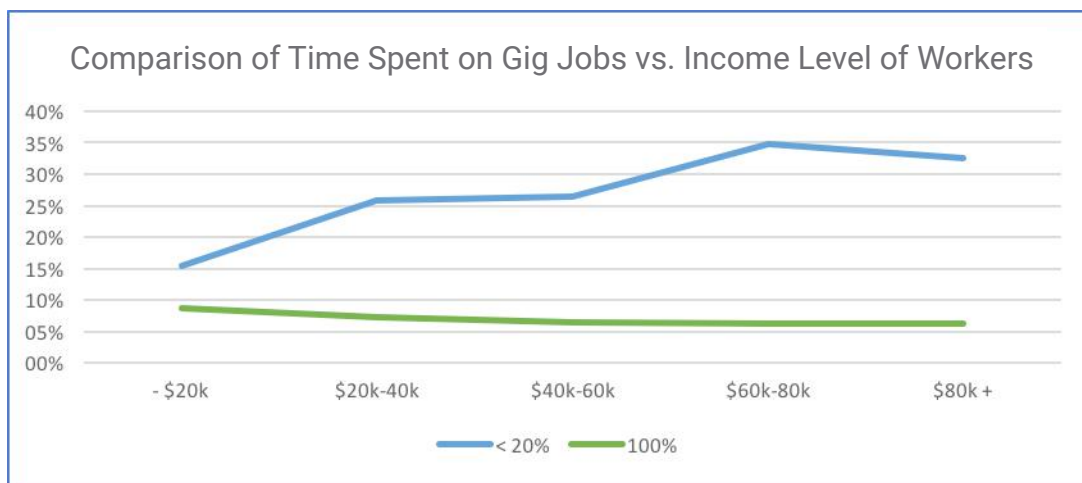
Gig Economy Index™

How Gig Employees Work The Work



Higher education is also correlated with spending less time on a gig: 31 percent of gig workers with a graduate degree spend less than a fifth of their time working their gig, and 23 percent spend a fifth of their time working on a gig. However, the data shows that once gig workers spend 40 percent or more of their time working on a gig, there is less of a correlation with education level.

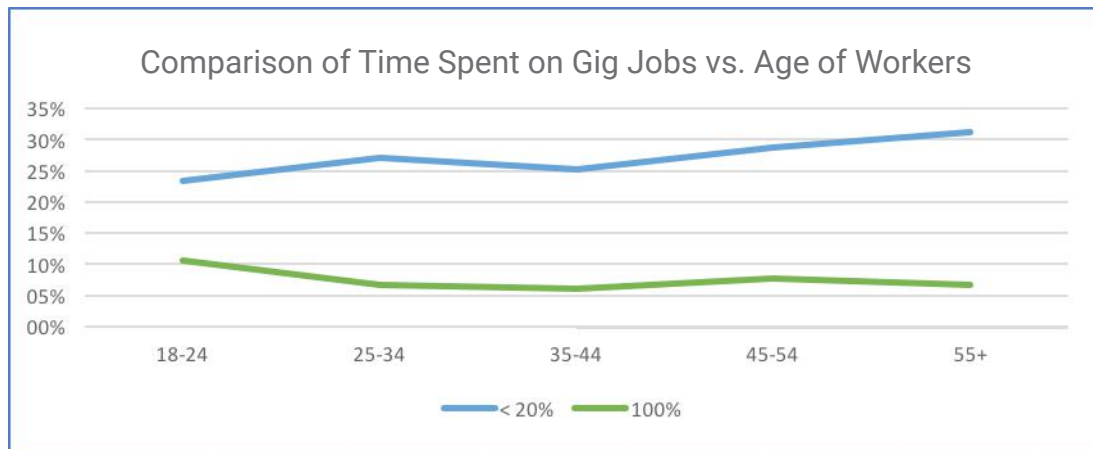
Money Earned



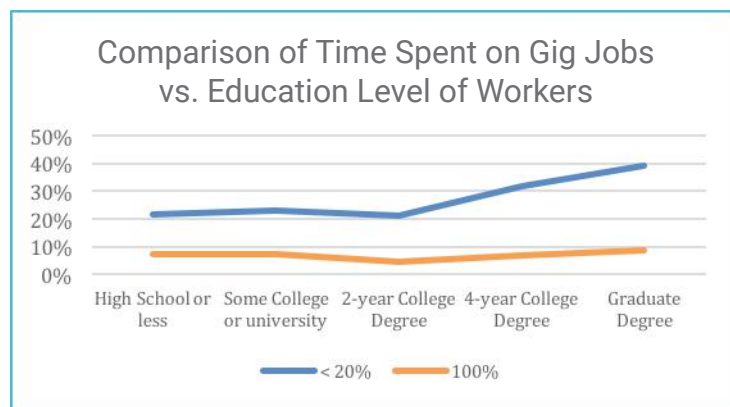
A high income bracket typically indicates that the respondent does not make the bulk of their income through a gig: 33 percent of gig workers in the \$80,000-plus bracket earn less than 20 percent of their income through a gig. However, 9 percent of people in the lowest income bracket earn all of their income through a gig. By comparison, only 6 percent of people in the highest income bracket earn all of their income through a gig.

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How Gig Employees Work The Work

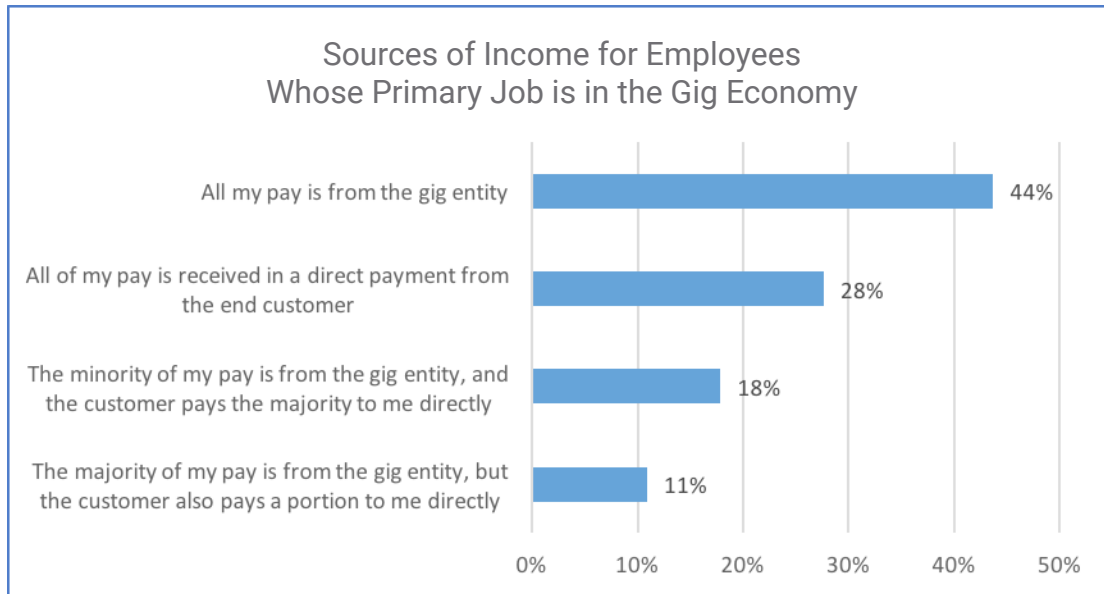


As is the case for income, the older people are, the less they seem to derive their income from gigs: 31 percent of people ages 55-plus receive less than a fifth of their income from a gig. Age seems to be more or less evenly split when it comes to the rest of the brackets for income derived from gigs.

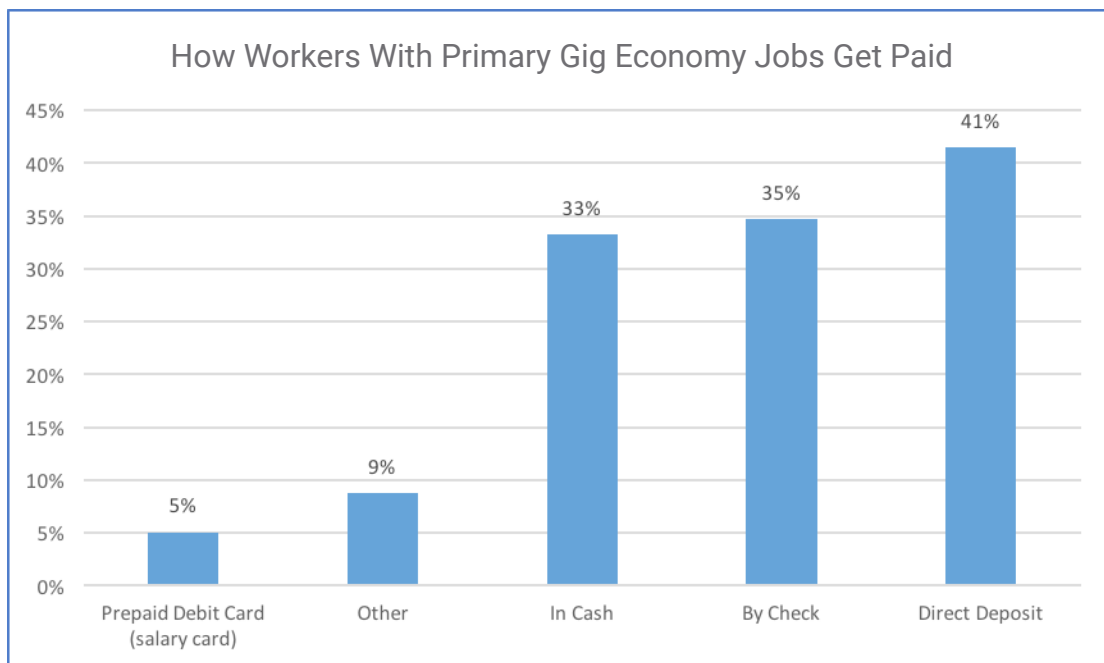


Similar to income and age, a high level of education indicates that less than a fifth of their time is spent working on a gig. Here, a staggering 39 percent of gig employees with a graduate degree spend less than a fifth of their time working a gig. By comparison, only 22 percent of gig employees with a high school education or less spend as little time on a gig.

When Gig Employees Get Paid

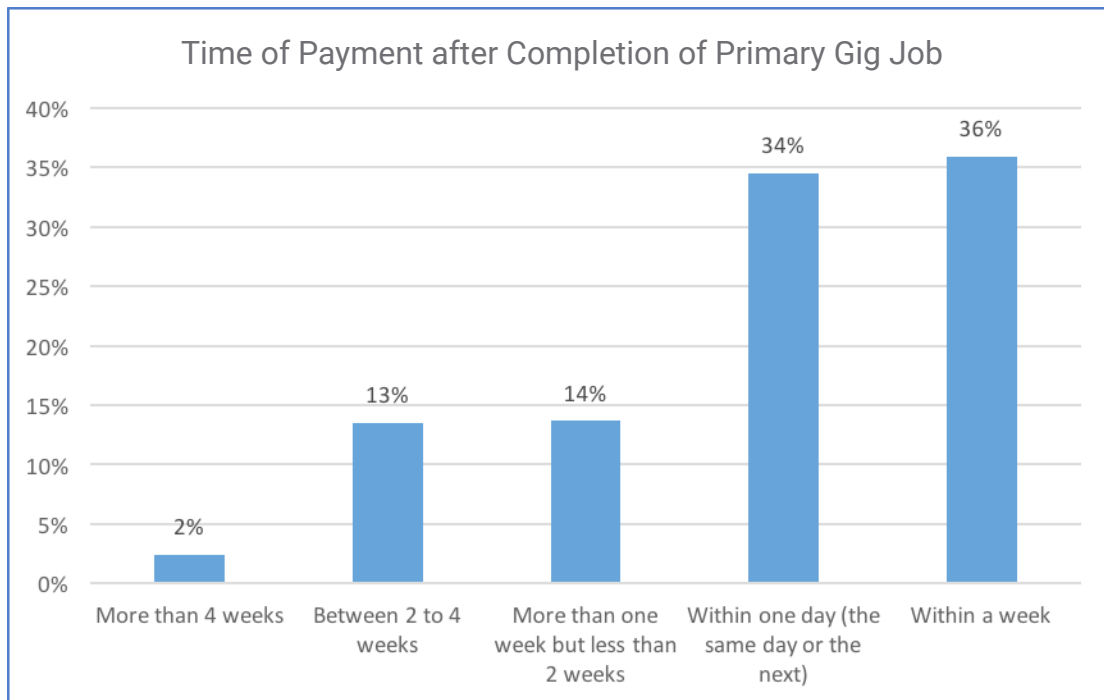


The majority of gig employees go through a service: 44 percent of gig employees said they are paid through a gig entity (a service that links gig employees with customers). Twenty-eight percent receive their pay from the end customer, and the remaining 29 percent receive their pay from a combination of the two.



When Gig Employees Get Paid

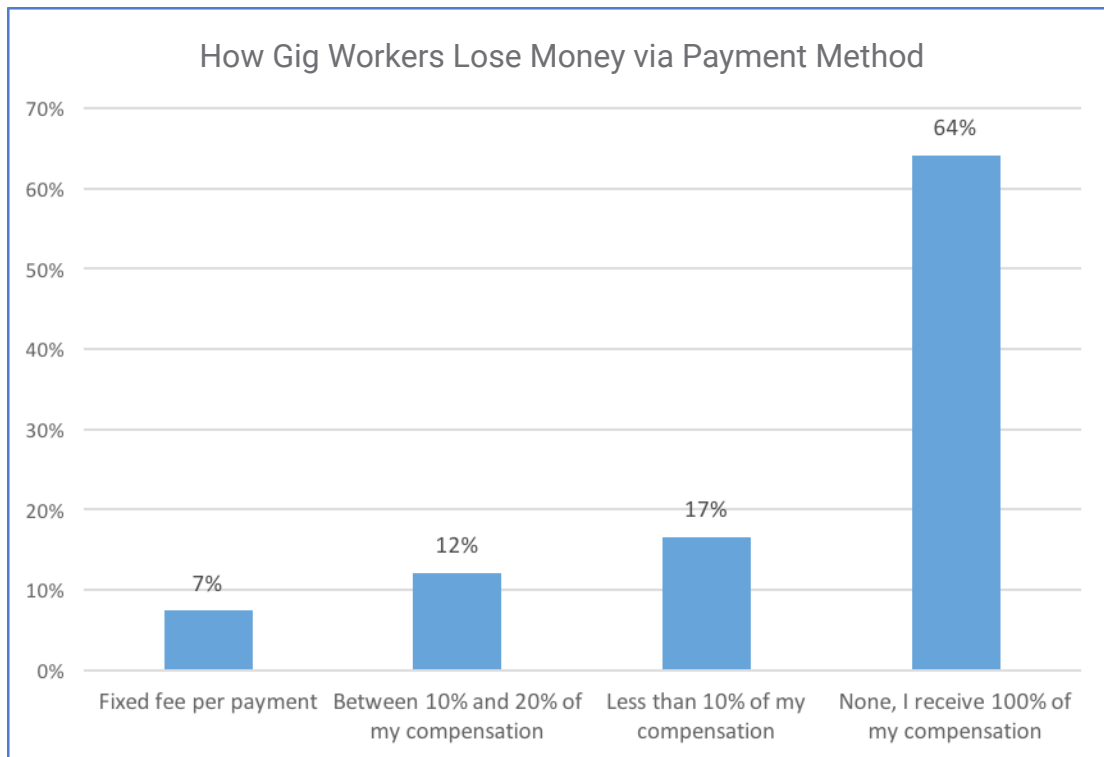
Direct deposit and check are the top two payment methods. Forty-one percent of gig employees receive their payments from direct deposit, 35 percent get them by check, and 33 percent obtain them in cash.



Gig employees also tend to get paid promptly. A staggering 34 percent said they are paid within one day, while 36 percent said they are paid within a week — much faster than getting a paycheck at a full-time job. Unsurprisingly, 86 percent of gig employees said they are highly satisfied with the speed with which they are paid. However, things aren't perfect: 77 percent indicated that they would be happy to do more work if they could be paid the same day or within the next day.

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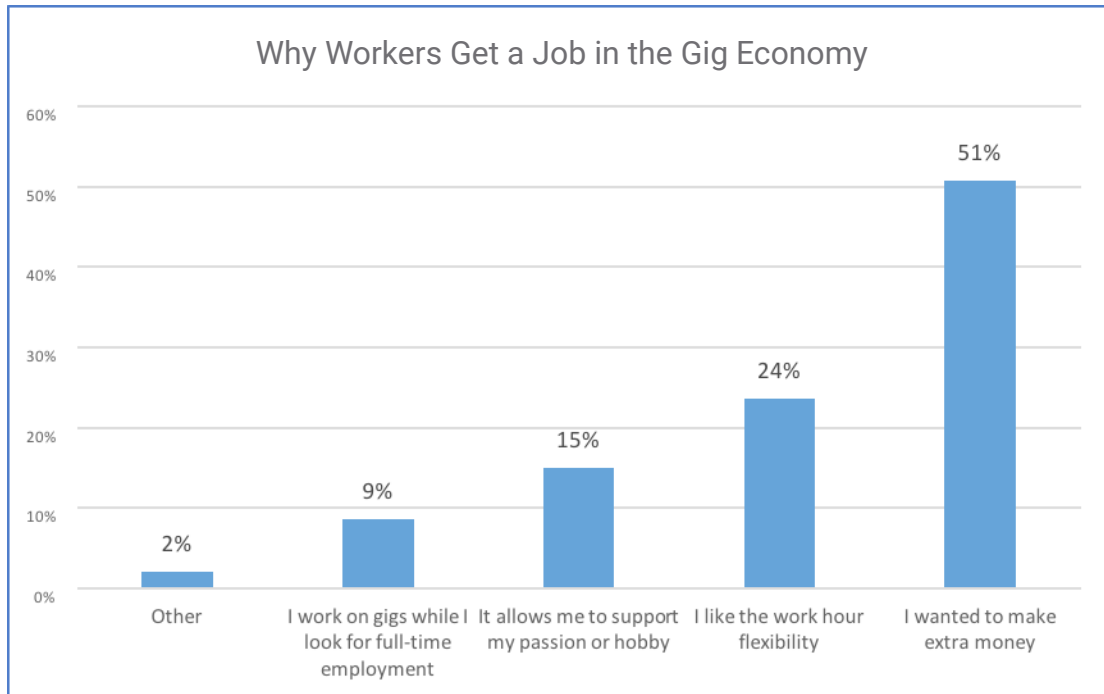
When Gig Employees Get Paid



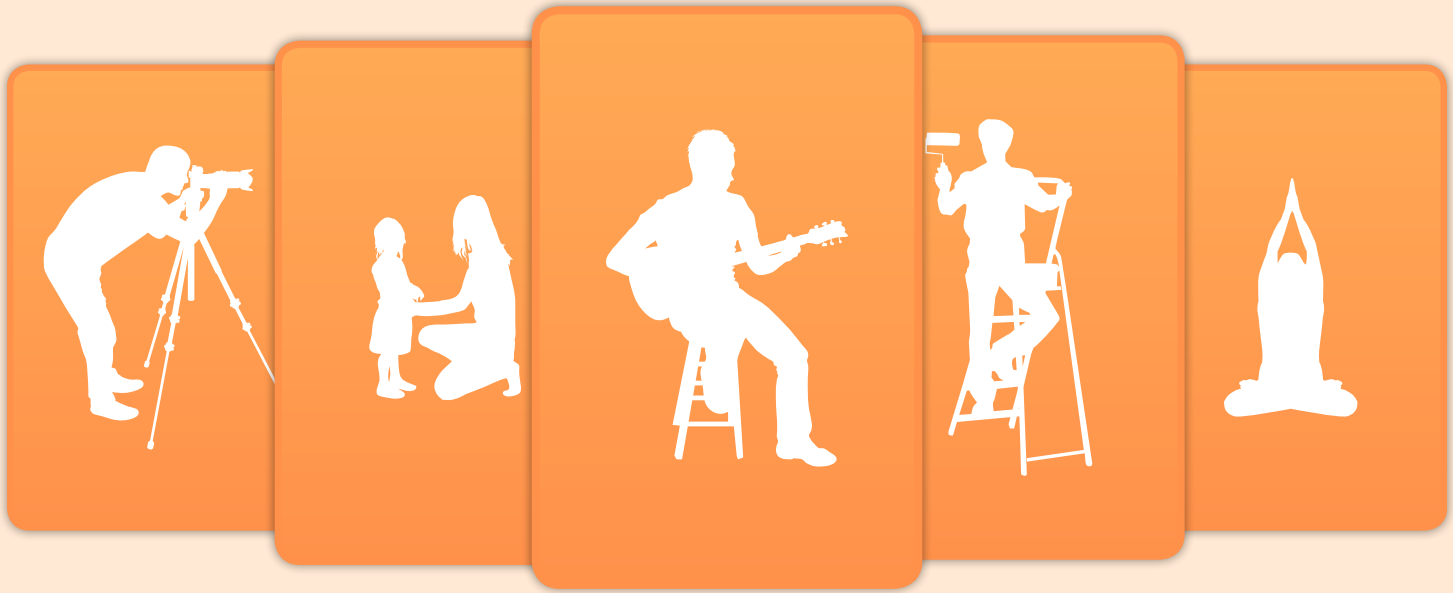
In general, the majority of gig employees don't face fees from gig entities: 64 percent said that they receive all of their income, and an additional 17 percent said they lose less than 10 percent to their gig entity. Gig employees are even more satisfied with payment methods than they are with payment timeliness: 95 percent and 86 percent, respectively.

Why Work a Gig?

For most gig employees, gigs boil down to extra income. Over half — 51 percent, in fact — of survey respondents said the most important factor for getting a gig is extra money. An additional 24 percent listed financial reasons for working a gig: It supports a hobby or fills a gap while the worker looks for full-time work. Only 24 percent listed flexible hours as their driving factor for becoming a gig employee.



Feature Story



Is Gigging the New American Workforce?

According to the latest research in the inaugural PYMNTS.com Gig Economy Index™, younger employees are slated to change jobs four different times during their first 10 years after graduating from college, compared to their parents' generation, which changed jobs just twice in the same span.

But it's not only the number of jobs that are changing — the type of work these jobs entail is shifting as well. More and more, American employees are opting to take on "gigs," or ad hoc jobs where people provide a service over a period of time or on demand. As the Index reports, just over 10 percent of Americans worked gigs in 2005, but that number quickly grew to 15.8 percent by 2015, with an increase of 9.4 million workers taking on gigs.

The surge in workers looking for these short-term employments comes as no surprise to Breanden Beneschott, cofounder and COO of Toptal, which offers freelance software engineers and designers to companies in need of on-demand talent. In a recent interview, Beneschott told PYMNTS that he expects the gig economy to continue to grow as more employees embrace the benefits of "gigging," including increased flexibility and control over their schedule.

"I think this is the start of something big," Beneschott said. "The whole gig economy is riding on a lot of different economic trends, and employees and companies are benefitting from this."

Feature Story – Is Giggling the New American Workforce?

Making the right connections

Toptal is what's known as a gig platform a service provider that helps connect workers to customers. The company works largely in the software development space, similarly to Fiverr or UpWork.com. Many gig employees find a job and clients through service providers like Toptal.

The company seeks to differentiate itself and its workers by representing only the top 3 percent of thousands of applicants per week to the service, a percentage that has been decreasing steadily, according to Beneschott.

The inspiration for the company came from a conversation with his cofounder and the company's CEO, Taso Du Val. Beneschott was looking to hire new software designers as part of a team he was assembling, but he was having problems finding the right people. He eventually found a good fit for his team after receiving a recommendation from Du Val for a designer living in Argentina.

He said the experience opened his eyes and gave him the idea to build a service that would connect top developers with companies looking for their services, a task that is especially challenging in Silicon Valley.

"Finding good people in Silicon Valley is extremely difficult," he explained. "It's expensive, everyone is already taken; they're working at Uber or SpaceX or Facebook or Google. So it's extremely competitive, [with] a lot of companies competing for the same limited number of people. So we saw an opportunity there."

While hiring can be tough in Silicon Valley, Beneschott also noted that operating a gig platform such as Toptal comes with its own complications. He said that the company has a tremendous amount of overhead costs and tasks, including screening potential employees to determine how qualified they are via aptitude and personality tests, among other traits.

"The operational processes at Toptal have to be able to accommodate this kind of complexity but also accommodate that scale," he explained. "So when we're screening thousands of people a week in a complex, crowd-sourced screening process, there's a lot of moving parts."

Upping flexibility while relieving administrative hassles

While finding the right employees presents plenty of headaches for Beneschott and his team, he said that removing administrative difficulties is key to attracting the right kind of gig employees.

As the Gig Economy Index research indicates, many gig employees look for gigs as a way to increase their flexibility (24 percent of gig employees) or to support a passion or hobby (15 percent).

Beneschott's experience since launching Toptal in July 2010 largely aligns with what our research indicates. He noted that many of the most talented employees available are looking to increase their flexibility and take more control of their scheduling, allowing them to spend more time traveling or with their families.

Feature Story – Is Gigging the New American Workforce?

However, that desire for flexibility can also be one of the biggest pain points for those in the gig economy, Beneschott explained. While most gig employees enter the space hoping they can have a better work-life balance, many find themselves bogged down with administrative work, such as invoicing, billing and having to follow up again and again (and sometimes again) to ensure they actually get paid.

“It’s very difficult to manage all of that as an individual,” Beneschott explained. “You have to find your own clients and market yourself, invoice and bill and do all the administrative work that you don’t actually get paid for.”

Index research backs up Beneschott’s statements. While more than 40 percent of respondents to PYMNTS’s survey indicated that they like the gig lifestyle and plan to keep gigging, the biggest barriers to gig work remain the speed of payment and the issues that surround it. Seventy-seven percent of gig employees said they would do more gig work if they could be paid faster and more reliably.

To attract the best talent possible, Beneschott and his team look to take those complications away from gig employees by connecting them with reliable companies and ensuring that the employees are always paid on time, he said. He added that while most companies can be counted on to hold up their end of the bargain and make payments according to schedule, offering that insurance is a major boon for gig employees.

A bright future, full of gigs

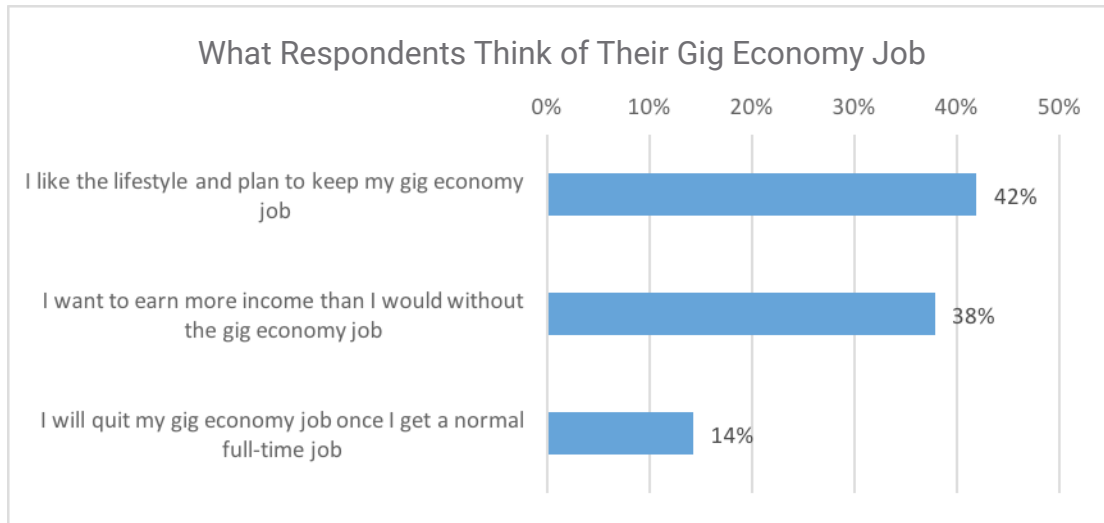
As the Index research indicates, Beneschott said that he expects the gig economy is here to stay and will grow even larger, based on a few different economic trends. Some projections account for the gig economy to both reduce unemployment time for more than 250 million people and add more than \$2.7 trillion to the GDP by 2025 as more companies and employees alike embrace the gig economy, he noted.

“A lot of really great people are increasingly looking for flexibility in their work, and a lot of them are finding it via the gig economy,” he said. “I see that happening more and more every single day with our clients and within the whole ecosystem, from startups to large companies, and I don’t see that changing.”

The change is under way. What remains to be seen is whether actual careers, for millions of Americans, can reliably be built from gigs within the gig economy. Could this be the burgeoning of a new gig-based American dream?

What's Next?

For most gig employees, gigs are a way of life. Forty-two percent of respondents indicated that they like the lifestyle and plan to keep the job in responses ranging from “describes me fairly well” to “describes me very well.” Fifty percent of gig employees said they will not quit their gig for a full-time job, and an additional 36 percent mentioned they are on the fence about quitting for full-time work.



However, money is the driving factor for getting a gig in the first place, and it remains the main factor for making plans to keep a gig. When we asked gig employees how they would feel about their income without the gig, 40 percent indicated they would like to earn more in responses ranging from “describes me fairly well” to “describes me very well.” It seems likely, as long as the gigs keep paying, that people will keep working them.

Overall Role of Gig Economy Workers in the Economy

Projecting our survey results to the overall population, we estimate that gig economy workers will earn an estimated \$734 billion in 2016, which amounts to about 4.0 percent of the estimated U.S. GDP.

We have estimated the size of the gig economy as follows.

Our survey was based on adults who had smartphones. We prescreened people who had a full-time job but not part-time jobs since these individuals would not have gigs. We found that 46.5 percent of the adult smartphone owners we surveyed had full-time jobs but not part-time jobs. Conversely, we found that 53.5 percent of the adult smartphone owners had part-time jobs (either just part-time or part-time in addition to full-time) or weren't employed at all.

Of the 53.5 percent of adults, 31.5 percent of them — or 16.9 percent of all adult smartphone owners — participated in the gig economy. They earned an average of \$25,859 from gigs in the previous year.

We wanted to project these figures to the population overall. There are 247.8 million adults in the U.S. Of them 68 percent, or 168.5 million, have smartphones. Based on our survey, we estimate that 53.5 percent of them, or 90.2 million people, had part-time jobs or weren't employed. Of the 90.2 million people, 31.5 percent, or 28.4 million people, had one or more gigs. These 28.4 million people earned an average of \$25,859 a year based on our survey. That means that overall gig economy workers will earn approximately \$734 billion total in 2016, which is 4.0 percent of the estimated GDP.

Description	Eligible Adults
Adults with smartphones (million) ¹⁰	168.5
Percentage of adults who do not have a single full-time job ¹¹	53.5%
Adults with smartphones who have part-time jobs or aren't working (million adults)	90.2
Percentage of respondents who have gig economy jobs	31.5%
Number of adults in the gig economy (million adults)	28.4
Average income from gig economy work (thosands)	\$25.9
Total income from gig economy work (\$billions)	\$734
U.S. GDP (\$ billion, 2016 estimate) ¹²	\$18,562
Gig economy as percentage of GDP	4.0%

¹⁰ There are currently 168.5 million adults who are eligible to work gigs in the United States. This is based on data from the U.S. Census Bureau and an estimate of full-time employment from Statista (<https://www.census.gov/quickfacts/table/PST045215/00> and <https://www.statista.com/statistics/192361/unadjusted-monthly-number-of-full-time-employees-in-the-us/>). The number of total eligible adults were estimated by multiplying the adult population by the 68 percent of adults who currently have a smartphone.

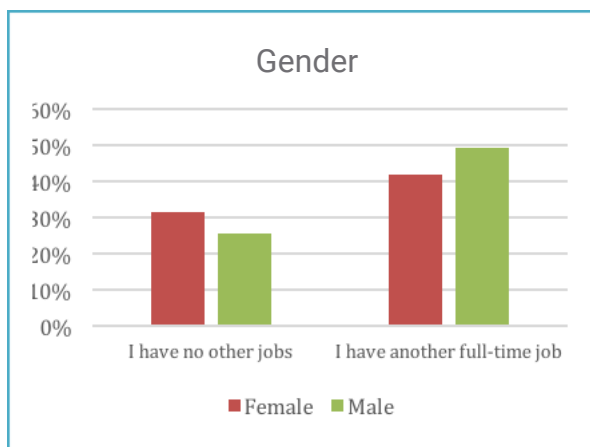
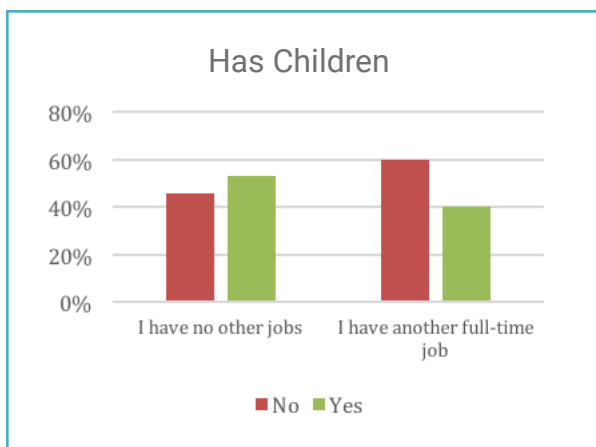
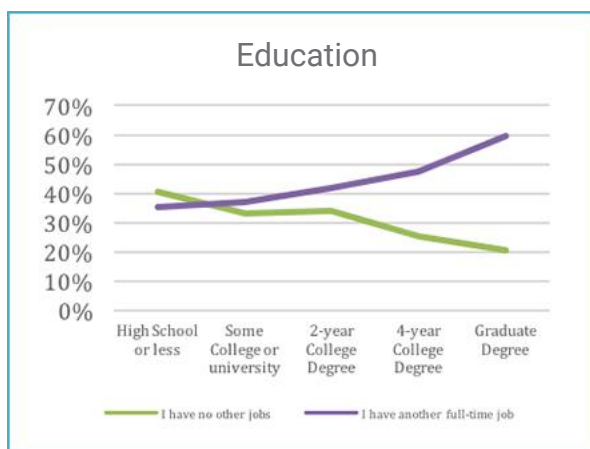
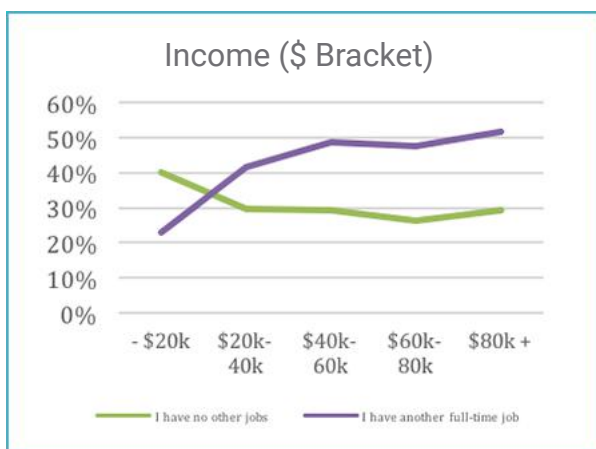
¹¹ "Technology Device Ownership: 2015," Pew Research Center, <http://www.pewinternet.org/2015/10/29/technology-device-ownership-2015/>

¹² "World Economic Outlook Database, October 2016: Report for Selected Countries and Subjects," International Monetary Fund, <http://www.imf.org/external/pubs/ft/weo/2016/02/weodata/weorept.aspx?pr.x=25&pr.y=9&sy=2015&ey=2020&scsm=1&ssd=1&sort=country&ds=.&br=1&c=111&s=NGDP-D%2CNGDPDPC%2CPPPGDP%2CPPPPC&grp=0&a=>

Deep Dive: Faces of the Gig Economy

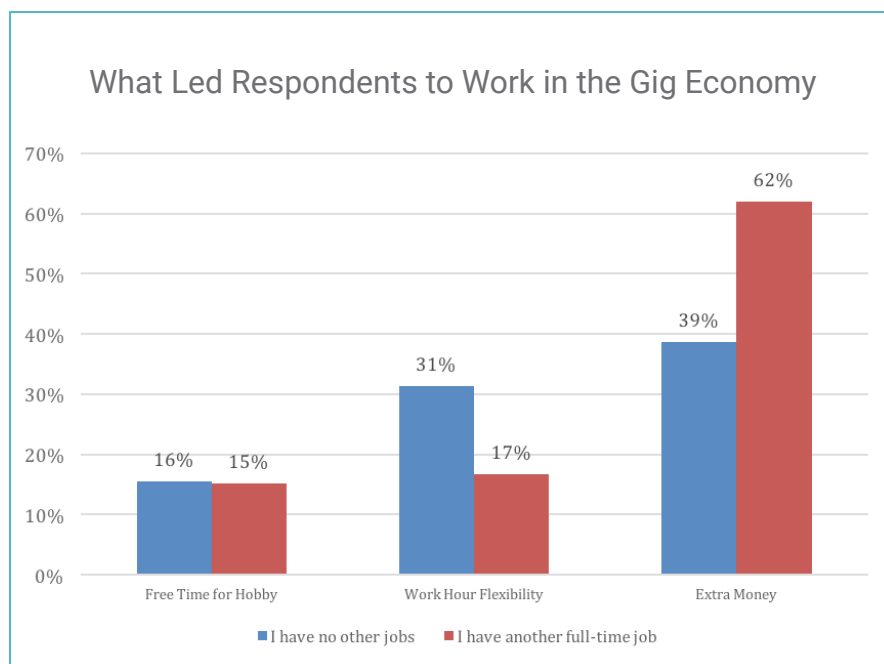
As we mentioned earlier, there are two types of gig employees. The first have full-time jobs and do gigs on the side. They are more educated (60 percent of gig employees with a graduate degree have a full-time job), make more money (52 percent of gig employees in the highest income bracket have another job), are less likely to have children and are more likely to be male.

The other group of employees has only their one primary gig. This group is likely to earn less (42 percent of gig employees in the \$20,000–\$40,000 income bracket only work gigs), be less educated (only 21 percent of graduate-degree gig workers have no other jobs), have children and be female.



Deep Dive: Faces Of The Gig Economy

These two groups also have different reasons for joining the gig economy. The gig employees with full-time jobs participate in the gig economy primarily to earn additional income (62 percent). A few like the work hour flexibility (17 percent) or are working the gig because it's a hobby (15 percent). On the other hand, the ones working gigs as their primary source of income are more likely to be gig employees due to the benefits, such as having a flexible schedule (31 percent).



Alan: The Day Job and Side Gig

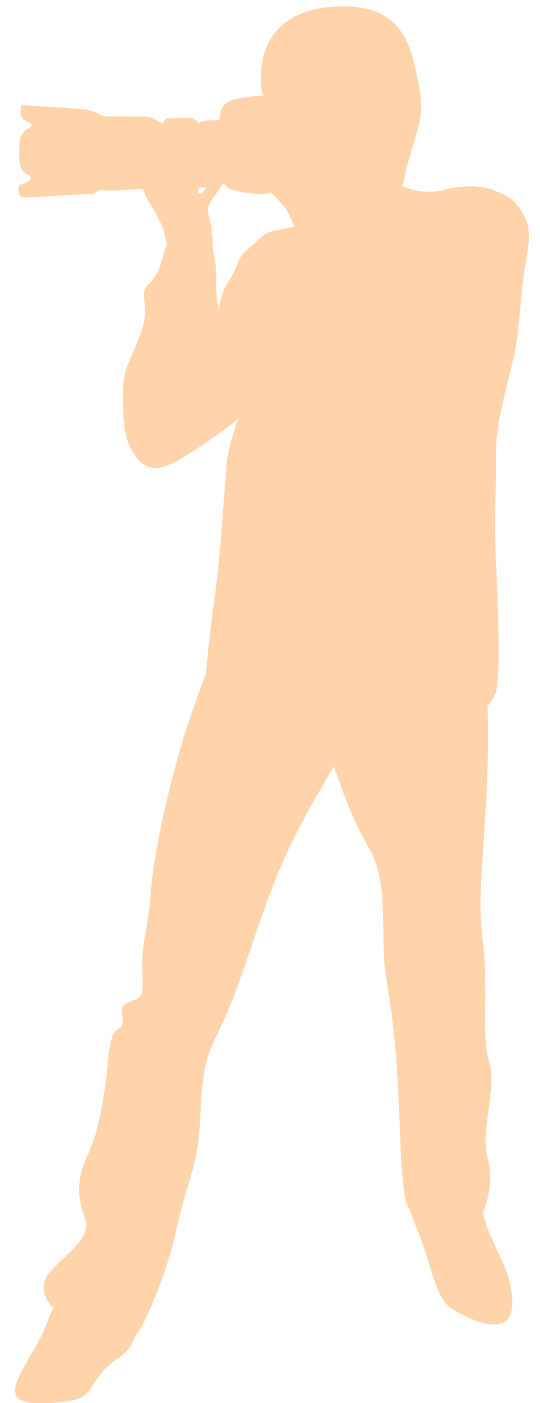
By day, Alan, 27, is a manager at a startup that analyzes media for investors. By nights and weekends, instead of relaxing or hanging out with friends, he's a photographer and freelance journalist. And when it comes to his gigs, he does everything. As a photographer, Alan has photographed everything from South Asian networking events to dog fashion shows. As a freelance journalist who covers sports for his college alumni paper, he's interviewed former Olympians and the managers of pro-sports teams.

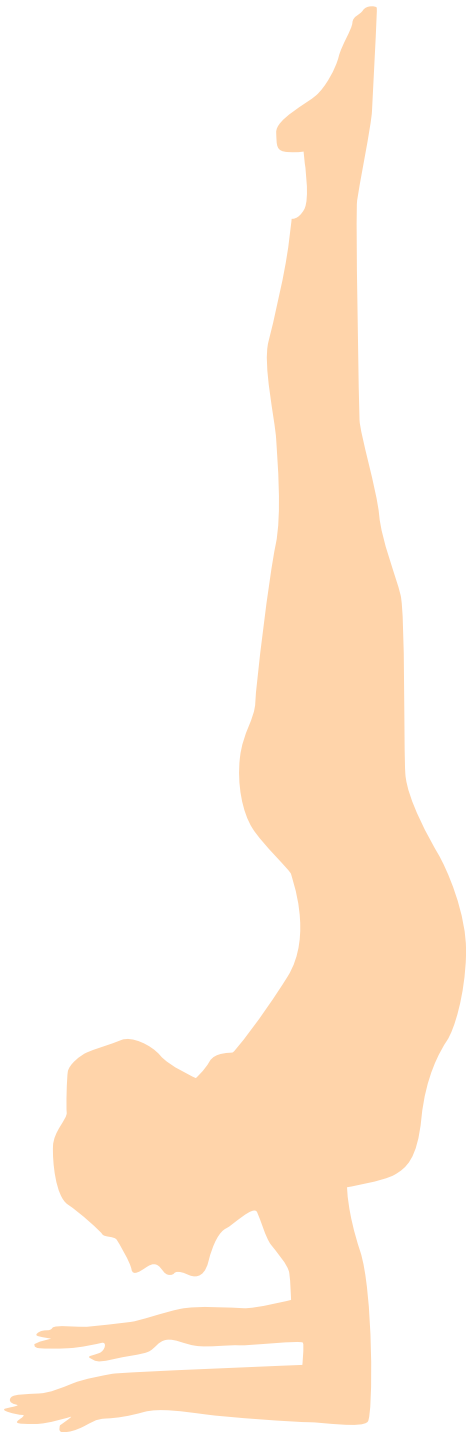
"I wasn't getting a sense of creative satisfaction from my job," Alan said. "The gigs allowed me to talk to people I wouldn't normally talk to."

Alan started writing for his college alumni newspaper when he saw that a friend was writing articles for the paper. "I thought it would be fun and reached out," he said. He stumbled into photography by happenstance. A long-time enthusiast, he volunteered to photograph student events at his grad school. One of the attendees contacted him and has been using his services ever since.

The gigs make up about 1 percent of Alan's income but take about 10-20 hours a month. The hardest part, according to Alan, is because gigs are a side job, he's not really tapped into the market. He doesn't know what other freelancers and photographers charge and how his rates compare. He also said the uncertain nature of the work can be difficult. There are times when he's flooded with requests and has to turn down work, and other times, there are dry spells.

Still, Alan said he enjoys the challenge of going after a gig and is considering a future working gigs full-time or stepping down from his current job to something more low-key so that he can devote more time to his gigs.





Nikka: The Full-time Gig Employee

When it comes to yoga, Nikka, 27, does a little bit of everything. As an 18-year-old, while the rest of her friends found part-time jobs as waitresses, Nikka taught yoga classes. By the time she graduated from college in Wisconsin with a major in dance, all of the studios in town knew who she was. Nikka moved to Los Angeles, where she currently balances a variety of gigs: teaching yoga classes in studios, training individual clients and teaching yoga as therapy at a hospital. Occasionally she mixes this up by teaching other fitness classes as well as doing fitness modeling.

"I get to do my passion, and I'm very grateful to do that," said Nikka. "I don't have to do the grind and wake up every day to do something I don't love."

Although Nikka's schedule is more flexible than someone who has a day job, she wakes up pretty early. On average, she wakes up at 7 a.m., teaches three or four yoga classes, has some free time in the afternoon, does a workout at the gym or takes a fitness class for herself, and then teaches again in the evenings. She works seven days a week and on average teaches 25 to 30 yoga classes a week, scattered all across Los Angeles.

Nikka also pointed out that doing her own accounting is tricky. The majority of her clients pay her through an app called Handstand, which is how she books most of her clients, and she collects a combination of cash and paychecks from her other gigs.

But for Nikka, the hardest part of being a full-time gig employee is the lack of consistency in her schedule. "It's hard to create a rhythm in your life; it's hard to even eat at the same time every day," she said. "Sometimes it's financially stressful as well."

Despite this, Nikka has no plans to go the full-time job route. She's currently in school studying yoga therapy. When asked if she's ever thought about getting a fulltime job, Nikka laughed, her voice full and throaty: "Nope. Never."

Appendix A

A survey was designed by PYMNTS.com and conducted with the assistance of a research company that maintains a panel of hundreds of thousands of individuals.

Surveys were sent by email to all panel members excluding those who exclusively held full-time jobs. Survey participants were presented with a definition of what a gig employee is and asked if they worked in the gig economy. We received 3,496 survey responses, and 1,102 respondents said they worked in the gig economy.¹³

Open-ended questions were analyzed using standard text data techniques. The respondents' text entries were reviewed for completeness and responsiveness. Incomplete responses or uncodable responses were eliminated from further analysis. The valid responses were then grouped into categories that best represented the set of responses to the question. The selection of categories was reviewed and agreed upon by several PYMNTS analysts.

Close-ended questions were analyzed using standard statistical methods.

¹³ The final sample we use is, however, comprised of 1,031 people, as 71 of them abandoned the survey before completing it.

About

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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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