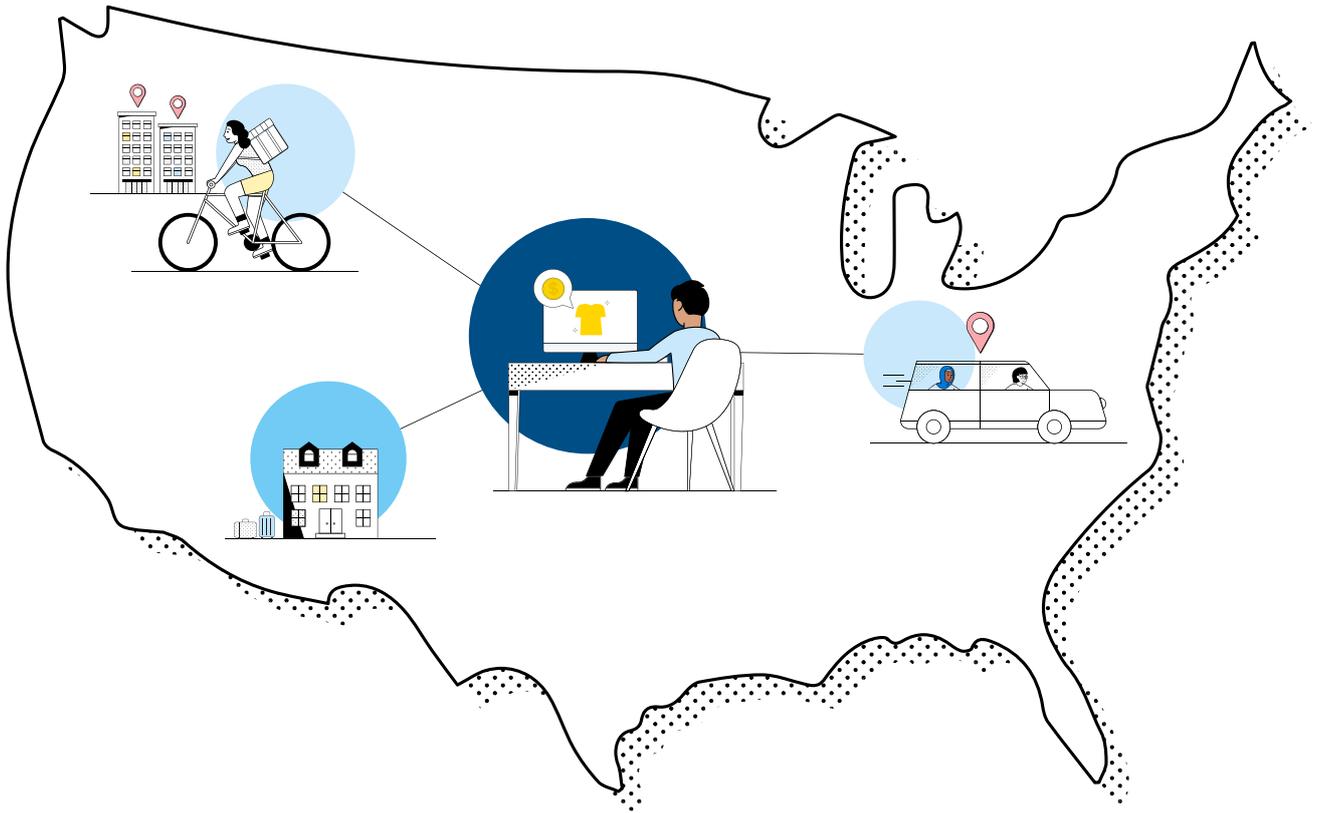


Legal & General U.S. Gig Economy study

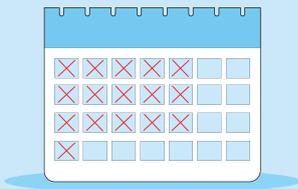
2022 U.S. Gig Economy study: Part 2

The Gig Economy represents a vast range of industries and fields



Research findings dispel myth that gig work is a stopgap measure or too unstable to be viable long-term

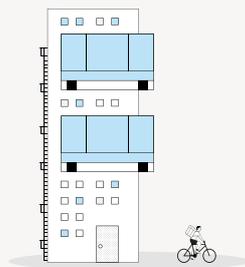
60% earn their living solely from gig work



49% of survey respondents making at least 60% of their living in gig work earn under \$50K



23% earn between \$100K and \$4 million per year



Non-office gig workers **earn more** than their in-office counterparts

We've been talking about the changing nature of work in America—in particular, the explosion of the gig economy, notably that 36 percent of the population makes their living this way—and what this means for workers, employers, and society as a whole. In Part 1 of our comprehensive study on the U.S. Gig Economy, [The Gig Economy is here to stay](#), we began to look at its size and at some of the motivations workers have expressed for working independently. We found that gig work encompasses massive income ranges and types of work, a rainbow of possibilities. This second part of our report will focus on the breadth of industries and pay levels the gig economy comprises, starting with coming to a clear definition of what constitutes a gig worker.

Who is the U.S. Gig Worker?

One of the challenges of designing a study that looks into the Gig Economy is coming to a solid definition of "gig work." The diverse set of professions and income ranges that can be called gig work makes the distillation of factors uniting these workers all the more difficult. Much of the public and political controversy surrounding gig work seeks to answer the same question, an argument that centers on financial factors. The day that U.S. Labor Secretary Marty Walsh proposed [to classify gig workers as employees](#)—a policy centering on classifying drivers as employees, not contractors—Uber and Lyft [shares nosedived](#) 8 and 12 percent, respectively.

For our study, we settled on a requirement for survey respondents to make 60 percent of their income or more from gig work, and to be neither retired nor a student. From there, most bets were off—these loose parameters seemed to be the only uniting variables. Incomes ranged widely, from 49 percent earning under \$50,000 a year, to 28 percent earning between \$50,000 and \$99,000, to 23 percent earning between \$100,000 and \$4 million a year from gig work.

Less surprisingly, the longer their tenure in independent work, the higher their earnings. The demographics of our study respondents shook out at 53 percent male and 47 percent female. One third of respondents were single, while two thirds were in a relationship. While they were scattered across the country, there was a slight skew (34 percent) toward the southern states. They also tended to be very well educated—61 percent had attained either a graduate (25 percent) or undergraduate (75 percent) degree. And among the list of 18 possible work sectors we provided, at least 1% of them identified with all of them. These ran the gamut from professional to creative to agricultural to web-based to education, retail, healthcare, delivery, pet care... and many others (see Figure 1). Those surveyed checked off every box imaginable.

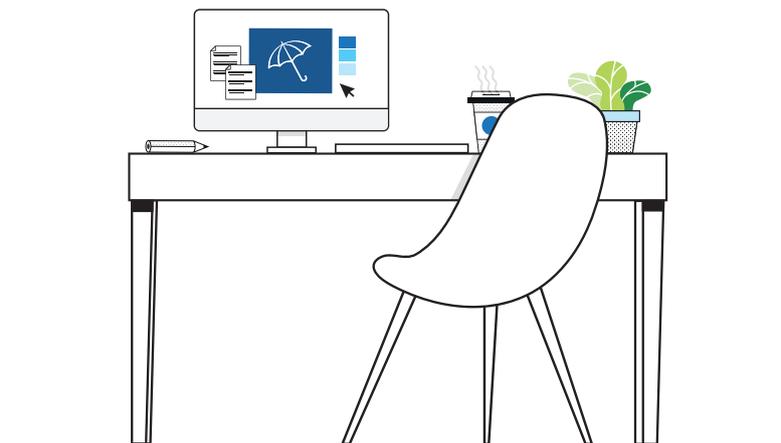


Figure 1. Range of industries, tenure in the U.S. Gig Economy

Sector

Sole Professional Services/ Consulting	16%
Creative/ Design /Arts/ Music/ Video	8%
Agriculture/ Seasonal/ Construction	8%
IT, Web design, etc.	7%
Beauty & Health	7%
Media/ Writing/ Digital marketing	7%
Driving/ Transportation/ Delivery	6%
Family business operator	5%
Real Estate	3%
Retail	2%
Online/ App based services	2%
Education	2%
Healthcare	2%
Personal Services	1%
Sales	1%
Insurance	1%
Pet Care	1%
Public / Social service	1%

Tenure

<3 years	12%
3 -5 years	16%
5.1- 10 years	26%
10.1- 15 years	17%
15+ years	30%
Office-based	49%
Non-office based	40%
Other/NA	11%

Sectors falls into white-collar like jobs are grouped as office-based while blue-collar like job types are grouped as non-office based.

Only sectors more than 1% is presented in the table.

The sheer range of their answers to the seemingly innocent question, “What field do you work in?” prompted an unexpected question of identity, causing some respondents to grapple with their multifaceted professional lives to find a one-word summary. If someone self-identifies as a “creative,” but makes their living as a delivery person in the gig economy, what does that make them? Despite the variety of professions, one sentiment kept recurring through the verbatim comments—the desire for flexibility.

As one respondent put it:

“

It allows me the freedom to go do what I want, when I want.”

This identity question hints at another trend—the reshaping of the modern American worker as polymath. Gig work seems to unleash a jack-of-all trades mindset, allowing professionals to monetize several seemingly unconnected skillsets. Independent workers clearly don’t like to be put in defining boxes—and while this inclination toward being professionally undefined may lead to difficulties in collecting clear data, the overarching intention among the people we surveyed was clear enough. This style of working is removing perceived obstacles and constraints from gig workers’ work-life balance.

As a few respondents put it:

“

Gig work is enabling me to be free and make my own schedule.”

“

It gives me the ability to make more money, and also increase my client base.”

“

It affords me the income to live decently.”



The question of pay

Along with the demographics our study took into account, we looked at how these gig workers receive financial compensation (see Figure 2). A slight majority, 51 percent, are paid per month. 47 percent of those surveyed said they're paid by the hour, while 45 percent said they've been paid per project. The share of participants who are paid per week and per day were the same—29 percent.

The discrepancy between what office-based gig workers and non-office-based gig workers are paid was not large, but it should be noted. The median per month pay for office-based and non-office-based gig workers was \$3,900 and \$4,400, respectively. We saw the same pattern when examining median per hour payments—office workers made \$40 while non-office workers made \$50. However, the trend is surprisingly absent when examining earnings per project. Both groups were paid equally per project, earning \$500 on average. The relationship between blue collar and white-collar workers actually inverts when accounting for the median amount paid per week. In this study, office workers topped non-office workers in earnings, making \$965 while their counterparts made \$600.

Critics of gig work see the practice as a stopgap measure, not fruitful or stable enough to be one's sole source of income over the long term. It would appear that our study dispels this myth. 60 percent of those surveyed earn their living solely from gig work, while 13 percent earn between 90 and 99 percent of their income this way. 12 percent earned 80 to 89 percent of their income from gig work and another 8 percent earned 70 to 79 percent of their total income working independently. The least dependent on freelancing, a mere 8 percent of our survey respondents, still earned a sizable majority of their earnings, 60 to 69 percent, by participating in the gig economy.

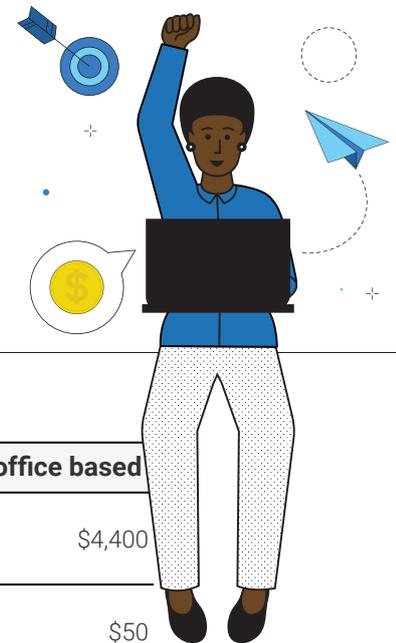


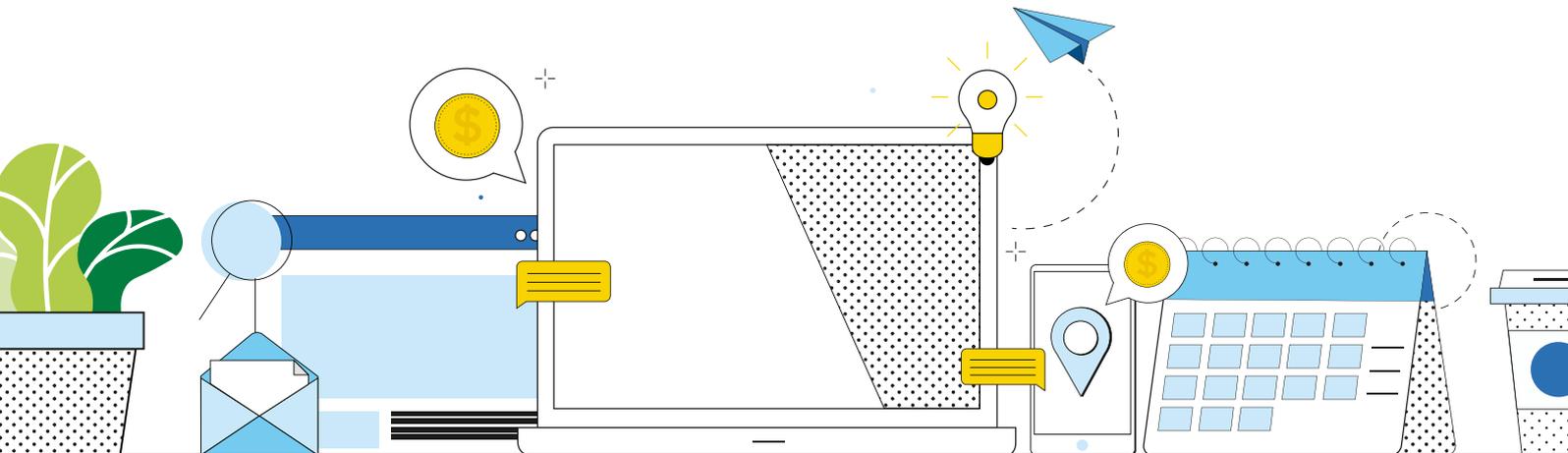
Figure 2. How are Gig Workers paid?

Unit	Rate		
	Total	Office-based	Non-office based
Per month	51% \$4,000	\$3,900	\$4,400
Per hour	47% \$50	\$40	\$50
Per project	45% \$500	\$500	\$500
Per week	29% \$700	\$965	\$600
Per day	29% \$175	\$168	\$200

Source: Legal & General

A choice with complex underpinnings

The people we talked to who split their income between gig work and traditional employment often do so consciously, not out of necessity, as we will explore in Part 3 of this study. They use the flexibility that freelancing provides to tailor their work life to fit their life outside of work, perhaps building in some of the stability afforded by even a part-time “regular job” in the form of health insurance or even having taxes taken out of their paycheck. In the next our next installment we will dig deeper into the motivations propelling the modern American gig worker. The societal and financial factors behind this wave of independent work are complex and multifaceted, propelled by positive incentives, insecurities and anxieties, and the desire for [life, liberty, and the pursuit of happiness](#). At its deepest level, the gig economy could even be thought of as a quintessentially American phenomenon.



Methodology

The data was collected via online survey fielded to individuals sample sourced from YouGov's US panel. The survey scripted and hosted on Gryphon, YouGov's proprietary survey scripting platform and the field work took place between August 19 and 31, 2022. 1,044 surveys of freelancers and self-employed workers between 18 and 60 years old, non-student/non retired drawing 60% or more of their income from gig work were completed. Key demographics such as age, gender and region were allowed to fall out naturally. 20 questions were designed to understand facts about earnings, drivers of and barriers to gig working, financial product ownership & financial capacity when coming across adverse situations, and future expectations of being involved in the gig economy. Verbatim comments were captured by Legal & General in research carried out in June 2022 among 100 U.S. respondents.

Study authors



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Sir Nigel Wilson was knighted in the Queen's New Year's Honours list 2022 and has served on the UK government's Levelling Up Council. He has been a member of the Prime Minister's Business Advisory Group for two Prime Ministers and has chaired and served on a variety of UK government commissions. He was appointed Group Chief Executive of Legal & General in 2012 and holds a PhD in Economics from Massachusetts Institute of Technology (MIT).



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John has worked in the City of London for over 30 years. Having joined the firm in 2006, with responsibility for communications, public policy issues and the group brand, he spent 2016-2017 working at Number Ten Downing Street as Head of Policy under Prime Minister Theresa May, where his team was responsible for advice on a broad range of UK domestic and Brexit-related issues.



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Edyta specializes in designing and developing research studies that look into current consumer and customer behavior and sentiment. Eliciting insights from the findings, she then translates them into business initiatives and strategies.