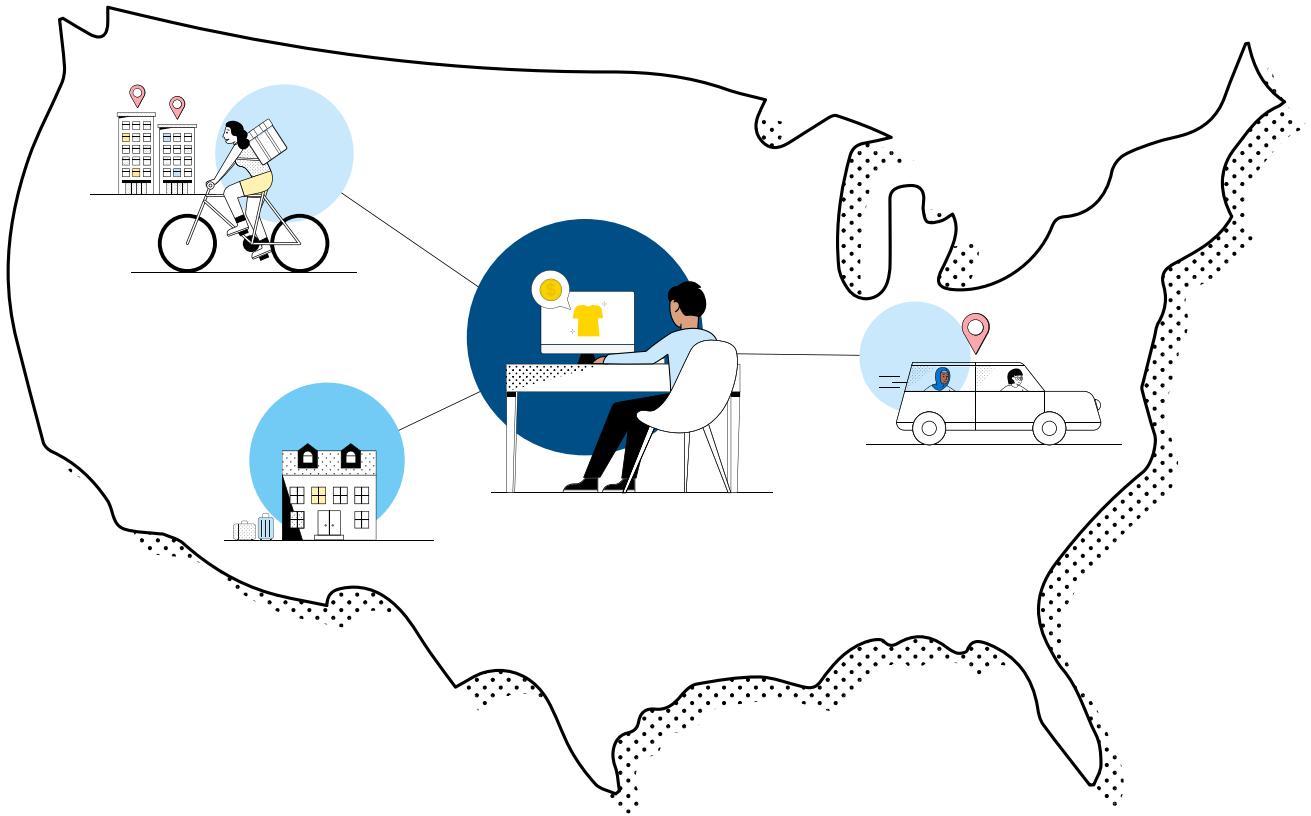


Legal & General U.S. Gig Economy study

Special report for International Women's Day, March 8, 2023

Tasked with both childcare and earning, women fall over 30% behind their male counterparts



58% of the lowest paid gig earners are female vs. **64%** of the highest paid are male

Only **18%** of women freelancers are in the over-\$100,000 per annum bracket while **28%** of men earn over \$100,000

For **71%** of female gig workers, biggest worry is their long-term financial future

Only **8%** of surveyed female gig workers have a pension plan vs. **14%** of male gig workers

Female gig workers in the U.S. make less than males, they wear more hats, and they are more worried about their future. So finds recent research sponsored by insurer [Legal & General Group](#) in a broad study on the U.S. gig economy. With more than half of U.S. households [headed](#) by women, the gender pay [disparity](#) ranging from 8 percent to 27 percent (increasing the older women get) across the labor force, and just under half (47 percent) of the U.S. gig economy comprised of women, Legal & General analyzed proprietary data recently gathered to determine the role gig work plays in the lives of U.S. women, including its advantages and drawbacks. This report follows the fifth part of our study, [Gig Workers' independent mindset opposes corporate team-think](#), and previews aspects of Part 6, which will cover gig workers' future financial and retirement needs.

While wage disparity and women's unequal treatment in the workplace are widely reported on, less well known is how women who make their living working independently are faring in comparison to their male counterparts. Women not only make less money and do more caretaking than men; having less access to retirement savings than traditional employees makes them far more concerned about their financial futures than their male counterparts. In this report we examine some metrics underscoring these circumstances.

About 47 percent (491 out of 1044) of our U.S. gig worker survey subjects are female. While the entire cohort showcased a broad range of industries and fields, women gig workers largely inhabit the Beauty & Health, Media/Writing and Online/App Services sectors, and are less likely to be in IT, the highest paid sector among the freelancers we interviewed. To give an example of how this appeared in our research, a typical fee per project in media or writing is \$300, making it the lowest paid sector.

Compare this with \$1200 per project in the IT sector. Projects may have different scopes, but the same holds true when looking at weekly fees: \$250 in media, writing or creative fields versus \$700 in IT. Nonetheless, the majority of women—65 percent, compared with 61 percent of males—said that they chose to work this way because of the flexibility it provides.

As one female freelancer with whom we spoke put it:



You can schedule your time to coordinate with other things in your life—travel, family, and so on.”

Children are a key motivation for women choosing to work independently

Among women gig workers, 33 percent told us that higher earning potential was their primary reason for starting to work independently; meanwhile, 37 percent of male gig workers said they realized they could make more money working freelance. A much greater difference appears in women's second most often stated motivation to become a gig worker: 18 percent chose to start gig work as a consequence of having a child, as opposed to 8 percent of men who began working independently because of having children. For female gig workers who are already mothers, this number leaps to 43 percent. The number of male gig workers who are already fathers and are driven by a need to be more available to their kids increases meaningfully from 8 percent to 19 percent, but never shows up as a main driver of taking up gig work, nor does it ever become more important than their earning potential. Women respondents told us: out in June 2022 among 100 U.S. respondents.



I wanted to be home for my children. Now that they are grown, it is for extra money.”



I can give 24/7 care to my 94-year-old dementia-stricken mother while also tending to our family business.”

For more than half (53 percent) of female freelancers, the ability to work from home is the best thing about gig work. Based on the high percentage of women we surveyed who checked off boxes about caretaking, whether for children or other family members, we surmise that this is a way they can keep all the balls in the air—pay the bills, feed the kids, take an elderly parent to medical appointments, and so on—while not losing time to a morning commute or office politics. Only 39 percent of the men we surveyed felt this way. Time flexibility—being able to choose when they do their work—was chosen as a “best” by 63 percent of women, and by 59 percent of men; and 59 percent of women appreciated having the flexibility to take time off when they needed to, while 53 percent of men chose this option. On the other hand, more men—57 percent—said that the ability to do the work they want to do was most important, while slightly fewer—55 percent—women felt this way.

Female gig workers earn less than their male counterparts

Consistent with the broader labor picture in America and elsewhere, women gig workers earn significantly less than men do.

Stated broadly, six out of 10 top-earning gig workers (64 percent) earning over \$100,000 are male, while 58 percent of female gig workers occupy the lowest income bracket, earning less than \$50,000 a year from gig work. Our research shows a disparity in the middle-income bracket, as well: among gig workers who earn between \$50,000 and \$99,000 a year, 40 percent are women and 60 percent are men.

Overall, our research uncovered a large gender pay gap between male and female gig workers. In the higher income echelons, 18 percent of women freelancers are in the over-\$100,000 bracket, while 28 percent of men are. While median monthly earnings—that is, the most frequently reported value— for gig workers overall was \$4,000, we found a large discrepancy between males and females. Median monthly earnings for female gig workers are only \$2,500 compared to \$4,500 among males.

Broader labor statistics in the U.S. tell a similar story—and the older they get, the bigger the pay gap for women. Recent [research](#) shows that the weekly earnings of young women aged 18 to 24 are 8 percent lower than men’s; among prime-age workers, the gap is 16 percent, a figure that rises to 22 percent among female workers aged 55 to 64. Women over 65 earn 27 percent less than men of the same age, an indicator of the cumulative rewards of ladder climbing for men that are so often missing for women, who may (or may not) have taken time off to raise children. But female gig workers are doing even worse in comparison with their male counterparts than the overall U.S. workforce.

Across all categories of respondents who provided their earnings, whether they are paid per project, per hour, per week or per month, the pay gap between men and women was weekly was over 30 percent on average (see Figure 1 below).

Figure 1.

	Men and women total	Men	Women	Pay gap
Median Avg amount Per project	500	500	300	-40%
Median Avg amount Per hour	50	50	40	-22%
Median Avg amount Per day	175	200	150	-22%
Median Avg amount Per week	700	900	600	-30%
Median Avg amount Per month	4000	4500	2500	-45%

Avg - 32%

Source: Legal & General

But... the biggest worry for female gig workers is their long-term financial future

When asked what they consider the worst things about gig work, 71 percent of women said it was not having access to group retirement plans and other benefits. Not having pensions, 401k's or health benefits, and making incrementally so much less in income than men for the work they do, it's easy to see why women are more worried than men about what will happen to them when they can no longer work. By comparison, fewer men—64 percent—consider the lack of retirement plans and other benefits to be the main disadvantage of gig work. One female respondent said:



The worst thing? No vacation or sick pay, no holiday pay, no retirement, no medical.”

An additional 67 percent of women freelancers said that the lack of stability, job security, and predictability of income were among the worst things about gig work, versus 62 percent of males. Hoping for the next project to come in can be a source of anxiety, while often waiting to be paid for the one that just wrapped up keeps 41 percent of female gig workers and 47 percent of males feeling they can never get off the hamster wheel and take a real vacation.

As they compromise their financial security in retirement for flexibility in their work model, most women (81 percent) are still paying out of their own pockets into an expensive U.S. healthcare system for medical insurance. Only 73 percent of their male colleagues carry health insurance. Taking care of themselves—and their loved ones—in the here and now has replaced, for most gig working women, any planned saving toward retirement. Only 8 percent of the women we talked to have a pension, while 14 percent of male gig workers have one.

Similar discrepancies can be seen in investments—55 percent of men told us they have an investment portfolio, while only 45 of women do. Another sign of living in the here and now, or perhaps in less urban settings, more female gig workers carry car insurance than do males, 75 percent versus 72 percent.

Women are also more likely to be realistic about their projected income at retirement—the majority (70 percent) either expect their monthly retirement income to be under \$3,000 or aren't sure what they can expect. In comparison, 46 percent of men expect to be receiving \$3,000 to over \$6,500 a month in retirement income. Indeed, according to the [UN](#), women are more likely to experience poverty in their old age than men, even in wealthy nations. These figures give a sense as to why. Here's one woman's telling response to a question about her future:



I am considering taking bookkeeping classes as a backup for when the time comes that I can no longer perform my duties, but haven't made up my mind yet.”

Credit cards are held by 78 percent of gig working women and 77 percent of men. Unforeseen costs have to be covered somehow, and women are less likely (11 percent) than men (16 percent) to carry a personal loan. Similarly with long-term care and disability insurance, 11 percent of male freelancers carry one of these products and only 7 percent of females do.

Looking more broadly at this data suggests that, while gig work gives women the flexibility to bring up children and keep a household running, it takes away certainty and hope about their long-term financial future as they miss out on pensions, retirement plans and other benefits traditionally associated with full-time employment. And while male gig workers lament their lack of vacation time and being able to break from the daily grind, it seems the women are too busy even to think about it. One female respondent put it in slightly different terms:



I don't have to work all day with lazy people and love not having a manager breathing down my neck.”

Women freelancers were more financially affected by the pandemic than men

While the pandemic was overall less deleterious for gig workers in America, women freelancers reported more negative impact on their earnings than did the men. Almost half of women—48 percent—told us their income decreased during the pandemic, compared with 39 percent of male gig workers who reported losses. And while 30 percent of the men we surveyed reported income increases due to Covid-19-driven economic changes, only 24 percent of women said the same.

At this point, with the pandemic largely but not completely in the rearview mirror, we asked gig workers about their confidence in their ability to handle various immediate financial crises. Only one woman in 10 felt she would be able to handle a situation in which her income was reduced by a third, whether due to a decline in demand, budget cutting clients, or other. Among the gig working males, 17 percent said they'd be able to weather this. Only a quarter (24 percent) of women said they'd be able to handle an unexpected household financial crisis such as replacing a furnace or paying for a costly auto repair; 35 percent of the men we talked to had confidence that they could handle these setbacks.

The women in our research were slightly more stoic than the men about the impact of the economic crisis on their income over the next 12 months—35 percent of female gig workers expected their income to come down, while 32 percent of male gig workers did. Similarly with their optimism, 21 percent of women expected an increase in earnings due to various aspects of the economic fallout, versus 25 percent of men.

Nevertheless, she persists, and in some areas prevails

Even with 52 percent of female gig workers telling us that not having vacation funding or paid time off was a massive disadvantage, more women than ever are choosing—and somehow managing—to become homeowners. Half of all U.S. households are now headed by women, a trend that, according to this [research](#), carries through across all racial and ethnic groups, with Black women accounting for the largest proportion of households headed by women, at 60 percent. For female gig workers, this is borne out in their responses to the question, How long do you expect to remain in gig work? For 82 percent, they saw their foreseeable future in freelance work, at least as long it remains financially viable.

As to what traditional employers would have to offer to get them back to full-time jobs, 54 percent said the ability to work from home; 53 percent said flexible work hours; 48 percent said employee benefits, such as contributed healthcare, retirement, pension, life insurance, etc.; and 41 percent said a guaranteed salary.

Clearly many employers have some work to do in understanding this vital segment of the economy. The U.S. Administration has proposed [policy](#) that would make federal funding for tech companies contingent on providing affordable childcare and other empowering benefits for their workforce, which could be good news for working women. Meanwhile, as proponents of [Inclusive Capitalism](#), we continue to examine innovative ways both policy makers and the private sector can explore to reduce the economic drawbacks of working in the gig economy, whether for women or men.

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



Sir Nigel Wilson
Group Chief Executive
Legal & General

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).



John Godfrey
Director of Levelling Up
Legal & General

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.



Edyta Borowy
Group Brand Insight Manager
Legal & General

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.