

Part 7 of Legal & General's U.S. Gig Economy Study measures Covid's impact on independent workers' earnings amid emerging work models

Findings identify inequities by geography, professional field and gender and suggest how earnings could look during future economic disruptions

- 43% of gig workers reported earnings declined due to the pandemic; half of these were already in the lowest income segment
- Impact on earnings differed widely by geography, with Texas and Colorado showing biggest decreases
- 1/3 of gig workers said that the pandemic and current economic headwinds had little impact on earnings while 27% said their income increased

New York, NY, June 8, 2023 — The seventh segment of a broad new study sponsored by [Legal & General Group](#) ([LGEN](#), [LGNNY](#)), [Covid's impact on gig worker earnings shapes evolving work models](#) was released today. With the recently signed debt limit bill [clawing back almost \\$30 billion of unspent Covid funding](#) debt and against a backdrop of [projections](#) suggesting that economic headwinds could cause 3.2 million layoffs in the U.S., this report examines the resilience of independent workers during the pandemic, and their capacity to emerge stronger during economic disruptions such as Covid or periods of recession.

This seventh part in the [data-rich study](#) found that under a third (27 percent) benefited while over a third (43 percent) reported that their income declined; the remaining third did not think they either gained or lost economic traction during the two-and-a-half-year period. These numbers skewed significantly when put through a filter of high or low wage earners, with many more independent workers in the highest earnings segment (42 percent for those earning more than \$200K annually) reporting earnings increases. Few gig workers—only 1 in 10—said that the pandemic was a catalyst for them to join the gig economy or had accelerated such a move.

The study measured such specifics as:

- How women freelancers fared and how their chosen fields helped inform this
- How gig working parents (both male and female) were impacted, versus non-parents
- Breakdown of increases vs. decreases by generation (millennials & Gen Z, Gen X, and Boomers)
- Differing impacts on earnings across the 12 most populous U.S. states
- Expectations of income changes during the next 12 months

“It's clear that we need to think of the gig economy as a long-term shift in the American work dynamic. A sizeable percentage of this large swath of the U.S. workforce was negatively impacted during the pandemic—notably women and lower-earning gig workers—though the data suggests many may have fared better than traditional employees. We're able to pinpoint where inequities lie, and this research provides a good sense of where support is needed going forward. It also helps us understand how this segment of the workforce might fare during future economic disruptions, and therefore what provisions might be needed to help independent workers plan for their financial, health and retirement futures.”

John Godfrey, Director of Levelling-Up, Legal & General Group

Pros and cons of pandemic isolation vs. work-from-home

Legal & General's study also looks at the multifaceted societal factors leading to the impacts of Covid-19 on gig workers, including the isolation many reported feeling. Despite inequities and income loss, overall, the pandemic may have represented more continuity than departure for the Gig Economy: 13 percent selected "having a pandemic-ready work life already in place before March 2020" as one of the best things about gig work.

"Our research confirms several inferred conclusions about the pandemic, while raising questions about other effects. U.S. gig workers were probably better prepared for the massive work shift out of the office than their salaried peers, as well as their earning power compared to salaried workers. However, the isolation many reported experiencing, while strongly felt across the entire workforce, points to freelancers' lack of confidence that they're 'in the game' and can safely move into a secure financial future."

John Godfrey, Director of Levelling-Up, Legal & General Group

The final segment of this research will summarize the steps employers would likely need to take to get gig workers back into the traditional workplace—or to try it out for the first time. To receive a pdf of any of these reports, please email Meir Kahtan/MKPR at mkahtan@rcn.com.

Notes to Editors

The information contained in this press release is intended solely for journalists and should not be relied upon by private investors or any other persons to make financial decisions.

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with over £1.2 trillion (\$1.4 trillion) in total assets under management* of which a third is international. We also provide powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

**as of December 31, 2021*

About the Study

Legal & General undertook proprietary research into the attitudes and changes U.S. gig workers are experiencing in relation to their work situations and financial outlook. The **U.S. Gig Economy** research was compiled using original survey data from 1044 U.S.-based workers aged 18 to 60 who are neither students nor retired, and who earn at least 60% of their income from gig work. The data was collected via online survey fielded to individuals sample sourced from YouGov's US panel. The Legal & General-designed survey was scripted and hosted on Gryphon, YouGov's proprietary survey scripting platform, and the field work took place between August 19 and 31, 2022. 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.

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