

## Part 8 of Legal & General's U.S. Gig Economy Study offers guideposts for employer response

### Final segment of research suggests adjustments around changing dynamics, labor models, attitudes, needs

- As the gig economy keeps growing, employers have the opportunity to make use of this resilient, independent talent pool
- 3 main concerns for gig workers: flexibility, pay equity, benefits such as health & retirement:
  - o Hybrid work and flexible work conditions, including work from home, are here to stay
  - o Companies can choose to offer more equitable pay to gig workers for contract services, regardless of gender, minority status, preferences, etc.
  - o Employers may want to develop structures to support freelancers in getting access to benefits such as health insurance and retirement provisions
- After mass layoffs of 2022-23, an expanding gig economy pool provides companies with access to thousands of tech workers

New York, NY, August 2, 2023 — The eighth and final segment of a broad new study on the U.S. Gig Economy sponsored by [Legal & General Group \(LGEN, LGNNY\)](#), [Full Circle: What Employers Need to Know About Independent Workers in America](#) was released today. The report wraps up a year-long, in-depth study of the fast-changing American workforce, with a growing number of independent workers projected to reach [50 percent of the U.S. labor force by 2027](#), in terms of how employers could better adjust to include them.

This eighth part of the [data-rich study](#) yielded the insight that, given the preference of freelancers to stay in the gig economy, companies may need to look for new ways to engage with this valuable part of the workforce, including: better understanding of skills offered, skills gaps they can fill, and integrating into existing teams. Companies will also benefit by setting mutually acceptable terms with their independent contractors, offering ways to contribute to their health and retirement plans. Approaches to attract independent workers back to the workplace range from emphasizing the inclusive, social and supportive aspects of office culture, such as mentoring and teamwork, to understanding gig workers' concerns and financial security needs and moving toward offering solutions.

The study lays out three major areas of concern for U.S. gig workers, as well as a forecast for the IT sector:

- A need for flexibility in working hours and place of work—a continuation of hybrid work
- Addressing the gender pay gap—the study shows women earn 22 to 45 percent less than men
- A lack of financial security benefits, especially health insurance and retirement savings vehicles
- Harnessing the potential glut of IT gig workers in light of massive layoffs in the tech sector in 2022-23

**“The steadily growing U.S. gig economy calls for real change in long-established work models. Understanding the aspirations and concerns of this contingent will help employers resolve to meet some of the needs that are now provided by traditional work. It’s likely that the initial impetus for change will come from the freelancers themselves, as they look to better fill gaps in their health insurance and retirement savings. At the same time, companies that are hiring will benefit from the resilience and agility of independent workers as they become a more integral part of the engine that drives their growth.”**

**Sir Nigel Wilson, Chief Executive, Legal & General Group**

## A grass-roots, not top-down approach to change

Legal & General's report looks at the independent attitudes and resilience of U.S. gig workers, while pointing to their very real needs and concerns. Despite inequities and long-term financial insecurity, their get-it-done attitude could be a huge asset to the many companies experiencing a dearth of talent. But rather than a systemic, top-down solution such as legally mandating insurances and retirement savings for gig workers, the study anticipates that a grass-roots movement coming from these independent workers and their advocates will gradually but meaningfully change how their earnings are structured.

**“While U.S. freelancers weighing the advantages of gig work have clearly come down on the side of independence, several conditions could be improved to level up their situation with that of the mainstream workforce. Independent workers shouldn't have to find themselves short on health insurance or a secure retirement. Companies that hire gig economy workers can attract the best of this resilient, creative workforce by filling these needs, while helping bring about broader social gains in health, wealth and longevity.”**

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

This report concludes Legal & General's U.S. Gig Economy study. To receive a pdf of any of these reports, including two special reports on tech gig workers and female gig workers, please email Meir Kahtan/MKPR at [mkahtan@rcn.com](mailto:mkahtan@rcn.com).

## Notes to Editors

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### 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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