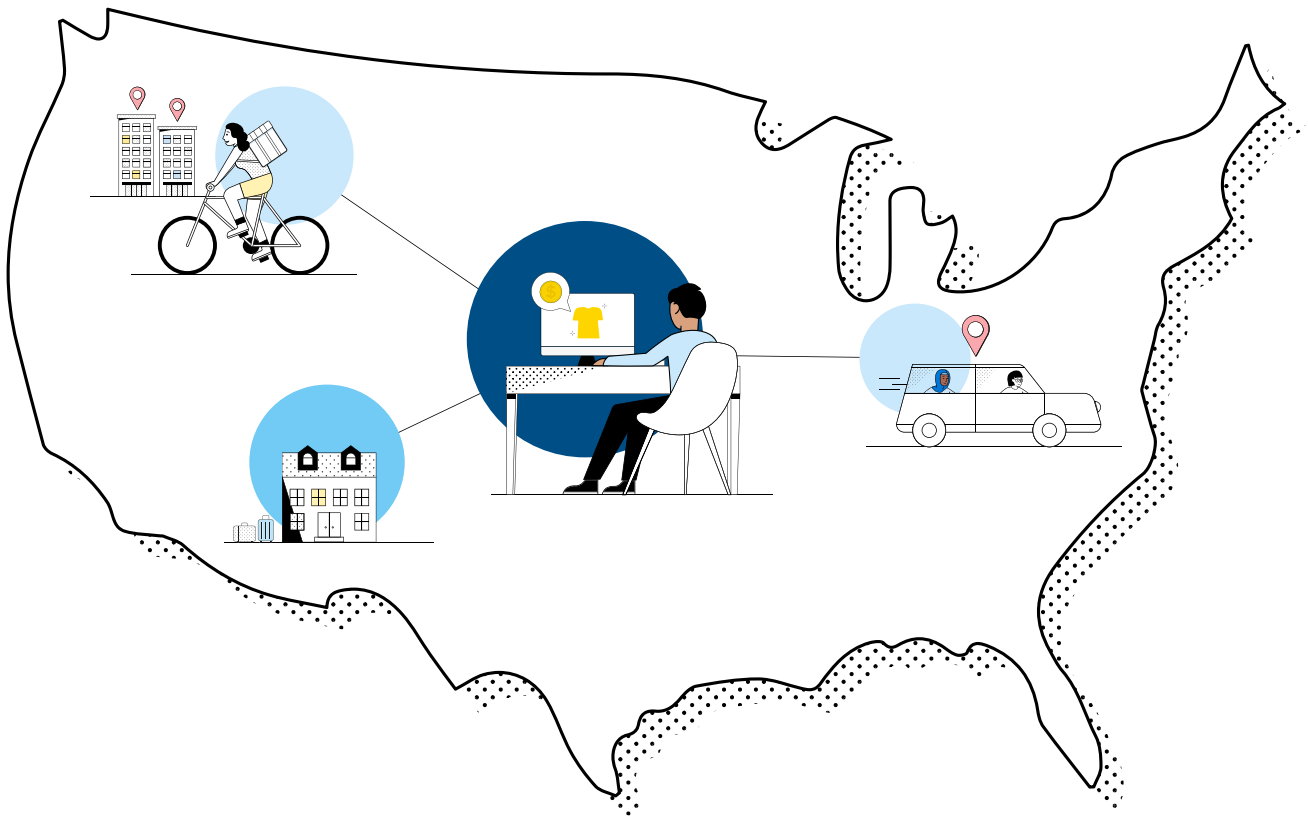


# Legal & General U.S. Gig Economy study

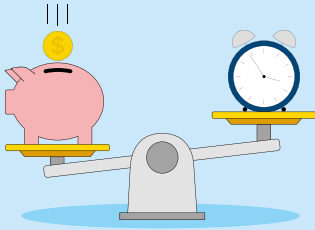
## U.S. Gig Economy study: Part 3

Why Gig Work is becoming a choice for so many



## 82% choose flexibility, freedom to take on more work and earn more

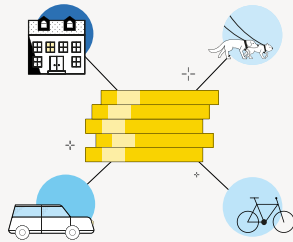
46% value the ability to take on more work and make more money



40% are reluctant to work in a traditional corporate setting for various reasons



63% of respondents say flexibility is the key reason they made this choice



35% of gig workers realize they can make more money working independently – 54% of those earning over **\$100K**

In our ongoing study exploring the gig economy, we've been looking at how this broad and growing trend of work style is rapidly becoming a new American norm worthy of attention across industries and employers. The first part of our comprehensive study of the U.S. Gig Economy, [The Gig Economy is here to stay](#), looked at the rise and apparently lasting nature of independent or gig work as a means of making a living. Part 2, [The Gig Economy Represents a Vast Range of Industries and Fields](#), sets out to place some parameters around gig work and the range of demographics, pay scales, and industries included in this subculture. This third part of our study will focus on the why of gig work: why did people choose or find their way to this work? And how do they describe their own agency in this framework?

We discovered that across income brackets and types of work, most gig work is undertaken by choice, not out of necessity - 82 percent of our respondents told us they choose to be self-employed, with independent workers in food delivery, construction work and white-collar office work all describing the shift to gig work as a deliberate one. In our study, this took many forms, including the moral or ethical choice of not working for a corporation; the lifestyle choice of spending one's time as one sees fit; and perhaps most surprisingly, the financial choice of realizing they could make more money working this way than in

a traditional job or workplace. Their choices were not made out of necessity, nor were they solely caused by shifting macroeconomic conditions due to the [pandemic](#): almost half (47 percent) of our survey respondents have been engaged in gig work for more than a decade, and 68 percent see themselves working in the gig economy for the foreseeable future.

As one survey respondent put it:

“

**I work part time and earn full time pay working from 10 am to approximately 3 pm weekdays. I earn around 80% of my personal income from this line of work.”**

The life-work balance equation seems to be in the minds of many, if not most gig workers. As one respondent succinctly put it:

“

**It is enabling me to be free and to make my own schedule.”**

## A surprising sense of financial stability... for some

Our U.S. Gig Economy study found that 35 percent of all gig workers realized they could earn more money working as an independent contractor, a figure that increased to 54 percent among those earning \$100,000/year or more. The verbatim comments from survey respondents included many feelings of more, not less financial stability from this kind of work, such as:



**It gives me more financial security.”**

Looking at their yearly earnings before taxes gives us some idea of why this is true. Overall, more than half (51 percent) of the gig workers we talked to make over \$50,000 a year through independent work. And the longer they've worked this way, the more likely they are to be in the higher income brackets. Among those who have worked independently for 15 or more years, 60 percent of them are making more than \$50,000, but half of those are making between \$100,000 and \$4 million a year. Meanwhile, 69 percent of shorter tenured independent workers with three years or less in the gig economy make under \$50,000; only 13 percent of them make over \$100,000.

The potential for more elasticity and, to a degree, more control in earning also came through in the study. Asked what the five best things about gig working were, 46 percent of respondents checked off 'the ability to make more money when I want/need to.'

As one gig worker put it:



**I make my own schedule and rates.”**

This sentiment was corroborated by 29 percent of survey respondents.

On the other hand, true to the independent-minded nature of gig workers, not everyone felt this way. Asked to rate the five worst things about gig work, 65 percent cited 'lack of job security, predictability of income.' Only 'not having access to group retirement plans and other benefits' came in higher, at 67 percent. And 60 percent checked off 'having to figure out and pay my own taxes,' a proportion which rose precipitously to 71 percent among those who've been in the gig economy under three years.

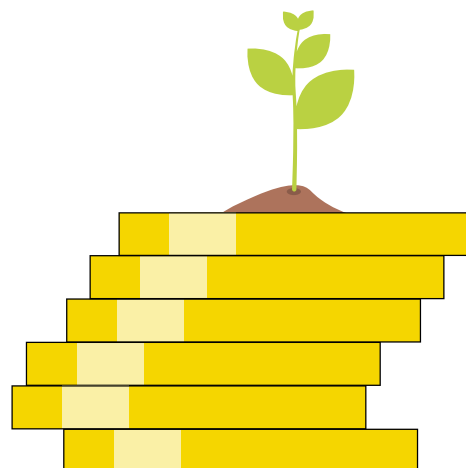
What this all seems to point to is that the longer people work in the gig economy, the more comfortable they get with the freedoms, the responsibilities, and yes, the unknowns of flying without a net.

One survey respondent wrote:



**The worst thing? No vacation or sick pay, no holiday pay, no retirement, no medical. I use my own vehicle and put about 60,000 miles on my car every year.”**

Those who have done gig work for over a decade have figured out a system to make it work for themselves, with their taxes, health insurance, and to a lesser degree, retirement and life insurance, as we will see in future parts of this study.



## The evolution of “sticking it to The Man”

The American worker confined to a windowless cubicle, with no privacy and bathed in harsh fluorescent light, has become an iconic image, a meme present in all movies and TV series—think [The Office](#), [Office Space](#)—that are set in a workplace. The modern worker views this type of work setting as inefficient, overly bureaucratic, and most pointedly, restrictive to their personal sense of freedom.

The U.S. Gig Economy study found that 40 percent of all gig workers were reluctant to work for a corporation, 19 percent said they outright would not work for one. Among the comments we received in answer to the question, ‘What is the best thing about gig work?’:

“

Being my own boss and controlling what work I do and when I work.”

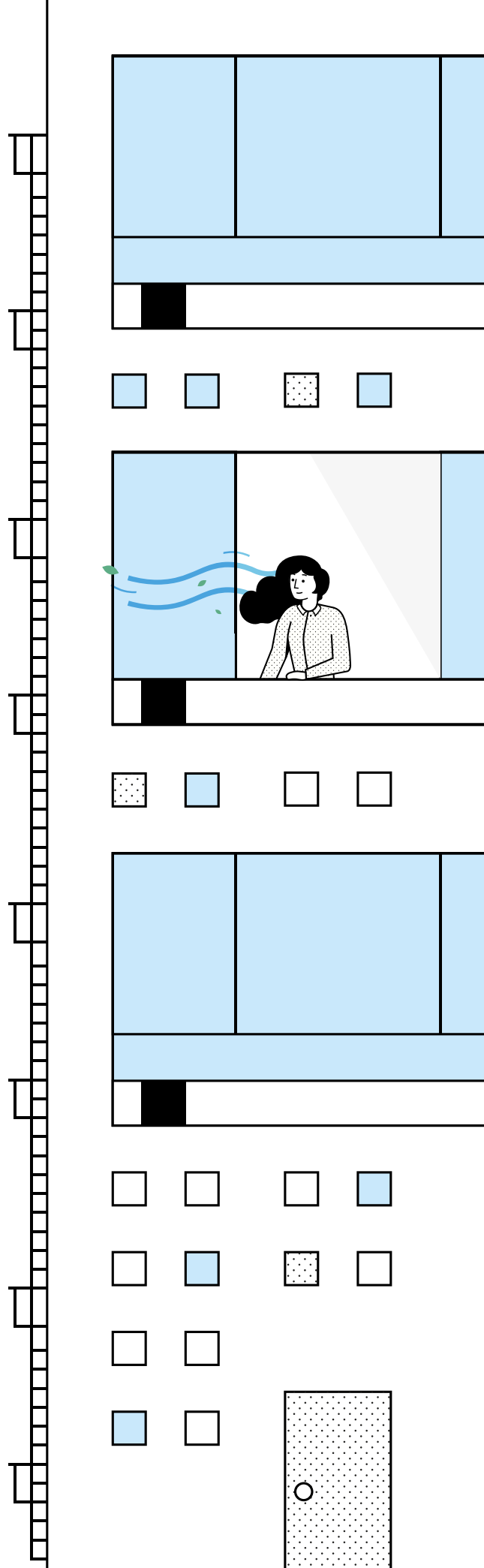
“

No boss, no co-workers.”

“

I get to choose what I accept!”

Not only is the modern American consumer more ethically conscious—choosing brands that promote diversity and eco-friendly—so is the modern American worker. This trend factors into the rise of gig work; 11 percent of those surveyed had ethical issues with corporate America. The study also found that 16 percent of gig workers feel better able to adapt to a changing culture as a result of working independently; on the other hand, 20 percent reported feeling out of the loop in a fast-changing work culture. With the rainbow of diversity in fields of gig employment—from expert consultants to tradesmen to Taskrabbit workers—there is bound to be a similarly wide range of motivations. But the concept of ‘sticking it to the man’—in one [definition](#), taking some action intended to defy a source of oppression such as globalization, commercialization, big business or government—associated with the 1970s hippie movement has clearly evolved and become an increasing sign of empowerment, and will continue to do so.



## Flexibility: an overarching need and desire

By far the greatest reason for Americans to work in the gig economy is flexibility. Gig workers value their flexible lifestyle, with 63 percent saying that flexibility is the key reason this choice works for them. Flexibility is sometimes necessitated by family or health commitments: 13 percent pivoted to gig work because they had a child; 9 percent had health issues or family care commitments that prevented them from working in a traditional work setting and schedule. Some championed flexibility because they simply wanted a more leisurely work-life balance.

Family is greatly intertwined with the modern gig workers' desire for flexibility. Among those with children, flexibility was the main motivator for 69 percent of respondents. We live in an increasingly isolated society and many people argue that technology exacerbates this isolation. As a backlash to loss of community, more and more adults in the United States consider that spending time with their children is more attractive than a bump in pay. Much of today's workforce were raised by the worker-bee mindset of the Baby Boomer generation, and in reaction they don't want to be that Dad who can't play catch because he has to stay late at the office. Gig work accommodates their family-based lifestyle rather than disrupting it.

Flexibility also benefits those who want the opposite—gig workers committed to grinding for the maximum amount of financial payoff, who accounted for 35 percent of those we surveyed. This figure skyrockets to 54 percent when factoring in only those who earned \$100,000 per year or more. The incentive of working for themselves and taking ownership of their own labor seems to prevent the burnout often associated with this competitive mindset.

One high-income bracket respondent said:



**I am my own boss, set my own schedule and priorities.”**

These thoughts encapsulate the fact that gig work often cuts out the middleman, promoting efficiency while eliminating unnecessary administrators.



**I seem to be happier freelancing, and earnings are not much different.”**

said another, summing up the positive correlation between workplace satisfaction and gig work.

While our study found that the overwhelming majority chose gig work as a conscious decision and began to unravel some of the reasons why this is so, we must also objectively acknowledge the minority—those pushed into gig work out of necessity. Among those we surveyed, 13 percent claimed gig work was the next best option when they couldn't secure a job. To this cadre, gig work might be seen as a stepping stone—the bridge between unemployment and a steady job. Those alienated by the job market could ease into a stable career through gig work, using the flexible schedule and lack of direct supervision to hone skills that will become valuable to more traditional employers down the line.

## From flexibility to a social safety net

The flexibility prized by gig workers hints at a theme we'll be taking up later in the study: fierce individualism. Before that, however, we'll address the problem of under-insurance among gig workers, a systemic and worsening problem for Americans as a whole. For almost half of those in the gig economy, having adequate health insurance feels impeded by not working for 'The Man,' and an alarming proportion have no health insurance at all. Life insurance is considered too much of a frill for even half of gig workers to afford. We hope to bring awareness—and eventually tools—to the need for gig workers to have flexibility, the freedom to choose to make more money as needed, and a social safety net that will give them a more secure future.

## 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



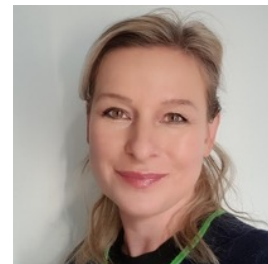
**Sir Nigel Wilson**  
**Group Chief Executive**  
**Legal & General**

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**  
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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.