



The Risks and Benefits of the Gig Economy

for Low-Income Young Adults

AT A GLANCE

This report explores critical issues the gig economy poses for a population at a pivotal moment in their lives—young adults who have gone to college but are new to the workforce and have yet to develop many experiences or connections. Our findings suggest a reality where gig work plays an important role in the financial self-sufficiency of many well-educated, low-income young adults.

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About JFF

JFF is a national nonprofit that drives transformation in the American workforce and education systems. For 35 years, JFF has led the way in designing innovative and scalable solutions that create access to economic advancement for all. Join us as we build a future that works. www.jff.org

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Introduction

The debate over the gig economy’s impact on workers is getting more intense. Some herald gig work as a bright new future of work where people can enjoy the job flexibility and autonomy they crave. Others condemn it as a return to a dark past without basic worker rights, decent pay, or protections.

This much is clear: the gig economy is creating palpable changes in the relationships between employers and workers, and prompting big questions about who, if anyone, should intervene.

Gig earners find temporary work through online platforms that connect customers with people who will walk their dogs, deliver their food, clean their closets, or perform other discrete tasks. Young people make up the largest share of gig workers, yet little is known about their experiences.

JFF zeroed in on the most vulnerable young adults—those with low incomes—and set out to learn why they gig and whether the gig economy is helping or hindering their skill development and economic advancement. Our researchers conducted in-depth interviews with gig workers ages 18 to 26 in a dozen cities. We found most were college students or recent graduates struggling to make ends meet.

“My only goal [related to my gig work] is to not have to be in the gig economy. I don’t see it as a reliable source of income. It definitely doesn’t pay enough to be your sole income.”

— Alan, 23, dog walker

While exploratory, our research indicates that the vast majority of study participants were doing low-skilled gig work, which did not advance their career prospects. Gigs served an immediate need—a relatively quick and easy way to earn some money, with flexibility to do the work around school schedules and other jobs. But few in the study wanted to stay in the gig economy long term. Nearly all of the young adults wanted a full-time traditional job that paid a living wage and benefits.

Almost all experienced similar frustrations: the digital platforms that undergird gig work classify their workers as independent contractors and offer no employee benefits, such as health insurance or paid time off, or pathways to higher pay. The work is unpredictable and unstable—one bad review or failure to meet time requirements may automatically lock people out of a platform with no recourse. And there are limited opportunities to engage in skilled work.

This report explores critical issues the gig economy poses for a population at a pivotal moment in their lives—young adults who have gone to college but are new to the workforce and have yet to develop many experiences or connections. Our findings suggest a reality where gig work plays an important role in the financial self-sufficiency of many well-educated, low-

income young adults. Fueled primarily by low-paying jobs and student debt, and with little grasp of the challenges and benefits of the gig economy, a majority of participants in our sample turned to low-skilled gig work because it was an easy way to earn money quickly. With many employers requiring a college degree for low-salaried, entry-level work, and college indebtedness on the rise, low-income young people are likely to continue turning to the gig economy for the foreseeable future.

Given these realities, what would make it possible for this population to gain the skills and social capital necessary to earn a living wage in the gig economy or to move on to other work that aligns with their career goals? In the discussion section, we note opportunities for new partnerships and approaches that take steps in this direction.

We recommend actions that socially responsible companies—and other public- and private-sector entities—can take to improve outcomes for young adults with low incomes who are or were in the gig economy, and make sure they're able to advance and support themselves. These include:

- Gig platforms can become more transparent and take steps to encourage the economic advancement of their workers, as some are starting to do.

- Training providers can provide information about the benefits and drawbacks of gig work and help young people figure out how to gain skills that will help them move on.
- Other employers can make an effort to recognize and value the wide range of skills potentially developed through gig work.
- Policymakers need to determine new roles for government as gig work exposes shifts in employer-worker relationships.

The next part of this report describes our research methodology, participant characteristics, and the types of gig work undertaken. The following section outlines an emerging framework, or typology, that highlights the young adults' distinct reasons for participating in the gig economy and what they got out of it. The third part summarizes our research findings, followed by a discussion section and recommendations for key audiences.

What Is the Gig Economy?

There is no universally accepted definition of “gig economy.” The broad view of a gig worker is anyone who earns money for work but is not in a traditional employer-employee relationship that provides benefits along with taxable wages. This group includes freelancers and consultants who do technical or skilled work, such as data analysis or coding, as well as workers who provide less skilled services, such as food delivery or ridesharing.

Today, many uses of “gig economy” refer exclusively to technology-enabled temporary work—specifically, work that is accessible only through online platforms that connect customers with workers who perform discrete tasks or projects. This report uses this definition.

And Is It Growing or Slowing?

There has been considerable debate about whether the gig economy will create systemic change in the labor market or remain a small market for supplementary income. In the decade from 2005 to 2015, the share of the U.S. workforce in the gig economy rose from 10.1 percent to 15.8 percent, driven by development of new technologies that enabled transactions directly between providers and consumers, and the difficulty of finding traditional, stable jobs.⁴ More recently, researchers have noted that growth in participation in the gig economy platforms has slowed.⁵



About Our Exploratory Research

In spring 2019, JFF researchers interviewed 33 young adults who were earning money through independent work they found using apps and websites that helped match them with individuals in need of services. Participants engaged primarily through apps such as WAG!, Door Dash, Postmates, TaskRabbit, and Uber Eats, as well as gigs acquired through broader online platforms such as LinkedIn, Facebook, and Craigslist.

Our exploratory study findings are based on 25 individuals who met two criteria for the study's target population: 1) they were between the ages of 18 and 26, and 2) they had a low-to-moderate personal income. Most earned less than \$25,000 per year, and the vast majority earned less than \$35,000.⁶ This is the first study of low-income young adult gig workers we have seen.

By design, the participants were a subset of those who have been the focus of recent research on the gig economy. That research has tended to look broadly across the working population in the United States and other countries, and has included a variety of independent workers who do not necessarily use a digital platform to find work.⁷

Participants were recruited through digital media ads, known networks of organizations working with young adults, and the “snowball method,” where participants nominated others they knew who were doing gig work.

Because there is little data available on low-income young-adult gig workers, we cannot be certain that the research participants are representative of those in the gig economy. However, the characteristics and archetypes we identified are similar enough to what has been reported in the literature on the broader population of gig workers that we are quite confident our study participants provide a reasonably representative indication of the experiences of young adults with low incomes working gig jobs.

Additional information about the research methodology appears in Appendix A. The rest of this section describes the demographic characteristics of the interviewees and the types of gig work in which they were engaged.

Participant Characteristics

AGE AND GENDER

- Most study participants were in the upper end of the age range, ages 22 to 26. Less than a quarter were age 21 or under.
- Just over half were female.

RACIAL AND ETHNIC BACKGROUND

- Participants were distributed across racial and ethnic groups.
- More than half were young adults of color.
- The largest single category was people identifying as white (42 percent).

EDUCATION

- A large majority of participants were enrolled in postsecondary education or had graduated from college (76 percent).
- Two participants were enrolled in a graduate education program.
- A few additional participants reported that they had attended college but not completed and were not currently enrolled (16 percent).
- Two participants indicated that their highest level of educational attainment was a high school diploma or a GED.

GEOGRAPHIC BACKGROUND

- All of the participants lived in urban areas.
- The most were from Boston, followed by Chicago. This is not surprising as most gig work requires some density of population to ensure sufficient demand for services.

OTHER JOBS

- In addition to their gig work, nearly two-thirds of the participants had a traditional job, either full time (36 percent) or part time (28 percent).
- Two participants had both a full-time and a part-time job in addition to their gig work.
- Most of the research participants noted that their income was extremely tight or inadequate for their needs (79 percent).
- Nearly three quarters (70 percent) indicated that gig work provided less than half of their income.

Gig Work Undertaken

The low-income, well-educated young adults who comprise the bulk of our sample of young adult gig workers primarily did low-skilled gig work.

- About a third delivered food as their primary gig (32 percent).
- Nearly a quarter did dog walking and/or dog sitting as their primary gig job (24 percent).
- Just over a third performed skilled work such as editing, tutoring, acting, or digital marketing (36 percent), which tended to pay more than low-skilled gigs.
- Some participants did both skilled and low-skilled work.
- Nearly half the participants worked more than one type of gig job (44 percent), and more than half used multiple gig platforms to find work (56 percent).

PLATFORMS USED

- WAG!, a dog walking app, was the platform used by the largest group of participants (24 percent).
- The next largest group used Postmates, a delivery service app (20 percent).

AVERAGE WEEKLY HOURS DOING GIGS, NUMBER OF YEARS WORKING GIG JOBS

- More than half of participants worked fewer than 20 hours per week doing gig jobs (59 percent), while the rest did gig work 20 hours or more (42 percent).
- Over half had been working gig jobs for more than a year, with nearly a third of the participants having worked at gig jobs for more than two years.



An Emerging Typology of Young Adult Gig Workers

Previous research has developed typologies to categorize independent workers on the basis of whether their work provides primary or supplementary income or on the basis of their motivations for participating in, and strategies for succeeding in, the gig economy.⁸ Neither of these categorizations was a perfect fit for the young adults in our study, though some elements of both were applicable.

We created a new typology based strictly on reasons for doing gig work among our 25 respondents. We recognize that the typology may not be applicable to all low-income youth in the gig economy and, given the small number of young adults in our sample, may not hold up under further research, but it is one way to characterize the young adults in our study. Our typology includes four mutually exclusive groups: Aspiring Entrepreneurs, Struggling Workers, Side-Hustling Students, and Reluctant Gig Workers.

Each is described on the next pages, followed by a profile of a young adult from the study.⁹



Aspiring Entrepreneurs

Aspiring entrepreneurs differ substantially from all of the other types of gig workers in our study. They intentionally use gig opportunities to build skills and develop networks that they believe will help them start their own business someday. They are a little older than the others (over 20), have been doing gig work for at least two years, and have identified very specific career goals, such as starting a theater company, photography studio, or social media business. They are also much more likely to have participated in occupational training programs, including those that teach entrepreneurship. About half plan to continue gig work while they get their business off the ground. The other half hopes to develop sufficient skills to land a more traditional job before trying to launch their own business.

PROFILE: SARAH

After graduating from college with a degree in communications, Sarah, 24, worked a standard 9-to-5 job doing social media at a nonprofit organization. But she found the environment too rigid and turned to the gig economy for its flexibility as well as its opportunities.

Sarah had previously done gig work in college, writing papers and giving reviews. Now she focuses on building skills that will help her start a social media company. As the social media assistant for a small business owner, she is learning a lot about how to create her own business. And her interest in food led her to do social media work for a Haitian farmers market, as well.

Sarah's time in the gig economy has provided her with valuable networks. She sees her

networks as both professional and personal—she learns through her contacts about the business but is also mentored by the people in these businesses. She's developing a potential customer base at the farmers market. And she appreciates that being a gig worker gives her time to work on her business plans. She has already created a logo for her company and identified social media workshops to offer.

Sarah works about 20 hours a week, finding gigs on Craigslist, but would do more if she could find more work in her areas of interest. She worries at times about paying her bills but is careful with budgeting and finances. Like other “aspiring entrepreneurs,” Sarah views the gig economy not as a long-term aspiration but as a short-term means to a greater goal.

“For people just starting a business, there is much to learn from gig work.”

Sarah, 24, social media consultant



Struggling Workers

Struggling workers all do gig jobs in addition to traditional jobs, motivated by their desire to supplement the low wages that their traditional work pays. Three-quarters earn less than \$25,000 a year at their regular jobs, whether part time or full time. Nearly all have a college degree, yet most are doing low-skilled gigs, such as dog walking or food delivery. About three-quarters see gig work as a short-term prospect only. A similar proportion say their gig jobs provide less than 25 percent of their income and they do gig work less than 20 hours per week. About half had been a gig worker for less than a year at the time of the study. Just under two-thirds have clear career goals that differ from the traditional work they are currently doing. Their goals range from becoming a school psychologist to doing marketing for a sports team.

PROFILE: ALAN

Alan, 23, took a one-year public service job after college graduation. The position entailed supporting the data analysts at a nonprofit organization. The position fulfilled his goal of doing public service but he was unaware the living allowance would not be enough to make ends meet. A friend who had been using the gig platform WAG! to get dog-walking and dog-sitting work suggested Alan look into it as a way to supplement his income. After paying a nominal fee for a background check, Alan began gigs within a few days.

Most of Alan's gig income comes from dog sitting for a week or two at a time, in his apartment or in the dog's home. He spends 5 to 15 hours per week walking dogs,

depending on the workload at his full-time job and on the weather. He plans to keep using the WAG! app after his nonprofit job ends while looking for a policy research position in city government. He anticipates doing gig work again in graduate school to help pay bills.

Like other "struggling workers," Alan enjoys the flexibility of gig work and the extra cash he earns. He also enjoys being able to spend time with dogs because he cannot afford his own. But he does not see his gig work as related to his goals for the future. He also views it as an undesirable primary source of income, because it doesn't include benefits such as health insurance.

"I am just out of college, and I don't foresee myself making loads of money in the next couple years. So, it's a good way to earn a couple hundred extra dollars a month for bills or just for some disposable income."

Alan, 23, dog walker



Side-Hustling Students

Side-hustling students are a type of gig worker that may be unique to young adults. They are all undergraduates motivated to do low-skilled gig work for covering school necessities and spending money. Nearly all earn less than \$25,000 per year, and a majority earn at least half from gig work. About half work less than 15 hours a week in the gig economy and half do gig work more than 20 hours per week. All but one participant in the group have very clear career goals, ranging from becoming an editor to a music therapist. For them, gig work is a short-term hustle while in school, not a step toward a career. They are just pleased to be able to easily and quickly earn extra cash they can use to cover school costs, such as food or books, or spending money to use to go out with friends.

PROFILE: NADIA

Nadia, 20, is a college junior studying mechanical engineering in hopes of launching an engineering career. She began using the Sittercity and Care.com apps for babysitting gigs when she left school for a semester for health reasons and needed to earn money quickly. Nadia continued babysitting gigs after returning to school because she can only afford tuition, not food, books, clothing, or other necessary items.

Nadia opted for babysitting because she enjoys working with children. After paying \$20 for a background check, she quickly connected online with families looking for a babysitter. She primarily uses Care.com, which allows her to meet each client before agreeing to work for them and to establish her own pay rate.

When Nadia was out of school, she babysat for the same family about 12 hours a week. Once she returned to college, she limited her babysitting to weekends so she could prioritize schoolwork. In her view, the gig work is temporary.

Like other “side-hustling students,” Nadia uses gig work to cover both school costs and personal expenses. She was grateful for the work when she was out of school and needed to make money quickly, and she appreciates the flexibility and opportunities to earn spending money now that she is back in school. Although she believes she has improved her people skills through gig work, she considers it irrelevant to her long-term professional goals.

**“When I graduate, I don’t plan to do gig work. Maybe once in a while.
But nothing like right now.”**

Nadia, 20, babysitter



Reluctant Gig Workers

Reluctant gig workers are between traditional jobs or they are trying to return to school. They gig because they feel they have no other options. Gig work provides a primary source of income but they would prefer to do something else, even though they are unsure what that might be. Fewer than half are college graduates, and all are doing low-skilled gigs. More than half make most of their money from gig work, and all but one spends more than 15 hours per week doing gigs. All earn less than \$25,000 per year, and almost all lack clear career goals. Notably, most have been doing gig work for over a year. Many young adults in this group, even more than workers in the other groups, need help learning about better opportunities in the gig economy and how to take advantage of them, establishing a career trajectory, and/or leveraging their gig work to help them meet their professional goals.

PROFILE: REGGIE

Reggie, 23, has been in the gig economy for five years, and it is his sole source of income. He has worked for app-based delivery services Favor and Postmates, and currently works about 20 hours a week for DoorDash.

Reggie's primary reason for doing gig work? Being able to cover his rent. He likes that DoorDash offers peak pay from 4:30 to 9 p.m., when he can get a bonus on every order and earns \$20 or more per hour. Working outside of these hours, according to Reggie, isn't worth it, given the costs of gas, time, and effort.

Reggie had always hoped that working in the gig economy would be short term and a stepping-stone to something better. His father has suggested he use his gig work

experience to get a more traditional job like driving a bus or a FedEx truck. But Reggie can't see himself in any career that's not creative or artistic.

He has been in a band, worked with music studios and producers, and did a bit in film and television. But he doesn't know how to find steady, reliable work in those fields.

Like other "reluctant gig workers," Reggie wants to leave the gig economy. Although he has learned how to maximize earnings from the apps he uses, he is not gaining the skills or experience he needs to move into a position that is aligned with his career goals and interests.

“The reason I’ve kept with it so long is because it’s easy money. You can set your own schedules... You don’t really have anyone to report to. And you can just do it however much you want.”

Reggie, 23, delivery driver



Findings

Based on our analysis of participant interviews and the typology we developed, we arrived at four key findings about the impact of the gig economy on the young adults in our study:

1 Low-skilled gig work is unlikely to advance the economic mobility of the low-income young adults in our study, though it did serve as an economic safety net for many.

The benefits of gig work for most interviewees came from their ability to quickly access an income-earning opportunity, with a lot of flexibility to work around school or traditional jobs. Their primary sources of income were insufficient and their gig wages helped them pay off debt, pay their rent, or make ends meet. For some, gigs provided spending money, allowing them to go out with friends or buy something extra.

Moreover, there is no opportunity for career advancement from the tech platforms used to access the work, and little opportunity to leverage the type of work they are doing to attain their professional goals. While nearly two-thirds of the study participants (64 percent) articulated very clear career goals, their gig work—mostly dog walking and food delivery—was not at all related to these goals.

Rather, the gig economy helped them support themselves while they looked to for a full-time job that matched their career goals. Thus, as a source of income, the gig economy may have served as a sort of safety net—helping the young adults in our study avoid economic decline. We have no evidence to suggest that the converse is true—that gig work serves as a means of economic advancement. The vast majority of participants viewed gig work as a short-term endeavor based on their current circumstances, such as attending school or working in a low-paying traditional job. They did not envision themselves continuing gig work when their circumstances changed. For most, their plan was to either return to school or to find a more traditional job that would provide career opportunities, or both. Even the aspiring entrepreneurs realized that they would need to build some skills through traditional work opportunities before they could start their own businesses.

This exemplifies the biggest challenge for gig economy participation for low-income young adults. They simply do not have the skills or experience to make a career out of gig work at this point in their lives. Even

those who gig full time are not doing it as a career. Instead they are doing it as a last resort while they are between jobs or trying to figure out a career pathway that is right for them.

2 The low-skilled gig economy provided little opportunity for most low-income young adults in our study to build valuable skills or create connections to help them build a career trajectory.

Only the small group of aspiring entrepreneurs in our study used the gig economy to build higher-level skills and develop personal and professional connections that supported their career goals, in areas such as finance, business management, or digital media. The vast majority of the young people took gigs just to earn money, and they were doing low-skilled work that did not advance their careers.

Yet about half of the research participants identified general employability skills they learned or improved on through their gig work. These included customer service, time management, communication skills, and marketing.

The other half of participants did not see gig work as a skill-building opportunity, or they did not recognize the value of the skills they were developing.

It appears that these skills could help them in searching for and securing traditional full-time jobs. In addition, everyone in our study needed a level of maturity and agency to engage in gig work while managing time, in order to meet clients' needs and balancing their gig work with their traditional jobs, school work, and other responsibilities.

However, it is not clear to what extent any of our research participants saw their work in the gig economy as an opportunity to improve their chances of career advancement in more traditional jobs. Few seemed to understand the maturity and agency they were bringing to this work that helped them succeed in gig work, nor the value that such skills bring to traditional employers.

3 The lack of employee benefits, isolation, hidden costs, and limited control over working conditions were major drawbacks for most low-income young adults in our sample.

Overall, the way gig platforms operate creates big disincentives for long-term participation of young adults, despite the benefits of setting their own schedule and being their own boss. A major concern about gig work was the lack of benefits, particularly health insurance. Most study participants identified benefits as a major advantage of traditional employment, which

is one reason nearly all were interested in finding a full-time traditional job that paid a livable wage.

Another concern was the amount of risk that gig jobs required them to assume, such as bike accidents, car accidents, or dogs getting loose, without any protections.

Many people in our study noted other problems, as well, such as the ever-changing logistics of platforms designed for the benefit of shareholders rather than workers; hidden costs such as gas, wear and tear on cars or bikes, and lost time waiting for gigs; as well as the isolation that comes with working for oneself and low wages with limited opportunities to earn sufficient income.¹⁰ These costs simply outweigh the benefits for this group except as a stopgap measure for those who need to earn income.

4 The tech platforms provided easy access to gig jobs, but opaque rules of engagement created a challenging work environment for low-income young adults in our study.

Most of the research participants used one or more platforms to identify gig jobs, but they lacked knowledge about how the platforms operated, including how much they were paid for their work. The platforms are not transparent about these issues and it's not easy for participants to


connect with company representatives when they have questions or concerns. Communication appears to occur primarily through email and participants found it difficult to find a way to talk to a person, although this does vary among the apps.

Gig workers typically are rated by every client, and a missed task or error in a delivery can lead to a demotion (which lowers a person's rating) or getting locked out of the app. A few of our interviewees found themselves in exactly these situations.

The few of our participants who tried to reach company representatives to raise concerns did not get satisfactory responses generally because they could not reach an actual person to talk to.

The apps have also changed over time. In the early days, gig workers had a lot of flexibility in when they worked and for how long. Over time, gig workers have become more boxed in as some of the apps started requiring that workers accept a certain number of gigs within a certain time frame in order to remain active. As a result, many workers have lost the level of flexibility they once enjoyed.

In addition, some apps have increased fees, although the reasons for the fees—or even their total amount—are not clear to workers. This makes it more difficult to earn sufficient income.



Discussion

The gig economy has played a major role recently in making visible how technology may be changing relationships between workers and employers, and the evolution appears likely to continue.

Our findings suggest that gig work plays an important role in the economic well-being of many well-educated low-income young adults. Motivated by student debt and low-paying traditional jobs, a majority of the young adults we interviewed turned to low-skilled gig work because of its flexibility and quick payoffs. Although some recognized the networking and skill-building potential of gig work, most viewed the gig economy as a short-term solution to their current financial need. They gravitated to gig work they heard about from friends or family members, and they were unaware of other types of gig opportunities that might pay more.

With college indebtedness on the rise and many traditional employers requiring a college degree for low-salaried, entry-level jobs, gig work is likely to remain a safety net of sorts for low-income young adults for the foreseeable future. Unfortunately, it is unlikely to constitute a path toward upward mobility, especially as currently constituted by the platform companies.

As Alexandra J. Ravenelle noted in her book *Hustle and Gig: Struggling and Surviving in the Sharing Economy*, “For workers who have high levels of social and cultural capital and skills, the sharing economy can offer a dream job with increased flexibility, choice and control. But for workers who lack these components, the gig economy simply takes already low-level work, adds an app, and increases the precarity factor.”¹²

“I’m very aware that the apps are designed to get the maximum amount of work out of [workers] while providing as little as possible. Working in isolation provides little opportunity to have any power over the situation.”

—Matthew, 24,
delivery driver

Some gig companies address worker advancement

Some companies, including some of those in this study, are making efforts to varying degrees to address these challenges. For example, Postmates launched a small program to help drivers seeking full-time work with job search skills. Their Job Search Accelerator, which involves partnerships with JVS, edX, Upwardly Global, and a San Francisco-based tech apprenticeship program, served about 30 people in its first year and is being expanded.

There are also companies that are more directly attending to the economic advancement of their workers. For example, [Driver's Seat](#) is a new driver-owned cooperative that is in the early stages of using data to help drivers make more informed decisions and earn money more efficiently. On-demand drivers use the Driver's Seat app to track and share data with the Driver's Seat Cooperative. Pooled and analyzed data can help drivers optimize their earnings, advising where to drive when demand is low and how to choose the highest-paying work schedule that meets an individual driver's needs. When the Driver's Seat Cooperative profits from data sales, driver-owners receive dividends and share the wealth.

Several states propose fundamental change

At the same time, some states have been taking matters into their own hands to effect more fundamental change by proposing legislation to expand the rights of gig workers by challenging their classification as independent contractors. Under the federal Fair Labor Standards Act, companies must follow certain criteria in determining whether workers are considered to be independent contractors or employees. Independent contractors are not subject to FLSA provisions for minimum wage or overtime pay, for example.

Gig economy workers take on all the risks of independent work, given the lack of job security or any benefits. In the early days of the platform economy, those working in the gig economy had significant flexibility and autonomy, as well. They decided when and how long they worked and, in some cases, like the early days of TaskRabbit, what types of jobs they took on.

Over time, this has changed and gig workers no longer have the level of flexibility they once enjoyed. They now are typically required to work a specific number of hours, can be assigned tasks instead of choosing those based on their expertise and interests, and if they do not

maintain a certain number of hours can be shut out of the app. These types of changes have raised questions about just how independent gig workers actually are.

In September 2019, California legislators passed a landmark bill requiring companies like Uber and Lyft to redefine workers as employees. Although the law is being challenged by major tech companies, as of January 1, 2020, gig workers in California for the first time have the labor protections and benefits that all employees have, such as health insurance, workers' compensation, and unionizing.

Uber, Lyft, Postmates, and DoorDash pledged to spend \$30 million each on a 2020 ballot initiative to reverse the law, though it still has had a ripple effect around the country. Pushed by labor groups, similar legislation has taken root in New York, Oregon, and Washington State.

In New York City, drivers for ride-hailing apps now receive a minimum wage, though they are not classified as employees. Seattle was the first city to approve a law allowing Uber and app drivers to unionize but the measure has faced a legal challenge.

More recently, New Jersey argued that Uber had misclassified their workers as independent contractors and not as employees. The state has demanded that Uber pay \$649 million for years of unpaid employment taxes for its drivers. The case represents a major escalation in how states nationwide are viewing the employment practices at the core of many app-based companies.

The variety of state responses, though nascent, suggests that policymakers will be compelled to determine new roles that government must play as gig work, and other work driven by new technologies, change the worker-employer relationship.



Recommendations

This section provides more targeted suggestions for how gig companies, training providers, traditional employers, as well as gig workers themselves, can take action to improve economic mobility for low-income young adults in the gig economy.

Tech Companies Operating Gig Platforms

It seems likely that the tech platforms and apps are intentionally opaque in ways that benefit the company, such as by increasing fees without notice and requiring workers to take on a certain number of gigs to remain active on the app. Understandably, these are ways for tech companies to increase profits. However, unlike more traditional employees, gig workers have little recourse to appeal such actions because it is so difficult to reach a company representative.

While our interviewees could do little about the lack of transparency on certain apps, they did try different platforms looking for the best working conditions. Tech companies may want to consider that many young people, who are the largest group of gig workers, are savvy enough to find platforms that are the most lucrative. If they were more transparent—or provided bonuses or incentive pay for

longevity—it's possible that more young adults would gravitate to and remain in the gig economy longer.

Instituting a digital badging system, which technology companies frequently use to drive professional development, could also potentially extend the time that young adults stay in the gig economy. A badging system that identifies and rewards the skills workers earn on the job, such as customer service, time management, and communication, may also inspire young adults to work longer in the gig economy. Adding badges to their resumes and LinkedIn profiles would signal to prospective employers the value of their time doing gig work.

Training Providers

The majority of our research participants did not appear to understand the potential value of having a better understanding of the gig economy and what it could offer them. Yet all of our interviewees could benefit from training to better navigate the gig economy, be aware of both the upsides and the downsides, and better understand how the platforms work and profit from that knowledge.

Further, low-income young adults would benefit from a better understanding of the

breadth of opportunities the gig economy offers beyond the low-skilled work they were typically doing. Their motivation for doing gig work was primarily to pay off debt—mainly college loans—and avoid incurring more debt. The large majority of participants worked low-skill jobs because they offered quick money. If training providers could help expand their skills and guide them toward higher-level gigs that paid more, they could potentially get out of debt sooner, while developing marketable abilities for future jobs.

Training of this type, ideally offered by professionals who focus on this population of young adults, would be beneficial for both entrepreneurs and those doing low-skilled work.

Training providers should also specifically address the risks and benefits of working gig jobs that provide no benefits. Almost all of our participants lived in dense urban communities and many rode bikes delivering for Postmates and DoorDash. Having a better understanding of the risks they are taking may help them to reconsider the types of gigs they accept and instead look for gigs with less risk. This would be especially important for the population of low-income young people that participated in the research.

All could also benefit from understanding how their gig work can be leveraged for finding work related to their career goals—

the skills and agency they demonstrate by being responsible and providing high levels of customer service could help build strong resumes.

Young Adults With Low Incomes in the Gig Economy

Young adults with low incomes in the gig economy could benefit from considering the following set of questions that should help them to be better prepared to succeed. Ideally, they would have this conversation with someone they trust, such as, a family member, teacher, friend who is already working in the gig economy, or staff at an organization they belong to. Below is a set of questions that could facilitate such a conversation:

1. What type of gig work are you interested in?
2. What apps are you aware of? What do you know about them?
3. Who do you know who has done gig work? Have you talked to them about the pros and cons of their experiences?
4. What do you want to accomplish from working in the gig economy?
5. Have you received any advice about the gig economy from family, friends, or others working in the gig economy?
6. How will you know if the gig economy is a good fit for you?
7. Have you set up a bank account and direct deposit, and are you aware that

you have to pay taxes when working in the gig economy?

8. Have you considered the skills you will need to succeed in the gig economy?
9. Have you thought about how the gig work could benefit you? What type of gig work do you think would be beneficial?
10. Have you had any advice on what might be the best platforms to work on?
11. Are you aware of how the platforms work? Do you know how you can learn about how the platforms work?
12. If you are planning on doing a gig job that requires a car, have you considered the costs of car ownership, for example insurance coverage, wear and tear, and maintenance?
13. How might you talk about the skills you learned in the gig economy to a potential traditional employer?

Traditional Employers

It is not clear at this point whether traditional employers consider the possibility that the gig economy will become a competing market for employees who are entering the labor market. As noted above, current data indicate that the gig economy continues to grow and young adults continue to have the highest participation rate.

The well-educated, low-income young adults we interviewed were working in

both traditional jobs and the gig economy. This was largely because they were overeducated for the entry-level positions they took and were not paid a salary that aligned with the skills they brought to the job.

As a result, they turned to the gig economy to supplement their incomes in order to pay off school debt, pay their rent, and cover other necessities.

If employers are going to continue to require bachelor's degrees for low-level entry jobs, they should increase their wages so that they align with the skills the college-educated young adults bring to the position. Higher wages would also likely keep the young adults in the positions longer.

In addition to their education, young adults working in the gig economy bring a set of key skills that employers need. These include skills such as time management, customer service, communications skills, and marketing. Employers should recognize and validate these skills.

Employers should consider addressing the question of whether a prospective employee has spent time in the gig economy both in applications and interview questions. Employers should be aware of and acknowledge the key skills that young adults who have spent time in the gig economy bring to their potential employment.



Conclusion

The use of the gig economy by this population at a pivotal moment in their lives deserves more attention and exploration in future research. Many questions remain. Foremost among them is: What is the long-term economic impact of gig work for this population? Others include: How long do low-income young adults continue to gig and why? How is gig work associated with their short-term and long-term career goals? How do findings differ for low-income young adults at the younger end of the age spectrum? To what extent does our sample represent young low-income gig workers?

Our findings, as preliminary as they are, all point to the need to better understand the outcomes for this and other segments of the gig worker population. The gig economy is evolving. Some gig companies are taking initial steps to improve working conditions or help workers find full-time jobs elsewhere, while some of the same companies are fighting state efforts to expand worker rights, saying proposed laws will hurt business. This suggests a complicated dynamic. Technology is changing industries while also revealing shifts in the employer-employee relationship and the employer-state relationship.

Clearly, it is imperative that the public, policymakers, traditional employers, and the gig economy corporations themselves all play a role in facilitating and improving how low-income young adults navigate and benefit from the gig economy. The longer-term question will be how economic mobility, dignified work, and automation can become equal partners in the American dream.

Appendix A: Methodology

This study is based on interviews with 25 individuals ages 18 through 26 who were earning income through independent work they found with the use of apps and websites. This appendix describes our approach to recruitment, the makeup of the final research sample, our approach to data collection and analysis, and the survey instruments used.

Recruitment

Participants for the study were recruited using a variety of approaches. Our initial approach to recruitment was to place ads on digital media available to JFF (e.g., Twitter, Facebook). The ads included an incentive—in this case, a \$50 Amazon gift card.

Despite a variety of approaches, such as identifying and targeting certain urban areas where the gig economy was flourishing, trying to match the specific ads used to the geographic areas, such as the South, and varying the lengths of time the ads were posted, we had limited uptake. There are a couple of probable reasons. One is that the young adults we were recruiting likely never heard of JFF and may have not trusted that the ads were legitimate. Another is that the ads included a telephone number participants had to call in order to enroll in the study, which may have been a step the young people were not willing to take.

We had considerably more success when we turned to our known networks of organizations working with young adults. These included organizations in Santa Ana, California; Chicago; and Philadelphia, among others. In this approach, the young people were being recruited by people they knew and trusted, which likely made them more willing to participate and enroll in the study. In addition, we used the “snowball method,” where participants nominated other young adults they knew who were doing work in the gig economy to participate.

Sample

The final research sample included 25 individuals who met the two key criteria for our target population: 1) between the ages of 18 and 26; and 2) low to moderate income (< \$49,000 in personal income).

The participants comprise a convenience sample, given the recruitment approaches. Because there is so little data available for this specific population of gig workers, we cannot be certain that our participants are representative of all low-income 18-to-26-year-olds participating in the gig economy.

However, the characteristics and types we identified among our participants are similar enough to what has been reported in the literature for the larger population of gig workers that we are confident that

the participants in this study provide a reasonably representative indication of the experiences of low-income young adults working gig jobs. (See *Appendix B: Data for detailed information about the research participants.*)

Data Collection and Analysis

During May and June 2019, three JFF researchers completed phone interviews with 33 individuals using a semi-structured interview protocol developed in part through a review of recent research on gig economy workers. The protocol was revised for clarity after each of the researchers had completed an interview and met to discuss how well the questions worked to elicit participant responses. Phone interviews lasted from 30 to 60 minutes and were recorded and transcribed. In addition, each of the participants was asked to complete a brief survey requesting demographic and other background data to assist in making sure that individuals met our key criteria. Both the survey and the interview data were used to eliminate 5 respondents who did not meet our target criteria. One respondent was eliminated because of age; the remaining 4 were eliminated because their personal income exceeded \$49,000, resulting in our final sample of 25 low-to-moderate-income youth ages 18 through 26.

The researchers developed an analytic framework based on the interview protocol, identifying four key areas for analysis: 1) participant background; 2) details of gig work; 3) career goals and skill development; and 4) perceptions of opportunities and challenges of gig work. Using this framework, transcribed interviews were coded to identify themes within these four areas, with the assistance of a qualitative software package. Coded data were summarized into a set of matrices by participant that were used to identify emergent findings, as well as commonalities and differences across participants. Both the survey data and the summary data were used to create descriptive information on the demographic and other characteristics of the participants.

Researchers met several times to discuss the emerging themes, commonalities, and differences across participants, ultimately using them to sort the participants into the four categories that comprise the typology included in the report: 1) Aspiring Entrepreneur; 2) Struggling Worker; 3) Side-Hustling Student; and 4) Reluctant Gig Worker. Summary tables providing descriptive information across all participants as well as characteristics by each of the four categories of the typology follow in Appendix B.

Pre-Interview Survey

1. What is your name?

2. What is your marital status?

Married Single Other

3. Do you live with a partner?

Yes No

4. Do you have children?

Yes No

5. Are you a student?

Yes No

6. What is your educational attainment level?

GED

High School Some College

AA BA/BS BA/BS+

7. Have you received any occupational training?

Yes No

8. Your total household income is best described as:

Under \$25,000

\$25,000-34,999

\$35,000-49,999

\$50,000-74,999

\$75,000+

9. Your personal income is best described as:

Under \$25,000

\$25,000-34,999

\$35,000-49,999

\$50,000-74,999

\$75,000+

10. How would you describe your income in words?

Inadequate for needs

Tight

Adequate

More than enough

11. Over the past six months, what percentage of your total income has come from your gig economy jobs?

Under 10%

10-24%

25-49%

50-74%

75-99%

100%

Interview Protocol

Implications Of The Gig Economy For Young Adults Residing In Low-Income Communities

Introduction

Thank you for taking the time to speak with me today and for filling out the background survey. Before we start, I'd like to provide a little context about our work and answer any questions you might have for me. As you probably know, I work for JFF, a national nonprofit that works on creating changes in the American workforce and education systems to create access to economic advancement for all. We are conducting interviews as part of our work to understand how the on-

demand or “gig economy” is supporting or hindering the skill development and economic mobility of young adults. We want to get a better understanding of the motivation of and strategies used by young adults like yourself who are working in the gig economy.

The interview questions will focus on the type of gig economy work you do and how it fits into or shapes your life currently, your career goals and how they are related to the gig economy work that you do, and the opportunities and challenges you have encountered as part of your gig work. We want to learn about how you became part of the gig economy workforce, and what you’ve learned as a result.

The interview should take about an hour. To ensure accuracy of the information we report, I would like to get your permission to record the interview. I also want to assure you that all the information you share with me will be kept confidential and will be used only for the purposes of this project. Do I have your permission to record the conversation? If at any point during our conversation you wish for me to turn off the recorder, please let me know and I will do so. Great. Let’s get started.

Background

1. *To begin, let’s talk a little about your background and your gig economy work*

in general. What type of gig jobs have you been doing?

- What platforms do you use to get gig jobs?
- Do you also have a full-time job? If yes, what type of work do you do? Is it related at all to the gig work? Please explain.
- Are you a student currently or are you enrolled in a training program? How do you balance your work and school time?
- Are you using your gig work to support your coursework or training?
- Probe, if necessary: Where does work in the gig economy fit into your current life (e.g., funding school or training courses, earning extra cash, stopgap until finding a full-time job)?
- Probe, if necessary: Where does work in the gig economy fit into your plans for the future, if at all (e.g., saving money for school)?

2. *How long have you been working gig jobs?*

- What got you started working gig jobs?
- In a typical week, how many hours do you spend working gig jobs? How is that distributed across multiple platforms, if at all?
- In the past six months, has the amount of time you spend in gig jobs changed at all? If yes, please explain.
- Do you have family members or friends working in the gig economy?

To what extent were they an influence on your decision? In what ways?

- Do you consider your gig work long term or short term? Please explain.

Thinking about the gig work where you spend most of your time (can confirm from pre-interview data they have already provided [e.g., from participant list] or from above conversation):

3. *Do you have any specific goals related to your gig economy work? If so, please describe.*

- Would you say that you have been successful in meeting these goals? Please explain.
- What has helped you to be successful in your gig economy work? *OR*: What challenges have you encountered in meeting your goals for your gig economy work?
- What would be helpful to you in being more successful in your gig economy work (e.g., job training, career planning)?

Let's talk now about your career goals and interests, and how your gig economy work may support those.

Career Goals and Skill Development

4. *Probe: What are your career goals and interests currently? Do you have any specific goals for the next year? For the next five years? Please explain.*

- Do you see your gig work helping you to achieve these goals? If yes, how so?

- What barriers do you see in attaining your goals?

5. *What new skills or interests have you gained from working in the gig economy, if any (e.g., improved personal interactions)?*

- Probe: Did you need to develop any skills to take advantage of work available through specific platforms (e.g., marketing)? Please explain.

- In what ways, if at all, do you find the work engaging?

6. *What new networks have you developed as a result of your gig economy work?*

- Probe: To what extent has working in the gig economy helped you to develop professional networks? To what extent will this help you meet your career goals? Please explain.

- Probe: To what extent has working in the gig economy helped you to develop social networks? To what extent will this help you meet your career goals? Please explain.

7. *How do you promote yourself in the gig economy?*

- Do you have a "brand?" If yes, please explain.

8. *How has the gig work changed you, if at all?*

- Have you changed your career goals?
- Have you changed your plans for

school or training?

Opportunities and Challenges

9. *If relevant: Have you ever been employed in a more traditional business or considered more traditional employment options—full-time work with benefits? Please explain.*
 - What do you see as the pros and cons of more traditional or other full-time work compared to the gig work you do?
10. *If relevant: Do you have any plans to transition to more traditional full-time employment? Why or why not?*
 - What type of work do you plan to transition to?
 - When do you plan to transition to a traditional job?
 - Will you continue to do gig work after that transition?
 - To what extent has your gig work helped you secure this employment?
11. *What do you see as the challenges of working in the gig economy?*
 - Probe: Insufficient hours, isolation, lack of benefits.
12. *What do you see as the opportunities of working in the gig economy?*
 - Probe: flexibility, skill development, supplemental income.
13. *In what ways has your gig economy work had a positive impact on your life?*

- Probe: Income, learning, social network

14. *In what ways has your gig economy work had a negative impact on your life?*
15. *Do you feel that the platform(s) through which you conduct your business offer a fair deal to you as a contractor for their service? Please explain.*

- Probe: In what ways does this differ by platform?

Closing

16. *To wrap up: Is there anything that I haven't asked about that you would like to share with us about your gig economy work or your plans for the future?*
17. *What advice would you give someone your age who is just starting to work in the gig economy?*
18. *Do you know anyone ages 18 through 26 working in the gig economy who might be interested in participating in our study? If so, please ask them to contact Sandra at JFF.*

Appendix B: Data

FIGURE 1. AGE

Ex	Percent of Respondents (%)
Age (n=25)	
18-19	8
20-21	16
22-23	36
24-26	40
Gender (n=24)	
Female	54
Male	38
Nonbinary	8
Race/Ethnicity (n=24)	
White	42
Black	33
Hispanic	21
Other	4

Note: Sample size varies for each item because all respondents did not answer all items. Percentages may exceed 100 due to rounding.

FIGURE 2. EDUCATION

Current Student? (n=25)	
Yes (9 undergraduates, 2 graduates)	44
No	56
Educational Attainment (n=25)	
High school / GED	8%
Some college (not currently enrolled)	16%
Some college (currently enrolled)	32%
Bachelor's degree	44%

FIGURE 3. OTHER EMPLOYMENT

Full-Time Non-Gig Job? (n=25)	
Yes	36%
No	64%
Part-Time Non-Gig Job? (n=25)	
Yes	28%
No	72%

FIGURE 4. INCOME

Income Category	Number and Percent of Respondents
% of income from gig jobs (n=23)	
Under 10%	13% (3)
10-24%	35% (8)
25-49%	22% (5)
50-74%	9% (2)
75-99	9% (2)
100%	13% (3)
How would you describe your income in words? (n=24)	
Inadequate for needs	29% (7)
Tight	50% (12)
Adequate	21% (5)
Race/Ethnicity (n=24)	
White	42
Black	33

FIGURE 5. DATA ON GIG JOBS

Characteristics	Number and Percent of Respondents
Type of Gig Work (n=25)	
Food delivery	32% (8)
Dog walking/sitting	24% (6)
Babysitting	8% (2)
Caregiving	8% (2)
Temp jobs	8% (2)
Tutoring	8% (2)
Acting	8% (2)
Digital marketing/social media	8% (2)
Other*	44% (11)
Main Gig Platform Used / Ways to Find Gig Work (n=25)	
WAG!	24% (6)
Postmates	20% (5)
Facebook	12% (3)
Sittercity	8% (2)
Uber Eats	8% (2)
51Talk	4% (1)
Craigslist	4% (1)
DoorDash	4% (1)
Freelance	4% (1)
LinkedIn	4% (1)
Rover	4% (1)
TaskRabbit	4% (1)
Work Multiple Types of Gig Jobs? (n=25)	
Yes	44% (11)
No	56% (14)
Skilled vs. Low-Skilled Work (n=25)	
Skilled gig work	36% (9)
Low-skilled gig work	76% (19)

Characteristics	Number and Percent of Respondents
Use Multiple Gig Platforms? (n=25)	
No	44% (11)
Yes	56% (14)
Length of Time Doing Gig Work (n=22)	
< 6 months	18% (4)
6-12 months	27% (6)
1-1.5 years	14% (3)
1.5-2 years	9% (2)
2-3 years	14% (3)
>3 years	18 (4)
Average Hours Per Week Doing Gig Work (n=24)	
<10	17% (4)
10 to 14	21% (5)
15 to 19	21% (5)
20 to 24	29% (7)
>25	13% (3)

The number and percentages exceed the total number of respondents because 46% of respondents reported more than one type of gig work.

* "Other" includes jobs unique to a single respondent and includes the following: musical directing, voice-over work, clothing resale, lacrosse refereeing, landscaping, facilitating focus groups, teaching English to students abroad, moving cars for a dealership, video editing and photography, varied household tasks, and working at a farmers market.

Participant Characteristics by Archetype (Typology)

Participant Characteristics	Entrepreneur (n=6)	Struggling Worker (n=8)	Side-Hustling Student (n=6)	Reluctant Gig Worker (n=5)
School and training				
Attending school	33% (2)	25% (2)	100% (6)	0
College grad	33% (2)	88% (7)	0	40% (2)
Occupational training participant	67% (4)	13% (1)	33% (2)	40% (2)
Type of gig work				
Skilled gig work	100% (6)	25% (2)	17% (1)	0
Unskilled gig work	17% (1)	88% (7)	100% (6)	100% (5)
Job status				
Full-time job	17% (1)	75% (6)	17% (1)	20% (1)
Part-time job	33% (2)	38% (3)	17% (1)	20% (1)
Outlook on gig work				
Short-term gig outlook	50% (3)	75% (6)	83% (5)	80% (4)
Long-term gig outlook	50% (3)	25% (2)	17% (1)	20% (1)
Motivation for gig work				
Supplement income	0	100% (8)	0	20% (1)
Spending money	0	0	100% (6)	0
Earn income	0	0	0	80% (4)
Build skills / earn money	67% (4)	0	0	0
Build skills	33% (2)	0	0	0
Other	0	0	0	0
Percent income from gig work				
Under 10%	0	25% (2)	0	20% (1)
10-24%	33% (2)	50% (4)	33% (2)	0
25-49%	50% (3)	13% (1)	0	20% (1)
50-74%	17% (1)	0	17% (1)	0
75-99%	0	0	17% (1)	20% (1)
100%	0	0	17% (1)	40% (2)
Missing	0	13% (1)	17% (1)	0
Hours per week working gig jobs				
<10	0	25% (2)	17% (1)	20% (1)
10 to 14	17% (1)	25% (2)	33% (2)	0
15 to 19	17% (1)	25% (2)	0	40% (2)
20 to 24	50% (3)	25% (2)	17% (1)	20% (1)
>24	17% (1)	0	17% (1)	20% (1)
Missing	0	0	17% (1)	0
Length of time doing gig work				
<6 months	17% (1)	13% (1)	17% (1)	20% (1)
6-12 months	17% (1)	38% (3)	33% (2)	0
1-1.5 months	17% (1)	13% (1)	0	20% (1)
1.5-2 years	0	13% (1)	0	20% (1)
2-3 years	33% (2)	0	17% (1)	0
>3 years	17% (1)	13% (1)	0	40% (2)
Missing	0	0	33% (2)	0
Career goals				
Clear career goals	83% (5)	63% (5)	83% (5)	20% (1)
No clear career goals	17% (1)	38% (3)	17% (1)	80% (4)
Personal income				
<\$25,000	50% (3)	75% (6)	83% (5)	100% (5)
\$25,000-34,999	50% (3)	0	0	0
\$35,000-49,999	0	25% (2)	0	0
Missing	0	0	17% (1)	0

Communities in Which Respondents Live and Are Doing Gig Work

Community	Number of Respondents (n=24)
Boston, MA	8
Chicago, IL	3
Austin, TX	2
Hartford, CT	2
Philadelphia, PA	2
Atlanta, GA	1
Baltimore, MD	1
Denver, CO	1
Louisville, KY	1
Portland, OR	1
Orange County, CA	1
Washington, DC	1

Data on Gig Jobs

Characteristics	Number and Percent of Respondents
Main Gig Platform Used/Ways to Find Gig Work (n=25)	
WAG!	24% (6)
Postmates	20% (5)
Facebook	12% (3)
Sittercity	8% (2)
Uber Eats	8% (2)
51Talk	4% (1)
Craigslist	4% (1)
DoorDash	4% (1)
Freelance	4% (1)
LinkedIn	4% (1)
Rover	4% (1)
TaskRabbit	4% (1)

Hours per Week Worked on Gig Jobs for Those with a Full-Time Job

Hours per Week Working Gig Jobs (n=24)	Full-Time Job (n=9)	No Full-Time Job (n=15)
<10	3 (33%)	1 (7%)
10 to 14	3 (33%)	2 (13%)
15 to 19	0	5 (33%)
20 to 24	2 (22%)	5 (33%)
>24	1 (11%)	2 (13%)

Career Goals by Participant Characteristics

Participant Characteristics	Clear Career Goals (n= 16)	No Clear Career Goals (n=9)
School and training		
Attending school	9 (56%)	1 (11%)
College grad	8 (50%)	3 (33%)
Occupational training participant	4 (25%)	5 (56%)
Type of gig work		
Skilled gig work	7 (44%)	2 (22%)
Unskilled gig work	11 (69%)	8 (89%)
Job Status		
Full-time job	5 (31%)	4 (44%)
Part-time job	4 (25%)	3 (33%)
Outlook on gig work		
Short-term gig outlook	12 (75%)	6 (67%)
Long-term gig outlook	4 (25%)	3 (33%)
Motivation for gig work		
Supplement income	5 (31%)	5 (56%)
Spending money	5 (31%)	1 (11%)
Earn income	1 (6%)	2 (22%)
Build skills / earn money	3 (18%)	0
Build skills	1 (6%)	1 (11%)
Other	1 (6%)	0
Type of gig worker		
Entrepreneur	5 (31%)	1 (11%)
Struggling worker	5 (31%)	3 (33%)
Side-hustling student	5 (31%)	1 (11%)
Reluctant gig worker	1 (6%)	4 (44%)

Endnotes

1. The largest share of workers who find gigs using online platforms is young adults ages 18 to 34. Diana Farrell and Fiona Greig, *The Online Platform Economy: Has Growth Peaked?* (New York: JPMorgan Chase Institute, 2016).
2. Previous research in this area has, for example, focused on the entire U.S. labor force to determine the segment that participates in gig work or has examined the workforce of individual gig platforms. This report is the first to interview young adult gig workers with low incomes. JFF defines low income for this research as \$25,000 annually.
3. Four participants attended college but did not complete a credential, and two had a GED only.
4. Emelia Istrate and Jonathan Harris, *The Future of Work: The Rise of the Gig Economy* (Washington, DC: National Association of Counties, 2017), <https://www.naco.org/featured-resources/future-work-rise-gig-economy>.
5. Farrell and Greig, *The Online Platform Economy*.
6. Two participants had personal income between \$35,000 and 49,000. See Appendix for more information.
7. Alexandra J. Ravenelle, *Hustle and Gig: Struggling and Surviving in the Sharing Economy* (Oakland: University of California Press, 2019); Institute for the Future, *Voices of Workable Futures: People Transforming Work in the Platform Economy* (Palo Alto: Institute for the Future, 2016); McKinsey Global Institute, *Independent Work: Choice, Necessity, and the Gig Economy* (New York: McKinsey & Company, 2016).
8. McKinsey Global Institute, *Independent Work*—the typology includes: Free Agents, Casual Earners, Reluctants, and The Financially Strapped; Institute for the Future, *Voices of Workable Futures*—the typology includes: Part-Time Pragmatist, Savvy Consultant, Freelancer, Full-Time Gig Worker; Re-Entry Worker; Entrepreneur, and Hustler.
9. All of the names have been changed to protect the privacy of the participants.
10. Some platforms reduced the rates they paid participants, the prices they charge customers, or both. A possible reason platform companies reduced pay is to cut costs as a way to increase platform profitability, a necessary trend as private equity funding tightened in 2016 and funding-deal terms became more aggressive. Farrell and Greig, *The Online Platform Economy*.



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