



# The Gig Economy: Opportunities, Challenges, and Employer Strategies

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A report based on  
MetLife's 17th Annual  
U.S. Employee Benefit  
Trends Study 2019

 [metlife.com/ebtsgig](https://www.metlife.com/ebtsgig)

Today, **almost 30 million Americans** get their primary income from gig work, constituting nearly a fifth of the total workforce.

While ridesharing is one prominent example of the gig economy at work, its impacts are actually much more pervasive and felt across industries. It's not just a trend; it's a fundamental shift in how our economy operates.

Today, almost 30 million Americans get their primary income from gig work, constituting nearly a fifth of the total workforce. An additional 15 million workers supplement "traditional" full-time work with "gigging/freelancing."<sup>1</sup> This number keeps growing, as many of the best and brightest workers turn to gig for their primary employment.

The gig economy is defined by work that is based on a fixed-term contract or that is paid per project by a company, third party, or online marketplace. The term was coined in the wake of the 2008 recession, where more and more workers relied on short-term employment after losing their jobs.<sup>2</sup> Since then, companies that leverage technologies, such as cloud, mobile broadband, GPS, or social platforms, have played an important role in reshaping the way we work. It's now more seamless than ever for gig workers to connect to employers and customers.

The gig economy is increasingly appealing in the new work-life world because of the flexibility and choice it provides. Workers are interested in careers that allow them to set a flexible schedule, work where they want, and pursue a variety of projects. The gig economy offers a unique solution that meets those desires and supports employees' lives both inside and outside of work.

**85%**

**of gig workers are interested in continuing contract work in the next five years, as opposed to a traditional work role**

<sup>1</sup>Source: MetLife Study on the Gig Worker, 2018. Employed Total from Bureau of Labor Statistics data

<sup>2</sup>Fast Company. "'Gigged:' A new book explores the promise and peril of the gig economy." 2018.



And it's not just typical freelancers who are interested in this type of work. Full-time employees are earning extra cash through gig, and are thinking of "going gig" full time.

**20%** of full-time employees have a secondary job

\_\_\_\_\_ and \_\_\_\_\_

**49%** of those employees intend to leave their current employer for contract or freelance work in the next five years

This statistic may concern many employers about their talent strategy. But employers across industries have the opportunity to face the gig economy head-on and actually use it to their advantage. Employers should be approaching their gig strategy with two key questions in mind: How can they keep current employees from leaving in favor of gig work? And how can they attract and retain the best gig workers for short-term and contract needs?

In our 17th annual U.S. Employee Benefit Trends Study, we've uncovered a deeper understanding of the gig economy to help employers better understand these workers and why they choose gig. Armed with this knowledge, employers can develop effective strategies to not only retain their full-time talent but also attract talented and diverse gig workers.

# 01

## Gig Workers: Who They Are & Why They Choose the Gig Economy

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With the rise of the gig economy, workers have many appealing alternatives to traditional work (employment that is directly through a company on a full-time, ongoing basis). Given this, employers cannot think of their workforce as they have in the past and expect to keep up with the changing work-life world. Understanding the evolution of what traditional full-time employees and gig workers want from work can help employers create real and meaningful solutions.

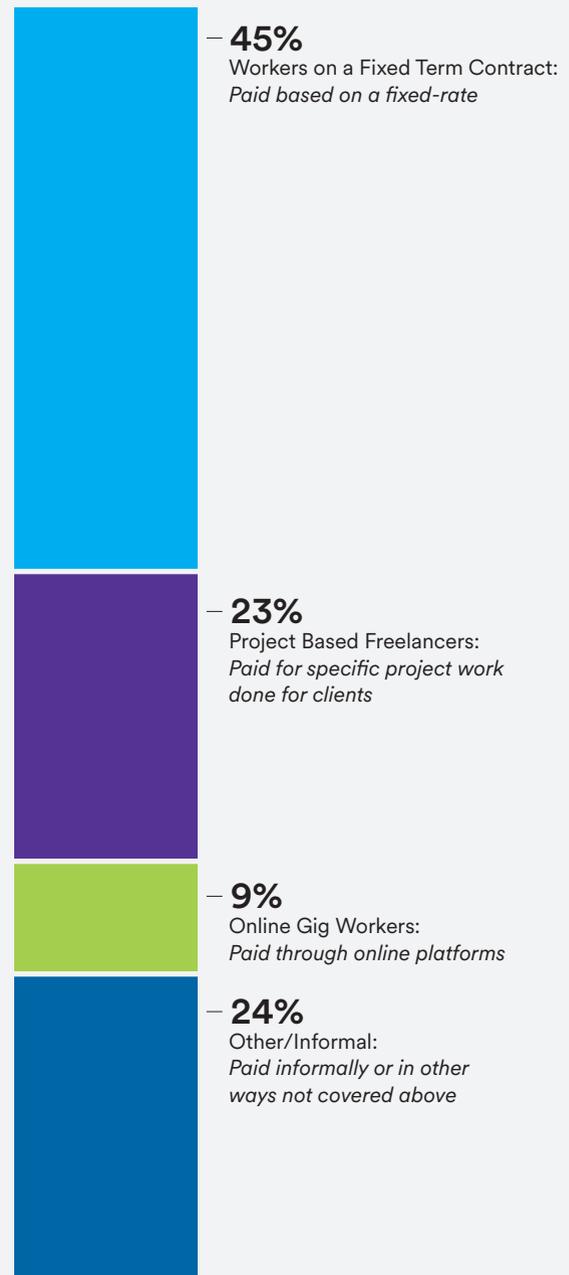
As work and life become more integrated, the gig economy enables workers to personalize and customize their style of working to manage their needs.

**3 in 4** say being an independent worker provides them the flexibility they need to manage both work and life

Gig workers can now also connect to employers and customers more rapidly, opening up different paths and opportunities to pursue. Today's gig workers span a variety of segments.

Gig workers are ambitious individuals with unique needs and lifestyles. They span all ages and come from every background.

### Gig Worker Segments



Source: MetLife Study on the Gig Worker, 2018.

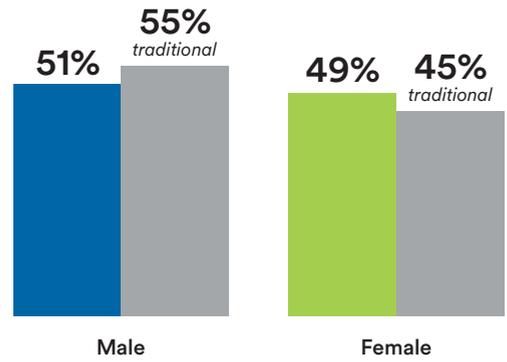
Percentages may not total 100 due to rounding.

## Who comprises today's gig workers?

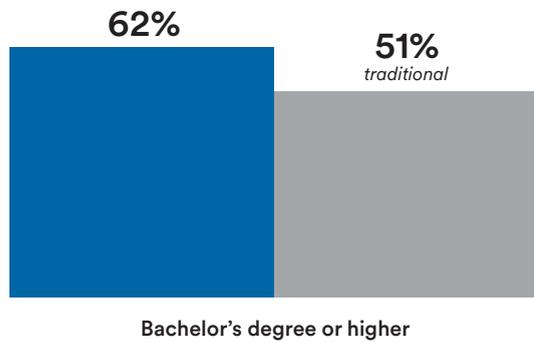
### AGE



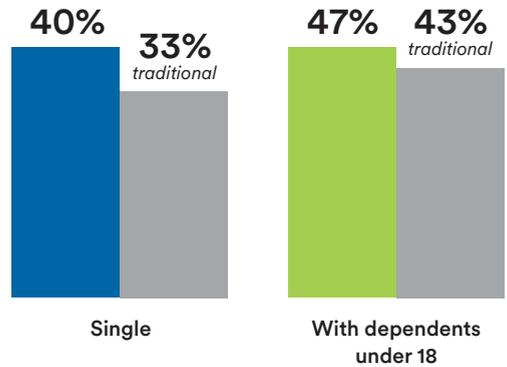
### GENDER



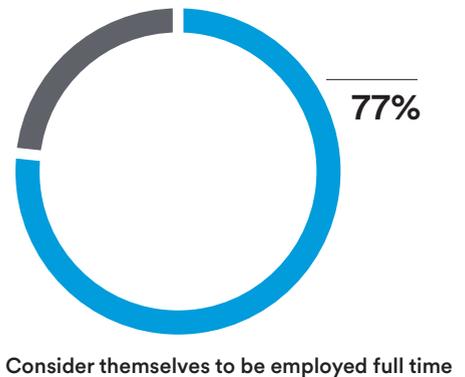
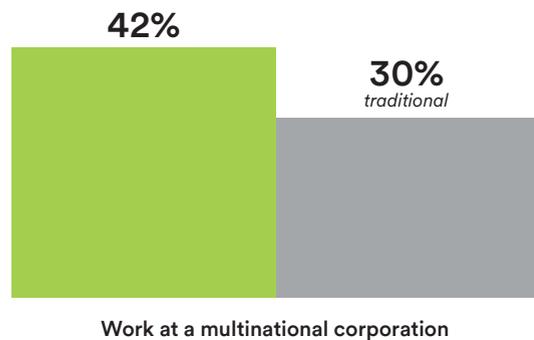
### EDUCATION



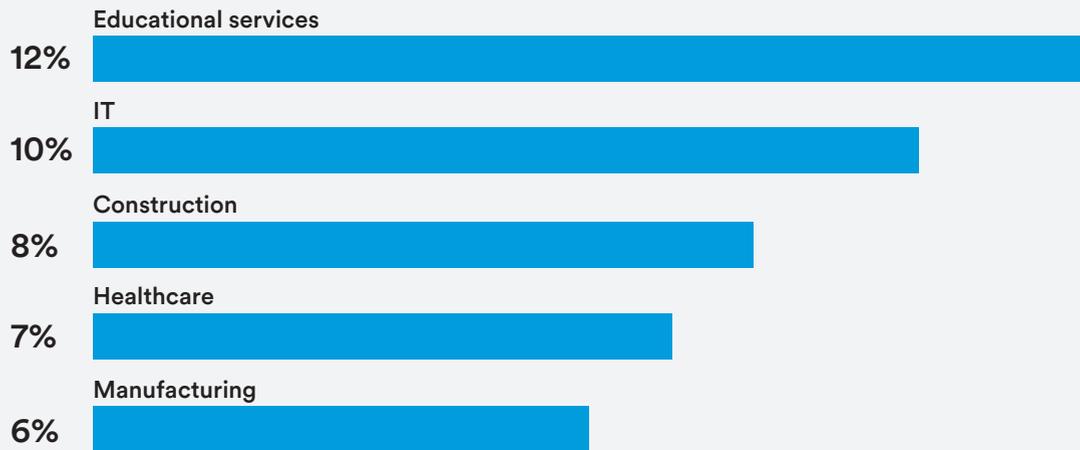
### HOUSEHOLD STATUS



### JOB TYPE



## What are the top industries for gig work?



Percentage of gig workers who work in the industry

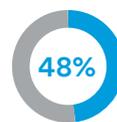
Gig workers often see traditional full-time work as restrictive, both in terms of how it fulfills their professional interests, as well as how it encroaches on their personal lives.

**49%** say not being able to work remotely is the reason they left full-time work

Gig provides them with an opportunity to take control of their careers and their schedules, enabling them to pursue projects of interest that support their whole selves.

**24%** of gig workers say pursuing a new passion is a motivator for continuing gig work

Further highlighting the focus on the whole self, gig workers tend to place more emphasis on their higher needs than traditional workers do when defining what “work” means: 45% vs. 34%. Gig work enables individuals to connect to projects that are meaningful to them and that provide a sense of purpose.



**48%** of gig workers say they work to gain a sense of fulfillment



**47%** say a significant influence in working is to feel a sense of self-worth



**45%** say they are more satisfied with their current freelance/contract work than their previous traditional work role

For many, however, gig work is also simply about meeting basic needs, like supporting their families and saving for the future.

●●●● 3 in 4 gig workers say a significant reason they work is to support themselves and their families

Full-time employees have their own opinions about the gig economy. Many say they are attracted to this type of work because of the flexibility it provides and the opportunity to work on a greater variety of projects.

**67%** of full-time employees are interested in gig work as opposed to their current jobs

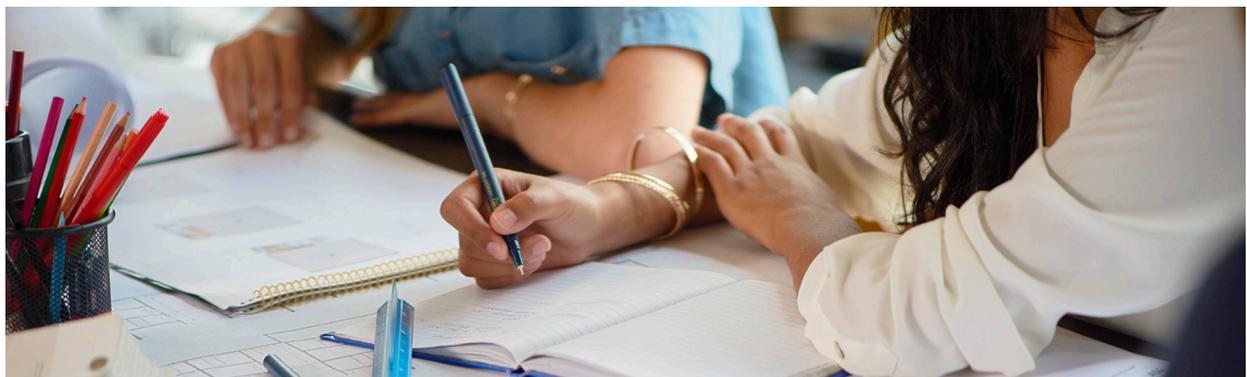
Fortunately, employers have tools they can leverage to not only prevent existing talent from leaving for gig but also to attract gig workers. The perks that help attract and retain full-time workers — increased flexibility and better benefits — are the same that gig workers look for in employers when crafting their ideal working situation.

By understanding what’s top of mind for workers, employers can craft meaningful strategies for attracting gig workers to their organizations, while simultaneously engaging and retaining current full-time employees.

**Workers would stay at their organizations if their employers offered...**



*\*Employees who intend to leave their full-time job in the next five years for gig (23% of full-time workers)*



02

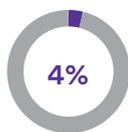
What Keeps  
Gig Workers  
Up at Night?



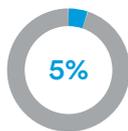
Gig workers face many of the same stressors as traditional workers, but also have unique stressors all their own.

The number-one stressor for all employees is their finances. Gig workers are no different. Whether they are moonlighting to make ends meet or running established freelance businesses, gig workers have financial stress on their minds.

Yet gig workers often struggle to find the benefits of full-time work that could help them better manage their finances and other life needs. Very few employers today offer subsidized benefits to their gig population, which means gig workers often have to find their own coverage for financial security. This insecurity of being without benefits covered by a full-time job is a top concern of many gig economy workers.



**of gig workers report their employer offers medical insurance**



**of gig workers say their employer offers a retirement plan**

Many employers also fail to provide access to other traditional and nontraditional benefits, including dental and vision, short term and long term disability, accident insurance, critical illness insurance, and legal plans. On average, less than 5% of gig workers report their employers provide these benefits.

This poses a missed opportunity for employers. Gig workers crave the stability provided through these benefits, and many are actually willing to pay for the cost of coverage themselves.

of gig workers say they would be interested in a wider array of non-medical benefits they can pay for on their own

65%

full-time employees who are also interested in this

58%

Gig workers are also concerned they miss out on opportunities for networking and career development that happen naturally in full-time work.

say career development and training is a must-have or nice-to-have benefit

90%

say their employers offer the training they need to stay successful

71%

Gig workers face many of the challenges full-time employees do, and it's time for employers to think of them as an integral part of their workforce. By understanding the concerns of both gig and full-time workers, employers can better strategize how they use benefits and experiences to retain and attract strong talent across all types of workers.

# 03

## Attracting and Motivating Gig Workers

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In the past, employers might have treated contractors as easily replaceable workers who didn't warrant investment — not engaging them or offering the benefits they would to a full-time employee.

If employers keep this mentality, they will miss a valuable opportunity to attract and engage some of the top talent in the workforce. Gig workers have ever-increasing resources to find jobs and opportunities, giving them the power to pick and choose which organizations best answer their needs. Employers need to reimagine their approach to more proactively attract gig workers, developing a real strategy that provides them with the experiences they're looking for.

Offering a holistic selection of traditional and nontraditional benefits can differentiate organizations from others in attracting gig workers and can keep existing employees from turning to gig. No matter the type of opportunities gig workers are seeking (short-term or full-time), it's clear that better benefits are needed to engage and attract this group.

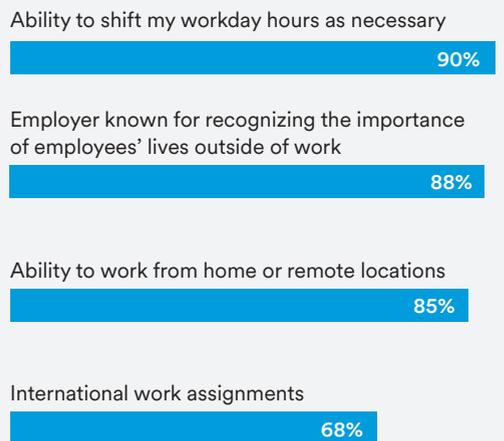
43% of gig workers say employers can offer better benefits to attract them to take a full-time job

Gig workers value flexibility and are interested in benefits that allow them to work remotely and manage their personal lives and stress.

Similarly, creating experiences within the workplace that offer the same gig-like diversity of exposure and flexibility can satisfy full-time employees' interests in gig work.

29% of full-time employees who intend to leave their jobs for gig in the next five years say better benefits may make them stay

**Gig workers say the following benefits are must-have or nice-to-have benefits when deciding whether to accept a job**



**53%** of full-time employees want their employers to offer flexible work schedules

**54%** are interested in the ability to work abroad or take work assignments in a foreign country

Because gig workers see work as a way to fulfill their higher needs, they seek organizations that provide meaningful projects and opportunities and support their whole selves in the workplace. Employers can create a more inclusive culture for gig workers, offering the opportunity to participate in organizational groups and social events. For instance, diversity and inclusion programs or volunteer days can help with their desire for increased networking opportunities.

● ● ● **1 in 3** gig workers say work with purpose would attract them to take a full-time job

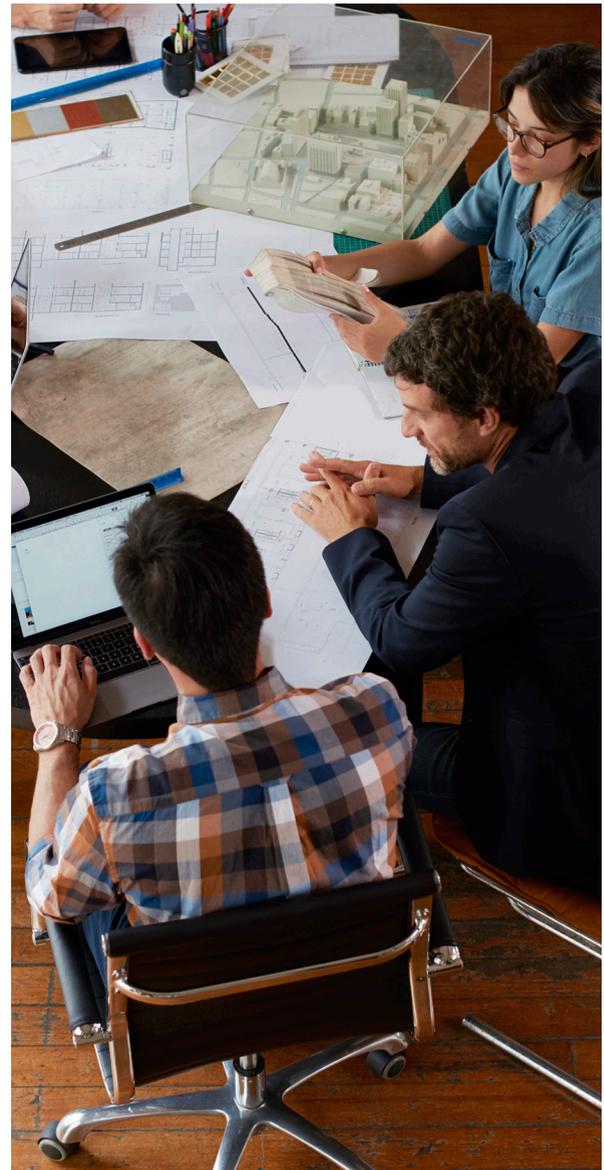
**30%** say it's essential for an employer to give back to the community and offer volunteer opportunities

● ● ● ● ● ● **3 in 10** say diversity and inclusion programs in the organizations they work for is a must-have benefit

The gig economy continues to gain momentum as more workers turn to this type of work as their primary source of income. Talent will be increasingly hard to attract, engage, and retain in the changing work-life world, which offers many alternatives to traditional work. To benefit from the gig economy, organizations will need to develop a strategy that rethinks the programs, opportunities, and benefits they need to have to entice top talent and retain current employees.

Employers who take the time to understand gig workers — and think through how they can mitigate their stresses while engaging them more deeply — will reap the benefits of a more engaged and satisfied gig population.

By creating an effective gig strategy, employers can set their organizations up for success in the evolving world of work.



# Methodology

MetLife's 17th Annual U.S. Employee Benefit Trends Study was conducted in October 2018 and consists of two distinct studies fielded by Engine Insights — a practice area of Engine, a data driven marketing solutions company.

The employer survey includes 2,500 interviews with benefits decision makers and influencers at companies with at least two employees. The employee survey consists of 2,675 interviews with full-time employees, ages 21 and over, at companies with at least two employees, augmented to include 954 interviews with gig workers, defined as being on a fixed-term contract, a freelancer, paid through online platforms, or other/informal workers.

## Employees

Gender	
Male	55%
Female	45%
Marital status	
Married	55%
Single, not living with partner	26%
Single, living with partner	9%
Divorced/Separated	8%
Widowed	2%
Ethnicity	
Caucasian	73%
African-American	12%
Asian	9%
Other	6%
Hispanic	16%
Non-Hispanic	84%
Family status	
Do not live with children under 18	55%
Live with children under 18	45%
Employer size (staff size)	
2-9	8%
10-49	12%
50-199	14%
200-499	11%
500-999	11%
1,000-4,999	17%
5,000-9,999	7%
10,000+	20%
Geography	
South	34%
West	25%
Northeast	21%
Midwest	20%

Age	
21-24	5%
25-34	24%
35-44	23%
45-54	22%
55-64	23%
65+	3%

Personal income	
Under \$30,000	10%
\$30,000-\$49,999	23%
\$50,000-\$74,999	21%
\$75,000-\$99,999	18%
\$100,000-\$149,999	16%
\$150,000 and over	9%
Prefer not to answer	3%

Industry	
Other Services	16%
Health Care and Social Assistance	11%
Educational Services	10%
Manufacturing	9%
Retail	8%
Information Technology	8%
Finance and Insurance	7%
Professional, Scientific & Technical Services	5%
Construction	5%
Transportation and Warehousing	4%
Accommodation and Food Services	3%
Public Administration	3%
Real Estate	2%
Wholesale Trade	2%
Utilities	1%
Administration and Support and Waste Management and Remediation	1%
Arts, Entertainment and Recreation	1%
Agriculture, Forestry, and Fishing	1%
Information	1%
Mining, Quarrying, and Oil & Gas Extraction	0%
Management of Companies and Enterprises	0%

### Education

Bachelor's degree	28%
Some college credit, no degree	22%
High school graduate or the equivalent	18%
Master's degree	17%
Associate degree	8%
Professional/Doctorate degree	7%
Some schooling completed/ No high school diploma	0%

## Employers

### Employer size (staff size)

2-9	20%
10-49	20%
50-199	17%
200-499	5%
500-999	5%
1,000-4,999	13%
5,000-9,999	10%
10,000+	10%

### Industry

Professional, Scientific & Technical Services	11%
Other Services	11%
Health Care and Social Assistance	11%
Information Technology	10%
Manufacturing	10%
Finance and Insurance	7%
Educational Services	7%
Construction	7%
Retail	6%
Real Estate	4%
Transportation and Warehousing	3%
Wholesale Trade	3%
Public Administration	2%
Accommodation and Food Services	2%
Arts, Entertainment and Recreation	1%
Administration and Support and Waste Management and Remediation	1%
Agriculture, Forestry, and Fishing	1%
Information	1%
Management of Companies and Enterprises	1%
Utilities	1%
Mining, Quarrying, and Oil & Gas Extraction	0%
Not sure	0%

### Geography

South	33%
West	27%
Northeast	20%
Midwest	20%

## ABOUT METLIFE

MetLife, Inc. (NYSE: MET), through its subsidiaries and affiliates, is one of the largest life insurance companies in the world. Founded in 1868, MetLife is a global provider of life insurance, annuities, employee benefits and asset management. Serving approximately 100 million customers, MetLife has operations in nearly 50 countries and holds leading market positions in the United States, Japan, Latin America, Asia, Europe and the Middle East. For more information, visit [www.metlife.com](http://www.metlife.com).

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