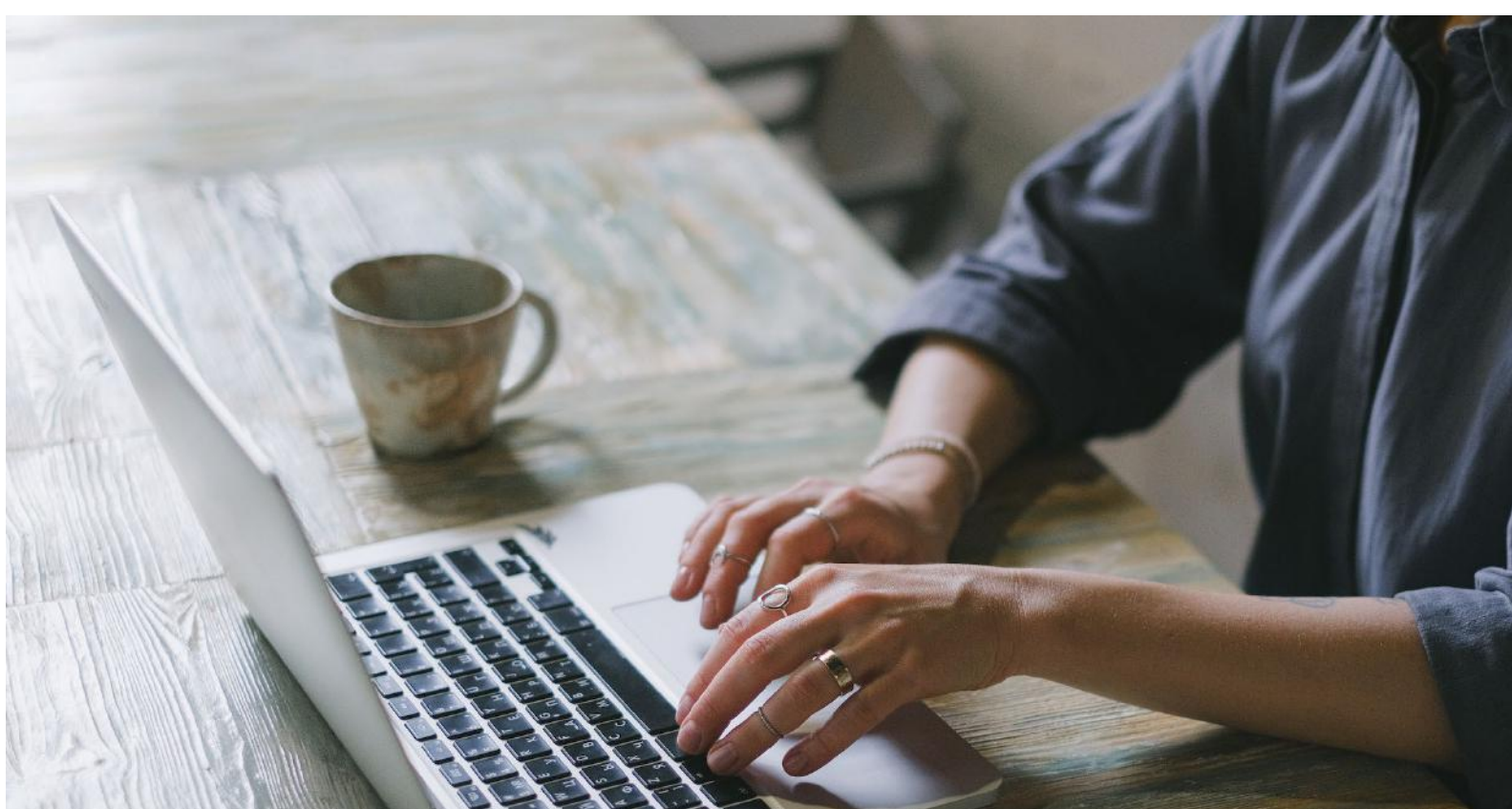




LEVERAGING THE GIG ECONOMY

BY AMIT PATEL
MYTHOS GROUP



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By Amit Patel

ABSTRACT

Many business leaders who are facing threats of a lingering pandemic and a looming recession are searching for ways to keep their organizations productive, profitable and prepared. One simple way to address a growing number of these economic challenges is to leverage the gig economy. With “loud layoffs” echoing through multiple industries, organizations have the opportunity to reimagine their workforce and take advantage of the growing number of skilled workers who prefer to operate outside of the traditional employer/employee relationship. In this white paper, we will take a look at this growing segment of the workforce and explore ways that the gig economy can benefit employers who are looking to cut costs and future-proof their organizations.

“The gig economy is empowerment. This new business paradigm empowers individuals to better shape their own destiny and leverage their existing assets to their benefit.”

John McAfee



INTRODUCTION

The gig economy is nothing new, but like many aspects of work, the nature of gig work changed drastically, and the number of gig workers increased dramatically after the onset of the coronavirus pandemic in 2020. As we approach 2023, this trend towards gig work shows no signs of slowing. We may be tempted to think that gig work is solely the domain of technology platforms such as Uber, Lyft, TaskRabbit, Airbnb and Instacart, but the reality is that virtually all organizations are currently positioned to benefit substantially by tapping into the gig economy.

Gig workers are an expanding and evolving sector of the labor market. According to recent [statistics](#) posted September 22, 2022 on Zippia, the gig economy has grown by 15 percent in the past decade. That's 15 times the rate of overall job growth experienced during that time. In addition, at least 48 percent of companies currently hire freelancers and 90 percent of these organizations see gig work as critical to obtaining a competitive edge in the future.

While we may associate our Uber driver with the gig economy, we might not initially consider a CEO as a gig worker. However, gig workers actually encompass any person of any skill level who provides services to a company or a consumer outside of the normal confines of a traditional full-time employee/employer structure. Everyone from the DJ at your daughter's wedding to the itinerant C-suite executive can be considered part of the gig economy, which makes a comprehensive list of gig worker types impossible.

For the broad purposes of this article, we will mainly focus on the following types as defined below.¹

- ▶ **Freelancer** – A person who works as a writer, designer, performer or the like, selling work or services by the hour, day, job, etc., rather than working on a regular salary basis for one employer – e.g., app developers, illustrators or advertising copywriters.
- ▶ **Consultant** – A person who gives professional or expert advice – e.g., human resources consultants, IT consultants or small consulting firms like Mythos Group.
- ▶ **Contractor** – A person who contracts to furnish supplies or perform work at a certain price or rate – e.g., online teachers, social media marketers or web designers.
- ▶ **Professional** – A person who belongs to one of the professions, especially one of the learned professions – e.g., doctors, lawyers or accountants.
- ▶ **Temp Worker** – A person who works as a temporary employee – e.g., warehouse workers, retail staff or administrative assistants.
- ▶ **Executive** – A person or group of persons having administrative or supervisory authority in an organization – e.g., chief executive officers (CEOs), executive directors or vice presidents.
- ▶ **Service Worker** – Any person whose work is performed for remuneration – e.g., delivery drivers, grocery shoppers or dog walkers.

¹Definitions sourced from dictionary.com.



Keep reading to find out how your organization can benefit from this growing class of workers and the skills, flexibility and cost-savings they offer.

“In a world more networked and connected than ever, your talent increasingly doesn’t carry an employee ID.”

Gyan Nagpal

HISTORY OF THE GIG

According to the [Online Etymology Dictionary](#), using the word gig to describe a job of limited engagement might have been in use as far back as 1905, but it became widely employed by jazz musicians during the 1920s. The phrase “gig economy,” on the other hand, wasn’t widely in use until 2009. This may make you wonder, if people were working gigs at the turn of the century, why did it take close to 100 years for us to recognize a gig economy?

The short answer to that question is that in the first decade of the new millennium, we started to see the proliferation of web- and app-based technology platforms that enabled more gig workers to be connected with the consumers that needed and wanted their services. In the [words of Molly Turner](#), Lecturer, Haas School of Business, University of California Berkeley and the former Director of Public Policy for Airbnb, “The gig economy is not new – people have always worked gigs... but today when most people refer to the ‘gig economy,’ they’re specifically talking about new technology-enabled kinds of work.”

According to a working paper entitled [The Rise and Nature of Alternative Work Arrangements in the United States, 1995-2015](#), authors Lawrence F. Katz and Alan B. Krueger noted that:

“The percentage of workers engaged in alternative work arrangements – defined as temporary help agency workers, on-call workers, contract workers, and independent contractors or freelancers – rose from 10.7 percent in February 2005 to 15.8 percent in late 2015. The percentage of workers hired out through contract companies showed the largest rise, increasing from 1.4 percent in 2005 to 3.1 percent in 2015. Workers who provide services through online intermediaries, such as Uber or TaskRabbit, accounted for 0.5 percent of all workers in 2015. About twice as many workers selling goods or services directly to customers reported finding customers through offline intermediaries than through online intermediaries.”

Even though two times the number of workers found gig work outside of tech-based platforms during these early years, technology platforms decidedly changed the game. And now, due to the COVID-19 pandemic, gig workers are more plentiful than ever. A [survey](#) from DaVinci Payments that was done in February of 2021 found that in the first year of the pandemic (2020), the gig