

Characteristics of Gig Workers in the U.S.: Evidence from the Entrepreneurship in the Population Survey

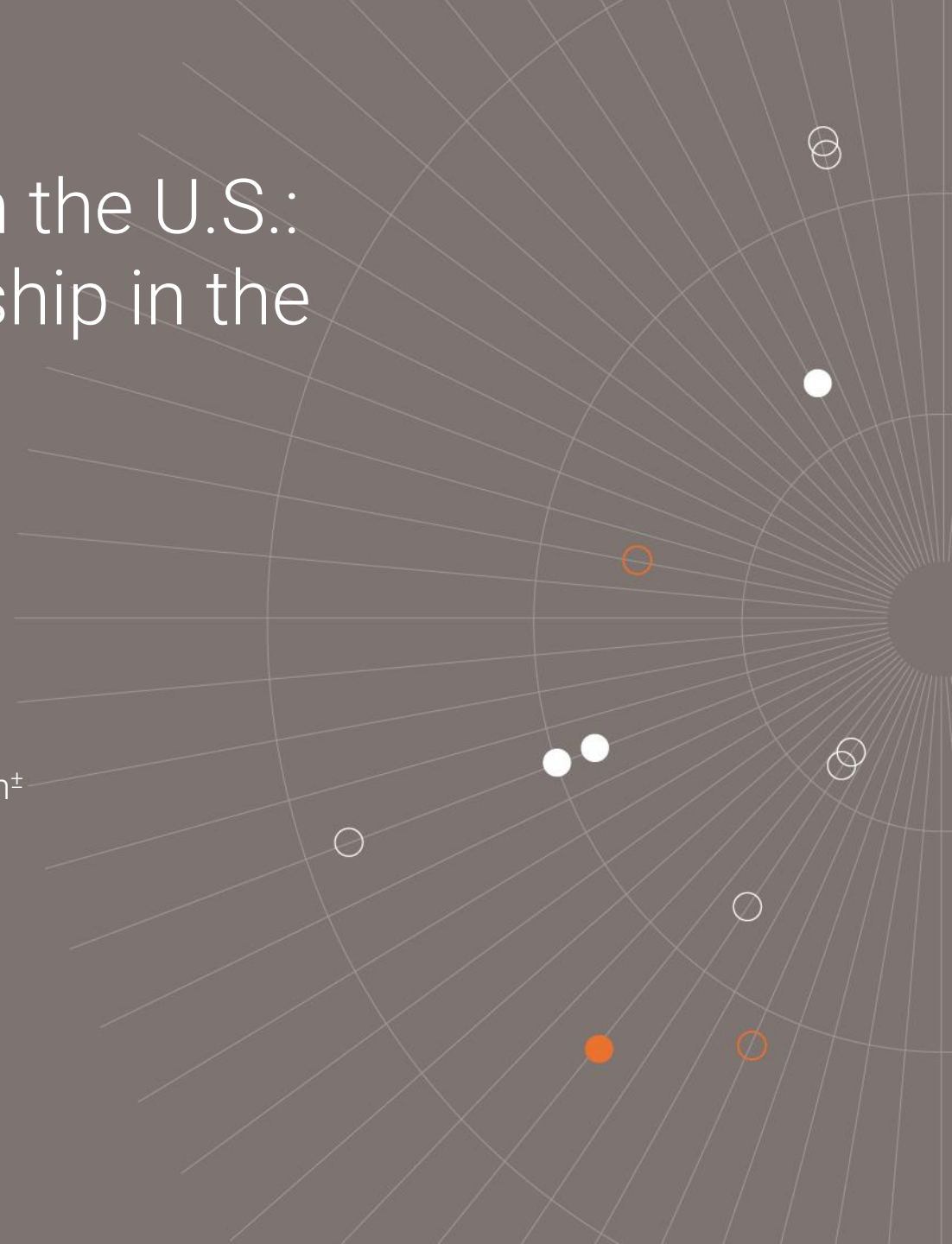
CRIW Pre-Conference Workshop: The Changing Nature of Work

July 17, 2024

Rachel Marie Brooks Atkins,^{*} Quentin Brummet,[±] and Katie Johnson[±]

^{*}St. John's University

[±] NORC at the University of Chicago



Measuring and Characterizing the Gig Economy

- Technological change and the rise of online platform work has led to the emergence of the “gig economy”
- There are many definitions of informal and online platform work, each coming with its own measurement challenges
- It is important to think about measurement when considering the characteristics of online platform workers

What do we do?

We use data from a new nationally representative survey – the Entrepreneurship in the Population (EPOP) Survey

- Respondents are asked about their participation in platform-based work using a series of screening questions, then are asked follow up questions about the platform they use as well as motivations for pursuing platform work

Analysis focuses on differences in measurement related to online platform work

- Respondent confusion, timeframe, and definition of platform work are all important for characterizing this workforce

We then investigate how the characteristics of online platform workers depends on the measurement used

Findings

- Platform work is still relatively infrequent relative to “traditional” freelancing and self-employment
- **Measurement of online platform work matters:**
 - *Respondent confusion:* Even among respondents working for a confirmed online platform, 25% initially report working “for an employer” and 75% report working as freelancers or independent contractors (at the same job)
 - *Definition:* Some work arrangements operate similarly to online platforms, but are conducted in person
 - *Time period of work:* 1.6% of adults perform online platform work as a primary job, with an additional 2.1% of adults performing online platform work periodically over the past 6 months
- **The characteristics of informal workers depends on these measurement considerations**
 - For example, workers engaging in intermittent online platform work are more likely to be White, higher-educated, and higher-income relative to workers using online platform work as a primary job

Overview of EPOP

The EPOP Survey

- The EPOP Survey is designed to understand the scope of entrepreneurial activities from adults 18 years and older in the United States
- Sponsored and guided by the Ewing Marion Kauffman Foundation
- The survey captures
 - Information on the behaviors, challenges, and resources available to individuals during the entrepreneurial process
 - Experiences with platform work, entrepreneurship, or self-employment
 - A robust set of demographic characteristics
- Year 1 data includes ~30,000 completed surveys, this analysis uses only the “probability sample” which includes 11,174 respondents
 - Fielded February-June 2022

Three Sample Sources

1. Address Based Sample

- A nationally representative sample of addresses in the U.S.

2. AmeriSpeak® Panel

- An online panel maintained by NORC that is representative of the U.S. population

3. Opt-In Panels

- Non-probability samples of individuals from third party data vendors
- These non-probability samples are combined with ABS and AmeriSpeak® samples using NORC's TrueNorth® weighting method

Only sources 1 and 2 are used in the analyses below

Measurement of Platform Work in EPOP

Survey Validation

1. Cognitive Interviews

- A series of 15 in-depth interviews with potential survey respondents

2. Pretest Survey:

- A Pretest was administered to a random sample of ~2000 respondents, and a sample of ~200 was randomly selected to be debriefed using an interview protocol
- Only 3.8% of debrief respondents classified as “gig workers” disagreed with this classification
- Additional questions were added to the survey to further differentiate platform workers

Question Language

- **Freelance Work:** *“A self-employed consultant, freelancer, or independent contractor (you may receive a Form 1099 or be paid informally off the books)”*
 - Asked separately for the respondent’s primary job in the past week, as well as their second job if applicable
- **Gig/Platform Work:** *Some people earn money through short, paid tasks or jobs online or in-person that are conducted through companies that coordinate payment for the service. This is sometimes referred to as ‘gig work.’”*
 - Respondents are provided with examples of common gig work platforms (e.g., Uber, Etsy, Fiverr).
 - Because of the potential for confusion on what counts as gig work, the survey contains subsequent questions on whether the gig work activity uses an online app and asks for the name of the gig work platform.

Measurement of Platform Work in the EPOP Survey

Key aspects of platform work measurement in EPOP:

- Question wording asks about “short, paid tasks or jobs” that are “coordinated through a company”
- Respondents are asked whether job is platform work for the first two jobs (if job is considered freelance work or work for a company)
- Final screening question for platform work outside of the first two jobs in the last 6 months

Survey validation process

- Cognitive interviews
- Pre-test of almost 3,000 respondents, including a debrief of over 200 respondents

EPOP Informal Work Measurement

- Work Status:
 - *“In the last week, did you work for pay at a job or business?”*
 - *In the last week, did you do ANY work for pay, even for as little as one hour?*
- Number of Jobs:
 - Respondent is asked to provide information on up to two jobs in the past week
- Platform Work:
 - Respondents are asked about platform work for primary and secondary job last week (if job is reported to be freelance or work for a company)
 - If they do not answer these, they are also asked a separate question about platform work over the past 6 months
 - Intended to capture more intermittent platform workers
 - If they answer yes to any of the platform work questions, they are asked a series of questions about the platform (including platform name)

Measuring Platform Work

- Because of the potential for confusion on what counts as gig work, the survey contains subsequent questions on whether the work activity uses an online app and asks for the name of the platform.
- Coded into categories based on the verbatim response
 - Confirmed Gig Platform: Services
 - Confirmed Gig Platform: Selling/Renting
 - Confirmed Gig Platform: Online Surveys
 - Unconfirmed Gig Platform (*Further broken out in the analyses below*)
 - Payment Provider
 - Unlikely Gig Work
- This allows us to construct measures for:
 - “Online Platform Work” specifically
 - “Other Platforms:” work arrangements that appear similar to online platforms, but are not coordinated through online apps

Prevalence and Measurement of Platform-Based Work in EPOP

Overall Measurement of Platform Work

Category	Examples	Platform Work Last Week	Platform Work Past 6 Months but not Last Week	Total (Any Platform Work in Past 6 Months)
No platform work		97.60%	97.71%	95.31%
Platform work				
Online Platform Work	Etsy, Uber, Doordash, Angi, Mercado	1.57%	2.11%	3.68%
Other Platform Work	Local landscaping company, social media, brick and mortar reselling	0.83%	0.18%	1.01%

Source: Entrepreneurship in the Population Survey: 2022 (probability sample only). N=11,174.

Respondent Confusion of Platform Work

	<u>Type of Platform Work</u>	
	Primary Job Last week	Any Platform Work in Past 6 Months
Confirmed Platform Work	24.98%	26.59%
Not Platform Work	75.02%	73.41%
Payment Provider	1.89%	1.56%
Reports platform, but unlikely gig work	47.30%	57.95%
Platform information is missing	25.83%	13.90%
Total	100%	100%
N	654	1,902

Source: Entrepreneurship in the Population Survey: 2022 (probability sample only). Restricted to respondents who initially indicate that they performed platform work “coordinated through a platform.”

Initial Report of Type of Job for Platform Workers

Type of Job Reported Prior to Question about Platform Work

Type of Worker	N	Freelance/Independent Contractor	Work for Employer
Confirmed online platform worker	262	75.30%	24.70%
Any worker reporting work is “coordinated through platform”	654	50.91%	49.09%

Source: Entrepreneurship in the Population Survey: 2022 (probability sample only). Restricted to platform workers who report platform work as their primary job the past week.

Measurement of Platform Work (Primary Job the Past Week)

Category	Examples	Percent	Percentage within Platform Workers
Did not work last week		29.99%	-
Work as employee		55.98%	-
Traditional self-employment		5.45%	-
Freelance but no platform work		6.18%	-
Platform work			
Online Gig Platform Work		1.57%	100%
Services	Uber, Doordash, Angi	1.20%	76.43%
Selling/Renting	Etsy, Mercado, AirBnB	0.31%	19.75%
Online survey	Prolific	0.06%	3.82%
Other Platform Work		0.83%	100%
Services	Local landscaping company	0.71%	85.54%
Social Media	Instagram, Facebook	0.04%	4.82%
Arts/Reselling	"antiques," "arts"	0.06%	7.23%
Finance	Robinhood	0.02%	2.41%
Total		100%	
N		11,174	262

Source: Entrepreneurship in the Population Survey: 2022 (probability sample only). Percentages refer to the percent out of the entire adult population over the age of 18.

Measurement of Platform Work by Time Period

Category	Platform Work Last Week	Platform Work Past 6 Months but not Last Week	Total (Any Platform Work in Past 6 Months)
Platform work			
Online Gig Platform Work	1.57%	2.11%	3.68%
Services	1.20%	1.47%	2.67%
Selling/Renting	0.31%	0.57%	0.86%
Online survey	0.06%	0.09%	0.15%
Other Platform Work	0.83%	0.18%	1.01%
Services	0.71%	0.12%	0.83%
Social Media	0.04%	0.00%	0.04%
Arts/Reselling	0.06%	0.06%	0.12%
Finance	0.02%	0.00%	0.02%

Source: Entrepreneurship in the Population Survey: 2022 (probability sample only). N=11,174. Percentages refer to the percent out of the entire adult population over the age of 18.

Characteristics of Platform Workers

Demographic Characteristics of Platform Workers

	Work as Employee	Traditional Self-Employed	Freelancer/Independent Contractor	Online Platform: Services	Online Platform: Selling/Renting	Other Platform
Gender						
Female	52.6%	47.0%	54.5%	53.8%	71.5%	45.8%
Racial/Ethnic Group						
Black	12.4%	10.2%	12.2%	26.5%	15.1%	20.9%
White	58.5%	64.9%	56.7%	38.4%	50.7%	48.4%
Hispanic	18.3%	17.2%	21.8%	22.6%	24.0%	23.2%
Immigrant Status						
Immigrant	11.2%	8.3%	11.2%	3.9%	1.5%	14.1%
Children in Household						
Has Children	36.4%	33.4%	35.9%	44.3%	57.0%	37.2%
N	5,845	613	906	129	33	95

Source: Entrepreneurship in the Population Survey: 2022 (probability sample only). Cells refer to the fraction of workers in a column who are in a given demographic group.

Platform Work by Household Income

	Work as Employee	Traditional Self-Employed	Freelancer/Independent Contractor	Online Platform: Services	Online Platform: Selling/Renting	Other Platform
Household Income						
Less than \$50,000	27.6%	28.8%	41.0%	48.8%	48.8%	49.7%
\$50,000 to \$99,999	34.1%	29.4%	31.3%	36.5%	17.9%	27.3%
\$100,000+	36.9%	40.3%	26.3%	12.5%	33.3%	22.7%
N	5,845	613	906	129	33	95

Source: Entrepreneurship in the Population Survey: 2022 (probability sample only). Cells refer to the fraction of workers in a column who are in a given demographic group.

Characteristics of Platform Workers by Time Period Observed (restricted to online platforms classified as services)

	Work as Employee	Primary Job Last Week	Last 6 Months, not Last Week
Gender			
Female	52.6%	53.8%	45.7%
Racial/Ethnic Group			
Black	12.4%	26.5%	18.5%
White	58.5%	38.4%	61.9%
Hispanic	18.3%	22.6%	11.0%
Immigrant Status			
Immigrant	11.2%	3.9%	7.8%
Children in Household			
Has Children	36.4%	44.3%	42.8%
N	5,845	129	193

Source: Entrepreneurship in the Population Survey: 2022 (probability sample only). Cells refer to the fraction of workers in a column who are in a given demographic group. First two columns are reproduced from Slide 21.

Platform Work by Household Income

(restricted to online platforms classified as services)

	Work as Employee	Primary Job Last Week	Last 6 Months, not Last Week
Household Income			
Less than \$50,000	27.6%	48.8%	39.3%
\$50,000 to \$99,999	34.1%	36.5%	32.8%
\$100,000+	36.9%	12.5%	26.4%
N	5,845	129	193

Source: Entrepreneurship in the Population Survey: 2022 (probability sample only). Cells refer to the fraction of workers in a column who are in a given demographic group. First two columns are reproduced from slide 22.

Conclusion

Conclusion

- Platform work is still infrequent relative to “traditional” freelancing and self-employment
- Respondent confusion, definition of platform work, and time period being studied are all important for characterizing platform workers
- The characteristics of informal workers depends on these measurement considerations
- Two years of EPOP data are currently available at epop.norc.org

Thank you.

Quentin Brummet
Brummet-Quentin@norc.org

 Research You Can Trust™

 **NORC** at the
University of
Chicago