
GIG WORKERS

Who Are They and What Do They Want?

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**Job Opportunity:
Immediate
Openings**

Currently accepting applications
for people who enjoy working
independently. Must be able to set
own work hours to allow time
for family/hobbies.
Strong desire for freedom
and choice preferred.

Gig work arrangements come with a very solid list of rewards, depending on the type of work. It is no wonder that around 80 percent of independent workers worldwide are independent by choice. These workers enjoy the freedom that comes with gig work. As the global gig economy continues to grow, these workers are not just redefining the traditional workplace; in some cases, they are making it obsolete. Today's workplace can exist anywhere, anytime, and it can consist of anything. Therein lies the appeal of gig work, and the potential cause for trepidation on the part of traditional employers and benefit providers.

Employers and other stakeholders increasingly want to know more about independent workers. The workforce is changing. More employers are turning to contingent workers as a way to attract new skill sets, lower costs, increase capacity to meet consumer demands, and shake up organizational culture. For employees, the gig economy provides newfound freedoms and views of the nature of work; for employers, it represents the unknown.

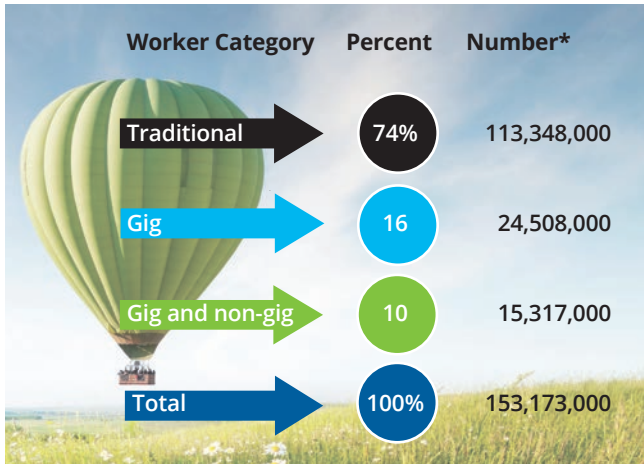
This article focuses on what characterizes gig workers in the United States, Asia, and Latin America; why they choose gig work; and what employee benefits they value.

Who Are They?

Between gig workers and those who have a gig job in addition to another job, LIMRA estimates that there are about 40 million gig economy workers aged 18 and over in the United States (Table 1).

Those who operate solely in the gig economy represent about 25 million U.S. workers split evenly based on gender, with males accounting for a slight majority (53 percent). Compared to their traditional counterparts, gig workers in all three regions tend to skew a little older; however, each category has a similar proportion of younger workers (Figure 1).

Compared with traditional workers, U.S. gig workers are more likely to have lower levels of personal income (Figure 2). Income includes wages or salary, Social Security, pensions, interest, dividends, and all other sources.

Table 1**Size of the U.S. Gig Economy**

*Numbers based on analysis of data from the U.S. Census Bureau's 2018 Current Population Survey.

Note: Due to differences in methodology, as well as the number of countries represented in Asia and Latin America, these statistics are only available from the U.S. survey at this time.

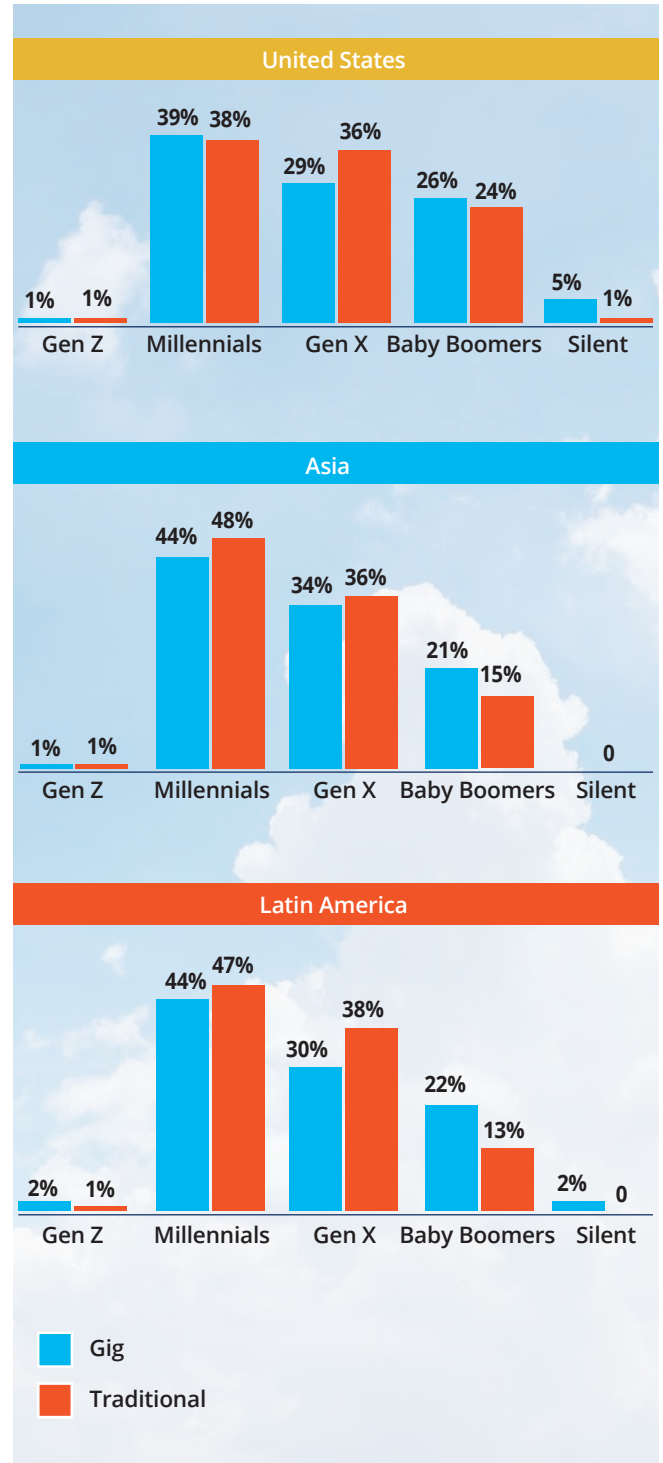
Source: *The Gig Economy Consumer Survey, LIMRA, 2019.*

These same workers generally also have a lower level of household investable assets compared to traditional workers (Figure 3). Nearly half of gig workers have no children, and those with children are more likely to have children over age 27.

Why Choose Gig?

While these characteristics describe who gig workers are, the question remains: Why do people choose gig work? Over 80 percent of gig workers choose to work independently rather than work a traditional job. They value the flexibility of gig work, and the ability to choose their own work hours, enjoying the benefit of doing things other than work. They also like the control of being their own boss, and the freedom to choose the work they want to do, when they want to do it.

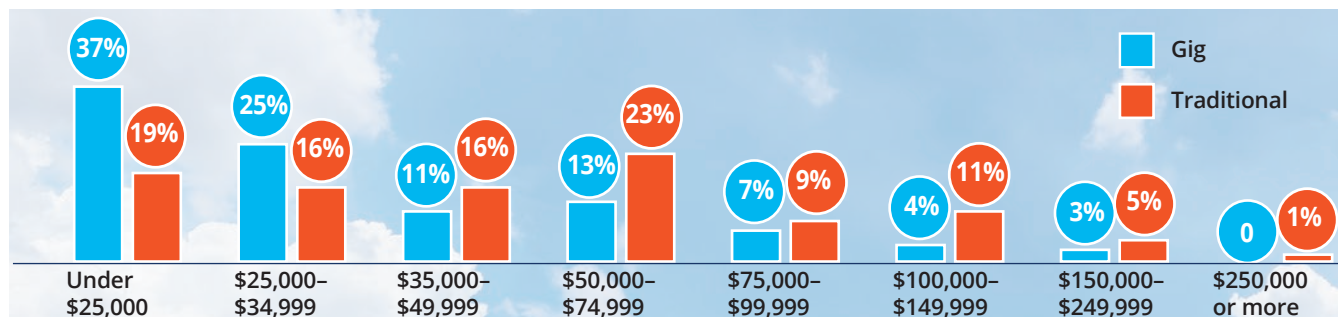
The vast majority of gig workers do not consider their work to be a short-term solution. Nearly three quarters are likely to continue being an independent worker in the next five years (Figure 4).

Figure 1**Workers by Generation**

Source: *The Gig Economy Consumer Survey, LIMRA, 2019.*

Figure 2

Personal U.S. Income Levels



Note: Due to differences in methodology, as well as the number of countries represented in Asia and Latin America, income statistics are only available from the U.S. survey at this time.

Source: The Gig Economy Consumer Survey, LIMRA, 2019.

Figure 3

U.S. Household Investable Assets



Source: The Gig Economy Consumer Survey, LIMRA, 2019.

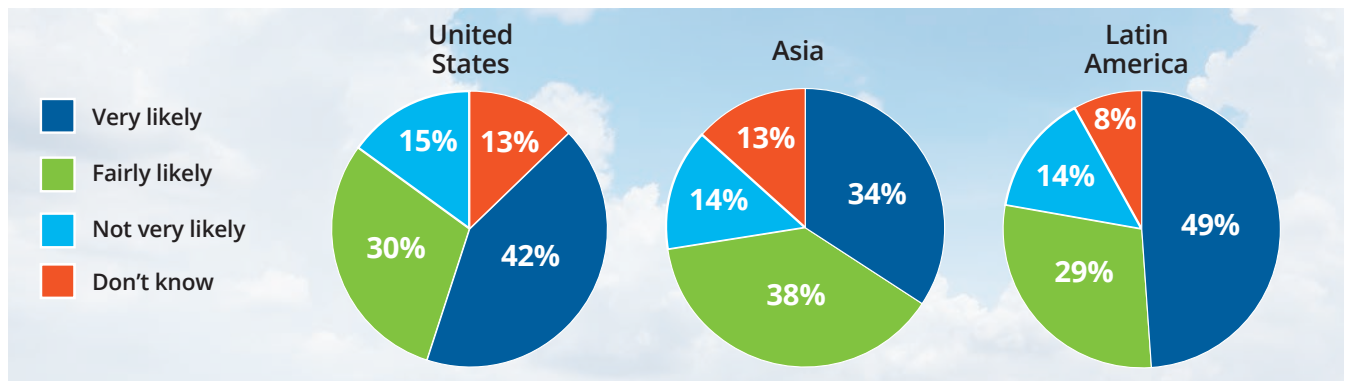
What makes gig work so desirable? Gig workers worldwide share similar attitudes toward what they consider the positive attributes of their work (Figure 5):

- **Flexibility** — The majority agree that flexibility is the most sought-after benefit of the gig work style. Independent workers worldwide love the fact that they can set their own work hours.
- **Control** — Control over what type of work they do is something U.S. workers feel is second only to flexibility. There are no limits to the types of gig work.
- **Place** — Place means that they can work virtually anywhere. Over half of Latin American and U.S. workers agree that this is an incentive to doing gig work.
- **Autonomy** — Workers in Latin America more frequently cite autonomy (having the choice of when to work) as a benefit. Slightly more than half in Asia and the United States also see this as valuable.

How do these positive attributes of gig work translate into overall worker satisfaction? Gig workers have a lot of choice in how, when, and what they do, making the gig arrangement ideal for those seeking the ultimate in work/life balance. As a result, more than 40 percent of gig workers are very happy with their work lives (Figure 6). On a scale of 1 to 10, where 10 is “very happy,” nearly

Figure 4

Likelihood of Continuing as an Independent Worker in the Next Five Years



Source: *The Gig Economy Consumer Survey, LIMRA, 2019.*

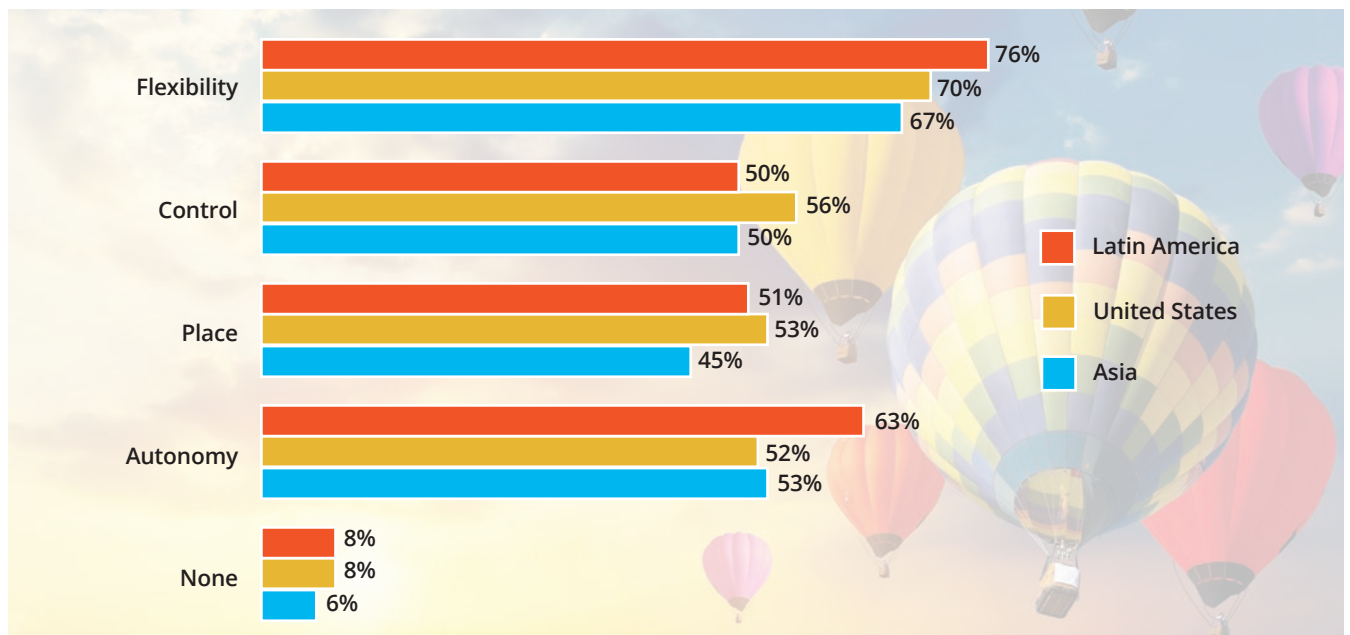
half of independent workers in Latin America rate their work/life happiness at an eight or higher. Only slightly fewer Asian and American gig workers convey the same sentiment.

Employers looking to add a little “happy” to their own workforce may want to consider incorporating some

pieces of what makes gig work desirable. It may not be realistic to let all employees suddenly choose their own work hours, but there are components that employers can borrow and build upon. Many companies already allow for work-at-home days, and some have even shortened the typical five-day work week to four days.

Figure 5

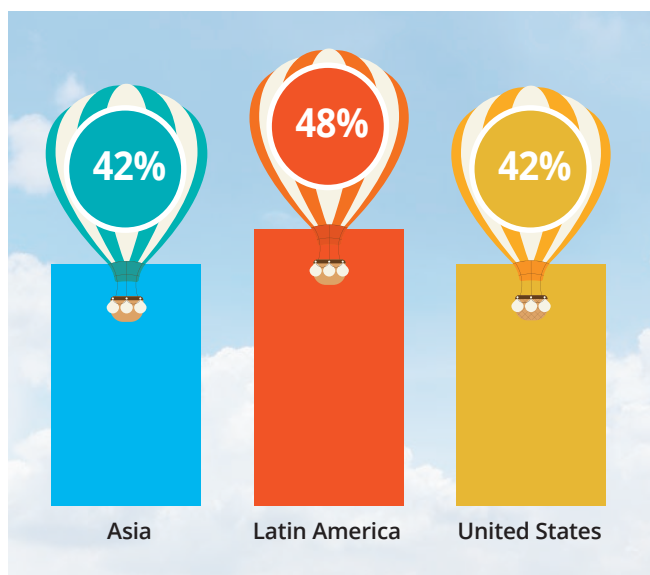
The Desirable Attributes of Gig Work



Source: *The Gig Economy Consumer Survey, LIMRA, 2019.*

Figure 6

Gig Workers “Very Happy” With Work Life



Source: *The Gig Economy Consumer Survey, LIMRA, 2019.*

Risks and Challenges

While many independent workers thrive outside of cubicle and conference room walls, that independence brings its own set of serious challenges and risks. A traditional job carries with it a level of stability that a gig job does not. For many gig workers, the benefits outweigh the risks and challenges, but they are still significant.

Income

A major source of instability connected to gig work revolves around income (Figure 7). When income is obtained, and how much, can vary depending on the gig.

- “Loss of income” accounts for the greatest risk across all regions (46 to 47 percent).
- “Income insecurity” is the greatest challenge for an equal number of Asians and Latin Americans, and only slightly less challenging for Americans.

Benefits

It should come as no surprise that gig workers have a more difficult time gaining access to traditional benefits

There’s nothing like
being on your own
and working your
own hours.

— Gig Worker

such as health insurance, life insurance, and retirement savings (Figure 8). Traditional workers simply obtain such products through their employer. Gig workers have to make an extra effort to seek out these benefits. Gig workers in all regions are looking for more readily available benefits.

- More than half of gig workers in Asia and Latin America, and 42 percent of U.S. gig workers, recognize the risk of “not having access to insurance or retirement benefits” due to their type of work.
- Gig workers in Latin America see “lack of access to traditional benefits” as a challenge more so than their Asian and American counterparts, but the challenge is still the second most highly rated for all regions.

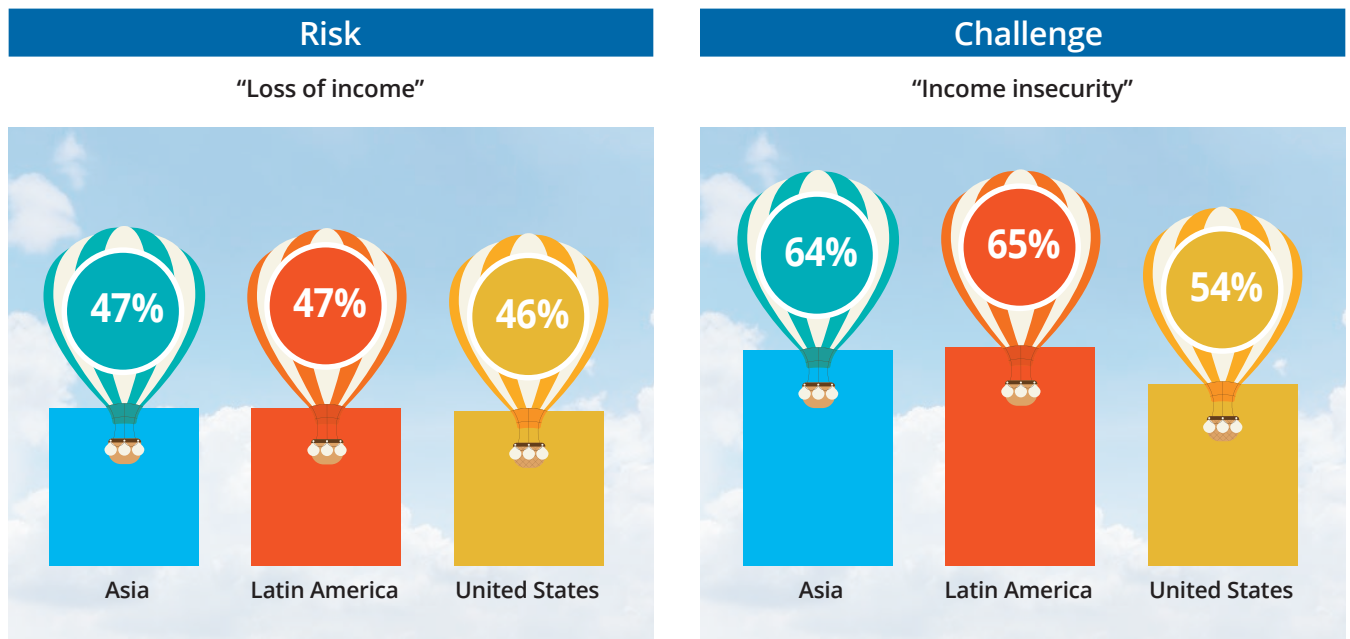
Financial Issues

Gig workers also express concern regarding ongoing financial issues (Table 2). The top five most concerning financial issues are consistent across regions, and most can be linked to a specific financial product. Gig workers are extremely or very concerned with:

- Having enough money for retirement (retirement savings plan)
- Paying for medical expenses in case of injury or illness (health insurance)
- Being able to support themselves if they are unable to work due to a disabling illness or injury (disability insurance)

Figure 7

Income Risks and Challenges



Source: *The Gig Economy Consumer Survey, LIMRA, 2019.*

- Being able to save money for an emergency fund (savings account)
- Paying for long-term care services if they become unable to take care of themselves (long-term care insurance)

The issues lowest on the list of concerns are inconsistent across regions. Cultural differences may account for some of these distinctions. “Providing care to an elderly, disabled, or sick person” ranks relatively high for Asian workers (40 percent), but low for Latin American and American workers (21 percent and 22 percent, respectively).

The concern most closely linked to life insurance, “leaving dependents in a difficult financial situation should I die prematurely,” is lower on the list of concerns overall. This is not unexpected, as life insurance awareness remains low among the general population, not

just gig workers. In fact, one third of gig workers who are married/living with a partner and/or have children under age 18 say they “don’t know” how long it would be before their dependents felt the financial impact in the event of their death. This reiterates the idea that many workers do not understand the dire effects on family if not covered by a life insurance policy. Education and promotion for gig workers in particular will be difficult because they are less likely to have a steady, full-time employer to help them navigate choices and obtain coverage.

This presents a unique opportunity for financial advisors. If gig workers “don’t know what they don’t know” and are not already working with an advisor, then they may be even less aware of suitable products. Gig workers from Asia are most likely to have a primary financial advisor (one third), but only 19 percent of those in Latin America have one (Figure 9). The gig workers in that region are at even more risk of being inadequately covered.

Three product lines have the greatest opportunity for growth: disability insurance, retirement savings, and life insurance.



What Do They Want? An Opportunity to Meet Recognized Needs

The recognized risks and challenges of gig work represent a tremendous opportunity for insurers in all of these regions to supply this unique workforce with the

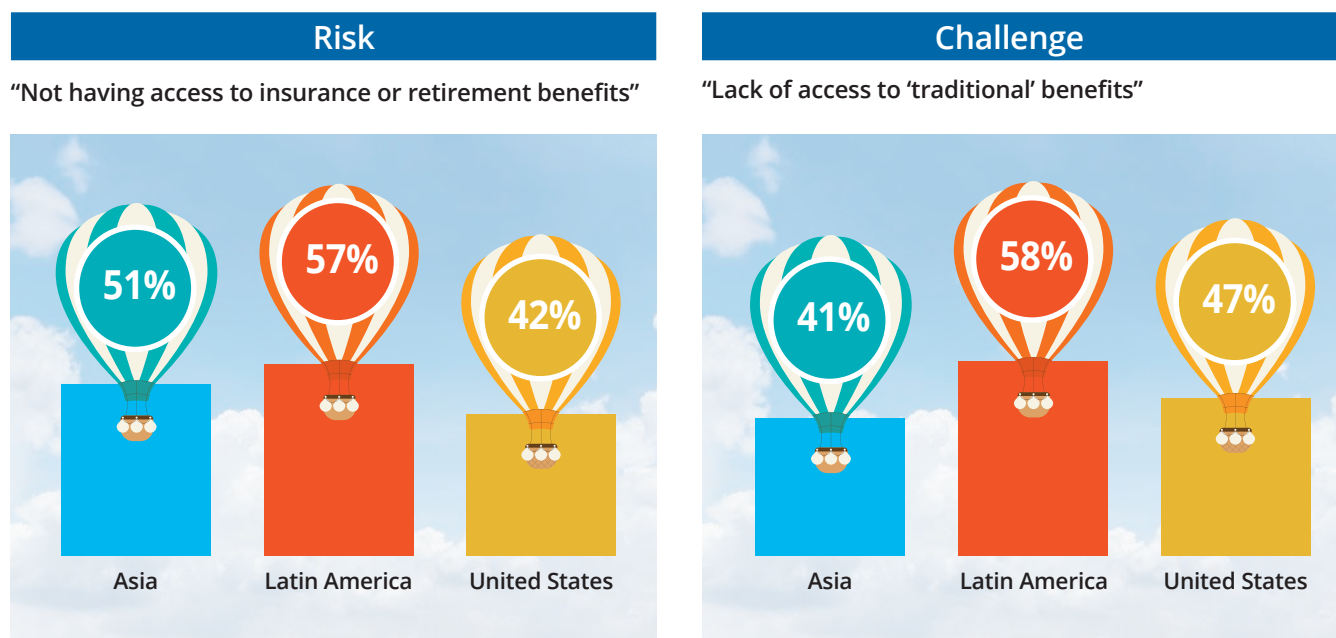
coverage they lack. The movement away from traditional workplaces does not have to be worrisome. Companies that are able to effectively design and promote a portfolio of products with just the right mix of accessibility and affordability will come out on top. Higher sales of products are bound to stem from the products that relate to the greatest concerns of these workers.

What can employers do to attract and retain gig workers? Providing access to benefits may be a start. About half of gig workers do not have access to employee benefits from their job; a similar proportion feel it is a challenge not having traditional employee benefits.

Gig workers value their independence and the idea of being their own boss. One way for companies that offer insurance and retirement products to access gig workers is through the organization for which they work. Gig workers may welcome an approach that is easy and convenient.

Figure 8

Benefit Risks and Challenges



Source: The Gig Economy Consumer Survey, LIMRA, 2019.

Table 2**Gig Worker Concern About Financial Issues***Extremely/very concerned*

	Asia	Latin America	United States
Having enough money for a comfortable retirement	50%	44%	49%
Paying for medical expenses in case of illness or injury	50%	39%	43%
Being able to support myself if I am unable to work due to disabling illness or injury	49%	48%	45%
Being able to save money for an emergency fund	49%	40%	48%
Paying for long-term care services if I become unable to take care of myself	48%	32%	40%
Paying my monthly bills	42%	39%	41%
Losing money on my investments	40%	23%	26%
Providing care to an elderly, disabled, or sick person	40%	21%	22%
Leaving dependents in a difficult financial situation should I die prematurely	38%	35%	32%
Paying for a child's schooling/college	33%	28%	21%

Asia
 Latin America
 United States

Source: *The Gig Economy Consumer Survey, LIMRA, 2019.*

Of all the products connected with gig worker financial concerns, three product lines have the greatest opportunity for growth: disability insurance, retirement savings, and life insurance. Gig workers enjoy making their own decisions, and those looking to buy generally would prefer to purchase these products either through their employer or directly from a financial services company.

Disability Insurance

In the United States, as well as Asia and Latin America, close to 90 percent of gig workers do not have disability insurance. This puts them at risk for financial hardship if they cannot work due to injury or illness. In addition, about half are concerned with being able to support themselves if they are unable to work due to a disabling event. With so few owning disability insurance, this unmet need presents a tremendous opportunity.

The opportunity increases when you consider that gig workers recognize their need for disability insurance.

In Asia and Latin America, close to 70 percent feel they personally need disability insurance (67 and 68 percent, respectively). Half of U.S. gig workers also feel the need for disability insurance; yet, of those who do not have the coverage, only about one quarter wish they owned it. These numbers suggest not only a high recognition of need, but also a low level of motivation to obtain the coverage on their own. Greater educational outreach, combined with an easy way to purchase and pay for this coverage, may drive awareness and action.

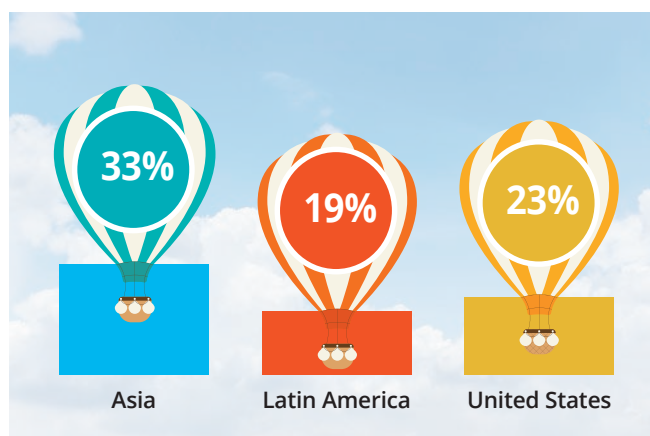
Retirement Savings

Having enough money for a comfortable retirement is gig workers' greatest financial concern, noted by about half. However, three quarters of U.S. gig workers do not personally have a retirement savings account. Here again is a recognized, yet unmet, need.

Gig workers need help from financial services providers. More than half of U.S. gig workers have less than \$5,000 saved for retirement, and about 70 percent would

Figure 9

Gig Workers With a Primary Financial Advisor



Source: *The Gig Economy Consumer Survey, LIMRA, 2019.*

like to increase the amount they are saving. In Asia and Latin America, that number increases to 80 and 83 percent, respectively. In the United States, multiple-employer plans (MEPs)—retirement plans sponsored by multiple unrelated employers—may be a solution. Federal legislative initiatives to remove barriers to MEPs, permitting employers to join together and offer economies of scale, are one of the few that enjoy bipartisan support. Professional organizations to which gig workers belong may sponsor MEPs.

Some employer-type organizations that place temporary or gig workers offer benefits. Companies offering these programs should design them to be economical and easily administered by these organizations, leveraging the known benefit and convenience of payroll deduction for contributions. State-mandated retirement savings programs may also be appropriate in these situations.

Robo- or technology-enabled retirement saving shows potential for many types of gig workers, particularly those who are employed via an app or online platform. Attaching a retirement savings vehicle to these apps and

platforms will allow gig workers to contribute directly to a retirement plan. This could match the convenience of automatic payroll deduction enjoyed by traditional workers.

Life Insurance

Nearly two thirds of U.S. and Latin American gig workers do not personally own life insurance, yet about 70 percent of U.S. workers and 80 percent of Latin American workers think they need it. In Asia, while only 39 percent do not own life insurance, 88 percent think they need it. This difference may reflect the same cultural values seen with concerns about financial issues. Despite differences by region, it is clear overall that those without life insurance understand the risk. Nearly half of U.S. gig workers (as well as 33 percent in Asia, and 44 percent in Latin America) believe the surviving members of their household, or their dependents, would feel the financial impact within six months of their passing. This represents another recognized, but unmet, need.

Competing financial priorities contribute to the imbalance. About half of gig workers in all regions cite cost-of-living expenses such as rent and groceries as having a higher priority, while over 4 in 10 attribute additional living expenses (including cell phone plans, cable television, and streaming services) as the reason. How do we make life insurance a greater priority?

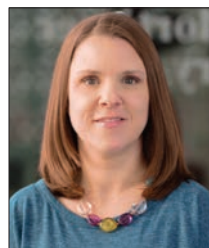
Gig Is Here to Stay

Gig workers are happy with their gig arrangements and plan to stick with it for the long haul. They simply need someone to alleviate their concerns when it comes to financial security for the future. This is something all workers strive for, regardless of where, when, and how they work. However, in the absence of a traditional employer or workplace, benefit providers must reach gig workers through different means.

The gig economy will likely grow as a segment of the workforce, as employers and employees reimagine what it means to work. While the nature of work may change, financial needs remain. Reaching gig workers, either through their employers or directly, may be the most efficient way to engage with these independent workers.

Gig workers are aware that they have financial risks; the key for insurers is to connect with them in a way that leads to action. Go beyond education and create materials that connect the awareness with solutions. Expand the delivery of this content by partnering with relevant apps and platforms. Relieve financial pressures by creating experiences that are intuitive and seamless.

Despite the risks and challenges, gig work is thriving and growing. Could this workforce one day make traditional workplaces obsolete? Perhaps not completely, but providers that do not seize the opportunity to serve this special group of workers could find *themselves* becoming obsolete. 🌐



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About the Research

To learn more about gig workers, in early 2019 LIMRA surveyed workers aged 18 and older in the United States, Latin America, and Asia. The U.S. results are weighted to reflect the general population, while the Latin America and Asia findings are based on the survey samples.

We segmented the workers into three categories:

Gig — Workers who are self-employed or working as an independent contractor, consultant, or freelancer and are not legally organized as a small business (such as a corporation, LLC, or LLP). Gig workers also include those who are not self-employed, but who are working at a temporary job that will last for a limited time or until the project is completed. This category also includes gig workers who earn extra money, for example, by driving for Uber or renting a room (or their home) through Airbnb.

Gig and Something Else — This category includes workers with traditional full-time or part-time jobs and legally organized small-business owners who also do gig work on the side. The gig job may or may not be the person's primary job.

Traditional — These workers are not self-employed and have permanent positions. Legally organized small businesses fall under this category.

For more information, and to access the Gig Economy Consumer Survey, please visit limra.com.