The Gig Economy: A Bridge for Workers in Transition

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Technology is disrupting employment. Automated systems can often complete tasks more efficiently than their human counterparts. A Brookings report on automation forecasts that "over the next few decades, approximately 25 percent of U.S. employment (36 million jobs in 2016) will have experienced high exposure to automation" (Muro 2019). Workers without college degrees may be at greatest risk of displacement (Sterling 2019). As roughly one third (as of 2016) of the workforce in the United States lacks a college degree, much of the workforce is at risk (Brundage 2017).

For those who have been or are at risk of being made redundant by automated systems, the gig economy provides avenues for both bridge employment, as well as full-time career opportunity. Over the last decade, companies such as Uber, Lyft, and Grubhub have redefined freelance work with their easy-to-use app interfaces. Such "gig work" is often perceived as unstable. However, there is little doubt that freelance work is on the rise as its career viability increases. In 2019, Lawrence Katz wrote that "many observers have speculated that traditional employment relationships may be in decline in the United States" due to the gig economy and a "fissured workplace" (Katz 2019; Weil 2014).

Gig work offers advantages that align with many of the common needs of the typical worker whose job is at risk of automation. It may be an ideal permanent or temporary landing place for them to earn income while making career changes. Gig workers can choose to work gigs full-time, or part-time while advancing their education in pursuit of new lines of work.

Education can help displaced workers find new jobs, giving educators a unique opportunity (Sterling 2019; Muro 2019). Online degree or learning programs can meet some of this need (Sterling 2019). The CEO of Coursera stated that the company aspires "to reduce skills gaps and spread opportunity widely" (Maggioncalda 2019). Coursera's blog touts stories suggesting that with the company's courses, workers have achieved higher paying, higher skilled jobs. An example is Sandra M. who went from "managing a restaurant to managing I.T." (M.S. 2019).

According to Deloitte senior partner Angus Knowles-Cutler, "ensuring that the workforce of the future has the right skills and education" is vital. Displaced workers must learn new skills because employers "feel that the skills required" for industry "are changing" (Deloitte 2015). According to Deloitte (2015), 800,000 jobs in the U.K. were lost from 2001 to 2015, but 3.5 million new ones were created. The new jobs generally required more skill and offered better pay than the lost jobs (Deloitte 2015). Automation is not reducing the number of jobs, it is redefining the types of jobs that are available. When low-skill jobs become redundant, high-skilled jobs become essential.

Workers who live paycheck-to-paycheck may not have the luxury of taking time off to find a new job or go back to school after being made redundant. Because of this, temporary circumstances that allow for income generation may be necessary for some workers who are made redundant by automation. "The gig economy may facilitate bridge employment (e.g., temporary employment between career jobs or between full-time work and retirement) or provide opportunities to generate income when circumstances do not accommodate traditional full-time, full-year employment" (Donovan 2016). As Donovan says, the gig economy may provide an ideal opportunity for these workers to not only sustain income, but also to facilitate

career changes by taking advantage of the flexibility of gig work. Reeducation can be made possible thanks to the flexibility of gig work, as well as the self-directed learning approach that many online certificate learning programs offer.

While automation makes low-skilled jobs redundant, the gig economy is growing (Brustein 2019). According to Muhammed (2018): "The workforce share of gig work rose from 10.1% to 15.8% from 2005 to 2015." Gig economy employers, such as Uber, show sustained demand for workers (Vock 2018). Gig work tends to be flexible, permitting education and income to be pursued simultaneously.

Upwork and the Freelancer's Union (2019) found that over half of gig workers had participated in skills training while freelancing, taking advantage of gig work's flexibility (Upwork 2019). According to the study, the vast majority of freelancers say that technology has simplified finding gig work (Upwork 2019), shortening income interruptions. Though gig work can be unstable, many gig workers believe that "having a diversified portfolio of income from multiple clients is more secure than having one employer" (Ozimek 2019). By developing a diverse gig portfolio while retraining for higher-skilled jobs, gig workers displaced by automation can manage economic uncertainty.

Literature Review

The current automation boom has caused many to worry about jobs. This is not a new concept, however, as there has been public worry about automation and jobs many times throughout History. One relatively recent example is documented in Time Magazine's February 24, 1961, issue which contains an article titled "The Automation Jobless" (TIME 1961). With this being a relatively recent example, one can find many older examples as well. It is important

to know that society's current bout of "automation anxiety" is not its first and so there are many instances to learn from (Akst 2013). During each of these instances, there has been anxiety about worker displacement, but "clearly, the past two centuries of automation and technological progress have not made human labor obsolete" (Autor 2015).

V. Brundage found that "The U.S. labor force has become increasingly educated" from 1992 to 2016 (Brundage 2017). These findings were also found in a UK study conducted by Deloitte in 2015 where they found that "the UK has benefited from a technology-driven shift from low skill, routine jobs to higher skill, non-routine occupations" that require higher educational attainment (Deloitte 2015). The transition to a more highly educated workforce is not unlikely linked to automation pushing workers out of low-skill jobs and forcing reeducation upon them in order to fill more highly-skilled jobs. As mentioned in the Deloitte (2015) study, this transition will likely benefit the workforce as a whole in the long run, but that still leaves potential problems to solve in the short-term.

According to Upwork chief economist Adam Ozimek, "there are as many freelancers who view freelancing as long-term as there are that view it as temporary" (Ozimek 2019). In addition, Katz and Krueger (2019) "conclude that there likely has been a modest upward trend in the share of the U.S. workforce in alternative work arrangements during the 2000s". A problem with studying the freelance workforce is that, as Katharine Abraham and Ashley Amaya (2019) have found, "a substantial amount of [freelance] work activity [is] not captured" by traditional data collection methods. In fact, Abraham (2018) has also noted that gig economy growth changes drastically depending on the data source used. This information brings into question most statistics brought forth regarding the gig economy.

The rapidly changing job market caused by the acceleration of automation artificial intelligence "will require workers to develop a constant learning mindset and use it to work both with machines, and in ways machines cannot" according to Muro (Muro 2019). Tibor Vámos has expressed a similar view that "preparation for a future where the necessary professional knowledge [is changing]" warrants a constant learning mindset (Vámos 2014). These statements suggest imminent change in the future job market. Job loss due to automation is a prominent example of the changes expressed by both Muro and Vámos. These researchers also suggest education as a solution to the problem of anticipation. Educational opportunities made possible by the flexibility of freelance work could be a step towards more feasible life-long learning.

Freelance work does not promise to be free of bias. A study conducted by Hannák et al in 2017 found evidence of discrimination on freelance platforms TaskRabbit and Fiverr (Hannák 2017). TaskRabbit's website says that its "service platform instantly connects you with skilled Taskers to help with odd-jobs and errands" (TaskRabbit). Fiverr's website claims that it is the "world's largest marketplace for digital services" (Fiverr). Both are quintessential freelance platforms. The research examined "bias on online freelancing marketplaces with respect to perceived gender and race," data from 13,500 worker profiles from both of the websites. The findings indicate bias. "For example, on both services, workers who are perceived to be Black receive worse ratings than similarly qualified workers who are perceived to be White," and "perceived gender and race have significant negative correlations with search rank" on TaskRabbit (Hannák 2017).

Evidence of gender inequality has been found to be present on online freelancing marketplaces. Barzilay and Ben-David (2017) found that, "on average, women's hourly rates are significantly lower than men's when considering the same tasks, despite similar levels of

educational attainment, feedback score, and length of experience" (Barzilay 2017). Barzilay and Ben-David's study analyzed 4,669 user profiles taken from an online freelance marketplace. This study found that "on average, women's hourly rate is 37% lower than men's" (Barzilay 2017).

Bias

Bias is becoming an increasingly relevant topic in today's society. Racial and gender bias in the workplace is an ever-present topic on a multitude of news mediums. Hannák et al (2017) and Barzilay et al (2017) suggest that the gig-economy may not be free of gender and racial bias. Such biases are consistent with discrepancies in unemployment (U.S. BLS 2020). Together, these two discrepancies could suggest that freelance work may not be a suitable position for some who have been displaced by automation.

The evidence from Hannák et al (2017), Barzilay et al (2017), and the U.S. Bureau of Labor Statistics suggest that gig work does not redress longstanding inequalities in employment. However, the growing online nature of freelance work presents opportunity for freelance marketplaces to control individualizing information on worker profiles. This would mitigate bias when consumers choose who they contract work to. Some platforms such as Uber and Lyft have already largely solved this problem from the perspective of the worker. Their platforms does not allow consumers to choose their drivers, but rather give that power to the drivers themselves. This structure does leave the possibility that workers' choices of riders could become bias, but that does not affect the viability of the work for drivers. This is because workers always have the choice to take a ride or not and so the potential wage always exists until they choose to forego it. Thus, the potential wage for the driver is always attainable. In support of this, Cook et al (2018)

found that "the average of rider ratings of drivers is statistically indistinguishable between genders" (Cook 2018).

Much of the previous evidence talks specifically about how bias is mitigated in the ridesharing space. However, there is a multitude of other gig jobs that follow by the same process as the ridesharing apps previously mentioned. For example, there are a number of food delivery services, such as GrubHub and DoorDash, that leave the customer out of the loop when choosing delivery personnel. Uber, Lyft, GrubHub, and DoorDash are a few of the larger names in the gig economy, but bias is not always prevalent in their absence. Hannák et al (2017) found evidence of racial and gender bias on TaskRabbit and Fiverr, but those platforms in particular lend themselves to bias due to the amount of personal information that is presented about each of their workers (Hannák 2017). This information is likely provided to consumers simply due to the personal nature of the work that each of the sites caters to (physical labor on TaskRabbit and computer/tech work on Fiverr). However, like ridesharing and food delivery, there are many other gig opportunities available that do not suffer from bias in the ways that TaskRabbit and Fiverr do.

Reeducation Possibilities

As Muro and Vámos (2019, 2014) expressed, life-long learning may be a necessary skill for any worker to have in preparation for transition. While workers may enroll themselves in the best educational opportunities available to them, those opportunities are only as good as what educators have made available. So while workers are the ones in need, a large portion of the task of workforce reeducation will fall on the educators themselves, many of whom have already made progress towards this goal through the creation of more accessible online education such as

boot camps and certification programs. These programs uniquely cater to workers who can't afford to fully take time off from work, which is the case for many low-skill workers.

Upwork and the Freelancer's Union (2019) found that many workers take advantage of gig work's flexibility to participate in skills training while freelancing (Upwork, 2019). The necessity of income may often be paramount to education for low income workers, especially in the case of workers who are responsible for providing for families. Traditional employment makes education difficult due to the time constraints of working a full-time job. However, gig work mitigates this time constraint by allowing workers to earn wages around the time that they spend in educational settings. This finding is supported by Donovan et al (2016) who says that gig work "allows workers' participation to be more transitory" (Donovan 2016). This transitory nature enables gig workers to reeducate themselves regardless of time slot requirements from educational institutions.

Over the past decade there has been an increase in the number of viable online educational opportunities. Everything from free sources such as Coursera and YouTube, to paid programs like LinkedIn Learning and online college degree programs can provide tremendous educational value. Coursera actually offers both free and paid-for accreditations through their website and app, making their content a good place for people to get their feet wet with online learning before committing monetarily. Additionally, many of the courses that Coursera offers come directly from top universities such as Stanford University and University of Pennsylvania. All of the courses on LinkedIn Learning require a subscription, but LinkedIn's VP of Learning Content Tanya Staples boasts that LinkedIn Learning has "over 12,000 enterprise customers" as of March 2019 (Tanya Staples 2019). This enterprise involvement is an indication that employers are taking online accreditation seriously and is therefore a viable educational source. All of these

services are adding new courses at unprecedented rates. Tanya Staples claims that LinkedIn Learning "added 3,200 courses in 2018 alone" (Tanya Staples 2019). This sheer volume of courses available means that there will be suitable material for almost anyone looking to advance their education through these means.

Portfolio Careers

According to Adam Ozimek, "more than half of freelancers report that 'having a diversified portfolio of income from multiple clients is more secure than having one employer'" (Ozimek 2019). As automation becomes prevalent across more industries, a diversified gig portfolio may be the best way to maintain income for workers who can't find full time work. "It turns out that the financial well-being scores of independent workers are very similar to those with traditional jobs" and "financial well-being scores correlate with income" (MBO Partners 2019). These findings indicate that traditional and freelance workers perceive themselves to be equally well-off financially on average. The study by MBO Partners (2019) also indicated that scores differ depending on a freelancer's reluctance to gig work. Those who were not reluctant tended to perceive themselves as more financially stable than their traditional working counterparts on average (MBO Partners 2019). This evidence shows the viability of the gig economy not only as a career bridge, but also as a full-time profession for workers who do not wish to reeducate for new lines of work.

Employee Status

The California Assembly Bill 5 (AB5) has the potential to make working as a full-time freelancer even more viable than ever. The 2019 bill (Assembly Bill 5, 2019) states:

workers who are currently exploited by being misclassified as independent contractors instead of recognized as employees have the basic rights and protections they deserve under the law, including a minimum wage, workers' compensation if they are injured on the job, unemployment insurance, paid sick leave, and paid family leave.

Under this bill, "any individual providing labor or services for remuneration has the status of an employee rather than an independent contractor" unless a series of conditions is met (Assembly Bill 5 2019). The passing of AB5 has been hailed as a landmark bill for freelance workers. This bill seems to have latently been targeted at ride share companies Uber and Lyft, but its effect spreads beyond those two companies to others that rely on independent contractors for their workforce. The spreading of this bill across the country would give more independent workers employee benefits, making gig work a more viable career route than ever before.

Conclusion

Historically, freelance work has not been thought of as a viable full-time income provider. However, as presented by chief economists at Upwork, as well as others, more and more people are turning full-time to freelance work (Ozimek 2019). Much of this shift is likely due to new technology that not only makes it easy to find work, but also creates a workspace that is largely relieved of social biases. Workers are easily able to find work, and minority social groups have equal opportunity pay and work load. A diversified gig portfolio may actually be the safest way for workers to ensure that their entire income stream does not go away over night as automated technologies enter their industries. The idea of a portfolio career has also taken shape as a viable full-time option for workers who do not wish to return to having full-time jobs and/or simply want income security.

Education is also relatively easy to achieve while working gigs. Upwork found in 2019 that over half of the freelancers they surveyed in a study had participated in some sort of educational training program, which was more than double that of non-freelancers (Upwork 2019). The rise of free and subscription-based online learning environments that both offer world-class, accredited courses and are taken seriously by employers means that non-traditional educational routes are more prevalent and viable than ever. More than any other type of work, gig work lends itself to this new educational wave thanks to the incredible flexibility that it offers.

For those who have been or are at risk of being made redundant to automated systems, the gig economy provides avenues for both bridge employment, as well as full-time career opportunity.

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