



THE GIG ECONOMY

**The Future of Employment
and Entrepreneurship**

BY MORISSA SCHWARTZ





THE GIG ECONOMY

There is a 'new' method of employment growing in popularity worldwide every day: the gig economy.

This entrepreneurial way is made possible and more popular through the advancement of the Internet and the latest smart technology. The gig economy encompasses individuals performing **freelancing 'gigs,'** normally from the comfort of their own homes.

Freelancer, Fiverr, and Upwork are among the most popular places for freelancers to find work; although, there are new freelancing opportunities every day.

Uber is another source that many individuals are turning to when earning cash without reporting to an office or boss. These types of gigs are giving people

the freedom to work for themselves at any time and place that they please, as opposed to the traditional 9-5 model of office work.

Life As a Gig Freelancer

Those involved in the 'gig economy' are relatively young; it is most largely populated by millennials. I know this from my own experience as a **'gig freelancer.'** This topic is important to me, because I jumped on the 'gig' trend when it was first gaining popularity in 2011, after the launch of Fiverr.

I was still in high school, and while my friends were getting jobs at the mall on the weekend, I was freelance editing young adult novels and articles online for people across the country and sometimes even in other countries. It blew my mind that I could do the work that I loved like this, especially at such a young age.

The people who hired me did so because of my passion and abilities without judging my age (since it was online, they most likely had no idea that I was still a teenager.) I loved the freedom that this work provided. I am the type of person who will stay up until 4:00 am working, and I like to get tasks completed early, which is different from many people's working styles.



That is why being able to work like this is extremely important to me. My work in the gig economy helped pay for college and my car. I appreciate how the ‘gig economy’ is changing the workforce and giving individuals more empowerment and freedom to work on their own terms. I may be familiar with the gig economy and how it works, but there is still great confusion surrounding just what it is.

What is the Gig Economy?

It is important to explicitly describe what exactly the ‘gig economy’ refers to and what it does, since it is still a relatively new concept. Older generations especially, who grew up without internet and such individualistic working values, find this concept quite foreign. That is why many sources have broken it into terms that truly outline what the gig economy actually means.

The ‘gig economy’ refers to the revolution of workers from home, who instead of reporting to an office and boss for a set amount of time per day, work remotely, usually from their home computers, as freelancers for a variety of clients. NPR breaks down the term ‘gig,’ from its earliest usage, which included musicians and then the ‘hippy adoption,’



where those who did not want to be tied down to a 'traditional' job, performed gigs (musical) instead. Now gigs have grown to include a variety of tasks online, from writing, to social media, to coding. NPR goes on to say, "It has been called the *on-demand economy*, the *1099 economy*, the *peer-to-peer economy*, and *freelance nation*, among other things. But over the past year, investors, the business media and politicians seem to have settled on "**the gig economy.**" (NPR 2015)

The reason that this name sounds right to so many people is that our revolution of freelance workers working on their own terms is similar to work revolutions past, where small groups did act out against the 9-5 model to work on their own terms.

Although, this revolution seems to be impacting a much larger facet of the economy, as 46% of millennials are reported to have done some kind of freelance work in the gig economy (Sundararajan 2015). This is mainly thanks to the Internet and more value placed on each person as an individual over the days when people seemed to value communal working more. For example, whereas today young people find it more important to 'express themselves' and start



“It strikes just the right jaunty, carefree note. The Financial Times explains that in the future, work will be less secure but lots more exciting. We can make our own schedule and hours, pick the projects that interest us, work from anywhere and try our hands at different trades.” (NPR 2015) As a freelancer, I can attest to this. One day I am proofreading a paper, and then next I am recording vocals for a song. The trade options are endless.

Cons of Freelancing

One question posed by many of the ‘gig economy’ is how to define these freelancers. Are they employees of each person or company that they work for? Are they simply self-employed entrepreneurs? What happens to freelancers who work long-term for a company or individual? Other concerns are around about how much money they make. While many in the gig economy can maintain a full-time living on their wages, others must work a traditional job while using their freelance money as supplement.

According to the New York Times, because freelancers are not actually “employees,” they are often paid less for their services, in addition to not receiving benefits such as health insurance or



or retirement aid. This is due to unset parameters and outsourcing. Regulations are still being made and decided on by courts (NPR). If parameters could be set up to protect freelancers, we can expect an even larger growth in the “gig” economy, as many who do not participate state a of lack of benefits and economic worries as their main reason.

Some regulation can go a long way in improving how entrepreneurs feel about working for their clients (NPR). Even I went through the many doubts about freelancing. I am still covered by my parents’ insurance, but when I turn 26, I will have a serious decision to make if benefit regulations are not set up for freelancers like myself.

Increasing Popularity

The idea of the ‘gig economy’ is something new to our world that has been made possible by modern technology; however, the concept is not entirely new. Many have compared the direction our economy is headed to Marxism, due to the ‘self-governing’ and self-regulating nature of these types of freelance gigs.

Individuals are able to abandon the 1950s ideal of a 9-5 job and work when they please. On this



rather radical idea, the Foundation for Economic Education writes, “The sharing economy is simply decentralizing power by allowing ordinary people to use their own small-scale means of production. By solving coordination problems and lowering transaction costs, technology is augmenting capitalism.”

The article goes on to say that this new-age Marxism is thanks to socialism (Foundation for Education), meaning that the need for individualism as a result of socialism has brought about eagerness for the gig economy. A. Sundararajan at The Guardian has a similar stance, citing how this new gig explosion is making the economy, described in Adam Smith’s eighteenth century book, *An Inquiry onto the Nature and Causes of the Wealth of Nations*, a reality.

Smith stated how, ideally, individuals could independently conduct economics. (Sundararajan) Based on this model, each of us takes responsibility for our own financial freedoms by working on our own terms. With the direction that the economy has been heading, especially after the recession and so many unemployed young people, this idea is not so far off. In uncertain financial times, a radical idea like the

‘gig economy’ makes more sense to the masses.

The Sharing Economy

In Juliet Schor’s scholarly communications article titled *On the Sharing Economy*, she discusses how the gig economy, which she calls the ‘sharing economy,’ can work to turn our economy around.

Some of her ideas are also reminiscent of Marxist ideals, as she sees individuals becoming less individualistic and more community and sharing oriented. She says many are ‘collaborative and communal’ and celebrates these people more than the competitive and profit driven entrepreneurs.

She disproves the notion that freelancers are ‘hermits’ in their own homes, and instead opts to discuss how freelancers get along with one another to form virtual communities. (Schor 13) This can be seen in real-life application. One of my favorite stories to tell about my experience in the gig economy involves the time of Hurricane Sandy.

When this superstorm hit, I lost electricity and could not do my freelance work for a week. When power was finally restored. I was so nervous, assuming that clients would be angry at my missing



full of concerned clients stating that they heard about the storm and wondered if I was alright. Some of these clients were from India, some were from Texas, and some were in Europe, far away from the Sandy devastation. That is why it was so touching to me that they cared enough to look into what had happened. It proved to me just what a strong community the gig economy is.

The Impact of Freelancing

In A Framework for Designing Co-Regulation Models Well-Adapted to Technology-Facilitated Sharing Economies, Bryan Cannon and Hanna Chung discuss the future impact of these kinds of freelance businesses on the future of the economy. They express the importance of regulation in the field.

Like Schor, they value a sense of community and even refer to the gig economy as the ‘sharing economy’ stating “This economy reflects the convergence of many different types of motivations, ranging from an ethos of collaborative consumption and waste reduction to profit-seeking entrepreneurial efforts to address consumer demand for smaller units of consumption” (Cannon 25-27).



This is again putting the notion to rest that freelancers work solely for themselves and miss out on interacting with others. They simply work differently than do traditional businesses. Arun goes on to write, “But the gig economy isn’t just creating a new digital channel for freelance work. It is spawning a host of new economic activity.

More than a million “makers” sell jewelry, clothing, and accessories through the online marketplace Etsy. The short-term accommodation platforms Airbnb, Love Home Swap and onefinestay collectively have close to a million “hosts”. (Arun) Because so many people are involved in the ‘gig economy,’ this whole new economy has truly become a community.

There are blogs, books, groups, and more devoted to and catering to the gig community. They support each other through advice and even become clients and consumers to one another. Just like any other business, the gig economy works largely through networking. It is like ‘main street’ online.

The businesses that are part of the ‘gig economy’ are constantly growing and among the highest valued businesses in the world.



Katy Steinmetz at Time Magazine uses the example of Uber saying. “Ride-app company, Uber, for instance, has become the fastest-growing startup in history, now valued at more than \$60 billion at just five years old.” In fact, on the list of “richest” self-made billionaires under thirty, three are founders of Airbnb, and this trend seems to grow every year. (Steinmetz)

Airbnb is another company that caters to the gig economy, allowing freelancers to rent out space in their homes for ‘gig money.’ That is why many of the startups that have catered to allowing freelancers to offer gig services have done quite well. Individuals are readily available to jump on offering gigs and companies that support them are profiting from the surge in popularity. With each new freelancing app, more people get into the gig economy, and so it grows.

Students Thrive In The Gig Economy

Another great part of the gig economy is that people of any age can use it as a way to make a living, even students. K. Palmer at HuffPost cites



how college students use freelancing as opposed to more traditional jobs, “In fact, in the past year or so, she’s made enough to cover her living expenses and to start paying off college loans! Morissa started with singing gigs, but when she saw someone was looking for a book editor, she jumped at the chance. Since then, she’s become one of the top editors on Fiverr.” (Palmer)

I was directly involved in that article, as Palmer reached out to me for interview when I was a sophomore college student who had success in the gig economy. This speaks to my larger point that anyone can succeed at freelancing. If I, a seventeen-year-old at the time that I started, was able to make a healthy wage by freelancing, so can anyone else.

My personal success in the gig economy is just the perfect example of how everyone, no matter their age or background, can become a part of the gig economy simply by pursuing their talents and doing what they enjoy. The world of online freelancing makes doing this easier than ever.

When you are passionate about something, you will do it better.



That is why freelancing allows you to channel your passions and talents and turn them into profit, which is something many people dream of. The old cliché of the ‘starving artist’ is not as widely spread anymore, because artists are able to get paid for their work through the gig economy now.

The Job Market Is Changing

In Dr. Thabassum’s study on remote jobs, he favorably looks at the changing job market that he says has been growing since the 90s where job seekers began to realize they could work from home. He calls their wages “handsome” and seems to be in favor of this alternative type of employment and the freedom that it gives employees. (Thabassum)

Similarly, Nur Salleh looks at how these types of jobs positively impact the younger generation. He speaks of the freedom that these young people exhibit and how well-rounded this ability to travel and meet a variety of people makes them. (Salleh) When you work with a client overseas, you get a worldly education.



You learn how others conduct business around the world as well as how they communicate. Plus, since you are not tied down to a 9-5 office, you can even travel to those remote locations to work if you were so inclined.

Robots as Freelancers?

Not everyone is so keen on the future of the gig economy, though. Harriet Taylor at CNBC stated that in the future, robots may one day replace members of the gig economy. She reports that in twenty years, Uber drivers, for example, will be replaced by drones and self-driving vehicles.

While a first impression of this idea may be that it seems too much like science fiction, the companies themselves have weighed in and actually supported the idea. An Uber Spokesperson said, “Autonomous driving technology has the potential to drastically reduce deaths in cars and make transportation even more affordable...” (Taylor). This leads some to believe that Uber, Lyft, and similar companies are keen on the idea of self-driving cars that will one day replace human drivers.



With the direction technology has been going, and Google's constant work on self-driving cars, this is not too far off. For now, however, the gig economy is thriving. It is changing the way we work and relate to one another. Plus, robots cannot reproduce the art, like drawings and music, that human freelancers produce in the gig economy.

So even if robots do take over some jobs, there will still be creative jobs that will have to be left to humans no matter how much technology evolves.

My Experience in Freelancing

Again, I can refer to my own experience as a freelancer. After becoming a top-rated seller on 'gig' site, Fiverr, they invited me to speak at some of their events about my experience freelancing. I speak about how I meet people from all around the world through Fiverr.

I will write an article for somebody in France, edit a paper for someone in California, and provide a voiceover for a client in Canada all in the same day. That is the norm. I experience other cultures just through my work online in ways that I never could with an 'office' job. So while I, as a freelancer, miss out on having co-workers and office culture, I am a



part of a whole different culture where I can work with a client in Tel Aviv at 1:00 AM or a client in NYC at 4:00 PM. I like the flexibility to work when and how much I please. I may work at 1:00 AM, but at 1:00 PM I am free to go out and have recreational time or I can choose to work on another project.

There is no monotony or boredom.

This is something that someone like my grandparents would have never even dreamed of from their traditional 9-5 jobs. That is why the issue that many people bring up about the ‘gig economy’ that “*freelancers face isolation faces working from home*” is so highly inaccurate.

Freelancers are constantly connected. We can work from home or a public space. There are even co-working spaces, where for a fee like \$20, you can rent a space for a few hours and work alongside likeminded individuals. I usually begin my work at home, and then go to Monmouth library or to the student lounge to continue the work.

This allows me to connect with even more people. Contrary to popular belief, a larger issue



than virtually non-existent isolation, is the idea that if you are home, you are not working. To some, if you are not in a 9-5 office, it is now a 'real job.' So there are constant distractions, and you learn to cancel them out.

I speak from experience when I say that the gig economy does work, and it is revolutionizing how we work. People with 9-5 jobs often bring their work home with them now, through the ease of emails and smartphones, where anyone can reach them.

So in that way, even 'traditional' jobs are moving toward the gig economy, even if they do not necessarily see it. Office hours of 9-5 are becoming an idea of the past.

There are even hybrid jobs (something I've also been a part of) where a worker works in an office a couple days and from home the other days. It allows for structure and balance, in addition to freedom. Salleh mentions this in his article, stating, "Young people value work-life balance and empowerment. They work only when they want to... Once in a while, you'll notice them posting Instagram pictures or having tea break at a cafe or sun-tanning during work hours and you wonder



Millennials and young people especially are an individualistic group. The gig economy gives them the opportunity to express their individuality while earning a living for it. This is creating a well-rounded generation of entrepreneurs.

The Gig Economy Continues To Grow

The gig economy does not appear to be ending any time soon. It is a model that works for many people and will most likely only grow in popularity as more and more people discover its potential and as more regulations are made to protect freelancers.

In doing this research, I have found out that even more young people than I thought are involved in the gig economy.

In high school, not only was I the only person I knew working in the gig economy, but when I mentioned my freelancing or Fiverr, I was met with blank stares. No one knew what I was talking about.

Even when I would explain it, I was still not fully understood. I have seen a shift in this.



Uber and businesses like it have brought the gig economy more into the mainstream, so while most people I personally know still do not participate in the gig economy, at least most know what it is.

Conclusion

It is quite possible that one day all work will look like the gig economy model. This is largely thanks to technology and the changing millennial mindset. I know from this experience that I do not think I would find a 9-5 job fulfilling.

I enjoy incorporating my work into my everyday life. I will go to the Monmouth library and read a book followed by an hour of freelancing work or I will take a walk to the park and sit down with my laptop for some work for a bit before continuing my walk.

In that way, it never truly feels like work. I get a lot done and do it with passion, which makes the product better. This is a work model that seems to work for most in my generation, so the more that people discover the gig economy, the more that people will work in this manner.



I get to be creative everyday while remaining independent and financially stable. The more that people discover the gig economy, the more they will see just how rewarding it actually is.

Works Cited

Cannon, B., & Chung, H. (2015). A FRAMEWORK FOR DESIGNING CO-REGULATION MODELS WELL-ADAPTED TO TECHNOLOGY-FACILITATED SHARING ECONOMIES. Santa Clara Computer and High – Technology Law Journal, 31(1), 23-96. Retrieved from <http://bluehawk.monmouth.edu:2048/?url=/docview/1679226330?accountid=12532>

Palmer, K. (2014). 4 Ways to Make Money After Graduation.

Huffington Post. Retrieved from:
http://www.huffingtonpost.com/her-campus/4-ways-to-make-money-aft_e_b_5591934.html

Nunberg, G. (2016). Goodbye Jobs, Hello ‘Gigs’: How One WordSums Up A New Economic Reality. NPR. Retrieved from:

<http://www.npr.org/2016/01/11/460698077/goodbye-jobs-hello-gigs-nunbergs-word-of-the-year-sums-up-a-new-economic-reality>

Salleh, N. (2015). Freelancing freedom: Young people who do not want to be tied down are turning to freelance work. The Straits Times.

Works Cited

Retrieved from:

[http://bluehawk.monmouth.edu:3596/search?
s.q=freelance#!/search?ho=t&l=en&q=freelancing](http://bluehawk.monmouth.edu:3596/search?s.q=freelance#!/search?ho=t&l=en&q=freelancing)

Schor, J. B., Walker, E. T., Lee, C. W., Parigi, P., & Cook, K. (2015, Winter). On the sharing economy. *Contexts*, 14, 12-19.

Retrieved from:

[http://bluehawk.monmouth.edu:2081/10.1177/15365
04214567860](http://bluehawk.monmouth.edu:2081/10.1177/1536504214567860)

Steinmetz, K. (2016). Exclusive: See How Big the Gig Economy Really Is. *Time*. Retrieved from:
<http://time.com/4169532/sharing-economy-poll/>

Sundararajan, S. (2015). The 'gig economy' is coming. What will it mean for work? *The Guardian*.

Retrieved from:

[http://www.theguardian.com/commentisfree/2015/jul/
26/will-we-get-by-gig-economy](http://www.theguardian.com/commentisfree/2015/jul/26/will-we-get-by-gig-economy)

Taylor, H. (2016). How robots will kill the 'gig economy'. *CNBC*.

Works Cited

Retrieved from:

[http://bluehawk.monmouth.edu:3596/search?
s.q=freelance#!/search?ho=t&l=en&q=freelancing](http://bluehawk.monmouth.edu:3596/search?s.q=freelance#!/search?ho=t&l=en&q=freelancing)

Schor, J. B., Walker, E. T., Lee, C. W., Parigi, P., & Cook, K. (2015, Winter). On the sharing economy. *Contexts*, 14, 12-19.

Retrieved from:

[http://bluehawk.monmouth.edu:2081/10.1177/15365
04214567860](http://bluehawk.monmouth.edu:2081/10.1177/1536504214567860)

Steinmetz, K. (2016). Exclusive: See How Big the Gig Economy Really Is. *Time*. Retrieved from:
<http://time.com/4169532/sharing-economy-poll/>

Sundararajan, S. (2015). The 'gig economy' is coming. What will it mean for work? *The Guardian*.

Retrieved from:

[http://www.theguardian.com/commentisfree/2015/jul/
26/will-we-get-by-gig-economy](http://www.theguardian.com/commentisfree/2015/jul/26/will-we-get-by-gig-economy)

Taylor, H. (2016). How robots will kill the 'gig economy'. *CNBC*.