

# BEYOND GIG WORK: PUBLIC MARKETS FOR IRREGULAR EMPLOYMENT

Findings and Recommendations from a Design Group of 25 Workforce Bodies

## Summary

*Public workforce entities can play a key role in improving opportunities for the increasing number of Americans working in the fast-growing “gig” economy. These workers are deployed and paid as required rather than having steady hours and earnings. This kind of irregular employment is also rising for workers in traditional occupations and those in the shadow economy. New approaches in the workforce system, including sophisticated public job markets linking workers and employers, could improve prospects, stability and benefits for these workers – and their families – as well as help employers better meet staffing needs.*

Across the retail, construction, household services, hospitality, healthcare and other sectors, an increasing number of workers are in irregular work with schedules and shifts tailored to meet the varying staffing needs of employers. A retail employee who used to have a consistent weekly full-time work schedule may now wake each morning not knowing if she will be called in to work, or what the hours will be if she is. Her store’s primary focus is adjusting the size of the workforce hour-by-hour in line with fluctuating daily shopping patterns.

Workers are involved with part-time or gig work through three main avenues: high-profile platforms like Uber, TaskRabbit or DoorDash; employment with more traditional businesses; or jobs that pay under the table. America’s untaxed, unregulated, illegal shadow economy is now estimated at 10 percent of the nation’s gross domestic product. The bulk of this activity is irregular hourly work.

The accelerating trend to irregularity is not accurately measured in official labor market statistics, but the U.S. Government Accountability Office (GAO) estimates that more than a third of America’s workforce may

already be in irregular employment. This leads to major problems for household budgets. Already, only 47 percent of respondents to a Pew household finances survey reported predictable expenses and income month to month<sup>1</sup>. The problem is skewed toward women, minorities and low-wage workers.



We identify three types of irregular employees:

- those who can’t work any other way – for instance, because of unforeseeable daily medical issues or caregiving commitments;
- people, including students, who like the flexibility of part-time work; and
- millions who would like predictable, full-time work but are stuck in part-time arrangements.

These workers typically have limited employer-provided benefits and opportunities for job progression or skill-building. The trend toward more irregular work can also lead to high turnover and inconsistent worker performance, which can hurt employers.

<sup>1</sup> <http://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2017/03/how-income-volatility-interacts-with-american-families-financial-security>

## Possibilities for public workforce systems

The Public Workforce System is tasked with boosting economic growth and fostering opportunity and currently focuses on traditional jobs, offering services that online portals for job searches, job matching and short-term training.

Workforce entities may face increasing pressure to provide support to workers in irregular employment.

Government bodies in Britain have pioneered a promising option – a public job market focused on connecting workers to employers to meet their fluctuating staffing needs. They give workers control over the types of jobs they are matched with and provide opportunities to progress to better pay, regular hours or new skills across multiple types of work. These markets also give irregular workers access to a spectrum of support services that are cost-effective to administer and audit.

## Findings

This project brought together a Design Group of 25 workforce bodies from across the U.S. and builds on lessons learned in the United Kingdom. Through stakeholder roundtables, regular conference calls and repeated iterations, this report represents the input of Workforce Development Boards (WDBs) willing to commit resources to what is an emerging issue within the workforce system. Key findings include:

- Irregular work is likely to continue to expand, and the workforce system will have to respond to remain relevant. Any intervention would have to be true to the ethos of WDBs, distinctive and affordable.
- A public market that gives these irregular workers more control over their work, shares data, drives quality and targets shadow activity is a logical approach. Such a market must also support multiple other interventions.
- Workforce bodies could play a role in initiating local markets but do not have to run them. Challenges include current federal performance

measures and concern about embracing non-standard employment.

## Recommendations

As the workforce system considers expanding its focus to include irregular work and the value of online public markets to serve such workers, we recommend the following:

- There is a danger of requiring definitive formal data before the system responds to an ongoing trend that disadvantages workers. WDBs and other workforce bodies, including labor market intermediaries, nonprofits and philanthropies, could focus on understanding the leverage they could exert to raise prospects in the irregular workforce.
- Many stakeholders would have to coalesce around a new model for this type of work. Creating awareness of issues, possibilities and challenges in irregular work is now key.
- Well-executed pilots would create a set of lessons learned and help develop a scalable model.

Supporting public markets for these irregular workers would give public workforce entities an opportunity to improve conditions, pay and benefits. In turn, these workers will be better positioned to provide for their children and families. It's clear that developing the infrastructure for such markets will also require engagement and investment from other public and private entities, including philanthropies and employer groups.

*The full report, "Beyond Gig Work: Public Markets for Irregular Employment," was written by Wingham Rowan, Beyond Jobs, and can be found at <http://www.aecf.org/m/resourcedoc/rowan-beyondgigwork-2017.pdf>.*

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