

THE GIG ECONOMY

University of Texas – Taxation Conference
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Owning v. Sharing



www.slideshare.net/TelemanagiaForum/what-makes-cities-smart

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& MARIN L.L.P.**

Enabling Sharing



travel.hostfully.com/could-the-gig-economy-signify-the-end-of-9-5-as-we-know-it

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Sharing Employment

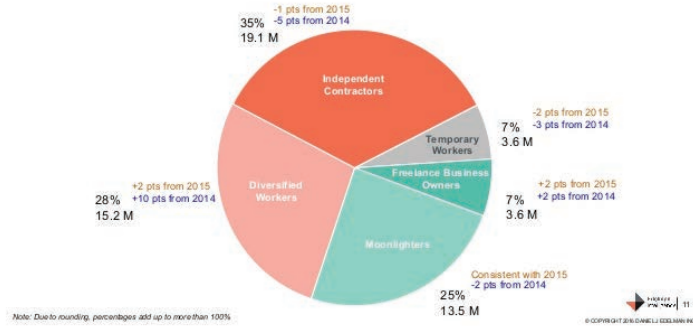


garychaplin.files.wordpress.com/2012/03/pocket-watch.jpg

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Gig Volume

The freelance workforce: 5 freelancer segments



<https://www.slideshare.net/upwork/freelancing-in-america-2016/1>

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THE INDEPENDENT WORKFORCE

The DEFINING FEATURES of INDEPENDENT WORK:

- High level of control and autonomy
- Payment by task, assignment, or sales
- Short-term duration

Independent workers make up **20-30%** of the working age population. This is up to **162 million** people.

Category	Percentage	Volume (Million)
Preferred choice	30%	148 million
Out of necessity	14%	123 million
"Free agents"	40%	164 million
"Casual earners"	40%	164 million
"Reluctants"	16%	126 million
"Financially strapped"	16%	126 million

DIGITAL PLATFORMS

15% of independent workers have used a digital platform.

DIGITAL MARKETPLACES

- Single pools of supply and demand
- Easy to join, easy to quit
- Payment options and infrastructure
- Instantaneous reputation
- Better search and matching

WHAT STILL NEEDS TO BE DONE?

Group	Action
POLICY MAKERS	Collect better data; Address gaps in worker protections, benefits, and income security
INNOVATORS	Explore opportunities to create new marketplaces and tools
ORGANIZATIONS	Consider how digital technologies allow you to utilize external talent
INDEPENDENT WORKERS	Think like a business; Develop differentiated skills

McKinsey & Company

FOUR SEGMENTS OF INDEPENDENT WORKERS

"Independent work is my ..."

Segment	Primary Income	Supplemental Income
PREFERRED CHOICE	FREE AGENTS Derive their primary income from independent work and actively choose this working style. Example: A self-employed plumber or a chiropractor in private practice.	CASUAL EARNERS Use independent work to supplement their income and do so by choice. Some have traditional primary jobs, while others are students, retirees, or caregivers. Example: A hobby craftsman who sells scarves or a professor who gives paid speeches.
NECESSARY CHOICE	RELUCTANTS Derive their primary income from independent work but would prefer traditional jobs. Example: A short-term temporary worker who would prefer a more permanent job.	FINANCIALLY STRAPPED Do independent work to supplement their income but would prefer not to have to do side jobs to make ends meet. Example: A janitor who doubles as a housekeeper on the weekends.

THIS SEGMENTATION VARIES SLIGHTLY IN THE UNITED STATES AND THE EU-15*

Segment	US (%)	EU-15 (%)
Primary Income	40%	42%
Supplemental Income	54%	68%
Out of Necessity	28%	32%
By Choice	72%	68%

McKinsey & Company

www.mckinsey.com/featured-insights/employment-and-growth/independent-work-choice-necessity-and-the-gig-economy

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