



**PRICE
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Personal Finance: Gig Economy

GIG WORKERS SAY MORE POSITIVELY INVOLVED IN FINANCES

KEY POINTS

- Many gig workers reported checking their accounts more regularly, being more on top of their bills, and being more hands-on with their investment accounts after joining the gig economy.
 - In the survey, both gig and traditional workers claimed similar levels of income, with 28% of both types of workers citing annual incomes of \$75,000 or higher.
 - The survey's findings tend to run counter to the general perception that the gig economy inevitably means less financial stability for workers.
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T. Rowe Price's first survey about the so-called gig economy has found that more than two-thirds of gig workers consider themselves more involved in their personal finances as a result of participating in the gig economy.

Many reported checking their accounts more regularly, being more on top of their bills, and being more hands-on with their investment accounts after joining the gig economy, defined as independent work, full or part time, including temporary, freelance, contract employment, or business ownership.

Moreover, in the survey, both gig and traditional workers claimed similar levels of income, with 28% of both types of workers citing annual incomes of \$75,000 or higher.

Stuart Ritter, CFP[®], one of the firm's senior financial planners, says these and other survey findings tend to run against the general perception that the gig economy inevitably means less financial stability for workers.

"It's really encouraging to see that many of these workers are building levels of income similar to traditional workers," he says. "We also were surprised to find that gig economy workers span all generations, contrary to the common perception that gig work is exclusively a trend among younger workers."

LIFE STAGES

Among other survey findings:

- There was a smaller gap in employment levels between men and women among gig workers than among traditional workers—with only 5% more men employed in the gig economy versus a 12% gap among traditional workers.
- Motivation for participating in the gig economy varies with age. Older gig workers were more likely to report being motivated by seeking a work-life balance rather than money. Baby boomers were twice as likely to cite this reason than other generations.

- Millennials were less likely to view traditional work as secure, with 26% saying the gig economy offers more job security than traditional work—higher than Generation X (18%) and baby boomers (15%).
- Yet baby boomers expressed the most positive feelings about gig work, associating it with such labels as “free,” “independent,” and “empowered.” At the same time, a higher percentage of baby boomers

(43%) reported entering gig work out of necessity versus 23% for millennials and 33% for Generation X survey respondents.

“The gig economy seems to be fulfilling varying financial needs at different lifestages,” Mr. Ritter says, “with younger workers using gig income to cover daily living expenses and older gig workers applying the income as part of their approach toward retirement.”

T. Rowe Price conducted the online national survey of 800 adults age 18 and older from February 6–11, 2018. For results based on the total sample of national adults, the margin of sampling error is +/- 3.5 percentage points at the 95% confidence level. Twenty-five percent of survey respondents participated in the gig economy either full or part time at the time of the survey, with 68% participating as a choice and not out of necessity.

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