



# The Rise of the Gig Economy and Remote Worker



## Highlights

### WHAT IT MEANS FOR SMALL BUSINESSES

In a tight labor market, many small businesses are challenged when it comes to finding, hiring and affording good talent. That's why an increasing number of businesses are turning to the "gig economy" for their staffing needs. The rise of the gig economy is good news for small businesses in need of skilled workers who are ready, willing and able to perform tasks and work on projects without having to commit to long-term hires.

#### What Exactly is the Gig Economy?

The gig economy is not a new phenomenon. People have always worked gigs. However, today's gigs are tech-enabled kinds of work with no geographic requirements, enabling businesses to search worldwide for talent to fulfill a specific need on demand. The work platform exists in the cloud with businesses and gig-workers sharing technology that allows them to work and communicate as if they are in the same building.

Jobs in the highest demand include virtual assistants, accountants, graphic designers, digital marketers, programmers, social media, writers, IT consultants and web designers. Through technological platforms like *Upwork*, *Guru*, *Freelancer*, and *Hubstaff Talent*, the gig economy connects workers with businesses. Businesses post their jobs

or projects, and gig workers line up to bid on them. You can then vet the prospects and interview them to arrive at your match. There's no HR paperwork, no taxes, no benefits, no training, no learning curves—just an immediate fulfillment of your needs on a contract basis.

#### More Workers Reside in the Gig Economy

The opportunity for businesses to find their perfect gig match is rapidly expanding. According to the Bureau of Labor Statistics, as many as 53 million people in the U.S. participate in the independent workforce, representing nearly a third of the working-age population. The Intuit 2020 Report estimates that percentage to grow to 40 percent by the end of 2020.

#### How Small Businesses benefit from the rise of the Gig Economy

- Outsourcing projects and tasks to freelancers, allows small businesses to achieve the scale they need to grow their profit margins.
- A contingent workforce provides access to specialized expertise without substantially increasing labor, equipment and office space costs.
- Prospective workers can be vetted and interviewed to ensure they match your business/project needs, just like regular employees.
- Gig workers provide an immediate fulfillment of your needs on a contract basis without HR paperwork, taxes, benefits and training.

This digital workforce is diverse, represented by people of all ages and experience—from college students looking to gain job experience to career builders looking for side hustles to retirees with more to offer.

### Scaling the Growth Wall with Gig Workers

Businesses that hope to get on a growth trajectory are often challenged by the lack of scale when it comes to attracting and hiring quality talent. A contingent workforce offers small businesses access to specialized expertise without substantially increasing their labor, equipment or office space costs.

Businesses can now scale up quickly without concern for the overhead that accompanies new employees. When a staffing need comes up, they now have the luxury of asking themselves whether the need can be better filled by a temporary worker, rather than a full- or part-time employee.

They can also scale down anytime they want to provide more flexibility and agility to their budgeting. By outsourcing projects and tasks to freelancers, small businesses can achieve the scale they need to grow their profit margins.

### Rise of the Remote Worker

The same technologies that ushered in the gig economy have paved the way for the remote worker, who is an actual employee working from home. Solutions such as live chat, video calls, internet meetings and cloud-based intranet systems allow businesses to work with gig workers or remote workers seamlessly and productively in a digital workspace. Online services such as *Slack*, *Google Suite*, *Google Drive*, and *Dropbox* can bring all employees, remote or housed, together for collaboration and on demand meetings.

### Remote Work is a Win-Win

66% of companies allow some level of remote workers

16% of U.S. workforce is now comprised of remote workers

75% of workers who work remotely would stay with their current employer if allowed to continue to work at least a portion of their hours remotely

In a tight labor market, job seekers are in the driver's seat with greater freedom of choice of opportunities. With 66 percent of companies allowing some level of remote work, remote workers now comprise 16 percent of the U.S. workforce—up nearly 100 percent over the last ten years. By accepting remote workers, a small business can significantly expand its pool of qualified job seekers without having to ask them to relocate.

Today's workers, especially among the millennial and Gen Z populations, cite flexible work hours and a better work-life balance as their most important consideration when looking for a job. Studies have shown that companies that hire remote workers report higher retention rates due to increased employee satisfaction with their jobs. Three-quarters of workers who work remotely would stay with their current employer if allowed to work at least a portion of their hours remotely.

### Time for Businesses to Get On Board

The rise of the gig economy and remote work can best be explained within the

### Highlights (cont'd)

#### The upside to hiring remote workers

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broader context of an increasingly competitive landscape for hiring and retaining quality talent. Businesses of all sizes are beginning to recognize the bottom-line benefits of creating a digital workplace to accommodate both temporary workers and permanent employees. With continued technological advancements and increasing demands from job seekers in a tight labor market, businesses can expect the momentum around the digital workplace to continue to increase. ■



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