

Flash Report: Tech Gig Workers in the U.S. Gig Economy

Amid massive layoffs in the tech sector and more expected due to inflation and a volatile stock market, Legal & General took a deep dive into our proprietary U.S. Gig Economy data to understand the role that gig work may be playing in keeping technology workers afloat, and possibly more secure, now and into the future.

Approximately 10% (101 out of 1044) of our U.S. gig worker database work in the tech sector
Respondents identified as working in IT, web design, and/or online app/services.



Gig Workers vs. Tech Gig Workers — **Demographics, Tenure in Gig Work**

Compared with the overall cohort of gig workers, here are some of the differentiators with tech gig workers:

72% of tech gig workers are male, compared to 53% among all respondents

33%, twice as many tech gig workers as overall gig workers, are under 35 years old

- Only 1 in 5 is over 55, compared with 1/3 of all gig workers.

Tech gig workers are likely to have been freelancing for less than 10 years, lower on average than other gig workers

- 33% of tech gig workers have been freelancing for less than 5 years.
- Nearly half of other gig workers (48%) have freelanced for over 10 years.

2 in 3 tech gig workers don't have children



Gig Workers vs. Tech Gig Workers — **Proportion of Income, Annual Income**

For many, gig work is an additional, though substantial source of income

- Only gig workers who earn at least 60% of their income through independent work participated in the study.
- Many tech gig workers believe that their contracting positively impacts their savings, retirement plans and credit worthiness.

Only 44% make 100% of their income from freelancing, compared to 62% of gig workers overall

- Tech gig workers are more likely to have a job or another source of income (56%).

29% make over \$100,000 a year from gig work, vs. 23% of gig workers overall



Tech Gig Workers — Motivations and Future Expectations

Gig work is a choice for 70%

- All gig workers who responded to our survey chose to freelance themselves or were presented with this option and embraced it as an opportunity.
- 1 in 10 believe that the nature of their work requires this kind of working arrangement.

For tech gig workers, flexibility is the main reason or route to freelancing, but monetary benefit remains key

- Working remotely or from home and flexibility of location are more important for tech freelancers than for other gig workers.
- Many are driven to gig work by circumstances linked to their location.
- Scheduling flexibility of when to work is a priority, as many have other sources of income.

66% of tech gig workers expected to remain in freelancing for the foreseeable future

- 10% would return to traditional employment.

1/3 don't plan to retire



Tech Gig Workers — Effects of the Pandemic

- Covid had the effect of switching more technology roles to freelance, and many appreciated having pandemic-resistance work arrangements.
- More than twice as many tech freelancers as overall gig workers said their income increased during the pandemic.
- Very few (9%) were affected by Covid loss of income vs. other sectors (23% among all freelancers).



Tech Gig Workers — Other Stats on Income, Savings, and Retirement

3 types of financial products are most important to tech gig workers: health insurance, savings and their credit cards

- A significant proportion have no insurances or pension (85%).

Tech freelancers are more likely to want to retire early than other gig workers

- 22% want to stop working before they are 60; one in 10 before they are 55.
- However, 31% never plan to retire.

1 in 3 expect monthly retirement income of \$5,000 or more

75% expect to fund their retirement out of personal savings

Verbatim comments by Gig Workers

The table below shows that gig workers are aware of advantages and disadvantages in working this way. For tech workers in particular, a traditional job, with the high turnover rates and constant continuing education required to stay abreast of the industry, doesn't always translate to financial security or even continuity. As in some other industries, tech companies tend to hire up for big projects and let workers go when the funding dries up or the project is over. And some tech workers prefer to work alone, rather than in teams.

What role freelancing plays in your professional life & earnings

Advantages

"Being my own boss and controlling what work I do and when I work"

"No 8-5, no office but my kitchen table, no transportation costs"

"I work part time and earn full time pay working from 10 am to approximately 3 pm weekdays. I earn around 80% of my personal income from this line of work"

"Trying to maintain work life balance"

"Freedom of my time, and focused efforts"

Disadvantages

"Erratic income, no job security or benefits"

"No benefits - for the first 7 years I couldn't even get health insurance"

"No vacation or sick pay, no holiday pay, no retirement, no medical. I use my own vehicle and put about 60,000 miles on my car every year"

"No guarantees of steady income"

"Sometimes no income"

Tech Workers' strong confidence about the future

Their confidence for the future was much stronger than among other freelancers. Many of them believed that their income will remain stable in the next 12 months despite the economic crisis. One in 10 expected that their income will increase by 'a lot' in the next 12 months. Tech gig workers were also more confident that they could handle financial difficulties such as decline in demand or no income due to illness. Fewer tech gig workers expressed their worries about being able to handle financial difficulties.

They were, however, relatively more sensitive than others to isolation and being out of the loop in a fast-changing work culture.

What would lure Tech Workers back to the workplace?

Among the drivers that could attract tech gig workers to return to the traditional workspace, flexible working is by far the most important. It's significantly more important for this group than for gig workers in general. This priority reflects the reasons why they moved into contracting and what they value the most in this arrangement—remote access to work, flexibility of schedule, and working from home.

Employee benefits would also attract tech freelancers to move 'in-house.'