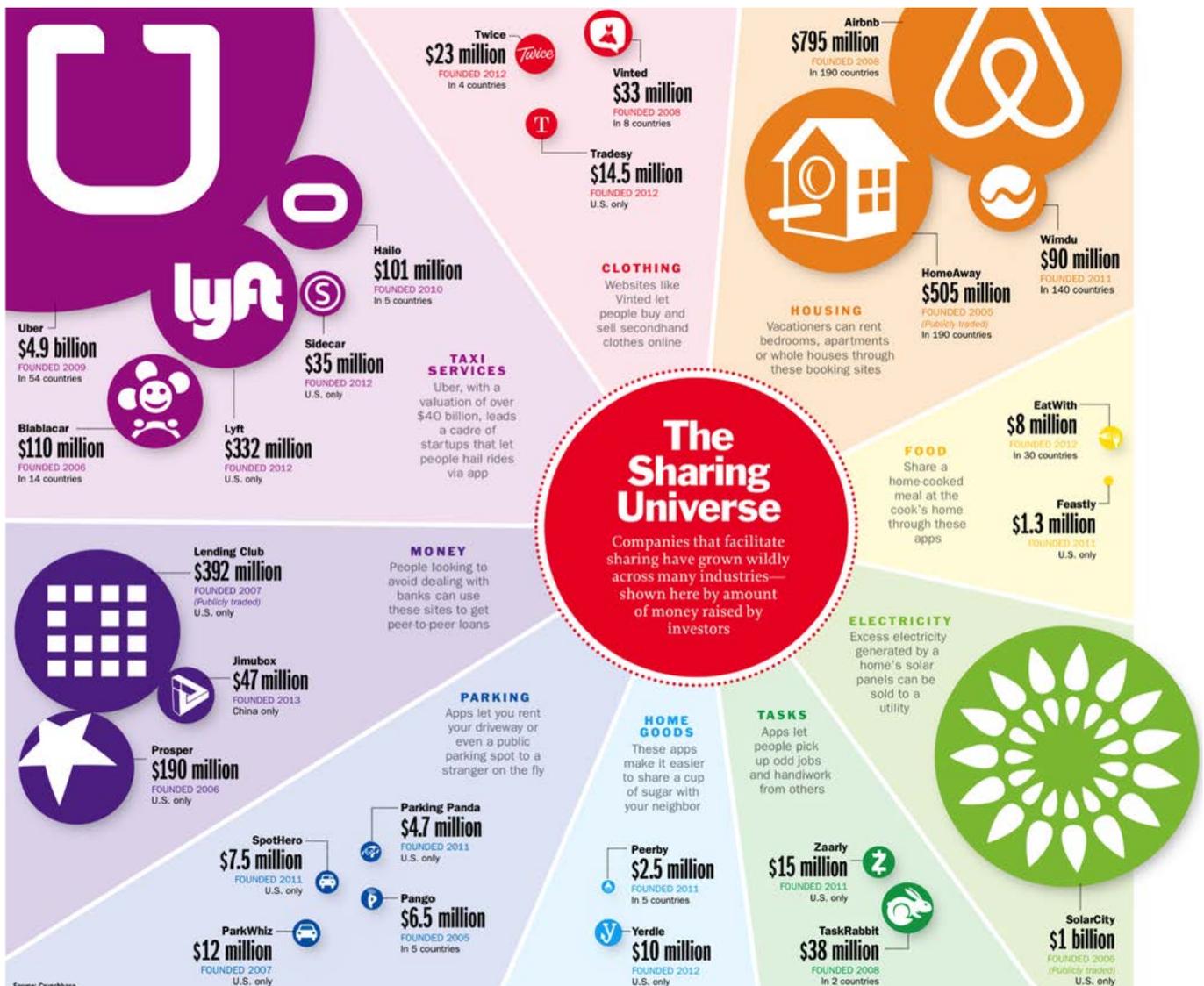


# Thanks for Sharing: A Sourcebook for the Gig Economy



Source: Time.com, via @Gloria2812

The “sharing economy,” also referred to as the “gig economy,” is peer-to-peer access to goods and services, aided by technology. The gig economy has grown by [between 8.8 and 14.4 percent in employment](#) from the early 2000s through 2014. The sharing economy allows [individuals and groups to make the most of underused assets](#), participating in an “[if you can name it, you can rent it](#)” business model, turning [idle property into profitable capital](#). The rise and proliferation of the

sharing economy have yielded a variety of predicted outcomes. Some suggest it [may be a sign of a “Great Reset”](#) to a new economic model, that it [may be the new ‘Industrial Revolution’](#) of our time, [redefining success](#) for the American worker and [disrupting the political system](#) as well as the economy. However, when sharing becomes a capitalist endeavor, it may [not do much sharing](#).

### What’s the State of Sharing?

- Online talent platforms, a hallmark of the sharing economy, [could add as much as \\$2.7 trillion](#), or 2.0%, to global GDP by 2025
- Apps in the sharing economy “allow ordinary people to [turn their consumption goods into capital goods](#)”
- Research suggests that “the long-term effects of digital talent marketplaces [could shorten the length of time that people are unemployed](#) and provide more opportunities for freelance workers”
- Sharing economy apps [create value, increase choice, and improve transparency](#)
- Examples of the value of the sharing economy:
  - Uber outperforms taxis on time and cost, [even for low-income neighborhoods](#) and adds [nearly 40,000 new partner drivers](#) per month
  - DogVacay is “taking what is a fragmented, profoundly [inefficient market and making it more transparent](#) and liquid”
- Critics warn that the sharing economy is becoming [the selfish economy](#)

### Who is the Gig Worker?

- By one measure, the gig economy [provides opportunity to 53 million American](#) freelancers
- Survey data shows that [39% of sharing-economy workers are 18-24 years old](#), and likely to have at least some college or a bachelor’s degree
- The sharing economy allows [workers to choose between a series of overlapping micro-careers](#) over traditional full-time jobs
- While the sharing economy [attracts a multitude of workers](#), few pan out as full-time jobs
- Participation in the sharing economy may be “[more a means to an end](#) than something to make a long-term career out of”
- An individual can earn income [from a variety of apps](#), and in some cases, enough to live on
- Gig workers with [high-level discipline and conscientiousness](#) gain the most in the sharing economy due to their inclination to self-train
- The sharing economy offers [flexible, part-time work](#) that could change the definition of “unemployed” to “not in a job” instead of “not working”
- A freelance assignment in the sharing economy [may be more valuable than an internship](#)
- Some gig workers argue that companies they partner with [skirt federal and state labor laws](#)
- Online communities for gig workers seek to [better align platform owners’ incentives](#) with workers’ interests

### How Big, How Much Impact?

- The number of workers in the sharing economy [has grown at a faster rate](#) from 2002 to 2014 than overall employment

- Growth in gig employment, however, [remains marginal](#) as a share of the entire American workforce
- The number of participants in the sharing economy [remains difficult to measure](#) and likely includes more people than estimated
- Data suggest a decades-long trend in the [growth of the contingent workforce](#), pre-dating today's sharing economy
- The Government Accountability Office finds that [contingent workers have grown to 40.4%](#) in 2010, up from 35.3% in 2006
- However, [no large-scale official data](#) has been collected on gig workers to date and the sharing economy [may not be fully captured](#) in productivity measures

### Practical Change or Market Evolution?

- The sharing economy can be labeled [the latest technological advancement/innovation](#) in a long history of great ideas
- To a certain extent, the sharing economy [could help boost labor force participation](#)
- The [sharing economy](#) has created businesses that reallocate individual resources
- [Taxes are more complicated](#) for the gig worker under the current code
- The sharing economy may be [as old as the market economy](#), but technological capabilities have expanded the market to a new frontier of exchange

### Regulation: Step Up or Go Slow?

- [Regulations on the sharing economy are being designed to protect incumbent](#), entrenched industries, though some concerns remain [about the safety procedures](#) used by companies in the sharing economy
- The definition of employees versus independent contractors has [gained closer scrutiny](#) as a result of the rise of the sharing economy
- The Department of Labor recently released [guidance against mislabeling employees](#) as contract workers
- The Secretary of Labor [calls the clash](#) between worker protections and innovation a “false choice”
- Government-mandated employee benefits, however, “typically [cost the employer more than they benefit](#) the worker—otherwise they would be voluntarily accepted”
- From local to federal government levels, [many are considering regulatory moves](#) on nascent frontiers in the sharing economy
- The sharing economy is approaching [one of many regulatory hurdles](#) in San Francisco, where the definition of Uber's driver-partners face scrutiny whether they are employees or contract workers
- In another demonstration of the tension between flexibility of freelance work and security of traditional work, the app Homejoy shut down, [unable to achieve a balance](#) between the two for its workers
- A number of companies participating in the sharing economy [have been hit with lawsuits](#) claiming they have misclassified workers as contractors
- However, the sharing economy [has the ability to win over regulators](#)

## What's Next?

- The fate of the [sharing economy is still uncertain](#) as regulators remain wary of it
- The sharing economy faces significant [barriers to growth](#)
- Since today's economy supports parallel labor markets, it begs the question whether [benefits should still be tied to jobs](#)
- Gig workers face [confusing and complicated](#) tax reporting issues that will increase non-compliance if not addressed
- Real-time feedback can [expose poor performance](#) and encourage excellence
- Sharing will not thrive [without trust](#) between consumers and providers
- The search for [zero marginal cost](#) in the sharing economy may give way to a new model of market capitalism in the future

*Note: The links contained in this sourcebook are intended for informational purposes and do not necessarily represent the views or opinions of the JEC Chair or Vice-Chair.*

**JEC Republicans**

**March 21, 2016**