

# Independent Work: Choice, Necessity, and the Gig Economy

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## Why did we select this research?

To better understand the independent workforce and what motivates the people who participate in it, McKinsey Global Institute surveyed more than 8,000 people across Europe and the US on their income, professional satisfaction, and aspirations for work in the future.

## Key findings

The report, *Independent work: Choice, necessity, and the gig economy*, finds that up to 162 million people in Europe and the United States—or 20% to 30% of the working-age population—engage in some form of independent work. While demographically diverse, independent workers largely fit into four segments: free agents, who actively choose independent work and derive their primary income from it; casual earners, who use independent work for supplemental income and do so by choice; reluctants, who make their primary living from independent work but would prefer traditional jobs; and the financially strapped, who do supplemental independent work out of necessity.

- Digital platforms are transforming independent work, building on the ubiquity of mobile devices, the enormous pools of workers and customers they can reach, and the ability to harness rich real-time information to make more efficient matches. Today these online marketplaces are used by 15 percent of independent workers.
- More than 50% of independent workers in all survey countries are supplemental earners (traditional jobholders who do independent work on

the side). Four in ten supplemental earners derive less than 10 percent of their income from independent work.

- Low-income households are more likely to participate in independent work—and to do so for lack of better alternatives. About half (48 percent) of the earners with less than \$25,000 in household income participate in independent work, and 37 percent of them do so out of necessity.
- There is gender parity in independent work – equal shares of men and women (39%) participate in independent work – but men are more likely to be free agents and women are more likely to be supplemental earners.

## Reference

Manyika, J., Lund, S., Bughin, J., Robinson, K., Mischke, J., & Mahajan, D. (2016). Independent work: Choice, necessity, and the gig economy. McKinsey & Company. October. Retrieved from: <https://www.mckinsey.com/featured-insights/employment-and-growth/independent-work-choice-necessity-and-the-gig-economy>

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