



GIG WORK IN THE COVID-19 ERA: More Risk, Less Opportunity

AT A GLANCE

In a follow-up to our 2019 study of low-income young adult gig workers, JFF reconnected with study participants to explore how they had been affected by the pandemic-driven health and economic crises. We learned that most of them are anticipating delays in their ability to improve their opportunities for economic advancement.

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About JFF

JFF is a national nonprofit that drives transformation in the American workforce and education systems. For more than 35 years, JFF has led the way in designing innovative and scalable solutions that create access to economic advancement for all. www.jff.org

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The Citi Foundation works to promote economic progress and improve the lives of people in low-income communities around the world. We invest in efforts that increase financial inclusion, catalyze job opportunities for youth, and reimagine approaches to building economically vibrant cities. The Citi Foundation's "More than Philanthropy" approach leverages the enormous expertise of Citi and its people to fulfill our mission and drive thought leadership and innovation. For more information, visit citifoundation.com.

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Introduction

In the spring of 2019, JFF interviewed a group of low-income young adult gig workers to learn why they gig and whether their gig work was contributing to their skill development and economic advancement.¹ Key findings of that exploratory work indicated that financial need was a common motivation for undertaking gig work, and that most of the participants were doing low-skilled gig work that did not advance their career prospects.

A year later, as the COVID-19 pandemic upended the U.S. economy, we decided to follow up with the same gig workers to learn about their current life circumstances, explore their views on the risks and rewards of gig work during these unprecedented times, and find out whether they had continued to do gig work at all.

We were inspired to interview them again because the economic and health care crises that emerged as the novel coronavirus swept across the country exposed longstanding racial and socioeconomic disparities throughout the workforce. The pandemic and its effects also highlighted the lack of economic and health protections for low-wage workers—and especially gig workers. They typically do not have access to employer-provided benefits or other supports that other workers rely on to protect their health or financial well-being

during difficult times. In addition, media reports suggested that the pandemic was adversely affecting gig workers in a number of ways.

Some—such as those who had dog-walking jobs, a common gig for young adults—saw demand for their services dry up. Others, including food shoppers and delivery workers, faced increasing health risks as the pandemic took hold.

JFF made contact with 18 of the original 25 study participants and, as we detail below, we learned that COVID-19 has had an impact on all of them, but it has affected individuals differently. For example, a small group of participants reported that they continue to do gig work because it serves as an economic safety net. But others, especially those who had secured higher-paying positions that did not involve gig work, said the health risks associated with gig employment and/or the difficulty of finding gig work due to a decrease in opportunities outweighed the financial benefits of gigging.

For other study participants, financial and health considerations played less of a role in their decisions. That group included those who were using freelance work to build professional skills. They are able to continue doing gig work because there are few health risks associated with the type of work they do (such as social media, editing, or voiceovers). Thus, financial need continues to be an important driver in the decision to undertake gig work, but currently that decision is mediated by both the perceived health risks to the young adults themselves and those they live with, and the opportunity to engage in the type of gig work they did previously.



Original Study Findings

In our 2019 study of gig workers,¹ we created a typology based on the reasons the 25 participants gave for doing gig work, determining that the individuals fell into four groups: **aspiring entrepreneurs, struggling workers, side-hustling students, and reluctant gig workers**. Based on our analysis of participant interviews, we arrived at four key findings about the impact of the gig economy on the young adults in our study:

KEY FINDINGS

- 1 Low-skilled gig work was unlikely to advance the economic mobility of the low-income young adults in our study, though it did serve as an economic safety net for many.
- 2 The low-skilled gig economy provided little opportunity for most low-income young adults in our study to develop valuable skills or create connections to help them build career trajectories.
- 3 The lack of employee benefits, plus the isolation, hidden costs, and limited control over working conditions, were major drawbacks for most low-income young adults in our sample.
- 4 The tech platforms provided easy access to gig jobs, but opaque rules of engagement created a challenging work environment for low-income young adults in our study.

A man wearing a blue baseball cap and a dark jacket is sitting in the driver's seat of a vehicle. He is looking down at a document or a tablet he is holding in his hands. The background is blurred, showing green foliage outside the window.

Follow-Up Study Findings

We followed up with participants from the original study one year later—in April and May of 2020—to learn about their current economic circumstances, and specifically to explore how COVID-19 might be affecting their economic mobility and their ability to engage in gig work or address other career plans.

The first section below discusses the gig employment status of the participants in our follow-up study. The second section examines how COVID-19 was affecting them and their ability to plan for the future, followed by profiles of four follow-up study participants. A closing section summarizes our findings and our conclusions. An appendix outlines notable changes in the participants' background characteristics.

Study Participants' Current Relationship to Gig Work

Given our original finding that financial need was a key driver in the decision to do gig work, and the fact that most of the follow-up participants still qualify as low income, we anticipated that many of them would be continuing to do some type of gig work. What we found, however, was that less than half (39 percent) of them

were continuing to do any type of gig work and just 17 percent were doing the low-skilled types of tasks (dog walking or food delivery, for example) they'd been doing the previous year. The risk of contracting or spreading COVID-19 coupled with changes in the availability of certain types of work had emerged alongside financial need as key factors participants considered when determining whether or not to do gig work.

The **61 percent** of the follow-up participants who were not gigging at all fell into one of two groups:

- 1 One-third (33 percent) of the follow-up participants said that they had stopped gigging when they found a higher paying job and no longer needed gig work to make ends meet. Many of the participants in this group had been dog walkers and had indicated that they would like to continue doing that kind of work because they enjoy taking care of dogs and getting outside for some exercise. However, this type of gig work has grown scarce during the pandemic because many dog-owners are working from home and no longer need dog walking services. A few participants anticipated returning to dog walking once the pandemic subsides, and some noted that they would be willing continue to walk dogs, as they thought the risk of getting COVID-19 from a dog was low, if opportunities became available.
- 2 A smaller group of participants (28 percent) who were not gigging were not working at all because their contract work or student-related positions (work-study or co-op jobs, for example) had ended, or they had lost seasonal or temporary positions when their job sites shut down because of concerns about the spread of COVID. These young adults had opted to live on savings or unemployment benefits rather than return to gig work because they were concerned that doing so would raise health risks for themselves or the people they lived with, even though there was an abundance of opportunity to do the type of gig work they had done before (such as food delivery).

They seemed unaware that there are other types of gig work that would have fewer health risks. For example, an aspiring writer who had stopped doing odd jobs through TaskRabbit because of health concerns and a lack of work seemed unaware of gig jobs that might be a good fit for her skills and were less risky because they could be done remotely, such as writing, editing, or online tutoring. This is consistent with our finding in the original study that gig workers seemed unaware of the multitude of gig opportunities that exist or don't know how to find out about other types of work.

All of the participants who were not gigging at the time of the follow-up interviews indicated they would go back to the same gig work they had been doing before the pandemic outbreak if COVID-19 becomes less of an issue.

The **39 percent** of follow-up participants who were continuing to do gig work also fell into two groups:

- 1 One group was made up of three people who we had previously classified as aspiring entrepreneurs because they were using gig work to build skills to meet their future career goals of owning their own businesses or working as freelancers. They continued to engage in the same type of skill-building work they described during the original interviews.
- 2 The other group was made up of four participants: two side-hustling students and two people who had been classified as struggling workers because of their low-paying work.² The two students were doing delivery gigs through DoorDash, InstaCart, and Postmates in order to help make ends meet and to earn money for school. They were aware of the risks of catching and spreading COVID-19, but their financial need was high, and they knew they had ample opportunity to find work through those platforms.

One of the two participants who had been in the struggling worker group originally continued to work in a low-paying position and was gigging as an online tutor to help make ends meet. She said the competition for that type of work is high, but the health risks are low and she has been able to find enough work to help address her financial needs. The other participant who had been categorized as a struggling worker had recently found a higher-paying job and said she was making “more than enough”—although she wanted to save money to buy a car. For these participants, financial need was definitely the main motivation for doing gig work.

Follow-up participants’ reasons for doing gig work were similar to the ones participants in the original interviews shared: The young adults took on gig work to make extra money to pay off debt, make ends meet, pay for college, or perhaps buy a car, but also to play with dogs and get some exercise.

Protecting Gig Workers in the COVID-19 Era

The few participants in the study who were relying on apps to find work during the pandemic were using Instacart and Postmates to line up delivery jobs because those platforms were offering the most gig work. These young people did not appear to be aware of the protections that Instacart and Postmates were providing to keep users safe from the risks associated with COVID-19. Generally, when asked about protections, they noted that the apps were encouraging them to wear masks and to socially distance.

In fact, Instacart has been offering a number of protections, including up to 14 days of pay for any full-service shopper or part-time employee who was diagnosed with COVID-19.

Instacart also offers free telemedicine. In addition, Instacart's part-time employees have access to sick pay.

Instacart has also been providing "health and safety kits" for full-service workers. Instacart shoppers can place an order for a free kit, which includes a reusable face mask, hand sanitizer, and a thermometer. However, some workers reportedly found the kits to be inadequate.

Like Instacart, Postmates has also been offering protection for gig workers. These included sick pay, safety guidelines, and protective equipment.

Our participants did not appear to be aware of the COVID-19 protections that the companies were providing, suggesting that the platforms need to do more to raise worker awareness of these resources.

The Impact of COVID-19

All of the follow-up participants said they had been affected by the coronavirus in some way, but the impact of the pandemic has varied from person to person. Because of COVID-19, the young people have lost steady jobs, gigs, and money and some have potentially fallen behind in their plans to further their educations and careers.

More than three-quarters (78 percent) of the participants interviewed for the follow-up study were working at **a full-time job, a part-time job, or both**. Nevertheless, the COVID-19 pandemic has affected all of their employment situations and employment opportunities in some way. Their individual experiences vary significantly, as indicated below:

- Nearly all (86 percent) of the participants who were employed were working remotely because of the pandemic. A majority (67 percent) of those people had traditional full-time jobs that they continued to do from home; the others worked remotely at a part-time job. Two participants expressed concern about the possibility of getting laid off from their full-time jobs as a result of the pandemic even though they were able to work remotely.
- At the other end of the employment spectrum, nearly a quarter (22 percent) of the follow-up participants said they were not working at all as a direct result of the pandemic. Three had lost their positions when their job sites were shut down: One had been working full time but in a seasonal position, another had been working part time, and the third had been doing freelance work at a school. A fourth participant, a student, reported that he had been doing freelance speaking engagements at conferences and gig work on his college campus, but speaking engagements were no longer available and the on-campus gig work was no longer feasible because the campus shut down. A fifth participant had been furloughed from a part-time retail position, but she also had a full-time remote job.
- Three participants (17 percent) indicated that they had experienced a reduction in the amount of work available, either at a part-time job (delivery driver) or through gig work (voiceover artist, youth leader consulting).
- One participant with a part-time job in the restaurant industry reported making more money than usual because of increases in tips from the delivery apps.

- Only one of the participants indicated that she was actively looking for full-time work at the time of the follow-up interview. She said she recently had one job offer rescinded because of a pandemic-related hiring freeze and reported that there generally seemed to be few job opportunities at this time. She said she expects a long delay in securing full time employment.

COVID has also had an impact on a number of the participants who had intended to return to college in the fall.

- Seven of the participants who were either in the process of completing college or planning to attend graduate school in the fall indicated that they were reluctant to return to class if their coursework was going to be delivered remotely. They did not want to pay as much tuition for remote learning as they would for in-person instruction, and they were concerned about losing opportunities to build networks by spending time in person with professors and classmates.
- Participants felt the disruptions in their college plans were delaying their progress toward their desired careers.
- One participant's college is reportedly planning to open in the fall, and she said she has conflicting feelings about that. On the one hand, it would be helpful to go back to school because she has a senior design project that will be easier to complete in person. On the other hand, the school is a large university with an open campus and frequent visitors, including homeless individuals, and she is concerned that living in a dorm and spending time on campus will put her health at risk.

A photograph of a man in a tan cap and light blue jacket handing a clear plastic bag to a woman with long dark hair. They are outdoors, possibly at a delivery point, with a building and a fence in the background.

Profiles of Gig Workers Impacted by COVID-19

The profiles below offer a more detailed look of the various ways COVID-19 pandemic disrupted the lives and plans of study participants.

PROFILE: **DAVID**

David had been working nearly full time as a delivery driver, but he recently lost hours because of COVID-19. Now he's driving 20 hours a week instead of 35 to 45 hours a week.

To compensate for his lost wages, David turned to gig work and now spends 15 to 20 hours doing deliveries for DoorDash and Postmates. The upside of gigging is that there is a lot of work because a lot of people are ordering online. The downside, of course, is that coming into contact with lots of people increases his chances of contracting COVID-19. David was working the delivery job to finance his college

education. His classes were initially half online and half in-person, but the campus shut down because of the pandemic and everything went remote. He has found taking classes and completing assignments remotely to be stressful, because there is no one to check in with—and no one checking on him to keep him on track. *“You have to turn in assignments on time, and that’s about it,”* he said.

Despite these challenges, David is determined to reach his goal of finishing school, and he will take more classes next semester even if they are all remote.

“I lost my place, pretty much. I was saving up for other things, and now I’m just paying off my bills and that’s all I can afford.”

David, student and delivery driver

PROFILE: **JACKEY**

Jackey recently transitioned from a state college to a private one and is paying his own tuition. Like many other students, he finished his spring semester remotely after moving home during spring break.

He had been doing gig work through TaskRabbit and work-study arrangements, and he also had some work as a freelance educator, speaking at conferences. But no one is seeking speakers right now, and he is wary of taking on TaskRabbit assignments because of health concerns—and those kinds of opportunities have dried up anyway. Jackey had an offer to work as a summer camp counselor, but the camp was unlikely to open.

He has health concerns about gig work in part because he has several friends who got COVID-19, including one—a retail and food service worker—who was hospitalized but eventually recovered.

As of now, Jackey’s school is planning to open at some point during the fall, and he isn’t sure how he feels about that. He takes several performance art classes, which aren’t well suited to online learning, but being around other people on campus would increase his risk of exposure to COVID-19.

Jackie has reserved a single in a dorm, so he wouldn’t be sharing a room with others if the school reopens. But, he said, “*A dorm is a dorm, and exposure is exposure, and even 60 people in a dorm . . . is still a lot a people.*”

Jackey is preparing to return to school, but he will hold off for a year if his only options are “*online classes or going back to school when there’s still a mess of a pandemic to be worried about.*”

“I would like to outlive the pandemic.”

Jackey, student

PROFILE: **MATTHEW**

Matthew had been working as a temporary independent contractor, helping a friend develop shop space in a school, but COVID-19 shut that down.

Before that, he had been doing food delivery gig work but stopped around August 2019 when he got the contractor job. He has thought about gigging again, because he thinks there's a lot of demand for food delivery services, but he has some health-related concerns about gig work. He isn't necessarily worried about himself, because he is young and healthy, but he is concerned about the possibility of spreading the virus to others, including his housemates, who would have to take precautions if he was doing high-contact gig work such as delivery jobs.

Matthew holds an EMT certification, but he isn't sure he wants to start work as an emergency medical technician in the midst of a pandemic. Again, he is concerned about the health risks—especially those that his housemates would face.

He now realizes that the types of jobs he has been relying on are not secure, and that not having a more stable job with a salary and benefits can be a problem.

Acknowledging that he feels he is worse off financially than he was when he had a full-time job and more savings, Matthew says the pandemic has made him think more about career and life plans.

This is the type of situation where it becomes clear that not having a more traditional salaried position with benefits and job security is a problem.

Matthew, unemployed gig worker

PROFILE: **RUBY**

Ruby recently earned a graduate degree and had a clear plan for moving forward in her career. She wanted to move to a bigger company that would provide training for

a product management role that would give her better career advancement opportunities. Instead, she said, "*COVID kind of threw my plans up into the air.*"

She currently works for a small media company. It's the first job she got after graduating from college, and she's ready to move on. But having witnessed the effects COVID-19 has had on employment and the economy in general, she has decided to stay where she is.

Concerned about ongoing layoffs, Ruby is looking for gig work to earn some money to help pay off her student loans. She is seeking engagements that won't take a lot

of time or put her at risk of contracting COVID-19. She doesn't think she could do work that involves being out in public.

For now, Ruby will continue to live with her family and postpone her plans to move to a bigger city. However, she might consider looking for a project management position at a bigger company that can provide training that will help her advance in her career.

“Since everyone's either getting laid off or not getting hired, I am going to stay a little longer.”

Ruby, project manager, advanced degree holder



Summary and Conclusions

In the year since our first interviews, many things have changed for the young low-income gig workers who participated in our initial 2019 study of the gig economy. Fewer than half of those who participated in this follow-up study continue to engage in gig work. One-third of the follow-up participants have obtained jobs that improved their economic circumstances to such a degree that gigging is no longer essential to their financial well-being. Some of those who continue to gig do so to build skills that will help them meet their long-term career goals, but most who are gigging are still motivated by financial need. Nevertheless, there is a sizable group (33 percent) who have poor financial circumstances but are choosing not to gig—either because of the risks associated with COVID-19 or due to a decline in the amount work available, or a combination of those two factors.

The bottom line is that, in the current environment, financial need is not the only factor people take into account when they decide whether or not to pursue gig work: Because of the COVID-19 pandemic, they also have to consider opportunity and health risks.

COVID-19 has affected all of the follow-up study participants in other ways besides altering their ability or need to do gig work.

Some have full-time jobs and began working remotely because of the pandemic. Others lost work because their job sites shut down, while several participants are modifying or at least rethinking their education plans and others are facing longer-than-expected searches for full-time jobs. For a few, the pandemic has served as a bit of a wake-up call that has helped them understand the importance of job security, made them aware of the need to make concrete plans for the future, or spurred them to begin prioritizing opportunities.

Our four key findings from our original study are still relevant in the context of the current situation:

- 1** Gig work can still provide an economic safety net for people with high financial need, **but the type of gig work that is currently available often comes with significant health risks.**
- 2** **Gigging still provides little opportunity for workers to develop valuable skills.** Other than the participants we identified as “aspiring entrepreneurs” in the original study, follow-up participants for the most part are not using gig work to develop skills.
- 3** Gig work still involves hidden costs, and those **costs are even greater now that the country is in the midst of a pandemic.** For example, gig workers must now assume increased health risks despite the lack of medical benefits and other supports typically provided by employers.
- 4** The gig platforms’ opaque rules of engagement, which create a challenging work environment for workers in the best of times, are **making it difficult for the low-income young adults in our study to grapple with the health risks and other challenges that have emerged** during the pandemic. For example, even

though some platforms are offering protective gear, sick pay, and telemedicine services, interviewees did not mention those options, suggesting that companies need to do more to communicate concrete information about reducing or avoiding risks associated with COVID-19. While it's possible that some gig workers may be earning higher wages or collecting bigger bonuses during the pandemic, the few participants in our follow-up study did not appear to know if they were making more money at this time.

In addition, we find that there may be long-term negative consequences for these young adults because they are at pivotal points in their lives. They are not currently thinking that they need to change their career plans, but they understand that their plans may be delayed. Those who are employed are concerned that they may lose their jobs because of the state of the economy. Those without jobs worry that they will not be able to find work in their chosen careers because of the state of the economy. And those who have not completed their educations are reluctant to enroll in courses that will only be offered remotely, with no in-person instruction. All are anticipating delays in their ability to improve their economic opportunities. They are probably correct.

Appendix

Study Methods and Sample Characteristics

We were able to complete follow-up interviews with 18 of the original 25 study participants. Participants in the follow up sample lived in 10 different U.S. cities, ranged in age from 19 to 27, and represented all four groups we identified in the typology for the original study.³

The demographic characteristics of the follow-up group were quite similar to those in the original sample, although the follow-up cohort included a slightly higher percentage of participants identifying as female, slightly lower proportions of white and Latinx participants, and a somewhat higher proportion of participants identifying as Black.

Few of the background characteristics of the follow-up participants had changed since the original interviews (there were no changes in marital status, for example), but there were a few notable changes in life circumstances. For example, two of the participants were living in new locations, each having moved from one urban area to another, and the number of participants who were living with a partner had increased by two. Overall, a

smaller percentage of the members of the follow-up group were students, but one individual had returned to college after stopping out, and three had completed a degree or certificate program since the original interview. Five of the follow-up participants had completed some type of occupational training since our spring 2019 interviews, including OSHA workplace training, social media courses, and construction training. One of the participants had completed a Job Corps training program.

Income and Job Status

Compared to the original sample, a larger proportion of the members of the follow-up group had either a full-time job or part-time job, and two people had both a full-time job and a part-time job.⁴ Regarding their economic circumstances, more than one-third (35 percent) of the participants in the follow-up study reported that their income had increased since the original interview, and nearly all of the members of that group indicated that their new salary was “more than enough.” Close to half (46

percent) of the members of the follow-up group described themselves as better off financially than they were when they were interviewed a year earlier, regardless of their current salary. Nevertheless, nearly two-thirds (65 percent) of the participants reported an annual income of less than \$35,000, meaning they still qualified as being low income. Several participants indicated that their income was sufficient only because they either lived at home with their families or shared a residence with housemates. They acknowledged that their current incomes would not be sufficient if they lived alone and had to support themselves.

Career Goals and Interests

The follow-up participants' career goals and interests largely remained unchanged. A few follow-up participants indicated that the pandemic would probably delay their ability to achieve their goals, but most said their long-term career goals and interests had not changed since the original interviews. More than three-quarters (78 percent) of the participants reported that their long-term career goals were the same as those they discussed during the original interview. One participant had embraced an entirely new career goal (commercial airline pilot, instead of freelance photographer), another clarified a career goal of pursuing software development

after getting a job in the tech industry, a third had a new goal of finishing college, and a fourth had added a new interest in financial management to their original goal of becoming a school psychologist. A participant who is struggling to identify a long-term career goal acknowledged becoming "more aware than ever of a need for job security" after witnessing the way COVID-19 has upended the economy.

Endnotes

1. Findings from that work and a methodology of the original research are available in the report *The Risks and Benefits of the Gig Economy for Low-Income Young Adults*.
2. One of the two struggling workers had recently obtained a higher-paying position and did not need to do gig work to make ends meet.
3. The follow-up group included six of the original eight struggling workers, four of the six side-hustling students, four of the five reluctant gig workers, and four of the six aspiring entrepreneurs.
4. One of these participants had been furloughed from a part-time position because of a COVID-related workplace shutdown.



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