



The gig economy is not what you think it is.

The 2019 State of Independent Work
by **Thimble**



**It's not a trend. It's not a fad. It's not just a hot button talking point.
The gig economy is, and always has been, vital to the country's economic growth.**

And yet, we are at a crucial moment that is defining the future of independent work and what it means to be a small business today. We're about to enter an election year where economic insecurity will be in the spotlight. In California and New York, we're seeing intense debate around what constitutes a "gig worker" and what employee rights they can and should have.

To Thimble, the independent workers and small businesses that make up the gig economy are our customers. And with this report, we aimed to learn more about who they are, what they want, and how they feel about their place in the economy.

What we found is that they are not merely shift workers in jobs invented by tech companies. They are contractors and dog walkers and photographers and DJs, and they see themselves as small business owners. Because of this, many of them feel misunderstood or unseen by politicians, lawmakers, and digital marketplace platforms – all of whom fail to grasp how vital they are to the growth and strength of the national economy.

Still, the vast majority of the customers we spoke with remain optimistic about their businesses and the general economic future of the country. Our approach to insurance is driven by one important truth that mirrors their confidence: We understand that "gigs" come and go, but the small businesses we serve are adaptable, diverse, and in it for the long haul.

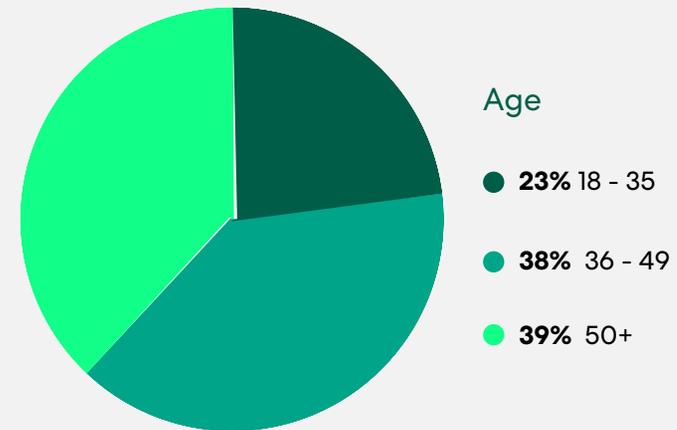
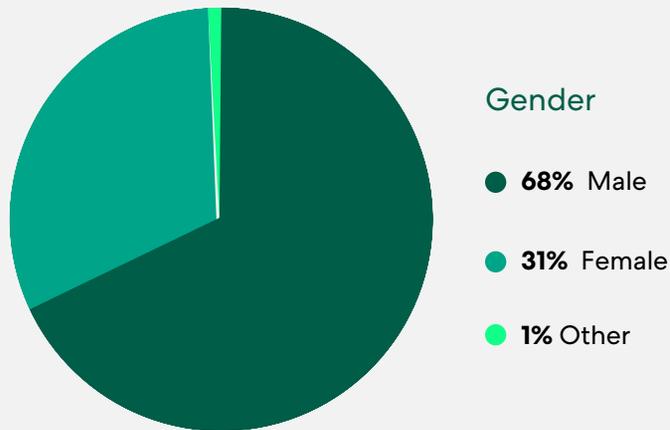


Jay Bregman

CEO, Thimble



A snapshot of the customers we surveyed



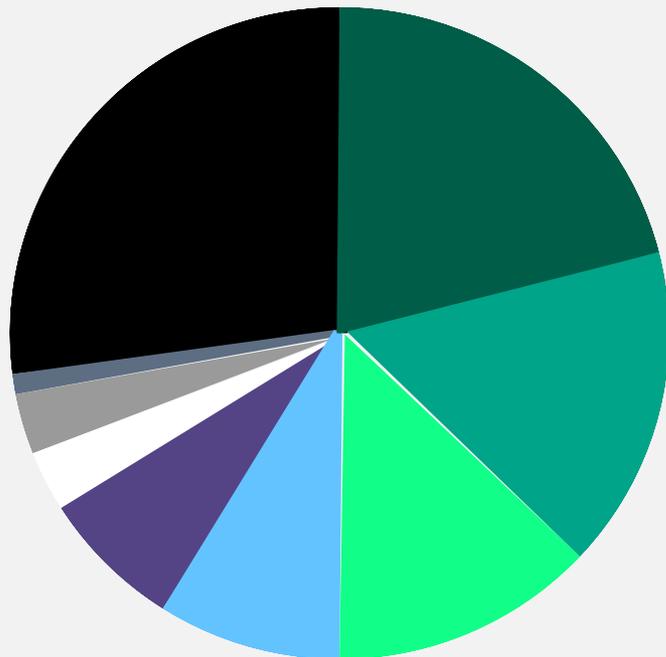
METHODOLOGY

To better understand the needs, concerns, and overall make-up of its core customer base, Thimble commissioned Zogby Analytics, a nationally and internationally respected research firm founded in 1984, to conduct a survey of 344 current customers. Each customer was sent a survey invitation via email, which was password coded and secure so that each respondent could only access the survey once.

Based on a confidence interval of 95%, the margin of error for 344 is +/- 5.2 percentage points. This means that if the identical survey were repeated, its confidence intervals would contain the true value of parameters 95 times out of 100.



The primary professions among those surveyed



Which of the following best describes your profession?

- 21% Handyman or general contractor
- 16% Consultant or freelancer
- 13% Event planner or entertainer
- 9% Cleaner or janitor
- 7% Landscaping professional
- 3% Pet groomer, walker, sitter, or trainer
- 3% Trainer or fitness instructor
- 1% Beautician
- 27% Other



Key Takeaways

- **Today's modern workforce is made up of everyone from handymen to hair stylists.** The rideshare drivers, package couriers, and food deliverers who have traditionally defined the gig economy are only one part of a larger story.
- Out of those surveyed, 61% say they are part of the gig economy but **only 4% say they are gig workers.**
- **Digital marketplaces have a lot of work to do.** Only 12% of respondents have used platforms like Handy, Angie's List, HomeAdvisor, Thumbtack, and fiverr, while **word-of-mouth is still the primary driver of growth for 88% of businesses.**
- Economic optimism and a sense of support from politicians is rare. **71% are optimistic about the national economy,** but 73% do not believe politicians have the interests of small business owners at heart.

Chapter 1

Independent Workers Drive the Gig Economy



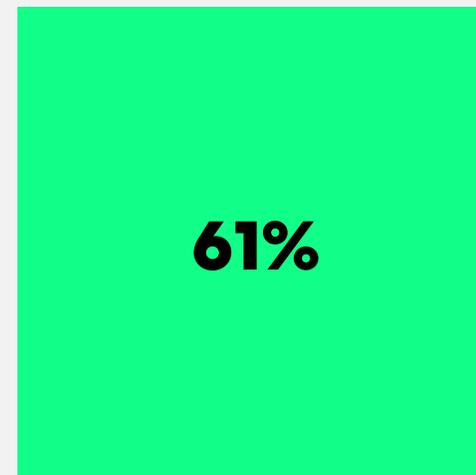
These workers know who's the boss

Ask a landscaper or an esthetician if they are part of the gig economy, and you might expect the answer to be a resounding “no.” After all, there’s a common belief that the independent workforce is dependent on and born out of the tech industry and that a large majority of these workers are pushed into a side hustle due to some combination of economic fluctuation, a stagnant job market, and job skill obsolescence.

Our research paints a much different picture.

76%

say **freelancers and gig workers are small business owners**



say "I am part of the gig economy"

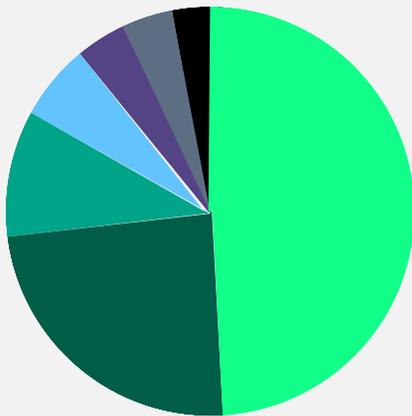


identify as "gig workers"



Building businesses they believe in

Almost half of our survey participants identified themselves as small business owners, and an overwhelming 71% of participants identified “being their own boss” as their primary motivation for starting their own business.



Which of the following best describes what you do for work?

- 49% Small business owners
- 24% Independent contractor
- 10% Freelancer
- 6% Entrepreneur
- 4% Gig worker
- 4% Employee
- 3% Other

The notion that professionals are looking to take more ownership of their working lives tracks with the rest of our research findings. Behind being their own boss, the most common answers to the question of why Thimble customers wanted to start their own businesses were “pursuing projects that interested them” (61%) and “flexibility” (58%). While there is concern, of course, about income fluctuation and business slowdown (an almost even 50-50 split among participants), the motivation to build a business around something they believe in appears to be enough of a driving force to mitigate these risks.



“What excites me about the future is having the time and flexibility to focus on my art.”

After 42 years working in animal welfare with the ASPCA, I recently retired. Well, semi-retired, because I'm still doing consulting. I'm also a small business owner. I've had my own jewelry business for over 20 years, selling mostly at art festivals and online. I'm not really aggressively looking for more work because I really am trying to retire! But after 42 years, I've developed a lot of contacts, so when people need help with meeting design, lobbying, surveys, or facilitating corporate retreats, they go, 'Oh, call Karen!'

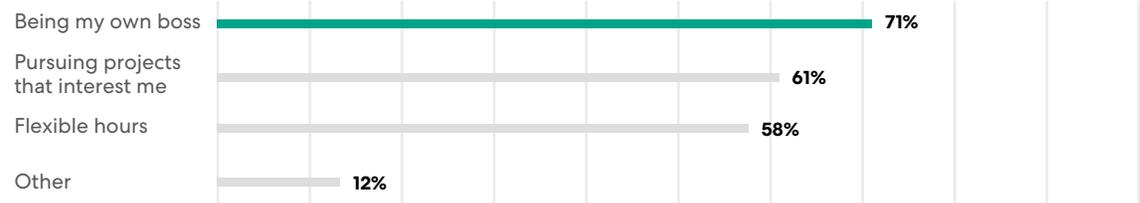
I recently got a government contract to consult with Doña Ana County in New Mexico, for code enforcement and animal control. They are looking to reduce their animal intake - that's when the city gets a complaint about a loose animal and they have to bring it to a facility, many of which are very overcrowded - so I look at their data and offer recommendations based on what I find and my own experience.

I was just in a meeting at our City Hall and they were talking to people who were small business owners and I thought for the first time, 'Well, so am I.' After doing animal welfare for so long, I'm looking to do less of that. What excites me about the future is having the time and flexibility to focus on my art.

Karen Medicus

Consultant / Freelancer, Austin, TX

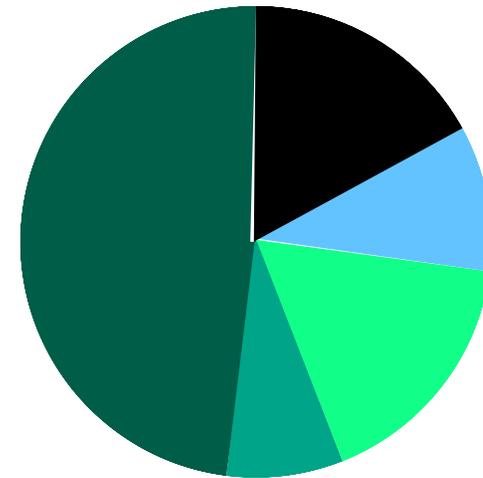
What drove you to work independently?





The gig economy is about more than gigs

The other major misconception around “gig workers” and the “gig economy” is that the work is transient and sporadic. Out of the 344 customers surveyed, the majority (72%) explain that they work all year round, with nearly all of them working five or more days per week. Their small businesses, consultancies, and side projects require a great deal of commitment. The majority of those surveyed don’t employ anyone else to assist in their small business, and carry the weight of its success or failure entirely on their own shoulders.



How long have you been working independently?

- 17% Under a year
- 8% 4-5 years
- 10% 1 year
- 48% Over 5 years
- 17% 2-3 years

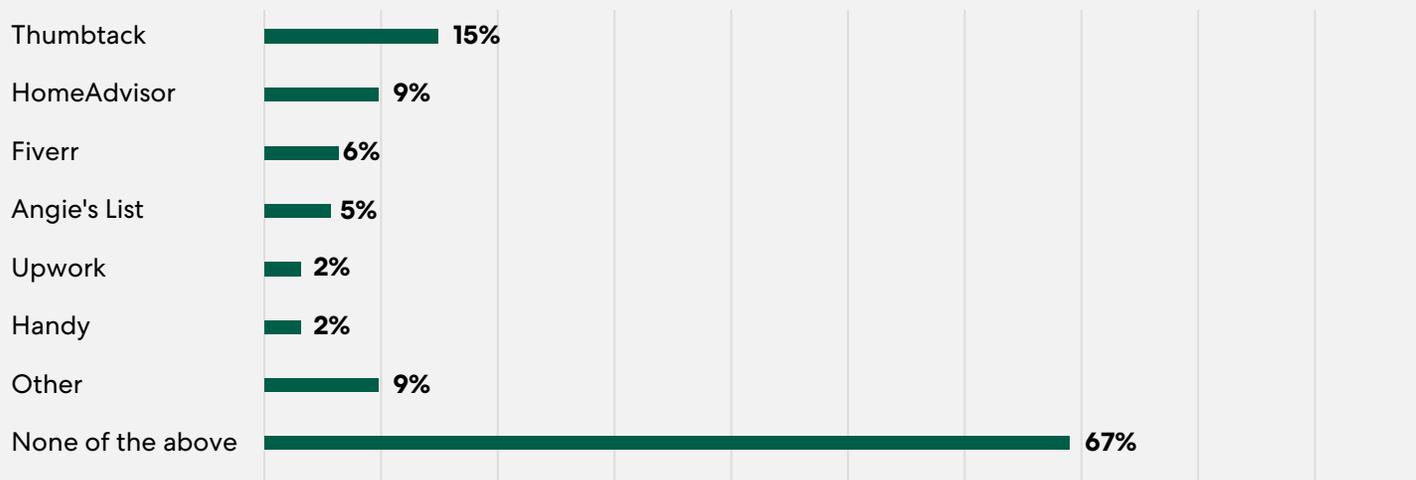


Marketplaces represent an untapped opportunity

In so many areas of life, digital platforms are the go-to resource—from food delivery to ride-hailing. But that’s not the case for building a business, according to our respondents. An overwhelming 88% say that word of mouth is their primary source of new clients and job offers. The dominance of word of mouth referrals reveals a lot about how businesses are truly built in the real world today—more through human connection than technology.

But that's not the end of the story. Although only 12% use some kind of marketplace platform, 84% say they have a generally positive feeling about these services. These numbers indicate a tremendous opportunity for digital marketplaces to grow.

Have you used any of these digital marketplace platforms to secure work in the previous year?





“I already had a bunch of contacts in the music business in San Francisco where I was living at the time, so I thought I might as well give music a try.”

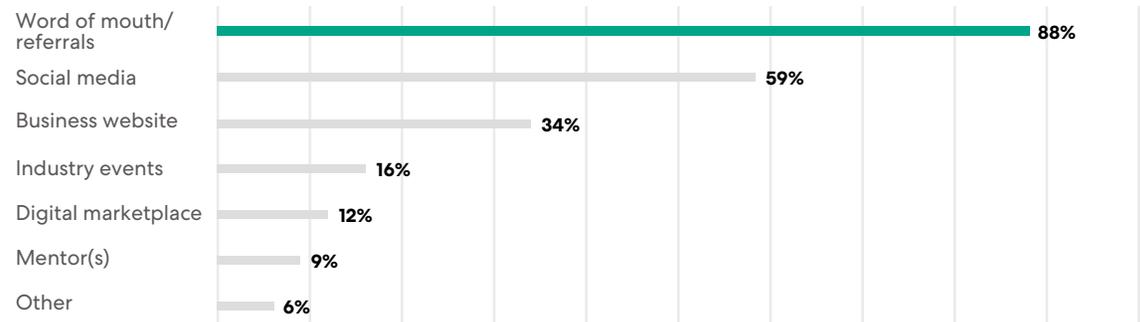
I was in investment sales, and my company went under during the mortgage crisis in 2009. I was 29 years old. A lot of other people got laid off at the same time, so I knew finding another job was going to be difficult. I already had a bunch of contacts in the music business in San Francisco where I was living at the time, so I thought I might as well give music a try.

Now I make my living playing guitar and singing. I'm often hired to play background music or music for corporate events and weddings. I consider three nights a week a pretty good week. A slow week is one night. If I'm not out somewhere playing guitar and singing, I'm not making any money. So it's all a matter of how hard I work to get myself out there. I network with people and then I'm like, 'Hey, I'm coming to this town, if you hook me up, I'll return the favor when you're in my town.' That kind of thing.

Jeff Campbell

Musician, Philadelphia, PA

How do you initiate business relationships?



Chapter 2

Frustration Is Coupled with Optimism

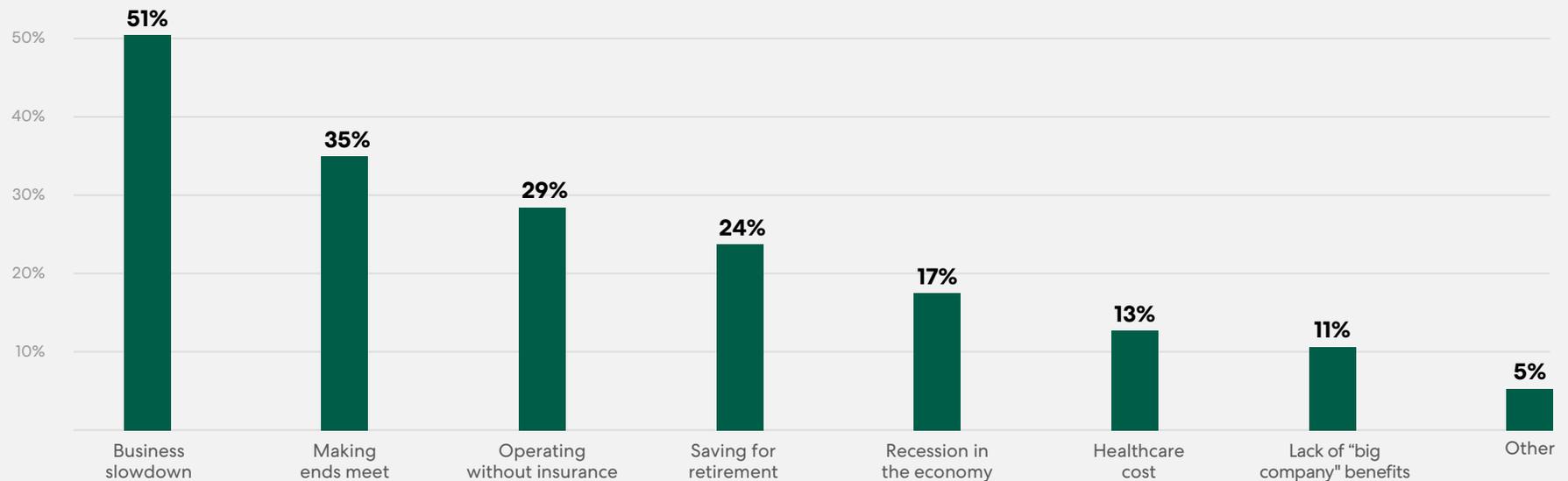


Financial concerns are top of mind

The results of our survey point to the economy and business stability as core concerns of today's workers. More than 80% say that fluctuations in the economy directly impact their businesses at least sometimes. In addition, business slowdown (51%) and making ends meet (35%) top their list of overall concerns.

More than half (52%) of respondents admit that credit card balance is their most common form of debt, followed by car loans, mortgages, and student loans. Meanwhile, only 6% carry debt in the form of business loans but 35% think that easier access to loans would improve the economy for workers like them.

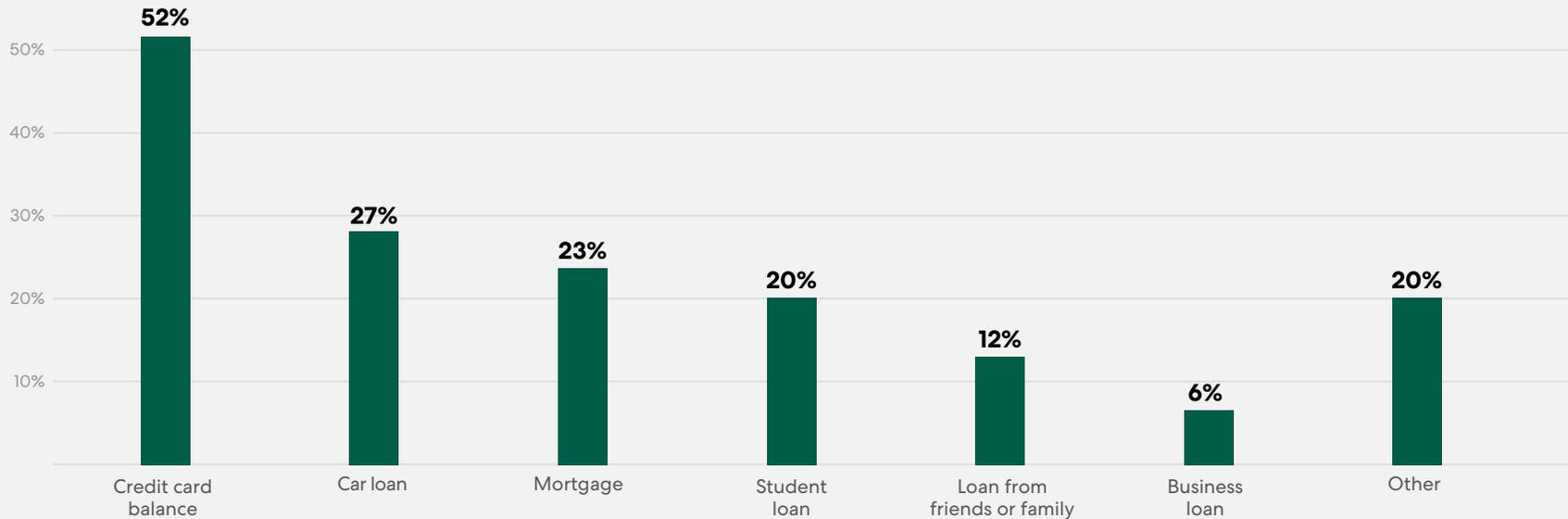
What are your biggest overall concerns when it comes to the financial stability of your business?





Banks are behind the times

If you are carrying debt, what kind is it?



It's hard not to look at these numbers as a commentary on the inability of the banking industry to evolve with the times. The requirements for business loans are still largely mired in old-fashioned definitions of "business," ones that don't include independent or freelance work. Submitting a formal business plan, balance sheet, and commercial lease just isn't feasible for a lot of our customers, which makes them less likely to pursue or qualify for small business loans. Clearly, banks need to change their thinking, as well as their loan criteria.

What would improve the economy for workers like you?

58%

Lower taxes

35%

Easier access to loans / credit



“I was on this cresting wave, and I felt like if I didn't step up on the board and surf it, I was going to drown.”

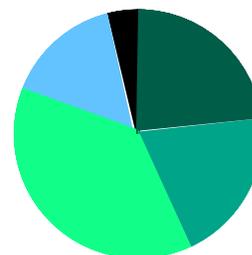
I opened my business when I was 27, and this is my 30th anniversary. I had already been belly dancing for 10 years, so I didn't know the business aspect of it, but I knew all the rest. I was on this cresting wave, and I felt like if I didn't step up on the board and surf it, I was going to drown.

The most students I've ever had was probably around 35. And then there was a long time, probably 10 years, where I was really skating on thin ice. I had between 11 and 14 students, so I took a job at a fabric store and worked about 12 to 15 hours a week. That little part-time job was incredibly important to keeping the business alive.

When people are concerned about the economy, a belly dance studio or a jewelry shop are the first things to go because you have to put a roof over your head and meals on the table; you have to clothe your kids. So if there is any kind of financial concern in anybody's life, then this is the first thing they drop. I cannot say in all honesty that I haven't considered closing, but it's been 30 years and this is definitely my passion.

Cathy-Lynn Carden

Owner, Dance of Arabia studio, Tucson, AZ



Do you feel that fluctuations in the economy have a direct impact on your business?

- 23% Always
- 20% Often
- 38% Sometimes
- 15% Rarely
- 4% Never



Traditional work is ripe for disruption

Best-selling author and gig economy expert Diane Mulcahy shares her perspective on how institutions need to catch up with the way more and more of us are working today.



When you talk about the gig economy, who are you generally describing?

Anybody who works independently: that includes consultants, independent contractors, freelancers, and on-demand workers. It's a much broader definition than Uber drivers.

Why do you think the media focuses primarily on the tech-enabled workforce?

I think the media focuses on platform workers like Uber drivers, Lyft drivers, and TaskRabbiters because they want to expose the fact that these workers are poorly paid and don't have access to employer-provided benefits. But that problem is systemic in our economy. The gig economy makes it more visible, but it certainly didn't create that problem.

We found that among our survey respondents, financial challenges are top of mind. Where do you think the banking industry stands on the gig economy right now?

The banking industry has been extraordinarily slow to respond to the gig economy. They still have this idea that unless you're employed by a company as a W2 employee, you're riskier. And that's true, even in an economy like the one we're in today, where even high-growth, profitable companies regularly lay off workers. They pivot, they change strategies, they introduce new initiatives, they cancel others. So even within companies, the workforce is dynamic and changing constantly. And yet banks, it's like they're back in the 1950s. They think, okay, you have an employer, therefore you're set. Let's give you a 30-year loan.



30 years is a pretty long time.

Banks have not changed their underwriting and risk assessment protocols sufficiently to accommodate the changes in the way that we work.

“**The future of work is the future of the wallet and the future of how we live.**”

What could the government be doing to help independent workers?

The first thing that we need to do is eliminate this outdated worker classification system, which doesn't work at any level. All the system currently does is create confusion and opacity. We just need to have one category called “worker” where everybody gets basic labor protections and benefits and rights and subsidies.

Our labor market now is geared only towards employees, and it penalizes you if you're not an employee. The data is so clear that the majority of people who work independently work this way by choice. If people want to work that way, why would we penalize them by taxing them and then stripping them of all these rights and benefits and protections? It's not good policy.

What are you optimistic about for the gig economy?

The biggest bright spot I see are people like your clients. I think that the data is so clear that work, traditional work, is ripe for disruption. There are so many pain points. If you look at the data from traditional employees, by and large, they are unhappy. They're not satisfied in their work. They're not engaged, they're not challenged, they waste a lot of time in the office. They're not productive when they're at work. They tolerate unhealthy commutes. They work long hours and don't take time off.

What the gig economy offers is an alternative to traditional employment. And I'm not going to stand here and say that it's the only way or the best way, but it certainly is an attractive alternative for a lot of people. Many reports that have interviewed independent workers say the exact same thing:

“**Independent workers are happier, they're more productive, they're more engaged, they're challenged, they feel their work is meaningful, they live a healthier lifestyle.**”



There is optimism for the future...

A resounding majority of our survey respondents—91%—are optimistic about the future of their own work, and 71% are optimistic about the future of the national economy. But there is less optimism around the role of the government in their future success. 58% feel that lower taxes would benefit them, but they don't trust that lawmakers and politicians have their best interests at heart.

For all the campaign trail talk of “Main Street” and small businesses, these independent workers view tax cuts as primarily benefiting large corporations. They question how much understanding policy makers actually have about the work they do.

91%

“say I am optimistic about the future of my own work”

79%

“say small businesses like mine are the drivers of the national economy”

71%

“say I am optimistic about the future of our national economy”



...and frustration directed at lawmakers



67%

do not believe elected officials understand the **struggles I face** in business



70%

do not believe that **my business is valued** by states and the federal government



71%

do not believe small business owners like me have a **seat at the table** in the government's economic decisions



73%

do not believe elected officials have **the best interests** of small business owners at heart



80%

do not believe that the government treats small businesses as **fairly as large corporations**

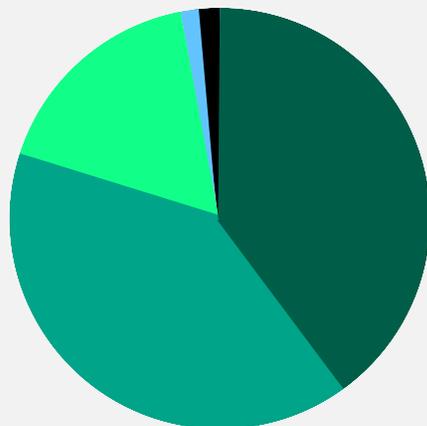
Chapter 3

Liability Insurance Provides More Than Just Protection



Business liability insurance is more important today than it was 5 years ago

For many independent workers, an annual insurance policy is not financially feasible. Others didn't always know they needed it. Yet 64% of our respondents agree that it is more important to have liability insurance today than it was in the past.



Having liability insurance makes me worry less about:

- 40% Being sued
- 40% Getting access to jobs that require insurance
- 18% Handling the burden of an unexpected expense
- 1% Hiring new part-time workers/staff
- 1% Other

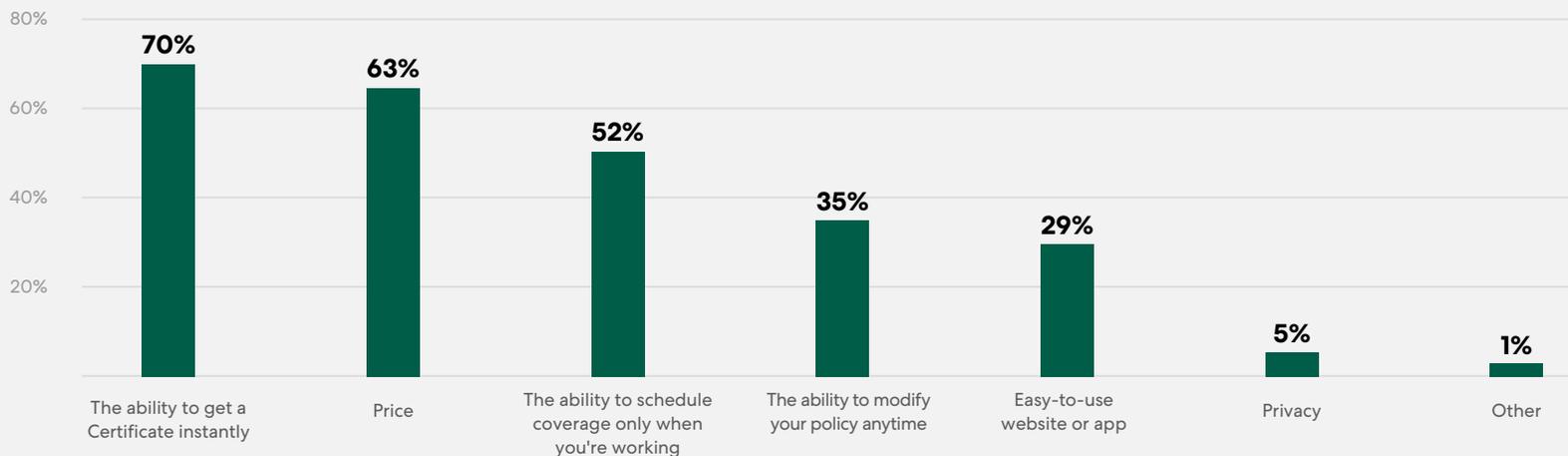


Speed is key when purchasing insurance

There are a number of reasons why a business owner or contractor might choose to purchase insurance: 68% of respondents bought liability insurance to protect their businesses and themselves against lawsuits, and 46% said they bought it because their boss or client required them to. Another 40% say it gives them a leg up in getting access to jobs.

The most valued characteristics of a liability insurance provider, the data found, are speed and price. Our data shows that 46% of respondents book their projects a few days in advance, while 12% book a gig hours in advance. Meanwhile, 22% get jobs purely on demand. With not much lead time between when they book a job and when they perform a job, the ability to quickly generate a Certificate of Insurance is a priority.

What do you most value when choosing an insurance provider?





Looking ahead to the future

The largest segment of the gig economy is stable, diverse, and optimistic.

As demonstrated by the findings of this report, the gig economy is made up of a diverse group of committed, experienced professionals who are entrepreneurs, small business owners, freelancers, and independent contractors. Their optimism and commitment to their chosen professions points to a positive outlook for the future of work in the U.S. As more people look for work outside of traditional employment structures, our collective understanding of the nature of work must continue to evolve as well.

Industries like our own, as well as the banks and governments that regulate employment, need to catch up to where the workforce is headed. They need to be brought into the conversation so that workers' needs can be better met—whether that means providing easier access to business loans, cheaper health insurance, or lower taxes.

We must acknowledge that the wider world of the gig economy, beyond tech-enabled, low-paying jobs, is thriving. These workers are optimistic about the future of their businesses and see themselves as the engine of the economy, and it is time they are given a seat at the table.



Thimble's mission: we make insurance simple, enabling small businesses to succeed on their own terms.

We work hard to make it easy for 160+ professions including handymen, DJs, pet sitters, beauticians, and more to get insurance and take on that next opportunity.

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