

Making Gigs Work

The new economy in context

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The introduction to the classic cartoon *The Jetsons* depicts a utopic future for the working man. George, the sole breadwinner, hops into his flying car and drops off his wife at the mall before docking at Spacely Sprockets, where he works three hours per day, three days per week. Fewer hours, greater productivity, shared prosperity; this was Hanna-Barbera's (and John Maynard Keynes') vision of what technology would do to work. Instead, technology has loosed corporations from their monolithic structures and employees from the stabilizing corporate social contract they once enjoyed, replacing old bonds with flexibility, choice, and autonomy: the "gig economy." It's easy and tempting to paint the impact of the "gig economy" in bold strokes. Some charge that companies—tech especially—are taking advantage of goodwill and deteriorated workers' rights in the quest for growth. Others laud such companies for fixing inefficiencies in the labor market and forging the future of work in the process.

Bold strokes aren't sufficient for such complex issues, however. The "gig economy" is a technology-influenced evolution of work that has called into question our nation's core beliefs about the place of work in society and how best to divide responsibility among workers, businesses, and government. This paper explores the shifting environment around these issues and what they mean for the future of policy and business.

Defining the "gig economy"

There is no firm definition of the gig economy. Many analyses of the subject take the Potter Stewart approach: it's hard to define but you know it when you see it. In order to analyze its implications thoroughly, however, we must first settle on definitions of gig workers and gig employers.

Defining “gig worker”

The typical employee and typical workday look differently than they used to, which is why it’s important to define a “gig worker.” At the highest level of classification, the Bureau of Labor Statistics lumps nontraditional workers under the banner of “contingent workers” (“all those who do not expect their current job to last”) and those who have “alternative work arrangements.” An “independent contractor” is a type of worker with an alternative arrangement that “[identifies] as independent contractors, independent consultants, or freelance workers, whether they were self-employed or wage and salary workers.” They can be contingent workers or not [1]. This paper assumes all “gig workers” are independent contractors both because that’s how they’re usually discussed in the media and because the legal and financial implications are greater for contractors. It makes no assumptions about contingency because the length of a gig and the length of the relationship between the worker and gig provider vary.

Some contend that the social relationship to work, not the type of work nor the technology is what defines “gig workers,” presumably making them no different than any other type of contractor [2]. Indeed, employers of independent contractors, whether those contractors are doctors or exotic dancers, file 1099’s instead of W2s, indicating no difference for tax purposes [3]. While much of this paper will apply equally all independent contractors—with “gig workers” included—we hold that popular use of the term “gig worker” binds those it describes with technology and flexibility in a way that distinguishes them within the independent contractor category. Our definition of “gig worker,” therefore, is an independent contractor who flexibly contracts via an app or web-based platform.

The “employer”

“Employer” is the term this paper will use for the body that pays a gig worker, however it isn’t entirely correct because—as mentioned earlier—gig workers are not employees. To say that only organizations or businesses hire gig workers is not correct. On platforms like Uber, it’s technically the rider or beneficiary of the task that is hiring the driver; the platform merely connects them and manages payments. That said, Uber especially is high-touch in that it does provide equipment, make the decision to activate or deactivate drivers (hiring, in essence), and set rates [4]. Low-touch sites like Upwork are more of a pure marketplace for workers with certain skill sets to connect with businesses or individuals in need.

For the purposes of this paper, “employer” in the gig economy means any organization that either hires gig workers directly or acts as a high-touch platform for workers to connect with clients. It doesn’t include end-users of high touch platforms, like Uber riders.

Is the gig economy a big deal?

Before jumping to conclusions that the gig economy is significant enough to have any implications at all, it’s important to first examine whether the gig economy is a legitimate employment trend or just overblown commentary.

Gigs and gig workers are on the rise

Use of “gig” or “sharing” economy services is high. A recent survey found that 22% of US adults had offered services in the “sharing economy” while 42% had used at least one of these services [5]. Given that many of these services wouldn’t be possible without technology that has only come into popular use in the past ten years, it’s safe to assume employment growth has to have taken place in those “gig” segments of independent contracting. Recent surveys corroborate this assumption. One study puts the total percentage of the working population

engaged in gig-like work at only 0.5%, but notes “all of the net employment growth in the U.S. economy from 2005 to 2015 appears to have occurred in alternative work arrangements” [6]. An Intuit survey estimates 3.2 million gig workers, growing at an 18.5% rate to 7.6 million by 2020, however this survey had a behavioral slant rather than an economic one [7]. Finally, data indicates that the number of 1099 forms have continued to rise steadily since the 2008 “Great Recession,” noteworthy considering that independent contracting tends to decrease as post-downturn jobs situation improves [8]. Taken with the obvious growth in the technology mediated services that connect independent contractors with employers, we can conclude that the rise in 1099’s and alternative work arrangements indicates growth in the gig economy.

Why workers seek gigs

Unfortunately it’s not possible to conclude whether workers, out of necessity or preference, are leaving full-time, employee-status jobs for independent contracting. Instead we can consider what may motivate workers to seek gig employment now and in the future.

Flexibility is king: Workers have cited flexibility as a main reason they gig [6]. The work environment and the ability to telework have been cited as reasons have been associated with higher engagement so it shouldn’t come as a surprise that gig workers are also highly satisfied and highly engaged—more engaged, in fact, than employees [9] [10]. One survey showed more than 80 % of independent contractors and freelancers continue to indicate they prefer such an arrangement to being an employee [6]. These same sentiments were echoed in a survey of Uber drivers, where 73% said they valued flexibility over benefits and a set schedule [11].

Good jobs are hard to find (especially for the unemployed): Purchasing power hasn’t increased since the 1970’s and collective bargaining rights have slowly eroded especially for

lower-earning workers [13] [14]. Even college grads are also facing flatter wages, along with crisis-level student debt burdens [14]. Given that data, it makes sense that 31% of Uber drivers cited additional income as the reason they drive [12]. Logically, workers who feel they are getting a smaller slice of the pie may seek more slices in the form of flexible, extra work.

Additionally, Bureau of Labor Statistics data for the year 2015 shows that the post-Great Recession long-term unemployed rate remains high. Long-term unemployed looking to get back to work have a notoriously hard time finding jobs due to a variety of possible factors like the difficulty of finding jobs, a lack of skills, or discrimination based on their jobless spell [15] [16]. The gig economy could also prove a savior for long-term unemployed workers whose resumes would never make it through HR.

Why employers seek gig workers

Employers are motivated to use independent contractors and gig workers in order to keep costs down and maintain flexibility in an environment that demands both.

A shift to shareholder value: Shifts in regulation and technology have caused a macro trend of vertical dis-integration in business. Both publicly and privately held companies are expected to focus on shareholder value by making decisions that limit risk and increase their ability to adapt to rapidly changing environments, including outsourcing [17]. The gig economy and outsourcing in general may help businesses limit risk by eschewing the permanence and burden of assets and employees.

Keeping costs down: Employers' propensity to hire contractors may be motivated by a desire to reduce labor costs, at least for low-skilled work [18]. It's estimated that the cost of an employee vs. a contractor is 26% higher per hour for employers [19]. Costs to employers include

federal and state unemployment taxes, part of social security and Medicare, and workers' compensation premiums for each employee. Additionally, they have to respect state minimum wage and overtime standards and face the costs associated with collective bargaining should their employees choose to unionize. For contractors, employers pay none of this. Larger organizations that provide benefits like pensions, health insurance, tuition reimbursement, training, and stock purchase plans do not pay these costs for contractors [20].

Indirect costs also rack up quickly. Employers are liable for discrimination under Title VII of the Civil Rights Act of 1963, ADA, ADEA, and FMLA [20] [21]. For small businesses and large corporations alike, the manpower associated with ensuring compliance can be burdensome. Employers are also legally liable for the torts committed by their employees, though there are cases where liability has been extended to torts committed by contractors [22]. The cost-savings associated with eased legal burdens, along with decreased liability for workers' compensation, are frequently cited by employers as a reason to classify workers as independent contractors. Workers' compensation costs are especially relevant to employers in higher-risk industries [23].

Efficiency and scalability: The gig economy may be enhancing the labor market for workers and employers. First, online platforms clearly correct information imbalances, allowing workers to find work and employers to offer it. The gig economy also helps employers take advantage of the specialization and economies of scale of contractors, a key motivation for contracting [18]. This may be especially important in overcoming the "skills gap," where businesses report frequently finding themselves in need of specific, technical skills but unable to fill those needs [24]. Finally, independent contracting allows companies to scale according to demand [20]. The ability to scale up quickly, including easier search, interviewing, hiring, and

termination may be an especially salient benefit for today's tech companies, for whom value can rest on number of users and "hockey stick" growth curves [25]. The downside of course is that workers loosely bound to the organization are able to go elsewhere, taking best practices and sensitive information with them. Without long-term employment relationships, that sense of identifying with the company is gone, and along with it the company's investment in human capital [2].

Problems posed by the gig economy

The previous section attempted to get a handle on the realities of the gig economy, including its clear potential for growth on both the employer and worker side. This section explores why such growth has been and could be problematic for workers and employers.

Gig workers lose out

Despite the benefits gig economy work, independent contractors face disadvantages in terms of pay, benefits, and protections.

Workers may make less: Firm data does not exist about the average income of gig workers, but there are reasons to believe they may make less on average. Independent contractors are generally not subject to minimum wage or overtime laws, as previously stated. Data shows that freelancers and contract workers are paid more per hour than traditional employees, while temporary help and on-call workers are paid less [6]. This is not sufficient to conclude that gig workers make more per hour, however, because some typical "gigs"—Uber driver, delivery person—could be seen as both on-call work and independent contracting. The average income of gig workers would be dictated by the makeup of the pool of workers, including higher-earning workers like programmers and lower earning ones like dog walkers [2]. Finally, independent

contractors also may walk away with less overall due to their tax and expenses situation.

Independent contractors pay the “Self-Employment Tax” to cover FICA contribution; higher than what regular W2 employees pay. Independent contractors can deduct expenses to help lower taxes, which employees cannot do, however employees also aren’t usually responsible for expenses [26]. It makes a difference. In one example, an employee driver making the federal minimum wage of \$7.25/hour would walk home with \$6.69 after FICA [27]. Recent estimates of actual earnings for Uber drivers vary, but drivers in Detroit walk away with only \$6.60/hour—less than minimum wage [28].

Safety rules differ: As independent contractors, employers of gig workers aren’t subject to the same safety laws as employers of employees. OSHA limits the scope of its coverage to “an employee of an employer” [29]. Therefore, independent contractors aren’t covered unless it can be proved that they were misclassified, as was shown in a recent construction industry case [30].

Financial instability in times of need: Independent contractors don’t pay into unemployment insurance, nor do their employers, and aren’t eligible for unemployment benefits if they lose their jobs. Independent contractors are also on their own when it comes to saving for retirement, planning around fluctuations in income, and obtaining health and disability insurance. Lacking access to funds in lean times, freelancers must rely on government assistance, credit cards, or cutting back on necessities like healthcare to make ends meet [31].

Potential for abuse and a lack of voice: Client nonpayment is an issue for gig workers and other independent contractors. A study by the Freelancer’s Union found that 71% of freelancers had faced client nonpayment at some point in their career, and lose nearly \$6,000 on average [32]. Freelancers desiring a say through collective bargaining have no avenue; they are excluded from NLRA coverage [33]. It has been argued that the inability of contractors to

organize is at odds with NLRA because many contractors face just as much difficulty in negotiating with an employer one-on-one as an employee would, yet the latter can organize to correct this imbalance [33].

Discrimination: Independent contractors aren't protected from discrimination, including everything covered in the ADA, ADEA, and the Civil Rights Act. The lack of regulation in the hiring and dismissal process leaves huge room for discrimination. The gig economy's shift toward independent contracting may strip hard fought rights from vulnerable populations.

The distinction between contractors and employees is unclear

Given the marked differences between the rights and entitlements of employees and independent contractors, it's important that employers get it right. Unfortunately, governing bodies and courts at the federal and state level have produced many sets of employee vs. contractor guidelines over the course of the 20th century. Today, there are broadly three types of tests for employment status: control, economic, and what's known as the "ABC" test.

The control perspective stems from the "common law" view of employment. In the landmark *Nationwide Mutual Insurance co. vs. Darden* ruling, the Supreme Court listed 12 factors that distinguished an employee from a contractor, all of which pointed to "the hiring party's right to control the manner and means by which the product is accomplished" [34]. Many federal agencies and 24 states take a similar view. The IRS's 20 factor guidelines are similar, saying that "the payer has the right to control or direct only the result of the work and not what will be done and how it will be done." If more control is involved, then that person is an employee [20] [35] [26].

The economic point of view is exemplified by the FLSA's purposely broad definition of an "employee," which *Darden* noted that the FLSA's definition "stretches the meaning of "employee" to cover some parties who might not qualify as such under a strict application of traditional agency law principles" [34]. Generally speaking, this definition asks not who controls the work, but whether the worker is economically dependent on the employer in the way that a traditional employee typically is and one running one's own business is not. Both the department of labor and the NLRB appear to adhere to the economic definition of employee. The DOL asks about a contractor's ability or inability to "manage" business beyond merely hours worked will impact losses vs. earnings [36]. The NLRB also adheres to a test focused on economic potential for gain or loss, which was upheld in *In Corporate Express Delivery Systems vs. The NLRB* [37].

Finally, nineteen states have adopted the ABC test. This test is different from the economic or control approaches in its specificity. It contains three requirements. The first is similar to the control test. The second focuses on whether the worker's activities are outside of the usual course of business. The third asks whether the worker is customarily in business for him/herself or not [38]. The ABC test's focus on being in business for oneself and not being a key part of an employer's business in addition to control reflects parts of common law and parts of the economic test.

Courts have ruled that the type of agreement signed by the employee—whether they agreed that they are a contractor or not--does not dictate legal status. Microsoft, paving the way as usual, was found in the 1990's to have misclassified workers as independent contractors, despite having had workers sign paperwork to the contrary. Misclassified workers were thus entitled to certain benefits available to Microsoft employees [21].

Misclassification costs everyone

Murky, patchwork regulations have opened the door wide for accidental and willful misclassification of workers. The DOL estimated in a 2015 presentation that between 10-30 % of workers are misclassified [39]. Such a high proportion is worrisome considering the amount of tax revenue that may be lost. The data available is not outstanding and largely consists of extrapolation from earlier studies, but it's enough to suggest an issue. Based on GAO estimates from 1984, which showed that the government lost about \$1.6 billion due to misclassification, it's possible that the 2016 total is greater than \$3.7 billion today [40]. Studies in New York and Ohio have concluded that misclassification has cost them hundreds of millions of dollars in taxes and workers compensation payments [22] [41]. A 2013 report by Columbia University points out that though this underreporting may make up a relatively small percentage of the overall Tax Gap, it's significant nonetheless [20]. As with any problem that hasn't been well-measured, misclassification could be a bigger issue than the data suggests. Therefore, it's possible that government services and safety nets funded by employer and employee payments are underfunded relative to the number of working individuals they were designed to assist.

Employers lose out due to misclassification as well. Taxpayers—including businesses—ultimately foot the bill when someone needs public assistance [20]. Future legislation may also make misclassification extremely expensive for employers in the form of fines, in addition to increasing their tax burden indirectly [42].

The future of the great employee-contractor debate

The ubiquity and downsides of misclassification have not been lost on lawmakers, business owners, or workers. Courts and cabinets are alive with the topic of how to handle contractors and gig workers.

State and federal action

At the federal level, rumblings about rectifying misclassification and getting a handle on the independent workforce that began with 2010's "misclassification initiative" are growing louder. Bills seeking to crack down on misclassification-related legislation have appeared in congress in the past decade, including the Employee Misclassification Prevention Act the Payroll Fraud Prevention act [20]. The most recent iteration of the Payroll Fraud Prevention Act, introduced in 2015, seeks to expand the FLSA to include misclassification, impose steep fines for misclassification, and better define "employee" vs. "non-employee" and the rights of each [42]. The federal government has also recently given independent contractors on federal projects a minimum wage of \$10.10/hr., well above the minimum for employees [43].

States are important in legislating and enforcing correct classification [36]. A program that was launched to help states fight misclassification is being revived and states are beginning to pass laws that assume workers are employees of an employer, also known as "presumptive employee status" [44] [45]. Twenty-seven states already have these laws, and many have created effective task forces to further suss out misclassification [46] [47].

The gig economy goes to court

The past decade has seen a number of independent contracting misclassification cases in areas like franchises (Coverall), logistics (FedEx), and Pharmaceutical Sales (SmithKline Beecham) [20]. Despite its infancy, the gig economy has also racked up an impressive number of

cases. Uber, Homejoy, Instacart, and Postmates are just a few that have wound up in court recently over misclassification [48]. Due to its size, Uber specifically may shaping up to be the gig economy's canary in the legal coalmine, likely setting precedents for those within and beyond the gig economy.

Drivers in the states of Massachusetts and California recently filed suits against Uber alleging misclassification. Uber settled for \$84 million and a promise to make some suspiciously employer-like concessions: more information to drivers as to their policy for deactivating driver accounts (thereby firing them); allowing for a deactivation review by a panel of driver peers; and the creation of a driver associations in California and Massachusetts, where drivers will meet with Uber management to discuss issues [49].

Meeting with management to discuss issues sounds a lot like collective bargaining, which is what some Uber drivers have sought to do specifically. Drivers in Seattle, unhappy with wages and deactivation policies, persuaded the city council to pass a resolution to let taxi and "app-based drivers" bargain collectively [50]. Despite pushing against official unionization, Uber recently gave its blessing to New York City drivers to partner with International Association of Machinists District 15, a union, to form the Independent Drivers Guild. It's not a union, but it grants drivers the right to appeal and be represented by guild officials in cases of deactivation and affords them discounts on legal, life and disability insurance, and roadside assistance [51].

Whether Seattle's resolution is struck down or not, Uber will continue to face a mountain of litigation. Its settlement with drivers in California and Massachusetts is nonbinding, meaning Uber can be taken to court elsewhere for the exact same reason [52]. The company still faces challenges in multiple states, including a California Labor Commission ruling that declared one Uber driver an employee and another ruling in Florida that declared a driver was entitled to

unemployment benefits after his account was deactivated [53]. They will likely continue to fight these battles with the full force of their ample resources, but some of the concessions they've already made show them conceding their long-held "platform only" stance.

Reclassification and other solutions

The legislative activity and court cases mentioned above may indicate rising acceptance of the broader, economic view and thus a push toward reclassification. Yet some point out that the financial implications of reclassification are steep and better alternatives to the enforcement of industrial-era laws may exist.

Perils of reclassification

It's hard to predict how courts across the country will rule, however the drive to crack down on independent contracting, the concessions Uber has made, and the substantial number of drivers who count on Uber as their largest or only source of income put Uber's classification of drivers at risk [12]. Indeed, a number of other succinctly named gig employers—Honor, Shyp, Eden—have converted their employees from 1099 contractors to W2 employees citing a desire for better control over training and hours. They've also expressed excitement over being able to provide benefits like coverage and training without running into classification issues [54].

Lawsuit aversion was not one of the reasons given, but it's a common-sense inference.

Converting contractors to employees is not cheap. As mentioned, labor costs increase an estimated 26% per hour for employees, and that's not counting the administrative costs or the intangibles of suddenly opening the business up to more litigation. Homejoy, a house-cleaning platform that could be described as "Uber for housecleaners," was taken to court and wound up shutting down in part because the pending lawsuit caused a funding crunch [48]. Zirtual, an

online provider of virtual assistants, shut down due to costs incurred when it converted all of its independent contractors to employees [55].

Behemoths like Uber might be able to shoulder the costs of reclassification, but smaller businesses, which appear to have boosted their use of independent contractors in recent years, may face a harder time [56]. Coupled with possible minimum wage increases, a massive push toward reclassification could put small businesses in a bind, erasing a basis of competition with larger firms and hindering job growth [20]. The US Chamber of Commerce, in challenging a ruling to give Uber drivers more employee-like rights, feared such actions would “result in a balkanized set of labor schemes that would negatively impact the sharing economy and jeopardize the flexible work schedules and earnings opportunities that economy provides to millions of people nationwide” [57]. In other words, reclassification may negatively impact the end product available. Companies like Uber that benefit from absolute flexibility may be tempted to limit schedules in order to avoid paying for overtime and full-time employee benefits, resulting in a lesser product and fewer gigs for workers.

A new sort of worker

One proposed solution is to create a new classification of worker. Not an employee, but also not a contractor, it has been referred to as a “non-employee” or “dependent contractor.” This worker isn’t a full-fledged employee but also shares many of the vulnerabilities that employees have in terms of economic dependence [33]. The “dependent contractor” classification exists on a broader basis in Canada where a person is defined as such if he or she makes 80% of income from one source [33]. In this example, a worker who runs his own businesses installing custom AV systems for a variety of clients throughout the year would count as an independent

contractor, whereas a full-time Uber driver probably would count as a dependent contractor. Spain and Germany have similar classifications that also base status on the percentage of a worker's income that comes from one source [58]. California's Agricultural Labor Relations Act, which protects farm workers who are not protected by federal law, is a somewhat similar US example [33].

The benefit of such a model is that it protects the dependent individual from abuse or misfortune relating to his or her primary source of income. The downside is that making the distinction between independent contractor and dependent, protected contractor is problematic. A key feature of the gig economy is that it allows individuals to flexibly go from one job to another; such a regulation may discourage workers from working flexibly and thus only succeed in complicating matters [58].

Broader rights and bigger nets

Some argue that it's possible to fix the economic issues associated with the gig economy by creating a universal benefits, "shared security" or "individual security" fund. This fund looks differently depending on who you ask, but in essence it would be accessible to any worker and confer upon workers a basic set of benefits, including unemployment insurance, worker's compensation, 401K, sick and vacation time, and health insurance [59]. Both employee and employer would pay into this fund based upon hours worked by the employee. This allows workers to reap the benefits afforded to employees without overburdening any one employer [60].

This sounds like a new concept but isn't. It already exists in the construction industry, where independent contracting is the norm. In construction, labor unions track the hours a

worker has “banked” and administer benefits. A similar situation is emerging in Silicon Valley, where contractor “agencies” act as the employer and keep contractors on their payroll, paying them as employees with all the usual benefits and deductions [60]. Proponents note that the cost of such a large program wouldn’t be all that large on an hourly basis, and the vast pool of workers will help funds achieve economies of scale that will decrease costs even more [60].

A solution like this is not without its holes and does not render employee vs. contractor status entirely irrelevant. A safety net doesn’t make up for the loss of rights granted to employees like protection from discrimination, company benefits, and protection by minimum wage and overtime laws.

Broader rights: It’s not unreasonable to think that the extension of safety nets to independent contractors could open the door for the extension of anti-discrimination laws to contractors. For instance, the EU has set a precedent for protecting the self-employed from discrimination based on gender that could inspire the US to follow suit [61].

Gig workers unite: If the courts or legislative bodies in the US fail to take action to account for gig workers, the workers may take matters into their own hands. Currently, independent contractors including gig workers are barred from organizing by antitrust laws. This hasn’t stopped unofficial unions and organizations from forming, such as the freelancers union or the unofficial Uber driver organizations discussed previously. California is also exploring unionization for gig workers [62]. Such activities may indicate a move toward a grassroots form of unionism that was described by John Budd as “Social Movement Unionism.” According to Budd, this type of unionism “embraces labor unions as part of a broader social movement of community, social, and political activist groups that relies on active grassroots participation and

mobilization,” rather than through “traditional” narrow workplace bargaining [63]. It may be more likely to result in laws that cover whole groups than contracts that cover only a few.

Workers who entered the gig-force on the wave of web-based employment platforms are likely tech savvy and able to become advocates for themselves on social media if they perceive abuse or injustice. If and when a critical mass of gig economy workers decides to push for employee-like protections from substandard wages, discrimination, and harassment, state and federal governments may be unable to ignore their collective voice.

Takeaways for businesses

The gig economy has massive potential to correct supply and demand imbalances in parts of the labor market and generally ensure that willing workers have work. For businesses like ours, the key to unlocking the full potential of the gig economy is balancing the efficiency of gig workers with the exposure to financial, legal, and other risks.

Carefully weigh reliance on gig workers: This paper has described the changing face of the employee contractor debate in great detail. Recent legislation and court decisions seem to indicate a shift toward viewing independent contractors as employees or extending employee-like rights to them. It seems inevitable that employers making heavy use of contractors will find themselves facing these issues in the future, whether they must provide additional rights, higher pay, or totally reclassify their contractor workforces. When considering an expansion of the contractor or gig workforce, these future costs must be considered along with the potential losses due to information theft and training gaps also mentioned.

Clearly define the roles of gig workers and independent contractors vs. employees: We should scrutinize worker roles from both the economic and control standpoints to avoid running afoul of any one state or agency's method of differentiation. If feasible, hire workers through agencies, which count them as employees, or hire ones who can produce clear evidence that they are their own business with multiple clients. Workers who are on the fence should be shifted to employee status or their contracts terminated where advisable.

We should take pains to avoid treating gig workers and contractors like employees. They should be strictly limited in their access to our facilities, resources, and training. Technology access should be limited to prevent theft of proprietary or sensitive information. Of course, we should extend practices of providing OSHA standard, discrimination-free work environments to all contractors, both because it's the right thing to do and because it decreases the likelihood of litigation. Ensuring that contractors are paid a fair wage—perhaps the federal contract standard of \$10.10/hour—may also be advisable.

Crib best practices from the gig economy: The gig economy has woven a tangled web but its superiority in terms of efficient use of technology and worker satisfaction is clear.

Gig workers weigh autonomy and flexibility against predictability and benefits, with the former coming out on top. There's no reason to believe that full-time employees do not engage in similar mental math with similar results. We can reap the satisfaction and engagement benefits of the gig economy by exploring flexible work schedules, remote work, and other ways to increase worker perceptions of autonomy, be they employees or gig workers.

This paper has also covered the efficiencies reaped by the gig economy's use of technology to find talent and distribute work efficiency. We can and should explore using gig

workers and contractors in order to achieve economies of scale and overcome skills gaps, but first we must ensure that we have the technology to get workers—whether gig workers or new hires—up to speed and working quickly. We can also leverage internal systems to make employees’ expertise and capacity available, potentially enhancing the efficiency of our internal labor market and creating and filling “gig” opportunities from within.

Conclusion

The tendency to glorify the past at the expense of the future is a fatal human flaw. Certainly the stable workplaces of yore and mid-century fantasies of maximum leisure time sound idyllic compared to the demands of autonomy, fluctuating sources of income, and unattached workers. But embracing the future requires embracing a broader definition of work, of how individuals and businesses should contribute to society and to what they are entitled in return. The complexity is daunting, to be sure, but we are in possession of the technology to understand and adapt to change in ways previously unthinkable. Through daring to and succeeding at wrapping our collective mind around such complexity, we will leverage every opportunity to lift up our business and our workers.

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