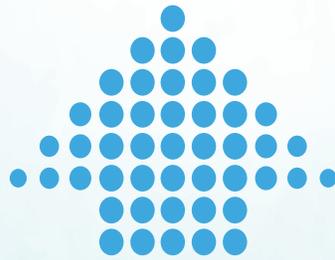
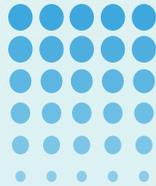
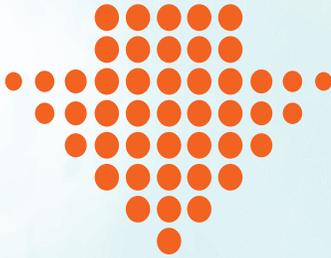


**Traditional
Employment Is
Declining while**



**Gig Economy
Shows Record
Growth**



The impact that Craigslist, TaskRabbit, Uber, and Airbnb have had on disrupting industries and how work is performed is clearly changing how we do business and access talent. According to the Business Development Bank of Canada, 53 percent of small and medium-sized enterprises say the labour shortage will cause them to limit business investment this year. Employers that tap into the gig economy, however, gain access to additional labour, for a competitive advantage.

In Atlantic Canada, with our small labour pool, it is a no-brainer to leverage the gig economy to acquire access to specialized skill sets. The fact that the gig economy is growing at three times the rate of the US workforce as a whole indicates that this segment is worth paying attention to. If the gig economy keeps growing at its current rate, more than 50 percent of the US workforce will participate in it by 2027.

Investopedia defines the gig economy as one in which “temporary, flexible jobs are commonplace and companies tend towards hiring independent contractors and freelancers instead of full-time employees.” A workforce study conducted in 2017 estimated that 20 percent to 30 percent of the Canadian workforce already consists of “non-traditional workers.” The term “gig economy” was coined by journalist Tina Brown in 2009. Brown wrote about the trend of workers pursuing “a bunch of free-floating projects, consultancies and part-time bits and pieces while they transacted in a digital marketplace.” Typically, gigs are either skills-based assignments or needs-based tasks.

The gig economy is also excellent for vulnerable and underrepresented employment groups such as persons with disabilities, visible minorities, Indigenous people, and women. It offers an opportunity for employers to increase their access to diverse talent. Gig labour lowers small businesses’ employment expenses, costs such as employment insurance, CPP, vacation days, sick days, training costs, benefits, pension, etc., that do not need to be paid for giggers. It casts a wider talent net

where retirees, remote workers, students, and entrepreneurs can supplement traditional employee labour.

Millennials are drawn to gig work because of the promise of greater work-life balance. Boomers and other generations close to retirement are attracted to it because they can bring in extra income without a significant time commitment. Technologies such as Zoom Video, Slack, and DropBox have made the gig economy possible.

According to a 2020 Intuit report, 80 percent of large US companies plan to switch to a flexible workforce. Further, the report said, nearly 45 percent of the human resource heads surveyed want to hire gig workers so that they can supplement the skills of the existing workforce; 39 percent would do this to reduce costs and 10 percent to fill temporary vacancies in their teams.

Opponents of the gig economy criticize the burden it can push on gig talent to finance their own vacation days, retirement, and health benefits. It certainly can introduce risk for gig workers if they do not finance these areas. However, employers do not always require a full-time employee to perform certain tasks, and for small businesses particularly, gig workers can be much more cost-effective and provide additional flexibility and competitiveness. Policies are being introduced globally in other jurisdictions to protect gig workers and provide more security.

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By Susan Power

