Survey of Enterprising and Informal Work Activities (EIWA)

Community Development and Consumer & Community Development Research Research
Division of Consumer & Community Affairs

The analysis and conclusions set forth in this presentation are our own and do not indicate concurrence of the Federal Reserve Board, the Federal Reserve Banks, or their staff.
Survey Background

- **Exploratory Survey**

- **Designed with three primary motivations**

  1. **Help monitor trends** in work opportunities and employment creation especially for low-to-moderate income households and communities

  2. **Explore the incidence** and prevalence of the enterprising and informal work activities ecosystem: online and offline

  3. **Identify data gaps** related to changing job and paid work opportunities online and offline
Survey Methods

Designed by DCCA staff, with input from the Board, Reserve Banks, sister statistical agencies and external academics

Reviewed by nationally recognized experts

Deployed by GfK to their nationally representative probability-based online panel of respondents called KnowledgePanel®

- Survey was administered online: October 30, 2015 to November 9, 2015
- 2,483 respondents, including a lower-income oversample

The panel is designed to represent the U.S. adult population

- Respondents are a random sample recruited from postal addresses
- A computer and internet access are provided free of charge to those without them
- As with all surveys, the possibility exists for some degree of bias (selection, recall, non-response)
Survey Data

E-mail survey invitations were sent to 12,480 potential survey respondents

Complete Respondents: 6,898

Non-qualified Respondents: 4,415 (64%)

Qualified (or ‘Enterprising and Informal’ (E & I)) Respondents: 2,483 (36%)

The qualified E & I survey respondents were identified by answering ‘Yes’ to one of the 11 survey screener questions that directly queried respondents about their on-line and/or off-line paid work activities
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Overview of the Informal Online and Offline Economy
Overview of the Informal Online and Offline Economy

Issues in the Changing Work Ecosystem

• Who are the workers in the paid “informal on-line and off-line” economy?

• Where do they live?

• How often do they engage in paid “gig” or “on-demand” work?

• What kinds of paid on-line and off-line work are households taking on?

• Why do they engage in paid “side” work?

• CPS surveys indicate that multiple job holding and the self-employed are declining (Katz & Krueger, 2016)

• BLS part-time jobs since the great recession are holding steady (highest in record keeping of part-time jobs)

• IRS data indicates a rise in Schedule C (sole proprietor) as well as 1099Misc and 1099K (credit-card payments for services or goods and third-party payment network transactions)
A Snapshot of the Changing Work Ecosystem

FIGURE 3. INDEXED NUMBER OF TAX FORMS, 1994–2014

Note: The vertical axis does not begin at zero.
Source: Authors’ calculations of IRS data.

Source: Dourado and Koopman, “Evaluating the Growth of the 1099 Workforce,” Mercatus Center, George Mason University, December 2015
Where are the jobs?

Services Sector by Major Industry


Board of Governors of the Federal Reserve System
Where are the jobs?

Manufacturing and Retail Trade

TOP TAKEAWAYS

19% of total E&I respondents engaged in three or more on-line and/or off-line informal paid work activities.

31% of total E&I respondents engaged in on-line selling of new/used goods.

27% of total E&I respondents engaged in house cleaning, painting, yardwork or other household maintenance activity for pay.
Majority of E&I Respondents Participate In One Informal Work Activity

Percent of E&I Respondents Engaged in One or More Informal Paid Work Activity

- 57% participated in one informal work activity
- 24% participated in two informal work activities
- 19% participated in three or more informal work activities

*Asked of all E&I respondents, n=2,483*
Number of E&I Work Activities Varies by Race and Ethnicity

Percent of E&I Respondents Engaged in One or More Enterprising & Informal Work Activity by Race & Ethnicity

- **Total**: 57% engaged in one activity, 24% in two activities, and 19% in three or more activities.
- **Other & 2+ Races, Non-Hispanic**: 55% engaged in one activity, 22% in two activities, and 23% in three or more activities.
- **Hispanic**: 54% engaged in one activity, 23% in two activities, and 23% in three or more activities.
- **Black, Non-Hispanic**: 56% engaged in one activity, 22% in two activities, and 22% in three or more activities.
- **White, Non-Hispanic**: 58% engaged in one activity, 24% in two activities, and 18% in three or more activities.

Asked of all E&I respondents. n = 2,483
House/Property Maintenance is the Most Common Labor Service Activity

In the **last 6 months**, have you been paid for the following?

- **Providing personal services to individuals**, such as: picking up their dry cleaning, helping people move, dog walking, running errands, booking travel, etc. (14%)
- **House cleaning, house painting, house sitting, yard work, landscaping and/or other property maintenance work** (27%)
- **Disabled adult and/or elder care services** (11%)
- **Babysitting and/or child care services** (17%)

*Asked of all E&I respondents. n = 2,483*
Type of Informal Labor Services Varies by Race/Ethnicity

Percent of E&I Respondents by Race & Ethnicity

- Babysitting and/or child care services
- Disabled adult and/or elder care services
- House, yard, and/or other property maintenance work
- Personal services such as: dog walking, running errands, booking travel, etc.

As asked of all E&I respondents. n = 2,483
Selling New/Used Goods is the Most Common Online E&I Work Activity

In the last 6 months, have you been paid for the following?

- Renting out property, such as your car, your place of residence, or other items you own, through websites, newspaper ads, flyers, etc. 11%
- Completing online tasks through websites, such as Amazon Services, Mechanical Turk, Fiverr, Task Rabbit, YouTube. Such tasks might include editing documents, reviewing resumes, writing songs,... 13%
- Selling new/used goods, handcrafts, etc., on-line through eBay, Craigslist, or other websites 32%
- Other online paid activities [text box] 20%

Asked of all E&I respondents. n = 2,483
**Type of Online E&I Work Activities Varies by Race and Ethnicity**

**Percent of E&I Respondents by Race & Ethnicity**

<table>
<thead>
<tr>
<th>Type of Online E&amp;I Work Activities</th>
<th>White, Non-Hispanic</th>
<th>Black, Non-Hispanic</th>
<th>Hispanic</th>
<th>Other &amp; 2 or more Races, Non-Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completing online tasks through websites, etc.</td>
<td>11%</td>
<td>9%</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Renting out property (AirBnB, Uber, etc.) using websites, ads, etc.</td>
<td>34%</td>
<td>22%</td>
<td>35%</td>
<td>23%</td>
</tr>
<tr>
<td>Selling new/used goods, on-line through eBay, Craigslist, or other websites</td>
<td>20%</td>
<td>19%</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>Other online paid activities [text box]</td>
<td>20%</td>
<td>19%</td>
<td>18%</td>
<td>20%</td>
</tr>
</tbody>
</table>

*Asked of all E&I respondents. n = 2,483*
Temporary Locations Such as Flea Markets are the Most Common Offline E&I Work Venues

In the **last 6 months**, have you been paid for the following?

- Selling goods or services at temporary locations such as flea markets, swap meets, garage sales, mobile vans/trucks, or stalls/kiosks: 16%
- Selling goods at consignment shops or thrift stores: 14%
- Other paid activities [text box]: 8%

*Asked of all E&I respondents. n = 2,483*
Type of Offline E&I Work Activities Varies by Race and Ethnicity

Percent of E&I Respondents by Race and Ethnicity

- Total: 16% Selling goods or services at temporary locations, 14% at consignment shops, 8% other paid activities
- Other & 2+ Races, Non-Hispanic: 16% Selling goods at temporary locations, 18% at consignment shops, 9% other paid activities
- Hispanic: 16% Selling goods at temporary locations, 8% at consignment shops, 6% other paid activities
- Black, Non-Hispanic: 10% Selling goods at temporary locations, 10% at consignment shops, 8% other paid activities
- White, Non-Hispanic: 18% Selling goods at temporary locations, 15% at consignment shops, 8% other paid activities

Asked of all E&I respondents. n = 2,483
TOP TAKEAWAYS

20% of E&I workers have another full-time or part-time job, in addition to their main job.

56% of E&I respondents reported being employed in the past 6 months.

9% of E&I respondents were self-employed or owned their own business.
56% of E&I Respondents report being Employed

In the last 6 months, which one of the following BEST describes your current employment situation?

- Employed: 56%
- Temporarily laid off: 1%
- Not employed, but looking for employment: 6%
- Not employed and not looking for employment: 2%
- Homemaker: 8%
- Student: 7%
- Disabled and not working: 5%
- Retired: 12%
- Other [text]: 3%

Asked of all E&I respondents. n = 2,483
Of Employed E&I Respondents, 72% Work Full-Time for Someone Else

Thinking of your main employment, in the last 6 months did you...

- Work full-time for someone else: 72%
- Work part-time for someone else: 17%
- Work for yourself (self-employed): 7%
- Work as a small business owner, as a sole proprietor, as a consultant/contractor, or as a partner in a partnership*: 2%

*Combined from 4 separate questions

As asked of all employed E&I respondents. n = 1,275
Of Employed E&I Respondents, 77% Only Have One Job

In addition to your main job, in the last 6 months did you also have other paid employment?

- Yes, I have another full-time employment: 4%
- Yes, I have another part-time employment: 17%
- No: 77%
- Other [text box]: 2%

Asked of all employed E&I respondents. n = 1,275
E&I Students Have More Paid Jobs than E&I Homemakers or Retirees

Besides being a student/homemaker/retiree, in the last 6 months did you also have a paid job?

- Retirees: 15% full-time, 1% part-time (Asked of n = 428)
- Homemakers: 15% full-time, 1% part-time (Asked of n = 183)
- Students: 7% full-time, 47% part-time (Asked of n = 114)
E&I Respondents Describe What They Do For a Living

How would you describe your occupation, that is, what you do or did for a living?

The larger the word, the more frequently it was mentioned. Asked of all employed E&I respondents. n = 1264
TOP TAKEAWAYS

65% of E&I respondents that engage in informal paid work activities, do so to earn extra money.

50% of E&I respondents spend 1-20 hours a month engaged in side or “gig” work activities.

25% of E&I respondents indicate that informal work activities have been “very much” and “somewhat” a regular source of monthly income.
31% of E&I Respondents Participate in Online Tasks

Number of Online Tasks...

- 0 Tasks: 69%
- 1 Task: 22%
- 2 Tasks: 6%
- 3 or more Tasks: 3%

Asked of all E&I respondents. n = 2,483
65% of E&I Respondents List Earning Money as their Main Reason for Engaging in Informal Work

In the last 6 months, what is the main reason why you have engaged in these paid or side work activities?

Other Reasons: Hobby, network, acquire new skills, maintain skills, other 35%

To earn money 65%

Asked of E&I respondents. n = 2,208
E&I Respondents List Reasons for Engaging in Informal Work

In the last 6 months, what are main reasons versus all the reasons why you have engaged in these paid or side work activities?

- To earn money as a primary source of income: 26% main, 27% all
- To earn extra money on top of pay from my current...: 29% main, 34% all
- To earn extra money to help family members: 10% main, 14% all
- To maintain existing employment-related skills: 1% main, 4% all
- To acquire new employment-related skills: 1% main, 5% all
- To network/meet people: 1% main, 4% all
- Just for fun (as a hobby): 20% main, 26% all
- Other (please specify) [TEXT]: 12% main, 11% all
64% of E&I Respondents Expect to Devote the Same Amount of Time to Informal Work in Six Months Time

Six months from now, do you expect to devote more, the same, or less time to paid or side work activities other than your primary employment compared to today?

- More: 18%
- Less: 17%
- About the same: 64%

Asked of all E&I respondents. n = 2,483
Informal Income Considered “Very Much and Somewhat” a “Significant” and “Regular/Consistent” Source of HH Income by 1 out of 4 E&I Respondents

In the last 6 months, to what extent has the money earned from paid or side work activities been a significant versus regular/consistent source of household income?

- Very much: 4% significant, 6% regular/consistent
- Somewhat: 18% significant, 19% regular/consistent
- Not at all: 45% significant, 44% regular/consistent
- Does not apply: 31% significant, 30% regular/consistent

Asked of all E&I respondents. n = 2,483
Respondents Receive Monthly Income from Participation in Informal Work Activities

How much of your household monthly income do you usually get from paid work activities or side employment?

- 0% Monthly Income: 33%
- 1% - 5% Monthly Income: 32%
- 6% - 10% Monthly Income: 8%
- 11% - 20% Monthly Income: 5%
- 21% - 40% Monthly Income: 4%
- >40% Monthly Income: 10%

As asked of all E&I respondents. n = 2,483
50% of Respondents Spend One to 20 Hours on Informal Work Activities Each Month

As asked of all E&I respondents. n = 2,483
Geographies, Regions and Sectors

TOP TAKEAWAYS

36% of respondents were from the south.

69% of respondents are homeowners.

86% of respondents live in a metro area.
Where Do E&I Respondents Live?

 Asked of all E&I respondents. n = 2,483
Where Do E&I Respondents Live?

As asked of all E&I respondents. n = 2,483
What Sectors Do Employed E&I Respondents Work In?

- Public Administration: 3%
- Services: 53%
- Finance, Insurance, And Real Estate: 6%
- Retail Trade: 8%
- Wholesale Trade: 2%
- Transportation, Communications, Electric, Gas,…: 9%
- Manufacturing: 7%
- Construction: 6%
- Mining: 1%
- Agriculture, Forestry, And Fishing: 1%

Not asked n = 1,056. n = 1,427
What Are Employed E&I Respondents’ Occupations?

- Other (Please specify): 16%
- Office and Administrative Support: 7%
- Engineering and Computer, Physical, and Social Sciences: 9%
- Armed Services and Protective Services: 2%
- Business and Financial Operations: 5%
- Sales: 7%
- Food and Personal Services: 14%
- Construction, Maintenance, Material Production and…: 8%
- Health Care Support and Social Services: 10%
- Education: 6%
- Management and Professionals: 18%
- Farming, Forestry, and Fishing: 1%

Not asked n = 1,056. n = 1,427
69% of E&I Respondents Are Home Owners

- Home Owner: 69%
- Renter: 27%
- Occupied without payment of cash rent: 4%

Asked of all E&I respondents, n=2,483
86% of E&I Respondents Live in a Metropolitan Area

As asked of all E&I respondents, n=2,483.

- 86% Metro
- 14% Non-Metro
Demographics

31% of total qualified respondents report income less than $40,000.

56% of respondents were women.

19% of respondents were 60 years old and over.
Distribution of E&I Respondents’ Household_Incomes

- Less than $25,000: 18%
- $25,000-$39,999: 13%
- $40,000-$74,999: 25%
- $75,000-$99,999: 15%
- Greater than $100,000: 30%

Assembled of all E&I respondents. n=2,483
Racial/Ethnic Distribution of E&I Respondents

- White, non-Hispanic: 64%
- Hispanic: 16%
- Black, non-Hispanic: 12%
- Other, non-Hispanic: 7%
- 2 or more races, non-Hispanic: 2%

Asked of all E&I respondents. n=2,483
Age and Gender Distribution of E&I Respondents

- **Ages**
  - 18-29: 29%
  - 30-44: 28%
  - 45-59: 24%
  - Over 59: 19%

- **Gender**
  - Male: 44%
  - Female: 56%

As asked of all E&I respondents. n=2,483
Educational Attainment of E&I Respondents

- Less than high school: 13%
- High school degree: 26%
- Some college: 30%
- Bachelor's degree or higher: 31%

Asking of all E&I respondents. n=2,483
Thank you

Division of Consumer and Community Affairs
Federal Reserve Board