



Taken a ride with Uber, had your dinner delivered by DoorDash or sold something on Etsy? If you have, you are a participant in the gig economy. Gig economy is a free-market system where organizations and independent workers engage in short-term work arrangements. The word "gig" refers to the transient nature of the job itself. The term "gig" was borrowed from the performing arts community where comedians, musicians and more are paid for individual appearances known as "gigs." The gig economy definition encompasses all sorts of contingent work arrangements, for example:

- Freelancers
- Consultants
- Independent contractors and professionals
- Temps (temporary contract workers)

The gig economy is not a new market, freelancers have been around for a while. The reason why the gig economy has been under scrutiny for the past couple of years is that technology had lowered barriers to entry so much that "gigs" have become easily accessible to an unprecedented number of people. What was perceived as a side hustle only a couple of years ago, turned into a trillion-dollar industry with millions of participants. Because of the very technology that made all this possible, it became increasingly hard to clearly classify what counts as part of the gig economy and what doesn't. Companies that expanded quickly did so

because they were able to offer busy consumers easily accessed services at a lower price than traditional companies. The services could be offered at cheaper prices because there were less overhead and fewer fixed costs, such as real estate, equipment, insurance, full-time salaries, and employee benefits. Gig services providers require a supply of qualified workers who are not expecting office space, company equipment, full-time wages and related benefits. In short, the tech companies lowered the price per transaction and increased convenience, and sales took off.

Gig economy participants sometimes treat their gigs as their main source of income, and sometimes as a secondary one. Some of them are highly skilled and this mode of work is their choice, some are unskilled and have no alternatives. The most significant upside is the ability to make extra income often quickly and with minimal upstart. Gig workers have flexibility to provide services as they want. They are in control of their work-life balance. Another perk is that many services can be provided virtually or can be provided even if you relocate, freeing workers to live in cheaper markets or in a range of settings. Additionally, providing independent services, like website design or editing, can be an excellent way to develop a skill set and a portfolio that can be used to pursue a full-time role. On the other hand, the gig economy has a lack of predictability and a lack of comprehensive benefits such as health insurance. Workers may not have a clear professional career path and the support of mentors within a company. For some, getting work is easy as indicating availability. But many others must be proactive about offering services, for example: getting testimonials or reviews, taking great pictures of your Etsy offerings, and executing selling or incentive campaigns to increase sales. And, of course, there is not a safety net when the unexpected happens, like a global pandemic.

A recent [Statistics Canada study](#) found that the gig economy represented about 8%-10% of all Canadian workers in 2016. The chances are that you or someone close to you works in the gig economy. The workforce has gone through significant change over the last two years. People are looking for greater flexibility and more options to earn a living and to consume products and services. The tech-enabled marketplace facilitates this quest from the palm of your hand. In short, the gig economy is poised to maintain its explosive growth.