THE VANISHING 9-TO-5
WELCOME TO THE GIG ECONOMY: RUTHLESS AND LIBERATING

NEXT UP, AN ECONOMY OF SHARED VALUES

THE EMOTIONAL TOLL OF FREELANCING

IN THE RURAL WEST, THE JOB IS BUILDING COMMUNITY

HOW TO VOTE EVEN WHEN YOU HATE EVERYTHING ON THE BALLOT

URBAN FORAGING: WEEDS YOU CAN EAT
WHY THE GIG ECONOMY IS GROWING

1

Traditional jobs lost in the recession have not been replaced.

The number of 1099 forms issued to workers has historically been strong following a recession as companies cut costs by shedding employees and hiring contract workers. Once the economy recovers, W-2s go back up and 1099s lag. Not this time. Since the official end of the recession in 2009, growth of 1099s has continued while W-2s have stagnated.

2

App workers are doing it to keep from falling behind.

The app economy can be viewed as a symptom of the volatility of the larger contingent economy—plus wage stagnation of the W-2 economy—in which a source of extra income is critical.

3

Gig flexibility especially works for women.

The percentage of women in the workforce has been declining since 1999. But the percentage of women in alternative work arrangements has jumped and now surpasses men.

The recovery depended on gigs.

Alternative work arrangement jobs, which include 1099 independent contractors, offset a net decrease in traditional jobs.

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Kaleena Marcelin, a recruiting coordinator at LeadGenius, video chats with the director of recruiting, Ruby Bhattacharya, while her daughter sits on her lap. Marcelin works from home, which lets her be there for her children.

Part 3: Investing in Each Other

HOW TO TURN GIGS INTO GOOD JOBS

SEIZING THE GIG MOMENT TO CREATE AN ECONOMY OF SHARED VALUES
Christa Hillstrom

Kaleena Marcelin was working as an office manager for an air conditioning company when she gave birth to her fourth child. Marcelin had raised three children in Margate, Florida, a suburb of Miami, but she couldn’t afford daycare with four. She started looking for work that would allow her to stay home. First, she tried Craigslist, where she found gigs typing and editing. But there wasn’t always enough work, and she never got to interact with anyone.

“You kind of felt like you were a machine,” she said.

Then Marcelin found a company that offered steady work, a generous wage, and consistent interaction with coworkers. But she didn’t have to go back to working 9 to 5. Instead, her job at the tech company LeadGenius combined the flexibility of gig work with the stability and structure she wanted. She doesn’t receive benefits and is paid as a contractor, but she sets her own hours, can afford to pay for health insurance, and is able to care for her young children without hiring help.

Creating fair jobs for people who needed them was part of the mission for the three founders of LeadGenius in 2011. But as they seek to fine-tune their labor policies, they’ve turned to a new ally: the National Domestic Workers Alliance (NDWA), a coalition that represents more than 3 million home caregivers, nannies, and other domestic laborers nationwide. Palak Shah, the organization’s social innovations director, had seen how quickly the gig economy was growing and worried that millions of new workers were facing the job insecurity, unsafe conditions, and precarious wages domestic workers had long experienced. She saw an opportunity to help a new crop of businesses to factor dignity, compassion, and fairness into their bottom lines—especially young companies whose norms remained malleable.

“If we’re going to shape the future of the new economy, we’re going to have to agree on where to go,” she said.

Late last year, Shah and her colleagues began drawing on domestic workers’ experience to define some core values that could steer the gig economy toward honoring workers’ well-being. The result was the Good Work Code, a set of eight values that companies can adopt and implement. Some of them, like “a livable wage” and “safety,” would be familiar to labor organizers a century ago. Others, like “support and connection” or the combination of “stability and flexibility,” reflect the unique situation of contractors who often work remotely and may rely on apps to find gigs.

While the code is not an accountability program—participating companies aren’t ranked or graded on their performance—signing on requires a public, demonstrated commitment to implementing the code’s core values.

The NDWA recruited 12 forward-thinking companies—including LeadGenius—to be the first signatories. Most of these companies, which together employ everyone from freelance veterinarians to graphic designers to home care workers, already had fair work at the core of their missions. Their leaders had long been trying to figure out how to tweak their models to better serve workers.

But participating in the Good Work Code helped them create and sharpen practices supporting specific values, all while participating in a wider movement to define and model new business norms. Shah hopes to take advantage of current attention to gig labor to shape a new conversation around what good work means now—and how business can build equity into its future.

When Sherwin Sheik’s sister was diagnosed with multiple sclerosis, his family started the long process of finding and hiring caregivers. The family was spending a lot of money on care, but the caregivers seemed to barely make ends meet. They earned just a fraction of what the agencies charged their clients. “How can we expect them to take care of our families when they’re worrying about their own?” Sheik wondered.

In December 2011, he founded CareLinx, a company he describes as “LinkedIn for home care workers.” Caregivers build their own brand on the platform, choose their own clients, and become official W-2 employees—not contractors—of those clients. Because it’s a digital company, Sheik was able to cut down on overhead and prioritize wages. Those who find work through CareLinx make higher wages than the industry standard, while the company makes money on a fee charged to clients—not subtracted from workers’ checks. Because low-paid jobs in private residences often put care workers at risk, CareLinx chose to focus on the values of livable work, and the stability and structure she wanted. She doesn’t receive benefits and is paid as a contractor, but she sets her own hours, can afford to pay for health insurance, and is able to care for her young children without hiring help.

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David Rolf is president of the Seattle-based Local 775 of the Service Employees International Union, which represents home care workers. He said other app-based home care companies are starting to follow CareLinx’s lead, recognizing the advantages of having W-2 employees in the complex and intimate field of home care work. “[CareLinx] did it right, right out of the gate,” Rolf said. “They were the first ones to prove they could make W-2 work.”

This drive to experiment with best practices for employment is what ties the companies that have embraced the code together. When three graduate students at the University of California, Berkeley, launched LeadGenius in 2011, they looked at companies like Amazon’s Mechanical Turk, where labor was often anonymous or unskilled. But because of the complexity of LeadGenius’ work generating sales leads for corporate clients, the company required skills, consistency, and strong communication in its workers. Many, like Marcelin, have been involved for two years or more and bring valuable experience to their jobs.

That’s why LeadGenius decided to set up team groups, placing workers together in a simulated traditional work environment. William Wickey, senior manager of content and media strategy, said the company’s hypothesis is that “we can get better work done for our client and do better by the people working for us by building in these support systems.”

Part of the original mission statement was to provide “fair trade” work for unemployed and underemployed people around the world who may otherwise experience poverty. Currently, more than 500 people from 40 countries—including India, Serbia, the Philippines, and Kenya—are employed as contractors. Nearly half are women, and nearly a third, like Marcelin, support at least three other people with what they earn. Initially, the founders imagined providing supplemental, part-time work, but it didn’t turn out that way. “[The contract workers] wanted steady, full-time or near full-time work as a full source of income,” Wickey said.

The Good Work Code aligned with what LeadGenius was already doing. As participants, they selected the values of support and connection, along with stability and flexibility, as key areas of focus. They had already been surveying the entire workforce twice a year on issues like wage satisfaction, and the code guided staff in asking further values-based questions. They have found that their workers strongly value human interaction—the sense of being part of a team—and that LeadGenius was headed in the right direction when it came to flexibility and job security.

Not everyone is optimistic that voluntary efforts like this will be enough. Rolf, for example, applauds the efforts companies are making to improve working conditions within the gig economy, but he believes that a code lacking an enforcement mechanism risks becoming a labor version of greenwashing. Though “stimulating public opinion is important,” he said, “I worry about companies saying, ‘I operate out of the Good Work Code’ if they aren’t accountable for changes.” Rolf would like to see a certification process for companies that hire gig workers and points to the Coalition of Immokalee Workers’ Fair Food Program, which engages a third-party organization to monitor farm working conditions and hold growers accountable.

Shah agrees that a “Good Work” certification could be a smart goal for the code as the online labor marketplace matures, helping both workers and customers make better-informed decisions about which companies to work for and support. “However, it’s critical that we agree on the vision before any steps are taken toward enforcement,” she said. “The Good Work Code is helping us articulate the reality we’d like to usher in, but we still have some work to do in sharing that vision and building consumer demand for good work.”

The code is still new, and though broader corporate interest in fair work cannot be directly attributed to it, Shah is hopeful about the changes she’s seeing in the industry: an increase in profit-sharing models, more companies classifying contractors as W-2 employees with benefits, and growth in partnerships between online companies and worker organizations.

“The size and scope of our social dilemmas are so great right now that no discipline alone is going to be able to address the magnitude of the conflict that we have today,” she says, adding that neither the labor movement nor the tech industry can solve these problems by itself. “The breakthroughs are going to come when these disciplines collide and come into interaction with each other.”