

COVID-19 economic fallout weighs heavily on blue collar gig workers

Our survey of about 3,000 gig workers show that even as states reopen, gig workers fear returning to work or can't because of a lack of childcare, and are struggling to get unemployment benefits to help them make ends meet.



Introduction

My team and I are constantly trying to better understand the blue collar gig workers who use our platform and what we can do to help them thrive in the modern economy. Like everyone else, we remain in awe of the speed and depth of the economic fallout caused by COVID-19.

We don't know when the economy will fully recover or what will remain when it does. But we have learned a few lessons during this crisis:

Gig workers played an essential role in preventing an even greater economic collapse during COVID-19 and will play a critical role in driving America's recovery. Between January 31, when the U.S. declared COVID-19 a public health emergency, and May 20, tens of thousands of workers across the U.S. turned to our platform to find nearly 50,000 jobs that they completed in dozens of states.

Many policymakers, economic leaders, and business owners need to rethink their views about gig workers and the companies that support these talented workers. Laws and regulations that make it harder for them to succeed will also make it harder for our economy to recover.

Gig workers face a lot of challenges and we need to continue to find innovative solutions to provide them with economic opportunity.

This report highlights the fear and uncertainty gig workers face. It's based on a survey of workers we first surveyed last year, before COVID-19 reached the U.S. – so it gives a view into how quickly both perception and circumstances have changed for frontline workers. My team and I will continue to provide opportunity, information, and access to equipment and benefits to help workers navigate this crisis.

-Yong Kim, CEO and Co-Founder

Wonolo is an online platform that connects over 500,000 workers – or “Wonoloers” – to retail, e-commerce, distribution, fulfillment, and other types of blue collar, frontline jobs throughout the U.S and has done so since 2014. These “Work Now Locally” opportunities vary widely, from customer service, delivery, and event staffing to food production, warehousing, and manufacturing. At Wonolo, we are Making Work, Work™.

Wonolo has more than 100 employees, including in their San Francisco and Nashville headquarters, serving workers and companies across the country.

3 big challenges: childcare, relief, fear

Lack of childcare is an obstacle

Local officials, federal policymakers, and economic leaders have faced persistent questions in recent weeks about reopening the economy. While there's widespread disagreement about what constitutes a *fully* reopened economy, childcare and school are at the center of the debate.

If a state and its businesses are open, but workers can't find childcare or send their kids to school, what does 'open' even mean? It turns out that a growing number of gig workers, disproportionately women,

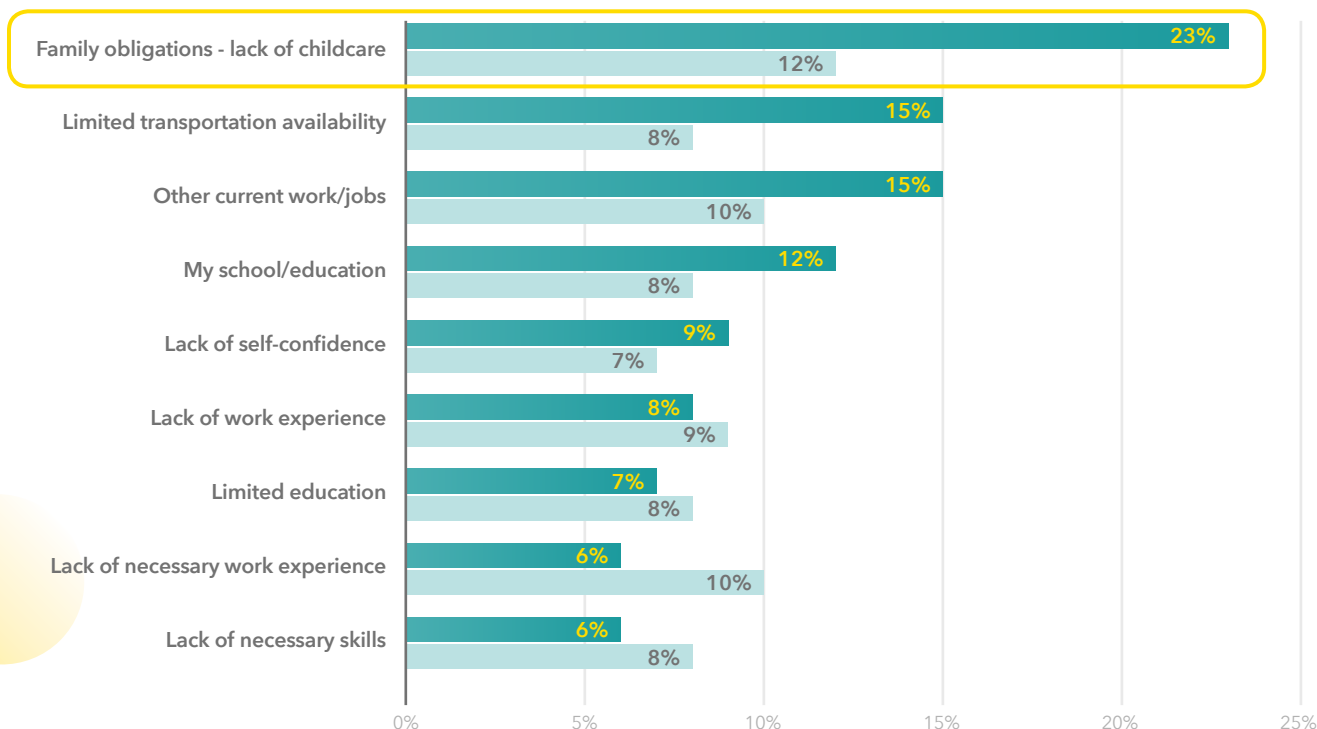
see the lack of childcare as the biggest obstacles to returning to work.

About 23% of gig workers said a lack of childcare is preventing them from taking job opportunities, up from 12% when we surveyed workers in 2019. A lack of childcare is disproportionately affecting women: Women make up almost two thirds (65%) of those who said a lack of childcare is preventing them from taking job opportunities.

Gig workers saying the biggest obstacle to work is a lack of childcare almost doubles

What in your life might be preventing you from finding good job opportunities?

■ May 2020 ■ Sept 2019



Based on surveys of ~3,000 people in Sept.-Oct. 2019 and May 2020.

Lack of childcare disproportionately harming women's ability to start working again

Breakdown of men and women who say a lack of childcare is an obstacle to starting work.

35%

Male

65%

Female

Trouble getting government relief

Half of gig workers who applied actually received unemployment benefits

Have you "applied" for unemployment benefits from the government in the last month?

26%

Have you "received" unemployment benefits from the government in the last month?

13%

0%

10%

Yes

20%

30%

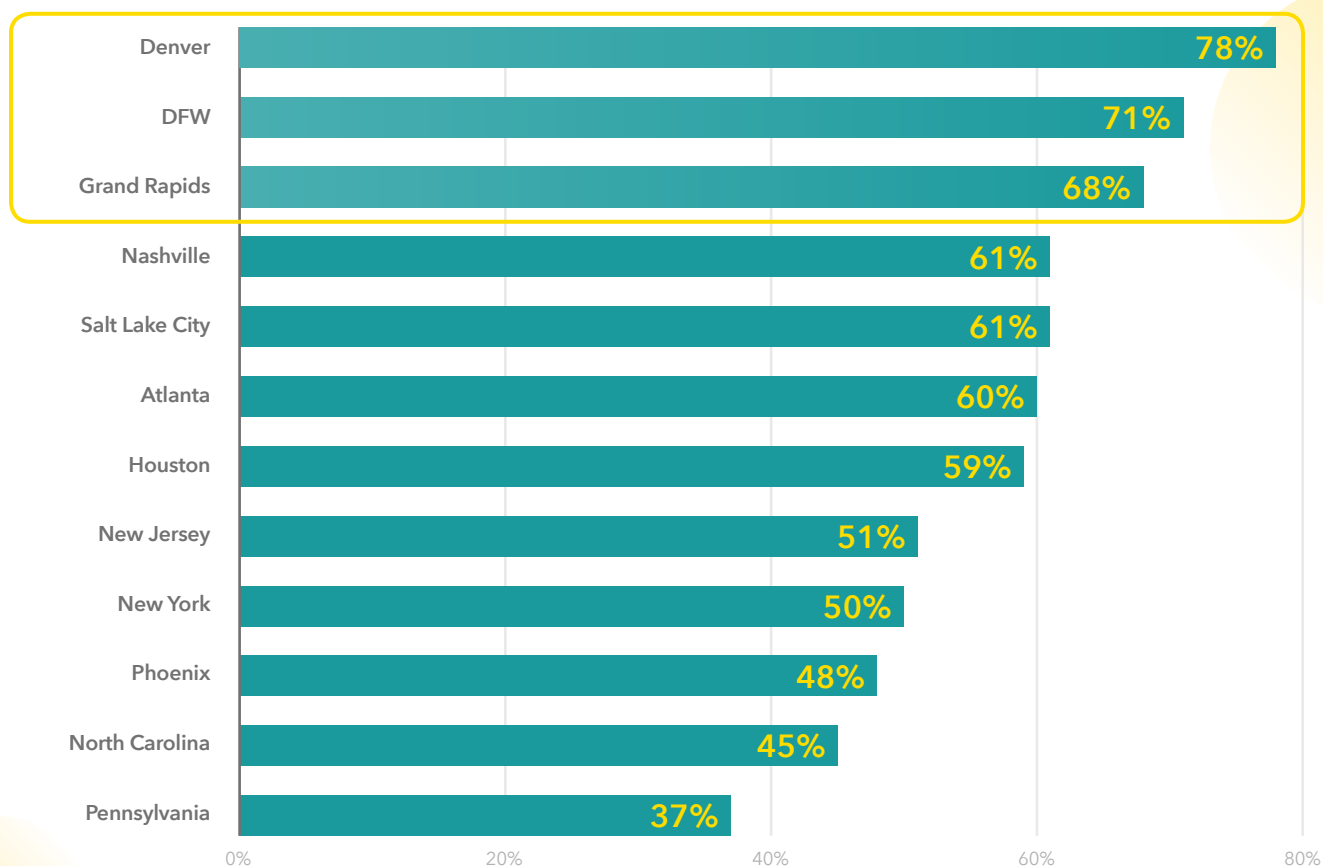
Note: Based on a survey of 3,004 gig workers in the U.S. from May 3 to May 12.

The government in recent weeks has passed the largest stimulus package in U.S. history and, for the first time, it extended unemployment benefits to gig workers¹. Unfortunately, workers haven't had an easy time actually getting those benefits².

About 1 in 4 workers (26%) have applied for benefits but only half of those applicants have actually received benefits. Workers 18-24 have had the greatest success getting benefits. And there's wide variability by region.

Success rate of unemployment benefits application by gig workers in each city

Success rate (applied for AND received unemployment benefits)

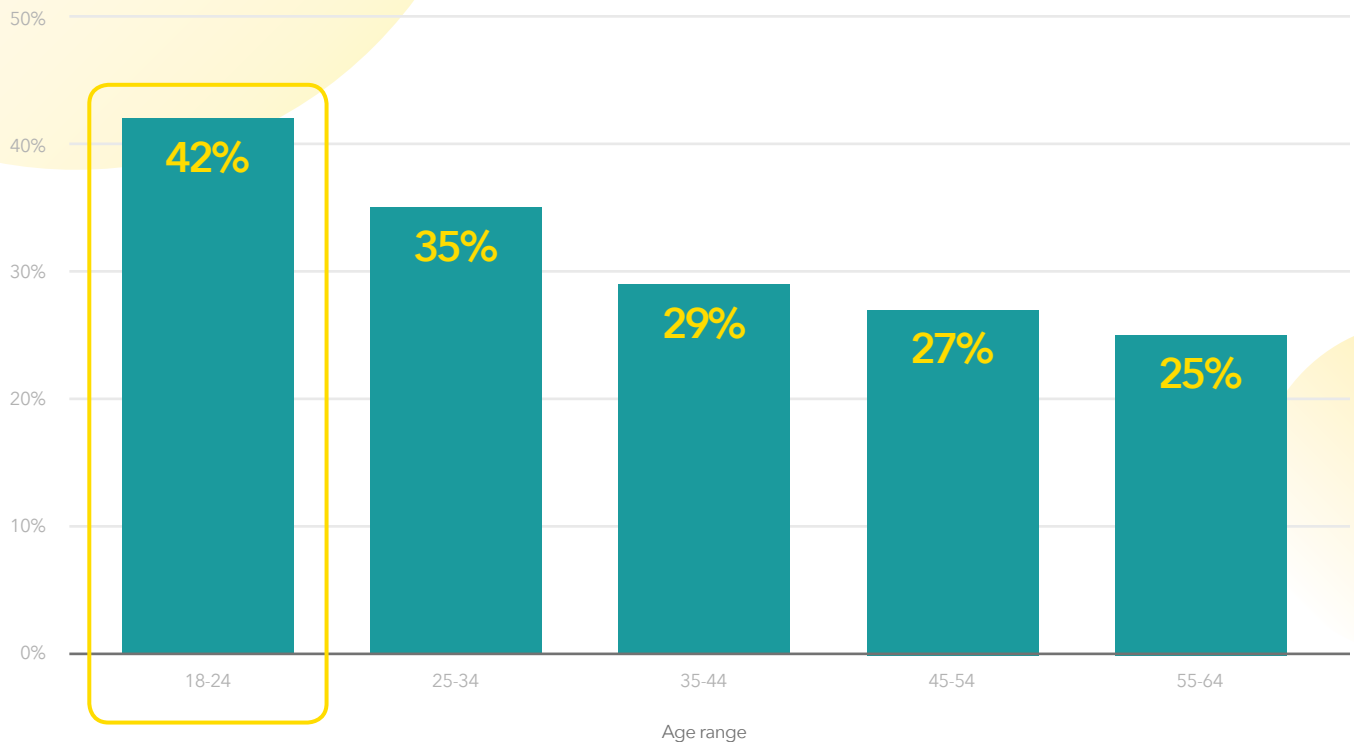


Note: Based on a survey of 3,004 gig workers in the U.S. from May 3 to May 12.

The young aren't fearless

Younger gig workers are actually more fearful about COVID-19 than the elderly

% of people choosing not to work due to fears about COVID-19



Note: Based on a survey of 3,004 gig workers in the U.S. from May 3 to May 12.

Data shows that COVID-19 has disproportionately harmed the elderly³. While students caught a lot of flack for swarming beaches in Florida during Spring Break, young people are actually more fearful about the disease than the elderly.

For some 18 to 24-year-olds, the fear wasn't so much that they get the virus but that they bring it home to their families. "I would be afraid of someone being around me and has been exposed to it... I don't wanna catch it and bring it home to my family," said Angel M. of Tickfaw, Louisiana.

Things have gotten worse

The unemployment rate is expected to reach or possibly exceed 20%⁴. Unemployment insurance, intended to help families and workers stay afloat, will likely run out⁵.

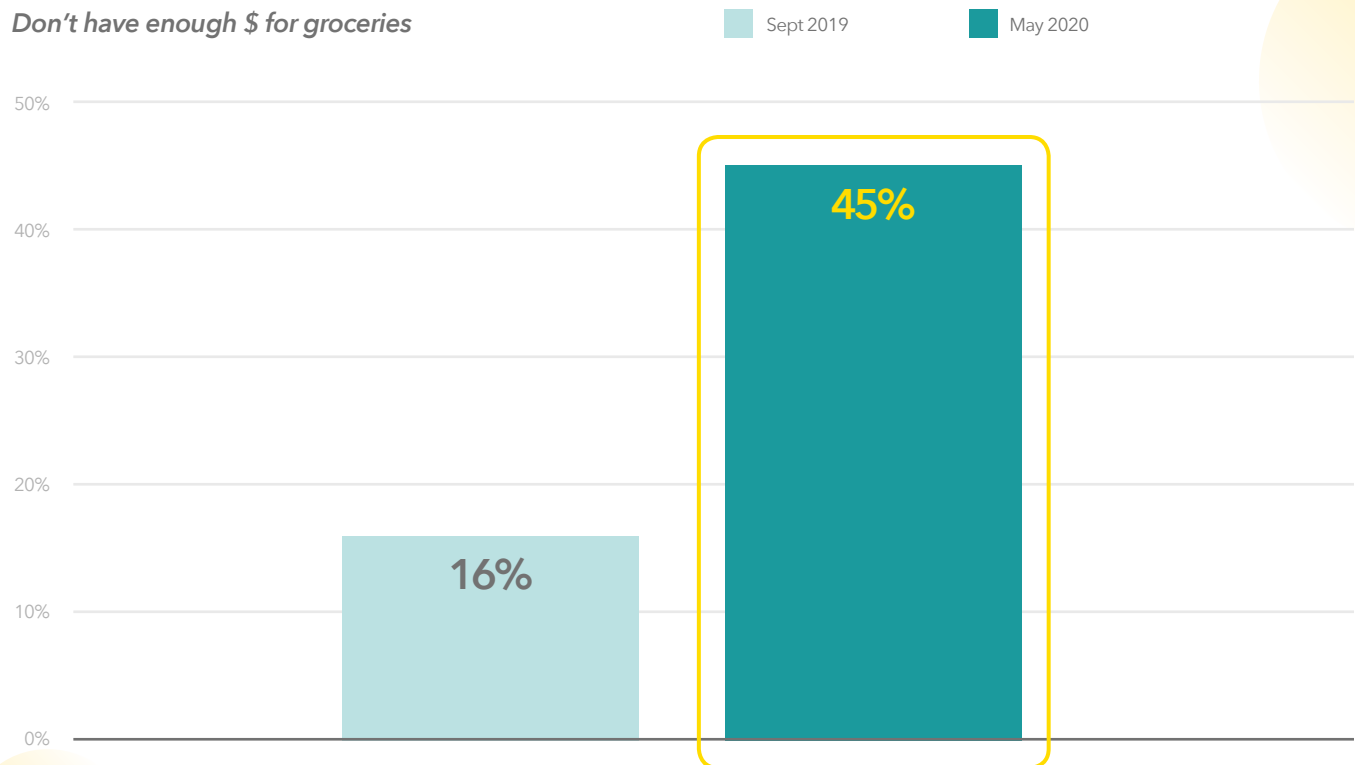
Even before that happens, however, we've seen a sharp decline in the financial situation of gig workers and fear about the future.

There was about a 3x increase in the percentage of workers who said they need money for groceries.

There was also a nearly 3x increase in workers who said they plan on saving for an emergency and a 2x increase in workers who said they'll be saving for medical expenses.

3x increase in % of workers who need more money for groceries

Don't have enough \$ for groceries



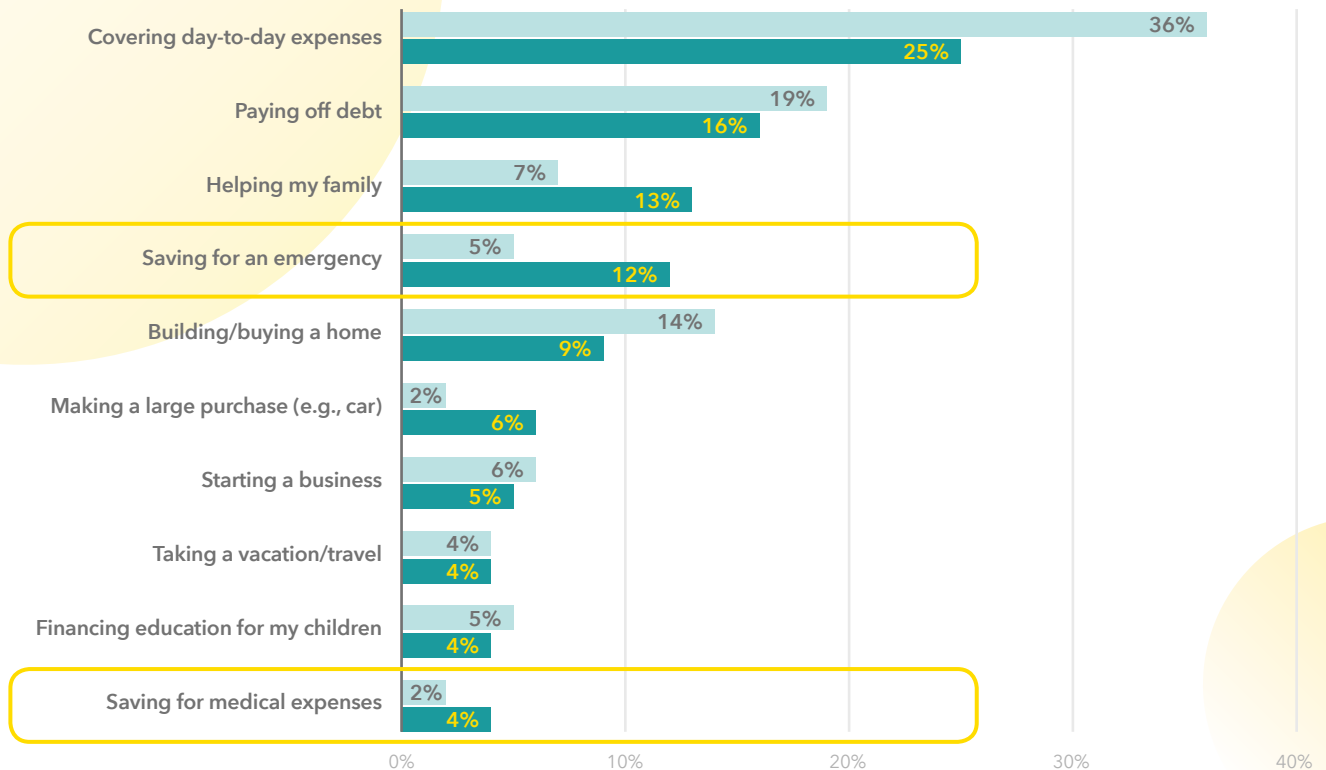
Based on surveys of ~3,000 people in Sept.-Oct. 2019 and May 2020.

2.5x increase in workers who plan on saving for an emergency

What is your most important current financial goal?

Sept 2019

May 2020



Based on surveys of ~3,000 people in Sept.-Oct. 2019 and May 2020.

Flexibility is more important than ever

Flexibility is a hallmark of gig workers – they consistently tell us they need flexible schedules to balance other obligations or prefer flexible schedules because they like variety. Either way, we expected workers to yearn for stability and reliability amid COVID-19. But that's not the case.

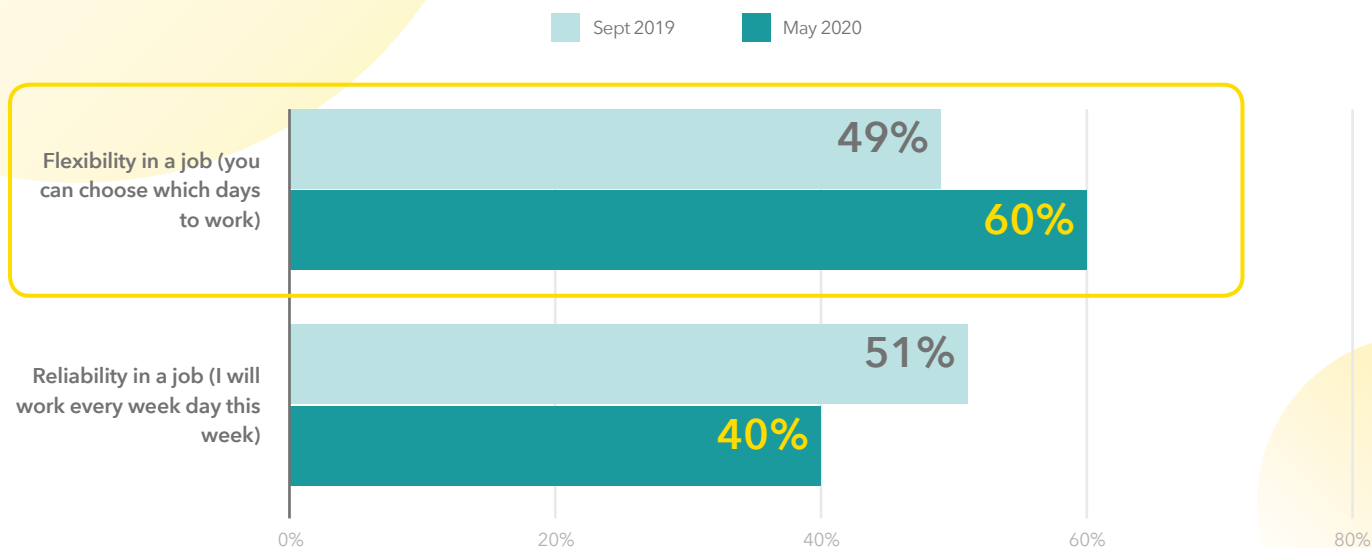
Surprisingly, more respondents prioritize flexibility over permanent work. Before the pandemic, when asked which they preferred flexibility or reliability in a job, about half of workers chose each. But now, the percentage of workers who prefer reliability has decreased by twenty percent and, indeed, the number of workers who prefer flexibility is now 50% higher than

those seeking reliability – possibly reinforcing concerns that there will be permanent changes to the workforce.

It's unclear exactly why workers continue to prefer flexibility, but a lack of childcare and fear of needing to consistently be at a job where they'll potentially be exposed to COVID-19 might be factors.

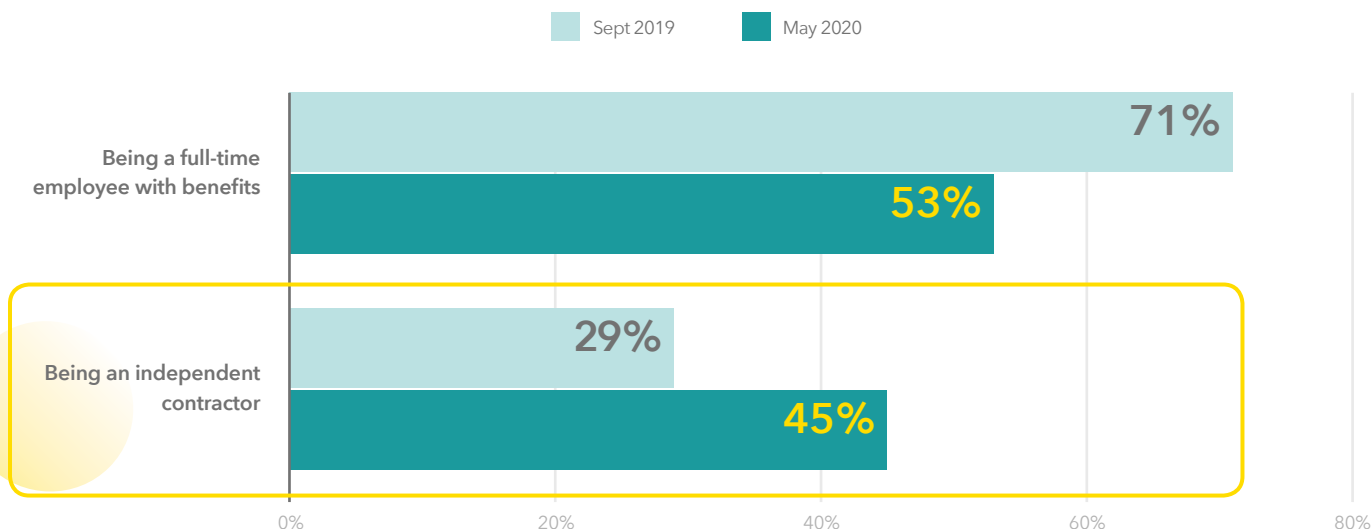
We also saw a jump in workers saying they prefer being an independent contractor: 44% said they prefer being an independent contractor now compared to 29% in our last survey. There was also a drop in workers saying they prefer full-time employment.

11% increase in workers saying they prefer a job with a flexible schedule



Based on surveys of ~3,000 people in Sept.-Oct. 2019 and May 2020.

15% increase in workers saying they prefer being an independent contractor compared to full-time employment



Based on surveys of ~3,000 people in Sept.-Oct. 2019 and May 2020.

Conclusion

While gig workers are struggling to navigate COVID-19, the results showcase that workers are still eager to gain skills and improve their situation. In addition, they continue to turn to gig work for economic opportunity and their preference or need for flexible schedules has actually increased. As recovery continues, companies should pay attention to such worker sentiments and keep in mind that many are nervous about returning.



Survey methodology

We surveyed about 3,000 blue-collar workers in the U.S. – 2,049 who already use Wonolo to find work and about 958 who are likely to use platforms like Wonolo to find work.

Appendix

- 1) [The Society for Human Resource Management, Roy Maurer, April 3, 2020](#)
- 2) [The Wall Street Journal, Sarah Chaney, April 11, 2020](#)
- 3) [Centers for Disease Control and Prevention](#)
- 4) [The Wall Street Journal, Economic Forecasting Survey](#)
- 5) [Business Insider, Erik Sherman, April 24, 2020](#)

