

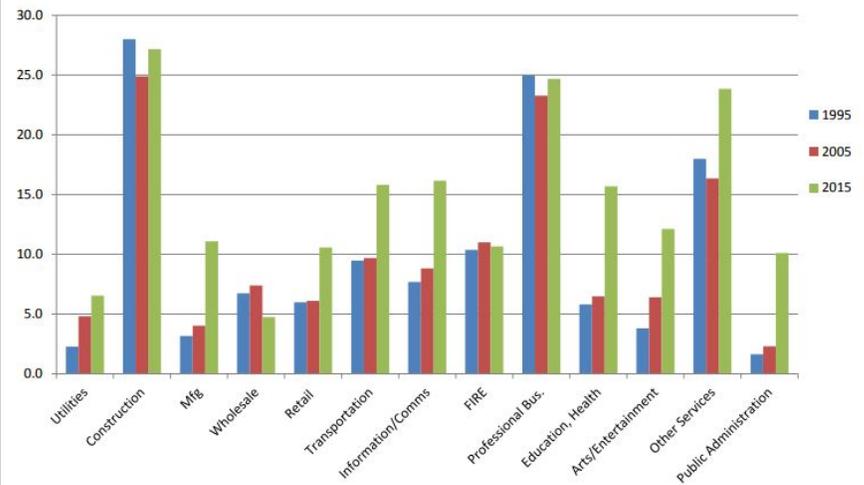


Exploring the Role of Contingent Workers in the U.S. Labor Market

Executive Summary

By 2020, more than 40% of the American workforce will be or has engaged in some type of contingent work arrangements including self-employment, gigs, and freelancing (MBO Partners, 2011). Network marketing companies, technology, entertainment shows, and new businesses have emerged to support and increase the number of self-employed workers slowly morphing into a new workforce and labor market of the 21st century. Due to the expansion of internet access, more and more people are exposed to and performing contingent work and turning hobbies into revenue streams. The main reasons are convenience, freedom of time, and flexibility of schedule. The rise of companies like Uber, Airbnb, Fiverr, Guru, YouTube, and TaskRabbit have all made this new economy of freedom and flexibility possible for the labor market and it's a rapidly growing trend. All four categories of nonstandard work increased from 2005 to 2015. Independent contractors continue to be the largest group (8.9 percent in 2015), but the share of workers in the three other categories more than doubled from 3.2 percent in 2005 to 7.3 percent in 2015. The fastest growing category of nonstandard work involves contracted workers. (Krueger, 2016)

Figure 2: Percent of Workers in Alternative Work Arrangements, By Industry



Source: Authors calculations based on Bureau of Labor Statistics CWS 1995 and 2005 and Rand-Princeton CWS 2015.

The U.S. General Accountability Office (GAO) has surveyed the contingent workforce population only four times in the last twenty years. Last year was the first time in over ten years the survey was conducted again. The very first failure of establishing the contingent workforce population was the failure to measure the problem at all. Very little data has been collected regarding the issue. In 1995, after early rumblings about outsourcing, the Department of Labor conducted a count of the contingent workforce in America. It followed it up with four surveys over the next 10 years and one update in 2017. (Department of Labor, 2017)

Two economists, Lawrence Katz and Alan Krueger, Professors of Economics at Harvard University and Princeton, conducted a research study in 2015 funded with university research money, with a smaller sample size. Today, their data is acknowledged as the best measurement of the contingent workforce—they refer to it as “alternative work arrangements.” What they found was startling. The trend wasn’t limited to blue-collar jobs: The rise in contingent work was as large for people with a bachelor’s degree as it was for those without a high school diploma. (Krueger, 2016)

According to the data, traditional job creation has decreased .4% over the last two decades meaning there are less traditional jobs now than there were 20 years ago. A striking implication of the Katz-Krueger Study estimates

that all of the net employment growth in the U.S. economy from 2005 to 2015 appears to have occurred in alternative work/ contingent work arrangements. (Krueger, 2016). Unemployment has decreased mostly because every day millions of Americans are leaving the workforce to strike out on their own and start a small business or become self-employed following the true path of the American Dream to wealth.

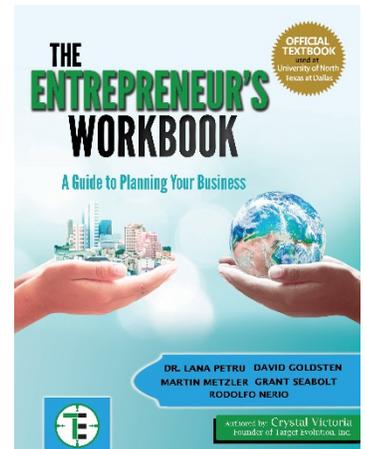
It's time for organizations to educate, provides resources, and collect data that allows us to begin to understand the dynamics of the contingent worker category. We must ensure those in the contingent workforce have access to health insurance and retirement benefits, as well as, the proper education and financial literacy to manage money and ensure their success.



The Target Evolution Inc. Model ensures out of school youth in the labor market are educated on how to manage the contingent work transition financially, while collecting data to understand the needs and dynamics of the contingent work labor market. In the last year, we worked with almost 400 teens at five high schools in Dallas, Texas.

Earn and Learn

While earning money, participants progress through our gamified online academic curriculum and receive our textbook workbook, The Entrepreneur's Workbook, which teaches them how to be self-employed. Our curriculum is designed by a world class team of entrepreneurs from around the globe with over 125 years of combined experience. It is focused on teaching the basic fundamentals of cultivating the entrepreneurial mindset to business ethics and financial literacy, as well as, public speaking, event planning, and networking. Our solopreneurship curriculum is a total of 80 hours.



Apply

Once participants complete our entire curriculum, they receive a Business Starter Kit, which includes 250 business cards, company logo, website, and a business mentor. Participants begin selling their own products and services with our POS system and sync their revenue data to our customized Financial Monitoring System. Our financial monitoring system manages participants accounting and bookkeeping, as well as, provides reports or income statements for each participant.

Reward

Every quarter, participants earn rewards or incentives for providing bank statements which, accurately the profit and loss statements in our Financial Monitoring System. If information is accurate and the participant achieves a revenue milestone goal, they earn a reward or incentive. Rewards include office space, chamber memberships, scholarships, and business loans.

The goal of the Target Evolution Model is to provide training and security preparing out of school youth for the growing trend of contingent work through an academic curriculum, while collecting data to change policy and regulation improving the 21st Century Workforce. The Target Evolution Model can be used to develop an infrastructure that supports contingent workers.

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