

“What is the Gig Economy?”

By Tommy Williams, CFP®

There is little doubt the Millennial generation has been reshaping our world. One of the most remarkable aspects of this demographic group is a preference for experiences over consumer goods. *“Three out of four millennials would rather spend their money on an experience than buy something desirable. This “experience generation” is now a third of the U.S. population,”* reported Eventbrite.



Tommy Williams

Well, a new experience has arrived – a labor shortage in the United States. Last week, Barron’s reported, *“Across the nation, in industries as varied as trucking, construction, retailing, fast food, oil*

drilling, technology, and manufacturing, it’s becoming increasingly difficult to find good help. And, with the economy in its ninth year of growth and another baby boomer retiring every nine seconds, the labor crunch is about to get much worse... This, of course, is how a labor market works: Production rises, workers get scarce, and employers raise wages to attract employees.”

Currently, the population of the United States is growing faster than the U.S. workforce, reported Barron’s. It’s a state of affairs that occurred twice during the last century (1948 through 1967 and 1991 through 1999) and was accompanied by labor shortages both times. This time, Baby Boomers’ retirements may exacerbate the situation. Some estimates suggest the current labor shortage could last through 2050.

Despite low unemployment and high demand for workers, wage growth

slowed in February. There is a wild card in play, however. Many Americans prefer to participate in the workforce through the Gig economy. Gig workers have temporary jobs or freelance rather than working for an employer. MBO Partners reported, *“Independents are the nearly 41 million adult Americans of all ages, skill, and income levels – consultants, freelancers, contractors, temporary, or on-call workers – who work independently to build businesses, develop their careers, pursue passions, and/or to supplement their incomes.”* The government has yet to figure out how to measure the Gig economy. When it does, a clearer employment and wage picture may emerge. It’s not just for millennials! While the emergence of the Gig economy often is attributed to Millennials, MBO Partners’ 2017 survey found the full-time Gig workforce crossed many generations.

- 38 percent Millennials (ages 21 to 37)
- 27 percent Gen Xers (ages 38 to 52)
- 35 percent Baby Boomers (ages 53 to 72) and Matures (ages 72 and older)

Full-time independents work at least 15 hours per week and average 35 hours per week.

While the term ‘Gig economy’ may conjure images of ride-sharing drivers and homeowners who rent to vacationers, it includes a much broader swath of careers and many people who earn six figures. So, what do Gig economy jobs look like? According to Entrepreneur.com and Forbes, some of the top gigs include:

- Deep learning professionals. Facilitating machines learning by developing neural networks similar to those of the human brain.
- Robotics designers and programmers. Responsible for building and designing mechanical elements and machinery to streamline operations.
- Ethical hackers. ‘White hats’ help companies evaluate systems for security vulnerabilities.

- Virtual reality freelancers. They develop algorithms and have 3D modeling and scanning skills.
- Social media marketers. Understand platform algorithms and create engaging content to help companies develop their brands and market their products on a platform.
- Multimedia artists. Employ technology to create designs and special effects for digital media.
- Broadcast and sound engineering technicians. Sound is a vital part of radio programs, television broadcasts, concerts, and movies.
- Carpenters. Demand for carpenters is expected to grow by 6 percent through 2024.

If you’re a risk taker looking for a flexible career or a retiree looking to supplement your income, a job in the Gig economy may be in your future!

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial

advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly. The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful. This material was prepared in part by Peak Advisor Alliance.

Visit us at www.williamsfa.com. Tommy Williams is a CERTIFIED FINANCIAL PLANNER™ Professional with Williams Financial Advisors, LLC. Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through RFG Advisory Group, a registered investment advisor. RFG Advisory Group, Williams Financial Advisors, LLC, and Peak Advisor Alliance are separate entities from LPL Financial. Branch office is located at 6425 Youree Drive, Suite 180, Shreveport, LA 71105.