

THE Digital Hustle

Gig Worker Financial Lives
Under Pressure



flourish

A Venture of The Omidyar Group

In Brazil and across the globe, low- and middle-income workers have been gravitating toward the digital gig economy for supplemental income, more flexible work, and in response to a lack of opportunities in the formal sector. Over the past 10 years, gig platforms have created new ways for informal workers to earn a living and new ways for fintechs and others to serve these people.

The COVID-19 pandemic and the accompanying economic dislocation have triggered a significant shift in the lives of these gig workers, as this population have been particularly hard hit.

As a global fintech investor committed to financial wellbeing, Flourish Ventures seeks to better understand the financial impact of the pandemic on Brazilian gig workers, how their livelihoods are changing, and how fintechs can better serve this population. With that aim, Flourish has undertaken a longitudinal study of over 500 Brazilian gig workers in partnership with MEI Fácil and 60 Decibels.

In addition to Brazil, Flourish will survey other global markets this year as part of its Digital Hustle Research Series. We will explore how fintechs can tailor offerings to support gig workers through the COVID-19 crisis and beyond.

Full results are available on our interactive dashboard at: app.60decibels.com/flourish-gigeconomy2020

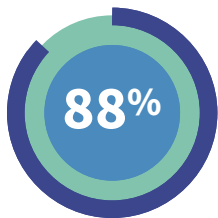
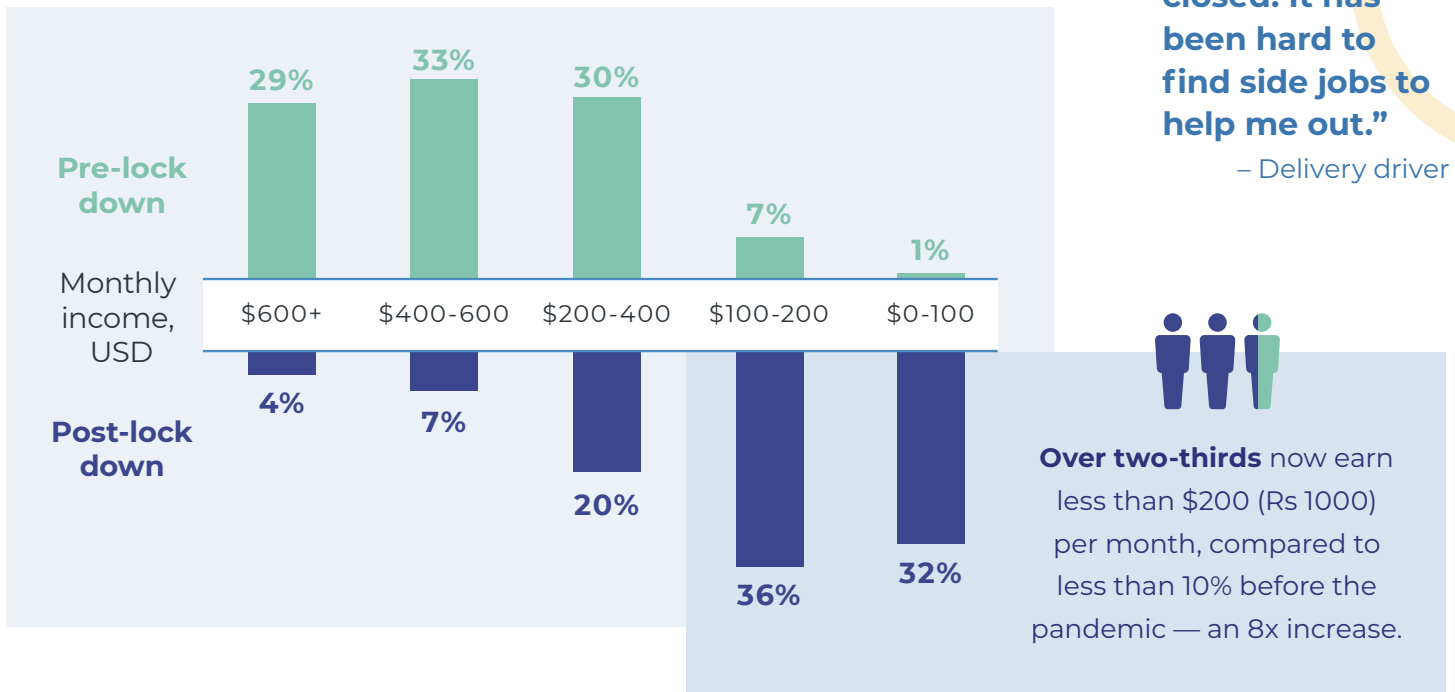


COVID-19 Impact on Livelihoods & Well-being

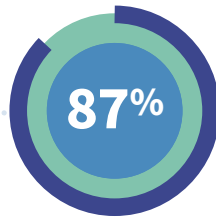
Brazilian gig workers have experienced sudden and severe financial impacts since the pandemic emerged.

“ My life became really difficult when all the businesses were closed. It has been hard to find side jobs to help me out.”
 – Delivery driver

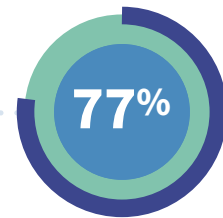
Monthly Income Before & After the COVID-19 Lockdown



88% of gig workers lost income since the COVID-19 lockdown began in March 2020.



87% are very concerned about COVID-19 and how it will affect their ability to work and their family's health.

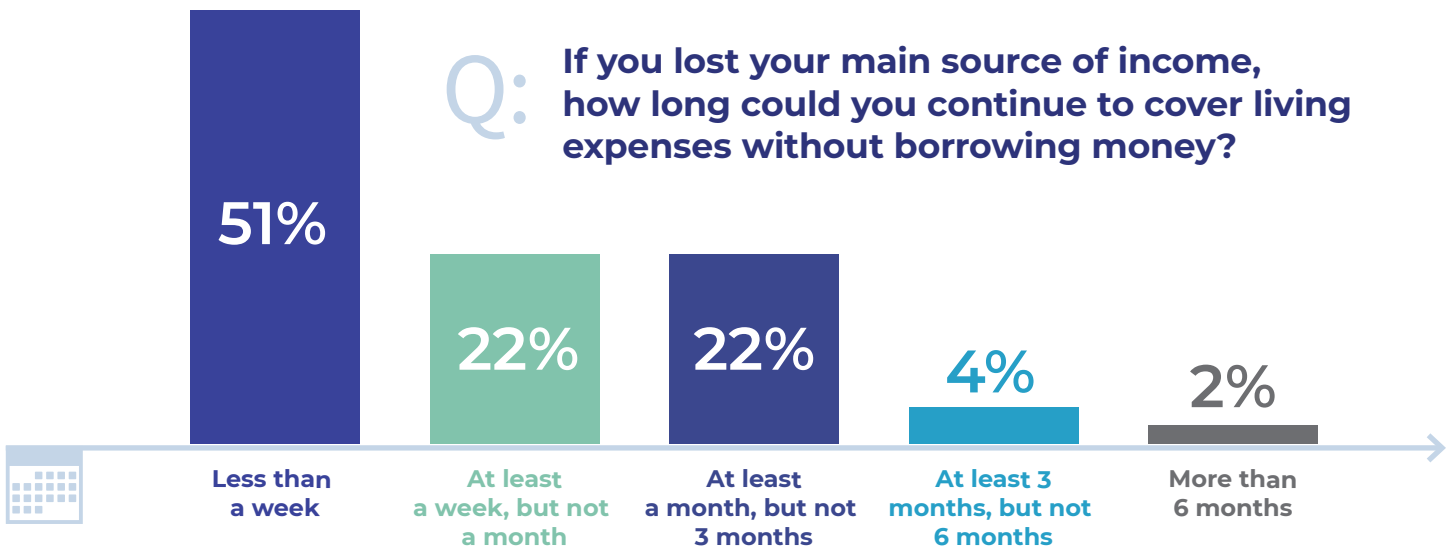


77% reported a decline in quality of life, driven by decreased income and inability to pay expenses.

Financial Resilience

Gig workers are living on the edge. Three months into the pandemic, half of gig workers reported that they could not cover expenses for a week without borrowing money if they lost their main source of income.

“All my bills are overdue and I’m doing small jobs just so I can eat.”
– Delivery worker



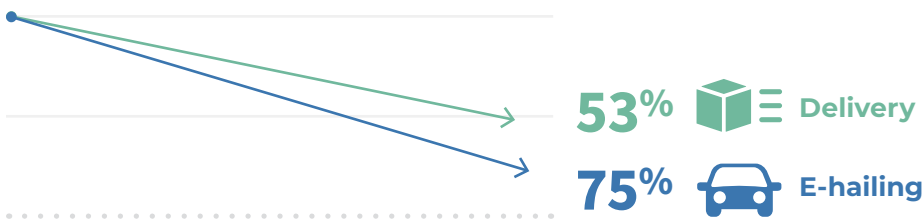
“I lost my work vehicle since I had to return my car to pay off my debt to the bank.”

– E-hailing driver

Some Gig Workers Impacted More Than Others

E-hailing Reporting Larger Loss in Income

While e-hailing services were hit the hardest by the national lockdown — 75% suffered a large decrease in income — half of delivery workers also reported a large decline in demand for their services.

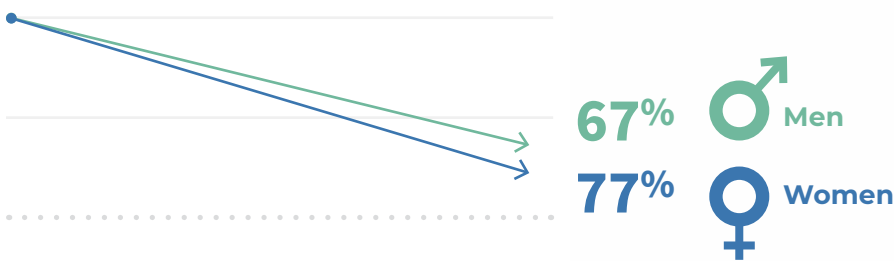


“ I work as a motorcycle taxi, and people are afraid of getting the virus, so they don’t get a motorcycle taxi anymore.”

– E-hailing driver

Women Are Hit Harder

E-hailing and delivery work is widely dominated by men. Our female sample size is too small to draw broad conclusions, but across both gig workers and offline workers, women were particularly hard hit — 77% of female primary household earners made <\$200 this past month. We also found that across offline female workers who are seeking new sources of income, 10% are moving into app-based delivery.



“ I lost my job as a beautician, so I signed up as an app driver.”

– Female beautician

“ Sales decreased and I am unable to buy stock to manufacture. Now I work just enough [in delivery] for food and some bills.”

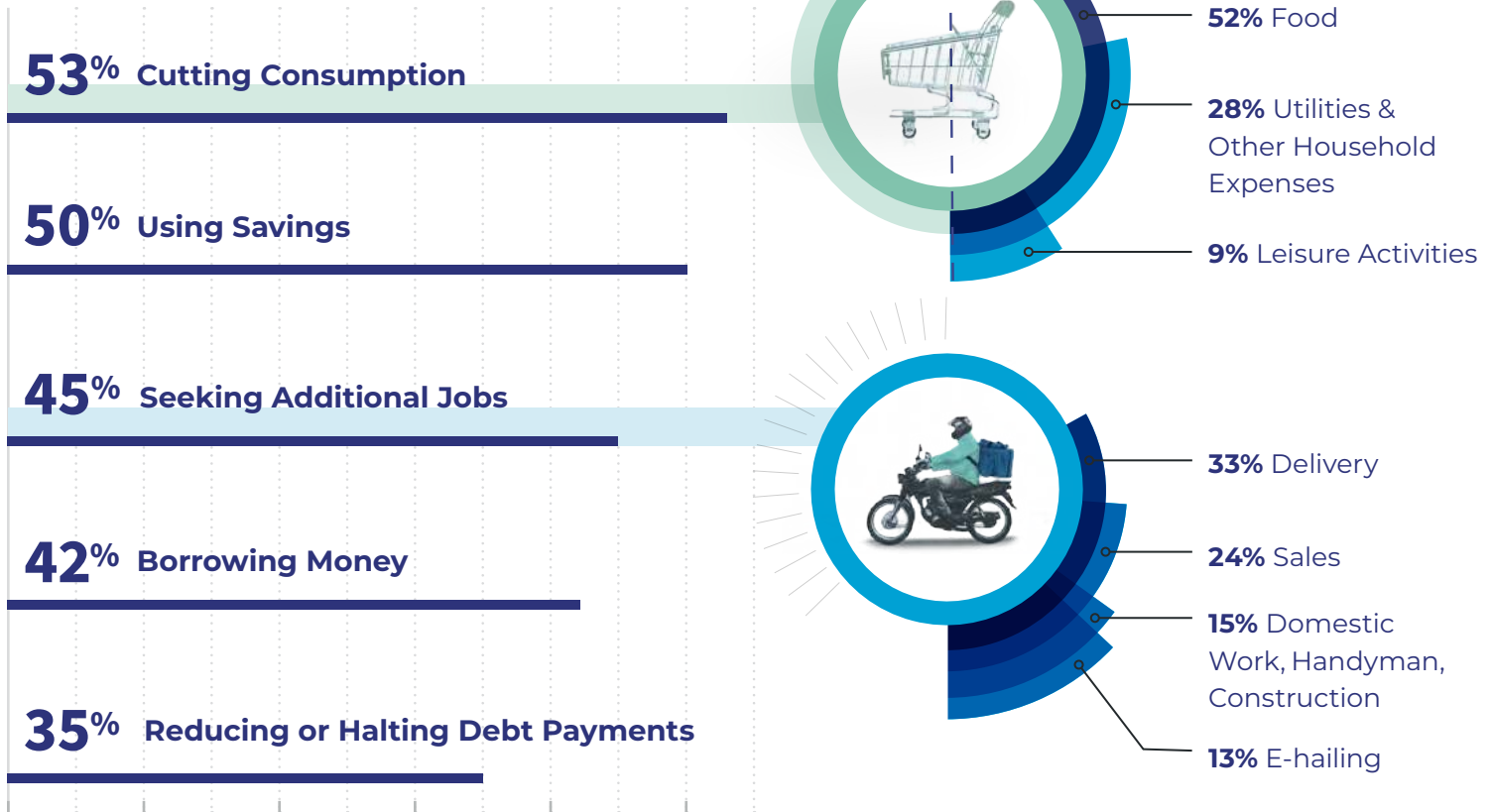
– Female sales vendor who moved into delivery



Coping Mechanisms

Despite a widespread loss of income, gig workers are finding ways to cope. Over half of gig workers made spending cuts, often by reducing food and household goods purchases. Half dipped into savings and nearly half borrowed money. Half are seeking new sources of income — with a third moving into delivery.

How Gig Workers are Adapting



“ We cut our food consumption. Now we only have one hot meal a day. We also take cold showers when the weather is warm to save electricity.”
 – E-hailing driver

Looking Forward

Gig workers have remained digitally connected through this current crisis, and we expect even greater adoption of online platforms, digital payments, and other fintech tools going forward. These technologies have the potential to help gig workers adapt to new opportunities and build financial resilience in the face of the COVID-19 pandemic and beyond.

In the coming months, this *Digital Hustle Research Series* will track how gig work is evolving in Brazil and around the globe and analyze how gig workers' financial needs are changing. We will dive deeper into gig workers' financial lives, concerns, and aspirations, and we will explore the implications for fintechs and others who seek to provide long term solutions.



Survey Methodology

Flourish Ventures partnered with research firm 60 Decibels and microentrepreneur services provider MEI Fácil to conduct an online survey of approximately 560 gig workers from May 19-29, 2020. Of these respondents, there were approximately 350 e-hailing drivers, 150 delivery workers, and 60 workers on other types of gig platforms. Survey respondents were compensated for their participation. Underlying data can be viewed at app.60decibels.com/flourish-gigeconomy2020



As a mission-oriented investment fund, Flourish Ventures backs entrepreneurs who are passionate about helping people achieve financial health and prosperity. flourishventures.com



MEI Fácil is a Brazilian fintech company, owned by Neon, focused on helping millions of microentrepreneurs (“MEIs”) succeed by providing simple solutions to business bureaucracy and relevant financial services. meifacil.com / neon.com.br/

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