

# THE Digital Hustle

Gig Worker Financial Lives Under Pressure

Global Report

NOVEMBER 2020



**The global gig economy has boomed over the past decade, with increased digitization and broad mobile phone adoption helping to build an app-based on-demand economy and create new jobs in service roles such as ridesharing and delivery.** In emerging markets, gig platforms are bringing informal workers closer to the formal economy. In the United States, gig work has provided greater flexibility and supplemental income but often does not provide the security and stability of full-time employment.

Across the globe, we have found many workers in the digital gig economy are struggling to get by and make ends meet. COVID-19 and the ensuing economic dislocation caused great hardship, and while the struggles these workers face is not new, the current crisis exacerbated their financial instability. As the world continues to grapple with the challenges of the current crisis, we realized there was an opportunity and a responsibility to listen to this vulnerable segment of workers and learn from what they tell us.

As a global fintech investor committed to helping people improve their financial lives, Flourish Ventures seeks to elevate the voices of the financially underserved and share learnings with the financial services ecosystem. Our *Global Report* and the complete *Digital Hustle Series* provide a view into the financial lives, concerns, and aspirations of more than 3,000 gig workers across five countries with burgeoning digital gig economies: Brazil, India, Indonesia, South Africa, and the United States.

Country spotlight reports are available on our website: [flourishventures.com/perspectives/perspectives-research/](https://flourishventures.com/perspectives/perspectives-research/)  
Full results are available on our interactive dashboard: [app.60decibels.com/flourish-gigeconomy2020](https://app.60decibels.com/flourish-gigeconomy2020)



# What We Did

Flourish conducted this research from May through August 2020 with support from research firm 60 Decibels and local country-specific partners Avail Finance, FlexClub, MEI Fácil, Picup, Sampingan, Steady, and Unitus Capital. While worker experiences continue to evolve as local country conditions change during this crisis, the *Global Report* offers a look into workers' lives in a time of crisis, providing insight into cross-cutting global themes and the opportunity for financial services to better serve these workers.

## United States

Population  
**328 million**

Total COVID-19 Cases\*  
**7.4 million**

Local Partner  
**Steady**  
Steady helps workers increase their income and gain economic stability.

## Brazil

Population  
**211 million**

Total COVID-19 Cases\*  
**4.9 million**

Local Partner  
**MEI Fácil**  
MEI Fácil provides fintech solutions to microentrepreneurs.

## India

Population  
**1.4 billion**

Total COVID-19 Cases\*  
**6.7 million**

Local Partners  
**AVAIL**  
Avail Finance is a mobile-first fintech platform for blue collar workers.  
**unituscapital**  
Unitus Capital is a boutique investment bank.

## Indonesia

Population  
**271 million**

Total COVID-19 Cases\*  
**311,000**

Local Partner  
**sampingan**  
Sampingan is an on-demand workforce platform.

## South Africa

Population  
**59 million**

Total COVID-19 Cases\*  
**682,000**

Local Partners  
**Flexclub**  
FlexClub is a car subscription marketplace for gig workers.  
**picup**  
Picup Technologies is a logistics company with a crowdsourced driver network.

\*Total cumulative COVID-19 cases through October 2020, as reported by local authorities to the World Health Organization. Total country population as reported by the World Bank.

# COVID-19 Impact on Livelihoods

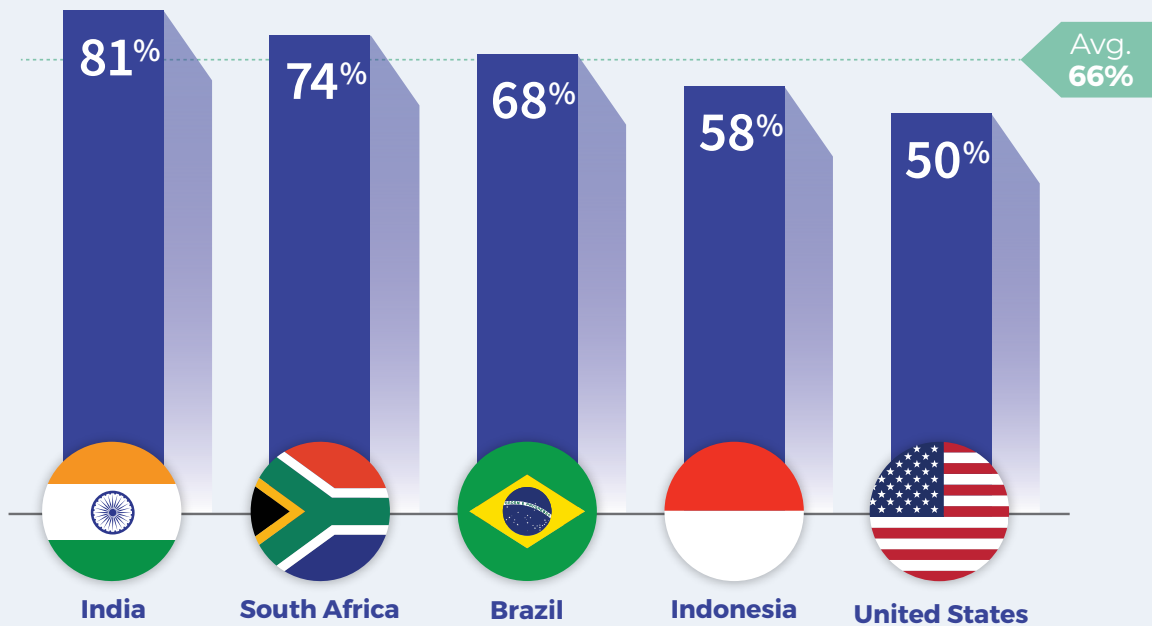


Across the global, gig workers were hard hit by the COVID-19 pandemic. 66% reported a large decline in income, with ridesharing drivers hit hardest.

“ I have had no work since April because no one is going anywhere. There is no hope until the lockdown lifts completely.”

– Ridesharing driver, India

## Large Decline in Income



## Large Decline in Income by Worker Type\*



**Ridesharing drivers are hit hardest.**

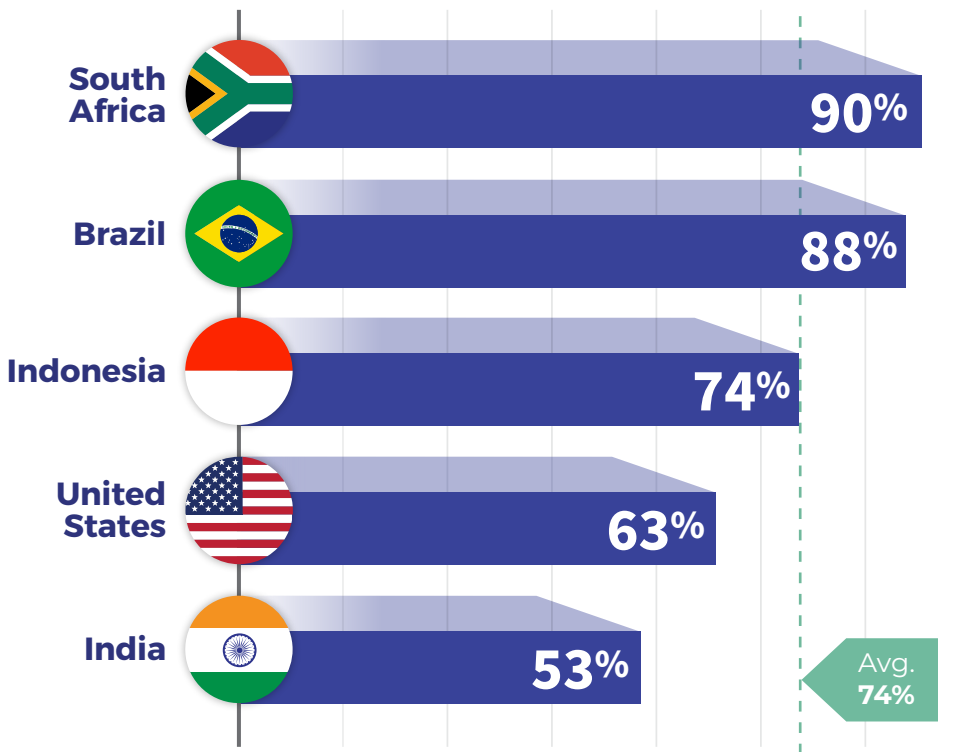
The COVID-19 lockdowns and subsequent “no touch” economy adversely impacted ridesharing drivers most, although all industries were affected.

\*Average across Brazil, India, Indonesia, and South Africa.

# COVID-19 Impact on Well-being

For most workers, the impact of the pandemic is first and foremost an economic crisis, but health risk also remains a primary concern for many. Across the five countries, the number of respondents concerned about COVID-19 was 74%.

## Very Concerned About COVID-19

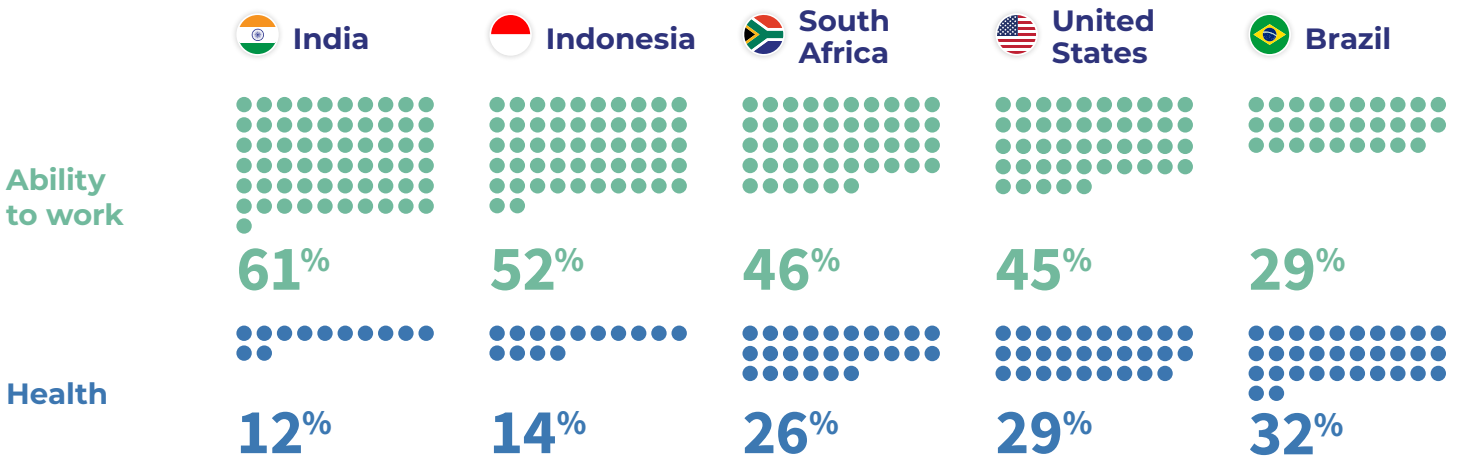


“ My life became really difficult when all the businesses closed. It has been hard to find side jobs to help me out.”  
 – Delivery worker, Brazil



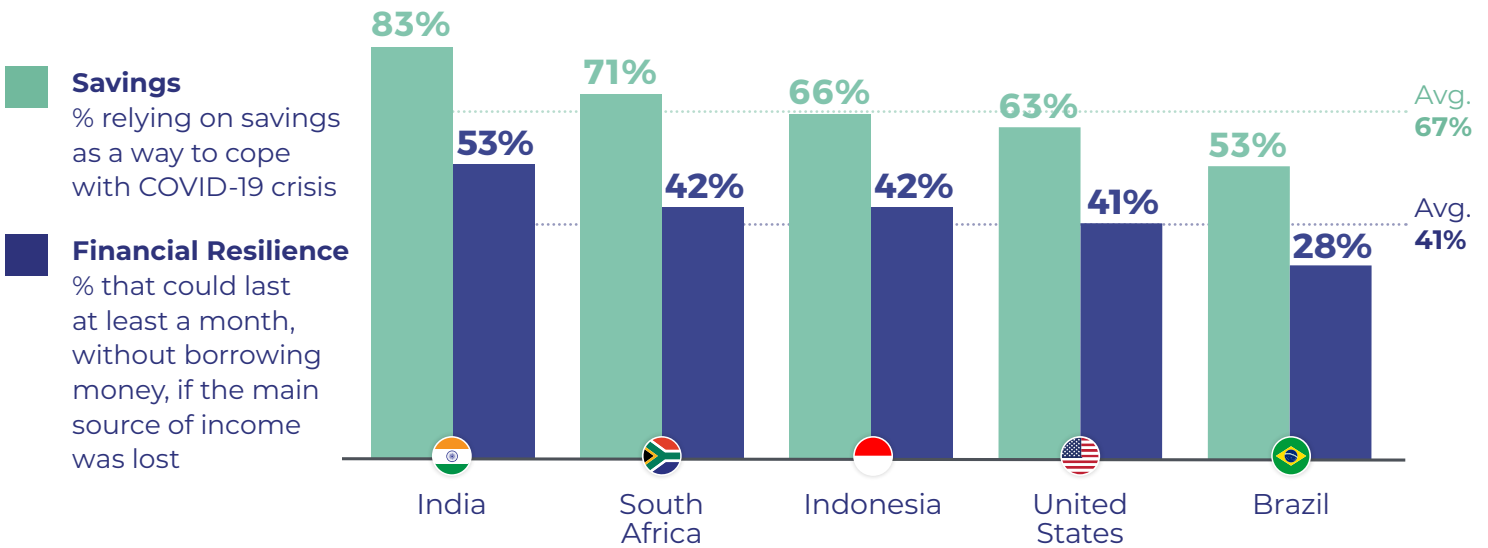
“ Getting sick is the worst thing that could happen. I have a baby boy who means everything to me. I need to be able to provide for him.”  
 – Online seller, United States

## Primary COVID-19 Concerns



# Financial Resilience

**Gig workers are living on the edge.** On average, only 4 in 10 of the surveyed gig workers reported that if they lost their main source of income they could cover household expenses for at least month without borrowing money.



## India Savings Culture

India has a particularly strong savings culture, as the only country surveyed where more than 3 in 4 workers relied on savings to cope with the COVID-19 crisis. Correspondingly, workers have higher resilience, with a greater portion of respondents who could get by for more than a month if they lost their main source of income.



“ I am a self-reliant person. I have my own bike and I have purchased my home. My company has paid me \$4 USD daily during lockdown, and the rest I have covered with savings.”

– Delivery worker, India

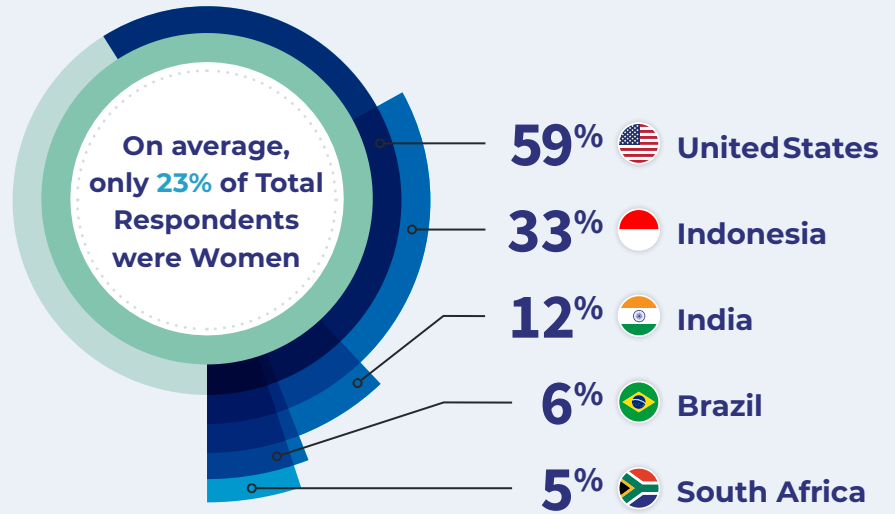
## Government Aid Recipients

Government relief payments offered lifelines for many in India, Brazil, and the United States, where a large number of respondents relied on government support.

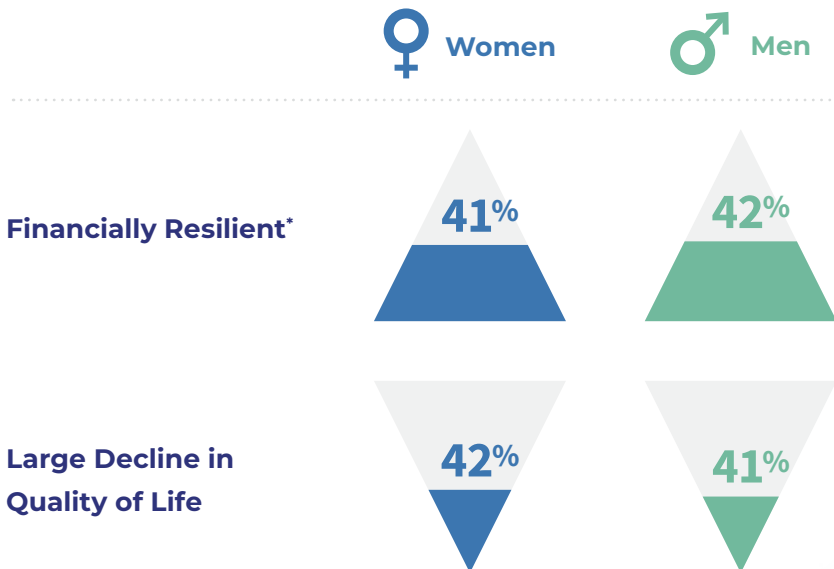


# Women Underrepresented but Not Disproportionately Impacted

**Women continue to be underrepresented in gig economy in many of the countries where we conducted research.** We had a difficult time finding women to participate in this study, despite proactive efforts in Brazil, India, Indonesia, and South Africa, where gig work—particularly ridesharing and delivery—is dominated by men. On average, only 23% of total respondents were women.



**On average, women reported similar outcomes during the COVID-19 crisis,** with comparable financial resilience and impact on quality of life.

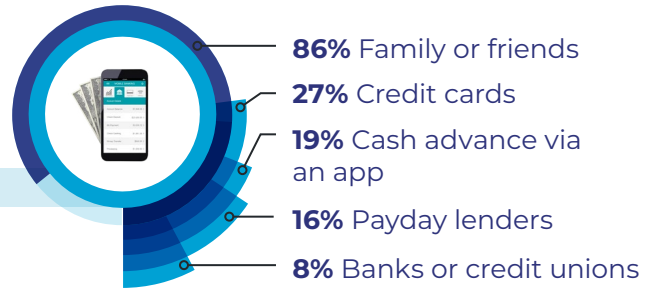
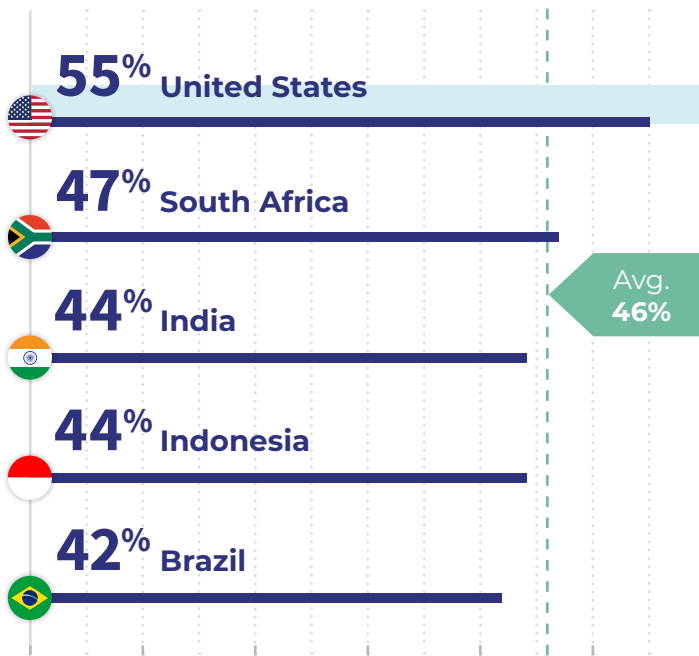


\*Financial resilience defined as percent of respondents that could last a month or more without borrowing money if they lost their main source of income.

# Coping Mechanisms

Workers have demonstrated grit and resourcefulness as they strive to cope with the economic impact of the COVID-19 crisis. On average, nearly half of respondents borrowed money and a third found new or additional work.

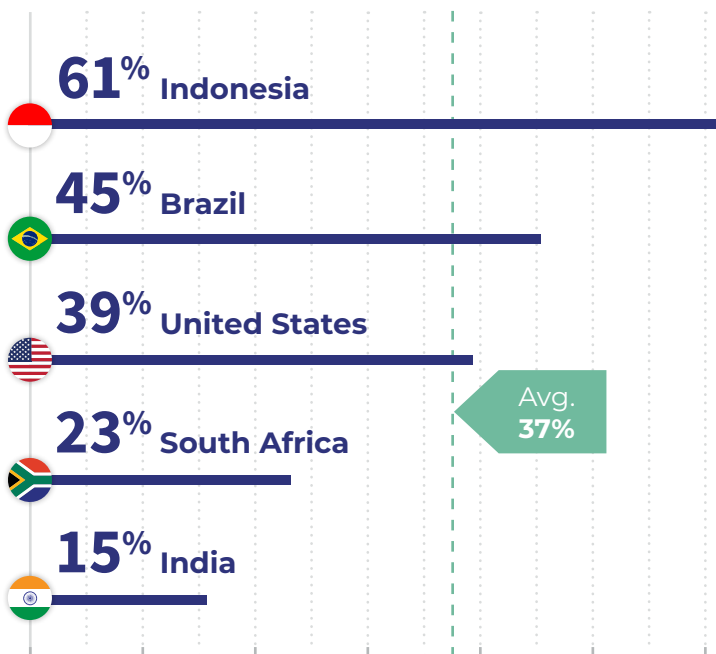
## Borrowed Money



### U.S. Informal Borrowing

Despite the high level of banking penetration in the United States, a majority of gig workers still use informal sources first. More than 8 in 10 of those borrowing money reported relying on family and friends for a loan. This finding underscores the similar coping mechanisms between U.S. gig workers and their emerging market counterparts, where [informal borrowing is widespread](#).

## Found New or Additional Work\*



“ I started an online food business because ridesharing is prohibited now.”  
 – Ridesharing driver, Indonesia



\*Wide variation in the percentage of workers who found new or additional work may be driven by different degrees of lockdown by country and subsequent limited availability of new work opportunities.



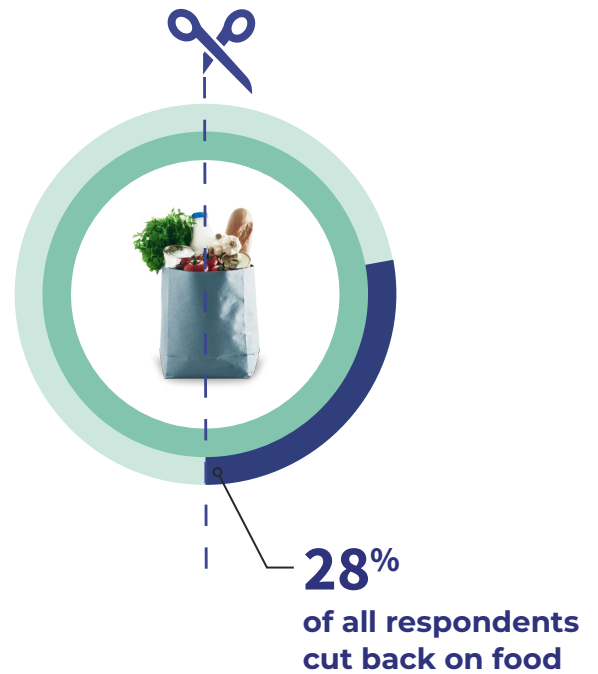
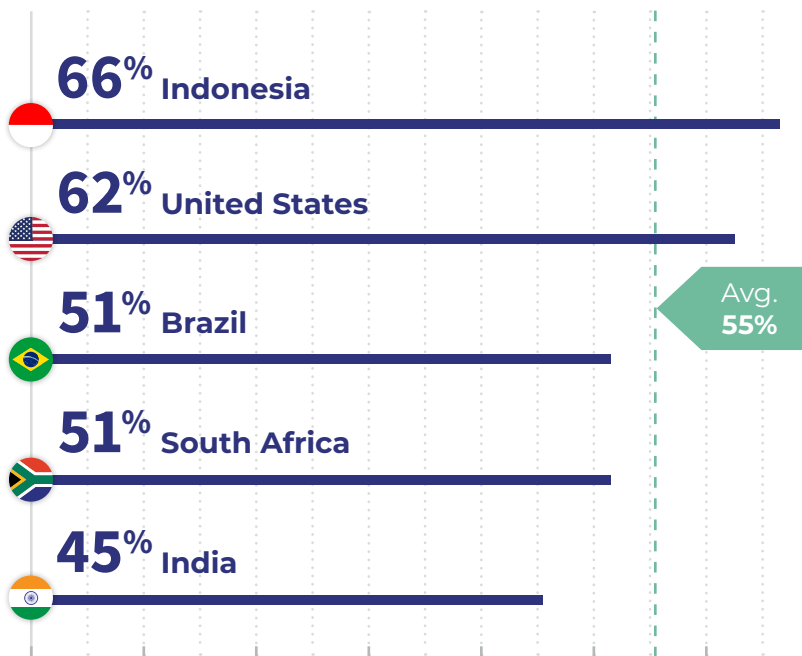
# Reduced Consumption

Many workers and their families are going to grim lengths to make ends meet, with 55% reducing household and work-related spending. Across all countries, more than one quarter of respondents had to cut back on food.



“ I eat food that’s provided by my job and save a portion of it for dinner. I go to sleep earlier so I won’t be hungry again at night.”  
– Delivery worker, United States

## Reduced Consumption



“ We are only eating two meals a day. That is what we can afford now.”  
– Ridesharing driver, South Africa

# Looking Forward

As they look beyond the COVID-19 crisis, gig workers have both hopes and concerns for their financial future. Our research showed remarkably similar responses across all five countries. For most respondents, managing debt and saving for the future is a top priority. Also top of mind is the risk of not being able to work due to illness, an accident, or damage to their vehicle or phone. For those outside the United States, access to asset financing remains a concern. And, as gig workers look to the future, many expressed a desire to learn new skills, find a new job, or invest in their own business.



“My biggest concern is that I could get sick or in an accident and not be able to work. I need to be able to support my family.”

– Ridesharing driver, United States

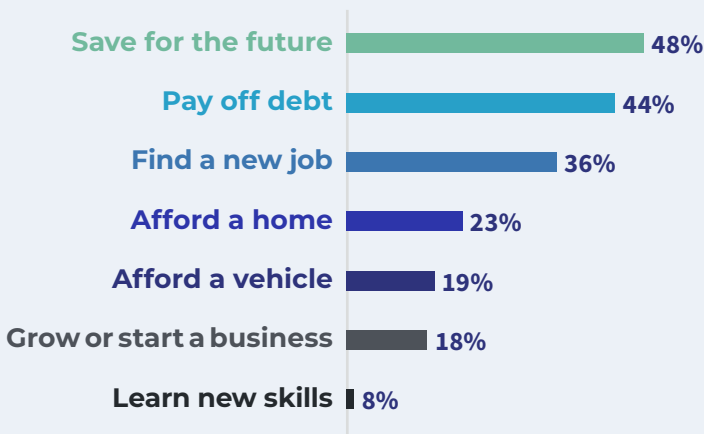
## Top Financial Concerns\*

% Very Concerned

- 67% Ability to save for the future
- 58% Ability to pay off debt
- 57% Risk of getting sick or having an accident and not being able to work
- 53% Access to sufficient cash to manage day-to-day expenses
- 52% Risk of vehicle or phone breaking and not being able to work
- 48% Need to learn new skills for work
- 45% Access to asset financing

\*Average across Brazil, India, Indonesia, South Africa, and United States. “Ability to pay off debt” average across India and United States responses; “Need to learn new skills” across Brazil, Indonesia, South Africa, United States.

## Top Financial Goals\*



“Saving for my daughter’s education is a top priority. I want her to get the best education that I couldn’t have.”

– Delivery worker, South Africa



\*Average across Brazil, India, Indonesia, South Africa, and United States.

# The Opportunity for Fintech Solutions

**We believe that services offered by fintechs and other providers have the potential to advance economic opportunity and improve gig workers' financial resilience.**

While financial innovations are not a cure-all for the financial insecurity and instability these workers face, there is an important need for technology solutions to help people find new sources of income, manage their day-to-day cash flows, protect against risk, gain access to working and investment capital, and save for the future. The important role that gig workers play in our society cannot be overemphasized. As the world continues to grapple with the challenges of the current crisis, financial institutions, fintechs, and policymakers have an opportunity to learn from our most vulnerable workers and identify financial services that will help them survive this crisis and thrive in the future. We hope our *Digital Hustle Series* serves as a call to action and helps shed light on the shared experiences and obstacles that gig workers face across the globe.



# Survey Methodology

Flourish conducted online and phone surveys of 3,195 gig workers from May through August 2020. Respondents were from Brazil (539), India (770), Indonesia (586), South Africa (605), and the United States (695). Underlying data can be viewed at [app.60decibels.com/flourish-gigeconomy2020](http://app.60decibels.com/flourish-gigeconomy2020)

Authors: Arjuna Costa, Tilman Ehrbeck, Stella Klemperer, Emmalyn Shaw



Flourish is a global venture firm investing in entrepreneurs whose innovations advance economic opportunity and financial health for individuals and small businesses. We partner with industry leaders in research, policy and regulation to better understand the underserved and help foster a fair, more inclusive economy. [flourishventures.com](http://flourishventures.com)

## We thank our partners for their contributions:

60\_\_decibels



flexclub



sampjangan



unituscapital