

THE Digital Hustle

Gig Worker Financial Lives Under Pressure

OVERTIME

Brazil

SPOTLIGHT

MAY–DECEMBER, 2020



flourish

A Venture of The Omidyar Group

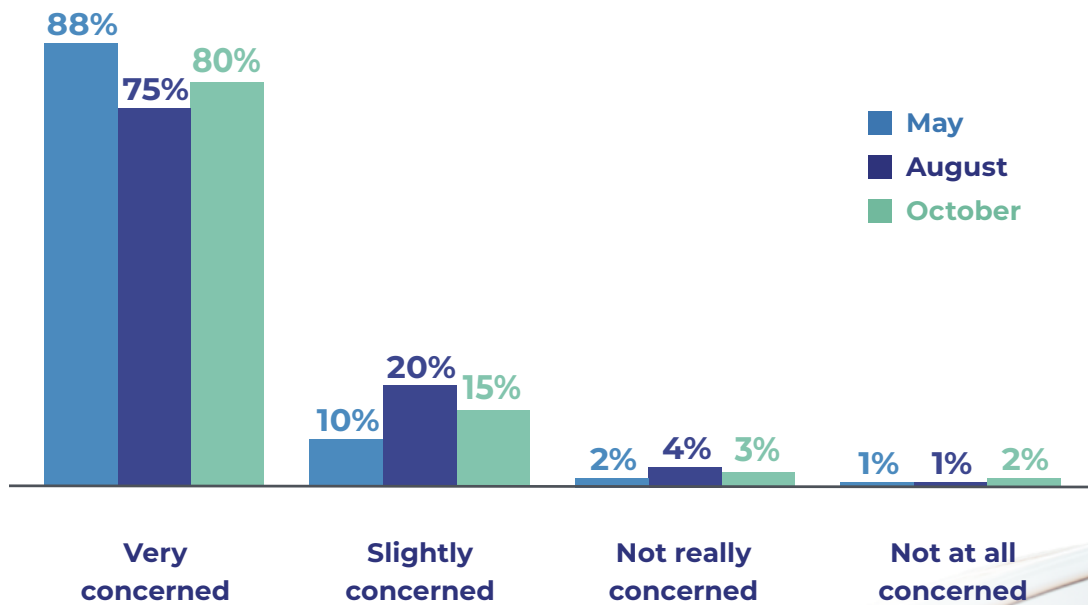
Longer-term Impacts of COVID-19

To better understand the longer-term impact of the COVID-19 pandemic on gig workers in Brazil, we conducted a special research report from May–December, 2020. Called *Brazil Overtime 2020*, this new report is part of the Flourish global series: *The Digital Hustle, Gig Worker Financial Lives Under Pressure*. In Brazil, we surveyed more than 1,800 workers in three sprints during May, July–August and October–November, 2020 to learn about their financial stability, their coping mechanisms during this unprecedented time, and the financial services they need.

Among the key global findings, we found that 90% of gig workers had lost income in the first months of the pandemic. Despite reducing consumption of food and dipping into savings, half of those surveyed could not cover expenses for a week if they lost their main source of income. Find complete results of the Brazil Overtime in this report.

Level of Concern

Concern about COVID-19 **consistently remained high** from May–December, 2020.

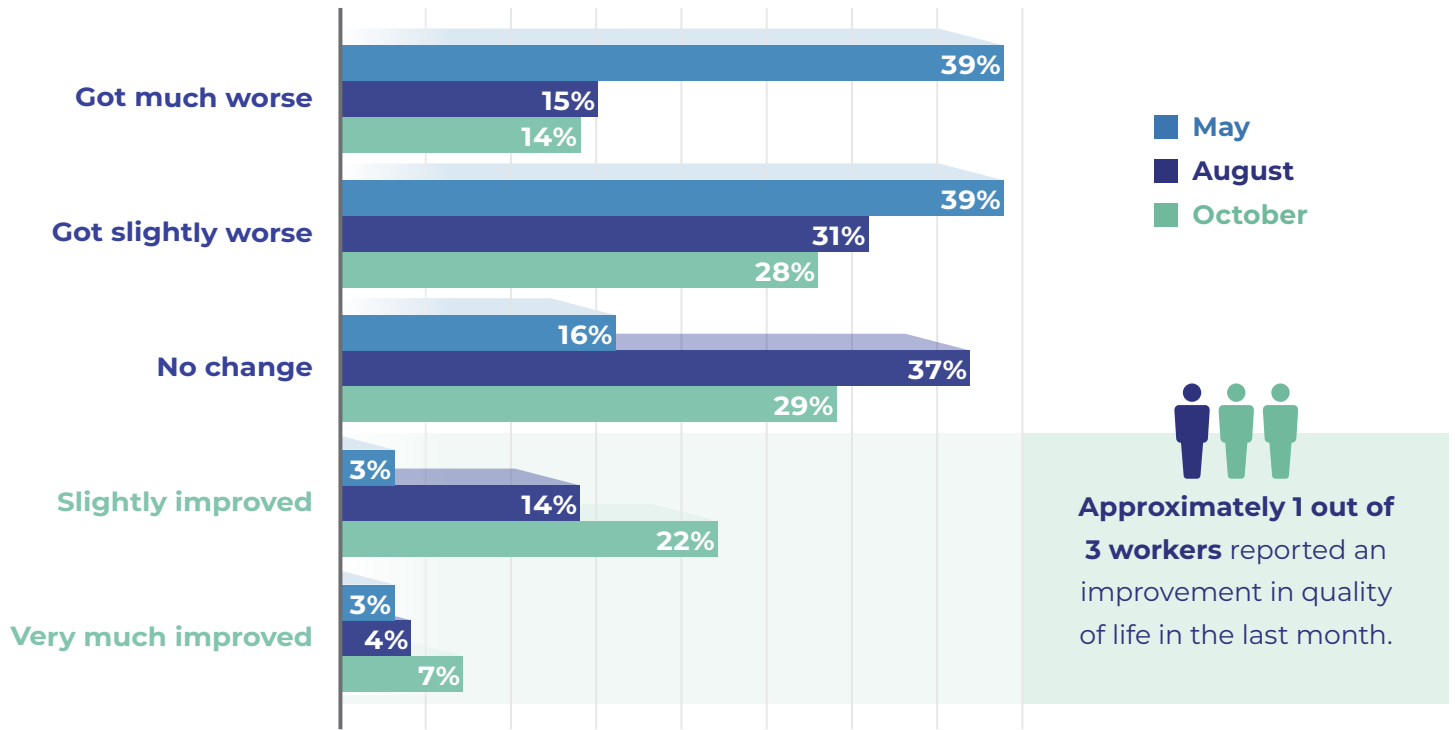


“ I can’t sleep at night thinking about my bills, worried about my son and everyone’s health.”

– Delivery driver

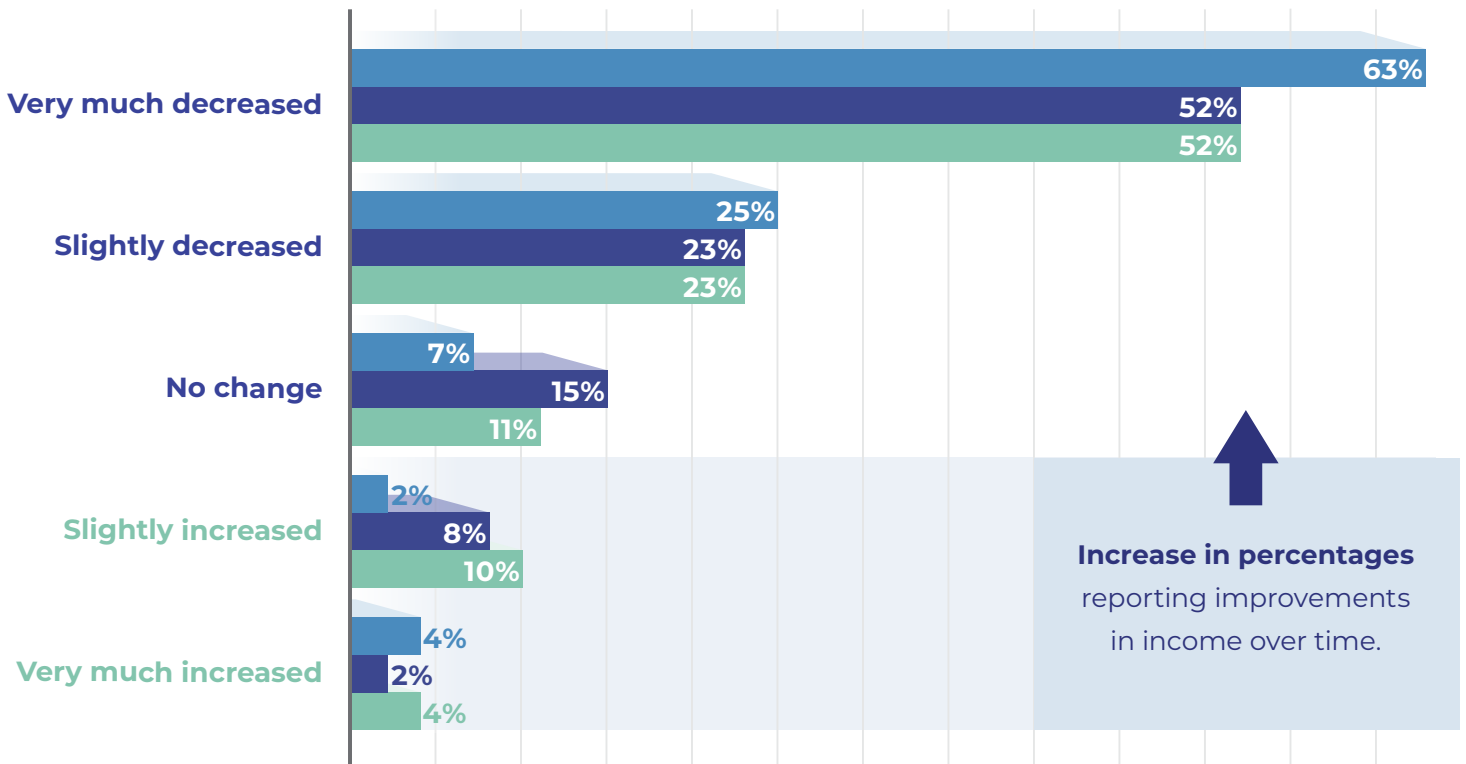
Quality of Life

While quality of life continues to decrease for around 40%, there is a **positive trend in those reporting improvements in quality of life.**



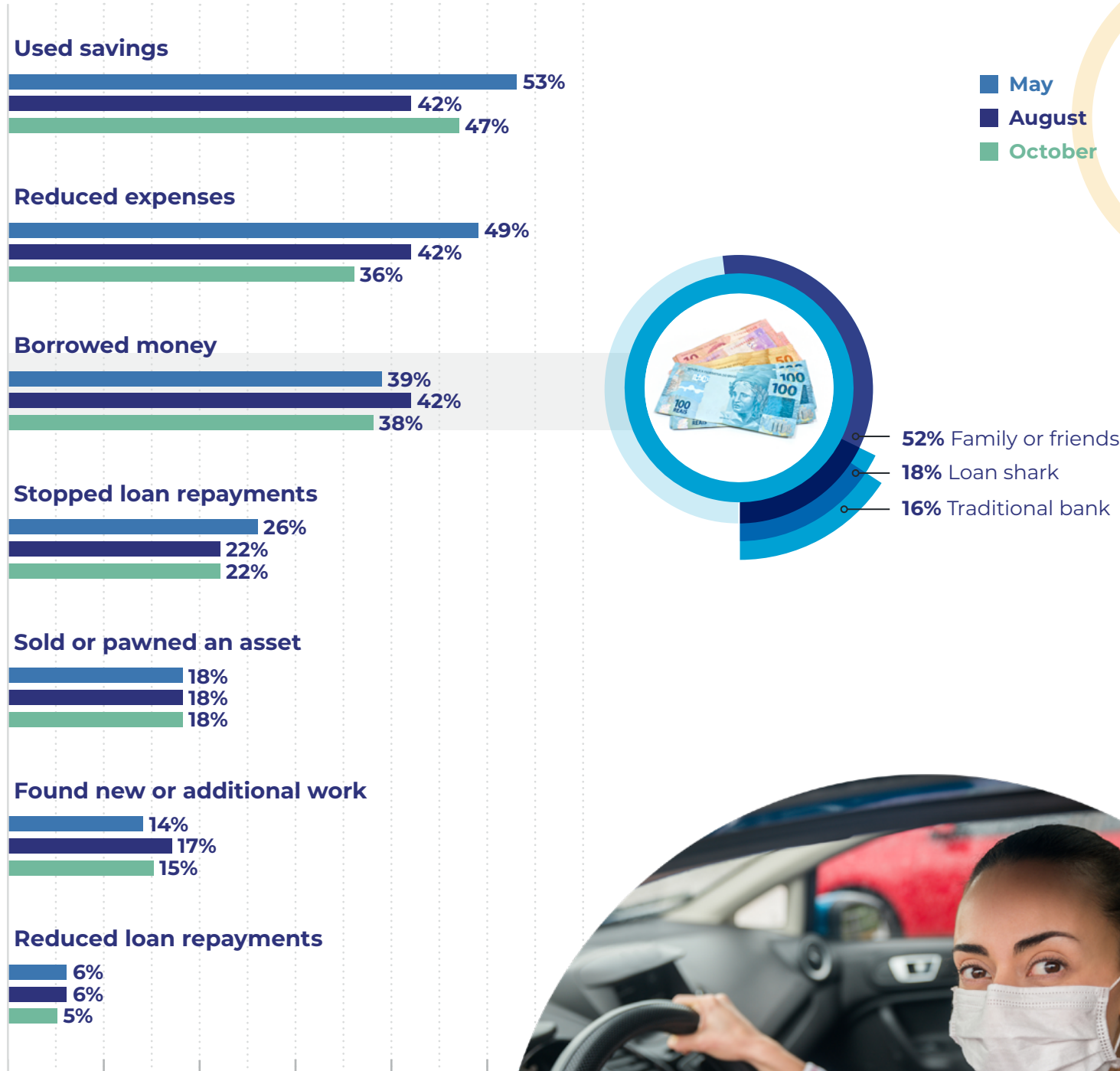
Change in Income

Respondents have continued to see **month-over-month reductions in income** throughout the pandemic.



Coping Mechanisms

Gig workers reported consistency in the coping mechanisms they turned to during the pandemic and only ~1 in 5 are borrowing from formal sources.



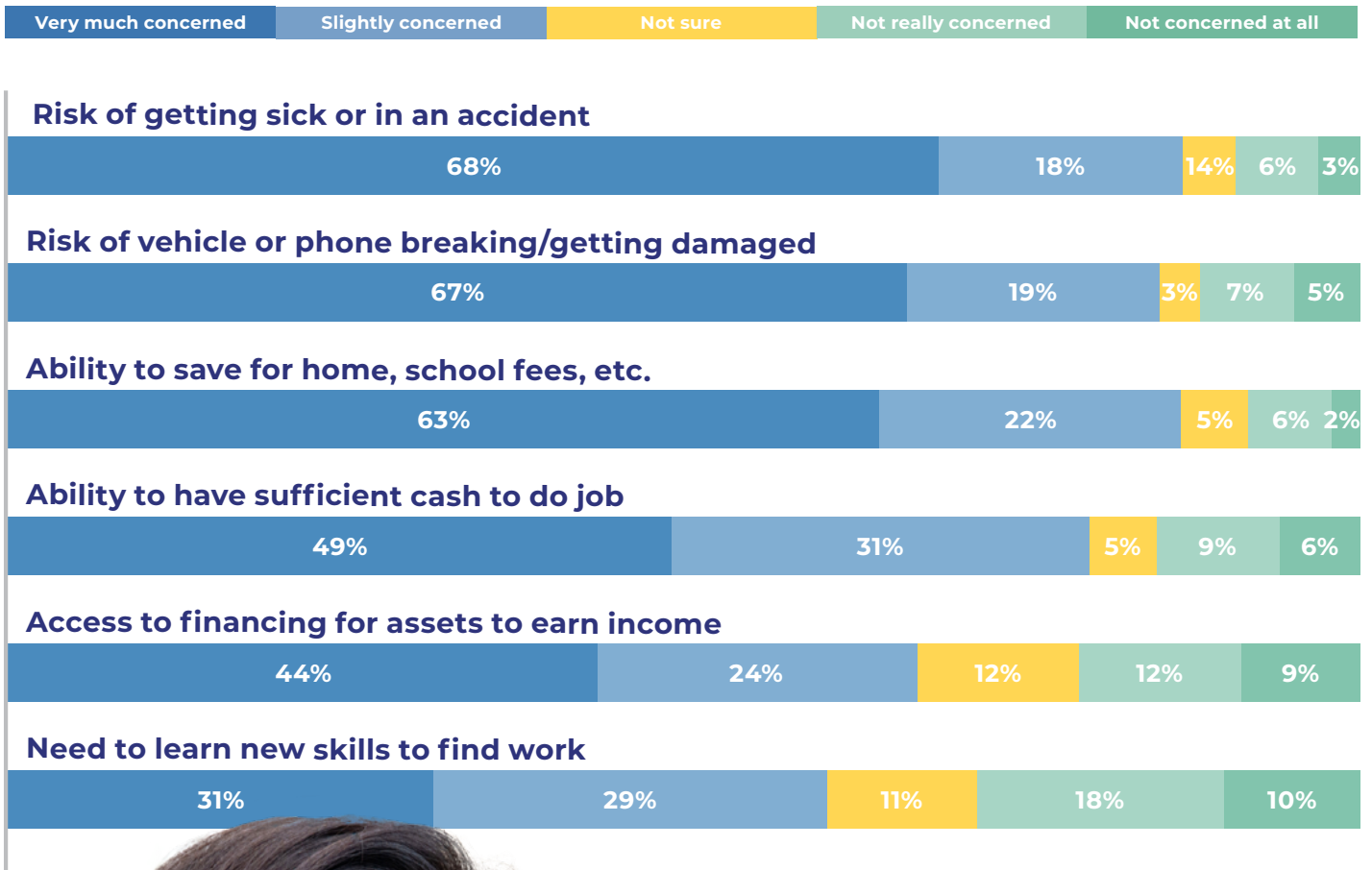
“My financial situation got worse [because of COVID-19], since I spent all my savings to pay my debts.”
 – E-hailing driver



Concerns and Goals

Top Concerns Related to Work

Gig workers are most concerned about factors that would stop them being able to work.



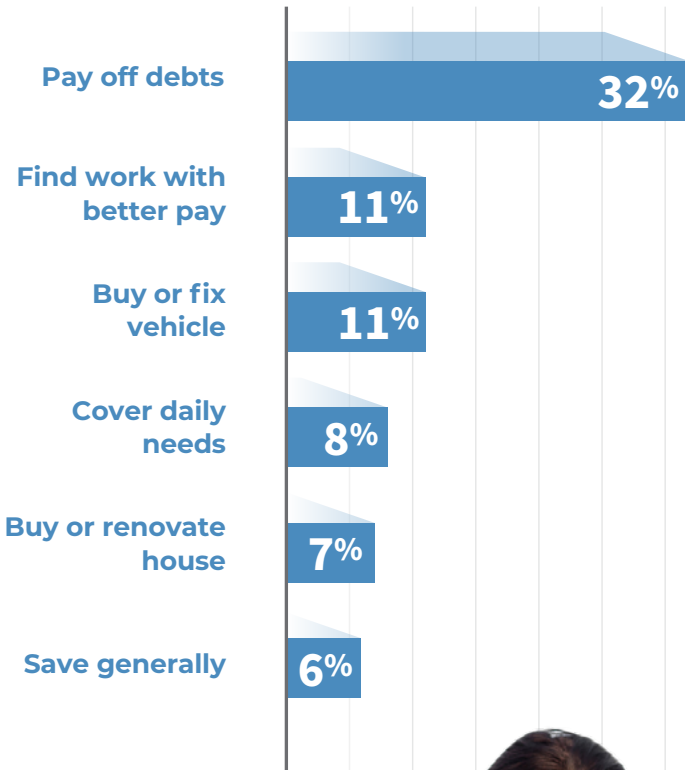
“ I’m out of work: I fell off a motorcycle and broke my collar bone. I’m at home without a dollar in my pocket.”

– Delivery driver

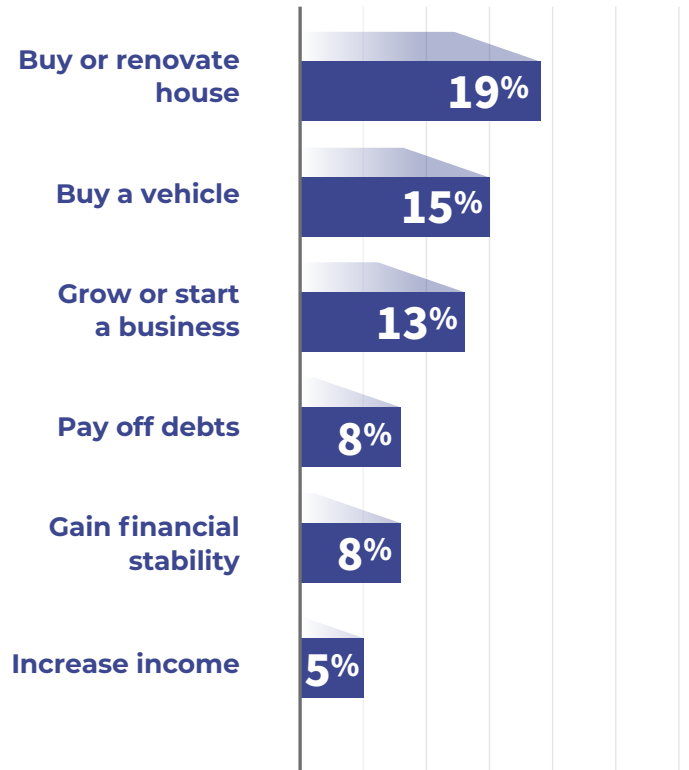
Financial Goals

We asked customers about their financial goals for this year and the following 2–4 years. **This year, gig workers are most keen to pay off their debts.** In the next few years, buying a house or vehicle are top-of-mind.

Short-term Financial Goals



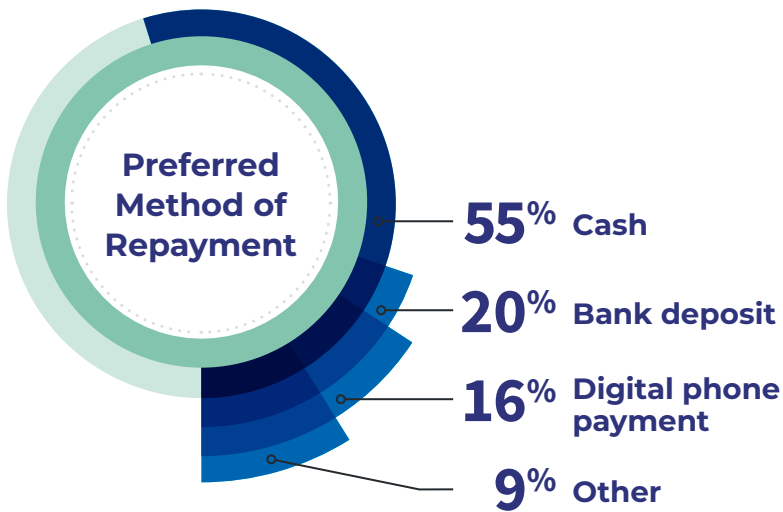
Long-term Financial Goals



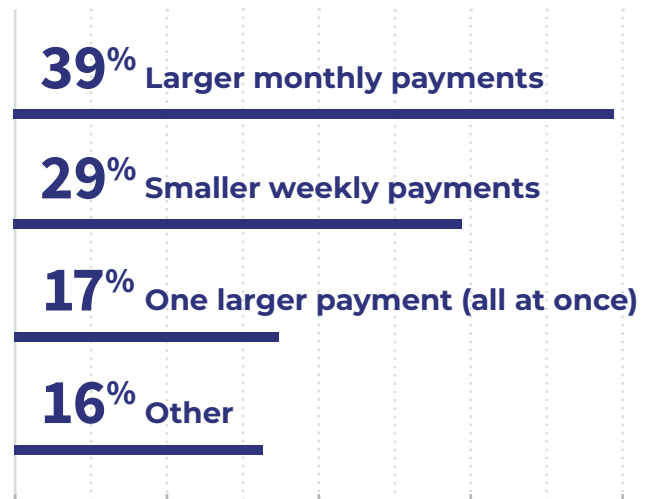
Innovative Solutions

Credit

With approximately 40% of respondents reporting that they are borrowing as a way to cope, respondents were also asked their preferred frequency and method to repay their debts.



Preferred Frequency of Repayment



“ I can barely plan a week ahead, let alone a month ahead. Sometimes it feels like I am living day by day. I need more control.”

– Delivery driver



Insurance

81% of respondents reported they were interested in purchasing insurance, especially health insurance. Although the majority of gig workers are interested in insurance, they mainly spoke of how they would be able to pay for things. For those not interested, they spoke of not wanting to take on debt. This suggests that there is a potential misunderstanding of how insurance might work.

Interest in Insurance

- 64%** Very interested
- 17%** Somewhat interested
- 14%** No opinion
- 4%** Very uninterested
- 2%** Somewhat uninterested

Rationale for Interest in Insurance

Interested in Insurance

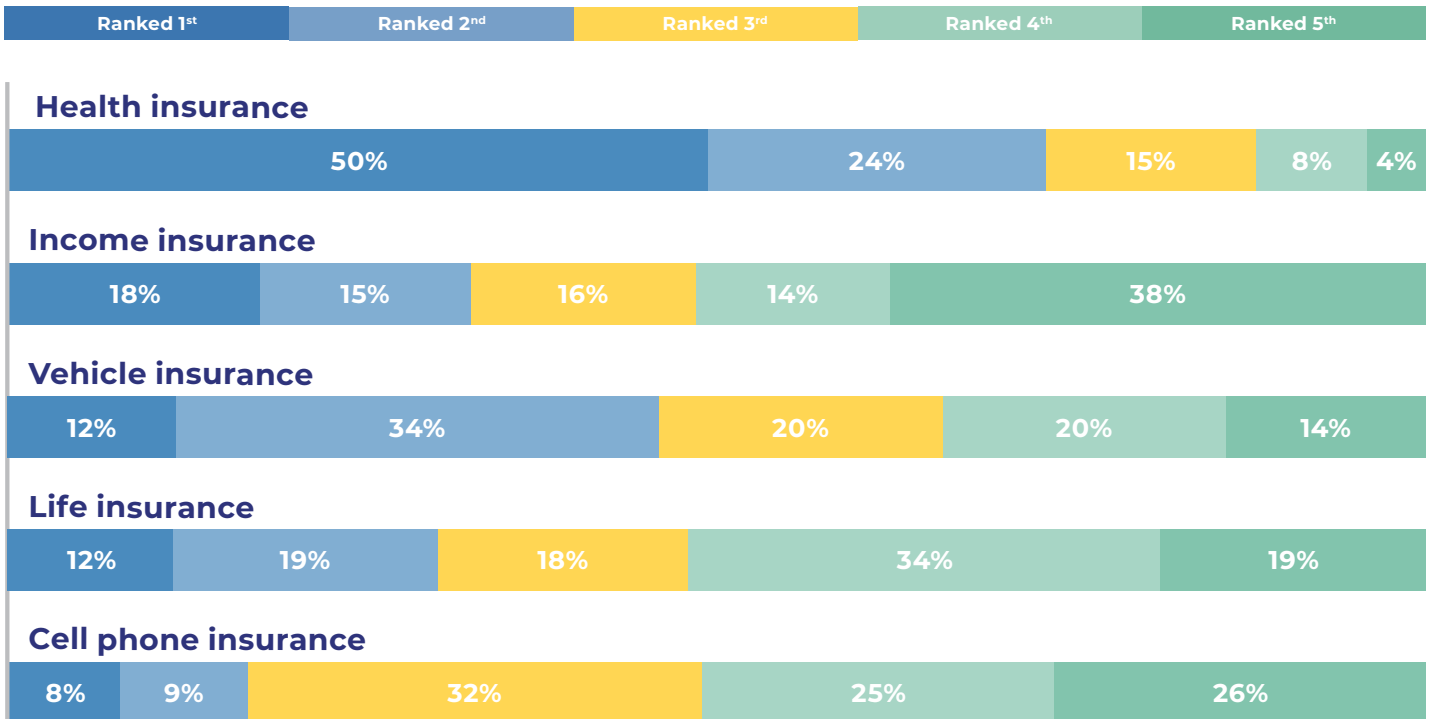
- 25%** Would be able to pay for family or personal expenses
- 21%** Would have a safety net in case of an emergency
- 18%** Would be able to pay debts

Not Interested in Insurance

- 20%** Don't want to take on debt
- 16%** Afraid of being unable to make the payments
- 14%** Lacking knowledge on terms and conditions

Most Demanded Types of Insurance

When asked to rank types of insurance by interest, health and vehicle were most commonly ranked in the top 2 types of insurance that gig workers were most interested in. Income insurance drew a barbell response as a large portion ranked it as either their first or last option. This could suggest that there is less understanding of the product.



We conducted this research because we believe that services offered by fintechs and other financial providers can help advance economic opportunity and improve gig workers' financial lives around the world. Digital financial services play an important role in helping people find new sources of income, manage their day-to-day cash flows, protect against risk, gain access to capital, and save for the future. We hope that *Brazil Overtime* and the entire Digital Hustle Series provides some early insights to help inform how digital platforms and financial service providers can best serve these needs.



Flourish Ventures collaborated with research firm 60 Decibels and local fintech partner MEI Fácil to conduct online and phone surveys of digital platform-based gig workers in Brazil. Monetary compensation was offered as part of this study.

Flourish conducted a baseline online survey of 1600 microentrepreneurs, including 560 app-based gig workers in May, 2020. We conducted a second survey of 104 gig workers in July, 2020, a third survey of 459 gig workers in August and September, 2020, and a final survey of 701 gig workers in October and November, 2020. Underlying data can be viewed at <https://app.60decibels.com/covid-19/flourish-gigeconomy2020-brazil-en>