

Latino Non-Standard Work Arrangements in 2018: A Snapshot of the Federal Reserve Survey of Household Economics and Decisionmaking

Background

Since 2013, the Federal Reserve Board has conducted the Survey of Household Economics and Decisionmaking (SHED), which measures the economic well-being of U.S. households and identifies potential risks to their finances. One of the many issue areas addressed by the survey is involvement in non-standard work arrangements, including independent contract work and work in the “gig economy.”¹

Participation in independent contract work and in the gig economy is a critical issue for Latinos*—many of whom struggle to make ends meet each month. Using data from the 2018 SHED survey, this fact sheet examines Latino engagement and motivating forces in the gig economy.

* The terms “Hispanic” and “Latino” are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race. This document may also refer to this population as “Latinx” to represent the diversity of gender identities and expressions that are present in the community.

Gig Economy

The gig economy is made up of three main components: the independent workers paid by the gig (i.e., a task or a project) as opposed to those workers who receive a salary or hourly wage; consumers who need a specific service, for example, a ride to their next destination, or a particular item delivered; and the companies that connect the worker to the consumer in a direct manner, including app-based technology platforms. Companies such as Uber, Airbnb, Lyft, Etsy, or TaskRabbit act as the medium through which the worker is connected to—and ultimately paid by—the consumer. These companies make it easier for workers to find quick, albeit temporary, work.²

Latino Involvement in the Gig Economy

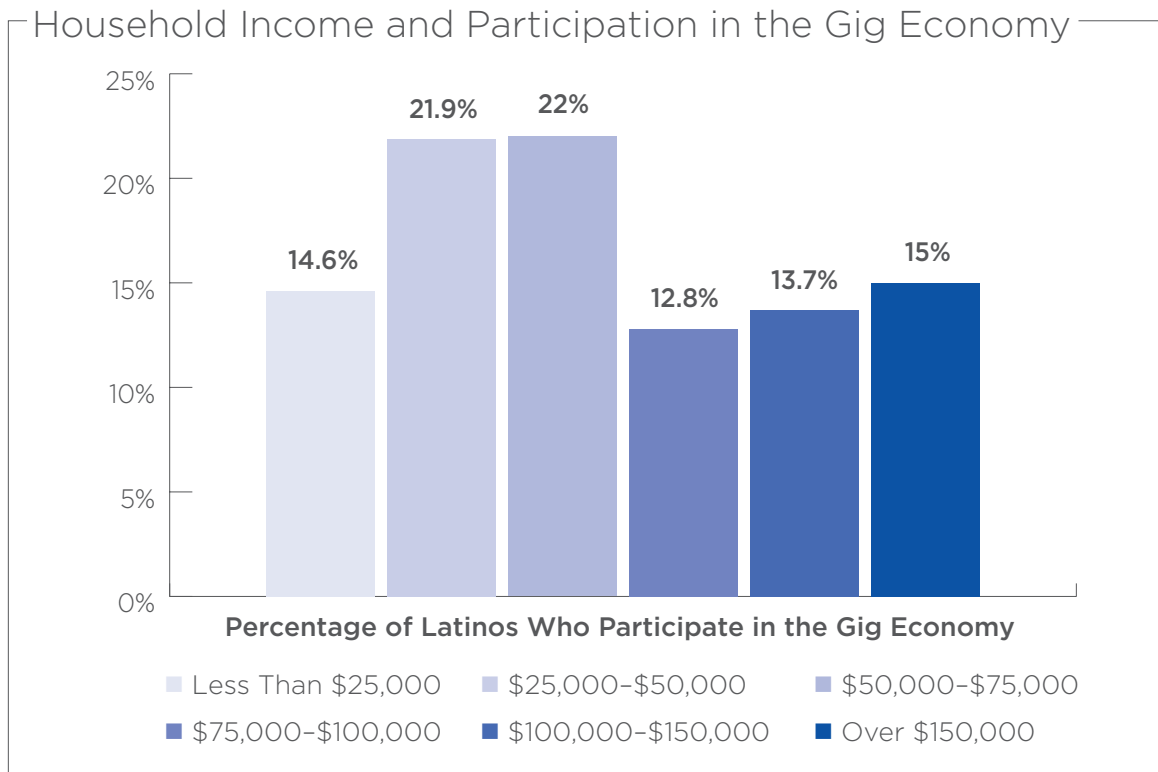
According to the SHED survey, 17.2% of Latinos engage in non-standard work—either as independent contractors or through the gig economy. Latinos are 16.7% of the U.S. population and yet they represent approximately 18.6% of gig workers. This means Latinos are substantially over-represented in the gig economy unlike their white non-Hispanic counterparts that make up 61.3% of the U.S. population and 61.4% of gig workers.

Gig work comes in many forms. For Latinos, the primary categories include selling goods online (11.2%), house cleaning (8.5%), running errands (5.8%), driving (3.6%), and dog walking (3.4%).

Reasons Latinos Participate in the Gig Economy

Latinos participate in the gig economy for many reasons. For some, the gig economy represents an important supplement to their existing income. For others, the gig economy has become their primary means of earning wages.

- 28.6% of Latinos engage in gig work as their main source of income, while nearly half (46.2%) stated that gig work was a supplemental source of income.
- For Latinos in the gig economy, more than one in 10 (11.3%) indicated they were having difficulties getting by and nearly one-quarter (24.3%) indicated they are “just getting by.”
- One in four (25%) Latinos in the gig economy are unable to pay some of their bills each month.
- One in five (21.9%) Latinos in the gig economy would not be able to cover an unexpected \$400 expense and one in three (32.7%) would need to borrow money to pay for an unexpected expense.



While the data demonstrates that most Latinos who participate in the gig economy have household incomes between \$25,000 and \$75,000, it appears that Latinos are consistently involved in the gig economy across all household income ranges.

Conclusion

Because of the high level of participation of Latinos in the gig economy, this information poses critical questions to how we can create an inclusive economy in a technologically driven environment. It is evident that the financial status of many Latinos could be a significant driver for many seeking to participate in this non-standard work arrangement. As demonstrated by the inability to pay or the need to borrow to pay for an unexpected \$400 expense, the financial precarity of Latinos engaged in the gig economy is an important consideration when developing policy solutions to help Latinos gain financial resilience.

About Us

UnidosUS, previously known as NCLR (National Council of La Raza), is the nation's largest Hispanic civil rights and advocacy organization. Through its unique combination of expert research, advocacy, programs, and an Affiliate Network of nearly 300 community-based organizations across the United States and Puerto Rico, UnidosUS simultaneously challenges the social, economic, and political barriers that affect Latinos at the national and local levels.

For more than 50 years, UnidosUS has united communities and different groups seeking common ground through collaboration, and that share a desire to make our community stronger. For more information on UnidosUS, visit www.unidosus.org or follow us on [Facebook](#), [Instagram](#), and [Twitter](#).

Endnotes

- 1 Board of Governors of the Federal Reserve System. "Report on the Economic Well-Being of U.S. Households in 2018." Federal Reserve. May 23, 2019. <https://www.federalreserve.gov/consumerscommunities/shed.htm>. (accessed November 8, 2019)
- 2 Istrate, Emilia, Jonathan Harris, and Research Analyst. "The Future of Work: The Rise of the Gig Economy." National Association of Counties. (accessed November 8, 2019). <https://www.naco.org/featured-resources/future-work-rise-gig-economy#ref1>.