

ISSUE BRIEF

Issue Number 19 April 8, 2020

The Gig is Up: Supporting Non-Standard Workers Now and After Coronavirus

Tyra Jean

A recent Gallup study found that 36% of the U.S. labor force (which equates to 57 million people) are gig workers.¹ From Lyft drivers to sex workers, gig-work (also known as non-standard work) involves a formal or informal contract between a company or person who compensates the laborer in a (typically) monetary form.² Gig-workers include freelancers, independent contractors, on-call workers, and temporary workers. Amidst the COVID-19 pandemic, Americans have come to rely on gig workers to deliver takeout, groceries, and medication and to provide many other services under our unprecedented physical distancing protocols. This has put significant stress on gig workers in these fields. In addition, as more Americans adhere to physical distancing requirements, many gig workers in other fields (e.g., salon workers, photographers, musicians, rideshare drivers) have found themselves with no income. The modern gig worker is facing unique challenges that should push policymakers to redefine the protections that are provided to these individuals. How can we ensure that this essential workforce is supported during (and after) this uncertain and insecure time?

The \$2 trillion stimulus bill of March 27, 2020 allows eligible gig-workers to apply for unemployment benefits.³ However, not all gig workers are eligible for these benefits. Those who perform these services are in dire need of financial assistance to support themselves and to contribute to the U.S. economy now and after the pandemic has subsided. The importance of gig workers cannot be overstated: our nation relies heavily on this population. Below I discuss the specific COVID-19 related challenges of three gig work populations: rideshare and delivery drivers; hair stylists, barbers, and aestheticians; and sex workers.

Rideshare and Delivery Drivers

Rideshare companies such as Uber and Lyft have seen a sharp decline in trip requests. <u>Uber rides were</u> down 21% during the week of March 16, 2020 in comparison to the weeks prior. Many consumers are struggling to understand whether or not it is safe to continue using these services for fear of contracting and/or spreading the virus. Many drivers who utilize Uber and Lyft as supplementary income or even their sole income, are struggling to support themselves financially. Out of 833,000 active Uber drivers, 90,521 drivers work full time.⁴ Those who are continuing to drive customers out of financial necessity are putting their health at risk. As a result, <u>Lyft proposed expanding their range of services</u> to include delivery of medical supplies, meals for children and senior citizens, and medical transportation for low-

income individuals. Individuals who work as delivery drivers for companies like Instacart, Grubhub, Doordash, and UberEats are also experiencing unique challenges. Instacart alone has over 200,00 shoppers on its platform. Delivery workers for these companies are risking their lives to keep Americans fed, and they are experiencing unprecedented demand for their services. Yet they, like

Delivery drivers are risking their lives to keep Americans fed. Yet they do not receive basic labor protections because their employers classify these workers as contractors rather than employees. rideshare drivers, do not receive basic labor protections because rideshare and delivery companies classify these workers as contractors rather than employees. As a result, they do not receive guaranteed access to standard benefits like minimum wage, paid leave, health insurance, or protection from the Occupational Safety and Health Administration (OSHA). Instacart workers have gone on a nationwide strike to advocate for basic protections such as hazard pay, paid leave for workers with pre-existing conditions, and hand sanitizer. It is imperative that rideshare and delivery service companies protect their workers as they put their health and safety at risk to serve us during the coronavirus pandemic. Moreover, it is essential that the federal government reassess the laws that enable these companies to classify their workers to get around providing basic labor protections.

Hair Stylists, Barbers, and Aestheticians

Hair stylists, barbers, and aestheticians have lost their incomes due to state mandated laws closing their places of work. In an interview for *The Guardian*, New York City barber Slava Ovaidov expressed how "I have family but I don't know how long I can run on my savings. That's the key. I have a mortgage to pay." Although many of these workers would not typically be covered under unemployment benefits due to their self-employed status, the stimulus bill expanded unemployment assistance for these workers for up to 39 weeks. There are other issues to consider besides pay. The New York City hair braiding community, a group comprised of predominately black women, is dealing with issues related to immigration and citizenship. An article on *OkayAfrica*, a website dedicated to black culture, stated that "despite their presence on the streets of Harlem and Brooklyn, most braiders prefer to be or remain inconspicuous. Some braiders are undocumented or in regular contact with people who are undocumented and this creates a reluctance to create a visible online presence." The COVID-19 pandemic is and will continue to reduce quality of life for undocumented workers like these, many of whom pay taxes, yet are not afforded basic labor protections.

Sex Workers

Sex workers are among the most vulnerable workforces in U.S. society. Although there are no federal laws banning prostitution, it is illegal across the vast majority of the U.S. due to state laws. As a result, most individuals working as prostitutes are not eligible for any basic labor protections, including financial relief under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Even in the eight Nevada counties where prostitution is legal, <u>sex workers are struggling due to coronavirus closures</u>. It is unclear whether Nevada's legal sex workers will be eligible for financial relief under the CARES Act. On the one hand, Nevada's legal prostitutes are considered independent contractors, and the CARES Act allows independent contractors to receive unemployment. On the other hand, it appears that sex workers and 'prurient' businesses are excluded from COVID-19 disaster loans for small businesses and the self-employed. The first page of the Economic Injury Disaster Loan Application states that in order for an applicant to be eligible for financial relief, the party cannot "present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature".

Sex workers in the United States are disproportionally comprised of racial and/or ethnic minorities and members of the LGBTQ+ communities. <u>A fifth of transgender individuals and half of black Trans</u> <u>women work in the sex industry</u>. This already at-risk population has been heavily affected by the pandemic and continues to be obscured during political discussions. This creates a moral dilemma for our society on whether political actors wish to acknowledge this prominent yet invisible population of workers. <u>Many sex-workers are turning to online platforms</u> to continue connecting with not only previous clients but new clientele. Additionally, organizations such as <u>Bay Area Workers Support are</u>

providing emergency funds to sex workers in need. In order to account for all gig workers, we need to recognize sex workers, discuss their rights, and adapt the classification of their legality in the framework of U.S. public health policies and the economy.

Recommendations for Policy

As gig-work starts to become a larger topic of discussion within mainstream political discourse, many are finally acknowledging the importance of these industries within the broader context of American society. Workers who were not previously supported by unemployment benefits are currently considered "essential" in our COVID-19 labor market. This provides an opportunity for our policymakers to redefine the classification of labor. With so many Americans reliant on gig workers to provide essential services during this pandemic, this is the moment for us all to demand that the federal government enact better protections for U.S. gig-workers now and after COVID-19.

End Notes

- 1. McFeely, S. & Pendell, R. (August 2018). What Workplace Leaders Can Learn From the Real Gig Economy. Gallup. Retrieved March 27, 2020 from https://www.gallup.com/workplace/240929/workplace-leaders-learn-real-gig-economy.aspx
- 2. Gig Economy Data Hub. Retrieved March 26, 2020 from https://www.gigeconomydata.org/basics/what-gig-worker
- Dickey, M. & Hatmaker, T. (March 2020). Gig workers could get unemployment benefits under \$2 trillion Senate stimulus bill. Tech Crunch. Retrieved March 26, 2020 from <u>https://techcrunch.com/2020/03/26/stimulus-gig-workers-covid-19-coronavirus-uber/</u>
- 4. Mishel, L. (May 2018). Uber and the labor market. Economic Policy Institute. Retrieved March 26, 2020 from https://www.epi.org/publication/uber-and-the-labor-market-uber-drivers-compensation-wages-and-the-scale-of-uber-and-the-gig-economy/

Acknowledgments

The author would like to thank Shannon Monnat, Mary Kate Lee, and Alex Punch for comments on earlier drafts of this brief.

About the Author

Tyra Jean (Class of 2020) is an Undergraduate Research Affiliate in the Lerner Center for Public Health Promotion and Sociology major studying in The Maxwell School of Citizenship and Public Affairs (tajean@syr.edu).

The mission of the Lerner Center for Public Health Promotion at Syracuse University is to improve population health through applied research and evaluation, education, engaged service, and advocating for evidence-based policy and practice change.

426 Eggers Hall | Syracuse | New York | 13244 syracuse.edu | lernercenter.syr.edu