
branch × MARQETA

Gig Payments Report

WORK AND PAYMENTS IN THE GIG ECONOMY TODAY



April 2021



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Special Thank You to Our Report Partner:



Methodology

The study was conducted through the Branch app in March 2021 surveying more than 1,000 workers who had participated in gig or independent contract work in the last six months. Participation in this survey was completely voluntary and all responses were anonymized.

Survey questions were prepared and authored by Branch and Marqeta. For more information or questions, please contact research@branchapp.com.

The gig economy is transforming the precedent for work and payments...

The growth of the gig economy was already in motion, but the past year has sped up its transformation. People are finding freedom in gig work to carve out their own path in different ways and looking to it for financial security when times get tough. The gig economy is currently expanding three times faster than the U.S. workforce as a whole. And it's projected that by 2023, more than half of the US workforce will be involved in gig work of some kind.¹

Gig growth has set new expectations and increased competition, making it increasingly important to understand what workers look for in a platform and payments methods. Thanks to the gig economy, more employees than ever hold the belief that if they can set their own work schedule, they should have the option to schedule when they get paid, too.

That's why we've teamed up to publish the Branch x Marqeta Gig Payments Report—a look at payments and platform preferences of today's gig workers. The report surveys over 1,000 gig workers across various platforms and fields. We dive into how the pandemic has impacted their preference for gig work, what they look for in a platform, how and when they preferred to get paid, and top financial concerns, among a range of other topics.

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¹ MBO Partners, The State of Independence in America Report, 2018

Key Findings

Platforms

- The pandemic has led to an increase in gig work pick-up—85% of respondents have or planned to pick up more shifts because of the pandemic.
- Meal/grocery delivery has been by far the most popular app/platform, followed by rideshare.
- The overwhelming majority turned to only 1-2 platforms to pick up gig work.

Payments

- Over 90% of workers associated faster pay with greater financial peace of mind.
- Nearly 90% of workers were likely to choose one gig platform over another if it could pay you instantly without fees.
- Over 70% of gig workers prefer to receive their pay within the same day they work, with 39% preferring right after each job and 33% at the end of each day.
- Debit cards were overwhelmingly the preferred method of payment, followed by cash.

Finances

- Nearly 80% had less than \$500 saved for an emergency.
- Among top financial concerns, gig workers ranked home/rent affordability at the top of the list, followed by utility bills.
- More than 40% of gig workers would not be able to access another source of funds outside of their primary bank account.

Platform Insights



50%

Delivery Over Rides

Meal/grocery delivery (e.g. Instacart, Shipt, Postmates, Uber Eats, Doordash, GrubHub, etc.) are by far the most popular app/platform (50%), followed by rideshare (10%)

Two Apps, Tops

The overwhelming majority (73%) turned to only 1-2 platforms to pick up gig work.

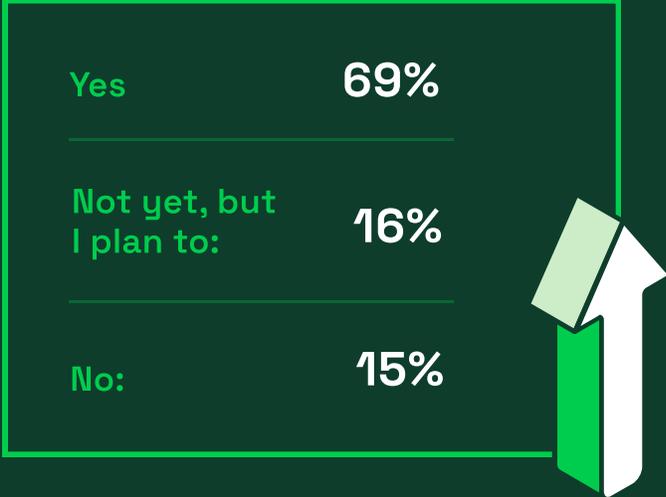


79%

Side Hustle

Nearly 80% of respondents only turn to gig work as a way to supplement their income, but hold another job for half or primary source of their income.

Pandemic, Faster Payouts Motivate Gig Pick-up



Uptick in Pick-ups

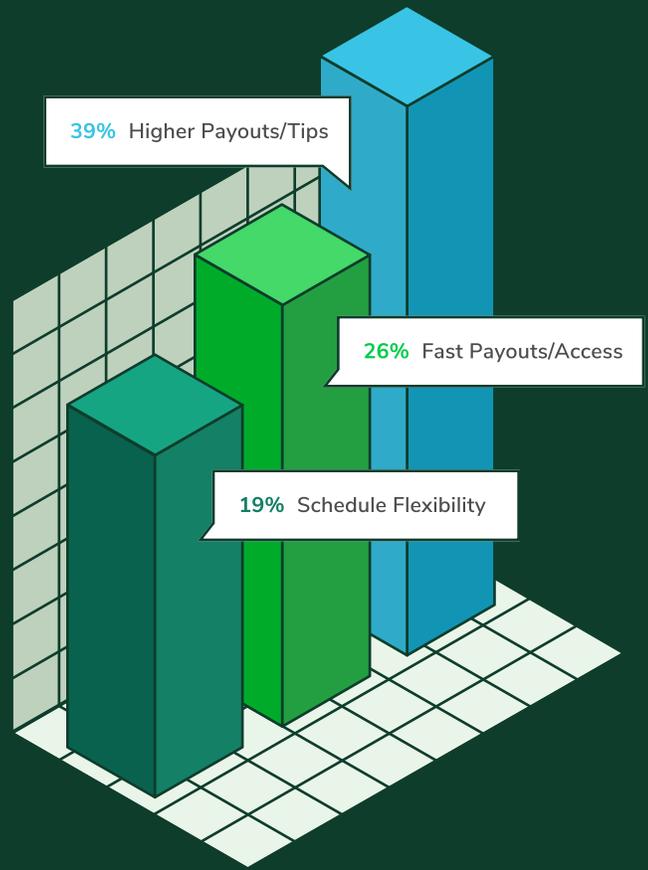
The pandemic has led to an increase in gig work pick-up -- **85% of respondents** have or planned to pick up more shifts because of the pandemic.

“ Given the significant loss in hours available at many jobs throughout the pandemic, many employees have turned to gig and contract work to quickly boost their income,” said *Branch CEO Atif Siddiqi*. “But competition among platforms will only increase as the gig economy continues to grow and reopenings widen. Workers already limit the number of platforms they use, so ones that can offer faster, flexible payouts at no cost will gain the greatest competitive edge.”



Higher, Faster Payouts

When asked what they looked for most out of a gig platform, workers didn't just cite higher payouts (39%) among their top incentives for taking on gig work, but also faster payouts (26%). Scheduling (19%) and location (5%) flexibility followed for third and fourth place respectively.



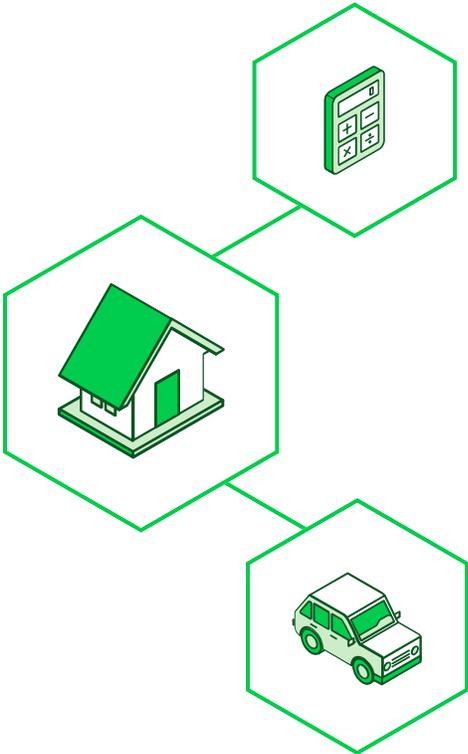
No Fees, Please

Nearly 90 percent (87%) of workers were likely to choose one gig platform over another if it could pay them instantly without fees.

Timely Expenses, Limited Emergency Funds

Home Payments Top of Mind

Among top financial concerns, gig workers ranked home/rent affordability at the top of the list (48%), followed by utility bills (27%). Third was autocare/transportation (8%), as many likely rely on their vehicles to participate in the gig economy.



\$0	31%
\$1-\$149	29%
\$150-\$499	19%
\$500-\$999	10%
\$1,000+	12%



Limited Cash Flow

More than 40 percent of gig workers (42%) would not be able to access another source of funds outside of their primary bank account.

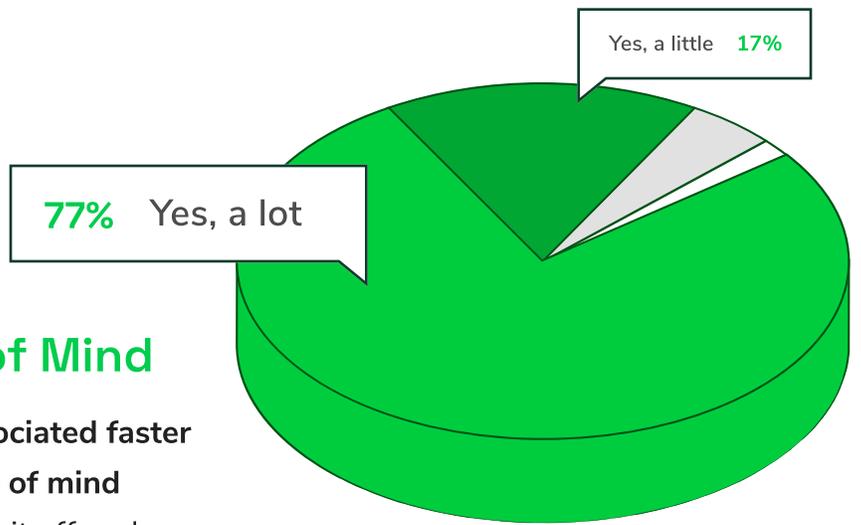
They also have limited emergency savings: nearly 80% had less than \$500 saved for an emergency.

Payment Preferences



Payday Anyday

About 4 in 5 gig workers want greater flexibility when they get paid. Over 70 percent of gig workers prefer to receive their pay within the same day they work, with 39% preferring right after each job and 33% at the end of each day. About 10 percent (10%) want to request payouts at any time, while only 18% prefer weekly.

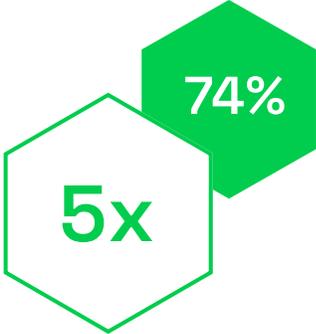


Faster Pay = Peace of Mind

Over 90 percent of workers associated faster pay with greater financial peace of mind (94%), with about 77% believing it offered a lot of peace of mind and financial security.

Choosing Contactless

The vast majority have increased their use of contactless payments such as online, mobile, and digital wallets (80%), with more than half (56%) increasing their use significantly.



Among preferred payments, debit card was overwhelmingly their preferred method (74%), with cash a distant second (9%)

Workers are also nearly 5x more likely to prefer online/mobile app payments or digital wallets (14%) over a credit card (3%)

“ This new survey shows how the new possibilities created by modern card issuing are directly empowering more positive financial experiences for those in need,” said Vidya Peters, Marqeta CMO. “When looking to gig work, people are motivated by the idea of being able to access their earnings immediately, and without fees. We can see that not only are these demands creating a new relationship with our money, they’re bringing greater peace of mind and financial security.”

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Questions

What industry do you primarily work in?

- 50% Meal/grocery delivery (e.g. Instacart, Shipt, Postmates, Uber Eats, Doordash, GrubHub, etc.)
- 10% Rideshare (e.g. Uber, Lyft)
- 9% Cleaning, handy work, home services (e.g. Handy, Thumbtack, Angie's List)
- 9% Caregiving services - Babysitting, Eldercare, Pet services (e.g. Care.com, Rover) 9%
- 2% Tasks, moving (e.g. Taskrabbit, Wonolo, Field Agent)
- 4% Logistics/freight
- 5% Creative design, writing, consulting (e.g. Fiverr, Upwork)
- 1% Tutoring/education (e.g. Chegg, Tutor.com)
- 10% Other

How many apps/platforms do you turn to for picking up gig work?

- 4% 0
- 40% 1
- 33% 2
- 13% 3
- 4% 4
- 6% 5+

Do you rely on gig work as your primary source of income?

- 21% Yes, I complete gig work for the majority source of income
- 21% Somewhat, I complete gig work for about half my income but have another job
- 41% No, I work another job for my primary source of income and use gig work to supplement my income
- 17% No, I work another job for my primary source of income and use gig work for special occasions

Have you turned to gig work more (increased shifts/hours, checked for more jobs) because of the pandemic?

- 69% Yes
- 16% Not yet, but I plan to
- 15% No

What do you look for most out of a gig platform? (Select top 3)

- 39% Higher wages/payouts/tips
- 26% Faster payouts/access to earnings
- 19% Scheduling flexibility - more control over when you work
- 5% Location flexibility - more control over where you work
- 6% Ease of picking up work or jobs
- 2% Good interface/user experience
- 2% Easy to get started/onboarding
- 1% Budgeting/ tax planning

How frequently would you prefer to be paid when working with a gig app?

- 39% Right after each job is completed (multiple times per day)
- 33% Daily (At the end of each day)
- 18% Weekly (At the end of each week)
- 10% Whenever I want (no set cycle)

How likely is it that you would choose one gig platform over another if it could pay you instantly without fees?

- 70% Very Likely
- 17% Likely
- 10% Not sure
- 2% Unlikely
- 1% Not at all

Does being able to cash out your earnings at the end of a shift provide you greater peace of mind and financial security?

- 77% Yes, a lot
- 17% Yes, a little
- 5% No, not really
- 1% No, not at all

Has COVID-19 changed how you prefer to pay at the point of sale (cash and physical card vs. contactless payment or mobile wallet)?

- 56% Yes, a lot, I have increased use of contactless payments (online, mobile, digital wallet) 56%
- 24% Yes, a little, I have increased use of contactless payments (online, mobile, digital wallet) 24%
- 14% No, not really, I prefer cash and physical card 14%
- 6% No, not at all, I prefer cash and physical card 6%

What are your top financial concerns? (select top 3)

- 47% Home/rent affordability 47%
- 27% Utility Bills (electricity, gas) 27%
- 8% Autocare/Transportation 8%
- 6% Groceries 6%
- 3% Medical/Healthcare costs 3%
- 3% Short-term savings 3%
- 2% Cell Phone Bill 2%
- 2% School/College Tuition Debt 2%
- 1% Childcare 1%
- 1% Retirement 1%
- 0% Eldercare 0%

If you were unable to access funds in your primary bank account, would you be able to easily access another source of funds?

- 58% Yes
- 42% No

What amount do you have saved in case of an emergency?

- 31% \$0
- 28% \$1-\$149
- 19% \$150-\$499
- 10% \$500-\$999
- 12% \$1,000+

What's your preferred method of making purchases?

- 74% Debit card
- 9% Cash
- 7% Online/Mobile Apps (Venmo, Cash app, PayPal, etc.)
- 7% Digital wallet (Apple Pay, Google Pay, Samsung Pay)
- 3% Credit card
- 0% Check