The Changing Nature of Work: Amplifying the Voice of the Financially Vulnerable Worker

Executive Summary

Commonwealth believes that society is more prosperous when everyone has financial security and opportunity, and employment is a primary avenue of opportunity. For many people, the nature of work is in flux. To understand how the financially vulnerable experience the changing nature of work, Commonwealth reviewed current research and engaged with over a thousand financially vulnerable, lower-wage workers nationwide through a survey, in-depth interviews, focus groups, and online. This paper provides a summary of the findings detailed in Commonwealth's The Changing Nature of Work publication series.

The Impact of Work Arrangements on Worker Identity

Our research looked at whether terminology used by academics and the popular press to describe workers (e.g., Traditional, Non-Traditional which includes sub-contracted, temps, gig economy workers, and Freelancers) resonated with the workers themselves.

In our nationwide survey, we asked respondents to select the most relevant description of their “current primary profession and employer” and whether their primary work had any of the 8 attributes usually associated with traditional work (e.g., predictable schedule; W-2 forms through work; etc.). We found that there were in fact 5 distinct groups of workers when one combined the work descriptions and attributes: Typical Traditional (high attributes), Atypical Traditional (low attributes), Atypical Non-Traditional (moderate attributes), Typical Non-Traditional (low attributes), and Freelancers (very low attributes).

The workers we interviewed primarily described their work based on the nature of what they did. Workers appear to identify more with the content of their work rather than their relationship to who is paying them or their financial situation. In other words, self-identity has more to do with what people do than with who pays or how much they earn.

The Impact of Work Arrangements on Financial Challenges

Our research explored the impact of different work arrangements on lower-wage workers' financial challenges.

Our survey found that 75% of all workers were currently struggling or just getting by financially. Lower-wage workers lacked access to health and retirement benefits, and savings for emergency expenses. We did find financial challenges unique to the different work arrangements. We found different income-related advantages for each work arrangement – income stability for Traditional workers and income flexibility for Non-Traditional workers. Non-Traditional workers were much more likely to not use checking or savings accounts and some traditional workers reported higher levels of tax-related stress.

There are unique financial challenges and advantages specific to Traditional and Non-Traditional work. However, lower-wage workers face many of the same long-standing financial challenges regardless of the type of work arrangement.

The Impact of Work Arrangements on Work Quality

We explored the qualities of a “good job” and how they manifest in lower-wage work arrangements.

Research identifies a good job as one that meets a combination of basic and higher needs (e.g., steady income, meaningfulness and recognition, open communication, etc.). The workers we interviewed shared that their ideal job had work qualities consistent with the research on good jobs - fair wages with benefits, safe working conditions, and a sense of meaningfulness.

Different qualities of a good job manifest in both Traditional and Non-Traditional work. Workers in Non-Traditional arrangements shared that they have control over their work and flexible schedules that can support family and life circumstances. However, they were significantly more likely to have volatile incomes than Traditional workers and less likely to have access to benefits or report feeling valued by their “employers.” Workers in Traditional arrangements have more income stability and access to benefits. On the other hand, half of the Traditional workers we surveyed reported their work did not include many basic-needs attributes.

Changes needed to be made to all types of lower-wage work arrangements to make work be good for the pocketbook and good for the soul.
The Impact of Work Arrangements on Work-Life Balance

We asked financially vulnerable, Non-Traditional workers if they chose their work arrangements, what they found attractive and saw as drawbacks, and how they assessed the tradeoffs.

Non-Traditional workers appreciated the flexibility of their arrangements because it allowed them to have more control over their lives, especially in spending time with family and integrating work into their day-to-day lives. They also appreciated the variety of their work and the ability to directly experience the impact of their work and to control how they do their work. Although workers understood the drawbacks of Non-Traditional work (e.g., instability and no benefits), the advantages outweighed the drawbacks of returning to Traditional work.

Most Non-Traditional workers willingly chose this work and they believe the benefits outweigh the drawbacks. Non-Traditional work provides them with the privilege of choice - enabling them to choose work suited to their household circumstances, professional desires, and personal needs.

What are some implications?

These findings suggest a variety of solutions for the financial challenges of lower-wage workers. Solutions should address the financial challenges all lower-wage workers; meet workers’ immediate needs and support their aspirations for the future; and help workers find the work arrangement that best fits their current circumstances and longer-term needs. People working in arrangements that best meet their personal and professional needs strengthens the social fabric and encourages prosperity that enhances financial opportunity for all.

To access The Changing Nature of Work publications, please visit Commonwealth’s website (www.buildcommonwealth.org) or contact Keyarash Jahanian (kjahanian@buildcommonwealth.org).