The Impact of Work Arrangements on Worker Identity
Our research looked at the terminology and classification systems used by academics and the popular press to describe lower-wage, Non-Traditional workers and asked whether those categories resonated with the workers themselves. Labels such as Traditional workers, independent contractors, sub-contracted, 1099 workers, temps, outsourced employees, freelancers, and gig economy workers are often used to describe this workforce. However, we found discrepancies between how workers self-identify and how these terms are usually defined – 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.

Are conventional work classifications meaningful to workers?

In our nationwide survey, we asked respondents to pick from 5 possible descriptions of their “current primary profession and employer.” To test the validity of existing work classifications, we also asked respondents whether their primary work had any of the 8 attributes identified in the literature as distinguishing features of traditional work.

**Work Classification (choose 1)**

- I work directly for one employer in a full-time “traditional” job
- I find my work through a temp agency
- I work for and am paid by an agency that does specific work (such as custodial, security, food services etc.) for other companies
- I work as part of the ‘gig economy,’ where I receive paychecks from an organization but act as my own boss (such as Uber or AirBnb)
- I work as a freelancer, and don’t report directly to any one employer

**Work Attributes (choose all that apply)**

- I have a consistently predictable work schedule.
- I receive W-2 tax forms for all or most of my work.
- If I want to, I can get health insurance or retirement plan through my work.
- I feel that, if I want to, I will be able to keep my current job for the foreseeable future.
- I am guaranteed a certain number of hours each week/pay period.
- I have only one employer.
- Where I work provides me with all of the tools and resources necessary to do my job/work
- Where I work provides me with the on-the-job training necessary to do my job/work
- None of these apply to me.

Commonwealth believes that society is stronger and more prosperous when everyone has financial security and opportunity, and employment is a primary avenue of opportunity. Work is about the money that can be earned but work also affects one’s sense of self and place in society.

For many people, the nature of work is in flux. All indications are that the Traditional full-time job with one employer will continue to become less common as other work arrangements flourish. Those Non-Traditional alternatives are themselves evolving rapidly. To increase knowledge about how these changes are being experienced by the financially vulnerable (annual household income under $55,000), Commonwealth conducted a review of current research and then engaged with over 1,000 workers nationwide through a survey, in-depth interviews, focus groups, and online. By giving voice to lower-wage people living the changing nature of work, we learn better how to support them in building their financial security and opportunity.

One of the challenges of doing this research is definitional. Given the ongoing changes in the types of work arrangements, how do we define the different types of work arrangements and what terminology do we use to describe them? In this paper, we have chosen to identify 3 broad categories: Freelancers, Traditional, and Non-Traditional, which includes people who work at temp agencies, gig platforms, and are sub-contracted workers. For a full definition of these categories please read “The Impact of Work Arrangements on Worker Identity.”

This is one of four briefs highlighting key findings. Two research papers detail methodologies and additional findings. Individual quotes and stories employ pseudonyms.
The results created a complicated picture that did not align well with accepted terminology and definitions. For example, only 57% of those who identified themselves as “Traditional workers” said they received W-2 tax forms, and only 35% indicated that they had access to typical job benefits. To better understand this discrepancy, we decided to see if there were meaningful, commonly-occurring sub-groups that emerged from the data. The analysis identified 5 classes of workers, including 2 distinct types of Traditional workers, 2 distinct types of Non-Traditional workers, and Freelancers.

1. Typical Traditional – self-identified as a Traditional worker and reported a high number of traditional work attributes.
2. Atypical Traditional – self-identified as a Traditional worker but reported few traditional work attributes.
3. Atypical Non-Traditional – self-identified as a Non-Traditional worker (mostly sub-contracted workers, plus some temp and gig workers) but reported a moderate level of traditional work attributes.
4. Typical Non-Traditional – self-identified as a Non-Traditional worker (mostly temp and gig workers, plus some sub-contracted workers) and reported few traditional work attributes.
5. Freelancer – self-identified as such and reported few Traditional work attributes.

(For a full explanation of the methodology, please read “Research Paper: Nationwide Survey.”)

The Traditional workers broke down into 2 sub-categories with 250 respondents in each. Significant differences in several key attributes existed between the sub-categories. For example, 86% of Typical Traditional workers reported receiving a W-2 vs. 27% in the Atypical Traditional category, and 62% of the Typical Traditional workers reported access to health insurance or retirement benefits vs. only 8% among the Atypical Traditional.
The split between the Non-Traditional sub-categories was more lopsided with only 83 respondents categorized as Atypical Non-Traditional and 299 as Typical Non-Traditional. Around 50% of the Atypical Non-Traditional group self-identified as sub-contracted workers, whom the literature predicts would be more likely to be in work arrangements that resemble Traditional work. The rest were a mix of temp and gig workers. There were also significant differences in reported work attributes between the two sub-categories.

This analysis reveals that workers may self-identify in ways that do not match generally accepted usage, and that there is significant variability in work attributes across classifications.
How do workers identify themselves?

Our qualitative consumer research with Non-Traditional workers added depth to the survey findings. During participant recruitment, we used the same work classification question and again found that participant self-identification did not align with accepted terminology.

In our interviews, workers primarily described their work based on the nature of what they did. Respondents we categorized as gig workers identified with the type of work they did and the platforms through which they found their work (e.g., “I’m a Lyft driver,” “I find work through Wonolo,” “I complete projects on TaskRabbit”). Those who self-identified as sub-contracted workers typically acknowledged the companies they worked for (e.g., Aramark, Service Systems Associates, etc.) but spoke mostly about the actual work they did (e.g., “I work at the zoo,” “I care for veterans in their homes,” etc.). Temp workers similarly identified their specific line of work and only secondarily acknowledged that they found their work through a temp agency. Freelancers spoke of themselves using that identifier or as “self-employed,” but typically as an adjunct to their actual line of work (as in, “I’m a freelance writer,” “I’m a freelance music producer,” “I’m a freelance tarot card reader”).

Stephanie, from Georgia, describes herself as providing on-demand transportation. She combines work as a sub-contractor (which she has been doing for eleven years) and gig work for Uber. She can take someone back and forth to a therapy appointment (the sub-contractor) and then accept Uber assignments (the gig) while the person is in therapy. Sarah, a gig worker for TaskRabbit in New York, sees herself primarily as a helper. In any given week, her work may involve making deliveries, organizing a kitchen, putting together gift baskets, or doing videography.

“Many [workers] talked of aspiring to achieve a brighter future for themselves and their families.”

Although most of the workers we spoke with said they could “use more money,” they generally did not define themselves based on their financial situation. Many talked of aspiring to achieve a brighter future for themselves and their families. We spoke with a single mother who drives for Lyft so she can spend more time with her children, a woman transitioning away from corporate HR to pursue her dream of being a writer, and a part-time security guard seeking full-time work so he can better care for his mother. Their focus was on the goals they were working for, not their current financial struggles.

What are some implications?

Those who want to support lower-wage Non-Traditional workers—who are far from monolithic—have a complicated task ahead of them in understanding these workers and building solutions that work for them. Paying close attention to how they view themselves and their work should influence how solutions are designed. Solutions should also be tailored to meet their immediate needs while supporting their aspirations for the future.

To speak in their language, solutions should be designed based on what they do rather than how they do it. Solutions designed for and targeted to “drivers,” “security guards,” or “child care workers” – instead of “gig workers,” “sub-contractors,” or “1099 workers” – would more effectively capture these individuals’ attention. For example, our nationwide survey explored the adoption of fintech tools and found it to be very low among all workers (ranging from 5% to 19%). None of our consumer research respondents mentioned using fintech in managing their financial lives.

One area for further exploration concerns what aspects of workers’ self-identity are fluid and which are more permanent. It may be, for instance, that “writer” or “helper” are identities that both supersede and outlast the more transitory categories of contractor, gig worker, or temp employee. Another direction for additional research is to further investigate the relationship between work attributes, work arrangement, and work satisfaction.

Limitations

We acknowledge that our findings are affected by how we did the research. The findings do not account for all variables of potential significance. The accompanying research papers provide additional background on project limitations.