

2022

State of the Flexible Workforce

A transformative moment for the labor market



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"I have a college degree yet without all of these experiences, I would not have the knowledge that I have now. It helped me grow as a person tremendously."

[Sebastian H.](#)
Los Angeles, CA



Introduction

Roughly 76 million workers in the United States are paid hourly, [according to data for 2021 from the Bureau of Labor Statistics](#). This number represents about [half](#) of employed Americans, and it is probably an underestimate. Many more people, including those with full-time jobs, are also working hourly – just not in traditional ways.

At least [one in six adult Americans](#) has already earned money from the “gig economy” via apps. Among these apps are flexible work platforms, such as Instawork, that connect hourly workers with local businesses for shifts and long-term assignments. In this inaugural report, government statistics and unique data from the [Instawork](#) platform combine to provide a holistic picture of the flexible workforce and where it sits in the greater pool of hourly workers.

Hourly workers – and the flexible workers among them – have played a crucial role in the economy during the Covid-19 pandemic. They have been shelf-stockers, order-fillers, pickers, packers, and delivery personnel for the billions of packages that arrived at Americans’ doors. They have prepared tons of food and meals in supermarket depots and commissaries. They have cared for people and cleaned in nursing homes and hospitals. Almost always, they have had to work in person.

Some hourly workers have also suffered inordinately during the pandemic. Dishwashers at restaurants, servers at events, housekeepers at hotels, concession stand cashiers at arenas – work dried up for all of them for months and even years. And these workers were not just laid off; many employers in these industries closed their doors, never to reopen. Hourly workers who were able to keep working during the pandemic also suffered from long hours and burnout; as many as [1.8 million workers](#) may have left the hospitality industry since February 2020. When work began to trickle in again, the labor market looked very different.

It was different for everyone. The pandemic coincided with, and likely accelerated, a shift towards flexible work contracted via online platforms and mobile apps. Even before the pandemic, the global turnover of the gig economy was projected to reach [almost half a trillion dollars by 2023](#). Now, in one of the tightest labor markets on record, flexible work is a dominant mode of staffing for thousands of businesses in hospitality, retail, manufacturing, logistics, healthcare, and a slew of other sectors. Hiring managers at these businesses are finding the workers they need with a tap of the finger.

In this report, the data shed light on this rapidly growing sector of the workforce and highlights who they are, where they are, and why they want flexible work. The report also details how much this workforce is paid and how they compare to the hourly workers surveyed by government agencies. These data offer useful insights on a segment of the labor force that has been less visible until now and chronicles its ongoing transformation.

For context, it is important to note that flexible work is an evolution of, rather than a synonym for, the gig economy. Gig workers can set aside time to work, but there’s no guarantee that they’ll pick up a certain number of tasks or income during that time. By contrast, flexible work allows people to choose the times when they will work and be paid, with perfect foresight about their earnings from each shift or long-term assignment. They can use flexible work to supplement their monthly budgets or to save and plan for the long term.

These benefits of flexible work will have profound effects on the labor market. Between 25% and 35% of the active workforce [may be participating](#) in the gig economy in some capacity now, yet flexible workers could make up [60% of the workforce](#) by 2027. With such dramatic predictions emerging, the data presented here offer useful insights on a significant but less visible sector of the workforce, as well as a historic transformation of the labor market.

Key findings

Flexible workers are:



Much more diverse than the overall population of hourly workers



Mostly between 25 and 44 years of age



Nearly equally split between men and women



Better educated than other hourly workers



Comfortable with technology



Eager to take on new challenges and pick up new skills



Chiefly motivated by flexibility itself, aside from pay



Paid equally, on average, regardless of gender or race/ethnicity



Increasingly in demand, especially in service industries

Who are flexible workers?

Flexible workers make up an extraordinarily diverse and well qualified group of people motivated to try new ways of participating in the labor force. They are comfortable with technology and eager to take on new challenges and pick up new skills. At Instawork we call them Pros, as a testament to their abilities and experience. In an April 2022 survey of more than 2,500 active and newly registered Pros on the Instawork platform, 61% said they preferred to work for multiple businesses and 38% said learning skills was a primary motivation for working flexibly. With comparisons to official statistics, we can paint a picture of the workers who stand at the forefront of the labor market's transformation.

Most are between ages 25 and 44

Flexible workers are a growing subgroup of hourly workers, and they are different in measurable ways. For instance, flexible workers on the Instawork platform in 2022 skew younger than hourly workers as a whole, though 59% of active Pros are between the ages of 25 and 44.

This may not be surprising given the necessity of using a smartphone app to sign up for shifts. Similarly, while more than 20% of hourly workers nationwide are aged 55 or older, the same group represents only about 5% of the flexible workers on our platform. But flexible workers are hardly just a bunch of teenagers and twenty-somethings. Only 28% are under age 25, and a third are 35 or older. The majority are experienced workers in their prime working years.

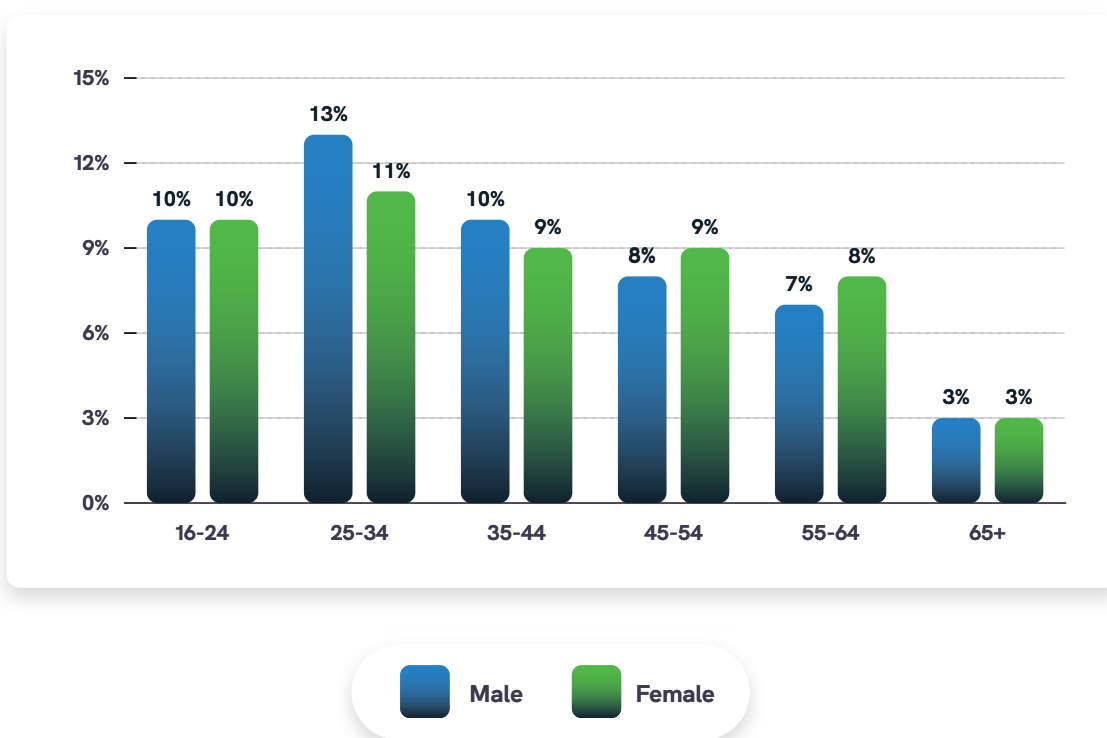


"I can make money tonight, tomorrow, any time I feel like it. It would be hard to go back to a normal 9-5 job."

Chester L.
San Diego, CA

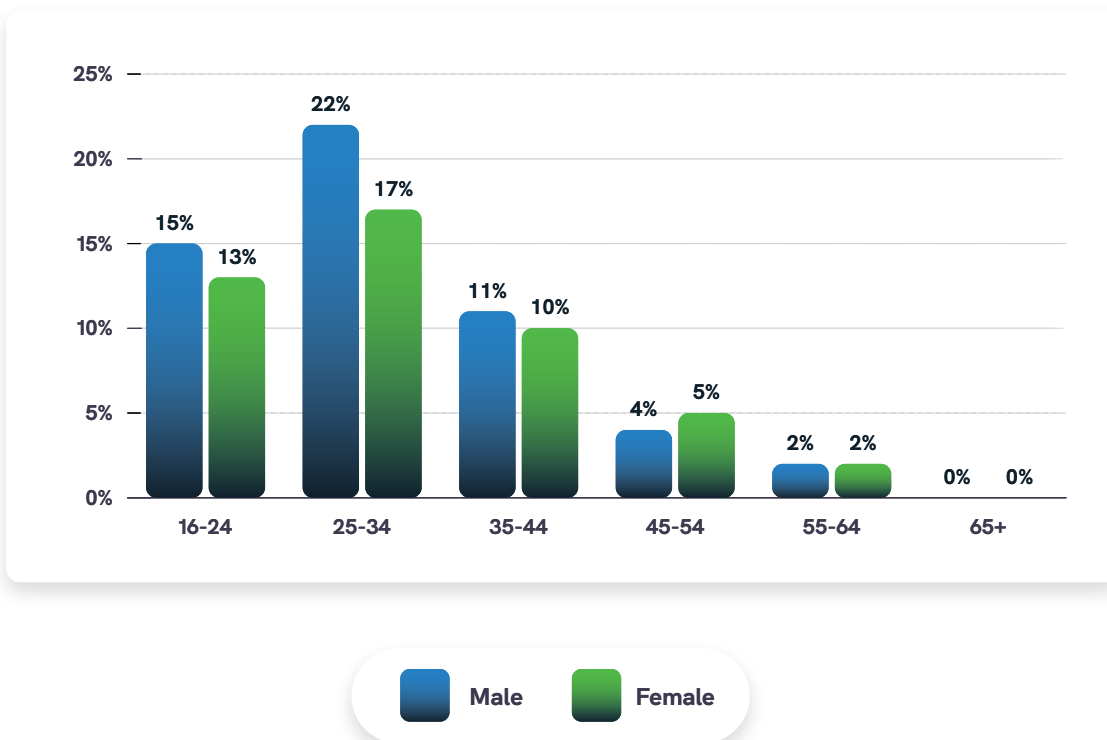
Age and gender of hourly workers

(Source: Bureau of Labor Statistics, 2021)



Age and gender of *flexible* workers

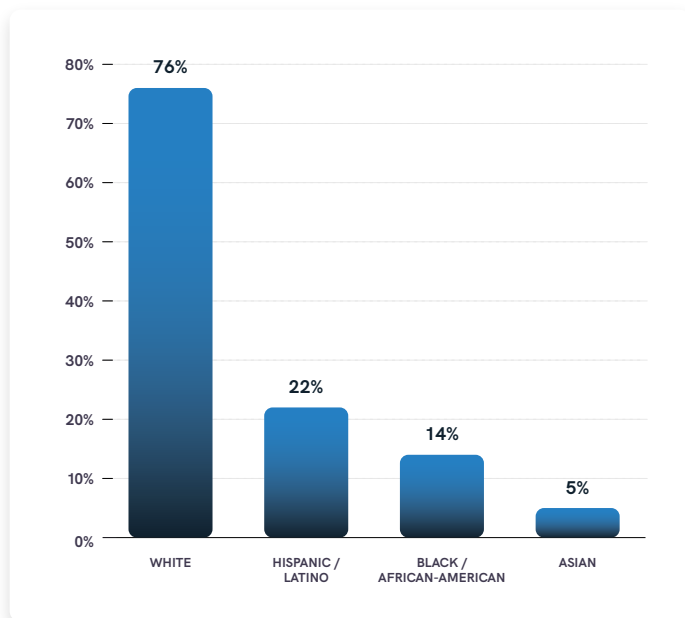
(Source: Instawork Pro database, 2022)



Almost half are Black/African-American

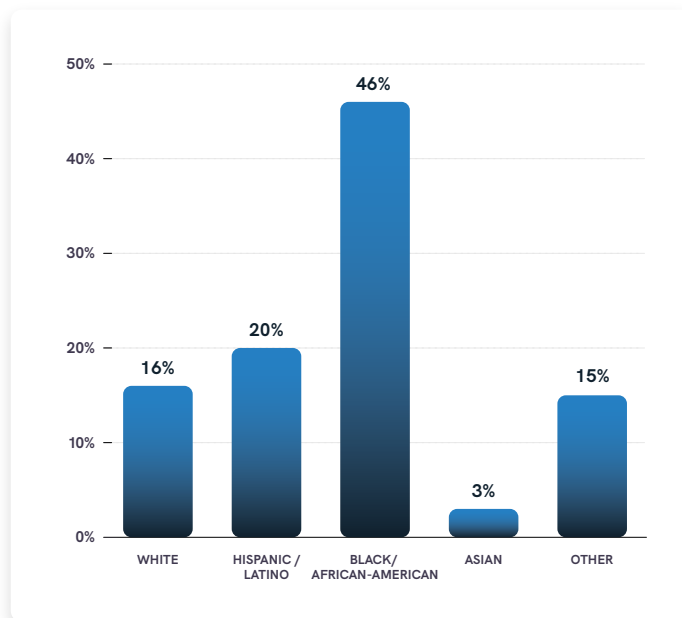
Race/ethnicity of hourly workers

(Source: Bureau of Labor Statistics, 2021)



Race/ethnicity of *flexible* workers

(Source: Instawork Pro database, 2022)



The flexible workforce on the Instawork platform is so much more diverse, racially and ethnically, than the hourly workforce as a whole. According to government statistics, more than [three quarters of hourly workers](#) across the United States identify themselves as White. On the Instawork platform, almost half of working Pros are Black/African-American, and only 15% identify primarily as White. The share identifying primarily as Hispanic/Latino is similar in both groups at around 20%. Men and women do flexible work in roughly equal numbers, though Pros under age 45 are more likely to be male.

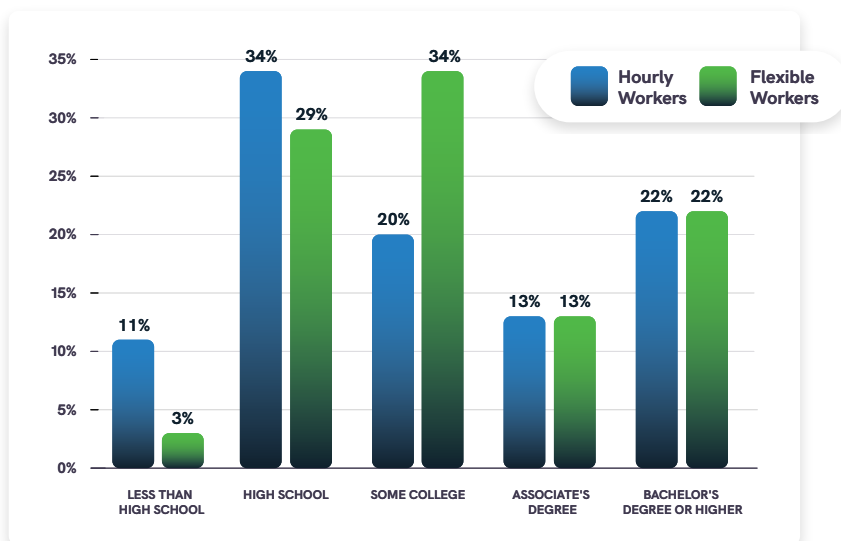
The diversity of flexible workers may stem in part from equity. The pay for a shift is the same no matter who takes it, since rates are fixed in advance. In addition, flexible work contracted via an online marketplace, with no other gatekeepers, might offer a more accessible way into the workplace for non-White groups whose [unemployment rates are typically higher](#).

Education completion rates are higher

Importantly, demographic differences in the flexible workforce do not translate into differences in qualifications. Though educational attainment in the United States is [generally higher](#) among the White population than among Black and Hispanic Americans, the relationship does not hold for Instawork's pool of flexible workers. In our survey of Instawork Pros, the high school completion rate was higher than for hourly workers surveyed by government agencies – 97% to 89%, as per data in the chart below – and more Instawork Pros had completed college coursework as well.

Education of hourly and *flexible* workers

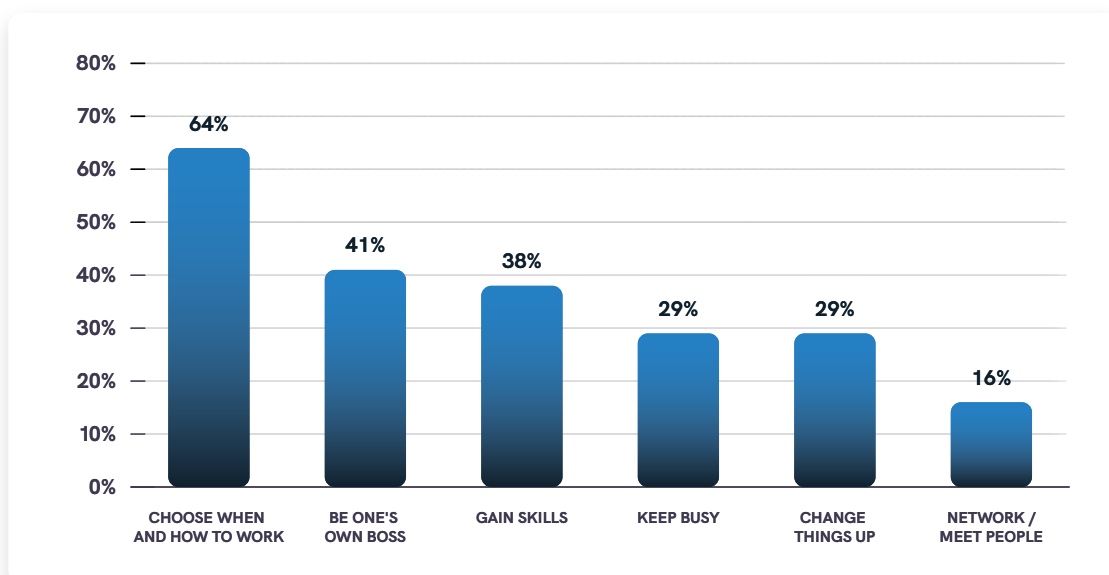
(Source: Bureau of Labor Statistics, 2021; Instawork Pro database, 2022)



Non-monetary factors motivate flexible work

Most cited non-monetary motivations for *flexible* work

(Source: Instawork Pro database, 2022)



Flexibility was the chief non-monetary motivation for using the flexible work platform, cited by roughly two-thirds of respondents in the Instawork survey. This share was even higher among workers who said they were in school and/or had to care for someone in the home. The ability to be one's own boss was another top motivator, with 41% of respondents.

Pros are also entrepreneurial and eager to improve their own prospects in the job market. In fact, our research has shown that [Pros are creating their own career paths](#) on the Instawork platform, moving up the value chain in the roles they work and stepping up from shift work to permanent work.

Earning extra income was also a prime motivation. With the recent inflation in consumer prices, flexible work has become an important way for people to make ends meet. Three quarters of the survey respondents said they used flexible work to pay for essentials, and more than half of respondents said they were the sole income earners in their households.

The most common responses here all suggest that flexible workers are looking for more autonomy and personal growth. The ability to choose when and how to work was particularly prized by Pros who were the sole earners in their household and said they took care of someone else, with more than 75% of respondents. These Pros, who were likely to be single parents, represented about 18% of respondents, while the nation's 15 million single parents made up only about 6% of the nation's adult population.

About half of active workers said they earned at least 20% of their income via Instawork

Flexible work represented more than a few dollars on top of these workers' regular incomes. About half of active workers said they earned at least 20% of their income via Instawork. But workers weren't just looking for more hours; they were also looking for higher pay. In another Instawork survey from November 2021, almost half of respondents said they would not work for less than \$15/hour - more than double the minimum wage in many states.

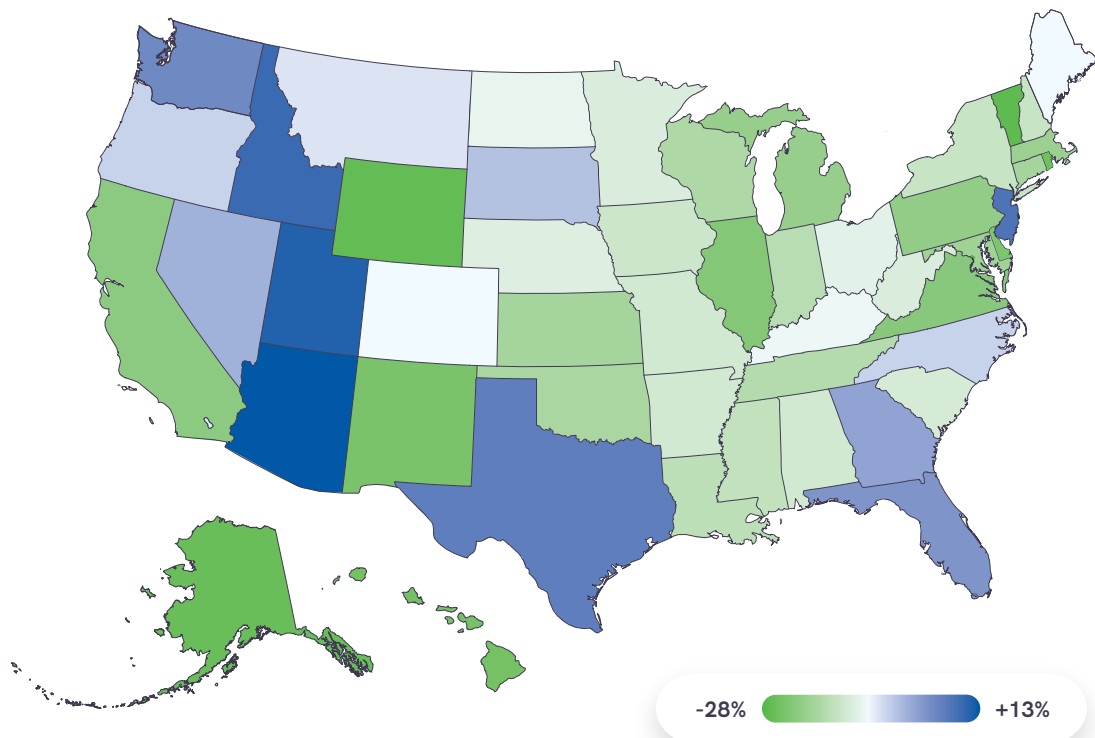
Moreover, the majority of workers in the more recent survey did not consider flexible work merely a stopgap between traditional jobs. Among the 65% of respondents who said they were seeking permanent positions, more than three quarters said they would keep doing flexible work even after becoming employed full-time.

Where are the supply and demand for flexible work?

Overall, the hourly workforce has expanded across the United States largely in parallel with nationwide patterns of population growth. Since 2015, the Bureau of Labor Statistics has recorded the highest growth in southern and western states, while more densely populated states, especially in the northeast, have lost hourly workers.

Changes in populations of hourly workers, 2015 to 2021

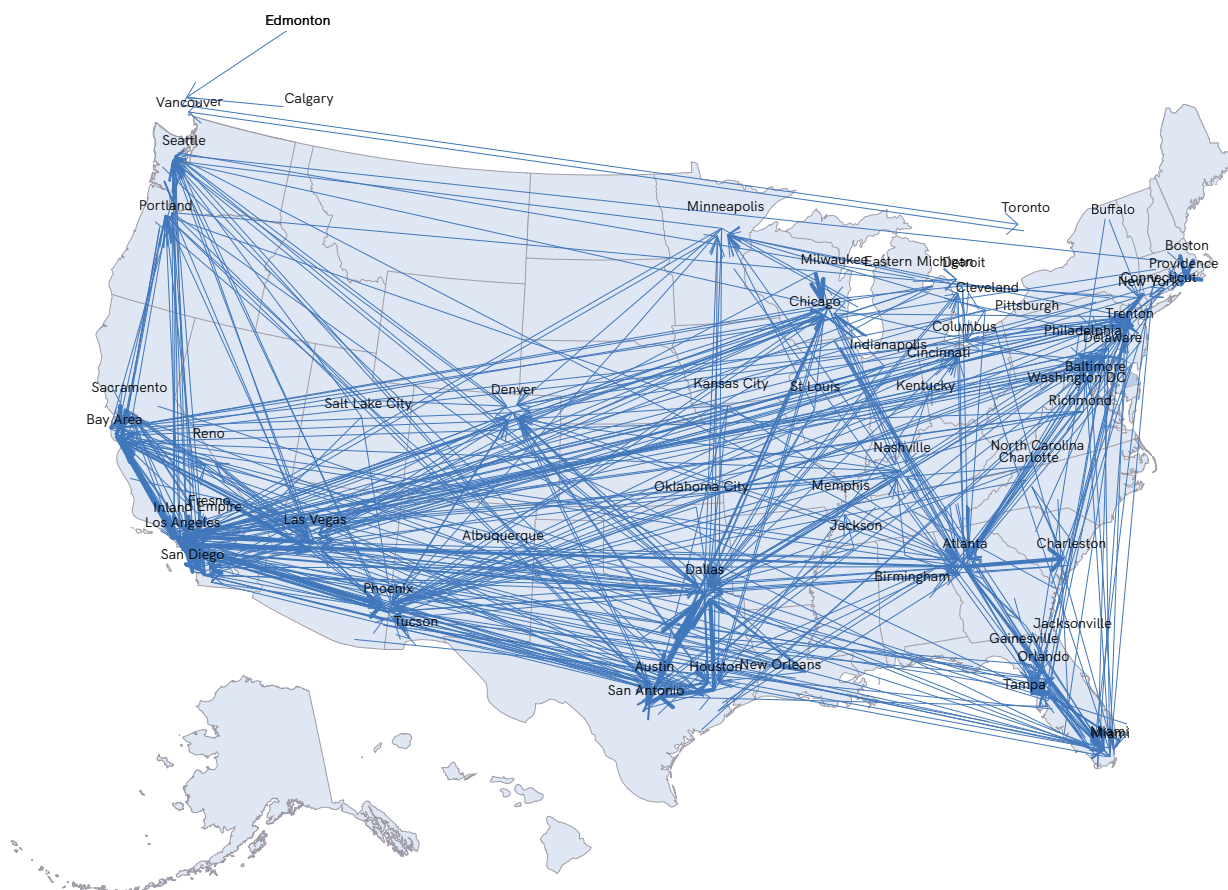
(Source: Bureau of Labor Statistics)



Mobility allows for increased flexibility

Migration patterns of flexible workers

(Source: Instawork transaction data)



There are millions of flexible workers in markets across the United States and Canada. When they can access flexible work from an online marketplace, they may work in more than one geographical area, either from the same home base or as they move from city to city.

During the first 18 months of the pandemic, tens of thousands of workers [left urban centers like New York City](#) to be with family, cut costs, escape Covid-19 restrictions, or change jobs. In our survey, 62% of respondents said they would relocate to a place with more work. But moves for flexible work don't have to be permanent; some Pros work shifts when they go to visit family or friends, on vacation or a [cross-country road trip](#). Others simply make an extra-long commute for an attractive shift.

Among the Pros who are mobile in this way, the vast majority will go to an adjacent area for work, the most common combination being Los Angeles and the Inland Empire in California. Among Pros who work in multiple regions, about 15% work in three or more, with common combinations including Austin-Dallas-Houston and Miami-Orlando-Tampa.



Demand reflects economic trends

Demand from businesses for flexible work has shifted in line with the broader trends in the economy. At the height of the Covid-19 pandemic, millions of Americans were either confined to their homes or severely limiting their time outside. As a result, the demand for hourly work in occupations related to hospitality, entertainment, and travel was relatively low. People bought goods and services for delivery electronically or to their front doors. During this period, the demand for work in light industrial roles, including logistics and warehousing, increased sharply.

More recently, as the nation has begun to treat the pandemic more as an endemic, consumers [have shifted their consumption](#) back to services delivered outside the home. This trend has been reflected in the demand for flexible work as well. In fact, the ratio of shifts booked in the hospitality sector to shifts booked in the goods-producing sector has been rising steadily alongside the change in spending by consumers.

Of course, another wave of the Covid-19 pandemic could send consumers back into their homes and reverse the trend. In the first half of 2022, 22% of active Instawork workers had completed shifts in both the hospitality and goods-producing sectors.



"Knowing that I'm not going to have to go back to the same job all the time, constantly in the same place. Being able to have the flexibility definitely puts my mind at ease when it comes to making money on the road."

Gene and Shay

Travel all over the U.S.

Flexible workers can operate across the economy

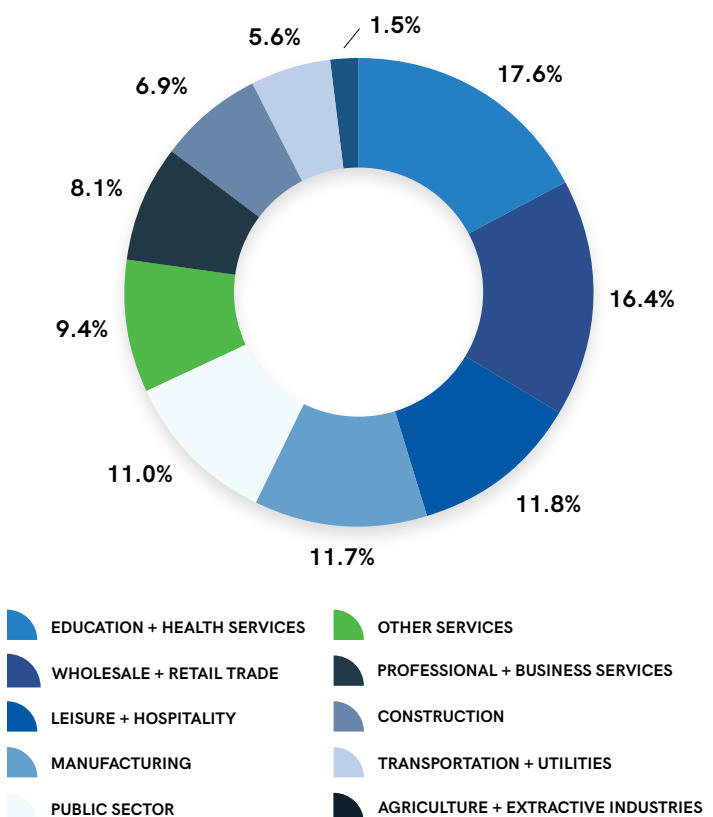
The pioneers in using flexible work have included businesses with fluctuating demand for labor or less specificity of skills, such as entertainment venues, food service providers, and warehouses. A stadium or fulfillment center might bring in dozens of flexible workers at a time without requiring prior experience at the site. Yet flexible work is growing even in industries where permanent employment of hourly workers has long been the norm.

This has been true in industries like education, healthcare, and the public sector, which together employ a third of hourly workers according to the Bureau of Labor Statistics. Today, senior living facilities, universities, and other institutions are already using flexible workers for food preparation, custodial work, and other similar roles.

Overall, the demand for flexible workers is growing rapidly. Since January 2020, immediately before the Covid-19 pandemic began, the number of companies booking shifts on the Instawork platform has quadrupled.

Industries of hourly workers

(Source: Bureau of Labor Statistics, 2021)



What are hours and pay for flexible workers?

Flexibility in the labor market goes both ways. Workers can set their own schedules and choose from a wide range of opportunities, while businesses can fine-tune their staffing and bring in workers “just in time”, as they would with inputs from their supply chains. Because flexibility offers extra value to businesses, and because flexible workers have a menu of options, pay rates for flexible work tend to be higher than for hourly work in general. And because they may be pursuing a so-called “side hustle” to gain extra income or new skills, most flexible workers’ hours are less than full-time.

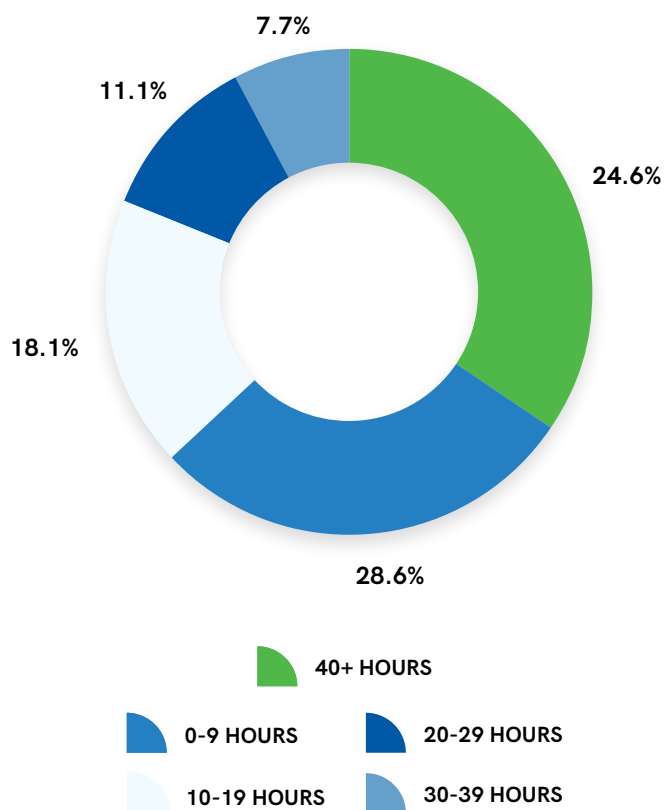
Extra hours mean extra income

Most hourly workers who responded to surveys by government agencies worked at least 40 hours per week, and more than 90% worked at least 20 hours. Among working Pros on the Instawork platform, the picture was somewhat different. Flexible workers who were active on the Instawork platform in July 2022 averaged about 45 hours per month, instead of per week, with more than half working at least 20 hours.

This fits well with workers’ motivations in the Instawork survey. For most, flexible work is a source of extra income and not a substitute for a full-time position. But almost half of respondents said they used multiple forms of flexible work, so their actual hours spent on flexible work might be higher.

Monthly hours of *flexible* workers

(Source: Instawork transaction data, 2022)



Flexible workers earn higher pay

Pay rates for flexible workers usually exceed those for hourly workers as a whole. This reflects the value and convenience of bringing in high-quality, reliable workers on short notice. In a comparison of the Bureau of Labor Statistics' hourly rates by occupation and industry for May 2021, the corresponding rates for flexible workers on the Instawork platform during the first half of 2022 were higher in nine out of ten roles.

Even after increasing the bureau's numbers from May 2021 by a generous 10% to reflect pay raises (when in fact average hourly earnings [have only risen by 5%](#)), Instawork rates were higher than the overall average for hourly workers in four out of every five roles. After the adjustment for pay raises, the average difference in pay, including roles where Instawork pay was lower, is 25%.

Average hourly pay in top roles: Bureau of Labor Statistics vs. Instawork platform

(Source: Bureau of Labor Statistics, 2021; Instawork Pro database, 2022)

Average of BLS Mean Hourly Pay Rates	Average of BLS Mean Hourly Pay Rates +10%	Average of Instawork Mean Hourly Pay Rates	Average Percentage Difference, Instawork Versus BLS	Average Percentage Difference, Instawork Versus BLS +10%
\$14.94	\$16.43	\$20.19	37%	25%

BLS Role	BLS Industry/Sector	BLS Average Hourly Pay Rate	Instawork Average Hourly Pay Rate	Percentage Difference, Instawork Versus BLS	Percentage Difference, Instawork Versus BLS +10%
Cooks	Full-Service Restaurants	\$15.06	\$24.63	64%	49%
Dining Room and Cafeteria Attendants and Bartender Helpers	Full-Service Restaurants	\$13.14	\$21.26	62%	47%
Dishwashers	Full-Service Restaurants	\$12.98	\$21.84	68%	53%
Waiters and Waitresses	Full-Service Restaurants	\$15.76	\$23.11	47%	33%
Bartenders	Sector 71 - Arts, Entertainment, and Recreation	\$13.41	\$24.27	81%	65%
Entertainment Attendants and Related Workers, All Other	Sector 71 - Arts, Entertainment, and Recreation	\$12.92	\$18.07	40%	27%
Fast Food and Counter Workers	Sector 71 - Arts, Entertainment, and Recreation	\$12.31	\$19.59	59%	45%
Food Servers, Nonrestaurant	Sector 71 - Arts, Entertainment, and Recreation	\$13.09	\$24.97	91%	73%
Laborers and Freight, Stock, and Material Movers, Hand	Sectors 44 and 45 - Retail Trade	\$14.79	\$16.21	10%	0%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	Services to Buildings and Dwellings	\$14.22	\$20.89	47%	34%
Food Preparation Workers	Special Food Services	\$14.26	\$21.42	50%	37%
Stockers and Order Fillers	Warehousing and Storage	\$18.39	\$16.59	-10%	-18%

Gaps in pay across gender and race/ethnicity are zero on average

As mentioned above, flexible workers come from a diverse mix of demographics, and fairness in pay may be one of their reasons for using a flexible work platform. Pay rates are set before workers pick up shifts.

To demonstrate the level of equity across demographic groups, we compared the average hourly pay rates for each role and region on the Instawork platform by gender and racial/ethnic identity. Then we measured the average differences in pay rates across these role-region combinations. There was some idiosyncratic variation in individual roles, which could stem from different pay rates offered for the same roles at different times of the day or week. But in these data, the average pay gaps between women and men, and between White and non-White workers, were zero (as were the medians in each case).

Gaps in pay by gender and race/ethnicity for flexible workers

(Source: Instawork transaction data, 2022)

Comparison	Avg. ratio across roles	Lowest ratio	Highest ratio
Gender			
Female:Male	100%	71%	112%
Non-Binary:Male	101%	46%	204%
Race/ethnicity			
Black/African-American:White	100%	66%	116%
Hispanic/Latino:White	100%	66%	114%
Other:White	100%	65%	124%



What factors make flexible work successful?

A flexible work platform is where local businesses and flexible workers interact as buyers and sellers, respectively, of labor. Like most online marketplaces, the platform allows users to choose, complete, and if necessary cancel transactions. It also has a reputation mechanism by which workers and businesses can rate their experiences with each other. These tools help the platform to generate the best matches in the shortest possible time.

Hourly pay is closely related to fill rate

The technology and reach of online platforms for flexible work allow businesses to fill shifts with unprecedented speed.

Hourly pay is closely related to fill rate and time to fill shifts, especially in higher pay bands. For shifts booked a week or less in advance across the Instawork platform, fill rates were six percentage points higher for shifts with hourly pay at least 10% above the average for the role and region. These shifts also filled up in about half the time.

More generally, the fastest shifts to fill on the Instawork platform are for warehouse work. These are also among the shifts with the fewest prerequisites for skills and experience. Among shifts booked a week or less in advance, these easily accessible roles – as well as shifts for bussers and dishwashers – fill up within an average of less than eight hours. Shifts in hospitality, including for higher-skill roles such as bartenders and line cooks, take about nine hours to fill. Shifts for counter service and concession stands, often part of large shift groups at stadiums and other venues, take longer to fill but still less than a day on average.

Average time to fill shifts on the Instawork platform by pay

(Source: Instawork transaction data, 2022)

Pay band	Avg. hours to fill shifts booked up to a week in advance
\$0 up to \$14	11.6
\$14 up to \$18	10.1
\$18 up to \$20	8.7
\$20 or more	8.0

Average time to fill shifts on the Instawork platform by occupational group

(Source: Instawork transaction data, 2022)

Occupational group	Avg. hours to fill shifts booked up to a week in advance
Warehouse	7.0
Bussers and dishwashers	7.4
Bar staff	8.6
Servers and runners	9.0
General labor	9.1
Cooks	9.2
Custodial and cleanup staff	10.8
Food service staff	12.8
Counter and stand staff	15.6

Feedback offers guidance to businesses and workers

One of the crucial differences between regular staffing agencies and online marketplaces is that marketplaces for flexible work can collate feedback with reputation mechanisms. Workers and businesses on the platform can rate and leave feedback about each other after each shift. This information is invaluable for businesses figuring out how to optimize their use of flexible workers. It also helps workers to refine their working habits and find the shifts that best fit their preferences.

To help align expectations on both sides, we collated the most commonly cited factors in the feedback from shifts that received the best ratings.

The positives cited most often by workers across all sectors were the other people in the workplace. Almost half of the feedback from the top-rated shifts mentioned supervisors and fellow workers. Next most common was the atmosphere or working environment, featured in roughly a quarter of feedback. Ease of work was also important in the non-perishable goods sector, which often involves strenuous labor in warehouses and fulfillment centers.

Businesses cited several factors in their positive feedback for workers, most notably workers' attitude or enthusiasm. A close second was the workers' helpfulness and kindness to co-workers or the businesses' customers. Ability, knowledge, and professionalism were also important, though not so much in non-perishable goods, where the work can be as simple as stacking shelves or moving boxes. But speed was more valued in that sector than in hospitality and food service, where extra care might be required.

Responding to feedback increases the efficiency of the labor market, preventing unproductive matches between workers and businesses before they happen. The increased quality of the resulting matches adds more value for both sides, further justifying the higher pay rates for flexible work.

Top factors cited in worker feedback on business partners by sector

(Source: Instawork transaction data, 2022)

Role	Hospitality	Non-perishable goods	Food and food service	Other services
Team/staff	47%	42%	49%	42%
Atmosphere/environment	23%	24%	27%	21%
Ease of work	10%	22%	12%	15%
Location/convenience	8%	5%	8%	6%
Pace of work	5%	7%	6%	5%
Training	2%	3%	3%	3%
Pay	3%	5%	3%	3%
Cleanliness/sanitation	1%	1%	2%	2%
Breaks	1%	2%	1%	2%
Procedures	2%	1%	1%	1%

Top factors cited in business partner feedback on workers by sector

(Source: Instawork transaction data, 2022)

Role	Hospitality	Non-perishable goods	Food and food service	Other services
Attitude/energy	19%	21%	17%	11%
Helpfulness	17%	15%	14%	16%
Ability/knowledge	17%	9%	14%	13%
Speed of work	6%	13%	9%	19%
Learning	6%	14%	6%	10%
Work ethic	9%	10%	8%	8%
Punctuality	3%	7%	6%	4%
Leadership/team player	6%	6%	5%	4%
Initiative	1%	2%	2%	2%
Attentiveness	2%	4%	3%	4%

Conclusion

Flexible workers are driving a pivotal transformation of the labor market. They are a diverse group in terms of their background and motivations. The labor market offers overwhelming evidence that they are viewed as high-quality workers worthy of pay rates that exceed the norms for hourly workers.

Flexible work can be more than just a source of extra income or a way to fill holes in staffing. By offering another option for employment through the ups and downs of the economy, it can help to stabilize incomes and production levels. By helping workers to pick up new skills, it can create human capital. By making the matching process in the labor market more efficient, it can chip away at the most stubborn forms of unemployment.

Having taken the initiative to access the labor market in a new way, flexible workers are starting to create their own career paths as well. A growing number are starting with shift work, finding their way onto businesses' rosters of preferred workers, netting long-term assignments, and then getting hired permanently. This progression is good for flexible workers and good for the economy as a whole. Flexible workers are already an essential part of the 21st century labor market.

About Instawork Economic Research

Led by Chief Economist Daniel Altman, the [Instawork Economic Research Division](#) analyzes and offers insights into labor trends, particularly within the hourly workforce. The team's findings have been featured by *CBS News*, *CNN International*, *The Wall Street Journal*, *Entrepreneur*, *Associated Press*, and more. To receive regular updates from the Instawork Economic Research team, [subscribe here](#).

About Instawork

Founded in 2016, [Instawork](#) is the leading flexible work app for local, hourly professionals. Its digital marketplace connects thousands of businesses and more than three million workers, filling a critical role in local economies. In 2022, Instawork was ranked as one of the top 10% of the country's fastest-growing companies by Inc. 5000 and was included in the Forbes Next Billion Dollar Startup list. Instawork was also named the 2022 ACE Award recipient for "Best Innovation," one of the "Best Business Apps" by Business Insider. Instawork helps businesses in the food & beverage, hospitality, and warehouse/logistics industries fill temporary and permanent job opportunities in more than 25 markets across the U.S. and Canada. Follow us on [Twitter](#), [Instagram](#), [LinkedIn](#), and [Facebook](#).



www.instawork.com

