How Marriage Impacts Gig Workers’ Financial Wellness

The Precarious Financial Plight of the Single Gig Worker
Introduction

Independent, or “gig,” workers have become an integral part of the U.S. labor force. Beholden to no one employer, gig workers move from assignment to assignment, free to choose their tasks but often uncertain how much they’ll earn in the weeks or months ahead. Their reasons for choosing this form of employment vary, but can include a desire to be their own boss, to maintain a better work/life balance, or to escape bureaucracy. And sometimes, of course, the goal is simply to earn some money when full-time work is hard to find.

Whatever the underlying drivers, the gig work model has significant implications for workers’ financial wellness. But so, too, does a worker’s marital status. And those implications are particularly troubling for gig workers who are single.

That’s the key finding from a new analysis of Prudential’s Gig Worker On-Demand Economy survey, which Prudential commissioned to understand the lifestyles and financial wellness of gig workers. Initial results from that survey were revealed in two recent Prudential publications, “Gig Workers in America: Profiles, Mindsets, and Financial Wellness,” and “Gig Economy Impact by Generation.” Those reports showed that gig workers have more financial wellness challenges than full-time workers due to lower average pay, a less predictable work stream, and less access to employer-sponsored benefits.

This paper shows that marital status has significant financial wellness implications, too, regardless of whether a worker is a full-time employee or a gig worker. But the challenges are particularly difficult for single workers, who are less likely than their married colleagues to benefit from additional sources of household income. They also usually have a higher per-person cost structure because they’re not sharing household expenses, and often have no access to either employer-sponsored benefits through their spouse or to Social Security spousal benefits.

Given the increased financial challenges facing gig workers and single workers, it is not surprising that those at the intersection—single gig workers—are particularly susceptible to poor financial health. Their ranks are substantial, too. Single workers, it turns out, are much more likely than married workers to engage exclusively in gig work. (The ratio of single to married workers is almost exactly 1:1 among gig workers, versus about 1:2 among full-time workers.) What’s more, many gig workers are part of the millennial generation, who on average are getting married later in life than previous generations. This suggests they may find themselves spending more years as single gig workers.

Unless otherwise stated, the findings in this paper are from the Gig Worker On-Demand Economy survey and refer to gig workers who do gig work exclusively. Throughout the paper, the term “Marrieds” refers to gig workers who are married, have a civil union or live with a partner, while the term “Singles” refers to gig workers who are single, divorced, separated, or widowed.

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1 In the survey, independent or “gig” workers include individuals who work for themselves and provide a service or labor (e.g., freelancer, independent contractor, on-demand or temporary worker), and exclude those who rent out assets (e.g., Airbnb) or sell goods that they produce (e.g., Etsy).
Lifestyle

Gig workers cite a wide range of reasons for choosing gig work. The top reason for all gig workers is to make ends meet. For Marrieds, the second most common reason is to have more time for other things important to them. For Singles, it’s wanting more freedom from bureaucracy and red tape.

Main Reason for Getting into Independent/Gig Work

<table>
<thead>
<tr>
<th>Reason</th>
<th>Marrieds</th>
<th>Singles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needed money to make ends meet</td>
<td>44%</td>
<td>51%</td>
</tr>
<tr>
<td>Wanted more time for other things important to me</td>
<td>26%</td>
<td>37%</td>
</tr>
<tr>
<td>Wanted more freedom from bureaucracy and red tape</td>
<td>26%</td>
<td>31%</td>
</tr>
<tr>
<td>Wanted to pursue my passion</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>Wanted more discretionary income</td>
<td>13%</td>
<td>25%</td>
</tr>
<tr>
<td>Wanted to do more meaningful work</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Just to have something to do with my time</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Needed money to pay off debt</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>Just needed a change</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Needed money to fund education</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Some other reason</td>
<td>5%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Gig work arrangements may help in balancing work and personal life, especially for Marieds. Nearly half of Marrieds (49%) are stay-at-home parents, students or retired—groups that may need, or simply appreciate, flexible work schedules. Marrieds may have more flexibility to do gig work, too, because they are more likely to have multiple sources of household income and access to benefits and retirement assets through a spouse.

Gig Workers: Work/Life Balance
Singles may have less need for gig work as a means of balancing work with other responsibilities. Only 6 percent of Singles are stay-at-home parents. Seven percent are students, and another 7 percent are retired. Only one in five Singles has children under 18 in their household. Approximately twice as many Marrieds do.

Overall, more Marrieds than Singles like their gig work situation. Sixty-eight percent of Marries say they like their current work situation and wouldn’t want to change it, compared with only 51 percent of Singles. Still, only one in five of either group expresses a strong interest in switching to traditional full-time employment.  

“Like current work situation and wouldn’t want to change it”

Financial Wellness

Financial Wellness is the ability of individuals to achieve the foundational elements of financial security: managing day-to-day finances, achieving important financial goals, and protecting against major financial risks. Key drivers of a person’s financial wellness include income level, the presence of risk protection tools and benefits like life and health insurance, retirement savings, and access to financial advice.

Singles are far more likely to be struggling financially than other groups of workers. Married workers—gig or full-time—appear to be more financially secure than single workers. Thirty-seven percent of each group say they are struggling financially. But among workers who aren’t married, the situation is substantially bleaker. Forty-eight percent of single full-time workers report that they are struggling financially, as do an alarming 63 percent of single gig workers.

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2 Defined as an 8, 9, or 10 on a scale from 0 (not at all interested) to 10 (extremely interested).

Singles tend to earn substantially less than other groups of workers. Gig workers on average earn only about 58 percent as much as full-time employees, leaving little cushion for managing day-to-day finances or saving for long-term goals. But the income handicap is much greater for Singles, who on average earn only two-thirds as much as Marrieds: $29,500 versus $43,900. That’s not for want of effort, either. Singles work more hours per week on average (29 hours) than Marrieds (26 hours). Even more discouraging for Singles, 54 percent are the only source of income for their household. Only 27 percent of Marrieds report being the sole source of income in their households.

Annual Income

Gig workers—especially Singles—have far less access to employer-sponsored benefits. Fifty-four percent of all gig workers say they have no access to any employer-sponsored benefits, leaving them vulnerable to key financial risks such as premature death in the family, disability, or critical illness. But these risks are even greater for single gig workers; 62 percent of Singles have no access to benefits, compared to 47 percent of Marrieds. Where gig workers do have access to workplace benefits, they are typically restricted to medical, dental, vision, and life insurance.
Say they have NO access to employer-sponsored benefits

For certain benefits, including medical insurance, coverage for Singles is fairly rare. Only 30 percent of Singles have access to employer-sponsored medical insurance, compared to 50 percent of Marrieds (some of whom may access it through a spouse). By comparison, 75 percent of single full-time workers and 85 percent of married full-time workers have access to employer-sponsored medical insurance. Meanwhile, fewer than one in five Singles has access to employer-sponsored dental insurance, vision insurance or life insurance. And very few gig workers—Singles or Marrieds—have access to disability insurance, since that coverage is usually offered to employees only, not to family members.

Access to Employer-Based Benefits*

* May also be attributable to sources such as a spouse or affiliation with a professional association
Fewer than one in five gig workers—and fewer than one in 10 Singles—have money in a workplace retirement plan. The decreased availability of pension plans, combined with growing lifespans, has made saving for retirement increasingly challenging for most Americans. It is especially challenging for gig workers, not only because of their generally lower income levels but also because they often lack access to an employer-sponsored retirement plan. In fact, only 16 percent of all gig workers in our study have assets in an employer-sponsored retirement plan, compared to 52 percent of full-time workers. While some married workers may be reporting retirement plan assets owned by a spouse, that backstop is not available to Singles. Alarmingly, only 9 percent of gig Singles have employer-sponsored retirement plan assets in their households, compared to 23 percent of Marrieds.

Workers That Have in Their Household Employer-Sponsored:

<table>
<thead>
<tr>
<th>Retirement Plan Assets</th>
<th>Pension Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gig Marrieds</td>
<td>23%</td>
</tr>
<tr>
<td>Gig Singles</td>
<td>9%</td>
</tr>
<tr>
<td>Full-time Marrieds</td>
<td>56%</td>
</tr>
<tr>
<td>Full-time Singles</td>
<td>45%</td>
</tr>
</tbody>
</table>

More than a third of gig workers say they get no financial advice. When asked what sources of financial advice they use, 37 percent of Singles and Marrieds answered “none”—even though about half say they are struggling financially. For those who do seek advice regularly, 32 percent of Marrieds and Singles cite family or friends as their top source of information.

Marrieds are more inclined to use a professional financial advisor than Singles (22% vs. 13%). This may be because Marrieds are likely to have multiple sources of household income and potentially more complex family structures. Singles, meanwhile, have a higher propensity than Marrieds to seek advice from a local bank or credit union (18%).
### Takeaways

Building on Prudential’s previous research, this paper suggests that marital status influences why people use gig work, and perhaps more importantly establishes that marital status has a substantial impact on gig workers’ financial wellness. Marieds are more likely to use gig work to achieve work/life balance, and may be able to do so thanks to higher average earnings, a higher likelihood of having multiple sources of household income, and the possibility of being able to access a spouse’s employer-sponsored benefits. Singles, meanwhile, are more vulnerable financially due to their lower earnings and their limited access to employer-sponsored benefits and retirement plans. Moreover, Singles are less likely than Marrieds to benefit from shared household costs, additional sources of household income, and Social Security spousal benefits.

Gig workers, financial advisors, employers, and policymakers can all play a role in helping gig workers improve their financial security:

- **Gig workers.** Given their financial wellness challenges, gig workers may want to consider engaging with a financial advisor. They also can look for alternative ways to access important benefits like medical, dental, and life insurance, and strive to set aside money from each gig to help smooth uneven cash flows.

- **Financial advisors.** Financial advisors can take a holistic approach to working with gig workers who seek out their services, providing guidance on how to set up a budget, plan for taxes, save for retirement, find alternative sources for benefits, and plan their careers.

- **Employers.** To attract talented gig workers, employers can look for ways to make it easier for them to achieve an acceptable work/life balance. Employers also can consider offering voluntary non-ERISA benefits for gig workers and workers’ spouses. And they can target communications to those segments of the population that need the most help financially, such as Singles and Gen Xers.

- **Policymakers.** Policymakers can encourage both public and private sector solutions to making benefits such as medical, dental, and life insurance available to gig workers.
About this Study

The Gig Worker On-Demand Economy survey was conducted online by The Harris Poll on behalf of Prudential from January 5 to February 18, 2017, among a nationally representative (U.S.) sample of 1,524 workers including 514 full-time and 256 part-time traditional employees and 754 gig workers. Independent, or “gig,” work was defined as providing a service or labor and did not include renting out assets. Survey respondents were selected from among adults aged 18+ who had agreed to participate in online surveys from the Harris Poll Online panel and preferred sample partners.