

The Journey From Employee to Entrepreneur

Report: The Future of Work and Gig Economy 2.0

whynomics

April 2021



But first, here's **why** we do what we do.

We unravel the emotional state of consumers to help inform business decisions.

And as a rule of thumb, we like to look for opportunity in unlikely places.

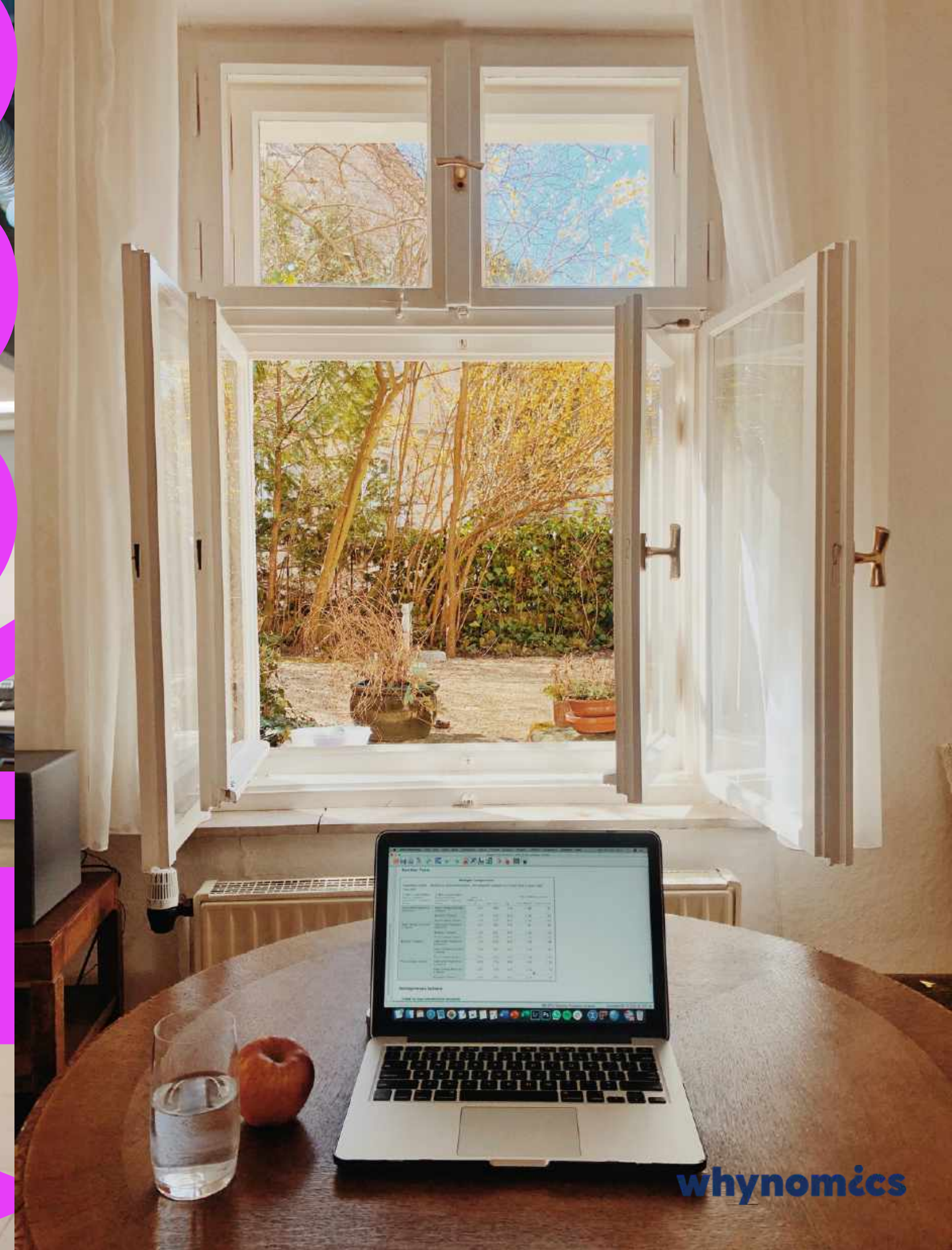
And as a rule of thumb, we like to look for opportunity in unlikely places.



Today, that place is a different angle to the narrative around the future of work.

THE EXPECTATION

The future of work has been a hot topic lately, with most of the conversation focused around in-office versus virtual.



THIS REPORT

While everyone is so focused on where we'll work in the future, a bigger shift isn't being widely discussed.

The future of work looks different, and today we're going to explain why.

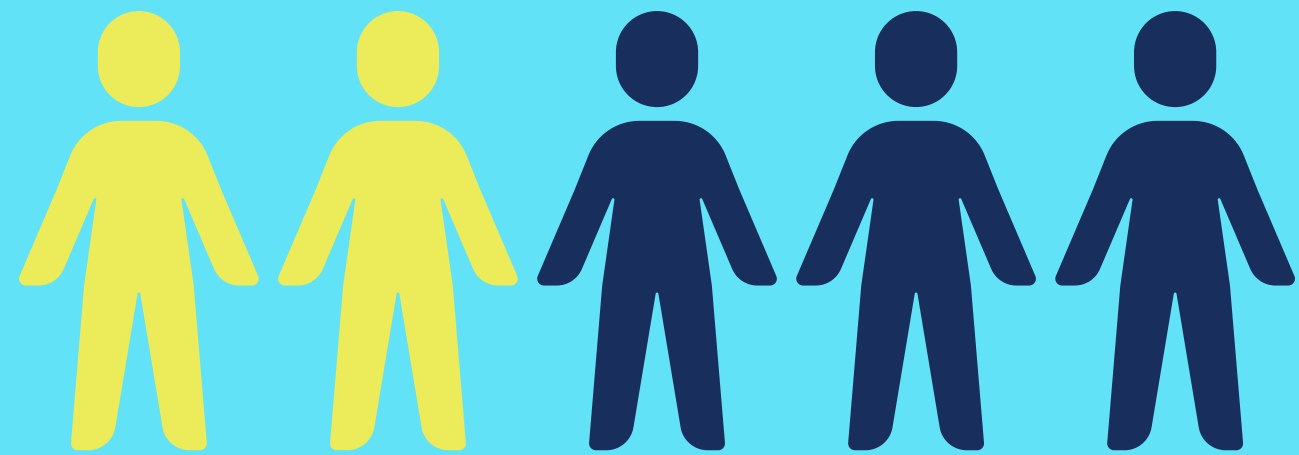
AUDIENCE

EMPLOYERS

Your employees' worlds are evolving. Understanding these trends will help you plan for the future and keep you in-tune with your workforce and your employees' perspectives.

BRANDS

Consumer trends impact behavior, changing the journeys, needs and relationships consumers have with brands. Understanding all facets of the way consumers live and work will allow you to anticipate what's to come and determine how your brand fits into their lives tomorrow.



Two fifths of 18-34 year-olds are planning for changes in their career post-pandemic, with 19% actively looking to start a business or go freelance.

43%

Of young people (18-34) say they love the idea of **starting their own business.**

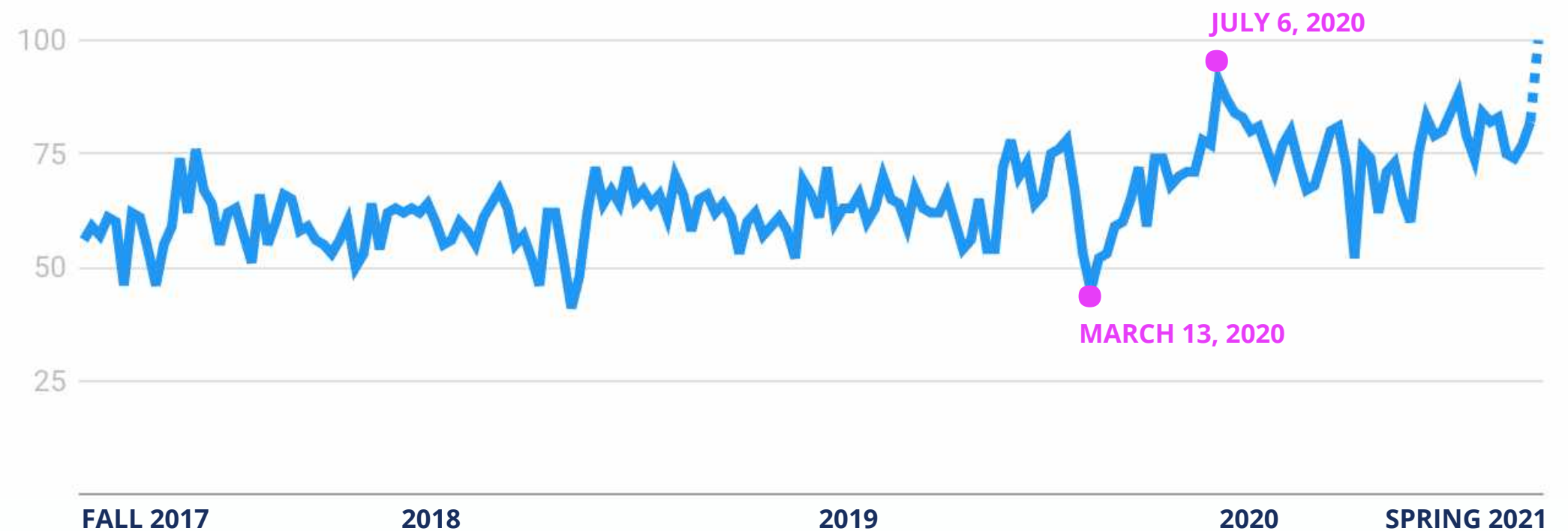
Starting a Business

While search volume around this topic dropped dramatically at the onset of the pandemic, it grew exponentially in the first few months of being quarantined to our homes — and remained high compared to years prior.

By all other standards, coupled with the uncertainty during this time, the idea of starting a business should have continued to fall.

Search Trends for "Start a business"

Google Trends



3.5M '19

↓ +24%

4.4M '20

In the the biggest increase on record, Americans jumped 24% in the creation of **new businesses this year**.

"This is the first recession in the last 50 years where the supply of money is larger than before the crisis."

- Simeon Djankov
Report Author, Peterson Institute

The New York Times

Surge in start-ups is a surprise in the pandemic economy.

"The coronavirus crisis may have accomplished something that a decade of economic growth could not: It spurred a boom in U.S. entrepreneurship."

- Ben Casselman
[New York Times](#)

2020 gave us time

- time to think, time to consider, time to pick up new interests or old hobbies that we forgot we enjoyed.



"If you love what you do, you'll never work another day in your life."

When employees have monetary needs and hobby-based passions outside of work, alongside time to do both, the script changes.

We can now consider these two worlds as fulfilling silo'ed purposes — its **no longer one or the other**.

"If you love what you do, you'll never work another day in your life."

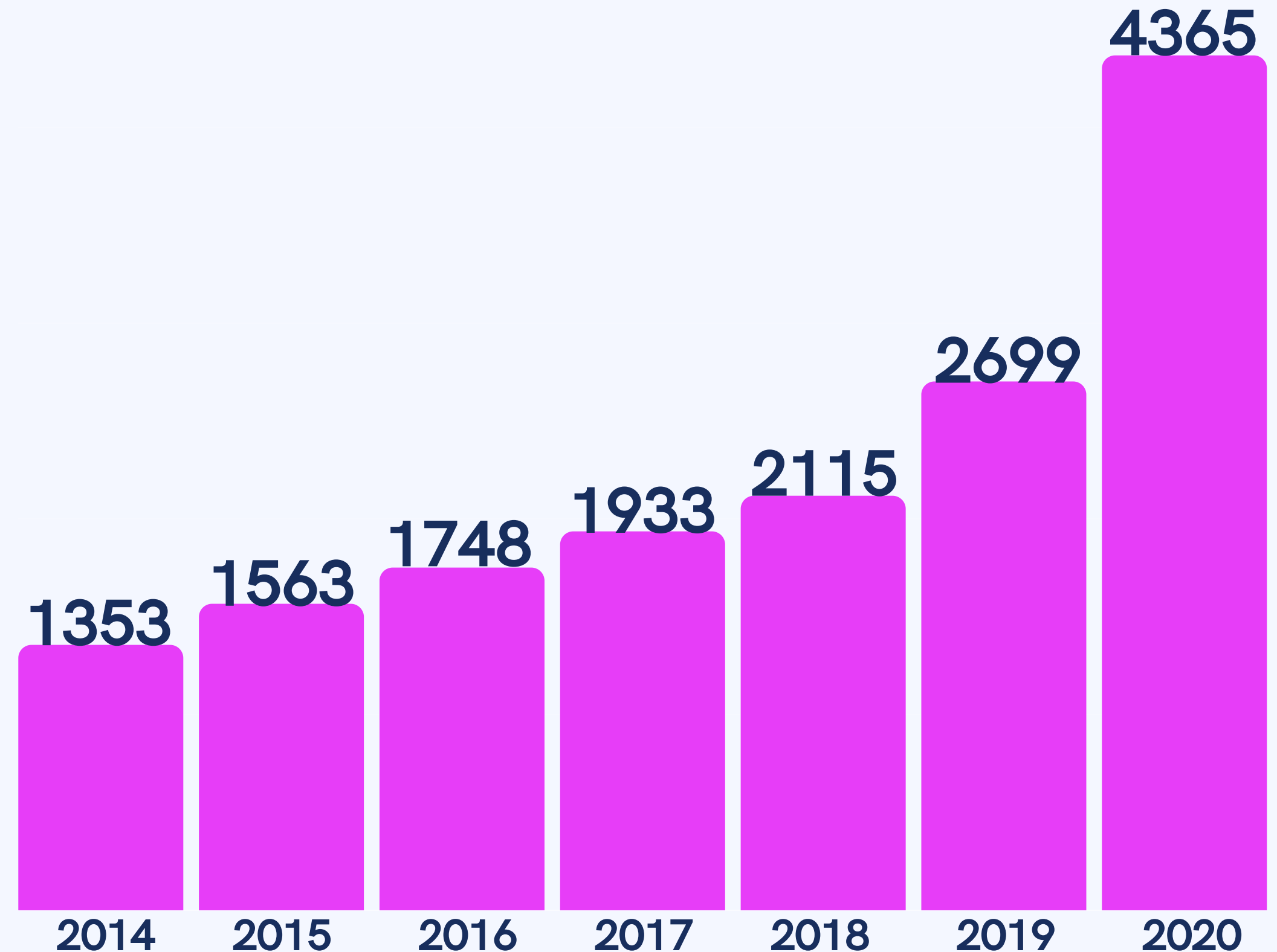
But as time moves on, the passion project could **become the full time job.**

Brands tied to creation or individual passion projects skyrocketed.

Etsy saw a whopping **62% increase** in **sellers** on their platform from 2019 to 2020, on top of already increasing growth in years prior.

In addition to seller growth, the demand is there as well. Etsy's annual gross merchandise **sales more than doubled** (\$4,975M in 2019 to \$10,281M in 2020).

[Statista](#)



Number of active Etsy sellers from 2014 to 2020 (in 1,000s)

[Statista](#)

62% of these Etsy Sellers are based in the United States



Camp.
BY JULIA WESTER

Images: Camp



[Shop Camp](#)

"I found myself transitioning into navigating a new life with 2 kiddos at home during a pandemic. So, I started dyeing clothing for fun and to keep my creative juices flowing. After tie dyeing tees for my son's camp-themed 2nd birthday, I began experimenting and dyeing more pieces for friends and family. One thing led to another and Camp was born."

Julia Wester
Founder of Camp



PieCework

Images: Piecework

"Over the past ten years we have prioritized working over living, going to the party when we really wanted to stay home, hosting a dinner party for ten when we wanted to cook a stew for two.

Piecework is an antidote to an obsessive work culture and an addiction to screens. We hope to be a signal to not only take care of yourself, but to love yourself and enjoy each day in all the ways that make you feel good."

Rachel Hochhauser & Jena Wolfe
Founders of Piecework



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INSIGHT

A New Wave of the Gig Economy is Here

It has been described over the last few years that gig work has meant temporary, contract-work, or flexible jobs. This lifestyle emerged in opposition to the traditional 9-5. Typically, these jobs have included things like driving for Uber, one-off tasks from Task Rabbit, Postmates or even freelancing with the professional skills you use in your 9-5.

The gig economy hasn't changed, or even evolved. Instead it is expanding and capturing a new workforce to propel the trend onward.

We've said it before, we'll say it again...

The Pandemic has **accelerated** nearly each and every consumer and cultural trend, with the gig economy being no different.



Gig Economy 2.0

A new wave of gig workers is emerging — those who have found new (or old) interests and passions in addition to the work they specialize in for their day job.

New Needs

As this mindset transitions to mass audiences, far more will change than where we “go” to work each day.

We'll have new needs, new desires and new pain points when it comes to merging our personal and professional lives into what we classify as “work.” Rather than ending the workday at 5, **the typical day be longer and more blended** as these workers manage both.



Half of the US workforce says “hours or location flexibility” is their top priority.

While especially prominent amongst millennials, this was true for all workplace age groups (Gen Z through boomers).

Just like health insurance, paid vacation and sick time, employees will come to expect flexibility.

"A few years ago [2017], flexibility wasn't even on the map, in terms of conversations about employees' priorities."

[LinkedIn Workforce Confidence Index](#)

Hours/Location Flexibility

50%

Work-Life Balance

45%

Benefits (Healthcare, PTO, etc.)

41%

Salary/Income

36%

Workplace Culture

36%

% who say it is more important post-COVID

[LinkedIn Workforce Confidence Index](#)

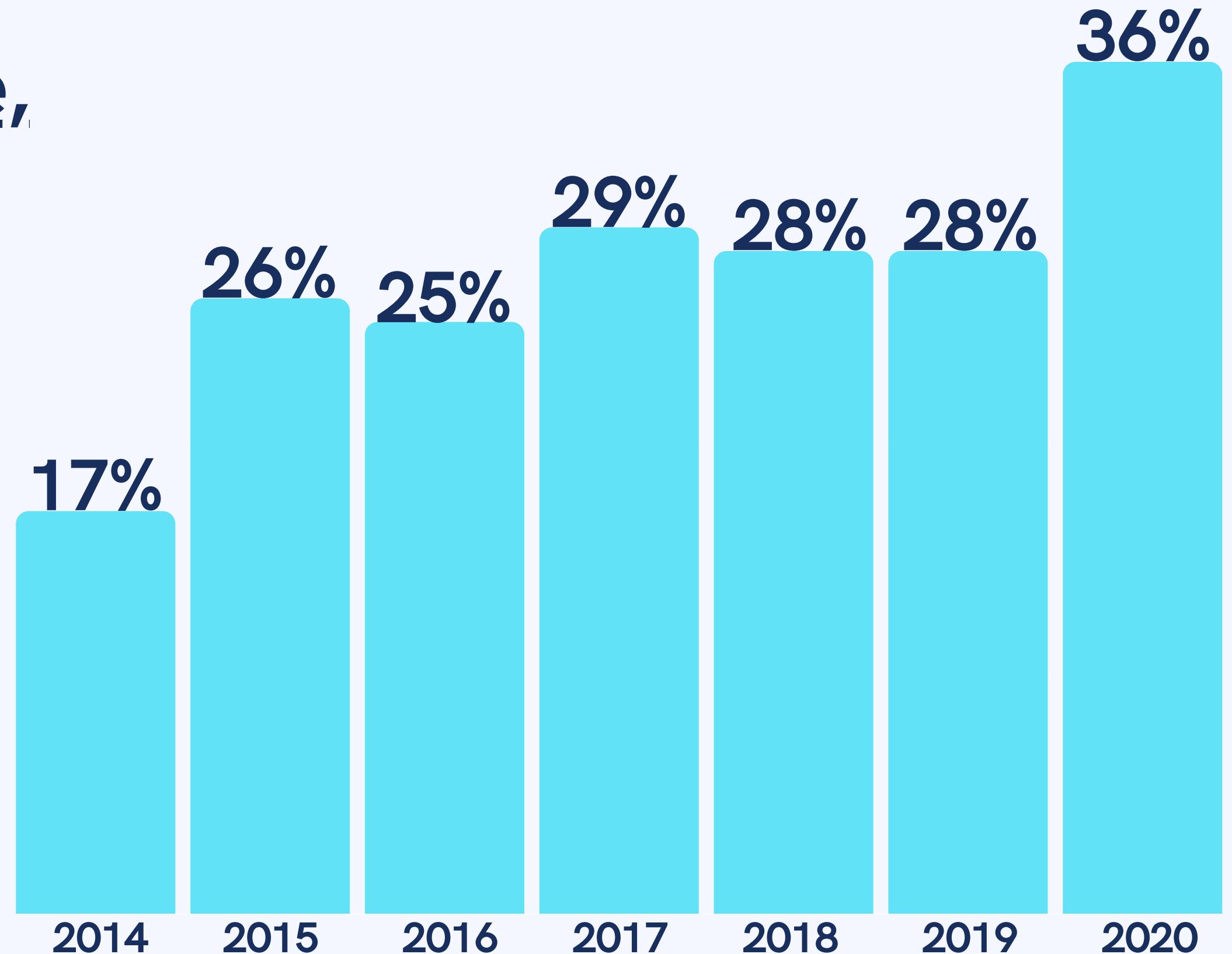
Freelance is on the rise, taking a leap in 2020.

Increasing 8 percentage points from 2019 and doubling since 2014, this shows a trajectory we can't ignore.

While COVID-19 played a role, forcing this behavior out of necessity from layoffs or furloughs, this shift has been met with appeal for ongoing freelance work even after full-time opportunities are readily available again.

PROOF POINT

Mobile app brand ANNA has even coined the term Furlancers to describe "a generation of entrepreneurs and dreamers who saw the lockdown as an opportunity to change their lives."



Workers reporting that they freelanced full time

Upwork/Edelman Intelligence Survey.

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Why do you like freelance over full-time?

"Flexibility. Owning every minute of your day. You aren't strapped onto any rocket. You do what you want to do. When you want to do it. And that's freedom unlike anyone in corporate America can truly understand."

Brandon Painter,
Digital Strategist

 @BPaint

The Benefit For Employers

We understand these changes might cause concern or raise questions like this:

- Are my employees spending work hours running their side gigs?
- Are my FTEs going to leave for their own gig or freelance opportunities?
- Will we have trouble hiring in the future?

While these concerns are valid, we believe **this trend that can bring new value to your workforce**. Oftentimes running a business (no matter the size) comes with incredible learning beyond development of the product. When your employees experiment with their own business, they bring their newfound education and learning into the work they do for your company, too.

This also gives employees an **outlet to pursue their passions outside of work**, which will always lead to a happier, more fulfilled workforce that is more creative and at reduced risk of burnout.



"Making money from my side project is a new venture, and not enough to shake a stick at, but it allows me to use my advertising background to sell something I have complete control over — I don't need approval, consensus or any client feedback, which can be very liberating. It makes me somewhat of the client and advertising specialist."

Gil Templeton,
Full-Time Copywriter
& Founder of Bold Flavors
@ Bold_Flavors



"I see employees with these skills as a more well-rounded asset to our team. The experience of running a business gives them perspective they would have otherwise not known. That's incredible!"

Small Business Owner

THE BRAND ROLE

There's always room for brands to play a role in the transition consumers are living through.

Now, as we're getting more comfortable with the changes that presented themselves in 2020, new trends emerge and new opportunities arise for brands to step in, yet again.

If brands can determine where they fit into a growing population of entrepreneurs, small businesses owners, and passion-forward side-hustlers they can help these consumers through this transition and establish themselves as an integral part of their journey.

IDEATION INTO REAL WORLD OPPORTUNITY

Application of an insight can look very different for each brand or category, so we led our own ideation session to see how this learning **could be** manifested by existing brands (*all hypothetical, of course*) on the next few pages.

ZILLOW

Home sales hit a 14 year high in 2020. Because people lived every minute of their day at home, they put an increased priority on their living quarters. **Appreciation for in-home office space became a top priority** — a priority that won't go away, since even in-office workers will likely need the space sometimes.

Leaning into this consumer trend, Zillow and like brands have opportunity to innovate based on these priorities. Their platform could have an **entrepreneurial filter**, showcasing homes that have designated office space, workshop areas or backyard art studios.

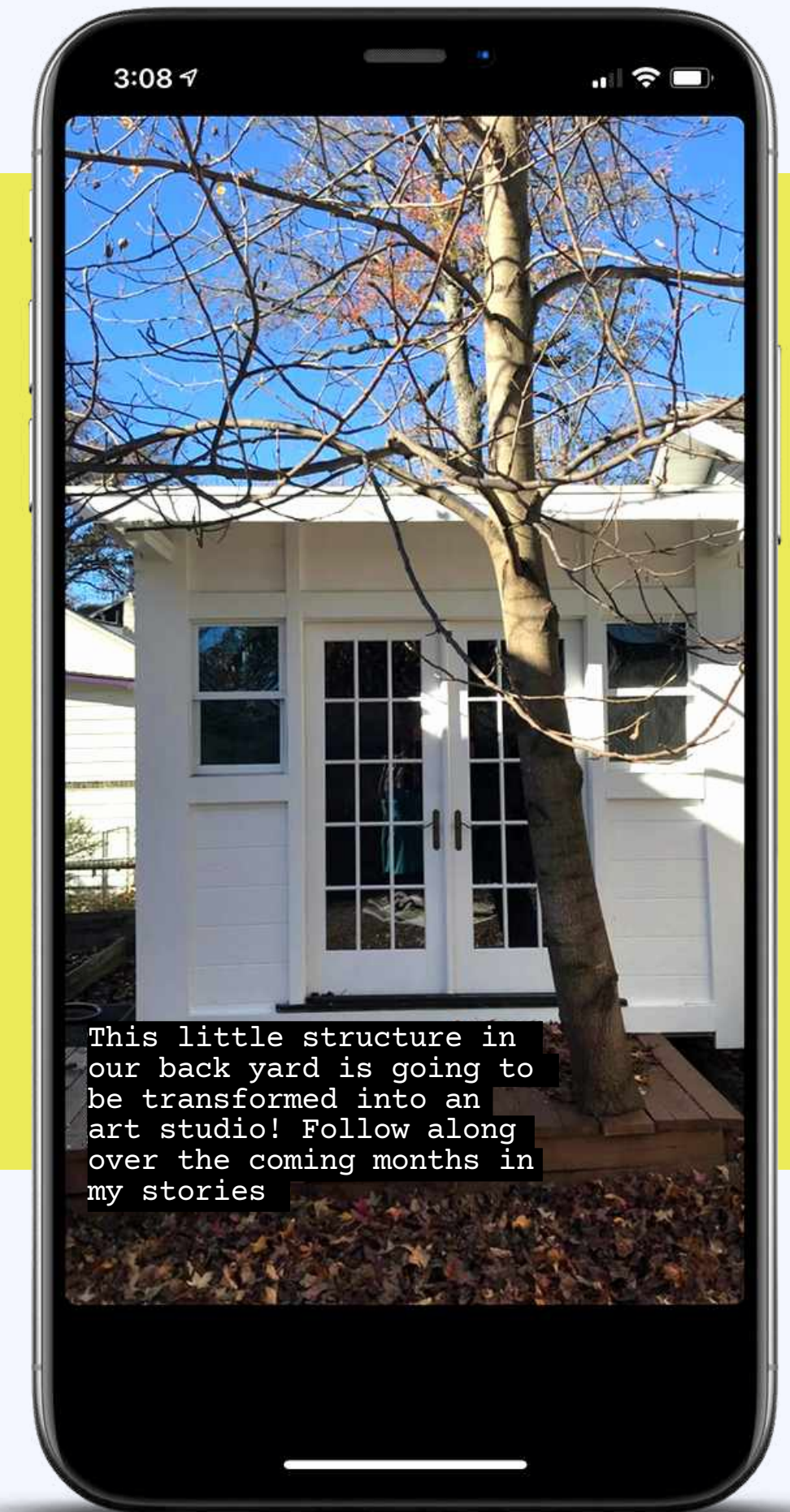
They could also **incorporate unique rooms and spaces (like Katie's to the right) into their content strategy** knowing more and more of their customers are desiring something similar.

"For me, the number one selling point of this house was the studio space in the backyard. The house is beautiful, but it could have been half as nice and I would have still been sold. It's a real dream, an artist's paradise."

Katie Burk,

Ceramic Artist & Graphic Designer

📷 @KatieFrigginBurk



AT&T

Over half of millennials (53% according to Instamotor) are still on their parents cell phone plans. Not that it is typically a point of contention, but it does not make financial sense to break away from the family plan.

Interestingly, it is this age group and younger who are most interested in starting up a side-gig, freelance schedule or new business all together. As a way to **encourage a new wave of customers to move away from the family plan** and start their own contracts, AT&T (or like brand) could offer a solution.

Consider a business line and a personal line under one phone and one contract; **AT&T would support these consumers through their journey of a new business and recent break from the coveted family plan.** Earmarking this new bill as business expense justifies the break and gives rationale for moving plans.



MICHAELS

Suppliers of these entrepreneurs need to realize the **evolving role they are playing in the minds of consumers starting passion-project side-gigs**. Rather than a hobby, consumers will need these supplies and count on these brands to help them run their businesses.

By only Q2 of 2020, Michaels reported an 11+% net sales increase and jumped 353% in e-commerce growth. That is incredible growth that was no doubt promoted by their consumers being bored and looking for new hobbies to fill their time. However, if even a small percentage of their consumers adapt to this trend, Michael's has huge **opportunity to capture these tipping-point consumers by creating a wholesale division**.



SYNOPSIS

The time we've become accustomed to is changing the way we view work.

Entrepreneurial journeys are becoming an aspiration — be that freelance, side-gigs or a leap of faith following furloughs and layoffs.

IMPLICATION

Fundamental shifts in mindset are here to stay.

While many focus the future-of-work narrative on remote vs in-person work spaces only, the winners in the years to come understand that this evolution is broader than just where we choose to work, and they are incorporating these lifestyle shifts into their brands.

Let's Connect.

If you found this report valuable, just imagine what we can uncover for your business.

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Connect with us

