

The employment landscape is changing rapidly. As reentry programs work to prepare individuals for the dynamics of the labor market, it is important to understand these new dynamics to understand the range of opportunities and barriers the challenges present. One critical issue to understand is the changing [nature of the employee and employer arrangement](#). Increasingly employers are shifting from “employee” arrangements to “contractors.” In response, many would-be employees are now freelancers, contract employees, or entrepreneurs. As reentry providers work with their constituents to develop future employment plans, there may be an interest in these alternative working arrangements as a way to generate much-needed income, shape more flexible work arrangements in order to manage time demands of supervision and parole, or build on skills that may have been developed through training programs in the corrections facility as a stepping stone to permanent work in the desired field. In order to make these alternative arrangements work in the individuals favor, the advising staff needs to be well-versed in the opportunities and the pitfalls. This tip sheet serves as a tool to help service providers build their knowledge of the gig economy landscape and identify opportunities and the challenges of engaging in these work arrangements for individuals returning from incarceration.

Gig Economy Landscape

Independent or contract employment has grown from 10 percent in 2005 to almost 16 percent of all workers in 2015.¹ This gig economy, as it has come to be known, has been characterized as both a new [opportunity](#) for workers and a [challenge](#). Given that, it is important for reentry providers to understand the landscape of this sector of the economy and its challenges and benefits in order to help the reentry individuals make well-informed decisions about this work.

Where does one find jobs in this segment of the economy? In the gig economy, finding work is a mix of the old and the new. The tremendous growth in this sector comes from **online** work: generated through a third-party intermediary and negotiated via an online platform. For example, online work would be arrangements like Uber/Lyft, TaskRabbit, or Rover.

Offline work is sourced through staffing agencies or through online networks like Idealist or Craigslist. Employers may also advertise directly for contractors. The difference between this and online work is that offline work is directly developed between the individual and the organization/individual needing the service, and quality assurance is left to the employer or employing individual.

Where are “gig economy” jobs? The work in this segment of the economy is varied. One attractive feature of the landscape is the variety of industries where online and offline work can occur and within each there are a range of occupations available:²

- Arts and design

¹ Lawrence Katz and Alan Krueger, *The Rise and Nature of Alternative Work Arrangements in the United States, 1995-2015* (Cambridge, MA: the National Bureau of Economic Research, 2016), <http://www.nber.org/papers/w22667.pdf>.

² Source: U.S. Department of Labor, Bureau of Labor Statistics, <https://www.bls.gov/>. Accessed 10 April 2016

- Computer and information technology
- Construction and extraction
- Media and communications
- Transportation and materials moving

There are also different employment arrangements with varying degrees of flexibility.

- **Independent contractors:** Individuals who obtain customers on their own to provide a product or service as an independent contractor, independent consultant, or freelance worker.
- **On-call workers:** These workers report having certain days or hours in which they are not at work but are on standby until called to work.
- **Contract company workers:** These are individuals who work for a company that contracts out their service.

Gig Economy Opportunities

Having a history of incarceration may present barriers that limit employment opportunities. For example, there are restrictions on licensure and certifications in many sectors for people with criminal records³. Even when there are not formal restrictions, some employers do not hire people with criminal records for fear of liability if the individual committed a crime at the workplace. In some ways, the gig economy provides opportunities for employment without these barriers—either full time or to provide supplemental income while getting training.

When properly supported, participation in the gig economy can lead to . . .

- **Variety:** There is no limit on the amount of jobs a gig economy worker can have at one time and these jobs can match an individual's interests. More gigs equals more money.
- **Flexibility:** Gig economy workers can set their own hours. Workers can decide which jobs to take and which to decline, which means workers work only when it is convenient for them.
- **Entrepreneurship:** With the range of platforms available today, individuals who have strong skills in an area or a specific talent are able to connect directly with customers, many of whom will not ask about criminal records, to deliver services and products. Since there are relatively limited barriers to entry, individuals are able to build a customer base and establish a brand for their services through multiple platforms.

Gig Economy Challenges

While the gig economy can help individuals establish a consistent means of income, there are still several challenges your individuals will have to overcome. Listed below are some of the most immediate obstacles prohibiting effective engagement with the gig economy.

³ The Council of State Governments' [National Inventory of Collateral Consequences of Conviction](#) is a great resource for understanding the collateral consequences.

Initial and continued involvement in the gig economy may be impaired by . . .

- **Benefits:** Workers are not classified as “employees,” so they do not receive benefits like health care or vacation and sick day benefits. In addition, workers must procure, maintain, and replace any job-related equipment on their own. Tip: Benefits like health care, dental insurance, and retirement plans will need to be sourced and paid for by the individual. Advisors should work closely with individuals to connect them with social service agencies providing these supports.
- **Licensing:** As of yet, gig economy employers do not pay for or reimburse workers for procuring or maintaining licensing, if needed; but they do require proof of license. If individuals would like to work in a licensable occupation, they must already have relevant licenses or obtain the license independently. Being a “contractor” instead of an employee does not get around existing licensing barriers.
- **Technology:** Gig economy work arrangements are often obtained, promoted, or validated through the use of an online platform, which makes Internet access and computer competencies an absolute necessity. This would include not only the technical capacity with software, but also understanding of how to present oneself and communicate effectively online.
- **Financial Literacy:** Payment for gig economy work is usually given at time of service, paid in cash or cash equivalents, and is often pre-tax. Individuals will need to manage their resources to invest in the resources they need to do the work and also be able to pay their individual employee taxes. Visit the Consumer Financial Protection Bureau: <https://www.consumerfinance.gov/ask-cfpb/>.
- **Independent Contractor Status:** The gig economy is a new frontier for employment, so individuals should be sure they are clear on whether their work will be characterized as “contractor” status. If the participant is a contractor, s/he should have flexibility about schedule, control over how the work is done, and any other obligations should be clearly delineated. This will also mean that the individual is responsible for providing his or her tools, equipment, and materials, and will also be responsible for covering benefits like health care and vacation time.

Are Your Clients Ready For the Gig Economy?

The gig economy provides nonconventional employment opportunities for individuals with a history of incarceration; however, there are challenges that must be addressed to fully reap the benefits of the gig economy. The chart below was created to educate providers working with individuals returning from incarceration on the challenges their clients may face while participating in the gig economy, as well recommendations to overcome those challenges.

ENTREPRENEURSHIP

Challenges	Tips for Providers	Questions to Consider
<p>Technology</p>	<ul style="list-style-type: none"> Assess computer literacy skills to ensure that the individual has the appropriate skill level to use online job platforms. There are free websites that offer self-assessment of basic computer skills, so participants can continually assess their competency. For example, the Illinois Valley Community College provides a free online self-assessment of computer skills: https://www.ivcc.edu/computerskills.aspx?id=11310 	<ul style="list-style-type: none"> Are existing computer skills sufficient enough to access and maneuver through online job platforms? Is your program able to offer computer training to address deficiencies in computer skills? If there are no in-house computer training programs, Are you aware of free (in-person or online) courses available?
	<ul style="list-style-type: none"> Suggest that the individual create an online presence to market their skills and/or services. Recommend using free websites like WordPress.com, Facebook, Etsy, and LinkedIn. 	<ul style="list-style-type: none"> Does the individual have access to a computer and/or mobile device with a stable Internet connection? Are computer skills at the level needed (intermediate) to use online platforms for marketing? Does the individual understand the “dos and don’ts” of creating a professional online identity?
	<ul style="list-style-type: none"> Recommend that the individual place an updated resume online to showcase skills and experience. Platforms like LinkedIn, Monster, and Indeed are commonly used to post resumes and apply for jobs. Identify any local or regional platforms through the local workforce board or other entity where individuals can post resumes. Recommend signing up for multiple online freelance sites (Upwork, Freelancer, or TaskRabbit). Some freelance sites do require a background check for the site or for particular types of work. It will be helpful to share this information with the individual ahead of time. 	<ul style="list-style-type: none"> Is the resume current, and does it articulate experience and skills sufficiently? Does the individual have an online portfolio to showcase experience and skills?

ENTREPRENEURSHIP

Challenges	Tips for Providers	Questions to Consider
Financial Management	<ul style="list-style-type: none"> • Determine if the individual has the basic financial literacy to be successful at managing a 1099 income and managing a budget with inconsistency of gigs. • Provide or refer the individual to programming on financial literacy, including information on managing a 1099 income. 	<ul style="list-style-type: none"> • Has the individual participated in financial literacy workshops or entrepreneurial programs? • Does the program provide or refer individuals to financial literacy programs that include information on 1099 income?
	<ul style="list-style-type: none"> • Recommend creating an online “receive payment” account with reputable companies like PayPal or Western Union for virtual gigs. 	<ul style="list-style-type: none"> • Does the individual have a bank account or the proper identification for a bank account?
Licensure	<ul style="list-style-type: none"> • Recommend that the individual confirm whether or not a license is required to do work. 	<ul style="list-style-type: none"> • Does the individual have the proper licensure for the job?
	<ul style="list-style-type: none"> • Recommend that the individual list licensure when applying for jobs if s/he has relevant licenses. 	<ul style="list-style-type: none"> • Does the individual have proof of valid credential?
	<ul style="list-style-type: none"> • Recommend maintaining updated licensure according to regulations. 	<ul style="list-style-type: none"> • How has the individual regularly upgraded his/her skills to keep consistent with changes in the work? • Has the individual factored in the cost of maintaining licensure?
Temporary Work	<ul style="list-style-type: none"> • Individuals hired by a temp agency, working full or part time for an employer, may be eligible for the Federal Bonding Program at no cost to the employer. The coverage is maximum of six months and Federal taxes must be automatically deducted from the paycheck to be eligible. Information about the Federal Bonding Program: http://bonds4jobs.com/wp-content/uploads/2017/06/FBP-Employers-Job-Seekers-Brochure.pdf 	<ul style="list-style-type: none"> • Does the individual know about the Federal Bonding Program? • Has the individual discussed the Federal Bonding Program with the agency/employer?
	<ul style="list-style-type: none"> • Review expectations of self-employment. If self-employed, individual must be able to meet the requirements of the job, including providing his or her own tools, equipment, and materials. • In some cases, that could mean working sporadic hours or set times. Recommend that the individual has a clear understanding of time expectations and obligations. 	<ul style="list-style-type: none"> • Does the job require special tools, equipment, or specific times? • Will the individual be able to manage the scheduling and time commitments of the job(s)?

FLEXIBILITY

Challenges	Tips for Providers	Questions to Consider
Benefits	<ul style="list-style-type: none"> • Recommend identifying eligibility status to receive assistance (SNAP, welfare, health, veteran, and/or disability benefits) to supplement the lack of benefits from traditional, full-time employment. • Be knowledgeable about eligibility requirements for veterans and disability benefits. 	<ul style="list-style-type: none"> • Is the individual eligible to receive public benefits? • Is the individual a veteran?
	<ul style="list-style-type: none"> • Recommend connecting with a caseworker to confirm ability to work while receiving benefits. 	<ul style="list-style-type: none"> • Does the program offer this type of case management?
Inconsistent Employment	<ul style="list-style-type: none"> • Recommend continuously searching for work opportunities through platforms and/or advertisement. 	<ul style="list-style-type: none"> • Is there a financial plan that includes covering inconsistent wages?
	<ul style="list-style-type: none"> • Recommend leveraging the gig as an opportunity to acquire new skills, and build reputation and resume as a supplement to traditional employment. 	<ul style="list-style-type: none"> • Are there particular employment aspirations to “test”? • Does s/he use a portfolio or website to showcase work?
Time Management	<ul style="list-style-type: none"> • Recommend creating a schedule to manage workload and job applications. • Suggest that the individual seek gigs that allow for him/her to keep recurring appointments like meeting with a probation officer, substance abuse counselor, etc. 	<ul style="list-style-type: none"> • Are there ways in which the individual manages deadlines for simultaneous gigs? • Are there any appointments/meetings that are not flexible to be rescheduled?

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