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While technology and innovation are transforming the way we work, they are also directly impacting *why*, *when* and *where* we work. In a first-of-its-kind study, the [ADP Research Institute](#) puts the spotlight on the gig workforce in organizations, often described as a hidden or ‘shadow workforce.’

The research report titled, *[Illuminating the Shadow Workforce: Insights into the Gig Workforce in Businesses](#)*, reveals tenured workers and retirees are capitalizing on the tight U.S. labor market and the need for skilled workers, by turning to gig work. The report also found 1 in 6 enterprise workers are actually gig workers paid as either

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In addition, the ADP Research Institute identified two worlds of gig workers in businesses. The first is comprised of 1099-M contractors who are independent contractors, often hired for their skillset on a project basis. These skilled, tenured workers tend to be older, highly educated and choose to work on what they enjoy. In fact, 30% of 1099-M gig workers are aged 55 or older. For some, their gig work is supplemental income to their retirement savings. The second includes short-term W-2 employees who are younger, less educated, have a lower income, and are typically working on a seasonal or on-call hire basis.

“It is clear there is a fundamental shift in the workforce as innovation continues to transform work, increasing the demand for skilled workers,” said Ahu Yildirmaz, co-head of the ADP Research Institute. “To bridge the talent gap in today’s tight labor market, many companies are hiring skilled workers at a premium. Our research shows that companies are turning to tenured, skilled workers and retirees on a gig-basis to meet this growing demand.”

### **Spotlight on the Gig Employment and Key Findings**

Following are additional takeaways from the report:

- **Gig work is growing:** From 2010 to 2019, the share of gig workers in businesses has increased by 15%, with both short-term W-2 and 1099-M gig workers contributing equally to this growth. The research indicates gig work will continue to grow, further impacting workforce dynamics and forcing companies to optimize talent management and workforce strategy.
- **Every industry relies on gig workers:** Recreation, construction and business services are the top three industries utilizing the gig workforce.
- **Contract life is a choice:** More than 70% of 1099-M gig workers say they are working independently by their own choice, not because they can’t find a “traditional” job. Most seem happy with gig work and place a premium on

flexibility as a driving motivation behind their decision, over financial security or

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themselves as traditional employees, perhaps foregoing the union and workers'.

However, the prospect of health insurance does not appear to change their job behavior. In fact, 74% say they would continue to work as a 1099-M worker, even if they lost their current health insurance.

Added Yildirmaz, "While the term 'gig worker' has seamlessly integrated into our vernacular and culture, there has been no real data-driven insight into the gig workforce in the enterprise space. This 'shadow workforce' is comprised of workers with vast skillsets, who work across all industries and in all regions of the U.S. Additionally, we have found that the majority of these workers are doing gig work out of preference."

To see the detailed report, *Illuminating the Shadow Workforce: Insights into the Gig Workforce in Businesses*, including all data and insights, please download the report [here](#).

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