

Amid Pandemic, Cash Flow Concerns, Higher, Faster Payouts Draw Workers to Gig Economy

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Spurred by global pandemic, 85% of gig workers report picking up additional work, with over 90% associating faster access to pay with greater financial peace of mind

MINNEAPOLIS--(BUSINESS WIRE)--Branch, the leading Employer Payments Platform, and global modern card issuing platform Marqeta today announced findings from a joint study on the work and payments preferences of gig workers. Surveying over 1,000 workers who turned to gig and 1099 work in the last six months, the [Branch x Marqeta Gig Payments Report](#) found that driven by the pandemic, 85 percent of respondents said they had picked up additional work.

People turning to gig work in the past six months may have been motivated by limited cash flow. Nearly 80 percent (78%) had less than \$500 saved for an emergency and more than 40 percent of gig workers (42%) would not be able to access another source of funds outside of their primary bank account. Among top financial concerns, gig workers ranked home/rent affordability at the top of the list (47%), followed by utility bills (27%).

Workers cited higher pay and faster payouts as their top incentives for taking on gig work. Nearly 90 percent of workers were more likely to choose one gig platform over another if they could pay them instantly without fees (87%), and even more associated faster pay with greater financial peace of mind (94%). Approximately 4-in-5 (82%) wanted greater flexibility in when they were paid for work, with most only turning to one or two platforms to supplement their income (73%), as the majority held a full-time job. Meal/grocery delivery applications were by far the most popular (50%), with ridesharing a distant second (10%).

"Given the significant loss in hours available at many jobs throughout the pandemic, many employees have turned to gig and contract work to quickly boost their income," said Branch CEO Atif Siddiqi. "But competition among platforms will only increase as the gig economy and independent contract work continue to grow and reopenings widen. Workers already limit the number of platforms they use, so ones that can offer faster, flexible payouts at no cost will gain the greatest competitive edge."

The pandemic has also increased gig workers' use of contactless payments and digital wallets (80%), with more than half of respondents (56%) ramping up their use significantly. Debit cards were overwhelmingly the preferred method of payment (75%), followed by cash (9%). Workers were also 5x more likely to prefer online/mobile app payments or digital wallets over a physical credit card.

"This survey shows how the new experiences powered by modern card issuing are directly empowering better financial outcomes for those that need it the most," said Vidya Peters, Marqeta CMO. "When looking to gig work, people want to maximize their cash flow. The idea of being able to access your earnings immediately, and without fees, is hugely motivating. We can see that not only are these demands creating a new relationship with our money, they're bringing greater peace of mind and financial security for those that need it the most."

Additional findings include:

Platform Preferences

- **Delivery Over Rides:** Meal/grocery delivery (e.g. Instacart, Shipt, Postmates, Uber Eats, Doordash, GrubHub, etc.) has been by far the most popular app/platform (50%), followed by ridesharing (10%).
- **Two Apps, Tops:** The overwhelming majority (73%) turned to only 1-2 platforms to pick up gig work.
 - 1 (40%)
 - 2 (33%)
 - 3 (13%)
 - 4 (4%)
 - 5+ (6%)
 - 0 (4%)
- **Side Hustle:** Nearly 80% of respondents (79%) only turn to gig work as a way to supplement their income, but hold another job for half or primary source of their income.
 - Work another job for my primary source of income and use gig work to supplement my income 41%
 - Work another job for my primary source of income and use gig work for special occasions 17%
 - Gig work for about half my income but have another job 21%
 - Gig work for the majority source of income 21%

Pandemic, Faster Payouts Motivate Gig Pick-up

- **Uptick in Pick-ups:** The pandemic has led to an increase in gig work pick-up -- 85% of respondents have or planned to pick up more shifts because of the pandemic
 - Yes: 69%
 - Not yet, but I plan to: 16%
 - No: 15%
- **Higher, Faster Payouts:** When asked what they looked for most out of a gig platform, workers didn't just cite higher payouts (39%) among their top incentives for taking on gig work, but also *faster* payouts (26%). Scheduling (19%) and location (5%) flexibility followed for third and fourth place respectively.

- Higher wages/payouts/tips 39%
- Faster payouts/access to earnings 26%
- Scheduling flexibility - more control over when you work 19%
- Location flexibility - more control over where you work 5%
- Ease of picking up work or jobs 6%
- Good interface/user experience 2%
- Easy to get started/onboarding 2%
- Budgeting/ tax planning 1%
- **No Fees, Please:** Nearly 90 percent (87%) of workers were likely to choose one gig platform over another if it could pay you instantly without fees.
 - Very Likely 70%
 - Likely 17%
 - Not sure 10%
 - Unlikely 2%
 - Not at all 1%

Timely Expenses, Limited Emergency Funds

- **Home Payments Top of Mind:** Among top financial concerns, gig workers ranked home/rent affordability at the top of the list (48%), followed by utility bills (27%). Third was autocare/transportation (8%), as many likely rely on their vehicles to participate in the gig economy.
- **Limited Cash Flow:** More than 40 percent of gig workers (42%) would not be able to access another source of funds outside of their primary bank account.
 - They also have limited emergency savings: nearly 80% (79%) had less than \$500 saved for an emergency.
 - \$0 (31%)
 - \$1-\$149 (29%)
 - \$150-\$499 (19%)
 - \$500- \$999 (10%)
 - \$1,000+ (12%)

Payment Preferences

- **Payday Anyday:** About 4 in 5 gig workers want greater flexibility when they get paid. Over 70 percent of gig workers prefer to receive their pay within the same day they work, with 38.8% preferring right after each job and 33.4% at the end of each day. About 10 percent (9.7%) want to request payouts at any time, while only 18.1 percent prefer weekly.
- **Faster Pay = Peace of Mind:** About 94% of workers associated faster pay with greater financial peace of mind, with about 77% believing it offered a lot of peace of mind and financial security.
 - Yes, a lot 77%
 - Yes, a little 17%
 - No, not really 5%
 - No, not at all 1%
- **Choosing Contactless:** The vast majority have increased their use of contactless payments such as online, mobile, and digital wallets (80%), with more than half (56%) increasing their use significantly.
 - Among preferred payments, debit card was overwhelmingly their preferred method (74%), with cash a distant second (9%)
 - Workers are also nearly 5x more likely to prefer online/mobile app payments or digital wallets (14%) over a credit card (3%)

About Branch

Branch is the only Employer Payments Platform (EPP) that helps businesses accelerate payments to empower working Americans. Businesses turn to Branch for a more cost-effective, faster way to pay employees and reduce the costs of paper checks and paycards. Employees that sign up with Branch can receive a zero-fee bank account, free instant access to earned wages, and auto-budgeting tools to help them manage their cash flow between paychecks. Branch has partnered with some of the nation's leading payroll and workforce technologies to support employers in retail, restaurant, logistics, manufacturing, and healthcare. To learn more about Branch, visit <http://www.branchapp.com> and follow us on Twitter, Facebook, and LinkedIn.

About Marqeta

Marqeta is the modern card issuing platform empowering builders to bring the most innovative products to the world. Marqeta provides developers advanced infrastructure and tools for building highly configurable payment cards. With its open APIs, the Marqeta platform is designed for businesses who want to easily build tailored payment solutions to create best-in-class experiences and power new modes of money movement. Marqeta is headquartered in Oakland, California. For more information, visit www.marqeta.com, [Twitter](#) and [LinkedIn](#).



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