

# Financial Health of Gig Workers: Introduction and Research Design

This report is under the i3 Program, funded by MetLife Foundation.

The United Nations Capital Development Fund offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

The Centre for Financial Health acts as a convener, providing a platform to bring together global, regional and local actors committed to using financial and digital solutions to improve the financial lives of low-income families—helping them climb – and stay – out of poverty.

For more information, visit [uncdf.org/gfh](https://uncdf.org/gfh) or email [financial.health@uncdf.org](mailto:financial.health@uncdf.org)

# Introduction

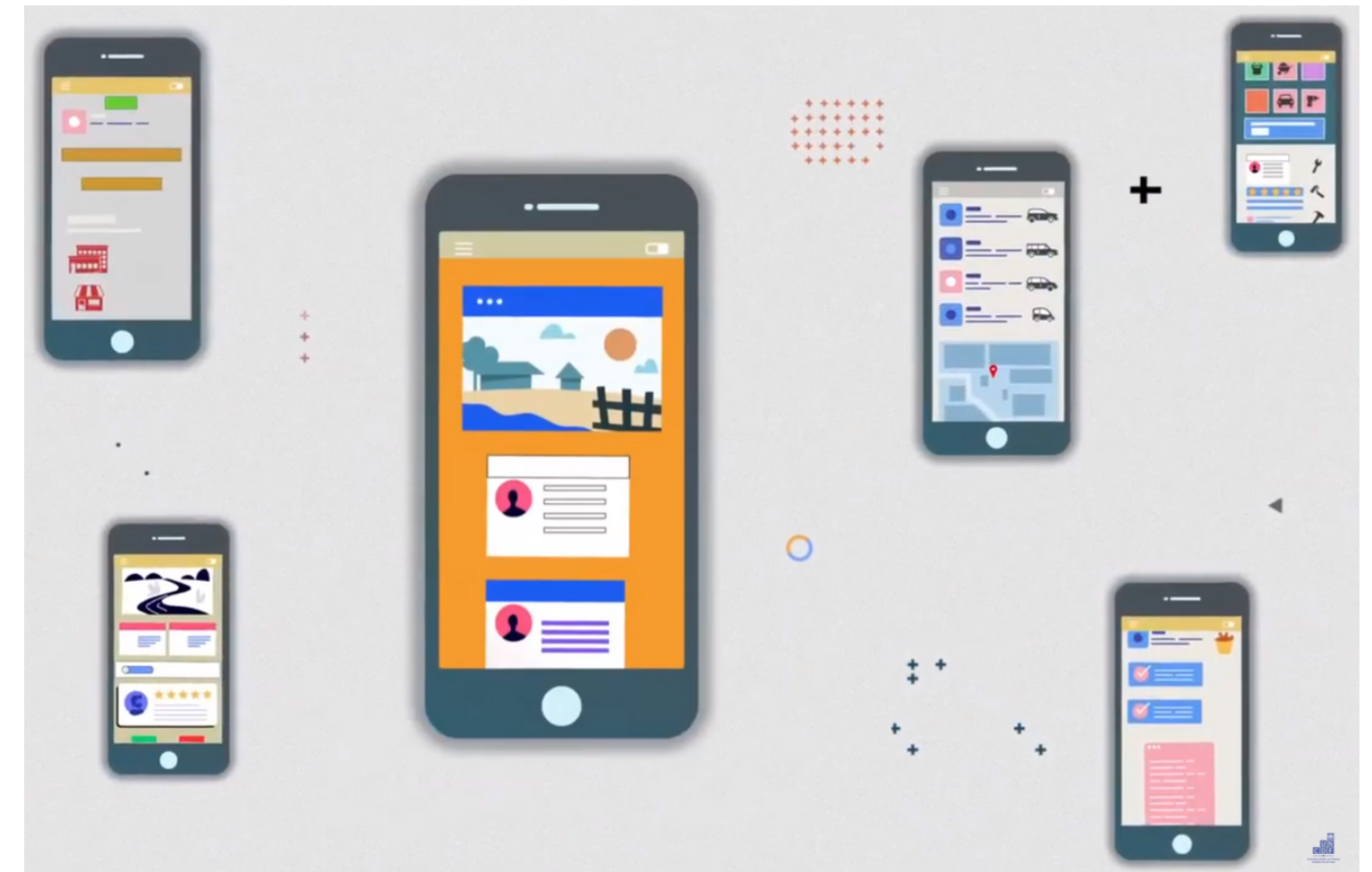


# What is the Gig Economy?

Technology has substantially transformed most of what we do, from the manner in which we exchange goods, communicate to family and friends and access transport to the way we consume food and make payments. The proliferation of platforms and mobile apps as well as the conduit facilitating their use—smartphones—are at the heart of most of this change.

New economic models have arisen as a result, that combine technology and business ideas in inconceivably novel ways. One such model is a labor market of sorts where convenience and speed are the norm—the [on-demand gig economy](#).

We call it on-demand because the access to and procurement of labor is immediate. And we call it gig because of the underlying eponymous “temporary work contracts”, or “gigs”. Gig workers are also referred to as flexible employment workers or independent workers.



[Click here for a brief  
on the gig economy.](#)

# What is the Gig Economy?

The gig economy does not have an absolute definition, but rather is a continuum spanning different combinations of interactions between workers and organizations. Despite these various intersections, the core features of the gig economy could be pinned down to the following three aspects:

- Temporary work or “gigs”;
- On-call or temporary contracts with platforms or employers;
- The use of tech platforms.

A word cloud centered around the word "Gig". The word "Gig" is the largest and most prominent, in a green color. Surrounding it are other terms in various sizes and colors: "Sharing" (yellow), "Access" (orange), "On-Demand" (purple), "Platform" (red), "Collaborative" (blue), "Freelance" (purple), "Digital" (red), "Crowdsourcing" (orange), and "Peer" (green).

Sharing  
Access  
On-Demand  
Gig  
Platform  
Collaborative  
Freelance  
Digital  
Crowdsourcing  
Peer

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# How Big is the Gig Economy?

**2.7**  
Trillion USD

By 2025, the gig economy is expected to contribute \$2.7 trillion USD (around 11.3 trillion MYR or 18.9 trillion RMB) to the global economy.



# Gig Economy: the Malaysian Context



Labor force

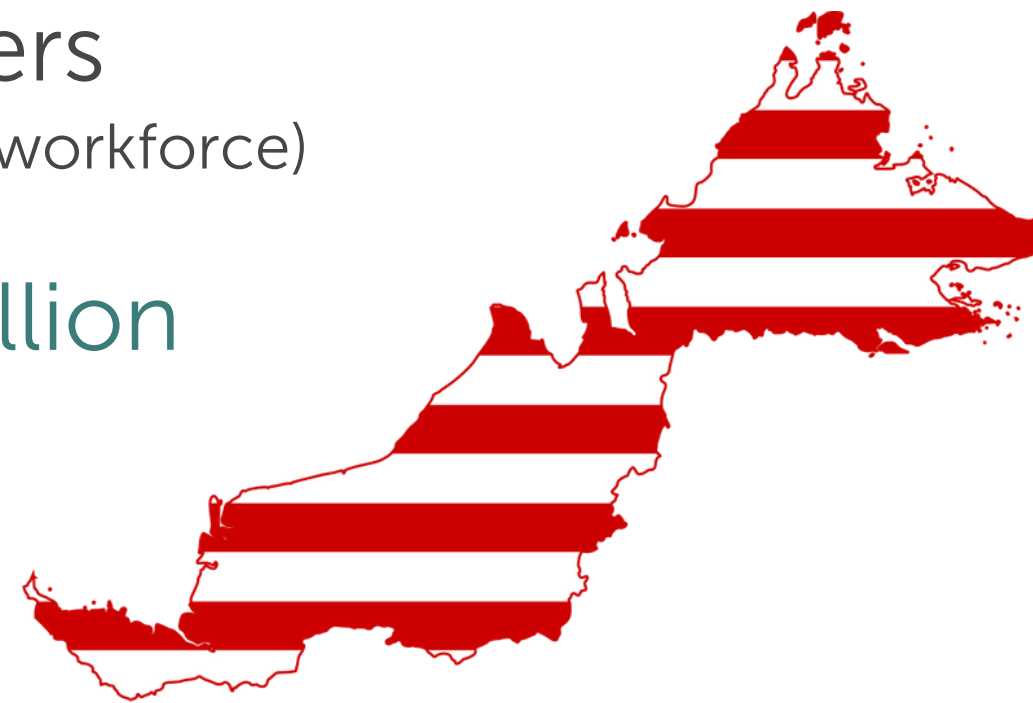
15 million



Gig/Independent  
workers

(26% of workforce)

4 million



Unemployment rate

3.3%



25 million

Internet connectivity  
(80% of population)



22 million

Smartphone penetration  
(70% of population)



# Gig Economy: the China Context



Labor force  
**781** million



Self-employed  
workers  
(47% of workforce)  
**365** million



Unemployment rate  
**4.3%**



**929** million  
Internet connectivity  
(65% of population)



**858** million  
Smartphone penetration  
(60% of population)



# What is Financial Health?

Financial health comprises the following dimensions:



## Financial Security

The ability to meet ongoing commitments, now and in the future, and under adverse circumstances. This includes a sense of preparedness for the expected (think retirement) and unexpected future (think COVID-19) or financial resilience. Financial resilience can be defined as the ability to cope with and recover from financial shocks.



## Financial Control

The feeling of control over one's finances, reflecting a sense of self-efficacy and confidence in one's financial situation, now and looking to the future.



## Financial Freedom

The ability to meet one's financial goals and enjoy life on one's terms. This is a step-up from financial security and includes individual financial goals and things one values.

[Click here for the brief: "A Note on Financial Health"](#)

## What does a gig worker have to say about financial health?

“Financial health is about getting to do what you want without worrying where the money is going to come from. It is about financial independence and no obligations to anyone.”

25 year-old male, part-time dispatch worker, Malaysia

# Research Design

# About this Research

This report seeks to understand the financial lives and aspirations of workers in the gig economy. In doing so, it explores the following questions:

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Why do workers choose the gig economy? What are their experiences in the gig economy?

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What is their financial health status? What are some key financial behaviors they demonstrate?

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How do they navigate their finances—what products and channels do they use? And, what barriers do they face?

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How has COVID-19 impacted them and how are they coping?

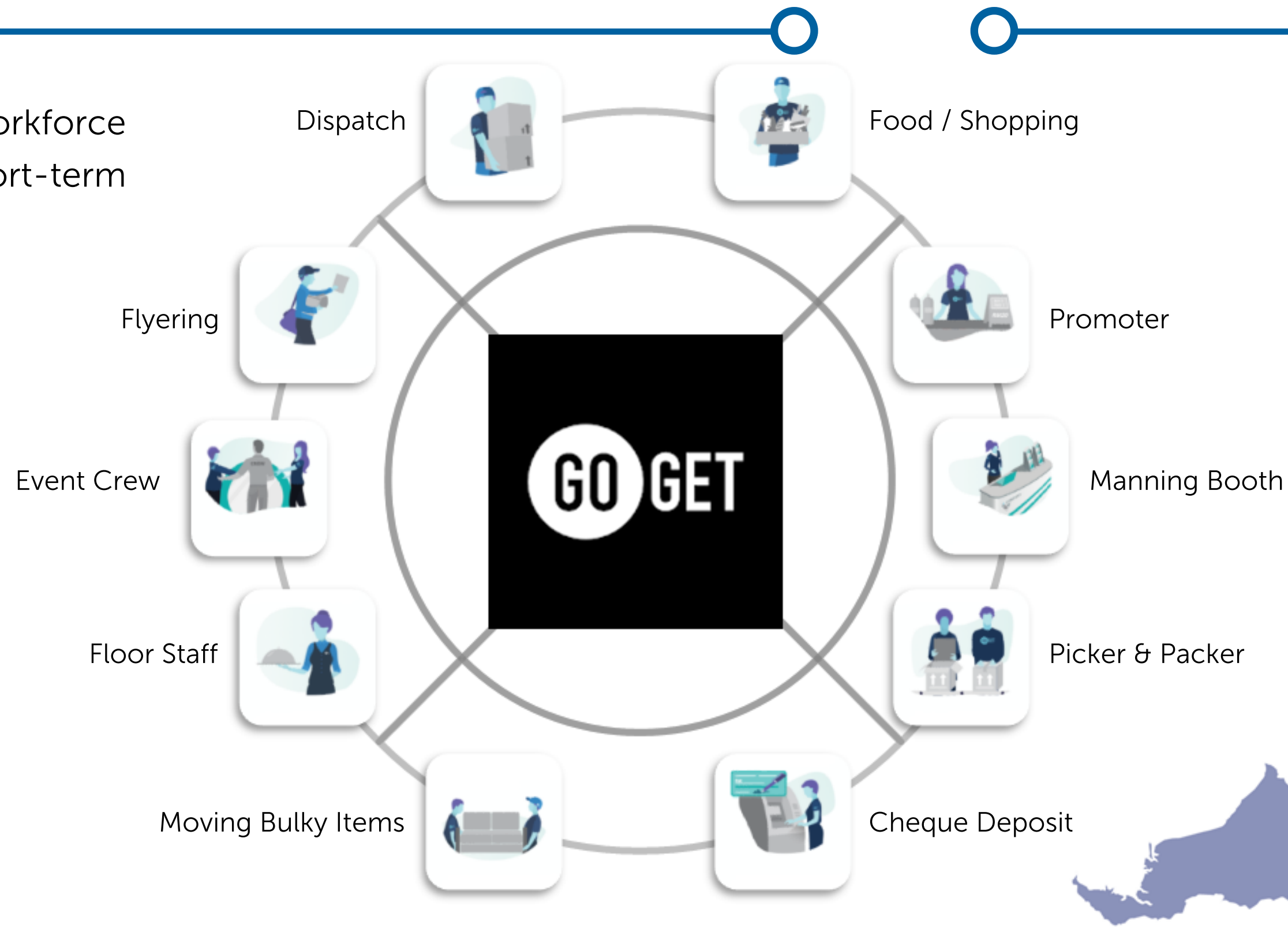
Research approach: Online surveys fielded between February and August 2020 among users of GoGet, FastJobs, foodpanda, and Grab platforms in Malaysia and self-employed truck drivers contracted through Lionbridge in China.

For more details on the research design, please read [this brief](#).



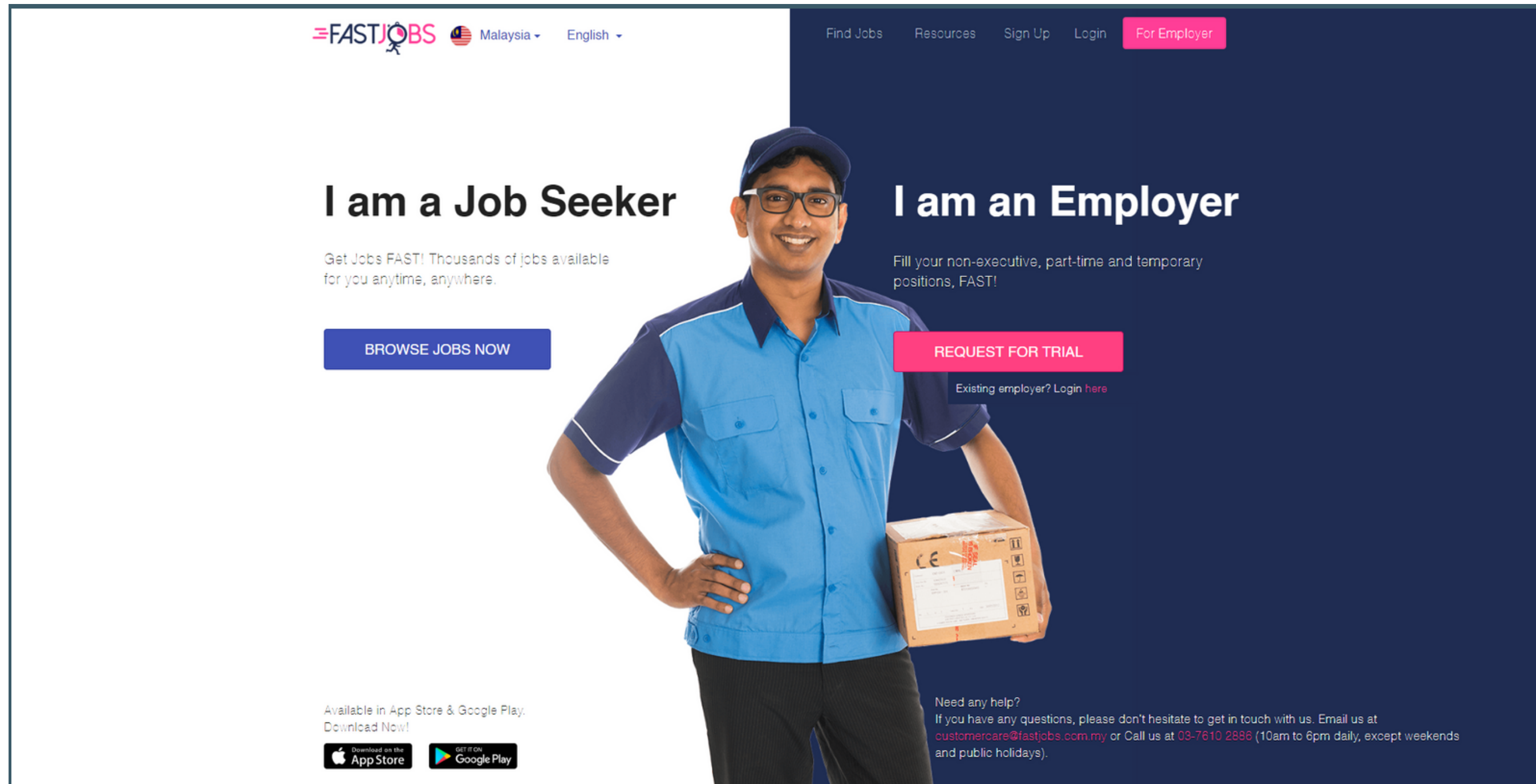
# The Research Partner: GoGet

GoGet is an on demand workforce technology facilitating short-term gigs.



Find out more about GoGet [here](#).

# The Research Partner: FastJobs



A platform facilitating gig and long-term employment



Part time



Full time



Contract

Find out more about FastJobs [here](#).

# The Research Partner: foodpanda



foodpanda is a mobile food delivery marketplace owned by the Berlin-based company Delivery Hero SE and operates in more than 200 cities across 14 countries in Asia and Central Europe.

Find out more about foodpanda [here](#).





# The Research Partner: Grab



Grab is a technology platform offering a range of everyday services including ride-hailing, on-demand food, package and grocery delivery, and payments and financial services on a single superapp across 8 countries in Southeast Asia.



## Transport

Takes you from A to B safely with upfront prices



## Food

Gets you a meal when you're too busy (or tired) to go out



## Mart

Find everything you need



## Pay

Helps you make cashless payments quickly, safely, and securely



## Insurance

Better protection on your Grab rides, deliveries, and more



## Attractions

Discover local attractions, tours and activities around you

Find out more about Grab [here](#).



# The Research Partner: Lionbridge Group



Lionbridge Capital Co. provides commercial-vehicle financing and truck-leasing services in China. It employs individual truck operators or drivers that own their own vehicles.



Auto financing



Truck



Logistics



Used car



Automotive  
aftermarket



Bus

Find out more about Lionbridge [here](#).