



FIELD NATION

# The Rise of the Blended Workforce in the New Gig Economy

Future Workplace Network™ Research Report

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## About This Report

“Understanding the Gig Economy” Study addresses the “why” behind the increased usage of freelancers in the workplace and explains how the trend is gaining momentum in response to the Affordable Care Act (ACA) and other macro factors.

The national survey, conducted by Field Nation and Future Workplace, recaps the findings of 600 HR decision makers and 959 freelancers, probing the drivers and business benefits behind the rise of the free-agent workforce. The results highlight the emergent challenges created by this disruption to the classic employer-employee model and identify potential solutions to help organizations manage a more elastic blended workforce.

The study respondents provide detailed examples of how three macro trends are leading companies across various industries to hire more freelancers.

These trends are:

- 1 An increased ease of discoverability of available and skilled freelancers
- 2 The decoupling of individual benefits like healthcare and wages from the traditional employer-employee model
- 3 The timing of peak ACA-related cost drivers for business

These trends are in turn expediting the creation of a more blended workforce of full-time employees and freelance workers, maximizing business value and individual opportunity.

Finally, the report sheds light on how companies can manage this powerful new blended workforce by making strategic decisions around how to best integrate freelancers with full-time employees in their organizations. Critical to this effort is organizational effectiveness at managing visibility, accountability, and control in relation to the blended workforce.

## Executive Summary

Three macro trends are converging that are changing the way work works. These trends are related to the rise of professional freelancing, the decoupling of benefits from traditional employment, and the peaking impact of the Affordable Care Act on business. At a time when the ACA is triggering companies to search for cost containment and rethink workforce structures, individuals are increasingly able to engage in the freelance lifestyle without sacrificing expected pay or benefits. The combination of these phenomena means that organizations must learn how to effectively integrate process and performance management between freelancers and their traditional workforces.

The joint Field Nation – Future Workplace Network study, *Understanding The Gig Economy*, indicates that the ACA is driving companies to prefer engaging with freelance talent over hiring new talent. 68 percent of organizations prefer freelancers because of the ACA. While the vast majority of companies (89%) agree that healthcare benefits are key to attracting and retaining talent, nearly one-third intend to eliminate them due to the ACA. This is in part because 2016 is when the tax penalty for individual uninsured workers is the highest at \$695 per employee and the Employer Mandate / Shared Responsibility penalty calculations peak.

As a result, nearly three-quarters (74%) of companies plan to contract with more freelancers while 28 percent actually plan to hire a *greater number* of freelancers than full-time employees by 2020. The survey of 600 HR decision makers indicates staggering growth in the pace of freelance engagement. Nearly half (49%) of top performing companies expect to accelerate their freelance hiring rate by 30 percent or more. The study finds strong optimism among HR decision makers for overall employment growth with 88 percent indicating increases in combined full time and freelance hiring.

Freelancers are feeling the effect of the ACA as well, with 60 percent of freelance respondents reporting that the ACA has influenced their workload in some way, either by forcing them to take on additional clients to pay for new mandates, or conversely, allowing them new access to benefits they did not have (or could not afford) previously.

The U.S. employment landscape has been evolving as a result of the ACA since 2010. During this same time, new freelance-specific sourcing methods have been expediting the blended workforce trend by making it easier for employers to identify free-agent talent. The study found that 38 percent of freelancers are now being sourced through freelance management platforms, narrowing the sourcing gap with general online job boards (43%) and employment agencies (39%).



In this new blended workforce, freelancers are joining together to meet the ever-increasing demands of the workplace—nearly all (93%) of companies see freelance workers teaming up with employees to work on projects together. Based on this research, the top skill that employers derive from freelancers is teamwork (38%)—yet HR decision-makers still identify teamwork as one of the top 5 skills freelancers' lack.



# The Rise Of The Blended Workforce

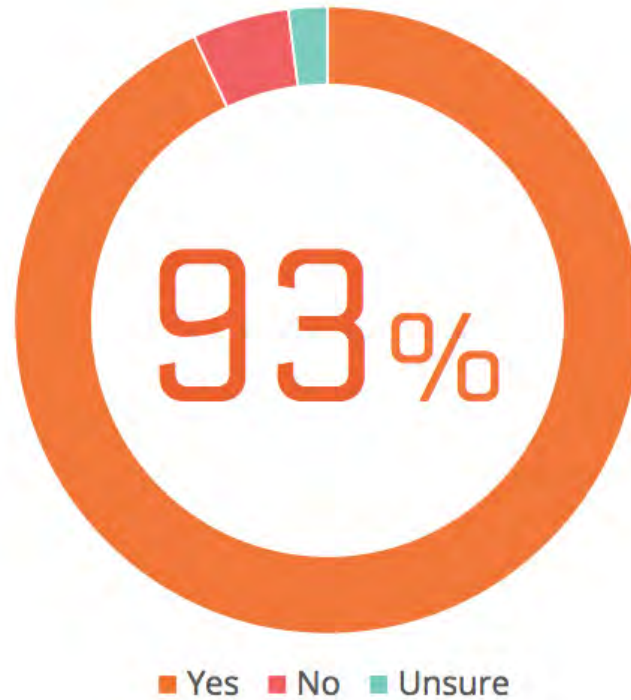
McKinsey Global Institute<sup>i</sup> recently reported that by 2025, “online talent platforms could increase global GDP by \$2.7 trillion and improve job outcomes for 540 million people.” With freelancers accounting for much of the talent fueling these platforms, this represents a fundamental, paradigmatic shift in the way that work “works” and how it impacts the global economy and organizations worldwide. The resulting blended workforce represents the de-commodification of freelance expertise and the strategic engagement of on-demand know-how.

Yet the reality is that the world of freelancing is not new. So what is driving this massive change in scale and scope of freelancing compared to a decade ago? Earlier research from Future Workplace and Field Nation identified a number of drivers behind this acceleration, including:

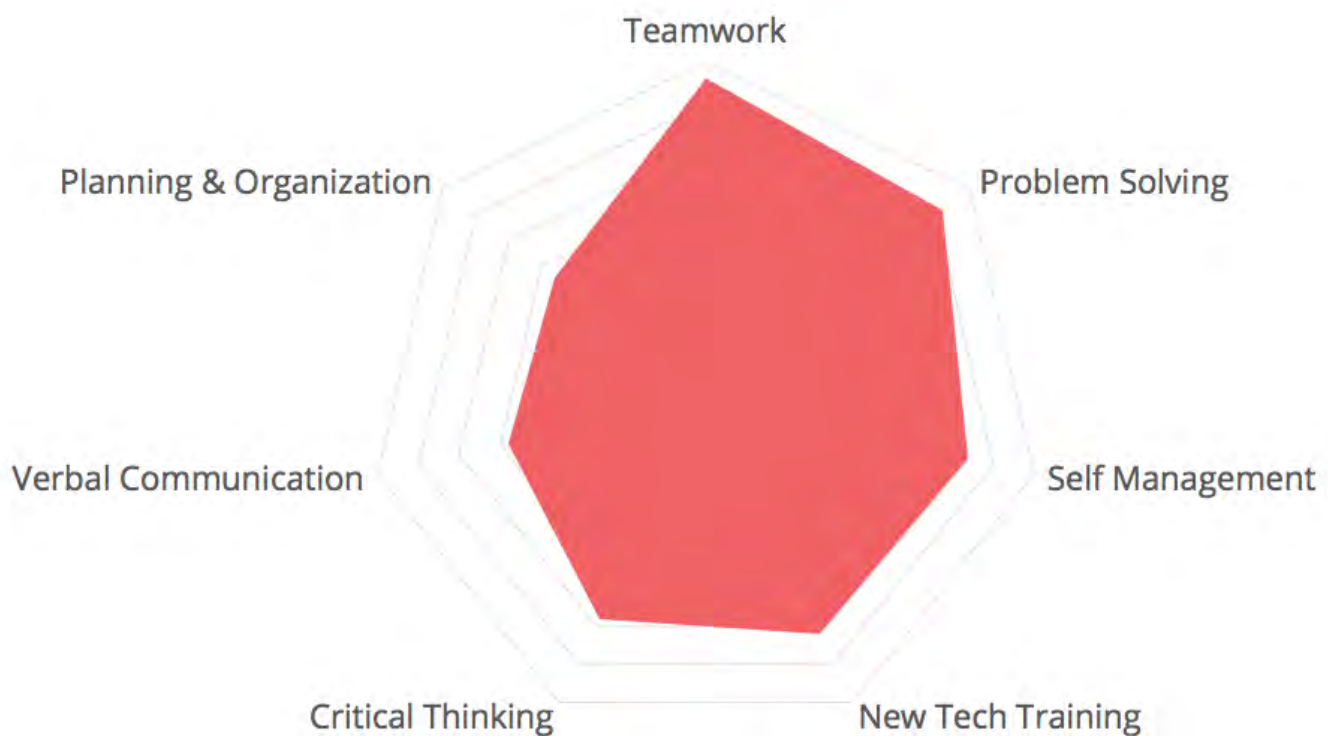
- 1 Continued corporate appetite for outsourcing
- 2 Elevated value of individual expertise
- 3 Flexible access to an on-demand and highly skilled global talent pool
- 4 Evolution of information communication technology (Internet, social, mobile)
- 5 Economic recession driving people to look for new ways to work
- 6 Emergence of the passion culture driven by Millennials and Generation Z

The confluence of these factors—which have been hastened by the impact of the Affordable Care Act—has led to freelancing becoming strategic rather than an operational element of business. Freelancers not only bring to the table a blend of knowledge-based and experiential learning, but they also allow for “elastic” expertise that helps employers find and utilize the best talent depending on each project’s needs within an organization. Because of these benefits for employers, freelancing is no longer being pushed down to a lower operational level of business where organizations lack visibility, accountability, and control over the process. With the rise of the free agent workforce, organizations both large and small will need to learn how to facilitate collaboration and teaming to prepare for a blended workforce. Fortunately, teaming is a top skill that professional freelancers bring to the table, as our research found.

## Do HR Pros Expect To See An Increase In Freelance + Employee Teaming?



## The Skills That Businesses Say Make Freelancers Effective

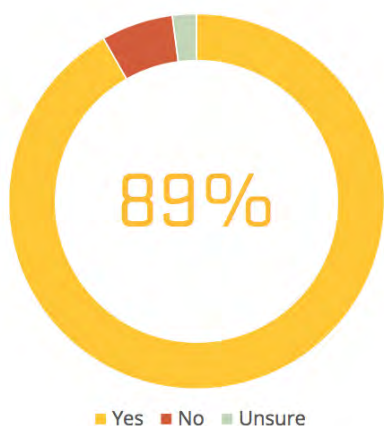




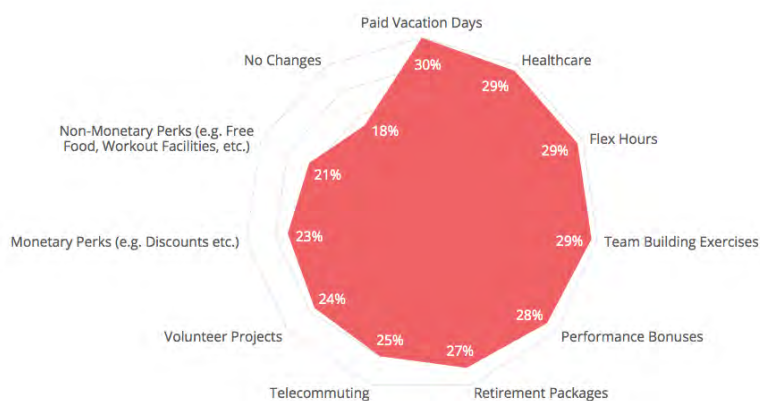
## How The ACA Impacts The Workforce

The Affordable Care Act has played a significant role in facilitating the rise of the blended workforce. The ACA has served as a catalyst for companies to begin dropping their employee healthcare benefits and start making plans to hire more freelancers. What's more, while 89 percent of companies said healthcare benefits are key to attracting and retaining talent, nearly one-third of companies intend to eliminate them due to the ACA.

Are Healthcare Benefits Key To Attracting & Retaining Talent?



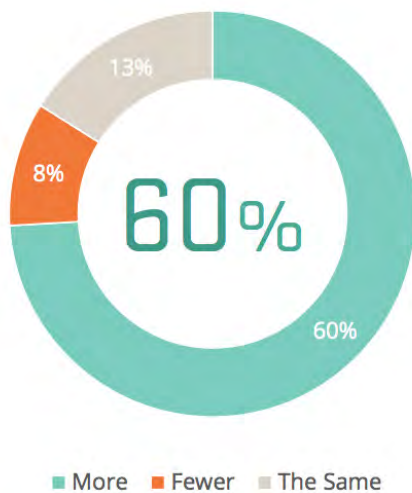
Employee Benefits Targeted For Elimination Due To The ACA



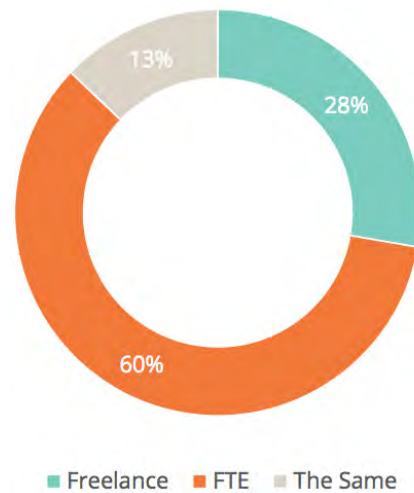
How will companies make up for the likely drain of full-time talent when they no longer offer healthcare benefits to their staff? By hiring more freelancers, which will also help reduce operational costs. 68 percent of companies said that the ACA will have a high impact on hiring more freelance workers and as a result, 74 percent plan to contract with more freelancers overall. Drilling into the data, we found that 49 percent of top performing organizations expect to increase their hiring of freelancers by 30 percent or more. In the short term, 60 percent of companies plan to engage more freelancers than in 2015. Looking ahead, organizations are predicting strong overall employee growth with nearly one-third expecting to engage more freelance workers than full-time employees by the year 2020.



### Compared To 2015 Do You Project Hiring More Freelancers?



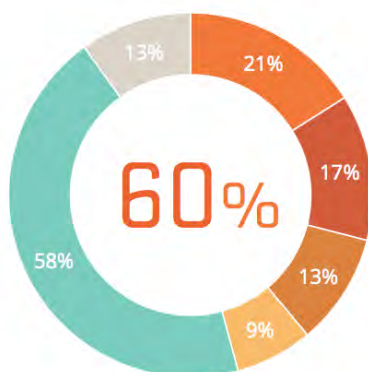
### By 2020 Do You Project Hiring More Freelancers or FTEs?



From the freelancer point of view, 60 percent of responses indicated the ACA has impacted their workload in some way. Meanwhile, one-third of independents have a healthcare benefits plan they subscribe to as a freelancer, while 61 percent of freelancers said they don't currently subscribe to a freelancer-specific healthcare benefits plan.

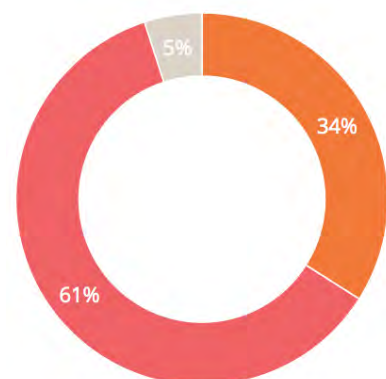
### How Does The ACA Impact You As A Freelancer?

*\*answers exceed 100% due to multiple sections*



More Hours Cut Expenses More Clients More Projects No Impact Other

### Do You Have A Healthcare Benefits Plan As A Freelancer?



Yes No Unsure

But the story doesn't end there. When asked specifically about how the ACA affects them, the freelancers shared numerous stories that varied widely. Some received healthcare through a spouse or the military. Some shared how the new tax and mandatory premiums impact their business; forcing them to either watch their hours so they don't "make too much" and lose assistance or how the tax cuts into their profits. Many others, though, indicated that they finally were able to afford a healthcare coverage plan and keep their business. "It made healthcare affordable," replied one respondent. "I now have healthcare at a very minimal cost to myself. I've stood to benefit greatly from this new law being enacted," shared a freelance respondent. One professional freelancer quantified a specific benefit, saying, "It cut my health insurance cost from \$17,000.00+ a year to \$8,000.00 a year." In these ways, the professional freelancers demonstrate that the ACA's decoupling of healthcare benefits from traditional employment have enabled and empowered them to pursue their occupational passion.

“ “I now have healthcare at a very minimal cost to myself. I've stood to benefit greatly from this new law being enacted,” shared a freelance respondent. ” ”

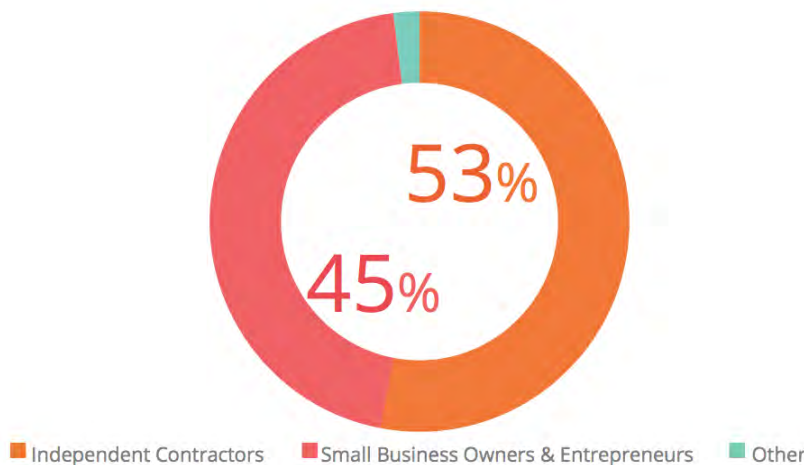


# What Freelancers Say About Freelancing

In light of the current changes in the workplace landscape, what do freelancers think about freelancing for a living? Why are they doing it, what is motivating them to do it, and how are they doing it successfully? Freelancer survey respondents emphasize that freelancing is about obtaining the freedom and flexibility most full-time jobs don't offer.

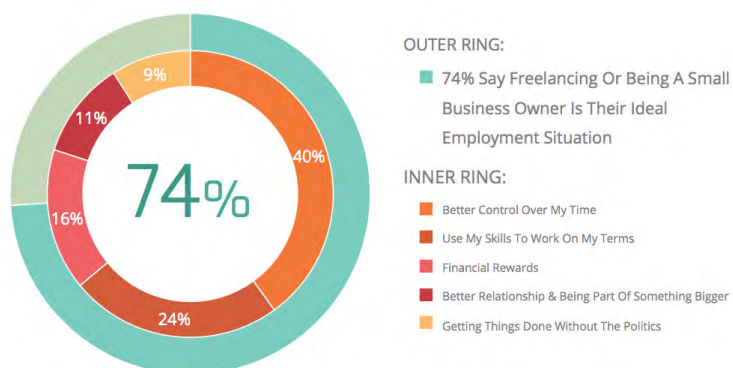
These independent contractors view themselves as small business owners and entrepreneurs — not as people between jobs — with a goal to grow their business. They are *professional* freelancers engaged in B2B relationships with their clients.

## Professional Freelancers Identify As Contractors & Entrepreneurs



Three out of four prefer freelancing to traditional employment, and five out of six cite reasons other than money as satisfaction drivers, including the ability to derive more enjoyment from their work and avoid corporate politics. An overwhelming 74 percent have no intention of going back to work as a full-time employee and intend to stay as a freelancer.

## Professional Freelancers Are Very Satisfied – Here's Why



## What Are The Key Reasons You Love Freelancing?





Healthcare is a pivotal issue for freelancers, and while ACA gives freelancers, who traditionally have lacked easy access to health insurance better access, they also now have more responsibility to manage this benefit, which was historically taken care of by an employer.

Freelancers list five skills — all soft skills — that they think make them great at what they do: problem-solving, self-management, verbal communication, critical thinking, and planning and organization.

### The Skills That Freelancers Say Make Them Effective

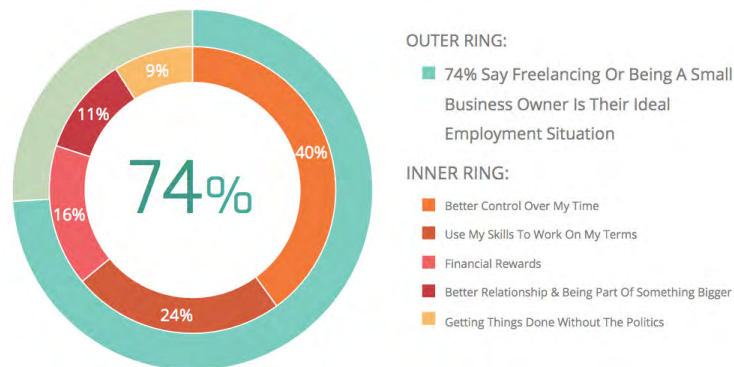


These are the same skills listed by the *World Economic Forum Jobs Report, 2016*<sup>ii</sup> which touts the most in-demand skills for jobs of the future. Respondents also reflect being very engaged in their particular niche, taking ownership and responsibility to stay up-to-date to facilitate a profitable working relationship with employers. One freelance respondent emphasized the importance of passion — which is reflected in a positive attitude toward work — stating that “attitude” was behind being a great freelancer: “I really enjoy what I do. There is never a day that I dread working.”

## Other findings from the study include:

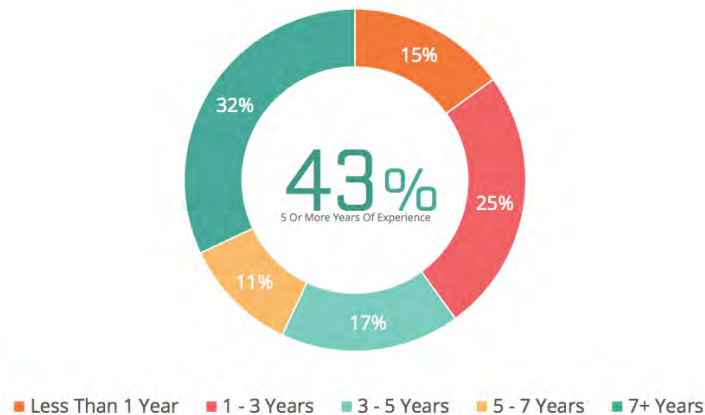
### 1. 40 percent freelance to have more control over their time

#### Professional Freelancers Are Very Satisfied –Here's Why



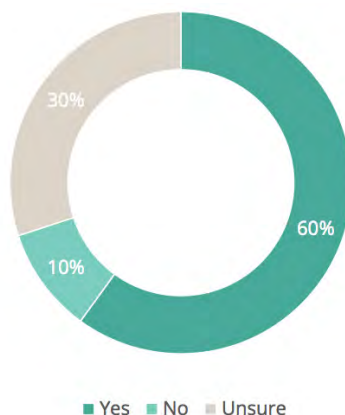
### 2. 43 percent have been freelancing for 5 or more years

#### How Long Have You Been A Freelancer?



### 3. 60 percent intend to still freelance in 5 years

#### Do You Intend To Continue Freelancing In 5 Years?

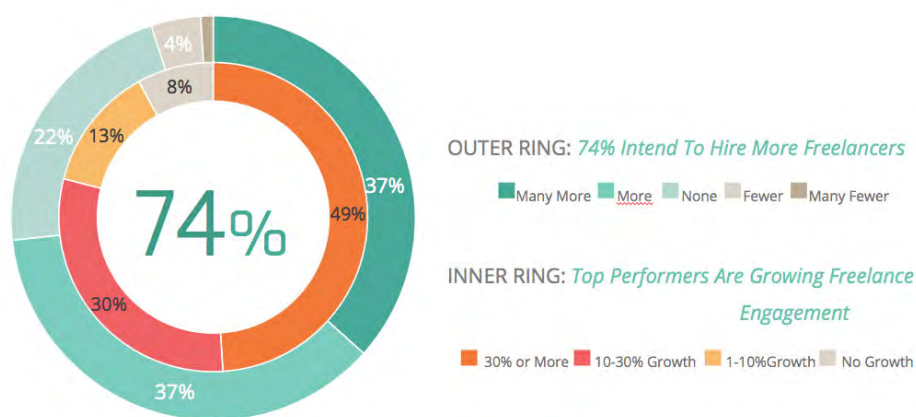


## What Employers Say About Freelancers

The other half of the equation is employers. In this turbulent time of workplace transition, what's motivating them to engage freelancers? What do they look for when contracting with free agents and how are they making collaborations with freelancers successful for their organizations?

A bottom-line finding is that companies have recognized that strategic freelancing drives corporate growth. Because of this, three-quarters of high-performing organizations intend to hire more freelancers in 2016.

### How Will The ACA Drive Decisions To Hire More Freelancers?



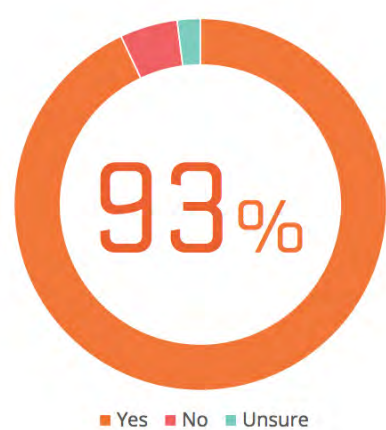
High-performing organizations are the ones that know how to engage freelance talent at a strategic level. They are the ones that are re-engineering their business processes to better engage and empower the blended workforce. In fact, over half of the companies that are the top performers state that freelancers already comprise 20-50 percent of their labor force or more. This represents a fundamental shift in the value and expertise that service organizations deliver. The best organizations are conducting an orchestra of expertise made up of freelance and traditional employees. They are deft at synchronizing different talent clouds of focused and passionate professionals while delivering higher quality results to their clients.

One reason for this is that freelancers give employers access to an on-demand and flexible talent pool of specialized expertise through specialized skills. This allows teams to increase their quality by growing, shrinking, or reformulating at different times based on the needs of specific projects. This elasticity is one of the top reasons that HR decision-makers listed to explain why they like working with free agents, along with the fact that freelancers are easier to engage and can often start immediately.

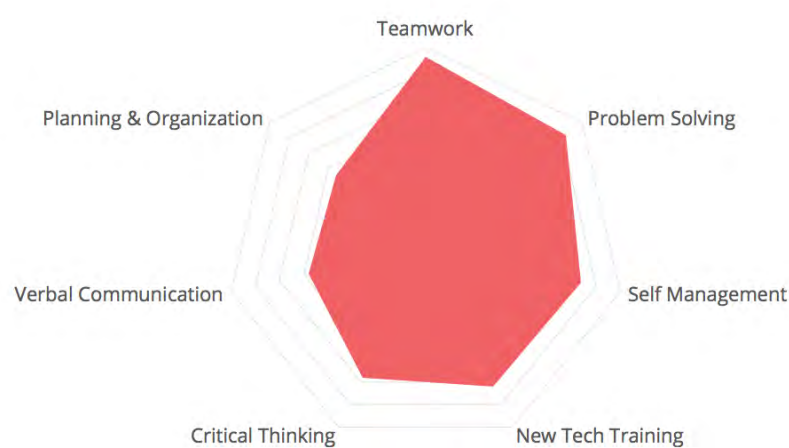


When it comes to more flexible teaming, nearly all companies surveyed (93%) have noticed more freelancers teaming up with traditional employees to work on projects together, creating a blended workforce where staff members who are focused on core business areas can partner with freelancers for effective execution. In fact, based on the research, the top skill that employers derive from freelancers is teamwork (38%), followed by problem solving and self-management.

Do HR Pros Expect To See An Increase In Freelance + Employee Teaming?

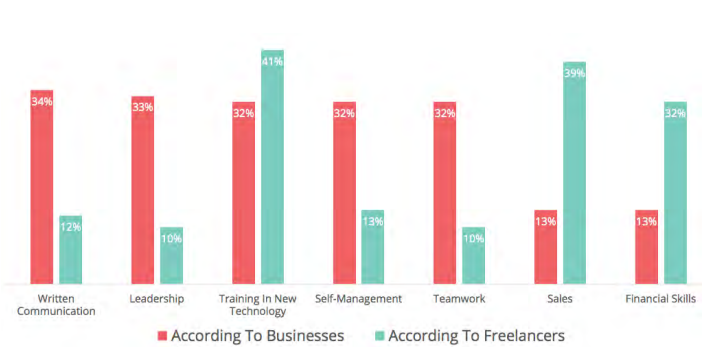


The Skills That Businesses Say Make Freelancers Effective

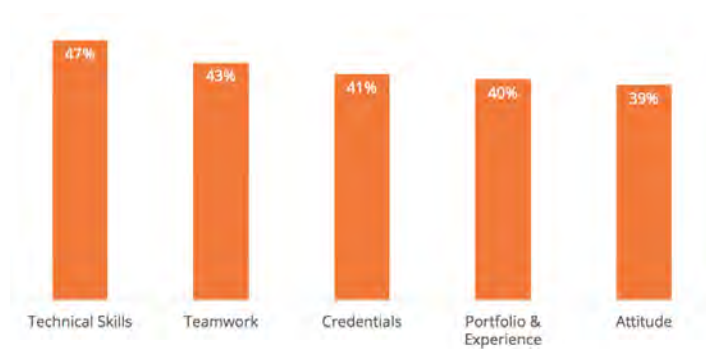


Despite this, employers also highlight teamwork as one of the top three areas that freelancers must strengthen (32%), along with written communication (34%) and leadership (33%). Teamwork is additionally one of the main qualities—along with technical skills and credentials—that employers look for when engaging freelancers. Taken together, these indicate that organizations are still evolving their understanding of and engagement with the freelance workforce.

Top 7 Areas For Development Among Freelancers

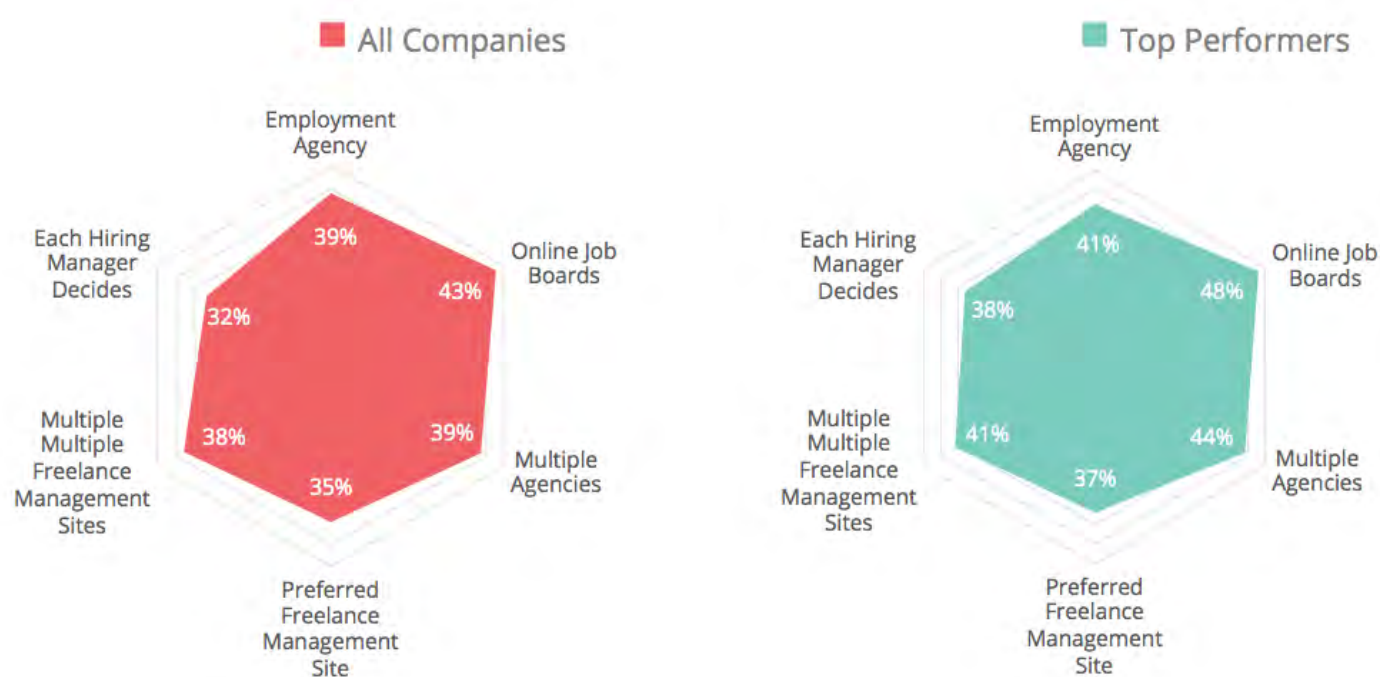


Top 5 Criteria For Engaging Freelancers



Easier engagement of contractors is in part due to the fact that new freelance-specific sourcing methods are making it much more straightforward for employers to identify free-agent talent. The study found that 38 percent of freelancers are now being sourced through specific freelance worker sites, narrowing the sourcing gap with general online job boards (43%) and employment agencies (39%).

## How Companies Source Freelance Talent



Yet, despite the important benefits that freelancers bring to organizations, transitioning to a blended workforce brings new challenges, too. Though close to two-thirds of top performing organizations find it easy to locate the right freelancers and 19 percent struggle to find the freelancers they need. 21 percent of companies find it challenging to deal with process and performance management in relation to their freelance workforce. Employers also identify visibility, accountability, control and the ability to scale efficiently as other challenges. Locating freelancers more easily is of course only the first step — effectively engaging and supporting them is critical to the ultimate success of any blended workforce.

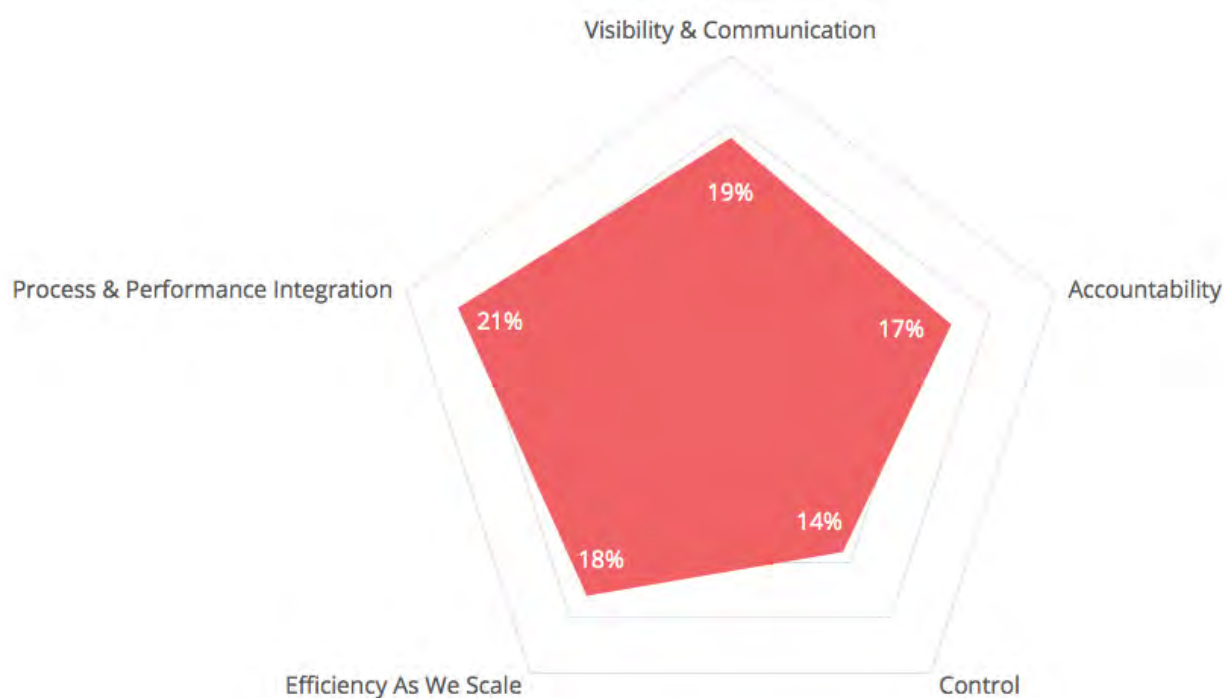
## How Challenging Is It To Find The Right Freelance Talent?

\*for top performing organizations



■ Difficult ■ Neutral ■ Easy

## Top Challenges When Managing Freelancers





## Powering The Pivot To A Blended Workforce

One-third of companies still push freelance sourcing and engagement down to the line of business manager rather than dealing strategically with process and performance management. Half use online systems to help with freelance sourcing but not with work management.

The “Understanding the Gig Economy” study identified the following top five areas in which HR and procurement professionals need assistance:

- 1 Visibility into process management
- 2 Ability to easily scale the labor force up and down without sacrificing quality or results
- 3 Accountability for results by freelancers, line of business managers, and stakeholders
- 4 Control over the selection, onboarding, deployment, and engagement process
- 5 Supporting and training freelancers for long-term success as part of the blended workforce

With 21 percent of companies finding it challenging to deal with process and performance management around their freelance workforce, it's important to prioritize intentional planning related to the five areas above—and the study showed that's exactly what the most high-performing organizations do. Effective teaming between employees and freelancers does not generally happen on its own; a planned marketplace, such as a freelancer management platform, offers structure to provide organization, acceleration, and streamlining of engagements with free agents. Field Nation's freelancer management platform allows for visibility into the full lifecycle of the work process; accountability for work status, communication, and completion; control over the entire life of freelancer engagement including support for training; and the ability to rapidly scale up and down with demand.

# “Understanding The Gig Economy” Research

## Overview of Research Findings

### OBJECTIVES

Online work platform Field Nation and research firm Future Workplace conducted a survey, “Understanding the Gig Economy.”

This survey was designed to:

- 1 Understand the increased usage of freelance workers in the workplace.
- 2 Explain how the trend is gaining momentum in response to the Affordable Care Act and other macro factors.
- 3 Help employers make strategic decisions around how to best integrate freelancers with full-time employees in their organizations to create a powerful new blended organization.

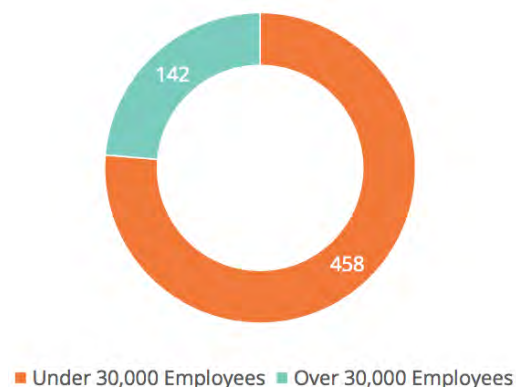
### METHODOLOGY

The study, which was conducted in January and February 2016, surveyed 1,559 professionals, both freelance workers (primarily on-site technical freelancers) and enterprise HR/procurement professionals, across the United States. There were 959 freelance respondents fielded from Field Nation’s database and 600 enterprise HR and procurement respondents sourced from GMI, Future Workplace’s research partner.

### COMPANY SIZE

On the enterprise side, 142 respondents were from organizations with more than 30,000 employees, and 458 respondents were from organizations with less than 30,000 employees.

## Study Participants



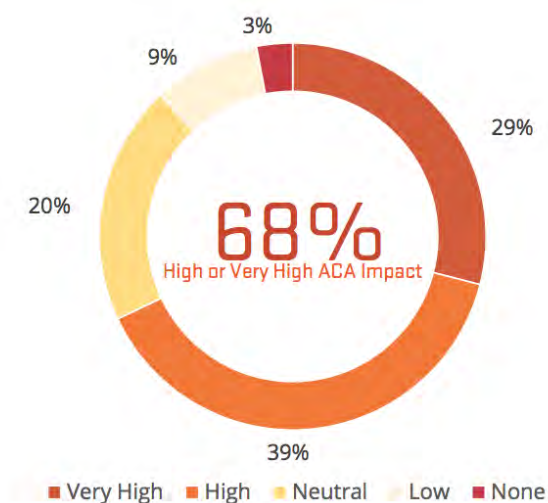
# Impact Of The ACA On The Workforce

## FINDINGS

Out of 600 HR decision makers surveyed:

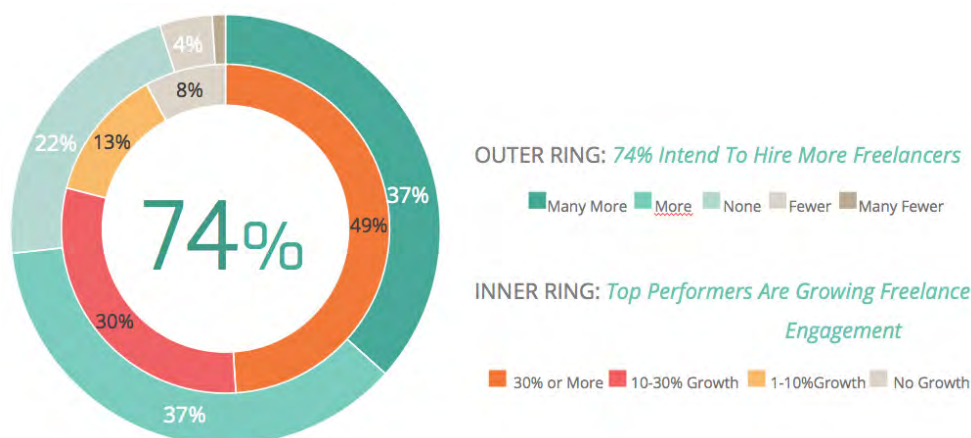
The majority (68%) said that the ACA will have a high impact on hiring more freelance workers.

What Impact Does The ACA Have On Hiring More Freelancers?



Around three-quarters (74%) said that they will contract with more freelancers as a result of the ACA.

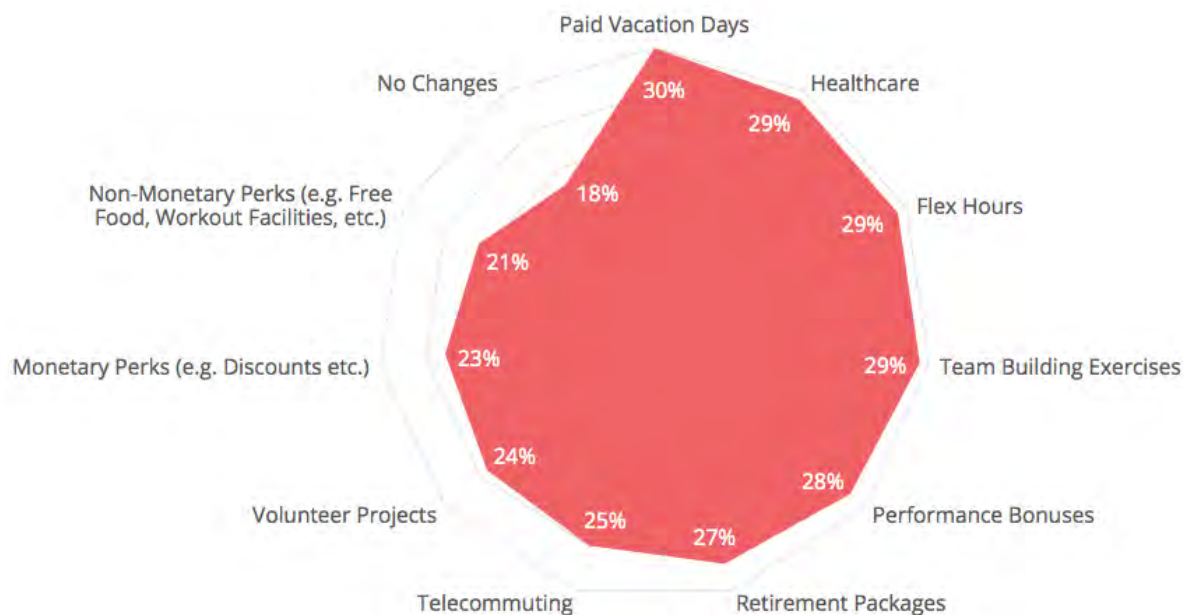
How Will The ACA Drive Decisions To Hire More Freelancers?



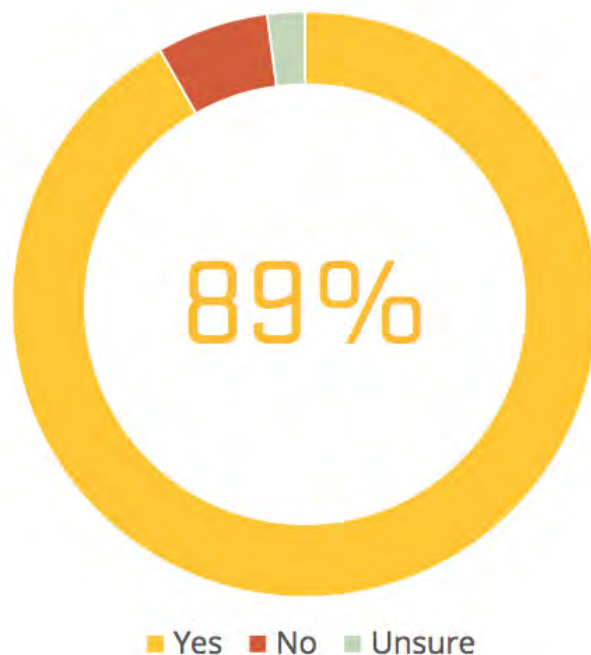


About one-third plan to eliminate healthcare benefits, even though the vast majority (89%) believe that healthcare benefits are the key to attracting and retaining talent.

### Employee Benefits Targeted For Elimination Due To The ACA



### Are Healthcare Benefits Key To Attracting & Retaining Talent?



## CONCLUSIONS

The Affordable Care Act is triggering companies to reduce benefits and, concurrently turn to the contingent workforce, especially since 2016 is when the tax penalty for individuals who opt out of available programs is the highest at \$695 and the Employer Mandate / Shared Responsibility penalty calculations rise<sup>iii</sup>. The study findings bear out findings from the Congressional Budget Office from 2014, *"In CBO's judgment, the costs of the [employer] penalty eventually will be borne primarily by workers in the form of reductions in wages or other compensation<sup>iv</sup>..."*

At the same time, the ACA is also providing Americans with insurance coverage opportunities that are unattached to traditional employment. Again, according to the CBO in 2014, *"...the ACA could influence labor productivity indirectly by **making it easier for some employees to obtain health insurance outside the workplace and thereby prompting those workers to take jobs that better match their skills, regardless of whether those jobs offered employment-based insurance.**"<sup>v</sup> (emphasis added)"*

Independent analysis agrees. "...workers who aren't in their chosen field may leave their current jobs. That's because, the CBO projects, these workers will have an easier time obtaining health insurance outside their workplaces, freeing them to pursue the jobs that they're passionate about and skilled for."<sup>vi</sup>

Our study shows that the Affordable Care Act is decoupling traditional employment benefits, like health insurance, from traditional full time employment arrangements, making benefits portable and freeing workers to pursue their passion and skill.

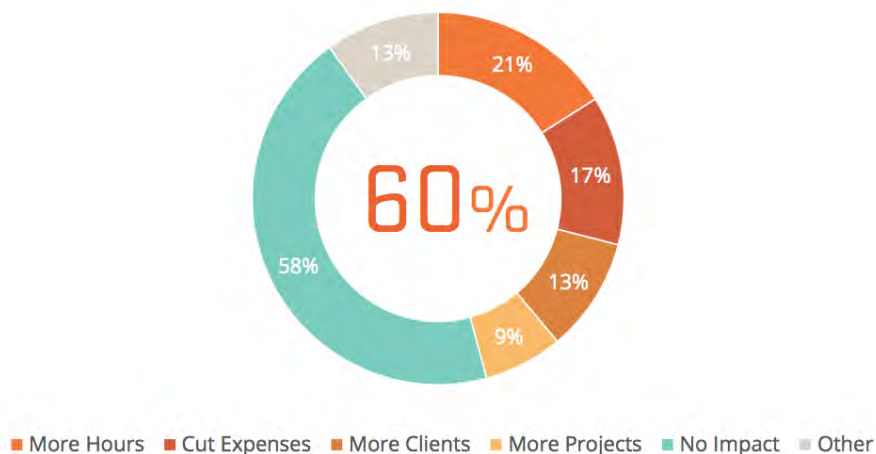
## FINDINGS

Out of 959 freelancers interviewed:

60 percent said that the ACA has impacted their workload in some way.

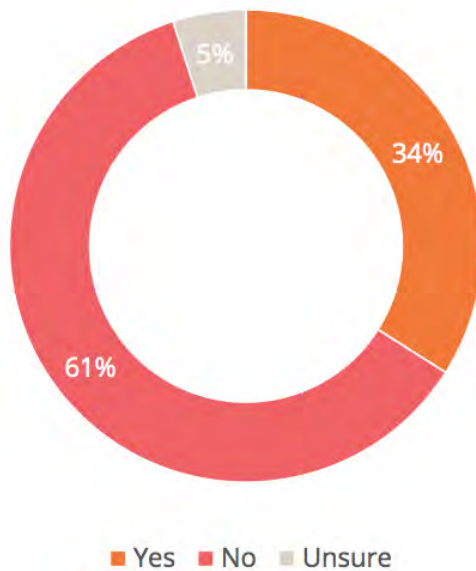
### How Does The ACA Impact You As A Freelancer?

\*answers exceed 100% due to multiple sections



61 percent don't subscribe to a freelancer specific healthcare benefits plan.

Do You Have A Healthcare Benefits Plan As A Freelancer?



## CONCLUSIONS

Healthcare and benefits portability is a pivotal issue for freelancers. While the Affordable Care Act gives freelancers better access to health insurance, which they previously lacked, they also now have more responsibility to manage this benefit, which was historically taken care of by an employer.

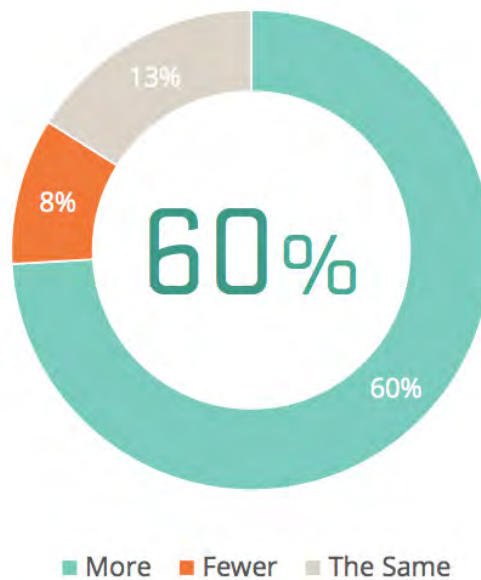
# Rise Of The Blended Workforce

## FINDINGS

Out of 600 HR decision makers surveyed:

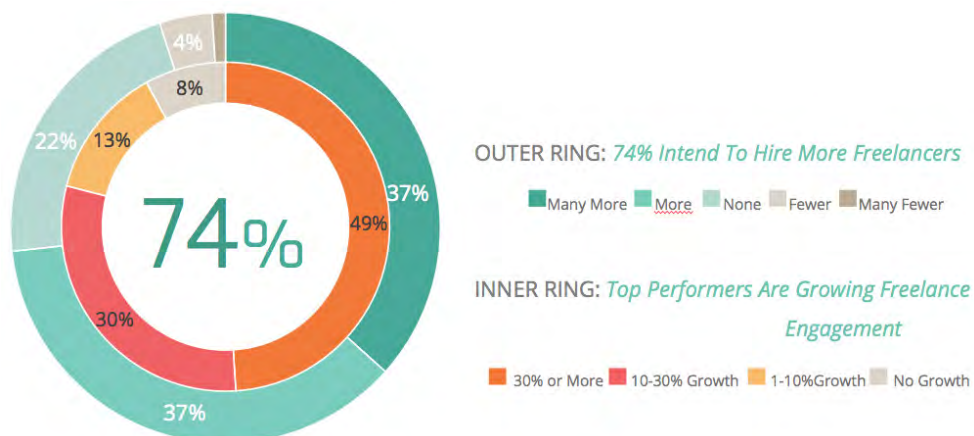
60 percent plan to hire more freelancers in 2016 compared to 2015.

Compared To 2015 Do You Project Hiring More Freelancers?



49 percent of top performers expect to increase their hiring of freelancers by 30 percent or more.

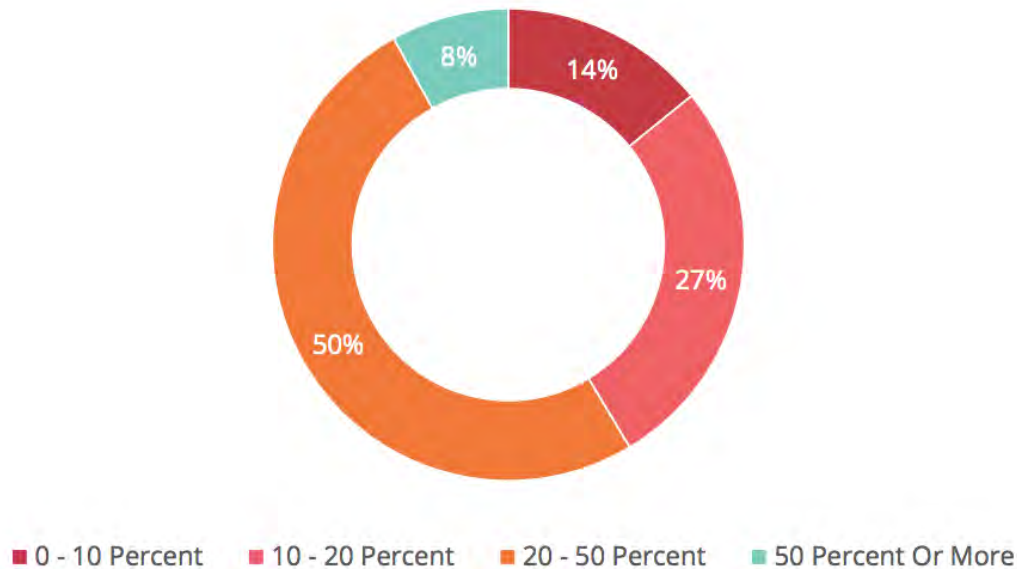
How Will The ACA Drive Decisions To Hire More Freelancers?





58 percent of Top-performing firms say that 20 percent or more of their labor force is already composed of freelancers.

Percent Of Top Performing Organizations That Is Freelance



## CONCLUSIONS

Top performing organizations are the ones that know how to engage freelance talent at a strategic level, and are structuring future plans around a managed blended workforce. The blended workforce represents the de-commodification of freelance expertise and the strategic engagement of on-demand know-how.

# New Ways To Source Freelancers

## FINDINGS

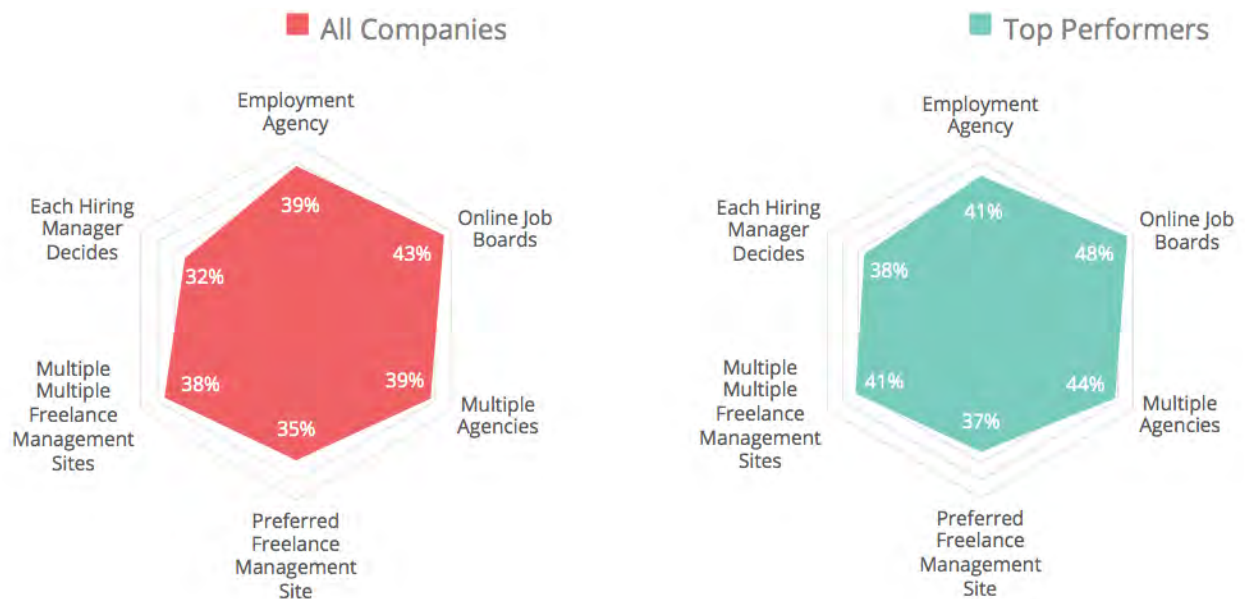
Out of 600 HR decision makers surveyed:

These freelance-specific sites narrow the sourcing gap with general online job boards (43%) and employment agencies (39%).

Online job boards are the top way they source freelancers.

38 percent of freelancers are now being sourced through specific freelance worker sites.

## How Companies Source Freelance Talent



## CONCLUSIONS

The convergence of an improved technology and increased ease of discoverability of available and skilled freelancers at a time of peak ACA-related cost drivers is expediting the blended workforce of full-time and freelance workers.

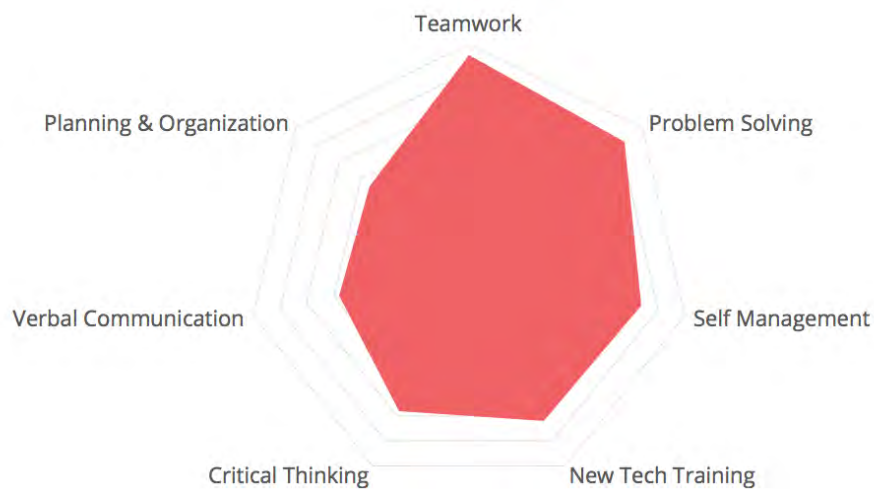
## Key Freelance Skills

### FINDINGS

Out of 600 HR decision makers surveyed:

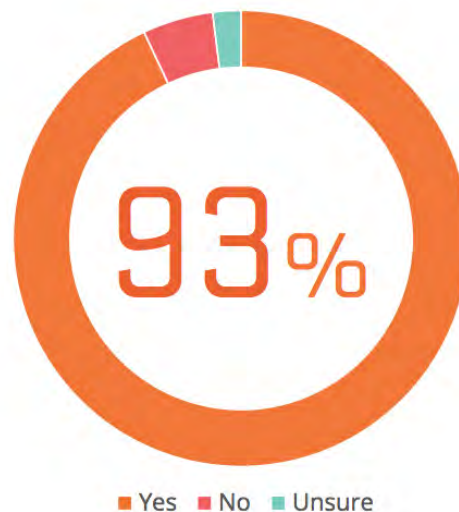
38 percent say the top skill freelancers bring to employers is teamwork.

#### The Skills That Businesses Say Make Freelancers Effective



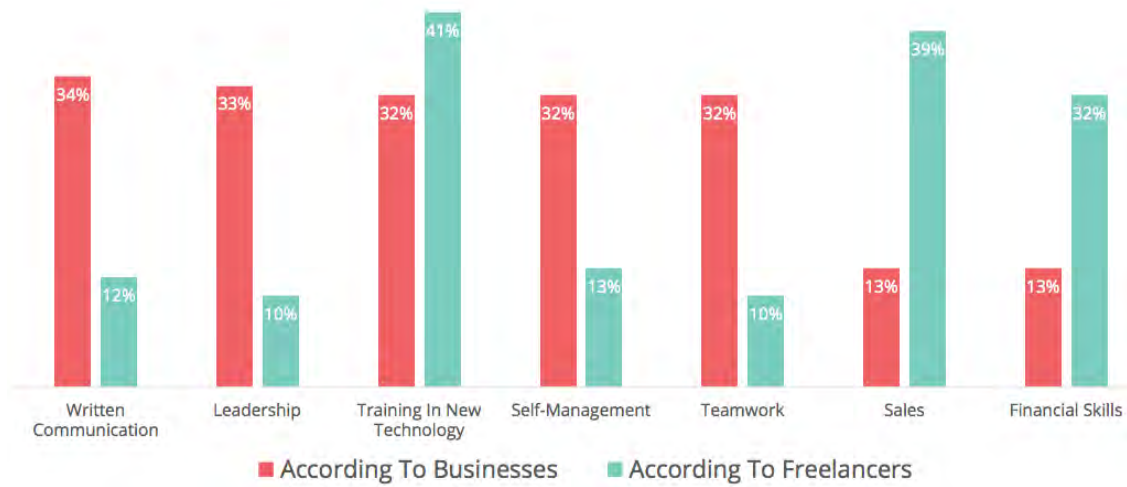
Nearly all (93%) report that freelancers are teaming up with full-time employees to work together on their company's projects.

#### Do HR Pros See Increase In Freelance + Employee Teaming?



The most important skills for freelancers to strengthen include:  
Written communication (34%), Leadership (33%), Teamwork (32%)

Top 7 Areas For Development Among Freelancers



## CONCLUSIONS

Freelancers are no longer isolated by their work—teamwork between freelancers and full-time staff is already powering the pivot to a blended workforce. Staying abreast of cutting edge technology is a key point of skill development that both businesses and freelancers agree upon.

# Picture of Today's Freelance Workers

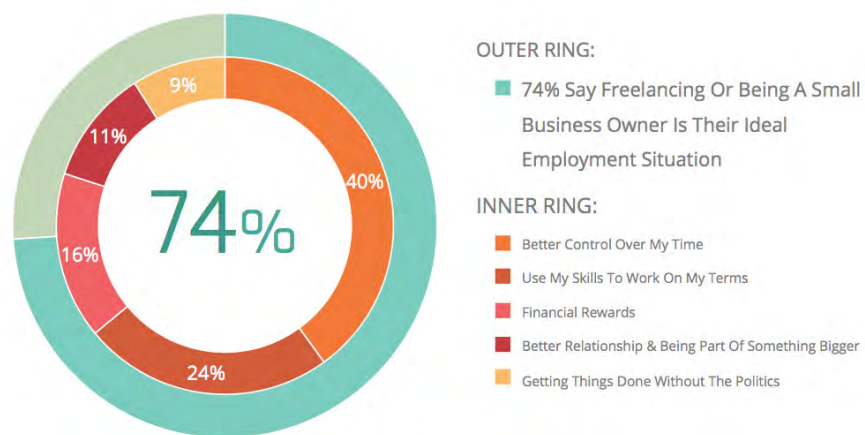
## FINDINGS

Out of 959 freelancers interviewed:

Nearly three-quarters (74%) indicated their ideal employment situation is freelancing or small business ownership as opposed to having a traditional full time job.

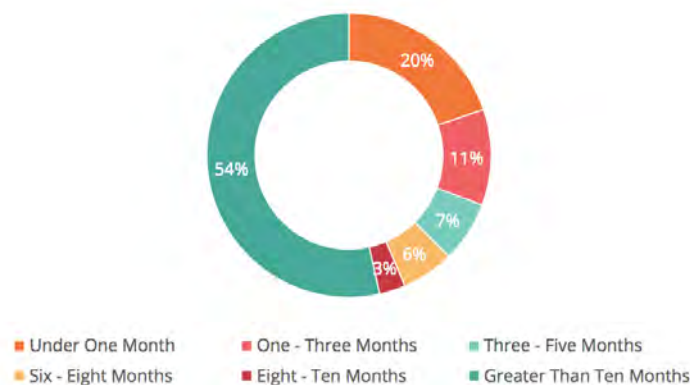
40 percent said better control over their time is their primary satisfaction as a freelancer, followed by 24% who said their ability to use their skills to do things on their own terms is what makes them feel most satisfied with their freelance role.

### Professional Freelancers Are Very Satisfied – Here's Why



54 percent say that their typical freelance relationship with a client spans multiple engagements over more than 10 months while 20% indicate their relationship is less than one month.

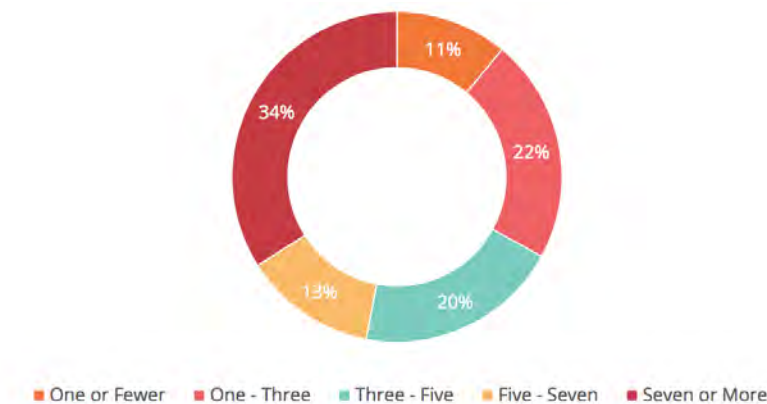
### Length Of Typical Freelance Relationship With A Client





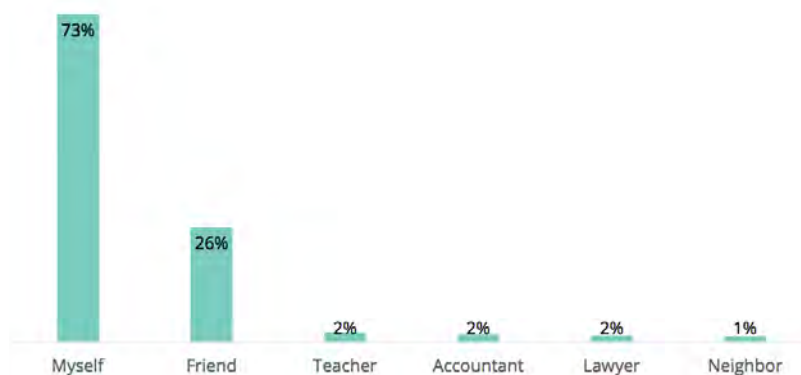
53 percent engage 5 clients a month or fewer, while 47 percent have more than 5.

Average Number Of Monthly Clients For Freelancers



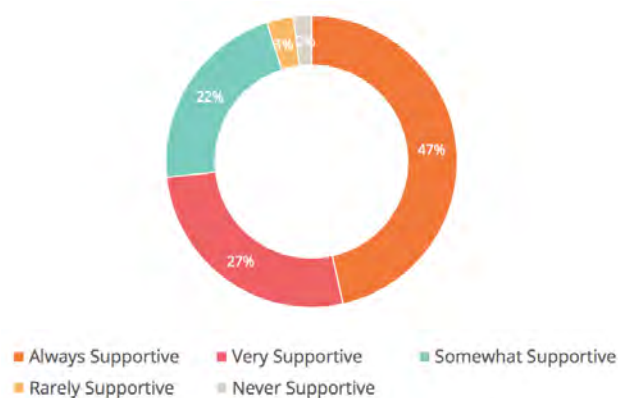
Nearly three fourths (73%) said that they didn't get help establishing themselves as freelancers.

Who Helped You Establish Yourself As A Freelancer?



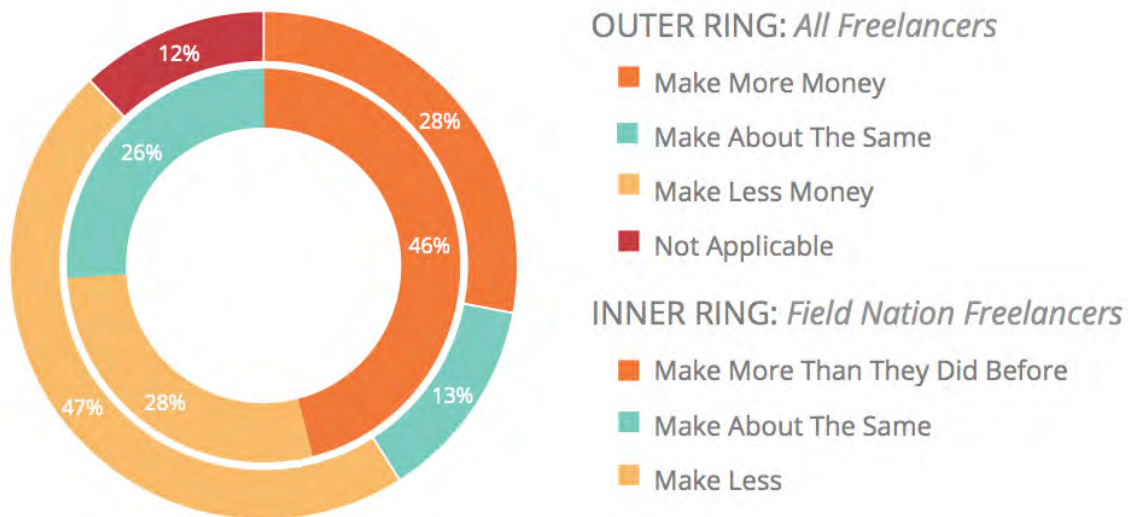
Nearly all (95%) said their family has been at least somewhat supportive about the decision to go freelance.

How Supportive Is Your Family Of Your Choice To Freelance?



Between 41 percent and 72 percent of Professional freelancers make the same or more money than they did when they were full time employees. Even those who make less do so for their own reasons.

### Professional Freelancers Make The Same Or More Money



## CONCLUSIONS

Today's freelancers are willing to make less money to gain greater freedom and flexibility. While the freelance career path is not taught in the U.S. school system, once professionals find their way to the freelance path, a staggering number have no desire to leave freelancing for traditional full-time employment, and families are supporting freelancers' decisions to become free agents.

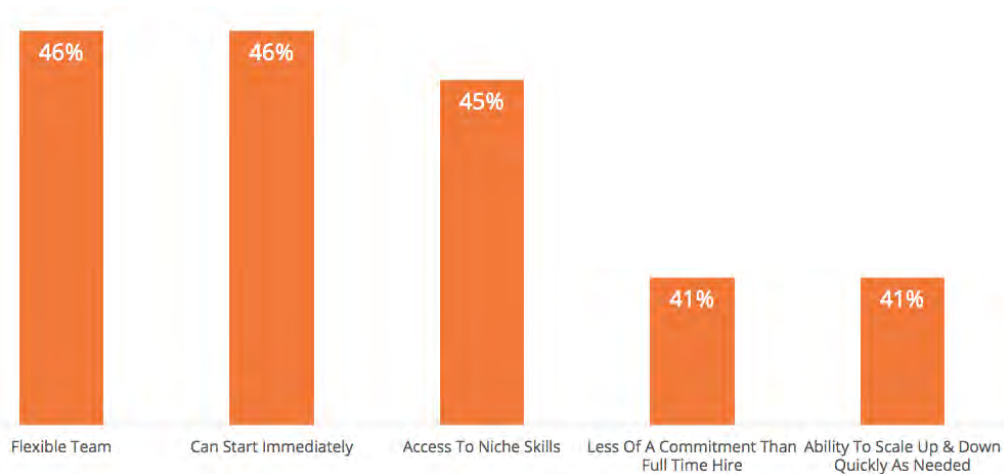
# HR's Experience With Freelancers

## FINDINGS

Out of 600 HR decision makers surveyed:

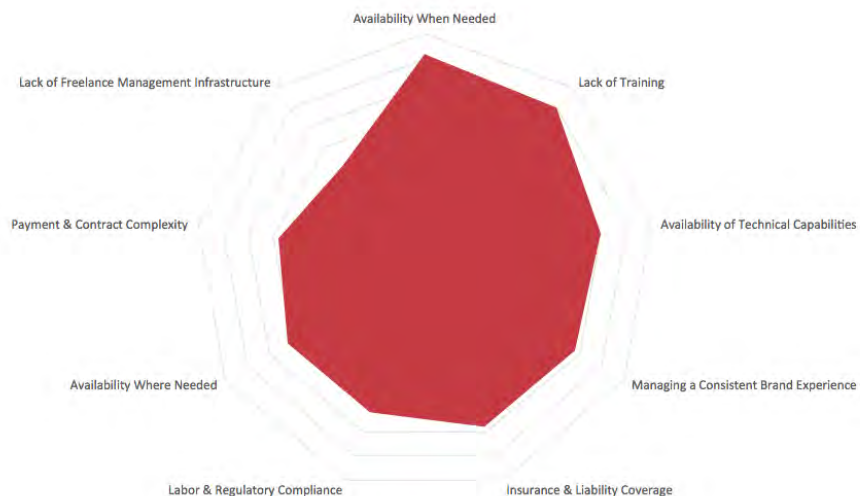
The top three benefits listed that freelancers offer employers over full-time employees are having a more flexible team (46%), that they can often start working immediately (46%), and the ability to access specific niche skills (45%).

Top 5 Benefits Of Freelancers Over Employees



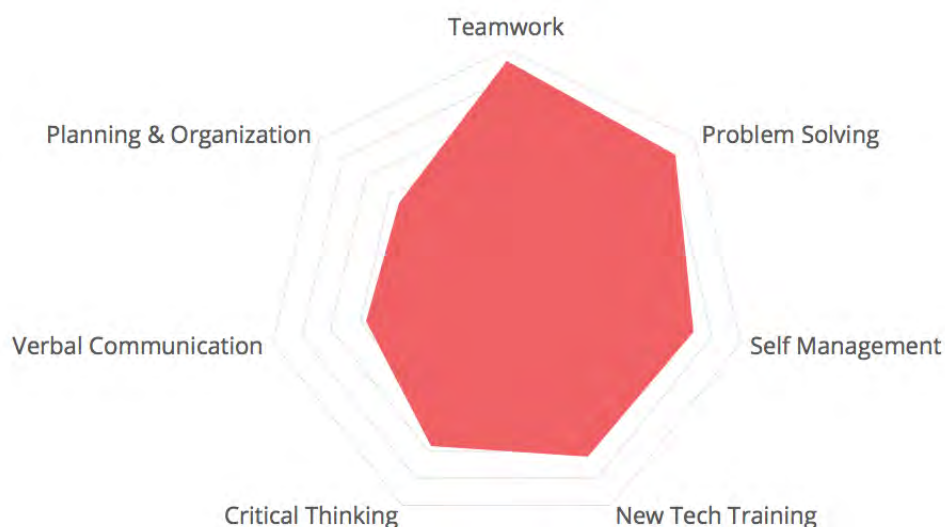
The top concerns with engaging freelancers include their availability (41%), their technical capabilities (35%), and managing a consistent brand experience (34%).

Top Concerns About Engaging Freelancers

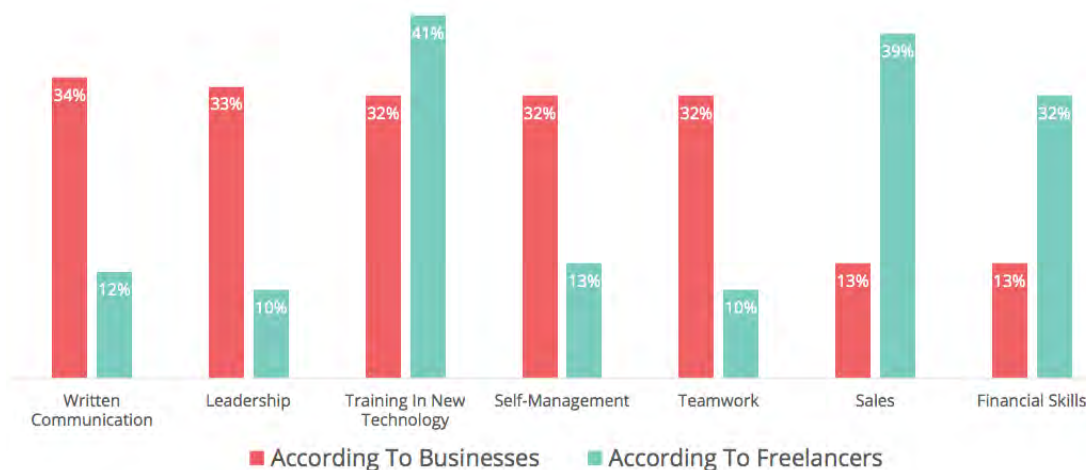


The most valuable skills that they derive from freelancers are teamwork (38%), problem solving (36%), and self-management (32%), while the top skills that they lack include written communication (34%), leadership (33%), and teamwork (32%).

### The Skills That Businesses Say Make Freelancers Effective

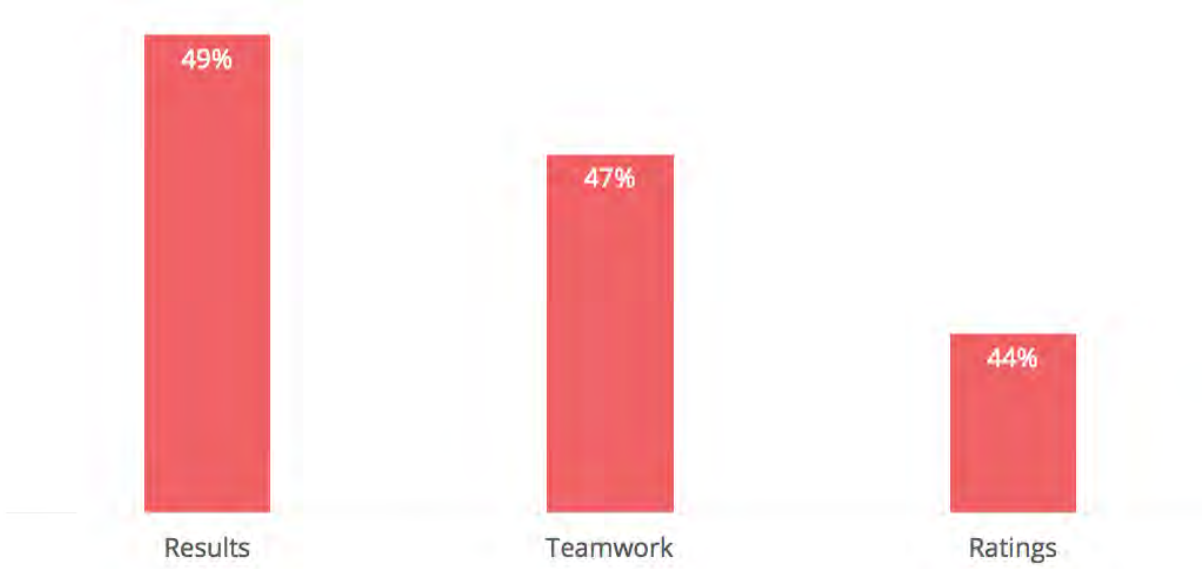


### Top 7 Areas For Development Among Freelancers

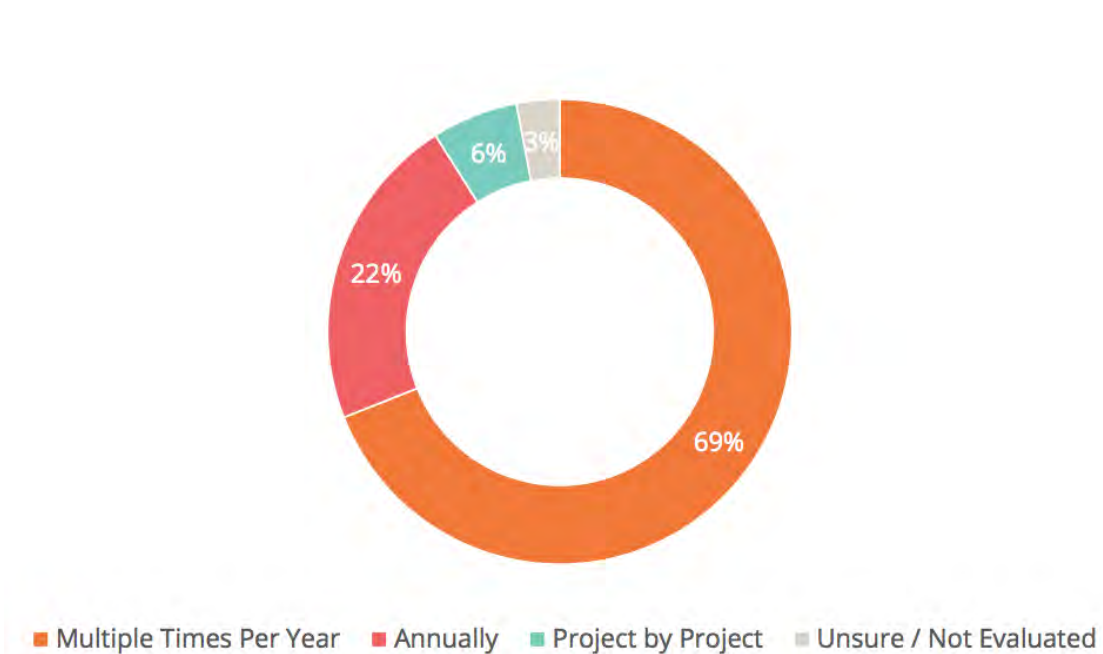


Companies evaluate freelancers based on the results of their projects (49%) and how well they work in a team (47%). They typically evaluate them multiple times each year (69%), and the most common incentive they use is bonuses (45%) followed by stronger future contracts (42%) and more money per project (41%).

### How Do Businesses Evaluate Freelancers?

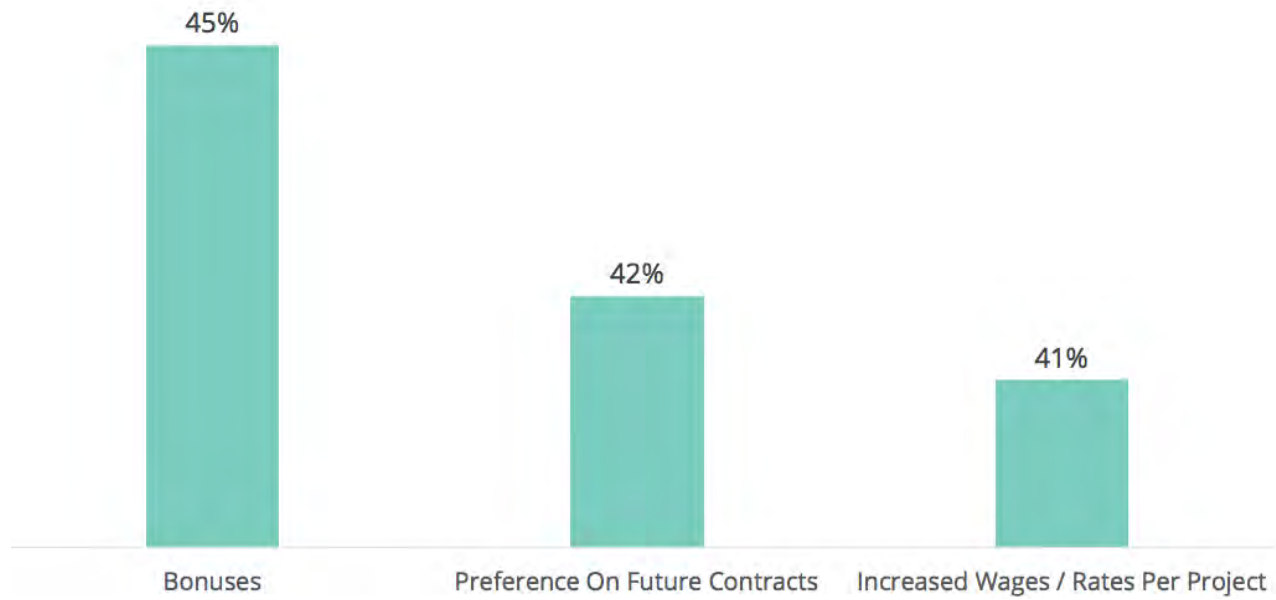


### How Often Do Businesses Evaluate Freelancers?





## Top Incentives & Rewards Businesses Give Freelancers



### CONCLUSIONS

Employers appreciate that freelancers are easier to engage and give them the ability to scale up or down based on a project's requirements. Experience and expertise have become the key career currencies, with organizations less concerned with pedigree and which organization a contractor comes from. Instead, over-performing organizations are more focused on the flexible, specialized skill set that freelancers offer, as well as their ability to team with in-house employees. What matters most are the capabilities and credentials of the individual who's actually going to do the work, and the management structure that supports the freelance workforce.

## The Gig Economy: Here To Stay

Spurred by competitive demands for leaner organizations, employers are pivoting to a workforce blended with both full-time employees and freelancers. This new model of expertise engagement is disrupting the classic employer-employee model. Many factors are converging to contribute to these trends, including enabling technologies, societal attitudes, increased mobility, decoupling of benefits from traditional employment, continuing dissatisfaction with traditional employment situations, and the war for talent. The Affordable Care Act is hastening the arrival of the blended workforce.

Top-performing firms are leading the way, with over 50 percent of these organizations already having more than 20 percent of their labor force consisting of contract/freelance workers. The trend of companies hiring more freelancers is expected to accelerate in the next decade, creating new challenges for business leaders, who must learn how to effectively manage visibility, accountability, and control in relation to their freelance workforce. This workforce is willing to make sacrifices in order to gain the freedom and flexibility afforded by the freelance career path.

To prepare for the advent of the blended workforce, organizations can begin to strategize by asking themselves the following questions:

- 1 How could hiring more freelancers provide a strategic cost and capability advantage to our organization?
- 2 How could traditional and freelance workforces be blended more efficiently?
- 3 Where should we recruit qualified on-demand labor?
- 4 How do we assure some standard levels of certification and rating across freelancers?
- 5 What else can we do to more fully leverage the gig economy?

By structuring future plans around effectively managing the blended workforce, organizations will be better prepared to harness the power of free agents and make strategic, cost-effective decisions around how to best integrate freelancers with their full-time employees.

## About Field Nation

Field Nation is the most complete Freelancer Management System (FMS) and SaaS-based project-management solution available. The company is headquartered in Minneapolis, has more than 100 employees, and was listed on the 2013 and 2014 Inc. 500 list of fastest growing companies. In 2015, the company recorded over \$100 million in marketplace transactions. With more than 70,000 service providers in its network, Field Nation serves as a catalyst for business growth and ensures successful collaborations around the world. Visit [www.fieldnation.com](http://www.fieldnation.com).

## About Future Workplace

Future Workplace is a research firm preparing leaders for disruptions in recruiting, development, and employee engagement. At the center of the firm is the Future Workplace Network, a consortium of FORTUNE 500 organizations who come together both virtually and in person to discuss, debate, and share 'next' practices in re-imagining the future of work. Visit [www.futureworkplace.com](http://www.futureworkplace.com).

## Sources

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<sup>ii</sup>World Economic Forum, Global Challenge Insight Report, “The Future of Jobs Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution”. pp. 20 [http://www3.weforum.org/docs/WEF\\_Future\\_of\\_Jobs.pdf](http://www3.weforum.org/docs/WEF_Future_of_Jobs.pdf)

<sup>iii</sup>“Questions and Answers On Employer Shared Responsibility Provisions Under the Affordable Care Act”, IRS.gov, <https://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act>, Accessed May 5, 2016

“Obamacare Employer Mandate”, Obamacarefacts.com, <http://obamacarefacts.com/obamacare-employer-mandate/> Accessed May 5, 2016

<sup>iv</sup>“Labor Market Effects of the Affordable Care Act: Updated Estimates”, THE BUDGET AND ECONOMIC OUTLOOK: 2014 TO 2024, February 2014, pdf pp. 6., <http://www.cbo.gov/sites/default/files/cbofiles/attachments/45010-breakout-AppendixC.pdf> Accessed May 5, 2016

<sup>v</sup>*Ibid.* pdf pp. 7

<sup>vi</sup>Gallagher, Suzanne. Feb. 24, 2014, “The Affordable Care Act: Not Jobs Destroyed, But Jobs Opened”, <http://www.pbs.org/newshour/making-sense/affordable-care-act-jobs-destroyed-jobs-opened/> Accessed May 5, 2016

Also, see Dewan, Shaila. Feb 20, 2014. “How Obamacare Could Unlock Job Opportunities”, The New York Times Magazine. <http://www.nytimes.com/2014/02/23/magazine/how-obamacare-could-unlock-job-opportunities.html> Accessed May 5, 2016 *“It may seem counterintuitive, but from an economics perspective, this is a good thing, because it encourages the labor force to allocate itself more efficiently. Older workers will finally be able to retire, leaving openings for younger workers. People will switch to jobs that better suit their talents. Parents will be able to spend more time with their families. Such changes don’t always make people wealthier, but they make people happier. This is allowing people to not have to stay in overworked, dead-end jobs that are probably making them sicker, any longer than they need to,” says John de Graaf, executive director of Take Back Your Time, an organization dedicated to reducing overwork. De Graaf says that people who work long hours with little control over their schedules are more likely to suffer ill health effects like heart disease. So increasing their choices, he says, “may save more money on health than the act itself.”*