



# Ultimate

SOFTWARE

How the Gig Economy Is Changing  
the Benefits Landscape

*People first.*

# Today's Presenters



**Ginny Drinker**

Director, Strategic  
Alliances



**Casandra Brice**

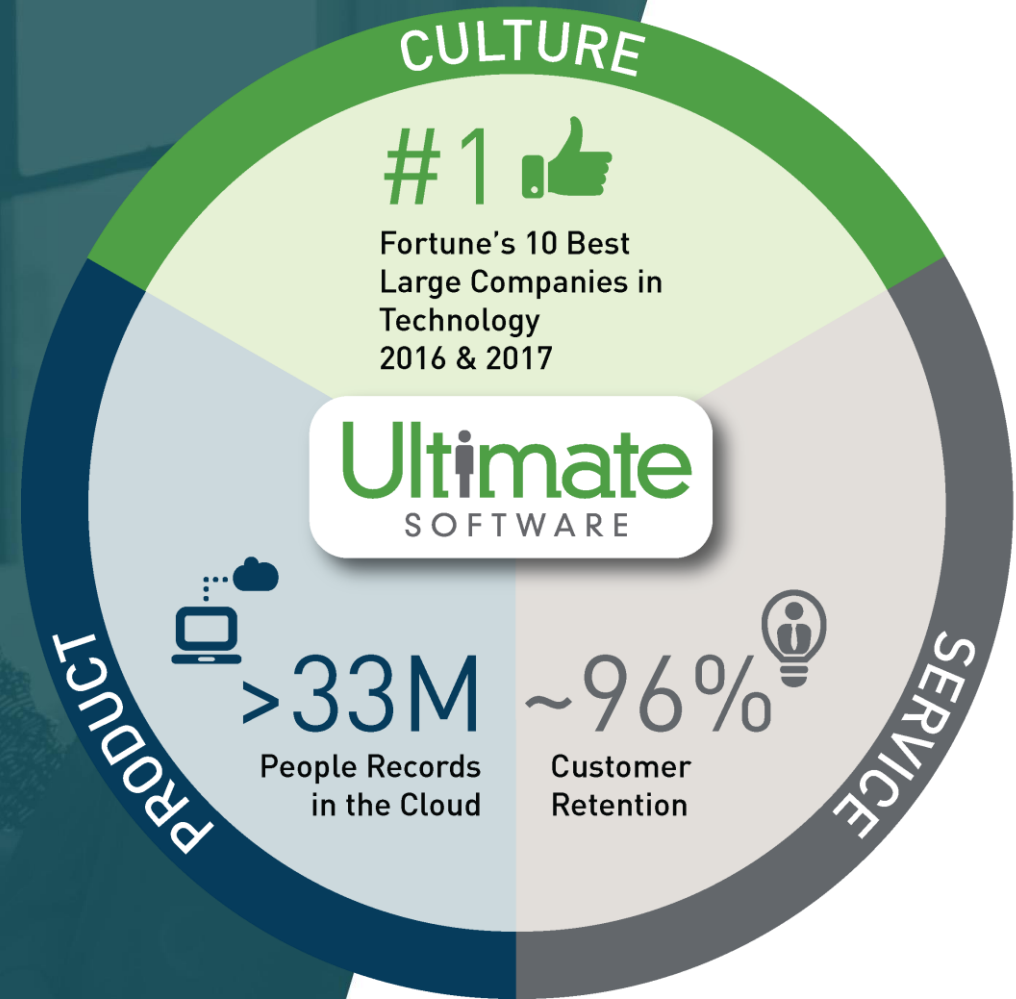
Sr. Director, Benefit  
Services, PHR, SHRM-CP

# Ultimate

SOFTWARE

## ULTI

Leading Provider of Human Capital Management (HCM) Solutions in the Cloud: Human Resources, Benefits, Payroll, Talent Acquisition, Talent Management, Learning Management, Compensation Management, and Time & Labor Management



People first.

# Ultimate Software

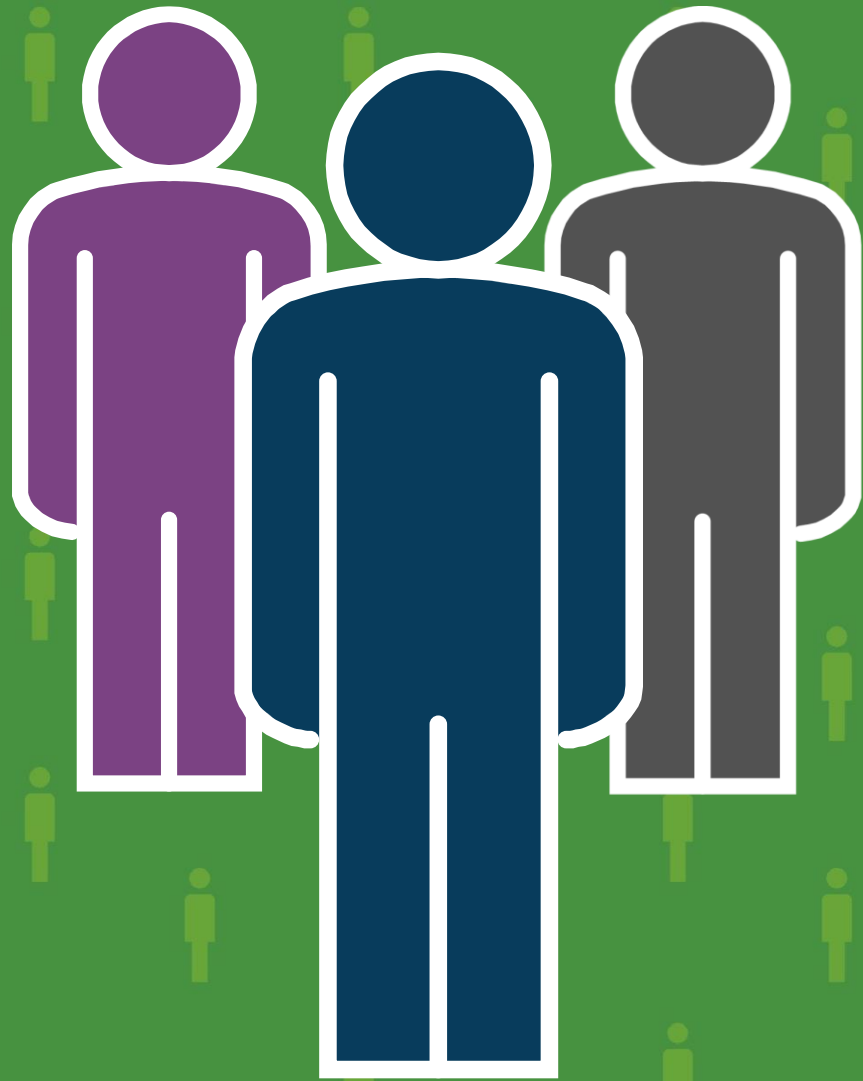
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Best Workplaces for  
Millennials

**FORTUNE**

*People first.*





# Gig/Independent Worker Definition

- High degree of autonomy
- Payment by task, assignment or sales
- Short-term relationship with worker and client
- Encompasses people who provide labor services and/or sell goods or rent assets

# The gig economy is coming. You probably won't like it.

Say goodbye to salaries, health insurance, and vacation days. Forty percent of America's workforce could be freelance by 2020.

## The Rise of the "Gig" Economy: Good for Workers and Consumers

### The Gig Economy Won't Last Because It's Being Sued To Death

FORTUNE | Fortune Insiders

Working in the Gig Economy Is Both Desirable  
and Detestable

# Why it matters



20%-30%

Working Americans Considered  
Gig or Independent Workers

McKinsey&Company

October 2016



# What percentage of gig workers are age 25 or younger?

Less than 25% **226468**

25%-50% **226510**

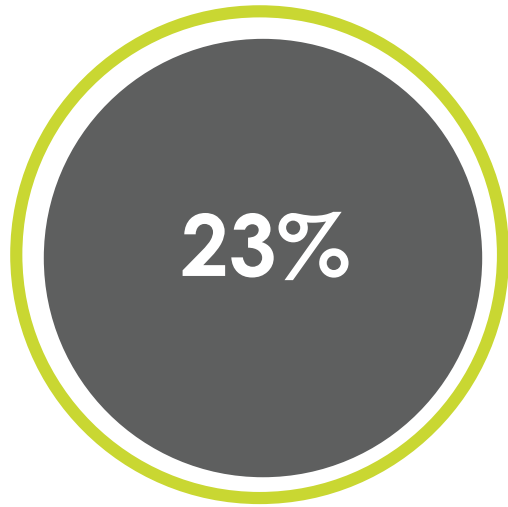
50%-75% **226586**

Greater than 75% **226605**

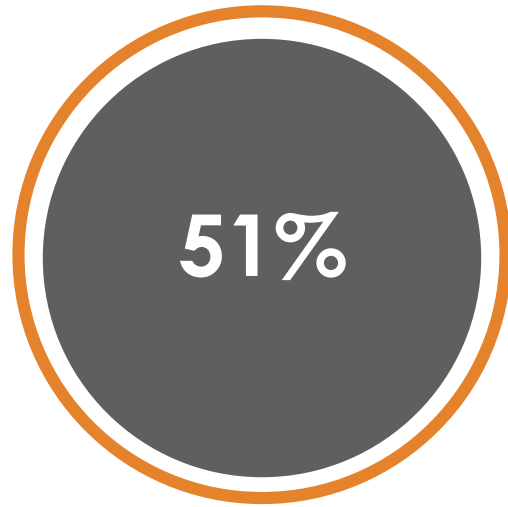
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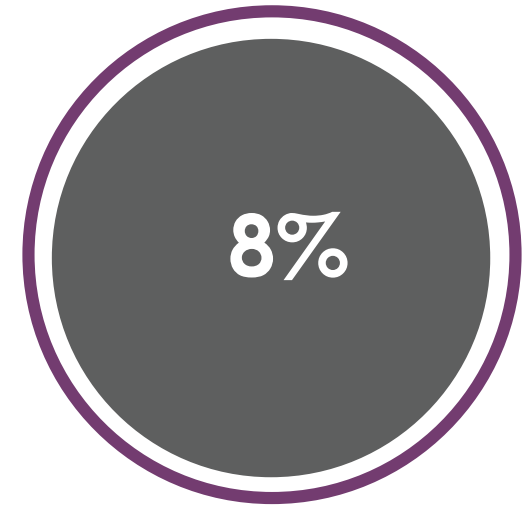
# Who are today's gig workers?



Under Age 25



Women



Over Age 65

# Choice

32%

## Free Agents

Derive their primary income from independent work and actually prefer it

40%

## Casual Earners

Supplement income through gig work and do so by choice

# Necessity

14%

## Reluctants

Derive their primary income from independent work but would prefer traditional work

14%

## Financially Strapped

Supplement income but would prefer not to have side jobs to make ends meet

# Choice

72%

32%

40%

# Necessity

28%

14%

14%

# What keeps 77% of CEOs up at night?



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# What Keeps CEOs Up at Night



77%

## **PwC CEO Survey**

CEOs concerned that skills shortage could hinder their organization's growth

# The Growing Digital Marketplace

- **Uber:** 1M drivers
- **Etsy:** 1.7M sellers globally
- **Airbnb:** 2.5M listings worldwide
- **Upwork:** 12.5M users
- **TaskRabbit:** 25k service providers

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# Airbnb Marketplace

- More hosts attract more guests and vice versa
- More hosts = more availability for guests
- More guests = more business for hosts





# Advantages

Today's Increasingly Gig Economy



## **Individual satisfaction**

Greater freedom and flexibility



## **Better quality**

Ability to deliver better quality products/services (faster) through digital matching platforms



## **Scalability**

Flexibility to add entirely new capabilities

# Concerns

Today's Increasingly Gig Economy



## Limited security protections

Unemployment insurance, workers' comp, disability insurance, etc.



## Lack of benefits

Who pays, how benefits are earned, how they're tracked



## Lack of career development

Fewer opportunities for on-the-job training, professional development courses, etc.

# Concerns

Today's Increasingly Gig Economy



## **Lack of retirement security**

No access to traditional 401k



## **Reduced access to credit**

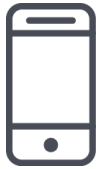
Increased difficulty getting a loan or mortgage without a steady, traditional income



## **Compliance challenges**

Increased complexity with tax filing, licensing and other regulatory requirements

# TaskRabbit Perks



Mobile device discounts



Zip-Car membership discounts



Assistance with health plans vis Stride Health



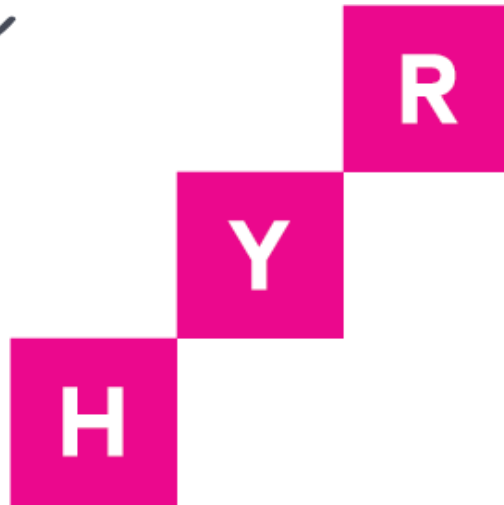
Discounts on personal finance tools



Discounts on office supplies, handyman tools and cleaning products

# Companies Making a Difference

*Stride*



VAULT



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A graphic consisting of a dark grey circle with a white rectangular box in the center containing the word "VAULT" in black, uppercase letters. The background is a green shape with a white diagonal line and several small, light green human icons scattered across it.

# VAULT

# Vault

Whether you're getting paid weekly, monthly or as a contract opens or closes, Vault makes it easy to invest at a pace that's comfortable for you.

- Flexible contribution options
- Self-employed IRA option
- Utilizes ETFs to invest across up to 28,000 stocks and bonds

# HYR

On-demand, skilled talent for employers and on-demand shifts for workers

- Allows all parties to collect UPoints for every shift posted or taken
- Redeem UPoints for free labor (employer) or cash (employee) to be used on benefits, retirement or anything else





*Stride*

# Stride Health

Acts as a health insurance broker for gig workers, matching users with insurance plans that the worker – not the employer – pay

- Simple benefits, designed for you
- Earns commissions from insurance companies
- Partners with TaskRabbit, Etsy and Uber



“

In addition to defining the contractor relationship in a written agreement, organizations [should] be very clear in practice that happy hours, discounted prices and the like are being made available to gig workers because of their status as valued contracting counterparties, and not as something akin to a benefit of employment.

”



**Michael Goettig**

*Counsel, Davis Wright Tremaine*

# Intangible Benefits

Engagement, Process & Purpose



## **Keep things frictionless**

Do work, not paperwork



## **Pay on time**

Remember that gig workers often rely on timely, frequent pay periods



## **Award bonuses**

Recognize key milestones and contributions to overall team goals

# Intangible Benefits

Engagement, Process & Purpose



## **Include gig workers**

Include them in company activities like happy hours, networking groups and career development opportunities



## **Offer discounts**

Reward gig workers for service by offering company product/service discounts during their time with you



## **Ask them what they want!**

Let gig workers know you care by asking them what matters most to them benefits-wise

# Tangible Benefits



**Portable  
benefits**



**Health &  
wellness  
programs**



**Access to  
professional  
training**



**Auto insurance;  
identify theft  
protection**

# Government Involvement Is Growing



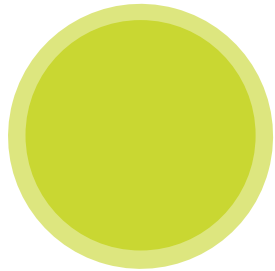
## Florida Proposal

Ensures most ride-sharing drivers are independent contractors to cut down on misclassification battles



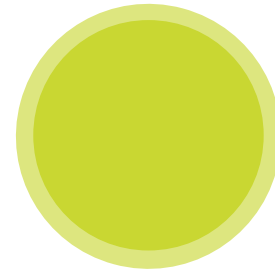
## WA State Proposal

Would require companies / brokers to put money toward a contractor worker's benefits



## NY State Proposal

Would allow online platforms to pay into a benefit fund for workers who use their app or website



## NYC Proposal

Would charge riders a surcharge to fund benefits for ride-sharing drivers

**QUESTIONS?**



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**Thank you!**

Ginny Drinker & Casandra Brice

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