



SafetyFreelancer™

#1 Safety Freelancer Platform

Whitepaper – gig economy

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Introduction

The number of freelancers is increasing as people seek to escape the rigidity of 9-5 corporate environments and become their own boss. [McKinsey](#) have called termed this phenomenon the “gig economy”. This white paper explores the size and constitution of the gig economy as well as the extraordinary benefits to workers and businesses in a flexible working environment.

This white paper also explores the online platforms that are enabling rapid expansion in the market and identifies opportunities for application in new markets. Read on to learn about how SafetyFreelancer is set to fill the gap in the marketplace for safety professionals by supporting industries such as construction, oil and gas, manufacturing, transport, chemicals and utilities to access safety freelancers.

The gig economy is growing

Improvements in [digital technologies](#) and the [development of online marketplaces](#) have enabled rapid expansion of the gig economy. According to the [Association of Independent Professionals and the Self-Employed \(IPSE\)](#), the self-employed sector now includes approximately 4.8 million people, contributing approximately £275 billion to the UK economy in 2018. Forty-two percent of self-employed people were freelancers, making it 6% of the population as a whole.

A report by [Morgan Stanley](#) in 2018 found that freelancers are the fastest growing labour market in the EU with numbers doubling between 2000 and 2014. The US are predicting that in 10 years freelancers will make up 50% of their economy. [IPSE](#) found that more highly skilled workers are entering the freelancer marketplace with the number of freelancers working in managerial, professional and technical occupations reaching over 2 million in 2018. This represents a 47% increase in the last 10 years.

[Deloitte in 2019](#) have argued that people who were considered as part of the alternative workforce – including freelancers and gig economy workers – are now mainstream. As such, organisations need to find a way to manage their freelancers as the marketplace grows.

Estimating the size of the gig economy is difficult. Figures from around the world show that freelancers represent [35% of the United States workforce](#). In the European Union, the rate is 16.1%. The [global distribution of freelancers](#) is as follows: Asia: 11.3%, Europe: 29.3%, North America: 50.7%, Australia: 3.3%, Africa: 1.4% and South America: 4.0 %. [Nation 1099](#) – a community of freelancers – attempted to synthesise data from multiple sources and estimated that around 11 percent of the working adult population in the U.S. are working primarily as full-time independent contractors in the gig economy.

This is lower than the 35% commonly reported. However, this may be due to surveys not differentiating between those who are working as full-time freelancers as opposed to those supplementing their incomes. [McKinsey Global Institute](#) surveyed 8,000 workers from Europe and found that between 20 to 30 percent were engaged in some form of independent work. However, only a portion of freelancers chose independent work as their primary income, whilst ‘casual earners’ were working to supplement their income.

Constitution of the gig economy

Women, millennials and older workers are the reason for the rapid expansion of the gig economy

In a report by the [Association of Independent Professionals and the Self-Employed \(IPSE\)](#), in the past 10 years in the UK there was a 63% increase in [senior-level women](#) freelancing, compared to 37% more males freelancing over that time period. One in eight freelancers identified as working mothers, an 80% increase compared to when the survey was carried out in 2008.

The same IPSE report found the number of people aged between 16-29 years freelancing has increased by 66% since 2008. Four out of 5 millennials surveyed in the [Deloitte 2019 survey of millennials](#) said that the gig economy appealed to them. However, only 6% have chosen it over full-time work. In a 2018 [Bankrate report](#) 50% of millennials have a ‘side-

hustle' whilst 37% of American adults also reported taking on additional work outside their full-time jobs, mostly for financial reasons. In the [Deloitte 2018 survey of millennials](#) 43% expected to leave their full-time jobs within 2 years and 62% said that the gig economy was a viable alternative. The majority of millennials wanting to freelance are senior level millennials – such as those on boards or working in senior management teams. Seventy percent said they would consider taking on freelance work as an alternative to full-time employment compared to 57% percent of millennials in junior roles.

Workers approaching retirement age are another fast growing segment of the freelancing marketplace. From 2008 to 2016 there was a 60% increase in workers aged 60 and over taking on freelance work according to a survey by the [Association of Independent Professionals and the Self-Employed \(IPSE\)](#). There was an almost 70% increase in the number of freelancers aged over 50 in the past 10 years. Research by [Morgan Stanley](#) indicate this is driven by people wanting to work more autonomously as they age and to achieve a better work/life balance. [Retirees are returning to the workforce](#) and freelancing allows people to work beyond retirement for financial, or other, reasons.

The construction industry has highest number of freelancers

A study on [self-employment industries by the IPSE](#) found that around 30% come from agriculture, construction, mining, manufacturing and utilities (approximately 1.26 million people). This was followed by 17% in public administration, defence and support services and 16% in wholesale, retail, transport and accommodation. The highest proportion of the self-employed people in the UK work in construction and building trades (approximately 500,000). Half of all self-employed workers were highly skilled and well-qualified and had higher educational qualifications. Occupations included managers or science, engineering and production technicians.

[The Centre for Research on Self-Employment](#) in 2017 found that the sector that employs the largest number of self-employed people is construction. Thus, the construction industry is already well-equipped to operate within the gig economy as freelancers form a major part of the construction industry's workforce.

[A report on freelancing within the construction industry](#) revealed that freelancers are critical to the delivery of projects as they facilitate the volatility in delivering construction projects

and allow businesses to flex up and down in staff numbers according to need. Using specialised labour increases productivity and organisations are more likely to pay only for the labour they need, saving them money. Freelancers also enable better competition and entrepreneurship as industry can pay for output rather than input. As a result, the industry remains competitive and high performance is rewarded.

Benefits of freelancing

Freelancing makes people happier

A [job satisfaction survey](#) found that freelancers chose to work on their own for three main reasons: it allows better work/life balance, they can be in control of their own work and it allows them to maximise their earning potential. Eighty-four percent of respondents were happy with their freelancing lifestyle. [The McKinsey Global Institute](#) survey supported these findings. Freelancers who chose their career path were more engaged in their work, they were happy with the control they had over their hours and they felt they were their own boss. They also reported higher satisfaction in their opportunities for learning, recognition and creativity. They were also happy with their income and were just as satisfied as regular workers regarding income security and benefits.

Freelancing makes people happier. The majority said that freelancing makes them cheerful (66%), optimistic (50%) and energised (46%). Only 29% of people in regular employment who were surveyed in a similar study often felt cheerful.

Half of the respondents acknowledged they sometimes feel stressed. The most common reasons for concern amongst freelancers were being worried about retirement, tax investigations and not being able to work due to illness or injury. Irregularity of income and not being paid by clients are another cause for concern. These concerns require legislative changes and the [EU Entrepreneurship 2020 Plan](#) has a suggestion for improving working conditions for freelancers to make them comparable to full-time workers' conditions.

Despite these concerns, two-thirds intend to continue working as freelancers and 83% said they felt the rewards they gain outweigh the risks.

Online freelance marketplaces have enabled rapid growth

Online platforms enable the growth of the gig economy by creating marketplaces for freelancers. This includes posting job opportunities, establishing agreement on deliverables, onboarding and paying staff, as well as managing feedback and complaints.

Online marketplaces have transformed the marketplace over the last 10 years. [McKinsey Global Institute](#) predict that by 2025, online marketplaces could add \$2.7 trillion (almost 2%) to global GD. Ten percent of the world's working population are expected to benefit to some degree.

[McKinsey Global Institute](#) found that in 2016 that although only 15% of independent workers reported using digital platforms such as Upwork, Uber, Airbnb, or Etsy the platforms are undergoing exponential growth. [Deloitte in 2019](#) identified workforce management tools such as online payment and work platforms as critical. These are sometimes called [Freelance Management Systems](#), which are essentially cloud-based solutions that enable companies to manage their freelance workforce efficiently. This covers everything from onboarding, communications, project assignments, invoicing, payments and much more. [A Morgan Stanley Report](#) found 72% of companies said they were familiar with such systems and 36% had considered using them.

Despite the many benefits of employing freelance workers, [a report by Deloitte in 2019](#) found that organisations need to do more to implement processes to manage and develop alternative workforce sources.

The evolution and development of these platforms mean that in future Human Resources (HR) teams will be able to outsource the recruitment and management of freelancers to these platforms. HR teams are already tapping in to the potential of the gig economy with [65% of freelancers in 2019](#) reporting that HR set up their recruitment. More than half the companies surveyed revealed that they had developed recruitment strategies to manage the alternative workforce.

SafetyFreelancer™ – a freelancing website for safety professionals

[SafetyFreelancer](#) is an online marketplace/freelance management system that has been designed to provide safety personnel to industries including: construction, oil and gas, manufacturing, transport, chemical and utilities.

This platform will provide a secure workplace for employers to tender bid their safety works to a global network of safety professionals. Business owners will have the opportunity to meet and collaborate with the best safety experts in the market. Safety professionals and business owners can connect to freelancers with a range of titles, such as being safety academic researchers, safety recruiters, safety professionals, safety administrator and/or safety writers.

[A small survey of safety personnel](#) revealed that they would all employ safety freelancers if they could. Respondents reported that it was difficult to find permanent health and safety specialists and that having a freelancer network would provide an ideal solution that would be flexible.

All respondents said they would use freelancers for administrative tasks. The other tasks that they would most likely recruit a freelancer for was: training, consultancy, OHSAS or ISO, accident review, risk assessments, project specific tasks, gap analysis, procedures, analysis, forms, policies and statistics. See Figure 1 for the most common type of activity.

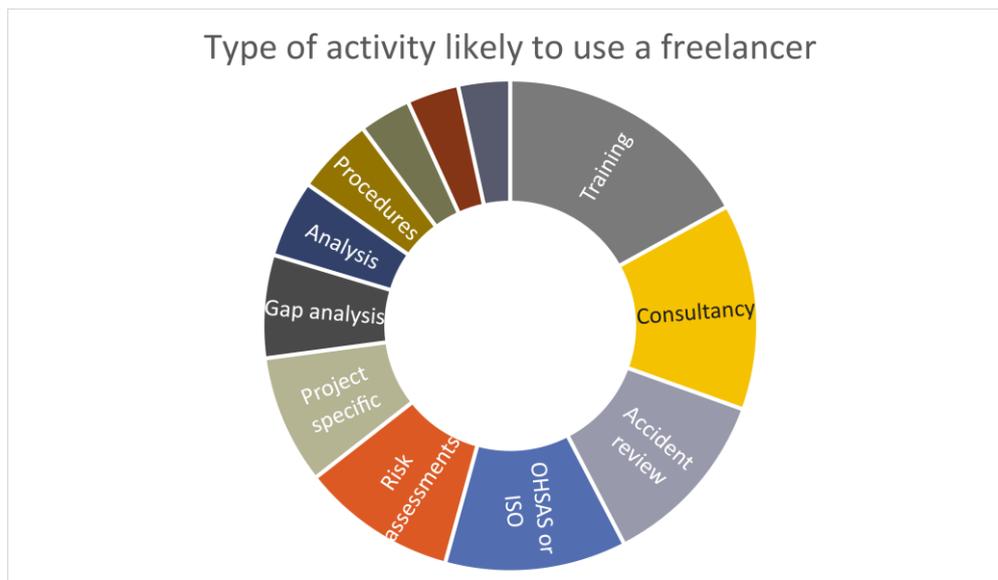


Figure 1 Type of activity that they would be likely to employ a freelancer to complete

In 2016, [the first study was carried out in Spain](#) to assess the opinion of 1000 safety and health technicians. Occupational risk prevention technicians indicated that they spend more than 50% of their time in the office. Ideally, they would like to spend no more than 20% of their time in the office so that they can dedicate the rest of their time to tasks in the field. Thus, the aim of SafetyFreelancer is to provide a platform where businesses can access safety administrative staff to ensure that their safety professionals spend more time in the field; coaching, mentoring and supervising health and safety.

Projected increase in demand for all safety professionals

Over the past few years, there has been a [projected increase in the demand](#) for safety personnel at all levels and the [gap is widening](#) between the number of health and safety personnel required and the number of skilled employees available. Health and safety officials are needed to satisfy regulatory requirements in every industry.

[A report by IBIS](#) projects that between now and 2026, demand for the three main categories of safety professionals – specialists, engineers, and technicians – is expected to grow between 8-10%, see **Error! Reference source not found.** This is faster than the average all occupations.

Table 1 Employment projections for occupational health and safety specialists to 2026

Occupational Title	Occupational Health and Safety specialists and technicians
SOC Code	29-9010
Employment, 2016	101,800
Projected Employment, 2026	110,400
Percent Change, 2016-26	8
Numeric Change, 2016-26	8,600
Occupational Title	Occupational Health and Safety specialists
SOC Code	29-9011

Employment, 2016	83,700
Projected Employment, 2026	90,500
Percent Change, 2016-26	8
Numeric Change, 2016-26	6,800
Occupational Title	Occupational Health and Safety technicians
SOC Code	29-9012
Employment, 2016	18,100
Projected Employment, 2026	19,900
Percent Change, 2016-26	10
Numeric Change, 2016-26	1,800

[A survey conducted in 2011](#) by the National Institute for Safety and Health concluded that: “the national demand for safety and health services will significantly outstrip the number of men and women with the necessary training, education, and expertise to provide such services”. It found employers intended to hire around 25,000 new safety professionals within a five-year period. However, there were only 12,000 graduates entering the market over that same time period.

As demand outstrips supply it becomes increasingly important to provide a platform for industry to connect with people with the necessary training, education, and expertise to provide such services. The [industries identified](#) with the greatest demand for safety personnel are:

- | | |
|------------------------------------|-------------------------------|
| Construction | Aviation |
| Agriculture, Fishing, and Forestry | Oil & Gas, alternative energy |
| Maritime | Public Services /Government |
| Engineering | Energy |
| Manufacturing | Service Industry |
| Information Technology | Telecommunications |
| Science | Retail |
| Catering | Health |
| Transport and Logistics | Public services |

Finding the right talent can be difficult

One [study of safety professionals found that](#) especially for smaller companies, talent is hard to find. “The specialists who have all the right qualifications and the right experience, usually work with the larger corporations”. “They are not likely to go a smaller company, because for them that would be a step-down. So smaller companies need to be creative in order to find the right candidates.” Alternatively, sometimes larger companies such as oil and gas or energy companies are hindered by short greenlight notice periods and they may struggle to resource safety in a short period of time. Therefore, both types of companies can benefit from a flexible workforce that includes freelancers.

According to the statistical information for the USA, there were [6.2 million job openings](#) in America that were unfilled, in 2017, which is up from 5.6 million during the same time in 2016. The main issue is that companies can’t find the right workers that have the right skills, at the right time, which has slowed growth in the economy. This is also true for [safety professionals](#).

Investing in health and safety saves lives

Investing in workplace health and safety is a smart – and strategic decision – for any business. [Data from the US](#) indicates that the Occupational Health and Workplace Safety Services industry has grown by 2.3% to reach revenue of \$7 billion in 2018. Moreover, [studies estimate](#) that for every euro invested in occupational safety and health (OSH) there is a return of 2.2 euros. The economic advantages are significant for businesses to invest in good OSH practices.

Findings by the [European Agency of Health and Safety at work](#) in 2017 showed that work-related accidents and injuries continue to cost the EU €476 billion a year. This results in the loss of 3.9 % of GDP, at an annual cost of roughly €2,680 billion. In 2018, a study by the [Health and Safety Executive](#) showed that 137 workers died in the workplace over the last year. The number of injuries to employees reported totalled 70,116, while 31.2million working days were lost due to work-related illness and workplace injury.

Conclusion

The gig-economy is growing and evolving, with more people choosing to be their own boss. It is made up of highly skilled workers. Large numbers of women, millennials and older people are increasingly seeking freelance opportunities – either full-time or as ‘side-hustles’. Freelancers are happier than regular workers and they enjoy the freedom, ownership and opportunities that freelancing provides. There are some drawbacks in terms of income security and worker protection, which will require legislative change to address.

Construction as an industry is a large employer of freelance workers. This provides flexibility to the industry in delivering on projects and is fundamental to its success. Online marketplaces and freelance management systems have transformed the workplace by connecting employees with unique short-term and long-term work opportunities. They provide secure online platforms that automate human resource functions to onboard and pay staff.

SafetyFreelancer is an online marketplace/freelance management system that has been designed to provide safety personnel to industries including: construction, oil and gas, manufacturing, transport, chemical and utilities. Investment in safety is critical and finding the right talent can be difficult. Safety professionals are in high demand and a skills shortage over the next few years means that it is even more important that they spend more time in the field. SafetyFreelancer allows them to outsource their administration and other important tasks like training and risk assessments – to safety freelancers. This means more safety professionals in the field, either working on the front line of safety, or developing strategies to keep other workers safe.