# Sizing the Gig Economy

## Idea In Short

Plan for a workforce where 20 to 30 percent already freelance and most do so by choice. Segment independent workers by income role and preference before designing talent strategies. And learn the editorial lesson: 148 pages of rigorous research does not justify a 148-page report.

## A Simple Fact in 148 Pages

McKinsey published an authoritative 148-page study arguing a fairly simple, perhaps obvious fact: the number of people freelancing is larger than most assume, above 20 percent, and growing quickly.1 For those already doing project-based solo work, this is non-news. Everyone knows former consultants, rideshare drivers, photographers, web designers, caterers, online resellers, mortgage attorneys and real estate agents who answer to no boss. McKinsey brands it the gig economy, and the sizing deserves attention even where the report itself tests patience.2

## One in Five Works Independently

Measured against three criteria, a high degree of autonomy, payment by task and short-term relationships between worker and client, McKinsey estimates that 20 to 30 percent of the working-age population in the United States and Europe freelances. That comes to roughly 160 million people, not a trivial number by any accounting. The estimate matters for policymakers designing benefits systems, for companies planning talent access and for individuals judging how normal their independent path actually is. The answer: very normal, and getting more so.

## The Two-by-Two That Organizes It

Consultants love a two-by-two matrix, and this report earns its version. Two questions

segment the population: is independent income primary or supplemental, and is independence the preferred or non-preferred way of working? Four segments result. Free agents, about 30 percent, choose independent work full time as their main income. Casual earners, about 40 percent, choose it to supplement other income. Reluctants, around 14 percent, would prefer traditional arrangements. The financially strapped, about 16 percent, do the work out of necessity. Simple, clever, good, and immediately useful: a policy aimed at the strapped will miss the free agents entirely, and a talent strategy built for casual earners will not retain reluctants.

## Choice, Not Desperation

The segmentation's headline is that more than 70 percent of independent workers chose the arrangement, and the choosers report greater happiness than their traditional counterparts working forty-hour company weeks. A related finding rings true to experience: about one in six traditional workers would prefer to go independent. Many corporate employees say they want to start their own business and never do, lacking the capital, idea, ambition, network or grit. They remain inside the walled garden of salaried income, which is nothing to be ashamed of and also nothing to be proud of. Preference and action are different populations.

Digital platforms enable the shift without fully explaining it. Technology keeps making it easier and cheaper to connect demand and supply, as rideshare, auction and lodging platforms demonstrate, and transaction costs sit lower than ever.3 Yet of the 160 million independent workers, mainly those selling goods or leasing assets use digital platforms aggressively. The majority simply provide labor and contract it on their own, a reminder that solo consultants and single-shingle professionals predate and outnumber the app-mediated gig worker of popular imagination.

## A Reversion, Not a Revolution

Historical context reframes the whole story. Independent work used to be the norm. A century ago, 45 percent of American workers were self-employed, and company-based wage earning became standard only as the country grew wealthier. The report argues the trend has started to reverse, and the coming decades will see the independent share rise again. One of the biggest opportunities is re-engaging people outside traditional employment. The United States holds more than 94 million people with skills and capacity to

contribute at least partially, and the European Union holds 142 million. Retirees, students and caregivers gain most from flexible work, and economies gain from their participation.

## Implications Worth Acting On

The sizing carries practical consequences for three audiences. Corporate talent leaders should treat the independent workforce as a permanent supply channel, building vendor processes that onboard a specialist in days rather than months, because the best free agents will not wait for procurement. Benefits and policy designers must confront systems built for full-time employment serving a population where a fifth of workers fall outside it, from healthcare portability to retirement vehicles. Individuals weighing independence should locate themselves honestly in the two-by-two before jumping, since the free agent's economics assume a pipeline, savings and a sellable specialty that casual earners never needed to develop. The segments are not just descriptive categories. They are different businesses requiring different preparation.

## The Editorial Lesson

Now the critique, offered by an admirer of the firm. This 148-page report is 100 pages too long, a case of torturing the data to extract too little. Dozens of pages arrive at points with limited application. Samples of the obvious: seniors and students could benefit from flexible work, individual demand for labor services could grow, independent work could improve satisfaction, organizations need to think strategically about independent providers and individuals need to manage their own work lives more actively. A junior consultant putting that last line as a page title would earn a time-out: not data-driven, not new, not specific, not actionable.

The broader lesson outlasts the report. Consultants do rigorous work, and rigor does not always produce insight. Deliverables should reflect the value of the findings, not the volume of the effort, which is the Pareto principle applied to publishing. Just because you researched and wrote 148 pages does not mean you should publish them. Be parsimonious, spare the client the long read and get to the point. And if you do not have a point, waste neither your time nor, above all, the client's.

- 1McKinsey Global Institute
- 2Gig Economy

- 3Freelancer

## Summary

Independent work spans 160 million people across the US and Europe, segmented into free agents, casual earners, reluctants and the financially strapped. History suggests the trend is reverting, not new. Rigor without parsimony bores clients, so publish the point, not the page count.