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**Consumer Morsel**

# The gig is up - in a good way

**30 April 2024**

## Key takeaways

- The share of Bank of America customers who received income from gig platforms through direct deposits or debit cards was above 3.8% in March 2024, surpassing the previous peak that occurred in early 2022.
- The increase in gig employment has been driven primarily by gains in ridesharing, as traffic volumes approach pre-pandemic levels. Ridesharing demand appears to blend the return of pre-pandemic norms with post-pandemic preferences.
- We find that these gains were driven primarily by Gen X, Millennials, and Gen Z. It also appears gig workers are increasingly going 'all in' on it, with the share of gig workers who earn income every month of the year increasing every year since 2021.

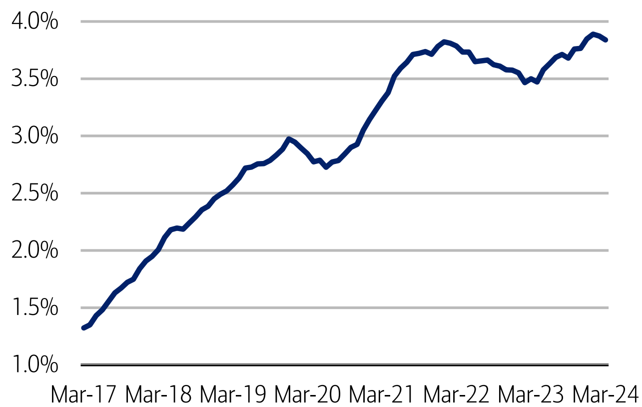
## Number of gig workers on the rise again

Gig employment continues to increase. The three-month moving average of the share of Bank of America customers who received income from gig platforms through direct deposits or debit cards was 3.8% in March 2024, above the previous peak in early 2022 (Exhibit 1). While gig employment stalled through 2022 as wage gains attracted workers to more traditional forms of employment, there was a renewed uptrend starting in spring 2023, according to Bank of America internal data.

Bank of America data also shows that ridesharing has driven overall gig employment (Exhibit 2) over the past year and is now the gig type with the largest share of workers. Conversely, the share of Bank of America customers earning income from social commerce and deliveries has moderated since December 2021. This mirrors the pivot in consumer spending towards out-of-home services and away from in-home services and goods, with more people eating out, for example, rather than ordering in.

**Exhibit 1: The percentage of Bank of America customers receiving income from gig platforms was 3.8% in March 2024 and remains above the 2022 peak**

Percentage of Bank of America customers receiving gig income (3-month moving average (mo. mA) (%)




**Source:** Bank of America internal data

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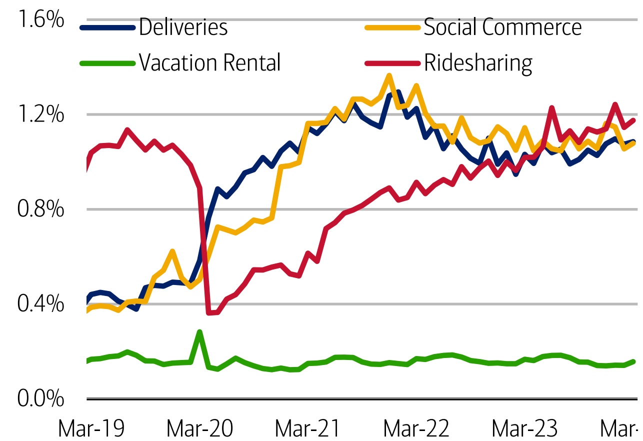
**Exhibit 2: The increase in income from gig work over the past year has been driven primarily by ridesharing**

Percentage of Bank of America customers receiving select types of gig income (monthly, %)




**Source:** Bank of America internal data. Note: "Other" not shown.

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## Hitching a ride(share)

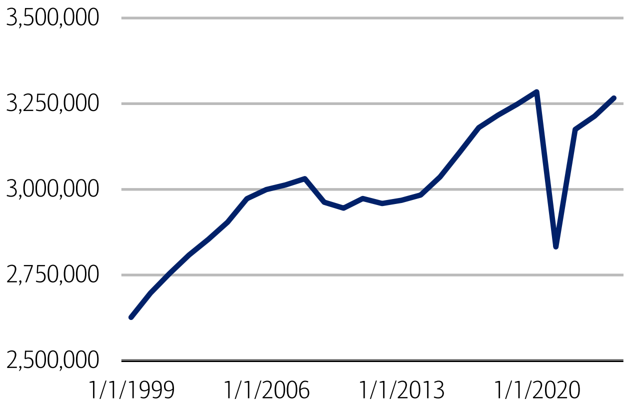
Internal Bank of America data shows that ridesharing work has grown nearly continuously since May 2020 after the initial onset of the pandemic more than halved the share of rideshare gig workers. And it has been quite the bounce back: the number of Bank of America customers receiving income from ridesharing platforms is up over 260% since the pandemic low and ridesharing's percentage share of gig work now exceeds the 2019 average.

Why is ridesharing so popular with gig workers?

The increase in ridesharing work can be partially explained by a return to pre-pandemic norms, particularly the near return to 2019 traffic levels. Department of Transportation data shows that traffic volumes are recovering after sharply dropping during the pandemic, with February 2024 levels down only 1% compared to February 2020, the month before COVID-19 was declared a global pandemic (Exhibit 3).

But, interestingly, Bank of America internal data suggests that demand for ridesharing is above pre-pandemic levels (Exhibit 4) while demand for public transportation is below. In our view, it is possible that some people that favored public transportation before the pandemic are now using ridesharing for some of their trips.

**Exhibit 3: Traffic volumes rebounded strongly after the pandemic, but February 2024 is still 1% below February 2020 levels**
Travel in millions of vehicle miles (rolling 12-month sum, monthly)




**Source:** Department of Transportation

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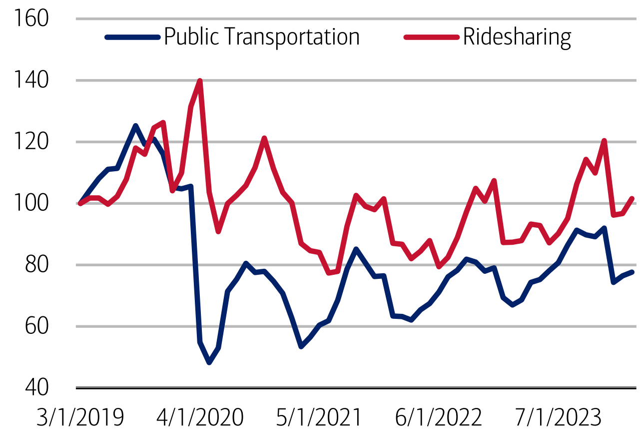
**Exhibit 4: March 2024 ridesharing share of travel spend remains above the public transportation share relative to March 2019**
Share of travel spending (monthly, index to March 2019 = 100)




**Source:** Bank of America internal data

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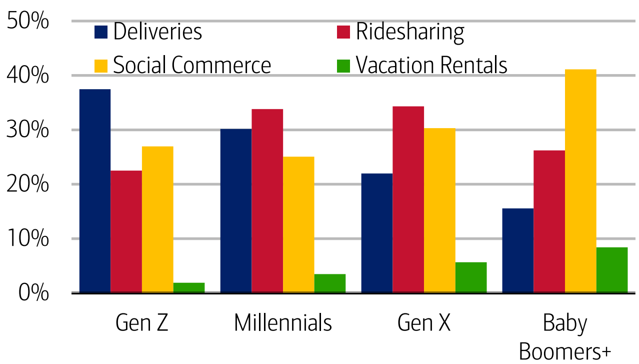
## Gen X and Millennials are choosing ridesharing work

Internal Bank of America data suggests that ridesharing work is popular with Millennials and Gen X – responsible for over a third of gig employment for both generations (Exhibit 5). In a recent Consumer Morsel report, we discussed how housing, cars, childcare and building rainy day funds are weighing on younger consumers.

Could higher pay be a driving force behind the choice of gig work? It would appear so. Bank of America internal data shows that ridesharing offers the second-highest average monthly income of the four main types of gig work (Exhibit 6). Although vacation rentals is the top payor, higher barriers to entry (e.g. buying a home) are likely behind ridesharing being the preferred platform.

**Exhibit 5: In March 2024, ridesharing had the largest share of gig employment for Millennials and Gen X**
Share of gig employment by platform type (%)




**Source:** Bank of America internal data. Note: Baby Boomers+ includes Traditionalists

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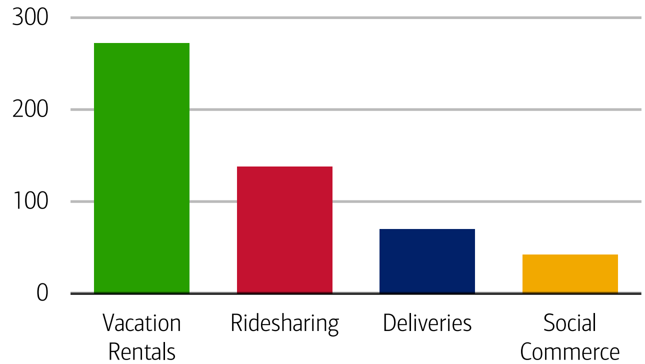
**Exhibit 6: Ridesharing offers the second-highest pay among gig work, second only to vacation rentals in March 2024**
Average monthly income by gig type (Indexed to all gig average =100)




**Source:** Bank of America internal data. Note: "Other" category not shown

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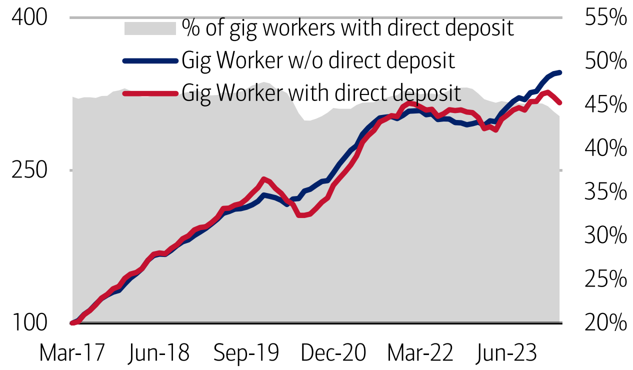
## A gig for all seasons

There are signs that gig workers are relying more consistently on this type of work. Exhibit 7 shows that the number of people that only have a gig job has slightly outpaced the number that also have a traditional employer since early 2023.

Meanwhile, internal Bank of America data shows that the share of workers earning gig income for all 12 months of the year, which we view as a proxy for full-time gig employment, has increased consistently for the past three years (Exhibit 8). This is particularly the case for customers earning income from ridesharing platforms, as these types of gig workers account for nearly half of full-time gig employment.

**Exhibit 7: Gig workers without direct deposits (DD) from traditional employers have been outpacing those who also have a traditional job, with the share with traditional jobs trending down since 2022**

Number of gig workers without DD from a traditional job compared to number of gig workers with DD from a traditional job (3 mo. MA, indexed to March 2017 = 100) Gig workers with direct deposit (%, 3 mo. MA)




**Source:** Bank of America internal data

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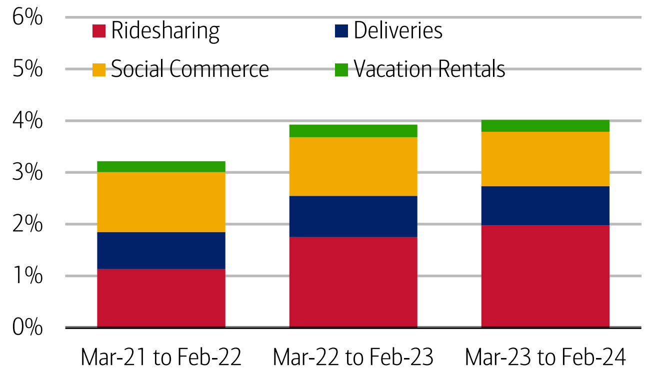
**Exhibit 8: The share of gig workers who received gig income all 12 months of the year has increased every year, especially for customers who receive ridesharing income**

Share of gig workers receiving gig income 12 months out of the year, by gig type (12-month period, %)




**Source:** Bank of America internal data

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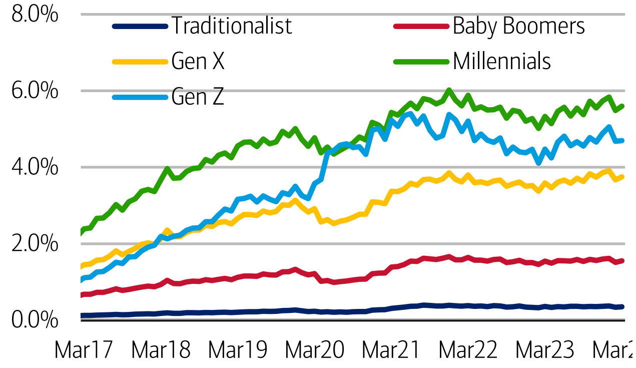
## Older generations remain relatively cautious about ridesharing platforms

Overall, the share of Bank of America customers receiving income from gig work has increased over the past year, growing most prominently for Gen Z and Millennials (Exhibit 9). Gen X also experienced significant growth, as their share of customers receiving gig income reached an all-time high in early 2024.

However, adoption has stalled among older generations. Internal Bank of America data shows that the share of Baby Boomer and Traditionalist customers receiving income from gig work peaked in December 2021, with slower growth in the last year.

Health and safety concerns are a probable factor, in our view, as the number of older customers receiving income from ridesharing remains below March 2019 levels (Exhibit 10) according to Bank of America internal data. It is possible that these customers are performing gig work with the ability to social distance, as the number of Baby Boomers and Traditionalists receiving income from social commerce and deliveries gig employment have risen since 2019.

**Exhibit 9: The share of Baby Boomer and Traditionalist clients receiving direct deposit income from gigs has stalled since 2022**
Percentage of Bank of America customers receiving gig income by age generation (3-month moving average, %)




**Source:** Bank of America internal data

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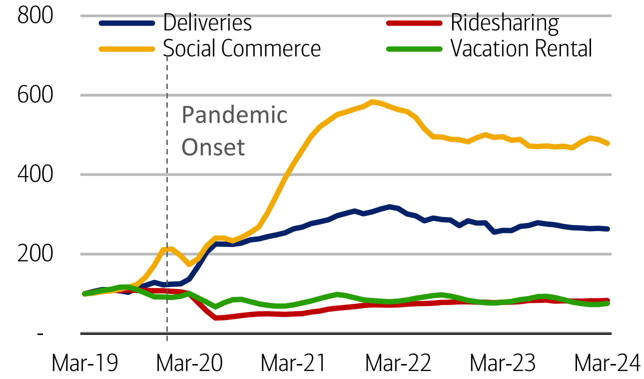
**Exhibit 10: Baby Boomers and Traditionalists perform work with a social distancing aspect, such as social commerce or deliveries**
Number of customers receiving income by gig type (monthly, index to March 2019 = 100)




**Source:** Bank of America internal data

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So, what does this mean for gig employment and the consumer? Gig employment has shown flexibility by blending the return of pre-pandemic norms with post-pandemic preferences. This flexibility may prove to be a reliable tailwind to consumers, potentially providing consistent employment without the need for additional income from traditional jobs.

## Methodology

Selected Bank of America transaction data is used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used is not comprehensive; it is based on **aggregated and anonymized** selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available.

Bank of America credit/debit card spending per household includes spending from active US households only. Only consumer card holders making a minimum of five transactions a month are included in the dataset. Spending from corporate cards is excluded. Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

If applicable, the consumer deposit data based on Bank of America internal data is derived by anonymizing and aggregating data from Bank of America consumer deposit accounts in the US and analyzing that data at a highly aggregated level.

Gig type of income referenced in this report is derived from aggregated inflows to consumer direct deposits or debit cards from gig platforms.

Generations, if discussed, are defined as follows:

1. Gen Z, born after 1996

2. Younger Millennials: born between 1989-1995

3. Older Millennials: born between 1978-1988

4. Gen Xers: born between 1965-1977

5. Baby Boomer: 1946-1964

6. Traditionalists: pre-1946

If applicable, any payments data represents aggregated spend from US Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. Any reference to aggregated spend include total credit card, debit card, ACH, wires, bill pay, business/peer-to-peer, cash and checks.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

Additional information about the methodology used to aggregate the data is available upon request.

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# Disclosures