

Hello Everyone,

Gig is a funny word. In the military a gig as something bad. If you committed a gig, you had done something wrong and likely earned demerits or extra duties.

In music a gig is something good. Scoring a gig meant performing for money and the chance to be discovered.

In today's economy, the word gig has taken on a new meaning. And, a gig can be either good or bad depending on your world view. Today's missive looks at why.

As usual, I hope today's transcript makes you a little smarter.

Signed, Your Went-To-The-River-Of-Lights-At-The-Bio-Park-On-Friday-Night-And-Thought-It-Was-Amazing Financial Advisor,

Greg

## KKOB 12.09.2019 The Gig Economy

**Bob:** So, Greg, today we are going to discuss the unemployment numbers. And, if I were President Trump, I would be feeling pretty good.

The unemployment rate is around 3.5%. African American employment is at all-time highs, and if you want a job you can get one. Things seem pretty good.

**Greg:** They are..especially in comparison to the rest of the world.

Still, with all the rosy numbers, why do the younger workers seem so unhappy? why is credit card debt at an all-time high? why are auto & student loan foreclosures soaring?

And, Bob, the answer to those questions might possibly be summed up in three words...the gig economy.

**Bob:** OK, that is a new term to me. What is a gig economy?

**Greg:** Well the term comes from musicians who were always grateful to get a gig...you know, a chance to perform for money. They went from gig to gig--- hoping one day to be a star.

Anyway, this how many in the younger generation view today's economy. They say there aren't enough career jobs offering steady hours and benefits. Thus, the jobs they're getting are often part-time and lower wage. In short, gigs.

And while we may tell them to toughen up, the statistics back up their concerns. In 1990, almost half the jobs were what we would call career jobs. There was upward mobility, steady hours, benefits. Today only 37% of jobs offer that. Therefore, about two thirds are in what we would call the gig economy.

**Bob:** Actually, I knew about that--just not in those terms. But I've also heard many in the younger generation don't want career-type jobs. They are happy getting by----- and not having the stresses and obligations that their parents had.

**Greg:** That's a fair point. And it's partly true. Some don't want to be tied down. Oh, and not every gig job is a waiter or a bartender. Some gig work is tech related. It can be done from home on a project-by-

project basis. And while that work may be transitory, it can pay pretty well.

Meanwhile, there are still career jobs for many Gen Xers and Millennials. Those jobs often pay good money, but they are also very competitive.

For those workers, they know employers don't want to overspend on labor and benefits. Thus, the boss is inclined tack on hours and demands rather than hiring new employees. Of course, the Millennials don't want to lose their career work, so they do what the boss says...and end up working harder just to stay even.

Statistically though ---income wise--- both the giggers and over-stressed millennials can find themselves lumped together as today's middle class.

**Bob:** But both groups are unhappy...but for different reasons. One group is working hard but can't seem to get ahead. While the other group rolls from gig to gig (or working multiple gigs) making money but feeling insecure about what comes next.

**Greg:** Right. So, now let's talk about how this translates politically. In the old days, middle class Republicans and Democrats shared common work experiences. They could relate to one another on taxes, the cost of living, the boss, and so on.

Today, the middle class isn't cohesive in its collective experience. For today's younger workers, their world view is not only different from their parents', but even from their middle-class contemporaries.

And it's all because work shapes us so profoundly.

This is also why the pollsters are seeing such a huge divide...not just between rich and poor, but across middle class lines. And without common experiences, the chances for political compromise shrink.

**Bob:** I can totally see this. In many ways----- we are what we do. Work can become our identity. And if your identity is attacked, it's hard to have rational debate.

**Greg:** Exactly. So, as the economy has changed, we have changed. How people view their future, their work, and their identity shapes their political beliefs---and, yes, even their views on markets and investing.

And, I'll tell you, American business is waking up to this, which is a good thing. Now, our leaders must do the same.

**Bob:** I love the insights. I always learn something wonderful. How do people reach you?

**Greg:** Thanks! My number is 508-5550. Or go to my website at [zanettifinancial.com](http://zanettifinancial.com).

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