Sept. 2020 report: Kauffman Foundation project: **Public Markets for Irregular Work: Launch Readiness**

Lessons learned from the project

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SUMMARY

This project aimed at creating the first market for irregular workers (micro-entrepreneurs) initiated by a public agency in America. Based, in the workforce board for Long Beach, CA, it was interrupted by the Covid pandemic but the market is launched, albeit on a smaller scale than planned. There are clear routes to growth in usage.

The project's learning builds on a body of knowledge covering how public agencies can deploy their leverage to sustainably, scalably, support individuals who earn by selling their hours to multiple employers out of choice or necessity.

Project context

By December 2019, over 30% of Americans were reliant on at least some ad-hoc work. Sometimes called "gig workers" these people are micro-entrepreneurs; they compete to sell hours they want to work to an array of buyers. They must make decisions about which channels to use to find buyers of their time, how to sell themselves to potential buyers and when/where to be willing to work. These judgements can profoundly impact their earnings. As job creation has collapsed in the pandemic recession, this figure is widely expected to grow. It could easily be 50% of the workforce in 2021.

Our focus is the low-skilled who make up the majority of this group. By this we mean adults without further education. We are not concerned with web-designers, translators, lawyers and others who can freelance from home. Our concern is for breadwinners whose skills equip them to work in hotels, care homes, building sites, stores, customer's houses and distribution centers. They have to be at a specific place at a specified time for each block of work.

The unskilled market for ad-hoc work is exponentially more complex than that for home freelancers who can pull projects off websites such as Upwork then complete the assignment in their own time at their own desk before uploading their work to get paid. These people do not need to interface into transportation, childcare or other issues that can be daily barriers for the low-skilled. However, the low-skilled market is much more impacted by local conditions. Few people will travel far to do a few hours of work. A home freelancer is more likely to have clients on the other side of the world than the other side of town. This means that initiatives at city, county or state level can have immediate impact on both demand and supply.

Research by Pew and bodies like Statistica show that irregular work is heavily skewed towards communities of color, women and the young. This makes it a key force exacerbating economic marginalization.

Shortage of data

A barrier to discussing this part of labor markets is a shortage of data caused by intelligence gathering by Bureau of Labor Statistics that lacks the granularity to record the fragmentation of employment for the low-skilled. This can be seen, for example, in newspaper reports in recent years:

- "We're doing a terrible job of measuring the modern workforce, and the feds know it" (Washington post; Oct. 9, 2015
- "Where are all the Uber drivers? Not in these government statistics" (Los Angeles Times; Jul. 27, 2018)
- "The Government has no Idea How Many Gig Workers There Are" (Morningstar; Aug. 5, 2018)
- "We're Measuring the Economy All Wrong" (New York Times; Sep. 14, 2018)
- "Unreliable data is complicating the unemployment crisis" (Axios; Sep. 4, 2020)

This limitation forces us to rely on unofficial research from diverse sources which can sometimes be contradictory because so many definitions exist for irregular workers.

Classifying irregular workers (1): Reasons for seeking non-standard employment

Individuals turn to ad-hoc work for a variety of reasons. About 20% of adults we define as "Core Irregulars", they can't commit to employment with regular hours, part or full time. The barrier may be a medical condition that fluctuates day-to-day, uncertain caregiving commitments perhaps for an elderly father or complex parenting needs typically associated with having a disabled child. Brookings Institution research found 70% of these individuals outside the labor market because they can't find work that fits around their ever-changing commitments.

We also see a cohort who are committed to bettering themselves and require irregular work to fit around the resulting activities. Many are studying with variable patterns, for example a course that requires workshop time intermittently (such as welding) can require attendance when the facility is free rather than when the student can fit it around their need to earn. We also see actors and performers in this category; people who may have to audition or land an assignment at short notice but have to sustain themselves with more prosaic work at other times. Higher level sportspeople can also require ad-hoc employment to support their progression. We encountered a canoeist working towards a place in the national Olympic team who had to be ready to practice when key rivers where in flood. Finally, in this category are those who have started a small scale business that doesn't yet cover their full cost of living. Someone offering – for example – home hairdressing may have 6 or 7 clients scattered through this week but need top-up work in between them.

Our second category of irregular workers is those who could get, and fulfill, a job but prefer a portfolio of employment. Typically younger and not yet burdened with dependents, these individuals cite depth of experience, value of networks and day-to-day variety as their motivators. This cohort might be labelled "semi-entrepreneurs". They eschew the solidity of a traditional job but don't have the confidence, capital or insights to start a business. Many appear to be keen on multiple types of work as a way of discovering what career path they may later adopt.

Our third category of micro-entrepreneurs is those who are forced into finding ad-hoc work, typically to top up partial employment. Workforce scheduling software from companies like Kronos Inc. allows an employer to schedule staff with hour-by-hour precision. Widely used in retail, hospitality, warehousing, transportation and comparable sectors, workforce scheduling is typically opaque. We cannot know what the algorithms making decisions about who works today are doing under-the-hood.

We do know that many breadwinners classed formally as W2 employees are left scrabbling for extra hours elsewhere. We know 41% of hourly workers have odd hours and pay. Two in five wage and salary workers over the age of 15 know their schedules less than one month in advance, according to data from the American Time Use Survey Leave and Job Flexibilities Module. Nearly one in five know their schedules less than one *week* in advance. However, both these reports pre-date the pandemic and again, expectations are that companies struggling in a recession with move increasingly to on-demand deployment of staff.

Classifying irregular workers (2): "Connective tissue" used

When trying to dissect their enormous part of the workforce, we have also learned to use the method by which individuals connect to the organizations or households that might buy their hours. Again, there are three broad categories with many people being in more than one.

The best known option is "gig work" platforms such as Uber, Doordash, Postmates, Wag!, Sitter.com or Wonolo. These services command high degrees of attention, often because of their unhelpful behaviour towards work-seekers. For example: Uber has been shown to mislead work-seekers, slash pay, distort the market against workers, withhold data, systematically undermine regulation and lobby against worker rights around the world. Uber is unfortunately a pathfinder for labor market platforms covering thousands of sectors, each aiming to be "The Uber of" their sector.

But the platforms appear to be the least used of our three channels. Research by groups like the Shift Project suggest far more individuals are in formal employment that fails to deliver enough hours each week. These people may be waking each day to a text message telling them whether or not to go into work today. If called in they may not be told what time they will be finishing until later.

Our final, and little covered, category of "connective tissue" that puts work-seekers together with those who will pay for their time is word-of-mouth agreements. For example, an enterprising individual will ask around local households and small businesses for as-needed work perhaps cleaning, caring for children or running errands. Much of this activity is off the books in the shadow economy.

World Bank researchers estimate the US shadow economy was 10-12% the size of GDP pre-pandemic. Many were expecting that to rise. (For clarity; we should explain that the "shadow" economy does not include the criminal economy. It refers only to activities that would be legal if taxed and regulated. Often associated with building work, the image of undocumented men gathering in early mornings in retail parking lots hoping to be picked by a foreman with a minibus needing labor today is rooted in truth, shadow economy work is actually diverse. World Bank breakdowns show it substantially includes repairs, beauty treatments, petcare and gardening.

Some people can only work in the informal economy because they lack the paperwork for legitimate employment. But research suggests many others choose it with Brookings estimating up to 40% of Americans have been active in off-the-books working.

We regard each of these three channels as inadequate, even exploitative, for what is often a highly resourceful workforce, even if members may lack formal qualifications. Gig work platforms typically retain 30% of each work-seeker's earnings while controlling their flow of work, determining what they do and being prone to unacceptable behaviour, as listed above. Each platform tends to be a tight silo for one particular type of work (Uber for ride-hailing, Wag! for dog walking, Sitter.com for childcare, and so on) make it difficult for anyone to sell in multiple marketplaces. Because immediate attention is required with work typically going to the fastest work-seeker to respond, those who may be busy on another platform can find themselves algorithmically downgraded.

Workforce scheduling tools can be best thought of as a monopsony: hundreds or thousands of workers are selling their hours to one buyer; their employer. Such a one-sided market is inherently undesirable for the supply side.

Aside from the perceived benefit of not paying tax, the shadow economy has many risks; detection by the authorities, lack of health & safety protections and wage theft among them. Other less reported abuses include lack of transport home, laborers may be transported to a remote work site in an area with which they have no familiarity but not then provided with any means of getting back to their home or pick-up point. Shadow working is also detrimental to legitimate businesses who can be undercut by employers not paying taxes and to the local tax base.

We believe this low-quality infrastructure underpinning current options for micro-entrepreneurs causes unnecessary hardship. It also commoditizes and cheapens individuals who may be keen to work around demanding personal circumstances or a commitment to self-improvement. These people should be seen as an asset to be unlocked rather than cogs in a centrally controlled machine in our view.

Attempts to mitigate irregular work

Our project has progressed in parallel with wider attempts to raise standards for individuals in irregular employment. This has pitched platform companies, led by Uber, against regulators. Key developments over the last 12 months include TBC

Throughout this project we have been maintaining a table of attempts to resolve problems for gig workers:

Solutions to irregular work problems			
	Category	Solution	Notes
1.		Employee classification	California's AB5 bill forced gig work companies to give workers employee rights. Some companies decided they

	Legislation/ proposed legislation		were exempt, then raised $110 million to fight the legislation, then had to be sued to comply with it. They then helped introduce federal legislation protecting gig work platforms from AB5 during the Coronavirus pandemic. Other states are considering a version of AB5.
2.		Limited rights for workers	California Prop. 22 would overturn AB5 but introduce a net earnings floor and some other benefits. Gig work companies put $110m behind Prop. 22.
3.		Hybrid classification	Groups like Tech:NYC propose a hybrid category between “W2” (employee) and “1099” (freelance contractor). This could follow Canada with a “Dependent Contractor” status. See also: Good Work Code.
4.		Portable benefits	Writers like Nick Hanauer and David Rolf propose benefits accounts for sickness, unemployment insurance, etc. independent of formal employment[i]. New taxes could fund this. Senator Warner proposed a bill to pro-rate benefits. In New Jersey and Washington, state lawmakers have introduced legislation to create portable benefits.
5.		Fair scheduling acts	Some cities have ordinances restricting employers’ right to schedule at short notice. Georgia, Iowa, Arkansas and Tennessee already have laws on the books blocking any attempt by their local governments to set rules around predictable scheduling. A variant, Show-Up pay involves paying workers who turn up for a shift for which they are then sent home. These rules typically apply only to larger employers in a specified sector. As an unintended consequence, restrictions on scheduling of employees can drive take up of “Tap-the-App” staffing services which send temps on demand. Examples include: Bluecrew, Work Genius, Shiftgig, Coople, AllWork, Uberworks, Wonolo, Forge, Jitjatjo, Stafr, Craigslist, ODS, Catapult or Snagwork. (These labor markets come and go, so some on this list may now be defunct.)
6.	Organizing	Unions	Unions are emerging for gig workers, largely focused on ride-hailing. They include:

			• Gig Workers Rising • International Alliance of App-Based Transport Workers • Rideshare Drivers United • Boston Independent Drivers Guild • United Private Hire Drivers (UK) Independent contractors have been allowed to unionize in some US cities. Many commentators have noted the challenges of unionizing where there is no employer and such a fluid workforce.
7.		Strikes	Early in the Conoavirus outbreak, Instacart workers went on strike for better terms. In Los Angeles, Uber and Lyft drivers organized a strike to align with Uber's Initial Public Offering. Other cities followed. Less aggressively, Working Washington has delivered bags of peanuts to the offices of DoorDash and Postmates to protest pay rates.
8.		Training workers	Community Colleges, particularly in California, teach courses in how to maximize opportunities as a gig worker. Samaschool pioneered similar courses.
9.		Lobbying	Groups like the UK's doteveryone have offered a manifesto for better quality gig work.
10.	Legal solutions	Court challenges	A prime mover is Shannon Liss-Riordan, a Boston attorney pursuing multiple cases against gig economy companies.
11.	Commercial solutions	Shift swopping communities	Crew, Shift Messenger, Shyft, Zoomshift and their competitors allow workers to exchange shifts that have been dictated by a scheduling system.
12.		Worker reputation aggregators	WorkHands, Traity (Spain) or competitors aim to extract a worker's reputational data from multiple sites to create unified verification.
13.		Administration tools	Hurdlr, Sherpashare, Zen 99 (defunct), Benny and others bundle the kind of services employees get from an HR department for irregulars.
14.		Increasing income stability	Financial services firms are exploring income insurance for gig workers. Wage insurance can be purchased. Alia

			pools domestic worker insurance. Wagestream amortizes precarious income.
15.	Alternative models	Platforms aiming to empower workers	Managed by Q, Zirtual, Hello Alfred, Shyp and others hire(d) conventional staff and deploy them on short-term assignments. Juno aimed to empower minicab drivers (but didn't). The UP&GO co-operative sells housecleaning in New York City, retaining only 5% of charges. Loconomics is a co-op platform for the Bay Area. OpenPlatforms (Sweden) aims to merge data from multiple gig work platforms.

The role of public agencies in supporting irregular workers

Our focus is not attempting to tame abuses of for-profit platforms that link a new breed of micro-entrepreneurs to buyers, but shaping a different model for this way of earning altogether. We believe that is only possible if public agencies put their enormous weight behind an improved marketplace for this labor.

That proposal. The US government spends around $3bn a year supporting labor markets. The principle is well established: 1933's Wagner-Peyser Act established nationwide public labor exchanges. Rebranded as America's Job Centers, 2,400 public labor exchanges now serve local economies. As job search moved online, federal funding allowed each state to launch a public platform matching any candidate with any job-opening. Services like Jobs.Utah, Indiana Career Connect or CalJobs operate beside commercial job-boards including Monster and Indeed.com.

This project has focused on enabling the public workforce system to support those in non-standard work as much as individuals fortunate enough to be seeking traditional employment. That enables a new model for this work built around protections, progression, stability (for those who want it) and control for work-seekers plus quality of workforce and alignment with local economic needs. A platform that delivers this was developed in British government programs and Americanized. Called a CEDAH (Central Database of Available Hours) it can be seen in intial videos at www.cedah.video

The challenge with launching such a service is "market making"; attracting buyers of labor to be early adopters of platform so evidently built around options and advancement for the workers. Our manual, "*How to Make a Market for Irregular Work: A Guide for States, Counties and Cities"* covers this challenge. It was enabled by a Kauffman grant.

There are other complications: the Public Workforce System, although under local control, is held to 6 performance metrics. The performance of each workforce board – state or local – is judged by its ability to deliver against these benchmarks with last year's assessment determining next year's funding allocation. All 6 of the metrics pertain to traditional job creation and credentialing. Numbers for "Six months job retention with a minimum 30 hours a week" is illustrative of what Chief Executives must show their Governor or Mayor each year.

Additionally, the lack of official data – or even a standard definition – for irregular employment allows its growth to be downplayed. It appears that Bureau of Labor Statistics are not prioritising a solution to this problem, prompting speculation that doing so would reveal too worrying a picture of today's labor market to voters.

It is only unquantifiable perception, but we also have detected a distaste for unstable employment that causes workforce leaders to focus on it exclusively as a problem to be banished through legislation or courtroom initiatives. Individuals who are currently in charge of workforce agencies, as well as philanthropies and unions, typically arrived at that position through a series of jobs each with regular hours and pay, benefits and promotion prospects. They may have had little personal exposure to today's increasingly precarious and short-termist labor market. There is some empirical evidence of this attitude. In a lengthy exploration of in-work poverty by the New York Times in September 2018, the authors observed "Even stalwarts of the progressive movement seem to reserve economic prosperity for the full-time worker".

It is against this background that we had previously worked to identify workforce boards willing to step beyond their prescribed boundaries and extend support to micro-entrepreneurs. Having found that, anchored around Pacific Gateway, the public workforce board for City of Long Beach, CA and surrounding areas, we then needed to find the demand to start a new market.

Lessons learned

Our project was heavily impacted by the Covid-19 pandemic. Using the methodology outlined in our manual, we had built close to $20m of demand largely in the events/hospitality industry. Our anchor had been a commitment from the Long Beach Convention Center to procure their temporary labor through the platform instead of an array of staffing agencies. Management were particularly drawn to the idea of a pool of Long Beach work-seekers who had been put through a day of training in hospitality basics by the workforce board.

It became clear this pool could also serve local hotels and eateries. Long Beach is a major convention resort with labor requirements fluctuating dramatically between days when there is a major national or international event in progress and the reset days between events when the center has no public access. This fluctuation is imprecise, an event attracting mainly Los Angeles area attendees for example will require staffing up the convention buildings but not the ancillary businesses that thrive when out-of-towners descend on Long Beach.

In parallel we reached out to the care sector. Through the Mayor's team at Los Angeles City Hall, we were introduced to the region's Regional Centers. These bodies disperse public funding for at-home care to families entitled to receive it. They act as quality control for providers authorised to deliver that care but do not direct families' choices about which company to hire. The value of Regional Centers to us was as a conduit to the provider companies who might see value in allowing their customers to connect to their workers through our platform.

Four of the 7 Regional Centers covering Los Angeles County organized a round table for their providers (the fourth eventually had to be cancelled because of Covid). This gave us a way of presenting the project within the imprimatur of the providers' key gateway to business. This – coupled with a cold call approach – fostered a productive relationship with Cambrian Homecare and their non-profit ar Skills4Care, outlined in the data section.

Both these sectors, which were key to our early 2020 launch plan, retracted with the pandemic. The events and hospitality industries closed in March. At-home care became more rigid and less responsive with typically one careworker being the sole provider of care to each family.

Through March 2020 we sought another sector on which to focus for launch, it had to be one likely to thrive during a health emergency. We alighted on childcare. With schools and congregant daycare centers shuttering it was clear that (a) many families would be seek care in the home (b) supply teachers, youth workers and other professionals would lose their regular hours. We believed our platform could provide the marketplace linking the two. We saw particular value in a responsive model of childcare. Few families can afford a full-time nanny. Most will try to conserve funds by only spending on paid care to plug gaps in informal coverage, for example when there is an overlap in hours that both parents have to be out of the home because of shift patterns.

It was a given the workers had to be paid reasonably, vetted, prepared for Covid era working and given benefits. Skills4Care stepped up to be employer of record and our partner. The Mayor of Long Beach announced our pivot at the beginning of April.

Some of our lessons learned were refinements of earlier ideas, we gained real-world experience to back up what had previously been an abstract thesis. Others generated new possibilities for projects like ours that aim to leverage the heft of public agencies to deliver an economically empowering eco-system. Delivery of this report was held to the last minute because we were awaiting decisions from two public agencies each of which could dramatically shift the dial in terms of our take up and data capture.

Specific insights gleaned

1) Starting with the most challenging part of a market must remain the lodestar: We assumed launch of a responsive, reasonably priced, local, childcare service would attract families able and willing to pay for care, perhaps for professional parents. But this side of the market proved hard to unlock after the Mayor's announcement. We reached out to lawyers' groups, medical providers, business groups and others likely to have access to well-paid parents coping with sudden closure of schools. Several school districts promoted us to parents. But only a trickle of parents able to pay materialized.

Meanwhile, over 600 work-seekers with experience in childcare signed up in response to the Mayor's announcement and some previous local advertising. The costs of re-vetting these individuals, and a desire not to waste their time if there was to be no work for them, meant only a fraction were actually activated in the market.

As we learned this lesson, we switched focus to getting substantial budgets for childcare into the new market. That was to be found in the public sector.

2) Large bodies can be decisive, but slow: Focusing on public bodies to find demand during the economic contraction caused by the pandemic led to many weeks of waiting for decisions. Often approvals were given in principle but could not be announced or acted on for further weeks until ratified by elected members or senior managers.

We experienced this in multiple contexts. A lesson learned was the value of having multiple dialogues in hand at once among comparable organizations. But this could have meant expending considerable resources on building relationships with – for example – multiple public health departments at once. We would prefer to get to know one then leverage the lessons learned about their needs/practices/processes to others. But this could then result in months of inactivity.

We are still fine-tuning our approach to this issue. But we have had to manage expectations among partners, work-seekers and others around the time it takes for the Big Wins we can get from large public agencies in particular to emerge.

3) Specific schemes can be key: We learned to identify emerging and renewing schemes that dispersed public funds which could benefit from our platform. A case in point is CARES Act funding for childcare. This is not typically tied to a perception that drop-off daycare is the only option for such care. It can be allocated to flexible support if that is what parents need. We were able to channel these funds from Long Beach City Hall to residents as soon as they were released.

We have also explored SWFI, the Strenthening Working Families Initiative. This is primarily a training scheme but it allows for public funding for childcare enabling trainees to attend sessions online, or offline. This could amount to even more substantial investment in local workers through our markets.

There are some enormous schemes that we believe our platform could improve and effort has gone into assessing a route to that prize. For example, Los Angeles County allocates about $60m a year in childcare payments to low-income families that wish to employ a family member as a partly paid caregiver. We believe this initiative could benefit from some formality, record keeping and opening of options for the caregivers. Lawyers have been consulted and a briefing is being drawn up.

4) The public sector became more important in the pandemic: Even pre-pandemic, we saw demand for flexible labor from public bodies as pivotal. These bodies have a strong incentive to improve opportunity, grow local economic activity and tap into local labor pools. They can be large buyers: In City Halls we noted departments like Parks & Recreation typically bought thousands of hours of extra staff in the summer months. Long Beach alone, for example, spends around $4.5m a year on youth leaders and other staff who enable parks and beaches to meet public expectations during the period when schools are out.

Although Parks & Recreation activities withered in the crisis, much of the employment created by Covid had a responsive element to it. For example, community outreach workers or marshals enforcing social distancing in public places were unlikely to be required in one place nine-to-five. They were typically needed in response to local conditions at irregular times. This applied to other emerging forms of Covid related employment:

Some pandemic-response roles that require flexible workers

Social distancing marshals	Contact tracers	Building hygiene crews
Food deliveries	Lockdown inspections	Community support workers
Childcare/tutors	Public spaces fumigation	Pop-up Covid testing centers
Premises inspectors	Food bank operations	Community volunteers

We have repeatedly tried predicting which private sector businesses will most likely bounce back with a demand for fluid labor first. But pandemic news changes frequently and California has been particularly volatile. We see the public sector as our best bet for the next year.

5) Public agencies can use an innovation to extend reach and relevance:

Only an estimated 35% of employers exploit services offered by their local workforce board. The issue seems to relate to a narrow focus on traditional employment which is a declining model for so many corporates. We saw this in the care sector which is driven by responsiveness to clients' needs and must rely on a localized, flexible, workforce. Companies with multi-million annual turnovers and hundreds of staff were simply unaware of what a workforce board did, or even that they existed. The industry did not align with the narrow focus of the boards.

So, a new service offered without charge and backed by a board's track record in training was a door-opener in many cases. We learned that a consultative message of "*The workforce system wants to support your growth, like it does for manufacturers and traditional employers, what would be most effective?*" worked best. Typically, our prospects understood that enhanced training, standards of employment or opportunity for workers couldn't be delivered through current channels connecting labor and organizations. A new marketplace had to be part of the package.

It has been hard to quantify this effect because many organizations were on a borderline; having enough potential to create full time jobs that they merited attention from Business Services teams within a workforce agency. But – anecdotally – we can attest to senior managers who went from having negligible awareness of the local workforce board funded by their taxes to expending considerable effort on thinking through how the agency could use a very granular platform to align with their business's needs.

6) The political environment can dramatically impact innovation led by public agencies: In parallel with this project, a media firestorm emerged over the issue of misclassification. This is the abuse that enables business models of companies like Uber: work-seekers are directed like employees but legally classed by the platform as independent contractors. This means they have no entitlement to minimum wage, protections or benefits.

California has been ground zero for this battle between regulators and the companies. It became concrete with the state supreme court's 2018 Dynamex ruling. This mandated a test of what constituted an employee in a way that clearly encompassed the gig work platform companies. They ignored the ruling claiming it was irrelevant to their businesses.

When California mandated basic protections for gig workers in legislation starting January 2020, the ride-hailing giant first decided it was exempt, then raised $110 million to fight the legislation, before having to be sued by the state in May to enforce compliance. To head that off, Uber threatened immediate close down across the state in August if an appeal failed. A temporary reprieve was granted.

It must be pointed out that the misclassification issue only touches a minority of irregular workers: those finding work through the platform companies or other non-employer intermediaries. It has no bearing on the partially, precariously, employed or those in the shadow economy. And it only solves a part of those workers' problems. We pointed this out in Op-Ed for Capitol Weekly.

However, the passions aroused by this issue severely impeded our progress. We have been informed off-the-record that a substantial investment in us by the state of California was withdrawn because of the optics of being seen to get involved in gig work while AB% remained so contentious. This lack of endorsement by state bodies hindered our ability to entice prospects with a *"get involved now because this initiative is going to spread"* message.

7) In the private sector, mid-sized players are most likely to be receptive: We learned to avoid the biggest players in any sector. They will typically have established processes, touching on multiple departments, that would need to be displaced by an alternative. And they have the buying power that ensures they can command the market in which they buy. Put bluntly: it is hard to build a business case for a corporate with thousands of workers on-tap for a new way of engaging that labor that deliberately aims to increase their power and options elsewhere.

At the other end of the scale, small companies have most to gain from a platform like ours. But they do not have the buying power that can kick-start a market except in aggregate and we lacked the resources to marshal them. This leaves us with the mid-sized players for whom we found a business case could typically be constructed. The medium sized enterprise will often be experiencing low quality workers, high churn and high overheads from intermediaries. Often willing to listen to a "the workforce board wants to help" message, they could be persuaded to explain their current arrangements around flexible labor and think through improvements.

This insight shaped the sectors we prioritized. Home care for instance is dominated by a tier of mid-sized companies. Retail has almost entirely hollowed out between corporate behemoths and Mom-and -op stores. That is why we have paid little attention to retailers in this phase.

The mid-sized rule also applied to which parts of a sector we targeted. In construction for instance, we have little to offer giant civil engineering projects such as building highways or big structures. Those projects are typically scheduled months ahead and rely on highly skilled personnel with lower end work having been automated on large sites. We can't reach the one-person home improvement operations. But there is a raft of mid-sized companies engaged in home renovation, weatherization or landscaping programs. We were beginning to make headway with these players before the pandemic.

8) The status quo seems to become more attractive in an emergency: As Covid-related uncertainty swept through municipalities the need for a better model of irregular work became clear. But so did the reluctance to adopt innovation by managers. It can be hard to displace even an underperforming alternative even though it may be inefficient, overhead laden and exclusionary. Everyone in the organization can become accustomed to current practices and there is a strong disincentive to disrupt them when surrounded by so much uncertainty. As one example; cities typically have one or more temporary staffing agencies on retainer. These contracts may have been awarded for a term of several years and include reporting procedures which interface into accounting and other functions. This makes them hard to displace even when anecdotal evidence from managers shows wastefulness, low quality and irritating procedures for booking.

On a macro-scale we observed this same effect in determination to support, for example, daycare centers. It would seem logical that at-home care, on-demand, from a favored local worker could be a lifeline during the emergency. We believed public funding for childcare, which totals hundreds of millions of dollars a year in an area the size of Los Angeles County, would begin to accommodate this model in 2020. Previously the unspoken assumption about publicly funded childcare was that it was absorbed entirely by daycare centers where parents dropped their children off to be cared for in groups, typically during office hours.

This version of childcare was clearly ill-suited to a pandemic. Few parents were doing office hours in a traditional place of work, fewer would tolerate their children mingling all day. But daycare providers made a compelling case for public funds continuing to support them and their full-time staff until a time when they could safely open again. We circulated a paper to the centers outlining how they could turn their staff into individually in-control, at-home, caregivers. But the industry continued to maintain that its existing model must be maintained until it could be restored. Enormous sums of public money have flowed into mothballed daycare centers while families have struggled.

9) Multiple approaches usually work: We have had to perfect our methods for engaging decision makers. A first approach rarely engages unless backed up by a direct introduction from a known source. But gentle persistence over following months can be fruitful where we are convinced we have a solid proposition. We have had senior executives who ignored our approaches for months thanking us for our persistence when they finally decided to give us some mindshare to see why we were trying so hard to engage them.

One lesson that helped justify multiple approaches: Aggregated insights can become something to give back. As we talked to increasing numbers of decision makers and diverse influencers (including academics, unions, educators and others) we were increasingly of use and interest to prospects because we had a body of knowledge to share. This could cover trends, predictions or wider economic insights. While always respectful of confidentiality, we have seen how a reputation as impartial but detailed observers of the flexible labor scene has helped build our momentum within organizations.

10) Finding people who can deliver an outreach project is challenging: Delivering systems-change at scale is a sales job. A range of stakeholders must be courted and induced to think through how they might use their power to help build an enabling initiative. A particular challenge for us is that we have to launch at immediate scale, without the intermediate “pilot” phase that would reassure so many prospects. We aimed for a metric of "*10 quality prospect contacts per work day*". This should create the momentum – prospects seeing other organizations incrementally increasing their involvement with us – that shows individual champions within a range of organizations that they are not alone in believing we can deliver.

This kind of work calls for a salesperson's mentality, if not experience. But, individuals with this sort of entrepreneurial urge to connect, network and convince can typically earn more, or gain potentially high-performing stock, in private sector organizations. We did not find many of them attracted to the salaries we could offer, or drawn to work within a government body.

It has become clear this has to be tackled from the start. We can offer the right candidates an opportunity to pioneer wide-ranging social good and build their personal brand in ways that a start-up or mature company can't. We have to pair that with the outputs we need and active supervision. Given our salary levels it is likely we will have to grow our appointees' skills after ensuring a bedrock of ambition, drive and personal organizational skills. We can't afford people who have already proved their ability to deliver business growth in challenging circumstances. This may involve some sort of handbook that makes expectations and possibilities explicit to potential new joiners with everyone understanding how their inputs will be measured.

Further reading

Documents covering:

- Methodology Brief
- Outputs from the project

Have been filed to accompany this paper.