

Research Paper

Pulse Points: Main Gig or Side Hustle? Nontraditional Work and Financial Health

MARCH 2025

Authors

Wanjira Chege, *Associate, Policy and Research*

Kennan Cepa, Ph.D., *Director, Policy and Research*

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Introduction

Nontraditional work has expanded rapidly in the United States, offering flexible work opportunities but raising questions about these workers' economic security.^{1,2,3,4} According to 2024 Financial Health Pulse® data, 11.4% of those employed in the United States – approximately 19 million workers – are employed in nontraditional jobs, such as independent contracting, “gig” work, freelancing, consulting, working odd jobs, or “side hustles.”^{5,6} Overall, those with nontraditional jobs have lower financial health than those who are employed in traditional jobs.^{7,8,9}

Some studies treat nontraditional workers as a homogenous group, overlooking the reality that people engage in nontraditional work in myriad ways.^{10,11,12} Many workers combine traditional employment with nontraditional roles, which may have different financial health implications.^{13,14} For some, nontraditional work is their primary or only form of employment, while for others it is work added on to supplement more traditional employment.

¹ Jonathan Gruber, [“How should we provide benefits to gig workers?”](#) Brookings Institution, June 2024.

² [“Authentic and Intentional: State of Independence in America 2024.”](#) MBO Partners, 2024.

³ Lawrence F. Katz & Alan B. Krueger, [“The Rise and Nature of Alternative Work Arrangements in the United States.”](#) National Bureau of Economic Research, September 2016.

⁴ Quantifying this expansion is challenging due to varying definitions and measurement methods, with nontraditional workers' estimates ranging from 1% to 36%. See [“Gig Worker Learning Project,”](#) The Workers Lab and The Aspen Institute; [“Authentic and Intentional: State of Independence in America 2024.”](#) MBO Partners, 2024; and [“The State of Gig Work in 2021.”](#) Pew Research Center, December 2021.

⁵ Calculated based on the total U.S. workforce, as reported in the [2024 U.S. Bureau of Labor Statistics.](#)

⁶ Andrew Warren, Wanjira Chege, Kennan Cepa, & Necati Celik, [“Financial Health Pulse 2024 U.S. Trends Report.”](#) Financial Health Network, September 2024.

⁷ Anahit Fitzpatrick & Elle Tibbitts, [“Evaluating the Impact of Income Volatility Benefits on Gig Workers.”](#) Commonwealth, August 2022.

⁸ Zipperer et al., [“National survey of gig workers paints a picture of poor working conditions, low pay.”](#) Economic Policy Institute, June 2022.

⁹ Andrew Warren, Wanjira Chege, Kennan Cepa, & Necati Celik, [“Financial Health Pulse 2024 U.S. Trends Report.”](#) Financial Health Network, September 2024.

¹⁰ André Dua et al., [“Freelance, side hustles, and gigs: Many more Americans have become independent workers.”](#) McKinsey, August 2022.

¹¹ Katharine G. Abraham, John C. Haltiwanger, Kristin Sandusky, & James R. Spletzer, [“Measuring the Gig Economy: Current Knowledge and Open Issues.”](#) National Bureau of Economic Research, April 2021.

¹² Zipperer et al., [“National survey of gig workers paints a picture of poor working conditions, low pay.”](#) Economic Policy Institute, June 2022.

¹³ [“What is a gig worker?”](#) Gig Economy Data Hub.

¹⁴ [“Nontraditional Workers Lack Access to Workplace Retirement Options.”](#) The Pew Charitable Trusts, October 2021.

Comparing primary and secondary nontraditional workers is essential for understanding the different ways nontraditional jobs may be related to and influence financial health, underscoring the range of economic realities among nontraditional workers. **To better understand the financial health needs of these two groups of nontraditional workers, we explore three main areas:**

- The demographic landscape of primary and secondary nontraditional workers.
- The financial health challenges faced by primary nontraditional workers.
- The financial health challenges faced by secondary nontraditional workers.

By illuminating the experiences of these workers, we aim to identify opportunities to better support this growing sector of the U.S. economy.

Defining “Nontraditional Work”

In this report, we define nontraditional workers as those who reported at least one of their current jobs is independent contracting, “gig” work, freelancing, consulting, working odd jobs, or a “side hustle.” We categorize nontraditional workers into two groups: primary nontraditional workers, whose main job (based on most hours worked) is nontraditional work; and secondary nontraditional workers, who are traditionally employed but also take on nontraditional work as a secondary job. We define traditional workers as those who are working and are not engaged in any nontraditional work (including business owners). For exact survey question wording, see Appendix B.

The Demographics of Nontraditional Workers

We find that primary nontraditional workers differ from secondary nontraditional workers across several dimensions, which may contribute to distinct financial health challenges. For instance, compared with traditional workers, primary nontraditional workers more frequently earn low incomes, are older, have disabilities, and are less likely to have a bachelor’s degree (Table 1). In contrast, compared with traditional workers, secondary nontraditional workers more frequently earn higher incomes; are white; and have bachelor’s degrees. This suggests that policies and products designed to serve these populations may need to be tailored to address their unique challenges.

Table 1. Characteristics of primary and secondary nontraditional workers.

| Demographic | Primary nontraditional workers | Secondary nontraditional workers |
|---------------------------|---|--|
| Household income | More frequently have household income of less than \$30,000 compared with traditional workers | Similar to traditional workers |
| Race and ethnicity | Similar to traditional workers | More often identify as white compared with traditional workers |
| Age | More often 65 years and older compared with traditional workers | Similar to traditional workers |
| Disability status | More frequently reported having a disability compared with traditional workers | Less frequently reported having a disability compared with traditional workers |
| Educational level | Less frequently reported having a bachelor's degree than traditional workers | More frequently reported having a bachelor's degree than traditional workers |

Findings are summarized from crosstabs comparing primary nontraditional, secondary nontraditional, and traditional workers. Please see Appendix Table A1 for detailed comparisons.

Savings, Credit, and Insurance Are Key Challenges for Primary Nontraditional Workers

The Financial Health Pulse 2024 U.S. Trends Report showed that primary nontraditional workers had lower overall financial health than both secondary nontraditional workers and traditional workers. Here, we dig deeper to explore the specific financial health challenges faced by primary nontraditional workers. All differences reported below remained statistically significant, even after controlling for household income, race and ethnicity, age, disability status, and education level.

First, primary nontraditional workers were more prone to struggle with short-term savings than secondary nontraditional workers and traditional workers. Specifically, less than half of primary nontraditional workers (43%) reported having enough savings to cover at least three months of living expenses, a figure significantly lower than that of secondary nontraditional workers (53%) and traditional workers (57%) (Table 2). This may be due in part to frequent fluctuations in income from nontraditional work, making it challenging to build and maintain sufficient savings to cover short-term expenses. Indeed, primary nontraditional workers (40%) more frequently reported

that their income occasionally varied from month to month than secondary nontraditional workers (30%) and traditional workers (24%).¹⁵

Table 2. Primary nontraditional workers more often faced savings, credit, and insurance challenges.

Percentage reporting each financial health indicator, by worker type.

| Financial health indicator | Primary nontraditional workers | Secondary nontraditional workers | Traditional workers |
|--|--------------------------------|----------------------------------|---------------------|
| Have enough savings to cover at least three months of living expenses | 43% ^{2,3} | 53% ¹ | 57% ¹ |
| Have a “good” or better credit score | 58% ^{2,3} | 83% ¹ | 76% ¹ |
| Are confident their insurance policies will cover them in an emergency | 45% ^{2,3} | 57% ¹ | 61% ¹ |
| N | 337 | 166 | 3,742 |

Note: Financial Health Pulse 2024 survey data.

¹ Statistically significant relative to primary nontraditional workers at $p < 0.05$.

² Statistically significant relative to secondary nontraditional workers at $p < 0.05$.

³ Statistically significant relative to traditional workers at $p < 0.05$.

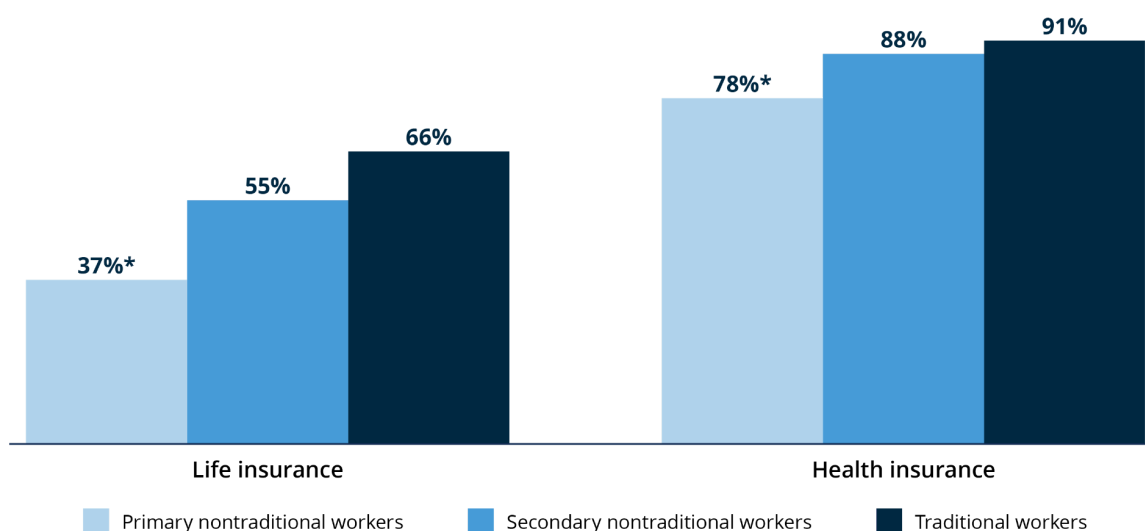
Primary nontraditional workers also more often experienced borrowing challenges than secondary nontraditional workers and traditional workers. In particular, 58% of primary nontraditional workers rated their credit score as “good” or better, less than secondary nontraditional workers (83%) and traditional workers (76%) (Table 2). Additionally, they were almost twice as likely to report having a “fair” or “poor” credit score (33%) than secondary nontraditional workers (17%). Having a poor credit score might limit primary nontraditional workers’ access to traditional credit options.

¹⁵ Analysis of 2024 Pulse survey data, available upon request.

Furthermore, primary nontraditional workers were more likely to report being underinsured than secondary nontraditional workers and traditional workers. Only 45% of primary nontraditional workers reported having confidence their insurance policies would cover them in an emergency, less than secondary nontraditional workers (57%) and traditional workers (61%) (Table 2). They also less often reported carrying certain types of insurance, such as health insurance (78% vs. 88% vs. 91%) and life insurance (37% vs. 55% vs. 66%) than secondary nontraditional workers and traditional workers (Figure 1).

Figure 1. Primary nontraditional workers were less frequently insured.

Percentage of workers reporting insurance coverage, by worker type.



Note: Financial Health Pulse 2024 survey data. N = 337 primary nontraditional workers, 166 secondary nontraditional workers, 3,742 traditional workers.

* Statistically significant relative to secondary nontraditional workers and traditional workers at $p < 0.05$.

Health and life insurance are benefits traditionally provided by employers, making it harder for primary nontraditional workers to obtain affordable coverage.¹⁶ Primary nontraditional workers' income fluctuations may also make it more difficult for them to purchase insurance independently.^{17,18} Without insurance coverage, primary nontraditional workers could be especially vulnerable to financial health challenges, including covering expenses related to health emergencies.

¹⁶ ["Gig Nation: Why many gig workers are financially vulnerable despite being financially confident."](#) Guardian, 2022.

¹⁷ Kennan Cepa, Ph.D., Wanjira Chege, & Angela Fontes, Ph.D., ["Pulse Points Summer 2023: Weathering Financial Setbacks From Natural Disasters."](#) Financial Health Network, August 2023.

¹⁸ ["The Challenges of Insuring the Gig Economy,"](#) Success CE, August 2024.

Long-Term Savings and Debt Are Distinct Challenges for Secondary Nontraditional Workers

While the overall financial health of secondary nontraditional workers was similar to that of traditional workers, we observed notable differences in two specific financial health indicators: debt management and confidence in achieving long-term goals.¹⁹ This suggests that workers who pair traditional employment with nontraditional employment face some distinct financial health challenges. All differences between secondary nontraditional workers and traditional workers reported below remained statistically significant, even after controlling for household income, race and ethnicity, age, disability status, and education level.

Table 3. Secondary nontraditional workers more often faced long-term savings and debt challenges.

Percentage reporting each financial health indicator, by worker type.

| Financial health indicator | Secondary nontraditional workers | Traditional workers |
|---|----------------------------------|---------------------|
| Are confident they are on track to meet long-term financial goals | 34%* | 43% |
| Have unmanageable debt | 41%* | 31% |
| N | 166 | 3742 |

Note: Financial Health Pulse 2024 survey data.

* Statistically significant relative to traditional workers at $p < 0.05$.

Secondary nontraditional workers were more prone to long-term savings challenges than traditional workers. Specifically, secondary nontraditional workers less frequently reported having confidence they were on track to meet long-term financial goals (34%) than traditional workers (43%) (Table 3).

Looking deeper, we found that many of the reported financial goals themselves differed between secondary nontraditional workers and traditional workers (Figure 2). The four most commonly cited financial goals for secondary nontraditional workers were “paying off other debt (credit card, car

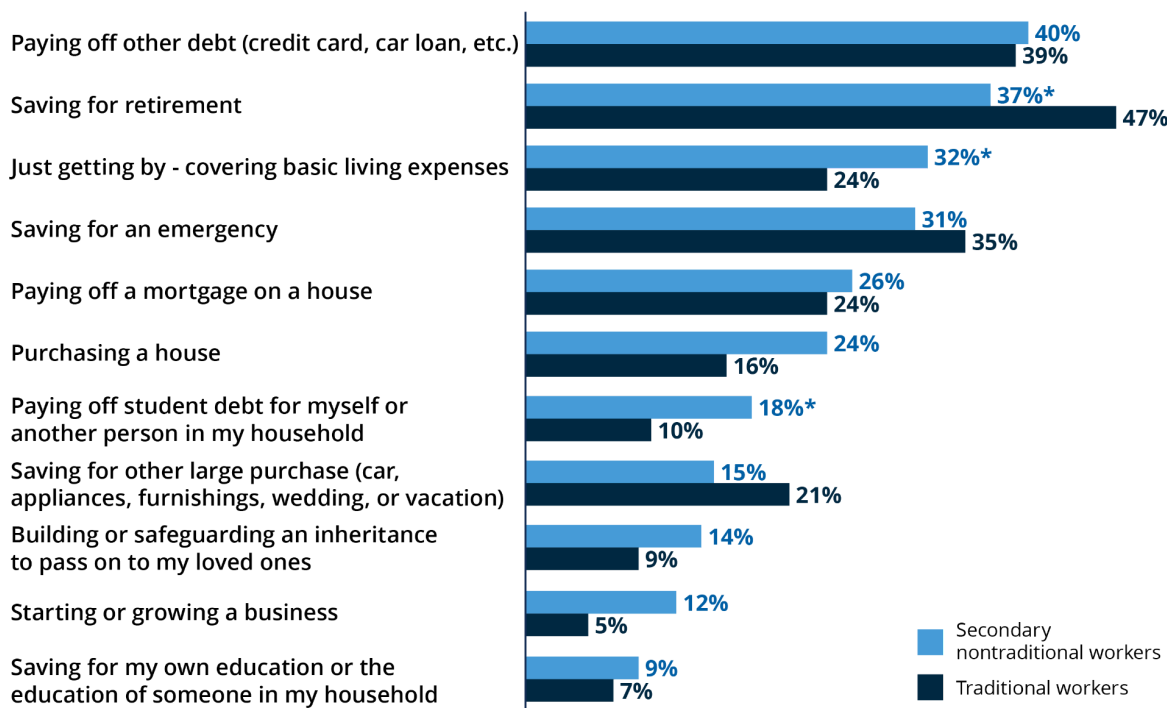
¹⁹ Andrew Warren, Wanjira Chege, Kennan Cepa, & Necati Celik, “Financial Health Pulse 2024 U.S. Trends Report,” September 2024.

loan, etc.)” (40%); “saving for retirement,” (37%); “just getting by – covering basic expenses,” (32%); and “saving for an emergency” (31%).

In contrast, “just getting by - covering basic expenses” was not among the most commonly cited financial goals for traditional workers. Instead, traditional workers reported “saving for retirement” as their top financial goal (47%); followed by “paying off other debt (credit card, car loan), etc.” (39%); and “saving for an emergency” (35%). **Notably, we found that secondary nontraditional workers more often reported just getting by as one of their top three financial goals (32%) compared with traditional workers (24%).** Together, these findings suggest that secondary nontraditional workers more often feel the need to focus on the short-term goal of just getting by, which may make it harder for them to progress on their long-term financial goals such as saving for retirement, homeownership, or tuition.

Figure 2. Secondary nontraditional workers were more often focused on “just getting by” than traditional workers.

Percentage reporting each financial goal among their “top three” goals, by worker type.



Note: Financial Health Pulse 2024 survey data. N = 166 secondary nontraditional workers, 3,741 traditional workers.

* Statistically significant relative to traditional workers at $p < 0.05$.

Secondary nontraditional workers also more often experienced borrowing challenges than traditional workers. In particular, secondary nontraditional workers more often reported having more debt than is manageable (41%) than those employed in traditional jobs (31%) (Table 3). This may reflect that some workers use secondary nontraditional work to earn additional income to pay down unmanageable debt. Reporting unmanageable levels of debt was also strongly associated with having experienced a financial shock or incurring a large expense in the past year.²⁰ Secondary nontraditional workers more often reported experiencing a financial shock or incurring a large expense than traditional workers. Specifically, nearly two-thirds (69%) of secondary nontraditional workers experienced a financial shock or incurred a large expense in the last 12 months, compared with roughly half of traditional employees (49%).²¹ In other words, financial shocks or large expenses may push some traditional employees toward nontraditional work in an attempt to manage the debt associated with unexpected life events. This aligns with our earlier findings that the most commonly reported financial goal of secondary nontraditional workers was to “pay off other debt (credit cards, car loans, etc.).” In addition, secondary nontraditional workers were more likely to report paying off student loan debt as a goal than traditional workers (18% vs. 10%) (Figure 2).

These findings indicate even secondary nontraditional workers have different financial health challenges and goals than traditional workers, especially around long-term savings and borrowing. As a result, it is important to recognize and address the distinct needs of secondary nontraditional workers when considering how to improve financial health for all workers.

Conclusion

As the nontraditional economy continues to expand, it is crucial to recognize the distinctions among nontraditional workers, to acknowledge their unique challenges, and to identify tailored solutions to address them. This research highlights that primary nontraditional workers face challenges around maintaining short-term savings, building a prime credit score, and attaining insurance coverage, while secondary nontraditional workers often encounter issues related to debt manageability and saving for long-term goals.

Below we share different examples of solutions to better support the unique needs of nontraditional workers:

²⁰ People who experienced a financial shock or incurred a large expense in the past year were almost twice as likely to report having unmanageable debt than those who did not experience a financial shock (39% vs. 23%) (Analysis of 2024 Pulse survey data). Financial shocks or large expenses include any of the following events: purchasing a home, beginning to pay educational expenses for yourself or someone in your household, making an unexpected major house, appliance, or car repair, paying unexpected out-of-pocket medical expense, paying fines, fees, or court expenses related to legal proceedings other than divorce, or moving to a new home, apartment, or residence.

²¹ Analysis of 2024 Financial Health Pulse survey data, available upon request.

- **Primary nontraditional workers struggled with short-term savings, credit health building, and insurance coverage.**
 - Financial institutions can help primary nontraditional workers who are struggling with short-term savings by offering automated savings programs that take potential income fluctuations into account. For example, [Oportun's Set & Save](#) app uses an algorithm to analyze users' spending and income and automatically transfer small amounts into savings.²²
 - To address primary nontraditional workers' lower insurance coverage rates, more insurance providers can develop flexible, pay-as-you-go insurance plans tailored to these workers' irregular incomes. These policies can cover needs such as healthcare, accident protection, and income replacement. For example, [GigEasy](#) provides flexible insurance solutions and benefits tailored for nontraditional workers. Nonprofits also play an important role in this effort, such as [Black Car Fund](#), which supports drivers in New York City by providing workers' compensation insurance and other health benefits.
 - To address primary nontraditional workers' challenges with credit health building, further research is needed to identify, understand, and provide effective support for the specific aspects of credit health where they need help.
- **Secondary nontraditional workers experienced challenges around borrowing and long-term savings.**
 - Financial institutions and nonprofits can help secondary nontraditional workers manage their debts more effectively by offering personalized debt management and resolution tools, as well as financial counseling. This may also help improve secondary nontraditional workers' confidence that they are on track to meet their long-term financial goals. For example, [Robinhood's Retirement For Independent Workers](#) partners with certain gig work platforms to provide matched retirement savings. It also works with the nonprofit [GreenPath Financial Wellness](#) to provide financial counseling to nontraditional workers.

Financial institutions, employers, and community organizations play an important role in supporting workers' financial health in the expanding nontraditional economy. By providing tools and resources that promote financial stability, these institutions can empower nontraditional workers to thrive in the face of unique challenges. In doing so, these stakeholders also benefit by fostering a more resilient U.S. workforce and contributing to overall economic stability and growth.

²² Andrew Dunn & Heidi Johnson, "[Building Consumer Savings with Fintech Innovations.](#)" Financial Health Network, July 2022.

Methodology

Data from this release come from the Financial Health Pulse survey. Now in its seventh year, Financial Health Pulse fields surveys using the probability-based Understanding America Study online panel administered by USC's Dornsife Center for Economic and Social Research, allowing the findings to be generalized to the civilian, noninstitutionalized adult population of the United States. The 2024 Financial Health Pulse survey was fielded from April 16, 2024, through May 30, 2024, with 7,245 respondents and a cooperation rate of 65.67% (margin of error +/- 1.15%). For more background on our financial health measurement methodology, visit the [FinHealth Score® Methodology page](#).

Appendix A. Supplemental Data Tables

Table A1. Demographic differences between primary nontraditional workers, secondary nontraditional workers, and traditional workers

| Demographic | Primary nontraditional workers | Secondary nontraditional workers | Traditional workers |
|---------------------------|--------------------------------|----------------------------------|---------------------|
| Household income | | | |
| Less than \$30,000 | 37% ³ | NA | 13% ¹ |
| \$30,000 - \$59,999 | 25% | 29% | 24% |
| \$60,000 - \$99,999 | 18% ³ | 21% | 24% ¹ |
| \$100,000 or more | 20% ^{2,3} | 42% ¹ | 39% ¹ |
| Race and ethnicity | | | |
| Asian | NA | NA | NA |
| Black | 11% | NA | 11% |
| Latinx | 14% | NA | 13% |
| White | 61% | 67% ³ | 58% |
| Multiple races | 9% | NA | 9% |
| Other race/ethnicity | NA | NA | 2% |
| Age | | | |
| 18-25 | NA | NA | 5% |
| 26-35 | 29% | 28% | 24% |
| 36-49 | 30% ^{2,3} | 39% ¹ | 37% ¹ |
| 50-64 | 22% | 20% | 26% |
| 65 and over | 15% ³ | NA | 7% ¹ |

| Disability status | | | |
|-----------------------------|--------------------|--------------------|------------------|
| Yes | 22% ³ | NA | 14% ¹ |
| No | 78% ^{2,3} | 94% ^{1,3} | 86% ¹ |
| Education level | | | |
| High school or less | 45% ^{2,3} | 18% ^{1,3} | 30% |
| Some college | 27% | 23% | 25% |
| Bachelor's degree or higher | 28% ^{2,3} | 59% ^{1,3} | 45% |
| Total | 337 | 166 | 3,742 |

Note: Financial Health Pulse 2024 survey data. NA: sample size too small to report with confidence.

¹ Statistically significant relative to primary nontraditional workers at $p < 0.05$.

² Statistically significant relative to secondary nontraditional workers at $p < 0.05$.

³ Statistically significant relative to traditional workers at $p < 0.05$.

Appendix B. Variable Definitions

Financial Health Indicators

At your current level of spending, how long could you and your household afford to cover expenses, if you had to live only off the money you have readily available, without withdrawing money from retirement accounts or borrowing?

1. 6 months or more
2. 3-5 months
3. 1-2 months
4. 1-3 weeks
5. Less than 1 week

Thinking about your household's longer term financial goals such as saving for a vacation, starting a business, buying or paying off a home, saving up for education, putting money away for retirement, or making retirement funds last... How confident are you that your household is currently doing what is needed to meet your longer term goals?

1. Very confident
2. Moderately confident
3. Somewhat confident
4. Slightly confident
5. Not at all confident

Now thinking about all of your household's current debts, including mortgages, bank loans, student loans, money owed to people, medical debt, past-due bills, and credit card balances that are carried over from prior months... As of today, which of the following statements describes how manageable your household debt is?

1. Have a manageable amount of debt
2. Have a bit more debt than is manageable
3. Have far more debt than is manageable
4. Do not have any debt

How would you rate your credit score? Your credit score is a number that tells lenders how risky or safe you are as a borrower.

1. Excellent
2. Very Good

3. Good
4. Fair
5. Poor
6. Don't know

Thinking about all of the types of personal and household insurance you and others in your household have, how confident are you that those insurance policies will provide enough support in case of an emergency?

1. Very confident
2. Moderately confident
3. Somewhat confident
4. Slightly confident
5. Not at all confident

Employment Questions

Workers with one job were asked the following question:

Which of the following best describes your current job?

1. I am an employee (I receive a W-2 at tax time)
2. I am an independent contractor, 'gig' worker, freelancer, consultant, work odds jobs or have a side hustle (I receive a 1099 at tax time)
3. I work for a business that I own

Workers with multiple jobs were asked the following two questions:

Which of the following best describes your current **PRIMARY** job? Your primary job is the one where you work the most hours.

1. I am an employee (I receive a W-2 at tax time)
2. I am an independent contractor, 'gig' worker, freelancer, consultant, work odd jobs or have a side hustle (I receive a 1099 at tax time)
3. I work for a business that I own

Which of the following best describes your current **SECONDARY** job? [if number of jobs > 2, then "Your secondary job is the one where you work the next most hours, after your primary job."]

1. I am an employee (I receive a W-2 at tax time)
2. I am an independent contractor, 'gig' worker, freelancer, consultant, work odd jobs or have a side hustle (I receive a 1099 at tax time)
3. I work for a business that I own