



# FUTURE OF WORK

## — VIRGINIA —

Impact of the Growing “Gig” Economy  
on Virginia Workers  
and the  
Commonwealth’s Economy

Fall 2021

# **Future of Work / Virginia Taskforce Report**

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Over the course of two years, the Taskforce developed practical, implementable policies and initiatives to support on-demand workers in pursuit of a future in which gig work is a choice rather than a fate and gig workers can earn sustainable incomes for themselves and their families.

Please see the Appendix III for a list of Taskforce members.

### **Summary of Taskforce Recommendations**

The Taskforce makes nine recommendations to help mitigate challenges and amplify opportunities as the Commonwealth's gig economy and workforce continues to grow. These include:

- Adopt new strategies for workers' economic security including portable benefits that travel with the worker such as training, wage gap protection, and health and retirement benefits.
- Build awareness within Virginia's workforce regarding the most common work arrangements, elevate the understanding of opportunities and challenges of each, and identify barriers that prevent the voluntary movement among various arrangements as life circumstances change.
- Develop data sharing agreements and resources to better understand how work is really changing by gathering and analyzing reliable and contemporary data to support evidenced based decision making and policy development.
- And finally, given the heavy reliance of gig workers on the internet, the Taskforce weighed in on the essential need for accessibility and affordability of broadband across the Commonwealth.

### **Data and Information Sources**

The Taskforce utilized various sources to analyze the size of the gig workforce, the trend in growth and the characteristics and attributes of the gig workforce. These sources included data from the American Community Survey (ACS) and the Virginia Employment Commission (VEC), reports from several national and international think tanks, and surveys the Taskforce conducted with Virginia workers and associations representing a wide variety of trade groups.

### **Characterizing the Gig Worker**

#### **Prevalence and Characteristics of Virginia's Self-Employed Workers**

The Future of Work Taskforce was charged with researching Virginia's gig economy. This research was to answer urgent questions such as who and how many Virginians participate in gig work, the characteristics of those workers, and how they differ from the total employed population. In order to address these questions, the Taskforce had to first define and then operationalize gig work.

**Table 1: Classification of Workers in Virginia Compared to National Totals**

ACS Classification of Workers				
Classification	Virginia		National	
	#	%	#	%
Self-Employed, non-incorporated	196,000	4.7%	9,003,000	5.9%
Self-employed, incorporated	134,000	3.2%	5,302,000	3.5%
Wage/salary, private	2,595,000	61.9%	103,083,000	68.0%
Wage/salary, non-profit	324,000	7.7%	12,087,000	8.0%
Federal government employee	443,000	10.6%	4,757,000	3.1%
State government employee	171,000	4.1%	6,849,000	4.5%
Local government employee	321,000	7.7%	10,161,000	6.7%
Unpaid family worker	6,000	0.1%	244,000	0.2%
Total Civilian Employed	4,190,000	100.0%	151,485,000	100.0%

## Income Overview

In general, Virginian self-employed workers earn more than other workers nationally, but less when compared to other Virginians. In terms of median household income, Virginia's self-employed workers earn more than both self-employed individuals and the total civilian workforce nationally (\$82,072 v. \$68,000 and \$73,760 respectively). However, self-employed Virginians earn less than the statewide median household income by about \$8,000.

## Occupation and Industry Group Overview

In examining self-employed workers, the Taskforce found that self-employment work was concentrated into a few major occupations and industries. Among the 23 major occupational groups defined in the Standard Occupational Classification (SOC), just five account for approximately 59% of all self-employed Virginians. The group with the largest percentage of self-employed workers is the Personal Care and Service Occupations group, which contains occupations such as barbers, animal caretakers, and exercise trainers. Other major occupation groups by size are the Construction and Extraction Occupations (13% of self-employed workers), Management Occupations (11%), Sales and Related Occupations (11%), and the Building and Grounds Cleaning Maintenance Occupations (10%).

As described above, the five major groups with the largest concentration of self-employed workers comprise a majority of all self-employed Virginians. Furthermore, self-employed workers participate in these occupations at a substantially greater rate than the total employed population; only 33% of the total employed workforce participates in the top five occupations for self-employed workers. This is especially evident when comparing self-employed workers to the total employed populations for the two occupational groups with the greatest percentage of self-employed workers, Personal Care and Services and Construction and Extraction occupations. These two occupations account for one in four (27%) of all self-employed workers, but less than one in ten (8%) of the total employed population.

**Table 3: Occupational Groups with the Greatest Rate of Self-Employed Workers (VEC 2019)**



**Table 4: Demographic Characteristics of Self-Employed Workers; Age and Gender (ACS 2017)**

Employed Persons by Gender and Age, Virginia 2017								
Classification	Gender			Age				
	Male	Female	Total	16-17	18-34	35-64	64+	Total
Self-Employed, Non-Incorporated	56%	44%	100%	1%	15%	71%	14%	100%
Total Civilian Employed	52%	48%	100%	1%	35%	59%	5%	100%

**Table 5: Demographic Characteristics of Self-Employed Workers; Educational Attainment (ACS 2017)**

Employed Persons by Education Attainment, Virginia 2017 (25+)						
Worker Categorization	No High School	High School	Some College No Degree	Associate Degree	Bachelor's	Graduate
Self-Employed, Non-Incorporated	12%	25%	20%	6%	21%	16%
Total Civilian Employed	7%	21%	20%	8%	24%	20%

**Table 7: Demographic Characteristics of Self-Employed Workers; Economic Need (ACS 2017)**

Virginia Adults, Economic Need Indicators (ACS, 2017)					
Worker Categorization	Below Poverty Level	Uninsured	Receives SNAP	Receives TANF	Receives Medicaid
Self-Employed, Non-Incorporated	13.9%	21%	9%	1%	6%
Total Civilian Employed	13.3%	11%	10%	1%	8%

Second, self-employed workers are almost twice as likely to be without health insurance; one in five (21%) of all self-employed workers are uninsured, while only one in ten (11%) of the total employed population is. This finding could reflect the general reliance on employer-sponsored healthcare throughout the country; by definition self-employed workers lack an employer, and therefore would need to independently seek out healthcare coverage. This finding will be discussed further in subsequent sections of the report.

### **Geographic Overview**

The Taskforce analyzed the geographic distribution of self-employed workers using statistical geographic areas known as Public Use Microdata Areas (PUMAs). These areas are defined by the Census Bureau to contain geographic areas of similar population sizes and are used in the analysis of ACS and Census data.

employment than in rural areas. This presence may decrease the supply of self-employment labor in those regions, in comparison to more rural areas that lack public sector employers.

### **Gig Worker Survey and Findings**

In January 2020, at the request of the Taskforce, a survey of gig workers was conducted by the Virginia Employment Commission through the Virginia Workforce Connection and Virginia Career Works Centers. Results were collected for six weeks both online and via hard copy. Nearly 1,250 individuals started the survey, and 423 completed the entire survey. Respondents represented residents of 80 Virginia localities, both urban and rural, with the majority from northern Virginia. Slightly more of the respondents (55%) were female. All age groups and various ethnicities and educational levels were represented. The responses summarized below are for all individuals who responded to each particular question.

The survey revealed that 68% of the respondents worked through a platform or agency, and 32% were independent gig workers. Strikingly, 82% reported that gig work was their primary source of income, while 18% said gig work provided secondary income to meet expenses, extra spending money, or a way to spend their spare time. The top two industries in which the respondents worked were hospitality (accommodations & food services) and transportation. Half of the respondents had been doing gig work for three years or less, and nearly all (92%) reported they enjoyed gig work. Having a reliable and consistent income, as well as maintaining personal safety, were the top areas of concern. Almost half (46%) of the respondents said they purchase their own health insurance, 19% said they have health insurance through their primary income employer, and 34% did not currently have health insurance. Over half (56%) would prefer full-time work over gig work, 30% preferred their gig employment, and 14% did gig work in addition to working full-time.

Barriers to full-time employment included a paucity of jobs in their desired field, child or elder care needs, and lack of education and training for the desired jobs. Critical to later findings in this report, 72% of the respondents indicated they would be interested in completing training or education to acquire new job skills. Areas of particular interest in training included computer, business, management, clerical, medical, financial services, and culinary arts. There was a nearly even split between respondents who felt they had work experience or specialized training that qualified them for a better job than the one they had, but were unable to find employment locally, and those who felt they did not have the appropriate experience or training.

In summary, the Taskforce gained several important insights from this survey:

- In Virginia, residents of all ages, ethnicities, genders, and localities are involved in gig work.
- The flexible options afforded by independent work can be especially well-suited to seniors, caregivers, students, and part-time employees who are often underemployed.



A 2016 McKinsey report [1] found that people who are gig workers by choice report greater satisfaction with their jobs as opposed to those who are in traditional employment arrangements. They tend to be more engaged in their work than traditional job holders, appreciate being their own boss, and enjoy greater creativity than traditional employees. Overall, they are happier with their level of income and report being just as satisfied as traditional workers on issues like income security and benefits. In a 2017 Freelance Union/Upwork survey, [2] half of the respondents said they would not take a professional job, no matter how much money they were offered.

Gig workers who work independently out of necessity report similar levels of dissatisfaction with their work as those in traditional jobs. Of course, gig work has its downsides: it can lack consistency, often requires ongoing business development efforts, and does not come with financial safety nets such as paid leave, unemployment insurance, and benefits.

Gig work and self-employment represent a significant and varying part of the Virginian economy. Therefore, it is particularly important that policymakers be inclusive in their analysis, and keep in mind the diverse experiences and needs of these workers. Doing so will enable policymakers, stakeholders, and individuals to formulate effective policy centered on promoting the wellbeing of self-employed workers. The Taskforce hopes that this analysis can serve as a tool for policymakers and other stakeholders to use in their decision making process, and as a basis to better serve workers in Virginia's gig economy.

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Footnotes for Gig Worker Survey and Findings

[1] <https://www.mckinsey.com/featured-insights/employment-and-growth/independent-work-choice-necessity-and-the-gig-economy/2016>

[2] <https://www.slideshare.net/upwork/freelancing-in-america-2017>

## **Business Survey and Findings**

Though business stakeholder engagement was complicated by the onslaught of the COVID-19 pandemic, substantial effort was made to understand the hiring practices of the business community as it pertains to the gig workforce. The Taskforce considered the feedback of businesses to be of vital importance.

The Taskforce surveyed 73 Virginia business associations and trade groups the summer of 2020. Respondents seemed indifferent with regard to their readiness to embrace the gig economy and felt the organizations they represented knew how to tap into the gig market to satisfy their workforce needs. Answers regarding training and retaining workers indicated that organizations were more interested in using the gig workforce model as a stop-gap measure or on an as-needed basis rather than as an employment strategy.

Better insights were gained through reviews of several national and international studies. From a company perspective, change is being driven by urgency to respond to global changes and increasing competition. Companies seek the flexibility to bring in expertise for a limited time to

## Implications for the Virginia Economy

Understanding the impact of independent workers on Virginia's economy is important since a project-based economy is the new normal.

In a recent Contingent Workforce Study [1] conducted by Ernst & Young Global Limited (EY) agrees. Upon surveying major employers and contingent workers in the US, EY found that on average, by 2020, almost one in five US workers will be contingent — the equivalent of 31 million people. Using a wider definition of contingent work, when part-time workers are included, captures a larger range of alternative work arrangements, so much so that as much as 40 to 50% of the workforce could be in non-permanent employment by 2020. Recent research from two Harvard economists [2] revealed that the number of workers engaged in alternative work arrangements rose by 66% in the 10 years to 2015. This compares with just 6% growth in the overall US employment over the same time period. Of the employers surveyed by EY, 50% saw an increase in their use of gig workers over the last five years.

Gig work has accelerated innovation at an incredible pace. As more members of the workforce decide to freelance, the marketplaces to facilitate them will proliferate in number and scope. Nearly a quarter of Americans report they've earned money in the digital platform economy in the past year, in a recent Pew Research Center survey. [3] The 2017 Freelance Union/Upwork [4] survey states that almost five million individuals currently freelancing part-time are thinking about making the leap to full-time gig work. If these moonlighters quit traditional employment, there would be nearly 4.7M new independent contractors in the workforce. The top factor given, holding these moonlighters back from freelancing full-time, is income unpredictability and loss of benefits.

Fresco Capital Managing Partner Stephen Forte pointed out in a 2015 article [5] that in the past, companies would hire the reputation of a brand. Today, freelancers are building a reputation within a marketplace, and the marketplaces are building a brand. This trend will lead to more commodity-based outsourcing (human resources, legal, and accounting/finance, manufacturing, and software development) and strategic outsourcing (product development, design, and management).

The 2016 McKinsey report [6] points out that digital marketplaces create larger pools of supply and demand, are easy to join and use, provide convenient payment systems and infrastructure, offer transparent information through profiles and reviews, and ease search and matching. While they have a relatively small reach today, these platforms have been multiplying and expanding rapidly, making it possible for new players to enter the ecosystem of independent

According to a 2019 ranking of the Best and Worst States for Gig Economy Jobs [9] by Fitsmallbusiness.com, Virginia is the second-best state for gig economy jobs.

The study analyzed and weighed the following metrics:

- Legal impediments to gig economy work: 20%
- Market size: 20%
- Gig economy workers' median income: 20%
- Tourism potential: 20%
- Income tax: 10%
- Out-of-pocket cost of health insurance: 10%

The combination of a large number of possible gig economy patrons, given Virginia's large population, and a higher-than-average median household income, makes Virginia a great place for those seeking work in the gig economy.

Independent work can have multiple benefits for the economy. The 2019 McKinsey report [10] states that the 41 million Americans doing independent work are a powerful economic force, generating \$1.28 trillion of revenue for the U.S. economy. About 22% of full-time independent workers provide goods or services to customers outside the U.S., up from 19% in 2018, and up from just 13% in 2016. A separate 2017 survey by the Freelance Union/Upwork [11] confirmed that freelance earnings increased almost 30% over the previous year to reach an estimated \$1.4 trillion (earning calculated by multiplying average income from freelancing in past year (\$23,743) by the number of freelancers (57.3 million)).

The 2016 McKinsey report [12] points out that independent work can help cushion unemployment, improve labor force participation, stimulate demand, and raise productivity. Companies and consumers benefit from the greater availability of services and improved matching that better meets their needs. Digital platforms have lowered transaction costs for consumers, delivering better-quality products and services and putting new conveniences at their fingertips.

McKinsey also identifies several macroeconomic benefits of independent work. Labor force participation rates and the number of hours worked may increase. The unemployed may find independent work to be a much-needed path to keep earning income while they search for new jobs. Independent work can also be a way to enable youth to gain experience or start on a career ladder. Independent work may also increase productivity, as it enables people to specialize in doing what they do best, making them feel more engaged in the work. Capital productivity could also be increased as underutilized assets and spare capacity, such as cars and empty apartments, are put to work. Consumption could be boosted by new and innovative

initial spike in unemployment, and again following the expiration of the federal government's relief funds and enhance benefits. [4] [5] [6] [7]

This increased interest is also seen among employers. Gig work arrangements present an opportunity for companies to meet pandemic-based fluctuations in demand while constraining costs. Employers may also take opportunities following cost-cutting or layoffs to restructure their employment arrangements, and include more gig or temporary positions. As employers continue to face financial uncertainty, this demand for temporary employment will likely persist.

The net long-term effects of the pandemic on the gig economy are unclear; however, the short term indicates a continuation or acceleration in the growth of gig economy work in the Commonwealth, and a net increase in the number of gig workers.

***The precise impact of the pandemic will vary greatly depending on a gig worker's individual economic circumstances and line of work***

As stated, gig workers have diverse characteristics and economic experiences and similar to the traditionally employed population, the unique circumstances of the individual gig worker – their occupation, education, geography, etc. – will impact their ability to find work. Furthermore, factors unique to the pandemic such as the “essential” nature of a worker's occupation, the availability of a remote work alternative, or the ability to perform work with social distance, affect individual outcomes.

Certain groups of gig workers have seen an increased demand for their services due to the spread of COVID-19. Evidence suggests that companies are using gig workers to smooth fluctuating workloads while avoiding the substantial costs associated with traditional employment. Many talent platforms report stable or increased in business since the beginning of the pandemic, and an increase in demand for remote independent professionals [8] [9]. Additionally, demand for relatively new online services, such as online tutoring and coaching, has also increased. [10] [11]

Other groups of self-employed or gig workers classified as “essential” employees have seen a dramatic increase in demand for their services as well. These include delivery drivers in urban areas, and others who comprise the “Sales and Related Occupations” category (which included 11% of all Virginian self-employed, not-incorporated workers). [12]

Conversely, the 25% of gig workers from the Taskforce's survey in food service or transportation occupations - the top occupations and industries for gig workers in the state faced steep unemployment rates, which reflected broader economic conditions. These workers are part of the Personal Care and Service Occupational Category, which saw the greatest increase in unemployment claims to the Virginia Employment Commission (VEC) since the start of the pandemic. [13]

[2a] A note on sources for this section. Given the nature of the pandemic and its impacts, the information landscape is evolving rapidly. This section relies upon reputable journalistic outlets, government data sources, and real time data from researchers. While formal scholarship will emerge in the months or years following the pandemic, the sources included here represent the best available resources to the Taskforce at the time of this report's analysis.

[3] Prior to the pandemic, participation in the state's gig economy as independent contractors was gradually increasing; from 2010 to 2016, gig workers (defined as individuals filing a 1099 M or K tax return form) as a percent of the tax workforce increased by about 1%. This growth was almost entirely driven by the presence of Online Platform Economies (OPE), or gig or contract work mediated by an app or online tool. Examples of OPES include Lyft, Uber, Airbnb among others. This growth was also reflected in the Taskforce's survey, where 68% respondents stated that their employment was mediated through an online platform or application.

.<https://www.irs.gov/pub/irs-soi/19rpgigworkreplacingtraditionalemployment.pdf> (56 - 64)

[4] <https://www.marketwatch.com/story/some-gig-economy-jobs-can-provide-extra-income-without-having-to-leave-home-2020-03-26>

[5] <https://irp-cdn.multiscreensite.com/ec5bfac6/files/uploaded/AppJobs%20Institute%20Future%20of%20Work%20Report%202020.pdf#page=26>

[6] For example, interest in search terms such as "gig work" spiked to their highest levels since data recording begin during the week of March 14<sup>th</sup>, and the beginning of the layoffs and state lockdowns.

<https://trends.google.com/trends/explore?date=all&geo=US&q=gig%20work>

[7] <https://www.cnn.com/2020/07/26/gig-workers-compete-with-jobless-americans-for-work-as-600-boost-ends.html>

[8] <https://irp-cdn.multiscreensite.com/ec5bfac6/files/uploaded/AppJobs%20Institute%20Future%20of%20Work%20Report%202020.pdf#page=26>

[9] <https://www.forbes.com/sites/jonyounger/2020/03/09/how-is-coronavirus-impacting-freelancers-and-gigsters/#4180a2794cd5>

[10] <https://www.institute.appjobs.com/how-does-the-covid-19-outbreak-affect-the-life-of-freelancers-gig-workers-march-2020>

[11] <https://www.marketplace.org/2020/08/11/must-workers-choose-between-benefits-and-flexibility/>

[12] <https://www.cnn.com/2020/06/19/doordash-scores-16-billion-valuation-now-top-of-food-delivery-chain.html>

[13] Transportation and Hospitality workers are included in the BLS's Personal Care and Service occupation group. This group saw an 11% increase in unemployment claims (including both traditional and gig workers) to the Virginia Employment Commission (VEC) from March 15<sup>th</sup> – July 25<sup>th</sup>, the highest of any occupation category. The overall unemployment rate for Personal Care and Service workers was 18.2%

<https://www.bls.gov/web/empsit/cpseea30.htm>

[14] <https://www.nytimes.com/2020/03/10/technology/airbnb-hosts-coronavirus.html>

[15] A primary example of the unusual impact the pandemic has had on the gig economy can be seen in the personal driving service app Uber. At their most recent earnings report, Uber reported a 27% decline in revenue for the most recent quarter, primarily stemming from losses to its mobility services (down 67% from the prior quarter – a decrease from \$2.3 billion to \$790 million). However, its revenues from its food delivery service, UberEats, increased over 100% from roughly \$600 million to \$1.2 billion. [15] This reflects larger changes in demands for gig employment, as individuals increase their demand for services facilitating social distancing (delivery services), but decrease demand for personal care services (mobility).

[https://www.washingtonpost.com/business/technology/uber-lost-18b-in-2q-as-riders-stayed-home-and-ordered-in/2020/08/06/5a06da82-d823-11ea-a788-2ce86ce81129\\_story.html](https://www.washingtonpost.com/business/technology/uber-lost-18b-in-2q-as-riders-stayed-home-and-ordered-in/2020/08/06/5a06da82-d823-11ea-a788-2ce86ce81129_story.html)

<https://investor.uber.com/news-events/news/press-release-details/2020/Uber-Announces-Results-for-Second-Quarter-2020/default.aspx>

[16] For example, the Taskforce's data analysis demonstrated that self-employed workers are twice as likely to be without health insurance as the traditional employed population, a particularly ironic fact in a pandemic.

median wage, as reported by the Virginia Employment Commission, in the taxable year prior to applying for the credit. The credit should equal up to 50% of the expenses of the training. After a fiscal impact analysis, a maximum tax credit amount should be established for the legislation.

### **Background:**

After World War II and the rise of the industrial age, many workers enjoyed a stable career at a single company that assumed responsibility for investing in worker skills. Both workers and employers expected skills would support entire careers. But, with rapidly changing technology, coupled with employer concern that workers would take their new skills to other companies, employers began to reduce their investments in training and skill development.

The rapidly changing world of work is transforming industry and redefining the skills needed to obtain and retain a job. While post-secondary academic degrees continue to provide earning premiums higher than other training, employer recognized credentials and apprenticeships are returning dividends for workers. Data suggests that employer contributions to employee training has declined substantially and willingness to invest training dollars in independent contractors remains minimal. So, while employers still have responsibility for workforce training, workers must also be given additional resources and tools to acquire new skills and learning opportunities over the course of their careers.

The Taskforce found that Virginia's heavy reliance on employer-based or employer financed worker training is ill-suited for the rising number of workers who are in independent work arrangements. The Taskforce found that the burden falls completely on workers to update their skills so their value remains competitive in a changing job market. The Taskforce recommended, among other potential policy initiatives, that the Commonwealth provide a tax credit for workers much like the tax credit provided to employers which was enacted by the General Assembly in 2019. [1] New legislation would parallel this as well as reward Virginia workers with a tax credit if they shoulder the financial burden of upskilling or reskilling.

A number of policy initiatives proposed at the national level were considered by the Taskforce. A worker training tax credit is the most actionable recommendation at this time.

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Footnote for Portable Retirement Benefits Section

[1] HB 2539 Worker retraining tax credit; ... worker training investment tax credit, Kathy J. Byron chief sponsor, 2019

### **Portable Health Benefits Recommendation:**

With the current climate of uncertainty for the possible outcomes in federal legislation and judicial actions regarding the Affordable Care Act (ACA), the Taskforce decided that specific recommendations to address access and affordability of health care must wait until federal policy stabilizes. The Taskforce recommends that a future Taskforce study and recommend solutions once federal regulations are more certain.

new system of coverage specifically to address those in nontraditional employment arrangements currently excluded from accessing Virginia's unemployment insurance system. These options and others the workgroup may discover should be evaluated with positives and negatives for each and relevant fiscal considerations before offering final policy recommendations.

### **Portable Retirement Benefits Recommendation:**

The Commonwealth should establish portable retirement savings program that benefits all workers regardless of employment status. The target of this savings program should be workers who currently have no access to an employer sponsored retirement savings option.

Based on several studies, this legislation would identify VA529 as the agency to design and implement this program. We have worked directly with VA529 in developing this legislative recommendation.

#### **Background:**

Continued demographic changes make it more critical than ever for Virginia's households to build resources to maintain their quality of living in retirement. A statewide survey of Virginians completed in October 2020 indicates that lack of access to an employer sponsored retirement plan is the main barrier to retirement saving for 44% of respondents. [1]

This is not just a challenge for the gig worker. Even for full time traditional employees, the reality is that almost half do not, as noted before, have access to a retirement savings programs.

Retirement security for Americans is a focus for both state and federal policymakers. Here in the Commonwealth, VA529 research [2] indicates that the primary cause of the retirement savings gap is a lack of savings options through their employer. Their findings indicate that 45% of Virginia's private sector workforce or 1.2 million workers do not have access to a retirement savings plan at work. [3] This figure fails to include the entire gig workforce where no traditional employer relationship exists.

The Taskforce held several meetings with VA529 to determine the direction of their study and to determine their proposal that would sync with the Taskforce recommendation. It does. Although Virginia is just emerging from several extensive studies and has not yet begun work in this area, twelve states and one city have enacted new state-facilitated retirement savings programs for private sector workers. Of those, three are open and providing solutions for their citizens; the other programs are in various stages of implementation.

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Footnote for Portable Retirement Benefits Section

[1][2][3] Report to the General Assembly of Virginia Relating to State and Federal Retirement Savings Programs That Encourage Savings and Participation, December 15, 2020

This fact was particularly evidenced by the increased applications for unemployment insurance brought about by the pandemic. Many gig workers sought economic assistance through the state unemployment insurance, only to find that they were ineligible for traditional state economic benefits. This lack of understanding presents a significant obstacle in achieving positive financial outcomes for gig workers. Only through better information and education, will workers understand their rights, responsibilities and benefits for each type of employment arrangement they encounter during their careers.

**Recommendation: Study the value of developing and administering a registration or certification method for gig workers.**

The purpose of this study would be to analyze the value of establishing a registration process for workers who wish to be classified as independent contractors for organizations who wish to contract with them. This would mitigate many workers' current lack of understanding of the benefits and challenges of independent contractor status. It would also serve to limit the exposure of Virginia's employers to fines and penalties for misclassifying workers.

**Background:**

The Taskforce identified that many gig workers are uninformed of their employment arrangement. Given the consequences that this lack of awareness presents to individuals and the state, the Taskforce researched strategies to register, certify, or otherwise require gig workers to understand and acknowledge their gig worker status and thereby alert them to their employment arrangement. The Taskforce came to understand that employment law has failed to keep pace with the rapidly evolving nature of gig work, and as a result, Virginia, along with most states has taken limited measures to raise public awareness of employment arrangements.

The Northam Administration's Executive Order Number 38 re-establishing the Wage Theft and Misclassification Taskforce evaluated the Montana model of registration as a way of educating workers and businesses about the legal use of the independent contractor employment arrangement. The Misclassification Taskforce divided its work into investigation and enforcement recommendations for legislation to be ready for the 2020 General Assembly. Their report recommended that future work be devoted to education and other innovative recommendations to eliminate misclassification.

The Future of Work in Virginia Taskforce did consider the registration issue. Research of the Montana Code [1], review of agency documents [2] and meetings were held with Montana lawyers and lawmakers to better understand their model. In 2003 Montana began with registering independent contractors working in the construction industry. After evaluating the program's success, Montana, in 2005, began to require all independent contractors to receive an Independent Contractor Exemption Certificate (ICEC) through their Department of Labor and Industry.



accessible to the public. One example of such a format would be an automatically updated dashboard that could be affordably sustained over time. Displaying this data in such a manner would facilitate the easy interpretation and use of this data to various stakeholders, including the general public, legislators, and other policymakers.

### **Recommendation on labor market analytics:**

Create a labor market analytics group within state government to leverage datasets and better connect workforce needs and educational programs to reduce labor market imbalances and inform decisions around alignment.

### **Background:**

A critical piece to supporting the on demand economy is understanding it. Recently recognized by CNBC as America's top-ranked state for both education and workforce, Virginia has an opportunity to become a national leader in human capital development, from pre-K through lifelong learning.

The Commonwealth has several strengths to build upon, including some of the best public schools and higher education institutions in the country, a well-educated populace, innovative workforce development initiatives (e.g., FastForward, the Virginia Talent Accelerator Program, G3), and the historic, \$1.1 billion Tech Talent Investment Program that has garnered praise nationally. Virginia's education and workforce systems provide a wide array of data-rich sources to draw from. However, despite the availability of ample data, there is not a unified, consistent source of information for key talent-related questions that connects the dots between education and employment outcomes.

Labor market analytics is the "connective tissue" that creates the necessary foundation for Virginia to truly lead the way on talent. In order for education and training to serve as an engine of growth, Virginia needs to develop a more robust understanding of the connections between education and the labor market, including supply and demand imbalances that can inhibit the growth of businesses or result in poor employment outcomes for individuals. Such insights would help policymakers and educators respond to the talent needs of our economy, while better enabling individuals to navigate the complex, often confusing connections between education and the labor market.

The pandemic and the resulting unprecedented job losses have compounded the need for labor market intelligence and analysis. An enhanced labor market analytics effort would allow for (1) ongoing, regular data on post-pandemic labor market trends, and (2) proper alignment with the educational and workforce development systems to ensure that Virginians are equipped with the knowledge and skills they need to secure jobs in these sectors.

The State Council for Higher Education in Virginia (SCHEV) recently released its *Report on SCHEV's Higher Education and Workforce Alignment Project*. In the process of creating the report, SCHEV researched initiatives and organizations in other states and worked with national organizations and Virginia stakeholders to help determine how Virginia could address two

**Appendix I. Letter from Governor Northam to the National Governors Association Establishing the Taskforce**

**Appendix II. Letter from the Taskforce to Secretary Healy Concluding Summarizing Progress and Concluding its Work**

*See PDFs on the next 3 pages*



**COMMONWEALTH of VIRGINIA**  
*Office of the Governor*

Ralph S. Northam  
Governor

February 22, 2019

Mike Bartlett, Senior Policy Analyst  
National Governors Association  
Center for Best Practices  
444 North Capitol Street  
Suite 267  
Washington, D.C. 20001-1512

Dear Mr. Bartlett:

As Governor of the Commonwealth of Virginia, I have established workforce development as one of my administration's top priorities. The topic of the ever-changing landscape of technology and work is a common one for Virginians. It is disconcerting for both Virginia's employers and members of our workforce to think that the jobs of today might not exist in ten years. Now is the time for us to consider and prepare for the needs of tomorrow's workforce. This process begins with identifying the key in-demand skills of the future and evaluating and adjusting our current training processes accordingly. By rethinking and redesigning our workforce training services to better align with long-term industry needs, we can "upskill" current workers and train new workers to keep Virginia competitive.

In a short time, my administration has made great strides and significant progress in the workforce arena. During this legislative session, we successfully partnered with legislators to pass a bill that authorizes much-needed revisions to the state's Worker Training Tax Credit that benefits low-income workers. This tax credit, previously underutilized, will now be better managed and will be more accessible to businesses. In the past year, my office has also worked closely with the Aspen Institute and the Office of Senator Mark Warner to define and implement effective strategies to better serve our commonwealth's gig worker population. To this point, Virginia has supported short-term training, similar to the use of individual training accounts, to enhance the skills of gig workers and provide opportunities for entry-level, full-time jobs.

I have chosen Jane Dittmar, Senior Special Assistant to the Chief Workforce Development Advisor, as the project lead for this effort. Jane has been tasked with responsibilities related to Virginia's gig economy, specifically working with the Aspen Institute and other stakeholders on the Future of Work project in Virginia.



Dear Secretary Healy:

The Future of Work/VA Taskforce has concluded its work and we are pleased to submit our findings and recommendations for Virginia's gig workforce and the Commonwealth's growing gig economy. During this two-year project, the Taskforce focused on defining, measuring, analyzing, and recommending policy and legislation for the Governor and the General Assembly to consider. We also included observation and lessons learned from the Pandemic.

We accomplished our work through monthly meetings from March 2019 – November 2020 and through participation in a consortium of ten states convened by the National Governors Association where we presented our work at two national meetings.

At the conclusion of our work, we presented our findings to Governor Northam and the Virginia Board for Workforce Development and worked with the Governor's policy office to present recommendations to the 2021 Virginia General Assembly.

We are pleased to report that five bills related to our recommendations became law on July 1, 2021. They are HB 1905, *Economic Education and Financial Literacy Required in Middle and High School Grades*; *Employment*, HB 2174, *VirginiaSaves Program*; *established*, HB 1876, *Workforce Development, Expands type of Data Sharing*, SB 1314, *Education and labor Market Alignment, Office of, established*, and several budget items and bills relating to broadband including SB 1413, *Electric Utilities; provision of Broadband Capacity*. We hope that members of the General Assembly will consider other recommendations found in this report for future legislation.

On behalf of all members of the Taskforce, we thank you for your innovative leadership in this area and to you and Governor Northam for the opportunity to work on this initiative.

Sincerely,

A handwritten signature in blue ink that reads "Jane Dittmar". The signature is fluid and cursive, with the first name "Jane" being more prominent than the last name "Dittmar".

Jane Dittmar

State Lead, Future of Work/VA Taskforce  
Deputy Secretary of Labor

**American Community Survey (ACS):** Sponsored by the US Census Bureau, this is an ongoing survey that provides vital information to help officials, community leaders and businesses understand the changes taking place in their communities.

**Employee:** The specific definition of employee varies by state. Oxford defines it as: A person employed for wages or salary, especially at nonexecutive level. Virginia uses the IRS definition of an employee. In layman's terms, an employee is a worker who performs services for an employer whereby the employer controls both what will be done and how it will be done.

**Gig Economy:** Despite the recent use of this terminology, the "Gig Economy" has existed for about as long as economics itself. In the labor market this term is characterized by the prevalence of short-term contracts or freelance work as opposed to permanent jobs. Interchangeable terms include: sharing economy, shadow economy, informal economy and gray economy.

**Gig Work** - Gig work is described by the Gig Economy Data Hub as income-earning activities outside of traditional, long-term employer-employee relationships. Interchangeable terms include: independent work, contract work, freelancing, and side hustle.

**Gig Worker or Independent Contractor:** The specific definition varies by state. Oxford defines it as a person or company providing a service or goods on a contractual basis and not regarded as the legal responsibility of those with whom the contract is made, or formally accorded employee status. Within Virginia, it is one who performs services required by an employer but is not subject to the employer's control about how the services are performed. Interchangeable terms include: contingent worker, contract worker, day laborer, freelancer, pieceworker, and 1099 worker.

**Portable Benefits:** Work benefits connected to an individual rather than a particular employer. Benefits can be taken from job to job without interruption in coverage or loss of funding.

primary means of income earned. As part of a robust national survey, the task-force was able to observe important characteristics of self-employed workers, such as health insurance coverage, race and ethnicity, and education attainment. The ACS also has the statistical sampling power to provide stable estimates at sub-state geographical level, an important consideration in a Commonwealth as diverse as Virginia's.

The Taskforce chose the ACS because it offered a precise definition of gig work connected to a robust data source necessary to study gig work in Virginia. Although the Taskforce elected to use data from the ACS because it offered the best balance between data regularity, accuracy, and detail, there were drawbacks in selecting this specific data source.

The primary concern was limitations in the data available and varying definitions of worker classification. As a survey, the ACS suffers from some sampling and self-reporting error (e.g., individuals accidentally selecting the incorrect response, inaccurately recalling events, etc.). Additionally, the ACS is limited as to the classification options available for workers, presenting a challenge for analysis on the occupations and industries of self-employed workers.

Another significant limitation in the Taskforce analysis was the inability to measure part-time or supplemental gig work. The ACS asks only for individuals' "Primary" employment – the job an individual spends the most time at and collects the greatest income from. While this provides a useful indicator for analyzing individuals whose gig or self-employment work is their primary means of income, it would fail to measure "side hustlers," or individuals who supplement their primary income with some quantity of self-employment labor. Given that other data sources and anecdotal evidence indicate that many "gig" economy workers perform gig work or self-employment work to "smooth" their earnings, this is a potential avenue future research may wish to investigate.

In addition, the Taskforce considered alternative data sources to use in their analysis of gig workers. Individual components of these data sources may prove useful in subsequent analysis, or in supplement to the data presented in the report.

**Non-Employer Statistics (Census):** The Census bureau collects statistics on non-employer businesses, defined as "Businesses that have no paid employment and payroll; have receipts of \$1,000 or more (\$1 or more for the construction sector); and file tax forms for sole proprietorships (Form 1040, Schedule C), partnerships (Form 1065), or corporations (the Form 1120 series)."[4] This data includes individuals operating very small businesses, and would encompass most gig workers.

Non-employer statistics (NES) collected includes two primary measurements: the number of firms and the total revenue of those firms which is useful in measuring the overall size of the gig economy. These measurements can be aggregated geographically at the state-level as well by industry. As these are administrative collections these measures do not suffer from any survey or sampling error. However, it does not include information on the characteristics of individuals engaged in the non-employer business and indeed would count individuals multiple

## Appendix VI. The National Landscape Recent Milestones

1995: The first “Gig Provider,” Craigslist, is established. More “gig” work platforms are launched with the rise of the internet.

1995: Jeremy Rifkin authored a bestselling book called *The End of Work*, in which he argued there’s no reason that humans would need to keep working as many hours in an automated future.

2005: Montana passed legislation requiring construction workers to obtain an exemption certificate before they can be hired as an independent contractor. Montana eventually expanded the requirement to all gig workers.

2011: On January 28, 2011, the Alabama Court of Civil Appeals released its opinion in *Susan Schein Chrysler Dodge v. Rushing*, finding that an injured worker was an independent contractor and not an employee under the Alabama Workers' Compensation Act. The Court of Civil Appeals decision makes clear that resolution of the central issue of "control" will not turn on a single fact but must be decided on a case-by-case basis in light of all the attendant facts.

2013: Researchers at Oxford published a study on “the future of employment” that predicted almost half of US occupations were at high risk of being automated. Three years later, the Obama administration published a report that detailed the possible impact of technology on jobs and the economy. Unlike previous reports conducted by the Hoover or Johnson administrations, Obama had to contend with the internet age and the growing gig economy.

2015: Rideshare companies such as Uber and Lyft begin providing insurance options for their drivers.

2015: Airbnb spend \$8 million to defeat San Francisco initiative that would limit short term rentals and allow neighbors to sue rental property owners in the city

2015: Arizona legalizes rideshare services

2016: Economists Katz and Kreuger release a study alleging an increase in “alternative work” by more than 10% from 2005-2015.

2016: New York passed legislation that makes it illegal for Airbnb to advertise short term rentals of entire unoccupied apartments

2016: Arizona House Bill 2652 addresses the type of work relationships that stem from the gig economy and the use of smartphone technology. Under the law, "qualified marketplace contractors" are considered independent contractors if certain conditions are met.

2017: Florida appeals court declares Uber drivers are independent contractors and are not eligible for unemployment benefits

2020: The Future of Work/Virginia presented its report to the Governor's Policy office.

2021: The Virginia General Assembly passed five bills related to the Taskforce's recommendations.

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## **Appendix VII. Taskforce PowerPoint Presentation**

***PDF Next Page (47 Pages)***



# FUTURE OF WORK

— VIRGINIA —

Presentation for:  
The Virginia Board of Workforce Development  
2nd Quarter Special Briefing

June 16, 2021  
12 noon - 1:30 P

Impact of the Growing "Gig" Economy on Virginia Workers and  
on the Commonwealth's Economy




# What is a Gig Worker?

- Borrowed from the music industry, a “gig” refers to a job with no long-term connection to a particular business.
- Gig workers are contracted for a particular task or for a defined time with no implicit or explicit contract for a continuing work relationship

DEFINITIONS  
PHRASES  
**TERMINOLOGY**  
DESCRIPTIONS  
VERNACULAR  
LABELS  
NAMES  
WORDS  
TAG

# The Gig Economy aka...

-  The on-demand economy
-  The sharing economy
-  The shadow economy
-  The informal economy
-  The underground economy
-  The gray economy





# Taskforce Milestones

- Our taskforce joined a two-year **consortium** of ten states convened by the National Governor's Association
- We **met monthly** from March 2019 – September 2020
- We attended and **presented at two national meetings**
- We were asked to **finish our work in time** for legislative recommendations for the 2021 General Assembly
- Presented results and recommendations to Governor Northam in January 2021
- Five related bills passed General Assembly



# What We Did NOT Focus On



Misclassification and wage theft – Governor Northam addressed this through an executive order and separate taskforce, and the General Assembly passed legislation concerning this in the 2020 Session.



Passing judgment on new business models that rely on gig workers



Virginia laws that protect “employees” but not gig workers







# Upsides of Gig Work



## For Workers

- Flexibility
- Work/life balance
- Control over careers
- Variety
- Opportunity for financial stability
- Path to earning income during job search
- Way to gain work experience or climb the career ladder



## For Companies

- Can bring in individuals with specific skill sets
- Increases business efficiency
- Enhances flexibility
- Have a workforce able to adapt quickly to change
- Deeper, unlimited talent pool through the digital marketplace



## For Economy

- Generates revenue
- Good and services can be exported
- Cushions unemployment
- Increases labor force participation rates





# Evidence-Based Review



Survey of Virginia's Gig Workers



Survey of Virginia's Business Associations



Analysis of Other Data Sources







# Survey Results: Gig Workers

In Virginia, residents of all ages, ethnicities, genders, and in most localities are involved in on demand work. The vast majority (92%) of respondents indicated they enjoyed gig work. Over half (56%) would prefer full-time work over gig work. There is a growing appetite for on demand work, especially if workers are able to sustain a reliable income.

- 82% indicated gig work was their primary income
- 14% did gig work in addition to a full-time job
- 68% found gig work through a platform or agency
- Top two industries represented: hospitality and transportation
- Top concerns: reliable & consistent income and personal safety
- Barriers to full-time employment included a lack of jobs in their desired field, child or elder care needs, and lack of education and training for the desired jobs





# Survey Results: Business Associations

Respondents seemed indifferent

regarding their readiness to embrace the gig economy and felt the organizations they represented knew how to tap into the gig market to satisfy their workforce needs.

Answers regarding training and retaining workers indicated that organizations were more interested in using the gig workforce model as a stop-gap measure or on an as-needed basis rather than as an employment strategy.

- Many are using more freelancers, consultants and contractors and are able to find flexible talent when needed
- Many feel that their working environments are designed to encourage teamwork, collaboration and innovation that engages gig workers
- Most are not investing in career education and/or training for gig workers
- COVID has not changed their emphasis on using gig workers





# Pandemic Impact Updates

Ten insights represent a snapshot of the current state of American economic opportunity.

## How are American workers feeling?

- 1 Most Americans' current overall outlook is not optimistic
- 2 Many Americans believe that their identity hampers their career prospects
- 3 Immigrants and people of color reported relative optimism

## How did the COVID-19 crisis affect economic well-being?

- 4 Half of Americans reported being on the financial brink
- 5 COVID-19 has exacerbated existing inequalities

## What barriers do Americans believe prevent economic inclusion?

- 6 Healthcare access is a major challenge for many; women and workers of color face unique barriers
- 7 Access to childcare is a critical barrier, especially for women
- 8 Rural Americans are at risk of being left behind economically
- 9 Contract, freelance, and temporary workers would overwhelmingly prefer permanent employment
- 10 Four in ten Americans are either enrolled in training or are interested in pursuing it

Source: *Unequal America: Ten insights on the state of economic opportunity*. McKinsey & Company, May 2021



# Pandemic Impact Updates



## **Contract, freelance, and temporary workers would overwhelmingly prefer permanent employment**

- 27% of all employed respondents surveyed reported being a contract, freelance, or temporary worker.
- Demand for contractors and temporary workers is expected to increase after the pandemic, as 70% of the executives in a recent survey said that they expect to use more of these workers.
- 62% of contract, freelance, and temporary workers said that they would prefer to work as permanent employees. This sentiment was most pronounced among first-generation immigrant (76%), Hispanic/Latino (72%), Asian American (71%), and Black (68%) respondents. This is consistent with previous McKinsey research that highlights that only about 30% of workers actively choose independent work as their full-time occupation.
- Gig workers were more likely than other respondents to say that they have suffered decreased income over the past 12 months.
- Nevertheless, as of spring 2021, contract, freelance, or temporary workers were more optimistic than others about the American economy. In part, this could be due to the higher proportion of these workers who are first- and second-generation immigrants and people of color (groups that appeared more optimistic than others in the survey).
- Notably, nearly 1/3 of contract, freelance, or temporary workers said that they had enrolled in training or educational opportunities - more than twice the proportion of other respondents. And 2/3 of these workers said that they were interested in pursuing training in the future, more than double the share of other respondents who said this. Increased interest in training and skill development bodes well for the American economy.

Source: Unequal America: Ten insights on the state of economic opportunity. McKinsey & Company, May 2021





# Data Analysis - American Community Survey



## Strengths

- Publicly available (shared code w/ other states)
- Fielded annually
- Large enough for statistical significance at state and local level
- Contains other demographic information about workers



## Weaknesses

- Limited options to classify worker
- Only counts workers' primary occupation
- Subject to sampling error and self-reporting error







# American Community Survey

## ACS Classification of Workers

Classification	Virginia		National	
	#	%	#	%
Self-Employed, not-incorporated	196,000	4.7%	9,003,000	5.9%
Self-employed, incorporated	134,000	3.2%	5,302,000	3.5%
Wage/salary, private	2,595,000	61.9%	103,083,000	68.0%
Wage/salary, non-profit	324,000	7.7%	12,087,000	8.0%
Federal government employee	443,000	10.6%	4,757,000	3.1%
State government employee	171,000	4.1%	6,849,000	4.5%
Local government employee	321,000	7.7%	10,161,000	6.7%
Unpaid family worker	6,000	0.1%	244,000	0.2%
Total Civilian Employed	4,190,000	100.0%	151,485,000	100.0%



# Data Analysis

## Hours and Income

### Virginia Adults; Characteristics of Self-Employed Workers (2017)

Classification	Median Hours Worked (Weekly)		Median Household Income (Annual)		Median Personal Income (Annual)	
	Virginia	National	Virginia	National	Virginia	National
Self-Employed, Not-Incorporated	30 hrs	30 hrs	\$82,072	\$68,000	\$24,680	\$24,201
Total Civilian Employed	35 hrs	30 hrs	\$90,000	\$73,760	\$28,410	\$23,949



## Data Analysis - Demographic Characteristics



Self-employed workers are more likely to be male than those in the total workforce (PUA confirms this).



Self-employed workers are older than those in the total workforce. (71% of self-employed workers are between 35-64 years old, compared to only 59% of the total workforce).



Self-employed workers are more likely to be a non-resident alien and less likely to be African American than the total workforce.







# Data Analysis

## Educational Attainment

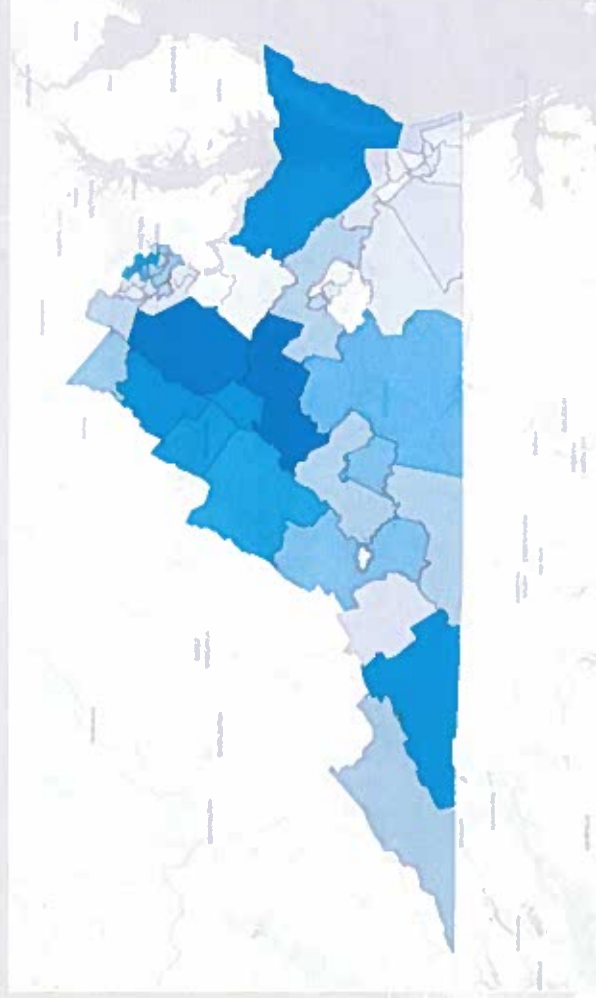
### Employed Persons by Education Attainment, Virginia 2017 (25+)

Worker Categorization	No High School	High School	Some College No Degree	Associate Degree	Bachelor's	Graduate
Self-Employed, Not-Incorporated	12%	25%	20%	6%	21%	16%
Total Civilian Employed	7%	21%	20%	8%	24%	20%



# Data Analysis

## Geography



### Employed Persons by PUMA, (Top 5) Virginia 2017

Public Use Microdata Area (PUMA)	Self-Employed, Not-Incorporated (number)	Self-Employed, Not-Incorporated (Rate)
Thomas Jefferson Planning District Commission (South & East)	4,155	8%
Rappahannock-Rapidan Regional Commission	6,217	7%
Middle Peninsula, Northern Neck & Accomack-Norhampton Planning District Commissions	4,967	7%
Northern Shenandoah Valley Regional Commission (South)	3,245	7%
Mount Rogers Planning District Commission	5,414	7%



# Summary of Taskforce Recommendations

- Create an innovative legislative landscape for **portable benefits**
- **Increase financial literacy** by enhancing awareness about employment arrangements using traditional and non-traditional outreach methods
- Leverage state **data collection and analysis** to successfully track trends and to facilitate evidence based policy making about the gig economy
- Ensure access to **affordable broadband**



## Portable Benefits - Health

- The taskforce studied a number of options including association plans and health savings accounts policies.
- On going federal Congressional and Judicial action made specific state policy recommendations premature.
- This recommendation is likely to be a policy discussion for a future legislative consideration

### Key Considerations



Access to group health insurance



Health Savings Accounts



Policy on contributions from contracting entities



## Portable Benefits - Retirement Savings



- The task force studied how to mitigate the effects of insufficient retirement savings in VA.
- Over half (53%) of Virginia's current workforce of 4,069,234 workers are not participating in any employment-based retirement savings program.
- This could cost the Commonwealth over \$300 million on public assistance programs through 2030.

### Key Considerations



VaSaves (HB 2174) created a mandatory program for all employers with 25 or more employees who do not currently offer their employees access to a retirement program.



No employer contribution is required other than administration costs.



VaSaves provides opportunity for voluntary participation for gig workers.





## Recommendation – Financial Literacy



- Many Virginians are unaware of the challenges and opportunities provided by various employment arrangements.
- The task force identified existing state financial education opportunities to include information on employment arrangements.

### Key Considerations



Leverage existing state “portals” to increase public awareness.



The Virginia Department of Education already has a financial literacy curriculum for high school seniors.



An administrative bill (HB 1905 - J. Cole) passed unanimously in both chambers. It adds employment arrangements to the existing financial literacy curriculum.



## Recommendation –Affordable Broadband



- Provide rural infrastructure grants and support legislation championed by Commonwealth Connect



### Key Considerations

The budget invests an additional \$50 million in the Virginia Telecommunications Initiative (VATI)



SB 1413 made it easier for electric utilities to lease fiber bandwidth to ISPs



New \$50/month vouchers are available in the federal stimulus for broad range of households.



## Time for Questions and Feedback







Dear Secretary Healy:

The Future of Work/VA Taskforce has concluded its work and we are pleased to submit our findings and recommendations for Virginia's gig workforce and the Commonwealth's growing gig economy. During this two-year project, the Taskforce focused on defining, measuring, analyzing, and recommending policy and legislation for the Governor and the General Assembly to consider. We also included observation and lessons learned from the Pandemic.

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On behalf of all members of the Taskforce, we thank you for your innovative leadership in this area and to you and Governor Northam for the opportunity to work on this initiative.

Sincerely,

A handwritten signature in black ink that reads "Jane Dittmar". The signature is fluid and cursive, with the first name "Jane" and last name "Dittmar" clearly legible.

Jane Dittmar

State Lead, Future of Work/VA Taskforce  
Deputy Secretary of Labor