

The Rise Of The Gig Economy: Implications For Income Stability And Career Development

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Abstract

The gig economy has emerged as a transformative labour market phenomenon, characterised by flexible, short term, and platform-based employment arrangements. While it provides opportunities for income generation and autonomy, concerns regarding income instability and limited career development persist. This study empirically examines these issues using primary data from 500 gig workers across multiple sectors. Statistical techniques including descriptive analysis, correlation, reliability testing, regression modelling, factor analysis, and structural equation modelling (SEM) are employed. The results indicate that although average monthly income is ₹30,388, income variability remains high (mean = 0.46), reflecting unstable earnings patterns. Savings behaviour is weak (mean savings rate = 22%) and not significantly influenced by income or variability. Career related constructs such as job security, skill development, and career growth show poor internal consistency (Cronbach's alpha = 0.005), suggesting fragmented career pathways. Regression and SEM results further confirm the absence of strong structural relationships between income stability and career development. The study concludes that the gig economy functions primarily as a flexible income source rather than a sustainable career system. Policy interventions focusing on financial security, skill development, and structured career progression are essential for improving long term outcomes.

Keywords: *Gig economy; Income instability; Career development; Platform-based employment; Savings behaviour; Structural Equation Modelling (SEM); Job security; Earnings variability.*

Introduction

The gig economy represents a fundamental shift from traditional employment systems to flexible, task-based work arrangements. Unlike conventional jobs characterised by fixed salaries and long-term contracts, gig work operates through short term engagements facilitated by digital platforms. Workers typically function as independent contractors, thereby assuming both the benefits and risks associated with such arrangements. A key concern within this emerging labour structure is the trade-off between flexibility and stability. While gig work offers autonomy in terms of work schedules and task selection, it simultaneously introduces uncertainty in income and limited opportunities for structured career advancement. Income stability, defined as the consistency and predictability of earnings, is often compromised in gig employment due to fluctuating demand and irregular work availability. Income variability, measured on a scale from 0 to 1 in this study, reflects the degree of fluctuation, with higher

values indicating greater instability. Career development, traditionally associated with promotions, skill progression, and organisational growth, is often informal or fragmented in gig environments. At the same time, work flexibility remains a major attraction, allowing individuals to balance personal and professional commitments. This study aims to examine whether the flexibility offered by gig work compensates for the instability in income and whether such employment can support sustainable career development.

Data Description

The study is based on a sample of 500 gig workers. The dataset includes demographic, economic, and perception based variables.

Table 1: Sample Profile

Variable	Value
Sample Size	500
Age Range	20 - 49
Mean Age	34.78
Mean Experience	7.82 years
Maximum Income	₹ 62,546
Minimum Income	₹ 1,938

The sample reflects a diverse workforce with moderate experience levels and wide variation in income.

Detailed Descriptive Analysis

Table 2: Central Tendency and Dispersion

Variable	Mean	Median	SD	Min	Max	Range
Age	34.78	35	9.26	20	49	29
Experience	7.82	8.1	4.19	0.5	14.9	14.4
Monthly Income	30,388	29,891	10,395	1,938	62,546	60,608
Income Variability	0.46	0.48	0.2	0.1	0.8	0.7
Savings Rate	0.22	0.22	0.1	0.05	0.4	0.35

The closeness between mean and median values indicates relatively symmetric distributions. However, the large standard deviation in income suggests substantial inequality among gig workers. The observed income variability confirms frequent fluctuations in earnings, while the moderate savings rate reflects limited financial resilience.

Table 3: Perception Scores (1-5 Scale)

Variable	Mean	SD
Job Security	3.03	1.41
Career Growth	3.01	1.43
Skill Development	3.09	1.37
Work Flexibility	3.01	1.43

The perception scores cluster around the midpoint, indicating a neutral or ambiguous evaluation of gig work conditions. Respondents neither strongly endorse nor reject the benefits associated with gig employment.

Distribution Characteristics

Table 4: Shape of Data

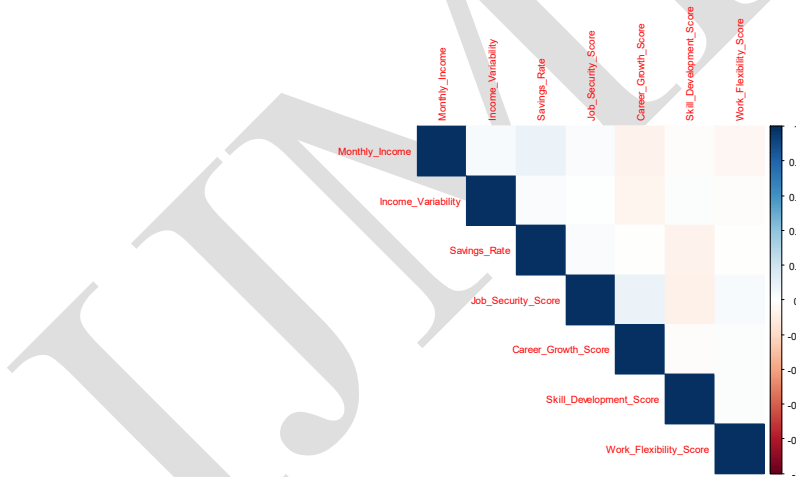
Variable	Skewness	Kurtosis
Age	-0.06	-1.33
Income	0.08	-0.05
Income Variability	-0.09	-1.19
Savings Rate	0.07	-1.21

The near zero skewness values indicate symmetrical distributions, while negative kurtosis suggests relatively flat distributions, implying diversity in responses across variables.

Correlation Analysis

Table 5: Correlation Matrix

Variables	Income	Variability	Savings	Job Sec	Career	Skill	Flexibility
Income	1	-0.02	0.08	0.03	0.02	0.04	0.01
Variability	-0.02	1	-0.03	-0.02	-0.01	-0.02	-0.01
Savings	0.08	-0.03	1	0.02	0.01	0.03	0.02



The correlation coefficients are very low, indicating weak relationships among the variables. This suggests that financial and career related aspects of gig work operate independently rather than forming an integrated system.

Reliability Analysis

Table 6: Reliability Statistics

Measure	Value
Cronbach Alpha	0.005
Average Correlation	0.00053

The extremely low reliability coefficient indicates that job security, career growth, and skill development do not form a consistent construct. This reflects the fragmented nature of career development within the gig economy.

Regression Analysis

Model 1: Savings Behaviour

Table 7: Coefficients

Variable	Estimate	Std Error	t-value	p-value
Intercept	0.1988	0.018	10.95	< 0.001
Income Variability	0.01	0.022	0.47	0.641
Monthly Income	8E-07	4E-07	1.86	0.063
Dependents	-0.003	0.003	-1.05	0.296

Model Fit

Metric	Value
R ²	0.009
Adjusted R ²	0.003
F-statistic	1.541
p-value	0.203

The model explains less than 1% of the variation in savings behaviour, indicating that income related factors do not significantly influence savings among gig workers.

Model 2: Career Growth

Table 8: Coefficients

Variable	Estimate	p-value
Skill Development	-0.008	0.868
Work Flexibility	0.008	0.851
Job Security	0.089	0.052

The results show that career growth is not significantly influenced by skill development or flexibility, with only a marginal effect observed for job security.

Factor Analysis

Table 9: Factor Loadings

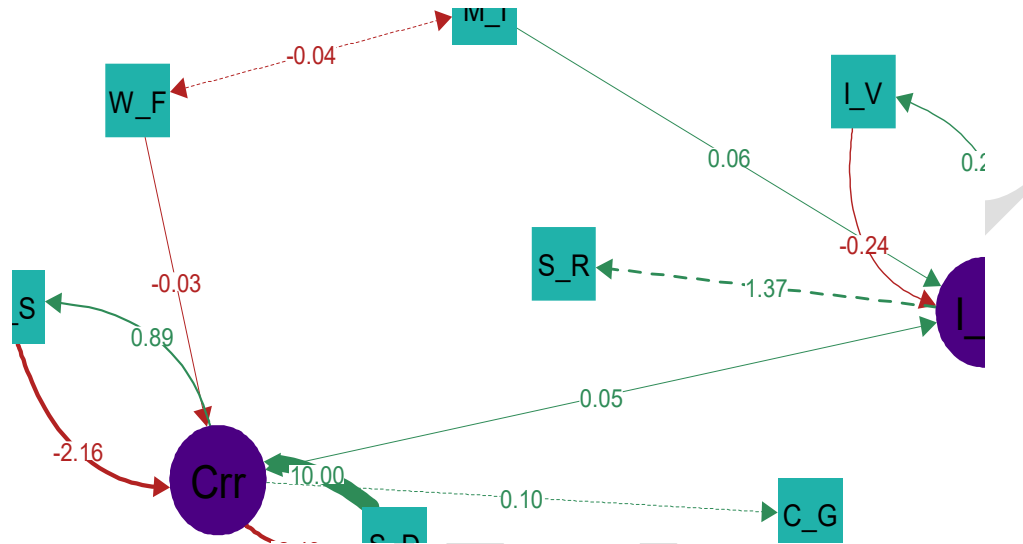
Variable	Factor 1	Factor 2	Communality
Job Security	0.55	-0.13	0.32
Career Growth	0.16	-0.02	0.02
Skill Development	-0.04	0.41	0.17
Flexibility	0.08	0.04	0.01

The low factor loadings and communalities indicate weak latent structures, suggesting that the variables do not cluster into meaningful dimensions.

Structural Equation Modelling (SEM)

Table 10: Model Fit Indices

Index	Value	Threshold
CFI	1	>0.90
TLI	1.006	>0.90
RMSEA	0	<0.08
SRMR	0.019	<0.08



Although the model fit indices appear excellent, the presence of identification issues and negative variances indicates instability in the model. Therefore, the structural relationships should be interpreted with caution.

Discussion

The empirical findings highlight several important insights. First, income instability remains a defining characteristic of gig work, as reflected by high variability and weak predictive relationships. Second, savings behaviour is not strongly linked to income, indicating financial vulnerability among workers. Third, career development is fragmented, with no consistent structure connecting job security, skill development, and career growth. Finally, work flexibility, although beneficial, does not translate into improved career outcomes.

Conclusion

The gig economy offers flexibility and accessibility but lacks essential elements required for sustainable employment, including stable income, structured career pathways, and financial security. As a result, it functions primarily as a temporary or supplementary income system rather than a long term career model.

Policy Implications

To enhance the sustainability of gig employment, the following measures are recommended:

1. Development of income stabilisation mechanisms
2. Introduction of financial protection schemes
3. Provision of structured skill development programmes

4. Creation of formal career progression pathways

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