

# BOOST OR BARRIER?

## UPWARD MOBILITY IN THE ON-DEMAND ECONOMY

In June 2016, Opportunity America partnered with the R Street Institute to host an event on the sharing economy and economic mobility. A panel of policy analysts and economic researchers debated whether the new platforms and the opportunities they create will be a blessing or a curse for workers trying to make a living and move up the economic ladder.



**Tamar Jacoby** president, Opportunity America

*"The sharing economy has the potential to bring rapid change to the future of work. And as concern about income inequality and economic mobility has grown, many people are asking how the new platforms will affect those issues. Views vary hugely. Some people see exploitative employers and disenfranchised workers. Others see opportunity and a renewed American Dream."*

**Eli Lehrer** president and co-founder, R Street Institute

*"Creating a gig economy with a lot more opportunities for part-time work is far easier than figuring out how to shrink the growing ranks of people who subsist on disability insurance, or how to teach adults with bad work habits to establish good habits. Gig work is perfect for marginalized workers – it provides the dignity and purpose that comes with having a job, rather than simply providing benefits."*



**Steven Hill** senior fellow, New America Foundation

*"There's been a lot of Silicon Valley-type hype around the gig economy – people saying that it's going to revolutionize work and that full-time Uber drivers make \$100,000 a year. But the people who think these platforms are so great have full-time jobs with benefits. They don't know what it's like to be running from job to job and task to task. The truth is these are part-time, temporary jobs with no benefits . . . . Our labor laws were not set up for gig workers – and people are being exploited because of that."*



**Christopher Koopman** research fellow, Mercatus Center at George Mason University

*"Platforms are creating opportunities for people who are marginalized and unsuccessful in traditional employment venues. The sharing economy meets them where they are. It gives people with spare time the opportunity to create a job for themselves – and to jump in and jump out of work on their own terms . . . . To attack the sharing economy because it isn't perfect disregards all the benefits it's creating for workers."*

**Oren Cass** senior fellow, Manhattan Institute

*"A first job is much more than a job – or should be. You get training. You learn how to dress and how to show up on time. You get discipline and socialization. In the gig economy, workers aren't getting the training and support they need. There's no feedback mechanism – you get one bad rating and you're out. So it's hard to make progress, and there's no career trajectory. And without that, we aren't going to see upward mobility."*



**Fiona Grieg** director of consumer research, JPMorgan Chase Institute

*"There are upsides and downsides to the sharing economy, and I see it both ways. I'm concerned about the benefits and support systems it doesn't provide . . . . On the other hand, many people are using platforms as a secondary source of income or as a stop-gap in between jobs – and that's a good thing. Platform work helps to offset dips in income from a traditional job. It also gives people who want to change jobs a longer time horizon to find a better matched job or go back to school and eventually find higher-wage, higher-skill work."*

Opportunity America is a Washington-based nonprofit promoting economic mobility – work, skills, careers, entrepreneurship and inclusion. The organization works to advance more equal opportunity by influencing policymakers at the state and federal levels and encouraging engagement by civil society, including employers.

The R Street Institute is a free-market think tank with a pragmatic approach to public policy challenges. Its mission is to engage in policy research and outreach to promote free markets and limited, effective government. It has offices in Washington DC, Florida, Texas, California, Alabama and Ohio.