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## **A STUDY ON GIG ECONOMY; FINANCIAL HABITS OF GIG WORKFORCE**

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**\*Veena Malkhed**

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MA, M. Com, MBA, (PhD), Associate Prof of Management, Badruka College of Commerce and Arts, Hyderabad.

**Article Received: 17 April 2026, Article Revised: 07 May 2026, Published on: 27 May 2026**

**\*Corresponding Author: Veena Malkhed**

MA, M. Com, MBA, (PhD), Associate Prof of Management, Badruka College of Commerce and Arts, Hyderabad.

DOI: <https://doi-doi.org/101555/ijarp.3505>

### **ABSTRACT:**

Driven by digital innovation, the gig economy has reshaped the modern labour market by presenting highly flexible alternatives to traditional employment. However, this shift resulted in the burden of financial stability directly onto the worker, who must deal with chronic income volatility and zero job security. This research paper explores that who are the people preferring these kinds of jobs, the volatile income challenges faced by these gig workers and track their financial management with these unsecured jobs. The findings of the study shows that mostly youth are preferring these kinds of jobs for a short period of time. Mostly of the gig workers are taking this jobs as freelancing not as a full-time job.

**KEYWORDS:** Gig Work, Volatility, Job Security, Financial Planning.

### **1. INTRODUCTION:**

In modern Tech Driven economy, the Labour market has changed globally. This transformation led to the emergence of Gig workers. The rapid growth in technology driven by changing digital platforms resulted in Gig Work. Which is short term task based or a freelance employment arrangement where individuals provide services independently rather than through traditional employer–employee relationships. Platforms such as ride-hailing services, food delivery applications, online freelancing marketplaces, and content creation platforms have enabled millions of individuals to participate in this evolving form of work. As a result, gig workers now represent an increasingly important segment of the workforce, particularly among young adults and urban populations. Despite offering flexibility,

autonomy, and diverse income opportunities, gig employment is often characterized by income volatility, lack of employment security, and absence of employer-sponsored benefits such as health insurance, pensions, and paid leave. Unlike salaried employees who receive fixed and predictable earnings, gig workers must manage fluctuating income streams that vary based on demand, platform algorithms, and market conditions. This uncertainty places substantial pressure on gig workers to develop effective financial habits to maintain economic stability and meet both short-term and long-term financial needs. Financial habits—including saving behaviour, budgeting practices, expenditure management, credit usage, insurance coverage, and investment planning—play a critical role in shaping the financial well-being of gig workers. In the absence of structured payroll systems and mandatory savings mechanisms, gig workers are required to independently plan for emergencies, healthcare expenses, and retirement. However, limited financial literacy, irregular cash flows, and restricted access to formal financial products often hinder their ability to engage in systematic financial planning. Consequently, many gig workers rely heavily on informal savings, short-term borrowing, or high-interest credit instruments to manage financial shocks. Moreover, existing financial institutions and public policies are largely designed around conventional employment models, which may exclude gig workers from accessing affordable credit, insurance, and social security schemes. This gap highlights the need for a deeper understanding of the financial habits and challenges faced by gig workers. By examining their income patterns, saving and spending behaviour, risk management strategies, and interaction with financial institutions, this study aims to provide insights into their financial resilience and vulnerabilities. Understanding the financial habits of gig workers is essential not only for improving individual financial outcomes but also for informing policymakers, financial institutions, and platform companies in designing inclusive financial products and social protection mechanisms. Therefore, this research seeks to analyse the financial habits of gig workers, identify key factors influencing their financial decisions, and assess the implications for financial inclusion and long-term economic sustainability.

## 2. Literature Review:

1. Telangana Gig Workers Study (2025 – Hyderabad) This study highlights that gig workers in Hyderabad face lack of financial security, no access to insurance, and income shocks due to platform-related issues. These factors lead to high financial vulnerability and poor saving capacity, forcing workers to rely on daily income cycles (The Times of India, 2025).

Reference The Times of India. (2025). Gig workers lack support despite growing service economy in Hyderabad.

2. Pilatti et al. (2024) – Gig Economy Systematic Review Pilatti et al. (2024) conducted a comprehensive systematic review to understand the structural and behavioural dynamics of the gig economy. The study emphasizes that digital platforms exercise significant control over workers through algorithmic management, which directly influences their income patterns and financial decisions. Gig workers often depend on multiple income streams to manage uncertainty, which results in fragmented and inconsistent financial habits. The study further highlights that despite the perceived flexibility of gig work; workers lack real financial autonomy due to dependency on platform-generated opportunities.

3. Vadavia & Chandrasekaran (2024) – Gig Economy Trends

This is bibliometric analysis to identify emerging research trends in the gig economy. Their findings indicate that financial insecurity, income volatility, and lack of formal financial inclusion are recurring themes in recent studies. The authors note that gig workers' financial habits are heavily influenced by unstable earnings, which prevents consistent saving and investment practices. Additionally, the study emphasizes the growing importance of financial inclusion initiatives in addressing these issues. It concludes that improving access to formal financial systems is critical for enhancing the financial behaviour of gig workers.

4. Economic Analysis & Policy (2024) – Financial Resilience The study published in Economic Analysis and Policy (2024) focuses on financial resilience among gig workers, particularly their ability to withstand economic shocks. The research finds that gig workers generally exhibit low financial resilience due to irregular income and lack of savings. However, individuals with higher levels of financial literacy demonstrate better financial management practices, including budgeting and saving. The study highlights that financial education plays a crucial role in improving financial habits, suggesting that targeted literacy programs can significantly enhance long-term financial stability

5. Nakka & Chintha (2023) – Gig Economy in Hyderabad Nakka and Chintha (2023) examined the role of the gig economy in generating urban employment in Hyderabad. The study reveals that most gig workers depend on daily earnings, which limits their ability to engage in structured financial planning. Due to inconsistent income flows, workers prioritize immediate consumption needs over savings and investments. The study also highlights the absence of financial security mechanisms, which further exacerbates their vulnerability. As a result, financial habits among gig workers in Hyderabad are largely survival-oriented, with minimal focus on long-term financial goals.

**3. Objectives of the Study**

1. To examine the income patterns and its volatility among gig works.
2. To analyse how these income volatility is managed by these gig workers.

**4. Research Methodology:**

The study is based on the primary data. The data is collected using convenience sampling method. A structured questionnaire is circulated among the 53 gig workers in Hyderabad.

**5. Data Analysis and interpretation:**

**Table 1: Demographic Analysis.**

		Frequency	Percentage
Gender	Male	30	56.60%
	Female	23	38.50%
Age Group	Below 20	19	35.80%
	21–25	20	37.70%
	26–30	12	22.60%
	31–40	2	3.80%
Education Level	Below SSC	7	13.20%
	Intermediate	13	24.50%
	Graduate	26	49.10%
	Postgraduate	7	13.20%
Income Range	Below ₹10,000	11	20.80%
	₹10,000–₹20,000	28	52.80%
	₹20,000–₹30,000	12	22.60%
	Above ₹30,000	2	3.80%

The demographic analysis shows that the gig workforce is predominantly Male (56.6%), young (below 25 years) and educated, with a high proportion of graduates. This indicates that gig work is increasingly becoming a preferred option among youth and educated individuals. The data shows that the majority of gig workers (52.8%) earn between ₹10,000 and ₹20,000 per month, indicating that most respondents fall within the moderate-income category. Only a small percentage (3.8%) earns above ₹30,000, suggesting limited opportunities for high income within gig work.

**Table 2: Profile of Gig Work**

		<b>Frequency</b>	<b>Percentage</b>
Experience	Less than 1 year	17	32.10%
	1–3 years	24	45.30%
	3–5 years	11	20.80%
	More than 5 years	1	1.90%
Type	Freelancer	32	60.40%
	Delivery Partner	10	18.90%
	Online Platform Worker	7	13.20%
	Ride-sharing Driver	4	7.50%
Income Stability	Yes	29	54.70%
	No	24	45.30%
Saving Habit	Yes	37	69.80%
	No	16	30.20%
Savings Percentage	Less than 10%	7	13.20%
	10–20%	21	39.60%
	20–30%	13	24.50%
	Above 30%	10	18.90%
	Not Applicable	2	3.80%
Preferred Saving Methods	Bank Account	23	43.40%
	Cash at Home	20	37.70%
	Digital Wallet	6	11.30%
	Chit Funds	4	7.50%
Off-season Expense Management	Family Support	19	35.80%
	Diversifying Income	16	30.20%
	Credit/Loan	18	34%

From the above table we can understand that gig employment is not preferred as a long-term career option. Because of irregular income (45.3%) which the gig workers are managing mostly with their family support.

## 6. DISCUSSION

The study indicates that the gig economy is largely dominated by young and educated individuals who are drawn to the flexibility, independence, and accessibility offered by gig work. However, despite these advantages, gig employment is inherently characterized by income instability and moderate earning levels. A significant proportion of respondents fall within a limited income range, and a considerable number experience fluctuations in their earnings. This irregularity in income directly impacts their ability to maintain consistent financial practices, thereby making financial planning a challenging task.

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