



The Mental Health Benefits of Self-Employment

UK data find the mental well-being of Uber and Deliveroo drivers to be surprisingly good.

Around the world, Uber **drivers** encounter **wage** and **security worries**, Deliveroo workers have **too much competition**, Airbnb owners face problems in **Paris** and other cities. But rather than a dark cloud over the heads of those self- and/or temporarily employed in the gig economy, recent data unexpectedly show that they are about 33 percent more likely to self-report positive traits in terms of mental health.

Given the many stories we have read, it seems like a counterintuitive result. But, in a **working paper** with Bénédicte Apouey (Paris School of Economics-CNRS), we found that the self-employed gig workers in the United Kingdom score higher across a range of psychological well-being measures than workers in the mainstream economy.

Meanwhile, gig work in the UK is surging in an environment with low unemployment (under **4 percent** in 2019) and demand is rocketing for sharing-economy services. Deliveroo, for example, was named the UK's **fastest growing tech firm** for 2018 by Deloitte. Uber, although facing regulatory issues in the UK, still posted a **huge increase in profit** last year. Airbnb's market in London has **increased by four times** since 2015.

Self-employment and self-worth

The combination of the rise of the gig economy and

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the changing nature of work with more precarious jobs drove us to consider the question: What is the impact of the gig economy on its workers?

We matched data from the **Understanding Society: the UK Household Longitudinal Study** and Google Trends. Understanding Society has individual-level information about health and demographics. It also tracks self-employment/employment and temporary/permanent employment.

The Google search terms we used were primarily words associated with gig economy work in a given area. This served as a predictor for gig employment at Uber, Deliveroo and Airbnb. Matching the data based on location, we found that self-employed workers indicated an improved ability to concentrate and higher self-confidence, which are both important to mental health. Gig workers also reported a boost to self-worth and happiness.

Our results seem unlikely, given the stories we have read, yet when we consider how the sharing economy can benefit certain workers, the boost in self-confidence and concentration fits with not needing to adhere to certain restrictions found in traditional employment, like working schedules set by a boss or having long commutes. Other **research** indicates that Uber drivers in London, although they make less than most Londoners, have greater life satisfaction.

For employees in the mainstream economy, heavy job requirements plus low autonomy equals a scenario with high occupational stress. Employees with 'zero-hours' contracts – workers whose hours fluctuate from week to week and who have no control over their schedules – may be under even more stress than those with regular jobs. In contrast, gig workers decide when to work and make their own decisions about customers, leading to a greater sense of control.

Our health and well-being measures are from the General Health Questionnaire (GHQ-12), which evaluates a respondent's current state and asks if it is different from their usual state. Some of the questions relate to concentration, loss of sleep due to worry, the feeling that the person plays a useful role or can face up to problems. Other questions ask if the subject is unhappy or depressed or is lacking confidence. The scores for our measures run from 0 (lowest mental health) to 36 (highest mental health). The mean is around 24. Self-employment increases a subject's score by 8 points, around one-third higher.

One very large change in the factors we examined was drink expenditure. For gig workers, it dropped by a breath-taking 200 percent. This isn't necessarily a reduction in consumption of alcohol, but in spending. Uber drivers and Deliveroo cyclists/scooter drivers are often at work during mealtimes or when people are down at the pub, i.e. when money is often spent on alcohol. These are peak hours for gig workers, who of course need to be sober on the job. It is nonetheless a remarkable difference for mental health, especially in the UK where alcohol misuse is the **biggest risk factor for death and ill-health** amongst those aged 15-49.

Increased results for certain groups

Our results show that women, those without a university degree and older workers, groups which are often overlooked in the regular economy, fare particularly well in terms of mental health. Self-employed women gig workers had a 9.6-point increase in the GHQ score vs. 5 points for men. The sharing economy offers not only flexibility but a direct connection that allows these workers to feel that they are making a real and immediate contribution.

For women especially, self-employment gives a level of flexibility to part-time work that isn't possible in the mainstream workforce. As they are often responsible for taking care of children and elderly relatives, this autonomy is vital to their mental health. Yet only 14 percent of Uber drivers were women in 2015, according to their **own statistics**.

Transferring the gig experience to the office

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Our preliminary conclusions point to the importance of autonomy in the workplace. The gig economy offers workers the opportunity for more control in their jobs, which may lead to more self-worth, more confidence and less strain.

It's clear that workers who benefit from flexibility, have more confidence and feel that they're in control and making a difference are more mentally healthy. Managers can weave flexibility into office life, empowering and engaging workers to be responsible for and confident in their decision-making abilities. **Teleworking** is often cited as a method of giving a level of autonomy to workers. The results are not certain to be as dramatic as for gig workers; nonetheless, when managers give more autonomy to their team, it may improve employees' mental health.

The perfect lab

Our data and results are from the UK at a very particular moment – one of very low national unemployment, access to a different labour experience and with huge demand for "sharing" services. In France, for example, there is a much higher rate of unemployment, but it is possible that other marginal groups are positively affected by the gig economy.

Poor mental health is expensive for employers. In fact, a UK government **study** from 2015 cites mental health issues as the reason for 17.6 million lost days at work. The cost of poor mental health is, of course, not limited to the UK. In the US, it's estimated that **US\$193 billion** is lost in earnings each year due to serious mental illness.

Past the dramatic articles about the perils of the gig economy, the changing nature of work needs more attention. Employment surveys are starting to catch up with this new way of working and we hope to see more research in the near future. Self-employment has a positive impact on mental health, even with some insecurity, that zero-hours contracts almost certainly lack. The precariousness of zero hours contracts – where workers who learn their schedule just a few days in advance – should not be associated with the gains in well-being found amongst gig workers.

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