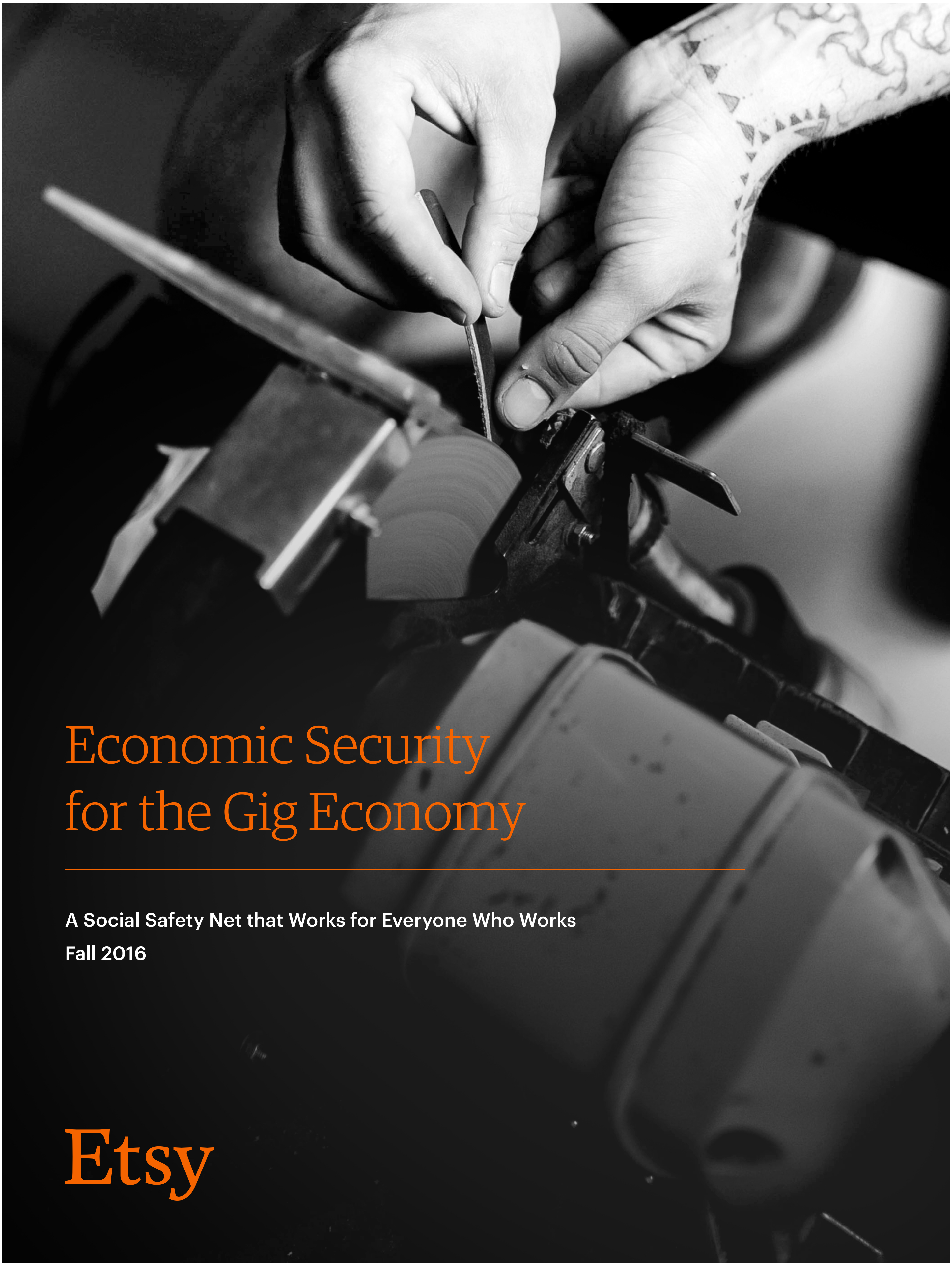


Economic Security for the Gig Economy

A Social Safety Net that Works for Everyone Who Works

Fall 2016

Etsy

Executive Summary

The US economy is undergoing a fundamental shift.

Fifty years ago, the average worker expected to stay with one employer for the duration of their career, and that employer provided a full suite of benefits that guaranteed economic security to the worker and their family.

Today traditional full-time employment is no longer the norm. More people—including the majority of Etsy sellers—work independently and combine income from multiple sources. As a result, a growing number of people lack access to the benefits that ensure basic economic security.

To date, proposals to address these challenges have focused on incremental reforms that attempt to retrofit 20th-century systems into a 21st-century economy. Though well intentioned, this approach fails to cover all of the people who are impacted by the changing economy. It's time to start thinking bigger and reimagine a world that guarantees a social safety net to everyone who works, regardless of how they work.

We start from the basic premise that everyone needs:

A single place to manage benefits, regardless of income source

Tying benefits to employment excludes too many workers and results in economic inefficiencies. We propose creating a Federal Benefits Portal, which would tie all benefits (retirement, health insurance, paid leave, tax-advantaged savings accounts, disability, etc.) to the individual, providing a single marketplace to view, choose and pay for their benefits, regardless of where or how they earn income.

A simple, common way to fund those benefits

Although payroll has been a useful way to administer benefits, it excludes everyone working outside traditional employment. We propose using tax withholding as the universal means to administer benefits contributions, enabling both employees and 1099s to withhold their Social Security and Medicare taxes from their pay, as well as an additional percentage of pre-tax income to fund benefits. All withheld pay and matching contributions would be routed to an individual's account on the Federal Benefits Portal, where they could allocate consolidated contributions across plans.

A way to manage income fluctuations

Those outside traditional employment often experience considerable income volatility, and lack income protections like minimum wage or unemployment insurance. We propose combining all existing tax-advantaged savings accounts (health, dependent care, parking and transportation) into a single MyFlex Account, which anyone could use to manage short-term income fluctuations throughout the year. To manage more catastrophic income loss, we propose expanding the Earned Income Tax Credit and allowing it to be administered quarterly.

These proposals are not meant to be prescriptive, but rather the beginning of a conversation. In publishing this paper, we hope to broaden the scope of the current debate about the future of work in the US, and put forward ideas upon which others might build. We are deeply appreciative of our advisors who have lent their ears, brains and imaginations throughout the process, and look forward to continued discussion with collaborators both old and new.

The changing nature of work in the US

Imagine your typical full-time employee—let's call her Denise. Denise works full-time as a paralegal at a mid-sized law firm. Her employer gives her a regular paycheck, as well as access to affordable healthcare, retirement savings and a flexible spending account. Denise gets a good deal on her benefits because her employer negotiates group discounts, pools her risk with her colleagues and assumes the research and administrative costs. It's easy for Denise to contribute to her benefits because her contributions are deducted from her paycheck.

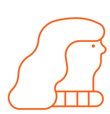
Denise's income is predictable and protected by labor laws like minimum wage. If she is hurt on the job or laid off, she has access to workers' compensation and unemployment insurance. If Denise decides to start a family, her employer guarantees paid family leave and provides access to tax-advantaged savings accounts for childcare. Denise considers herself a stable individual. She works year round and takes a well-deserved vacation every August.

Now consider Denise's friends—let's call them Susan, Mike and Elaine. They all earn income outside of the traditional employee-employer relationship. Susan is a freelance graphic designer who earns income on a project basis from several regular clients. Mike is a handyman who is paid hourly and finds work through Thumbtack, Angie's List and word of mouth. When work slows down in the winter, he occasionally picks up extra cash driving his car for Uber and Lyft. Elaine is a creative entrepreneur who runs a successful retail home goods shop on Etsy, sells her items wholesale to local boutiques and occasionally writes for design blogs.

Susan, Mike and Elaine are all self-employed, independent workers who love the flexibility, independence and personal fulfillment they get from their work. Yet the nature of their jobs requires them to research, enroll and pay for their benefits on their own. Because their income fluctuates, it's difficult to set up automatic contributions and they often fail to fund their benefits at all.

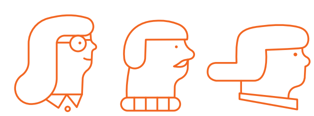
All three have health insurance they bought through the federal health insurance exchange. Susan has a self-funded IRA where she makes deposits when her accountant reminds her to do so. Mike and Elaine rolled their retirement savings into an account when they left their previous employers but haven't contributed since. If Mike is hurt on the job, he has no short-term disability or workers' compensation insurance to protect him. If Susan's clients cut a project short, she has no unemployment protection beyond her savings.

It's not just a few freelancers or gig workers who are living



DENISE

- **Employer provides access to affordable benefits and assumes administrative burden**
- **Contributions are automatically deducted from her paycheck**
- **Income is predictable and protected through minimum wage and unemployment insurance**

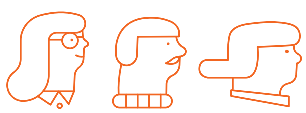


SUSAN, MIKE AND ELAINE

- **Lack access to group-rate benefits and must find alternatives on their own**
- **Self-fund from checking account when they can**
- **Income fluctuates and lack protection from major income loss**

precariously—Susan, Mike and Elaine's experience is reflected in larger economic trends. Though definitions and estimates vary, the Government Accountability Office estimates that 40.4% of the workforce in 2010 was compromised of contingent workers.[1]

More people are earning income from multiple employers, contracts or platforms—not necessarily just one job and one income stream. Between 2014 and 2015, the percentage of people earning income from multiple jobs jumped from 15% to 22%,[2,3] according to the Federal Reserve. Economists Katz and Krueger report that there was an increase of 9.4 million workers in "alternative work arrangements" over the last ten years.[4]

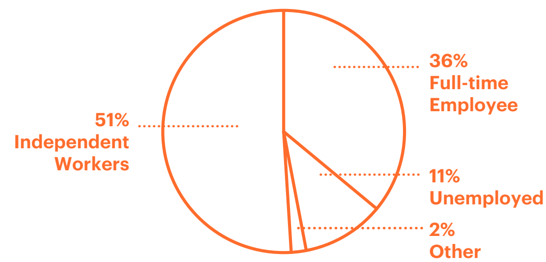


40.4% of the workforce is comprised of contingent workers

Many of the 1.7 million people who sell goods on Etsy reflect these trends as well. The vast majority of Etsy sellers —86% of whom are women—are sole proprietors working alone out of their homes. While 30% of Etsy sellers focus on their creative business as their sole occupation, 65% said they started their Etsy shop as a way to supplement income. On average, an Etsy seller's creative business contributes 15% to her total household income.[5]

Furthermore, many Etsy sellers are self-employed and combine income from multiple sources. The majority—51%—work independently, meaning they either run their creative businesses full-time or they are self-employed or work part-time in addition to their Etsy businesses. Only 36% have full-time employment outside their creative business.

EMPLOYMENT AMONG ETSY SELLERS



Independent Workers	51%
Creative Business	30%
Self-employed	10%
Part-time	10%
Temps	2%

Yet, Etsy sellers are different than the on-demand workers who have dominated the public debate thus far. These workers operate in the service sector, where they are paid by the hour or ride, and often depend wholly on technology to find work. Etsy sellers operate in the retail sector, earning money when they sell goods, and often sell the same goods online and offline. Whereas people in the on-demand sector are subject to misclassification concerns, these issues aren't relevant to an Etsy seller who self-identifies as a business owner, not a worker.

ETSY SELLERS DIFFER FROM ON-DEMAND WORKERS

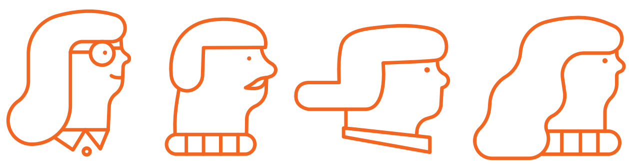
ON-DEMAND WORKERS	ETSY SELLERS
Service Sector	Retail Sector
Paid hourly (or per ride)	Paid when goods sold
Find work online	Sell goods online and offline
Misclassification issues	No classification issues
Identified as workers	Identified as business-owners

To date, "gig economy" and future of work discussions have been too narrowly focused on on-demand workers and the platforms that host them. The focus on this segment of non-traditional work has yielded well-intentioned but misguided efforts to retrofit the employer-based benefit system to the new way we work, largely through efforts to classify workers in a new way, or otherwise require platforms to play the role previously required of employers.

The problem with these proposals is that they exclude large swaths of people who are impacted by the changing economy, but don't earn income online or even work in the service sector. It's important to remember that these shifts in the nature of work have been underway for some time and affect more people than those who earn income online. For example, film editors, nannies and artists have worked independently for decades, and the working poor have experienced the challenges of combining income from multiple unstable jobs for even longer.

We need to broaden the conversation and start articulating alternatives that work just as well for Susan, Mike, Elaine and Denise. Uber drivers, Etsy sellers, school teachers, dental assistants, musicians, magicians and meteorologists alike deserve the freedom and peace of mind that accompanies comprehensive economic security. Ultimately, we need a social safety net that works for everyone who works, regardless of how they earn income.

Luckily, we're not starting from scratch. The proposals outlined in this paper are largely informed by existing models and the work of outstanding scholars in diverse fields. We humbly submit the following proposals in the spirit of open conversation and collaboration.



WE START FROM THE BASIC PREMISE THAT EVERYONE NEEDS:

1. **A single place to manage benefits, regardless of income source**
2. **A simple, common way to fund those benefits**
3. **A way to manage income fluctuations**

One place to manage benefits, regardless of income source

Employer-based benefits exclude too many people and create economic inefficiencies

Employer sponsored benefits are certainly a pillar of financial stability for full-time workers. According to data from the Bureau of Labor Statistics, 88% of full-time workers have access to healthcare through their employers and 80% have access to retirement benefits.[6] Unfortunately, fewer people have access to those benefits every year. The Kaiser Family Foundation reports that the percentage of non-elderly workers covered by employer sponsored insurance has declined over the last 15 years.[7] Further, the Center for American Progress reported that "in 2015, only about one in four jobless workers received [unemployment insurance] benefits at all—a historic low." [8] Individuals who fall outside of the traditional employment relationship can access some traditional benefits and savings vehicles, but without the negotiating power to secure group rates or the means to pool risk or administrative costs.

Tying benefits to employment also creates economic inefficiencies. For example, every job change results in a major benefits disruption, requiring individuals to find new doctors, roll-over their retirement accounts, spend down their flexible spending accounts and adjust to a new set of cost sharing and matching rules. According to the Government Accountability Office, over the last decade, "25 million participants in workplace plans separated from an employer and left at least one individual account behind and millions left two or more behind." [9]

Further, multiple studies have shown that employer-sponsored benefits prevent people from leaving a job[10] or starting a business of their own.[11] This phenomenon of staying in a job because of the benefits provided by an employer, often referred to as "job-lock," hampers our whole economy by keeping workers in less productive jobs and reducing the number of would-be entrepreneurs.

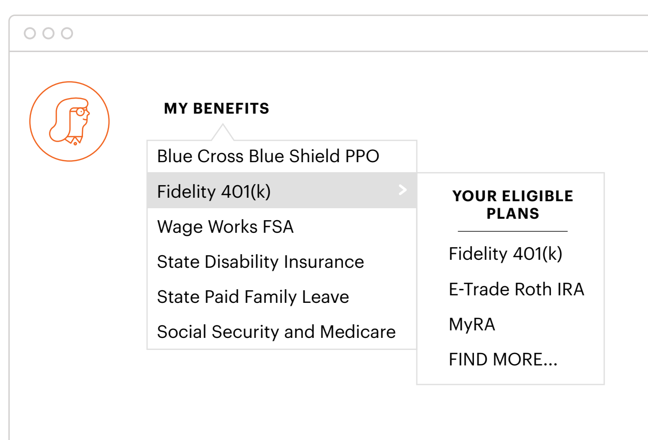
Finally, it's incredibly difficult for individuals to get the whole picture of their financial security when their personal safety net is spread across multiple accounts. Managing, changing or even viewing the disparate pieces of their safety net is a challenge that affects nearly all working Americans—employee and independent worker alike. We need one place to choose and manage our benefits, regardless of how we earn income.

A Federal Benefits Portal

We propose creating a Federal Benefits Portal that allows individuals to view and enroll in the benefits that are right for them, regardless of how they earn income. Much like the system that allows federal employees to view all available healthcare, retirement and pre-tax purchasing plans in one place, the portal would encompass all benefits—health insurance, retirement savings, tax-advantaged savings, disability insurance, workers compensation, unemployment insurance, paid leave, Social Security and Medicare.

All plans would be registered on the portal, including private plans available on the individual market, employer, union, association and government plans. An individual would only see the plans for which they are eligible to enroll and could voluntarily disclose their participation in closed group plans—such as an employer, union or partner's plan—to see a more comprehensive picture of their social safety net (though enrollment and payment for these plans would not be administered through the portal).

ONE PLACE TO VIEW AND MANAGE BENEFITS



To better serve non-traditional workers, we propose amending the current rules to allow associations, platforms and worker groups to offer group plans to their membership as well.[12] Should the individual choose to change their benefits, the portal would be structured to allow simple roll-over between plans.

All contributions to pay for benefits would be made through the portal and tied to the individual's account. Money withheld from an individual's paycheck, matched by an employer or withdrawn directly from their bank account would be consolidated in the portal and routed to the plans they select. Building on the learnings from behavioral economics, one could imagine the system nudging individuals to enroll in a comprehensive suite of benefits depending on information they choose to disclose.

ONE PLACE TO ROUTE ALL CONTRIBUTIONS

MY BENEFITS	MY MONTHLY CONTRIBUTIONS			
	Withheld	Matched	Personal	SUM
Blue Cross Blue Shield PPO	$250		$100	$350
Fidelity 401(k)	$150	$150		$300
Wage Works FSA	$50		$50	$100
State Disability Insurance	$25			$100
State Paid Family Leave	$25			$25
Social Security and Medicare	$125			$125

The portal's user interface should be intuitive, building on innovations in the private sector like Mint, which have made daunting tasks like banking, budgeting and financial planning more manageable. Indeed, one could imagine enabling private-sector actors to build customized user interfaces, for example through an API, that better serve a particular segment of the market. Worker groups, brokers or private companies might play such a role, providing their members or clients with a tailored suite of benefits. While providing adequate security and privacy protections, such a structure could also allow third-party tools to build additional services on top of the portal, like bookkeeping or tax preparation.

Building on existing models

The Affordable Care Act was an important step toward uncoupling work and benefits, making health insurance accessible for millions of people. Since the ACA became law in 2010, the uninsured rate across the United States decreased by 43%,[13] bringing more individuals and families into coverage and making health insurance more portable. Though not perfect, the Federal Health Insurance Exchange and the revamped healthcare.gov provide a model to build upon and improve, enabling individuals and small businesses to easily compare plans and access benefits outside the employer-based system.

A simple, common way to fund benefits

Most benefits are administered through payroll, leaving independent workers out

In the current system, payroll is the primary tool we use to administer our social safety net. Employers withhold the employee's portion of FICA taxes through payroll to pay for Social Security and Medicare. Employers administer health insurance premium payments, retirement contributions and tax-advantaged savings through payroll. Even new proposed benefits, such as paid family leave or automatic IRAs, often depend on the payroll systems for administration.

While this approach certainly works for those who are employed, it excludes the 15 million Americans who are self-employed or independent workers,[14] leaving them on their own to fund both voluntary benefits like retirement savings, as well as federally mandated ones like Social Security and Medicare, which are funded through self-employment tax.

The burden for self-employed individuals and independent contractors is considerable. They face onerous tax filing obligations four times every year and pay both sides of FICA taxes, doubling the incidence of the tax owed to the IRS. In addition, they must find benefits on their own and self-fund them—a complicated process that prevents many from funding their benefits at all.

The implicit advantage of automatic withholding create an unnecessary disparity for the millions of people earning income outside of the employee-employer relationship. As more people move into independent work and self-employment, we need a more universal system to collect the contributions that individuals make to fund their benefits.

Universal Withholding

We propose that tax withholding replace payroll as the primary means to collect and administer benefits payments for both employees and the self-employed. To accomplish this goal, we propose two major changes to the tax withholding system.

First, individuals who receive income from a 1099 should be able to optionally withhold self-employment taxes from their payment. Already, these individuals must fill out a W-9 form in order to receive payment. Just as an employee must make choices about withholding thresholds when they complete a W-4, so too would 1099s determine the level of income and self-employment tax that should be withheld from their payment on a W-9. To account for businesses where expenses may considerably offset revenues (for example, a jewelry maker selling goods on Etsy), individuals could choose to withhold taxes from only a portion of their income, better aligning the amount of tax withheld to their likely tax liability.

Second, individuals—both traditional employees and independent workers—should be able to elect an additional percentage of their income that payors must withhold to fund contributions into their benefits account. The same election could be made via W-4 or W-9 forms that these individuals already complete.

Under this proposed system, any payor, regardless of whether they pay someone as an employee or an independent contractor, would be required to withhold both tax and benefits payments, report the amount withheld to the IRS, and make the appropriate payment to the Federal Benefits Portal, which would in turn send the appropriate tax payment to the IRS. From the perspective of the individual, all contributions routed through the portal would be consolidated into one simple view.

This system would not increase the paperwork or reporting requirements for payors, as they must already collect and report this information via a 1099-M if they pay an individual more than $600 annually for a service, or a 1099-K if they process more than 200 transactions exceeding $20,000. To include more individuals, policy-makers could also consider harmonizing the reporting thresholds for 1099-Ms and 1099-Ks. It's important to note that by limiting this proposal to those whose income is reported via a 1099, this proposal excludes undocumented workers and others who operate in the cash economy, though it would not preclude them from self-funding their benefits through the Federal Benefits Portal.

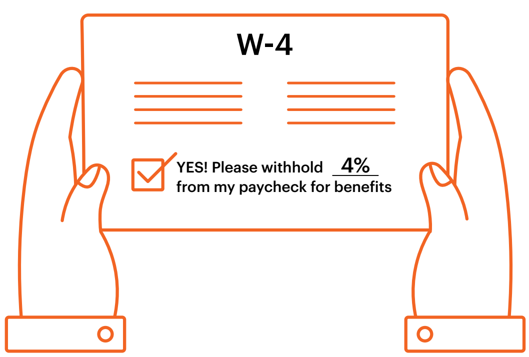
To be sure, our proposal would shift some of the burden for benefits administration from the individual to the entity paying them, requiring payors to withhold and remit taxes and benefits payments to the portal. We believe this shift in responsibility makes sense as more and more people work independently. However, recognizing that payors are sometimes individuals themselves, the system must be simple and easy. For this reason, the portal must be built as a two-sided, user-friendly marketplace, in which any payor can easily report income paid and withheld, as well as transfer payments. If the portal were built with an open API, as previously suggested, one could imagine organizations and companies that serve small employers building a user-friendly interface for these groups as well.

Building on existing models

Already, policymakers are thinking along these lines. Like, Senator Elizabeth Warren recently noted, "If Social Security is to be fully funded for generations to come, and if all workers are to have adequate benefits, then electronic, automatic, and mandatory withholding of payroll taxes must apply to everyone—gig workers, 1099 workers, and hourly employees."[15]

Further, we know from behavioral economics that individuals are much more likely to save and fund their benefits if they are automatically enrolled into a payment system that allows them to "set it and forget it." At Prudential Retirement, one of the country's largest providers, auto-enrollment plans have a 45% higher participation rate than opt-in plans.[16] States like Illinois, California and Oregon have enacted Secure Choice retirement savings plans that automatically enroll employees through payroll,[17] basing their plans on several studies that show participation and contribution rates are significantly higher under automatic enrollment.[18,19] By creating an opportunity for any individual to take advantage of auto-enrollment, we would dramatically increase savings rates, not to mention tax compliance, across the country.[20]

A SIMPLE WAY TO WITHHOLD BENEFIT PAYMENTS



A way to manage income fluctuations

Managing unpredictable income fluctuations is difficult for independent workers

One of the major challenges of self-employment and independent work is managing unpredictable income fluctuations. For example, Etsy sellers like Elaine may earn a major portion of their annual income during the holiday season, only to experience a significant downturn in sales during January. Susan may not be able to find new clients while she works on a big project. Mike may not be able to work due to an injury.

While full-time employees like Denise have income protection through a steady paycheck and unemployment insurance, independent workers are not protected from these income shocks in the same way. Income volatility dramatically impacts overall financial security. When income dips, a family may not have the ability to cover their monthly expenses. In some cases, work may dry up altogether, leaving many to struggle on their own without the protection of unemployment insurance.

Income volatility is widespread and affects more than just independent workers. A 2015 Pew poll found that 60% of Americans had experienced either a significant income drop or unexpected expense in the past year,[21] while a study from JP Morgan Chase found that 40% of individuals saw more than a 30% month-to-month fluctuation in income.[22] These month-to-month income fluctuations, referred to as intrayear volatility, are often masked by the data that is tracked and reported on annual income. According to the Aspen Institute's Financial Security Program, "intrayear volatility complicates a household's ability to access safety net programs."[23] To bolster overall economic security, Americans need a way to manage both short-term income fluctuations and long-term catastrophic income loss.

MyFlex Accounts: Tax advantaged savings

To help people manage the short-term income fluctuations that come with independent work, we propose establishing a single MyFlex account, where an individual could set aside up to $13,620[24] per year in pre-tax income and use that money to pay for qualified medical, dependent care, transportation and parking expenses. Allowing individuals to spend pre-tax dollars on such expenses would incentivize savings for periods of low or no income, while also limiting the tax preference to appropriate uses.

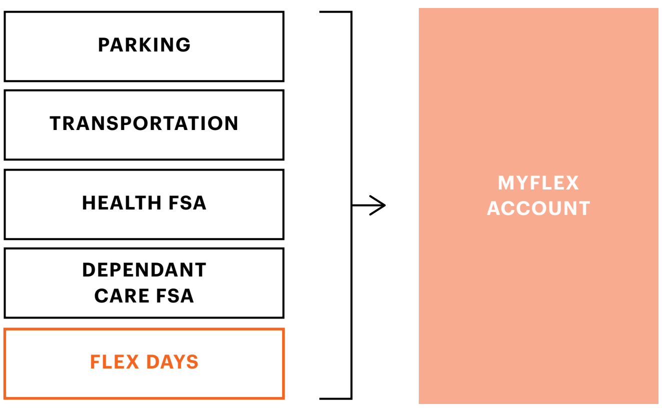
As a society, we have already recognized the need for such vehicles by establishing pre-tax savings accounts for medical, childcare and parking and transportation costs. However, the rules that apply to these accounts vary by function (the money set aside in flexible savings and dependent care accounts disappears if it goes unused, for example), and access to most of these benefits is limited to those who can fund them through their employer. Further, individuals who take advantage of these benefits must manage savings and expenditures for each purpose from separate accounts. They risk losing their money if they fail to accurately predict their spending in each category at the beginning of the year.

We need a universal, simple and flexible approach to smoothing income over time and ensuring that individuals can pay their bills when they need to. Under our proposal, anyone would be able to set aside up to $13,620 (the sum of the maximum contributions for all existing accounts) in pre-tax dollars into a single MyFlex account. They could use the pre-tax dollars in that account for any of the allowable purposes. Any leftover money in an individual's MyFlex account would roll over yearly. If desired, the balance could be deposited in their prefered retirement savings vehicle.

Such a system would allow a family with unexpectedly high medical costs to cover them one year, while enabling them to divert funds into dependent care the next year, should the need arise. It would also incentivize savings by reducing the risk of setting aside too much and simplifying the process of using the funds through a single debit card. Though the MyFlex Account likely wouldn't cover a family's needs in the event of complete job loss, it would help to smooth income over the course of the year. It would also be equally available to employees, individuals and those who earn income from multiple sources.

MyFlex could also help meet the need for paid time off. Under our proposal, individuals would be able to contribute the equivalent of 10 days pay into the account, calculated based on their average daily income over the previous two quarters. Total contributions for Flex Days would be capped at $2,280 a year, and taxed when drawn down.[25]

CONSOLIDATE PRE-TAX SAVINGS



The MyFlex Account would also accept matching contributions from payors who choose to participate, much as some employers choose to match employee contributions to their retirement accounts. As with contributions to retirement accounts and health insurance premiums, these contributions would be tax-advantaged, incentivizing anyone who pays an individual income to contribute to their safety net. If paired with our other proposals, the MyFlex account would be one of the benefits available through the Federal Benefits Portal, and could be funded by contributions withheld from a person's pay.

Building on existing models

Again, some policymakers are already thinking along these lines. Senator Sherrod Brown is working on a proposal to create a Benefits Bank that would allow part time, independent, and gig economy workers a place to accrue prorated earnings.[26] Along these lines, Nick Hanauer and David Rolf proposed a "Shared Security Account," where workers, regardless of how they earn income, would be able to accrue prorated, portable, and universal benefits and protections through automatic payroll deductions.[27] Care.com recently launched a new product that allows families to contribute funds into a savings account that caregivers can use to pay for eligible benefits expenses.

An Improved Earned Income Tax Credit

While the MyFlex account would help individuals manage the short term income fluctuations that come with gig work, it would not protect them from long-term job loss. Under the traditional safety net, unemployment insurance provides such protection, but as others have pointed out, this model doesn't work for a self-employed individual because there is no "insurable event" that could trigger an unemployment payment.[28] Rather, working Americans need a guaranteed income floor, which would ensure that no working American falls into poverty.

We already have a model that can be expanded to serve this purpose. The Earned Income Tax Credit (EITC) has been the bedrock of anti-poverty programs since the program's inception in 1975. President Reagan called the EITC "the best anti-poverty... measure to come out of Congress," during the program's expansion in 1986. The EITC is an especially useful model in light of shifting employment patterns, because it is not administered through payroll, and therefore not limited to employees. In this, it already works equally well for gig workers and those in a more traditional employment relationships. We should reform the EITC to guarantee that all working Americans can rely on a minimum level of income, regardless of how they work.

First, we propose expanding EITC eligibility to protect a greater number of workers, and increasing the amount of the credit across the board. Potential reforms include lowering the eligibility age from 25 to 21, establishing a higher credit for childless workers and eliminating the marriage penalty.[29]

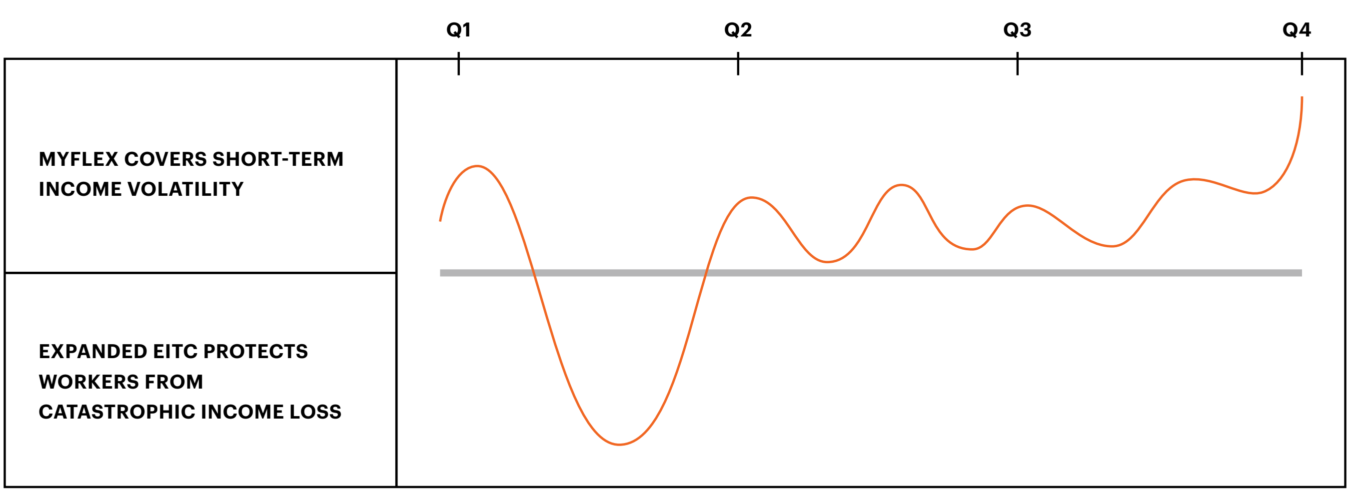
Second, we propose allowing the EITC to be calculated and administered on a quarterly basis, rather than in a lump-sum distribution once per year. The majority of low-income Americans that receive the EITC spend roughly 80% of their credit right away to pay down debt.[30] Rather than waiting an entire year for the EITC and accumulating debt in the process, the credit should be administered quarterly through estimated taxes. Though the amount of the credit would be lower, it would better reflect the needs of workers in the new economy, providing a more regular infusion of cash to manage ongoing challenges. Because it would be based on the previous quarter's earnings, it would better reflect their current needs.

The EITC could be administered through the Federal Benefits Portal, which could have the added benefit of increasing participation rates in the suite of benefits available. For example, individuals on the income margins would have an incentive to make quarterly contributions to their benefits accounts to lower their Adjusted Gross Income and thereby increase their credit. If the tax and benefits systems were fully integrated, one could imagine enabling these workers to roll their EITC credit directly into their benefits accounts or defaulting the system to this choice to encourage savings.[31]

Building on existing models

Policymakers on both sides of the aisle have gone on record supporting an expansion of the EITC, including most recently both President Obama and Speaker Ryan.[32] Several think tanks and policy groups have also identified tax time as a seamless intervention point to encourage asset building. For example, CFED has put forward a proposal to create a Rainy Day EITC to encourage emergency savings for use later in the year,[33] which was recently introduced by Senators Booker and Moran as the "Refund to Rainy Day Savings Act" (S. 2797).[34] The City of Chicago recently piloted a version of the quarterly EITC, in partnership with the Center for Economic Progress, with overwhelmingly positive results. Participants in the study were able to receive 50% of the EITC paid out in four installments the year it was earned, rather than waiting for the return in the next year. According to the final report, 90% of participants preferred quarterly installments to the yearly lump-sum.[35]

TWO APPROACHES TO INCOME VOLATILITY



Economic security that works for everyone who works

There's no doubt that these proposals would constitute a fundamental shift in the way benefits are financed, delivered and managed in the United States. Yet, given the changes underway in the US economy, we believe the circumstances demand nothing less.

The employer-based benefit system worked when the lines between business and worker, amateur and professional, and consumer and provider were clear. Today, participants in the gig economy operate in the gray areas between these categories and don't fit neatly into our old buckets.

As the nature of work continues to evolve, so too will our roles as advocates, employers, platforms, consumers, business owners and workers. Our proposals offer some possibilities, but they are by no means exhaustive. We look forward to continuing conversations with leaders across all sectors—business, labor and government—about the shifting roles that we might all play in the new world of work.

Ultimately, no matter how you work or who cuts your paycheck, everyone should have a social safety net that protects them in times of need. As work changes, more people will be able to pursue their passions and support themselves and their families on their own terms. But we need to give them the financial security and protection to do so.

If we are to fulfill the promise of a people-centered economy, we need a social safety net that works for everyone who works.

A note of thanks

We'd like to thank the following people who graciously lent their time, thoughts, and expertise to this project: Bo Cutter, The Roosevelt Institute; Natalie Foster, Aspen Institute Future of Work Initiative; William Gale, Urban-Brookings Tax Policy Center; Eli Lehrer, R-Street; Ai-jen Poo and Palak Shah, National Domestic Workers Alliance; Ida Rademacher, Aspen Institute Financial Security Program; David Rolf, SEIU Local 775; Andy Stern, Columbia University; Arun Sundararajan; New York University; Julie Samuels and Jarret Hova, Tech: NYC; Jennifer Tescher and Rob Levy, Center for Financial Services Innovation; our friends at Care.com and our in-house specialists and practitioners here at Etsy. The views expressed here are entirely our own, but they are better for the thoughtful feedback these individuals provided.

Authors

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