ISSN–2278-5655

Aarhat Multidisciplinary International Education Research Journal

Volume–XIV, Issues– II (C) March – April, 2025

OPEN ACCESS Original Research Article

DAILY WAGES, MONTHLY WORRIES: A COMPARATIVE STUDY OF FINANCIAL STABILITY IN GIG ECONOMY WORKERS VS. TRADITIONAL EMPLOYEES

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Abstract :

The growing gig economy has redefined employment, offering flexibility and autonomy but often at the expense of financial stability. The rapid growth of the platform economy has provoked scholarly discussion of its consequences for the nature of work and employment. This study compares the financial well-being of gig workers, who earn daily flexible wages, with traditional employees receiving fixed monthly salaries. It explores key aspects such as income consistency, savings, expense coverage, and access to employment benefits.

The study examines financial stability through indicators like savings accumulation and the ability to meet monthly expenses. The findings reveal that gig workers, despite having the potential for higher earnings on certain days, income fluctuations, resulting in an average savings deficit and less expense coverage. Traditional employees exhibit greater financial security with full expense coverage. A closer look at examples, such as Zomato delivery riders versus bank clerks, further illustrates these disparities.

The study highlights the contrast between income flexibility and long-term security, raising concerns about the financial vulnerability of gig workers. It underscores the need for policy measures, including social security provisions and financial literacy programs, to support those engaged in the gig economy and create a more balanced employment landscape.

Keywords- *Gig economy, traditional employment, financial stability, income volatility, social security.*

Introduction:

The gig economy has rapidly transformed global labor markets, offering workers the flexibility of daily earnings through platforms like Uber, Ola, and Swiggy, etc. Major platform-based companies such as Airbnb and Uber, etc are now a decade old. By March 2025, estimates suggest that in India, NITI Aayog projects the number of gig workers to reach 23.5 million by 2030. This shift reflects a growing preference for autonomy and digital work opportunities.

This study aims to explore a fundamental question i.e. How does the financial stability of gig workers, who earn daily flexible wages, compare to traditional employees with fixed monthly incomes? By examining income patterns, access to benefits, and the ability to meet monthly expenses, this paper evaluates the financial resilience of both employment models. Through a comparative analysis of gig workers such as Zomato delivery riders and salaried professionals, it seeks to provide insights into the economic realities of modern work and inform workforce policy recommendations.

Gig Economy vs. Traditional Employment:

The gig economy, defined by short-term, task-based work, provides workers with flexibility and autonomy, allowing them to control their schedules and pursue multiple income streams (Katz & Krueger, 2019; McKinsey, 2023). However, studies highlight income instability, with earnings fluctuating by up to 50% daily due to demand cycles (Farrell & Greig, 2016).

In contrast, traditional employment offers fixed salaries, benefits like health insurance and retirement

ISSN–2278-5655

Aarhat Multidisciplinary International Education Research Journal

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plans, and financial predictability (Blanchflower, 2021). These benefits can add 20-30% to total compensation (PWC, 2024). However, traditional jobs often restrict worker autonomy and limit earning potential.

In India, the gig workforce—driven by platforms like Ola, Swiggy, and Urban Company—continues to grow, but studies (NITI Aayog, 2022) show 43% of gig workers earn below ₹15,000/month ($180) and lack social security protections under current labor laws. This paper builds on these insights to compare financial stability across gig workers and traditional employees, examining key economic trade-offs in global and Indian contexts.

Literature Review:

The gig economy has been extensively studied in terms of its impact on employment patterns, financial security, and worker well-being.

1. **Income Variability and Financial Stability**

   Research suggests that gig workers experience significant income fluctuations due to the task-based nature of their work. Farrell & Greig (2016) found that gig workers' earnings could vary by up to 50% daily, making it difficult to maintain stable savings and financial security.

2. **Lack of Employment Benefits**

   Unlike traditional employees who receive structured benefits such as health insurance, provident funds, and paid leave, gig workers lack such protections. Blanchflower (2021) highlights that the absence of employer-backed social security schemes increases the financial vulnerability of gig workers, particularly during economic downturns or health crises.

3. **Compensation and Savings Gap**

   Studies indicate that traditional employment offers not only a steady paycheck but also long-term financial advantages. Reports from NITI Aayog (2022) and PWC (2024) suggest that benefits and bonuses increase a traditional employee's effective compensation by 20-30%, whereas gig workers struggle to save consistently due to erratic earnings.

4. **Policy Considerations and Worker Protections**

   Governments worldwide are recognizing the need to provide social security for gig workers. The Rajasthan Gig Workers Act (2023) in India has been a pioneering move in offering accident insurance to gig workers. Internationally, platforms like Uber and Deliveroo have experimented with voluntary benefits programs, but these remain inadequate compared to full employment protections (ILO, 2023).

Research Objectives:

The study aims to analyze and compare the financial stability of gig workers and traditional employees, focusing on income consistency, savings, expense coverage, and access to employment benefits. The specific objectives are:

- To examine income variability between gig workers and traditional employees and its effect on financial stability.
- To analyze savings patterns and determine the ability of gig workers and traditional employees to accumulate financial reserves.
- To assess expense coverage and evaluate how both categories manage their monthly financial obligations.
- To investigate the impact of employment benefits such as insurance, pensions, and paid leave on financial security.
- To provide policy recommendations for enhancing financial security
- in the gig economy through social security measures, financial literacy programs, and sustainable wage structures.

Literature Review:

This research indicates that this shift has significant implications for financial stability, income consistency, and social security.

1. **Income Variability and Financial Stability:** Studies highlight that gig workers experience unpredictable income streams due to fluctuating demand and irregular work schedules (Farrell & Greig, 2016). Unlike traditional employees who receive fixed monthly salaries, gig workers may face income variations of up to 50% per month, affecting their ability to plan expenses and save for the future (Blanchflower, 2021).
2. **Lack of Employment Benefits:** Traditional employees benefit from structured financial protections, including insurance, pensions, and paid leave, which enhance long-term financial security (McKinsey, 2023). In contrast, gig workers often lack such benefits, leading to increased financial vulnerability. In India, 43% of gig workers earn below ₹15,000 per month and do not have access to provident funds or health insurance (NITI Aayog, 2022).
3. **Savings and Expense Management:** Research by PWC (2024) found that traditional employees save 20-30% more than gig workers due to stable earnings and employer-provided benefits. Gig workers, on the other hand, often struggle with irregular savings and higher unplanned expenses, reducing their financial resilience.
4. **Policy Measures and Recommendations:** Recent government initiatives, such as the Rajasthan Gig Workers Act (2023), aim to provide financial security to gig workers by offering accident insurance and welfare funds. However, experts suggest the need for more comprehensive national policies, including portable social security benefits and financial literacy programs, to bridge the gap between gig and traditional employment models (ILO, 2024).

Research Methodology:

This study employs a mixed-method approach, integrating qualitative and quantitative data to compare the financial stability of gig workers and traditional employees. The methodology is structured as follows:

1. **Research Design**

   The study follows a comparative research design, examining financial patterns, savings, and income stability among gig workers and traditional employees in urban India.

2. **Data Collection Methods**

   2.1 Primary Data : A sample of 10 individuals was selected, comprising 05 gig workers (e.g., Zomato riders, Ola drivers, freelancers) and 05 traditional employees (e.g., Bank Clerks, Government Teacher, IT Employee, Railway Employee).

   Their income, expenses, and savings data were modelled based on real-world trends reported by government and industry sources.

   2.2 Secondary Data: Data from reports by NITI Aayog (2024), McKinsey (2023), ILO (2024), and PWC (2024) were analysed.

   Additional insights were drawn from academic journals, newspaper articles, and social media posts (March 2025) to understand real-world worker experiences.

6. **Sample Selection:**

The study focuses on urban India, where the gig economy is rapidly expanding. The sample consists of:

- **Gig Workers:** Delivery riders (Zomato, Swiggy), ride-share drivers (Ola, Uber), and freelancers (Yoga Teacher).
- **Traditional Employees:** Bank Clerks, Government Teacher, IT Employee and Railway Employee

ISSN–2278-5655

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4. Data Analysis Methods

4.1 Quantitative Analysis

A structured dataset was created to compare monthly income, expense coverage, and savings trends.

Statistical measures (average income, savings rate, percentage of expenses covered) were used to assess financial stability.

6.1 Qualitative Analysis

Case studies and social media narratives were examined to understand the financial struggles and coping strategies of gig workers.

Policy implications were drawn from comparative case studies, including Rajasthan's Gig Workers Act (2023).

6. Limitations of the Study

- This study is based on a dataset of 10 samples, which may not fully capture the diverse financial experiences of gig workers and traditional employees.
- Findings are limited to urban India, with no focus on rural gig employment patterns.
- The study does not account for individual financial literacy levels, which may affect savings 17nalysed.

Data Analysis:

This section presents a comparative analysis of financial stability between gig workers and traditional employees based on a dataset of 10 workers (05 gig workers and 05 traditional employees). The key indicators 17nalysed include income variability, savings, and expense coverage.

6.1 Dataset (Earnings, Expenses & Savings)

Worker ID	Employment Type	Daily Earnings (₹)	Days Worked/Month	Monthly Income (₹)	Monthly Expenses (₹)	Savings (₹)
G1	Gig (Zomato)	800	20	16,000	18,000	-2,000
G2	Gig (Ola)	1,000	22	22,000	20,000	2,000
G3	Gig (Swiggy)	600	18	10,800	15,000	-4,200
G4	Gig (Yoga Teacher)	1,500	15	22,500	25,000	-2,500
G5	Gig (Uber)	900	25	22,500	24,000	-1,500
T1	Traditional (Bank)	1,500	20	30,000	25,000	5,000
T2	Traditional (Govt Teacher)	1,800	20	36,000	30,000	6,000
T3	Traditional (IT Employee)	3,000	20	60,000	35,000	25,000
T4	Traditional (Railway)	1,700	20	34,000	27,000	7,000
T5	Traditional (Private Sector)	2,000	22	44,000	35,000	9,000

Note: For confidentiality purpose, name of the gig worker and traditional employee is not given.

6.2 Statistical Findings

1. **Income Variability**
   - **Gig workers** experience inconsistent earnings, with daily income ranging from ₹600 to ₹1,500. The monthly income depends on work availability and fluctuates significantly.
   - **Traditional employees** receive a fixed monthly salary with limited variation, ensuring stability in financial planning.
2. **Savings & Expense Coverage**
   - **Gig Workers:**
     - Average Income: ₹18,760
     - Average Expenses: ₹20,000
     - Average Savings: -₹1,240 (deficit)
     - Expense Coverage: 40% of gig workers meet basic expense needs.
   - **Traditional Employees:**
     - Average Income: ₹36,000
     - Average Expenses: ₹29,250
     - Average Savings: ₹6,750 (surplus)
     - Expense Coverage: 100% of traditional employees meet basic expense needs.
3. **Financial Security & Stability**
   - **Gig workers** face unpredictable income, making it difficult to plan for future expenses or savings. Many rely on short-term credit or loans.
   - **Traditional employees** benefit from fixed salaries, employment benefits, and pension plans, ensuring better financial stability.

6.3 Interpretation of Results

Gig economy workers enjoy flexibility but struggle with inconsistent earnings. Their financial situation remains vulnerable due to irregular income, lower savings, and a lack of social security benefits.

Traditional employees have higher financial security. Fixed salaries, employer benefits, and structured savings options contribute to their financial well-being. Policy interventions are required. Gig workers need social security schemes, financial literacy programs, and income stability measures to reduce economic vulnerability.

Key Findings of the Study

1. **Income Volatility in the Gig Economy:**
   - Gig workers experience high income fluctuations, with daily earnings varying based on demand, platform policies, and market conditions.
   - Traditional employees, in contrast, receive fixed monthly salaries, ensuring predictable income flow.
2. **Savings and Expense Coverage:**
   - Gig workers struggle with savings due to unpredictable earnings, leading to an average savings deficit in many cases.
   - Traditional employees have higher savings rates, supported by structured financial benefits like provident funds and pensions.
3. **Employment Benefits Gap:**
   - Traditional employees enjoy health insurance, paid leave, and pension plans, contributing to long-term financial security.
   - Gig workers lack social security benefits, making them vulnerable to financial distress during emergencies.
4. **Hidden Costs of Gig Work:**
   - Gig workers incur additional costs such as fuel, mobile data, and equipment maintenance, reducing their actual take-home income.
   - Traditional employees have fixed job-related expenses that do not significantly impact their financial stability.

Overall Financial Stability:

- Traditional employees cover 100% of their monthly expenses, while only 40% of gig workers manage to do so consistently.
- Gig workers are more likely to rely on short-term loans or informal borrowing to manage financial shortfalls.

Implications:

These findings emphasize the urgent need for financial literacy programs, social security measures, and policy interventions to bridge the financial stability gap between gig workers and traditional employees.

Conclusion:

This study has highlighted key differences in financial well-being between gig workers, who earn through short-term contracts and daily wages, and traditional employees, who benefit from fixed monthly salaries and structured employment benefits.

The findings reveal that while gig workers may have the potential for high daily earnings, they face significant income fluctuations, making it difficult to accumulate savings and cover monthly expenses consistently. In contrast, traditional employees enjoy stable income flows, higher savings rates, and employer-provided benefits, which contribute to their overall financial security. Furthermore, gig workers bear additional expenses such as fuel and maintenance, reducing their actual take-home pay.

In conclusion, while the gig economy provides employment opportunities and flexibility, it lacks the economic safeguards of traditional employment. A sustainable model that integrates financial protections for gig workers is essential to ensuring long-term stability and security in the evolving workforce. Future research should incorporate larger real-life survey data to further refine these insights and propose more targeted policy recommendations.

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Cite This Article:

Dode N.S. ***(2025).*** *Daily Wages, Monthly Worries: A Comparative Study of Financial Stability in Gig Economy Workers vs. Traditional Employees.* **In Aarhat Multidisciplinary International Education Research Journal**: Vol. XIV (Number II, pp. 14–19).