

In Transition: The Rise of the Sharing Economy



August 18, 2016

Jennifer Wolf Horejsh
Executive Director, IAIABC

Growth

Impact

Policy

What is the sharing economy and how will it grow?

How will it shape our economy and lives?

How will policymakers respond?

Growth

ECONOMY

Sharing

Peer to Peer (P2P)

On-demand

Gig

Freelance

Collaborative

Growth

VALUES

Sharing over ownership

Community over corporations

Work flexibility

Growth

Collaborative Economy Honeycomb Version 3.0

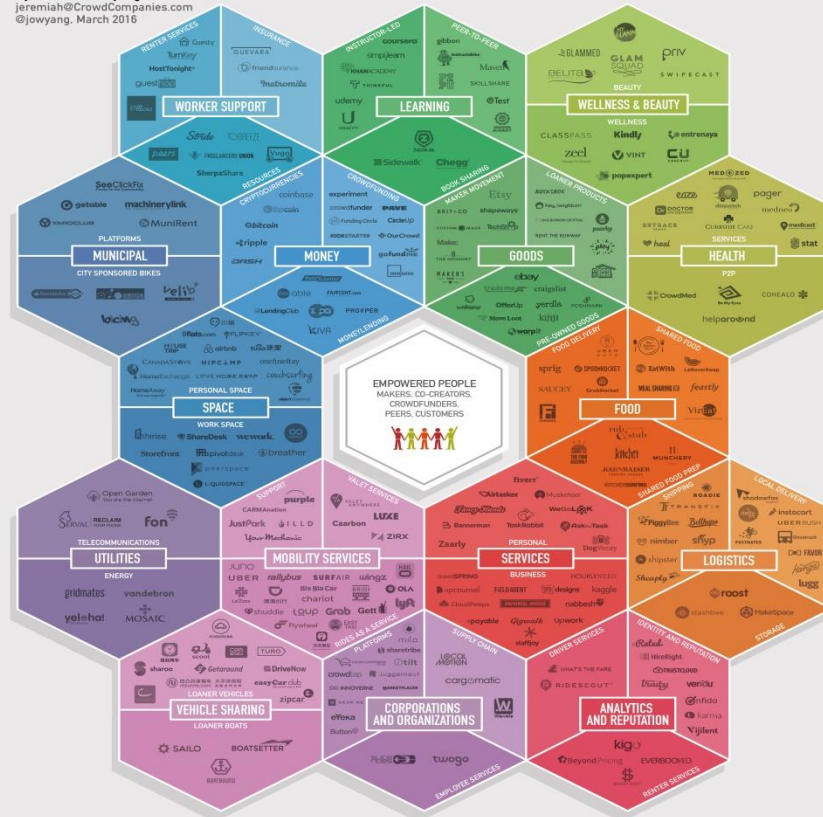
The Collaborative Economy enables people to get what they need from each other. Similarly, in nature, honeycombs are resilient structures that enable access, sharing, and growth of resources among a common group.

In the original Honeycomb 1.0, six distinct categories of startups were represented by the inner track of hexes. After a short period of time, Honeycomb 2.0 expanded to include six additional categories, placed on the outer perimeter.

In the new Honeycomb 3.0, four hexes are added on the corners of the graphic for a total of sixteen. Beauty, Analytics & Reputation, Worker Support, and the large Transportation hex is split into two distinct hexes.

By Jeremiah Owyang

jeremiah@CrowdCompanies.com
@jowyang, March 2016



\$335 Billion 2025



\$15 Billion 2015

With input from: Carl Bohlin, Matt Cass, John Cass, Emily Castor, Shelby Clark, Lisa Gansky, Julie George, Neal Gorenflo, Greg Hedges, Bill Johnston, Karen Khounthavong, Alex Lassar, Gregory Leproux, Angus Nelson, Andrea Pages, Sherwin Pishavar, Angie Ray, April Rinne, Jeff Roman, Alexandra Samuel, Jamie Sandford, John Shelton, Arun Sundararajan, Brian Sule, Julie Voss, Mike Walsh, Jonathan Wichmann, and Vision Critical.
Design by Vladimir Mirkovic www.transitdesign.com Creative Commons license. Attribution-NonCommercial.

 CROWD
COMPANIES™
www.crowdcompanies.com

Growth

72% of Americans have used some type of shared or on-demand service.

1 in 5 Americans have used 4 or more shared or on-demand service.

5% of European consumers used a shared service in 2015.

Growth

USER PROFILE

Under 35

Educated

Higher income

Connected through mobile technology

Growth

Technology & Trust

Growth

TECHNOLOGY

Mobile apps

Real time location services

Seamless payment systems

Growth

TRUST

Users rate providers

Providers rate users





Growth

Impact

Economy for a New Era?

Growth

Impact

AGRARIAN

Local

Nobles/pheasants

Bartering of goods/services

Reliance on community

Apprenticeships

Rural towns and villages



Growth

Impact

INDUSTRIAL

Corporation oriented

Hierarchal

Physical currency buys goods/services

Production and accumulation

Government social programs



Growth

Impact

COLLABORATIVE

Global

Peer to peer

Lattice

Virtual currency buys goods/services

Consumption over ownership

Growth

Impact

Policy

Employer/Employee Relationship



Growth

Impact

Policy

Employees are entitled to:

Minimum wage

Overtime

Anti-discrimination

ADA accommodations

Workers' compensation

Unemployment

Health insurance

FICA contributions

...Independent contractors are not



Growth

Impact

Policy

Economic dependence tests:

- 1.) Degree of control exerted by the alleged employer over the worker;
- 2.) Workers' opportunity for profit or loss;
- 3.) Worker's investment in the business
- 4.) Permanence of the working relationship;
- 5.) Degree of skill required to perform the work
- 6) Extent to which the work is an integral part of the alleged employer's business.



Growth

Impact

Policy

Its up to the court...

Fedex ruled drivers independent contractors in some states and employees in others;

Class action suits filed against transportation networking companies have settled (*O'Connor vs. Uber* and *Lavitman vs. Uber*);

US Department of Labor's Administrators Interpretation No. 2015-1



Growth

Impact

Policy

Fundamentally, we are using a twentieth-century test to classify workers in the twenty-first-century economy.

~ Robert Sprague, University of Wyoming



Growth

Impact

Policy

Future Policy Directions

Dependent contractor: A contractor whose work is central to the business of a firm.

Independent worker: A worker who interfaces with an intermediary to serve customers or performs work.

Individual worker accounts: Individuals have a benefit account which entitles them to certain benefits (UI, WC, PTO, etc.) Firms would pay into the account based on the individual's usage.

Growth

Impact

Policy

Principles

Independent

Flexible and pro-rated

Portable

Universal

Innovation



www.iaiaabc.org

jwolf@iaiaabc.org

| P: 608-841-

2017