Making a Market for

IRREGULAR Employment

A GUIDE FOR STATES, COUNTIES, AND CITIES | JULY 2018



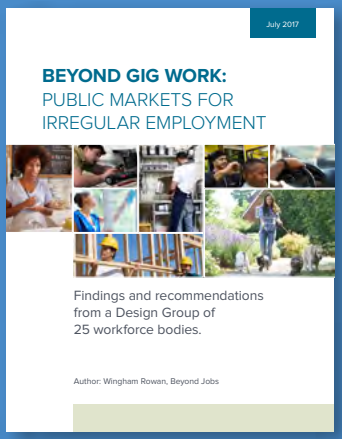







This document is intended for Development Managers and Project Managers tasked with engaging stakeholders.

For an introduction to Public Markets for Irregular Employment see: **www.BeyondJobs.com** or **download** the July 2017 Annie E. Casey Foundation report: *"Beyond Gig Work: Public Markets for Irregular Employment"*.



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The contents of this publication are solely the responsibility of the authors.

FOREWORDS

"Bringing everyone into our economic success" was a key theme in my 2018 State of the City speech. It will require a range of initiatives, some of them particularly innovative.

Since October 2017, Long Beach has taken the lead nationally on the possibility of an online market for non-standard employment aligned with the aims of our workforce board, Pacific Gateway. Data on the growth of irregular working is still emerging. But research suggests 70% of those excluded from the labor market cite disability or care-giving as their primary barrier to work.

I want the talents of these people in our economy. One possibility that could help is a comprehensive city facility to support anyone who needs work that fits around other issues in their life.

Ensuring the best "connective tissue" between our employers and the widest possible local workforce has to evolve as labor markets change. The journey to our future never ends. I am delighted that Long Beach has been a catalyst for research into the possibility of new markets for those who need, or want, to work on their own terms.



Robert Garcia
Mayor of Long Beach, CA

Technology is transforming how we work, communicate, and live. This era of fast-paced change is forcing us to reconsider how we keep up, how we develop smart economic policy, and how we preserve and advance our core values of workers' rights, diversity, inclusion, and sustainability.

Meeting these challenges requires in-depth social science research and depends on critical support from non-profit organizations. Their collective work plays an essential role in educating the public in the ways current trends will impact our families, our middle class, and our political choices. Their contributions help us comprehend what the 'gig economy' is, what it means for our future, and how it will re-shape our city and country moving forward..



Eric Garcetti
Mayor of Los Angeles, CA

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SUMMARY

"Market making" means finding the employers, intermediaries, and workers who could start activity in a new market for labor. It can be a cheap, sustainable, scalable solution to diverse challenges.

- Demand for low-skilled workers is increasingly on-demand rather than based on traditional jobs with set hours, benefits and solid promotion prospects. (www.BeyondJobs.com) Some workforce boards and educators have responded with training and support to help navigate the "Gig Economy".
- Other bodies seek a more fundamental option: initiating a market for hourly labor structured around protections, progression and alignment with local needs. Workforce agencies already commission such markets for all types of jobs.
- Official websites from Alabama JobLink to Work in Wyoming provide another choice for anyone underserved by commercial recruiters. These services start easily: they require only job listings. Other types of labor market are more demanding to initiate.
- Commercial platforms for irregular labor typically launch by "buying the market" with subsidized transactions or heavy advertising. These costly routes are not available to a service dedicated to public good. But public bodies are uniquely placed to pull together all the stakeholders needed to kick-start an equitable market at scale then shape a neutral, locally accountable, low-overhead service.
- This is called "market making". Whenever there is a discussion of gig work, or just how to elevate lower-skilled workers in today's labor market, it's useful if someone present is attuned to market making. Everything needed to launch a low – or no – cost, de-risked, sustainable solution to a range of problems may be in sight.
- This manual emerged from learning in the UK, across the US and specifically in Southern California in a project based at the City of Long Beach workforce board funded by Kauffman Foundation with Living Cities. It is designed to help anyone wanting to add possibilities for market making as a prism through which to view a local economy and workforce. Sections can be skimmed for initial awareness but we also aimed to share detailed learning for those embarking on a major project.
- Public and non-profit bodies typically have little experience of making a market, despite being uniquely qualified to do so. Leveraging relationships, credibility and existing assets in this way has broad applications. As local economies and labor markets re-shape, market making could become a sought-after skill.

▶ AN APPENDICES SECTION AND ONLINE RESOURCES ACCOMPANY THIS MANUAL.

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"Employers": *Throughout this manual we use "Employer" in its traditional sense: the organization buying time of work-seekers. Thus, if Walmart were to book a security guard through Adecco in an online market; Adecco might be legal Employer-of-record. But - for simplicity - this document would describe Walmart as the "Employer".*

BASICS

FRAMING IRREGULAR EMPLOYMENT



Describing our project

Our subject is shapeless, little understood, often contentious and an emerging policy issue. Here's how we learned to broadly explain our mission.



a) Elevator pitch

We are exploring ways to support the 30% of citizens who work precariously. Our project is assessing if we might initiate a market for this labor built around protections, progression, stability and alignment.

b) Five bullets

Elevating the Irregular Workforce

- The rise of "gig-work" platforms like Uber, Lyft, Doordash or TaskRabbit is one part of a bigger trend. For the low-skilled, the chances of getting a traditional job with steady hours and income, benefits and chances to progress are diminishing rapidly. GAO highlight estimates that over 30% of the workforce could now be working precariously.
- This trend has swept through retail, hospitality, distribution, healthcare and other sectors. Already 41% of hourly employees don't know next week's hours. Much irregular work is off-the-books; untaxed, unregulated and illegal. The trend is proving irreversible.
- Our project is exploring possible support for this growing part of the local labor market. Many interventions are possible. Options include launching a market for all types of hourly labor built around protections, progression, stability and alignment. Britain's government funded this technology which is to be open sourced.
- A flexi-work market could be the equivalent of public markets for all types of traditional jobs commissioned by each state. It could generate data and enable interventions that are inconceivable now. It would offer one more choice alongside commercial services.
- Launching a cost-effective, sustainable, facility for this part of the workforce requires input from multiple stakeholders. We are aiming to engage with large employers of flexi-labor and other stakeholders.

41% of hourly employees don't know next week's hours.

CONTEXT

What is "market making"?

Making a market requires persuading a first group of users to decisively transact through an untried service. In labor markets, employers should be the initial priority.

The spark that lights a fire

Would you have purchased the first ever telephone? There would be no guarantee anyone else would buy one, so who could you call? Even if you bought into the vision there would be a danger that a better technology would emerge leaving your first-generation handset redundant. However much you liked the idea of an instrument allowing instant communication with people around the country; there was no compelling answer to *"why should I be first to commit?"*

Your obvious response to an early phone salesperson would have been *"Come back to me when you have thousands of users, then I will buy one"*. But if everyone said that, how could the phone pioneers get their service off the ground? Everyone did.

This is the issue known as network effect. Today we all buy a handset because almost any organization or person you would want to contact also has one. The value of your device is determined by the number of phones already out there. But in 1876 that ubiquity was just a hard-to-articulate dream. The pressing challenge was: How to get *someone* to *start* buying phones.



Telephony advocates had to put aside the big picture to focus on how they could connect pairs of people who *already* talked regularly. Could those customers be *persuaded* to just do it more conveniently through a new gadget? Typically, that meant erecting a dedicated line between the houses of two rich relatives or friends so they no longer had to leave home to chat.

Closed loops also had immediate value transmitting church services to the housebound. And they could connect banks with their branches or a rail station with the next halt down the line. This narrowed the pool of immediate buyers to the talkative affluent plus banks and stations.

But as those calls started to be made, phone innovators could begin shaping a network. A bedridden lady used to dialing in to hear a sermon could be upsold to calling the minister when she wanted a visit. If the local station and bank were connected, it was useful for a merchant to acquire a phone; she could find out if her deliveries had arrived and arrange payment. Private-line holders might be tempted to extend the friends they talked with.

Now there was a proposition for the middle class: *"Use this device to instantly order supplies from merchants, check your finances or arrange travel."* As other households started doing the same, they could also call each other. A flywheel of increasing usage and new applications for telephony began spinning of its own accord. But that market had to be made with tightly targeted uses for what was then a pre-network technology.

It took decades for telephony to reach a critical mass of users. In the Internet era, start-ups can do it in years, occasionally months.

Market making determines online success

It took decades for telephony to reach a critical mass of users. In the Internet era, start-ups can do it in years, occasionally months. Our understanding of online marketplaces is dominated by the tiny handful that achieved this: eBay, Amazon, and Uber are examples.

In the dust behind these ecosystems are thousands of marketplaces that failed. Many had elegant software and could demonstrate an unarguable case for their more efficient model in a particular sector. But they couldn't find a path through *"why should I be your first user?"* paralysis.

Online markets can deliver extraordinary efficiencies and outcomes. It's often assumed designing the right technology is key. But that's probably the easy part. Success is determined by the ability to unleash a first wave of transactions that ignite network effects. For proof of the dominance of transaction volume over quality of software, look at Craigslist. Their technology is archaic, the listings jumbled, often repetitive. But so many buyers and sellers unthinkingly use the service, Craigslist remains a colossus.

How the successes do it

What is different about the handful of online markets that develop an unstoppable flywheel of active users? It's usually one of three factors:

1) **Luck:** eBay started with its founder offering a broken laser pointer for sale on one page of his personal website. There was already a community looking for ways to trade idiosyncratic items online. Despite better funded forums, the quirkiness of this one site appears to have attracted vocal collectors who quickly told each other about a new online home.

2) **Spend:** As venture capital has funnelled into labor markets like Taskrabbit, Wag!, and DoorDash, market making has increasingly been built around brute financial firepower. Uber, Lyft and others subsidize early transactions in a city by up to 60%. By undercutting existing services in the short term, they quickly acquire a critical mass of buyers which attracts sellers and so on. With network effect established, prices can rise while pay is cut.

   Big spenders can also advertise to dominance. When we see posters, bus-sides, even TV spots for house-cleaning, we-gas-your-car or babysitting services, these are labor exchanges blitzing their way to early transactions.

3) **Aggregation:** When the travel industry moved online, networks of airlines and hotel chains were induced to list their seats and rooms in a shared database. That was linked to tens of millions of consumers initially through the Microsoft Network. Some patient diplomacy had gathered a large pool of sellers and buyers around a new exchange. Transactions then started and grew. Other consumer sites then exploited the data.

Aggregating to scale

Working through networks to amass a group of buyers and sellers who then start a new market is low-cost. It can be risk-free. (A market doesn't start until enough aligned users to reach a critical mass of transactions are on-board. Until then everyone involved understands launch is just a possibility.) But it can take time; requiring outreach, persuasion and scientific analysis of the requirements for a healthy launch. Business cases for early adoption need constructing.

Some marketplaces need significant scale from day one, they can't start with a small pool of buyers and sellers then grow incrementally. Absent big-pocketed investors, aggregation is their only viable model for launch. To unpack that, it's worth categorizing marketplaces on two factors:

1) Types of transaction: Sale v. Hire

- **Sale:** In these markets, a buyer purchases ownership. Win the bidding on a Beanie Baby on eBay and it's yours for life. These markets are rarely time-sensitive. If a collectible soft toy is not bought today, it can be sold next week with no loss of income for its seller.
- **Hire:** In this case, a buyer rents a resource for a defined period of time. Book a hotel room on Expedia and you get it for one or more nights only.

Neither Uber nor Lyft is profitable, and leaked documents have shown both have spent heavily on marketing, offering driver bonuses and ride subsidies.

— LA Times, October 20, 2017

Time is a crucial element for the seller, if the room isn't sold by this evening, revenue is lost.

Any market for the time of people is, of course, a hire market. When an asset (a person's period of availability for work) is not sold, they lose income. So, precision in the way opportunities are identified and managed is a real benefit. Very broadly, there are two categories of market for hire of resources. Their levels of precision are very different:

2) Types of Hire market: Listings v. Stored Availability

- **Listings:** In these markets, either sellers post an advertisement or buyers list what they want to purchase. Craigslist is an example. A list of people willing to do odd hours of telesales can be browsed then approached. These launches are easy. Once some listings are found (possibly from other websites), the market is useful to users.
- **Stored Availability:** The travel sector offers good examples. Tell Expedia you want to go to New England this weekend; you will instantly see available flight seats and rooms. It stores rules for pricing each asset and allows instant booking. It can do this because airlines and hotels ensure their inventory is stored in detail, then accessed by Expedia.

Expedia is far more useful to buyers and sellers than a site offering just a list of travel suppliers wanting customers. But its enormous precision would make it worse than useless if there was only a first few users. Imagine booking a trip on Expedia if it had a mere 25 hotels in its database. Almost every enquiry would be met with *"No rooms are available at your destination for your chosen times"*. Stored Availability services can't start with very small numbers of users and grow from there. They are intensely frustrating if their market is too thin and will quickly repel users.

This manual focuses on the challenges of starting a Stored Availability market for hourly labor. Our task aggregates stakeholders while appreciating – like the phone – there are only limited users who will benefit in the earliest days. The project requires an analytical approach, but the impact on prospects for work-seekers, employers and a local economy could far exceed conventional face-to-face interventions aimed at reducing poverty or spreading opportunity.

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Market making for hourly labor

At launch, we have to park all the potency that new markets can deliver. That potential will never be fulfilled until a first group of users can be convinced to transact on day one and continue doing so while a market grows around them.

The risk of imbalance

If a sophisticated market for hourly labor is simply promoted then launched it will quickly have an imbalance between supply (work-seekers) and demand (employers). This will frustrate everyone involved.

Data from a launch by one London (UK) city government shows this (figure 1). The council recognized problems for irregular workers, they put the new market in their website, promoted it via libraries and job centers then induced intermediaries to take part. In the first week of operation, they had 18,000 hours of residents' availability for work, but only 70 hours of bookings from buyers of flexi-labor. The second week bookings were up to 150 hours but availability for work was down to 12,000 hours.

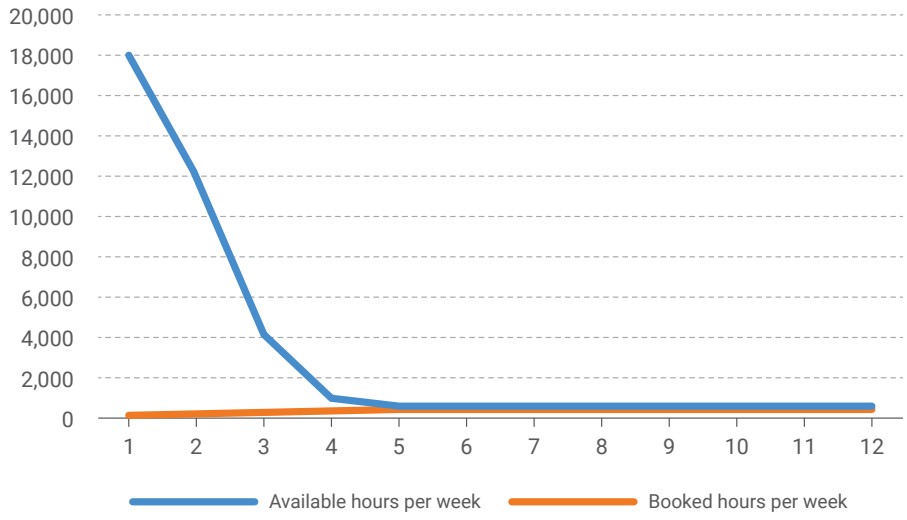
With no assignments coming, work-seekers were walking. That continued until by week 6 there was some 600 hours of work being done by a remaining 40 people. This market lacks the capacity to expand; a new employer seeking perhaps five market research interviewers outside a metro station at rush-hour would find no-one with those skills, few people willing to work at the given location and only one or two available for the hours of need.

Variations in this pattern blighted 20 launches with city governments around Britain. The core issue: sellers of flexi-labor will move fast to try a better channel for this work. Employers are much more cautious about switching to an untried process and typically want to wait for the service to prove itself before it's adopted.

In a tight labor market it's possible to find the alternative problem: lots of demand frustrated by insufficient supply. But the disparity in adoption-speed will likely remain: Employers tend to be institutional and slow to move; work-seekers are individuals who will readily take a chance if the new facility sounds good. Because of this, we recommend building any kind of market making around employer buy-in as first priority.

Employers tend to be institutional and slow to move; work-seekers are individuals who will readily take a chance if the new facility sounds good.

FIGURE 1: **A bad launch: too little demand**



Understanding a market's early needs

Activity in an early-stage market is not just a scaled down version of what happens in a mature exchange. As with phones (▶ **Page 9**), the first transactions need to serve a distinct group of users who have particular motivation to immediately adopt a facility with limited network effects.

This can be counter-intuitive. We offer the analogy of a human's development through three stages:

- **Baby:** Focused on own needs, requires exactly the right food and a lot of care.
- **Child:** Growing and more robust, still limited in abilities and needing supervision.
- **Adult:** Thrives on a varied diet, develops multiple abilities, can reproduce.

A market goes through comparable stages. Its "food" is transactions; booking of work-seekers by employers. As these mount, workers can prove reliability and adaptability which increases attractiveness to employers, everyone becomes more confident in the service while data from trading becomes deeper and allows work-seekers to align with employers' needs. A point is reached where new markets in additional sectors or geographies take shape within the original exchange.

A market's journey to maturity is not defined by time. It can be accelerated with higher volumes of transactions. But an early-stage market, like a human baby, needs to be fed in the right way. It needs individuals who are work-ready and employers with non-speciality needs. We have seen unrealistic expectations of a newly launched market including:

- One North of England city saw their market as an immediate way for people with learning disabilities to enter the labor market on their own terms.
- A hospital wanted the just-launched exchange to provide a supply of surgeons.

A maturing market can help with both. It can be used to identify the right kind of work for individuals with special needs and perhaps schedule peer-support workers alongside them. With depth in nurses and other broad healthcare roles it has a stronger proposition to doctors and the range of bodies that buy them. But trying to get a market to do this in infanthood is asking too much. It needs to be fed a steady stream of general transactions which it can easily satisfy, thereby growing activity and opportunity.

Calculating minimum numbers for launch

What volume of bookings (periods of work) is needed for successful launch? It broadly ranges from $2.5m in spend on irregular labor to $20m. Here's how we do the math:

- **Define a geography:** We need to delineate a Travel Area for any market. Determined by quality of transportation links or incidence of car ownership among target work-seekers, it is the area which we believe individuals will traverse for bookings. In California for example, we defined one Travel Area as 5 miles radius of the Long Beach transit hub.
- **Keep work-seekers engaged:** What proportion of the time each person wants to work must be booked to keep them motivated? We guesstimated 50%: if someone is available for 18 hours this week, we need to get them at least 9 hours or lose them. (As with all our numbers, we would like



The first transactions in an early-stage market need to serve a distinct group of users who have particular motivation to immediately adopt a facility with limited network effects.

higher percentages, but we need to understand minimums.)

- **Ensure capacity to serve employers:** Given the above ratio, how many workers will be needed to ensure there is enough availability to meet the needs of employers? This depends on how diverse the skills are. (If the market is for homecare only and all work-seekers have every homecare qualification a buyer might require, there need only be a small number to ensure each buyer finds what they want.) We anticipated a broader range of skills and set a target of 500 work-seekers across our travel area.
- **Ensure enough buying to meet work-seekers' needs:** Finally, how many hours do we expect our average worker to offer each week? Until more detailed research close to launch, we settled on 20 as mid-way between those seeking full-time equivalency and others wanting a few hours around other commitments in their life.

Each of these figures can be retuned as a project progresses. But, at start, we knew the minimum for launch in Long Beach's travel area was enough spending by employers to purchase 10 hours (50% of the average 20 offered) of 500 people: 5,000 hours a week. We envisioned an average charge rate to employers of $17.50 an hour.

Our simplified spreadsheet below then tells us the market would need just over $4.5m of committed spend per year of operation to meet users' needs.

But it would be difficult to vet and register 500 participants before any transactions start. So, we further assumed starting with perhaps 25% of the end-target to create enough activity on day one. Demand and work-seekers are then fed in progressively throughout the year. This means we will only need about half the anticipated spend in year one to create a ramp to the $87,500 a week target. But we will have to supervise the early months after launch very carefully to ensure everyone's needs are being met among a small number of buyers and sellers.

Financial sustainability

The minimums above ensure a market won't be lop-sided and collapse. We also need to check that we have metrics that amount to a business case for:

- **Intermediaries:** A market can run with work-seekers limited to 1099 independent contractors. But for a variety of reasons (protections, benefits, support, avoiding fraud) it's likely there will be at least some W2 taxpayers who need an employer-of-record. Those intermediaries (staffing agencies, non-profits or other employment services) build a mark-up seamlessly into the rate charged to the end user.

  Our minimums must ensure they have a motivating business case. Based on elementary research, we took an average of 12% within the $17.50 charged. Given the projected numbers of work-seekers to be handled, does that incentivize them to enroll work-seekers throughout a first year?
- **Market operators:** Ideally a market would be funded by state agencies or philanthropies. But it may have to add its own charges to each hour sold to cover running costs. Taking overhead charges out of these markets is vital so there's pressure on this figure, but we looked at 2-2.5% within the charge.

To comfortably allow for all these factors, we set an initial target in Southern California of a minimum $20m of spend committed by employers over a first year across no more than four travel areas.

Our simplified spreadsheet then tells us the market would need just over $4.5m of committed spend per year of operation to meet users' needs.

Modeling project targets for one travel area	
Proportion of hours offered that must be booked	50%
No. of workers to ensure employer needs met	500
Av. hours offered per week	20
Min. hours that must be booked per week	**5,000**
Av. hourly rate paid by employers	$17.50
Weekly spend required across the market	$87,500.00
Total annual spend if weekly turnover from day one	**$4,550,000.00**

Analyzing risk

This big-numbers approach is the opposite of how many public-sector projects start: a small pilot involving perhaps 20 people that is then expected to grow incrementally. But need for scale at launch does not mean huge risks have to be taken. A market making project can be used as the piloting stage; it involves running a market on paper, only taking the step to reality when robustness and onward growth is demonstrable.

There should be no upper cap on activity in a market. As long as the financial sustainability is clear, additional demand can open the gate to more work-seekers and increased bookings.

The search for Easy Wins

It's possible to complete market making with one phone call! We periodically come across new projects that have everything needed for launch of a Stored Availability market or operations needing a new tool to empower an existing workforce. Either can underpin a market launch. Examples include:

- **Projects:** A governor committed $22m to cleaning up his state's beaches. A large part of that was spent on irregular work from local communities. Inserting a new market into the clean-up would allow those workers to use beach sweeping to prove reliability in a market then opened to other employers and, in time, additional work-seekers.
- **Accessible budgets:** $12m is spent annually on irregular staff for a large urban park. They work in concessions, patrol, clean and do public outreach when weather is good. Using a new market to schedule this workforce would allow them to sell additional hours seamlessly elsewhere and offer a quality top-up workforce in the local economy.

Details always have to be checked. But developing antennae for this kind of low-hanging fruit should be a priority. (▶ **Easy Wins: Appendices Page 46**)

Focusing on institutions

"Gig work" has a narrow connotation: on-demand tasks, largely for consumers, through a phone app or website. That's not helpful for market making. We recommend seeing irregular work in totality: far more of it is at the behest of corporate employers for instance. They are more cost-effective to aggregate and on-board if a business case for switching to markets that empower workers can be built. They can, of course, bring an existing part-time workforce into the new channel. Those individuals are then able to sell additional hours to other employers.

We generally start with a list of sectors likely to yield the kind of demand needed for launch. (▶ **Prioritizing Industry Sectors: Appendices Page 51**). In the earliest stage of a market our search for "baby food" transactions points us toward organizations whose use of flexi-labor is in a sweet-spot between:



- **Recurring:** There is reasonably regular need for top-up or ad-hoc workers. This ensures a flow of transactions.
- **Unpredictable:** It is hard for the employer to know their needs in advance. This makes even an early-stage market useful.

This tells us, for example, a company built around delivery of huge projects (refurbishment of office blocks for instance) would be a hard-sell. They will have only occasional need for extra

"Gig work" has a narrow connotation: on-demand tasks, largely for consumers, through a phone app or website. That's not helpful for market making.

workers at set points in each project and probably schedule them weeks ahead. A company focused solely on homecare will likely have a stream of fickle, intricate, multi-location, requirements.

To get the attention of local institutions, it helps enormously to be working within an institution. If seeking to make a local market independently, we suggest attempting to engage the local workforce board as a sponsor. (▶ **Building Business Cases: Workforce boards: Appendices Page 53**)

Finding the middle

Small employers are disproportionate beneficiaries of a better market for flexi-labor. But they are generally too costly to recruit at launch; unless there is an umbrella body that can do it for us. A mega-employer will have the most demand in one place but also the most ponderous processes and probable centralization. Organizations in-between might combine reasonable scale of spend with nimble decision making.

We see this acutely in retail. Going round Mom-n-Pop stores to build millions of dollars in demand will require more feet on sidewalks than are likely to be available to the project. Big-box chains typically centralize decision making about any innovation and require levels of HQ buy-in before even a pilot. Local managers have little autonomy.

Any larger independent shops could be fertile. But retail is often polarized between large and small with little center. Sectors like building, warehousing or hospitality can be less hollowed out with a mid-tier we can approach.

Timing a market launch

Parts of flexi-labor markets follow an annual cycle. Unless your area enjoys year-round-sun, buying by tourism related sectors typically ramps up at Easter. Distribution, retail and hospitality start staffing up around October for pre-Christmas peaks. Fall can also be a good time to pick up student work-seekers as they return to college after summer. Market making is easier if we can surf these waves.

We do not advocate a sudden high-profile launch. Instead, a first few – tightly supervised – transactions should start then grow week-by-week as additional buyers and sellers come in. We suggest a Gubernatorial/Mayoral announcement of the new facility should only come when there's already a robust pool of users getting their needs met and everything's running smoothly, ready for a possible influx of users.

Broadly, an uptick in demand and supply should come somewhere between your first transaction and a public announcement. You might know a sharp escalation in demand will come on-stream in October. The service could be opened to heavily-supported first users in late July. The Mayor might take to her podium in January, possibly flanked by live market screens and an array of happy users.

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The value of market making

Any foray into making a market is likely to involve reaching out to new organizations and asking previously unasked questions. Many good things can follow.

Value to sponsoring organizations

What we call "market making" could more fully be labeled *"Exploring potential for leveraging new services among local stakeholders"*. We have seen ideas spark around irregular work roundtables that relate to skills development, poverty alleviation and data collection more generally. Some organizations see starting a market as too ambitious but find smaller-scale interventions start to take shape among their networks.

Testing the ability to make a market is also a focused way to raise the hardships, inefficiencies and lost growth inherent in current forms of irregular employment. Rather than convening to lament the status quo, there is a concept on the table that pragmatically uncovers each participant's ability and willingness to act in the local economy. Responses can inform policy and other initiatives.

Personal value

Making a market is currently challenging because it is untried in this way. Additionally, irregular work is still peripheral, outside official data, often seen as something that should be fought or ignored rather than accepted as inevitable then improved. Shaping a better model can be dry, driven by self-imposed targets and data, removed from the people whose immediate situation and prospects would be transformed if your project succeeds.

But a well-executed project will burnish any resume and is instantly replicable, getting easier each time. We have learned so much from evangelizing this kind of innovation and ask that your learning is fed back for later iterations of this manual where it will be credited.



MARKET MAKING PROJECTS

We suggest four categories of project based on current levels of commitment from a sponsoring organization. If there is then a decision to launch, operational decisions about the market must be made.

PROJECT ONE: Organizing a roundtable

Aims:

- Raise local awareness of issues around "gig" work/partial employment/day labor/labor force drop-out
- Examine challenges/benefits of possible local support for these workers
- Understand local leverage available for any intervention
- Potentially connect with philanthropic funding for next steps

Deliverables:

- One or more sessions for local stakeholders
- A write-up of learning

Estimated resource required:

- A speaker/moderator for the roundtables
- About 2-3 days of an administrator's time

Indicative cost:

- Nothing if an internal meeting room and administration resources are used; cash costs are only incurred if speaker/moderator is external.

Timetable

Planning could start with securing a meeting room, projection and speaker/moderator then working back from that date (Table 1).

Invitees

A cross-section of stakeholders will result in a broader discussion. But – as ever – if there is no buy-in from employers or project-based demand for workers, a market can't start. So involvement of anyone likely to know of such projects or representing large users of flexi-labor will make findings meaningful.

(▶ **Stakeholders in a project: Appendices Page 48**)

Structure of a roundtable

We try to avoid anything like a "lecture". After introductions, we typically ask if it is OK to set out some basics. A few slides showing the extent of irregular work, the categories of workers and the problems they face have proven engaging for a range of audiences.

There is then often some discussion before we ask the group's permission to proceed to outlining a possible solution. That then usually merits some discourse before there is group interest in the challenges of implementing a solution.

(▶ **Online Project Resources: Draft slides for a presentation**)

TABLE 1: Draft schedule for organizing a roundtable

Week	Tasks	Notes
1	Set date and venue for roundtable based on speaker's availability.	
	Prepare invite.	(▶ **Online Project Resources:** Text for invite**)**
	Decide who to invite based on (a) use of, or interest in, flexi labor (b) connection to the sponsoring organization. For example: Workforce boards may simply invite a selection of their board members.	(▶ **Stakeholders in a project: Appendices 48**)
	Issue invites.	
3	Follow up non-replies with a call.	
	Consider extending invitee list, or changing roundtable date, in light of current availability of participants.	
6	Hold roundtable.	(▶ **Online Project Resources: Draft agenda**)
	Summarize learning/recommendations and circulate to participants.	

PROJECT TWO: Feasibility study

Aims:

- Estimate likelihood of market making succeeding locally
- Search for any obvious "low hanging fruit" that could enable a launch
- Engage key stakeholders, particularly employers, around possibilities of a launch

Deliverables:

- A report assessing immediate routes to launch, reactions of stakeholders, likelihood of success and scope/costs of any logical next steps

Estimated resource required:

- A Development Manager for two weeks on site with five days preparation and three days to write up findings.
- Optional: some support with organizing.

Indicative cost:

- $5,000 to $12,000 depending on if the Development Manager is internal, external but local, or external with expenses of travel/accommodation.



Timetable

This timetable assumes an out-of-town Development Manager who researches and sets up appointments for two weeks on site. A local manager could schedule more fluidly (Table 2).

TABLE 2: Draft schedule for a feasibility study

Week	Tasks	Notes
1–2	Create project materials.	(▶ Online Project Resources)
	Compile list of potential interviewees.	(▶ **Stakeholders in a project: Appendices Page 48**)
	Set dates for any roundtables.	See previous section
	Approach prospects requesting an interview, probably preceded by an explanatory call if roundtables are not planned.	(▶ **How we talk about irregular work: Appendices Page 61**)
3–5	Assess response rate, possibly change messaging.	
	Follow up on non-responses.	
6–7	On-site roundtables and face-to-face interviews.	See previous section (▶ **Building business cases - Employers: Appendices Page 53**)
9	Phone interviews with additional prospects and any clarifying calls with interviewees.	
10	Write and submit final report. This can be a modified version of the report that ends a full project.	(▶ **Suggested sections for a project report: Page 29**)

Areas of research

Assuming resources above, the feasibility study will have limited time to dig beyond easily available data and interviewees. This table offers some steps to run through in search of raw data.

TABLE 3: Project overview: Assessing viability of launching a platform for non-standard work

Step		Purpose of this step	Sample research agenda	How researched
1	Establish background data	Understanding overall need for a platform can underpin city involvement in this project	• % of workforce looking for work • % of above looking for non-standard work • % of employer need for workers that is non-standard • % of GDP in the shadow economy	Through labor market economists. Some figures will be informed estimates because there is no official data. NACo's map showing counties' ranking for prevalence of formal gig work shows one aspect of irregular work locally. It can be worth going to your state's job market to analyse % of postings for non full-time work
2	Identify demand for workers that can be channeled into a new market	This kind of market has always been oversupplied when launched. (So many people want to work this way.) Demand must be found to ensure workers get booked from the start.	• New projects with a contingent labor requirement • City budgets such as: care at home, building/housing maintenance and public services • Large employers	Typically an event to engage stakeholders then structured face-to-face or phone interviews. Umbrella bodies for large employers.
3	Identify intermediaries	Workers and employers can be vetted then payrolled and billed. This is done by agencies already handling temporary workers. They receive a mark-up built into each hours sold.	• Commercial recruiters • Employment focused charities/social businesses • Public employment agencies ("Job centers")	Pro-forma face-to-face or phone interviews.
4	Find other levers the city might pull to boost platform usage	There may be facilities the city can offer to support a new market. These could be dependent on the market reaching specified weekly turnover targets	• Tax breaks to tempt citizens out of shadow activity? • Promotion by agencies such as tourism or employer attraction? • Partnership with a chamber of commerce? • Mandated use of platform in procurement contracts?	This research probably requires support from local politicians with options then researched with appropriate managers.
5	Establish functionality requirements	These platforms have standard technology requirements. But there may be city variants that add costs for operators	• Minimum wage complexities (E.g.: geographic or role based rules) • Tax calculation rules	Interview with labor market regulators
6	Scope demands to be placed on operators	There may be a barrier to usage that operators would have to overcome, adding to costs	• Internet access in poorer areas? • Interfacing into public databases? • E-government functions?	Project team analysis

Activity

Targeting of participants is crucial. In a short project, there won't be much opportunity to learn iteratively. We suggest absorbing the principles of finding Easy Wins (▶ **Easy Wins: Appendices Page 46**) and prioritizing employers (▶ **Prioritizing industry sectors: Appendices Page 51**) while compiling invitees.

The final write-up can be a slimmed version of the report shown in Table 6 (▶ **Page 29)**. Recommendations for any next steps could estimate the likely success of a readiness for launch project (▶ **Calculating minimum numbers for a launch: Page 13)**

PROJECT THREE: Preparing a launch

Aims:

- Create the conditions for a low-cost market launch, or definitively report on why this was not possible.

Deliverables:

- Report and launch recommendations based on detailed interviews with multiple stakeholders.

Estimated resource required:

- 2-3 people for 6-9 months. We envisage a Senior Development Manager, Junior Development Manager and admin. support.

Indicative cost:

- $150,000-$220,000

Overview

This project assumes decisive leadership on irregular work from a sponsoring organization. The goal is to galvanize stakeholders around new infrastructure for hourly labor then knit together pledges to support a new market.

Whose project is it?

We see Workforce Development Boards (Workforce boards) as ideal catalysts for market making. They are overseen by a board across the spectrum of labor market stakeholders. Reporting to elected officials and typically mandated to hold public meetings, they remain accountable and transparent. They are also stable entities. These attributes are important in the new world of online labor platforms where private companies aggressively pursue anti-regulatory strategies, fail to disclose data and can vanish overnight if investors lose interest.

But the workforce system can struggle to fund any initiative outside a federally mandated set of targets focused on traditional models of employment. So a project may require philanthropic support. A philanthropy may own the project rather than funding a workforce board to do so.

Community Colleges operate a workforce development system in parallel to boards appointed by governors and mayors. They typically have more freedom to fund innovation. But work usually has to focus on developing students or potential students. This could limit the way a market operates.

There are other bodies likely to have the heft to initiate market making in any area. They include:

- Economic Development Agencies
- Employers
- Unions
- Anti-poverty groups
- Labor market intermediaries: commercial (staffing agencies) or non-profit
- Local media organizations

In this scenario, a group will likely be more compelling than a sole organization, for

example a trio of unions or a federation of employers. If there could be worries about conflict of interest or skewing of markets because of the founding members of a project, it can be worth seeking a statement on how any market launched locally would be overseen. Is there formal commitment to co-opting other stakeholder groups into the oversight for instance?

Clarifying project focus

The ideal objective for this work is something like *"Elevating our Irregular Workforce"*. That mission should be big enough to attract the range of potential beneficiaries while specific enough to produce actionable results.

But funding, or organizational priorities, may mandate a tighter lens. For instance, you may have to align with desired outcomes for one group of worker beneficiaries (*"Increasing employment for disabled people"*) or a given sector (*"Solving the Christmas labor shortage in warehousing"*). Better infrastructure for irregular work can contribute significantly to these outcomes. But launching these markets cheaply requires scale and workers' close alignment with employers' needs for the early stages. It can be worth seeking permission to conduct a broader study of market viability which *includes* assessment of a specific issue.

Geographically it is easier to make a market in a sizeable urban area. Sparsely populated rural counties will have far less demand within reach of each work-seeker and are likely to have better developed informal networks for getting needs met offline. If a project is at state or county level, we urge focus on the biggest metro region in the patch with an intention any market launch then grows outwards. A metro area of less than 250,000 population may also lack enough "baby food" for a new market unless there is significant project-based demand.
(▶ **Easy wins: Appendices Page 46**)

Our insights

We offer these tips from market making in California:

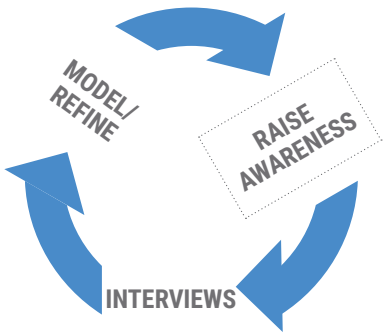
- **Become "Demand Detectives":** Need for irregular workers can be tucked away in corners of organizations. A throwaway remark or other clue can get the project team's antenna twitching. One large employer told us of a new project in another department that could have a sizeable requirement only because a small flyer in reception caught our eye.
- **Everything takes longer than expected:** Don't build dependencies; *("I will outreach to the hospitality sector after we have managed to get a dialogue with the Chamber of Commerce")*, just press on with outreach. The Chamber conversation may turn out to be unproductive, inconclusive or irrelevant the first time.
- **You will slide down in-trays:** Irregular work is rarely top of anyone's agenda. An engaging but persistent style of follow-ups should become a core competency.
- **Make the first point of contact a call:** Even if a new contact offers a meeting, it is easy to drive across town only to find in the first five minutes they have misunderstood the issue or are the wrong person in their organization. A qualifying call can be followed by a request for facetime.
- **Sometimes a cold-call is needed:** There won't necessarily be a way of getting introductions to all the people you want to engage. Try a personalized pithy introductory email followed by a call after a few days. If that doesn't get their interest, an introduction through another route could be sought.

Project Structure

Once the project has been set up, we suggest three work strands:

- **Raise awareness:** A list of stakeholders who could meaningfully advance a launch is researched, they are then made aware of issues/ possibilities around the irregular workforce.
- **Interviews:** Having hopefully interested the bodies to be engaged, we seek detailed interviews to understand their needs and how a new marketplace could serve them.
- **Model/Refine:** We crunch our learning from the previous stage to work out on paper how a local market would currently look in its first year. That then determines who we still need to approach about participation.

PROJECT STRUCTURE:
We suggest three work strands after project set up.



The challenge is keeping momentum toward action. Irregular work is not on the radar of many key people. They may need time to digest data and options before agreeing to a plan.

So, these work strands are iterative. We see the project in three broad cycles of this activity. Each circuit becomes more focused than the last, building momentum that brings in those who may otherwise sit on the side-lines.

We have found roundtables provide a good structure for each cycle. Inviting 10-20 people to a meeting room for a conversation loosely structured around the agenda for market making offers these advantages:

- **Time-effective:** It can take even the speediest evangelist two weeks to get through 20 face-to-face meetings. An engaging roundtable can create buzz and insights in 60 minutes.
- **Non-threatening:** Calling a prospect and requesting a meeting may feel unpleasantly like a "sell". A cross-table discussion, possibly catered, can be much more about learning and exchanging views within a *"sounding out the community"* agenda. Opportunities to deepen networks with other participants is an added inducement to attend.
- **Timetabled sessions create deadlines:** Request a meeting and even the best-intentioned respondent may have to keep forcing you down the priority list. An intention to attend a session may be overtaken by last-minute events, but the interest in engaging has been made concrete and can reasonably be followed up with a request for a call or visit.

You may want to hold multiple roundtables in each cycle, possibly at different locations or with themed attendees; a session for employers, another for unions, a third for workforce professionals and so on. But we suggest scheduling these assemblies early on, then using them as a skeleton for the project. If the area to be covered is large, roundtables can of course become webinars. (▶ **Organizing a roundtable: Page 19**)

Timetable

We have labeled the three cycles (Table 4):

1. **Ground laying:** Setting up the project, making contact with a wide spectrum of possible participants.
2. **Readiness:** Building on foundations of awareness and research to fine-tune further engagement.
3. **Solidification:** Narrowing down to the practicalities of a launch to assess viability.

A search for "Easy Wins" is critical in each cycle. They may reshape the timetable, in a best-case scenario completing the project in one go. (▶ **Easy wins: Appendices Page 46**) But planning for an unspectacular search for the market's components might be based on this grid of monthly activity:

Priorities in each cycle

CYCLE A: Ground laying

- **Build prospects list:** It will be refined as the project progresses, but there needs to be a rough first-cut of who is to be invited to engage. Employers are top priority but it may also be worth seeking out other stakeholders who could be helpful with introductions, added credibility or insights. We suggest iteratively running the list of potential stakeholders past anyone with good local knowledge. (▶ **Stakeholders in a project: Appendices Page 48**)
- **Seek early champions:** Is there a prominent person who might amplify outreach? Our project was boosted by a letter from the Mayor of Long Beach asking stakeholders to engage.
- **Arrange roundtables:** Set dates, identify venues, select a speaker (possibly the Development Manager) and possibly a chair/moderator, draft invite text and consider an event webpage (▶ **Online Project Resources**) Sending invites early in the project creates a structure for the rest of this cycle.
- **Establish governance:** This may have been intrinsic in getting a project approved. But it's worth re-assessing as work gets underway. Our project matter is contentious.

The challenge is keeping momentum toward action. Irregular work is not on the radar of many key people.

TABLE 4: Monthly activity plan for a market making project		
Month	**Key activities**	**Project deliverables by end of the month**
CYCLE A: Ground laying		
1	Project governance established, core stakeholder group assembled and initiated, initial prioritization of areas, explanatory website and materials signed off, directories of area stakeholders compiled, roundtable invites sent.	• Governance timetable. • Range of materials explaining the project approved for Business Services teams. • Diverse stakeholder group opening networks to the project. • Areas list with key contacts in each. • Dates confirmed for roundtables and first invites sent.
2	Awareness raising across stakeholder networks and local areas, contact made with likely champions in each area, pro-forma interviews start with immediate targets.	• Contact established with target organizations across the region. • Roundtable invites followed up and additional invitees established. • First interviews (in person or phone) completed with stakeholders.
3	STAGE 1 ROUNDTABLES	• Meetings held with demonstrable engagement from credible attendees. • First signs of demonstrable launch demand.
4	Interviews	• First data from target employers assembled. • Interviewing process and collation of results refined.
CYCLE B: Readiness		
5	STAGE 2 ROUNDTABLES	• Assuming healthy engagement with employers, seek to involve parties such as educators or unions. • Further sessions for people unable to attend previously or not then sufficiently interested. • Ranking of interested participants to ensure the most likely to be useful are prioritized.
6	Interviews	• To include new organizations but also possibly colleagues or referrals of earlier interviewees.
7	STAGE 3 ROUNDTABLES	• Potentially deeper sessions that share knowledge accumulated in the project to highlight specific local challenges and possibilities.
CYCLE C: Solidification		
8	Possible additional interviews + roundtables	• Systematic addressing of gaps in demand, intermediaries or sources of workers. • Bring work of panels (educators for instance) to a conclusion so findings can be incorporated in the project report.
9	Final report	• See following

Having robust scrutiny by a trusted body, clear reporting and unambiguous aims/target outcomes will be helpful if anyone becomes concerned about venturing into the world of unstable employment. An oversight group and named project supervisor should be in place.

- **Personal comfort:** Early on in the project it's worth assessing the team's comfort with the issues and possibilities. Are you ready to field questions? Enthuse a room? Spot problems and opportunities? If there are concerns or gray areas, we advise reaching out to someone who has done this before to talk them through.
- **Plot sensitivities:** Might this project cut across another local initiative? Ruffle a council-member? Impact discourse on a wider issue? Could possible tensions be diplomatically deflated? Someone with good local political antenna can advise.
- **Establish processes:** A well-run project will have routines for:
  - *Supervision:* We advocate diarized weekly meetings with the project champion (a Workforce Board Director or similar) for which we prepare an agenda in advance each time.
  - *Discovery:* It can be worth setting up a routine that has someone combing local sources of news for actionable intelligence. For example, in California we looked into stories such as:
    - *A plan to revive wetlands:* It could require workers (but was too far off to be of use).
    - *Opening of a new retail development:* Again, the date when they would be needing low-skilled construction clear-up crews or staffing the mall was too far out.
    - *A projected boom in regional tourism:* A good opening when seeking dialogue with many employers.
    - *A city measure to improve sidewalks:* Dependent on contacts at City Hall, but very much of interest. Will it entail extra staffing?
  - *Tracking:* How will weekly progress be monitored? (We have a team review of a grid in a Word document with each prospect color-coded: green for engaged and active, amber for engaged but needing momentum, red for declined to engage and gray to signify not contacted yet.) How will contact details be stored and shared in the team? (We use the Insightly website which is free for small users and allows export of all data.)
  - *Reporting:* What is the vehicle for keeping a range of well-wishers and stakeholders in the loop? It's particularly important, for instance, that anyone who has pledged demand to the launch does not then feel forgotten as we build the rest of the market. We use a last-Friday-of-the-month opt-in email that uses these metrics with commentary to track progress:

We then summarize the month's findings/problems/successes in a few paragraphs below.

STATE OF PIPELINE THIS MONTH					
	Target stakeholders engaged	**Target stakeholders engaged**	**Employers engaged**	**Employers committed**	**Spend Commited**
Tally this month	90% (→ 0)	30% (→ 0)	19 (↑ 3)	2 (→ 0)	$10.6 m (→ 0)
COMMENTARY: We're just coming out of our mid-winter period of consolidation; preparing the documents and plans needed for the next stage. That created solid foundations for growing these numbers over the next couple months.					

- **Assemble project materials:** Aside from roundtable collateral, you will probably want your own version of a webpage, introductory one-pager, some basic text for emails and other outreach tools. (▶ **Online Project Resources**)
- **Data trawl:** At some point, it's worth checking what information exists about irregular work in the area. This can be factored into materials to motivate engagement and helps shape business cases (▶ **Building business cases: Appendices Page 53**)
- **Hold roundtables:** (▶ **Organizing a roundtable: Page 19**). It may be worth a dry-run session for mainly workforce staff or people close to the sponsoring organization; that allows presenter and moderator to work through how to keep conversation flowing but on-track.
- **Interviews:** (▶ **Building business cases - Employers: Appendices Page 56**) We suggest aiming to start interviewing as early as possible, for example don't insist employers or umbrella bodies send someone to a roundtable before asking if you can talk the project through in a call. Getting an early feel for how users of flexi-labor respond to the project, possible referrals and even commitments, enable convenings with momentum.

CYCLE B: Readiness

Intelligently targeted outreach in the last three months should have netted meaningful dialogue, possibly some commitments and an initial feel for the best path to launch. If it has produced the target demand for the project, probably through an Easy Win or some very co-operative employers, proceed direct to Cycle C. Otherwise it's time to take stock.

- **Modeling:** This involves assessing the demand in sight for a launch. At its simplest it's a headline figure (*"Acme Services have made written commitment to $4m, City Hall will probably yield $2m if we get buy-in at the Management Team meeting, Business Services Association members look good for around $1.5m"*). This should give a sense of direction. In this fictitious example for example; keeping Acme on-board is vital, winning over the management team perhaps by rehearsing the case with a sympathetic member is a good use of time and the BSA needs some more work to see if the guesstimate can be firmed up.
- We are still learning about modeling. But broadly, every time it's done, expect to uncover one of these scenarios relative to the requirements for launch (▶ **Modeling Project Targets: Page 14**):
  - Insufficient demand: If the numbers for spend through the market are too small, focus has to be on driving into new employers or reinvigorating dialogue that may have become stalled after initial approaches.
  - Need for complementary demand: There may be a mix of demand that looks like coming through. It's now time to target further employers based on who might bolster the spend already committed rather than start a stand-alone pool of activity. For instance; if there is a large block of demand for truck drivers, it's worth exploring warehouses, distribution depots and other forms of physical work with goods. This shapes a deeper pool of buyers and sellers of related labor. (Warehouse staff might progress to higher paid truck driving; drivers should need only minimal additional training if they wanted to branch out into operating pallet loaders or other depot vehicles.)
  - Need for intermediaries: If you have sufficient demand to start a robust market, focus can shift to identifying one or more labor market intermediaries to act as employer of record for work-seekers. They get a mark-up built into each hour sold so the scale of demand should prove a business case (Assuming a 10% mark-up within $20m of business, there is $2m in intermediary fees in play.)
  - Opportunity for work-seekers: This is the best scenario. If there is demand and at least one incentivized intermediary, it's time to find the workers. Typically we suggest starting with community colleges as a source for students. But workforce One Stop Centers or local employment non-profits may be others.
- **Awareness raising:** Modeling will produce priorities for this next stage of outreach. The target list can be refined and approaches made more compelling *("We already have $5m of committed spend in your sector")*.
  - If demand is strong, it may be time to start systematically bringing in educators, unions and other bodies who could usefully start thinking about how they might exploit these markets. We suggest forming a panel in each category and drawing together some findings for the final report.

(▶ **Online Project Resources: Opportunities for Educators**)

(▶ **Online Project Resources: Opportunities for Unions**)

- **Interviews:** These also should become more knowledgeable and focused (although we must respect confidentiality of earlier participants).



CYCLE C: Solidification

You should now be operating from a place of deep, possibly unique, understanding of the scale and breadth of local irregular work. It's time to pull it together with two key activities:

- **Alignment check:** It's possible to have a huge pot of demand and plenty of willing work-seekers but still be set up to fail. Assuming our numbers stack up, it's vital to confirm that buyers and sellers of hourly labor in our newly launched market will be matched in what they seek and offer. It's worth checking against this list for possible mis-alignment (Table 5):

If there is mis-alignment, it's worth one more cycle of outreach/interviews predicated most probably on finding routes to the workers the employers seek. This may involve, for instance, seeking dialogue with students learning particular skills, trying to engage retirees with particular skills, most likely through former employee networks or shifting focus to a tighter radius around the geography where work is needed.

- **Report writing (Table 6):** The end-of-project report will point to one of five broad recommendations:
  - *Don't launch:* There is no demand, unsolvable misalignment or other uncrossable barrier. It's still worth detailing learning to justify everyone's involvement.
  - *Further work needed:* Demand and alignment may be tantalizingly close. If so; how much longer is needed? What will it cost? If a project extension is approved, what are then the dependencies for success?
  - *Launch subject to a future event:* A market may become immediately viable if the city is chosen for a new distribution hub or a project gets funded. In these cases, it can be worth mapping out details so everything is ready to go on a greenlight.
  - *Launch with dependency:* Launch may be overly dependent on one employer and one champion within that organization. If that executive departs, all could be lost. This should be flagged so others, a Mayor perhaps, could seek reassurances of institutional support before committing.
  - *Ready to go:* There is broad support, good numbers, fired up intermediaries and aligned work-seekers. Plotting, then costing, a timetable through the operational first year is the substance of a report. (▶ **Pre launch decisions: Page 32**)

A draft of the report needs sign off from champions and other stakeholders. It could then be released publicly or confined to whoever might initiate a market.

TABLE 5: Market alignment checks

Factor		Notes
1	Travel area	Will the bookings be in a geography that our work-seekers are happy to travel to for a short assignment?
2	Skills	Are our intended workers qualified to do the tasks buyers need? Qualifications can be basic: the training required to work on a building site, for example. If workers are not carded for this, could they be?
3	Earnings expectations	If buyers expect to pay $14 an hour and our workers can earn $18 an hour elsewhere, the market will fail as the supply exits. We need to raise employers' expectations or, more likely, find a source of less skilled workers who need a start on the work ladder.
4	Day of the week	Perhaps bookings are all going to be Monday to Friday but the seller pool predominantly expects to be available on weekends?
5	Time of day	In some sectors (distribution, care, cleaning) much of the demand is overnight. That's not going to work if our workers will only do days.
6	Period of notice	How far ahead do our workers expect to be notified of a booking? Does that mirror what will happen in the market? If buyers will be constantly booking at just an hour's notice and sellers all expects a day's notice; one side is going to have to change.
7	Length of booking	If the bulk of bookings will only last one or two hours but a majority of our seller pool wants the predictability of full-day bookings, there will be problems.
8	Launch timing	Are agencies, buyers and sellers aligned on the date activity will start and the pace at which it is projected to grow?

TABLE 6: Suggested sections for a final project report		
Section		**Notes**
OVERVIEW		
1	SUMMARY	• What is being recommended + why - GRAPH: pledged demand + no. workers per week • Proposed next steps • Indicative resources needed for next steps
2	Project inputs	• Overview of project timetable as completed • Any impediments encountered? – E.g. holidays, departmental restructuring, illness of vital interviewees • Over the course of the project, we achieved how many: – Articles/presentations raising awareness? – Introductory conversations? – Research interviews locating demand? – Research interviews around secondary issues?
FINDINGS		
3	Background findings	• Analysis of local need for an irregular work market • Potential scope of a successful market: What might it achieve? What facilities might it enable? – E.g.: Peer support models, reformed public services, volunteering, parallel economy, skills analysis, employer attraction, tourism support • Who the main supporters of a launch would be • Anecdotal analysis of workers needing a local market – E.g.: *Stonerow Housing report a cohort of lone parents needing work around childcare and unable to find any, local disabled groups feel employment services are unsupportive.* • Reporting of attitudes of employment businesses and support agencies locally. Why they feel that way.
4	Extent of need for regular work locally	• Sectors believed to have the most demand • What factors drive demand in each case (E.g. weather, events, tourism trends)? • Latent demand: households and small businesses • Data on small business growth locally • Public sector demand • Demographic drivers of irregular working by individuals – E.g. large student population
5	Attitudes to this project	• What did interviewees like about the project? – Use quotes • What concerns were expressed – How might they be addressed?
6	Demand for the first 12 months	• Which organizations have the demand for year one? • Do barriers exist to getting it into a new channel? – E.g.: managers' resistance, procurement rules, monopolistic contracts, recent switch to a new system

7	Projected market activity minimums: year 1	• Graphs of projected activity in detail • Brief explanation of the spreadsheet used + link to spreadsheet • Dependencies in the data – E.g.: *15% of our demand will only materialize if Acme Healthcare expand their homecare model as projected.*
8	Ancillary services	• What services might the market enable from unions, educators or other parties who engaged with the project – What would it take to get those services launched?
RECOMMENDATIONS		
9	Our proposal	• Are the project team advising a launch? – Explanation and reasoning – Any caveats • Timetable for recommended next steps
FOLLOWING SECTIONS ONLY APPLY IF THERE IS A "LAUNCH" RECOMMENDATION		
10	Solidity of the market	• Analysis of demand pattern • Does it contain any peaks or troughs that could usefully be ironed out? (E.g. a big weekend event creating a one-off surge in demand) • Geographic area of bookings: shown on a map – How compact is it? How easy to traverse by car or public transport?
11	Sourcing the workers	• Who are the anchor buyers? – What will compel the switch on buying behaviour to a new channel in each case? • Where will workers come from? • What infrastructure will vet them into the market? • How any alignment issues will be tackled
12	Business case for launch	• Economic impact for the local community – Tax revenue – Increased local spending – Employer attraction – Workforce capacity/responsiveness – Alignment with priorities such as youth employment – Potential value of a market in a disaster response or economic downturn • Costs for market operator – Include: staff to oversee launch/any tech changes/promotion/any subsidy to kick-start activity – Suggested budgets for bearing costs – Risks associated with costs • Business case for market operator • Business case for agencies/employment services
13	Opportunities for launch	• Are there any other factors uncovered in research that would help a launch? – For example: *local Chamber of Commerce willing to host launch events, journalist keen to promote a launch, tie-in with other local projects.*

REFERENCE MATERIALS		
14	APPENDICES	• Condensed version of the report designed for sharing outside key stakeholders (to contribute to knowledge of market launches). This should only identify participants with their specific permission. • Interviewee details • Links to interview notes

A draft of the report needs sign off from champions and other stakeholders. It could then be released publicly or confined to whoever might initiate a market.

PROJECT FOUR: Crisis response

Fires, floods, hurricanes and mudslides can release sudden funding and a surge in need for irregular labor. This kind of project-based launch cannot be standardized and needs caution.

Assessing any role in disaster recovery

As a disaster unfolds, federal agencies or Governors can release millions of dollars directed at clean-ups. Inability to then find the workers, or volunteers, and deploy them coherently can impact recovery. In 1992's Hurricane Andrew for instance, emergency workers cited shortage of local childcare as a significant barrier to responding.

These tragic events meet all our requirements for a project launch and our markets could be enormously useful if launched well. But:

- The timescale for decisions and action is extremely short; often hours
- Performance is vital: failure to fulfill expectations would setback recovery and our launch efforts
- Public scrutiny is intense

New platforms have appeared as if from nowhere in response to unforeseen events, although details are often played down. When Britain's Princess Diana was killed in a car wreck, online credit card payments were in infancy. The pioneers offered their tech to an official memorial site and millions poured in; the first experience of internet payments for many small donors. In New York, 9/11 created a need to quickly disperse emergency funds. An Irish software company had just the right tool, offered it to authorities, and spread through the US thereafter.

Our three tests

There will be many instances of services offered in an emergency which did more harm than good. How do we ensure any

offer of ours is solid, actionable and solves problems? We suggest three criteria:

- **Can we meaningfully help?:** If the skills required are high-end, the work to be done is office-hours or the spend spread too thinly across a geographic area, our market can't get to the volume of transactions it needs to be useful. But if there's millions of dollars for 24/7 general brush clearing, clean-ups or stewarding a population in one area, this test is passed.
- **Is everything ready?:** Is there an installation of the system tested and ready? Do we have enough people to create the work descriptions required, register users and oversee teething problems? Are training materials on-hand? If not, we will likely take too long to be useful.
- **Is the operation sustainable?:** This is slightly less important. But if the millions of dollars must all be spent in a week, our market will likely collapse for lack of demand thereafter. If we can be upfront about being just a short-term response, that should remove the issue. But we must be sure there is a good return for going through registration for buyers and sellers who will only use the system for 7 days. Likelihood of a long tail on the spending, which can be used to sustain transactions while further demand is attracted, is preferable.

e) PROJECT FIVE: Pre-launch decisions

Assuming a market has been made and launch approved, we recommend a risk-minimizing, simple, framework for the initial market. That can be changed later.

Assuming local control, 10 key decisions shape a public online marketplace for hourly labor:

1) Technology: Software to run the market could be commissioned specially. But an Americanized version of the British system is freely available.

RECOMMENDATION: Start with the existing CEDAH (Central Database of Available Hours) platform, but ensure contractually all data generated belongs locally. That makes it easy to switch to another supplier if something better arrives. Check if any bespoke functionality is considered essential at launch so it can be costed.

2) Interfacing: Does the platform need to be connected into existing systems?

RECOMMENDATION: List any systems where data exchange would be useful (LMI? Outcomes reporting? Customer management? Business services?). Check linkage would be viable. But aim to get going using manual data exports rather than making soft launch dependent on what could turn into significant IT sub-projects.

3) Testing: What testing should the system go through before local launch?

RECOMMENDATION: There will likely be a state template document for testing any new system. (You will be looking for the equivalent of a document like this.) Ensure compliance with that. With luck, a comparable set of requirements will already have been used for testing the technology elsewhere.

4) Branding: What is the marketplace to be called?

RECOMMENDATION: Use the name of the area plus a word differentiating the service from existing public services. In Los Angeles for instance, the state job bank is CalJobs. Labeling our service *"CalFlexi"* seemed to resonate.

5) Intermediaries: Will our market allow in only 1099 (Independent Contractor) workers, only W2 tax payers (who must have an employer of record) or a mix? Assuming at least some W2's, how many labor market intermediaries will you have and who are they?

RECOMMENDATION: Confine the early-stage market to W2's. Ensuring

workers' claims of qualifications/vettings, tax compliance and other issues add significant complexity with 1099's. Consider an SLA (Service Level Agreement) for intermediaries. This could cover: (a) time to approve or reject work-seeker registration (b) frequency of payroll (c) willingness to partner with other intermediaries (d) routines for handling issues in early months, a phone helpline for instance.

Operationally it is simplest to foster just one or two intermediaries at first to ensure they have enough volume of bookings to create a solid business case for vetting/payrolling of what will initially be small numbers of work-seekers. But make clear competitors could be welcomed as volume grows so they have incentive not to overcharge on their mark-up.

However, local rules may mandate a tendering process before the project can work with only selected intermediaries. In that case, it may be easier to open the platform to all intermediaries in the area. But being clear about the small numbers at first won't make for an attractive business case. Agencies that still decide to participate have then been warned and there may be a narrowing of interest.

An additional issue if there is more than one intermediary: is a work-seeker able to register with multiple intermediaries? We suggest not; a social security number can be used as a unique identifier in the market. If work-seekers can register with many agencies, the agencies are incentivized to poach each other's recruits as individuals prove reliability and upskilling. That disincentivizes worker development. The proposition should be: take on costs of registering a work-seeker then help them earn more to improve return on your investment. If agencies partner fully, there is no benefit to multiple registrations for a work-seeker: they are exposed to each agency's buyers automatically.

6) How many work-seekers? Given the spend committed by employers over the market's first 12 months, how many workers will you allow into the market? Too many and a lot of them won't get booked, creating annoyance and bad word-of-mouth. Too few and employers may not get their needs met.

RECOMMENDATION: There is no scientific answer, but reviewing the math of this launch should give the best guide (▶ **Calculating minimum numbers for launch: Page 13**). You probably want initial work-seekers to be selling around 50% of their hours; as that ratio increases it's time to enroll more of them. Additionally, it helps to have a first cohort who have a close relationship with the operational team and are willing to be flexible. These are the people who might be asked to widen availability or parameters for accepting bookings if a buyer is not getting their needs met. (▶ **Understanding a market's early needs: Page 13**).

7) System contracts: Buyers and sellers of labor enter the market through a contract with their intermediary held in the system. Intermediaries need a contract covering their use of the market. The relationship between system and intermediaries needs to be clear.

RECOMMENDATION: Assuming no 1099's in the early market, employers and work-seekers contract with their intermediary and that organization's established Terms & Conditions can be uploaded. There needs to be a clear decision about who is commissioning the market (e.g. a state workforce agency). That body needs a default contract for intermediaries that covers some specific issues:

- **Liabilities:** We suggest responsibility for vetting, paying, charging and supervising market participants sit entirely with the intermediary that approves their entry into the system. (Their compensation is the mark-up charged on each hour sold.)
- **Placement fees:** If a buyer wants to hire a work-seeker from the market permanently, is a placement fee chargeable by the intermediary who vetted the person into the market? These fees are the norm for most staffing agencies. Around 20% of first year salary is a widely reported



average. Unreasonable charges would put a brake on formal employment, but agencies are entitled to recover costs of vetting workers and loss of mark-up. This figure can be a key negotiating point: if high volumes of usage are committed, the business case for intermediaries is more attractive and there should be room for movement on transfer-to-employment charges. Ideally a workforce body would cover these costs of job creation.

- **Unreliability:** How will work-seekers who don't show up for bookings they have confirmed be handled? Some agencies operate a *"Three strikes and you're out"* policy. We suggest this be acceptable for a low-margin intermediary. But anyone charging higher mark-up and/or claiming to support harder-to-help work-seekers may need to show a documented process for assessing and supporting anyone struggling in the market.
- **Data ownership:** Who owns details of registrants and market activity? We suggest the intermediary (acting as legal employer-of-record) owns data on each of its users but whoever is commissioning the market is allowed to (a) check on performance of intermediaries by viewing their data in the system (b) transfer ownership of buyers or work-seekers to another agency in case of serious performance failure, for example workers not being paid (c) compile anonymized data on market activity.
- **Additional charges:** Can intermediaries charge employers, work-seekers or the commissioning body for any functions related to the market? We suggest intermediaries be compelled to make their money from the mark-up, (which can be a mix of fixed hourly rates and a percentage uplift on the wage). This incentivizes them to grow the market. But, as in public job services, there may be additional funding for supporting hard-to-help groups into the workforce.
- **Anonymized users:** Are unnamed buyers or work-seekers permitted? Having someone identified just as *"Worker 374"* with no photograph, for example, opens a door to potential fraud. But is also allows people to work who might be coy about being seen in this kind of employment for multiple reasons. We suggest following the sponsoring body's existing rules.

Initial agreements with system users can perhaps have a term of 6 months, extending by default. This allows early-stage operations to get going on fairly standard agreements, which can be fine-tuned with a reissued contract later on.

8) **System settings:** How is the platform to be configured? Assuming the Americanized CEDAH technology is used, there are three key issues.

   RECOMMENDATION: Set up the building blocks of a market using a mix of standard national settings and whatever first-wave users will want locally. For example:

   - **Verifications:** Have the system pre-loaded with standard qualifications from whatever database is used by the commissioning organization. Add any qualifications specific to employers committed to supporting launch; examples include their induction and training certificates. Translate any categories the sponsoring organization uses for work-seekers into Tags in the system (for example; veteran, opportunity youth, dislocated worker).
   - **Roles:** Again, accept all the pre-loaded O*NET work categories,



We suggest intermediaries be compelled to make their money from the mark-up, (which can be a mix of fixed hourly rates and a percentage uplift on the wage).

allow intermediaries to add employer-specific roles with fixed pay-rates.

- **Working time controls:** Look for any specific limitations on work that might be imposed on initial users (for example, a College rule that students can only do 12 hours work a week during term time). Have these set up as templates, easily applied to those work-seekers.

9) **Publication of data:** How open will you be with data coming out of market activities?

RECOMMENDATION: Be wary of publishing detailed data emanating from a very thin early-stage market. Datapoints can be triangulated to reveal work-patterns or earnings of individuals. And they are largely meaningless; reflecting the "baby-food" transactions that a fledgling market needs, rather than revealing anything about the local economy or where the market may be heading. As the market thickens into higher volumes, data pools become big enough that one buyer or work-seeker alone won't meaningfully influence outputs. Trends in activity can then usefully be discerned.

We suggest data is shared only with participants for at least the first 6 months.

10. **Oversight routines**: After launch, effort switches from market making to market management; making sure the delicate early operation is meeting users' needs and growing. What needs to happen regularly?

RECOMMENDATION: Prioritize a search for early warning of any issues in a volatile infant market. Ensure a named person is in charge of each of the routines below for at least the first 6 months (Table 7):

TABLE 7: Recommended routines for early-stage market supervision

Task		Cycle	Notes
1	Check transaction completion	Daily	Are employers booking steadily, in line with commitments? Are there bookings proceeding smoothly to timesheet completion? If not: a call might establish any problems and allow a pool of co-operative workers to be aligned with needs that aren't being met.
2	Check work-seeker ratios	Weekly	By running through the utilization of each work-seeker (ratio of hours offered to hours booked) it's possible to see anyone not getting any bookings. Look at their settings, are they mismatched on skills or expectations? A call might be worthwhile.
3	Check intermediary performance		Are payroll processes running on-time? Are work-seekers awaiting approval into the market being expedited promptly?
4	Check market growth		Is turnover rising in line with modeling? If not, why are the buyers not coming through as promised? Who might intervene to get usage back on track?
5	New entrants	Monthly	Is the market ready for more buyers or work-seekers? What routes to those people need to be developed?
6	Handling a waiting list		How are work-seekers or buyers for whom the market is not ready yet being handled. For example, if a local accountancy firm wants to hire extra hands through the market but it is clear those skills are not yet available, do we have a routine for follow-up to ensure they don't lose interest?

We further suggest three monthly formal reviews of progress that re-scrutinizes each of the 8 decisions above as the market begins to acquire its own momentum in line with local needs. And, as the market builds robustness, it may be worth continuing to assess readiness for Crisis Response (▶ **Page 31**). Once all criteria are met, it could be time to put our service on the radar of emergency services so it can be factored into their planning.

ENABLERS AND REVIEWERS

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- **Nick Schultz**, Executive Director, Pacific Gateway – the City of Long Beach Workforce Board, CA.
- **Steven Bosacker**, Principal of Public Sector Partnerships, Living Cities, Washington DC

Without these three champions, this work would not have been possible. Additionally, before publication, this report was reviewed by workforce experts around the US (following). However, responsibility for any errors or omissions rest with the author alone.

TABLE 8: Reviewers of this manual				
	Area	Organization	Logo	Primary Contact
1	Albuquerque	City of Albuquerque, Mayor's Office		Sunalei Stewart, Chief of Staff
2	Austin	City of Austin, Mayor's Office		Sly Majid, Chief Services Officer
3	Chicago and Cook County	Chicago Cook County Workforce Partnership	CHICAGO COOK WORKFORCE PARTNERSHIP	Phaedra M. Leslie, Director of Business Relations and Economic Development
4	Columbus	City of Columbus, Mayor's Office	THE CITY OF COLUMBUS	Brandi Braun, Deputy Innovation Officer
5	Dallas	City of Dallas, Mayor's Office		Vana Hammond, Chief of Community Relations & GrowSouth
6	Florida	Executive Officer of the Governor		Mark Kruse, Policy Coordinator; Stu Pollins, Deputy Policy Coordinator
7		CareerSourceFlorida (state workforce board)	CareerSource FLORIDA	Michelle Dennard, President and CEO
8	Fort Worth	City of Fort Worth, Mayor's Office	FORT WORTH®	Mattie Parker, Chief of Staff

9	Georgia	Department of Economic Development: Workforce Division	Georgia® Workforce Development	Ben Hames, Deputy Commissioner
10	Indianapolis	City of Indianapolis and Marion County, Mayor's Office	Indianapolis	Jeff Bennett, Deputy Mayor
11	Kansas City	City of Kansas City, Mayor's Office	KANSAS CITY MISSOURI	Joni Wickham, Chief of Staff
12	Los Angeles	City of Los Angeles, Mayor's Office	CITY OF LOS ANGELES FOUNDED 1781	Miguel Sangalang, Deputy Mayor for Budget & Innovation
13	Louisville	Kentuckiana Works	KENTUCKIANA WORKS	Michael Gritton, Executive Director
14		City of Louisville, Mayor's Office	LOUISVILLE KY JEFFERSON COUNTY	Daro Mott, Chief of Performance Improvement
15	Maine	Department of Labor	MAINE DEPARTMENT OF LABOR Labor Standards	Garrett J. Oswald, Director; Josh Howe, Program Coordinator
16	Massachusetts	State Workforce Development Board	SIGILLUM REIPUBLICAE MASSACHUSETTENSIS	Cheryl Scott, Executive Director

17	Michigan	Governor's Talent Investment Board		Frank Ferro, Governor's Talent Investment Board Manager
18	Minneapolis	City of Minneapolis, Mayor's Office		Heidi Ritchie, Policy Director
19	Minnesota	Governor's Workforce Development Board		Connie Ireland, Executive Director
20	NATIONAL	Federal Reserve Bank of Atlanta		Stuart Andreason, Director of Federal Reserve Workforce & Economic Center
21		National Association of Counties		Christina Iskandar, Program Director; Jonathan Harris, Research Analyst
22		National Association of State Workforce Agencies		Julie Ellen Squire, Policy Director and General Counsel
23	Oakland	City of Oakland, Workforce Development Board		Stephen Baiter, Executive Director
24		City of Oakland, Mayor's Office		Jose Corona, Director of Equity & Strategic Partnerships
25	Oklahoma City	City of Oklahoma City, Mayor's Office		Steve Hill, Chief of Staff

26	Philadelphia	City of Philadelphia, Mayor's Office	City of Philadelphia LIFE • LIBERTY • AND YOU™	Manny Citron, Deputy Chief of Staff
27		Philadelphia Works, (city workforce board)	PHILADELPHIA WORKS INC.	Meg Shope Koppel, Ph.D., Chief Research Officer
28	Pittsburgh and Allegheny County	Partner4Work Workforce Board	PARTNER 4 WORK	Dillon Moore, Director of Policy
29	Pittsburgh	City of Pittsburg, Mayor's Office	CITY OF PITTSBURGH OFFICE OF THE MAYOR	Majestic Lane, Deputy Chief of Neighborhood Empowerment
30	Portland	Worksystems Inc., (city workforce board)	work. systems	Andrew McGough, Executive Director
31	Sacramento	City of Sacramento, Mayor's Office	City of SACRAMENTO	Mike McKeever, Senior Advisor
32	San Diego City and County	Workforce Partnership	SAN DIEGO WORKFORCE PARTNERSHIP®	Peter Callstrom, President and CEO
33	San Francisco	City and County of San Francisco, Office of Economic and Workforce Development	SAN FRANCISCO Office of Economic and Workforce Development	Carolyn Shek, Senior Community Development Specialist
34	San Jose	City of San Jose, City Manager's Office	CITY OF SAN JOSE CAPITAL OF SILICON VALLEY	Jeff Ruster, Director of Strategic Partnerships
35	Seattle	City of Seattle, Mayor's Office	City of Seattle	Edie Gillis, Policy Director

36	Silicon Valley	Novaworks Workforce Development Board	nova WORKFORCE DEVELOPMENT	Kris Stadelman, Director
37	St. Paul	City of Saint Paul	Saint Paul Minnesota *The most livable city in America*	Kristin Guild, Deputy Director Planning and Economic Development
38	Tennessee	Department of Labor & Workforce Development	TN Department of Labor & Workforce Development	Deniece Thomas, Assistant Commissioner
39	Texas	Texas Workforce Commission	TEXAS WORKFORCE COMMISSION	Adam Leonard, Director of the Division of Operational Insight
40	Washington State	State Employment Security Department	Employment Security Department WASHINGTON STATE	Dale Peinecke, Commissioner

About the author

Wingham Rowan is a former television journalist, host of a long running British series about how citizens use the internet. He ran the UK government's projects to develop equitable markets for irregular work. The resulting technology and learning is to be open sourced. (www.BeyondJobs.com) Wingham has worked extensively with US philanthropies and workforce bodies on possibilities of similar markets for America.

Jenifer Lopez Gonzalez provided invaluable administrative support.

APPENDICES

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A) Easy wins

Getting demand into any new market typically requires displacing a status quo. Even if the new market is free of charge for employers, there will be procedural overhead to changing the way workers get booked. An "Easy Win" is any pot of demand that clearly needs an efficient way of booking labor and has minimal impediments to adopting a new model.

Two types of Easy Win

- **Start-up:** A budget for contingent labor that doesn't yet have a process for making the bookings but is going to need one.
- **Acknowledged inefficiency:** A budget for contingent labor for which managers are already seeking a new model. We call this kind of launch a "Slide-in": we are simply sliding our system in to replace an existing channel. By doing so, we can give an existing contingent workforce more control and help them sell time to other employers if they wish.

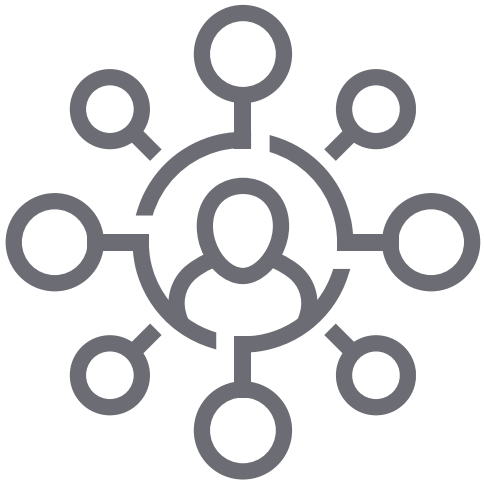
How to find these budgets?

As ever, we want to prioritize; our search focus primarily on larger budgets with particular need for flexibility in bookings. The kind of people within public sector organizations who might quickly know of these openings across an organization:

- Any team that applies for grants/ awards.
- Heads of: HR/finance/public relations.
- Anyone whose job title incorporates: "strategy"/"transformation"/"special projects".
- City charities with an interest in local area improvements.

There is an additional possibility: persuade a city or philanthropy to fund a project involving irregular work specifically to kick-start a new market: $5m to clean up around a city would be ideal. That would not just scrub up the urban environment. It could enable hundreds of workers to begin proving themselves while getting a market going. Recent tax breaks for investing in designated Opportunity Zones might help persuade funders contemplating such a project.

TABLE A: Examples of Easy Wins when making a market for irregular labor	
Category	**Examples**
Start-ups: Projects	**One-off local initiative:** A philanthropy or construction contractor, is funding systematic clean-up of local public areas. One dramatic example: a $70m gift to improve Houston's largest park. This spend will include a sizeable labor requirement. **Manual transfer to a new system:** An archive of local paper records has to be scanned and filed digitally. **Public outreach:** Funds are available to market research a proposal or enroll citizens in an initiative (eg: support to stop smoking) This may be recurring work: for example a census of buildings every ten years. **A count:** There are projects to count wildlife, traffic, trees, shops displaying "no alcohol sales to teens" and many other aspects of local life. All need workers. **Weatherization:** Fitting homes with solar panels, insulation or updated roofing can often be a distinct project. Much of the work can be irregular; driven by weather or availability of supervisors. **Peer support:** Schemes to provide paid mentoring of groups such as; young job seekers, people with restricted mobility, new moms or veterans need a way of scheduling peers and participants. **Training:** We know of a small US city awarded $3m to train residents how to code. Do they want to do that in classrooms at regular times, or one-to-one when it works for student and trainer? If it's the later they could really use a new market. **Work experience/readiness:** Like training, there can sometimes be money available to pay for the long term unemployed or young people to experience work. This is often more effective than classroom training and can involve subsidies paid to employers who trial the target group. Arranging that work among diverse employers/ locations through our market should spread learning, networks and opportunities more than old fashioned type work experience attachments to one employer. It would also give the employers a wider pool of candidates to select from for job interviews and allow managers to respond flexibly to the ebb and flow of demand for extra hands.
Start-ups: New Budgets	**New development:** A mall is opening locally and knows it will need diverse top-up staff. A new construction project needs extra workers. **Giving service users control:** Care for older people at home is currently often purchased in huge block contracts. This needs to shift to "Personal Budgets" where each service user buys what they need in a market that can provide hour-by-hour workers. **Bringing work in-house:** A housing organization is spending heavily on agency temps but wants to start training pools of its own residents for ad-hoc work.
"Slide-ins"	**Badly booked temps:** A local college is booking students for a range of tasks but bookings are being done by phone or email; slow and imprecise. We induce them to start using the new market. **Increasing opportunity:** Bodies like the Conservation Corps or the Urban League often have pools of young people carrying out a range of projects to boost employability. If they adopt the new market, those youngsters could use that work to build a track record that attracted other buyers of their time.



B) Stakeholders in a project

Irregular work has tentacles into many organizations. Some are more attuned to the trend than others. If aiming to explore local aptitude for a new model, it's worth talking to a spectrum of organizations.

Mapping the public sector

Public bodies can be enormously useful in our work. They can consume as much as 20-30% of local flexi-labor and typically want to foster best practice. They are strongly motivated to grow economic activity and are often the epicenter of networks of a range of stakeholders. Their involvement can add credibility and door-opening to a project.

Roles and clout of government bodies vary across America. We want to understand where the demand for labor and the strongest willingness to advocate for a better model of irregular work will sit. It's worth assessing demand for labor and organizational priorities in all three levels:

- **State:** Broadly, the state will probably have a Workforce Agency administering a range of programs which includes the state's Workforce Board. In California, for instance, the Employment Development Department oversees the California Workforce Development Board. Both are useful to have involved. The agency may have more flexibility to fund initiatives, the board would typically have more day-today contact with labor market players.

  Other state agencies might cover parks, environmental projects, elder/veteran care and other areas with high need for hourly labor. There is a list of agencies in each state here.

- **County:** NACo total counties' annual spending on Health and Hospitals at $83bn, Human Services $58bn, Community Amenities $18bn and Housing & Community Development $11bn. Details for individual counties here. Each of these budgets has an hourly labor component to be unlocked. Counties are usually run by a county executive who may be elected.

- **City:** Does a city provide services itself or does it outsource libraries, leisure facilities, event management, street cleaning and other services to commercial companies. If it provides services directly, it has much more demand for labor that can be influenced immediately by City Hall.

Also key is whether the city is "Strong Mayor" (usually associated with large cities, the Mayor has total hiring authority) or "Weak Mayor" (the Mayor can't hire or fire officials as is the case in a typical mid-small size city). If a Strong Mayor is convinced, they are more able to direct departments to support a new project.

Who to contact

Table B offers a starting list of who might be approached.

TABLE B: Potential stakeholders for an irregular work project			
Row	**Group**	**Examples**	**Notes**
1	Workforce Board	Strategy/innovation/policy head	(▶ **Business case for Workforce Boards: Appendices Page 53**)
2		Opportunity Youth lead	
3		Disabled workers lead	
4		Dislocated workers lead	
5		Retirees lead	
6		LMI officer – typically based in the state workforce agency	
7	Economic Development	Governor's/Mayor's representative	
8		Head of Economic Development	
9		Employment/skills office	
10		Public/private development partnership	
11		Regional government partnership	
12	Employers of flexi-labor: public sector	Someone with overview of projects/initiatives in the area (eg: Governor's/Mayor's office)	This demand can be spread across state, county or city government (▶ **Easy Wins: Page 46**) (▶ **Prioritizing industry sectors: Page 51**)
13		Human Services division	
14		Libraries management	
15		Electoral oversight managers (typically at county level)	
16		Elder care commissioners	
17		City services manager	
18		Schools staffing commissioners	
19		Parks & Recreation departments	
20		Lineworkers/maintenance workers	
21		Leisure/events manager	
22		Departments using seasonal hires: snowplow drivers, beach lifeguards, school holiday project supervisors, etc.	
23		Public outreach/community development managers	
24		Office services/contact center managers	
25		Procurement or HR managers (should know about size of contingent labor spend)	
26	Employers of flexi-labor: linked to public bodies	Municipal corporations: • Public amenities • Location based	
27		HUD/housing bodies	
28		Hospitals	
29		Service providers contracted to public bodies	

Row	Group	Examples	Notes
30	Employers of flexi-labor: private sector	Chambers of Commerce	(▶ **Business case for Employers: Appendices Page 56**)
31		Small business development body	
32		Employers' associations or large employers in: • Home Care/healthcare • Tourism • Construction • Hoteliers • Retail • Business/public services • Distribution • Facilities management	
33	Possible intermediaries in a local market for flexi-labor	Body for commercial recruiters	
34		Recruiters already supplying public sector bodies	
35		One stop centers	
36		Local employment charities	
37		Community Development organizations	
38		Unions	
39		Local branches of national bodies: • Goodwill industries • Urban League	
40		Community colleges	
41	Potential catalysts	Elected officials	
42		Journalists/thought leaders	
43		Local philanthropies/philanthropists	
44		Local anti-poverty/well-being charities	
45	Specific expertise	Procurement executive	
46		Legal dept. representative	

Some employers of large, seemingly stable, workforces are seeking ways of giving their workforce more input to scheduling. We talked with organizations running 24/7 services with a staff of thousands, each of whom typically received their work schedule four weeks in advance. In a tight labor market, many of them were thinking of moving on to positions allowing more staff input into scheduling. A marketplace from the workforce system, in which each individual can have a primary employer, can be one way to achieve this, aiding retention.

We also suggest inviting key people from adjoining areas; neighbouring WDB's or city economic development teams. Involving them early helps if potential participants spanning both areas are identified or if some effort on their part to open doors can add to overall momentum in a widened patch.

Sometimes we have an opportunity to engage with political candidates. This is a judgement call. A project should be apolitical, seeking engagement with the staff of elected officials but not aiming for alignment with a particular place on the political spectrum. If there are over-riding reasons for involving a candidate for a forthcoming election (commitment to gig work issues or likely introductions, for instance) it may be worth approaching *all* contenders to maintain neutrality.

There have also been suggestions that general journalists, such as columnists, can be contacted and induced to cover a project. We tend to be wary. A reporter is likely to present a controversial or simplistic view of a topic that may need a period of responsive contemplation among stakeholders. Profile can help if a project is crowded out by other priorities. But we recommend a low-key approach if possible.

C) Prioritizing industry sectors

There is no set formula to rank employers likely to be interested and useful for market making. Often, it comes down to who already has a good relationship with any organization sponsoring the project. A list below offers starting points.

Criteria

Sector-wise, we look for areas of the economy with:

- **High demand for irregular workers:** this can be latent demand, for example a small warehouse that currently won't accept last-minute assignments because they struggle to staff-up on time. If need is multi-location and unpredictable, an early-stage market can be immediately useful.
- **Broadness of skills:** A factory requiring flexible lathe operators is likely shopping in a small pool and will contribute little to market activity. A supermarket chain with ten local outlets and standardized training can bring immediate volume of demand.
- **Target sectors:** Working with designated high-growth industries can help a project gain traction with workforce boards typically mandated to prioritize these sectors. Partnerships with these sectors may already be in place offering a channel for conversation. O*NET maintains a list of high-growth job categories nationally. Local boards should have their list online.
- **Likely champion:** we've learned to ask around to find thought-leaders and those interested in developing an area's labor markets. Regardless of sector, those managers can be a good start point. Scanning the board members of a workforce board is one route to these people.
- **Current low standards:** If an employer pays full benefits and offers generous paid leave policies for flexi-workers, they are probably not for us at this stage. They will likely have deeply committed temp staff with no incentive for change on either side. We also wouldn't want to disrupt those relationships.

One starting point for building a list of target employers is to scan the state job bank. It will enable regional search and may offer tools for identifying listings for short-term work, a "less than three days" category for instance. Seeing who is posting those jobs could generate some leads.

If there is no immediate connection to a target employer, we aim to enter dialogue through an umbrella body. For example: the Hospital Association of Southern California was an entry point to institutional healthcare in Los Angeles. Most umbrellas have someone focused on workforce or strategy issues. Winning them over can lead to some onward introductions, insights or even the offer of a newsletter piece or chance to present at a members' convening.

It's also possible to plug into groups of employers with a shared geography rather than a common sector. An association for tenants in a large mall, airport/stadium/station or a representative of a Business Improvement District will all have channels to multiple employers.

TABLE C: 10 priority sectors for an irregular work project		
	Sector	**Notes**
1	Home-care/ Healthcare	A booming area as populations age. Keeping clients out of costly institutional care often relies on having flexible local workers available to help with cooking, shopping, cleaning, bathing. There are many entry-level positions. Hospitals typically have more regular, one-location, workforces. But we see demand for nurses, orderlies, catering and cleaning as round-the-clock service has to be maintained through vacations or absenteeism. The first point of interest is likely to be Unlicensed Assistive Personnel (entry level positions). But there are many other healthcare roles.
2	Public services	Is the area a full-service city (one that provides services itself rather than contracting out)? If so, it's worth investigating the approximately 15% of staffing budget that will go on "non-career workers" (temps). Areas to focus on: street services, any kind of outreach to residents (particularly around elections), Parks & Rec., libraries, street wardens, cleaning or area renovations, parking enforcement, top-up admin. staff. It is likely a Mayor or supervisors would want to prioritize local residents for bookings. Where services are contracted, it can be worth pursuing socially minded providers, such as the Conservation Corps.
3	Logistics/ Transportation	Warehouses often have rush periods; some are seasonal, others less predictable. Drivers are capped on legal hours at the wheel, so surges in demand can't be met by extensive overtime.
4	Retail	Pre-Christmas requires peak staff for several weeks. Other heights of demand - Easter, Black Monday, Thanksgiving - are shorter. Promotions and unexpected weather can all add to footfall and require more headcount if business is not to be lost.
5	Construction	Major projects – highways, tunnels, rail – are not fertile territory. They are planned months ahead with skills needed at each step largely predictable. But housebuilding, weatherization, repairs, cleaning up after construction work is more volatile. We advise seeking out larger house building firms rather than construction majors.
6	Hospitality/ Food services	Large hotels typically have predictable availability and staff schedules. Smaller players are more likely to have staffing pain around weddings, banquets or weather/event driven surges in walk-ups. In fast food, retention can be a selling point. Young workers can be frustrated by less-than-totally-flexible scheduling. They are also generally tech.-literate. Buying the hours they want to sell while helping them use a good track record as a launch-pad into other sectors can keep them turning up while building a career.
7	Leisure/Tourism	Movies can turn into blockbusters. Theme parks open new attractions. Unexpected good weather can suddenly leave a spectrum of businesses - from parking lot operators to beach rentals - scrabbling for staff.
8	Admin. support	Many offices experience intermittent peaks in activity: tax-return windows, data-entry from campaign mail-ins, sorting that backends marketing activity. Workers may be needed in reception, postroom, typing, filing or call-taking positions.
9	Contact centers	Many are outsourced. Others are home-sourced; dispersed through company networks to cubicles in workers' living rooms. But if the patch for potential launch includes somewhere with on-site agents, it's worth asking the balance of inbound to outbound calls. Those that process calls coming in to the building typically have peaks in demand. Outbound centers can stage work around a regular workforce. But even then, may be campaign-driven; needing more workers for the duration of larger projects.
10	Events/Security	Stadiums, concert halls and open-air events typically need stewards, ticket sellers, set-up teams then clean-up crews. This kind of demand: sudden surges followed by a likely dearth of bookings can strain an immature market because work-seekers will disengage without a flow of work. But there may be other types of demand they can satisfy between events. Security can be based around one-off events. But there is also a broader range of need for qualified personnel including malls, homes and commercial premises.

Other sectors to have on the radar that are less likely to produce large pots of demand: promotions/market research interviewing, manufacturing (most production processes run predictably with small numbers of trained staff, the fluctuating need for headcount is more likely to be in an end-of-line warehouse which we count under logistics), cleaning/janitorial and facilities management.

Household services (dog walking, car valeting, dinner party support, etc.) are often seen as target sectors because they are the focus for so many gig work platforms. But it is hard to aggregate demand for this sort of work outside the homecare industry. (Inducing general dog owners to support a new service would require wide outreach, finding a homecare company with some clients wanting petcare as part of broader provision may only take a phone call.)

D) Building business cases

Some institutions will support a project for purely altruistic reasons. Others will want cost/benefit analysis before committing. A business case may be needed for the local economy generally, a workforce board or an employer.

i) Local economy

Sometimes, a need for better irregular work models is driven by local consensus around a particular problem. Demonstrating how a new market might address that is key to getting buy-in.

Sample issues to look for:

- **Worker shortage:** One state had a high reliance on foreign seasonal workers to keep its small inns and restaurants functioning in summer. When visas for those workers were curtailed by the Federal Government, more hours had to be found from the existing workforce.
- **New schemes:** An area looking at changes in public assistance, provision of services or employment programs might benefit from better infrastructure for hourly labor, particularly if it was modularized enough to support enrollment/administration/monitoring of other priorities.
- **Attracting industry:** States and cities vie to attract large employers. Increasingly those employers have an ad-hoc or top-up staffing requirement. Committing to launch a transparent, neutral, deep market for motivated irregular staff could seal the deal for a new distribution hub, contact center or tourism development.
- **Misclassification:** A state or regional government may want to clamp-down on "Uberization" of the workforce; engaging independent contractors rather than employees. The right markets will allow flexible pools of workers who have a labor market intermediary as employer of record. (Cases like the Apr. 2018 ruling by California's Supreme Court, limiting scope to declare workers as independent contractors, increase this pressure.)

Evaluation of these options should include recognition of any perceived political aspects. For example, some states are moving toward compulsory work requirements for Medicaid enrollment. If anyone finds themselves forced to find work, a marketplace giving them flexibility, control, progression and tools for wide-ranging support is a useful choice to have in the armoury. But if our market is perceived as a facility for coercion, would that dent its wider penetration and social impact? These are evolving ethical issues in our field. We don't claim to have all the answers.

General launch business case

If there is no particular spark igniting irregular work as an issue locally, we offer the table on page 14 as a way of modeling a rough business case for local launch.

ii) Workforce Boards

Boards have relationships and credibility that makes any foray into the labor market easier. It can be hard for them to fund an irregular work initiative. But a case for sponsorship and non-cash resources

should usually be achievable.

Understanding the workforce system

USDoL spends $3bn a year aligning and developing America's labor pool. Each state has a workforce agency that receives federal funds. The state agrees to targets and funding with each of its local Workforce Development Boards (WDBs). A WDB typically serves a city but may cover a county or parts of a county.

Each WDB is overseen by a board appointed by the Mayor or Supervisors, comprised of at least 51% employers. It provides a mix of:

- **Universal services:** Any citizen or employer can utilize a WDB's job openings or data trove.
- **Programs which require enrollment:** Typically someone must qualify for free training or other support by being in a designated group (veterans, formerly incarcerated, out-of-school youth, dislocated workers, etc.). Employers offered subsidized employment or hiring support need to be in sectors identified as high-growth.

Some workforce boards, in Oregon for example, are integrated providers; they will enroll anyone. These boards arguably have greater need for a market that facilitates self service rather than more costly support.

Aligning with workforce aims

The workforce system is driven by a mix of broad goals and specific performance measures. The measures are embedded in the 2014 Workforce Innovation & Opportunity Act (WIOA). A board's performance against these targets determines income from federal sources in following years.

The challenges in building a business case are:

- **Rigid targets:** WIOA's performance measures are overwhelmingly directed toward traditional jobs and credentials achieved after enrollment in a program.
- **Out of date data:** Labor market data are not granular enough to capture irregular work. So there is no recognized metric for reporting achievements on behalf of this workforce.

At this stage, it can be hard to build a hard monetary case for a local WDB supporting a project. But there are multiple ways it could support the existing agenda. Broadly, we see a market for irregular work as a universal service which could provide infrastructure for individual programs. (For example, giving the formerly incarcerated a way of building a track record of reliability and basic skills as a way back into labor markets.) (▶ **Casey report: Page 35.**)

This is where support for irregulars can align with a WDB Director's strategy:

Broad goals:

- **Economic growth:** This is a WIOA mandated priority for local boards. It's worth highlighting aspects of these markets like:
  - Enticing activity out of shadow economies (cash-under-the-table)
  - Helping people to earn-while-you-learn
  - Allowing small businesses (the engines of job growth) to staff incrementally while young.
- **Further removed candidates:** As unemployment falls, WDB's need to focus on people with more complex barriers to work. Many of them can't accommodate a traditional job. They can only work around other issues in their life. Some findings:
  - **Exclusion:** 70% of those outside the labor market are excluded by disability or care-giving commitments; exactly the sort of people who often need work that fits around them. In fragile communities where 10% or more are without work, 31% give lack of a job or sufficiently well paid job as the reason. But 41% cite disability or care-giving.
  - **Choice:** Many people don't like the jobs available. They may be tempted by a more graduated approach to work.

70% of those outside the labor market are excluded by disability or care-giving commitments; exactly the sort of people who often need work that fits around them.

- **Volatility:** Income fluctuates for increasing numbers of households. Offering a channel for extra hours can help in bad weeks. These people have employment, so may not currently be a focus for workforce services, but need more.

It may also be worth seeing what data there is on the extent of flexi-working locally. Consulting the 2017 NACO map of gig work by counties may reveal an area with a particular problem. (But so much irregular work happens outside the formal economy, the data can only be an indicator.)

Performance measures

WIOA's key targets for WDB's revolve around program participants remaining in traditional employment after program completion with increased income and/or a path to formal educational qualifications. This doesn't favour irregular work outcomes, particularly given the high number of citizens needing irregularity because they can't fit a job around their life commitments.

However, it's worth checking the definition of "employed" that counts as a successful outcome. Many states insist on a traditional job or formally setting up in self-employment. Some, notably Florida, have looked at self-declared self-employment; a program participant decides when they consider themselves off support and self-sustaining. This could allow irregular workers generating enough income for independence to tick the WIOA box for "employed".

But there are three of the 6 measures where deliverables could be shown by a successfully launched market, (Table D):

Workforce funding

Accessing federal dollars at local level for an irregular work project requires alignment with one of the three metrics above. But there are two other sources of cash to explore:

- **Governors' set aside:** WIOA rules allow 15% of a state's workforce funding to be allocated for innovation or systemic improvement. This money has a broader remit, making alignment easier if a state is willing to support a project.
- **Non-federal funds:** Some WDB's have only federal funds. Others have city funds, philanthropic resources or income from other activities. Outcomes for this cash can be set by the funder in each case. There are targets that can be set specifically for irregulars. (▶ **Casey report: Page 56.**)

Additional factors

- **Potential for leveraging services:** Some WDB's already have services that could underpin a market for irregular work. For example, Portland WorkSystems (Or.) vet work-seekers on behalf of employers. If extended to irregulars, this checking entitlement to work and credentialing could cut the costs for labor market intermediaries feeding people into the market. It is worth checking if existing initiatives in a WDB could cut intermediaries' costs or otherwise strengthen the case for an irregular work initiative.
- **Ease of reporting:** A 2017 Government Accountability Office report on the need for better information on gig work in the

TABLE D: Alignment of an irregular work project with WIOA targets

Outcome sought		What is measured	Alignment with outcomes of an irregular market
1	Median earnings	How much do those exiting a program earn 6 months later?	Focusing on "moonlighters" (people already in one job but wanting more hours) could be one way to drive up this metric.
2	Skills gain	What percentage of program participants are achieving measurable skills gains on the way to a credential?	As a basic, working irregularly requires some ability to interface with a computer. It fosters soft skills such as ability to take instructions and turn up dependably. Someone past this point will be attractive to employers and likely merit induction/training as they prove their value.
3	Employer engagement	How effective are the WDB's core programs in serving local employers?	This is the obvious area for alignment. A market can report precisely registrations plus re-use and increases in usage. There is room to improve: A 2008 study found only 35% of employers of low-skilled labor had contact with their state or local workforce board. A new market can give Business Services staff a tool for opening dialogue with new employers.

workforce system identified a key reason WDB's don't typically support irregulars: it is so complex to track outcomes. Absent a comprehensive marketplace, it is best done by phoning round to see how the people helped are doing some months later. This is prohibitively complex. The right marketplace will of course generate a stream of verifiable, real-time, data on outcomes.

- **Pay for Performance:** The possibility of private backers funding a market launch with WDBs reimbursing them if it is successful does get raised. Our view is this model is still too early and out of alignment with key targets for performance-related funding to be viable. But if launches multiply, and targets evolve to be more full-spectrum, it could move center-stage.

iii) Employers

Large users of flexi-labor can quickly move the dial toward a market launch. But they will likely only be won over by hard monetary gains from doing so. Our markets are constructed to drive up wages (along with quality and alignment); we have to show business benefits of this increased efficiency.

Talking to employers

We have yet to meet a corporate or public sector body with a simple spreadsheet showing *"Our use of irregular workers"*. Budgets, titles, sources, even terminology, for these workers tends to be in discrete departmental silos. Broadly, we are trying to engage around staff who come through temp. agencies, are kept on some sort of list accessed by managers needing extra hands or are somehow scheduled internally but without a regular pattern.

Our aim in facetime or a call with an employer is to understand the extent of this need in their organization and the patterns of their demand. We then need some data to check if a putative market could realistically deliver for them. Getting to this insight may require several conversations with different department heads, but we typically aim to start with someone in Human Resources or Operations. As these busy Department Heads are likely to be operationally focused, charged with keeping things running smoothly rather than innovating, we tend to first approach a CEO or Head of Strategy asking them to champion our investigations in the organization.

We must, of course, maintain confidentiality of their information and not seek any details we don't need for modeling a launch.

TABLE E: Suggested questions to inform an employer business case

Data we need		Notes
1	Current use of irregular workers	• What is your annual spend on irregular workers? • What is the average hourly cost (not the worker payrate)? Number of hours? • What skills are booked? • Generic skills / employer specific skills • At what locations? • How long are bookings typically (days/hours)?
2		What is your seasonal pattern of demand? For example: • Retailers: peak demand pre-Christmas • Tourism: peak around holidays/good weather • Hospitality: peak when conventions in town
3		• With how much notice are bookings made? • What is the process for making bookings? • Are there intermediaries? • Who are they? • Is there a specific approval process? • How are bookings recorded?
4		• How are bookings paid for?

Data we need		Notes
5	Current satisfaction	How satisfied are you with your current access to ad-hoc workers? • Cost • Responsiveness to needs • Quality/alignment of workers
6	Latent need for irregular workers	If a pool of reliable irregular workers was on-tap, could you improve efficiency or grow your business? For example: • Improving/accelerating customer service • Responding to unexpected business opportunities • Would the workers need to be already inducted for your business?
7		Are there new products/services you might offer if a flow of quality workers scheduled very precisely could be guaranteed?
8		Are there workers you would like to access who can only be available irregularly? • Leavers/retirees hired back for peak times? • Local people? • Students on a course related to the business? • People with relevant skills needing to work personalized hours? • Potential employees (try-before-you-buy for job offers)?
9		If latent need could be met, how much extra might you spend on ad-hoc labor a year?
10		Do you have staff working irregularly for you that you would like to help find additional work?
11	Moving to a public market	What is your week-by-week minimum pattern of need over a 12 month cycle?
12		What time of year would be most useful for launch? (eg: to be ready for peak demand)
13		What would it take to persuade you to commit your requirements for irregular labor to a new market: • Better quality workers? • Lower overheads? • Increased responsiveness? • Integration of ordering with internal systems/processes? • Project manager support for initial months?
14		Would you want to bring across: • Existing workers? • Current intermediaries?
15		Are there any barriers to coming over: • Contractual (eg: fixed agreement with a recruiter)? • Process (eg: bookings must be authorized on paper)? • System integration (eg: automated bookings from a scheduling tool)?
16		What is your current experience/opinion of the workforce system?
17		Are you interested in being one of the anchor employers in a public market for the area?

Reactions to anticipate

We have had hundreds of these conversations. Some comebacks to prepare for:

TABLE F: Potential employer responses to irregular work issues		
Reaction		**Our notes**
1	I don't ever need extra workers	This can genuinely be the case. A firm of attorneys operating office hours with predictable caseflow for example has no need for us. If it's true of the organization, that's bad targeting (▶ **Prioritizing industry sectors: Page 51**). But it's worth checking that we are not just talking to the wrong department or someone too senior or junior to see the minutiae of how the organization runs beneath the surface. There may be irregulars deployed through outsourcers, or business opportunities being missed because of problems staffing up for peaks.
2	I don't have a problem – I just do (X) and I get the workers I need	This typically means temporary staffing has been outsourced. (X) can involve a call or online form. It's a hard conversation because the outsourcer is often forcing workers to fill bookings on threat of loosing future work. It's demotivating and inefficient but largely hidden from the end user of labor. Asking for an introduction to the outsourcer is unlikely to help. Local managers won't have authority to vary the supply chain and may see worker empowerment as a threat to their intermediary role. We tend to ask (a) is there any part of the operation not covered by that agreement (b) when is the agreement up for renewal?
3	I don't want to lose my workers	We have seen incredulity at the idea of buying workers from a market dedicated to exposure to as many employers as a worker wants and progression to higher paid work. Respectful pushback has to focus on the hard costs of churn and recruitment. One fast food chain averred that just filling an entry level position totaled an average $3K in manager time, basic induction and no-shows. Allowing the workforce to leverage a good track record for you into opportunities elsewhere should at least keep them engaged with you for longer.
4	I need more data before committing	This is the perennial chicken-and-egg. We can't prove it will work until it's given the demand it needs to work. If we can't engage with someone who has an innovative bent anywhere in an organization, it's probably best to move on.
5	My workforce is unionized	This isn't a showstopper. Several companies in Los Angeles felt we had no relevance to 90% or so of their workforce already locked into agreements. But, they had peak-need headcount coming from staffing agencies. Would we engage with their unions to work up a joint proposition that creates a granular market for extra hours while extending representation to the fringe workforce. (▶ **Online Project Resources: Opportunities for Unions.**).
6	We pay by output	Trucking companies will pay a base rate then compensate drivers for delays at the depot or successful drop-off. This can all be handled in system timesheets: the basic rate is the initial contract, additional claims go through processing on the timesheet having been agreed by a manager.
7	We have too many other projects on the go	*"Initiative-itess"* afflicts many middle-managers. Senior staff can enthuse about a range of strategic possibilities but there may be far less enthusiasm for those trying to do day-to-day jobs in a blizzard of ideas. We try to point out how little change this would involve but could also try to find someone to work inside that organization for a first few weeks or months if the demand is sufficient.
8	I want this to solve a particular problem	An early-stage market struggles to address hard-to-help workforces or niche skilling/availability gaps, although a more mature one would have a range of ways of helping (▶ **Understanding a market's early needs: Page 13**). We work to cap unrealistic expectations. Often it involves the simple request; *"Could you help us get going so we could tackle your problem down the line?"*

What's the proposition?

After running through questions like those above, it should be possible to work out how a new market might benefit this company. Roughly, it is going to be one of the following:

a) Improved administration

These propositions envisage simply replacing the way irregulars are currently booked with the new market. Working out the cost benefits requires subtracting costs of the new market to this employer from the way they fill requirements now:

- **Lower overhead:** Someone paying a high mark-up to staffing agencies might welcome the way agencies can compete for each booking in our markets. So might anyone suffering high no-shows on their temp assignments because of a complacent intermediary.
- **Decreased churn:** Allowing workers control over their hours and underpinning an ability to sell extra hours to other buyers by leveraging their track record for the primary employer can keep them in the fold for longer. That cuts costs of recruitment and on-boarding.
- **Increased accountability:** Some companies gain from imposing budget management and visibility on managers who book extra staff. Ensuring booking is of approved roles and pre-inducted workers can help with legal compliance or company processes.
- **Employment status changes:** If hiring independent contractors risks legal cases and costs, there is a business case for a model that interposes an employer-of-record for the flexi-workforce.

b) Operational changes

These propositions point to new business opportunities, quantifying the gain involves a credible estimate of the value added to this organization.

- **New workers:** If business growth is constrained by lack of staff, we need to demonstrate how we would tap new sources. For example, we were able to show a homecare provider that students of nursing, child development, teaching and other areas of interest had spare hours to sell around their studies.
- **Increased responsiveness:** Some service providers automatically decline any kind of rush order because of the risks and costs of staffing up suddenly. If we could demonstrably lower those overheads, what might they make?
- **Peripheral skills:** Some organizations have intermittent need for particular skills, for instance the ability to operate a certain device that needs to be hired into a warehouse to fulfill particular orders. If we can show the market will include an adequate supply of these skills (from people likely to be selling other skills as well) we have a *"keeping your machine running smoothly"* proposition to cost.

c) Corporate social responsibility

It's unfortunately not the most compelling call-to-action, but we have seen big employers engaged around a desire to be seen doing good in their community. The Public Relations and word-of-mouth benefits of easing hardship for irregulars defy quantification. But it can be an argument to include in any proposal.

We were able to show a homecare provider that students of nursing, child development, teaching and other areas of interest had spare hours to sell around their studies.



Capturing the demand

Having decided the proposition(s) for this prospect and scoped it with numbers gained in fact-finding interviews, it's worth putting everything in a spreadsheet. We used this template (all data is fictitious):

STRICTLY CONFIDENTIAL

MARKET MAKING ANALYSIS: Acme Distribution Centers

Key	
	Background figure - not used for calculation
	Key metric for market making
	Alignment check (will the market sustain?)

DEDUCED AVERAGES	
$ 38,462	Weekly spend
136,054	Annual hours
2,616	Weekly hours
654	Weekly bookings
145	Workers sustained

(a) **Spend on flexi-labor**

Regular requirements with flexi possibilities (sick/hol. cover)	750,000	$ p.a.
Already flexi (Rush orders)	1,250,000	$ p.a.
Future-flexi/new business (ability to market last minute services)	1,800,000	$ p.a.
Assumed annual bookings thru' market	**2,000,000**	**$ p.a.**

(b) **Basics**

Weekly spend	$ 38,461.54	
Av. hourly pay rate	14.70	**$ p.h.**
No hours booked per week	2,616	
Av. hours per booking	4.0	hours
No bookings per week	654	

(c) **Capacity**

Hours worked per worker per week	18
Hours available per worker per week	30
Utilization rate	60%
Workers sustained by market	145

(c1) **Market fragmentation: distance**

Distance workers will travel to bookings	10	miles
No. of distinct travel areas in the market	8	

			Weekly spend	Annual spend	Hours p.w.	Bookings p.w.	Workers sustained
Travel area 1: Long Beach	40%	of total =	$ 15,384.62	$ 800,000	1,047	58	58
Travel area 2: LA City	15%	of total =	$ 5,769.23	$ 300,000	392	22	1
Travel area 3: Riverside	15%	of total =	$ 5,769.23	$ 300,000	392	98	5
Travel area 4: San Bernadino	10%	of total =	$ 3,846.15	$ 200,000	262	65	4
Travel area 5: San Gabriel	10%	of total =	$ 3,846.15	$ 200,000	262	65	15
Travel area 6: Orange	5%	of total =	$ 1,923.08	$ 100,000	131	33	7
Travel area 7: San Fernando	4%	of total =	$ 1,538.46	$ 80,000	105	26	6
Travel area 8: San Diego	1%	of total =	$ 384.62	$ 20,000	26	7	1
	100%						

(c2) **Market fragmentation: skills**

No. discrete skills in the market	4

Discrete skill 1: General operative	25%	of total =	$ 9,615.38	$ 500,000.00	654.107797	164	36.3
Discrete skill 2: Fork lift driver	25%	of total =	$ 9,615.38	$ 500,000.00	654.107797	164	163.5
Discrete skill 3: Pick and Pack	35%	of total =	$ 13,461.54	$ 700,000.00	915.750916	229	228.9
Discrete skill 4: Dispatcher	15%	of total =	$ 5,769.23	$ 300,000.00	392.464678	98	98.1
	100%						

Notes:
20% of workers can do both General operative and Fork lift driver
40% of Pick and Packers can also function as General Operative
Any worker who can be a Dispatcher can also act as a General Operative

(d) **Activity growth**

		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
Week 1 hours	250	250	296	343	389	436	482	528	575
Week 52	2,616	46	46	46	46	46	46	46	46
Weekly incremental growth required (hours)	46								
Bookings p.w.		63	74	86	97	109	121	132	144
Workers sustained		14	16	19	22	24	27	29	32
Weekly spend through system		$ 3,675.00	$ 4,357.09	$ 5,039.18	$ 5,721.27	$ 6,403.36	$ 7,085.44	$ 7,767.53	$ 8,449.62
		14	16	19	22	24	27	29	32
		3	3	4	4	5	5	6	6

The spreadsheet master can be accessed through our Online Resources page. Broadly, the steps are:

a) What is the total demand for flexi-work per annum?

b) Assuming regular patterns, the above gives us average spend a week, coupled with payrate. We learn a rough number of hours per week, then number of bookings.

c) Some questions about what is known about workers' patterns tells us how many workers this employer could sustain in the market.

d) We then check for how fragmented that demand is. Is it spread across multiple locations? Or divided between many skills needs?

e) By looking at the logistics of getting a first wave of workers

across to the new exchange, we can plot the growth path to all the identified demand being handled.

We then asked for written commitment to be an early adopter incorporating this headline figure for demand. Collecting these letters, which we often helped draft, provided reassurance to an array of partners that the market was built on thought-through promises, not vague assurances. Letters could include any caveats (*"We will support launch subject to….."*). These requirements, for particular skills or times of availability, for example, are then factored into our modeling.

E) How we talk about irregular work

Our topic is charged, amorphous, widely underestimated and often misunderstood. We aim to engage people by starting with their experience/ knowledge of the issue.

Framing a dialogue

"Don't introduce the whole elephant" has been the best guidance we've received. If someone has spent a career developing jobs guided by Bureau of Labor Statistics (BLS) data; opening dialogue with research suggesting 33% of adults are in ad-hoc work, typically in the shadows, with 50% forecast can bring down the shutters.

Rather than alienate a potential supporter immediately, we often focus an introductory call on a particular issue within the shift to irregularity:

- **"Core Irregulars":** Individuals with parenting, medical or care-giving issues who can't commit to leave the home for regular hours. *("Can I work today? It depends if my back pain lessens, I will see after lunch.")* Even the most job-centric person typically recognizes these people can easily be excluded from labor markets. (▶ **Web: Irregular work indicators**..
- **Flexi-scheduling:** Enabling a workforce to sell their hours need not mean to multiple employers. In Southern California, we worked with one employer who had 2,000 similarly qualified drivers. To maintain 24/7 services, they are issued with shifts weeks in advance. But many employees wanted more control over hours, some wanted to drive as a backstop around other aspirations. Facilitating this helps with retention and is non-challenging.
- **Local priority:** Any regional labor market issue will likely produce evidence that can be shared to start a conversation. But the person may not see the issue as others do or may already favour a particular solution. (▶ **Building a business case – Local economy: Page 53**).

It can be tempting to research a organization and intuit a view of what problem they have that could be solved by better infrastructure for the irregular workforce. We have tended away from this: they will know far more about that challenge, and if it's immediately clear a better market is not the solution, relevance has hemorrhaged. We try to sound out particular issues after an initial chat.

Structuring an initial conversation

It's a paradox: decision makers in workforce development, HR and philanthropy are key to advancing any better model for irregular work. But they typically have a lifetime of traditional jobs. We try to start by teasing out their present take on irregular work issues. This can produce insights that make exploration relatable. Prepared to explain gig work platforms to one individual, we discovered they were an early investor in Uber! A senior official in one state revealed a historic qualification as a sommelier and

occasional speculation on what might be earned if moonlighting at events. Others have family members or staff with "sidegigs".

So, we aim to start any initial call with appreciation of the time they have allotted. Then we try for a pithy summary of why we requested contact *("I run a project at the workforce board looking at raising standards in the irregular workforce. I am hoping for your views on whether this might benefit your sector".)* After that, we hope to hear from them: *"I am curious about your current thinking on issues like the 'Gig Economy'".*

Ideally, this will foster a back-and-forth discussion. That can roam all over the terrain, but if time is short, we look for openings to weave chat around this track:

1. **Problem:** Growth of irregular work with poor quality markets, bad for employers and work-seekers. (▶ **Web: What's the problem?**).
2. **Solution:** Hourly labor markets built around progression, stability, alignment and quality. (▶ **Web: Advanced markets**).
3. **Implementation:** The need to test "market making" ahead of a launch. (▶ **Web: Market making**).
4. **Possibilities:** How a successfully executed launch could serve the person's agenda.
5. **The Ask:** What would we like to happen next?

The Ask may be a request for some more mindshare, typically a meeting to follow up a call if the conversation was promising, a search for onward connections to other people or a need for some information.

General reactions to anticipate

In general conversations, we found many people excited by the project, cognizant of the pains of gig workers and enthusiastic about a new approach. Others want a more efficient market for operational reasons: one CEO of a mid-size company in Los Angeles opened the conversation with *"We have been waiting for the WIB (Workforce Investment Board) to do something like this".*

But we have also come across these sticking points in general dialogues:

- **Incomprehension:** The BLS data, echoed in headlines, shows unemployment lows. Surely anyone doing gig work is choosing it over a job? Where's the problem? If the person is willing to dig deeper, we point to data on declining labor market exclusion and falling participation in the formal labor market. (▶ **Web: Irregular work indicators**).
- **Dislike of technology:** Many point out, rightly, that people who need irregular work the most often lack basic IT skills. These individuals are not suitable for an early-stage market but could thrive with the kind of one-on-one support made so cost-effective in a mature local exchange. For example: a pool of confident local flexi-workers could be trained to support new market entrants then booked as required. Crucially, it's hard to create any comprehensive, sustainable, hourly labor market that is not predicated on software. The transactions are so complex and low value. But there are intermediaries, even volunteers, who might act as interface between a work-seeker and the system.
- **Hostility:** Some people have a visceral revulsion for the exploitation of gig work and are adamant it must be rolled back. This has been our hardest conversational challenge. Arguing irregularity has proved unstoppable and pointing to the current hardship inflicted can bolster this reaction. Claims it could be made empowering and a ramp into better employment can seem defeatist to those focused on current inequities. Our path in this situation: seeking more time to explore views and whether we can establish sympathy for "Core Irregulars" who can't work any other way.
- **Quality concerns:** Some respondents find it hard to imagine irregular work that enforces quality. They see high churn, low motivation and inadequate vetting as inseparable from any non-

We have been waiting for the WIB (Workforce Investment Board) to do something like this".

– CEO of a mid-size Los Angeles company

standard workforce. Again, we ask for their willingness to scrutinize an alternative market. Key to this is often explaining that online labor markets are not generic; they can be configured to drive upskilling and worker choice rather than operator profitability for instance.

- **No solution needed:** *"If there's a need for better markets, the private sector will provide them. Why should public or philanthropic bodies get involved?"* This is a wider issue. Why have workforce boards? Why provide public markets for job-matching? History suggests some infrastructure cannot be neutral, low-overhead, geared toward low-value individuals, and attractively profitable. But an opposing view can be an ideological certainty. We try to focus on why the private sector *hasn't* done this rather than why other bodies should not.
(▶ **Casey report: Page 24.**).
- **A political prism:** Potential advocates sometimes fear a backlash at City Hall or the statehouse. We ask if they could frame efforts around "Core Irregulars". On the demand side, the main victim of a market launch should be cash-under-the-table working. Shadow economies don't have lobbyists, any grassroots support is outweighed by legitimate businesses who are being undercut.

There are, of course, valid worries about launch of any labor market initiative. They should not be downplayed.
(▶ **Web: Impact on the economy.**).
But *"paralysis by analysis"* can halt any innovation. We aim to understand, engage, and seek common ground which might well entail compromises in our plans. Faced with impenetrable objections, we either move on or look for a third party who might be more open with us and then act as a bridge to our original prospect.



This manual is designed to help anyone wanting to add possibilities for market making as a prism through which to view a local economy and workforce.

Notes

Notes





Beyond Jobs is the non-profit that emerged from British government programs to create better markets for irregular work. Markets are under local control; based around protections, stability, progression, quality and alignment.

www.BeyondJobs.com

