



An Inclusive Flexible Working Economy for Europe

Although flexible work may seem appealing, it comes at a considerable cost. With fewer employment rights (often no statutory sick pay, healthcare insurance, pension schemes or other forms of protection) and more unstable contracts than those in permanent roles, flexible workers are exceptionally vulnerable during crises.

As COVID-19 has shown, in times of crisis, gig workers, freelancers and independent contractors are some of the hardest hit. Having lost the buffer the corporation historically provided, they have no safety nets to fall back on.

Business, as the key beneficiary of a skilled, flexible workforce, has a crucial part to play in supporting the inclusivity and sustainability of the future of flexible work in Europe.

How might we expand and adapt the financial safety nets protecting flexible workers to ensure their long-term financial security?

We will explore the problem area through 4 topics

Portable benefits

Providing flexible-workers with access to the same benefits and protections that full time employees enjoy

Savings and credit

Providing the right products and offerings to help flexible-workers save for their own financial safety nets

Financial management

Providing the right financial tools for flexible workers to manage their short and long term financial health

Financial capability

Encouraging flexible-workers to take more proactive measures to look after their short and long term financial health

Through a collaborative deep exploration of these topics, run in three virtual sessions, we aim to:

- Create a shared narrative across a group of influential stakeholders on the need to build an inclusive and protected flexible working economy
- Investigate practical solutions to scale existing interventions
- Identify gaps requiring new solutions and uncover new partnership opportunities to address them

HIGH-LEVEL AGENDA

DAY 1: ALIGN (Monday 22 Feb)

- Context Setting and opening panel
- Breakout session – hearing from flexible workers
- Breakout session – actor mapping

DAY 2: BUILD (Wednesday 24 Feb)

- The Marketplace
- Breakout session – opportunity identification
- Breakout session – concept building
- Share back in plenary

DAY 3: COMMIT (Friday 26 Feb)

- Consumer feedback
- Breakout session-building implementation roadmap and shared narrative
- Share back and final panel

Topic 1

Portable benefits

Gig (or flexible) work has a transient and often temporary nature. This means that a large and rising number of such workers do not enjoy the same benefits available to full-time employees. However, players in the gig space have a chance to improve the financial health of flexible workers and provide them with a valuable safety net by looking at how benefits can be provided in a portable way – linking them to the workers themselves rather than wholly to the employer. The provision of portable benefits to flexible workers is a pressing issue, but it is still a market that is significantly underserved. It represents an opportunity for flexible workers to gain access to a standard of living for themselves and their families that has, to this point, been largely denied them. Crucially, it also offers flexible work platforms, financial institutions and third parties a new route to building trust, loyalty and advocacy with customers and members.



CHALLENGE AREA

How might we provide flexible-workers with access to the same benefits and protections that full time employees enjoy, no matter which 'gig' they are working on?

OUR SCOPE WILL INCLUDE

- Insurance
- Income protection
- Employee perks
- Health cover

Further online reading:

1. *Covid-19 Exposes Protection Deficit Of Workers*, Lockton International
2. *Growing Gig Economy: Aon Report Highlights Gig Worker Needs And HRD Expectations*, Business In The News
3. *This Pandemic Is A 'Fork In The Road' For Gig Worker Benefits*, Wired

SOME OPPORTUNITIES WORTH EXPLORING

- Few comprehensive but affordable benefits packages (including eg, paid leave, insurance, health cover, perks)
- Flexible workers can't easily receive benefit contributions from multiple sources

Topic 2

Savings and credit

The benefits of flexible-working work are clear, it provides workers with flexibility, autonomy and variety. However it also brings with it huge unpredictability of financial health, stability and forecasting. If you don't know how much you will be earning and spending, it becomes difficult to gauge how much to save. Coupled with the absence of automatic employer retirement and savings contributions means that when the time comes to dip into savings, there is often not enough to sustain the individual. For some, cash flow remains so tight that savings become near impossible and other emergency measures are needed, whereas for others it remains a question of prioritising. Growing numbers of flexible workers and the banking needs this segment represents, presents a huge opportunity for banks and financial institutes to offer services uniquely tailored to their unique banking needs.



CHALLENGE AREA

How might we provide the right products and offerings to help flexible-workers save for their future or for own financial safety nets for when times are tougher?

OUR SCOPE WILL INCLUDE

- Savings
- Credit lines
- Income smoothing
- Emergency funds
- Retirement
- Investments
- Loans
- Financial readiness
- Credit scores/history
- Debt management

SOME OPPORTUNITIES WORTH EXPLORING

- Limited number of affordable loans and mortgages that are easy to access without a stable stream of income
- Some pension funds aimed at flexible workers, but few enroll

Further online reading:

1. *Gig Economy Hides Gigantic Pension Problem*, Unbiased
2. *Gig Workers Pose A Huge Revenue And Brand Image Opportunity For Banks*, Business Insider
3. *The Gig Economy Financial Services Ecosystem*, Business Insider

Topic 3

Financial management

Flexible workers often face a high-stakes juggling act. Many have multiple offerings, multiple employers and multiple income streams. This can make managing day to day finances, tax provisions and invoicing among other things a complicated, laborious and often expensive process. In such a volatile work environment it can be incredibly difficult to budget when access to the right data and information isn't easily available in one place. This isn't helped by an income prediction bias in the flexible-working economy, leading to flexible-workers overestimating their income and cash flows without the data to back it up. Flexible workers need better tools to give them the wherewithal to better manage their finances. As the size of the flexible-working economy increases, incorporating new types of flexible workers, the need for new and better tools becomes ever more important. Financial institutions, third party providers, flexible work platforms all have an opportunity to serve this growing segment of the economy providing innovative and accessible tools to manage flexible workers' financial health.



CHALLENGE AREA

How might we provide the right financial tools for flexible workers to manage their short and long term financial health?

OUR SCOPE WILL INCLUDE

- Planning and budgeting tools
- Accounting and tax provision
- Financial data aggregation
- Financial readiness and credit scores/history
- Debt management
- Carbon offsetting

Further online reading:

1. *Money Management For Freelancers: Avoid These 10 Mistakes*, Billomat
2. *Fintech And The Gig Economy*, 11FS
3. *Budgeting On A Variable Income In The Gig Economy*, Forbes

SOME OPPORTUNITIES WORTH EXPLORING

- Many budgeting and accounting apps but mostly paid ones
- Only some that also offer integrated tax predicting and management tools

Topic 4

Financial capability

Even before the growth of the gig-economy industry, it has historically been hard to engage people around making better decisions for their financial health. For full time employees financial education and awareness have traditionally been taken care of; hand holding and looking after their longer term financial security through pension contributions, benefits and access to independent financial advisory services. This however, is often not the case for those in non-standard employment arrangements. With the rapid growth of flexible-working, a large percentage of the population find themselves without knowledge, guidance or encouragement to take ownership for their longer term financial health. This represents a serious risk to financial security which governments, business and workers need to start paying attention to. Empowering flexible workers to learn to make better financial decisions will make a world of difference. Businesses as key beneficiaries of a skilled, flexible workforce have a crucial part to play in improving financial literacy of flexible workers; widening the resources available to ensure that the flexible-working economy can be a more secure and viable source of income for millions of people both now and for the future.



CHALLENGE AREA

How might we encourage flexible-workers to take more proactive measures to look after their short and long term financial health?

OUR SCOPE WILL INCLUDE

- Behaviour change
- Education
- Communication/awareness
- Financial and digital literacy
- Knowledge and resource sharing

Further online reading:

1. *Living Gig To Gig And Payslip To Payslip*, Think Forward Initiative
2. *How Digital Tools and Behavioral Economics Will Save Retirement*, Harvard Business Review
3. *Financial Wellness in the Gig Economy*, Enrich

SOME OPPORTUNITIES WORTH EXPLORING

- Many financial advice platforms but few that are personalised
- Traditional advice services and campaigns don't work effectively, a more experiential approach is needed

Agenda

COLLABORATION STUDIO

Building a fair and inclusive flexible working economy for Europe

DAY 1

13.00 – 13.10 **Welcome and Opening**

Setting the ambition and objectives of the studio

13.10 – 14.05 **Opening Plenary**

What will it take to build a fair and inclusive flexible working economy?

- Matthew Taylor, CEO, Royal Society of Arts
- Martha Newton, Deputy DG for Policy International Labour Organization
- Sue Kelsey, EVP Global Prepaid & Financial Inclusion, Mastercard

Break

14.15 – 15.10 **Breakout Session**

Explore the topic and gain insights from flexible workers

Break

15.15 – 16.00 **Breakout Session**

Map out the key actors involved in the challenge system and jointly identify intervention areas

DAY 2

12.30 – 13.00 **Early Bird Coffee**

Coffee corner open for early logins

13.00 – 13.05 **Welcomes**

13.05 – 13.50 **Breakout Session**

Identifying opportunities to scale existing solutions and opportunities for new solutions.

13.50 – 14.10 **The Market Place**

Hearing from selected organisations that are helping to create financial safety nets for flexible-workers

14.10 – 14.50 **Breakout Session**

Exploring and prioritizing the opportunities

14.50 – 15.05 **Choose your own break**

Connect with other participants in the coffee corner

15.05 – 15.45 **Breakout Session**

Prioritising and building the opportunities

15.45 – 16.00 **Progress update**

Quick update from each breakout group on the most interesting opportunities

DAY 3

12.30 – 13.00 **Early Bird Coffee**

Coffee corner open for early logins

13.00 – 13.05 **Welcomes**

13.05 – 13.35 **Breakout session**

Flexible workers provide feedback on the opportunities identified

13.35 – 14.30 **Breakout Session**

Incorporating feedback and building a robust plan for opportunity exploration

14.30 – 14.45 **Choose your own break**

Connect with other participants in the coffee corner and library

14.45 – 15.05 **Breakout Session**

Building a shared narrative around the challenge and opportunities identified

15.05 – 16.00 **Closing Plenary**

Reporting back of prioritized opportunities

Closing considerations by **Michael Froman**, Vice Chairman, Mastercard, **Mark Barnett**, President, Mastercard Europe and **Osvald Bjelland**, CEO and founder, Xynteo