



The Daily Dish

August 21st Edition

WILL RINEHART | AUGUST 21, 2015

[State insurance companies have until Tuesday](#) to submit their plans to the government for premiums in 2016. Insurance companies say that Obamacare's rules have forced the rise in premiums, however also under the law, the administration needs to approve all rises over 10 percent. A recent report showed that 38 percent of insurers are seeking rises over 10 percent. [According to Douglas Holtz-Eakin](#), "It is more important to be worried about the rate increases in the years to come that are driven by the need for real reform to the health care sector."

The Confidence Board's index of economic indicators ticked down in their most recent report, a sign that the economy could be in trouble. The index is made up of 10 different indicators including building permits, weekly manufacturing hours, and stock prices. According to the [Washington Post](#), a large part of the dip could be attributed the expiration of a tax incentive in New York for building permits.

Eakinomics: Policymakers, Let the Seeds of the Online Gig Economy Grow, Guest Authored by Will Rinehart, AAF Director of Technology and Innovation

The gig economy is quickly becoming a hot button issue for policymakers on both sides of the aisle. Many opponents claim the gig economy is bad for workers and the future of work, and are aiming to more tightly regulate this sector. The American Action Forum (AAF) [recently examined](#) the gig economy and found that 20.3 percent of all employed people are part of the industry. Moreover, official data from 2013 shows that ridesharing, which is part of the gig economy, has led to 22,000 new jobs and about \$519 million in the pockets of workers. Especially in this quick moving debate where jobs are at stake, it's important to take a hard look at the data before proposing regulatory efforts that could harm both the workers and the innovative spirit we intend to support the most.

Because no official classification exists for workers in the broader gig economy, estimates vary considerably. Most base their figures on typical Census data, but when Ben Gitis, AAF's Director of Labor Policy, and I consulted the General Social Survey (GSS) from the University of Chicago's National Opinion Research Center, we found a rosier picture. Nearly 20.5 million to 29.7 million people work in alternative arrangements in the traditional gig economy, which equates to between 14.0 percent and 20.3 percent of all employed people. In total, this category has been a source of strong growth in recent years, increasing from between 8.8 and 14.4 percent from 2002 to 2014, while overall employment increased by just 7.2 percent.

Clearly, the gig economy is an important and expanding part of the U.S. economy, but our study also suggests that the online gig economy, which is a subset of the overall gig economy, is developing as well. By looking at a little known Census survey on nonemployer establishments, we found that nearly 1.3 million new establishments were created, outpacing growth in total employer establishments to become nearly 75 percent of all businesses. Because these nonemployer firms have no employees, each is an extra job and thus a source of income. From 2009 to 2013, the last year of the data, taxi and limousine establishments receipts were about 22,000 higher than would otherwise have been, which brought in more than \$519 million of additional receipts for workers. Since this sector accounted for 2 out of every 5 new establishments, Uber, Lyft, and Sidecar are clearly expanding the market and opportunities.

At this early stage, seeds for growth could be planted, or these green shoots could be uprooted. As policymakers and presidential hopefuls weigh in, they should accept that the ultimate aim of policy should be the [empowerment of workers](#) to adapt to changing labor conditions, not a reflexive opposition to new business models.

Fact of the Day

According to its most recent regulatory plan, the administration has potentially [\\$110 billion in regulatory costs](#).