International Journal of Leading Research Publication (IJLRP)

E-ISSN: 2582-8010 ● Website: www.ijlrp.com ● Email: editor@ijlrp.com

Financial Behaviour and Challenges of Gig Workers: An Analysis of Income, Savings, and Investment Patterns

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Abstract:
The gig economy has emerged as an important source of employment, offering flexible work opportunities through digital platforms. Gig workers often face income instability, which affects their ability to save and invest for the future. This study examines the income levels, savings behaviour, investment patterns, and financial challenges of gig workers in Ernakulam District. The research focuses on understanding how workers manage their earnings and make financial decisions under uncertain income conditions. It also explores the factors influencing their savings and investment habits. The study identifies the major financial difficulties faced by gig workers, including a lack of social security and financial protection. The findings are expected to provide insights for improving financial literacy, financial planning, and policy support for gig workers.

Keywords: Gig Economy, Gig Workers, Income Pattern, Savings Behaviour, Investment Pattern, Financial Challenges.

1. INTRODUCTION

The gig economy has transformed the nature of employment by creating flexible and short-term work opportunities through digital platforms. In India, platform-based services such as ride-hailing, food delivery, and online freelancing have become major sources of income for many individuals. Kerala, particularly Ernakulam District, has witnessed significant growth in gig employment due to increasing digitalisation and smartphone usage. Although gig work provides flexibility and easy access to employment, workers often experience irregular income and limited social security benefits. These challenges affect their ability to save and invest for future financial security. Therefore, understanding the income, savings, and investment patterns of gig workers is essential for assessing their financial well-being and identifying measures to improve their economic stability.

2. REVIEW OF LITERATURE

Valerio De Stefano (2019) examined the growth of non-standard work and found that gig work threatens workers' rights, including collective bargaining and labour protection. **J. Jayanthi (2019)** studied the savings behaviour of uneducated women workers and found that low income and poor financial literacy significantly influenced their saving and investment decisions. **William G. Gale (2020)** observed that gig workers face difficulties in retirement planning due to the absence of employer-sponsored retirement benefits and suggested portable retirement accounts. **Mbonigaba Celestin (2021)** found that gig workers experience income volatility and limited access to benefits, affecting their financial stability. **Dr. Johaana Peetz (2021)** reported that unstable income leads to financial stress, poor financial decisions, and reduced long-term planning among gig workers. **Sazzad Parwez (2021)** revealed that food delivery workers face low earnings, lack of social security, and increased workplace challenges, especially during the COVID-19 pandemic. **Dr. Sakshi Khurana (2022)** examined the gig economy from both economic and worker perspectives and emphasised the need for skill development and social protection measures. **Aastha Behl and Pratima Sheorey (2022)** identified barriers such as low pay, high competition, and strict incentive systems affecting food delivery gig workers. **Kaitlin Daniels (2018)** (relevant foundational study) noted that while gig work offers flexibility, workers often face unstable earnings and lack employment benefits. **Mykolaiets (2023)** highlighted the legal and welfare challenges faced by gig workers and emphasised the need for stronger labour protections. **Sulakshna Dwivedi (2024)** analysed gaps in India's social security system and recommended portable and contributory benefit models for gig workers. **Anubhuti Dungdung (2024)** emphasised the importance of strengthening social security and labour rights for gig workers in India. **Svoboda (2024)** examined retirement planning challenges among gig workers and suggested portable retirement schemes and financial education. **Aditya Prasad Sahoo (2024)** found that financial literacy positively influences the investment behaviour of gig workers and improves financial decision-making. **Shamzaeffa Samsudin (2024)** reported that gig workers face job insecurity and lack of social protection, despite valuing flexible work arrangements. **Manuel (2024)** highlighted the vulnerable working and living conditions of workers in the unorganised sector and stressed the need for greater policy support. **Sharmaine F. Casalhay (2025)** observed that freelancers experience financial instability due to irregular income, limited benefits, and inadequate access to financial services. **N. V. Ramachandran (2025)** discussed the growth of India's gig economy and identified challenges such as weak bargaining power, social isolation, and poor work conditions.

3. RESEARCH GAP

Most previous studies have focused on job insecurity, social protection, financial literacy, and working conditions of gig workers. However, limited research has specifically examined the income patterns, savings behaviour, investment preferences, and financial challenges of gig workers in Ernakulam District. Therefore, this study attempts to fill this gap by analysing the financial behaviour and challenges of gig workers in the district.

4. SIGNIFICANCE OF THE STUDY

This study is significant because it examines the financial behaviour of gig workers in Ernakulam District, focusing on their income, savings, investments, and financial challenges. The findings will help understand how income fluctuations influence saving and investment decisions. The study also highlights the importance of financial literacy and effective financial planning among gig workers. It provides insights into the financial difficulties faced by workers due to the absence of stable income and social security benefits. The research will be useful for policymakers, financial institutions, and researchers in developing strategies to improve the financial security and well-being of gig workers.

5. STATEMENT OF THE PROBLEM

Gig workers often face financial uncertainty due to irregular income, lack of job security, and limited access to employee benefits. The unpredictable nature of earnings makes it difficult for them to meet daily expenses, save regularly, and invest for future needs. During periods of low demand, illness, or emergencies, many workers become financially vulnerable and may resort to borrowing to cover their expenses. Limited financial literacy and inadequate social security further increase their economic risks. Therefore, it is important to study the income patterns, savings behaviour, investment preferences, and financial challenges of gig workers in Ernakulam District to understand their financial condition and identify ways to enhance their financial stability.

6. OBJECTIVES OF THE STUDY

- To study the savings behaviour among gig workers in Ernakulam District.
- To analyse the income levels and income fluctuations among gig workers in Ernakulam District.
- To examine the investment habits of gig workers in Ernakulam District.
- To identify the major financial challenges faced by gig workers in Ernakulam District.

7. RESEARCH METHODOLOGY

This study was conducted among gig workers in Ernakulam District to examine their income levels, savings behaviour, investment patterns, and financial challenges. Both primary and secondary data were used for the research. Secondary data were collected from journals, research articles, reports, websites, and other relevant published sources.

Primary data were gathered using a structured Google Form and through direct interactions with respondents. A total of 50 gig workers engaged in sectors such as food delivery, ride-hailing, and other app-based services were selected using the purposive sampling method. The collected data were analysed to understand their income patterns, saving and investment practices, and the financial difficulties they encounter in their daily lives.

8. DATA ANALYSIS AND INTERPRETATION

Age of the Respondents	
Particulars (Age Group)	Percentage (%)
18 – 20 Years	16
20 – 30 Years	82
31 – 40 Years	2

Above 40 Years	0
Total	**100**
Gender of the Respondents	
Particulars (Gender)	Percentage (%)
Male	92
Female	8
Total	**100**
Work Status of the Respondents	
Part time	64
Full time	36
Total	**100**
Educational Qualification of the Respondents	
SSLC/+2	48
Graduate	44
Post Graduate	8
Total	**100**
Types of Gig Work Engaged by Respondents	
Food Delivery	70
Quick Commerce	20
Ride-Hailing Services	8
Others	2
Total	**100**

FIGURE 1
WORK EXPERIENCE OF THE RESPONDENTS

Half of the respondents (50%) have less than one year of gig work experience, while the remaining 50% have 1–3 years of experience. No respondents reported more than 3 years of experience, indicating limited long-term engagement in gig work.

FIGURE 2

RESPONDENTS' WORKING HOURS PER DAY

Most respondents (38%) work 6–8 hours per day, while 36% work less than 6 hours. About 16% work 8–10 hours, and 10% work more than 10 hours daily.

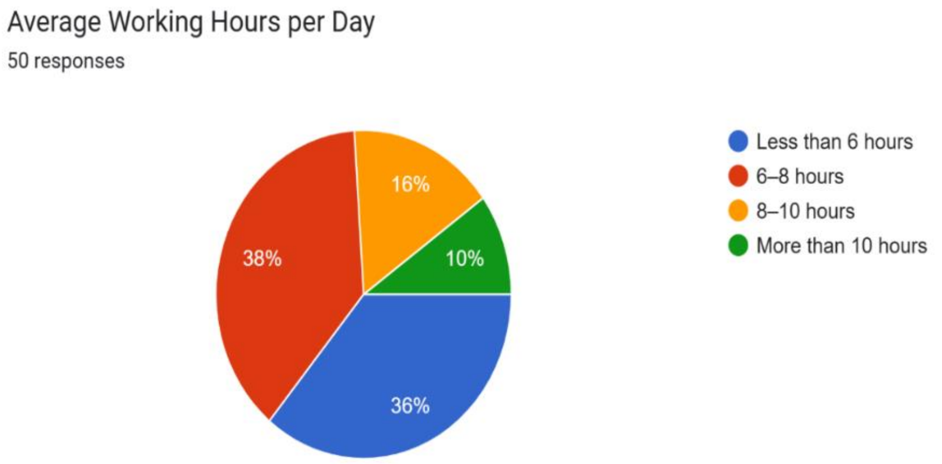


FIGURE 3

COMPANY/PLATFORM OF THE RESPONDENTS

Most respondents (44%) work with Swiggy, followed by 38% in other gig platforms. Zomato accounts for 12% of respondents, while Blinkit has the lowest participation at 6%.

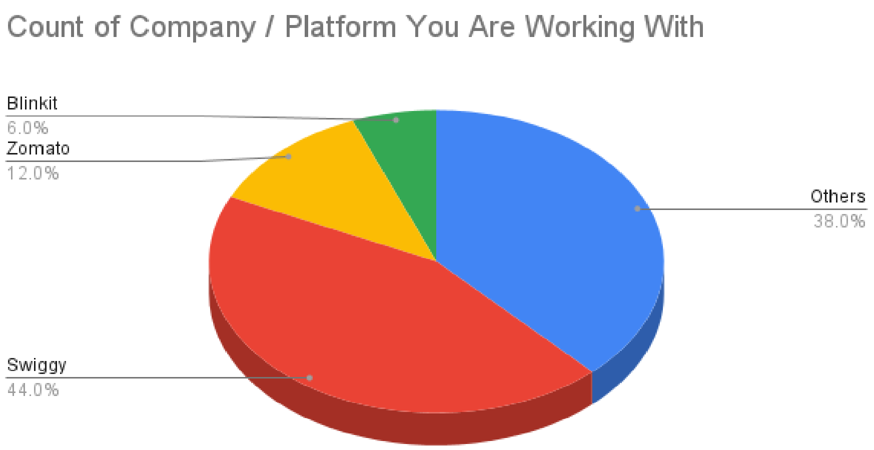
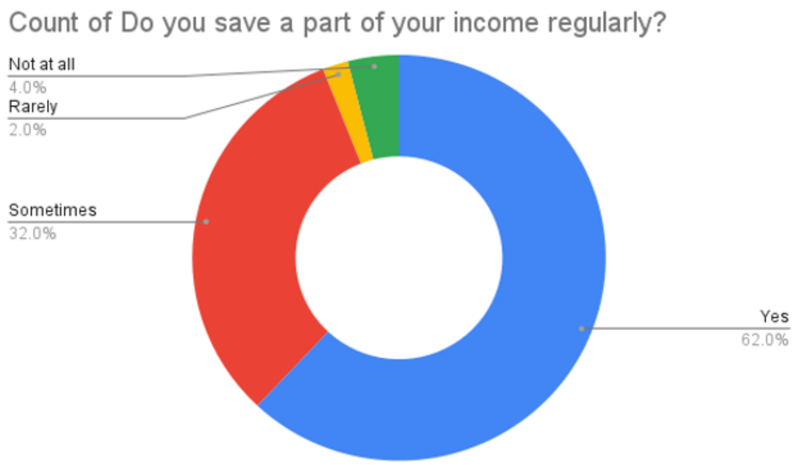


FIGURE 4

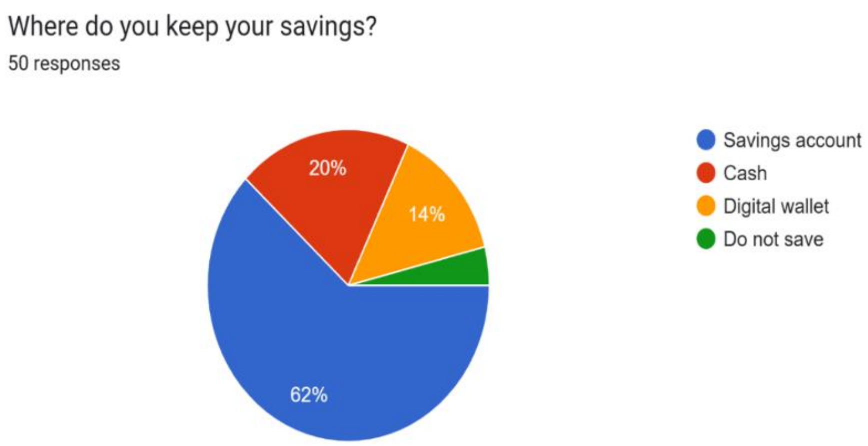
OPINION OF RESPONDENTS REGARDING SAVING A PART OF THEIR INCOME



Most respondents (62%) regularly save a part of their income, while 32% save occasionally. Only 2% rarely save, and 4% do not save at all.

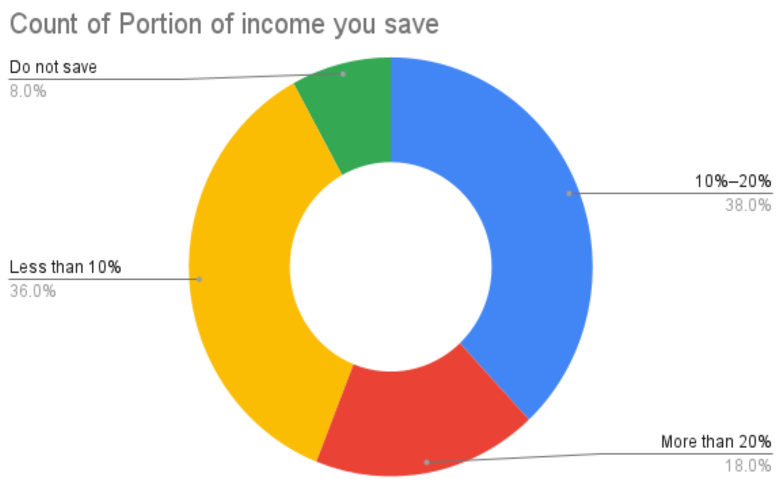
FIGURE 5

OPINION OF THE RESPONDENTS REGARDING THE PLACE OF SAVING



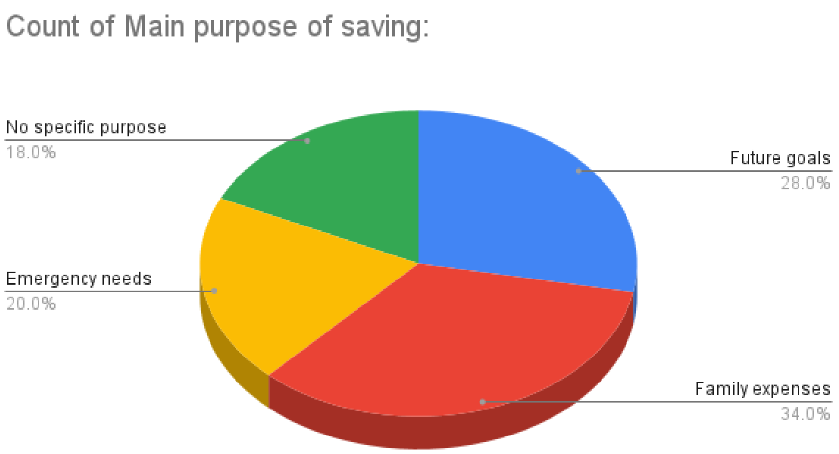
Most respondents (62%) keep their savings in savings accounts, while 20% save in cash and 14% use digital wallets. Only 4% reported having no savings at all.

FIGURE 6
OPINION OF RESPONDENTS REGARDING THE PORTION OF INCOME SAVED



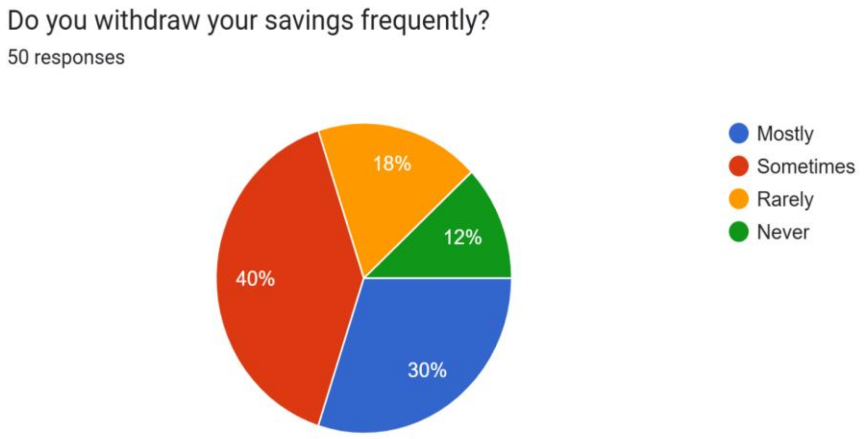
Most respondents (38%) save 10–20% of their income, while 36% save less than 10%. About 18% save more than 20%, and only 8% do not save at all.

FIGURE 7
OPINION OF THE RESPONDENTS REGARDING THE MAIN PURPOSE OF SAVING



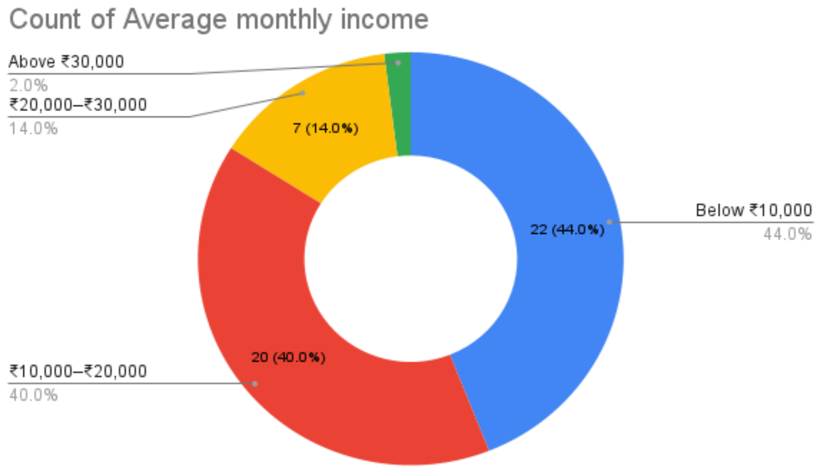
The main purpose of saving for 34% of respondents is family expenses, followed by future goals (28%) and emergency needs (20%). However, 18% of respondents do not save at all, indicating limited financial planning.

FIGURE 8
OPINION OF THE RESPONDENTS REGARDING WITHDRAWAL OF SAVINGS



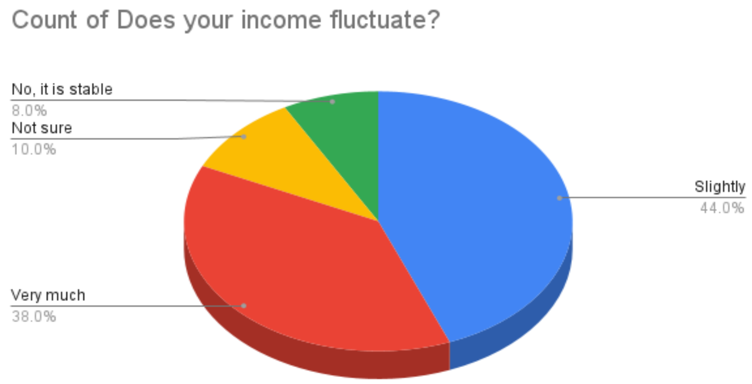
Most respondents (40%) sometimes withdraw from their savings, while 30% mostly withdraw their saved funds. About 18% rarely withdraw savings, and only 12% never withdraw, indicating strong saving discipline among a small group.

FIGURE 9
AVERAGE MONTHLY INCOME OF THE RESPONDENTS



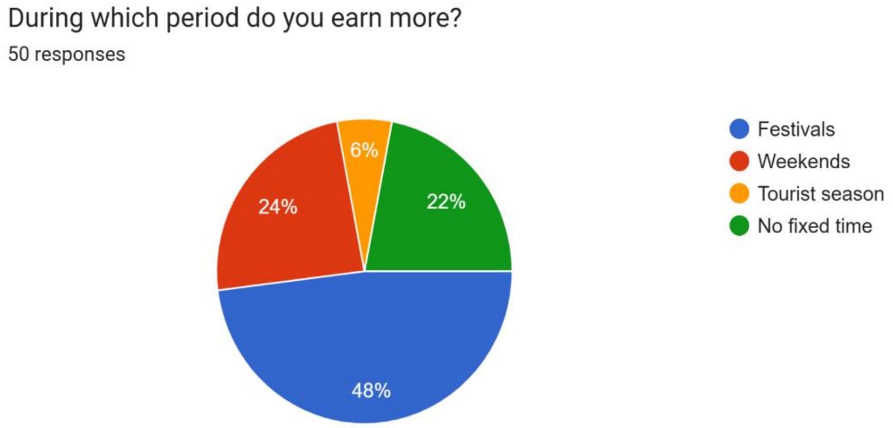
The majority of respondents (44%) earn below ₹10,000 per month, while 40% earn between ₹10,000 and ₹20,000. Only 14% earn ₹20,000–₹30,000, and just 2% earn above ₹30,000, indicating limited high-income opportunities among gig workers.

FIGURE 10
OPINION OF THE RESPONDENTS REGARDING INCOME FLUCTUATION



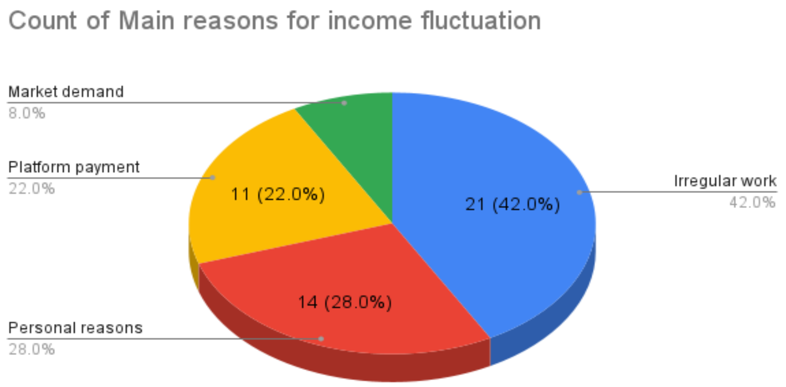
The majority of respondents (44%) reported slight income fluctuations, indicating manageable variations in earnings. A significant proportion (38%) experienced high-income fluctuation. Meanwhile, 10% were uncertain about their income fluctuation levels, and only 8% reported having a stable income with consistent monthly earnings.

FIGURE 11
OPINION OF THE RESPONDENTS REGARDING PERIOD OF HIGHER EARNINGS



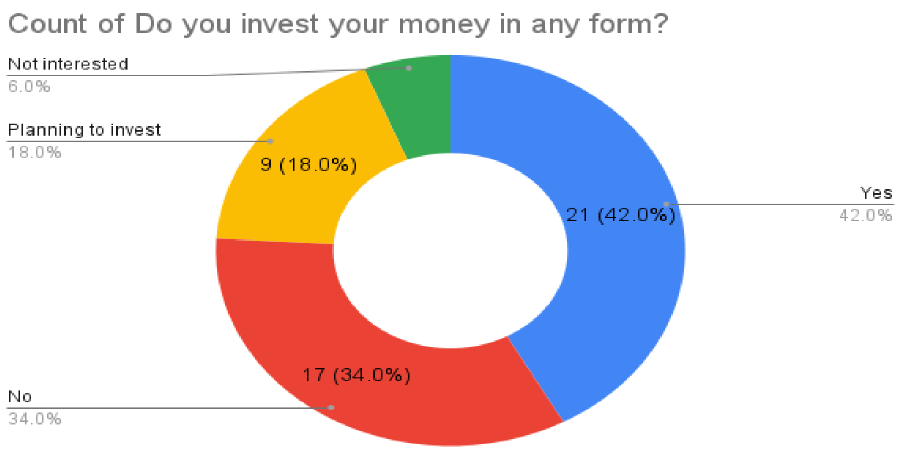
Most respondents (48%) earn more during the festival season, while 24% earn higher on weekends. About 22% reported no fixed period for higher earnings, and only 6% earn more during the tourist season.

FIGURE 12
OPINION OF THE RESPONDENTS REGARDING THE MAIN REASON FOR INCOME FLUCTUATION



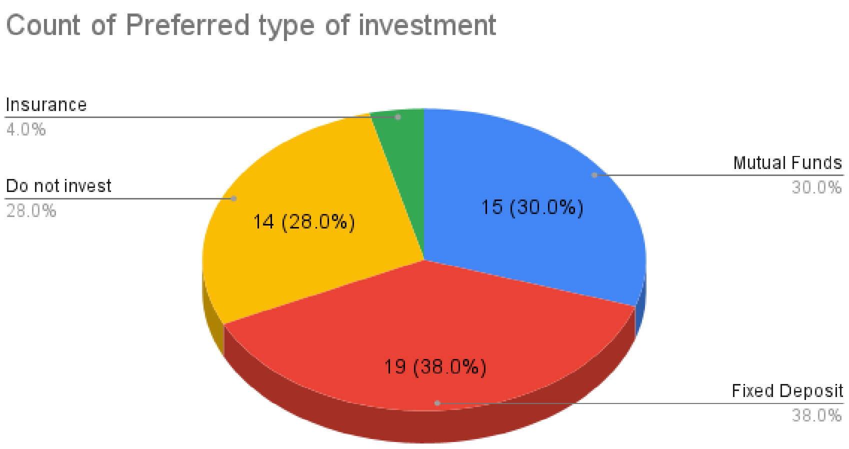
Most respondents (42%) cited irregular work availability as the main reason for income fluctuation. About 28% reported personal reasons, 22% mentioned platform payment issues, and 8% attributed it to market demand.

FIGURE 13
OPINION OF THE RESPONDENTS REGARDING INVESTMENT OF MONEY



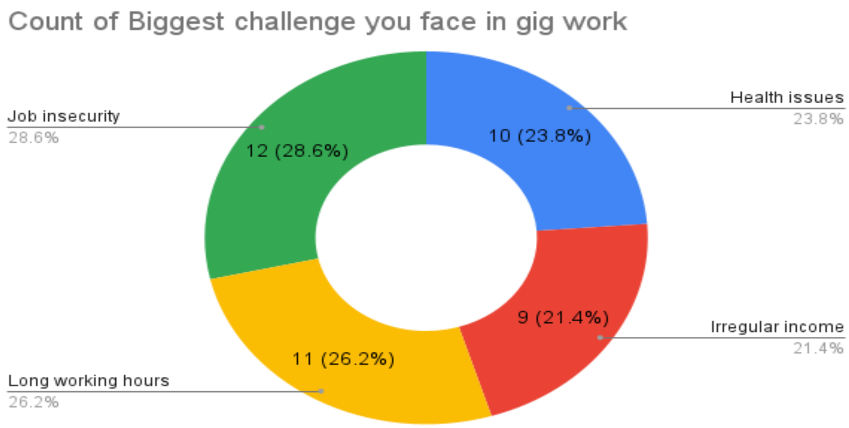
Most respondents (42%) invest their money, while 34% do not save. About 18% are planning to invest, and 6% are not interested in investment.

FIGURE 14
OPINION OF THE RESPONDENTS REGARDING PREFERRED INVESTMENT TYPE



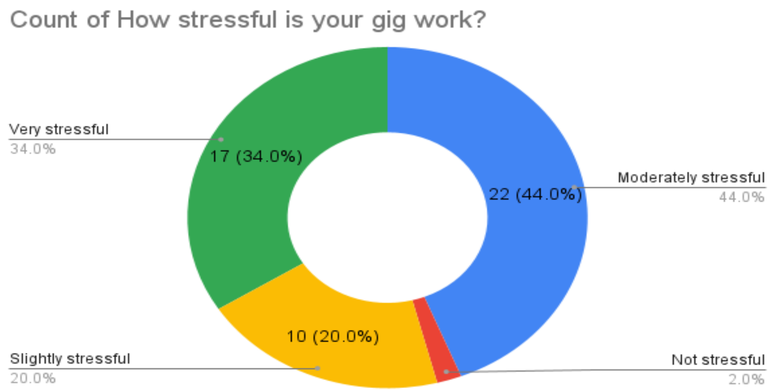
Most respondents (38%) prefer fixed deposits, followed by 30% who choose mutual funds. About 28% do not invest, and only 4% prefer insurance as an investment option.

FIGURE 15
OPINION OF THE RESPONDENTS REGARDING THE MAIN REASON FOR INVESTMENT



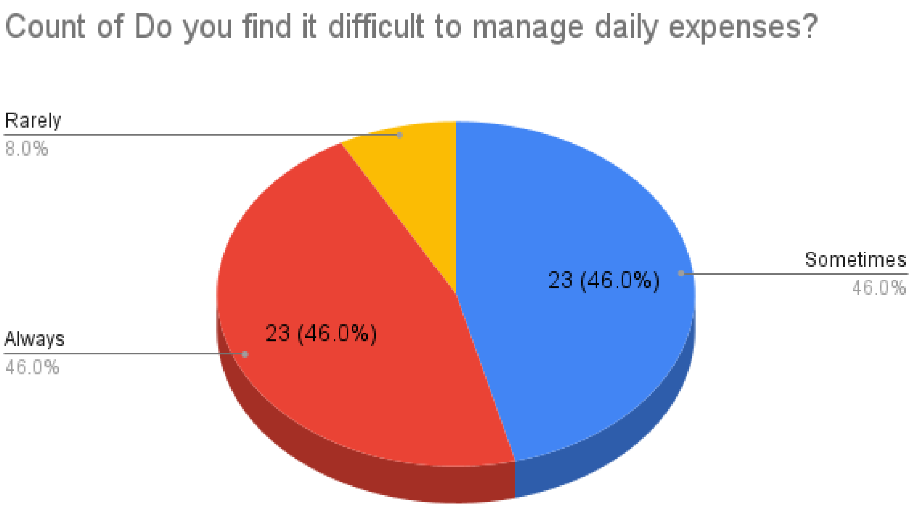
Most respondents (62%) invest for future security, while 34% invest for extra earnings. Only 2% invest for children’s education and 2% for retirement, indicating lower focus on long-term goals.

FIGURE 16
OPINION OF THE RESPONDENTS REGARDING THE BIGGEST CHALLENGE IN GIG WORK



Most respondents (28.6%) identified job insecurity as the biggest challenge, followed by long working hours (26.2%). About 23.8% reported health issues, while 21.4% faced irregular income.

FIGURE 17
OPINION OF THE RESPONDENTS REGARDING DIFFICULTY IN MANAGING DAILY EXPENSES



Most respondents (46%) always find it difficult to manage daily expenses, while another 46% face this difficulty sometimes. About 8% rarely experience it, and none reported never facing it.

International Journal of Leading Research Publication (IJLRP)

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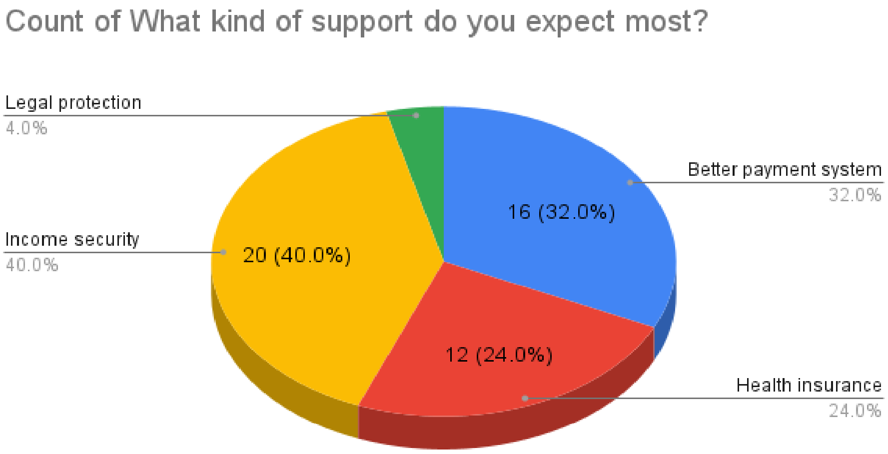
FIGURE 18

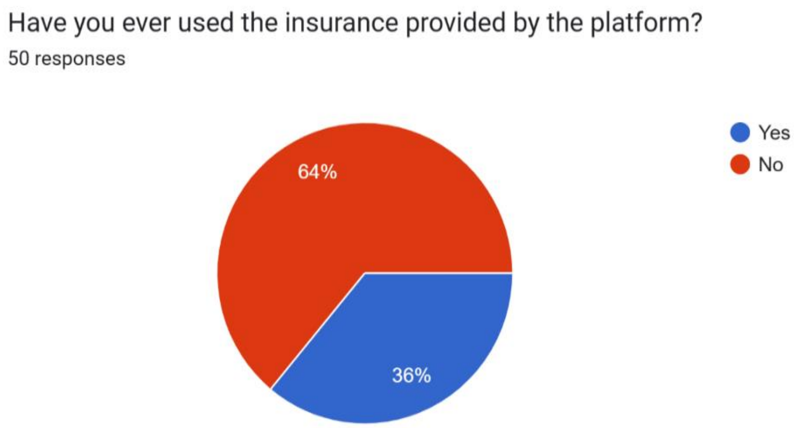
LEVEL OF STRESS EXPERIENCED BY THE RESPONDENTS IN GIG WORK



Most respondents (44%) reported moderate stress in gig work, while 34% experience high stress. About 20% feel slight stress, and only 2% reported no stress.

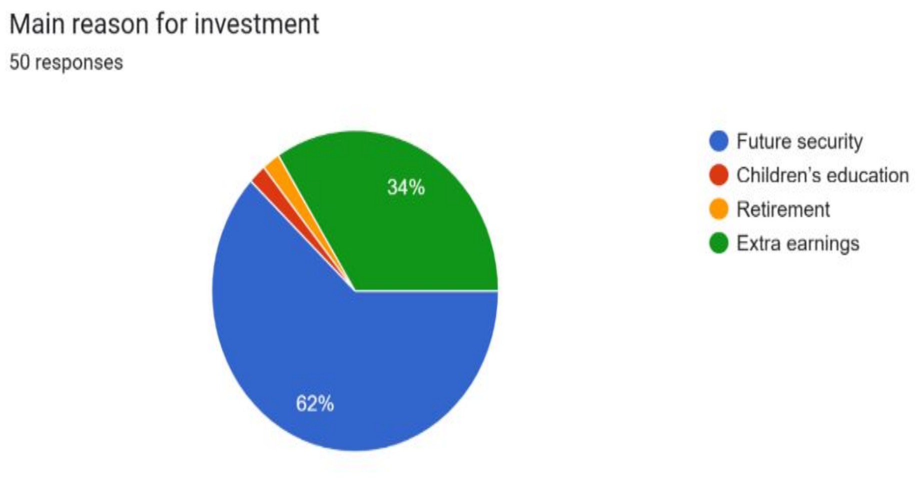
FIGURE 19

OPINION OF THE RESPONDENTS REGARDING MOST EXPECTED SUPPORT



Most respondents (40%) expect income security, followed by 32% seeking better payment systems. About 24% prefer health insurance, while only 4% expect legal protection.

FIGURE 20
OPINION OF THE RESPONDENTS REGARDING USAGE OF PLATFORM PROVIDED INSURANCE



The majority of the respondents, that is 64%, reported that they do not use the insurance provided by the platform. 36% of respondents reported that they have used the platform-provided insurance.

9. SUGGESTIONS

- Gig workers should be encouraged to improve their savings habits through financial literacy and awareness programs.
- Digital platforms and financial institutions should guide investment options such as fixed deposits, mutual funds, and insurance schemes.
- Gig companies should introduce income stabilisation measures to reduce the impact of income fluctuations caused by irregular work availability.
- Social security benefits such as health insurance, accident insurance, pension schemes, and emergency assistance should be expanded for gig workers.
- Platforms should ensure fair payment systems and transparent incentive policies to improve workers' financial security.
- Government agencies and platform companies should collaborate to provide affordable insurance coverage and welfare schemes.
- Training programs on budgeting, financial planning, and retirement planning should be organised to strengthen the long-term financial well-being of gig workers.
- Measures should be taken to reduce work-related stress and improve occupational health and safety among gig workers.

10. CONCLUSION

The study examined the income levels, savings behaviour, investment patterns, and challenges faced by gig workers in Ernakulam District. The findings reveal that most gig workers are young males engaged primarily in food delivery services, with a large proportion working on a part-time basis. The majority earn below ₹20,000 per month and experience varying levels of income fluctuation, mainly due to irregular work availability.

Although many respondents reported regular saving habits and preferred formal savings channels such as bank accounts, the amount saved is generally limited because of low and unstable income. Investment participation is moderate, with fixed deposits and mutual funds being the most preferred investment options. Future financial security is the primary motivation for investment among workers.

The study also highlights several challenges faced by gig workers, including job insecurity, long working hours, irregular income, difficulty in managing daily expenses, and lack of adequate social security benefits. Most respondents experience moderate to high levels of work-related stress and expect greater income security, better payment systems, and health insurance support.

Overall, the study concludes that while gig work provides employment opportunities and flexibility, gig workers remain financially vulnerable due to unstable earnings and limited social protection. Therefore, improving financial literacy, strengthening social security measures, and ensuring fair working conditions are essential for enhancing the financial stability and overall well-being of gig workers in Ernakulam District.

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