

People with Multiple Jobs Spend Less of Their Labor Income on Necessities and Indulgences

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Abstract

Across three studies, combining survey data, and transaction-level analysis from 90,548 customers of a nationwide retail bank, and insights from the General Social Survey, we study whether people with multiple jobs spend their labor income differently than people who earn the same total income from a single job.

We find that individuals with multiple jobs spend meaningfully more on education and transportation, but notably less in all other key spending areas including housing, groceries, dining out, healthcare, entertainment, home improvement and shopping.

These results converge with responses from the General Social Survey, in which individuals with multiple jobs report lower happiness and financial satisfaction.

Motivation

Today, it is increasingly common for individuals to earn income through supplementary sources:

- 58 million Americans — roughly one-third of the employed US workforce — are engaged in gig work¹
- 32 million Americans use gig work to supplement their primary income^{1,2}
- More than 25% of gig workers use earnings to meet essential needs³

Study 1: Survey Evidence

RESEARCH QUESTION

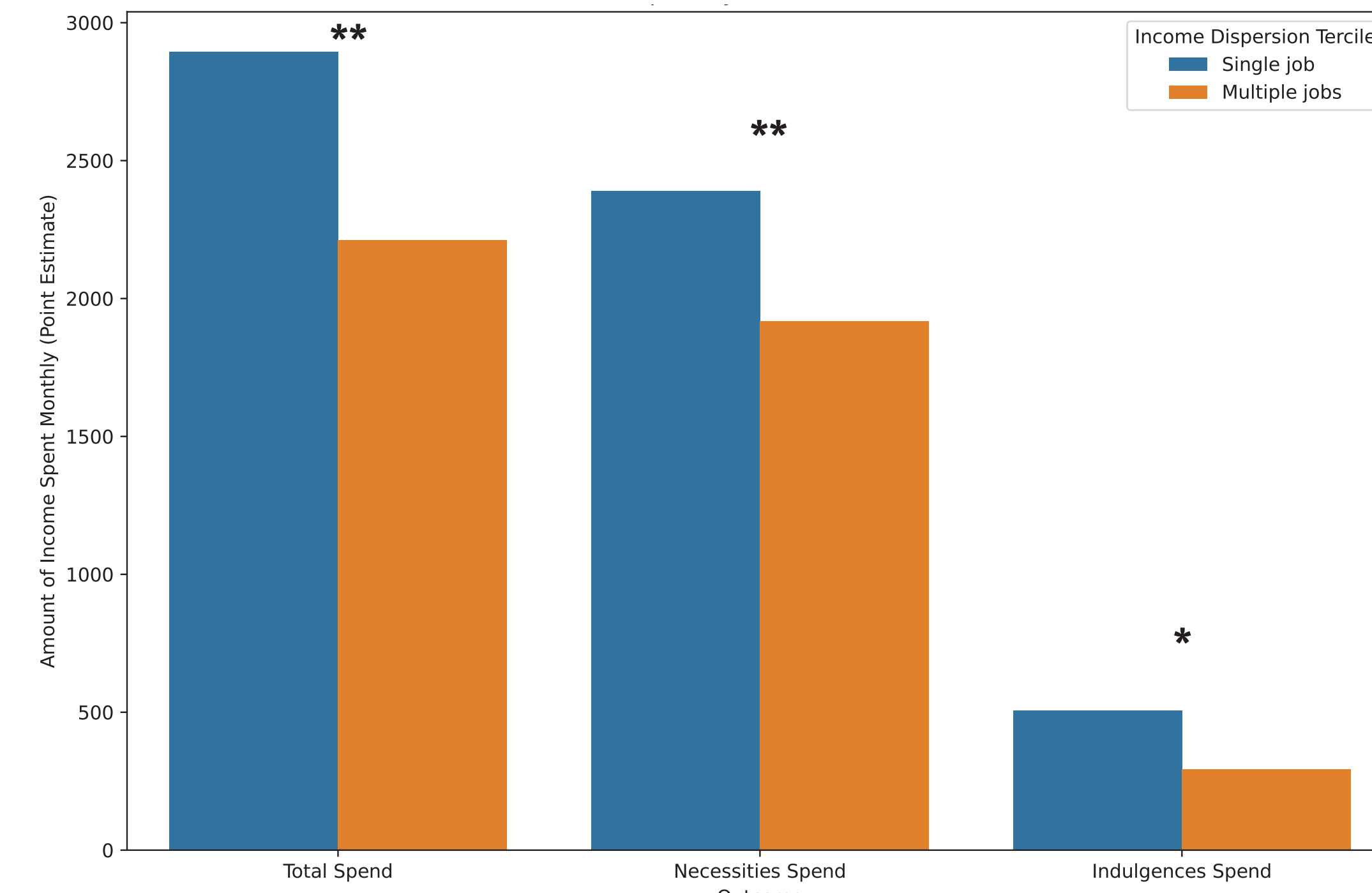
Do multiple-job holders report spending money differently?

METHOD

- Prolific: N = 737 ($M_{age} = 38.96$, $SD_{age} = 13.18$, 42.8% Female)
- Participants were prescreened and balanced across income concentration and US household income bracket levels
 - Participants were asked to report the amount of money spent across the 30 expenditure categories used in Study 1 over the last 30 days.
 - Participants were encouraged to consult bank statements, credit card records, etc.
 - Compensated \$4 for estimated 15 minutes of work

RESULTS

Equivalently-compensated people with multiple jobs report spending less overall, on necessities and on indulgences



People with multiple jobs spend, on average, \$682 per month less as compared to individuals with a single job when controlling for overall income, age, and gender. This corresponds to approximately \$470 less per month on necessities and \$212 per month less on indulgences.

* $p < .05$, ** $p < .01$, *** $p < .001$

Study 2: Field Evidence

RESEARCH QUESTION

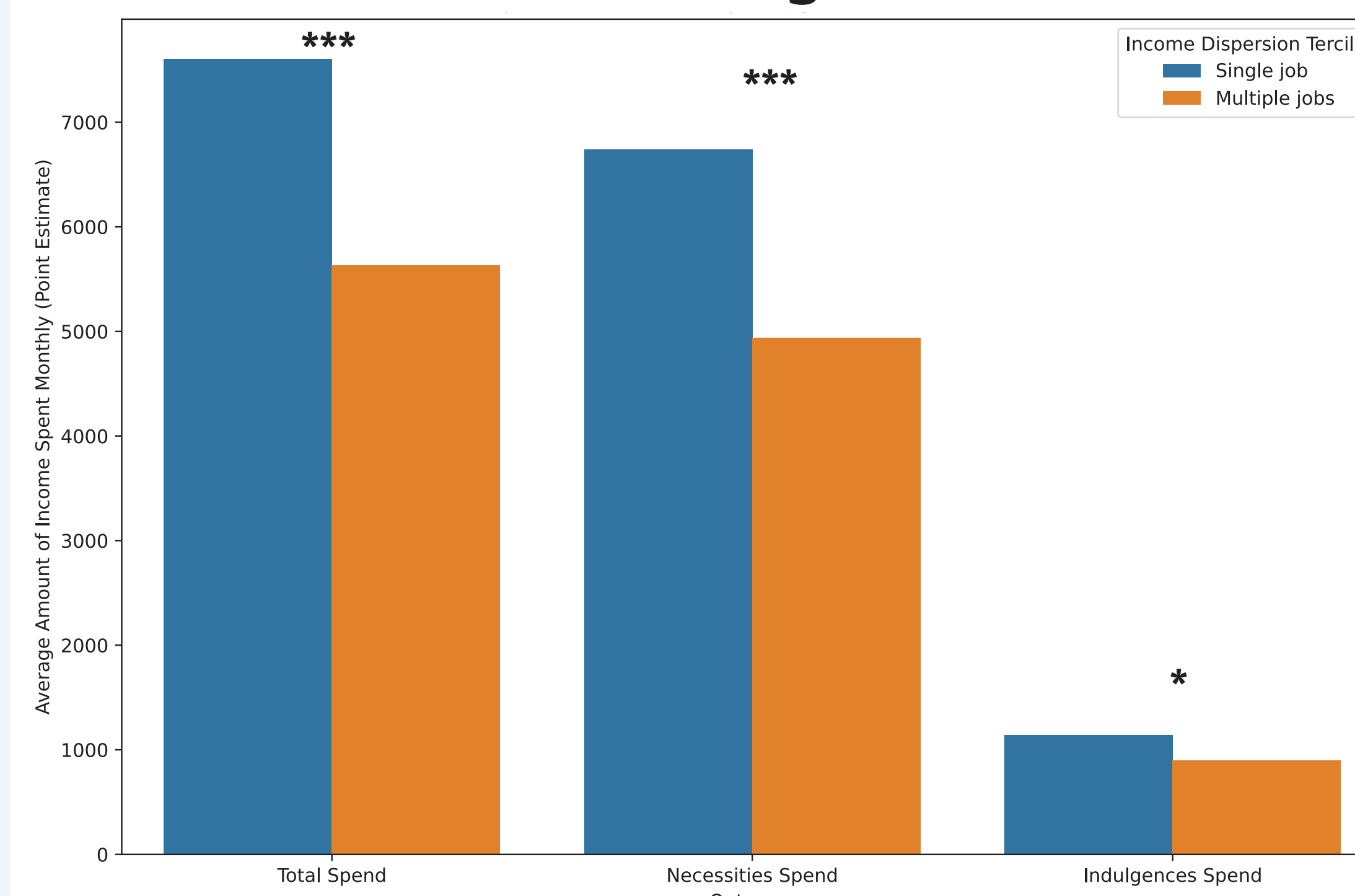
Do multiple-job holders actually spend money differently?

DATA AND METHOD

- Transaction-level data from 90,548 randomly-sampled customers of a large, multi-national bank
- Transaction records cover 2 fiscal years (July 2021 - June 2023) and include checking/savings accounts, credit & debit card purchases, and mortgage accounts

RESULTS

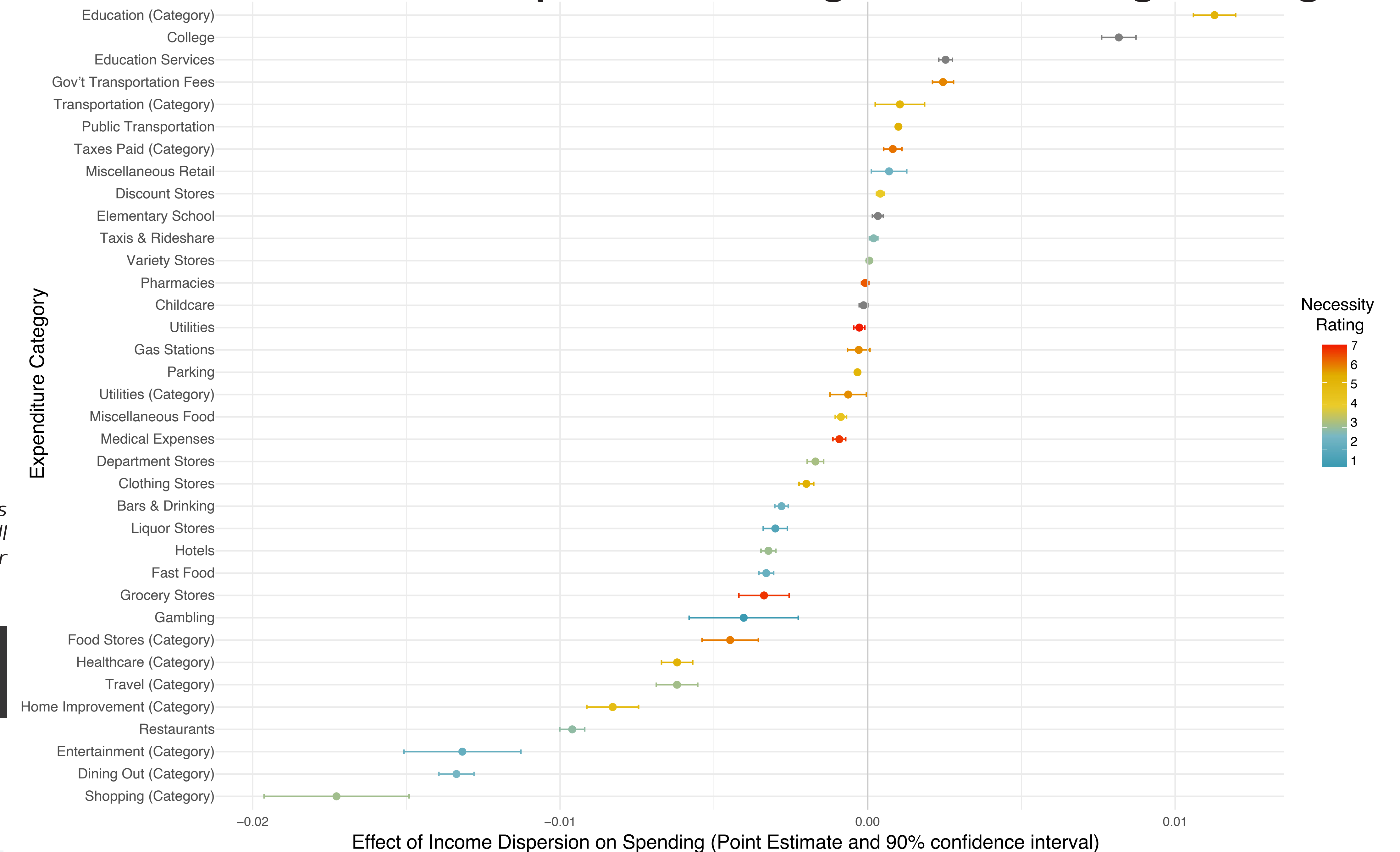
Field data corroborates that equivalently-compensated people with multiple jobs report spending less overall, on necessities and on indulgences



* $p < .05$, ** $p < .01$, *** $p < .001$

RESULTS

People with multiple jobs spend more on education and transportation, but less in all other expenditure categories (excluding housing).



Point estimates with 90% confidence intervals from fixed-effects linear models predicting share of income spent in an expenditure category for people with multiple jobs, controlling for labor income, surplus non-labor income, age and gender, with region and year fixed effects.

Study 3: GSS Evidence

RESEARCH QUESTION

What is the impact of holding multiple jobs on self-reported well-being?

DATA AND METHOD

- Analysis of data from Generalized Social Survey — a cross-sectional nationally representative survey conducted by the National Opinion Research Center in Chicago
- We investigate whether working multiple jobs is associated with two measures of personal well-being: general happiness and satisfaction with one's financial situation.

	Dependent Variable	
	General Happiness (1)	Financial Satisfaction (2)
Has Multiple Jobs?	-0.143*** (0.071)	-0.045* (0.023)
Log(Income)	-0.022 (0.028)	0.134*** (0.009)
N	1157	6782

DISCUSSION

- We find that individuals with multiple jobs spend labor income in meaningfully different ways than equivalently compensated individuals with a single job
- In particular, people with multiple jobs spend more on education and transportation but less in all other expenditure categories
- Our findings suggest that working multiple jobs may have meaningful implications for quality of life and financial well-being.

References

- [1] Freelance work, side hustles, and the gig economy | McKinsey. (n.d.).
 [2] Independent work: Choice, necessity, and the gig economy | McKinsey. (n.d.).
 [3] Anderson, M. et al. (2021) 'The State of Gig Work in 2021', Pew Research Center: Internet, Science & Tech, 8 December.