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POLICY SPOTLIGHT

The Gig Economy Isn't Replacing W-2 Jobs—It's Filling the Gaps

What nearly 3,000 Instacart shoppers reveal about work, income, and public policy

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Platform or gig work has become a flash point in the debate over the future of work. Critics worry that app-based jobs are replacing traditional W-2 employment, while supporters emphasize the flexibility these jobs offer workers whose lives cannot accommodate conventional schedules.

To understand how platform income fits into workers' broader work and household lives, we surveyed nearly 3,000 active Instacart shoppers—that is, those who work for the platform. Our survey shows that, for most shoppers, Instacart is not a replacement for traditional employment.[1] Instead, shoppers use the platform to add flexible income around existing jobs, caregiving, retirement, and other responsibilities. If Instacart income disappeared, most shoppers would seek another gig or platform job, look for work only if it offered comparable flexibility, or not seek additional work at all; they would not move directly into a traditional regular-hours job.

Key Findings

- **Instacart is generally a limited-hours work arrangement**. Most shoppers (85.7 percent) average fewer than 10 hours per week, and the median shopper averages 2.1 hours. About 93.6 percent of shoppers are supplemental earners, defined as shoppers who self-report Instacart as supplemental work and average fewer than 10 Instacart hours per week.
- **Instacart usually layers onto other work and income**. Among supplemental earners, 67.0 percent hold a traditional job, 48.8 percent work at least 31 hours per week at other jobs, and 5.5 percent report Instacart as their sole income source. Among supplemental earners who held a traditional job before joining Instacart, 77.6 percent still hold one today.

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[1] Liya Palagashvili, Revana Sharfuddin, and Benjamin Glasner, "The Economic Importance of Flexible Income: Evidence from a Survey of App-Based Workers" (Mercatus Working Paper, Mercatus Center at George Mason University, November 2026). Unless otherwise noted, all data referenced in this spotlight are from the study's weighted survey of 2,705 active Instacart shoppers, fielded February 2–12, 2026, and linked to de-identified administrative records. For the full analysis including sources, scan the QR code on the next page.

- **Flexibility is central to the platform's role**. Of all shoppers, 87.4 percent say Instacart allows them to work hours a traditional job typically would not offer. If Instacart were unavailable, 60.9 percent would either seek work only if it offered comparable flexibility or would not seek additional work at all. In a separate question, 71.4 percent say they would look for another gig or platform job if Instacart income disappeared.
- **Supplemental income is often meaningful to household finances.** Among supplemental earners, 51.9 percent say losing Instacart income would make it at least somewhat difficult to cover expenses. Sixty-four percent use the income for core expenses, while 47.0 percent use it for debt payments, savings, investments, or emergency funds.
- **Flexibility may expand feasible earning opportunities.** Among shoppers without a traditional job, 44.6 percent of mothers—compared with 21.1 percent of women without children—say family, school, or health circumstances make traditional jobs difficult. Older shoppers (age 65 and older) are the most likely to say that, if Instacart were unavailable, they would only consider work offering the same flexibility.

What the Findings Mean for Policy

The policy challenge is not simply to make platform work look more like traditional employment. Most shoppers are not looking to replace Instacart with a traditional job. Reducing access to flexible platform work may instead lead workers to find another similar gig or self-employed job, work fewer hours of paid work, or reduce savings or spending—not directly shift into regular-hours employment.

Preserve access to flexible earning opportunities

Rules governing platform work can affect more than pay per task or active hours. They can also affect how many orders are available, how many workers can participate, whether workers can log on intermittently, and whether they can work during the times that fit their lives. A policy that raises pay per active hour but reduces access to orders or participation may not raise total income for the workers it is intended to help.

Address concrete risks without imposing one arrangement

Workers approach Instacart with different circumstances and needs. Some value greater security, including predictable earnings, job stability, benefits, training, or advancement. For many shoppers, flexibility and the ability to work intermittently are central to why the arrangement works. Most shoppers, 80.8 percent, report having health insurance or other health coverage. A single legal status or set of benefits may therefore not address every worker's concern.

Platform-specific policies should address concrete risks while preserving access and scheduling control. Broader workforce policies should address the separate problem faced by workers who want more hours or more stable employment. The goal should be to expand the ways people can earn—not to eliminate the arrangements that make earning possible for many workers in the first place.

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