



FREELANCING IN AMERICA: **2015**

An independent study commissioned by Freelancers Union & Upwork



upwork™

We have entered a new era of work in this country.

Freelancing is becoming a more prevalent, viable option for workers— a trend that spans across borders, industries and occupations.

Despite the important implications of this development, the freelance workforce has, until recently, gone largely unexamined. Following the success of their landmark 2014 study, Freelancers Union and Upwork partnered again to sponsor a second annual survey conducted by an independent research firm. “Freelancing in America: 2015” represents the most comprehensive survey of the freelance workforce.

The results showed that freelancers are a critical sector of the U.S. labor force: approaching 54 million Americans—over one-third of all U.S. workers—have done freelance work in the past year. This is 700,000 more freelancers than last year.

In addition, more workers are freelancing by choice. While there are a range of reasons workers choose to freelance, in general, great-

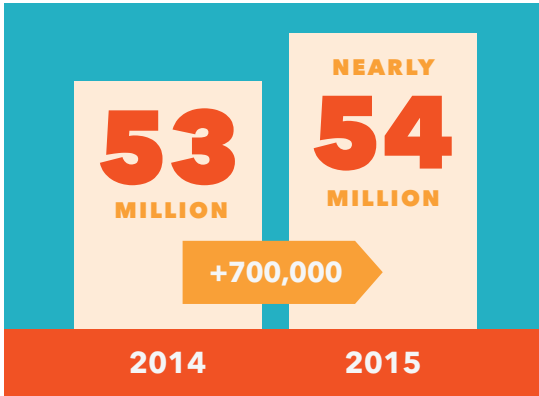
er freedom and increased flexibility appear to be primary motivations. Technology is making it easier and has helped more people to connect to freelancing opportunities.

This year’s survey also shows that freelancers are a large and engaged political constituency, to whom elected officials must pay attention. Demand for freelancers’ skills and labor is increasing. This trend is opening up earnings opportunities and driving economic growth.



The primary finding:

There are nearly 54 million Americans – 34% of workers – working as freelancers.



With one in three Americans freelancing, freelancers are a critical sector of the U.S. labor market.

- The 2015 survey showed that nearly **54 million Americans**—34% of workers—have done freelance work in the past year.
- That is **700,000 more freelancers** in the workforce than last year.



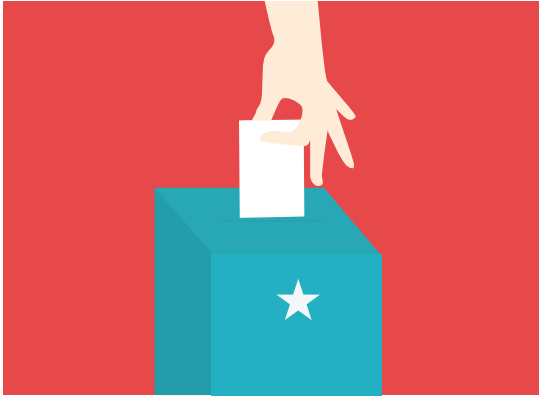
More workers are freelancing by choice.

- **60% of freelancers** said they started freelancing by choice, an increase of 7 percentage points from 2014.
- **Half of all freelancers** say they wouldn't stop freelancing for any amount of money.



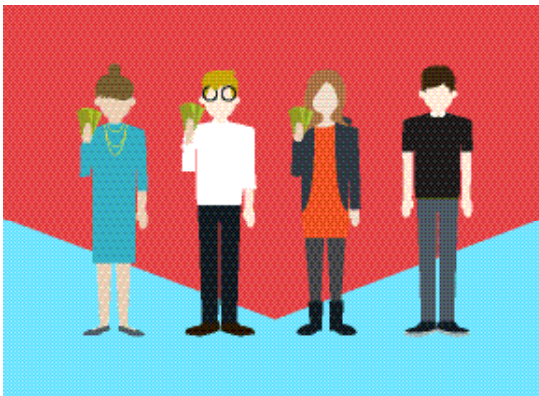
Greater freedom and increased flexibility are driving Americans' decision to freelance.

- **3 in 4 non-freelancers** are open to doing additional work outside their primary jobs to earn more money, if it was available.
- **73% of freelancers** agree that technology has made it easier to find freelance work, compared to 69% in 2014.
- **Two-thirds of freelancers** agree that freelancing provides the opportunity to work from anywhere, and more than one-third have been able to move thanks to the flexibility freelancing provides.



Freelancers are a significant political constituency, and elected leaders would do well to support their interests.

- **Almost 9 in 10 freelancers (86%) are likely to vote in 2016**, with nearly one-third still undecided about which political party they will support.
- Political leaders who support freelancer issues are likely to see it translate directly to votes: **62% of freelancers are more likely to vote for a candidate who supports freelancers' interests.**
- Generally, freelancers don't perceive elected officials as sufficiently focused on freelancer interests and want more discussion of those issues:
 - **Less than a quarter of freelancers view political leaders as actively supporting freelance interests;** and
 - **63% say we need more open discussion of how to empower the freelance segment of our workforce.**



Freelancers are earning more and expect to continue driving economic growth.

- **The majority (60%) of freelancers who left traditional employment now earn more**—of those, 78% indicated they earned more freelancing within a year or less.
- More than one-third of freelancers report that demand for their services increased in the past year, and nearly half expect their income from freelancing to increase in the coming year.
- **The vast majority (83%) of freelancers believe their brightest days are ahead**, and 82% believe that increased opportunities for freelancers are a positive step for the economy.



FREELANCING IN AMERICA: 2015

We have entered a new era. Freelancing is changing how we work. In lieu of traditional full-time jobs with a single employer, more Americans are working independently. Instead of working 9-to-5, more are working project-to-project and gig-to-gig.

The economic implications of this more flexible workforce are significant. Workers can pursue more meaningful, independent lives. Businesses can access the exact right skills and people they need at the exact right time. A more nimble economy is potentially more innovative, more competitive, and better able to deal with the fluctuations of global markets.

But this is more than an economic change. It's a cultural and social change on par with the Industrial Revolution. Just as the move from an agrarian to an industrial society had dramatic effects on all social structures around civil rights, workforce participation, and even democracy itself, so too will this shift to a more independent workforce have major impacts on how Americans conceive of and organize their lives, their communities, and their economic power.

Despite the gravity of such a change, it has

been difficult to comprehend the scale of the trend. Many could discuss the issue anecdotally or cobble together a few disparate, outdated statistics. Yet, it remained a big challenge to understand how big the freelance workforce really was—until recently.

In 2014, two of the nation's leading organizations serving this new group of workers—Freelancers Union and Upwork (then Elance-oDesk)—published a landmark study that thoroughly examined America's freelance workers for the first time in almost a decade. Freelancers Union and Upwork have partnered again to sponsor the survey, "Freelancing in America: 2015," the most comprehensive look at the independent workforce.

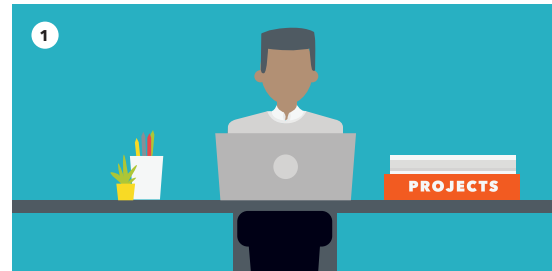
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The 5 Types of Freelancers

Here's how the different types of freelancers are defined in the study:

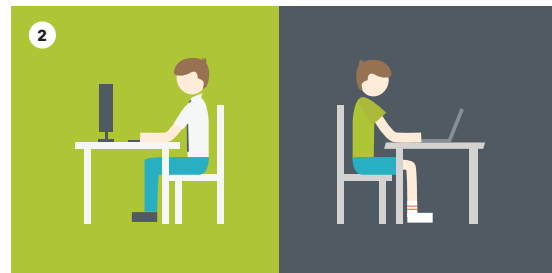
1 Independent Contractors

(36% of the independent workforce / 19.3 million professionals) - These "traditional" freelancers don't have an employer and instead do freelance, temporary, or supplemental work on a project-to-project basis.



2 Moonlighters

(25% / 13.2 million) - Individuals with a primary, traditional job with an employer who also moonlight doing freelance work. For example, a corporate-employed web developer who does projects for nonprofits in the evening.



3 Diversified workers

(26% / 14.1 million) - People with multiple sources of income from a mix of traditional employers and freelance work. For example, someone who works the front desk at a dentist's office 20 hours a week and fills out the rest of his income driving for Uber and doing freelance writing.



4 Temporary Workers

(9% / 4.6 million) - Individuals with a single employer, client, job, or contract project where their employment status is temporary. For example, a data entry worker employed by a staffing agency and working on a three month assignment.



5 Freelance Business Owners

(5% / 2.5 million) - These freelancers have one or more employees, and consider themselves both a freelancer and a business owner. For example, a social marketing guru who hires a team of other social marketers to build a small agency, but still identifies as a freelancer.



Similar to last year, 2015's results showed that the freelancer is a critical part of the U.S. economy: nearly 54 million Americans—more than one-third of the overall labor force—have done freelancing work in the past year.

60% of freelancers say they started by choice.

And their ranks are only growing. Over the last year, the workforce added 700,000 freelancers, in line with the growth of the overall workforce.

Interestingly, from 2014 to 2015, the number of diversified workers increased from 9.3 million (18% of the freelance workforce) to 14.1 million professionals—this growth is largely due to increased participation in the sharing economy. In fact, the number of freelancers who earn 10% or more of their income through the sharing economy—sites such as Uber, Etsy, or others that allow people to share their goods or time with others—has nearly doubled in the past year.

What's more, people are proactively choosing to work independently. Sixty percent of freelancers surveyed said they started freelancing by choice—up from 53 percent last year—and 67 percent of freelancers agree that more people are choosing to work independently today compared to three years ago.

Since the 1990s, we've seen this trend toward freelancing grow stronger and wider in its reach across the economic spectrum. And this year's survey found that for half of freelancers, no amount of money could make them quit freelancing for a traditional job with an employer.

Income is a big reason why many opt to freelance to begin with. The majority of freelancers earn more than they did at their old, traditional

job, with three in four earning more within the first year of leaving.

Freelancers also report greater freedom and flexibility as main drivers behind their decision to freelance—in fact, two-thirds agree that freelancing offers them the ability to work anywhere.

In that way, technology has been a catalyst in the growth of the independent workforce. Nearly three-quarters (73 percent) of freelancers agree that technology has made it easier to find work, up from 69 percent in 2014. This year, roughly half (51 percent) of the freelancers surveyed have found a project online, and nearly three-quarters (72 percent) of those say it typically takes less than a week to do so.

In the words of one respondent,

“Because it’s a job on my terms, I can do it at all times of the day, on weekends...I am not bound by a single location.”

None of this is to say that freelancers necessarily have it easy. Many of the perks of independent work come at the expense of the security associated with traditional, 9-to-5 employment. Like many in the traditional workforce, the freelance workforce is concerned about the cost of healthcare and saving for retirement. They also, not surprisingly, have concerns about unpredictable income, difficulty finding work, and non-payment or late payment by clients.

Unfortunately, this workforce still remains overlooked and poorly understood by elected officials. In fact, 63 percent of freelance workers want more discussion of how to empower the freelance segment of our workforce. And less than a quarter of freelancers see political leaders—from the local to the national levels—as actively supporting their issues.

62% of freelance workers are more likely to vote for a candidate who supports freelancer interests.

With the approach of the 2016 election, governments and politicians would do well to understand the interests of freelancers and the issues that matter to them. Politicians who support the interests of the independent workforce could see it translate directly into votes: 62 percent of

freelance workers are more likely to vote for a candidate who supports freelancer interests.

86% of freelancers are likely to vote in 2016.

And freelance workers make up a large voting bloc. According to the survey, 86 percent of freelancers are likely to vote in 2016.

Despite feeling relatively ignored in the national political discourse, freelancers remain an optimistic bunch. Most freelancers (82 percent) believe that greater opportunity for freelancers helps the larger economy. Nearly half expect their income from freelancing to increase in the coming year, and the vast majority—83 percent—believe the best days for freelancing are ahead.



Learn more at www.FreelancersUnion.org/FreelancingInAmerica2015

