



5TH ANNUAL REPORT

Freelancing in America 2018

An independent, annual study commissioned by Freelancers Union & Upwork



In the past five years, the freelance workforce has grown by 3.7 million to total nearly 57 million freelancers.

Since 2014, Freelancers Union and Upwork have commissioned the most comprehensive measure of the U.S. independent workforce, *Freelancing in America*. To celebrate the fifth year of the report, we're taking a big-picture look back at how the freelance landscape has changed since the survey launched.

In the past five years, this continually-evolving workforce increased by 3.7 million to total nearly 57 million freelancers. One in three American workers did freelance work, making freelancers a massive contributor to the U.S. economy. This year's survey also found that Americans did more than a billion hours of freelance work per week.

Data from the last five years highlight the importance of ongoing training and education for freelance workers. Freelancers are much more likely than traditional employees to seek out skills training, and they view this type of education as even more crucial to their work than college. Although freelancers are more likely to see value in training, they're also more likely to have to pay for it themselves than traditional workers. So cost ends up being a hindrance for many.

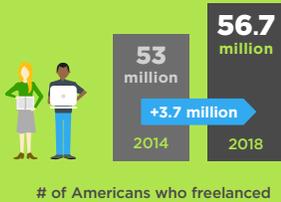
We also took a look at freelancers' quality of life. Findings showed that both types of U.S. workers—freelancers and non-freelancers—prioritize lifestyle over earnings. But freelancers are more likely to have the lifestyle they want. That said, when it comes to freelancing there are both benefits, such as flexibility, and challenges, such as income uncertainty and concerns about healthcare.

And, in this election year, we examined how freelancers think about politics. Freelancers are more likely than traditional workers to be politically engaged and are looking for politicians to support their interests—so much so that 72% said they'd be willing to cross party lines to vote for a candidate who champions freelancers. Despite this, many said they didn't see their needs being represented by policymakers today. That means freelancers could have the power to tip an election, yet another potential impact for these workers as a vital and engaged part of our society.



Key Findings:

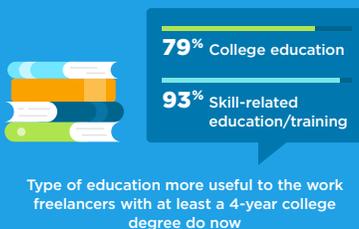
56.7 million Americans freelanced this year



Americans are spending more time freelancing



Freelancers value skills training over a formal education



Nearly everyone prioritizes lifestyle over earnings



More Americans are freelancing than five years ago

- More than one in three Americans freelanced this year, and the freelance workforce has grown by 3.7 million to 56.7 million.
- Over the last five years, people are increasingly making the choice to freelance: 63% of freelancers said they were freelancing by choice rather than necessity, up 10 points since 2014.
- This increase is driven especially by growth among younger generations and full-time freelancers.
- Americans are spending more than 1 billion hours per week freelancing—an increase of 72.8 million hours per week since 2015.

Freelancers are likely to seek out training and education to stay current in today's workforce

- Freelancers are likely to find skill-related training more valuable than a college education to the work they do now.
- Freelancers are more proactive than non-freelancers when it comes to updating their skills to remain marketable as the job landscape evolves: 70% of full-time freelancers participated in skills training in the past 6 months, compared to 49% of full-time non-freelancers.
- Specifically, freelancers are seeking training to enhance their skills in areas that affect freelancers most: technology, networking, and business management.
- Cost is a barrier for many (53%) freelancers when it comes to accessing training since freelancers are more likely than non-freelancers to pay for training themselves.

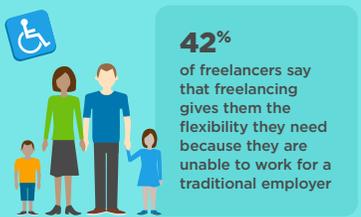
Despite challenges, freelancers are more likely than non-freelancers to achieve the work-life balance they want

- Both freelancers and non-freelancers prioritize achieving the lifestyle that they want, but freelancers are more likely to get it.

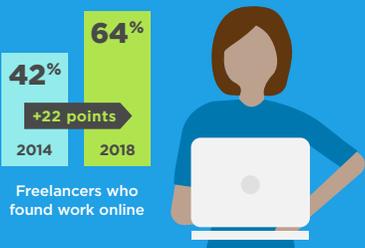
Freelance lifestyles bring some anxiety but better balance



Freelancing provides more opportunities



Tech is enabling freelancing



Freelancers are becoming more optimistic about freelancing's future



- Freelancers feel anxious about all they have to manage, but they also have a better work-life balance with more control over their own destiny and schedule, resulting in less stress and better health.
- Freelancing also provides opportunities to those who otherwise might not be able to work: 42% of freelancers agree that freelancing gives them the flexibility they need because they are unable to work for a traditional employer due to personal circumstances, such as health issues or childcare needs.
- Many full-time freelancers (61%) would consider moving to a different city for a tax break of less than \$5,000.

Freelancers are politically engaged and eager to have their unique issues addressed by policymakers

- In the 2018 election season, freelancers could be key—they are 19 points more politically active than non-freelancers.
- Freelancers are more likely to vote for candidates who support their interests. In fact, having their issues addressed by their representatives is more important to freelancers than party loyalty. More than seven out of ten (72%) said they'd be willing to cross party lines to vote for candidates who support freelancer interests.
- To win freelancer voters, candidates should focus on making healthcare more affordable and accessible, as well as support retirement savings and higher pay.

Freelancers are optimistic about today's landscape, and technology is making it easier to find work

- More than three out of four freelancers report that technology has made it easier to find freelance work, and 64% of freelancers found work online in this year's study—a 22-point increase since 2014. The percentage of work they obtained online increased for 67% of freelancers this year.
- Freelancers are optimistic about the future of freelancing: Nearly nine out of ten see the industry's best days ahead.
- 51% of freelancers say no amount of money would get them to take a traditional job.

Freelancing in America: 2018

Looking back five years

For the fifth annual Freelancing in America report, we're taking a look back to see how things have changed in the freelance workforce since we started doing the survey in 2014. At that time, ours was one of very few surveys of this workforce, which the government hadn't counted since 2005. While the U.S. Bureau of Labor Statistics (BLS) released its own research this year, its one-week snapshot did not count workers who freelance less than weekly, a missing group that we found represents more than 4 in 10 freelancers. Our survey remains the most comprehensive snapshot available of today's freelance workforce. Since its inception, we've seen an increase in workers putting together income in more diverse ways, as well as a rise in the number of full-time freelancers.

Americans spend over a billion hours per week freelancing

Since our first survey five years ago, we've seen an increase both in the number of Americans who freelance and the hours they spend doing it. More than one in three Americans freelanced in 2018; in the last five years, the number of American freelancers has grown by 3.7 million to 56.7 million. And freelancers account for a staggering number of hours worked in the U.S.: Currently, Americans spend over a billion hours per week freelancing—up 72.8 million compared to 2015.

Younger and full-time freelancers are the biggest contributors to the increases seen both in the number of freelancers working today and in the number of hours worked. Full-time freelancers increased from 17% to 28% of the freelance workforce, while part-time freelancers dropped 9 points from 59% to

50%. The percentage of freelancers ages 18 to 34 increased 4 points, and now 42% of workers in that demographic are freelancing.

Many freelancers are new to the workforce: 74% of them began freelancing in the last five years. And an increasing number are freelancing by choice, rather than necessity—61%, up from 53% in 2014. Income has also increased for some workers: The number of freelancers classified as "high earning" (\$75,000 and above) increased 15 points since 2014.

Freelancers value job training and education—but cost can be a limitation

Freelancers are more likely than traditional workers to seek training to remain marketable in today's workforce; 81% said they found skill-related education or training valuable. Freelancers are also more likely than non-freelancers to have recently updated their skills. Seventy percent of full-time freelancers had participated in skill-related education or training in the last six months, compared to 49% of full-time traditional workers.

Seven in ten freelancers participated in skill-related training in the last six months

And freelancers find skills training or education to be even more valuable than traditional education. Ninety-three percent of college-educated freelancers said they found skills training to be somewhat or very useful, compared to 79% who said the same about college education. And 45% of full-time freelancers said they participate in more training after they've left full-time work than they did during traditional employment. Many freelancers would benefit from education on essential freelance business skills, including

contracts (44%), marketing their skills (36%), and negotiating with clients (31%). These workers were also more likely than non-freelancers to participate in skills training to gain marketable skills (34% compared to 21%) or to expand their professional networks (32% compared to 24%).

But this training comes at a cost. Freelancers are almost twice as likely as non-freelancers (28% vs. 15%) to cover the cost of their own training, and 53% of freelancers said this cost was getting in the way of advancing their skills (compared to 33% of non-freelancers).

53% of freelancers said cost gets in the way of advancing their skills

Freelancers are happy with their work-life balance, though some challenges remain

Freelancers said maintaining control over their destiny, flexibility, and independence were the top reasons for freelancing—and the choice is working for them. When it comes to achieving the lifestyle they want, 84% of full-time freelancers said their work gave them their desired lifestyle, compared to 63% of full-time non-freelancers.

Overall, full-time freelancers said that freelancing provided a better quality of life, including having more time to spend with people and things they care about (77%) and feeling more stimulated by the work they do (76%). They even saw health benefits: Full-time freelancers said their work was less stressful than traditional workplaces (70%), and they've seen improvements in their sleep (64%) and general health (64%) since they started freelancing. Many freelancers (42%) said that the flexibility of freelancing worked well for them because personal circumstances, such as childcare needs and health issues, left them unable to work for traditional employers.

On the flip side, full-time freelancers felt anxiety about the unpredictable nature of their work (63%) and the specific challenges of managing a freelance life, including insurance, taxes, and other financial concerns (63%). And 56% said their work could leave them feeling isolated.

Looking ahead

Today, more freelancers are optimistic about the future of freelancing than they were in 2014 (87% vs. 77%). Seventy-six percent of freelancers say that technology has made it easier to find work and 64% have found work online (compared to 42% in 2014). The vast majority of freelancers (88%) feel technology will only continue to increase opportunities to freelance.

76% of freelancers say that technology has made it easier to find work

And that optimism is backed up by real changes in the way freelancers find work over the last five years. Since 2014, the proportion of freelancers who have found work online increased 22 points, from 42% to 64%. And 67% said that the amount of work they obtained online increased in the last year.

Conclusion

Our five-year snapshot shows that since 2014, freelancing has increased over several crucial indicators: the number of workers who freelance and the number of hours worked. Freelancers are more likely than other workers to seek out job training and education to stay current in their field and maintain a competitive edge. Technology has played a crucial role in this ever-changing landscape, particularly the amount of work that freelancers find online. And the role of tech will likely only increase as more workers join this ever-changing workforce.

Freelancers are more engaged politically—and their votes are up for grabs.

To win freelancer votes, politicians should focus on affordable healthcare, retirement, and helping people get paid more for the work they do.

Freelancers are more politically active



Participation in political activities



Freelancers are more politically active than non-freelancers—53% compared to 34%. And the number who consider themselves politically engaged is even higher among Millennial freelancers (60%) and full-time freelancers (65%).

Nearly two thirds of freelancers (65%) said they've heard little or no discussion about freelancers from government leaders, and 65% feel they're not well-represented by government leaders and that policy makers should work to understand the freelance workforce and its economic impact.

When it comes to the 2018 election for Congress and other offices, 80% of freelancers said they are likely to vote, and 48% currently support Democratic candidates, compared to 38% who support Republicans.

Freelancers want to vote for candidates who speak to their concerns: 76% of freelancers said they are more likely to vote for a candidate who supports their interests. This was true for 83% of full-time freelancers.

More than seven in ten freelancers (72%) said they'd be willing to cross party lines to vote for candidates who support freelancer interests. This was true of 70% of Republicans and 77% of Democrats.

Automation is a political issue for freelancers, and many (70%) see freelancing as a good option for workers who have lost their jobs to automation. They also feel that those who lose their jobs to automation should have easier access to retraining and reskilling resources so that they can enter the freelance workforce (62%).

Freelancers share many of the same concerns as traditional workers, but they're more concerned than non-freelancers about unpredictable income. In fact, income unpredictability was the top concern holding moonlighters back from becoming full-time freelancers (56%).

Among all freelancers, the top three overall concerns were access to affordable healthcare, uncertain income, and saving for retirement.

Most freelancers (84%) have health insurance, and they're more likely to have purchased coverage themselves. Among those that purchased their own plan, 52% of full-time freelancers and 46% of part-time freelancers reported paying more in health insurance premiums this year than last year.

Two-thirds of freelancers (66%) said they prefer to purchase their own benefits and take home more pay rather than earning less with benefits provided by an employer or client.



Freelancing in America is an independent study commissioned by
Freelancers Union & Upwork and conducted by Edelman Intelligence.

Learn more at www.FreelancersUnion.org/FreelancingInAmerica2018

