



FREELANCING IN AMERICA: **2016**

An independent, annual study commissioned by Freelancers Union & Upwork



More and more Americans are freelancing. They vote, too.

In 2016, one of the largest voting blocs in the country is eager to be heard about the opportunities and challenges facing the expanding independent workforce.

2016 is the third year we have conducted "Freelancing in America" - the most comprehensive measure of the U.S. independent workforce available. Going into this year's survey, we already knew that millions of Americans today are choosing to be part of the independent workforce, driven by freedom and flexibility. Moreover, technology is making it easier to find freelance work, making freelancing an increasingly popular way to work and live.

What distinguishes and excites us about "Freelancing in America: 2016" is not only how much the freelance economy continues to grow - now at 35% of the U.S. workforce - but also the potential impact of independent workers in the 2016 presidential election. The economy is top of mind for voters - and especially so for freelancers. Of the 55 million Americans who have joined the freelance economy, 85% say they are likely to vote in the 2016 presidential election. That's a powerful, diverse, motivated bloc of voters, and they have a distinct set of priorities.

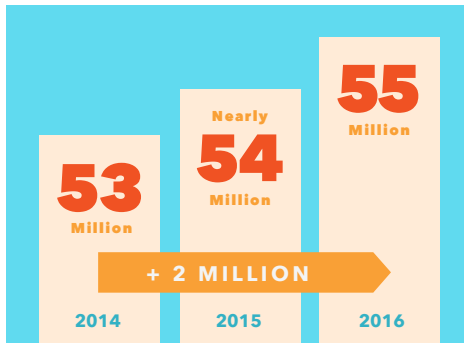
Our annual survey finds that over two-thirds of independent workers say they are more likely to vote for a candidate that supports freelancers' interests. But despite freelancers' huge numbers - and the estimated \$1 trillion they earned last year, representing a sizable share of the U.S. economy - freelancers overwhelmingly say we need more discussion of how to empower the independent workforce.

The days of the traditional nine-to-five job are long gone. Freelancing is here to stay. As the economy shifts, our elected officials need to shift with it by supporting the independent workers and voters who are helping to move the economy forward.



THE PRIMARY FINDING:

55 million Americans are freelancing - that's 35% of the U.S. workforce - and the figure keeps rising.



The freelance economy has added two million workers since 2014.

- From 2014 to 2016, the freelance workforce grew by 2 million workers, from 53 to 55 million.
- The freelance workforce earned an estimated \$1 trillion from freelancing this past year, representing a significant share of the U.S. economy.



Most freelancers do it by choice: they feel good about it, and don't miss traditional employment.

- 63% of freelancers say they started more by choice than necessity, an increase of 10 percentage points from 2014.
- In fact, full-time freelancers feel overwhelmingly positive about their work: they are significantly more likely than non-freelancers to feel respected, engaged, empowered, and excited to start each day.
- Compared to traditional employment, 79% of freelancers say freelancing is better; half (50%) say there's no amount of money that would get them to take a traditional job and stop freelancing. The majority of freelancers that left a full-time job say they made more freelancing than they did with an employer within one year.
- Full-time freelancers also say they're able to work less than 40 hours per week (36 hours/week on average), and the majority feel they have the right amount of work.



Why 55 million? Flexibility, freedom & technology are driving the rise in freelancing.

- For full-timers, the biggest reason they choose to freelance is flexibility and freedom; for part-timers, the opportunity to make additional income is a major attraction.
- Technology enables freelancing: 73% agree technology has made it easier to find freelance work, an increase of four percentage points since 2014. The amount of work they obtain online has increased in the past year, say 66% of freelancers.





45% HILLARY CLINTON

33% DONALD TRUMP

9% GARY JOHNSON

12% DON'T KNOW

Freelancers should have a strong voice in deciding issues about their work.

All workers should have access to health and retirement benefits regardless of their employment status.

Freelancers are likely to vote - in huge numbers - and in 2016 they want more attention paid to the independent workforce.

- 85% of freelancers say they are likely to vote in the 2016 election – that's nearly 47 million voters.
- Over two-thirds (68%) of freelancers likely to vote say they are more likely to vote for a candidate that supports freelancers' interests.
- Furthermore, the vast majority say we need more discussion of how to empower the independent workforce – 70%, an increase of 7 percentage points since 2015.
- At the time of the survey (July 2016), the breakdown of candidate preference for freelancers likely to vote was: 45% said they'd vote for Hillary Clinton; 33% said they'd vote for Donald Trump; 9% said they'd vote for Gary Johnson; 12% said they don't know.

Freelancers are positive about the future but still face some major roadblocks.

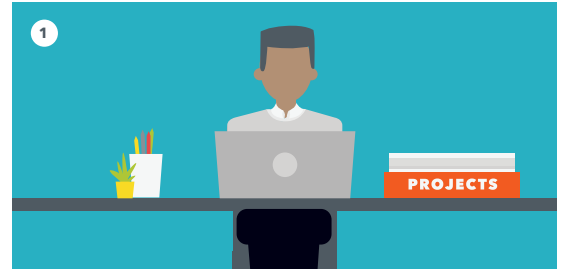
- In general, freelancers say perceptions of freelancing are becoming more positive (63%) and respected as a career path (60%). Nearly half of full-time freelancers (46%) raised their rates in the past year, and more than half (54%) plan to raise them next year.
- The biggest challenges facing freelancers come down to stability and support. Among full-time freelancers, top concerns are: 1) being paid a fair rate, 2) unpredictable income, and 3) debt. What income predictability is today, however, is perhaps different than expected: the majority of freelancers say that a diversified portfolio of clients is more stable than having one employer.
- Access to health insurance is also a concern. Full-time freelancers rank health insurance as the #1 most important benefit to support their chosen lifestyle; however, 20% are still uninsured, 34% don't know where to go for information about benefits, and 54% of those who purchase plans on their own paid more than last year for health insurance.
- Freelancers are seeking benefits solutions to enable their lifestyle - when asked to choose between additional pay or receiving a benefits package from an employer or client, two-thirds of freelancers preferred more pay and purchasing benefits on their own.

The 5 Types of Freelancers

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

1 Independent Contractors

(35% of the independent workforce / 19.1 million professionals) - These "traditional" freelancers don't have an employer and instead do freelance, temporary, or supplemental work on a project-to-project basis.



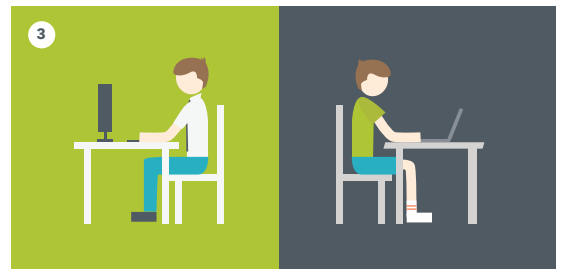
2 Diversified Workers

(28% / 15.2 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.



3 Moonlighters

(25% / 13.5 million) - Professionals with a primary, traditional job who also moonlight doing freelance work. For example, a corporate-employed web developer who does projects for nonprofits in the evening.



4 Freelance Business Owners

(7% / 3.6 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.



5 Temporary Workers

(7% / 3.6 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.



Note: Due to rounding, percentages add up to more than 100%.

Freelancing in America: 2016

The last time Americans elected a president, the biggest issue voters cared about, by far, was the economy. Now, four years later, the economy once again tops the list. This is especially true for freelancers.

Seismic shifts in our economy have moved us further away from the conventional 9-to-5 job – when people worked for a single employer, sometimes for their entire career, and relied on their employer for benefits like health insurance and retirement savings. Instead, as the 2016 Freelancing in America survey finds, a whopping 55 million Americans have joined the independent workforce – meaning they perform some kind of supplemental, temporary, project- or contract-based work to fully or partially support themselves. The majority do this by choice, but that doesn't mean it's easy.

For the third year in a row, Freelancers Union and Upwork have commissioned the most comprehensive survey of independent workers in order to gain insights into their experiences, concerns, and how their needs can be addressed. As a voting bloc that earns an estimated \$1 trillion from freelancing, which represents a significant share of the U.S. economy, we found that freelancers are a highly motivated group – and eager to support candidates in 2016 who speak to their issues.

Freelancers earned an estimated \$1 trillion last year- a significant share of our economy.

So what are those issues?

In many ways, the outlook for independent workers is positive. Almost two-thirds of freelancers (63%) told us in this year's survey that they started freelancing

more by choice than necessity. That's an increase of 10 percentage points from 2014. Indeed, we found that two million more people are doing independent work than when we first conducted this survey two years ago, which is a telling sign of how the economy is shifting, how technology is enabling the independent workforce, and the rewards of a freelance lifestyle.

Those rewards include feeling more respected, engaged and empowered in one's work; 79% of independent workers told us that freelancing is preferable to traditional employment. And not only because of the freedom and flexibility it affords; the majority of freelancers that left a full-time job also say they made more within a year than they did working a traditional job. Full-time freelancers say they're able to work less than 40 hours per week (36 hours/week on average), and still feel like they have the right amount of work.

79% of freelancers said freelancing is better than working at a traditional job.

As more and more businesses and workers embrace freelancing, the perceptions of the career path are changing too – about three in five freelancers say their choice is more respected and positively received. It's not surprising, then, that we found nearly half of full-time freelancers (46%) raised their rates in the past year, and more than half (54%) plan to raise them next year.

But despite the undeniable force and impact of independent workers in today's economy – they earned approximately \$1 trillion from freelancing last year – there are enormous blind spots in how we understand and treat this growing population.

Freelancers get little attention from politicians -- about 70% said they've heard little to no discussion about freelancing from this year's presidential candidates. In fact, a full 70% of freelancers say we need more discussion of how to empower the independent workforce, which marks a seven percentage point increase from just one year ago.

With 85% of freelancers likely to vote in 2016 -- and two-thirds saying they're more likely to vote for a candidate who represents freelancer interests -- elected officials and candidates ought to pay attention. At the time of survey, 12% of the freelancers likely to vote said they were undecided on who they planned to vote for president.

Politicians who support the interest of independent workers could see it translate into votes. Among those likely to vote, freelancers indicated that they're more likely to vote for candidates who support them having "a strong voice in deciding issues about their work"; "stronger protections to ensure that clients pay"; and "access to health and retirement benefits regardless of their employment status."

70% of freelancers want more discussion of how to empower the independent workforce.

Income instability and related issues are of primary concern to freelancers. Freelancers ranked their top concerns as debt, difficulty finding work, and access to affordable healthcare. Full-time freelancers indicated they are most concerned about being paid a fair rate and unpredictable income.

Without access to employer-sponsored benefits, freelancers must choose and purchase their own benefits and supports. Full-time freelancers rank health insurance as the #1 most important benefit to support their freelance life, but 20% are still uninsured and 34% don't know where to go for information about benefits.

85% of freelancers are likely to vote in the 2016 election - nearly 47 million potential voters.

That said, freelancers are looking for comprehensive structures and supports that enable them to move from job to job and project to project. When asked to choose between additional pay or receiving a benefits package from an employer or client, two-thirds of freelancers preferred more pay and purchasing benefits on their own.

Conclusion

In today's globalized, tech-driven economy, 55 million Americans earn an income through some form of freelance work. That's over one-third of the U.S. workforce, operating outside the traditional 40-hour workweek. Until recently it may have seemed that freelancers worked in the margins of the economy, but as *Freelancing in America 2016* shows, that is hardly the case. Freelancers make up a huge part of the U.S. economy. To the tune of over \$1 trillion a year, they help sustain an economy that nevertheless makes unfair demands on the amount of risk and burden they must shoulder. More and more, businesses rely on the flexibility of these workers, just as consumers enjoy a flourishing marketplace of on-demand services. And in this election year, it is essential to remember their impact not just as workers but as voters: freelancers have a voice that demands to be heard.



Learn more at www.FreelancersUnion.org/FreelancingInAmerica2016

