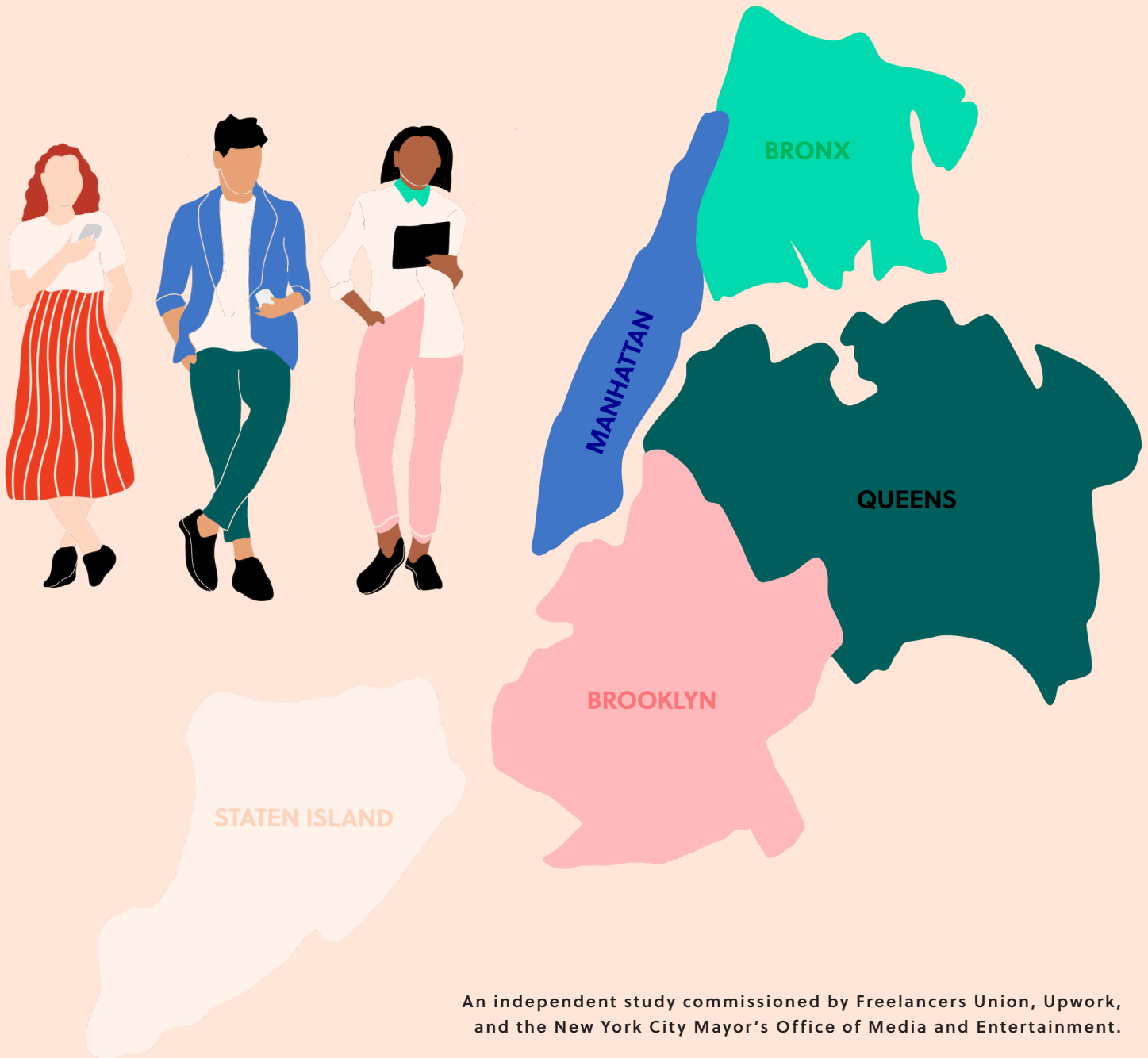


Freelancing in New York City 2019



An independent study commissioned by Freelancers Union, Upwork,
and the New York City Mayor's Office of Media and Entertainment.

One-third of NYC's workforce is freelancing.

Starting in 2014, Freelancers Union and Upwork have commissioned an annual survey of the nation's independent workforce. This year, we have partnered with the NYC Mayor's Office of Media & Entertainment to look at how freelancing factors into the New York City workforce. The results will guide our work at Freelancers Hub in Brooklyn, the first City-funded effort to provide training, coworking, resources, and community to help freelancers thrive.

In order to produce a comprehensive study of who is participating in the freelance workforce, we commissioned an online survey of 5,000 adults residing in New York City who had performed paid work over the past 12 months. We found that 34% of NYC workers—roughly 1.3 million people—were freelancing.

Freelancers are a diverse group, working in every major industry and serving a wide variety of businesses. In media and entertainment sectors, the percentage of workers who have engaged in freelance work in the past 12 months jumps to 61%. Freelancers are most frequently combining multiple sources of income, combining both full- and part-time work as business owners, independent contractors, temporary workers, and moonlighters.

To freelancers, New York is a promising city in which to work. Its size and dynamism allow them

to earn more money and build a stronger client network than in other cities. Most NYC freelancers are optimistic about the future, and plan to stay in the city—at least for the short term. They tend to be more satisfied with their work than non-freelancers, and cite autonomy, flexibility, and pursuing work they are passionate about as reasons for freelancing.

Yet freelancers must deal with a number of unique challenges due to the nature of their work and its inherent lack of protections. Their primary concern is a lack of affordable healthcare, but financial uncertainties such as debt, unpredictable income, and being paid fairly also pose significant challenges.

Data from our survey highlights the value NYC freelancers place on training within a competitive job market. Freelancers update their skills to keep up with industry trends, earn more, and expand their network. However, the cost of this training is a barrier for the majority of freelancers.

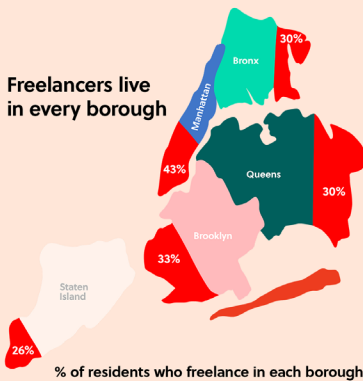
Forty-six percent of recent college grads have performed freelance work in the past 12 months, and traditional employees express an overwhelming interest in freelancing outside of their primary job. With so many workers either new to this work or looking to begin, we must work to build better resources and stronger supports.

34%

of New York
City's workforce
is freelancing



Freelancers live
in every borough



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projects

Key Findings:

More than one-third of New York City workers freelance.

- 1.3 million New Yorkers have performed freelance work in the past 12 months or 34% of New York City's workforce, with an estimated annual economic impact of \$31.4 billion in earnings from freelancing.
- Those engaging in freelance work tend to be younger, and many are entering the workforce as freelancers, including 46% of recent college grads (20-26).
- Freelancers are putting together diverse income streams by accessing work in different ways: most don't have a single employer but get their work from a variety of sources such as employers, freelance, temporary, or supplemental work.

New York City is a unique and promising place to work for freelancers, with most intending to stay in the area for at least the short term.

- A majority of people who freelance (6 in 10) say opportunities in NYC are more attractive than in other places in the United States. They particularly feel that they can earn more money (57%) and more easily build a client network in NYC (56%).
- 6 in 10 plan to remain freelancing for at least the next 3 years.

Freelancers have a higher level of satisfaction with their work than non-freelancers.

- More than two-thirds of freelancers say they freelance because it allows them to have a flexible schedule, be their own boss, and choose their own projects.
- Freelancers are more likely than non-freelancers to say their work provides them with upward mobility (+12 pts) and appropriate pay (+8 pts).
- Freelance work is more likely to make them feel accomplished (+7 pts), excited to start each day (+12 pts), and empowered (+9 pts) compared to non-freelancers.



Freelancers face complex challenges — and an uncertain income.

- Freelancers' primary concern is access to affordable healthcare—not surprising, as 36% of them report paying more in health premiums this year than last.
- Freelancers also worry about managing their day-to-day finances (51% are anxious or concerned), collecting payments for services (74% have experienced nonpayment or late payment), and being on track for retirement (52% do not feel on track).
- Half of freelancers also feel anxious about the unpredictable nature of their work.

When it comes to training, freelancers are actively updating their skills and believe that freelance business skills like marketing, networking, and financial management are critical for success.

- Most freelancers (60%) are updating their skills to ensure they are marketable as the job market evolves, and 56% have participated in skills-related training in the past 6 months (versus only 43% of non-freelancers).
- To succeed as a freelancer, 82% are looking for more training to improve business-related skills, including marketing their work, networking with prospects, or financial management.
- Unfortunately, cost is a barrier. A majority (57%) of freelancers say that cost gets in the way of obtaining the training they need.
- Three-quarters of NYC freelancers say building a network—through friends, family members, clients, or professional contacts—is critical to earning more income. And 61% would like better access to affordable coworking or workspace options in their neighborhoods.

Key Media & Entertainment Sector Findings:

Freelance work is prevalent in New York City's robust media and entertainment sectors.

- 61% of these sectors' workers have engaged in freelance work in the past 12 months, including:
 - 68% of journalism or digital media workers
 - 67% of music or performing arts workers
 - 60% of marketing or advertising workers
 - 52% of film / television workers
 - 54% of publishing workers
- On average, for an individual, freelancing accounts for 52% of their total personal income (versus 45% for all freelancers).

Media and entertainment freelancers are more likely to freelance as a means of following their passions, and see it as a long-term career choice.

- 7 in 10 freelancers in this sector are motivated to freelance to pursue work they are passionate about (versus 63% for all freelancers).
- 65% view freelancing as a long-term career choice, rather than as a temporary way to earn money, compared with 53% for all freelancers.

They have ongoing concerns about finding enough work and managing unpredictable income.

- Media and entertainment freelancers are significantly more likely than NYC freelancers to say they have less work than they want (+7ppts).
- More than two-thirds (78%) of media and entertainment freelance workers have experienced late or nonpayment, compared with 73% of all freelancers.
- They are more likely than other freelancers to feel anxious about their work in general (+8 ppts) and about the unpredictable nature of it (+10 ppts).



Networking and marketing their skills are both crucial for this group to find more work and build their income.

- Media and entertainment freelancers are more likely than freelancers overall to say they find their work through networking (+7 pts) and 81% of media and entertainment freelancers say networking is critical to earning more (versus 76% for all freelancers).
- Not surprisingly, the number one reason for them to participate in skills-related training is to expand their professional network (47%) — and networking skills are something that media and entertainment freelancers are looking for more training in (40% versus 34% of all freelancers).
- The cost of training is unfortunately a greater barrier, with 60% saying costs hinder training (compared with 57% of freelancers).

Freelancing in New York City 2019

New York City's dynamic economy and diverse work opportunities attract a large number of freelancers. Roughly 1.3 million New Yorkers—34% of the city's total workforce—are among the 56.7 million freelancing nationwide. The \$31.4 billion they earn annually from freelancing contributes significantly to the city's economy. Freelancers reside in every borough (although Manhattan remains a central work hub), and are typically younger than the average NYC worker. Many are entering the workforce freelancing, including 46% of recent college grads (20-26). Most people freelancing in NYC provide services to small businesses. Sixty-one percent of workers in the media and entertainment sectors have freelanced in the past 12 months—this includes workers in marketing and advertising, journalism and digital media, music and the performing arts, publishing, and film and television production.

Freelancers in NYC work in different ways—from independent contracting to “moonlighting.”

Freelancers have a variety of income streams, comprising both full-time (nearly one-third) and part-time (half) work, with the remainder working full-time but earning extra from freelancing. One-third of freelancers are independent contractors working on a project-to-project

basis. Another third are diversified workers with multiple sources of income, who combine part-time employment with freelance work. Twenty percent of freelancers are moonlighters who have a primary, traditional job but also take on freelance work on the side. Another 6% are freelance business owners with one or more employees who consider themselves both a freelancer and a business owner, and a further 6% of freelancers are temporary workers with a single employer or client for mostly short-term assignments.

Freelancing is a choice—to pursue passions and enjoy a flexible lifestyle.

The majority of people engaging in freelance work (62%) say they started freelancing by choice, a number which holds relatively steady across age and income. They choose to freelance to earn extra money and be their own boss, and to have the autonomy to choose their own projects. Most (63%) freelance to pursue careers they are passionate about. For 53% of them, this is a long-term career choice, compared with 47% who see it as a temporary way to make money. Freelancing also helps those who, due to personal circumstances, are unable to work at a traditional job.

*Population numbers of NYC workforce and Freelance workforce is based on a 2017 American Community Survey, conducted by the U.S. Census Bureau.

**Population figures of national freelance workforce is based on the July 2017 Bureau of Labor Statistics Current

*** This study uses a definition of freelance work that may differ from other sources.

Freelancers in New York City have more opportunities to prosper than elsewhere in the country. New York City has a special appeal to freelancers: Six in ten say freelancing opportunities are more attractive in the city than in other areas of the country. They believe they can thrive in NYC, and find it easier to make connections and build a client network—two critical elements of freelancing success. What's more, 71% of freelancers say their work provides pay that is appropriate to their skill level (compared to 63% of non-freelancers), while 66% feel freelancing offers opportunities for upward mobility compared to 54% for non-freelancers. Overall, freelancers experience more positive feelings about their work—they feel more empowered, accomplished and excited to start the day—than those in traditional jobs. But they also have heightened anxieties about ongoing financial and work challenges.

Freelancers worry about finding affordable health care and the unpredictability of their income.

Although 89% of freelancers have health insurance, more than one-third report paying higher premiums this year than they did last year. Access to affordable healthcare is their #1 concern. Freelancers also worry about finding enough work, getting paid a fair rate, and receiving payments on time, with 73% saying they have experienced late payment or

nonpayment. Mostly, freelancers seek greater financial stability, as 40% are ill-prepared for a financial emergency, and more than half admit that they are not on track for retirement.

Freelancers value skills training and education, but costs can be a limitation.

In order to advance their careers and ensure they remain competitive in an evolving market, NYC freelancers recognize the importance of skills training, especially in business and finance. Fifty six percent of freelancers have participated in skills-related training within the past six months, significantly more than non-freelancers. In fact, 94% of freelancers actually find skills-related education more useful to the work they do now than a college education (76% among college-educated freelancers).

Freelancers value skills training primarily to keep up with changing technology and industry trends, to retain or gain expertise in their field, and to expand their professional network. Eighty-two percent of them are looking for more training in business- and finance-related areas, with marketing themselves, networking with prospects, and managing their financing and budgeting among the most necessary skills to succeed as a freelancer. Additionally, a majority of freelancers say building a network is key to finding work, with 76% believing it is critical in order to increase their income.

Conclusion

New York City offers freelancers unique opportunities to further their careers and prosper, especially within the vibrant media and entertainment sectors. Despite ongoing concerns about the high cost of health insurance and the unpredictable nature of their work, freelancers in New York City are generally optimistic about the future. Fifty five percent expect to see their income increase in the coming year and forty five percent say demand for their freelance services has increased in the past year. Additionally, 81% of non-freelancers say they would be willing to do freelance work outside of their primary job. And because freelancers are more politically active (57%) than non-freelancers (36%), they will likely play a more influential role in determining policies for this evolving independent workforce.



Freelancing in New York is a study commissioned by Freelancers Union, Upwork, and the New York City Mayor's Office of Media & Entertainment, and conducted by Edelman Intelligence, an independent research firm.

This study surveyed 5,000 residents in NYC who work in the greater NYC metro area. Within this NYC worker population, the study looked at those who freelance (N=1728) and media and entertainment workers who freelance (N=432). The study was fielded from March 22, 2019 to April 18, 2019. Margin of error for each audience group are as follows: NYC Workers Overall: $\pm 1.3\%$ at the 95% level of confidence. NYC Freelancers: $\pm 2.3\%$, NYC Non-freelancers $\pm 1.7\%$, Media & Entertainment freelancers $\pm 4.7\%$.

Learn more at www.FreelancersUnion.org/FreelancingInNYC2019

