Upwork Study Finds 1 in 4 U.S. Skilled Knowledge Workers Now Work Independently, Generating $1.5 Trillion in Earnings

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Upwork Research Institute launches inaugural Future Workforce Index, revealing that skilled freelancers are outpacing full-time employees in earning power, AI adoption, and future-ready skills

PALO ALTO, Calif., April 23, 2025 (GLOBE NEWSWIRE) -- Upwork Inc. (Nasdaq: UPWK), the world's work marketplace that connects businesses with independent talent, today unveiled its inaugural Future Workforce Index, a flagship report analyzing the rise of skilled freelancers performing knowledge work and their impact on the workforce, economy, and business innovation. The findings reveal a paradigm shift in how work gets done, with **more than one in four (28%) U.S. knowledge workers now freelancing or working independently**, generating a collective $1.5 trillion in earnings in 2024.

As the world moves rapidly toward increasingly AI-powered and more flexible work models, freelancers are outpacing full-time employees (FTEs) in AI adoption and expertise in high-growth categories of work. Gross services volume for AI-related work on Upwork grew 60% year-over-year in 2024, reflecting a surge in demand for AI-equipped freelance talent. Today, there are more than 12,000 AI specialists on the Upwork platform in the U.S. alone who have expertise in designing, developing, deploying, and training AI systems. Additionally, more than half of freelancers on Upwork are rapidly upskilling in the technical, AI-specific skills necessary to help clients build and leverage AI for their businesses.

Freelancers also excel in the critical skills needed to thrive alongside AI, including problem-solving, critical thinking, and adaptability—reinforcing their position as future-ready talent. Seventy-one percent of freelancers on Upwork report high proficiency in problem-solving, compared to just 49% of freelancers overall. They also lead in critical thinking (67% vs. 43%) and adaptability (53% vs. 41%).

"The traditional 9-to-5 model is rapidly losing its grip as skilled talent chooses flexibility, financial control, and meaningful work over outdated corporate structures," said Kelly Monahan, managing director of the Upwork Research Institute. "Companies that cling to old hiring and workforce models risk falling behind, while those embracing independent professionals are driving growth and innovation. The future of working differently isn't coming; it's already here with skilled independent talent leading the way."

Key findings from the report include:

- **Skilled freelancers performing knowledge work are fueling the U.S. economy, earning a total of $1.5 trillion in 2024:** More than 1 in 4 (28%) knowledge workers in the U.S. freelance, translating to more than 20 million individuals. Notably, those who earn exclusively through freelance work report a median income of $85,000, surpassing their full-time employee counterparts at $80,000.
- **Freelancing is evolving into a more sophisticated and intentional career path, particularly among highly educated professionals:** Skilled freelancers are investing heavily in their own development—37% hold postgraduate degrees, compared to just 20% of full-time employees. As advanced expertise becomes more prevalent in the freelance workforce, many are embracing a range of flexible work models, including Freelance Business Owner, Agency Freelancer, Managed Services Freelancer, and AI-Enabled Freelancer.
- **Skilled freelancers are outperforming full-time employees, particularly in AI:** Across all dimensions of the Future Workforce Index, freelancers lead in continuous learning, AI adoption, and human skills critical for AI integration. More than half (54%) of freelancers report advanced AI proficiency compared to 38% of full-time employees, while 29% have extensive experience building, training, and finetuning machine learning models (vs. 18% of FTEs). Freelancers also excel in the human skills essential in working alongside AI, including communication (47% vs. 40% of FTEs), critical thinking (43% vs. 38%), problem-solving (49% vs. 44%), and adaptability (41% vs. 37%).
- **High-growth companies are embracing non-traditional talent models and reaping the benefits:** Among over 400 publicly traded U.S. organizations, those in the top 25% of year-over-year revenue growth are more likely to embed freelancers (45%), managed services (50%), human+AI collaboration (41%), and agencies (39%) into their workforce strategies. Yet despite these results, many business leaders remain hesitant—59% are wary of multi-company work and 41% are skeptical of AI tools.
- **The future of skilled knowledge work is freelancing—and it's only accelerating:** Over one-third (36%) of full-time employees are considering freelancing for better opportunities, while only 10% of freelancers want to return to traditional employment. Gen Z is leading the shift, with 53% of skilled Gen Z workers already freelancing—a trend that will reshape the workforce as they comprise 30% of U.S. workers by 2030. Optimism is high, with 84% of freelancers and 77% of full-time employees believing freelancing's best days are ahead. Meanwhile, 82% of skilled freelancers report more work

opportunities than a year ago, compared to just 63% of full-time employees.

“Skilled knowledge freelancers are at the intersection of innovation, AI, and workforce transformation,” said Gabby Burlacu, senior research manager of the Upwork Research Institute. “As they continue to grow in importance, they are driving change in how work is structured and how businesses operate. These freelancers are thriving on Upwork, where we’re seeing firsthand just how adaptable, AI-proficient, and outcome-focused they are, making them critical partners for businesses seeking to innovate, embark on AI transformation, and grow.”

To explore the full findings of the Future Workforce Index, visit: https://www.upwork.com/research/future-workforce-index-2025.

Methodology

The Upwork Research Institute surveyed 3,000 U.S.-based skilled knowledge workers between December 2024 and February 2025 to analyze workforce trends. Participants were selected based on their roles, earning levels (per BLS data), and self-reported freelance work within the past 12 months. The margin of error is ±1.8% at a 95% confidence level.

To estimate earnings, findings were extrapolated using BLS data on management, professional, and related occupations, representing 42% of the U.S. workforce (71.5 million workers). Additionally, a separate survey of 502 C-level executives from publicly traded companies across key industries provided insights into hiring trends and workforce strategies.

About Upwork

Upwork is the world’s largest work marketplace that connects businesses with highly skilled independent talent from across the globe. From entrepreneurs to Fortune 100 enterprises, companies rely on Upwork’s trusted platform to tap into expert talent, leverage AI-powered work solutions, and drive meaningful business outcomes. With access to professionals spanning more than 10,000 skills across AI & machine learning, software development, sales & marketing, customer support, finance & accounting, and more, Upwork enables businesses of all sizes to scale, innovate, and build agile teams. Upwork’s platform has facilitated more than $25 billion in economic opportunity for talent around the world. Learn more at upwork.com and follow us on LinkedIn, Facebook, Instagram, TikTok, and X.

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