

# Upwork investor relations

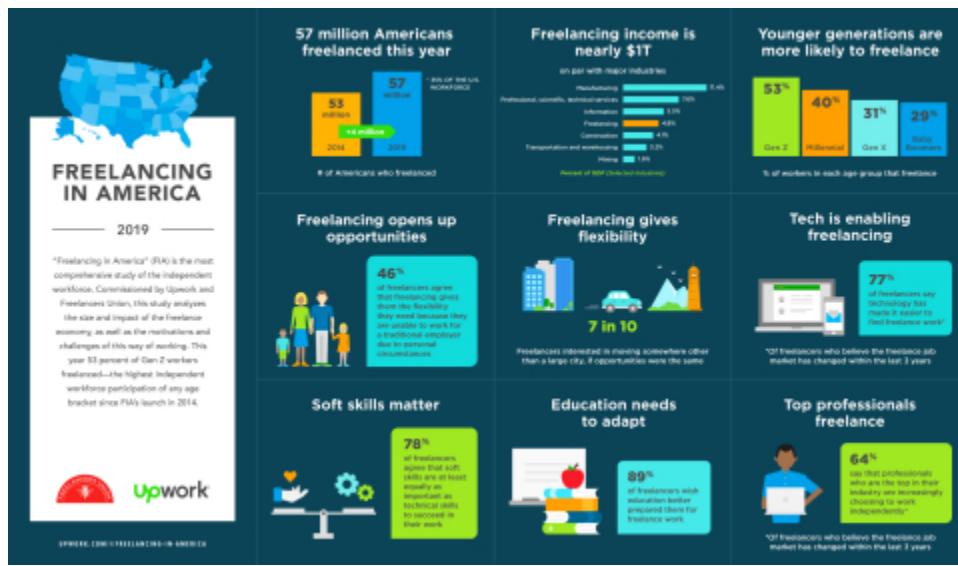
## Sixth annual “Freelancing in America” study finds that more people than ever see freelancing as a long-term career path

October 3, 2019

*Freelancing income totals almost \$1 trillion -- or nearly 5% of GDP -- more than major industries like construction*

NEW YORK & SANTA CLARA, Calif.--(BUSINESS WIRE)--Oct. 3, 2019-- [Upwork](#) (\$UPWK) and [Freelancers Union](#) today released the results of “[Freelancing in America 2019](#)” (FIA), the most comprehensive measure of the U.S. independent workforce. The sixth annual study, which surveyed more than 6,000 U.S. workers over the age of 18, estimates that 57 million Americans freelance. This year’s study revealed freelance workforce composition insights, such as that Gen Z freelanced more than any other generation of workers since FIA’s 2014 launch, and for the first time includes commentary from Upwork Chief Economist Adam Ozimek, PhD. To view Dr. Ozimek’s analysis, see his report [here](#), and for the full FIA study results, view the deck [here](#).

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20191003005032/en/>



This year’s study revealed freelance workforce composition insights, such as that Gen Z freelanced more than any other generation of workers since FIA’s 2014 launch. (Graphic: Business Wire)

they view this way of working as a long-term career choice as they do a temporary way to make money. In addition, the share of those who freelance full time increased from 17% in 2014 to 28% this year.

- Freelancers are most likely to be skilled professionals** - Skilled services are the most common type of freelance work, with 45% of freelancers providing skills such as programming, marketing, IT and business consulting.
- Freelancing enables opportunities for those who otherwise might not be able to work** - 46% of freelancers agree freelancing gives them the flexibility they need because they’re unable to work for a traditional employer due to personal circumstances.
- The younger the worker, the more likely they are to freelance** - Every generation had more than 1 in 4 workers who freelanced in the past year. The ascent of freelancing is clear in generational results: 29% of Baby Boomer workers (ages 55+) freelanced, 31% of Gen X workers freelanced (ages 39-54), 40% of Millennial workers (ages 23-38) freelanced and 53% of Gen Z workers (ages 18-22) freelanced—the highest independent workforce participation of any age bracket since FIA’s 2014 launch.

“Freelancing is a respected, long-term career path,” said **Stephane Kasriel, President and CEO of Upwork**. “It’s remarkable to see this way of working empowering the youngest generation more than any prior generation and also to see the ways freelancing is opening up opportunities for inclusion in the workforce. Companies that want access to skilled professionals who are proactively training themselves and incredibly self-motivated should turn to independent professionals. The future of work is now, and they are leading the way.”

### The five most notable findings reveal:

- Freelancing income exceeds GDP of some major industries** - At nearly \$1 trillion (approaching 5% of U.S. GDP), freelance income contributes more to the economy than industries such as construction and transportation and is on par with the information sector. Freelancers doing skilled services earn a median rate of \$28 an hour, earning more per hour than 70 percent of workers in the overall U.S. economy.<sup>1</sup>

- Freelancing is becoming more of a long-term career choice** - For the first time, as many freelancers said

"With a strengthening labor market, we will increasingly see people work on the terms that they prefer, and for many that means freelancing," said **Adam Ozimek, Upwork Chief Economist**. "The stronger economy provides more optionality and opportunity, and as a result, more people are seeing freelancing as a long-term choice, and fewer are doing it on a temporary basis. Freelancing already has an economically significant impact on the U.S. economy, and these compositional shifts will be important to understand as we near full employment."

"The 2019 Freelancing in America report shows that freelancing has become a long-term career choice for an increasingly diverse group," said **Caitlin Pearce, Executive Director of Freelancers Union**. "More than one in three Americans are freelancing. But this workforce continues to face significant challenges in being able to access affordable healthcare and fundamental protections so they can get paid fairly and on time for the work they do. As freelancers are 18 percentage points more politically active than the general population, policymakers are advised to listen to their voices ahead of next year's Presidential election."

**Additional findings include:**

**Freelance Workforce Composition**

- The 57 million Americans who freelanced this year represent 35% of the U.S. workforce and an increase of 4 million freelancers since 2014.
- With a stronger labor market, 60% of freelancers say they started freelancing by choice, up from 53% in 2014.
- For the first time, as many view freelancing as a long-term career choice as they do a temporary way to make money, at 50% each. Since 2014, the number of those saying they're freelancing long-term increased from 18.5M to 28.5M—up 10M in only 6 years.
- The share of freelancers who are full time has increased 11 percentage points since 2014 (from 17% in 2014 to 28% in 2019).
- Freelancing is not one way of working but rather a diverse set of potential activities. It therefore fits the needs of many different types of people and circumstances.
  - The largest type of freelance work is skilled services (like computer programming, marketing, IT, business consulting, etc.) at 45% of freelancers.
  - Other types of freelancing include unskilled services (like dog walking, ridesharing and personal tasks) at 30%, selling goods (like on eBay or Airbnb) at 26% and other activities at 29%.

**Looking Ahead**

- 91% of freelancers say the best days are ahead for freelancing, a 14 percentage point increase since 2014.
- Nearly all (96%) freelancers say the freelance job market has changed in the past 3 years. Among those who have seen change:
  - 77% say technology has made it easier to find freelance work.
  - 71% say perceptions of freelancing as a career are becoming more positive.
  - 64% say that professionals who are the top in their industry are increasingly choosing to work independently.
- Freelancing is here to stay:
  - A 51% majority of freelancers say no amount of money would entice them to definitely take a traditional job.

- 59% of non-freelancers say it is likely that they will do freelance work in the future.

#### **The Impacts of Freelancing: Economic, Lifestyle, Geographic**

- Freelancers contribute nearly \$1 trillion in freelancing income to the economy, or nearly 5% of U.S. GDP.
- Freelancers have a median rate of \$20 an hour compared to a median of \$18.80 for the U.S. overall.<sup>2</sup> Freelancers doing skilled services have a median rate of \$28 an hour.
  - This means the median skilled freelancer earns more per hour than 70 percent of workers in the overall economy.<sup>3</sup>
- The top reason full-time freelancers choose to freelance is schedule flexibility. In fact, 46% of freelancers agree freelancing gives them the flexibility they need because they're unable to work for a traditional employer. Among those, 43% have health issues. This means that 1 out of 5 freelancers face health challenges that would prevent them from working if it weren't for freelancing.
- 71% of freelancers agree freelancing gives them the opportunity to do their work from anywhere they choose.
- Many freelancers would consider moving, with 7 in 10 interested in options other than a large city if opportunities were the same.

#### **Freelancers' Challenges**

- Freelancers and non-freelancers share most of the same top concerns, including access to affordable healthcare, a healthy savings account, retirement funds and being paid fairly.
- Freelancers are more likely to have college loans or other debt to pay off (46% of freelancers compared to 36% of non-freelancers), and they are more likely to say they feel like they live "paycheck to paycheck" (59% of freelancers compared to 53% of non-freelancers).
- With next year's Presidential election looming, freelancers are 18 percentage points more politically active than non-freelancers (51% of freelancers self-identified as politically active compared to 33% of non-freelancers). Freelancers are most interested in politicians focusing on making healthcare more affordable and available.

#### **Freelancers' Perspectives on Skills and Training**

- 89% of freelancers wish education better prepared them for freelance work. If they could go back, 52% of freelancers say they would replace their college education entirely with training tailored to their current work.
- 81% of freelancers find freelance business skills are important to their work and would like additional training. The top three areas they would like additional training on are 1) networking, 2) new skills in their field and 3) how to start and grow

a freelance career.

- 78% of freelancers agree that soft skills are at least equally as important as technical skills to succeed in their work.
- Freelancers are more likely to participate in training, with 54% having done so in the last 6 months versus only 40% of non-freelancers. Skilled freelancers are even more likely to train themselves, with 65% having done so in the last 6 months.

## About Freelancing in America: 2019

To see further insights, please visit <https://www.upwork.com/i/freelancing-in-america> for access to the full results deck and other materials. The study is conducted by independent research firm Edelman Intelligence. 6,001 U.S. working adults over the age of 18 were surveyed for it online between June 7, 2019 - July 3, 2019. Of those, 2,117 were freelancers and 3,884 were non-freelancers. Results are weighted to ensure demographic representation in line with the United States Bureau of Labor Statistics' 2018 Labor Force Statistics from the Current Population Survey and the American Community Survey. The study has an overall margin of error of ±1.2% at the 95% level of confidence.

## About Upwork

[Upwork](#) is the largest freelancing website. It enables businesses to find and work with highly skilled freelancers. As an increasingly connected and independent workforce goes online, knowledge work—like software, shopping and content before it—is shifting online as well. This shift is making it easier for clients to connect and work with talent in near real-time and is freeing professionals everywhere from having to work at a set time and place. Our company's mission is to create economic opportunities so people have better lives.

Upwork is headquartered in Santa Clara, Calif., with offices in San Francisco and Chicago. For more information, visit our website at [www.upwork.com](http://www.upwork.com), join us on [Twitter](#), [Facebook](#) and [LinkedIn](#).

## About Freelancers Union

Freelancers Union is the largest and fast-growing organization representing the millions of independent workers across the country. It gives its 450,000 members a voice through policy advocacy, benefits, and community. Since its founding, Freelancers Union has fought for and won protections for freelance workers, including Unincorporated Business Tax reform and successfully advocating for new models for health care. In 2016, Freelancers Union led a victorious campaign to enact first-of-its kind legislation in New York City giving freelancers unprecedented protections from nonpayment. Learn more at [www.freelancersunion.org](http://www.freelancersunion.org).

<sup>1</sup>These estimates are in comparison to total value added by industry from the BEA, available here <https://www.bea.gov/system/files/2019-07/gdpind119.pdf>. Comparisons to employee compensation and proprietors' income by industry would suggest an even larger impact of freelancing.

<sup>2</sup><https://www.epi.org/publication/state-of-american-wages-2018/>

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