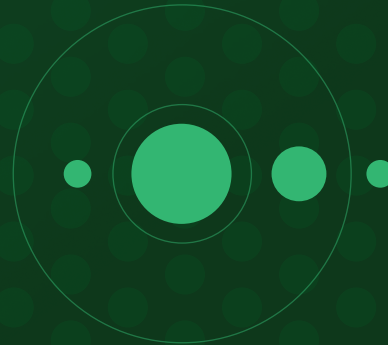


*2021 Freelance Economic Impact Report*

# *Sizing the Top Markets for Skilled Freelancers in the U.S.*



# Table of Contents

1.0 Background and Objectives .....	1
2.0 Key Findings .....	3
3.0 Detailed Findings .....	6
4.0 Appendix: Methodology .....	49

# 1.0 Background and Objectives

Fiverr™, a leading online marketplace for independent professionals, experienced record growth in 2020 as skilled independent workers flocked to its platform to stay competitive in the uncertain economic environment brought on by the pandemic. Fiverr™ connects skilled independent workers around the world with business opportunities while offering a range of services, now including subscriptions to cement loyalty between freelancers and clients as well as other tools to help them manage their businesses. For the fourth year, Fiverr commissioned Rockbridge Associates, a market research firm specializing in the services and technology sectors, to conduct a study to identify and profile the largest markets in the United States for skilled independent workers. The goals of this study were to...

- Estimate the size and growth of the skilled independent workforce in the United States, in particular, for the top markets.
- Provide information on the economic impact of this workforce in the top markets in the United States.
- Uncover skilled independent worker behaviors, motivations, and future plans in light of the COVID-19 pandemic.
- Compare the skilled independent workforce in the U.S. as a whole to those that use Fiverr's platform to sell their services.

To achieve these goals, Rockbridge analyzed a range of secondary government data sources from the U.S. Census Bureau, U.S. Federal Reserve Bank, and U.S. Department of Labor. A key data source consists of the non-employer statistics compiled annually by the U.S. Census Bureau. This data aggregates over 20 million tax returns for non-employer entities with at least \$1,000 in annual receipts, classified by geography and industry, thus providing an estimate of the size and revenue of independent professionals by market and industry categories. The most recently available data the Census Bureau has compiled is calendar year 2018, while Rockbridge produced estimates for 2019 and 2020 based on more recent macroeconomic data.

This study specifically focuses on a workforce referred to here as “skilled independent workers.” This group consists of individual business entities that earn income outside of traditional employment, do not employ others, and are in the following industries:

- creative services (e.g., artists, video producers),
- skilled technical services (e.g., architecture, computers)
- skilled professional services (e.g., legal, accounting, marketing).

The appendix identifies the specific industries, based on NAICS codes<sup>1</sup>, which define this market.

Second, Rockbridge conducted a survey of 861 skilled independent workers in the U.S., drawing participants from an online research panel. Respondents must have worked as skilled independent workers in creative services, technical services, or professional services and earned at least \$1,000 in revenue from this work in 2020. Data collection took place February 23<sup>rd</sup>-March 15<sup>th</sup>, 2021. The data from this survey was weighted by geographic region and type of independent work as defined above to be representative of skilled independent work based on the Nonemployer Statistics data series from the Census Bureau.

Last, in conjunction with Fiverr's Market Research and Insights team, Rockbridge analyzed data from an internal survey of Fiverr sellers in the U.S. Respondents must have been active sellers on the Fiverr platform between September 2020 and March 2021. Data collection took place in March 2021 and resulted in 763 completed surveys from Fiverr freelancers in the U.S. Respondents were not incentivized. The data are unweighted.

---

<sup>1</sup> North American Industrial Classification System

## 2.0 Key Findings

---

### Despite the adverse economic conditions last year, skilled freelancers are an economic force

---

Skilled independent workers are estimated to have earned \$234 billion in revenue in 2020, up from nearly \$229 billion in 2018, the latest year for which data are available. This revenue comprises around 1.1 percent of U.S. GDP. In 2020 an estimated \$154 billion, or about two-thirds, can be attributed to skilled independents in the top 30 markets in the U.S.

---

### Skilled freelancing is here to stay in a post-pandemic world

---

The estimated 6.1 million skilled independent freelancers in the U.S. are highly satisfied with their work and motivated to keep pushing forward in the post-pandemic world. Over the past year, they have been busy offering new services, expanding their marketing, taking on more education and training, and using new resources to find clients in order to adapt to their changing industries brought on by the COVID-19 pandemic. They feel “hopeful,” “productive,” and “confident” about their work in light of the pandemic. More than six in ten skilled independents believe their industry wasn’t impacted or has more opportunities because of the pandemic.

They are optimistic about what’s to come. Three-quarters of skilled independents (75%) are more hopeful than fearful about the future of skilled independent work. They will continue to innovate and push their businesses forward by offering even more new services, expanding their marketing efforts further, using online job marketplaces to find work, and obtaining more education and training. This is a resilient, motivated, and talented workforce with an exciting future ahead.

---

### Freelancing offers a viable source of income during a time of high unemployment

---

Skilled independent work is a viable source of income for those who put the work in. On average, freelancers spend 28 hours a week on their independent work. Across the U.S., they earn \$38,200 a year from this work on average, which translates into an hourly wage of \$26 per hour. Revenues vary based on the type of work: those in technical services earn roughly \$51,000 a year on average, skilled independents providing professional services earn \$36,000 a year, and those in creative services earn about \$25,200 a year from their activities.

Six in ten skilled independents say their revenue was the same or greater in 2020 as in 2019 before the pandemic, and eight in ten skilled independents expect to make the same or more in 2021 compared to 2020.

---

## Online platforms help freelancers enter market and stay competitive

---

Three in ten (31%) skilled independents use online job marketplaces to get work/clients. Those who started working independently in the past year are more likely to use online job marketplaces than those who have been freelancing for a while, suggesting they play an important role in keeping barriers to entering the world of skilled independent work low. Those who use them tend to be younger and have less experience freelancing than those who do not.

More than half of skilled independents who use these and other online job marketplaces see advantages of being able to find new clients (55%) and increase revenues (54%). Nearly half (48% each) also feel that online job marketplaces allow them to save time and money on marketing their services and make it convenient for clients to find them. Freelancer.com and Fiverr are the most used online job marketplaces.

Online job marketplace users seem to be faring better than non-users in light of the COVID-19 pandemic: four in ten (41%) say their revenue has increased compared to before the pandemic, compared to just one in five (19%) non-users. These skilled independents are increasing their revenues from both within their own local metro areas and outside of them. Skilled independents who use online job marketplaces also tend to be more optimistic about their work in the future. More than half (57%) believe they will earn more revenue in 2021 compared to 2020 while just four in ten (41%) of those who do not use the marketplaces believe the same.

---

## Creative services remain fastest growing segment of the skilled independent workforce, but professional services are catching up

---

Creative services such as writing, art, performing, and video and sound editing/production have long been a rapidly growing sector for skilled independents due to the proliferation of digital content, but mainstay professional services such as legal, accounting, and marketing services are seeing similarly high growth. Across the U.S. the creative services skilled independent workforce grew by 23 percent and their revenues by 33 percent from 2013-2018<sup>2</sup>. The professional services skilled independent workforce grew by 21 percent and their revenues by 27 percent during the same time. Technical services grew most slowly, with just 5 percent growth in the workforce and 18 percent revenue growth.

---

## Miami overtakes Chicago to become third largest market for skilled independents

---

The top three markets for skilled independents have long aligned with the largest population centers in the U.S., until now. Miami, which ranks 7<sup>th</sup> by total population, saw its skilled independent workforce grow by more than 10 percent in just one year, from 2017 to 2018, the latest year for which data are available<sup>3</sup>. This increase led it to surpass Chicago and become the third largest market by number of workers in 2018 at just under 200,000, a

---

<sup>2</sup> Growth percentage estimates may be slightly inflated due to a change in classification methodology by the Census Bureau; refer to appendix.

<sup>3</sup> See footnote above.

lead that it held onto in our 2020 projections. In comparison, Miami's total population grew 0.4% from 2017 to 2018, on par with that of the U.S. as a whole.<sup>4</sup>

By revenue Miami also ranks third as of 2018, narrowly edging out San Francisco and Washington, DC, with \$8.3 billion and increasing to an estimated \$9.6 billion in 2020. On average, skilled independent workers in Miami are estimated to make \$45,600 annually from their independent work as of 2020.

---

## Warm weather markets are heating up for skilled independent workers

---

In addition to Miami overtaking Chicago as the new third largest market for skilled independent workers, other warm-weather markets climbed the rankings as well in 2018 (the latest year for which data are available from the Census Bureau). San Diego and Phoenix edged out Minneapolis by workforce size.

By revenue, Phoenix surpassed Seattle, Las Vegas overtook Baltimore, and Riverside climbed above Portland in 2018. For all three markets that rose in rank, revenue growth was driven by creative and professional services. In fact, Riverside was the fourth fastest growing market for creative revenues from 2013-2018 at 53 percent, while Las Vegas ranked fifth for professional services revenue growth at 43 percent<sup>5</sup>.

---

## High-speed internet and friendly people make a community good for freelancing

---

With six percent of freelancers having moved in the past year and 22 percent planning to move in the next year, municipal leaders may be wondering what they can do to attract these skilled independent workers. Our research shows that skilled independent workers believe high-speed internet and friendly people make a community good for their vocation. Low costs of living, low costs of maintaining a business and being near clients also make a community attractive.

Nearly all skilled independents say their community has high-speed internet available, and more than three-quarters think their community has friendly people. Similarly, three-quarters of skilled independents are in communities where they are near their clients. However, only six in ten enjoy a low cost of living and a low cost of maintaining a business, which creates an incentive in the long run to move to areas with lower costs and less regulation. Only six percent of freelancers moved in the past year, but 22 percent plan to move in the next year. Of those planning to move to a new metro area (outer or inner suburb or within the city), about a third (32%) will move somewhere smaller than where they currently live.

---

<sup>4</sup> U.S. Census Bureau, Population Division. *Annual Estimates of the Resident Population for Metropolitan Statistical Areas in the United States and Puerto Rico: April 1, 2010 to July 1, 2019 (CBSA-MET-EST2019-ANNRES)*

<sup>5</sup> Growth rates may be slightly inflated due to a change in classification methodology the Census Bureau in 2018; refer to appendix.

# 3.0 Detailed Findings

## Introduction

When we published the 2020 Freelance Economic Impact Report last year, the global COVID-19 pandemic was in its relative infancy and we had little idea of where the world would stand a full year later. We were optimistic that freelancers were particularly well-equipped to ride out the storm and adapt to the new reality. A full year later, our optimism from last year rings true in many regards. While skilled independent workers were adversely impacted by the pandemic, as was the larger workforce, they responded to conditions with energy and ingenuity last year and have a positive outlook about the future of freelancing.

Our research shows that online job marketplaces have aided skilled independent workers in obtaining new work and clients and remaining competitive during the pandemic. Fiverr™ is one of the largest platforms serving this population, connecting skilled independent workers with clients who need their services and providing secure payment options. In this report, Rockbridge Associates describes the top markets in the United States for skilled independent workers, explores their economic impact, and uncovers the impact of the pandemic on their operations, industries, and future plans for their independent work.

## Overview

Based on the Nonemployer Statistics data, we estimate that there were 6.1 million skilled independent workers in creative, technical, and professional services in the U.S. as of 2020, earning \$234 billion in revenues. Professional services comprise the largest portion of this workforce and creative services, the smallest. Altogether, these skilled independents are estimated to earn about 1.1% of the U.S.'s GDP in revenue and make up 3.8% of the civilian labor force.

Figure 1. Creative, Technical, and Professional Skilled Independent Workforce in the U.S. (2020 Projected)

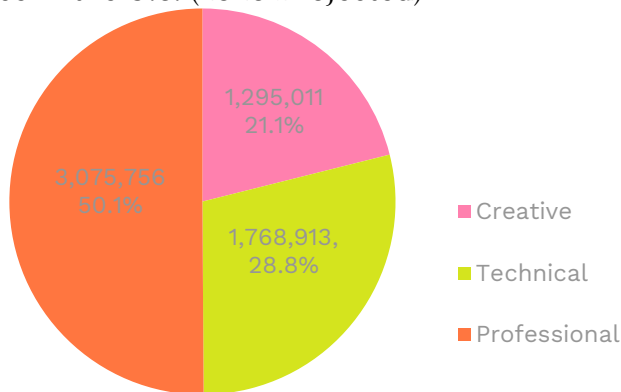
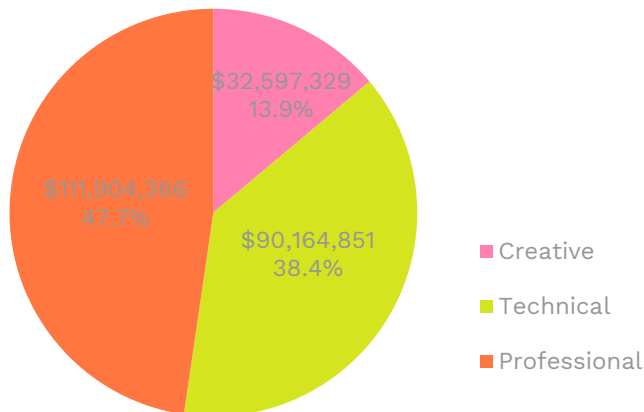




Figure 2. Creative, Technical, and Professional Skilled Independent Revenues in the U.S. (2020 Projected)

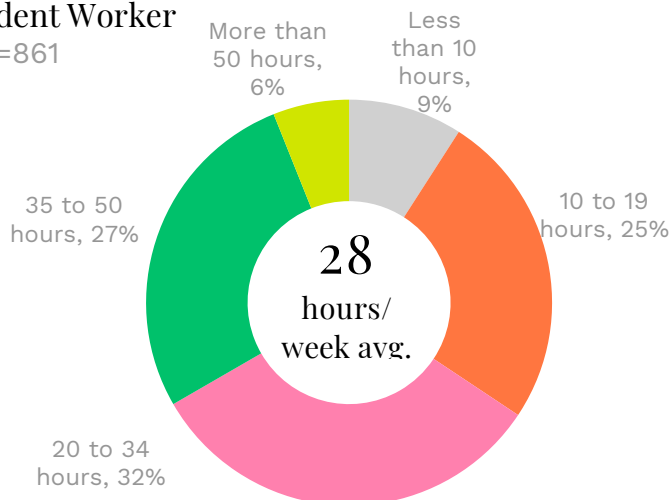


Skilled independent workers in the U.S. are often solely focused on this work: according to our national survey, 73% operate only a single business entity. Only 31% are employed elsewhere as a full- or part-time W-2 employee. Likewise, more than half (53%) of Fiverr freelancers are not employed elsewhere either.

While they may not have other employment, skilled independent work is not necessarily full-time for these workers. On average, they spend 28 hours a week at their work. Thirty-five percent work fewer than 20 hours per week and just 6 percent work more than 50 hours per week. In comparison, Fiverr freelancers work slightly less – 22 hours a week – on their independent work. Nearly half (45%) of skilled independents worked about the same number of hours at their enterprise as before the COVID-19 pandemic, though those providing technical services are significantly more likely than creatives or professional service providers to be working more compared to before the pandemic.

Figure 3. Hours Worked per Week as a Skilled Independent Worker

Total | n=861



Our national survey of skilled independent workers shows they have an average of nine years of experience working on their own, and a full third (34%) have more than ten years of experience. However, a fifth started freelancing in the past two years. Six in ten (61%) of skilled independents in the U.S. were full-time employees before starting to freelance. Among Fiverr freelancers, four in ten (40%) were employed full-time before freelancing and another one in five (19%) were students. Most (65%) started freelancing completely by choice, though those who started their journey within the past year (during the pandemic) are more likely to have been influenced by factors beyond their control.

*"I lost my regular job due to COVID-19. I had no choice but to start freelancing and working on my own."*

**-Skilled Independent Worker for 6-12 Months, Creative Services, California**

*"Left full time employee position and started own practice. Work diligently initially at doing marketing, including doing cold calls and sending out mailings and business cards and doing community presentations. It took a long time, but I filled up credible referral sources and then word-of-mouth and my business grew pretty quickly to the point that I hardly have to do marketing right now."*

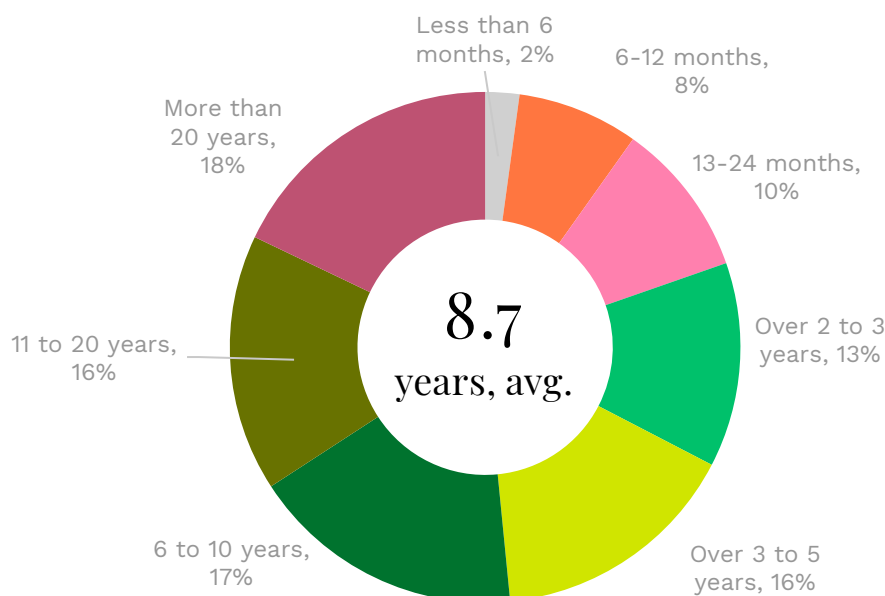
**-Skilled Independent Worker for 11-20 Years, Professional Services, Michigan**

*"The company I worked for went out of business. I couldn't find another decent job and people kept asking me to fix their computer problems for them so I decided I might as well start doing that as an official business."*

**-Skilled Independent Worker for More than 20 Years, Technical Services, Pennsylvania**

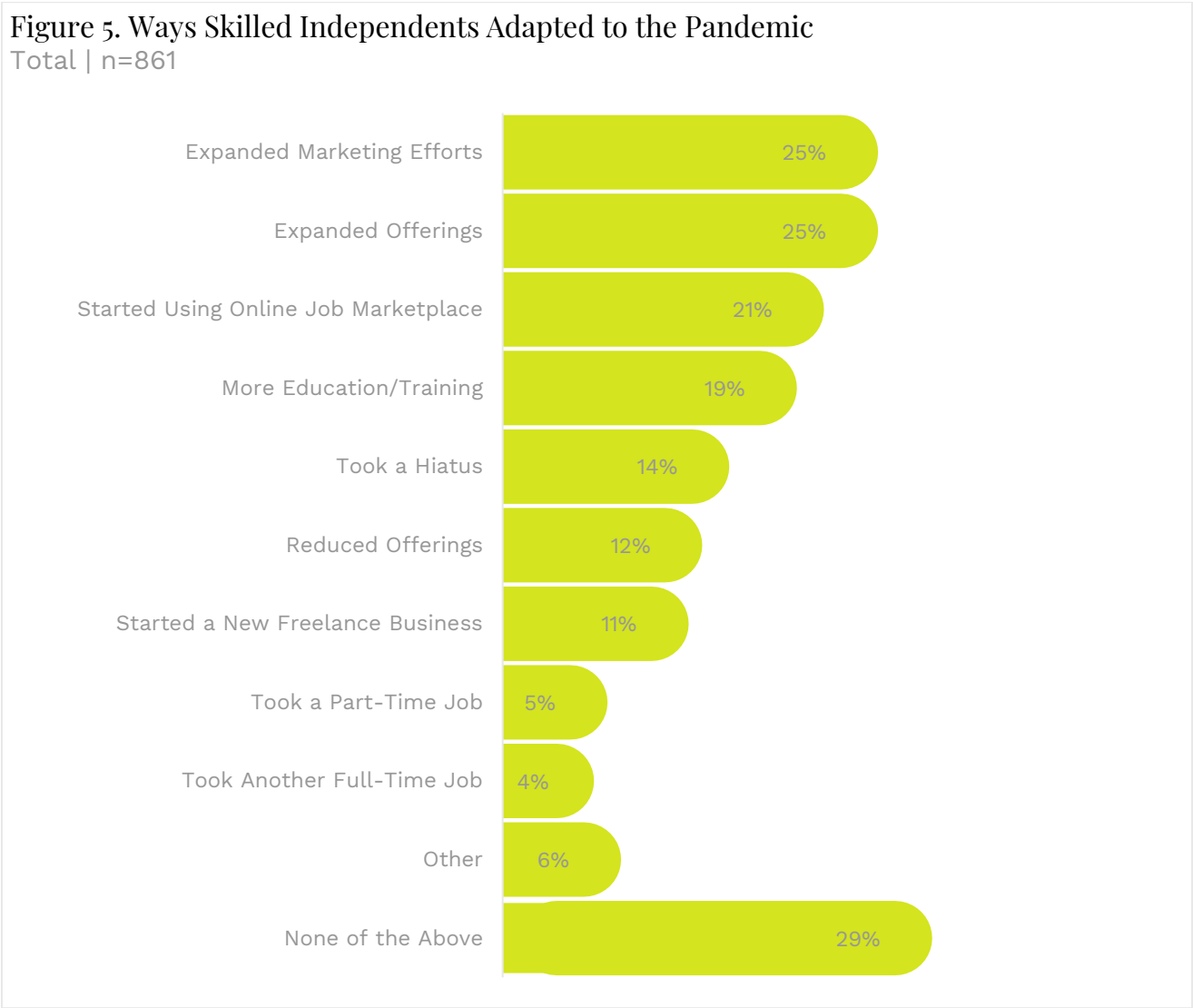
**Figure 4. Experience as a Skilled Independent Worker**

Total | n=861



Amidst the turmoil of 2020, skilled independent freelancers did not stand idly by but instead focused on expansion and professional development. Common responses to the pandemic included expanding marketing efforts (25%), expanding offerings (25%), starting to use an online marketplace to obtain work (21%), and getting more education or professional development (19%).

Among Fiverr freelancers, three in ten (31% each) started a new freelance field of work or expanded their offerings in their main field of work. At least a quarter also expanded marketing efforts (27%) or started using online job marketplaces to find clients (26%). Similar to skilled independents across the U.S., few Fiverr freelancers took on traditional employment during the pandemic, and fewer than one in ten (8%) paused or took a hiatus from their freelancing.



Two-thirds (66%) of skilled independents have the same or more clients as before the pandemic. Some (31%) were able to reach new clients within the main industry they serve, while one in five (20%) drew new clients from outside the main industry they serve. This was particularly true for those providing technical services.

Skilled independents are a growing force in the U.S.: according to aggregate numbers derived from Census Bureau data, their numbers grew 16%<sup>6</sup> from 2013-18 (the latest year data are available) while their revenues grew by 24%<sup>7</sup>. The continued growth is not surprising based on how these independents view their work. A freelance work lifestyle entices people who want flexibility in where they live and most start freelancing completely by choice rather than by circumstance. This group tends to be more satisfied with their work compared to their employed counterparts—seven in ten freelancers are highly satisfied with their freelance work, compared to fewer than six in ten with traditional employment.<sup>8</sup>

**Figure 6. Satisfaction with Freelancing**  
Total | n=861 | Highly satisfied = 6 or 7 on 7pt scale



*"It has its good and bad times. It works for me because I can make and set my own schedule, work another job, and take care of kids around it."*

**-Skilled Independent Worker for 6-10 Years, Professional Services, New Jersey**

*"I enjoy my work and it's easy to engage and connect with the clients on a day-to-day basis."*

**-Skilled Independent Worker for 6-10 Years, Technical Services, Indiana**

<sup>6</sup> The growth rate is affected by a change in classification methodology by the Census Bureau in 2018. The actual growth rate may be 1 to 2 percentage points lower due to the change. (See appendix).

<sup>7</sup> See footnote above.

<sup>8</sup> The 2020 National Technology Readiness Survey by Rockbridge Associates, Inc.

*"I love the freedom and flexibility I have. I don't have to report into an office, I don't have to ask for vacations or break, and I'm able to really have complete control over my life while earning far more than I did working 40+ weeks for a tech company in New York who regularly took advantage of their employees."*

**-Skilled Independent Worker for 3-5 Years, Creative Services, Illinois**

Skilled independent workers were able to remain positive in spite of the circumstances in the past year. Though they were adversely impacted by the pandemic, many describe their feelings about their work during the pandemic as “hopeful” (45%), “productive” (40%), and “confident” (32%). However, some freelancers also felt “anxious and worried” (26%), “frustrated” (22%), and “stressed out” (22%). Fiverr freelancers are similarly optimistic, with four in ten feeling hopeful (43%), productive (41%), and a quarter feeling confident (26%).

**Figure 7. Feelings About Freelancing/Independent Work in Light of the COVID-19 Pandemic**

Total | n=861



---

## Top 30 Markets

---

The top 30 markets for skilled independent workers in the U.S. are all metropolitan areas with at least one million inhabitants. Skilled independent workers in these top 30 markets represent almost six in ten (58%) of all these workers in the U.S. and earn 65% of the revenue. They are estimated to have earned a combined \$154 billion in 2020.

The largest markets in the number of skilled independents are New York and Los Angeles. In the most recent data compiled by the Census Bureau (2018), Miami overtook Chicago to become the third largest market by the number of skilled independents. Phoenix and San Diego also surpassed Minneapolis with more workers than ever before.

In total revenues, the largest markets are again New York and Los Angeles. In previous years, San Francisco and Washington, DC, had higher revenues from skilled independents,

but Miami rose to third place in the 2018 Census data. Compared to 2017, skilled independents in Phoenix collectively earned more revenue combined than those in Seattle, freelancers in Las Vegas earned more revenue collectively than those in Baltimore, and workers in Riverside surpassed those in Portland by total revenues earned.

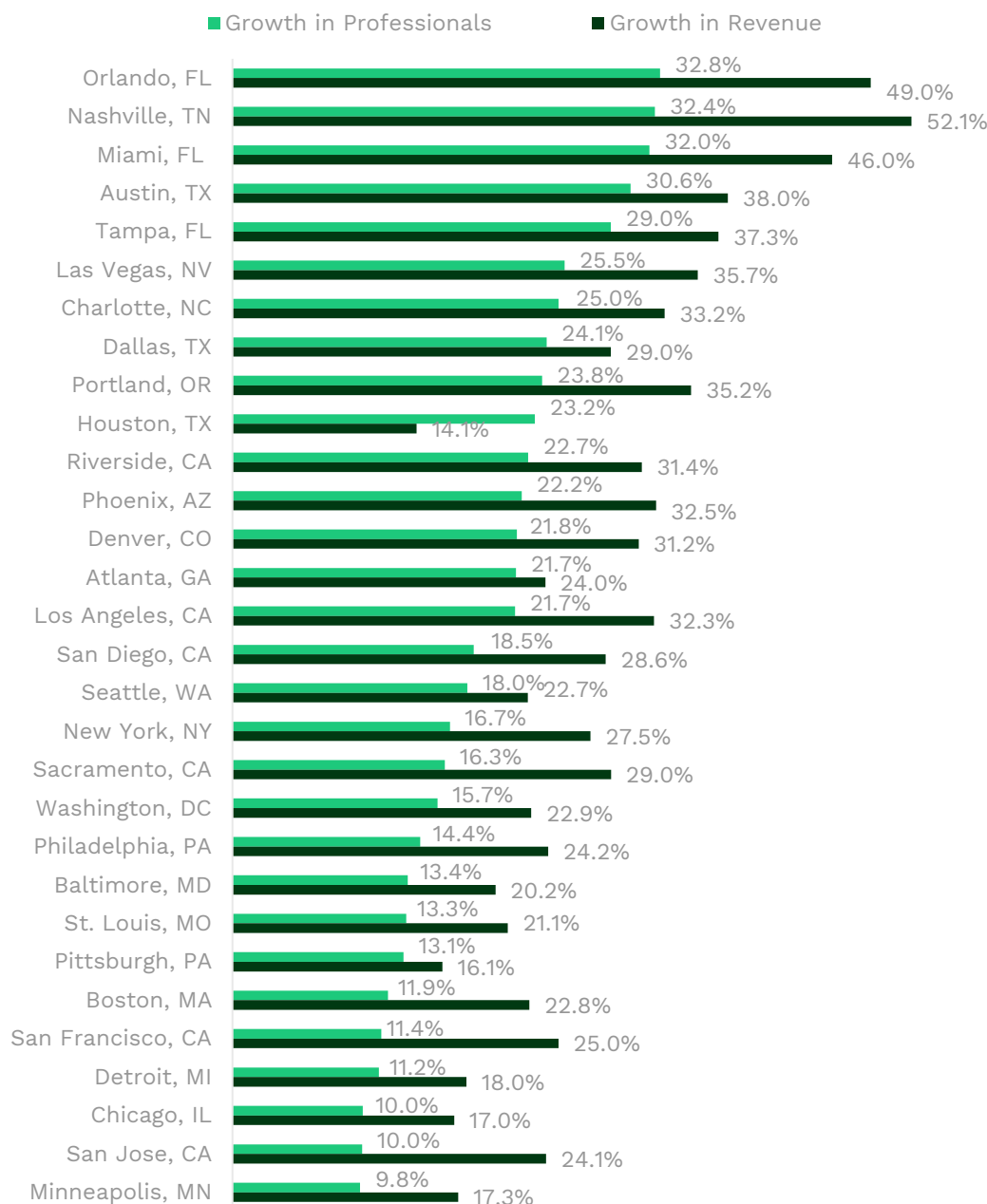
**Table 1. Top Markets for Skilled Independent Workers  
(by order of size of workforce)**

Market (Metropolitan Statistical Area)	Number of Skilled Independent Workers (2020 Projected)	Rank by Number of Skilled Independent Workers	Revenues (2020 Projected)	Rank by Revenues
New York, NY	560,246	1	\$26,370,147,945	1
Los Angeles, CA	431,614	2	\$20,174,657,032	2
Miami, FL	210,770	3	\$9,613,168,802	3
Chicago, IL	187,973	4	\$6,727,492,904	6
Washington, DC	173,586	5	\$7,919,708,874	5
San Francisco, CA	160,034	6	\$8,306,313,155	4
Dallas, TX	158,490	7	\$6,552,795,601	7
Atlanta, GA	150,136	8	\$5,047,838,346	11
Houston, TX	140,019	9	\$6,213,303,084	8
Boston, MA	127,984	10	\$5,929,209,269	9
Philadelphia, PA	120,531	11	\$5,294,924,148	10
Seattle, WA	89,756	12	\$3,335,552,816	14
Phoenix, AZ	86,921	13	\$3,504,763,493	13
San Diego, CA	85,159	14	\$3,580,657,565	12
Minneapolis, MN	80,866	15	\$2,706,726,177	17
Denver, CO	80,853	16	\$3,175,543,756	15
Detroit, MI	73,734	17	\$2,519,821,924	20
Austin, TX	67,976	18	\$2,836,935,372	16
Riverside, CA	66,258	19	\$2,158,254,304	23
Tampa, FL	64,141	20	\$2,417,519,577	21
Portland, OR	61,143	21	\$2,105,074,347	26
Orlando, FL	58,544	22	\$2,141,325,546	24
Baltimore, MD	56,409	23	\$2,106,122,553	25
Nashville, TN	55,444	24	\$2,660,201,388	18
San Jose, CA	50,715	25	\$2,643,790,027	19
Charlotte, NC	46,102	26	\$1,474,955,078	28
Sacramento, CA	44,582	27	\$1,768,624,247	27
Las Vegas, NV	44,210	28	\$2,212,995,957	22
St. Louis, MO	42,738	29	\$1,407,883,215	29
Pittsburgh, PA	39,246	30	\$1,278,972,325	30

All markets within the top 30 experienced double-digit growth in revenues from the skilled independent workforce from 2013–2018, the latest year for which data are available. A particularly strong 2018 contributed to this growth. The number of skilled independent workers in Orlando, Miami, Nashville, and Austin each grew by more than 30% during this time. Minneapolis, San Jose, and Chicago grew most slowly at 10% from 2013–2018.

Nashville's revenues from skilled independents grew by more than 50% from 2013-2018, bolstered by its reliance on the creative workforce as the country music capital of the U.S. Orlando and Miami followed with revenues growing by 49% and 46%, respectively, from 2013-2018. At the bottom of the list, Detroit, Minneapolis, Chicago, Pittsburg, and Houston experienced revenue growth of less than 20% during this time. Only Houston, which has historically experienced bumpy growth in its skilled independent workforce due to its reliance on the oil industry, saw the number of skilled independents that call it home increase faster than their revenues from 2013 to 2018.

Figure 8. Total Growth in Skilled Independent Workers and Revenues (2013-2018)



There are many things that factor into where skilled independents live and work, and our research shows that their freelancing work is just one consideration. Similar to the broader population of the U.S.<sup>9</sup>, half (49%) of skilled freelancers live in suburbs, while 31 percent live in urban areas and 21 percent live in small towns or rural areas. One in twelve (6%) freelancers moved in the past year, and one in five (22%) expect to move in the next year. Of those who moved<sup>10</sup>, more than half (57%) moved to a smaller area than where they had been living. Of those who expect to move, one in five (21%) will move to a rural area or small town or village. Those moving to a metro area (outer or inner suburb or within the city) are fairly evenly split on whether it's larger (36%), smaller (32%), or about the same size (32%) as where they live currently. Among skilled independents who expect to move, a plurality (35%) indicate their freelancing is one of multiple factors in their decision to move. Yet, eight in ten skilled independents believe their work gives them the freedom to live wherever they want and change when and where they work whenever they want. However, fewer than half say that freedom is a primary factor in their decision to work independently and just a third say their work is a primary influence in where they choose to live.

---

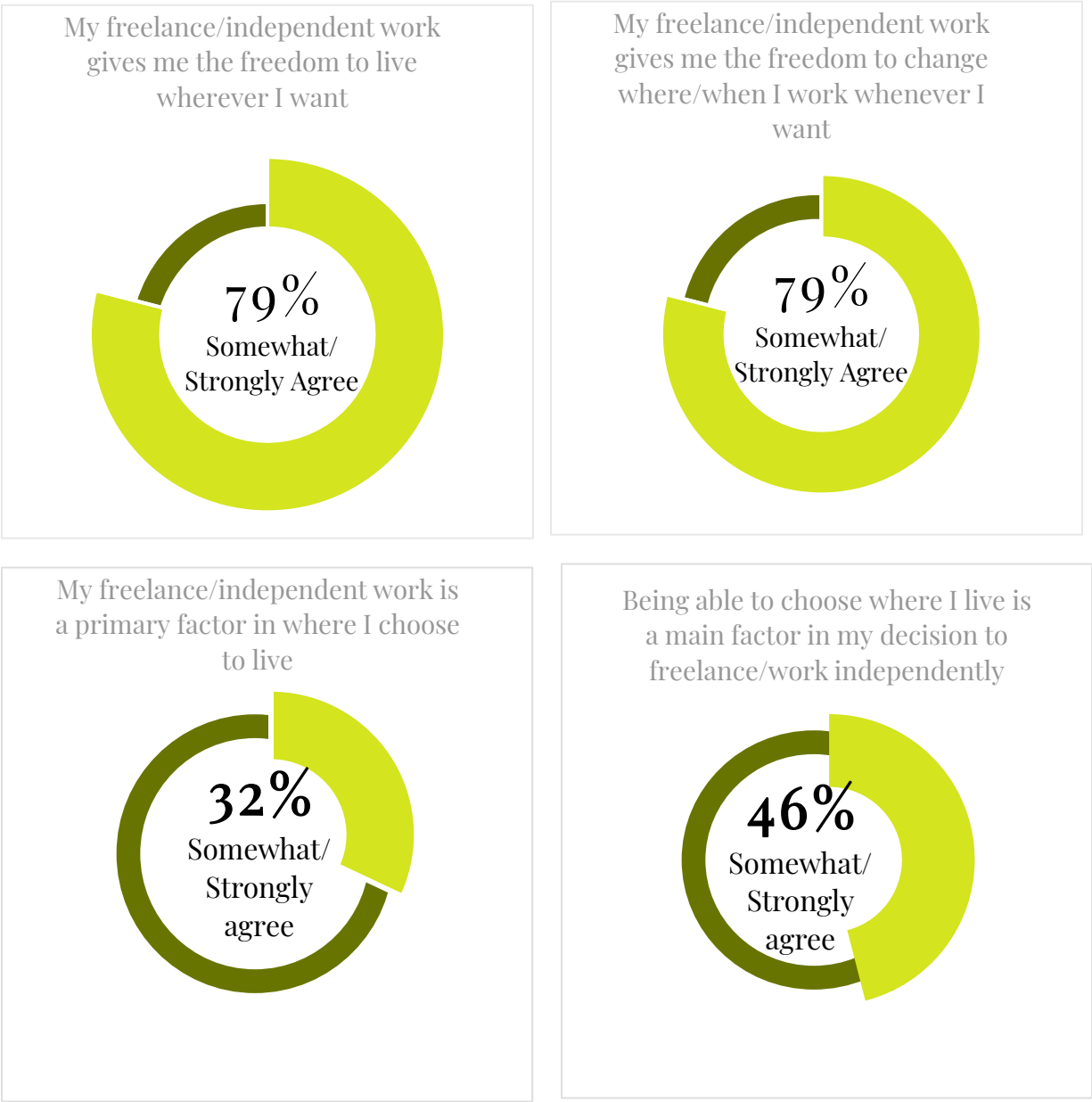
<sup>9</sup> 2017 *American Housing Survey*, as reported by Bloomberg CityLab, <https://www.bloomberg.com/news/articles/2018-11-14/u-s-is-majority-suburban-but-doesn-t-define-suburb>

<sup>10</sup> Skilled independents in the U.S. who moved within the past 12 months, sample size of n=40






Figure 9. Beliefs About Freelance/Independent Work

Total | (n=861)



Many factors contribute to making a community good for skilled independents. Our annual survey uncovered two main characteristics of a community well-suited for freelance and independent work: high speed internet and friendly people. These priorities are driven by the digital economy, making connectivity important while allowing flexibility to freelance in a place that is attractive to live. The next highest priorities are low cost of living, low cost of maintaining a business, and proximity to clients, all top of mind to a third or more of skilled professionals. Most feel their communities have these characteristics and more, though the most significant deficits are in cost of living and taxes. Given the widespread availability of high-speed internet access, there is an incentive for skilled independents to move to lower cost areas.

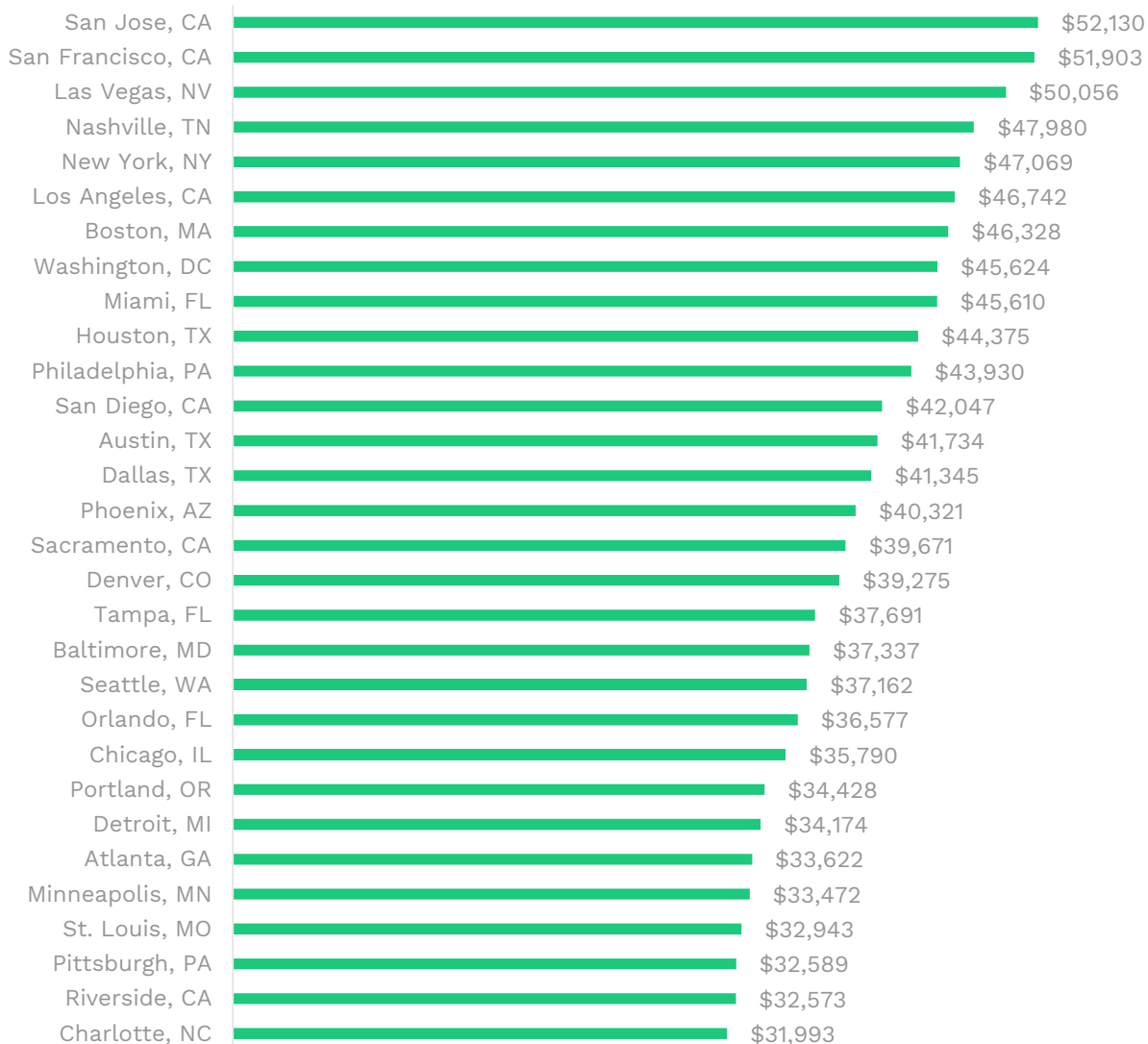
**Table 2. Characteristics of Communities Good for Freelance/Independent Work  
(Select all that apply.)**

	Makes a Community Good for Freelancing 	Exists in My Community 	Lacking in My Community 
Total   n=861			
High-speed Internet available	61%	92%	2%
Friendly people	43%	77%	9%
Low cost of living	37%	60%	31%
Low cost of maintaining a business	35%	63%	16%
Near to clients	32%	76%	8%
Low taxes	29%	45%	35%
Network of people common professional interests	29%	73%	14%
Close to nature	28%	80%	13%
Access to major highways	27%	88%	4%
Outdoor amenities like parks	27%	82%	6%
Good place to raise children	23%	78%	12%
High quality restaurants and retailers	20%	84%	9%
Minimal laws/regulations that make it hard to operate	19%	57%	20%
Access to major airports or rail stations	17%	78%	15%
Presence of colleges/universities	15%	80%	7%
Good coffee shops to work at	15%	72%	5%
Coworking spaces available for working	12%	48%	23%

## Freelance Revenues

The revenue skilled independents earn varies greatly by market. Freelancers in San Jose, San Francisco, and Las Vegas are all estimated to have earned more than \$50,000 on average from their independent work in 2020. These markets' high average earnings are primarily driven by their technical services workers. Portland, OR, Charlotte, NC, Riverside, CA, and St. Louis, MO, rank at the bottom of the list of top 30 markets by revenues per worker at less than \$33,000 per year in each market. Across all specialties, skilled independent workers in the top 30 markets earn \$42,600 annually on average from their independent work, compared to \$38,200 on average for all skilled independent workers in the U.S.

Figure 10. Skilled Independent Workforce Receipts per Entity  
(2020 estimated)

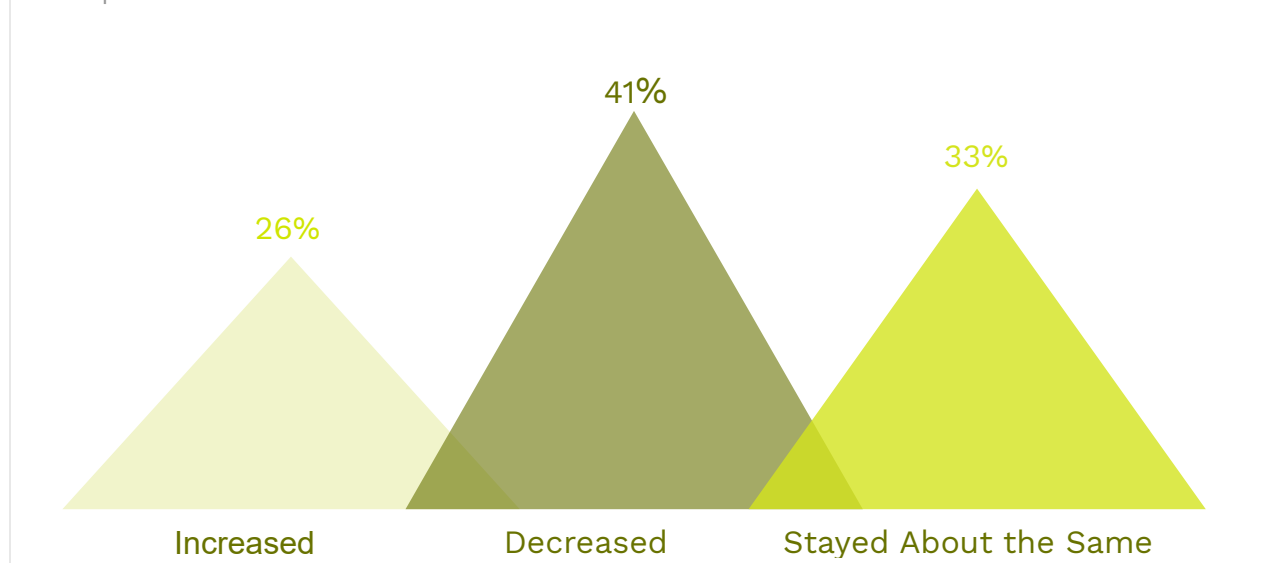


Most of the income earned by skilled independents comes from their freelance work, as only 31 percent have full-time or part-time W-2 jobs in addition. On average, independent work comprises roughly two-thirds (64%) of these workers' personal incomes and half (52%) of their household income. While the income is not as important at a household level, about half (48%) of all skilled independent workers in the U.S. earn 75 percent or more of their personal income from their independent work. In contrast, only a third (32%) indicate their freelance income comprises 75 percent or more of their household income.

The pandemic has impacted freelance revenue, though the impact is uneven. While four in ten (41%) experienced decreased revenues in 2020 compared to earlier years, a third (33%) experienced no change and a quarter (26%) experienced an increase in business last year.

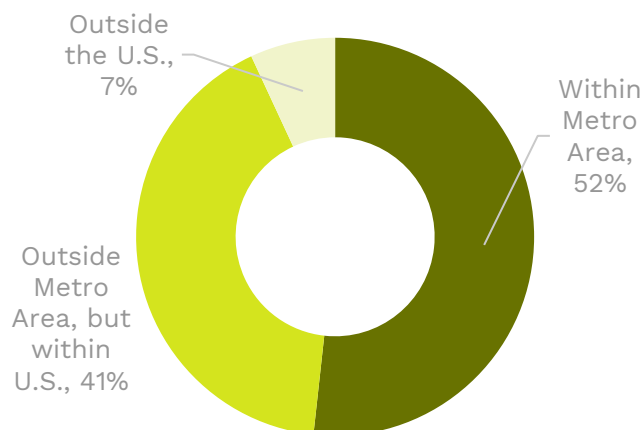
Figure 11. 2020 Revenue Compared to Earlier Years

Total | n=861



Our national survey also reveals that roughly half the revenue from the skilled independents' activities comes from outside the local area, bringing in money that gets spent in their communities. On average, half (52%) comes from clients within the same metropolitan area, but 41% of revenue comes from outside their metro area but within the U.S., and seven percent of revenues comes from outside the U.S. Nearly one in five (19%) skilled independents have seen increased revenues from outside their metropolitan area compared to before the pandemic, a trend that is likely enabled in part by widespread availability of high-speed internet and digital marketplaces for finding business. A similar share (22%) has seen decreased revenues from outside their metro area since before the pandemic, and six in ten (59%) say revenues remained the same.

Figure 12. Mean Percentage of Revenue from Each Geographic Area  
Total | n=861

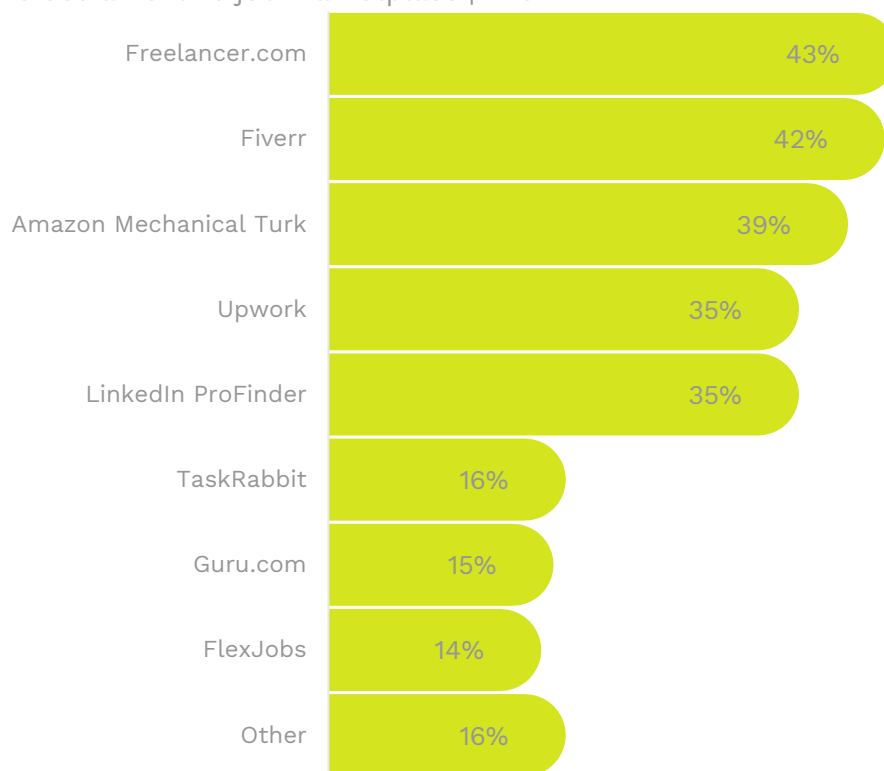


While reputation has always led skilled independent workers to find business, technology is becoming an important factor as well. Almost two-thirds (65%) of skilled independents find work through word of mouth, but the next most common business sourcing methods are social media (33%) and online job marketplaces (31%). More than four in ten skilled independents use Freelancer.com (43%) and Fiverr (42%) to find work. Amazon's Mechanical Turk is the next most common job marketplace (39%)<sup>11</sup>, followed by Upwork (35%) and LinkedIn's ProFinder (35%). One in five skilled independents uses Fiverr the most (20%), and a similar share uses Amazon's Mechanical Turk the most (19%). Freelancer.com (14%), Upwork (12%), and LinkedIn ProFinder (12%), are the next most-used online marketplaces.

<sup>11</sup> Mechanical Turk is a marketplace for "completing simple tasks" ([www.mturk.com](http://www.mturk.com)) but does not seem to be specifically oriented to the skilled independent work described in this report.

**Figure 13. Most Common Online Job Marketplaces**

Those who use an online job marketplace | n=344

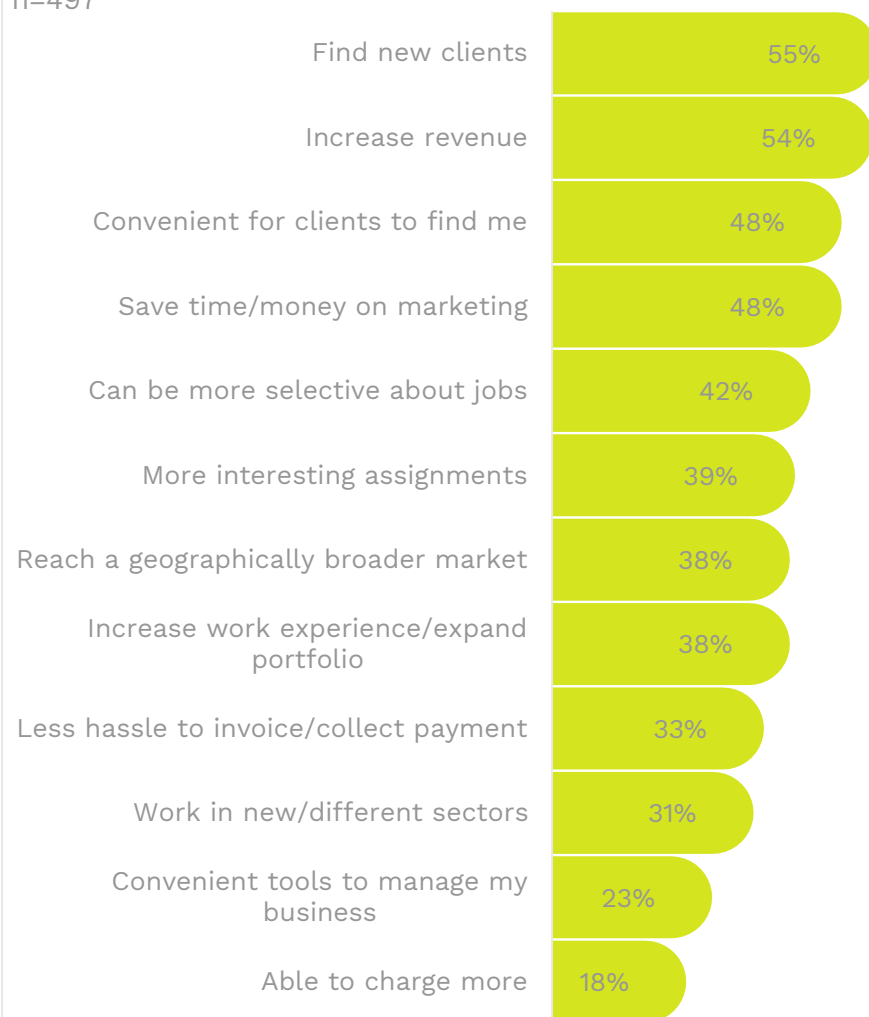


\*Online job marketplaces with <10% use not shown.

The past year has been an important one for online job marketplaces, which appear to be in ascent based on the fact that half of skilled independents started using them for the first time in the past couple of years. One quarter (25%) of skilled independents started using an online job marketplace for the first time in 2020 or 2021 and another quarter (26%) started using them in 2019. The pandemic played a role in spurring growth of online marketplaces as one in five (21%) who used one did so to adapt to the pandemic. Both current and former marketplace users see myriad benefits to using this business resource including finding new clients (55%), increasing revenue (54%), saving time and money on marketing (48%), and making it convenient for clients to find them (48%), to name a few.

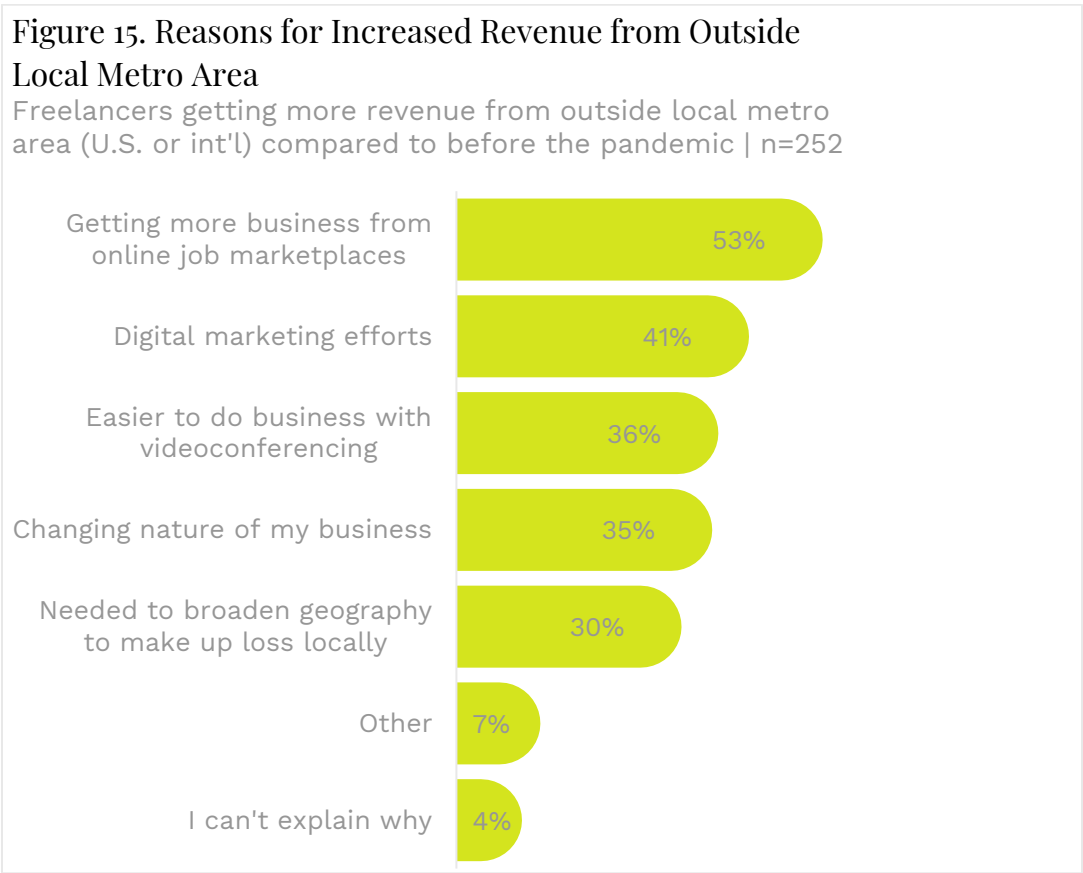
### Figure 14. Advantages to Using Online Job Marketplaces

Currently use or previously used an online job marketplace |  
n=497



\*Advantages with <10% not shown.

Online marketplaces are a major factor behind skilled independents increasing their geographic reach. Over half (53%) of those who saw revenues from outside their local metro area increase from before the pandemic credit online job marketplaces with helping them get more business. Four in ten (41%) also credited digital marketing efforts, and more than a third cited ease of doing business via videoconferencing (36%) and the changing nature of their business (35%).





## Creative, Technical, and Professional Services

Rockbridge divides the skilled independent workforce into three categories to uncover distinctions between the groups in the U.S. and the top 30 markets: Professional Services, Technical Services, and Creative Services. The NAICS industry codes associated with each category are listed in the Appendix, Table A.

Similar to the U.S. as a whole, in the top 30 markets professional services comprise the largest share of skilled independent workers and their revenues, at half the workers (50%) and nearly half the revenues (48%) estimated for 2020. Technical services workers are estimated to represent three in ten skilled independent workers in the top 30 markets (29%), and nearly four in ten dollars in skilled independent worker revenues (38%) as of 2020. In contrast, creative services workers make up an estimated one-fifth (21%) of skilled independent workers in the top 30 markets in 2020, but only one of every seven (14%) dollars in revenue.

### Professional Services

There are an estimated 3.1 million skilled independent workers providing professional services (i.e., legal, accounting/ bookkeeping, management consulting, marketing, and business support) across the U.S. as of 2020 earning on average \$36,400 annually from their independent work. New York, Los Angeles and Miami are the top professional independent markets in terms of number of workers and revenues.

Table 3. Top Markets for Professional Services

Market (Metropolitan Statistical Area)	Number of Skilled Independent Workers (2020 Projected)	Rank by Number of Skilled Independent Workers	Revenues (2020 Projected)	Rank by Revenues
New York, NY	256,679	1	\$11,436,533,570	1
Los Angeles, CA	171,869	2	\$7,606,409,807	2
Miami, FL	117,982	3	\$4,766,180,149	3
Chicago, IL	98,107	4	\$3,469,323,480	6
Washington, DC	91,418	5	\$3,933,359,441	4
Dallas, TX	84,225	6	\$3,358,032,205	8
Houston, TX	80,644	7	\$3,360,812,030	7
Atlanta, GA	79,065	8	\$2,463,226,268	11
San Francisco, CA	74,501	9	\$3,889,471,952	5
Boston, MA	64,110	10	\$3,081,798,574	9
Philadelphia, PA	62,102	11	\$2,614,374,993	10
Phoenix, AZ	44,767	12	\$1,750,905,975	13
San Diego, CA	41,634	13	\$1,760,250,706	12
Detroit, MI	41,525	14	\$1,341,376,545	16
Seattle, WA	40,313	15	\$1,500,131,225	15
Denver, CO	40,153	16	\$1,531,472,269	14
Minneapolis, MN	38,102	17	\$1,299,016,827	18
Riverside, CA	34,611	18	\$1,030,710,222	22
Tampa, FL	34,417	19	\$1,228,460,064	20

Austin, TX	32,360	20	\$1,306,186,362	17
Orlando, FL	29,720	21	\$1,048,076,157	21
Baltimore, MD	29,248	22	\$993,904,569	23
Portland, OR	25,548	23	\$898,987,059	26
San Jose, CA	25,544	24	\$1,254,037,141	19
Charlotte, NC	23,716	25	\$707,598,023	29
Nashville, TN	22,708	26	\$916,471,280	25
Sacramento, CA	22,648	27	\$892,649,368	27
St. Louis, MO	21,617	28	\$722,779,352	28
Las Vegas, NV	20,436	29	\$978,283,146	24
Pittsburgh, PA	19,642	30	\$644,526,817	30

The share of workers and revenues in a particular category provides insight into the economic focus of each market's freelance economy. Houston, Detroit, Miami, Tampa, Dallas, Washington, DC, and Atlanta have the greatest share of skilled independents providing professional services within the top 30 markets. In fact, in twenty of the top 30 markets, professional service providers make up at least half the skilled independent workforce.

Houston, Detroit, Boston, Chicago, St. Louis, Dallas, and Tampa all have the largest share of skilled independent worker revenues from those who provide professional services, compared to the other markets in the top 30. Sacramento, Pittsburgh, Phoenix, Washington, DC, and Miami also get at least half their freelance revenue from professional services, on par with the U.S. as a whole. In contrast, Los Angeles and Nashville have the smallest share of skilled independent workers and revenue in the professional service category due to their greater relative reliance on creative services.

Table 4. Top Markets for Professional Services by Share of Workers and Revenues

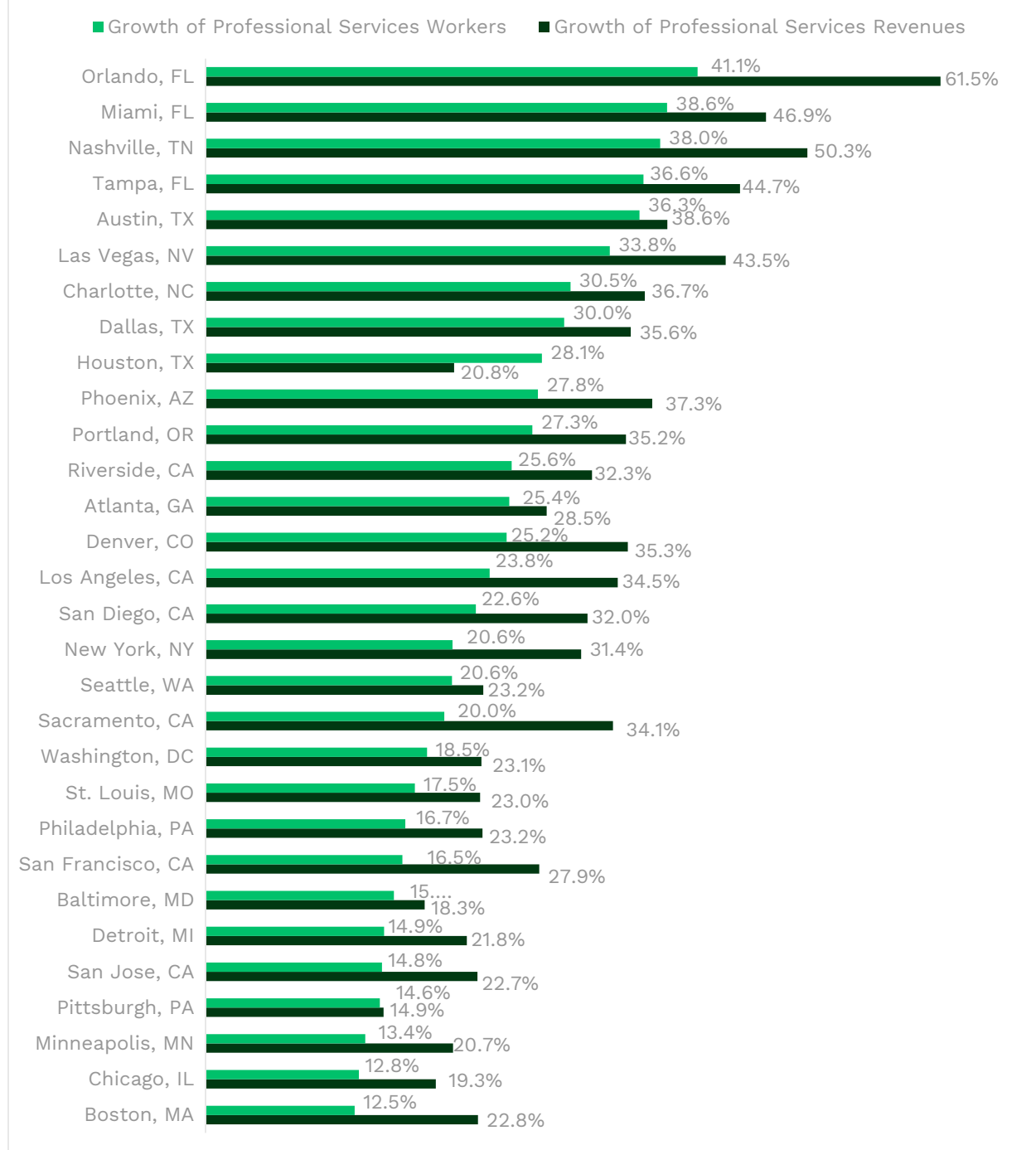
	By Share of Workers	By Share of Revenues
①	Houston (58%)	Houston (54%)
②	Detroit, Miami (56%)	Detroit (53%)
③	Tampa (54%)	Boston, Chicago (52%)
④	Dallas, Washington, DC, Atlanta (53%)	St. Louis, Dallas, Tampa (51%)
⑤	Riverside, Chicago, Philadelphia, Baltimore, Phoenix (52%)	Sacramento, Pittsburgh, Phoenix, Washington, DC, Miami (50%)

The professional services skilled independent workforce in the top 30 markets grew 23 percent from 2013-2018, just slightly faster than in the U.S. as a whole at 21 percent<sup>12</sup>. Similarly, revenues for professional services skilled independent workers in the top 30

<sup>12</sup> Reported growth rates across the board may be slightly inflated due to changes in classification methodology by the Census Bureau in 2018. See appendix.

markets grew 30 percent from 2013-2018, compared to 27 percent growth for total professional services revenues in the U.S. Orlando's professional skilled independent workforce grew the fastest from 2013-2018, in line with Orlando's overall population growth and growth in the professional services sector there.<sup>13</sup> Miami, Nashville, Tampa, and Austin round out the top five markets by growth in professional services workers.

Figure 16. Growth of Professional Services Workers and Their Revenues in Top 30 Markets (2013-2018)



<sup>13</sup> Source: Orlando Sentinel, <https://orlandosentinel.com/business/os-cfb-2019-economy-forecast-20190117-story.html>

## Technical Services

Technical services include freelancers who provide data processing, architecture, design, engineering, computer/IT, and scientific services. Technical service providers comprise the second largest group of skilled independent workers, with nearly 1.8 million across the U.S. estimated for 2020. On average, these freelancers earn \$51,000 annually for their independent work, more than professional services and creative services independents. The top 30 markets are home to six in ten technical services freelancers and generate two-thirds (65%) of revenues from all technical skilled independents in the U.S. New York and Los Angeles are the top markets in terms of number of workers and revenue.

**Table 5. Top Markets for Technical Services**

Market (Metropolitan Statistical Area)	Number of Technical Skilled Independent Workers (2020 Projected)	Rank by Number of Skilled Independent Workers	Revenues (2020 Projected)	Rank by Revenues
New York, NY	162,656	1	\$9,926,434,799	1
Los Angeles, CA	123,627	2	\$6,615,815,337	2
Miami, FL	65,104	3	\$4,026,737,008	3
Washington, DC	54,315	4	\$3,324,634,267	5
San Francisco, CA	54,151	5	\$3,457,439,845	4
Chicago, IL	52,959	6	\$2,514,734,231	7
Dallas, TX	46,438	7	\$2,573,271,796	6
Atlanta, GA	42,209	8	\$1,967,779,330	11
Boston, MA	39,959	9	\$2,307,302,521	9
Houston, TX	39,511	10	\$2,450,617,468	8
Philadelphia, PA	35,215	11	\$2,151,004,247	10
Seattle, WA	29,437	12	\$1,393,401,120	14
San Diego, CA	28,620	13	\$1,462,450,033	12
Phoenix, AZ	26,833	14	\$1,406,213,175	13
Denver, CO	25,639	15	\$1,334,720,818	15
Minneapolis, MN	23,092	16	\$1,005,939,923	18
Austin, TX	20,144	17	\$1,126,565,627	17
Riverside, CA	19,772	18	\$864,358,269	23
Portland, OR	19,342	19	\$836,347,834	24
Detroit, MI	19,169	20	\$932,207,049	20
San Jose, CA	19,068	21	\$1,240,938,903	16
Tampa, FL	18,377	22	\$953,197,372	19
Orlando, FL	16,725	23	\$805,162,977	25
Baltimore, MD	16,037	24	\$891,859,111	21
Sacramento, CA	13,611	25	\$689,090,335	27
Charlotte, NC	13,609	26	\$598,870,978	28
Nashville, TN	12,521	27	\$718,732,322	26
Las Vegas, NV	12,077	28	\$866,583,568	22
St. Louis, MO	11,751	29	\$521,695,194	29
Pittsburgh, PA	11,361	30	\$497,937,468	30

Markets with high concentrations of skilled independents providing technical services tend to cluster on the West Coast. Based on share of workforce and revenues, San Jose, San Francisco, San Diego, Seattle, Denver, and Portland are the top hubs for these services, though at least three in ten skilled independents in Washington, DC, Boston, Miami, Phoenix, and Sacramento provide technical services.

Table 6. Top Markets for Technical Services by Share of Workers and Revenues

	By Share of Workers	By Share of Revenues
①	San Jose (38%)	San Jose (47%)
②	San Francisco, San Diego (34%)	Baltimore, Denver, Washington, DC, Miami, Seattle, San Francisco (42%)
③	Seattle (33%)	San Diego, Philadelphia, Charlotte (41%)
④	Denver, Portland (32%)	Phoenix, Riverside, Portland, Austin (40%)
⑤	Washington, DC, Boston, Miami, Phoenix, Sacramento (31%)	

Nearly half (47%) of San Jose’s revenues from skilled independent workers comes from those who work in technical services, and almost half of the top 30 markets get at least four dollars of every ten in skilled independent worker revenue from technical services. However, technical services are a shrinking sector of the skilled independent workforce for many of the top 30 markets when compared to five years ago. Although San Jose’s technical services workers captured 47% of skilled independent revenues in the market in 2013 and in 2018, its share of workers has shrunk three percentage points. In fact, nearly half the markets in the top 30 have declined in technical services workers as a share of all skilled independents by at least three percentage points since 2013. This shift could be due to the relative ease of automating or offshoring the services they provide, or the result of some joining the traditional labor force during a period of faster economic growth.

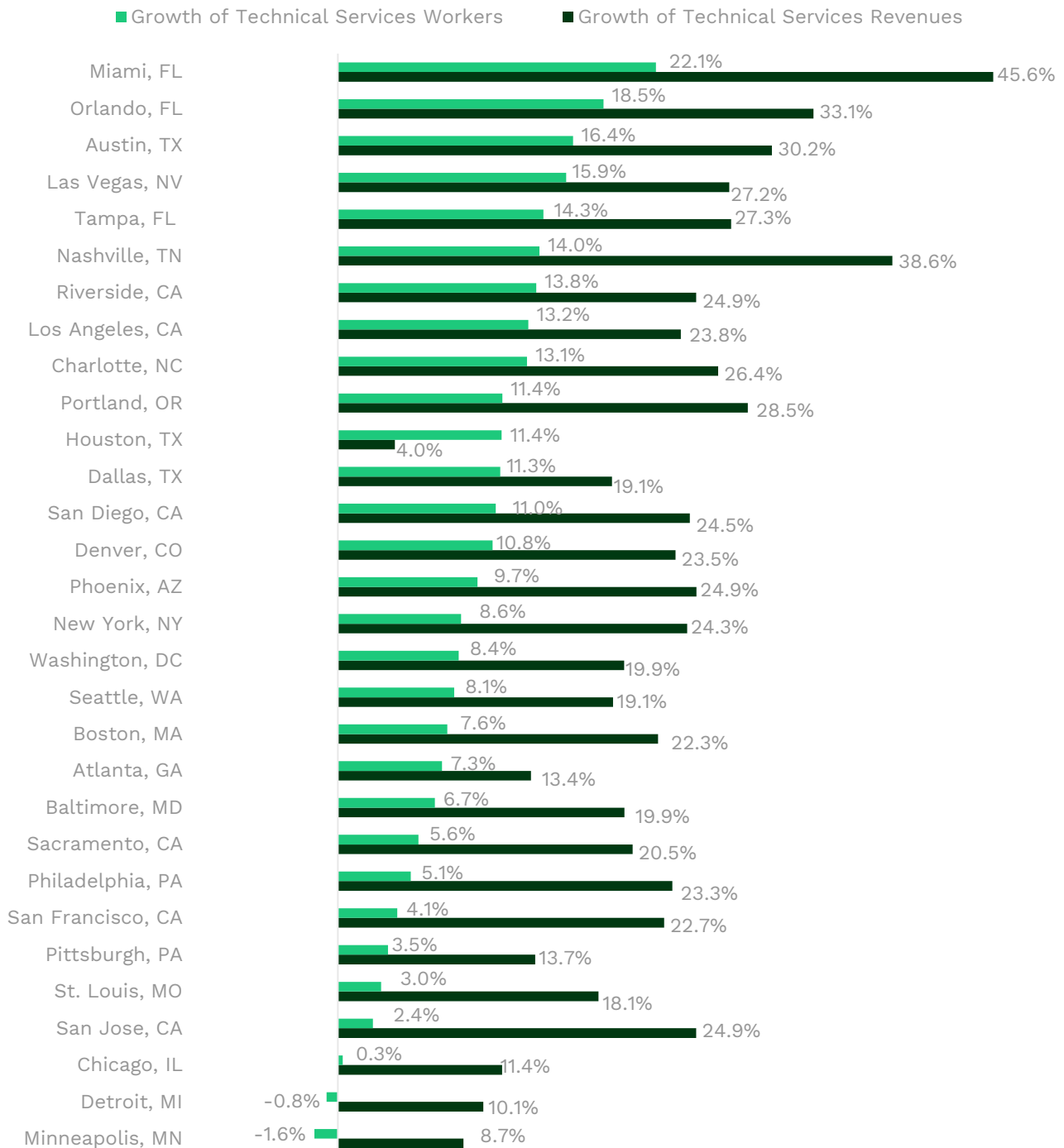
Indeed, this is the slowest growing sector of skilled independents. Miami’s skilled independent technical services workforce grew from 2013 to 2018 by 22 percent, but no other market experienced workforce growth of more than 20 percent and only half the markets in the top 30 saw double-digit growth during that time.<sup>14</sup>

During the same time period, Miami’s revenues from skilled independent technical services workers grew by 46 percent, but Nashville, Orlando, and Austin were the only other markets to see similarly high growth of over 30 percent. In Houston, growth in the number of workers outpaced revenue growth from 2013-2018, suggesting this market may be saturated for independent technical services providers. Chicago, Detroit, and Minneapolis all saw their

<sup>14</sup> Reported growth rates across the board may be slightly inflated due to changes in classification methodology by the Census Bureau in 2018. See appendix.

technical services skilled independent workforces flatline or shrink from 2013 to 2018, though revenues grew modestly.

Figure 17. Growth of Technical Services Workers and Their Revenues in Top 30 Markets (2013–2018)



## Creative Services

Creative services comprise the smallest sector of the skilled independent workforce. An estimated one in five (21%) skilled independent workers in the U.S. in 2020 are creative professionals, such as artists, writers and performers, as well as video and sound professionals.

They earn 14 percent of all revenues from skilled independent workers in the U.S., or \$25,200 on average. There are an estimated 1.3 million creative services skilled independent workers in the U.S. estimated for 2020, with six in ten (59%) based in the top 30 markets. Seven of every ten dollars of revenue from creative skilled independents also come from the top 30 markets, a higher concentration than for either professional or technical services.

The top markets for these professionals are New York and Los Angeles, each with well over 100,000 workers, but Los Angeles actually generates more revenue from these workers by almost \$1 billion, likely due to the presence of the film and television industries. Nashville only has about 20,000 creative skilled independents but is the only other market where these workers collectively earn at least \$1 billion.

**Table 7. Top Markets for Creative Services**

Market (Metropolitan Statistical Area)	Number of Creative Skilled Independent Workers (2020 Projected)	Rank by Number of Skilled Independent Workers	Revenues (2020 Projected)	Rank by Revenues
New York, NY	140,911	1	\$5,007,179,576	2
Los Angeles, CA	136,118	2	\$5,952,431,888	1
Chicago, IL	36,908	3	\$743,435,194	6
San Francisco, CA	31,381	4	\$959,401,359	4
Atlanta, GA	28,862	5	\$616,832,748	9
Washington, DC	27,853	6	\$661,715,166	7
Dallas, TX	27,827	7	\$621,491,600	8
Miami, FL	27,684	8	\$820,251,644	5
Boston, MA	23,914	9	\$540,108,174	10
Philadelphia, PA	23,214	10	\$529,544,908	11
Nashville, TN	20,215	11	\$1,024,997,786	3
Seattle, WA	20,006	12	\$442,020,471	12
Houston, TX	19,864	13	\$401,873,586	14
Minneapolis, MN	19,672	14	\$401,769,427	15
Portland, OR	16,253	15	\$369,739,453	16
Austin, TX	15,472	16	\$404,183,383	13
Phoenix, AZ	15,321	17	\$347,644,344	19
Denver, CO	15,061	18	\$309,350,670	20
San Diego, CA	14,905	19	\$357,956,825	18
Detroit, MI	13,041	20	\$246,238,330	23
Orlando, FL	12,098	21	\$288,086,413	21
Riverside, CA	11,875	22	\$263,185,814	22
Las Vegas, NV	11,697	23	\$368,129,244	17
Tampa, FL	11,347	24	\$235,862,141	24

Baltimore, MD	11,124	25	\$220,358,873	25
St. Louis, MO	9,369	26	\$163,408,669	28
Charlotte, NC	8,777	27	\$168,486,077	27
Sacramento, CA	8,323	28	\$186,884,544	26
Pittsburgh, PA	8,243	29	\$136,508,040	30
San Jose, CA	6,103	30	\$148,813,983	29

Nashville and Los Angeles are home to more creative workers by share of all skilled independents, as well as the revenues they earn, reinforcing the importance of the creative sector to their local economies. In Portland, Las Vegas, and New York, at least a quarter of all skilled independents work in creative services, though they earn fewer than one dollar in five from all skilled independent work in each market.

Table 8. Top Markets for Technical Services by Share of Workers and Revenues

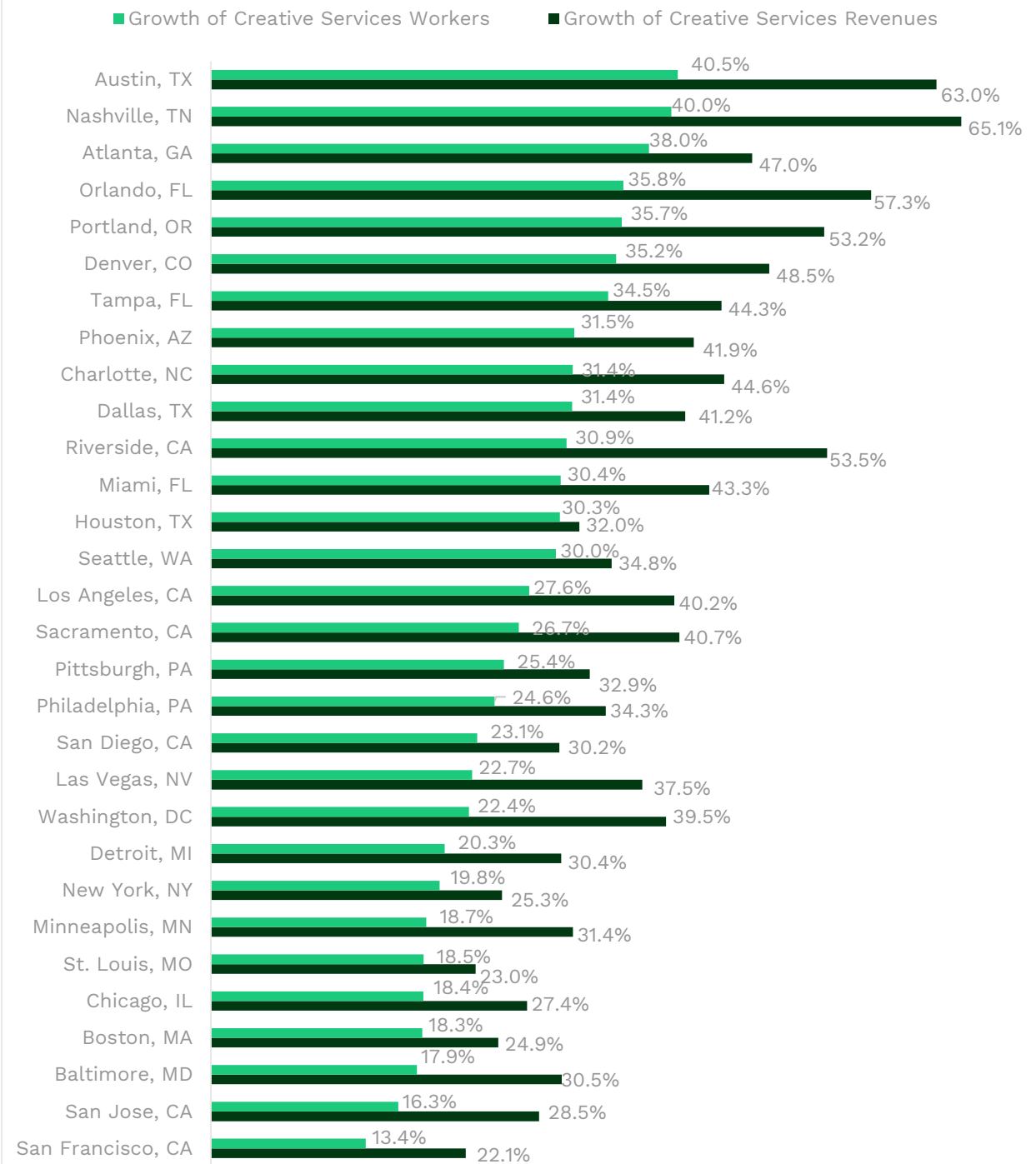
	By Share of Workers	By Share of Revenues
①	Nashville (36%)	Nashville (39%)
②	Los Angeles (32%)	Los Angeles (30%)
③	Portland (27%)	New York (19%)
④	Las Vegas (26%)	Portland (18%)
⑤	New York (25%)	Las Vegas (17%)

Creative services remain the fastest growing area for skilled independent workers from 2013 to 2018<sup>15</sup>. Across the U.S., the number of creative skilled independents grew by 23 percent and revenues by 33 percent during this time. Austin, Nashville, Atlanta, Orlando, and Denver's creative independent workforces grew by at least 35 percent from 2013 to 2018. Their revenues grew even faster, with Nashville, Austin, Orlando, Riverside, and Portland experiencing at least 50 percent growth during the same timeframe.

<sup>15</sup> Reported growth rates across the board may be slightly inflated due to changes in classification methodology by the Census Bureau in 2018. See appendix.

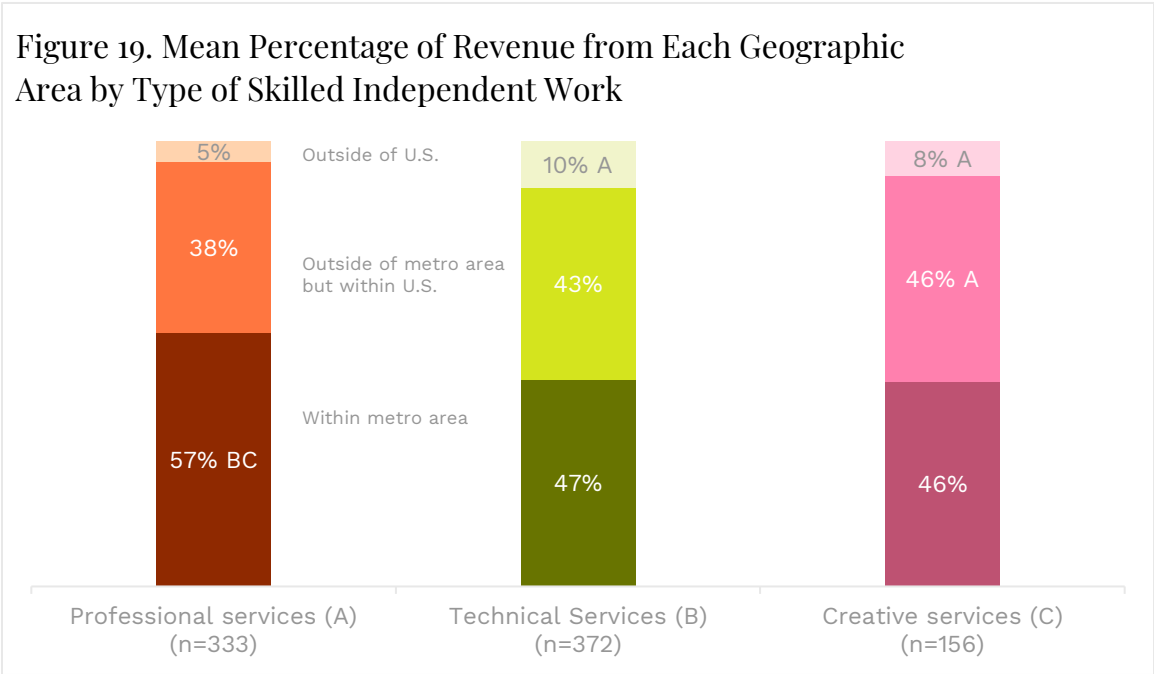


Figure 18. Growth of Creative Services Workers and Their Revenues in Top 30 Markets (2013-2018)



# Differences between Professional, Technical, and Creative Skilled Independent Businesses

The ways that professional, technical, and creative skilled independents obtain work and conduct business may contribute to the differences in growth rates and revenues, as well as in how they were impacted by the pandemic. Those in professional services are significantly more likely than others to rely on word-of-mouth referrals and their reputations to obtain work, while creatives and technical services providers are much more likely to use online job marketplaces, social media, and private talent clouds. Professional services providers obtain significantly more of their revenue (57%) from their local metro area compared to creative (46%) and technical (47%) service providers. However, a third of professional services providers (32%) who use online job marketplaces only signed up for them in 2020, perhaps a strategic pivot due to the pandemic to enable them to find more work beyond their local area.



\*Letters indicate significant difference between lettered groups.

Technical services providers who use online job marketplaces are more likely than others to see an advantage of being able to charge more for their services on these sites (24%, versus 10% of creative skilled independents and 15% of technical services skilled independents). In fact, three-quarters (74%) of technical services providers saw their revenues specifically from online job marketplaces increase during the pandemic. Additionally, both creative (35%) and technical (37%) services providers are more likely to find that online job marketplaces allow them to work in new/different sectors, compared to professional services providers (19%).

The COVID-19 pandemic has had an uneven impact on the skilled independent workforce. Though the average number of hours worked in 2020 is similar for all three types of work, those providing technical services are significantly more likely to be working more since the

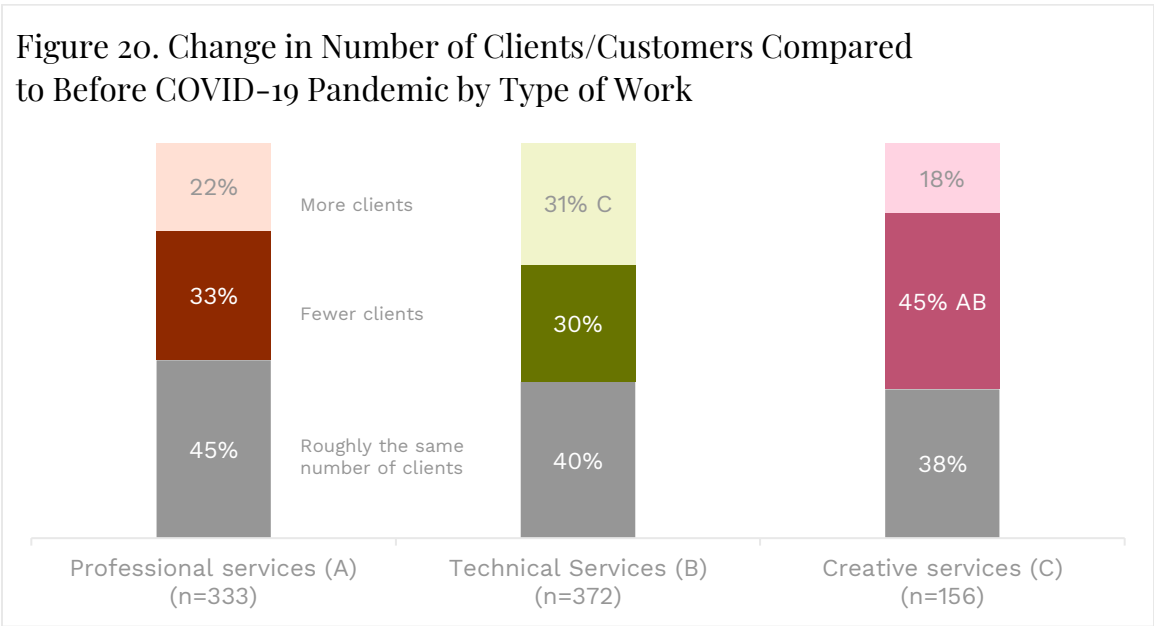
pandemic started compared to those providing creative and professional services (29% versus 13% and 18%, respectively).

*“All of my projects went virtual. There was a long break when we figured out how to go virtual but once we figured it out, things are ramping up.”*  
-Skilled Independent Worker for 11-20 Years, Creative Services, New York

*“The pandemic has slowed down the business of the company I serve, so in turn the need for my services has proportionately slowed down.”*  
-Skilled Independent Worker for 3-5 Years, Professional Services, North Carolina

*“It made my job easier in the sense that I didn’t need to find local clients, they could be from anywhere. The remote working world had made my job as a freelancer easier. I also feel it has made people slower to spend money in extra services.”*  
-Skilled Independent Worker for 6-12 Months, Technical Services, Idaho

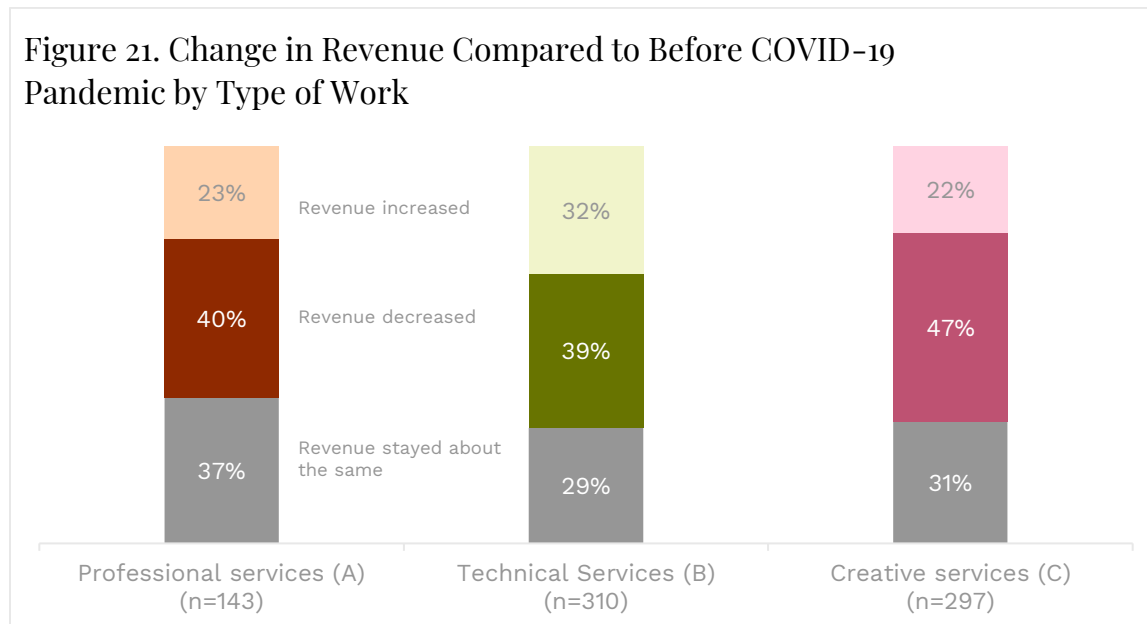
On average, skilled independents worked with 25 clients in 2020, a number that varied little by the type of work they did. Creative and professional skilled independents are most likely to serve consumers, while technical skilled independents are most likely to serve small and medium-sized businesses. The impact of the pandemic on the customer base depends on the type of skilled independent, with technical service providers faring the best and creative service providers faring the worst. Nearly half (45%) of creative skilled independents have fewer clients since the pandemic started, compared to just 30 percent of technical skilled independents and 33 percent of professional skilled independents. In contrast, three in ten (31%) technical services independents have more clients, compared to just 18 percent of creative skilled independents and 22 percent of professional skilled independents. Nearly half (45%) of professional services independents have roughly the same number of clients.



\*Letters indicate significant difference between lettered groups.

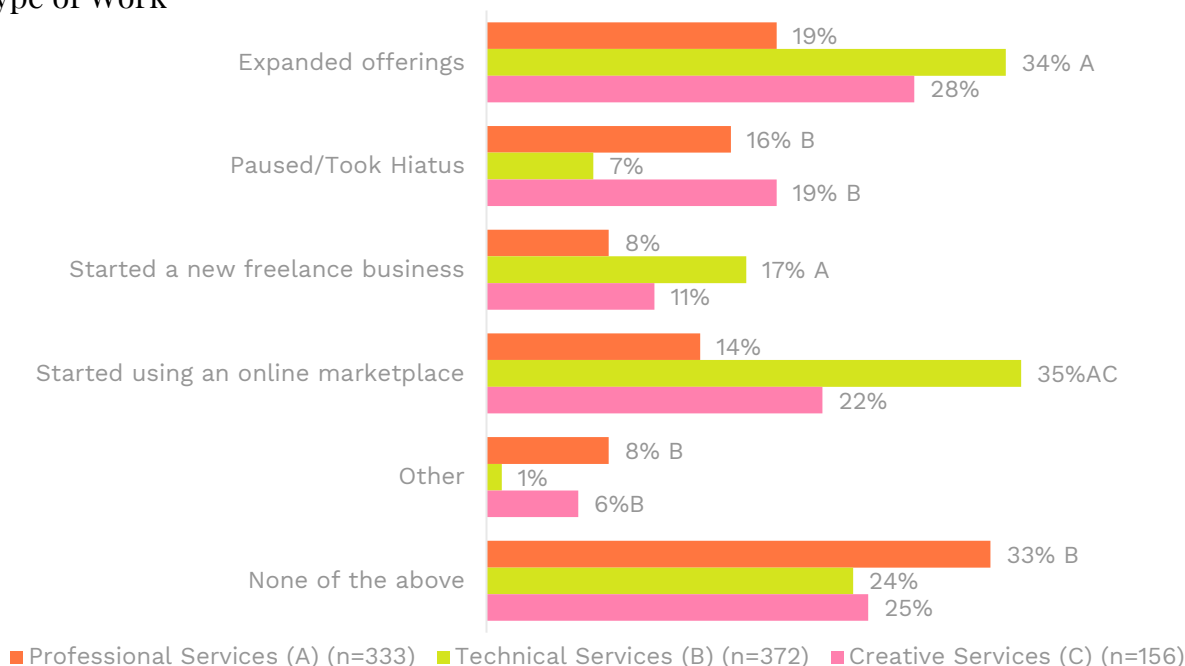
These technical service providers are getting more of their revenue from their metro areas, from the U.S. outside of their metro area, and from outside of the U.S. since before the pandemic, compared to their counterparts in creative and professional services. Those in professional services are least likely to note a change in where their revenue comes from compared to creative and technical skilled independents. For skilled independents who have been in business for at least a year, four in ten (41%) lost revenue in 2020. Creative skilled independents (47%) are directionally more likely to have lost revenue compared to technical (39%) and professional (40%) skilled independents. Technical skilled independents (32%) are directionally more likely to have increased their revenue compared to creative (22%) and professional (23%) skilled independents.

Figure 21. Change in Revenue Compared to Before COVID-19 Pandemic by Type of Work



The three different types of skilled independents vary in the way they adapted to the pandemic. Technical skilled independents are significantly more likely than creative or professional skilled independents to have adapted by starting to use an online job marketplace to find clients, to have expanded their offerings, and started a new freelance business. In contrast, those in creative and professional services are far more likely than those in technical services to have taken a break from their independent work during the pandemic.

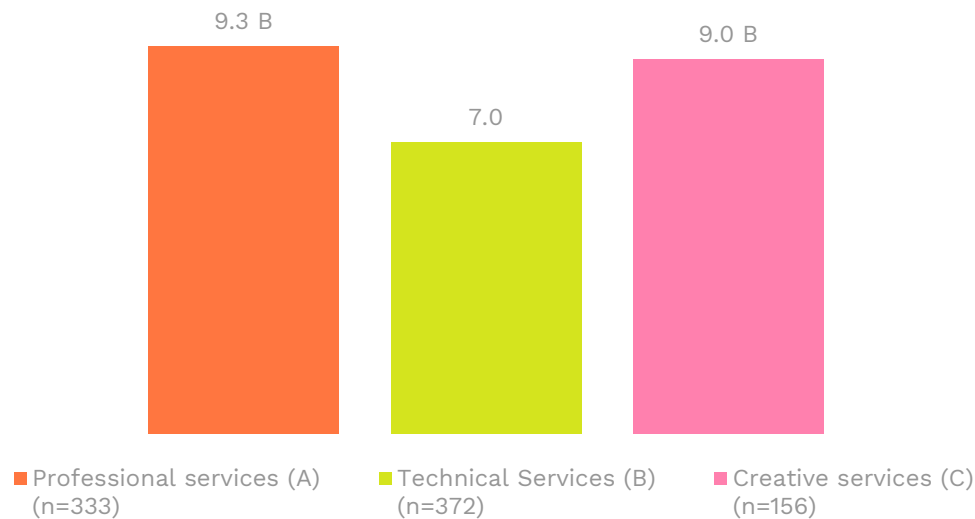
Figure 22. Ways Skilled Independents Adapted to the COVID-19 Pandemic by Type of Work



\*Letters indicate significant difference between lettered groups. Only items with significant differences between groups shown.

The breadth and duration of freelancing differs by the type of professional. Technical services providers are least likely to operate only a single business entity for their independent work; in fact, four in ten operate two or more. Independents providing creative and professional services tend to have been in their business longer than those providing technical services and are more likely to not be employed elsewhere. Creative skilled independents are most likely to have started their career as a freelancer with no other prior employment. Professional and creative service providers are more tenured than technical service providers (nine years compared to seven years). Professional services providers are the oldest of the three categories, with more than half (56%) being 55 years or older.

Figure 23. Average Years of Skilled Independent Work Experience



\*Letters indicate significant difference between lettered groups.

## The Future of Freelancing

Over the past year, much has changed about the world we live in, yet skilled independents hold an optimism that propels them forward. In last year's study, six in ten (62%) skilled independents were more fearful than hopeful about the future of independent work in light of the COVID-19 pandemic. After a year of reckoning, these workers are putting their best foot forward to turn the corner and now a full three-quarters (75%) are more hopeful than fearful. In fact, more than six in ten (63%) independents overall feel the pandemic has either not had much of an impact or has even created new opportunities for their field of work, regardless of type of work.

*"[I am more hopeful] because I have more freedom working remotely. I can get clients from anywhere."*

**-Skilled Independent Worker for 6-10 Years, Professional Services, New Jersey**

*"People and businesses are seeing the utility of technology and remote work and telecommuting. They can save money on brick and mortar and commute times and the productivity that can accompany this. This in turn will drive demand for networking services up."*

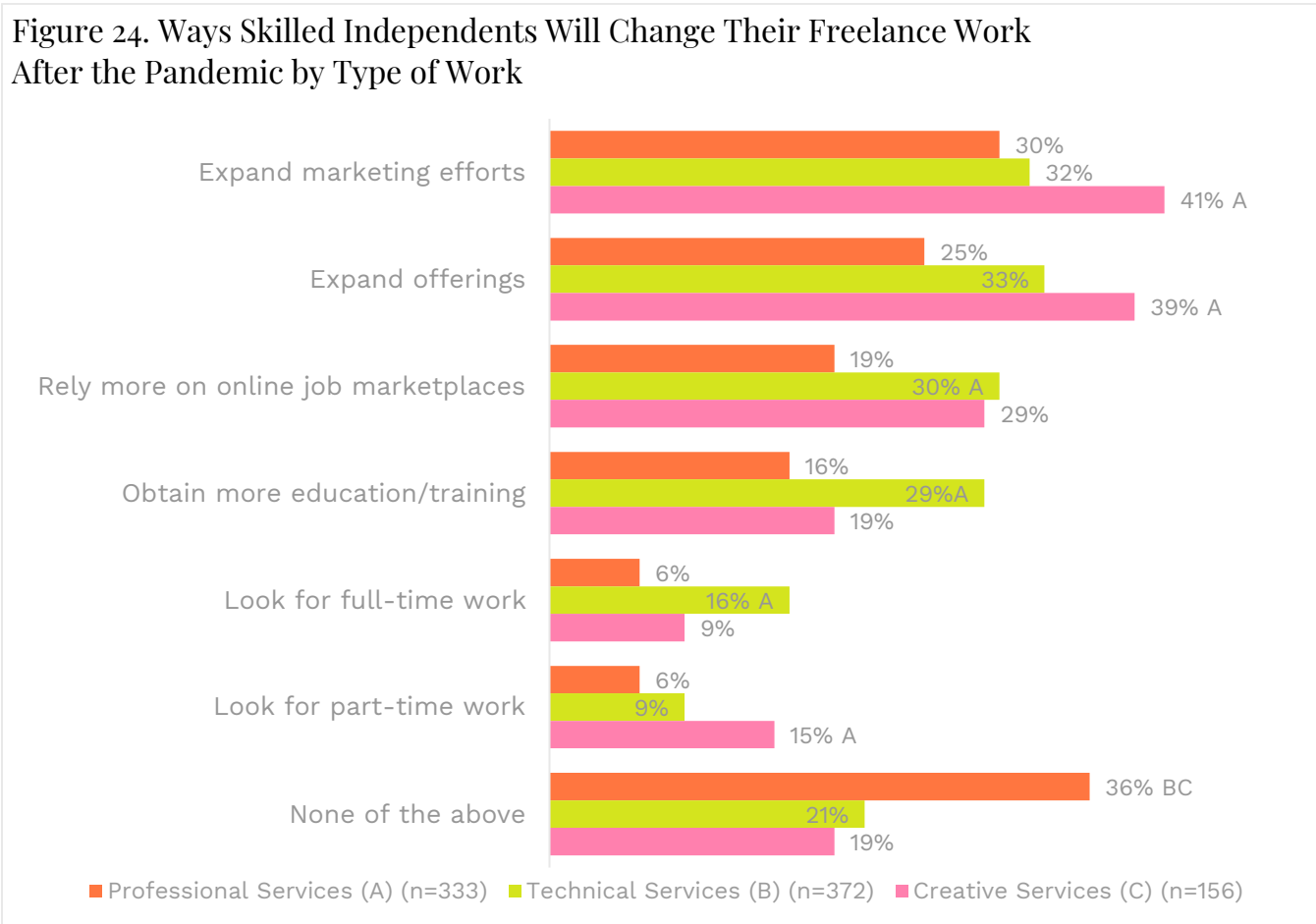
**-Skilled Independent Worker for 3-5 years, Technical Services, Michigan**

*"I want to get back to seeing my clients and doing music. It gives me hope and energy to work with folks."*

**-Skilled Independent Worker for More than 20 Years, Creative Services, New York**

High levels of satisfaction among skilled independents translate into a willingness to stick it out through the tough times and the good, having spent years honing their skills and building their client base. The satisfaction levels of technical (72% highly satisfied) and professional (73%) skilled independents are higher than creative skilled independents (62%), but all are still more highly satisfied than the general workforce (59%).<sup>16</sup>

Looking ahead, eight in ten (80%) skilled independents expect to make about the same amount or more in revenue in 2021 compared to 2020, with little variation by type of work. Fiverr freelancers are similarly optimistic: 83% believe they will make about the same or more revenue in 2021. U.S. skilled independents are preparing for these opportunities in a variety of ways. Four in ten creative skilled independents plan to expand their offerings (39%) and their marketing efforts (41%) after the pandemic ends. A third of technical skilled independents will do the same (32% will expand marketing efforts, 33% will expand offerings). Three in ten creative (29%) and technical (30%) skilled independents plan to rely more on online job marketplaces in the future. Professional skilled independents are most likely to stay the course.



\*Letters indicate significant difference between lettered groups. Only items with significant differences between groups shown.

<sup>16</sup> The 2020 National Technology Readiness Survey, Rockbridge Associates, Inc.; “high satisfaction” is defined as rating a 6 or 7 on a 7 point scale.

---




## Freelancing and Online Job Marketplaces

---

Online job marketplaces such as Fiverr existed long before the COVID-19 pandemic but took on new importance last year as freelancers offered new services and sought out new clients to remain competitive. Three in ten (31%) skilled independents use online job marketplaces to find work. The most commonly used platforms are Freelancer.com (43%), Fiverr (42%), and Mechanical Turk (39%).<sup>17</sup> Skilled independents who use online job marketplaces differ from those who do not in a number of ways.

Users of online job marketplaces tend to be younger and less experienced, but this does not seem to hold them back from turning to marketplaces and their use of them may even make them more efficient. Fiverr freelancers are similarly younger and have less freelance experience. They are more likely than their non-user counterparts to hold a full-time or part-time job in addition to their freelancing and more likely to have more than one business entity for their independent work. Fiverr freelancers are similarly likely as other online job marketplace users to also have a full- or part-time job on top of their freelance work.

Table 9. Differences Between Skilled Independents Who Use Online Job Marketplaces and Those Who Do Not

	Online job marketplace users (n=344) A	Non-users of online job marketplaces (n=517) B	Fiverr Freelancers (n=763)
 Average Age	42	53 A	36
 Average Years of Experience	5.3	10.1 A	4.5
 % with FT or PT Job	49% B	23%	47%

Online job marketplace users are more likely than those who do not use such marketplaces to advertise their services via social media (48% versus 26%) and both on (17% versus 3%)

---

<sup>17</sup> Mechanical Turk is a marketplace for “completing simple tasks” ([www.mturk.com](http://www.mturk.com)) but does not seem to be specifically oriented to the skilled independent work described in this report.



and off Craigslist (18% versus 7%), as well as more likely to use private talent clouds (14% versus 6%), and less likely to rely on word-of-mouth (43% versus 74%).

Online job marketplace users are working more hours and have more clients both from within and outside the main industries they serve since the pandemic and have seen their clients, who are primarily businesses of all sizes, become repeat clients more frequently than non-users. They are also more likely to have increased revenues since the pandemic.

Table 10. Differences Between Skilled Independents Who Use Online Job Marketplaces and Those Who Do Not

Since the pandemic started...	Online job marketplace users (n=344) A	Non-users of online job marketplaces (n=517) B	Fiverr Freelancers (n=763)
Working more hours	34% B	14%	36%
Earning more revenue	41% B	19%	Not asked
Earning more revenue from outside local metro area but within U.S.	34% B	12%	25%
Earning more revenue from outside U.S.	18% B	4%	27%

Last, online job marketplace users tend to be more optimistic about the future compared to skilled independents who do not use them. More than four in ten (43%) marketplace users believe the pandemic has created new opportunities for their industry (compared to 24% non-users). In contrast, four in ten (40%) non-users believe the pandemic has reduced opportunities for their industry (compared with just 28% of users). Online job marketplace users are more likely to believe their revenues will increase in 2021 compared to 2020 and are more excited to obtain more education and training, start new freelancing endeavors, and rely even more on online job marketplaces once the pandemic ends than non-users. They tend to be more relaxed, less stressed out, and less frustrated about freelancing in light of the pandemic compared to non-users.

## Select Market Snapshots

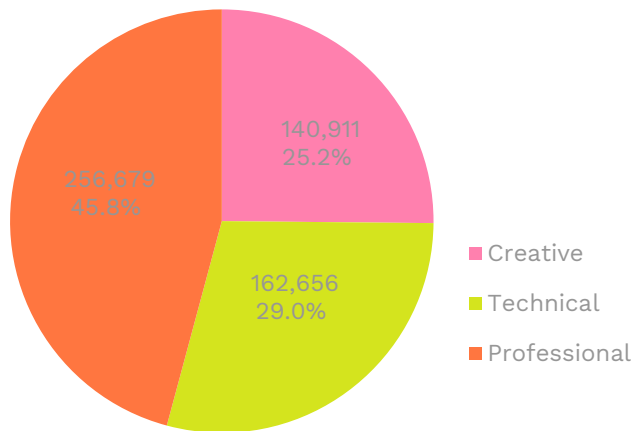
The Nonemployer Statistics data series shows that the New York metropolitan area, the Los Angeles metropolitan area, and the Chicago metropolitan area are three of the four largest markets for skilled independent workers in the U.S. by number of workers. Our national survey sought more representation from skilled independent workers in these markets in order to provide more in-depth insight on what sets them apart from other markets.<sup>18</sup>

Miami is the third largest market by number of skilled independents, but it is also the smallest of these markets by total population (not just skilled independent workers), ranking 7<sup>th</sup> in the nation. Surveying such an audience in Miami was not feasible for an appropriate sample size to conduct our analysis.

### New York

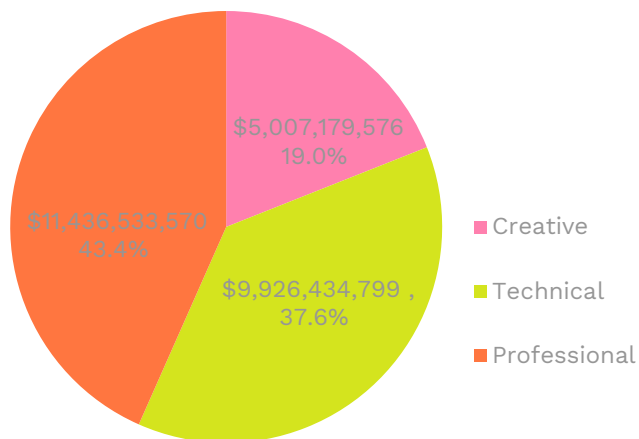
The New York metropolitan area continues to dominate as the top market for skilled independents by both workforce size and revenue this year. There are about 560,000 of these workers in the New York metro area projected for 2020 and they are estimated to bring in over \$26 billion in revenue. By comparison, the next largest market, Los Angeles, has 130,000 fewer skilled independent workers who bring in \$6 billion less in revenue than those in the New York metro area.

Figure 25. Creative, Technical, and Professional Skilled Independent Workforce of New York MSA (2020 Projected)



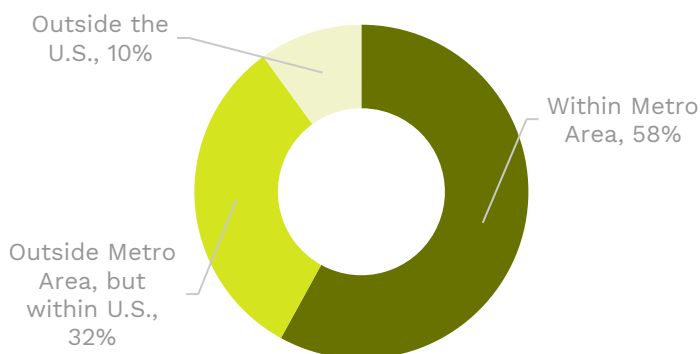
<sup>18</sup> Reported growth rates across the board may be slightly inflated due to changes in classification methodology by the Census Bureau in 2018. See appendix.

Figure 26. Creative, Technical, and Professional Skilled Independent Revenues of New York MSA (2020 Projected)



Nearly six of every ten (42%) dollars of New York’s \$26.4 billion in skilled independent worker revenue comes from outside the metro area and therefore contribute \$11.1 billion to its economic base.<sup>19</sup> Further, nearly three of every ten (28%) dollars of revenue comes from outside the worker’s state and thus contributes to their state’s economy (the New York metropolitan area includes counties in New York, Connecticut, New Jersey, and Pennsylvania). One in every ten dollars (10%) of revenue comes from outside the U.S., contributing to the national economy. Skilled independents in the New York metro area are more likely than those based elsewhere to earn revenue from within their own metro area and internationally but obtain less of their revenue from elsewhere within the U.S. compared to others.

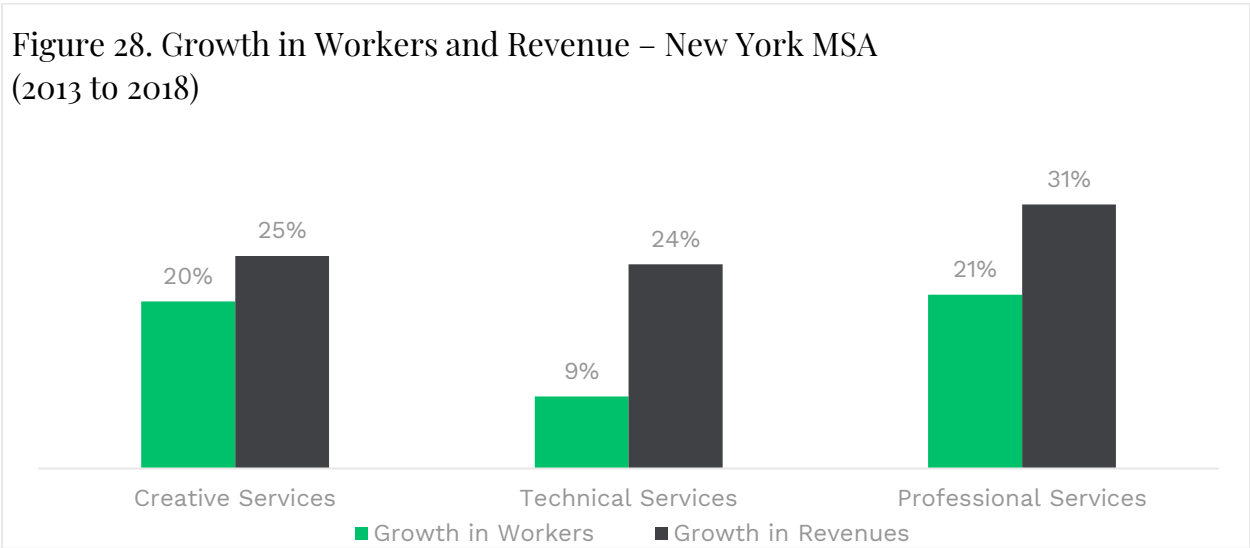
Figure 27. Mean Percentage of Revenue for New York MSA from Each Geographic Area  
Skilled Independents in New York MSA | n=254



<sup>19</sup> \$26.4 billion revenue x 42%

The skilled independent workforce in the New York metro area grew on par with the rest of the country at 17 percent from 2013-2018. Creative services grew slightly slower than the U.S. as a whole at 20 percent compared to 23 percent, and professional services grew on par at 21 percent. Growth in the technical services workforce exceeded that of the U.S. at 9 percent compared to 5 percent.

Revenue growth was consistently high for all three types of work in the New York City metro area. Despite lower growth in the number of skilled independents providing technical services, their revenue growth during the same time period was on par with that of those providing creative services and slightly lower than professional services.



Skilled independent workers in the New York metropolitan area were impacted by the pandemic differently than those elsewhere in the country. First, a higher percentage of freelancers in New York are working more hours on their independent work since the pandemic compared to freelancers living elsewhere (31% versus 19%). They are also more likely to have adapted their operations in some way compared to those living outside the New York metro area. Forty percent have more clients now, compared to 22 percent of those living outside the metro area. Their client base is more likely to have changed a lot due to the pandemic compared to those outside the area (24% versus 12%). There is also a higher percentage of skilled independents in New York earning more revenue since the pandemic started compared to those who live elsewhere (37% versus 24%), so the ways in which they adapted seem to have paid off. Last, skilled independents in the New York metro area are more likely to believe the pandemic created more opportunities for their industry compared to those living elsewhere (44% versus 29%).

## Los Angeles

The Los Angeles metropolitan area has a solid hold on the number two spot for skilled independent workers by both the number of workers and their revenues. There are an estimated 431,000 of these workers in the metro area as of 2020 and they bring in approximately \$20.2 billion in revenue. In addition to its large creative services sector due to its reliance on the film and television industries, Los Angeles has a relatively well-balanced skilled independent workforce with 32 percent in creative services, 29 percent in technical services, and only 40 percent in professional services (compared to 50% in the U.S. as a whole). Its revenues from skilled independents are also relatively balanced by type of work, indicating that skilled independents in each field get a proportionate share of total skilled independent revenues.

Figure 29. Creative, Technical, and Professional Skilled Independent Workforce of Los Angeles MSA (2020 Projected)

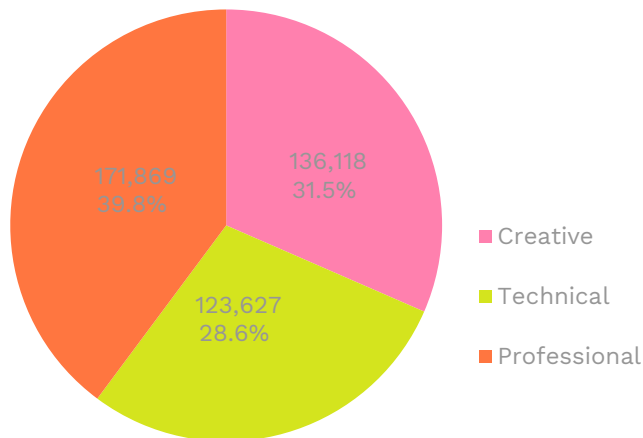
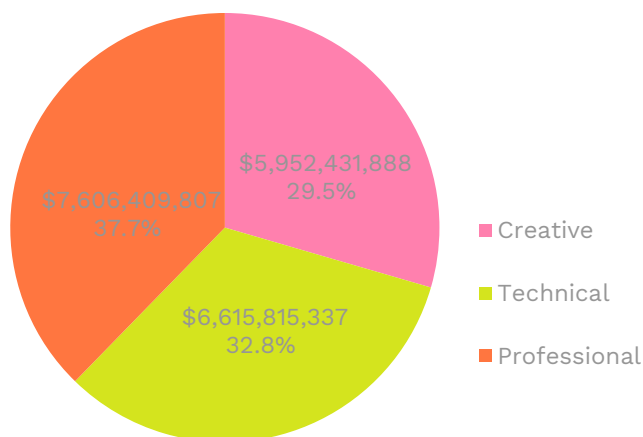
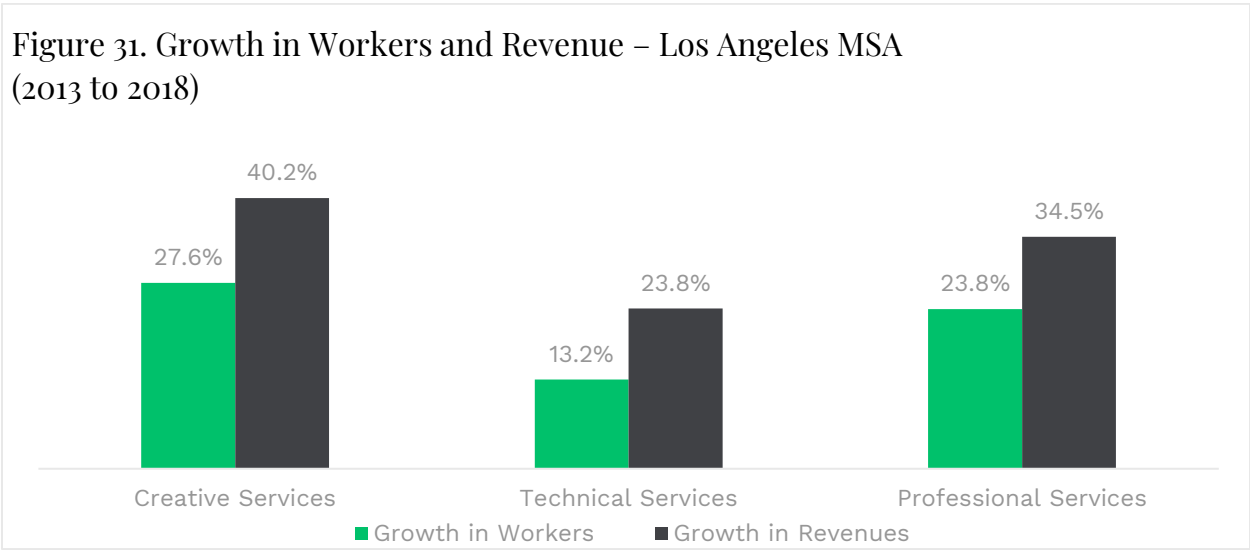


Figure 30. Creative, Technical, and Professional Skilled Independent Revenues of Los Angeles MSA (2020 Projected)

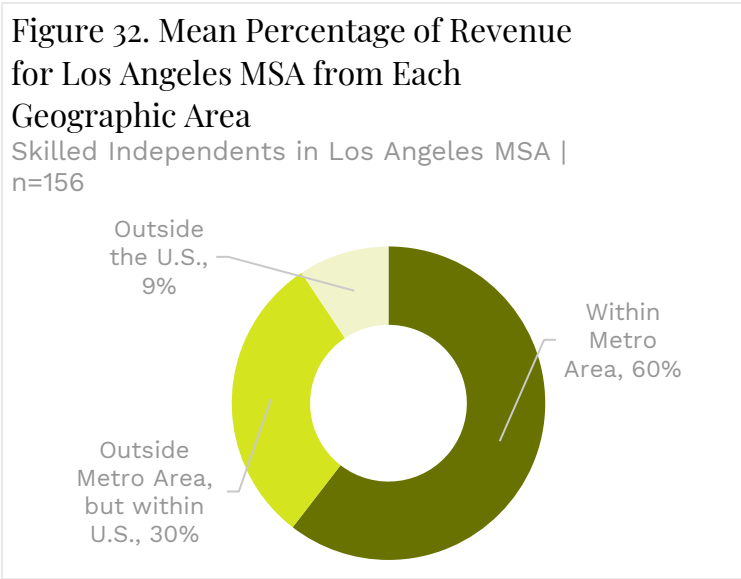


Skilled independent workers in all three categories grew by double digits in Los Angeles from 2013 to 2018. Creative services experienced the fastest growth, with the size of the

workforce increasing by 28 percent and revenues by 40 percent during that time. Growth in workforce and revenues for all three types of work outpaced growth for skilled independents in the U.S. as a whole substantially.



Four in ten dollars (40%) of the \$20.2 billion in Los Angeles’s skilled independent worker revenues come from outside the Los Angeles metro area and therefore contribute to the metro area’s economy, a contribution of \$8.1 billion.<sup>20</sup> Further, nearly three in ten dollars (29%) of revenues come from outside the state of California and thus contribute to the state’s economy, and around one-tenth (11%) come from outside the U.S., contributing to the national economic base. Skilled independents in Los Angeles are more likely to see revenues from inside the metro area and less likely to obtain revenue from elsewhere in the U.S. compared to skilled independents not in the Los Angeles metro area.



Los Angeles’ skilled independents, similar to New York’s, have been impacted differently by the pandemic compared to those living elsewhere. A third (33%) are working more hours

<sup>20</sup> \$20.2 billion x 40%

since the pandemic started, compared to just 19 percent of those outside the area, and their client base is more likely to have changed compared to those not in Los Angeles. Three in ten (31%) started using an online job marketplace, compared to 21 percent of those not in the area. Four in ten (39%) in Los Angeles saw their revenue increase in 2020 from before the pandemic, while only a quarter (25%) of those outside L.A. saw the same. More than four in ten (43%) say the pandemic has increased opportunities in their industry, compared to just three in ten (29%) skilled independents living elsewhere. However, more skilled independents in Los Angeles took a full or part-time job during the pandemic (17% and 11%, respectively) compared to skilled independents not in the Los Angeles metro area (3% and 4%, respectively).

### Chicago

The Chicago metropolitan area dropped from third to fourth place by the size of its independent workforce in 2018, and we project that it will still be in fourth place in 2020. More than half (52%) of Chicago's skilled independent workers provide professional services, three in ten (28%) provide technical services, and one in five (20%) are in creative fields.

By revenue, Chicago ranks 6<sup>th</sup> as of 2018, a position it keeps in our 2020 estimates. Over half of Chicago's skilled independent revenues come from professional services, while only one in ten dollars (11%) comes from creative skilled independents and three in ten dollars (28%) comes from technical services providers.

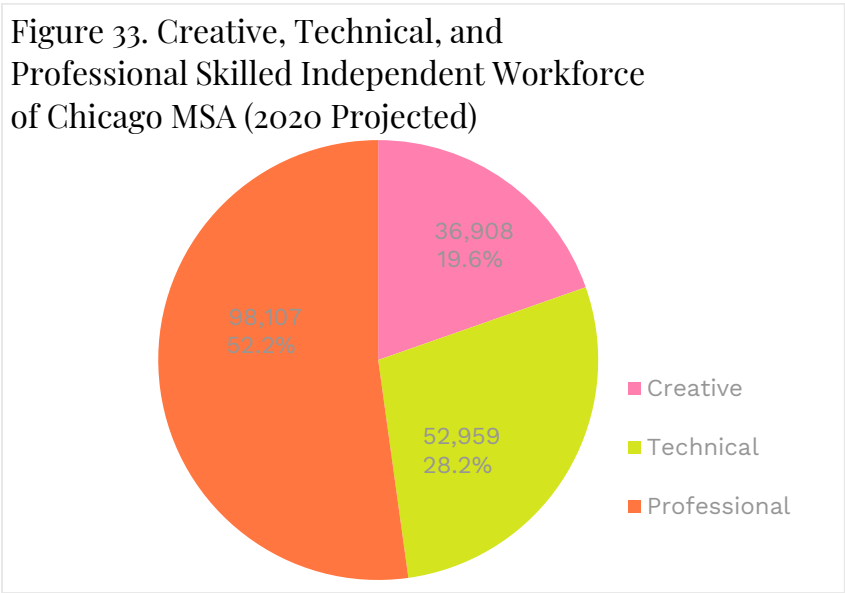
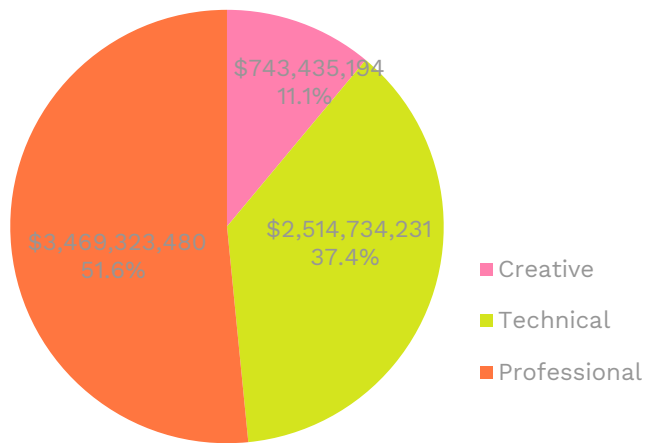
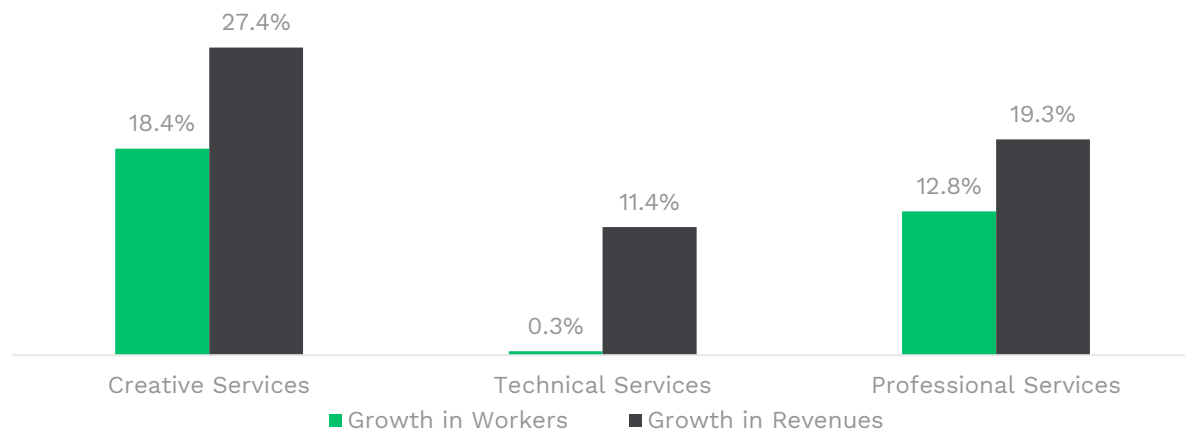


Figure 34. Creative, Technical, and Professional Skilled Independent Revenues of Chicago MSA (2020 Projected)



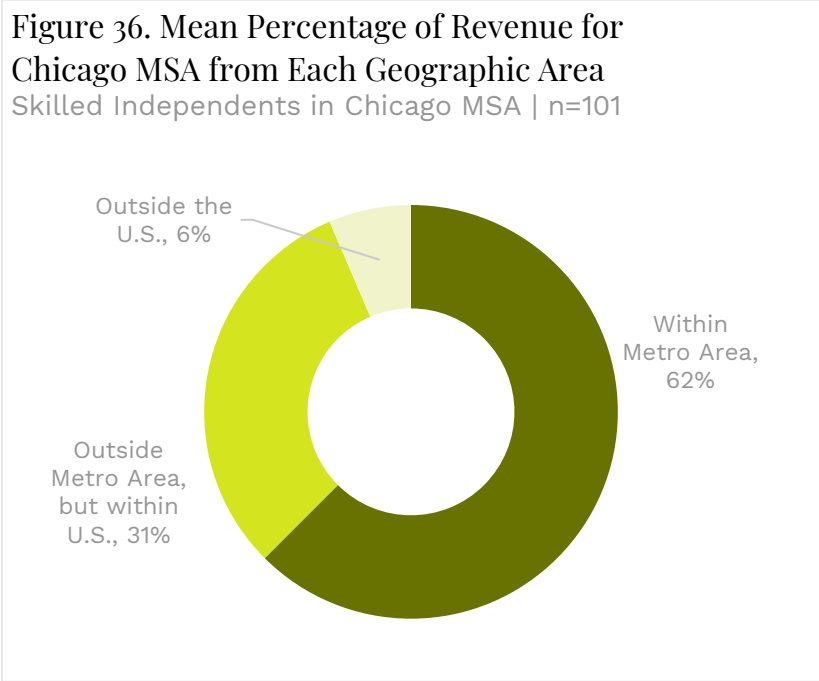
The skilled independent workforce and its revenues grew more slowly in Chicago compared to the U.S. overall for all types of work from 2013-2018. In fact, the size of the skilled independent technical services workforce remained essentially the same during that time, though revenues for this group grew modestly. This indicates that technical services may be saturated for skilled independents in this market.

Figure 35. Growth in Workers and Revenue – Chicago MSA (2013 to 2018)





Skilled independent workers in Chicago are significantly more likely to rely on word of mouth/referrals/reputation to obtain work compared to those who live elsewhere in the U.S., and they are significantly more likely to earn their revenue from clients within the same metro area. Sixty-two percent of their revenue, on average, comes from clients within the Chicago metro area. Since the pandemic started, a quarter (26%) are getting more revenue from within the Chicago metro area, compared to just 15 percent of those living elsewhere who are earning more revenue from their local area since the pandemic started. Nearly four in every ten dollars (38%) of Chicago’s \$6.7 billion in skilled independent worker revenues come from outside the metro area, contributing \$2.5 billion to its economic base.<sup>21</sup> Further, three of every ten (30%) dollars of revenue comes from outside the worker’s state and thus contributes to their state’s economy (the Chicago metropolitan area includes counties in Illinois, Wisconsin, and Indiana). Around one in every twelve dollars (6%) of revenue comes from outside the U.S., contributing to the national economy.



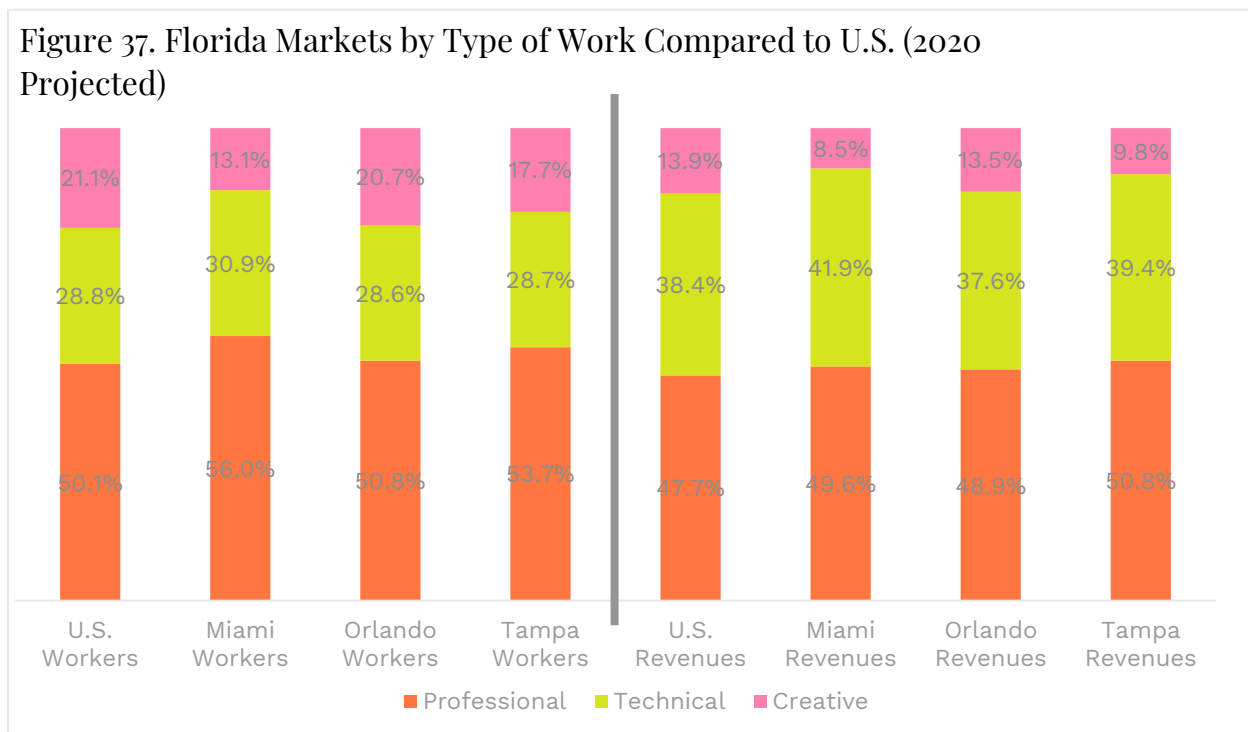
Skilled independents in Chicago are more likely than their counterparts living elsewhere to have started freelancing completely by choice (75% compared to 65% for those elsewhere in the U.S.), which may influence their overall satisfaction with their work. Eight in ten (80%) skilled independents in this market are highly satisfied with their independent work, compared to seven in ten (70%) of skilled independents in the U.S. overall. However, the pandemic has impacted skilled independents in Chicago unevenly: four in ten (41%) feel the pandemic has created new opportunities for their industry, while another four in ten (42%) say it has reduced opportunities.

<sup>21</sup> \$6.7 billion x 38%

## Miami, Orlando, and Tampa, FL

After overtaking Washington, D.C., in 2017 to become the fourth largest market for skilled independent workers, Miami kept growing and surpassed Chicago in 2018. We expect it to retain that lead through 2020 with just under 200,000 skilled independent workers earning \$9.6 billion in revenues. However, Miami isn't the only hot spot for skilled independents in Florida. Orlando and Tampa also rank in the top five fastest growing markets by workforce size in the U.S. This growth is in line with Florida's rapid population growth: for the five-year timeframe that we examined the Census data, 2013-2018, Florida had the third highest population growth in the country.<sup>22</sup>

Miami and Tampa both have larger shares of professional services providers in their skilled independent workforces compared to the U.S. as a whole, while Orlando is on par with the rest of the U.S. By share of skilled independent revenues, all three markets are on par with each other and with the rest of the U.S. All three markets also have similar shares of technical services providers, though Miami's earn slightly more in revenue at 42% of all skilled independent revenues compared to 39% for Tampa and 38% for Orlando. Miami is least reliant on creative services providers, who make up just 13 percent of all skilled independents and less than one in every ten dollars (9%) in their revenues.



<sup>22</sup> U.S. Census Bureau, Population Division. *Table 1. Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico: April 1, 2010 to July 1, 2019 (NST-EST2019-01)*

## 4.0 Appendix: Methodology

### Nonemployer Statistics Data Series Analysis

At the outset of the project, Rockbridge Associates and Fiverr jointly defined the skilled independent workforce based on the type of work being done independently, capturing work that is creative, technical and professional in nature. The 26 NAICS industry codes that make up the study's skilled independent worker definition are represented in table 1. These NAICS codes are further classified by type of independent work: creative (C), technical services (TS), and professional services (PS), noted in parentheses below.

Table A. Independent Workforce NAICS Codes

5121 – Motion Picture and Video Industries (C)	54151 – Computer Systems Design and Related Services (TS)
5122 – Sound Recording Industries (C)	5416 – Management, Scientific, and Technical Consulting Services (PS)
518 – Data Processing, Hosting, and Related Services (TS)	5418 Advertising, Public Relations, and Related Services (PS)
5191 – Other Information Services (TS)	54191 Marketing Research and Public Opinion Polling (PS)
5411 – Legal Services (PS)	54192 Photographic Services (C)
5412 – Accounting, Tax Preparation, Bookkeeping, and Payroll Services (PS)	54193 Translation and Interpretation Services (TS)
54131 – Architectural Services (TS)	54199 All Other Professional, Scientific, and Technical Services (TS)
54132 – Landscape Architectural Services (TS)	5611 Office Administrative Services (PS)
54133 – Engineering Services (TS)	56141 Document Preparation Services (PS)
54134 – Drafting Services (TS)	56149 All Other Business Support Services (PS)
54136 – Geophysical Surveying and Mapping Services (TS)	611 Educational Services (PS)
54137 – Surveying and Mapping (except Geophysical) Services (TS)	7115 Independent Artists, Writers, and Performers (C)
5414 – Specialized Design Services (TS)	81292 Photofinishing (C)

Rockbridge then analyzed annual datasets from 2013-2018 from the Non-Employer Statistics (NES) data series, published by the U.S. Census Bureau annually approximately 18 months after the end of the reference year. This data series compiled by the Census Bureau is based on tax filings from over 20 million businesses among 450 NAICS industries that have no paid employment or payroll, are subject to federal income taxes, and have receipts of \$1,000 or more. The data are available at the national, state, county, metropolitan statistical area, and combined statistical area geography levels.<sup>23</sup> The data set is based on the number of “establishments,” or individual tax filings, based on the address of the entity. It should be noted that the unit in the NES dataset is not exactly the same as skilled independent workers but can be considered a good approximation.

<sup>23</sup> <https://www.census.gov/programs-surveys/nonemployer-statistics/about.html>

To identify the top 30 markets for skilled independent workers, Rockbridge first identified and analyzed the most populous metropolitan statistical areas in the United States, defined as those with at least one million residents as identified by the U.S. Census Bureau's Population Division. This ensured that the top markets for independent professionals would not be missed, and the range in size of the skilled independent workforce in each of those top metropolitan areas varies widely enough to ensure confidence that none are missing from the top 30 identified.

NES data for particular NAICS codes may be withheld from publication in the NES datasets for two reasons. Starting with the 2018 data, the number of firms and receipts in a data cell can be published for any level of geography only if the cell contains three or more nonemployer businesses. In all other cases, the cell is removed from publication. However, this data is included in higher level totals<sup>24</sup>, and thus did not meaningfully impact our analysis. For 2013-2017 data, the data are suppressed if there are fewer than three non-employer businesses for any level of geography or if more than 40 percent of either the receipts or establishments are from firms with an imputed industry classification.<sup>25</sup> For the years that Rockbridge examined in this analysis, the percentage of records that were suppressed ranged from virtually none in 2018 to 15% (2013-2014). When data for a particular NAICS industry were withheld from publication in the NES datasets for either reason, Rockbridge imputed the data using the percentage that the NAICS industry code makes up nationwide in the NES dataset.

For 2018, the Census Bureau updated the methodology used to assign NAICS codes in the NES data. This change resulted in a large number of sole proprietorships being reclassified from NAICS Sector 81 (Other Services, except Public Administration) to other NAICS sectors for 2018.<sup>26</sup> While the Census Bureau cautions that data users should use caution when making comparisons between 2018 and other reference years, we do not believe this change fundamentally impacted our analysis.

Because NES data are released approximately 18 months after the end of the reference year, 2019 data will not be available until June 2021, and 2020 data will not be available until June 2022. Our report provides estimates of total number and revenues for 2020. We should note that estimating the impact for the past year without recent data from the Census Bureau is more challenging than in the past due to the impact of the pandemic. Rockbridge utilized the most recently available market-level and U.S. GDP data to apply a balancing weight to the growth rates for skilled independent workers from 2016-2018 to predict 2018-2020 growth rates, and then applied that to the actual number of workers and their receipts from 2018, the most recent year data are available. We have calibrated our estimates as carefully as possible by refining our estimation models, and

---

<sup>24</sup> <https://www.census.gov/data/datasets/2018/econ/nonemployer-statistics/2018-ns.html>

<sup>25</sup> [https://www.census.gov/programs-surveys/nonemployer-statistics/technical-documentation/methodology.html#par\\_textimage\\_245304869](https://www.census.gov/programs-surveys/nonemployer-statistics/technical-documentation/methodology.html#par_textimage_245304869)

<sup>26</sup> [https://www.census.gov/programs-surveys/nonemployer-statistics/technical-documentation/methodology.html#par\\_textimage\\_379462313](https://www.census.gov/programs-surveys/nonemployer-statistics/technical-documentation/methodology.html#par_textimage_379462313)

incorporating other data sources such including GDP growth, the Current Population Survey Market Economic Supplement, and user growth statistics provided by Fiverr.

## Table B. Sources

Independent workforce establishments and receipts (2013-2018)	U.S. Census Bureau. <i>Non-Employer Statistics (NES)</i> . Retrieved from <a href="https://www.census.gov/programs-surveys/nonemployer-statistics.html">https://www.census.gov/programs-surveys/nonemployer-statistics.html</a> .
Top 50 metropolitan statistical areas by population (2018)	U.S. Census Bureau. <i>Population Division, Estimates of Resident Population Change and Rankings: July 1, 2016 to July 1, 2017</i> . Retrieved from <a href="https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk">https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk</a> .
FIPS codes for metropolitan statistical areas	U.S. Census Bureau. <i>Metropolitan and Micropolitan</i> . Retrieved from <a href="https://www.census.gov/programs-surveys/metro-micro.html">https://www.census.gov/programs-surveys/metro-micro.html</a> .
GDP for metropolitan statistical areas by year	U.S. Department of Commerce. <i>Total Gross Domestic Product (MSA)</i> . Retrieved from <a href="https://fred.stlouisfed.org/categories/27281">https://fred.stlouisfed.org/categories/27281</a> .
United States GDP by year	U.S. Department of Commerce. <i>Current-dollar and “real” GDP</i> . Retrieved from <a href="https://www.bea.gov/national/index.htm#gdp">https://www.bea.gov/national/index.htm#gdp</a> .
Labor force size for metropolitan statistical areas	U.S. Department of Labor (2019). <i>Civilian labor force and unemployment by state and metropolitan area</i> . Retrieved from <a href="https://www.bls.gov/news.release/metro.t01.htm">https://www.bls.gov/news.release/metro.t01.htm</a> .
2017 NAICS codes definitions <sup>27</sup>	U.S. Census Bureau. <i>North American Industry Classification System</i> . Retrieved from <a href="https://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart_code=51&amp;search=2017%20NAICS%20Search">https://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart_code=51&amp;search=2017%20NAICS%20Search</a> .

<sup>27</sup> The NES data series uses the 2017 NAICS codes definitions for years 2017 and 2018, and 2012 for years 2013-2016. There were no changes to the NAICS codes used in this analysis from the 2012 definitions to the 2017 definitions.



**Hilary Ross-Rojas**

Research Director

703.757.5213 ext. 120

[hrossrojas@rockresearch.com](mailto:hrossrojas@rockresearch.com)

**Rockbridge Associates, Inc.**

10130 G Colvin Run Road

Great Falls, VA 22066

[www.rockresearch.com](http://www.rockresearch.com)