



The Future is Freelance

Insights

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Yesterday, [Upwork](#) and the [Freelancers Union](#) published the results of [Freelancing in America: 2017](#), a comprehensive annual measure of the U.S. independent workforce. The report's findings are wide-ranging, from the number of people who freelance (57.3 million), to the annual contribution of freelance earnings to the economy (\$1.4 trillion), to the generation with the highest percentage of freelance workers (no surprise: Millennials at 47%).

The report also offers insight into the major role that freelancing will play in the future of work. Indeed, *Freelancing in America* estimates that the majority of American workers will freelance *within a decade*, with freelance workers outnumbering non-freelance workers 86.5 million to 83.4 million by 2027. The reasons behind the shift to freelance work are plentiful. Workers cited greater flexibility, greater freedom, and additional income as factors driving them to freelance. Freelancing is also more respected than ever, with more leading professionals choosing to work independently. Concern over the changing economy also contributes to the 8% growth in freelancers over the last three years. More than half of American workers surveyed worry that the work they do not will not exist in 20 years, and 55% of freelancers admit they're concerned about the impact of the changing economy on their personal livelihood.

So what should businesses do in response to this workers' movement toward the freelance model? For those with traditional W-2 employees, you can highlight the benefits of the employment relationship in order to preserve workers. In pursuit of stable, satisfied employees, you can focus on bringing the benefits of freelance work to the employment relationship. For example, since workers value freedom and flexibility, many employers now provide flexible work options, like working from home a few days per week. Moreover, you can rely on the traditional benefits already inherent in the employment relationship. To be sure, although freelancers are all about flexibility and freedom, that's not to undersell the value of consistency. According to the report, 53% of workers worried about income predictability in making the jump to full-time freelance. More than a third of would-be freelancers also desire to keep company-sponsored benefits like paid vacation, health insurance, and life insurance – benefits inherent to many employment relationships.

For those with business models that rely upon freelancers and independent contractors, this report confirms that you are on the right path. The first step, of course, is working with your counsel to ensure you are classifying your workers correctly and minimizing your chances of getting hit with a costly misclassification lawsuit. Once you feel comfortable that you have that dialed in, you can focus

on ensuring your business model makes efficient use of your freelance workers, including staffing, oversight, development, and quality control.

Yesterday's report confirms what we have suspected for years: the gig economy is here to stay. How you capitalize on this evolution will determine how your business fares in the coming years.