PayPal
U.S. Freelancer Insights Report
Online survey with 1,000 Freelancers (and those about to become Freelancers) carried out in local language in the US in October 2017. This report is one of 22, reflecting markets around the world.

Freelancers are defined as those who do contract or freelancing work as or alongside their main income and do most of it on a computer, via the internet.

Considerers are defined as those who don’t do contract or freelancing work but expect to start in the next 6 months and will do most of it on a computer, via the internet.

**OBJECTIVES:**

- To provide a baseline U&A of the target group – providing understanding and identifying opportunities to inform product development and marketing communications.
- Covering everything from what is important to freelancers in general, to the tools and brands they use to do their work and how they get paid and move their money.
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1. Freelancer Profile
Freelancer profile: overview

Two-thirds of US Freelancers are female. The age of profile freelancers is evenly spread, and the average time freelancing is 6 years.
The freelancing business

There’s a wide range in the number of clients and projects undertaken.

### Income

<table>
<thead>
<tr>
<th>Income (Local currency)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than $100,000</td>
<td>5%</td>
</tr>
<tr>
<td>$90,001 - $100,000</td>
<td>3%</td>
</tr>
<tr>
<td>$80,001 - $90,000</td>
<td>2%</td>
</tr>
<tr>
<td>$70,001 - $80,000</td>
<td>3%</td>
</tr>
<tr>
<td>$60,001 – $70,000</td>
<td>4%</td>
</tr>
<tr>
<td>$50,001 – $60,000</td>
<td>5%</td>
</tr>
<tr>
<td>$40,001 – $50,000</td>
<td>6%</td>
</tr>
<tr>
<td>$30,001 - $40,000</td>
<td>8%</td>
</tr>
<tr>
<td>$20,001 - $30,000</td>
<td>12%</td>
</tr>
<tr>
<td>$10,001 - $20,000</td>
<td>14%</td>
</tr>
<tr>
<td>$5,001 - $10,000</td>
<td>15%</td>
</tr>
<tr>
<td>$5,00 or less</td>
<td>18%</td>
</tr>
<tr>
<td>Prefer not to say</td>
<td>6%</td>
</tr>
<tr>
<td>Mean income</td>
<td>$30,737</td>
</tr>
</tbody>
</table>

### Number of Clients or Projects

- **Clients**
  - 5 or less: 24%
  - 6-10: 26%
  - 11 – 20: 22%
  - 21 – 40: 14%
  - More than 40: 15%

- **Projects**
  - 5 or less: 23%
  - 6-10: 21%
  - 11 – 20: 22%
  - 21 – 40: 15%
  - More than 40: 19%

### Mean

- Clients: 17.1
- Projects: 18.8

Base: Freelancers (n=800)

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Freelancers expect their work to increase

Business has mostly been stable or growing over the last year and two-thirds of Freelancers anticipate future growth.

- **I stopped doing this business**: 3%
- **I am doing less business now**: 15%
- **My business is stable**: 51%
- **My business is growing steadily**: 27%
- **My business is growing very fast**: 4%

**Future**

- **I expect to be doing a lot more work**: 30%
- **I expect to be doing more work**: 35%
- **I expect to be doing the same work**: 28%
- **I expect to be doing less work**: 5%
- **I don’t expect to be doing this in the future**: 3%

Base: Freelancers (n=800)

©2017 PayPal Inc. Confidential and proprietary. Source: Netfluential / PayPal
Freelancing has diversity of business and customers
Over half of US Freelancers have some work from international clients.

<table>
<thead>
<tr>
<th>Type</th>
<th>Domestic / International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data entry/internet research</td>
<td>14% have a domestic client</td>
</tr>
<tr>
<td>Consultant</td>
<td>12%</td>
</tr>
<tr>
<td>Customer service</td>
<td>8%</td>
</tr>
<tr>
<td>Graphic design/illustration</td>
<td>8%</td>
</tr>
<tr>
<td>Web design</td>
<td>6%</td>
</tr>
<tr>
<td>Web marketing and sales</td>
<td>6%</td>
</tr>
<tr>
<td>Copywriting</td>
<td>5%</td>
</tr>
<tr>
<td>Photographer/videographer</td>
<td>5%</td>
</tr>
<tr>
<td>Virtual assistant</td>
<td>4%</td>
</tr>
<tr>
<td>Market research</td>
<td>4%</td>
</tr>
<tr>
<td>Project management</td>
<td>3%</td>
</tr>
<tr>
<td>Web/mobile development</td>
<td>3%</td>
</tr>
<tr>
<td>Accounting</td>
<td>2%</td>
</tr>
<tr>
<td>Content writer - stories/…</td>
<td>2%</td>
</tr>
<tr>
<td>Telesales</td>
<td>2%</td>
</tr>
<tr>
<td>Programmer</td>
<td>2%</td>
</tr>
<tr>
<td>Translation</td>
<td>2%</td>
</tr>
<tr>
<td>Financial advisor</td>
<td>2%</td>
</tr>
<tr>
<td>Transcription</td>
<td>1%</td>
</tr>
<tr>
<td>Online tutoring/ teaching</td>
<td>1%</td>
</tr>
<tr>
<td>Online trader</td>
<td>1%</td>
</tr>
<tr>
<td>Legal services</td>
<td>1%</td>
</tr>
<tr>
<td>Other online service or online…</td>
<td>7%</td>
</tr>
<tr>
<td>Other includes</td>
<td></td>
</tr>
<tr>
<td>interior design, exam marking,</td>
<td></td>
</tr>
<tr>
<td>architectural design, personal</td>
<td></td>
</tr>
<tr>
<td>training</td>
<td></td>
</tr>
</tbody>
</table>

Average proportion

Domestic: 81%
International: 19%

Amongst those who have both the distribution is...

US: 84%
CA: 17%
UK: 16%
AU: 6%
MX: 6%

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2. The Freelancing Life
Becoming a Freelancer is often triggered by seeing it work for others, though the work itself is largely solo.

**Why considered freelancing**

- Seeing someone: 50%
- Hearing about it: 35%
- Social media: 33%
- An event: 18%
- Other: 17%

*Other includes simply stumbling into freelancing, supplementing their income, a desire to stay work from home and issues finding regular full time employment.*

**Work solo or collaboratively?**

- I only work on my own: 51%
- I mostly do work by myself: 31%
- I sometimes hire or contract other people to work for me and help on a project: 13%
- I always hire or contract other people to work for me and help on projects: 6%

*Web development freelancers are more likely to work alone.*

Base: Freelancers (n=800)

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The autonomy of freelancing is its greatest appeal

Being their own boss, with flexibility in where they work, what they do and when they do it is most attractive to Freelancers.

Likes

- 50% Being my own boss
- 46% Ability to work from anywhere
- 38% I can choose the work I enjoy
- 37% Greater flexibility schedules
- 30% I earn more income
- 27% Ability to choose who you work for
- 21% No office politics/ big company bureaucracy
- 15% Shorter commute/ less time commuting
- 7% Collaborating with other Freelancers
- 1% Other

Source: Netfluential / PayPal
Base: Freelancers (n=800)
Irregular, low income is a key issue with freelancing

Competition for work is also a concern for a quarter of Freelancers.

**Dislikes**

- Irregular income: 46%
- Very competitive industry: 24%
- The income is too low: 23%
- Difficult clients: 18%
- Perceived to be disciplined: 15%
- Not being paid on time or at all: 15%
- Hard to find work/marketing: 15%
- Lack of work-life balance: 14%
- Clients in different time zones: 13%
- Isolation/working alone: 13%
- Not having an office: 10%
- Managing my finances/admin: 8%
- No time to learn new skills: 8%
- Other: 5%
The majority of Freelancers are keen to receive support and information about freelancing

Freelancers are keen to learn how to attract new and retain current customers. Developing new skills and advice on what they should be charging would also be appreciated.

**What do they want to hear about?**

- Reaching / retaining customers: 38%
- Learning new skills to sell: 30%
- Fee advice: 28%
- Payment protection/ insurance: 24%
- Money management advice: 24%
- Help with getting my own website: 23%
- Advice on contracts / legal issues: 21%
- Negotiation skills: 21%
- Meet-ups and online forums: 18%
- International development: 18%
- I'm fine as I am: 22%

**Where do they currently get this info?**

- Websites: 47%
- Social media: 41%
- Online blogs, forums or podcasts: 36%
- Friends & family: 35%
- YouTube channels: 27%
- Other Freelancers: 26%
- Industry associations: 22%
- My current bank: 12%
- Accountant/ business advisors: 11%
- Work spaces / start-up hubs: 10%
- Trade association memberships: 9%
- Trade press: 7%
- Government associations: 6%
- Other: 3%
### Main Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business related travel</td>
<td>$564</td>
</tr>
<tr>
<td>Computers / Phones / Software</td>
<td>$549</td>
</tr>
<tr>
<td>Marketing and advertising</td>
<td>$294</td>
</tr>
<tr>
<td>Freelancer platform fees</td>
<td>$163</td>
</tr>
<tr>
<td>IT support</td>
<td>$148</td>
</tr>
<tr>
<td>Banking and currency fees</td>
<td>$139</td>
</tr>
<tr>
<td>Legal support</td>
<td>$133</td>
</tr>
<tr>
<td>Accounting support</td>
<td>$132</td>
</tr>
</tbody>
</table>

Base: Freelancers (n=800)

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3. Getting Work & Use of Freelancing Platforms
Half of Freelancers, particularly amongst those with a domestic focus and more freelancing experience, receive work through word of mouth.

### Self-Marketing

- Word of mouth/referrals: 50%
- Social media networks: 37%
- Online job boards or newsletters: 36%
- Through Freelancer platforms: 31%
- Through my website: 28%
- Through my online marketing: 26%
- Community or networking events: 25%
- Pitching to prospective clients: 24%
- Through marketing offline: 16%
- Employment agencies: 14%

### Work as a Result of Marketing

- Those with 2 years or less freelancing:
  - Online job boards play a bigger role (37%)
- Those with 11+ years freelancing:
  - Word of mouth and pitching to clients play a bigger role (42%)
- Web development Freelancers:
  - Online marketing / advertising, their website, and community/networking events play a bigger role (29%)
- More domestic based clients:
  - Word of mouth plays a bigger role (28%)
Over half of US Freelancers currently use a Freelancer platform

The main barrier to using a Freelancer platform is a lack of knowledge.

Freelancers with more international than domestic clients, and those with less years freelancing are more likely to be using a Freelancer platform.

Barriers to using Freelancer platforms:
- I don’t know enough about them: 54%
- Have enough work without using a platform: 30%
- I wouldn’t get the kind of work I want: 17%
- Not good value for money: 12%
- Unable to promote my services the way I want to: 11%
- I wouldn’t be able to choose who I work for: 10%
- I wouldn’t reach the kind of clients I want: 10%
- I wouldn’t be able to charge enough: 10%
- Difficult to use and set up: 10%
- There’s less flexibility daily / holiday schedule: 7%
- Too time consuming: 7%
- I wouldn’t be able to choose where I work: 6%
- Other: 3%

Base: Freelancers (n=800)
Base: Freelancers who haven’t used a platform (n=362)
©2017 PayPal Inc. Confidential and proprietary. Source: Netfluential / PayPal
The majority of those using Freelancer platforms foresee using them more in the future as it provides greater flexibility in how they work.

Positives

60% of those using Freelancer platforms say they will use Freelancer platforms more in the future.

Digital & Social media
Freelancers are more likely to believe they are easy to use and set up.

Base: Freelancers (n=800)

©2017 PayPal Inc. Confidential and proprietary. Source: Netfluential / PayPal
Few who currently use Freelancer platforms would use them less in the future

But some Freelancers have issues with the level of income they receive, the number of new clients they get and the support they receive from such platforms.

Negatives

3% of those using Freelancer platforms say they will use Freelancer platforms less in the future

- I'm getting lower income from clients
- I don't get enough new clients that way
- They don't provide enough support with invoicing and getting paid
- I can't promote my services the way I want to
- They are not good value for the cost
- I don't get the kind of work I want to do
- They are difficult to use
- I can't reach the clients I want that way
- I can't choose who I work for
- I can't choose where I work from
- Less flexibility with my schedule
- Other
- There's nothing not so good about them
- I don't know enough about them

Platform users
Non-platform users

Base: Freelancers (n=800)
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Freelancer platforms should allow users to work from anywhere and reach clients providing a higher income but not at the cost of value for money

Important platform features

<table>
<thead>
<tr>
<th>Feature</th>
<th>Not at all important</th>
<th>Not very important</th>
<th>Quite important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowing me to work from anywhere</td>
<td>3%</td>
<td>27%</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td>Being good value for money</td>
<td>5%</td>
<td>28%</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>Reaching clients who provide higher income</td>
<td>5%</td>
<td>29%</td>
<td>65%</td>
<td></td>
</tr>
<tr>
<td>Being easy to use and set up</td>
<td>5%</td>
<td>31%</td>
<td>63%</td>
<td></td>
</tr>
<tr>
<td>Reaching the clients I want</td>
<td>5%</td>
<td>31%</td>
<td>63%</td>
<td></td>
</tr>
<tr>
<td>Allowing me to choose who I work for</td>
<td>5%</td>
<td>32%</td>
<td>62%</td>
<td></td>
</tr>
<tr>
<td>Promoting my services</td>
<td>7%</td>
<td>30%</td>
<td>62%</td>
<td></td>
</tr>
<tr>
<td>Sourcing new clients</td>
<td>5%</td>
<td>33%</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>Providing greater flexibility with my daily and holiday schedule</td>
<td>3%</td>
<td>7%</td>
<td>32%</td>
<td>58%</td>
</tr>
<tr>
<td>Helping me manage the process of invoicing and getting paid</td>
<td>3%</td>
<td>12%</td>
<td>34%</td>
<td>52%</td>
</tr>
<tr>
<td>Reaching international clients</td>
<td>11%</td>
<td>28%</td>
<td>30%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Base: Freelancers (n=575)
4. Dealing with Money
PayPal is the most widely used payment method amongst Freelancers, making up over half of users’ payments.
Most Freelancers using platforms withdraw funds using PayPal for its ease, where it outperforms bank transfer and Payoneer.

**Withdrawing funds**

- **PayPal**: 85%
- **Bank Transfer**: 42%
- **Payoneer**: 12%

**Why?**

- **PayPal**
  - Ease: 74%
  - Low fees: 59%
  - Speeds: 57%
- **Bank transfer**
  - Ease: 65%
  - Low fees: 57%
  - Speeds: 38%
- **Payoneer**
  - Ease: 62%
  - Low fees: 58%
  - Speeds: 54%

Base: Freelancers who use platforms (n=438)

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Security is key for US Freelancers choosing which payment methods to accept
Receiving payment quickly and being easy to withdraw and use are key factors too.

Importance when selecting payment method to accept – Top 5 reasons

- **Is secure**: 44%
- **Is fast to receive my payment**: 38%
- **It is easy for me to withdraw the money when paid**: 32%
- **It is easy to set up and use**: 27%
- **It’s not too expensive**: 24%

Base: Freelancers (n=800)
©2017 PayPal Inc. Confidential and proprietary. Source: Netfluential / PayPal
Familiarity, and offering a secure, fast, easy to use payment drives the appeal of the payment method.

**Likes**

- Familiar with it: 44%
- Secure: 40%
- Easy to use: 39%
- Fast payment: 37%
- Not too expensive: 34%
- Easy to withdraw: 32%
- Trusted brand: 31%
- Use on a mobile: 28%
- Prescribed customers: 27%
- Fraud protection: 26%
- Good online self-serve: 25%
- Customer service: 22%
- Accept's foreign currencies: 20%
- Integration with back-office systems: 16%
- Offers data analytics: 16%
- Nothing I like about them: 4%

Base: Freelancers (n=800)

©2017 PayPal Inc. Confidential and proprietary. Source: Netfluential / PayPal
Current payment methods are well liked but there are minor niggles

No single issue stands out, but users have a range of smaller issues – slow payments, lack of data analytics, not accepting foreign currencies, expense.

Dislikes

- Slow to make the payment: 12%
- No data analytics: 10%
- Cannot accept foreign currencies: 9%
- Expensive: 9%
- No integration with back-office systems: 9%
- Hard to withdraw: 9%
- Not secure: 9%
- Poor online self-serve: 9%
- Can't be used on a mobile: 8%
- Not a trusted brand: 8%
- Not easy to use: 8%
- No fraud protection: 8%
- Not familiar: 8%
- Not prescribed by my customers: 8%
- Poor customer service: 7%
- There's nothing I dislike about them: 42%

Base: Freelancers (n=800)

©2017 PayPal Inc. Confidential and proprietary. Source: Netfluential / PayPal
Half of Freelancers have experienced not being paid
Almost half of those who haven’t been paid before believe Freelancers are not taken seriously.

Disputes

Reasons

- Freelancers are not taken seriously: 44%
- There were disputes about the payment terms: 28%
- Customers were unhappy: 18%
- The client couldn’t use the payment methods I accept: 16%
- The payment took too long to arrive: 16%
- The payment got lost: 13%
- Other: 18%

Base: Freelancers (n=800)