



2014 STATE OF INDEPENDENCE IN AMERICA REPORT



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SHADES OF INDEPENDENCE: THE NEW WORKFORCE REALITY

MBO Partners, the first company to provide year-over-year survey research on the independent workforce in America, has consistently depicted the headcount and sentiments of independent workers committed to their path with its annual MBO Partners State of Independence in America Report. To develop this comprehensive view of the independent workforce, more than 11,000 independent workers have been surveyed and hundreds more interviewed over the course of this multi-year study.

EXECUTIVE SUMMARY

The 2014 MBO Partners State of Independence Report — the company’s 4th consecutive census and attitudinal survey of the independent workforce – provides a snapshot of those who regularly work 15+ hours per week as an independent. The majority of these so-called “solopreneurs” are full-time, working more than 35 hours per week as independents. They continue to choose this path in spite of signs of economic recovery and increased traditional hiring.

In addition, the 2014 MBO Partners State of Independence Report builds on its traditional census of solopreneurs this year by expanding the headcount to include those part-time independents working side-gigs alongside traditional employment, retirement and/or family care activities. These “Side-Giggers” work fewer than 15 hours a week (less than half-time) as an independent on a recurring basis.

Together, these groups paint a more complete and nuanced picture of the population of independent workers in our nation — showing us for the first time the disparate realities hidden in the shades of independent work. Clear implications for workers, for hiring companies, for consumers and for those that study workforce policy and change are evident in the data on these related groups. What binds them together? Where do their experiences converge and pull apart? Why did each choose the path and will they stay on it? What is the total population growth? These questions, and more are answered in the 2014 MBO Partners State of Independence in America Report.

MBO STATE OF INDEPENDENCE RESEARCH SERIES



THE NEW NORMAL: SHADES OF INDEPENDENCE

Solopreneurs — These Full-time Independents are the Beating Heart of Independent Work and Fuel Small Business Growth

The 4th annual 2014 MBO Partners State of Independence in America workforce study reports a growing headcount of 17.9 million “solopreneur” independent workers - or those who regularly work 15 hours or more per week as independents, with most working more than 35 hours per week (see side bar “Defining Independent Workers”). This is up 1.2% from 2013 and 12.5% from the base year of 2011. This growth, which is more than 11 times higher than the 1.1% growth in the overall U.S. labor force during this 4-year period, demonstrates the continued, structural shift toward independent work. In addition to growing in number, the majority of independent workers continue to be satisfied (82%) and plan on staying independent in the future (76%).

Solopreneurs also are major contributors to the U.S. economy and are significant drivers of economic growth. More than \$1.1 trillion of total revenue was generated by these independents in 2014 — and they further spent more than \$150 billion on non-payroll/contractor expenses. Already, about 1 in 12 U.S. households — or more than 10 million — rely on independent work for more than half of their income. This number will continue to grow.

Independent workers are job creators and a major source of new employer small businesses. In the past year solopreneurs spent **\$92 billion hiring the equivalent of 2.2 million full-time employees via contract hiring**. Further, **1 in 7 solopreneurs – or 2.5 million – plan to build bigger businesses in the future**, adding more jobs and economic impact. Their actions are both changing and broadening the definition of successful entrepreneurship in our nation as their numbers grow.



Photo Credit: iStock.com

Independent workers continue to grow in population while significantly contributing to the U.S. economy.

DEFINING INDEPENDENT WORKERS

Anyone 21 years or older who self-describes his/her job status as one or more of the following:

- An independent consultant/contractor
- Self-employed
- A freelance worker
- A temporary worker
- A fixed term contract worker
- An on-call worker
- A small business owner with fewer than 4 employees

Solopreneur Independents	Side-Gigger Independents
<ul style="list-style-type: none"> • Majority work more than 35 hours/week • Average tenure = 9.4 years • 19% have a traditional FT or PT job • 57% like being their own boss • 16% said supplementing income was motivator 	<ul style="list-style-type: none"> • Work an average of 11 hours/week • Average tenure = 6.5 years • 60% have a traditional FT or PT job • 33% like being their own boss • 58% said supplementing income was motivator

Photo Credit: FreeDigitalPhotos.net



Side-Gigger independents spend, on average, less than 15 hours a week on independent work. The average time spent is 11 hours.

WHAT SOLOPRENEURS WANT

1. Control over the kind of work they do
2. Flexibility to determine when and where they work
3. Autonomy to work in the way they believe best

KEY FINDINGS: 2014

For the fourth year in a row, the ranks of independent workers grew while hurdles to working solo got a bit easier to manage. But what’s going on under the hood? What are the defining measures for success as an independent and what do they mean for the workforce in America?

Summary Highlights Include:

- **Independent workers continue overall to be satisfied with their path.** Independent workers’ satisfaction remains strong, with 82% reporting that they are either highly satisfied (63%) or satisfied (19%) with their work style. Only 7% reported being dissatisfied. The vast majority plan to continue as independent workers, with 76% indicating they will either continue as solopreneurs (61%) or build a larger business (15%). All of these numbers are consistent with prior years.

The Same, But Different: Side-Giggers In Search of Extra Income

Data gathered for the first time in 2014 shows that, alongside solopreneurs, there are 12.1 million additional independent workers who have an ongoing stream of side-gigs alongside their traditional employment, retirement and/or family care activities. These “Side-Giggers” work fewer than 15 hours a week as an independent on a recurring basis. Although the Side-Giggers’ primary motivation for being independent is to supplement income, many are also pursuing a passion, learning new skills or preparing to launch a new full-time business.

The Future of Work: Shades of Independence Will Alter How We Think About Work

Key drivers of the independent workforce – structural shifts in the economy; cheaper, better and more accessible technology; improved networks; and more acute interest in steering our own personal and professional lives – remain in place and, if anything, are growing stronger. Because of this, we expect the solopreneurs – those who consider themselves full-time independents – to grow to 24.5 million by 2019. When we add part-time side-gigging independents into the fold, we expect the number of active, self-realized independents to grow from 30 million today to nearly 40 million by 2019 (or about 6% percent per year growth over the next 5 years).

The Three Consistent Drivers

Despite a changing economic climate, a few themes remain constant in the four years we have studied independent workers. Most independents choose and plan to continue this path because they want: (1) control over the kind of work they do, (2) the flexibility to determine when and where they work, and (3) the autonomy to work in the way they believe best. These tenets hold true for both Side-Giggers and full-time independents, although those who work on a less-than-half time basis are also strongly motivated by supplementing their income.

- **Despite the economic recovery and a much stronger traditional job market, the number of independent workers continues to grow.** The number of solopreneur workers, those committed to the independent work path, rose to 17.9 million in 2014. This is up from 15.9 million — 12.5% — since our base year study in 2011. This growth, which is substantially higher than the 1.1% growth in the overall U.S. labor force during the same period, indicates a continued, structural shift towards independent work.
- **Independents make a clear and positive economic impact on the US economy.** Solopreneurs generated about \$1.1 trillion in total income in the past year. They also spent more than \$150 billion on non-payroll/contractor expenses. These independents earn income both globally and locally: About 1 in 8 do business overseas generating roughly \$38 billion in exports while a robust \$710 billion came from their metro areas. A little more than 10 million U.S. households receive at least half of their income from independents.
- **Independents hire other independents.** Although the vast majority of independent workers are solopreneurs and don't have traditional employees, they don't work alone. During the past year, 38% of solopreneurs spent a total of \$92 billion hiring the equivalent of 2.2 million full-time workers via contract hiring.
- **One in seven independents plans on building a bigger business.** A little more than 2.5 million solopreneurs plan to launch larger businesses. These nascent entrepreneurs will build businesses that will create additional traditional jobs and spur greater economic activity.
- **The challenges of independence felt more manageable over the past year.** Independent workers are acutely aware of the risks and responsibilities they face. In particular, they feel challenged by their uncertain income stream (57%), concerns about retirement (38%) and worries about a lack of job security (34%). Yet, while navigating these challenges is a natural part of this work path, the perceived burdens and challenges of independence have slightly but consistently declined from the base year of 2011.
- **Women and men have different reasons for being independent.** Men and women choose to be independent at nearly identical rates, have similar satisfaction levels and plan on staying independent at similar rates. They also have consistent views on the challenges associated with being independent. But there is one area where men and women differ: they have different reasons for being independent. Women tend to be more interested in flexibility and developing fulfilling work that fits into their lifestyle. Men tend to focus on being in control, being their own boss and maximizing their income.
- **Independents use multiple revenue streams to reduce risk.** Most solopreneurs (60%) have more than one revenue generating activity, with 19% having either a full (4%) or part-time (15%) traditional job. Those with multiple revenue generating activities and jobs report doing this to have a steady source of income, which reduces their overall financial risk.
- **Part-time Side-Gigger independent workers are focused on supplementing their income.** In 2014 we expanded on three years of survey research to include not only the solopreneurs who, on average, work full-time, but also “Side-Giggers”— independent workers who work regularly as independents but do so on a part-time basis alongside traditional jobs, retirement or family care activities. 12.1 million Americans fit this description and share many attributes with their 17.9 million solopreneur colleagues. But while flexibility, autonomy and control are the key reasons solopreneurs choose this path, most Side-Giggers (58%) are working as independents primarily to supplement their income. A little more than 40% also report they do what they love which may result in a more committed solo business in the future.
- **The independent workforce will continue to grow.** Given the structural shifts in the economy, sustained interest in control over one's career/personal life, and lowering hurdles to entry, the solopreneur workforce is forecast to grow to 24.5 million by 2019. When we add today's Side-Giggers into the fold, we expect the number of active, self-realized independents to grow from 30 million today to nearly 40 million by 2019.

A NATIONAL SNAPSHOT: AMERICA'S INDEPENDENTS

For the 4th consecutive year, the 2014 MBO Partners State of Independence Report shows that independents represent all ages, professions, educational levels and geography. They're actively contributing to virtually every sector of the economy. It's likely that many people you know — your neighbors, friends or relatives — are independents or have worked as an independent in the past. In fact, about 40% of the US adult workforce consistently reports that they either currently work or have worked as an independent at one time during their careers.

These independents — 17.9 million of them working primarily as independents and 12.1 million working in side-gigs — cross all lines of geography, generation and gender with an underlying current of passion, self-reliance and purpose. In the US, independents live and work in all 50 states. Our 2014 data is consistent with 2013 findings: about 4 in 10 say they live in urban and close-in suburban areas, 30% live in outer suburbs within commuting distance to a major city, and another 30% live in small towns or rural areas.

Age runs the full adult gamut from 21 year olds just stepping into adulthood to thriving octogenarians, who often still report to work on a full-time basis. Millennials (aged 21-33) comprise 28% of the independents, Gen X (aged 34-49) 29%, Baby Boomers (aged 50-67) 30% and Matures (Aged 68+) 14%. Consistent with prior years, men and women are close to equally represented with men making up 52% of all independents and women 48%.

Together these independents measure up to 30 million strong. As noted before, prior to 2014, the MBO Partners State of Independence studies solely focused on independent workers who, on average, work more than 35 hours/week as independent workers. We focused on these “solopreneurs” to better understand the backgrounds, behaviors and attitudes of people who actively engage in independent work, spend a substantial amount of time as independent workers and derive a significant amount of income from independent work.

This year we chose to expand the census of independent workers to also include independents regularly working part-time “side-gigs” alongside their traditional jobs, retirement and/or family care activities on a recurring basis. We added these “Side-Giggers” to better understand the role they play in the economy and their likelihood of becoming more committed to independent work in the future. In the section below, we will highlight and intersperse key findings for both the “solopreneurs” and the “Side-Giggers”, drawing on a wider data set as compared to prior year reports.

28%



MILLENNIALS

29%



GEN X

30%

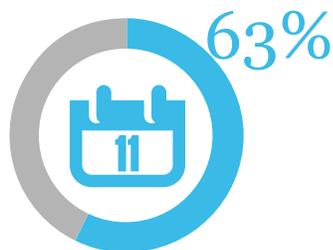


BABY BOOMERS

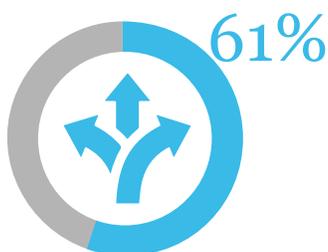
14%



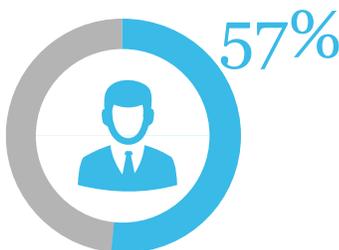
MATURES



control my schedule



more flexibility



like being my own boss

Solopreneurs: Driven Toward Full-Time Engagement by the Flexibility, Autonomy and Control Independence Provides

The 2014 MBO State of Independence in America research shows that most of the 17.9 million U.S. solopreneurs are full-time independents and actively choose this path. Consistent across all four years of research, more than half (54%) say it was their choice completely. Another 32% say that choice alongside other factors played a role in their decision. Only 1 in 7 report that the decision to work independently was due to factors beyond their control (layoffs, downsizing, illness, etc.).

Solopreneurs choose this work style because they want control over their lives, including the ability to determine when and where they work and what type of work they do. They're getting what they want: 63% rate their satisfaction as very high (8-10 on a 10-point scale), another 19% say they are satisfied (7 on a 10-point scale) and 1 in 5 actually assign a top score of 10. Even though independent work has its challenges, most solopreneurs feel that the key advantages of independent work – control, autonomy and flexibility – far outweigh the challenges of working solo.

It's interesting to note that most solopreneurs consider control over one's career and personal life, flexibility and autonomy to be much more important than money. For example, only 36% of solopreneurs say they became independent to earn more money. But 61% listed "more flexibility", 63% listed "control my schedule" and 57% listed "like being my own boss" as reasons they are independent.

This sense of control shows up in other ways. For example, a large and growing number of solopreneurs report that working independently provides more security than traditional employment. Almost half (43%) reported feeling more secure this year, up from 42% last year and 33% in 2011. These independents explain that by having a mix of clients and/or revenue sources, they feel more secure because they make more control over their career and are less susceptible to a devastating job loss.

With the responsibility of charting and controlling their future comes a sense of ownership – a buy-in to one's own work future. Most solopreneurs – 76% – will stay the course (61%) or even build a bigger business (15%). Taking all age groups into account, the average independent has been walking this path for more than 10 years. When asked why they stick with this work style, most say they're driven by the very values that got them started in the first place: more control over their professional and personal lives. It is clear that in stark contrast to the satisfaction statistics around traditional employment, these independents, by and large, continue to be a self-actualized, self-satisfied and work-motivated group.

Side-Giggers: Part-Time Independents Driven by Income and Experience

The 12.1 million working fewer than 15 hours per week as Side-Giggers share many attributes with solopreneurs. Their demographic makeup is similar. Also, like solopreneurs, most still choose the path (76%), most are highly satisfied (71%) with independent work and most plan to stay independent (59%) or build a bigger business (14%).

The majority (59%) of these independent workers are who we think of as moonlighters or Side-Giggers — they already have a traditional full-time job (49%) or part-time job (10%). Their independent work is done as a 2nd — or even 3rd — source of income. The key motivation for those working side-gigs is money, with 58% saying they work independently to “supplement income” and 46% saying to “earn more income”. Other motivations such as “like being my own boss” (33%), “do what I love” (41%) and “control my own schedule” (47%) are still significant but score lower than the economic drivers as compared to committed independent workers.

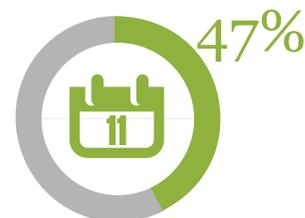
But it’s not just money driving part-time independents. One interesting finding is that 1 in 8 (12%) report “have a back-up in case something happens to my regular job” as one of their motivations for being a part-timer. This “lifeboat” view of part-time independent work reflects the lack of job security that exists today with traditional employment.

Side-Giggers are, for the most part, choosing to work independently. In fact, 73% report it was completely their choice. Only 4% — 1 out of 25 — report factors beyond their control (layoffs, downsizing, illness, etc.) led them to independent work, compared with 1 out of 7 for solopreneurs. This is likely due to the fact that a large number of Side-Giggers with traditional jobs do not see the side gig as required, but as optional sources of income and/or interesting work.

We also found a similar percentage of these part-time independents (14%) doing side gigs to “gain certain skills to advance my career.” This reflects another trend associated with traditional employment: less on-the-job training available to workers in traditional jobs or those trying to enter the job market. As companies get leaner to better compete, they are reducing the amount of training they offer their employees and new hires. Increasingly, companies want to hire skilled workers, not develop them. Decreased training in the traditional workplace drives workers to seek and develop skills on their own if they are interested in advancement. Picking up work on the side and/or adding another part-time job are ways to improve and broaden skill sets, expand networks and build resumes.



supplement income



control my own schedule



to earn more income

Only 4% of Side-Giggers said they do independent work for factors beyond their control.

Battle of the Sexes: How Gender Plays into Perspective

Overall, for solopreneur independents working 15+ hours/week, men and women tend to have similar views of independent work. They choose to be independent at nearly identical rates, their overall satisfaction with independence is about the same and they plan on staying independent at similar rates. Men and women also have consistent views on the challenges associated with being independent.

But there is one area where men and women differ: They have different reasons for being independent. Women tend to see independence as a path leading to fulfilling work that fits into their lifestyle. Men, on the other hand, tend to focus on being their own boss and maximizing their income.

For example, women are more interested than men in flexible work. 71% of women said flexibility is more important than making the most money versus 58% of men. 65% of women also said flexibility was a key reason they chose to become independent versus 54% of men.

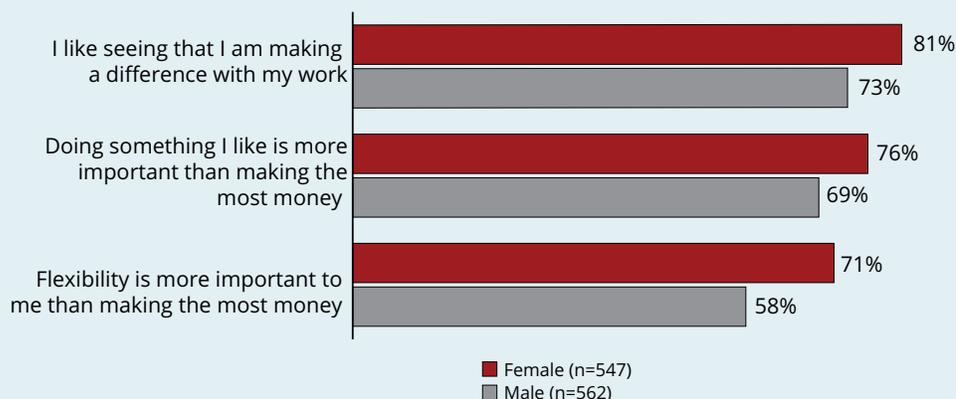
Women also indicated more interest in work fulfillment with 76% responding “Doing something I like is more important than making the most money.” This compares to 69% of men for the same question. 81% of women – ten points higher than men – also responded that they like feeling that they make a difference with their work.

Men were more likely (48%) to say they earn more working on their own than women (40%). Men also said they always wanted to be their own boss (68%) at higher rates than women (61%). Additionally, more men than women said they choose independent work to better control their career: (44%) of men stated this compared to only a third of the women in the survey.

Being able to have time for children is also more important for women with 20% saying this was a key reason for them becoming independent versus only 6% for men. Not surprisingly, Gen X women (aged 34 to 49) were most likely to say having time for children (26%) was a key reason for becoming independent.

Flexibility, control and autonomy are consistently listed as the key reasons people choose independent work. These advantages, and especially the flexibility provided, are increasingly being recognized by women. 27% reported that more of their friends are working independently or starting their own businesses, a much higher rate than reported by men (18%).

SHINING A LIGHT ON WOMEN INDEPENDENTS: Looking for Fulfillment and Flexibility



Source: MBO Partners Survey

ECONOMIC IMPACT: INDEPENDENTS HELP TO POWER THE ECONOMY

Independent workers are a powerful economic force. More than \$1.1 trillion of revenue was generated by solopreneurs in 2013, about even with 2012 and up almost 20% from 2011. Independents are also local and global. They generated about 63% of their income, or about \$700 billion, locally in 2013. But they also often work beyond their local area and even outside of the U.S. Revenue coming from outside their local area was about \$414 billion. About \$279 billion of that came from outside their state. Independents even help with our trade balance, exporting \$37 billion worth of goods and services in 2013. To put this in perspective, this is larger than the \$34 billion recorded last year in U.S. medical equipment exports.

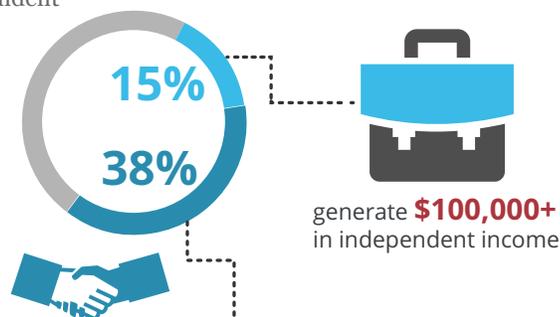
Independents are a Major Source of Employer Small Businesses

In 2014 15% of independents, or about 2.7 million, reported that they plan to build bigger businesses, up from 13.8% in 2013 and 12% in 2012. This is not surprising. More than one-half of all U.S. small businesses with employees started as independents. As these independents morph into employer businesses, they will create millions of jobs. For policy makers, supporting the growth of solopreneurs and micropreneurs as a path to employer business creation is a key takeaway of the four years of the MBO Partners State of Independence research series. Not only is the group growing and committed — their self-starter nature, their grit and their years of relevant business experience suggests that, as solopreneurs foray into employer business creation, they may have greater chances of success than a first time entrepreneur.



Independents Hire Other Independents

Being independent doesn't always mean going it alone. In 2014 38% of independent workers reported spending about \$92 billion in the past year hiring other independent workers on a contract basis. This is roughly the equivalent of hiring 2.2 million full-time workers via contract hiring. This data point, consistent over all four years of the study, suggests we must look to independent work as not just a source of alternative income but also as a source of jobs — another key takeaway for those that study policy and those that study hiring patterns in the workforce.



A New Form of Small Business: Independent Teaming & Collaboration

Independents' hiring other independents is part of a broader collaboration trend in the new economy. In essence, independents team up with other independents to pool their talents and address more complex challenges in the marketplace. Banding together with other independents allows them to more effectively compete with larger firms and offer a broader range of services than they would be able to offer individually. Teaming also gives independents the ability to bid on larger projects than they would be capable of doing on their own.

spent a total of **\$92 billion** hiring equivalent of **2.2 million** full-time workers via contract hiring

These teams are effectively a new form of project-specific small business that operates with a flexible and agile staffing model. The size and nature of the team expands or contracts depending on project needs. Often run virtually with team members in different locations, these teams rely on the Internet, cloud computing and collaborative technologies to manage themselves and their projects. This combination of flexible staffing and the use of technology makes independent teams very efficient and provides cost advantages over traditional businesses.



Photo Credit: Veer.

The \$100K+ Club Continues to Grow

Approximately 2.7 million independent workers, about 15% of solopreneur independent workers, generate \$100,000 or more individually in annual revenue. This is up 8% from 2.5 million in 2013 and 22% from 2.2 million in 2012. These highly productive independents share many attributes with their independent counterparts who earn less; but they tend to be older, more experienced and more likely male. More than half (56%) are 50 years or older, versus 40% for those who earn less than \$100k, and 65% have been independent for more than 11 years compared to 42% overall. Men comprise 63% of this high earning group; women comprise 37%.

The number of independent workers earning more than \$100K has increased 22% since 2012.

Not surprisingly, the vast majority of independents in the \$100K+ club are highly satisfied (80%) and plan to stay independent (77%) or build a bigger business (17%). Only 2% plan to seek a traditional job.

Word of Mouth: Key Source of Work for Solopreneur Independents

75% of solopreneur independents reported that word-of-mouth referrals was their main source of work.

The importance of networks and networking for independent workers cannot be overstated. By far the most important source of work for solopreneur independents is network generated word-of-mouth referrals. Almost 3 out of 4 survey respondents listed word-of-mouth as their top method of getting work and an additional 16% listed this in their top three ways of getting work. Interestingly, independent workers making \$100k or more rely on word-of-mouth even more, with 84% reporting it's their top method and 92% listing it in their top three.

The second rated source of work is talent agencies and brokers, with 12% listing this as their top source and 21% listing it in their top 3. Former employers came in third, with 4% listing it number one and 22% listing it in their top three.

Social media was not found to directly generate work, with just 2% listing it as their number one source of work. However, social media is considered important for reputation, brand and network building and 35% of independent workers report using social media in their business.

Online talent marketplaces (Elance-oDesk, Freelancer.com, etc.) score low in terms of being a primary or secondary source of work for the solopreneur 15 hour+ group. Just 3% listed these as their number 1 source and 10% in their top three. However, they are relatively important for young and inexperienced independent workers, with 18% of Gen Y independents. 21% of those who have been independent for less than 1 year listed online talent marketplaces in their top three sources of work.

The Reluctant Independents

As we've reported in past years, independent workers who don't feel they have control over their career, work assignments, work place, and/or work schedules are much less satisfied than the average independent worker.

Instead of running an independent business by generating opportunities that fit with their skills and interests, reluctant independents rely on assignments from contingent employers, labor middle men and agencies. Because of this, they have little control over when, where and what they do and feel neither empowered nor independent. Reluctant independents effectively work as employees, but without an employer commitment to reliable work schedules, job security, benefits and income.

Reluctant independents comprise about 30% of all independent workers. Compared to the average independent worker, reluctant independents are more likely to have become independent because of job loss (34%) or the inability to find a traditional job (47%), less likely to plan to continue as an independent worker (37%) and most (54%) report they would prefer a traditional job. This group of the independents is likely to be the first to return to traditional employment when the job market improves.

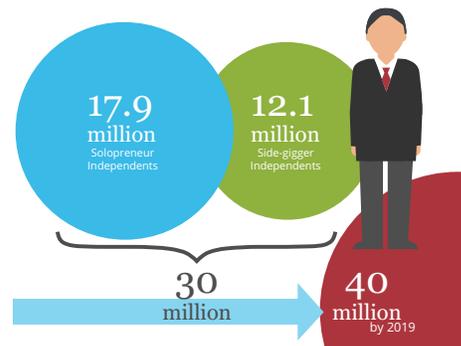


Photo Credit: Fotolia.

Reluctant independents would rather have traditional employment and benefits.

FUTURE OF WORK: Independence Enters the Mainstream

By 2019, the number of independent workers in America is expected to grow from today's base of 30 million (17.9 million solopreneurs and 12.1 million Side-Giggers) to roughly 40 million (24.5 million solopreneurs and 15.4 million Side-Giggers). Two broad shifts are driving this growth. First, businesses will continue to turn to independent workers to meet their needs for agility and flexibility due to an increasingly volatile, complex, competitive, and always-changing global economy. Second, workers will become more comfortable turning to independent work, especially the growing number of people looking for greater work/life flexibility, autonomy and career control.



About 40% of working Americans report spending time at some point in their careers as independent workers.

A new career path of moving back and forth between independent work and traditional employment will also become more common. Instead of seeing independent work or traditional employment as separate and distinct paths, careers will become more gig-based and built by spending time as both traditional employees and independent workers. This path will benefit both employers and workers by providing greater opportunities for personal growth, learning and skills development.

As independents working and moving back and forth between independent work and traditional employment becomes more common, a greater share of American workers will spend at least part of their careers as independents. Already about 40% of working Americans report spending time at some point in their careers as independent workers. By 2019, almost half (48%) of the private workforce will have spent time as independent workers at some point in their work lives.

There are several reasons for these shifts:

- Using independent workers provides more flexibility and agility for employers and often lowers employment costs. Small businesses, large businesses and even government agencies are increasingly choosing to hire talent on a project basis only when and where it's needed.
- Workers are more jaded about traditional employment due to layoffs, benefit and pay cuts, increased workloads and decreasing job security. At the same time, workers are recognizing that independent work offers greater career and life flexibility, autonomy and control than traditional employment. These factors are leading more people to choose independence.
- A growing support infrastructure of products, services and programs is making it easier, cheaper and less risky to become independent. The MBO Partners business management services for the solopreneur are one example, but other examples include low cost cloud-based tools for collaboration, professional development and business development.
- Despite an improving economy, good traditional jobs are still hard to find. The structural shift towards independent work, coupled with the uncertain economy and a volatile job market, means going independent is, in many cases, the best career option.

Along with these other drivers, non-independent workers continue to show strong interest in becoming independent. The 2014 study revealed that about 26 million American workers, 21 years and older who are not currently independent, are considering a shift to the independence in the next 2-3 years.



Photo Credit: Getty Images.

Non-independent workers continue to show interest in becoming independent.

While most of these people will not lay claim to career independence within the next few years (aspirational survey questions on topics like these always lead to higher positive response rate than will actually happen), the study projects there will be a net increase of roughly 5.6 million Americans in the ranks of solopreneur independents, reaching a headcount of about 24.5 million by 2019 for full-time independents, and another 16.5 million who will work more incrementally at independence as part-timers with side gigs. All together, this leads us to predict roughly 40 million Americans doing some type of independent work on a regular basis by 2019.

CONCLUSION

As of 2014, more than 40% of Americans already have experienced some form of independent work in their career. However, a clear conclusion of the 2014 MBO Partners State of Independence Report — the first to study both full-time solopreneurs and those exploring the path via part-time side-gigs — is that a one-size-fits-all solution for independent work is neither possible nor advisable.

As this future of work megatrend continues to evolve, it is clear that while independent workers share similar motivations, different degrees of economic engagement will present unique challenges and rewards. Solutions relevant to each segment of independents will be required to drive independents' successes forward. We also expect the range of both solutions and service providers to expand alongside the sector's continued growth.

ABOUT MBO PARTNERS

MBO Partners is the leading provider of management services for independent professionals and the clients that engage them. We deliver a complete Business Operating System that makes it easy for self-employed professionals and their clients to work together in a convenient, tax-efficient and legally compliant manner. For self-employed professionals, MBO Partners manages their entire business infrastructure. Our technology platform includes a proprietary process to handle billing and revenue cycle management, contract administration, business insurances, expense management, tax withholding, health and retirement benefits and more. We couple this with the benefits of direct vendor access into enterprises and the “white glove” attention of experienced business managers. For organizations that use contract talent, MBO Partners provides a complete independent contractor aggregation and engagement offering, including compliance and payment solutions for 1099s, sole proprietors and micro-businesses. To learn more, visit www.mbopartners.com.

ABOUT THE STUDY

The MBO Partners State of Independence research series is based on more than 11,000 in-depth surveys and hundreds of interviews conducted over the past 4 years. Independent workers are defined as people who report in an average week working in non-traditional, non-permanent full or part-time employment who identify themselves as consultants, freelancers, contractors, solopreneur, and on-call workers, among others. For the 2014 study two separate online surveys were conducted by Emergent Research (www.emergentresearch.com) and Rockbridge Associates (www.rockresearch.com) in May of 2014. 2,017 residents of the U.S. responded to the first survey, and the results were used to size the independent workforce and define their interest in becoming an independent worker by the general population. The data was weighted to reflect the demographics of the US and the margin of error for this survey is +/- 2%. 1,109 independent workers responded to the second survey and the results were used to profile their characteristics and motivations. The margin of error for the second survey is +/- 3%. The 2014 survey results are generally statistically consistent with the survey results from the prior 3 years.