

WorkFlow

#visualizingthecrisis

The Rise of the Freelance Economy

In **ISSUE 01** we've seen how smartworking is gradually changing our **work habits**. Another phenomenon that testifies this transformation is the increasingly number of **freelance workers**.

53.7 million Americans count themselves among the independent workforce – contractors, part-timers, solo business owners, full-time employees with a side gig and so on. That number is projected to grow over 4% per year through 2020, to reach about **66 million** Americans.

Alumni Networks

Corporate alumni networks are growing in importance as employees spend less and less time at a single company.



US Labor Force in 2016
159m

Expected US
Freelancers in 2020
66m

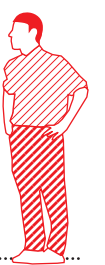
US Freelancers in 2016
53.7m

Boomerangs

Annabel Rake, chief marketing officer at Deloitte UK, refers to returning workers as 'boomerangs'. "These are people who come back with a new set of skills and experiences that we find very beneficial."

Traditional employee

Freelancer



Segments

- A. Freelance Business Owners: **5%**
- B. Temporary Workers: **9%**
- C. Moonlighters: **24%**
- D. Diversified Workers: **26%**
- E. Independent Contractors: **36%**

Age Groups

- F. Seniors (69+): **8%**
- G. Baby Boomers (51-68): **29%**
- H. Millennials (21-34): **30%**
- I. Generation X (35-50): **33%**

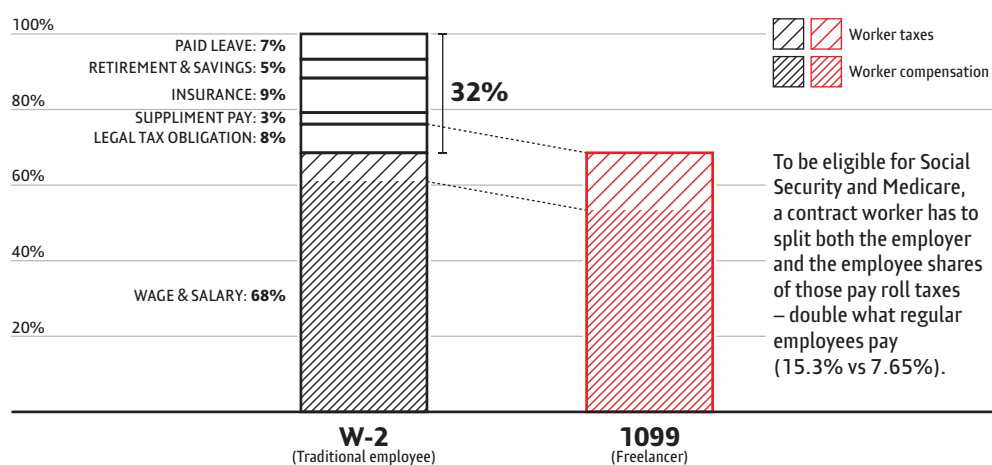
Reasons

- J. Necessity: **40%**
- K. Choice: **60%**

Share of Worker Compensation

W-2s and 1099s are two separate tax forms for two different types of workers: if you're an independent contractor, you get a 1099 form, if you're an employee,

you receive a W-2. By classifying workers as 1099s rather than W-2s, employers are able to cut their expenses and reduce payroll costs as much as 32%.

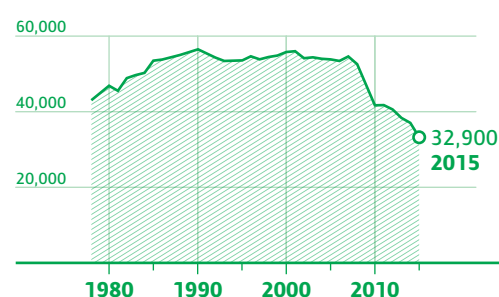


Freelance Journalism

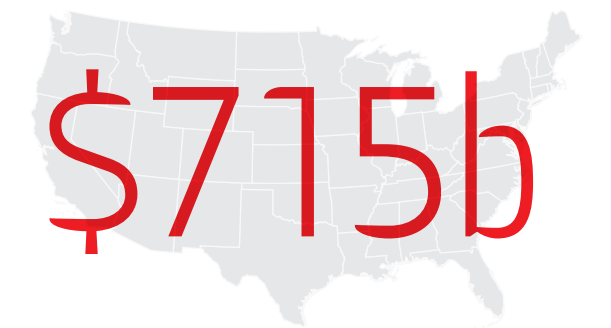
The shuttering of foreign bureaus has given freelancers a bigger role in covering international news, but at the same time they are largely left on their own.

Freelance journalists increasingly have to rely on UN and non-governmental organization (NGO). These collaborations are often restrictive, but they are also potentially profitable and entirely necessary to safely and affordably report important stories.

Number of journalists in American newsrooms
Source: Pew Research Center



Economic Impact of US Freelancers



The economic impact of the 53.7 million Americans who are freelancing is significant: collectively, they contribute more than **\$715 billion** in freelance earnings to the national economy.

1099 Problems

10 to 30% US employers are estimated to misclassifying their employees as independent contractors, which amounts to several million workers nationally.

7 Rights Lost when Misclassified as 1099

- 1 Minimum wage
- 2 Overtime
- 3 Employer-provided health insurance
- 4 Retirement benefits
- 5 Paid leave
- 6 Workers compensation
- 7 Unemployment insurance

3 Best Practices for Freelancing

1 Know your community

42% live in an urban area and may **explore coworking options**. These can provide a quiet alternative to crowded coffee shops as well as a network of supportive peers and potential leads to find newer opportunities.

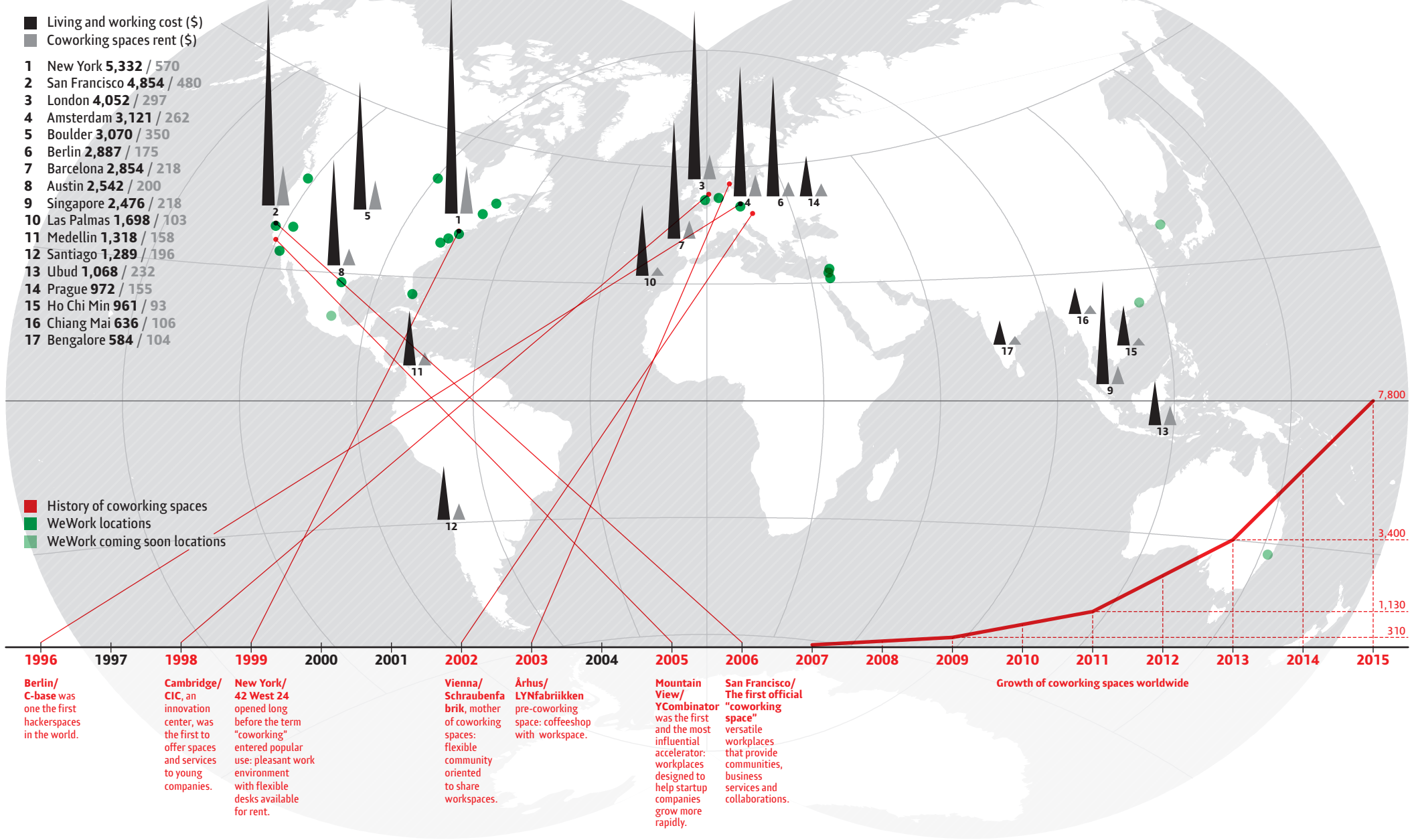
2 Budget your finances

62% didn't make estimated tax payments at all. **Hiring an accountant** can help ensure that your bookkeeping is set up the right way, both legally and practically.

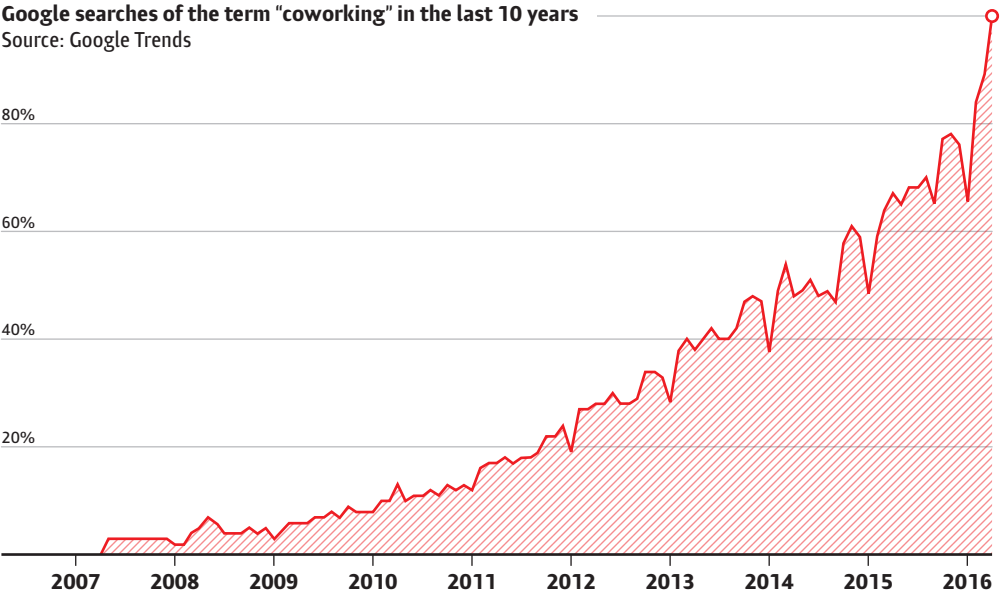
3 Diversify your income stream

92% had other sources of income, whether in the form of part-time or full-time work. With support from **online platforms and services** that are helping workers organize and manage themselves.

Around the World



The Rising Interest for Coworking Spaces



WeWork	vs	Regus
77	centres	3,000
6	countries	120
50,000	members	1.5m
\$16b	valuation	\$4b

WeWork in China

WeWork, the New York-based shared-office start-up, announced last wednesday that it had received \$430 million in funding from investors including two China-based private equity funds, Hony Capital and Legend Holdings. The deal values the company at \$16 billion, four time as large as Regus, a UK-listed flexible workplace provider.