



2023 Freelancer Insights Report

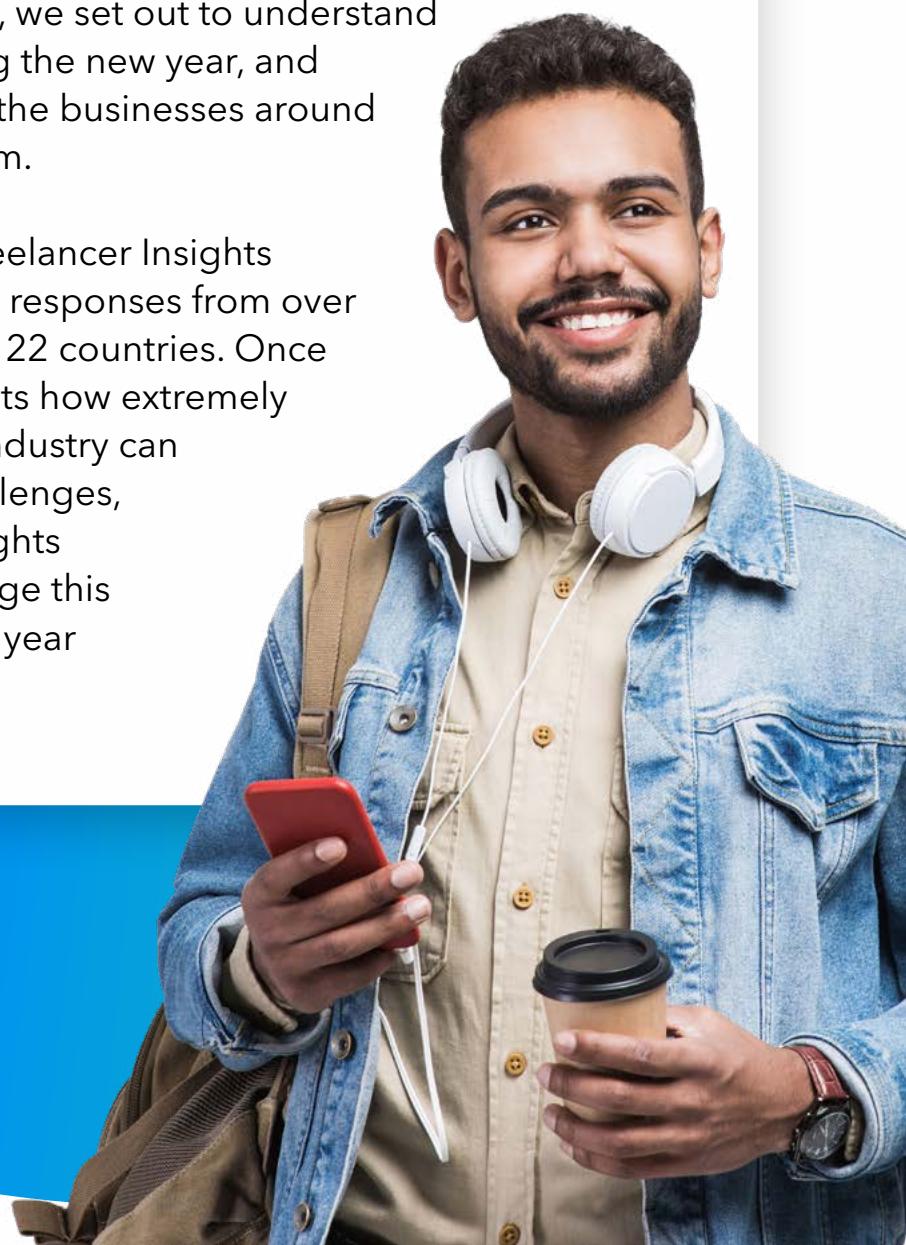
Takeaways for
small businesses

New year, new challenges

Entering 2023, businesses around the world are slowly recovering from the lingering effects of the global pandemic, and, as [Payoneer's 2022 Global Freelancer Insights Report](#) showed, freelancers continue to play a critical role in keeping these businesses and the global economy at large humming during these challenging times.

However, with the new year comes new challenges. The rapidly [rising cost of living](#), massive layoffs, and fears of a global recession are adding new dimensions of uncertainty, especially for small and medium-sized businesses. With these challenges as a backdrop, we set out to understand how freelancers are facing the new year, and what this might mean for the businesses around the world that rely on them.

The fifth edition of our Freelancer Insights Report is a compilation of responses from over 2,000 freelancers across 122 countries. Once again, the survey highlights how extremely resilient the freelancing industry can be in the face of new challenges, providing interesting insights into how SMEs can leverage this important resource in the year ahead.



The survey shows that demand for freelance work continues to trend up, continuing the trend that was seen at the start of the pandemic. Despite the fears of a global economic slowdown, 46% of the respondents saw an increase in demand for their work, increasingly from digital businesses who are growing across borders with a need to augment their teams, and 29% saw demand at the same level as last year.

At the same time, many freelancers are still hungry for more work. Over half of our survey respondents work less than 30 hours a week as freelancers, and finding new clients is a challenge for 73% of them. In response to the rising cost of living, 55% of respondents have taken on more work, and 32% have expanded their client base to new countries.

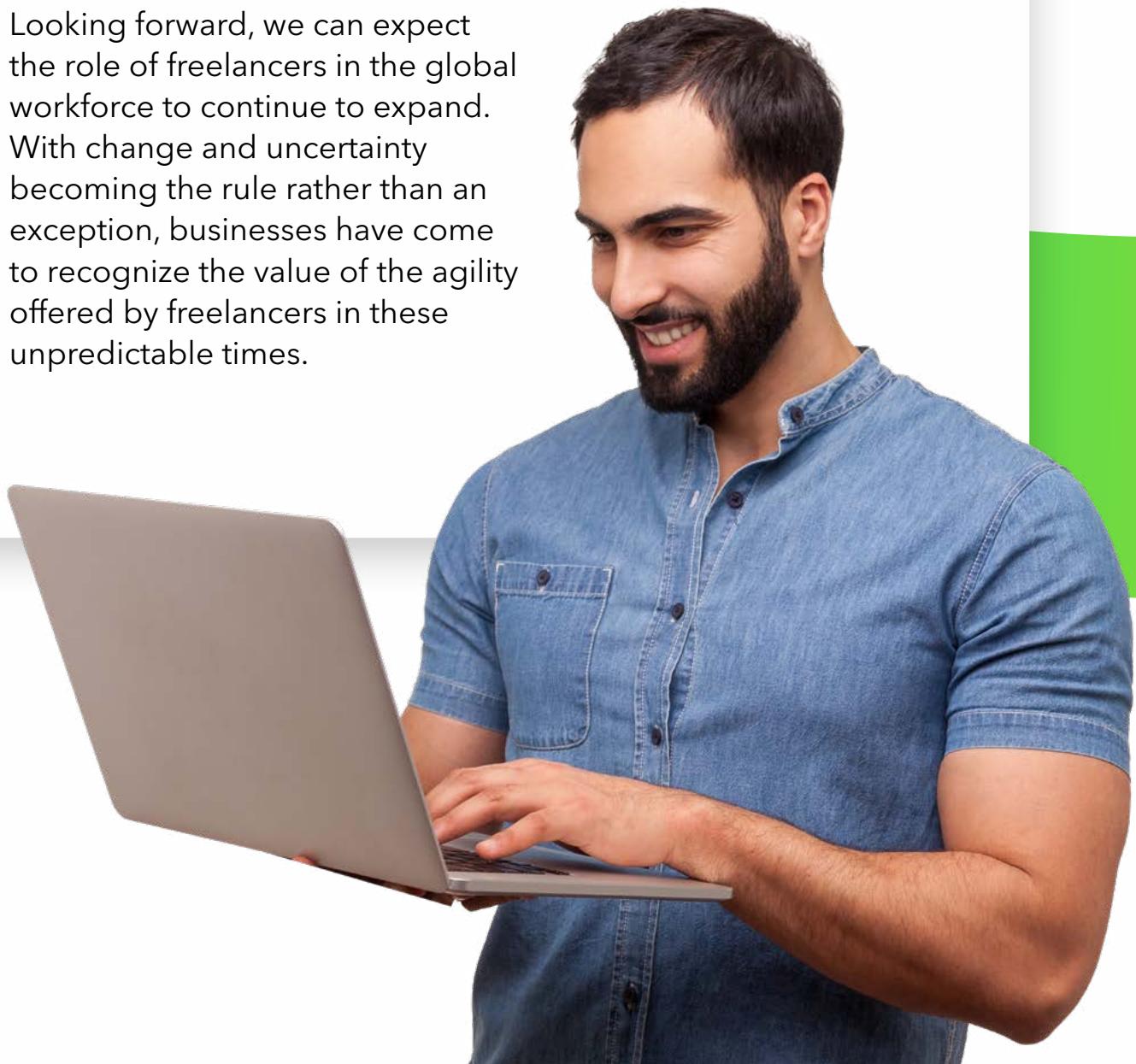


The report is clear: freelancers offer businesses access to a diverse and rapidly expanding talent pool, as an increasing number of young workers continue to join the freelance workforce alongside more experienced workers.

However, while many freelancers have seen rates go up, the gender pay gap for freelancers persists. Our survey shows that women freelancers earn \$22/hour on average to men's \$24/hour, a slight improvement over last year's report. Moreover, this is significantly smaller than the gap reported in the general workforce population, suggesting that businesses that hire freelancers have the opportunity to further level the playing field for working women by ensuring fair pay policies for their freelance workers.

Businesses also have an opportunity to consider some freelancers as future employees, for as much as they love the freelancing lifestyle, over half of our respondents have entertained the option of joining a company in the past year.

Looking forward, we can expect the role of freelancers in the global workforce to continue to expand. With change and uncertainty becoming the rule rather than an exception, businesses have come to recognize the value of the agility offered by freelancers in these unpredictable times.



Key findings

1

46% of the freelancers saw an increase in demand for their work, indicating that businesses continue to rely on freelancers at a growing rate.

2

Over two thirds (68%) of freelancers believe demand for their talents will continue to grow in 2023.

3

Finding new clients is consistently ranked as the top challenge of freelancers.

4

55% of freelancers have taken on more work in response to the rising costs of living, 41% have raised their rates, and 32% have expanded their client base to new countries. This creates opportunities for businesses to hire the skills they need remotely.

5

The average hourly rate for female freelancers is \$22 compared to \$24 for men.

6

The gender pay gap is narrowing slightly (90 cents to \$1) and is significantly smaller than the gap reported in the general population (77 cents to \$1).

7

The fields of programming, marketing, project management, and web design saw the most significant increases in demand over the past year.

8

38% of the respondents reported an increase in their hourly rates over the past year, indicating businesses can expect to pay higher rates for freelance work.

9

38% of freelancers combine hourly rates with project-based rates to provide businesses with flexible payment options.

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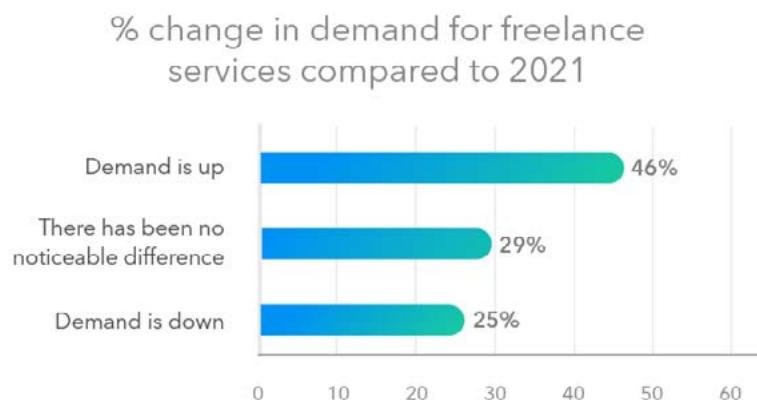
70% of freelancers find most of their work through online marketplaces.

11

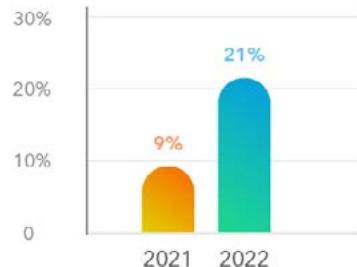
Over half (52%) of all respondents have considered either full-time or part-time employment in the past year.

Businesses continue to rely on freelancers at a growing rate

Even as global unemployment remains at historically low figures, the demand for freelance workers continues to surge. Recent shifts in perception and work culture provide an additional boost to the demand for freelancers. With 37% of all workers fully remote, companies are getting more comfortable with out-of-office workers. According to the latest Upwork report, as many as 78% of all companies now use remote freelancers.

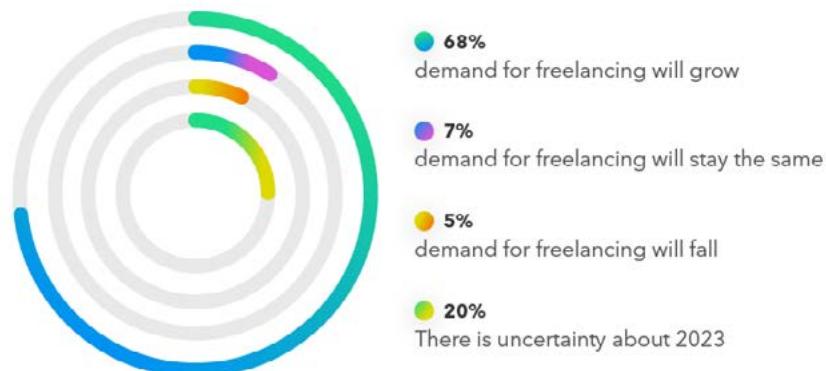


Net year-on-year (YoY) change in demand for freelance services



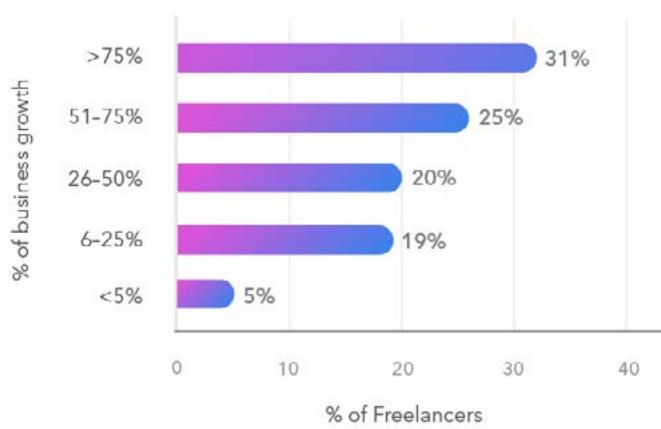
Over two thirds (68%) of the freelancers we surveyed believe demand will continue to grow into 2023, in line with the findings from the Upwork report that 45% of the companies plan to hire more freelancers in the near future.

The expectations freelancers have for their business in 2023

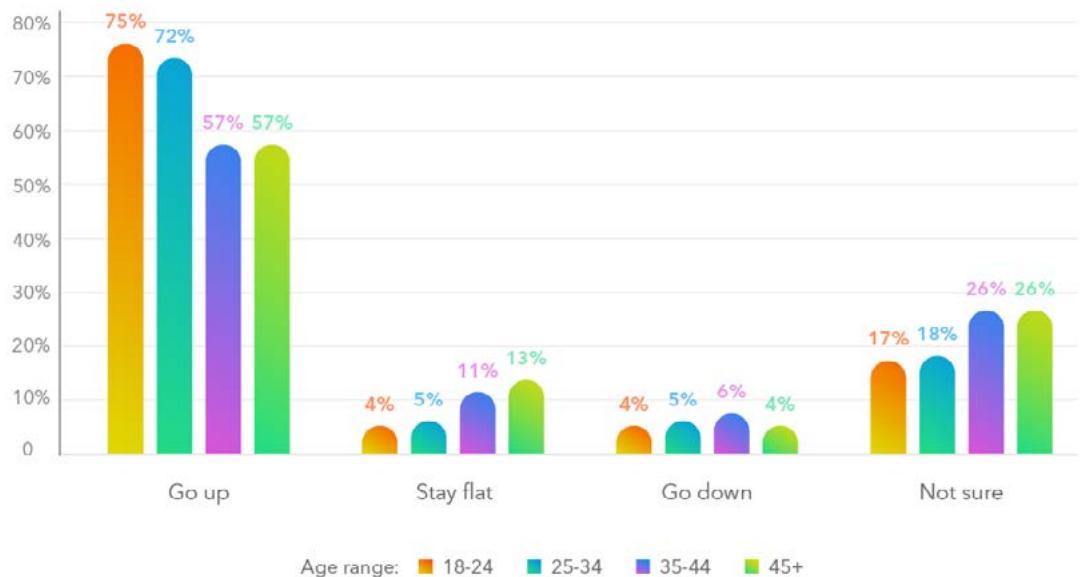


Freelancers that expect demand to grow in 2023 are rather bullish about these growth predictions, over half (56%) expect their business to grow by more than 50%.

The amount by which freelancers expect their business to grow in 2023



The rate freelancers expect demand for their business will grow by in 2023



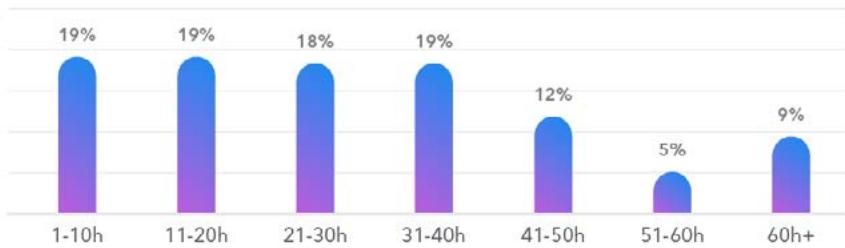
As we can see from the above chart, freelancers of all ages believe that businesses will have more need for their work in 2023, with the younger among them, up to 75%, feeling very confident indeed. This confidence is reflected in the growing number of businesses that are tapping into the freelancer industry to bolster their full time workforce due to the convenience and flexibility it offers them.

With over 5 million customers, Payoneer is the leading quick, easy, and low-cost solution for your business to pay international freelancers in a currency and method that suits you.

A good work-life balance

Even as demand grows, though, a significant portion of freelancers, 56%, are working 30 hours or less per week. Whether this is by choice, or from not receiving enough work, what is clear, as seen later in this report, is that freelance workers are very satisfied with their work-life balance and manage to sustain themselves despite working less than a full-time employee would. The message for businesses hiring freelancers, then, is that working with freelancers means they are likely to have a fully engaged worker that is satisfied and refreshed each day, ready to deliver a high standard of work.

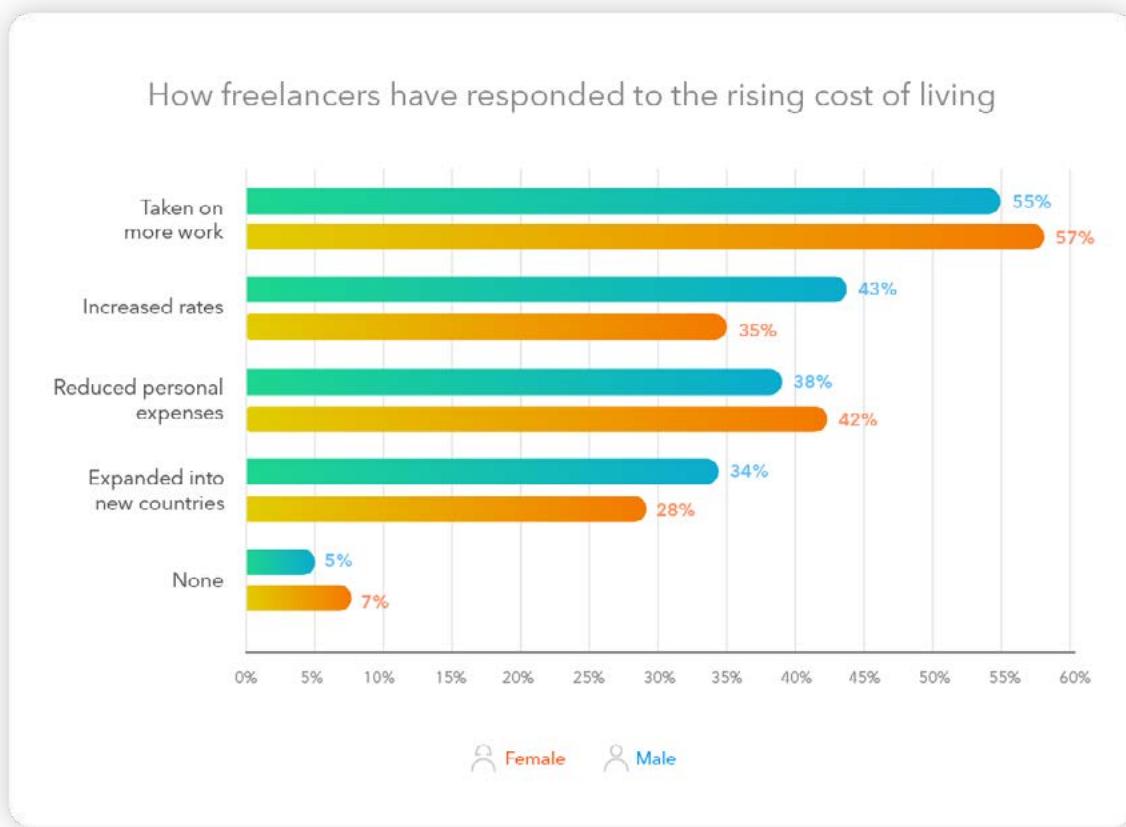
Average number of hours per week freelancers work



The main challenges freelancers face in 2023



In addition, the rising cost of living is placing additional pressure on freelancers to find more work. In response to ongoing global inflation, 55% of the freelancers have taken on more work and 32% have expanded their client base to new countries, creating additional opportunities for businesses to hire the skills they need.



The measures, however, were somewhat different for men and women. While women were more likely to take on more work and reduce personal expenses, men were more likely to increase their rates and expand into other countries. The survey shows that women are 8% less likely than men to increase their rates, favoring other options such as reducing personal spend.

The gender pay gap persists, with small incremental improvements

The average hourly rate for women is \$22 compared to \$24/hour for men, which is equivalent to 92 cents for every dollar earned by men. This pay gap is also persistent across geographic regions and specialty fields.

What is encouraging is that the gap is slightly smaller than the one reported last year (90 cents to \$1) and it is also significantly smaller than the gap reported in the general population (77 cents to \$1). The playing field is clearly more level in the freelancing market than in traditional employment markets.

With this in mind, businesses that hire freelancers have the opportunity to further level the playing field for working women by instituting fair pay policies for their freelance workers.

The amount earned by female freelancers for each \$1 earned by male freelancers



A closer look shows that the pay gap is most pronounced at the start and end of freelancers' careers. Businesses that hire freelancers could use these data points to pay special attention to women at both ends of their professional career journey and ensure that pay policies allow them to earn their fair share.

Average freelance rate by age and gender

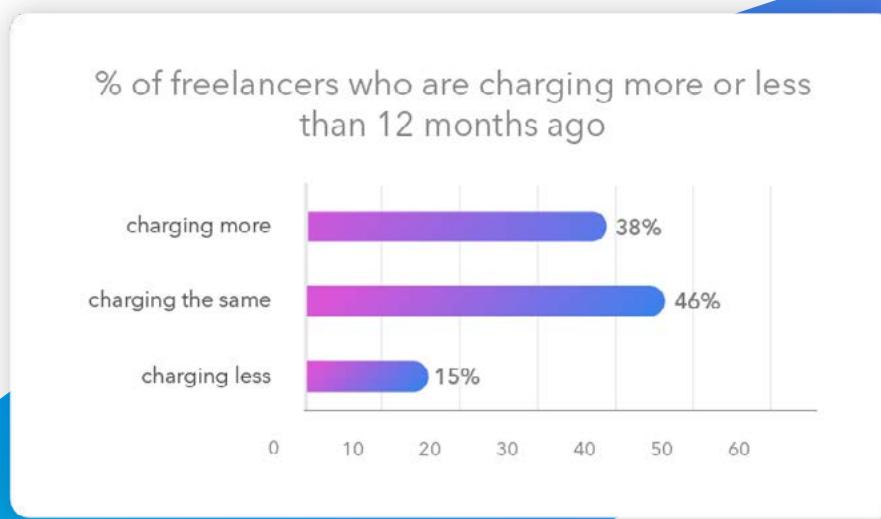


The worldwide average hourly freelance rate

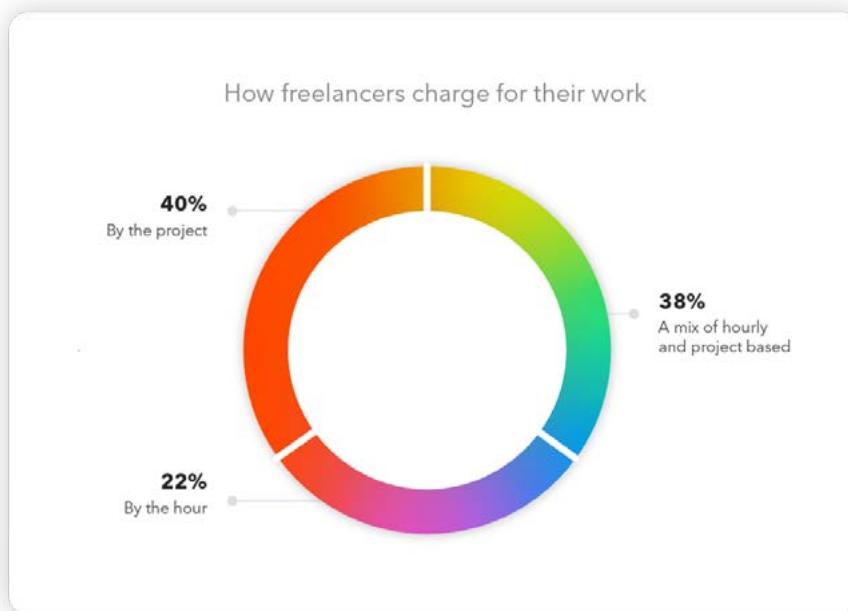
The average worldwide hourly rate in 2022 was USD 23. Rates were highest in North America and lowest in Central America.



Higher demand has also translated into higher rates for as many as 38% of freelancers. 46% of the respondents were able to maintain their rate, and only 15% saw their rates decline.



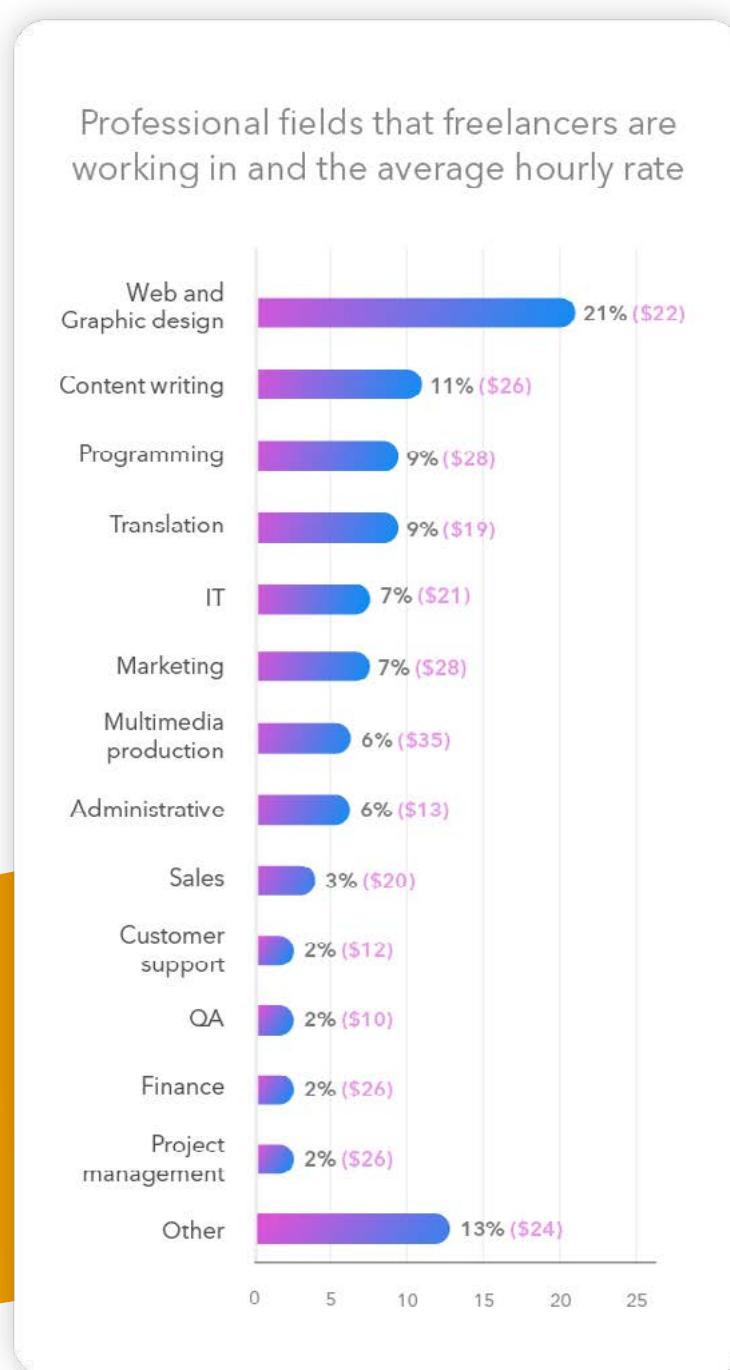
As far as payment structures are concerned, freelancers offer businesses both flexibility and predictability in how they get paid for their work. Most freelancers charge by the project or use a mix of project-based quotes and hourly rates. In fact, being flexible on how they charge seems to work well for freelancers, and those that mix hourly and project-based fees are able to command a higher average rate.



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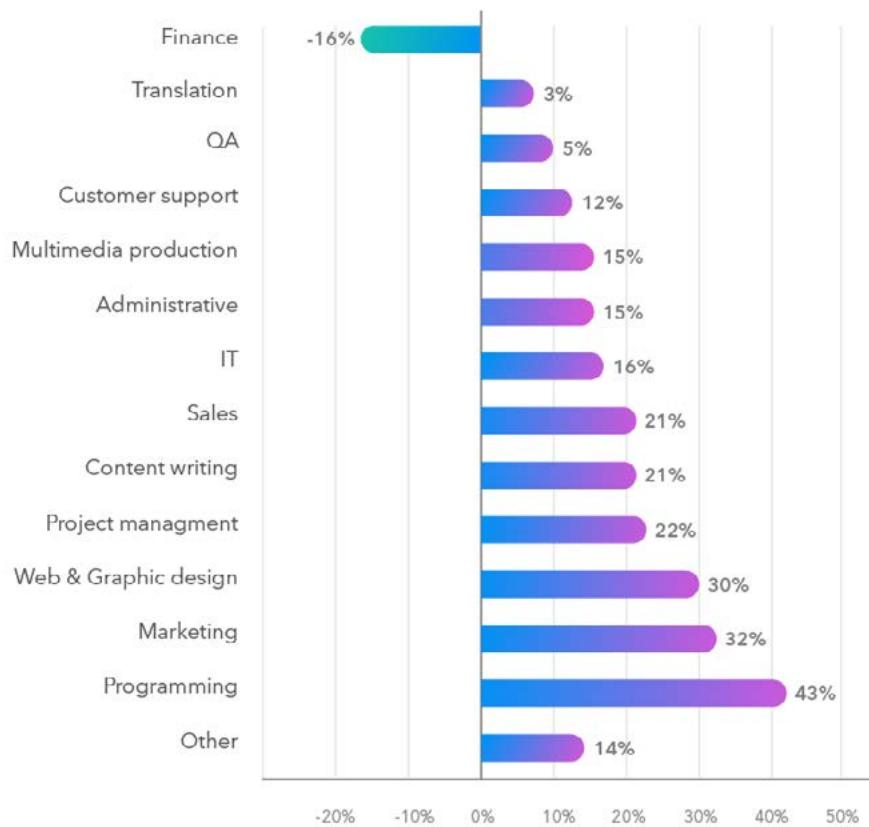
Freelancers offer a wide range of skills

Businesses rely on freelancers for a wide array of roles. Web & graphic design is the most popular field among our survey respondents, followed by content writing, programming, and translation.



Demand for freelance work, though, shifted unevenly across different sets of skills over the past year. Fields that saw particularly higher demand include programming, marketing, and web & graphic design. QA and translation saw just low single-digit growth in demand. While finance was the only field exhibiting a net decline, possibly due to an increasing number of finance departments finding more ways to optimize their costs.

The net YoY change in demand for freelance services

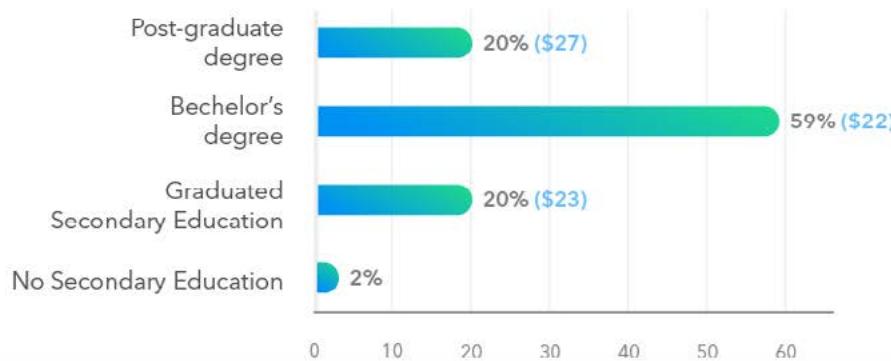


For businesses looking to hire freelancers, it is interesting to note that the skills commanding the highest rates are not necessarily the most popular fields.

A highly educated workforce

Freelancers are highly educated, with close to 80% holding a bachelor or postgraduate degree. The average hourly rate is similar for those with high school and bachelor's degrees, but higher for those with postgraduate education.

Level of education compared with the average hourly freely rate



The surge in women's participation during the pandemic is sustained

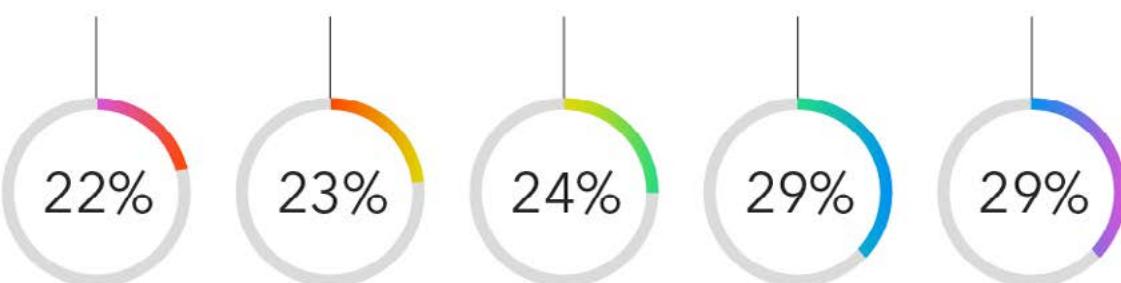
The share of women responding to this survey has exhibited modest incremental growth since its inception in 2015 and through 2020. In 2021, we saw a significant leap in women's participation, up to 29%, which was also sustained in this year's data. The uptick seen in the last couple of years has continued, suggesting that the structural changes in the economy caused by the pandemic may be around to stay.

Data shows that the flexibility offered by freelancing is key to increasing women's participation in the workforce. A study by Weklabs shows that women are almost one and a half times more likely than men to prefer flexible working hours. And as many as 61% of the women surveyed by McKinsey & Company prefer to work remotely, compared to 50% for men.

This year, the survey shows women holding on to these gains and it remains to be seen whether or not this is just a temporary pause in the growth of women participation in the freelancing workforce.

Share of female respondents over the past five reports

2015 ————— 2017 ————— 2019 ————— 2021 ————— 2022

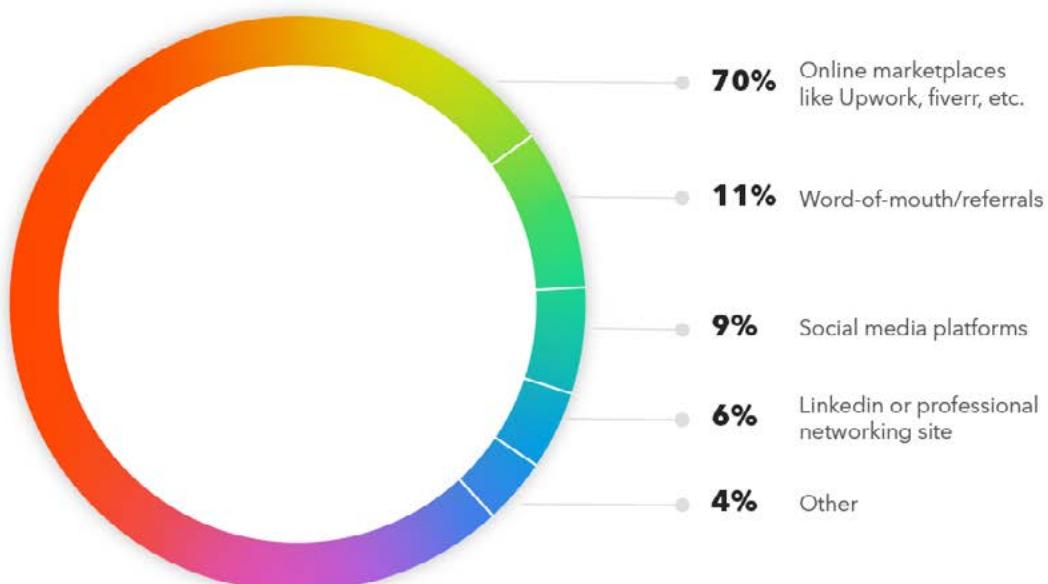


Online marketplaces are the primary meeting places for businesses and freelancers

It is no surprise that freelancers today get most of their business online. While 70% of the respondents find most of their work through online marketplaces, only 11% rely on more traditional sources such as word of mouth and referrals.

The takeaway for businesses is that to find the best talent for a project, the entire world's talent pool is available to access across multiple niche marketplaces, with the expertise that specializes in your line of work. That's why up to 90% of businesses are now using freelance platforms as a key part of their talent finding strategy.

How freelancers find their clients



Freelancers as future employees?

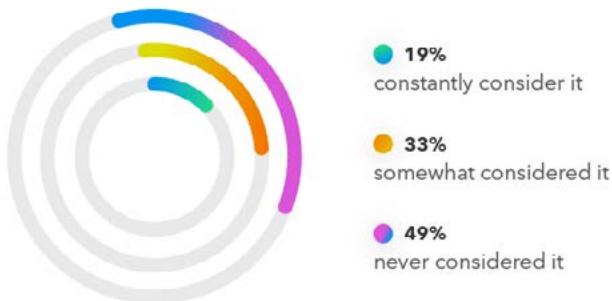
Over 80% of the freelancers surveyed are either satisfied or very satisfied with the freelancing lifestyle. Impressively, close to one-third of the respondents said they were very satisfied, while only 3% feel unsatisfied.



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At the same time, over half (52%) of the respondents (men and women alike) have considered moving away from freelance work due to the rising cost of living, which may present an opportunity for businesses to tap into this talent pool for long-term employment as the need arises.

% of freelancers who have considered moving away from freelancing due to the high cost of living



Takeaways: Freelancers remain vital to businesses in the face of ongoing turbulence

From the pandemic to rising costs and strong economic headwinds, the past few years have been nothing but tumultuous for businesses around the world. However, time and again, freelancers have shown extreme resilience, helping businesses survive and thrive during these turbulent times.

The rising cost of living brought new challenges that required a swift response from businesses and freelancers alike. Facing higher expenses, freelancers are looking for more work, even expanding their client base to new countries. At the same time, freelancers remain an attractive option for businesses, offering a unique level of flexibility managing cost pressures in this economic environment.

The result is a win-win for both businesses and freelancers. Demand, and supply, for freelance work surged over the past year while freelancers' hourly rates increased to keep up with inflation.

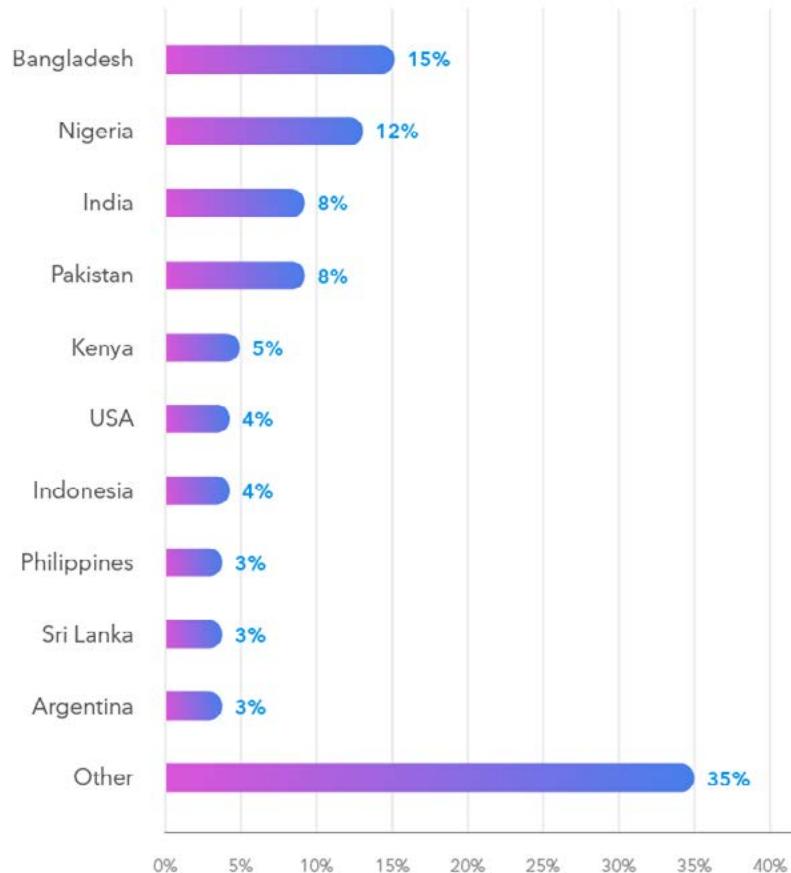
While the horizon looks uncertain, freelancers are highly optimistic about the future of their work, and for good reasons, as the only thing we can be sure about is that more change is coming, so businesses must stay nimble and agile.

As the freelancer workforce continues to expand and diversify, and as remote work becomes a long-term reality, we can expect companies of all sizes to increase their reliance on freelancers and find new ways to integrate them into their company's fabric.

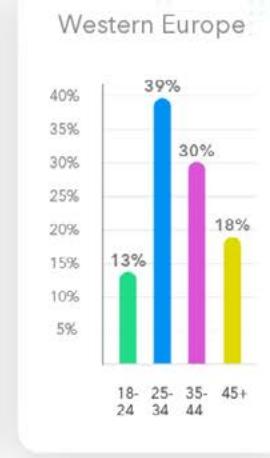
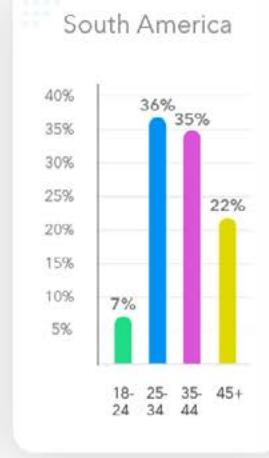
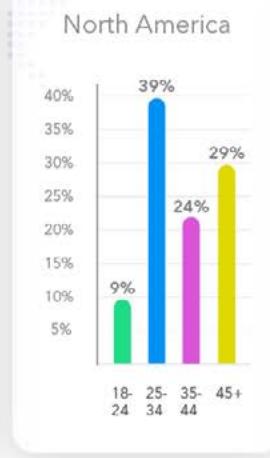
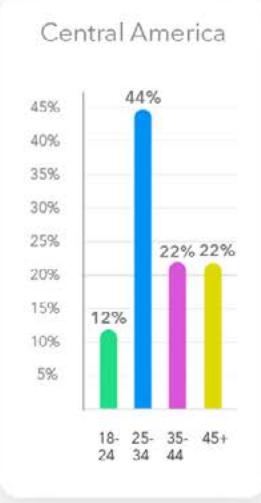
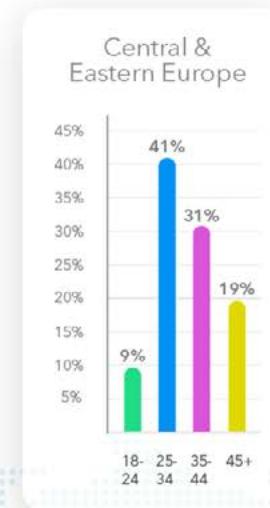
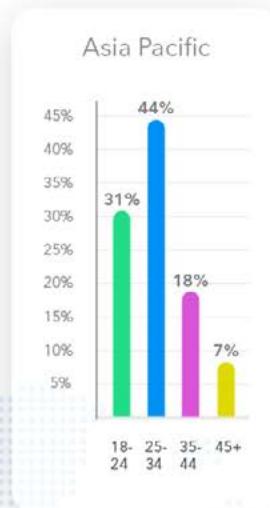
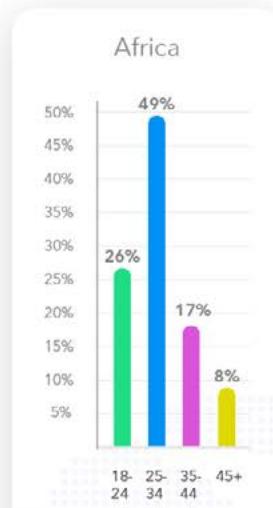
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Some extra information about our respondents

Where our freelancers are based

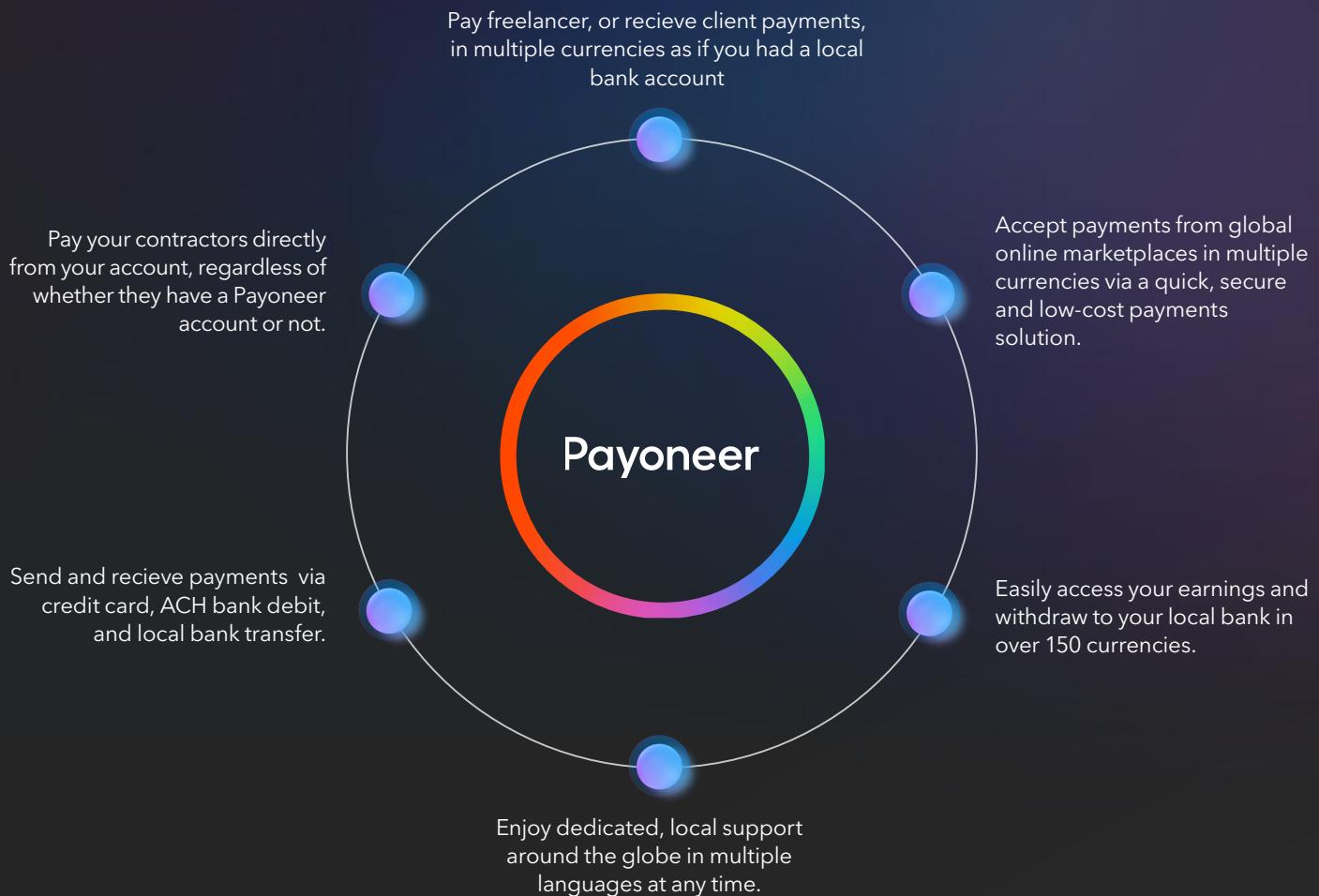


Age distribution by region



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What sets Payoneer apart?



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