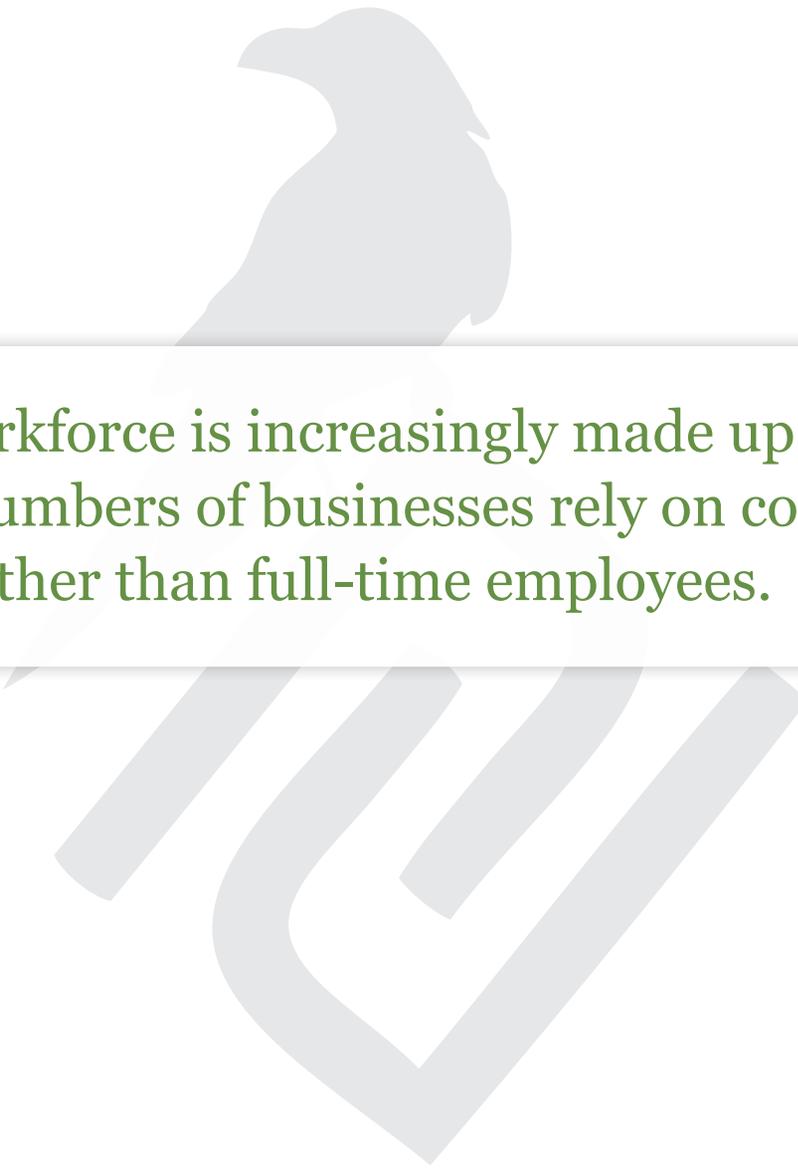




## Welcome to the Freelance Economy

- W2
- 1099

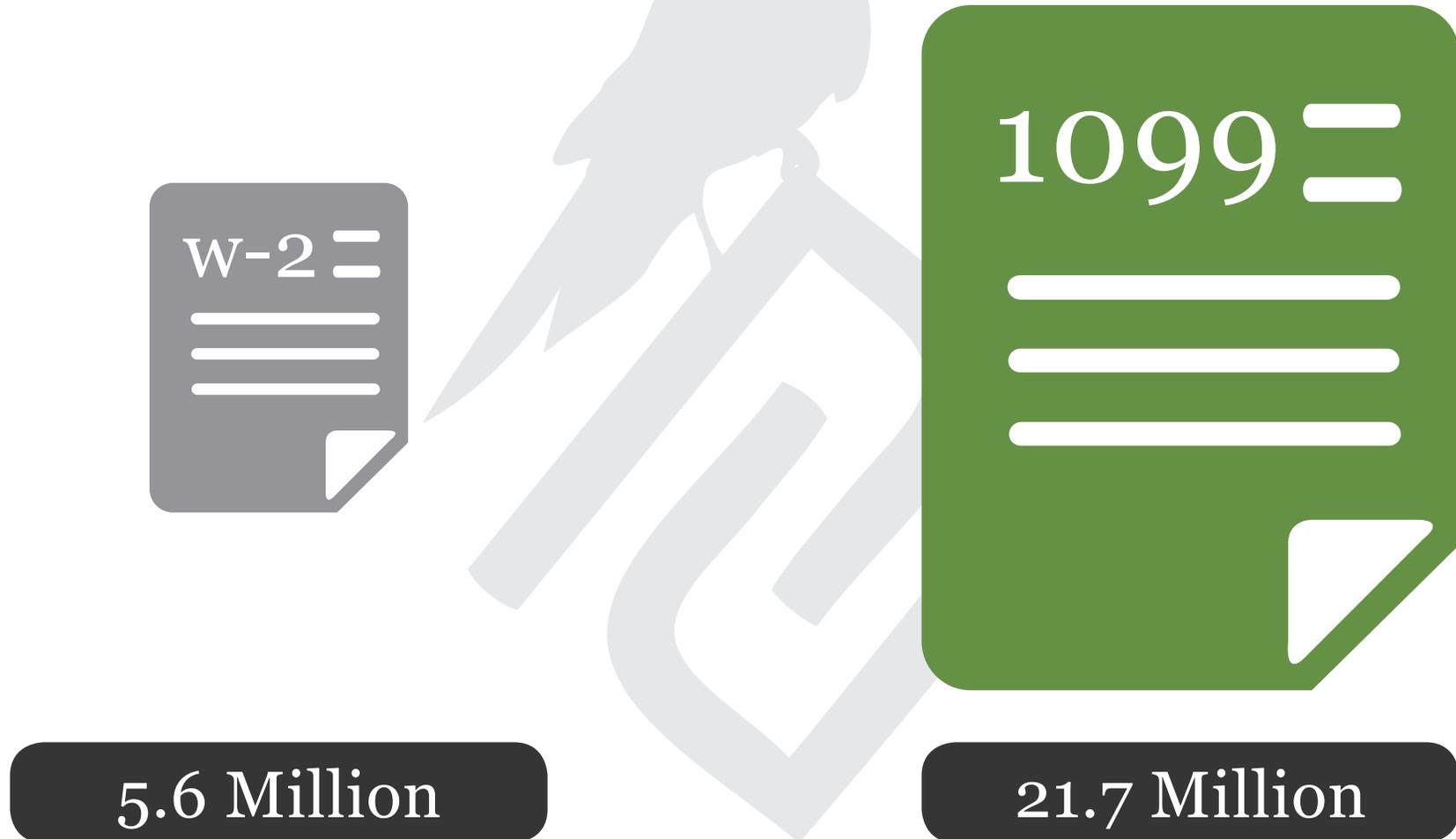


The American workforce is increasingly made up of freelancers, and growing numbers of businesses rely on contract work rather than full-time employees.

# Rise of the Permatemps

When Job-Creation Engines Stop at Just One (October 4, 2012)	<b>The New York Times</b>
Making a Living One Project at a Time (August 24, 2012)	<b>The New York Times</b>
Temp Jobs becoming a permanent way of life for some (August 2, 2012)	
For Temp Workers, “Temp” Looking More Permanent (July 26, 2012)	
The Great Shrinking Office? More Companies Hire Remote Workers (June 14, 2012)	
The Rise of the Permanent Temporary Worker (May 5, 2012)	<b>FORTUNE</b>
Are We Moving Toward a Perma-Temp Workplace (August 9, 2010)	
Say goodbye to full-time jobs with benefits (June 5, 2010)	
The rise of the permanent temporary workforce (January 10, 2010)	<b>Bloomberg Businessweek</b>
The Disposable Worker (January 7, 2010)	<b>theguardian</b>
Permanently Temporary (The Guardian – December 2, 2007)	<b>The New York Times</b>
The Rise of the Perma-Temp (August 4, 2002)	
The Permatemp Contretemps (July 31, 2000)	<b>TIME</b>
Rise of the Permatemps (July 12, 1999)	

# U.S. businesses utilizing 1099's vs. FTE's in 2010:



Source: Office of Advocacy, U.S. Small Business Administration

68%



of U.S. hiring in 2010  
was contract based.

Source: Bureau of Labor Statistics



U.S. freelancers  
worked an average  
of **39 hours**  
per week in 2010.

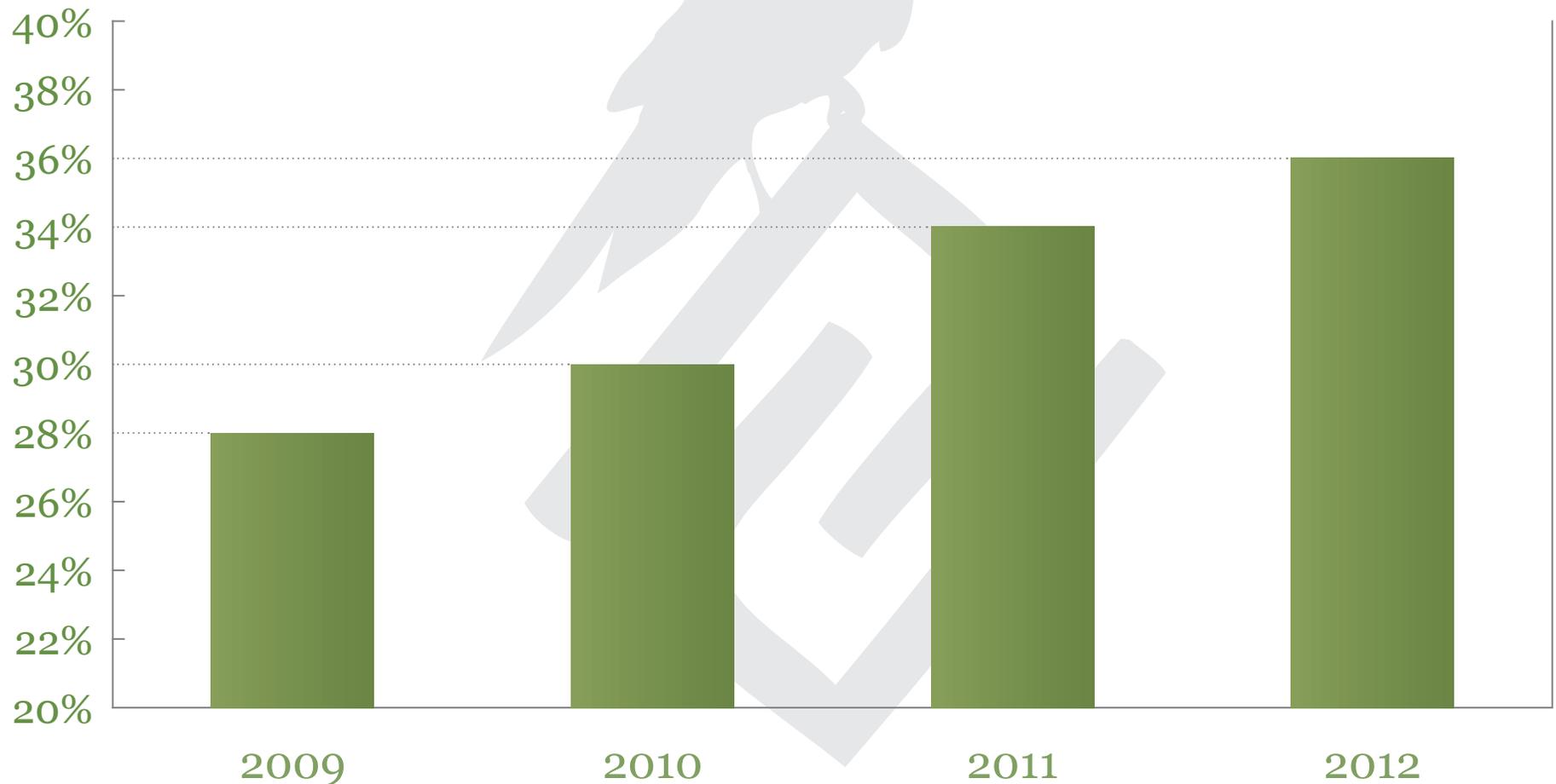
Source: Investopedia, October 26, 2011

55% of freelancers  
expect to make more  
money in 2012.

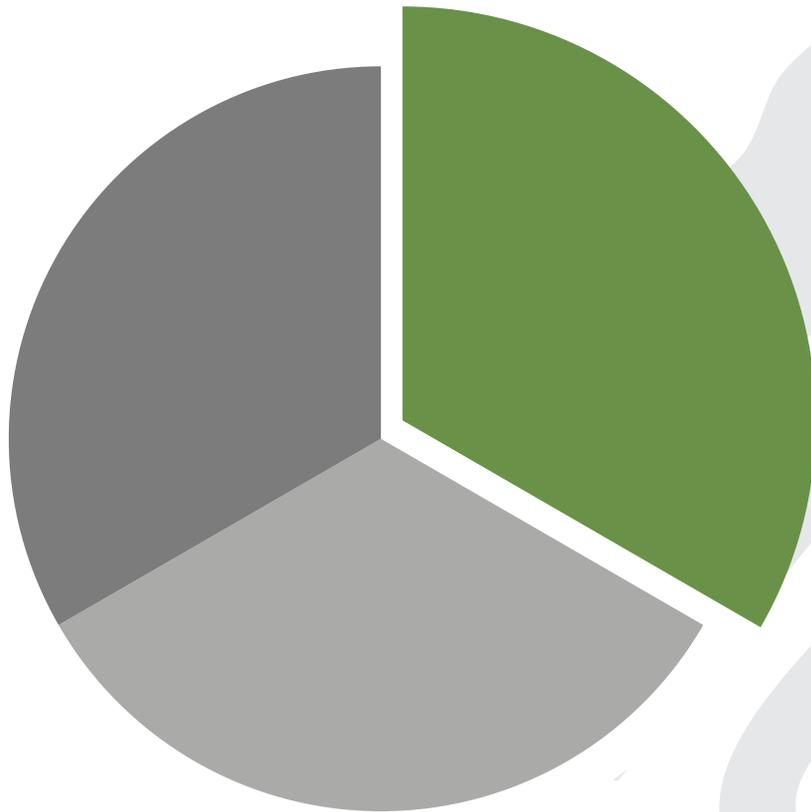


Source: Mashable, June 22, 2012

# Percentage of new US companies hiring contract or temporary workers:



Source: Careerbuilder, January 2012



An estimated **1/3** of American workers earn their paychecks from **freelance work** (42 million total freelancers).

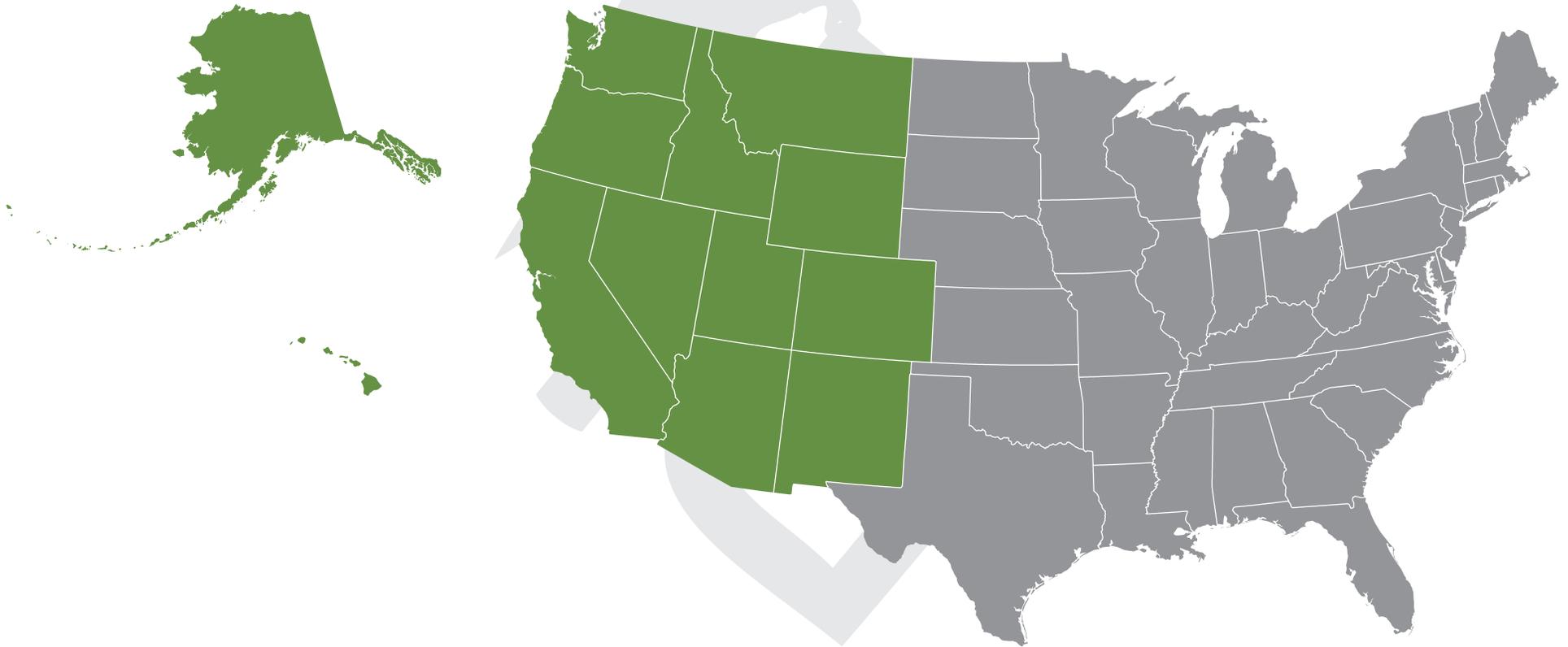
Source: Freelancer's Union

54

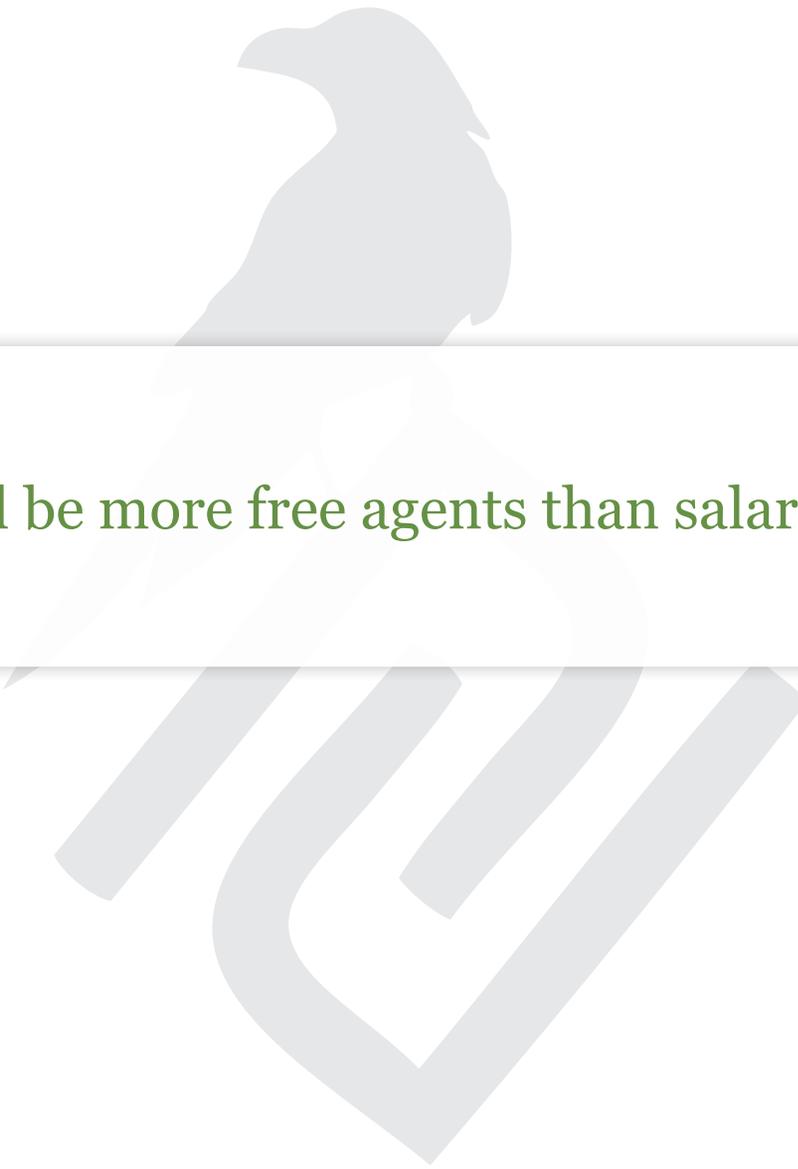
Percentage of workers employed by customers of Elance who will be freelancers in 2017.

Source: Elance, June 13, 2012

By 2020 there will be 70 million free agents - equivalent to the entire population of the western United States.



Source: MBO Partners



By 2020 there will be more free agents than salaried employees.

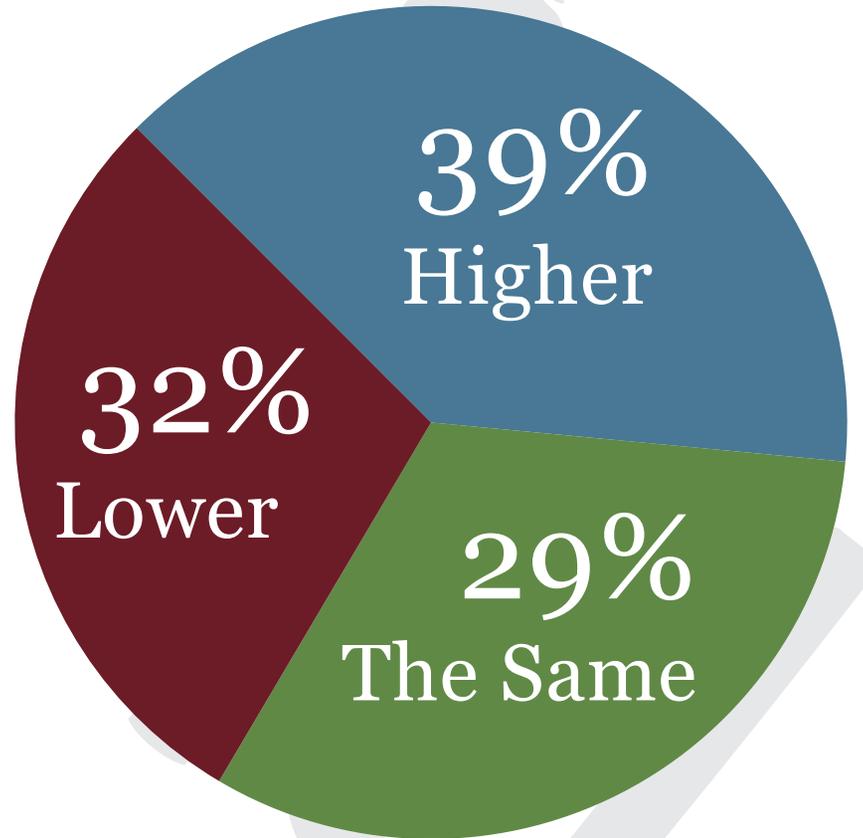
Source: MBO Partners



The Freelancers Union is the now fastest-growing labor union.

Source: The Guardian, February 7, 2012

# It's Not the Money (for most...)

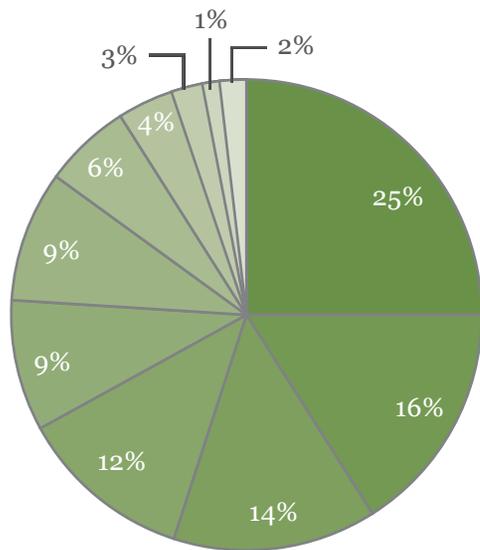


Median difference in total income for 1099's vs W2's: **30%**  
Percentage making less than they would as W2's who would prefer to be W2's: **31%**

Source: Maven Freelancer and Independent Consultant Survey, February 26, 2012

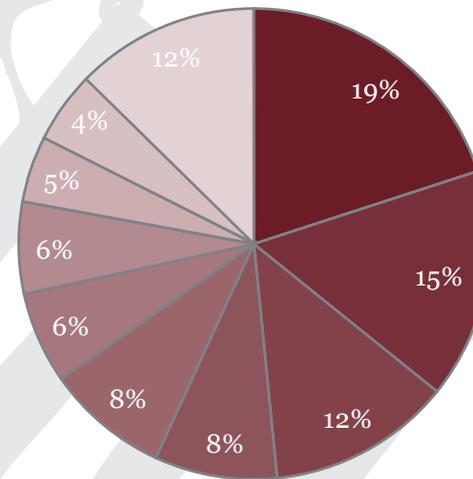
# Advantages and Disadvantages of Freelancing

## Advantadges



- Flexible Schedule
- Pick/Choose Projects/Clients
- Interesting/Varied Work
- More Money
- Flexible Location
- Control/Decision Making
- No Politics
- Prestige/Greater Sense of Accomplishment
- More Opportunities
- Shorter Hours
- All Others

## Disadvantadges



- Income/Cashflow Instability
- Uncertainty of Next Gig (Pipeline, Constantly Marketing)
- Lack of Job Security
- No Benefits
- No Support Staff
- Payment Collection/Timing
- Loneliness
- Expenses
- Home Life Impact (Travel, Hours, etc.)
- Always an Outsider
- All Others

Source: Maven Freelancer and Independent Consultant Survey, February 26, 2012

# Average Number of W-2 Employees of New Businesses

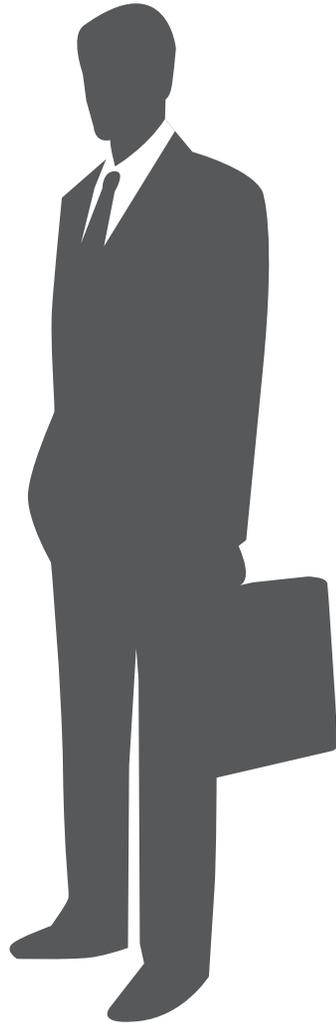
1999:



2011:



Source: Kauffman Foundation



The number of non-employer  
businesses grew by

**33.8%**

from 2000 to 2010

“Essentially we’ve created a contingent, freelance economy. There’s still money to be made, innovations to be marketed and ideas to be harvested. The difference is that many businesses today are choosing to hire on an as-needed basis, relying on a freelance workforce. **But rather than being traditional freelancers, many of these people have become freelance entrepreneurs, crafting businesses out of projects.**”

– Rieva Lesonsky, Former Editor, Entrepreneur Magazine

Source: US Census Bureau

