Going, Going, Gone: New Study Reveals Workers Flip The Script on Traditional Work



New research from MBO Partners shows 64.6 million Americans are now working independently, a dramatic 26% year over year increase and 69% growth since 2020

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The signal finding of the <u>MBO Partners</u> 2022 State of Independence report is the continued surge in independent work, with more than half of all Americans now freelancing or have freelanced at some point in their careers. Upended by the pandemic, 64.6 million Americans now pursue independent work, a dramatic 69% growth since 2020.

There have never been more payroll jobs in the U.S.: 153 million, and there have never been more people working independently. Across the board, the old stereotypes and tropes about independent freelancers and workers are being upended. Independents are growing in number, becoming more centered in the economy, and forming connections to one another and to companies large and small. Further, the old tension of payroll jobs draining the independent workforce has been eradicated as workers get comfortable with owning their economic reality by creating their own jobs.

"Beyond the pandemic and macroeconomic climate, the underlying factor driving the thrust in independent work is institutional mistrust," said Miles Everson, CEO, MBO Partners. "We don't trust institutions to have our best interests at heart and our proof points have mounted as we have faced the challenges of the past few years. As we have come to question our view of security, workers have realized that creating a job is no greater risk than having a traditional job."

The annual <u>State of Independence in America report</u> is the country's longest-running end-to-end study of the American independent workforce, now in its 12th year.

This year's study showed six key insights about the independent American workforce, including:

Demand is boosting supply. The number of Full Time Independents, those regularly working more than 15 hours per week, soared 27% to 21.6 million, up from 15.3 million in 2019. By 2025, more than half of all Americans will be independent or will have worked independently at some point in their careers – a massive tipping point in the conversation about the future of work.

Happier, healthier, and more financially secure. People are increasingly turning to independent work to regain control and autonomy over their life and their career. And they're happy doing it, with 76% reporting that they are "very satisfied," 87% saying they are happier, 80% reporting better health, and 67% feeling more financially secure than their traditionally employed counterparts.

Test driving independence grows in popularity. The number of Occasional Independents—people who earn money periodically by working at least once a month as an independent—more than tripled from 2020 to 2022, rising from 15.8 million to 31.9 million. These workers do so by and large to supplement income (the side hustle is real) but also to build a bridge to a larger independent career, to fill a passion, and more.

Younger workers call the shots. While Millennials (ages 27-42) are the largest independent cohort, Gen Z (ages 18-26) are coming into the scene in larger numbers vs. opting for a traditional career. Together, these two groups make up half of the independent workforce and are predicted to be the dominant force by 2023. What does this mean? As younger workers take their careers into their own hands, the workforce must evolve to match where the workers go, and that work is independent.

Independents are becoming increasingly diverse. Between 2019 and 2022, the proportion of white independents fell from 84% to 77%, while African Americans doubled from 7% to 14%. Among the creator economy, those who earn money by creating and distributing digital content, the percentage is even higher, 20%.

With hustle, there is flow. As the number of independents rise, more are reporting higher incomes, with some 4.4 million earning more than \$100,000 in 2022. That's up 16% from last year, and it comes on the heels of a 27% increase in 2021, due in part to the economy's recovery from the pandemic.

To obtain a copy of the full 2022 State of Independence study, please visit https://www.mbopartners.com/state-of-independence/.

About MBO Partners®

MBO Partners is a direct sourcing platform that enables enterprises and independents to work efficiently together. Its unmatched experience and industry leadership enable it to operate on the forefront of the independent economy and consistently advance the next way of working. For more information, visit **mbopartners.com**

Contact Details

Karen Swim

karen@wordsforhirellc.com

Company Website

https://mbopartners.com

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