

Happier, Healthier & Wealthier

State of Independence
in America 2022

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01

Realizing Gains in a Volatile Economy

Introduction: Realizing Gains

In recent months, volatility in both the markets and the economy has become a feature, not a bug.

The Federal Reserve, combating inflation for the first time in more than a generation, is raising interest rates aggressively. The global system continues to absorb and cope with shocks—ranging from a pandemic to war, from inflation to supply chain issues. But one feature has remained constant amid this change and disruption: the strength of the U.S. labor market.

Twenty-nine straight months of jobs growth have added 22.5 million payroll jobs, recouping all the jobs lost in the pandemic and then some. With an unemployment rate of just 3.5%, there were still 10 million job openings in the U.S at the end of August. There have never been more payroll jobs in the U.S.: 153 million. And there have never been more people working independently.

The signal finding of the MBO Partners 2022 State of Independence report is the continued surge in independent employment.

There are 64.6 million independent workers in 2022, up 26% over 2021. 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.


Last year we called out the Great Realization: the growing sense that for more people, working independently is a path that offers opportunities and potential for greater security, happiness and satisfaction. In 2022, we have added another layer to the Great Realization.





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.

They are finding work in different ways and have a fundamentally optimistic view about their own prospects, health, and purpose.



In the past, the payroll and independent jobs markets were in tension—a strong payroll jobs market tended to drain people away from the independent workforce. But this year we have learned that a booming payroll jobs market can coexist with a rapid increase in the number of independent workers.

This development not only shows the power of the U.S. as a job-creating engine, but also highlights the trends and forces spurring the growth of independent work. Beyond the macroeconomic climate, fundamental changes in work are increasing the demand for independent workers and helping to boost its supply.

And Americans in greater numbers are opting for flexibility, autonomy, control, and work/life balance.

These trends, which paint a rich picture underlying the motivations, needs and desires of independent workers, are the subject of MBO Partners' 2022 State of Independence Report. In our 12th year of this study, we continue to probe the psyche and gauge the mood of America's rapidly growing independent workforce.

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Another Year of Remarkable Top-Line Growth

During the post-Great Recession expansion, between 2015-2020, the number of independents remained essentially the same. The number of Full-Time Independents fell as the job market strengthened, from 17.8 million in 2015 to 15.3 million in 2019.

But in the years since the pandemic hit, there has been a step change. From 2020-2022, the total number of

independents grew 69%, and the number of Full-Time Independents grew an equally impressive 59%, from 13.6 million in 2020 to 21.6 million in 2022.

The number of independent workers soared 26% in 2022 to 64.4 million, from 51.1 million in 2021. This follows last year's unprecedented 34% year-over-year increase.

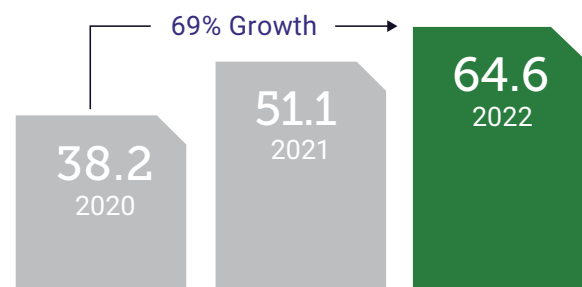
The number of Full-Time Independents is increasing because the macroeconomic climate, the infrastructure, and the attitudes surrounding independent work are becoming more supportive.

From the evolving policies of large corporations to the platforms that enable and encourage people to market themselves and monetize their skills – independents now stand on a broader base.

The number of Occasional Independents—people who earn money periodically by working at least monthly as an independent—more than doubled from 2020 to 2022, rising from 15.8 million to 31.9 million. The increase can be ascribed to several factors. Many people were pushed out of full-time work in 2020 and

2021 due to Covid, to care for children who weren't in school full-time, or to care for parents, and haven't been able to seek full-time employment. But they still want to work and there is high demand for their skills. Others may be turning to part-time work as a bulwark against rising costs due to inflation and insecurity stemming from the volatile environment.

Number of Full-Time Independents
(in millions)





02

Meet the
Independents

Meet the Independents

The more the independent workforce grows and expands, the more closely it resembles the American workforce at large. At one end, older workers (Boomers, ages 58-76, and the Matures, those over 76) are leaving the workforce. Gen X (ages 43-57) is moving into middle age, and, in some instances, into the latter stages of their careers—and thus leaning more into independent work.

Millennials (ages 27-42), the largest cohort, are assuming greater prominence in the workforce, while Gen Z (ages 18-26) is coming onto the scene in larger numbers. Boomers and Matures accounted for only 23% of Independents in 2022, down from 26% in 2020, while Gen X increased its presence from 23% to 28%. Millennials (34%) and Gen Z (15%) —the two youngest

working age cohorts—together account for about half of the independent workforce.

The independent workforce in 2022 is 50% female and 49% male, essentially the same as last year.

It's well-established that the young cohort in the U.S. is the most ethnically and racially diverse. And as more Gen Zers enter the workforce, the racial composition of the independent workforce has shifted over the past three years.

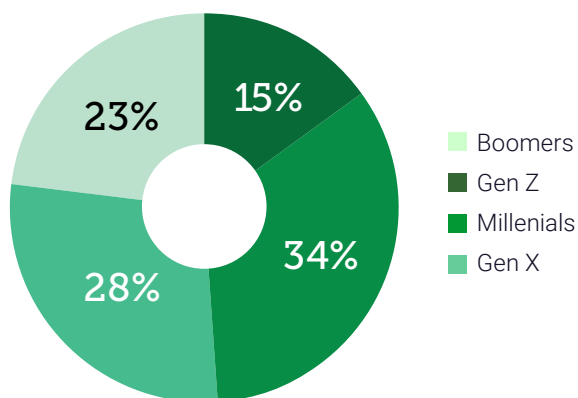
Between 2019 and 2022, the proportion of white independents fell from 84% to 77%, while African Americans' doubled, from 7% to 14%.

In addition to Gen Z's impact, African Americans comprise 20% of the creator economy, which has grown dramatically over the past 3 years (see the Creator Economy section below).

Between 2019 and 2022, the proportion of Hispanics/Latinos rose from 4% to 7%, while the share of AAPI (Asian American/Pacific Islander) remained constant at 4%. Because the State of Independence survey is conducted in English, it is likely the study undercounts non-English speakers in the independent workforce.

2022 Independent Worker Demographics

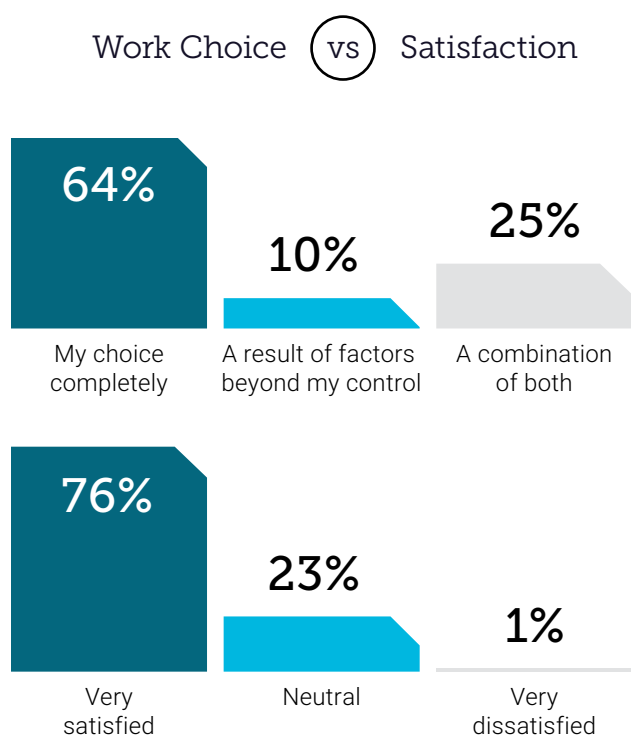
Male: 49% | Female: 50%



All in Their Feelings

Overwhelmingly, independents say they want to work in this way. In the history of this survey, notwithstanding a slight decline during the pandemic, the proportion who say they are doing it by choice has risen sharply.

In 2022, 64% of independents said working as an independent was their choice entirely, close to the pre-pandemic high of 67% in 2019, and consistent with last year. As in prior years, only 10% said they were working as independents because of other factors beyond their control, such as a job loss or inability to find a traditional job.



Satisfaction and confidence remained high, with 76% of independents saying they are very satisfied with independent work. Some 74% of independents say they are optimistic about the future of their careers. In 2022, 67% of independents said they feel more

secure working independently, unchanged from 2021; the proportion who see independent work as less risky than a traditional job rose from 29% in 2021 to 33% in 2022.

Raising their Sights.

And they want to keep doing it. In 2022, 54% of independents say they plan to continue working as independents, while only 12% plan to seek a permanent full-time job— consistent with prior years.

One noteworthy change has been in the proportion who view independent work as a vehicle to build a bigger business—nearly one in five independents (19%) said they plan to build a bigger business, up from about 12% in the pre-pandemic years.



Focus on Well-Being.

The approach to work speaks to a deeper set of basic human needs: to be happy and healthy. In 2022, among independents, 84% said they are happier working on their own. Not surprising, given the increased focus on both physical and mental health in the workplace, there has been a huge uptick in the proportion of independents saying that working on their own is better for my health: 80% said so in 2022, compared with 69% in 2019.

Enduring Challenges.

There are challenges embedded in working this way—chief among them is the lack of job security, volatile income, and the need to set boundaries.

The top challenges cited by Full-Time Independents in 2022 were consistent with those in 2021, but the frequency with which they are cited has trended steadily downward since 2011.

Happier and Healthier Full-Time Independents

😊 87%

I am happier working
on my own

♥ 80%

Working on my own is
better for my health





The most cited challenge is not enough predictable income (43%, down from 55% in 2012), followed by concerns about the next job/pipeline (32%).

Life Goals

We know that people work not just to make a living and to pay their bills, but to realize their ambitions and achieve personal goals—however they define them. This year we asked Full-Time Independents several questions about how successful they are at meeting their life goals. The questions were the same as those used in the Flywheel Associates State of Career and Work Success Survey, which allows us to compare Full-Time Independents with the overall U.S. adult workforce in terms of their views on if they're meeting their life goals.

Full-Time Independents self-ranked consistently higher on key personal elements. Some 65% of Full-Time Independents said they were helping others, compared with 59% of U.S. adults; 63% of Full-Time Independents said they were spending enough time with family, compared with 55% of traditional workers.

More Full-Time Independents say they are getting the most out of life (57%, compared with 52%), and experiencing personal growth (64% to 54%).





03

How They
Work Today

Finding Work

For independents, finding work has always been about leveraging the power of peers, communities, and connections. But the shape of those communities and the places where that communication takes place have evolved swiftly. The ability to find work and progress in that work tends to be dependent on “word-of-mouth”—what others who are familiar with you say and think about you.

What’s changed is the form word-of-mouth takes, the forums in which it takes place, and the folks who provide the relevant information.

In a nutshell, there has been a huge shift away from former employers influencing the ability to work in favor of digital platforms. That makes sense, given the way that we communicate. But there’s something deeper at work. For individuals around the world, the community in which they operate is less centered on where they might have worked and the people they encountered in the office. Today, with so much

business, commerce, and communication taking place online, new communities are instead forming around these powerful platforms and networks.

In 2015, most independents—81%—said they found work through word-of-mouth. But in 2022, only 51% said word-of-mouth was important. Independents are relying more on one another (24% said other independents are a source of work.) But the real boom has come from online marketplaces and social media.

The pandemic and the shift to remote work led to a big jump in independents using both online talent and commerce marketplaces. Online talent marketplaces have increasingly become a key sales channel for independent workers who sell services to businesses.

This year, 4 in 10 (41%) independents who provide services to businesses report finding work on talent platforms in 2022, up from 15% in 2015 and just 3% in 2012.

Use and Projected Use of Online Talent Marketplaces
(Full and part-time independent workers providing services)

	2012	2015	2018	2019	2020	2021	2022
Used an online talent platform to find work over the past 12 months	3%	15%	22%	24%	27%	40%	41%
Plan to use online talent platform to find work over the next 12 months	4%	18%	24%	29%	33%	43%	46%

The use of online commerce marketplaces (such as Etsy and Airbnb) by independents has also surged. This year, 23% of independents said they found customers through commerce marketplaces, up from only 9% in 2015 and 2% in 2012.

Using social media to find work or customers has also substantially increased. This year, 36% of independents found work on social media, up from 17% in 2015. This doubling speaks to the rise of social selling and the growth of the creator economy, both of which rely on social media to find customers. Three-quarters of independents also said social media is very important (34%) or somewhat important (41%) for building a reputation. More broadly, given the fact that people relate to, refer to, celebrate, and acknowledge one another on Twitter and LinkedIn, social media is word of mouth in 2022.

Percentage Using Social Media to Find Work/Customers

2021

20%

2022

36%

More broadly, given the fact that people relate to, refer to, celebrate, and acknowledge one another on Twitter and LinkedIn, social media is word of mouth in 2022.



Teaming Up

Work increasingly gets done in teams, not only inside organizations and between companies, vendors, contractors, freelancers, and other business partners, but also among independents themselves.

Not surprisingly, independents are thriving when it comes to working in teams. The independent workforce is not simply a group of isolated, atomized contractors, sitting in front of screens by themselves.

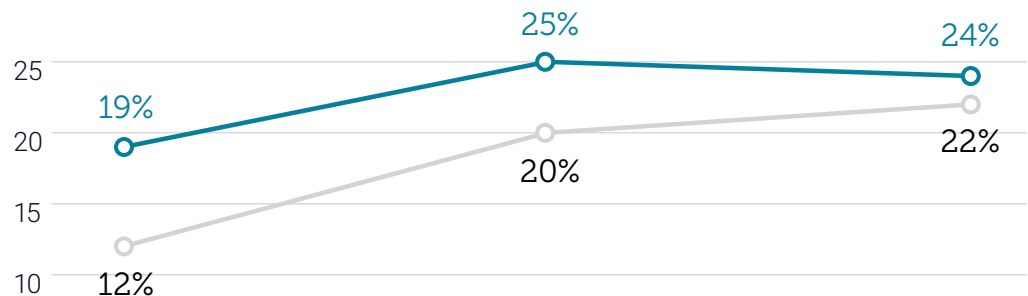
In the past 12 months, 26% of Full-Time Independents said they had teamed up with independent workers or microbusinesses in their work, roughly equal to 25% in 2021 and up considerably from 19% in 2020. Independent workers also think teaming with other independents will increase, with 30% saying they will likely team with other independent workers over the next year.

Traditional job holders also report that teaming with independent workers is increasing. In 2022, 22% of traditional job holders reported they had teamed with

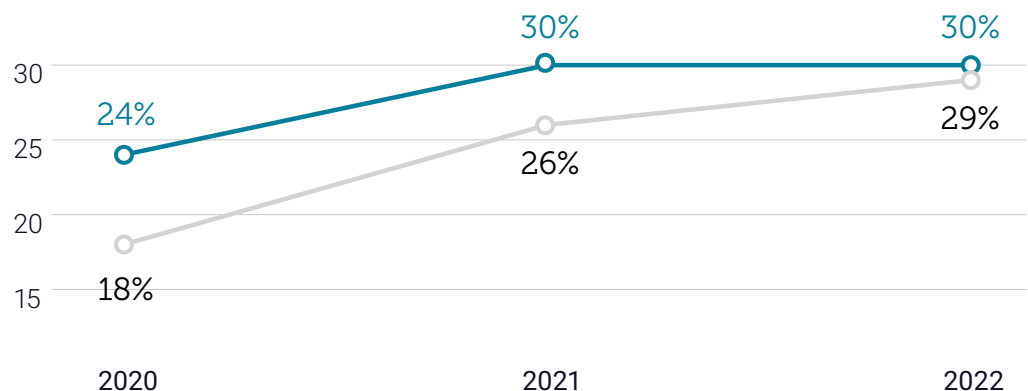
Independent Worker Teaming Continues Upwards Trend in 2021

■ Full-Time Independents ■ Full-Time Traditional Workers

In the past 12 months have you teamed up with independent workers or microbusinesses in your work? Percent saying yes.



How likely are you do so over the next 12 months? Those saying definitely or probably.





an independent worker or microbusiness at work over the past year. That's up from just 12% in 2020. And 29% of traditional jobholders say they will likely team with independent workers at work over the next year, up from 18% who said so in 2020 and 26% in 2021.

The main advantage of teaming for independents is to be able to get more done in a cost-effective manner.

To a degree, independents are starting to mimic bigger service firms—striving to accomplish more and earn more by deploying teams of workers instead of working alone. Independent workers who are good at what they

do—but not necessarily at generating business, or who don't like to sell—are learning that teaming up allows them to focus on what they like best: doing the work.

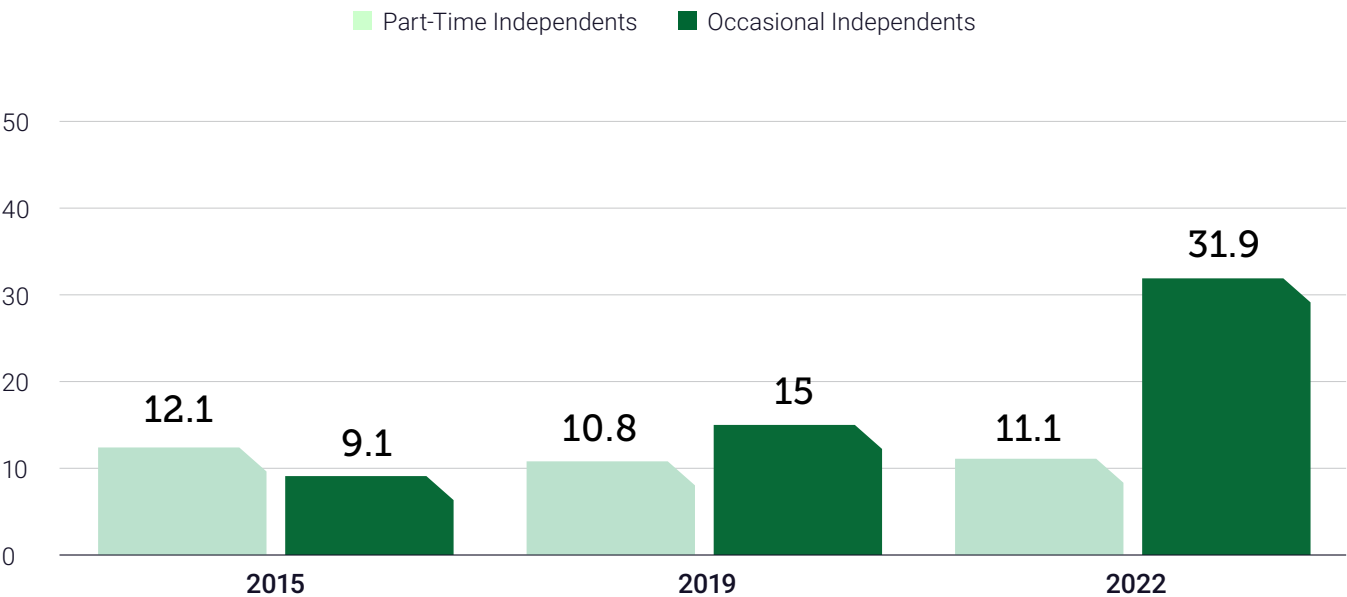
Clients are learning that hiring teams is more productive and that it makes good business sense to purchase a finite and cohesive result, rather than individual components of a project that they must manage. In the growth of teaming, we see more independents behaving like owners of larger work outcomes, not just as deliverers of spot projects.

The Side Hustle is Real ... and Growing

By far, the fastest growing segment of independent work is the group we call Occasional Independents. These are Part-Time Independents who don't work a regular schedule, but instead work irregularly and periodically. We also refer to this cohort as side-giggers or side hustlers. Most have other paid jobs or are busy with other primary activities such as caregiving,

homemaking, or attending school. Since we first started tracking Occasionals, their numbers have more than tripled, growing from 9.1 million in 2015 to 31.9 million in 2022. The fastest growth occurred over the past two years, with the number of Occasionals growing 51% in 2021 and 34% in 2022.

Part-Time and Occasional Independent Numbers



The biggest driver in the growth of Occasionals and Part-Time Independents (independents who work more regularly than Occasionals—on average weekly but fewer than 15 hours per week) is the need for supplemental income. Amid rising inflation, many Americans have found that their income simply hasn't kept up with rising costs, especially for education, health care, and housing. For this group, part-time

independent work has become crucial to making ends meet and to shore up shaky finances.

In 2022, and consistent with prior years, 71% of Part-Time and Occasional Independents cited supplemental income as a reason for working independently.



Other reasons for becoming an Occasional Independent include starting a passion business, testing the prospect of going independent with part-time work, or developing new skills.

The rise of the creator economy, for example, has resulted in several million Americans pursuing their creative interests and earning money with a creator economy side-gig.

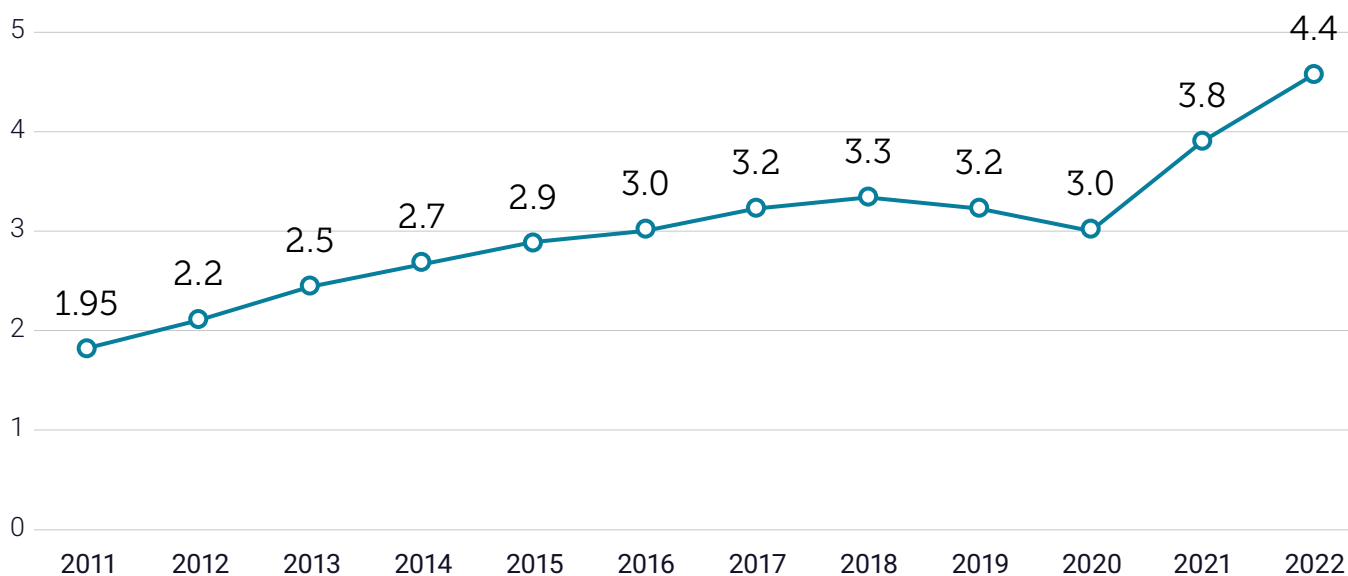


High-Income Independents

The number of independents who reported high incomes is growing rapidly, 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.

Between 2011 and 2022, the number of these High-Income Independents has more than doubled, while the share of Full-Time Independents saying they earn more than \$100,000 has risen from 12% in 2011 to 19% in 2022—nearly one in five.

Number of Independents Reporting Annual Earnings of \$100k+
(in millions)



Several key shifts and trends are driving this growth. Organizations are increasingly turning to highly skilled or external expert talent to achieve their business objectives. MBO Partners' recent study, [The Contingent Labor Imperative](#), found that most corporations have increased their use of independent workers over the past few years and two-thirds (67%) plan on increasing their use even more over the next 18 months and then further out 5 years. Recent studies by BCG, Deloitte, and MIT echoed these findings. Meanwhile, the war for

talent and talent scarcity in fields such as IT, biotech, supply chain and marketing enables highly-skilled independent workers to attract more work and increase their fees or wages. Strong demand is also leading more highly-skilled professionals—especially aging Baby Boomers looking for their next chapter—to leave traditional employment for independent work. Many of these independents can immediately earn \$100,000 or more.

04

Working From the
Road: The Continued
Growth of Digital
Nomads

Working From the Road: The Continued Growth of Digital Nomads

Digital Nomads—people who embrace a location-independent, technology-enabled lifestyle— have moved from being eccentrics to mainstream in less than a decade. In 2022, 16.9 million American workers currently describe themselves as Digital Nomads, up 8% from 2021 and a staggering 131% from the pre-pandemic year 2019.

Another Year of Digital Nomad Growth



Digital Nomads skew young and male. The younger generations, Gen Z (17%) and Millennials (47%), comprise most Digital Nomads and 59% of Digital

Nomads are male. But older cohorts and women are well represented. Over one-third (37%) of Digital Nomads come from the two older generations, almost one in 10 (9%) are older than 60 and 41% are female. Most Digital Nomads (66%) have traditional jobs. But 5.8 million Full- and Part-Time Independents are combining work with their passion for a nomadic lifestyle.

As might be expected due to the easing of the pandemic and more workers returning to their physical offices, the growth in the number of American Digital Nomads slowed to just 8% in 2022.

But the factors driving the growth of digital nomadism are still firmly in place. People want to travel, awareness and interest in digital nomadism are growing, and the shift to remote work will continue to be a powerful enabler. We anticipate additional growth in the number of Digital Nomads over the next few years.

See the MBO Partners research brief [The Aspirations and Reality for Digital Nomads](#) for more detailed information on the digital nomad trend.



05

The Creator Economy

A woman with short brown hair is shown from the chest up, wearing a dark grey sweater and large black headphones. She has her eyes closed and a slight smile, holding the headphones with both hands. In the background, a camera on a tripod is visible, and the setting appears to be a studio or a room with curtains. The lighting is warm and focused on the woman.

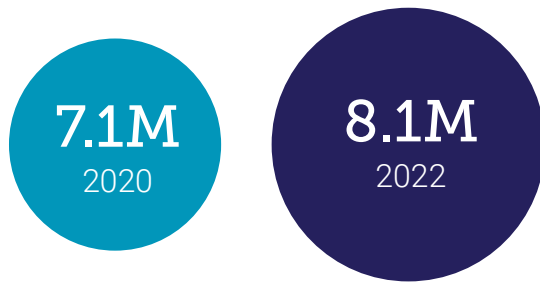
The Creator Economy

Almost by definition, the millions of people working in the burgeoning Creator Economy are independent workers. In recent years, platforms like TikTok and Instagram have grown not just as places where people go for entertainment, but as marketplaces where they can discover music, advertise products, or conduct business. These developments have created a great deal of opportunity for

people with the talent and interest to work independently.

In recent years, we have begun to track the growth of **Independent Creators**. In 2022, the number of Independent Creators rose 14% to 8.1 million, from 7.1 million in 2021. Underneath the headline number, we are starting to get a picture of who these people are, how much they work and how much they make.

Number of Independent Creators
Increase 15% in 2022
(millions)



Most Independent Creators are young, with a bit more than a quarter (28%) of them aged 25 or younger and 74% aged 40 or younger.

This skew towards younger workers isn't surprising. Creators use platforms favored by younger generations like YouTube, Instagram, Patreon, Twitch, and TikTok to create, distribute and monetize their digital content. Most creators are men (62%).

Less than one-third (31%) of Independent Creators work full-time as digital content creators, with the rest (69%) reporting working part-time. As in other creative fields, the income levels show a substantial skew. Some 32% of Independent Creators make less than \$5,000 annually, while only 10% make more than \$100,000. About one-third (36%) report making between \$5,000 and \$30,000, while 22% make \$30,000-\$100,000.

Creators are quite satisfied with their work. Over 9 in 10 reports being highly satisfied (81%) or satisfied (11%) with their work, and only 2% are dissatisfied. The fact that many creators are pursuing a creative interest or passion is a key driver of these very high satisfaction levels.

See the MBO Partners 2021 research brief [Welcome to the Creator Economy](#) for more information. We'll also be releasing a new Creator Economy research report soon.



There is no standard, accepted definition of the Creator Economy or Creators.

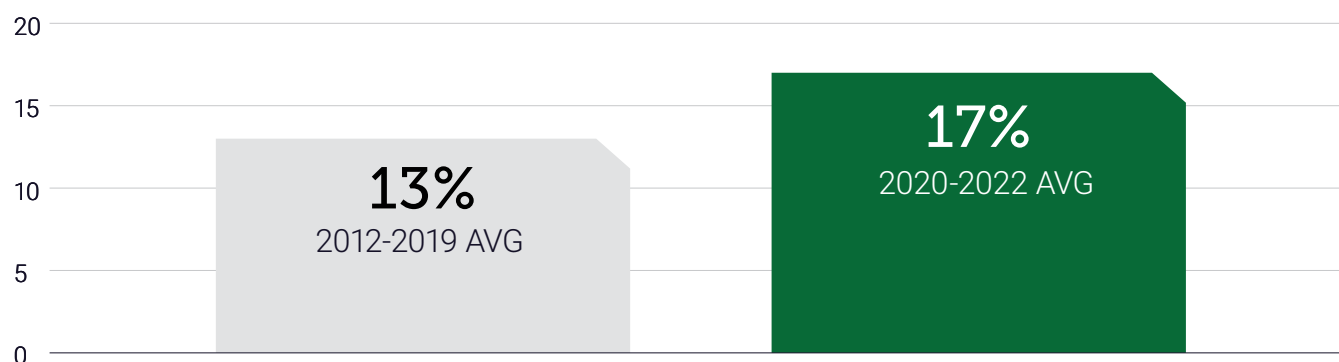
For this study, we defined them as independent workers who earn money by creating and distributing any type of digital content. We identified creators through a series of questions about their independent work and digital content creation and monetization activities.

The Pandemic Increased Interest in Independent Work

From 2011 to 2019, this study consistently found that about 12%-14% of Americans reported that they were planning to become an independent worker over the next two to three years. Other studies on entrepreneurship and freelancing over this timeframe, such as the [Global Entrepreneurship Monitor \(GEM\) study](#), yielded similar results.

However, the COVID pandemic changed how workers viewed their jobs and how work fits into their lives. With more people actively seeking better work/life balance, shorter commutes, greater flexibility, and the ability to pursue their passions, the number and proportion of Americans reporting they plan on becoming independent workers are on the rise.

Interest in Becoming Independent



Starting in 2020 and continuing in 2021 and 2022, 16%-17% of Americans—about 33 million—who aren't independent workers reported they plan on becoming independent over the next 2-3 years. That translates to an additional 5 million Americans who are planning to become independent compared to the years prior to 2020. When we asked those planning to become independent if the COVID-19 pandemic made it more likely they would do so, in 59% said yes in 2021, and in 60% in 2022 said yes.

Our tracking studies over the past decade indicate that about 9%-13% of those saying they plan to become independent will follow through and become independent workers over the next 2-3 years.

These higher levels of intention will likely lead to the continued growth of the independent workforce.



A Strong Foundation for Continued Growth

Looking at the changes over the past year—and over the past several years—reveals a vast workforce whose shape is constantly changing. The independent workforce is built on a powerful foundation and looks confidently to the future. Tens of millions of Americans are choosing this path because they can, because they want to, and, in some instances, because they feel they must. In a world of uncertainty and continual reassessment of priorities and choices, independent work has a great deal to offer. And to its credit, the larger economic and corporate system continues to evolve to accommodate, support, and even embrace the growing independent workforce.

In a world full of often-wrenching change, people are seeking to take greater control of their own destiny, exercise a sense of agency, and build strong

connections between their work and their own personal purpose. On all these fronts, working as an independent can be a path to empowerment and self-realization.

After 12 years of tracking the size and sentiments of the independent economy, we have finally reached a tipping point: independent work is now seen as mainstream, be it via a side hustle or a full-time professional career. In a world where top talent is hard to find, many leading organizations are turning strategically to engage independent talent alongside or in lieu of full-time, traditional labor.

But we're not yet 'over the hump,' so to speak. Many strides have yet to be made by the government, which needs to do further work to accept the size and impact of independent workers on the U.S. economy, as well as to recognize this vital and growing portion of the

American workforce as important labor contributors who desire independence and autonomy as a status, rather than preferring the at-times uncertain protection of traditional employment.

Additional recognition that this population is far from one-size-fits-all is also necessary. Steps have been made in the right direction, such as including independent workers as part of the CARES Act for pandemic relief in 2020, but further codification will be necessary to truly achieve change.

And still, changes need to be made to the structure and nature of work overall, with enterprises clearly

articulating the importance, mix, and strategic value of incorporating independent labor alongside traditional full-time employees. Enterprises must enable their organizations to both recruit and retain independents in a holistic total talent management approach, a concept often discussed but too rarely performed at efficient scale.

As societal and economic factors continue to drive pressure on enterprises to compete effectively for top talent—and as more workers opt for the freedom and empowerment of self-employment—this important segment of the American and global workforce will continue to grow.

Methodology

The findings in this research brief come from the 2022 MBO Partners State of Independence in America study survey, which was fielded in July 2022. This is the 12th consecutive year this study has been conducted. For the 2022 study, Emergent Research and Rockbridge surveyed 6,488 residents of the U.S. (aged 18 and older), including 934 independent workers. The results were used to size the independent workforce and profile work motivations and attitudes among independent and traditional workers. The survey results were weighted to reflect the demographics of the U.S.

About MBO Partners®

MBO Partners is a deep job platform that connects and enables independent professionals and microbusiness owners to do business safely and effectively with enterprise organizations. 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 [our website](#).

