Looking Forward
What Will the Independent Workforce Look Like in 2027?

As businessman Peter Drucker once said, the best way to predict the future is to create it. For more than 20 years, that's exactly what the team at MBO Partners has done, by working tirelessly on solutions that help independents and their clients work together safely, easily and effectively.

As we head into busy fall season, we can't help but take pause for a moment and consider… how much of has changed since we started MBO Partners in 1996, or since we began State of Independence in America, the longest-running look at the independent workforce, in 2011? Many of the predictions we've made over the years, like the explosive growth of the independent workforce, or the increase in demand for professional talent, have since come true. With more than 40 million Americans currently embracing the independent lifestyle full- or part-time, however, we can confidently say that independent work is much more than just a passing phenomenon.

But we're never content to just enjoy the present, as we always want to be prepared for whatever the future might hold. So we've taken a deep look in our crystal ball, sifting through our own SOI data, in-depth research like that produced by names like McKinsey Global and Intuit as well as spoken to other industry leaders to offer insight into what the workforce of the future might look like as it relates to independents in the next 10 years.

Here are our 10 predictions for the next decade of independent work.

1. In 2027, more than half of the workforce will be, or will have been, an independent.

   We have more than 40 million Americans, about 32% of the current private workforce, currently working as independent professionals, a number that has grown for each of the seven years of our SOI study.

   Currently, 16.9 million of these workers are independent full time, meaning they work 15 or more hours per week as independents.

   By 2027, this number will swell, and close to 6 in 10 (58%) of Americans will be independent, or will have worked independently at some point in their careers.

2. Independents will cycle in and out of traditional employment.

   Satisfaction levels for independents are the highest they've ever been – 74% of independents say they are highly satisfied, up from just 65% in 2016, and fully 65% say that working independently was their choice completely. However, that doesn't mean that just because one becomes independent, one will stay so for the rest of their career.

   People will continue to go independent in record numbers, for reasons both personal and professional, ranging from desire for flexibility and work-life balance to ability to earn more income and take control of their professional career. Many will return to full- or part-time traditional work as they need to learn new skills or advance their careers, and then cycle back to independent work as desired, such as in retirement or after the birth of a child.

   This shift is not a failure on the part of independence, but rather a trend towards a new way of working that puts the individual, not the employer or client, in control of one's own career future.
A barbell effect will continue.

As independent work continues to become more and more mainstream, we'll continue to see large scale growth at both the high and low ends of the economic spectrum in the coming years. At the low end, independents will continue to partner with commodity platforms like Uber and TaskRabbit to provide task-based services as a way to generate extra income, to socialize, or to fill a gap between jobs and gigs.

At the high end of the spectrum, we will continue to see independents earning over $100,000 per year to flourish. **2017 saw record growth in this sector**, with more than one in five independents reporting six-plus figure salaries in the 2017 State of Independence. Demand in areas like computer programming, biotechnology and human capital continues to grow, and organizations are turning to top independent talent to fill both long- and short-term gaps and to fill key projects and roles.

People will buy results, not labor.

As organizations grow comfortable with using independent talent, particularly at higher levels, they will begin to place a premium on the results achieved, rather than the worker. Much like a bill of materials in the hard goods manufacturing industry, work will then become productized and broken into smaller deliverables. Similarly, work will be broken in to tasks, and executed as components of a whole.

As ICs become more specialized, they will then be able to replicate components of work and earn higher profits (due to repeating and mastering a particular component) with less time while still giving buyers good value with fixed and determinable outcomes.

On the technology side, this will benefit workers gaining new clients via online marketplaces; in our 2017 survey, 20% of independents say they had used an online platform in the past year, up from just 3% in 2012. As these marketplaces evolve, they will be able to more efficiently enable branding and cataloging of service products while acting as an efficient distributor of work availability. We predict nearly all independents will use marketplaces to supplement or find work by 2027.

Independents will team up to get maximum results.

When bigger and more complex project needs arise, independents will become increasingly savvy about teaming to produce top results. Many independents are already engaging in episodic organizations, pulling together a team or hive of individuals to work towards a product or deliverable. Both client and the IC benefits. Clients enjoy a cohesive product without the hassle of managing multiple individuals, and ICs get the benefit of larger projects and the ability to network and partner with ICs who have adjacent and complementary skill sets.

Traditional consulting firms create partnerships, while this more modern approach of teaming is nimbler; it avoids the more complex, permanent decision, of partnership businesses and enables quick sharing of the relationship when and as needed.

For tenured independent professionals, this brokering can become quite lucrative; ICs that have established relationships and networks of talent and trusted buys can architect and organize the delivery of a talent and solutions without being a part of the delivery and earn compensation by brokering the relationships.
Automation and AI will create new opportunities.

Technology is maturing at a rapid rate, and the savviest independents will lean into these developments, rather than resist. At the high end, demand for skills like project management will increase, and many independents may find themselves existing not just with other independents, but with robots to do more menial or automated tasks. The resulting cobotic relationships will have major impacts on work, although the exact nature is to be determined.

While AI won’t take over our lives by 2027, some less skilled gig workers may find jobs being displaced as items like self-driving cars or drone-based delivery render certain types of gig work obsolete.

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Gen Z will become the most independent generation yet.

No generation is more comfortable with technology—and the benefits it can bring to the workforce—than Gen Z. By 2027, a large portion of this generation will be in the working world, and these digital, mobile-literate natives are expected to have huge impacts on the future of traditional and independent work alike. Gen Z are the most entrepreneurial of any generation to date, and value their independence — they are less swayed by brands and “influencers” than previous generations, making them perhaps less inclined to work for a company as an employee rather than “with” a company as an independent. They are also a unique mix of idealistic and rational, making them uniquely suited for the challenges and benefits of independent work. As Gen Z (currently aged 5 – 19) age into the workforce, we’ll continue to track their participation vis a vie other generations.

Traditional “Retirement” will no longer be the goal.

Workers are no longer retiring at age 65 with a gold watch and pension. Due to economic cycles, a lack of financial planning, and the sheer fact that people are living and healthy now well into their 80s, workers are finding themselves unwilling (or unable) to retire.

Further, as one gets older, they may find that they prefer flexible, part-time work to spend time with family, care for relatives, or to enjoy some much-deserved personal time. As a result, many Baby Boomers are taking up second careers as independents, where they can have control over when, where, and how much they work. This trend will most certainly continue, with workers pursuing passion projects well into their 80s and beyond.

Companies will need to attract top talent by being a Client of Choice.

The unique combination of a skills gap, talent shortage, and increasing desire among workers to have an independent career puts companies in the unique position of a war for talent not just for traditional employees, but for independents as well.

Companies will continue in the next decade to refine policies and procedures to attract top talent, with a focus on becoming a Client of Choice for the independent workforce. These areas include flexible and attractive payment and contract terms, preferred talent networks and preferential vehicles to engage and re-engage top talent easily, and active recruitment of top independent talent for open positions.
As the tide shifts towards a predominantly independent workforce, we will see changes in legal policy and federal law need to change to keep pace with this fast changing economy. Under the Trump administration, which has pledged to reduce regulation, we predict to see changes in the U.S. tax code to benefit independent professionals as well as the establishment of a safe harbor with protections and guidelines for the proper engagement of independent professionals. In the coming years, we may go as far as to see a certification or licensure established for compliant independent professionals, as championed in MBO’s own Certified Self-Employed proposal, or at the very least, better clarification as to the proper definition of an independent contractor under the law. It is our hope that these policies will help unleash the power of the independent workforce – a group that already generates $1.2 trillion dollars in annual revenue for the U.S. economy, further enabling independents to serve as an economic powerhouse that helps keep the nation on a strong economic path for years to come.