

11TH ANNUAL

State of Independence in America

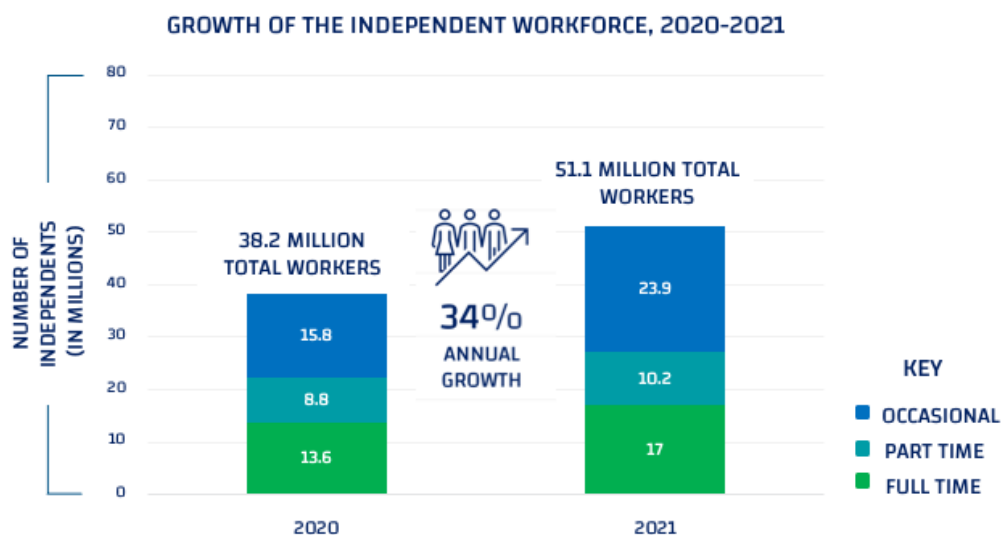
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From Great Resignation to Great Realization: Independent Work Numbers Surge

After falling by 7% in 2020 due to the pandemic, the number of independent workers rose to 51.1 million in 2021, a 34% increase.

2021's economic recovery and better management of the pandemic have resulted in a dramatic surge in the number of independent workers. Data from the 2021 MBO Partners® [State of Independence study](#)—the longest-running research of its kind in the world, now in its 11th year—found that in 2021, the number of independent workers grew an unprecedented 34% year over year, increasing from 38.2 million in 2020 to 51.1 million in 2021.



Both full- and part-time independent workers substantially increased year over year. The number of full-time independent workers grew by 25%, adding 3.4 million workers and bringing the full-time independent workforce to 17 million. The number of part-timers increased even more, with 9.5 million Americans joining their ranks. This is an increase of 39% in the number of part-time independent workers, swelling the part-time independent headcount to 34.1 million. The largest surge comes from those working occasionally (regularly, but without set hours per week) as independents. This number grew from 15.8 million in 2020 to 23.9 million in 2021, a 51% increase.

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Key Drivers of the Independent Workforce Surge

There are both short- and long-term drivers causing this surge in the independent workforce. These include:

1. The Great Realization:

As the pandemic fades, many Americans are rethinking what work means to them and how they want to define their lives. Rather than the so-deemed “Great Resignation,” we see this instead as “Great Realization,” where people are intentionally shaping lives and careers with greater purpose than they did in a pre-pandemic world. Many people pursue independent work for different reasons: to achieve better work/life balance, find work that interests them more, discover purposeful work that fits their values, and more.

Many of those quitting full-time work are drawn to independent work by the work/life flexibility, autonomy, and control it provides.



63%

of workers (up from 59% in 2020) say that working independently was their choice completely



77%

are highly satisfied, the highest level of satisfaction in our 11 years of data

2. The Need for Supplemental Income:

Despite the reopening of the economy, about 6 million fewer Americans are employed today than before the pandemic and millions more have seen their hours reduced by their employer. This has resulted in more people becoming independent workers to replace lost income.

73% of those who started working as part-time independents in the last year cited supplementing their income as a reason for becoming independent.



73%

3. Changing Views on Job Risk and Security:

The pandemic has reinforced a growing view that traditional jobs are riskier and less secure than they once were. As reflected in the survey data, a growing share of traditional job holders agree. In 2021, 29% of traditional jobholders said working independently is less risky than having a traditional job, vs. just 19% in 2019.

About two-thirds (68%) of full-time independent workers say that working independently is more secure than having a traditional job.

4. Platforms, Online Marketplaces, and Social Media:

Online platforms and marketplaces have made it easier and cheaper for independent workers to start their businesses and find customers. Among those who began as independent workers over the prior year, 40% report using online talent and product marketplaces to find new customers, up from 27% in 2020.

As comfort and experience with these ways of finding work grow, we expect to see more and more workers turn to these methods in the coming years.

40%

report using online talent and product marketplaces to find customers.

5. Growing Support Infrastructure for Independents:

The ecosystem of products, services, and programs makes it easier, cheaper, and less risky to become independent. The platform offered by MBO Partners is one example, while others include low-cost, Internet-based tools and services for everything from accounting, billing, and project management to sales and marketing.

When looking forward, the data shows that more people say they “definitely” or “probably” will become independent, with 17% of non-independents saying so, up from 16% in 2020.



50%

50% cite the ability to “feel more secure steering my own destiny” as a top reason to become independent.

Who Is Riding This Wave of Independent Work?

New independent workers—those who started their businesses in the past year—share many similarities with those working independently longer. But there are two key differences: on average new independent workers are younger and more likely to be female.

About two-thirds (68%) of new independents are Gen Zers (aged 18-25) or Millennials (aged 26-40), compared to only half (50%) of those who have been independent for more than a year.



The recession hit younger workers hard, leading many to join the independent workforce either for supplemental income or as their primary income source. Many younger workers have also decided that they don't want their lives defined by their work. Instead, they want jobs and careers that give them more autonomy, freedom, and control, making independent work more attractive to Gen Zers and Millennials.

New independents are also increasingly likely to be female. Over half (55%) identify as female, as compared to 46% in 2019.

There are numerous reasons for this, which will be explored in more depth in later briefs, but it is worth noting that this pandemic-induced recession was the first U.S. recession in which women lost more jobs than men. There are many reasons for this, including but not limited to industries like service and hospitality, which have a larger percentage of women workers, being harder hit by pandemic job losses. Women also bore the brunt of caregiving during the pandemic, especially childcare and child education, due to schools going remote. This combination of factors led to more women seeking highly flexible independent work to earn income in a way that fit into their demanding schedules.

This research brief is just a key overview of trends found in the forthcoming MBO Partners 2021 State of Independence study. **Stay tuned for the full report**, scheduled for release later this fall.

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 mbopartners.com.

Methodology

The findings in this research brief come from the 2021 MBO Partners State of Independence in America study survey, which was fielded in July of 2021. This is the 11th consecutive year this study has been conducted. For the 2021 study, Emergent Research and Rockbridge surveyed 6,240 residents of the U.S. (aged 18 and older), including 928 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.

