

The Freelancer Confidence Index

Q2 2016

ipse
The Association of Independent Professionals and the Self Employed

Economist's Perspective

The quarter two (Q2) 2016 Freelancer Confidence Index (FCI) was taken against a backdrop of political and economic uncertainty linked to the United Kingdom's (UK) referendum on its membership of the European Union (EU). When IPSE surveyed freelancers in the summer of 2015, 60% had concerns that leaving the EU would make trade with EU nations harder. This may have had an effect on how they view the demand for their services, especially from companies that trade with the EU. There is also the possibility that their ability to seek work abroad may be curtailed as the issue of the free movement of people has not been addressed. Additionally in the lead up to the vote there were many warnings about the potential damage to the economy that Brexit might cause. Particular weight was given to the views of the former Chancellor and the Governor of the Bank of England, who both stated that leaving the EU posed significant threats to the UK's economy. While these warnings were being issued polls showed the leave campaign gaining significant ground in the final few weeks.

Freelancer confidence in both their own businesses and in the wider economy fell dramatically in Q2 2016 and both are now in negative territory, for the first time for the business confidence indices since the survey began. The survey ran from the 14 until the 28 June, and because more than 80% of the survey responses were collected prior to the announcement on 24 June, it suggests that the fall in confidence is mainly attributable to fears around Brexit, rather than the vote to leave the EU itself. When the data after the 24 June is compared to those who completed the survey beforehand, very little difference can be seen, as both sets of respondents are decidedly negative about the future of their business and the UK economy. This perhaps indicates that freelancers expected a vote to exit the EU.

An additional threat to freelancers' businesses in the last quarter has been the Government's proposal to tighten IR35 rules for Personal Service Companies (PSCs). One person limited companies will potentially face additional regulation and potentially higher tax bills if they work in the public sector and the wider freelancer population could be concerned that the Government will look to extend the tighter rules to the private sector, a move that would be extremely damaging to this flexible sector of the labour market. The impact this is having on freelancers' business confidence is shown by the fact that they still expect attitudes of government towards freelancing and regulation relating to hiring on freelancers as the top two factors that will negatively affect their business in the coming year.

Freelancers' falling confidence has, however, been in contrast to their actual business performance during the quarter. The data for Q2 2016 shows that, on average, freelancers have experienced higher levels of capacity utilisation and earned higher hourly rates, which together has resulted in markedly increased quarterly earnings. These results seem to suggest that the uncertainty about the future has had a more noticeable impact on confidence than their business' current performance.

Looking ahead, although freelancer confidence is at its lowest point ever in terms of how they see their business performance and the economy's performance, the attitudes of policy makers will be key to turning this around in the future.

While the negative performance of markets in the immediate aftermath of Brexit will likely further dampen confidence, the more tempered and accommodative approach which appears to have been adopted by policymakers since the referendum will prove supportive. Freelancers are often most sensitive to changes in demand but their flexibility is likely to be particularly valuable to the UK's businesses during the uncertain times ahead.

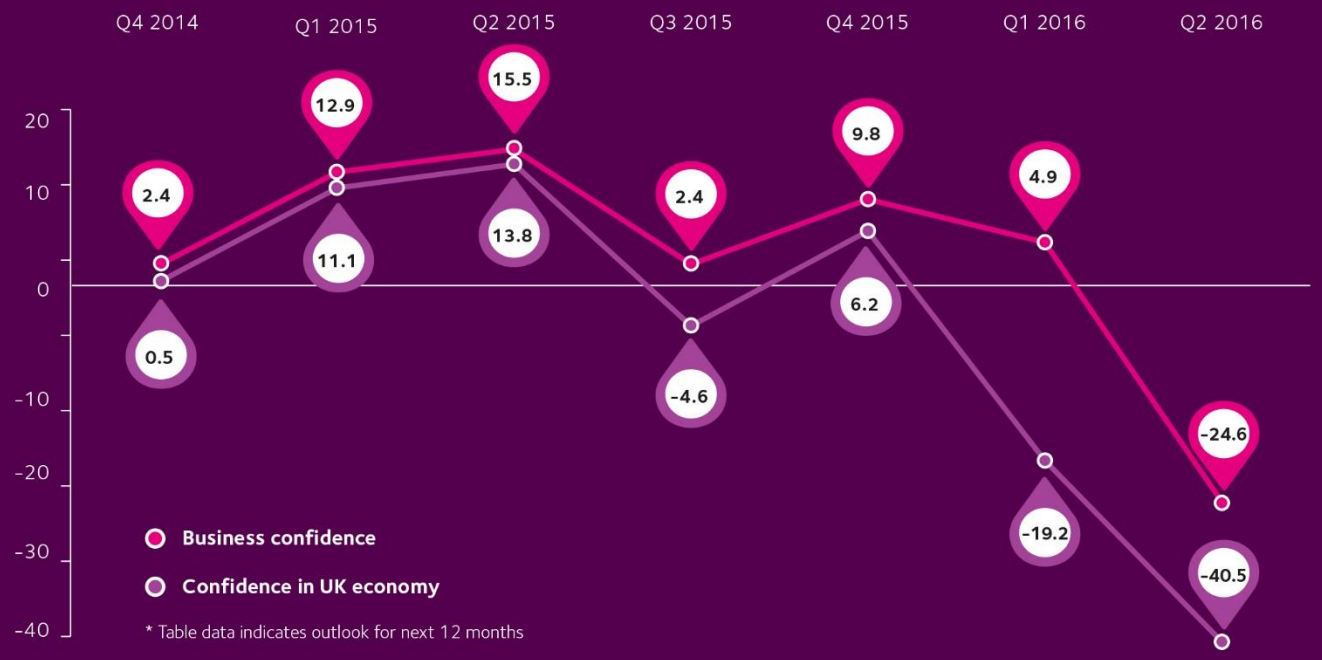
Freelancers' business confidence falls to lowest on record

Freelancer Confidence Index:

-24.6

(From -100 to +100)

Freelancers' business confidence plummets amidst expectations of an economic downturn



Business cost

Two thirds of freelancers expect their costs to increase in the next **12 months**

68%

of freelancers believe their costs will **increase**



Demand for freelance work

Despite economic uncertainty, demand for freelance work is the highest on record



On average over the last **12 months** freelancers have been on assignment **84%** of the time

Main drivers in declining confidence levels

Top factors lowering business performance in **Q2 2016**



Executive Summary

Freelancers' business confidence plummets amidst expectations of an economic downturn

Freelancers expect an economic downturn with the freelancer 12 month economic confidence index score falling to its lowest level ever. A total of 63% of freelancers expect economic performance to decline over the next 12 months, compared to just 7% who expect it to improve – almost a ratio of ten to one in favour of a negative economic outlook.

The results also show that freelancers' businesses have performed exceptionally well in the second quarter of 2016 with capacity utilisation, day rates and quarterly earnings all achieving their highest levels to date. However, despite this high performance, freelancers are downbeat about the prospects for their businesses over the next 12 months. The freelancer 12 month business confidence index score has turned negative for the first time ever and done so emphatically with 49% of freelancers expecting their business performance to decline, while just 15% expect it to improve. New fears about the impact of the UK economy on their business appears to be the main driver for this change. Most of the survey was carried out before the EU referendum result was known, but the results appear to indicate that freelancers had already factored in the likelihood of a unanimous vote to leave, along with the associated economic costs of Brexit on their business outlook expectations.

Against this backdrop it is probably not too surprising that overall freelancers do not expect their day rates to increase over the next 12 months. However, they strongly believe that the input costs to their businesses will rise and thereby squeeze their net incomes over the next year.

Business confidence index becomes negative and falls to lowest on record

Since the start of the year freelancers' three month business confidence indices have declined across all three Office for National Statistics (ONS) Standard Occupational Classification (SOC) codes used to determine freelancer status in this survey. Managers, directors and senior officials (SOC1) and those working in professional occupations (SOC2), which also includes professional technical workers, continued to record negative scores. Freelancers working in associate professional and technical occupations (SOC3) also experienced a very big fall in their business confidence index score (from 24 to 2), but as a group remain marginally optimistic about the performance of their business over the next three months.

As is evident in Table 1, over the last year and a half SOC3 freelancers have been more upbeat about their businesses than SOC2 workers. Also notable is the fact that SOC2 freelancers three month outlook has been in steady decline since quarter 1 (Q1) 2015. As with previous surveys, caution is taken when interpreting the scores for SOC1 freelancers given the small sample in this category. The Q1 2015 report noted that SOC1 freelancers' business confidence score had sunk to its lowest level ever, and this low business confidence has now been exceeded by some margin in this latest survey in which the score has fallen from -5.6 to -37.5.

Table 1: Freelancer confidence indices for their businesses over the next three months

	SOC1	SOC2	SOC3	Weighted Average SOC1-3
Quarter 2: 2016	-37.5	-10.1	1.6	-12.2
Quarter 1: 2016	-5.6	-3.3	23.6	6.7
Quarter 4: 2015	12.5	0.3	18.6	10.5
Quarter 3: 2015	8.3	1.9	5.4	4.9
Quarter 2: 2015	11.5	13.1	20.9	15.8
Quarter 1: 2015	7.9	15.2	18.8	14.8
Quarter 4: 2014	-2.5	10.1	3	4.2

Freelancers were asked to identify their confidence levels for future relative to current performance in one of five categories comprising: more confident, slightly more confident, as confident, slightly less confident, and a lot less confident. The confidence index is created by scoring each of five answers with 100, 50, 0, -50 and -100 respectively and then taking the weighted average score for the sample. The weighted average is based on the relative size of freelancers in the labour market in 2014.

The freelance business confidence index scores for a 12 month outlook often mirrors trends observed in the three month outlook and this is certainly the case Q2 2016. In Q1 2015 the business confidence index score became negative for SOC1 and SOC 2 freelancers, but the optimistic outlook of SOC3 freelancers was enough to cause the overall index to be positive. In the latest quarter all three SOC groups have record negative index scores causing the lowest ever business confidence of -24.6 (Table 2). This result is driven by a total of 49% of freelancers expecting their businesses performance to worsen over the next 12 month compared to just 15% who expect it to improve.

Table 2: Freelancer confidence indices for their businesses over the next 12 months

	SOC1	SOC2	SOC3	Weighted Average SOC1-3
Quarter 2: 2016	-41.7	-22.7	-15.7	-24.6
Quarter 1: 2016	-5	-12.4	26.9	4.9
Quarter 4: 2015	18.8	-7.1	19.7	9.8
Quarter 3: 2015	17.0	-10.8	5.6	2.4
Quarter 2: 2015	11.5	10.5	22.5	15.5
Quarter 1: 2015	0.0	12.9	20.9	12.9
Quarter 4: 2014	-22.5	10.1	11	2.4

Freelancers were asked to identify their confidence levels for future relative to current performance in one of five categories comprising: more confident, slightly more confident, as confident, slightly less confident, and a lot less confident. The confidence index is created by scoring each of five answers with 100, 50, 0, -50 and -100 respectively and then taking the weighted average score for the sample. The weighted average is based on the relative size of freelancers in the labour market in 2014.

Factors impacting business performance

Presented in Table 3 are the main factors that freelancers believe have constrained the performance of their businesses over the last three months. In previous surveys, 'attitudes of government towards freelancing' was the main constraint for SOC1 and SOC2 freelancers, whereas now this is uniformly perceived as the top constraint by all SOC groups. Similarly, 'regulation relating to hiring freelancers' is now viewed as the second most influential factor lowering business performance across all SOC groups. The impact of these factors seems unlikely to ease, as they also dominate as the top two forces expected to lower freelancers' business performance over the next 12 months (Table 4).

Table 3: Top factors which lowered freelancers' business performance over the last three months

Rank	SOC1	SOC2	SOC3
1	Attitudes of government towards freelancing (63.6%)	Attitudes of government towards freelancing (70.5%)	Attitudes of government towards freelancing (59.4%)
2	Regulation relating to hiring freelancers (45.5%)	Regulation relating to hiring freelancers (48.0%)	Regulation relating to hiring freelancers (39.1%)
3	Growth of the sector in which I work (27.3%)	UK GDP growth/state of UK economy (28.8%)	Level of competition from other freelancers (31.9%)

Freelancers were asked to rate the importance of 14 factors which can affect the performance of their business over the last three months in categories from significantly positive, slightly positive, no impact, slightly negative, significantly negative.

The other factor that has come into play as one of the main constraint on freelancers' business performance is 'UK GDP growth/state of UK economy'. In Q1 2016, SOC2 freelancers forecast that this factor would constrain their future business performance and the current quarterly report shows that this has already come into effect over the last three months. In the current survey, SOC2 freelancers continue to forecast that the UK economy will hinder their business performance over the next 12 months and have been joined in this view by SOC3 freelancers.

In Q2 2016, the main new factor to influence a drop in confidence, and cause a significant fall in freelancers' expectations about their future business performance, relates to the state of the UK economy – which in significant part is likely to be connected to the uncertainty preceding the Brexit announcement.

Table 4: Top factors expected to lower freelancers' business performance over the next 12 months

Rank	SOC1	SOC2	SOC3
1	Attitudes of government towards freelancing (81.1%)	Attitudes of government towards freelancing (78.4%)	Level of competition from other freelancers (61.8%)
2	Regulation relating to hiring freelancers (72.7%)	Regulation relating to hiring freelancers (67.1%)	Regulation relating to hiring freelancers (47.8%)
3	Performance of the wider labour market (63.6%)	UK GDP growth/state of UK economy (53.3%)	UK GDP growth/state of UK economy (41.2%)

Freelancers were asked to rate the importance of 14 factors which can affect the performance of their business over the next 12 months in categories from significantly positive, slightly positive, no impact, slightly negative, significantly negative.

Turning to the positive drivers of freelancers' businesses in Tables 5 and 6, we note that both in terms of business performance over the last three months and outlook for business over the next 12 months, freelancer 'brand value/reputation in the market' is uniformly the top factor across both periods and across all SOC groups. This is the second consecutive quarter where this result occurs, underlining that building a personal brand and track record is viewed as the key main driver of freelancer business success.

Table 5: Top factors which enhanced freelancers' business performance over the last three months

Rank	SOC1	SOC2	SOC3
1	My brand value/reputation in the market (41.7%)	My brand value/reputation in the market (48.2%)	My brand value/reputation in the market (59.4%)
2	Targeting new markets (25.0%)	Innovation in terms of the services I offer clients (28.7%)	Innovation in terms of the services I offer clients (39.1%)
3	Innovation in terms of the services I offer clients (16.7%)	Collaboration with other freelancers/businesses to secure more work (27.0%)	Collaboration with other freelancers/businesses to secure more work (37.7%)

Freelancers were asked to rate the importance of 14 factors which can affect the performance of their business over the last three months in categories from significantly positive, slightly positive, no impact, slightly negative, significantly negative.

As with the previous quarters' survey results, factors such as being innovative and targeting new markets are highlighted as secondary drivers of freelancer business performance – emphasising the importance of freelancers being entrepreneurial in order to be successful. One positive factor that has gained more importance since last quarter is the role of 'collaborating with other freelancers/businesses' in order to secure more work. Freelancers also expect this

factor to increase in importance with a higher percentage expecting it to have a positive effect on their business performance over the next 12 months than was the case over the last three months. These trends are consistent with the increasing importance of open innovation and agile/flexible organisational forms associated with entrepreneurial economies undergoing high levels of change and uncertainty.

Table 6: Top factors expected to enhance freelancers' business performance over the next 12 months

Rank	SOC1	SOC2	SOC3
1	My brand value/reputation in the market (36.4%)	My brand value/reputation in the market (51.1%)	My brand value/reputation in the market (66.7%)
2	UK GDP growth/state of UK economy (16.7%)	Innovation in terms of the services I offer clients (34.8%)	Targeting new markets (49.3%)
3	Adoption of flexible working practices by organisations (9.2%)	Collaboration with other freelancers/businesses to secure more work (32.7%)	Collaboration with other freelancers/businesses to secure more work (47.8%)

Freelancers were asked to rate the importance of 14 factors which can affect the performance of their business over the next 12 months in categories from significantly positive, slightly positive, no impact, slightly negative, significantly negative.

Compared to previous quarterly surveys the factors influencing freelancers' business performance are becoming more homogeneous across SOC groupings. Notably macro factors, namely government policy and the UK economy are seen as the main constraints on business performance, whereas as self-deterministic micro factors are seen as having positive effects on business performance; particularly building a reputation/brand, innovating and collaborating with other freelancers/businesses.

Freelancer UK Economy Confidence Index

Confidence in the economy plunges to a record low negative score

In the last quarter of 2015 freelancers were marginally positive in their outlook on the economy. In Q1 2016 their attitude changed and most freelancers expected economic performance to decline. This negative outlook has deepened sharply as we move into Q2 2016. The three month freelancer confidence index for the economy has fallen from -11.2 to -38.1, which is its lowest level to date. Likewise the 12 month equivalent index fell from -19.9 to -40.5 from Q1 2016 to Q2 2016, also translating to 63% of freelancers expecting economic performance to decline. The scale of the negative index scores indicates a fairly unequivocal expectation among freelancers that performance of the UK economy will decline over the next 12 months.

Table 7: Freelancer confidence indices for the UK economy over the next three months

	SOC1	SOC2	SOC3	Weighted Average SOC1-3
Quarter 2: 2016	-50	-36	-32.5	-38.1
Quarter 1: 2016	-5	-18	-8.9	-11.2
Quarter 4: 2015	31.3	-2.9	1.7	7.3
Quarter 3: 2015	8.3	-2.7	-4.6	-0.7
Quarter 2: 2015	26.9	15.3	6.4	14.7
Quarter 1: 2015	11.1	16.3	5.2	10.7
Quarter 4: 2014	-7.5	7.1	-0.7	0.5

Freelancers were asked to identify their confidence levels for future relative to current performance in one of 5 categories comprising: more confident, slightly more confident, as confident, slightly less confident, and a lot less confident. The confidence index is created by scoring each of five answers with 100, 50, 0, -50 and -100 respectively and then taking the weighted average score for the sample. The weighted average is based on the relative size of freelancers in the labour market in 2014.

In the last quarterly report, much of the change in freelancers' confidence in the economy was attributed to fears about Brexit and the gradual slowdown of the world economy. The scale of the drop in freelancer confidence evident this quarter is more likely to be driven by fears of the impending result of the EU referendum. However, the majority of the survey responses were collected prior to the Brexit announcement and therefore no conclusions about the impact of this event on freelancer confidence should be made until next quarter, when the period can be analysed with more certainty.

Given that freelancers now expect their own business performance to decline, as well as the fact that their economic activity usually generates or facilitates growth, it is likely that the drop in confidence in the economy is partly the result of being able to observe less plans for expansion among their corporate and SME clients. Interestingly, since government attitude is considered the main constraint on freelancers' business activity, it seems that a policy review of these areas may unearth opportunities to stimulate the freelance sector and the economy more widely.

Table 8: Freelancer confidence indices for the UK economy over the next 12 months

	SOC1	SOC2	SOC3	Weighted Average SOC1-3
Quarter 2: 2016	-50	-39.3	-35.7	-40.5
Quarter 1: 2016	-25	-24.7	-12.3	-19.9
Quarter 4: 2015	37.5	-6.3	-1.9	6.2
Quarter 3: 2015	0	-4.7	-7.3	-4.6
Quarter 2: 2015	15.4	18.7	8.4	13.8
Quarter 1: 2015	5.3	16.5	9.8	11.1
Quarter 4: 2014	-2.5	6.8	-3.3	0.5

Freelancers were asked to identify their confidence levels for future relative to current performance in one of five categories comprising: more confident, slightly more confident, as confident, slightly less confident, and a lot less confident. The confidence index is created by scoring each of five answers with 100, 50, 0, -50 and -100 respectively and then taking the weighted average score for the sample. The weighted average is based on the relative size of freelancers in the labour market in 2014.

Freelancer Day Rates

Freelancer day rates are up, but expected to moderate over the next 12 months

In Q1 2016 freelancers predicted a rise in their day rates and this forecast has proved accurate in the Q2 2016 results. The data on freelancer day rates from Q2 2016 show an increase of 7.7% over the last 12 months Table 9). However the most notable increase is the more than doubling of SOC3 freelancers' day rates. These results must be treated with some caution this quarter, as the sample size for this group is smaller than normal and also features a few high earning outliers absent in earlier surveys. While day rates have clearly increased across all occupational codes, it is too early to indicate whether a small number of SOC3 freelancers are undergoing a sustainable day rate fee transformation.

Table 9: Average day rates charged by freelancers over the last three months

	SOC1	SOC2	SOC3	Weighted Average SOC1-3
Quarter 2: 2016	£519	£508	£526	£518
Quarter 1: 2016	£639	£483	£237	£425
Quarter 4: 2015	£783	£461	£245	£455
Quarter 3: 2015	£546	£454	£312	£421
Quarter 2: 2015	£815	£493	£261	£481
Quarter 1: 2015	£560	£480	£193	£387
Quarter 4: 2014	£590	£477	£220	£404

The weighted average is based on the relative size of freelancers in the labour market in 2014.

In terms of freelancers' forecasts for their earnings over the next 12 months (Table 10), the majority (54%) do not expect their day rates to change. More freelancers (29%) expect their day rates to fall than to rise (17%) in the next 12 months. This view is consistent with freelancers' expectations that both their own business activity levels and economic performance will decline over the next 12 months as lower demand reduces the scope to raise fee levels.

Table 10: Freelancer day rate expected change over the next 12 months

	SOC 1	SOC 2	SOC 3	Weighted Average SOC1-3
Increased	8%	22%	19%	17%
No change	42%	54%	61%	54%
Decreased	50%	24%	20%	29%

The weighted average is based on the relative size of freelancers in the labour market in 2014.

Capacity Utilisation

Capacity utilisation reaches a record high

Since the FCI survey began, freelancers have typically had between 15 to 20 per cent spare capacity per quarter. In Q2 it has dropped below 15% level for the first time, with freelancers having just 13% spare capacity (or 87% capacity utilisation). In other words, just 1.7 weeks without freelance work over the last quarter (Table 11). In previous quarters there has been divergence in capacity utilisation across different SOC groupings. However in the current survey freelancer capacity utilisation has increased across all groups simultaneously. Therefore, there appears to be a greater degree of homogeneity among freelancers in terms of their business performance as far as day rates and capacity utilisation are concerned.

Table 11: Freelancers' spare capacity: Number of weeks not working per quarter

	SOC1	SOC2	SOC3	Weighted Average SOC1-3
Quarter 2: 2016	1.5	1.6	1.9	1.7
Quarter 1: 2016	1.2	2.1	2.7	2.1
Quarter 4: 2015	1.6	2.1	2.6	2.2
Quarter 3: 2015	3.1	1.7	2.4	2.3
Quarter 2: 2015	3.7	1.9	2.6	2.6
Quarter 1: 2015	2.5	2.1	2.4	2.3
Quarter 4: 2014	1.6	1.7	2.2	1.9

The weighted average is based on the relative size of freelancers in the labour market in 2014.

Quarterly Earnings

Freelancer quarterly earnings rise to their highest levels to date

As freelancers' day rates and capacity utilisation have increased, it is probably little surprise to learn that their average quarterly earnings have also risen to an all-time record of £29,628 (Table 12). A major part of this rise is due to the aforementioned exceptional rise in day rates among SOC3 freelancers. As such, the scale of the rise in earnings cannot be interpreted as conclusive until more evidence has been gathered from future surveys. However, overall it is clear that earnings in the freelancer sector have increased indicating high business performance across Q2 2016.

Table 12: Freelancers' average quarterly earnings

	SOC 1	SOC 2	SOC 3	Weighted Average SOC1-3
Quarter 2: 2016	£31,120	£28,774	£29,480	£29,628
Quarter 1: 2016	£37,847	£26,347	£12,388	£23,681
Equivalent employee earnings (Latest ONS estimates)*	*£10,192*	*£9,321*	*£7,722*	*£8,906*
Quarter 4: 2015	£33,333	£24,524	£12,147	£21,820
Quarter 3: 2015	£27,611	£25,430	£16,648	£22,511
Quarter 2: 2015	£35,475	£26,840	£13,692	£23,790
Quarter 1: 2015	£27,491	£26,585	£10,395	£20,440
Quarter 4: 2014	£32,848	£27,376	£11,976	£22,663

*Employee earnings are based on ONS data on gross weekly earnings by employees. The weighted average is based on the relative size of freelancers in the labour market in 2014. *Employee earnings are based on Office for National Statistics (ONS) data on gross weekly earnings by employees from the Annual Survey of Hours and Earnings, April 2015.*

Freelance Business Costs

Inflationary pressure continues and intensifies

There has been a rise in the proportion of freelancers reporting an increase in input price inflation over the last 12 months; rising from 44% in Q1 to 62% in Q2 2016. In tandem with this development, the number of freelancers reporting a decrease in input price inflation over the last 12 months has fallen from 12% last quarter to 6% this quarter. As in previous reports, these patterns are fairly similar across the three SOC groupings of freelancers.

Table 13: Freelancers' input cost change over the last 12 months

	SOC 1	SOC 2	SOC 3	Weighted Average SOC1-3
Increased	75%	56%	60%	62%
No change	17%	37%	36%	32%
Decreased	8%	7%	4%	6%

The weighted average is based on the relative size of freelancers in the labour market in 2014.

Freelancers expect input price inflation to continue and indeed to intensify as we move into the next 12 months. Just 1% of freelancers expect input price inflation to fall over the next 12 months while 68% expect it to rise (Table 14). Again, the high ratio of freelancers who expect inflation compared to those who expect deflation is reasonably similar across the various SOC groupings. The Q2 2016 results suggest that freelancers are expecting a rise in input prices over the next year but most do not anticipate passing these on to clients in the form of higher day rates. Instead increased input prices are likely to be absorbed in the form of lower freelancer business profits.

Table 14: Freelancer input cost change over the next 12 months

	SOC 1	SOC 2	SOC 3	Weighted Average SOC1-3
Increased	67%	71%	65%	68%
No change	33%	26%	35%	31%
Decreased	0%	2%	0%	1%

The weighted average is based on the relative size of freelancers in the labour market in 2014. Due to rounding percentages may not total to 100.

Summary

In Q1 2016 we observed a freelance sector that was becoming very concerned about the prospects for the UK economy and in this current quarter those fears have intensified and spilled over into freelancer business performance expectations. This level of gloom occurs despite the fact that freelancer's business performance was high over Q2 2016 leading to an increase in day rates, capacity utilisation and quarterly earnings. Freelancers are now predicting a fall in performance for both the economy and their own businesses. They expect to hold their day rates constant while absorbing an increase in the cost of inputs to their businesses.

Freelancers' outlook for the economy is likely to be influenced by the uncertainty and economic turbulence caused by the EU referendum. Most of the respondents completed the survey before the Brexit result was known and hence the negative outlook may already be stronger than that suggested in this latest quarterly report. Freelancers in SOC1-3 are used by businesses to drive innovation, implement change associated with business growth/transformation and cater for spikes in demand. The fact that freelancers expect their own business activity to decline over the next 12 months is itself a telling indicator for the performance of the UK economy. The fact that freelancers are also predicting a decline in the economy alongside these effects, as well as the lowest negative confidence indices scores reported to date, indicate freelancers are braced for uncertainty in the 12 months ahead.

In previous reports considerable time has been spent accounting for a divergence of performance and opinion among different SOC groupings. This trend appears to have been reversed with now greater homogeneity in evidence as far as trends in business performance and confidence is concerned. This may have resulted from the overbearing influence of the depressed outlook for the economy which tends to affect different freelancer SOC groups in a similar manner.

Appendix: The Sample

The quarterly IPSE Freelancer Confidence Index report for Q2 2016 has been compiled from a database of 609 IPSE members who replied to a survey. The survey is conducted every quarter. Note that the sample usually includes Upwork users, however there was an absence of these respondents in this quarter's survey. In Q2 2016, the survey composition of respondents was: 25% female, an average age of 50, have been freelancing for an average of 10.7 years and are highly educated – 30% have a highest qualification at the postgraduate degree level while 56% have a highest qualification at the undergraduate degree level.

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About IPSE

IPSE is the largest association of independent professionals in the EU, representing over 67,000 freelancers, contractors and consultants from every sector of the economy. It's a not-for-profit organisation owned and run by its members.

We believe that flexibility in the labour market is crucial to Britain's economic success, and dedicate our work to improving the landscape for the freelance way of working through our active and influential voice in government and industry.

With highly professional staff working for you, IPSE has the unique ability to demonstrate the economic value of freelancing to those in power and ensure freelancing is both considered and supported in all areas of regulation and policy. As well as being a campaigning body, IPSE provides a wide range of support services to help its members succeed in business, including tax and legal helplines, IR35 support, and compensation for illness/injury.

Founded in 1999 by a community of freelance contractors, IPSE has become the leading authority on freelancing in the UK. The association is governed by its members and any member is eligible to stand for election to the Consultative Council, and from there, for election to the Board of Directors.