

Taking time off as a freelancer



About IPSE

IPSE is the largest association of independent professionals in the EU, representing over 74,000 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.

IPSE aims to be the principal and definitive source of knowledge about freelancing and self-employment in the UK. We work with leading academic institutions and research agencies to provide empirical evidence about evolving market trends. This research supports our work with Government and industry and delivers key market intelligence to help our members with business planning.

This report was written by Inna Yordanova, Senior Researcher at IPSE.

Executive summary

92%

Nine out of ten freelancers (92%) say taking time off has at least some positive effect on them:

Improved work-life balance – 59%

Better relationships with family and loved ones – 44%

Feeling less stressed and anxious – 44%

24 DAYS

However, the average freelancer takes just 24 days of holiday a year – four less than what employees are entitled to.

78%

Freelancers do not feel they are able to switch off entirely, with four out of five (78%) working while on holiday.

1/6

One in six freelancers take no time off for the birth or adoption of their child. The average freelancer takes six weeks.

63%

There is a business case for increasing time off as nearly two-thirds (63%) say taking time off improves their work performance.

There is a significant correlation between taking more days off and reporting lower levels of job-related stress.

It is widely believed that freelancers take little time off and are tied to their work. Although this report finds that there is some truth to this on average, the overall picture is actually much more varied.

At the bottom end of the scale, one in ten freelancers reported taking no days off at all last year. At the top end of the scale, however, a third (34%) took 25 days or more and one in seven (13%) took 40 days or more.

More freelancers should be encouraged to shift towards the top end of this scale, because when they take time off, 92 per cent report it having a positive effect of some kind. Three in five (59%) said it improved their work-life balance, almost half (44%) said it improved their relationships with loved ones and family, and 44 per cent said it made them less stressed and anxious.

It appears that concerns about stability and their client relationships hold freelancers back from taking more leave. Nearly two-thirds (62%) said they were worried about letting

their clients down, while 60 per cent said they were concerned about future periods without work and 57 per cent said they did not want to lose money when they could be working instead.

Freelancers even seem to feel pressure to take less time off for parenthood, with the average freelancer taking just six weeks off for the birth or adoption of a child. One in six (16%) even report taking no time off at all for the birth or adoption of their child.

Another problem is that freelancers generally struggle to switch off even when they are away. Four out of five (78%) admit to working while on holiday, with over half (58%) replying to work emails while away and more than a third (37%) taking work calls. Twenty-eight per cent even said they work remotely while on holiday.

The good news, however, is that it is not just wellbeing: there is also a business case for freelancers switching off and taking more holidays. Almost two-thirds (63%) of

freelancers surveyed said that taking time off improved their work performance in some way.

We produced a set of recommendations for Government and business to support freelancers in taking more time off and thus improve their wellbeing, mental health and even performance.

Recommendations

1. Introduce fair Shared Parental Leave (SPL) and parental pay for freelancers.
2. Improve access to savings or private insurance to cover for sick days.
3. Make training for the self-employed easier to access, so freelancers feel more able to take time off for this.
4. End late payment to stop freelancers having to chase clients during their time off.
5. Raise awareness about the benefits of taking time off for freelancers' mental health, wellbeing and productivity.

Whether it's a weekend away or a longer beach holiday, taking time off is something all of us look forward to during our working lives. UK employees are entitled to 28 days of paid annual leave and seem to be using most of it, even at a time of political uncertainty and economic turbulence.¹

This is important for the person and their work. Not taking a well-deserved break can lead to health issues such as burnout, stress and anxiety. Research from the US shows that taking time away from work helps people recover from stress, while improving their wellbeing and job performance.² Therefore, there seems to be a relationship between taking time off work and both physical health and mental wellbeing among employees.

A recent study of UK employees found that four in five (79%) admit going to work while physically or mentally unwell because of worrying about falling behind on their workload (40%), pressure from their boss (24%) and a range of other reasons.³ This, in turn, can have a negative impact on employee wellbeing, job satisfaction and even retention rates.

While there has been some research into employees taking time off work, a lot less is known about the views and experiences of the nearly five million-strong self-employed population, now making up one in seven of the UK labour force. That is why it is important to explore whether the UK's self-employed take enough time off, how this affects their wellbeing, and what steps they can take to prepare for a break.

To address the research gap, IPSE surveyed over 900 freelancers to find out whether they are planning – and taking – time off work. IPSE also examined how freelancers plan for breaks, and why significant numbers are not taking time off.



The state of play among the UK's freelancers

Research shows that even at a time of unprecedented political and economic turbulence, UK employees are still firmly committed to taking holidays, which remain a spending priority for them.⁴ Out of 22 countries worldwide, across North America, Europe, Australia and the Middle East, British employees are the most likely to take all their paid annual leave.⁵

Thinking about holidays as 'an extended period of leisure and recreation, especially one spent away from home or travelling,' freelancers took an average of 24 days of holiday in the last 12 months – slightly less than the 28 days of holiday UK employees are entitled to take every year.⁶

The number of days off freelancers take, however, varies considerably.

One in ten (9%) freelancers did not take any days off in the last year and one in seven (14%) took less than five days. In contrast, a third (34%) took 25 days or more and one in seven (13%) took 40 or more.

This reveals a group of freelancers who don't take any break from their work. More encouragingly, however, there is a significantly larger group who enjoy the freedom and flexibility associated with being self-employed and take more days off than the average employee.

The data shows that taking time off is not dependent on a respondent's earning potential. This is despite previous research suggesting that among the self-employed, higher earners are more likely to take holidays.⁷

One factor that does influence the amount of time off taken is age. Younger freelancers (16–34 years) are more likely to take more days off. A third (32%) take more than 30 days off a year in comparison with a fifth (22%) of those over 55. Younger freelancers are also more likely to report wanting to take more days off than they currently are.

The vast majority of respondents said they would prefer to take more days off, with four in five (78%) saying they would like to take more holidays and only seven per cent saying they would like to take fewer.

On average, freelancers would like to take 38 days off a year – 14 more than they currently take. One in six (16%) are happy with the amount of days off they take a year and don't want it to change.

Time off and wellbeing

The research shows that taking time off has a substantial positive impact on the wellbeing of freelancers. An overwhelming majority (92%) report at least some positive effect.

The research shows that for many freelancers, time off improves work-life balance (59%) and relationships with family and loved ones (44%). Taking a break also improves the mental health and wellbeing of freelancers, with more than two in five (44%) reporting feeling less stressed and anxious as a result.

There is a significant correlation between taking more days off and reporting lower levels of job-related stress. Those reporting low levels of job-related stress took 33 days of holiday on average in the last 12 months compared to 20 days for those reporting high levels of stress.⁸

Two in five freelancers (41%) report high levels of stress, and could, therefore, reduce this by taking more regular breaks from work.

The research also showed that almost two-thirds (63%) of freelancers believe taking holiday improves their work performance in some way.

Being away from work can improve the professional circumstances of freelancers with a third (33%) feeling more productive or more creative/inspired (30%) as a result. A fifth also said they can take on more projects and feel more energetic as a result of taking time off.

Interestingly, men are more likely to report time off having a positive impact on their personal wellbeing. They report it bringing benefits such as a better work-life balance and improved relationships with their loved ones. Women, on the other hand, are more likely to report that taking time off has a positive effect on their professional attitude, with benefits including making them feel more productive and inspired.

24

Freelancers currently take 24 days off a year

38

Ideally they would like to take 38 days off

9% of
freelancers
took no days
off in the
last year



34%
took 25
days off or
more



16%

are happy with the
amount they take

7%

want to
take less

78%

of freelancers
want to take
more days
off than they
currently do



Percentages do not sum to 100% due to rounding

Impact on wellbeing



Better work-life balance

59%



Improved relationships

44%



Feeling less stressed

44%



Feeling more productive

33%



Feeling more creative

30%



Feeling more energetic

19%

Percentages do not sum to 100% as respondents could choose multiple options



How to plan for a holiday as a freelancer

With the longer days and warmer weather, many of us feel the pull of summer, but work obligations often hold us back. Among UK employees, holiday peaks in August. More people take annual leave then compared with any other month of the year.⁹

And yet, when surveyed in June, over a fifth (22%) of freelancers said they were not planning to take any time off in the next three months.

Considering the substantial and positive impact of taking time off on wellbeing, it is essential for freelancers to take a well-deserved break. Analysis of the research generated some recommendations for how freelancers should prepare for their time away:

1. Manage your clients' expectations

Managing client expectations is top of the list of things freelancers do when planning a holiday. More than two-thirds (70%) advise their clients they will be taking time off before they do.

This is hardly surprising as previous IPSE research shows that a positive client relationship is a key factor in freelancers' wellbeing. Working with clients is central to finding and maintaining work. Positive client relationships are also an important source of positive human interaction for many freelancers, given the isolation that can come with working independently.¹⁰

2. Budget for your time away

Two in five freelancers financially prepare for taking time off. This includes setting money aside for holidays, as well as budgeting for lost days of work.

Going on holiday often places double financial pressure on freelancers: they not only take on the financial costs of their holiday, but also lose money for the time spent away from their self-employed work because they do not receive holiday pay.

3. Organise your workload

Many freelancers see workload planning as a key part of preparing for time off. For some, this includes working more hours to prepare for their holiday, while for others it simply means avoiding taking on new contracts.

Taking a holiday is not always easy, but planning ahead can reduce pre-holiday stress and allow for full relaxation while away.

Jen Eastwood, 31,
Freelance social
media marketing
and copywriting



By the end of this year, I will have taken around 35–40 days of holiday including two weeks off at Christmas. I have a history of anxiety and depression, so self-care and taking time out is crucial for me to make sure I don't burn out and I can best serve my clients. I also find taking a bit of time out allows me to see my business objectively. Ideally, I would like to take 40 days off next year.

In terms of preparation for taking time off, I think the key is to communicate well with clients, I give them at least a month of notice when I plan to take a week off. I also reassure my clients that I'm focusing on their work.

I have found the biggest challenge of freelancing the feast and famine nature of the business. Late payments and badly suited clients have been a big headache too. I think I was a little naïve and unprepared when I came into self-employment, now I do my best to preempt any bad situations happening again. I spread my client work for stability, which levels out those financial roller-coasters. I'm also getting better at saving, and client-wise I'm a lot more confident in asking the right questions and 'sussing out' if someone is going to be good for my business.

The rewards far outweigh the risks of self-employment. My mental health is the best it has ever been. I am in control of my day, my routine, and the work I do – something I have never really had before. I'm able to prioritise my own wellbeing and create my own fulfillment. In all of my working life, I have never had this level of stability and contentment.



Working while away

Even though freelancers take a number of steps to effectively prepare for their time off, many still work while they are away. In fact, only one in five (22%) don't work when they are on holiday.

The majority of freelancers (58%) reply to work-related emails on their holiday and a third (37%) also respond to work-related calls. And the work isn't limited to communication. Many work on projects remotely (28%) and even find or take on new projects (20%) on their holidays.

What is the impact of this 'always on' culture?

People who work during their holiday report higher levels of job-related stress. But that doesn't necessarily mean everyone is affected in the same way.

Psychological research suggests that some people are natural 'integrators' and prefer the blurring of boundaries between work and personal time, while other people are natural 'segmenters' who prefer to separate their personal life from their work.¹¹

This means that working on projects while on holiday is a positive choice for some people. However, for others, it can potentially be related to a desire to maintain a positive client relationship or earn more money.

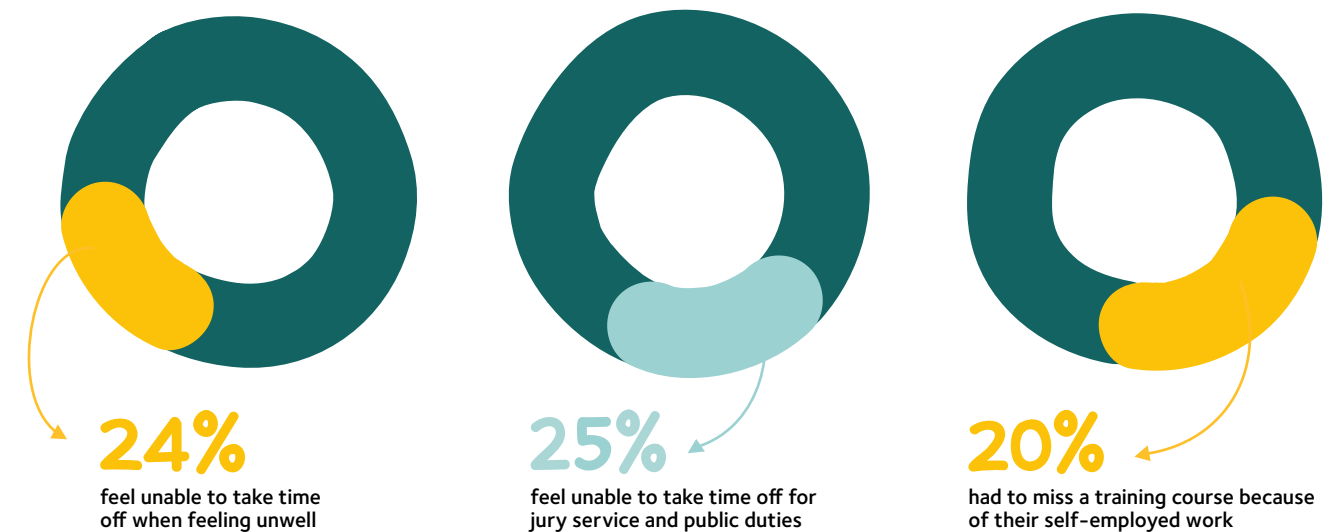
Beyond client work, a fifth of freelancers undertake business administration activities while they are on holiday. This includes taking care of their accounting and bookkeeping (22%), and chasing late payments from clients (21%).

Previous IPSE research has found that the average freelancer spends 20 days a year chasing late payments,¹² and for 43 per cent of freelancers the result is not being paid at all.¹³ It is extremely concerning that the anxiety associated with chasing late payments also transfers to freelancers' spare time – especially when they are on holiday.

Work-related activities done while on holiday



Percentages do not sum to 100% as respondents could choose multiple options



The ability to take time off

On the whole, freelancers feel able to take time off for personal commitments such as attending a funeral, going on holiday, caring for a family member or a loved one, or attending a wedding.

A quarter of freelancers feel unable to take time off when feeling sick or unwell, which might be associated with the fact that they are not entitled to sick pay or struggle to find a substitute for their work. A quarter of respondents also said they had missed or cancelled a medical appointment because of their self-employed work.

A quarter of freelancers also feel unable to take time off for jury service and public duties or for study and training, while a fifth missed a formal or informal training course for work.

This is concerning given that continuing training and development is essential for freelancers to keep abreast of technological, economic, legal and other changes. Upskilling is especially beneficial for those who earn a lower income as it allows them to expand their skill set and enhance both their confidence and earning potential.¹⁴

Freelancers also had to miss personal commitments like holidays, as well as family occasions such as birthdays and anniversaries because of their self-employed work.

The key reason that freelancers feel unable to take time off for personal commitments is that they are trying to meet their client expectations, especially not wanting to let their clients down (62%) and not wanting to cause project delays (46%).

Being a freelancer means being master of your own destiny, but for many it also means not being able to predict when your next contract or project is going to be in place. That is a further reason freelancers feel unable to take time off. Common worries include: future periods of little or no work (60%), not wanting to lose money when they can be working instead (57%) and not wanting to refuse new projects (46%).

Women seem to be more concerned than men about both their financial situation and future periods without work. Over half report not having enough savings in place to take days off (57%) or being afraid of losing contracts while away (54%), compared with only about a third of men (33% and 39% respectively).

The same trend can be observed among younger respondents. What the two groups have in common is that both women and younger freelancers tend to earn less than men and older freelancers: therefore their financial situation is more likely to be affected by taking a holiday.

Top reasons for feeling unable to take time off



Parental leave for the self-employed

Previous research has shown that the most common reasons for entering self-employment include freedom, flexibility and control over working hours and space – all features that can be particularly appealing to new parents.¹⁵ In fact, one in eight of all self-employed people are working mums and the number of mothers in self-employment has risen by 54 per cent since 2008.¹⁶

The research shows that freelancers take approximately six weeks (28 days) of parental leave after the birth or adoption of their child and one in six (16%) take no days off at all. In comparison, UK employees are eligible for up to 37 weeks of paid leave shared between the two parents.

Existing parental leave policies do not reflect the needs of the self-employed, who are currently not eligible for Maternity or Paternity pay – or Shared Parental Leave (SPL). It is likely that this is why many freelancers take fewer days off for parental leave.

Self-employed mothers are entitled to a Maternity Allowance and can work up to ten Keeping in Touch (KIT) days while they are on it but this is not always enough to maintain a self-employed business. If they work for more than ten days, the Department for Work and Pensions (DWP) decides how much Maternity Allowance they will lose and deducts that amount.



Natalie Reeves, 33, Freelance virtual PA

As a freelance virtual PA, I help other mums running small online businesses by providing admin and marketing support to free up their time so they can concentrate on work that really matters.

After my second daughter was born in January this year, I took 10 days off before starting 'Keeping in Touch' days over a few months. I then returned part-time (3 days a week) from the beginning of May.

I didn't take any time off before having my second daughter, in fact I was working until 1:30am on the morning I was due to be induced. Just a few days after she was born, I was responding to messages and emails to answer queries, but I had already put in place cover plans and advised to email or text me rather than call me.

I would have loved to have taken a little longer to fully recover and spend time with my daughter. Unfortunately, I was quite ill towards the end of my pregnancy so even now, seven months later, I'm still trying to build up my immune system again.

Also, I was unable to take any longer off due to only claiming Maternity Allowance and the money from my KIT days – so I simply couldn't afford to. I didn't feel supported by the benefit system. The Maternity Allowance was helpful, but not enough.

I feel that ten KIT days as a business owner is unrealistic, as well as the fact any interaction is classed as one day. It

would be much better to set a number of hours or even the ability to work 20 half-days. I also found out through word of mouth, after I had returned to my business, that you can actually still claim Maternity Allowance if returning part-time on a pro-rata basis. This would have been perfect for me as when I returned to work, I was doing only three days a week, whereas before I was working at least five. This wasn't mentioned by HMRC or anywhere on their website on claiming Maternity Allowance, and from speaking to others, it appears that even their advisors aren't fully up to speed on this.

Not being paid to take time off work is one of the biggest challenges of self-employment for me. Other challenges include learning the basics of how to set up a business, the legalities, dealing with my own insurances, tax and National Insurance.

The biggest reward for me has been having the flexibility to work around my children, while still having a career. With the types of clients I work with, I really make use of the flexibility. It does sometimes involve a bit of juggling or working in the evening, but it means that I can spend quality time with my daughters, not miss out on things and make memories, while supporting my clients and meeting their deadlines.



Conclusions and recommendations

Taking time off is important for enhancing freelancers' wellbeing, contributing to a better work-life balance, improved personal relationships and reduced levels of stress.

Concerningly, a fifth of freelancers do not plan to take any holidays in the next three months, while one in ten did not take any time off in the last year. Some freelancers also feel unable to take time off for personal commitments such as attending a training course or when feeling unwell.

While freelancers shared some useful tips on how to effectively prepare for holidays and avoid pre-holiday stress, we set out some additional recommendations on what more they can be doing, as well as what Government and industry can do to ensure freelancers and the wider self-employed population are better catered for when taking time off:

01 Introduce fair Shared Parental Leave (SPL) and parental pay for freelancers

Freelancers take approximately six weeks of parental leave, and one in six take no days of parental leave at all. Parents who have children when they are self-employed are at a significant disadvantage compared to employees, who are entitled to 37 weeks of paid leave shared between the two parents.

Extending fair access to SPL and maternity or paternity pay for the self-employed will give both parents a better opportunity to bond with their children while allowing self-employed mothers, one of the fastest growing demographics, to maintain their businesses during the early months of parenthood.

02 Improve access to savings or private insurance to cover for sick days

The data shows that a quarter of survey respondents feel unable to take time off when sick or unwell and a further quarter had to miss or cancel a medical appointment because of their self-employed work.

Freelancers can feel more secure and confident in taking time off when unwell if they have enough savings or private insurance in place to cover for sick days. Having a savings plan can also be useful for periods without work or when they have to take an emergency day off.

The self-employed represent an underserved market when it comes to certain financial products, such as insurance and pensions. Better access to these would help them to save or plan financially if they need to take time off. The Government should encourage the financial industries and institutions providing these products to develop more flexible solutions tailored to freelancers.

03 Make training for the self-employed easier to access

Training and skills development can improve the client flow and earning potential of the self-employed – and keep them abreast of changes in automation and technology that are already transforming the modern labour market.

Making training for new skills tax deductible for the self-employed, as well as providing vouchers to be redeemed at certified education and training providers, will reduce the financial burden of upskilling. Industry and trade associations should also provide access to information specific to the self-employed, covering key areas such as tax, legal and administrative guides.

04 End late payment

A fifth of freelancers have to chase payment from clients while taking time off, showing how common the problem is.

To tackle this issue, the Government established the Office of the Small Business Commissioner in 2016, but to date this has not been successful in shifting the poor payment culture. One way to improve this would be by giving the Small Business Commissioner powers to fine those who are guilty of persistently poor practice.

Beyond government action, there must be a culture change across UK businesses to end the practice of late payment. This affects businesses of all sizes, but the self-employed are particularly vulnerable to late payment as they shoulder the full burden of credit control and are less likely to have other sources of income.

05 Raise awareness of the importance of freelancers taking time off

One in ten freelancers did not take any days off in the last year and one in seven took less than five, showing that many do not take a well-deserved break from their self-employed work. This is concerning given the substantial and positive impact of taking time off on wellbeing and productivity.

One way to encourage the self-employed to take time off and reduce risks of health issues such as burnout, stress and anxiety, is for professional organisations like IPSE to start publicity and information campaigns on the benefits of taking a holiday. Government can also make sure its communications on mental health awareness are inclusive of those who work as self-employed.

Methodology

This report is based on the responses of 966 freelancers who replied to an online survey between 26 June and 12 July 2019. The composition of survey's respondents was: 33 per cent female and 65 per cent male, with an average age of 43. They have been freelancing for an average of nine years and work across a range of occupations in the top three highly skilled Standard Occupational Classifications (SOC) 1-3.

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