



# Exploring the UK Freelance Workforce in 2016

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# UK freelance workforce at a glance

**2 million**

**freelancers  
in the UK**

1.77 million work freelance in main jobs

A further **234,000** work freelance in second jobs

Between 2008 and 2016 the number of freelancers in the UK increased by **43%**

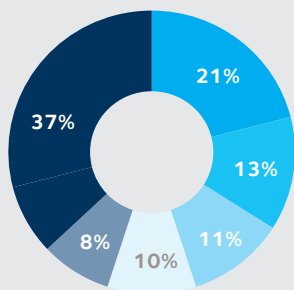


**£119 billion**

Freelancers' contribution to the UK economy



## Freelance workers are present in all major industry groups



- Professional, scientific and technical industries
- Education
- Arts, entertainment and recreation
- Information and communication
- Health and social work
- All other industries

## Fastest growing occupational groups since 2008



## Freelancers have a widespread presence across all occupations

The largest freelancer occupational groups:



**311,000**  
Artistic, literary & media occupations



**211,000**  
Managers & proprietors in other services

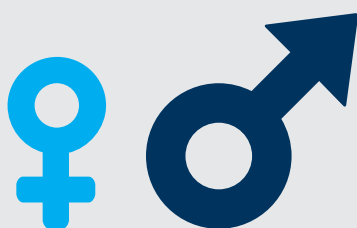


**153,000**  
Teaching & education professions



**123,000**  
IT & telecommunications professions

## Gender split

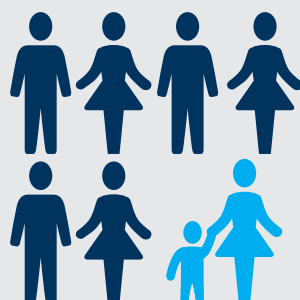


41%  
Female

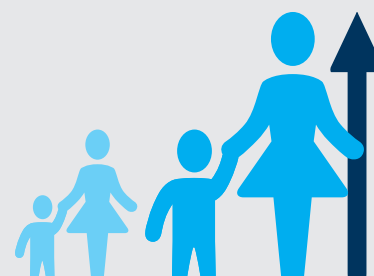
59%  
Male

## Mothers working as freelancers

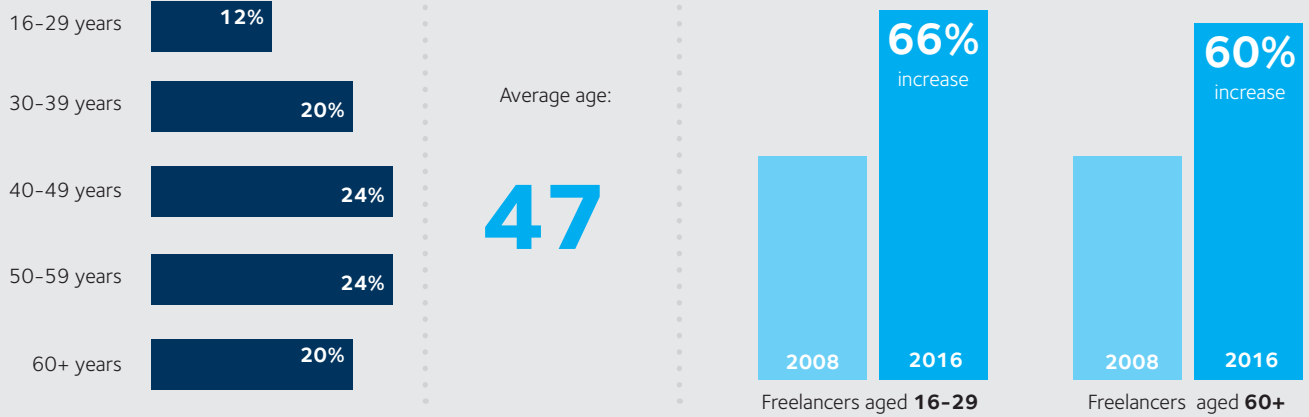
1 in 7 of all freelancers are working mums (**302,000**)



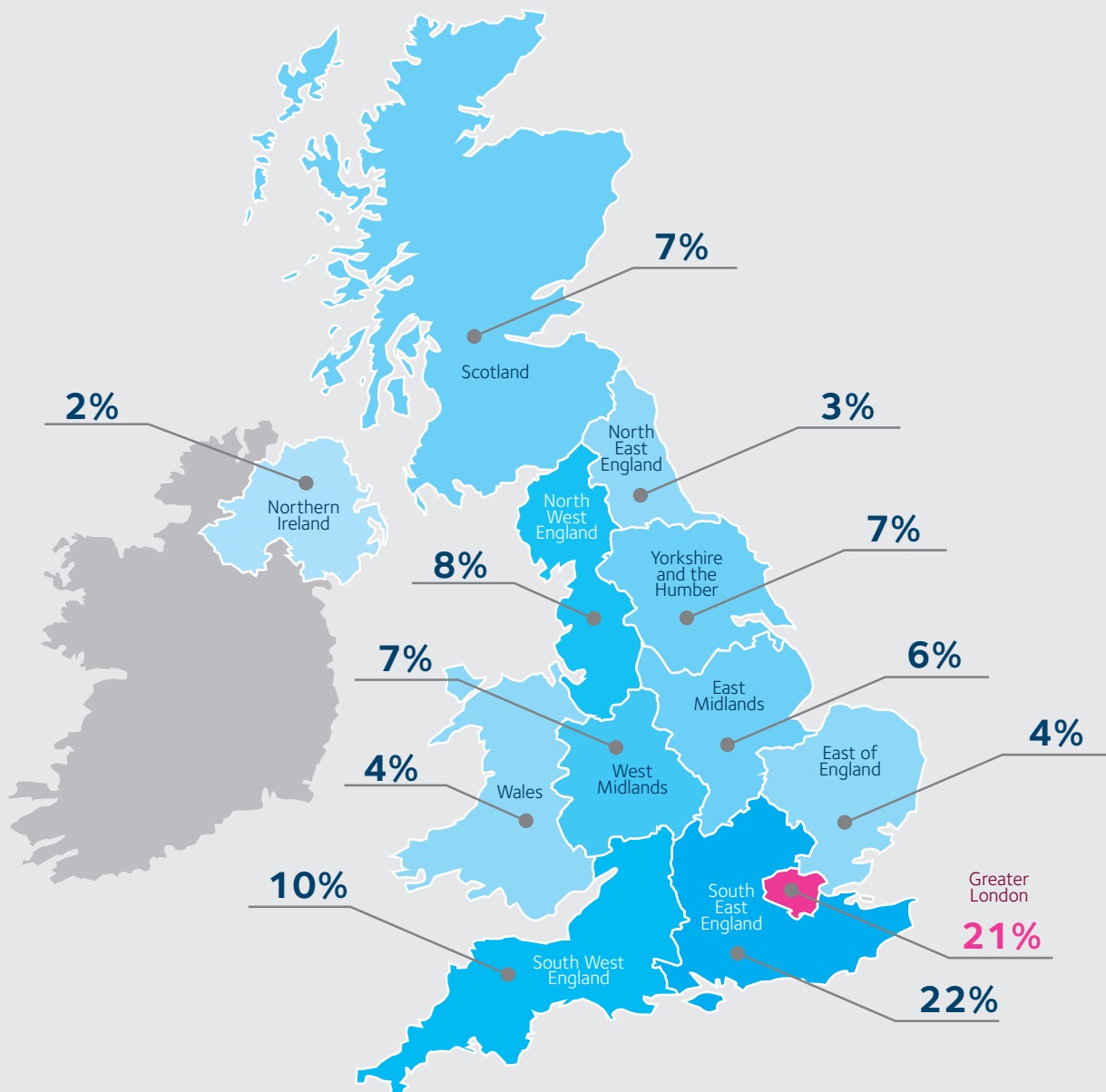
Between 2008 and 2016 the number of mothers working as freelancers increased by **79%**



## Age distribution of freelancers



## Location of freelancers



Percentages do not sum to 100 due to rounding

# The future is freelance

Every day freelancers make an enormous contribution to businesses across the United Kingdom (UK) and the economy as a whole. These highly skilled, independent professionals are the fastest growing segment of the self-employed labour force, collectively contributing an economic output that is comparable to the entire motor sales industry. Large firms, and increasingly small and medium sized enterprises (SMEs), are tapping into this growing pool of independent workers who are available on demand, with the specialist skills to hit the ground running – adding considerable value to the organisation and enabling them to respond to fluctuating economic conditions.

At the same time individuals are determinedly seeking to build a portfolio of skills and experience by working flexibly. Research shows that the vast majority of freelancers love what they do and make an active choice to work independently<sup>1</sup>, so it's no surprise that increasing numbers of people are turning to this way of working.

The continued expansion of the freelance workforce is evident across a range of industries, and growth has continued unabated during both the global financial crisis of 2008–9 and the subsequent economic upturn.

There are few signs of the growth in freelancing slowing down any time soon. Though despite this, freelancers continue to be a hidden and, at times, misunderstood part of the small business population. The purpose of this report is to analyse data drawn from official UK government sources to produce a 'snapshot' of the UK freelance workforce in early 2016, and provide insight into this increasingly vital segment of the UK labour market.

## Defining freelance status

Freelancers are a sub-section of the wider self-employed workforce. There is no official, legal or commonly accepted definition of freelance status which exists in the UK. The term 'freelance' is therefore a customary one used to describe short-term, temporary or project based work relationships in particular occupational or industry settings.

The principal data source used for this report is the Office for National Statistics (ONS) Labour Force Survey (LFS)<sup>2</sup>, which

applies the UK Standard Occupational Classification (SOC) 2010<sup>3</sup> to categorise jobs, distinguishing nine major occupational groups according to skill level and specialisation. The definition of freelance status applied in this report includes the highest skill level SOC major groups 1 to 3: managers, directors and senior officials; professional occupations; and associate professional and technical occupations.

**SOC 1 Managers, directors and senior officials:** Individuals who have a significant amount of knowledge and experience of the production processes and service requirements associated with the efficient functioning of organisations and businesses (e.g. managers and proprietors in agriculture related services; transport and logistics; and health and care services).

**SOC 2 Professional occupations:** Individuals who have a degree or equivalent qualification, with some occupations requiring postgraduate qualifications and/or a formal period of experience related training (e.g. professionals in science, research, engineering and technology; health; teaching and education; business, media and public service).

**SOC 3 Associate professional and technical occupations:** Individuals who have a high level vocational qualification, often involving a substantial period of full time training or further study. Some additional task related training is usually provided through a formal period of induction (e.g. health and social care associate professionals; protective service occupations; culture, media and sports occupations).

## UK freelance workforce size

In total there were two million (m) freelancers in 2016, a rise of 43 per cent from 1.4m in 2008. Notably, 1.77m choose to freelance as their main job, with a further 234,000 working freelance in second jobs.

In total, freelancers now account for 42 per cent of the 4.8m self-employed population, and represent six per cent of the UK workforce.



*In this report, freelancers are defined as:*

*Self-employed workers without employees working in a range of managerial, professional and technical occupations.*

*The fastest growing occupational group since 2008 is health associate professionals, which has almost tripled in size.*



## Occupational profile

Freelancers have a widespread presence across SOC major groups 1 to 3: managers, directors and senior officials (SOC1); professional occupations; and associate professional (SOC2) and technical occupations (SOC3). This is partly for historical reasons as some occupations have traditionally been offered on a freelance basis. However, more recently, this is due to a movement among employers to offer contract, fixed-term and project based roles in order to achieve greater flexibility and cost savings, as well as better manage risk in fast-changing market environments.

The highest proportion of freelancers work in associate professional and technical occupations, which includes 790,000 freelance workers (39% of the UK freelance workforce). This diverse group includes writers, artists and musicians; science and engineering technicians; sports and fitness professionals; and protective service professionals. There are 730,000 freelance workers in professional occupations and a further 480,000 who work in managerial occupations – representing 36 per cent and 24 per cent of the UK freelance workforce respectively.

Growth among freelancers in professional occupations has been highest since 2008, up by 77 per cent. This is followed by managers, directors and senior officials – an occupational group which has grown by 35 per cent since 2008 and has also experienced the highest growth since 2015. Even though it is the largest occupational group for freelancers, associate professional and technical occupations has experienced the lowest levels of growth since 2008 (26%).

### Top roles for freelancers

Within the SOC major groups 1 to 3 there are 43 minor occupational groups which provide a more specific view of the types of roles being performed by freelancers. Of these minor occupational groups, the largest proportion of freelancers work in artistic, literary and media occupations (311,000 freelancers), as managers and proprietors in other services (211,000), and in teaching and education professions (153,000). These three minor occupational groups continue to be the most important numerically, constituting more than a third of all freelance workers.

Trends in the roles performed by freelance workers are highly variable. Some minor occupational groups have expanded substantially while others have decreased<sup>4</sup>. The fastest growing occupational group since 2008 is health associate professions (including for example: paramedics, emergency care practitioners, pharmaceutical technicians and dental hygienists), which has almost tripled in size.

Freelancer growth has also been strong among artistic, literary and media occupations, and in sports and fitness occupations with numbers almost doubling over the 2008–16 period. Meanwhile therapy professions declined by almost 40 per cent.

## Industry profile

Freelance workers are present in all major industry groups covered by the LFS, and are strongly represented in the professional, scientific and technical activities industry (21%), with 430,000 people. High numbers are also found in the education (13%), arts, entertainment and recreation (11%) and in information and communication (10%) industries. More than half of all freelancers work in these four industry groups.

## Freelance working and gender

Within the UK's freelance workforce, 59 per cent are male and 41 per cent are female. There has been a larger increase in the number of female freelancers than males between 2008 and 2016 – 55 per cent and 36 per cent respectively.

Freelancers' occupational profiles vary by gender. Females are more highly represented in associate professional and technical occupations (SOC3); undertaking 43 per cent of the jobs in this category. Males are more likely to be found working in managerial (SOC1) or professional occupations (SOC2), with men undertaking 60 per cent of the roles in each of these occupational categories.

In terms of specific roles performed by freelancers, there is a higher proportion of males found in engineering (95%); architecture, town planning and surveyor roles (87%); IT and telecommunications professions (86%); and production management and director occupations (80%).

Health associate professions (80%), nursing and midwifery (75%), therapy professions (66%), and teaching and education professions (64%) are more highly populated with females.

## Freelancing mothers

The number of mothers working as freelancers is 302,000, which is 15 per cent of all freelancers. This has increased 79 per cent since 2008, nearly double the rate of increase in the freelance workforce as a whole. This continues the trend towards increased self-employment among women which has been evident for the past two decades.

## Age

The largest proportion of freelancers are between 40–49 (489,000) and 50–59 (485,000), with almost half (48%) of all freelancers falling into these age groups.

Freelancers aged 60 and older comprise 20 per cent of freelance workers, and though it is a higher proportion than in 2008, this age group has experienced a fall of two per cent since 2015. However, when taking into consideration rising life expectancy, the abolition of the Default Retirement Age, inadequate pension provision and planned increases in State Pensionable Age, the number of freelancers aged over 60 might be expected to increase in the coming years.

The most significant growth has been among younger freelancers aged 16–29, rising 66 per cent since 2008. Though this age group account for the lowest proportion of all freelancers, the growth witnessed since 2008 may suggest a changing attitude towards post-graduate vocations and ways of working, with more young people choosing to start their own freelance businesses.

## Freelance workers' contribution to business turnover

It is possible to provide a speculative estimate of the economic contribution freelance workers make to the UK economy. If freelance workers contribute to turnover proportionate to their presence in the wider group of businesses without employees, their collective sales would be approximately £119bn.

Freelancer owned businesses might be expected to generate greater revenues than other own account businesses, owing to the more valuable knowledge and skills exercised, suggesting a slightly higher turnover figure, perhaps £130–135bn, approximately three to four per cent of business turnover.

## Data sources and methodology

Building on the previous publication, Exploring the UK Freelance Workforce in 2015<sup>5</sup>, the principal data source used is the Office for National Statistics (ONS) Labour Force Survey (LFS), but data from the Department for Business, Energy & Industrial Strategy (BEIS) Business Population Estimates for the UK and the Regions 2016<sup>6</sup> are also used. The data was extracted by Professor John Kitching from Kingston University's Small Business Research Centre in December 2016. All LFS data refer to quarter two in the relevant years, unless otherwise stated.

### Estimating freelancers' contribution to business turnover

The freelance worker numbers used to estimate the contribution to business turnover are reduced by the number of freelancers in finance and insurance activities (68,070). Therefore, businesses without employees (excluding finance and insurance activities) contributed an estimated £255 billion (bn) in sales in 2016, or approximately seven per cent of private sector turnover. Approximately 47 per cent of businesses without employees are freelancer owned: 1.93m freelancers, of a wider group of 4.10m (excluding financial intermediation). Assuming freelance workers contribute to turnover proportionate to their presence in the wider group of businesses without employees, their collective sales would be approximately £119bn.

## End notes:

- 1 The Association for Independent Professionals and the Self Employed (IPSE) (2015) 'National Survey Finds Job Satisfaction Soaring Among UK Freelancers', IPSE website, available online: [www.ipse.co.uk/news/national-survey-finds-job-satisfaction-soaring-amongst-uk-freelancers](http://www.ipse.co.uk/news/national-survey-finds-job-satisfaction-soaring-amongst-uk-freelancers).
- 2 Office for National Statistics (ONS) (2016) Labour Force Survey, April – June 2016
- 3 Office for National Statistics (ONS) (2010a) Standard Occupational Classification 2010: Volume 1, Structure and Descriptions of Unit Groups. Online at: <http://www.ons.gov.uk/ons/guide-method/classifications/current-standardclassifications/soc2010/soc2010-volume-1-structure-and-descriptions-of-unit-groups/index.html#1>
- 4 The changes in classification occurred in 2010 so assessments of occupational change from 2008 should be conducted carefully.
- 5 Kitching, J. (2016) Exploring the UK Freelance Workforce in 2015, a report for IPSE. Online at: <https://www.ipse.co.uk/sites/default/files/documents/research/Exploring-uk-freelance-workforce-2015-report-v1.pdf>
- 6 Department for Business, Energy & Industrial Strategy (BEIS) (2016) 'Business Population Estimates for the UK and Regions 2016'. Online at: <https://www.gov.uk/government/statistics/business-population-estimates-2016>

# Greater London: A thriving hub for freelancers

The greatest proportion of freelancers in the UK reside in South East England (43%), with half of those living in Greater London.

London is the fastest growing region for freelancers in Great Britain. An estimated 429,000 (21%) UK freelancers reside in London, a rise of 59 per cent since 2008. The significant role that freelancers are playing in the capital is not surprising given that London's economy is largely based in service industries, which includes many occupations that freelancers typically work in.

## Occupational profile

The greatest proportion of freelancers in London work in associate professional and technical occupations (SOC3) (42%). Growth has been most significant among professional occupations (SOC2) since 2008, with freelancers based in London accounting for 24 per cent of all freelancers in the UK working in this occupational category.

Nearly one in five freelancers in London work in artistic, literary and media occupations. This occupational group is the largest of all freelancers in the UK, and London-based freelancers account for a quarter of all working in these occupations.

## Gender

The gender breakdown for freelancers working in London is 57 per cent male and 43 per cent female. There is a slightly higher proportion of females working as freelancers in London compared to the national average. There has also been a 95 per cent increase in the number of female freelancers in London since 2008 – increasing at a faster rate than males in London (40%) and females across the UK as a whole (55%).

Male freelancers in London tend to be working in IT and telecommunications, as well as business research and administrative occupations. Whereas greater numbers of females can be found working in teaching and education, and media professions.

## Age

The average age of freelancers in London is 45, and the largest proportion are aged between 30-39 years. Overall, freelancers in London are slightly younger than the UK average.

## Top roles occupied by freelancers in Greater London



Artistic, literary and media occupations



Business, research and administrative professions



Managers and proprietors in other services



Teaching and educational professions



IT and telecommunications professions

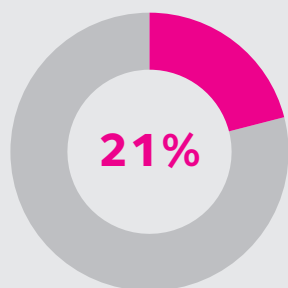


Sales, marketing and related associate professions



Media professions

**429,000**  
freelancers  
in Greater  
London



of all freelancers in the UK live in Greater London

## Gender split



43%  
Female



57%  
Male

## Average age of freelancers in Greater London

**45**

## 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.

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.

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