

A woman with long brown hair, wearing an orange blazer, is sitting at a wooden table in a kitchen. She is looking down at a white tablet she is holding with both hands. A silver laptop is open on the table in front of her. The background shows a kitchen counter with various items and a window with bright light. The image is framed by blue diagonal overlays on the left and right sides.

The State of Freelancing During COVID-19

An analysis of demand for global freelancing - now and the day after - based on a survey of over 1,000 freelancers

Introduction

As the world gets to grips with COVID-19, the remote workforce has become the norm for the first time in modern history.

Freelancers and gig-workers share the same concerns for financial stability and job security as the rest of the global workforce and are left wondering what's in store for the future of freelancing. Is this a pivotal moment for freelancing with the potential to push it forward 10 years into the future with the new-found discovery that work really can be done at a very high level remotely? Will the need to reduce expenses result in businesses cutting freelancers, or will it actually result in more outsourcing as they search for more flexible, lower expenses alternatives to the traditional payroll?

In an attempt to better understand how COVID-19 has impacted the freelance economy, we surveyed over 1,000 freelancers from 100+ countries, asking them to share how the pandemic has impacted the demand for their services, their hourly rates and what opportunities and risks they expect will arise from the crisis.



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Key Takeaways



Of the freelancers surveyed, **32% shared that demand for their services has greatly decreased in light of COVID-19**. But it's not bad news for all freelancers – **40% say that business has remained as usual or even increased** over the past 3 months.



The greatest drop in demand came from clients in North America and Europe, while freelancers serving businesses in Asia and Australia experienced slightly less impact.



Nearly three-quarters of freelancers say that their hourly rate has remained unchanged during this period, suggesting that they feel confident that their fees are fair and attractive even in the current climate.



Freelancers managing teams are showing real resilience and most intend to keep things stable despite the crisis. **74% answered that they are not downsizing their team and 83% said they will not be reducing their team's pay**.



Once COVID-19 is under control, **53% of freelancers believe demand will increase from what it was before**, with a further **21% expecting demand to revert to how it was prior to the crisis**.

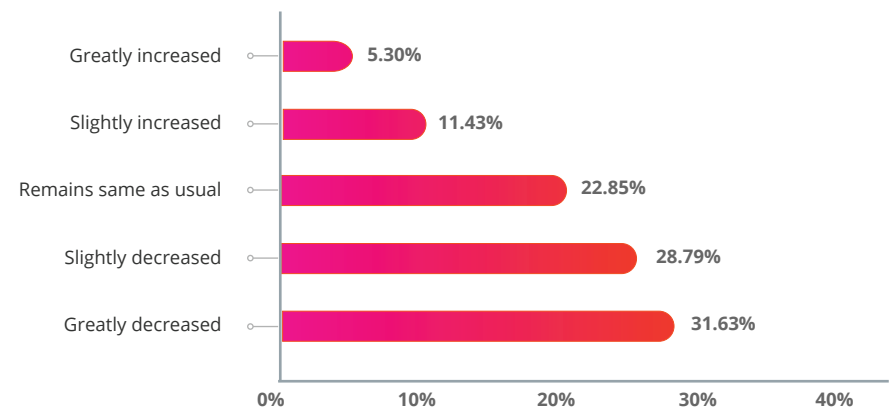


Freelance marketplaces have reported a **rapid growth in new freelancers entering the platforms**, as well as **steadiness in demand for their services**.

Freelancers Experiencing a Fall in Demand in the Short-Term as Fallout from COVID-19

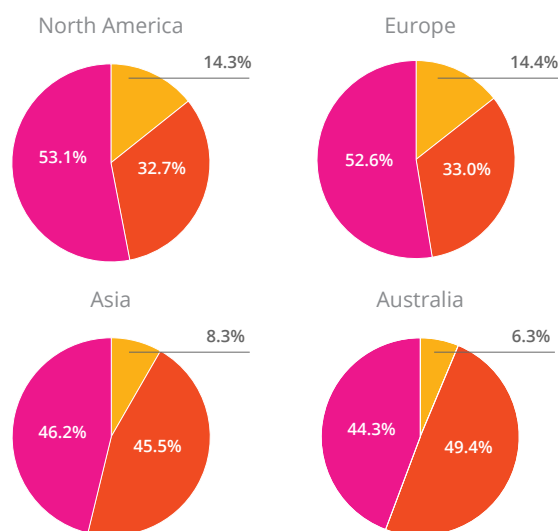
We asked survey respondents if over the past three months, they've seen a shift in demand for their freelancing services. Close to 32% of the freelancers surveyed mentioned that demand has decreased greatly, suggesting that the overall slowing of the global economy has led to a slowdown in both ongoing activity and the start of new projects with outsourced talent.

However, it's not bleak news for all freelancers. In fact, 23% said that business remained as usual with an additional 17% reporting that demand for their services had increased during this period, perhaps as a way for businesses to fill some of the gaps left by a reduction in activity from their in-house team during this time.



**Total numbers may fall slightly below 100% in cases where some survey respondents skipped the specific question.*

Many freelancers work for clients based all over the world, so we asked how demand from clients in specific regions had been impacted. Based on our results, freelancers with clients based in **North America and Europe** reported the highest slowdown in demand. **Asia and Australia** – regions which first felt the impact of the outbreak, have seen slightly less of a decrease in demand for freelancers. This lends to the view that demand for freelancers will rebound once the road to recovery begins all around the world.



■ Increased
 ■ Remained the same
 ■ Decreased

When taking a deeper look at the numbers, our survey showed that freelancers in **Ukraine** – one of the fastest growing outsourcing locations - have seen less of an impact. 56% of Ukrainian freelancers reported that demand from clients in North America either increased or remained the same and 50% stated that demand from Europe had not declined.

"Outsourcing has become one of the most promising industries for young entrepreneurs in Ukraine. Ukrainian specialists can compete on equal terms with service providers from all over the world and in fact, they're doing very well. Ukrainian IT outsourcing companies are definitely feeling the impact of the crisis, but perhaps less so than other markets due to the high quality and more affordable rates they offer over hiring locally."

Michael Deinega
Payoneer Country Manager – Ukraine

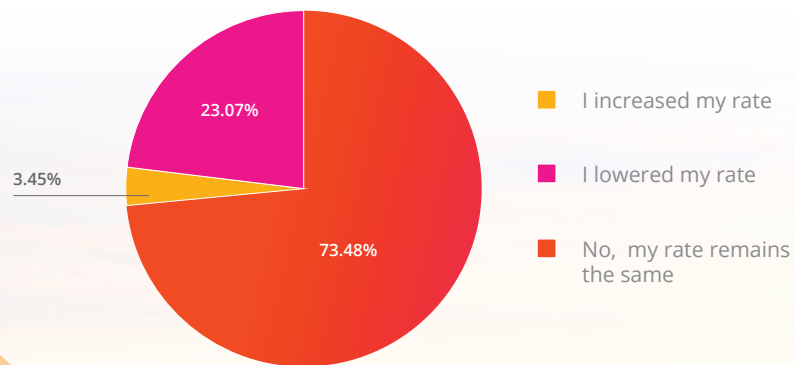
Freelance marketplaces lead the way in connecting talented professionals with businesses that need their services. Since the outbreak of the pandemic, leading marketplaces have reported a rapid growth in new freelancers entering the platforms, as well as steadiness in the demand for services from businesses worldwide.

"While the development of the COVID-19 pandemic is uncertain and far from being over, we were encouraged to see that our marketplace was able to quickly rebound and resume growth."

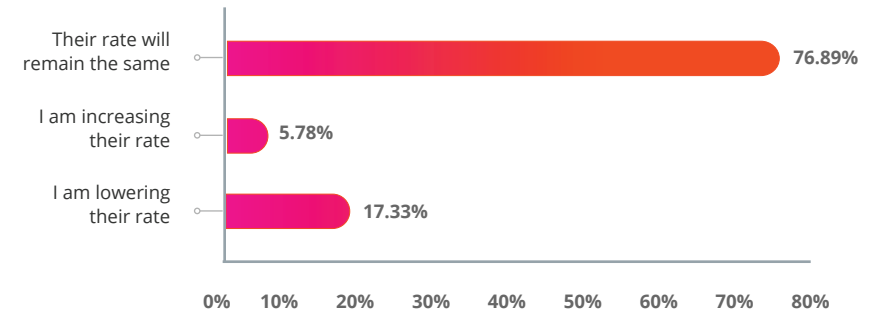
Micha Kaufman
Founder and CEO of Fiverr, in a [letter to shareholders](#).

Freelance Hourly Rates Remain Stable Despite Crisis

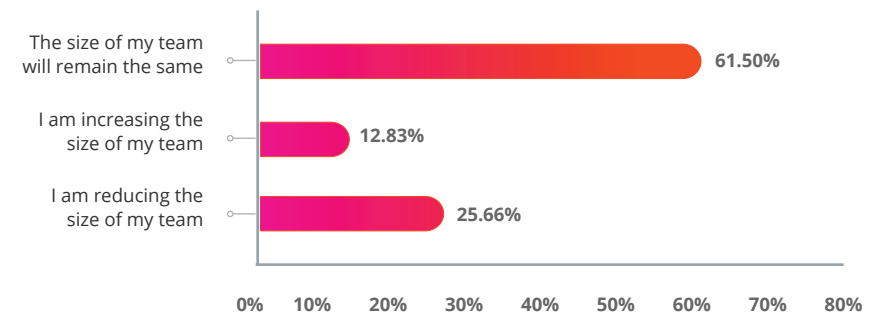
According to our recent [2020 Freelancer Income Report](#), the worldwide average hourly rate charged by freelancers stood at \$21/hour, higher than the \$19 average rate when we last ran the survey two years earlier, and significantly higher than the average global hourly rate for workers. We asked freelancers if they've made any changes to the rates they charge due to the pandemic. A clear majority of freelancers mentioned that their **rates have remained the same** or even gone up, while only 23% have lowered their hourly rates. This signals that freelancers generally feel confident that their rates offer businesses excellent value for money, and even with new freelancers entering the market, there is no need for them to lower their fees.



Furthermore, freelancers managing their own team (21% of those surveyed) have shown real resilience in protecting their employees and sub-contractors. 83% stated that they have kept their team's rates **the same or even increased them in a few cases**.



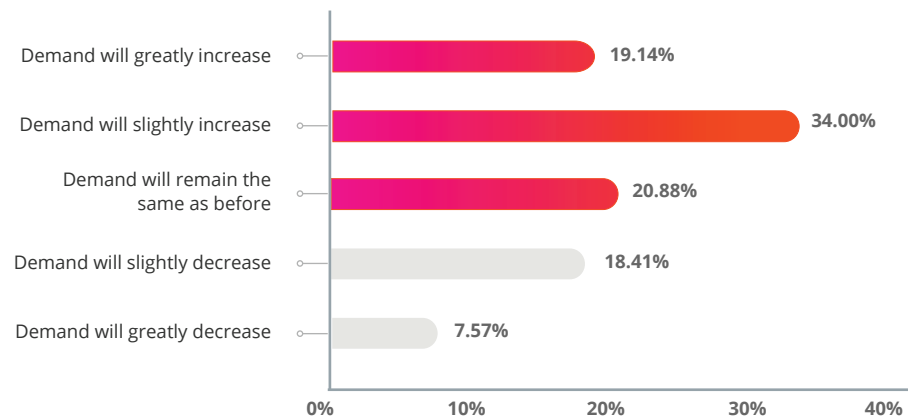
In addition, 74% said that they will **either keep their team the same size or grow it**.



The Long-Term Future for Freelancing Post-COVID-19 Looks Very Optimistic

As the global economy faces one of the most difficult times in modern history, many can't help but wonder about what will come next. What risks or opportunities will arise from crisis and how will the freelance industry bounce back once the pandemic is under control?

According to the survey results, 53% of freelancers believe demand will increase from what it was before the pandemic, with a further 21% expecting demand to revert at least to how it was prior to the crisis.



For many freelancers the future remains bright. A majority answered that they remain optimistic and believe the global workforce will continue to shift towards more remote work - opening more opportunities for freelancers.



Freelancers are already the experts in working remotely, communicating effectively from afar, and offering businesses the flexibility to scale on demand. Those with a strong portfolio of projects previously completed and an impressive set of reviews on the freelance marketplaces are in the best position to capitalize when demand increases again. Many respondents also commented that they believe that self-employment could eventually become more stable than full-time jobs.

As for what risks could develop in the post-outbreak world, freelancers see tighter competition ahead as more workers are making the switch to freelancing. Freelancers also fear that some of their clients may suffer financially so severely during this period that they will struggle to make it back on their feet.

"Experts and firms in Catalant's Expert Marketplace focus on strategic work, and we have strong conviction that flexible access to strategic capabilities is more important than ever. Traditional consulting firms aren't right sized for the work many companies need right now and can no longer camp out in clients' offices for the foreseeable future."*

At the same time, organizations still need similar capabilities — and results — to keep the business moving. Separately, traditional employment models aren't well suited for flexibly meeting the demands of a world in flux. Widespread uncertainty and volatile markets are compelling leaders to reduce and variabilize fixed labor costs. Many organizations will need new capabilities to explore promising but uncertain opportunities to rapidly adapt a reshaped economy."

Steven Duque
VP Product Marketing at Catalant

*Catalant's Expert Marketplace provides access to more than 65,000 elite independent experts and 1,000 firms.

SMBs are Cutting Costs, yet Remote Opportunities are Emerging Strong

For SMBs, the coronavirus outbreak has brought much fear and uncertainty. A recent study by [McKinsey & Company](#) showed that 60% of small and medium-sized businesses have already reduced spending due to loss in revenue, yet 30% are optimistic that post-COVID-19, the economy will recover to the same growth rate or grow even quicker within 2-3 months after the outbreak diminishes.

Today's digital world easily enables businesses worldwide to connect with top talent, and scale quicker than ever before. Larger companies are seeking remote workers via online marketplaces, specifically in the fields of customer service, software & IT, and eCommerce.

Furthermore, in March 2020, Payoneer experienced a **33% month-over-month increase** in SMBs in the US registering to the platform in order to pay their international freelancers. The strong Q1 performance shows that despite the uncertainty and budgetary cuts, businesses still see outsourcing as part of the solution to the challenges being faced.



Summary

Our survey shows that even during unprecedented times, freelancing and remote work could become the new norm very quickly and remain that way for good. While demand for freelancers appears to have slowed in the short-term, many believe that it is just a matter of time until businesses get back on their feet and turn to outsourcing in order to acquire quality talent – as is evidenced by stronger demand for freelancers in Asia and Australia. More businesses are adapting to working online – which will ultimately ease the way freelancers can be onboarded and managed.

With new freelancers entering the ecosystem, competition for skilled professionals will rise, as will demand for their services. Successful freelancers will be the ones who stay attuned to shifting demands and possess the skills that match the needs of businesses worldwide looking for the best talent during these challenging times.

“The future of work is here. As the world figures its way out from this crisis, it’s clear that while some things will go back to how they were before, others will be changed forever. It is our belief that businesses worldwide will continue heading towards a more fluid workforce, connecting with skilled talent at home and abroad, in the realization that today’s world is borderless in more ways than we perhaps ever imagined.”

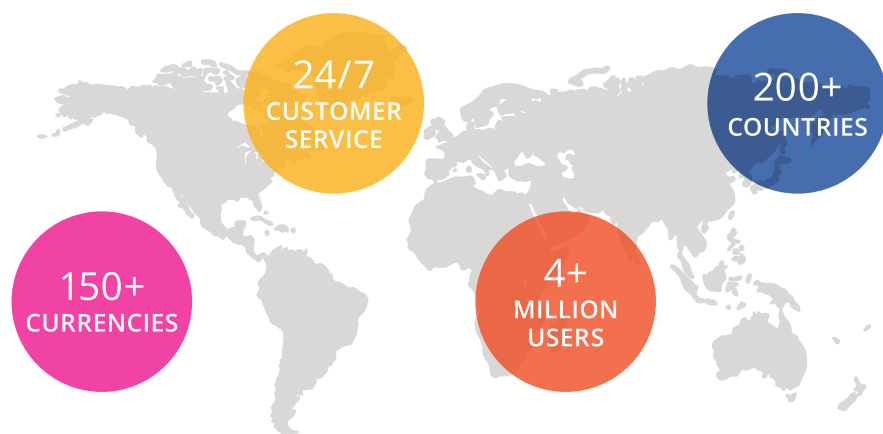
Jonny Steel
VP Marketing, Payoneer





Connecting the World of Freelancing

Payoneer is the leading cross-border payment platform, designed to connect freelancers, marketplaces and companies, quickly, reliably and at low-cost.



What sets Payoneer apart?

For Freelancers



Get paid by freelance marketplaces and your international clients



Pay your sub-contractors for free



Withdraw your funds in local currency at low-cost

[SIGN UP](#)

For Freelance Marketplaces



Automate the sending of mass payouts to your freelancers worldwide



Provide a great customer experience to your freelancers

For SMBs



Pay your contractors, suppliers and remote employees



Send payments via credit card, bank transfer or ACH bank debit

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