Freelancer Study 2023

Freelancer Report
Financials, Self-employment, Demographics, Outlook, AI
For many years, the interdependence of technological revolution and cultural implications has not received sufficient attention.

The challenges of the future work environment extend beyond the shortage of skilled professionals or demographic changes; they also encompass a fundamental shift in how people want to work. There is a growing need for flexibility without sacrificing security. We know from observing other countries that more people will venture into self-employment in the future.

At freelancermap, we firmly believe that freelancing, as a cornerstone of the future work landscape, deserves greater societal value.

For this study, we collected data from 3,504 freelancers from February 14, 2023, to May 7, 2023, through various channels of freelancermap – from the website to social media and email.

We warmly thank all participants and hope you enjoy reading the study!

Thomas Maas
CEO / freelancermap GmbH
Agenda

1. Financials
   Rates, income, comparison

2. Self-employment
   Challenges, freelance work

3. Demographics
   Origin, education, industry

4. Outlook
   Project market situation, forecasts

5. Artificial Intelligence
   Impact of AI on the freelance market
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Average hourly rate 2023

What is your hourly rate? (VAT not included)

Remarkable

€96

is the average hourly rate of freelancers in 2023.

31% charge between €75 and €99 per hour.
Start capital
Which financial buffer do you recommend before starting freelancing?

€12,000 Start capital
recommended by freelancers before starting freelancing.

71% of all freelancers
recommend having at least €10,000 start capital.
Economic situation

How would you assess your current economic situation?

- Very good: 16%
- Good: 43%
- Neutral: 33%
- Bad: 7%
- Very bad: 1%

Remarkable

59% assess their current economic situation as (very) good.

Only 8% assess it as (very) bad.
Gross revenue

What was your gross revenue in 2022?

The distribution of gross revenue among freelancers is becoming increasingly polarized, with some generating significant turnover while others experience minimal revenue.

Remarkable

49%

had a gross revenue of more than €100,000 in 2022.

The distribution of gross revenue among freelancers is becoming increasingly polarized, with some generating significant turnover while others experience minimal revenue.
Gross profit
What was your gross profit in 2022?

Remarkable
51% had a gross profit of over €50,000 in 2022.
28% of freelancers had a gross profit of less than €25,000.
Rising costs due to inflation may be one reason for this.
Hourly rates by role

- Consultant: €107
- Project lead: €104
- Other: €99
- Team lead: €90
- Team member: €85

Remarkable

Freelancers receive consultants on average €107 per hour.
Hourly rates by education level

Remarkable

Freelancers with a university degree (or higher) charge on average 10% more than those without.
Hourly rates by industry

Banking/Finance and Industrial Production rank in 2nd and 3rd place, respectively, while the education industry has the lowest hourly rates.

Remarkable

€111

is the average hourly rate of freelancers working in the energy sector.

Banking/Finance and Industrial Production rank in 2nd and 3rd place, respectively, while the education industry has the lowest hourly rates.
Hourly rates by area of expertise

- Consulting / Management: €117
- SAP: €113
- IT infrastructure: €91
- Development / Tech / Data: €89
- Other: €83
- Marketing / Communication: €83
- Engineering: €79
- Graphics / Content / Media: €68

Remarkable:
Freelancers working in the consulting and management field receive an average hourly rate of €117.

The lowest hourly rates are paid in the Graphics / Content / Media field (€68).
Hourly rate by continent

- **North America**: €68
- **Europe**: €100
- **Asia**: €63
- **South America**: €39
- **Africa**: €47
Monthly net income

On average, what is your monthly net freelance income? (without taxes and expenses)

Remarkable

€6,200 is the average monthly net income of freelancers.

27% have an average monthly net income between €5,000 and €7,499.
Hourly rates women vs. men

Is there a gender gap in the hourly rates for women and men?

Women

€87

Monthly net income

€4,271

Men

€98

Monthly net income

€6,589

Diverse charge an average of €97 per hour and have a monthly net income of €4,913.
Income satisfaction

62% are satisfied with their current income.

38% are not satisfied with their current income.

Are you satisfied with your income level?
Income satisfaction by industry

- **SAP**: 79% satisfied, 21% not satisfied
- **Consulting / Management**: 67% satisfied, 33% not satisfied
- **IT infrastructure**: 66% satisfied, 34% not satisfied
- **Development / Tech / Data**: 65% satisfied, 35% not satisfied
- **Engineering**: 58% satisfied, 42% not satisfied
- **Other**: 51% satisfied, 49% not satisfied
- **Marketing / Communication**: 41% satisfied, 59% not satisfied
- **Graphics / Content / Media**: 32% satisfied, 68% not satisfied

Remarkable

79% of freelancers working in **SAP** are satisfied with their income.

Only 3 out of 10 of freelancers working in the graphics / content / media sector are satisfied with their income.
Rate calculation

How often do you calculate your rates?

- 42% calculate their rates individually for every project.
- 31% calculate them individually for every client.
- 20% calculate them once a year.
- 6% calculate them once a month.
- 1% calculate them other.

Remarkable 42% calculate their rates individually for every project.
31% calculate them individually for every client.
Charging clients

How do you usually charge your clients?

- 65% charge by hourly rate.
- 19% charge by daily rate.
- 12% charge by project-based.
- 2% charge by value-based.
- 1% charge by retainer.
- 1% charge by other.

Remarkable

65% charge their clients by hourly rate.

19% charge by daily rate.
Freelance rates

Why are you going to increase your rates?

- **74%** are going to increase their rates due to inflation.
- **62%** justify the rate increase based on the experience gained in the field.

**Inflation**

**More work experience**

**Adjustment to market rates**

**Higher demand of my profile**

**Economic environment**

**New qualifications, certifications, etc.**

**Other**
Finances & Income

Key findings

- **€12,000** Start capital
- **€96** Average hourly rate
- **€6,200** Monthly net income
- **€87 / €98** Average hourly rate w/m
- **62%** Income satisfaction
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The hourly rate increases to €96. Monthly net income rises to €6,200. However, income satisfaction decreases from 66% to 62%.

83% feel (very) satisfied in their role as freelancers. However, this is 4 percentage points lower than the previous year.

59% rate their economic situation as (very) good. However, this reflects a 5 percentage points decrease compared to the previous year.

Overall, the sentiment in the freelancer market appears positive. However, there is a slight downward trend compared to the previous year, possibly influenced by factors such as inflation and recession.

______________________________

Florian Baumann
Head of Marketing / freelancermap GmbH
Freelancing on the side

Were you already working as a freelancer on the side before starting full-time?

- 62% were not freelancing on the side.
- 38% were freelancing on the side at the beginning.
Reasons to go freelance

Why did you become a freelancer?

- Independence / Becoming my own boss: 73%
- Better opportunities for higher income: 52%
- Flexible working hours: 51%
- Variety of tasks: 44%
- Professional challenge: 33%
- Bad relations with my boss where I worked at: 27%
- Lucrative opportunity arose: 26%
- Favorable market situation: 22%
- I didn’t feel I belonged in the company I worked at: 19%
- I was laid off / Unemployed: 15%
- Other: 3%

Remarkable

73% chose the opportunity to be their own boss as the reason for making the leap.

Better opportunities for getting a higher income was voted by 52%.
Fluctuating income is the second biggest challenge (36%), followed by unpaid vacation (22%).
Remote work is important for 5 out of 10 freelancers (11 percentage points more than the previous year).

The main benefit of freelancing, considered by 75% of freelancers, is independence. Remote work is also remarkable, considered by 67% of freelancers.

Bar chart showing the benefits of freelancing:

- Independence: 75%
- Freedom to decide: 67%
- Time management: 55%
- Diversity of tasks: 54%
- Get a higher income: 52%
- Remote work: 51%
- Diversity of clients: 41%
- No income limits: 30%
- Other: 2%
Beginner mistakes
Which mistakes did you make more often at the beginning of your freelancer career?

<table>
<thead>
<tr>
<th>Mistake</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hourly rate too low</td>
<td>64%</td>
</tr>
<tr>
<td>Time for project acquisition neglected</td>
<td>40%</td>
</tr>
<tr>
<td>Enjoyed just a few days off / vacation</td>
<td>31%</td>
</tr>
<tr>
<td>Accepted unsuitable projects</td>
<td>30%</td>
</tr>
<tr>
<td>Not enough money put aside</td>
<td>30%</td>
</tr>
<tr>
<td>Too tolerant with late payments</td>
<td>26%</td>
</tr>
<tr>
<td>Administrative work done by myself</td>
<td>24%</td>
</tr>
<tr>
<td>Too little time planned for family and friends</td>
<td>23%</td>
</tr>
<tr>
<td>Accepted too many projects</td>
<td>13%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
</tbody>
</table>

Remarkable

64% of freelancers cited charging too low as their main mistake at the beginning of their career. Underestimation of time for project acquisition is at second place (40%).
Freelancer facts

Working hours and holidays

- 26 days of vacation do freelancers take on average per year.
- 40 hours are freelancers working on average every week.
- 9 projects are completed by freelancers on average every year.
Productivity

18% of freelancers’ working time is spent on unproductive tasks.

82% of their working time is spent on productive tasks.

How much time do you spend on “unproductive” tasks (client acquisition, accounting, customer care, etc.)?
Self-marketing

How do you market your freelance services?

- Professional networks: 76%
- Freelancing platforms: 71%
- Personal website: 53%
- Social media: 29%
- Personal blog: 11%
- Speaker: 9%
- Guest posts: 8%
- Other: 5%

Remarkable

76% of freelancers say they use professional networks like LinkedIn to market their services.

7 out of 10 surveyed freelancers use platforms such as freelancermap for their self-marketing.
Accepting a project
Which factors influence your decision of accepting a project?

- **Hourly rate / Payment**: 77%
- **Remote work accepted**: 62%
- **Matching skills**: 53%
- **Professional challenge**: 49%
- **Project duration**: 46%
- **Personal development**: 35%
- **Technology stack**: 30%
- **Company reputation**: 22%
- **Industry**: 21%
- **Proximity to residence**: 16%
- **International client**: 13%
- **Company size**: 11%
- **Social responsibility**: 11%
- **Other**: 2%

Remarkable: 77% of freelancers decide whether or not to accept a project based on the hourly rate.

For 62% is important to be able to work remotely.
Rejecting a project

Why do you reject projects?

- Low hourly rate: 77%
- Project does not fit skills: 70%
- No remote work available: 55%
- No capacity to accept more projects: 47%
- Too far from residence: 25%
- Not enough information about the project: 25%
- Bad company reputation: 18%
- Low professional challenge: 15%
- Language barriers: 13%
- Other: 3%

Remarkable

77% reject projects because the hourly rate is too low.

70% decline project offers because the requirements don’t fit the freelancer’s skills.
New vs. regular clients

What percentage of your clients are new clients?

50% are new clients.

50% are regular clients.
Managing clients

57% of freelancers work with multiple clients at the same time.

How many clients do you work with at the same time?

43% work with only one client at a time.
Personal fulfillment

How do you feel in your role as a freelancer?

- Very satisfied: 43%
- Satisfied: 41%
- Neutral: 14%
- Unhappy: 2%
- Very unhappy: 0%

Remarkable

84% of freelancers feel fulfilled and are (very) satisfied working as freelancers.

Only 2% of all surveyed freelancers said to be unhappy.
Project acquisition

Why is project acquisition so challenging?

- Project requests don't match my skills: 40%
- Few recurring clients: 38%
- My network is not good enough: 35%
- I have no time to invest in acquisition: 31%
- People don't know about me (low reach): 30%
- I can't sell myself and my skills: 20%
- Other: 9%

Remarkable

40%

consider **unsuitable project inquiries** as a challenge in client acquisition.

38% find having too few regular clients problematic.
Getting new clients

How do you usually get your projects?

- **Active (cold calls, cold emails, applying for open projects, etc.)**: 36%
- **Passive (referrals, follow-up projects, direct requests, projects via agencies, etc.)**: 64%

Remarkable

64% of freelancers rely on **passive methods** to acquire new projects.

Only 36% actively engage in project acquisition.
Acquisition channels
Which channel is working best for you for project acquisition?

- Project platforms (e.g. freelancermap): 36%
- Personal network: 27%
- Recruitment / Staffing agencies: 16%
- Recommendations from other freelancers: 7%
- Social media: 6%
- Cold calls: 3%
- Own website: 3%
- Other: 1%
- Fairs / Events: 1%

Remarkable
36% use freelancing platforms as their primary acquisition channel.

27% of freelancers primarily receive project recommendations through their personal network.
Hiring freelancers

What do you think is preventing companies from hiring freelancers?

Potential legal problems (e.g. Scheinselfständigkeit, IR35)
- Limited budgets: 43%
- Don't know how to get freelancers involved: 41%
- Negative experiences in the past: 33%
- Don't know freelancers exist: 33%
- No willingness to change the "old way of work": 30%
- Don't find suitable candidates: 28%
- More organizational efforts required: 21%
- No acceptance from members of the team: 18%
- Other: 4%

Remarkable 51% assess that potential legal problems could prevent companies from hiring freelancers.

Limited budgets and missing onboarding processes for freelancers are further obstacles.
Working life

Key findings

- **7 years**
  - Work experience

- **10 years**
  - Freelancing

- **40 hours**
  - Work per week

- **9 projects**
  - Per year

- **26 days**
  - Vacation
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Gender distribution

16% Women
Female freelancers are still significantly outnumbered by their male counterparts, resulting in a gender gap within the IT industry.

84% Men
Men continue to outnumber women, especially in the technology sector.
Freelancer location

Where do freelancers live and work?

Freelancing is a global phenomenon - freelancers based in 101 different countries completed the survey. The 10 most participative countries were: Germany, Switzerland, Austria, India, Spain, Italy, Argentina, Portugal, Brazil, and The Netherlands.
Education

Do you hold a university degree or a higher education title?

- 80% of freelancers have a university degree or other higher education credential.

- 20% of freelancers do not hold a university degree (or higher). In SAP, 15% lack such credentials, compared to 40% in content and media.
Area of expertise

What is your area of expertise?

- Development / Tech / Data: 33%
- Consulting / Management: 30%
- IT infrastructure: 9%
- Marketing / Communication: 7%
- Graphics / Content / Media: 6%
- Engineering: 5%
- Other: 5%
- SAP: 5%

Remarkable

63% of the surveyed freelancers work in development, tech and data or consulting and management.
Role on projects
What was your position in the last (or current) project?

- Team member: 37%
- Consultant: 27%
- Project Lead: 21%
- Team Lead: 9%
- Other: 6%

Remarkable
37% of freelancers are part of projects as team members specializing in their own respective areas. 30% are assigned to a project as team/project lead.
Professional experience

- 75% describe themselves as Senior Expert (> 10 years of professional experience).
- 17% describe themselves as Junior Expert (5 - 10 years of professional experience).
- 8% describe themselves as Young Professional (< 5 years of professional experience).

What is your experience level?
Projects industry

In which field was your last (or current) project?

- **IT / Software**: 18%
- Other industries: Textile, E-Commerce, Advertising.

Remarkable

18% work in the IT / Software industry.
Company size
What was the company size on your last (or current) project?

- < 10 employees: 16%
- 10 - 100 employees: 20%
- 101 - 500 employees: 14%
- 501 - 1,000 employees: 9%
- 1,001 - 5,000 employees: 15%
- > 5,000 employees: 27%

Remarkable
27% work in companies with more than 5,000 employees - a decrease from 28% in 2022.

Trend: More small and medium-sized businesses are turning to freelancers for their projects.
Retirement

How are you saving money for your retirement?

- Shares, ETFs, funds, bonds, etc.: 57%
- Public pension: 50%
- Real estate: 50%
- Life insurance: 38%
- Bank account with interests: 28%
- Crypto currencies: 18%
- Precious metals: 17%
- Self-build mortgage: 12%
- Versorgungswerk: 12%
- KSK (German freelancers): 10%
- Other: 5%
- Other: 3%

**Remarkable**

€1,049 is the average amount that freelancers are putting aside for retirement per month.

In 2023, securities such as shares or ETFs have become the most popular method for saving for retirement. This shift is likely influenced by the rise of neo-brokers.
Demographics

Key findings

16% / 84% Women / Men

44 years old Age

€1,049 Retirement savings

80% University graduates

63 years old Planned retirement age
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Loss of livelihood

Do you fear a loss of livelihood because of the current economic and political situation?

- 61% don’t fear a loss of livelihood.
- 15% don’t know how to feel about it.
- 24% fear a loss of livelihood.
Project market

How would you rate the actual project market situation for freelancers?

13% Very good
35% Good
37% Neutral
13% Bad
2% Really bad

Remarkable
48%

rate the actual freelance project market as (very) good.

In 2022, 64% thought that the project market was (very) good.
Do you think the freelance project market will change in 2023?

- **46%** expect the project market to remain the same.
- **41%** expect a better project market situation.
- **13%** expect a worse project market.
**Workplace**

Where are you completing your current project from?

- **Remote**: 64%
- **Hybrid**: 33%
- **On-site**: 3%

**Remarkable**

64% work remotely.

33% of freelancers work with an hybrid working approach.
Ideal workplace

Where do you prefer to work?

- Remote: 67%
- Hybrid: 30%
- On-site: 3%

Remarkable

67% of freelancers prefer to work remotely.

Only 3% of freelancers would be happy working 100% on-site.
If you could start over, would you still choose to be a freelancer?

- 88% would start their freelancer business again.
- 1% would not choose to be a freelancer if they could start over.
- 11% don’t know if they would become freelancers again.
Government support

Do you think that politics sets the right framework conditions for freelancers?

- 67% don’t think that governments set the right conditions.
- 10% think that governments set good conditions and framework for freelancers.
- 23% of freelancers are neutral to this topic.
Programming languages

In your opinion, which programming languages will become more important in the future?

- Python: 46%
- JavaScript: 39%
- TypeScript: 35%
- SQL: 28%
- Java: 26%
- C#: 21%
- Rust: 19%
- Kotlin: 19%
- Go: 18%
- C++: 13%
- PHP: 13%
- R: 7%
- Swift: 7%
- Dart: 6%
- C: 4%
- Visual Basic, .NET: 4%
- Solidity: 4%
- Scala: 4%
- MATLAB: 3%
- Ruby: 3%
- Assembly Language: 3%
- Perl: 2%
- Groovy: 2%
- Delphi / Object Pascal: 1%
- Objective C: 1%
- Objective-C: 1%
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AI is not a threat to the creative industry but a useful tool.

It lacks creativity, experience, empathy, and holistic thinking. No AI can understand the complexities of customer needs.

We should focus on our core ability: flexibility. With it, we can explore, learn new things, and grow.

Maria Murnikov
CEO / Brand Writer / Communications Strategist
In your opinion, which of the following IT industries will see a marked rise in the future?

Artificial Intelligence (AI) 78%
IT security 65%
Cloud Services 52%
Big Data 40%
Internet of Things (IoT) 37%
Agile project management 33%
Robotics 28%
DevOps 27%
Blockchain 26%
Smart Home 25%
Virtual Reality 24%
Quantum computing 22%
Augmented Reality 21%
3D Printing 17%
Metaverse 16%
Drones 14%
Other 2%

Remarkable 78%
attribute growing importance to Artificial Intelligence.

In 2022, AI was at the second place (65%) and IT security at first place (67%).
Use of Artificial Intelligence

59% don’t use AI-based tools and software.

Do you use AI-based tools and software in your job?

41% use AI-based tools and software.
AI-based tools and software

Which AI-based tools do you use?

- **89%** of freelancers using AI-based tools opt for ChatGPT.

Top 5 mentioned tools (other): Midjourney, DeepL, Dall-E, Notion, Tensorflow.
Benefits of AI
In your opinion, which benefits offer AI in your field of work?

- Improvement of efficiency/productivity: 66%
- Process automation: 40%
- Better information search: 39%
- Automated text, image, video creation: 35%
- Help when brainstorming: 34%
- Optimization of decision-making processes: 27%
- Easier website creation: 21%
- Customization of offers: 17%
- Increased security (e.g. early warning of crises): 15%
- Other: 4%

Remarkable

66% see the improvement of efficiency and productivity as a benefit.

40% consider process automation as an advantage.
Only 22% fear a change in the job market or job loss in their field due to AI.

4% perceive the vulnerability of AI to errors as a significant risk.

Risk of AI
Which are the most significant risks of AI in your field of work?

<table>
<thead>
<tr>
<th>Risk</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Errors</td>
<td>56%</td>
</tr>
<tr>
<td>Security risks</td>
<td>40%</td>
</tr>
<tr>
<td>Bias of AI systems</td>
<td>37%</td>
</tr>
<tr>
<td>Unpredictability</td>
<td>37%</td>
</tr>
<tr>
<td>People’s fear of being replaced</td>
<td>31%</td>
</tr>
<tr>
<td>Dependency (problem-solving and decisions)</td>
<td>29%</td>
</tr>
<tr>
<td>Change on the labor market / job loss</td>
<td>22%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
</tbody>
</table>

Remarkable

56% perceive the vulnerability of AI to errors as a significant risk.

Only 22% fear a change in the job market or job loss in their field due to AI.
Freelancer facts 2023

- 26 days Vacation
- €12,000 Start capital
- 40 hours Work per week
- €96 Hourly rate
- 80% University graduates
- €6,200 Monthly net income
- 62% Income satisfaction
- €1,049 Retirement savings
- 63 years old Retirement age
freelancermap was launched in Germany in 2005 as an open marketplace for experienced professionals and experts within the IT field.

Since 2012 we've been connecting freelancers and companies outside of Germany too. We make sure IT experts and clients find each other without commission fees.