



Freelancing in 2020: An Abundance of Opportunities

Reviewing the surge of demand in today's global freelancing economy

Introduction

The gig-economy has shown significant growth in recent years as an increasing number of people have begun to consider a [career in freelancing](#). Rapid changes in technology and workplace expectations have proven that there's no longer a singular way to work and traditional employment models are just one of many options.

Earlier this year, freelancers worldwide found themselves impacted by the COVID-19 global pandemic, which caused countries around the world to shut down and forced company employees to work entirely remotely.

Back in March this year, Payoneer set out to understand to what extent COVID-19 had impacted the freelance economy and what global freelancers expected to see happen in both the long and short term. [Our report published the results of a survey of freelancers worldwide](#) and found that while they were feeling an initial drop in demand due to an overall slowdown in the global economy, they were optimistic that demand would bounce back.

In this report, we reflect on those expectations and by analyzing the actual payments between freelancers and their clients throughout the first half of 2020, we reveal that their optimism was on the mark. Within a couple of months from the global spread of COVID-19, not only had demand for freelancers increased, but many countries were experiencing a real surge.

To fully understand this we studied the numbers further in four of the world's hottest freelancer markets (India, Pakistan, Ukraine, and the U.S.), providing an overview of how the freelance economy in both emerging and developed markets have responded to changing realities in light of the pandemic.

In short, while it's been a very challenging year from so many perspectives, the global freelance economy appears to be benefitting and its growth continues to accelerate.



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Key Takeaways



In March 2020, **32% of freelancers** shared that demand for their services has greatly decreased, while **53% expected demand would boom** post-pandemic.



Based on this new analysis of actual payments made to global freelancers, **COVID-19 brought a short-term slowdown in revenue growth, but it bounced back even stronger with 28% growth from May to June.**



India saw a massive **46% increase in new freelancers** from Q1 to Q2, 2020.



Pakistan's gig-economy experiences a surge in new freelancers due to government intervention with online education.



Ukrainian IT companies experienced minor economic impact from COVID-19.



The U.S. freelance economy continues to flourish despite a 14% unemployment rate.

Did Freelancers' Predictions for a Brighter Future Come True?

As a result of worldwide lockdowns and strict social distancing measures, the sudden shift to remote work has become the new norm.

In March, at a time when the pandemic had spread globally and the world was sinking into full lockdown, we surveyed freelancers from over 100 countries to find out if they had experienced a shift in demand for their services. At the time, [close to 32% reported that demand had greatly decreased](#) as a result of the economic downturn and overall slowdown in the global economy. Furthermore, the greatest drop in demand came from freelancers with North American and European clients, while those serving businesses in Asia and Australia experienced slightly less impact.

However, regarding the long-term future of freelancing, 53% of respondents expected demand would increase from levels seen even before the pandemic. 21% expected demand to remain the same. **It seems, then, that freelancers were highly optimistic about demand bouncing back despite the world likely taking a long and slow road back to normality.**

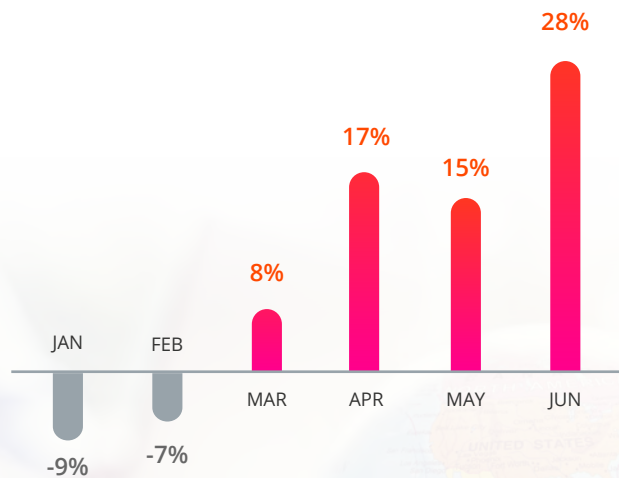
For this report, we analyzed payment activity between freelancers and their clients in the subsequent months which reveal that these **expectations for a return to healthy demand within the freelancing economy have certainly come true, and in some cases, grown significantly.**



While May, which was the peak month for the pandemic in many countries, saw a slight slowdown in global revenues, dropping from 17% to 15% growth, business bounced back in June, with revenues picking up by 28% since the beginning of the year.

Freelancers' expectations were accurate: COVID-19 brought a short-term slowdown in revenue growth but has now bounced back even stronger.

Monthly Growth in Global Freelance Revenue



The data above represents the month-on-month growth in global freelance revenue since January for the first half of 2020.



Top 10 Fastest Growing Freelancing Countries*



1 Philippines
208%



2 India
160%



3 Japan
87%



4 Australia
86%



5 Hong Kong
79%



6 Mexico
72%



7 Canada
71%



8 Pakistan
69%



9 Argentina
66%



10 Spain
66%

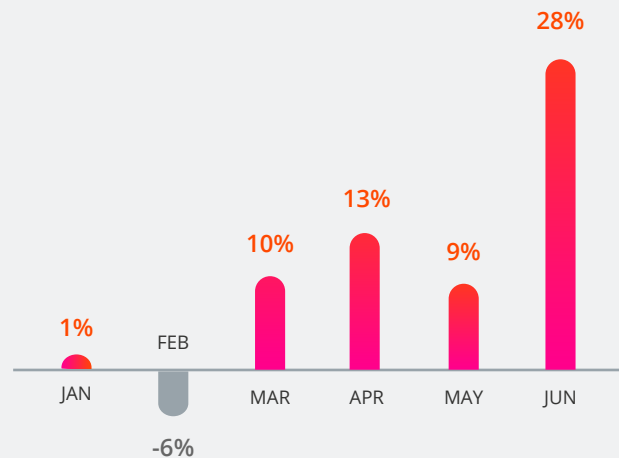
*Based on year-on-year revenue growth

The Indian Freelance Drought Quickly Bounces Back

Ranked as the 2nd fastest growing freelance market in the world, India's freelance economy currently consists of an estimated [15 million freelancers](#). However, as a result of the COVID-19 pandemic, India's economy experienced a loss of 135 million jobs, leading to a [35% rise in unemployment](#).

Indian freelancers experienced a **temporary slowdown** in new projects with the **month-on-month growth rate slowing from 13% in April to 9% in May**.

Monthly Growth in Indian Freelance Revenue



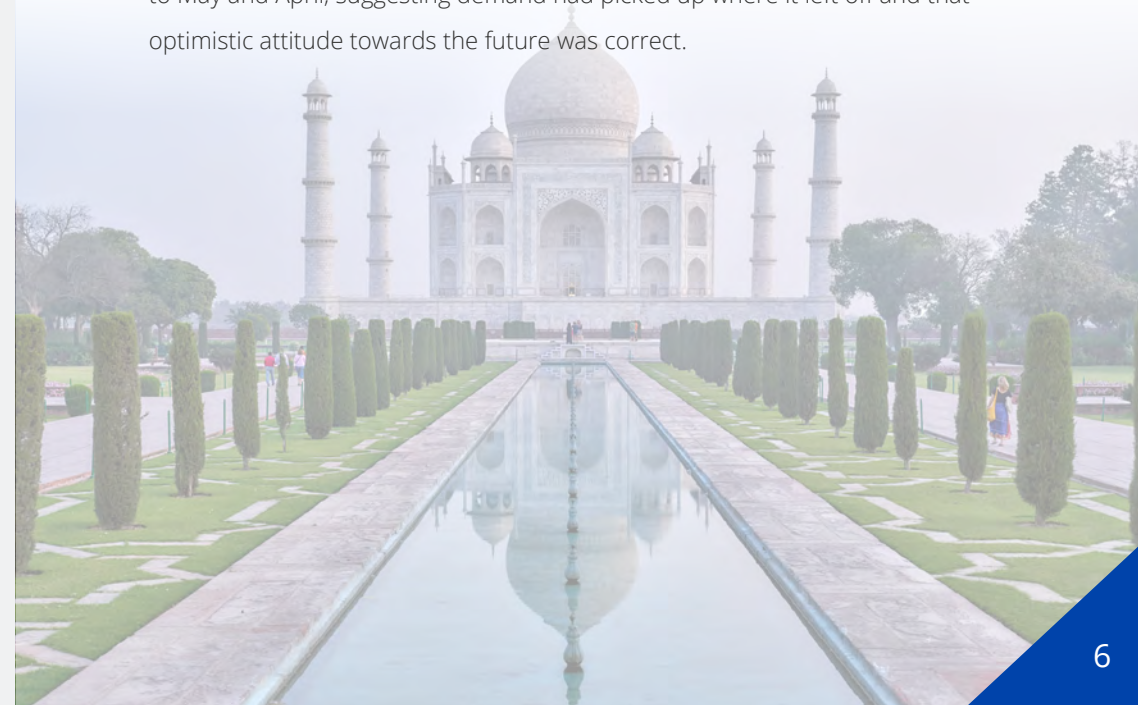
The data above represents the month-on-month growth in Indian freelance revenue since January for the first half of 2020.

Interestingly, as lockdowns eased throughout the country, June began to show signs of recovery as freelancers experienced an almost **28% increase in revenue compared to January this year**. In addition, more workers flooded the market with a **37% increase in new freelancers between May and June**, compared to a 23% increase between March and April.

India saw a massive 46% increase in new freelancers from Q1 to Q2, 2020.

Q2 2020 also saw a significant spike with a **46% increase in new freelancers** compared to Q1.

Furthermore, a study by [Bengaluru-based Refrens](#), found that 64% of freelancers reported that they received more assignments in June compared to May and April, suggesting demand had picked up where it left off and that optimistic attitude towards the future was correct.



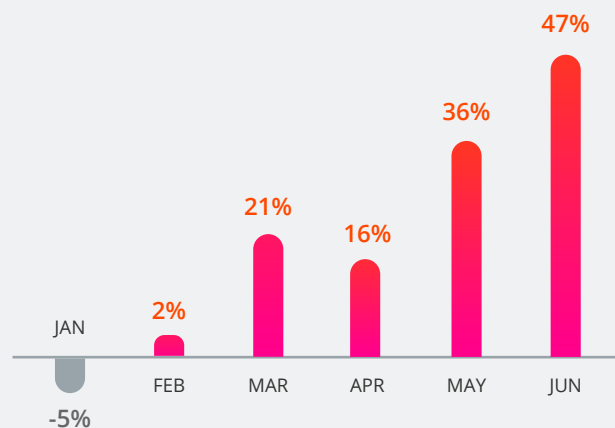
A Surge in the Pakistani Freelance Economy

Following the global trend, the demand for freelance services in Pakistan was hit hard due to the overall slowdown of the global economy and the desire of businesses worldwide to cut costs. As seen in our State of Freelancing During COVID-19 report, **64% of Pakistani freelancers reported a drop in their revenues** due to many businesses and companies cutting outsourcing costs and halting new projects.

Likewise, this response is reflected in the revenue figures where freelancing continued to grow year-on-year but temporarily slowing **from 21% growth in March to 16% growth in May**. However, while demand for freelancers took a tough hit at the peak of the pandemic, **82% of Pakistani freelancers** in our State of Freelancing During COVID-19 report **were confident that demand would rise once the crisis subsided**.

Indeed, this confidence was proven correct as revenues soared in May.

Monthly Growth in Pakistani Freelance Revenue



The data above represents the month-on-month growth in Pakistani freelance revenue since January for the first half of 2020.

Low short-term revenue growth in Q1 was followed by soaring revenue growth in Q2. The optimism of Pakistani freelancers' for a strong bounceback was proven to be correct.

One factor that goes a long way to explain this is that in April, local government authorities took the initiative to rapidly shut down educational institutes as a way to contain the spread of the virus. This led to the development of a new online education system. As part of this initiative, government training programs, such as [E-rozgaar](#), expanded its services throughout the country, offering people a new way to enhance their professional capabilities. The mission was to help expedite freelancing skills for thousands and enable them to earn a living in the most in-demand fields and ultimately lead to a higher employment rate.

The sudden rush to learn new skills online also boosted the demand for online instructors. E-rozgaar's training program allowed those with previous freelancing experience, as well as some sort of previous teaching experience, to easily apply and earn extra income by sharing their expertise with eager students.

"While the lockdown has affected businesses throughout the world, irrespective of their size or location, the freelance industry is booming. I have seen an incredible rise in my gigs, and these spikes are only rising."

Kashif Taj
Top Rated Seller on Fiverr
CEO, Techease Solutions Pvt Ltd

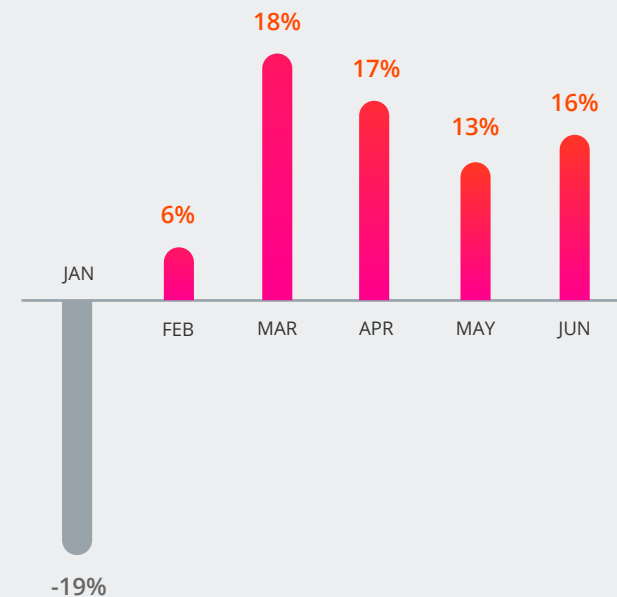
Ukrainian Gig-Economy Remains Steady Despite Cuts in Global Outsourcing

Freelancers in the Ukraine, one of the world's most popular IT outsourcing locations, felt less of an impact from today's pandemic. As seen in our earlier report, **50% of Ukrainian freelancers stated that demand from their European clients had not declined at all while 56% reported that demand from North American clients had either increased or remained the same.**

When over [60% of Ukrainian IT companies](#) provide software development services to tech companies and enterprises in the U.S. and Western Europe, it's no surprise that when a staggering 14% of workers in the U.S. are unemployed, as was the case in April, many American companies continued to outsource talent and new projects due to the high quality and more affordable rates.

Moreover, Ukrainian freelancers did indeed feel only a slight impact from the pandemic as **revenues dropped by 4% between April and May but then increased by 3% in June.**

Monthly Growth in Ukrainian Freelance Revenue



The data above represents the month-on-month growth in Ukrainian freelance revenue since January for the first half of 2020.

Ukrainian freelancers remain resilient and in high demand during today's pandemic.

The increase we saw at the start of summer suggests that even as the [U.S. unemployment rate dropped to 11%](#) in June, demand for freelancers made a quick comeback, proving that Ukrainian specialists and their affordable rates still remain highly appealing to U.S. companies.

U.S. Employment Rates Drop While the Gig-Economy Soars

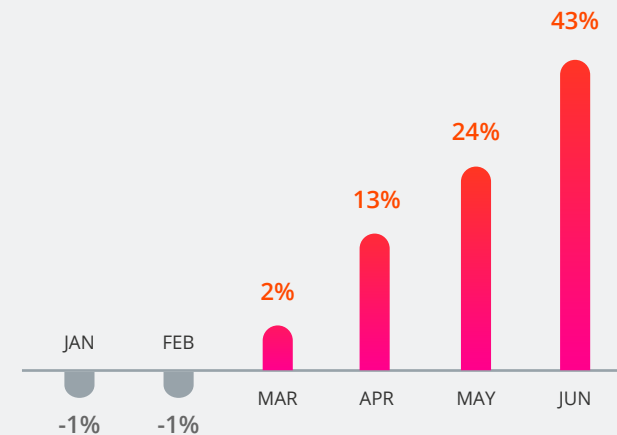
With close to [40 million Americans unemployed](#) by late May, one market that seemed to be able to weather the COVID-19 storm was the U.S. freelance economy. In fact, U.S.-based freelancers, which until last year made up [35% of the American workforce](#), saw a surge in demand even as full-time labor was suffering. Many talented professionals that were furloughed or let go by their employers saw the opportunity to turn to freelancing, providing the industry with an injection of skilled people open to gig work.

Similarly, many companies that were forced to cut costs by downsizing their staff were open to filling the gap by turning to temporary freelancers.

Month-on-month revenues in the U.S. gig-economy increased by 11% between April and May and in June there was an additional 19% increase.

U.S. Freelancers go from strength to strength as revenues surge by 19% between May and June 2020.

Monthly Growth in American Freelance Revenue



The data above represents the month-on-month growth in American freelance revenue since January for the first half of 2020.

Indeed, according to a recent report by Freelancer.com, [freelance job postings in the U.S. rose 41%](#) in Q2 compared to the same period back in 2019, suggesting that as many employers re-examined budgets due to the pandemic, hiring remote talent has become more attractive.

"While COVID-19 has been the trigger of the already upward trending freelancer movement, this exponential growth can also be attributed to the strong demand for individuals to finally start their own freelance enterprise, work on their own terms and supplement their income".

Matt Barrie
CEO, Freelancer, [quoted in 'The pandemic has boosted freelance work', CNBC](#)

As we saw in our report, [The State of Freelancing During COVID-19](#), many larger companies and organizations are seeking remote workers via online marketplaces specifically in software and IT. Additionally, in Q2, there was a 42% quarter-on-quarter increase in U.S. SMBs paying international freelancers proving that despite budget cuts, businesses still see outsourcing as a more flexible solution. This ultimately drives the freelance workforce.



“Even during these unprecedented times, where much of the global economy has slowed, we’re noticing that more and more young workers are jumping on the freelance bandwagon. Professionals are seeking a more flexible lifestyle, with greater independence and fresh business opportunities. As technology continues to advance, companies and businesses worldwide are quickly adapting to working online – ultimately attracting more remote talent.”

Iain McNicoll
VP Regional Head for the Americas, Payoneer


Summary

It's been a tumultuous year so far for freelancers, but the data shows that the pandemic and movement towards remote work will likely have a positive impact on the popularity of outsourcing.

For a couple of months when the world slipped into full lockdown, demand for outsourced work fell, but throughout this period freelancers were confident that demand would rebound once again. Our research clearly shows that freelancing has bounced back and, in many cases, is experiencing a real surge as both talented professionals and businesses turn to this mode of work in greater numbers.

In today's digital world, gig workers have recognized that freelancing not only provides a significant income, but also more freedom over one's working and employment conditions, with the ability to choose projects and create a greater work-life balance no matter where they're located. Likewise, businesses are realizing that when costs need to be cut, having a growing workforce of freelancers can provide them with both flexibility to scale and quality service. After all, with so many businesses working remotely, does it really matter anymore where your employees or freelancers are based?

Although we are currently living in uncertain times, one thing is for sure. The coronavirus pandemic has completely reshaped the future of work. Going forward, while there will still be a space for full time employees, more and more companies will seek remote and freelance workers for a wider variety of tasks, and those who look to enhance their skill set will earn themselves a more flexible career path. As the world continues to get a grip on the outbreak, people worldwide will adapt even more to working online and a permanent change in the global workforce is inevitable.

An aerial photograph of a dense city skyline, likely New York City, showing numerous skyscrapers and buildings. The image is partially obscured by a large, dark blue geometric overlay on the right side, which features several white and light blue arrows pointing in various directions. The text of the quote is overlaid on this blue area.

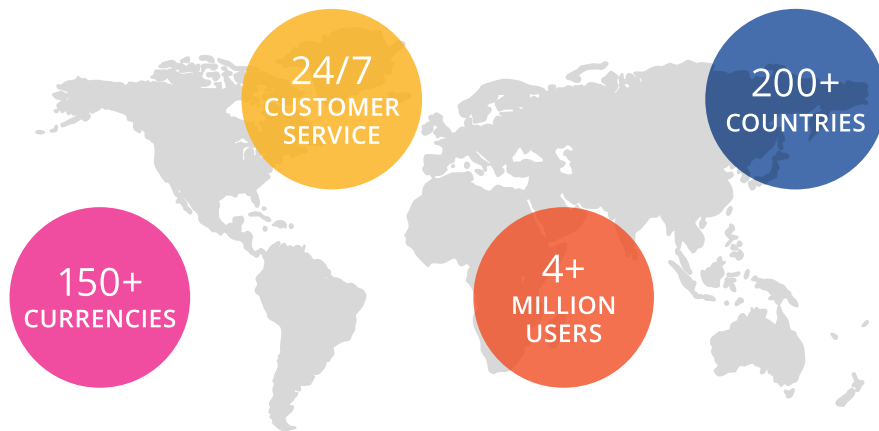
"The first half of 2020 has been a real rollercoaster for the global freelancing economy. Like many other industries, it felt an impact when the pandemic initially hit, but the rebound has been truly staggering. With businesses worldwide adapting to a remote workforce, it's hardly surprising that the concept of flexible, affordable, on-demand skilled labor now offers even more value than it did beforehand. The future of work is here. Payoneer remains committed to developing even more ways for freelancers, businesses and marketplaces to connect and grow in today's borderless digital world."

Jonny Steel
VP Marketing, Payoneer



Connecting the World of Freelancing

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



What sets Payoneer apart?

For Freelancers



Get paid by top 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 mass payouts to your freelancers worldwide.



Empower your freelancers with reliable and secure payments so they can focus on their business.

[LEARN MORE](#)

For SMBs



Pay your contractors, remote employees and suppliers anywhere in the world.



Send payments to freelancers via credit card, bank transfer or ACH bank debit.

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