



ASKWONDER

QUESTION

What is the Global market-size (TAM) for the Gig - Freelancer Economy industry?

INSIGHTS

- The total addressable market for the global Gig economy is \$1.5 trillion, with North America accounting for over half of the world's freelancers.



OVERVIEW

Hello, and thanks for your request for the global market-size (TAM) for the Gig - Freelancer Economy industry. You also wish to know the projected growth rates of the industry.

This research found that the total addressable market for the Gig economy is [\\$1.5 trillion \(11\)](#), with North America accounting for over half of the world's freelancers. The total number of formally identified freelancers stands at approximately [77 million \(11\)](#).

METHODOLOGY

The research explored various industry and media publications to acquire relevant data on the freelancing industry. The information identifying key trends in the industry's market size and growth rate is outlined, and is followed by a summary of findings.

There are no published studies on the number of freelancers in the world, due to the fluid and evolving nature of this sector, and thus difficulty in obtaining valid statistics in many countries, particularly in emerging economies. However, the research was however able to obtain realistic figures for freelancer numbers in Europe, India, and the United States, which together, contribute a significant portion of the global freelance workforce.

OVERVIEW

The world is witnessing a dramatic increase in the number of contractors and freelancers, as workers seek to escape the rigid demands of the 9-5 corporate environment. The rise of digitisation, including elements such as smartphone apps, online marketplaces, and cloud computing, has made it easier for skilled workers to take up independent productive activities, and creating their own bespoke workplaces. [41.9% \(3\)](#) of freelancers obtain their training from college and universities, [43.8% \(3\)](#) are self-taught, while [13.4% \(3\)](#) learn on the job.

JOB TYPES



The breakdown of freelance work in terms of earnings for 2014 are as follows:

Technology jobs [\\$486 million \(19\)](#)
Admin Support - [\\$110 million \(19\)](#)
Writing and translation - [\\$109 million \(19\)](#)
Design & Multimedia - [\\$83 million \(19\)](#)
Mobile - [\\$71 million \(19\)](#)
Sales and Marketing - [\\$49 million \(19\)](#)
Finance and Legal - [\\$33 million \(19\)](#)

DISTRIBUTION

The global distribution of freelancers is as follows:

Asia: [11.3% \(3\)](#)
Europe: [29.3% \(3\)](#)
North America: [50.7% \(3\)](#)
Australia: [3.3% \(3\)](#)
Africa: [1.4% \(3\)](#)
South America: [4.0 \(3\)](#)

GLOBAL MARKET SIZE

Industry sources are presently unable to give a definitive size of the global gig economy. As explained by the Brookings Institution, "the sector's size and growth has been difficult to clarify, because it has been difficult to measure. Government data-gathering, for example, has not been well positioned to capture the gig economy, in part because it is conceptually complex and in part because the US government stopped counting "contingent workplace" arrangements after 2005. Which means that [no comprehensive database exists \(2\)](#) on either employment in the gig economy or its geography."

A US congressional study faced similar hurdles. It stated that "characterizing the gig economy workforce...is challenging along several fronts. To date, [no large-scale official data \(6\)](#) have been collected; and there remains considerable uncertainty about how to best measure this segment of the labor force.."



NUMBER OF FREELANCERS (GLOBAL)

For Freelance/Gig work, the numbers for Europe are [8.9 million \(11\)](#). Research also shows that "India's independent workforce at [15 million \(18\)](#). With regard to the United States, the Freelance Union "53 million" Report states that the number of freelancers in the USA stands at [53 million. \(11\)](#) This puts the total number of formally identified freelance workers globally in the region of [77 million \(11\)](#). As there is no other publicly-available data for other countries, this number reflects a percentage of the global freelancer workforce.

ESTIMATED GLOBAL MARKET SIZE

This research estimates the total market size of the freelance/gig industry as in excess of [\\$1.5 trillion \(11\)](#) based on the US and Canada accounting for over half of global distribution of freelancers, in the North American market [\(50.7%\) \(3\)](#), and the total US market size exceeding [\\$715 billion \(11\)](#).

BUSINESS PROCESS OUTSOURCING

Business Process Outsourcing is the formalised freelance/gig sector, characterised by traditional firms outsourcing their work to contractors. This sector is reportedly worth [\\$150 billion \(9\)](#) globally, and is [growing by 5 to 6 percent \(9\)](#) per annum, according to a Reuters report.

IMPLICATION OF THE RISE OF FREELANCERS FOR THE LABOUR FORCE

The continuing rise of freelancing suggests that many companies have started to embrace the permanence of new working arrangements that are different from staff employment. This implies that in coming years firms will need to [develop new tools \(16\)](#) and new processes to handle efficiently the full freelancer life-cycle.

Thus, as the freelancer population continues to rise, organizations will need to adopt newly emerging Freelancer management processes and solutions such as [Work Market \(17\)](#), and invest in their standardisation in the enterprise.



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THE FUTURE

A report in the Huffington Post reveals the fast growing nature of the gig industry, and projects that "if [even a small fraction \(15\)](#) of inactive youth and adults use these [tech] platforms to work a few hours per week, the economic impact would be huge – amounting to some [\\$1.3 trillion annually \(15\)](#) by 2025, according to MGI's projections." This research expects the market size of the sector to far exceed this figure by the year 2025, on the premise that the number of freelancers will be far more than "a small fraction" of the workforce by that year, at current freelancer growth rates.

SUMMARY

This research found that the total addressable market for the Gig economy is \$1.5 trillion, with over [77 million \(11\)](#) freelancers currently operating in Europe, India, and the U.S.

Thanks for using Wonder, and do let us know if we can be of further help.



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