

# FREELANCER STUDY 2020

## D/A/CH REGION

Finance, Self-Employment, Demographics, COVID-19



# PREFACE

2020 has undoubtedly been a challenging year for all of us - freelancers in particular have been affected by the economic shutdown due to the ongoing pandemic crisis. Nevertheless, we hope to brave through and look towards the future together. So this year, as part of our latest freelancer study for the DACH region, we published a study detailing current insights and prevailing trends for the freelance industry.

## **Freelancer study**

With 1,856 participants and 70 questions, our freelancer study is one of the largest in the DACH region. The data was collected during the survey period of Feb 17 to May 31, 2020 and includes findings from before and after the onset of the pandemic. This year for the first time, the freelancer study is enriched with results from additional surveys and analysis regarding the corona crisis.

## **The "corona freelancer barometer"**

As part of a series of short surveys, conducted from March to July, freelancers were asked about the effects of the crisis on projects, freelance business, as well as on personal and financial matters. The survey data was collected over a period of 7 days each. The additional "corona freelancer barometer" can be found in the appendix to the freelancer study on hand.

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

Your freelancermap team

“While more than a third of the respondents anticipated a better situation in terms of the number of projects for 2020 pre-COVID-19, the proportion of optimistic freelancers has dropped to just 19%. Freelance experts must now establish awareness of how to adapt their business to the changing needs and requirements of companies.”

Thomas Maas | CEO freelancermap GmbH





# AGENDA

## FINANCIALS

HOURLY RATE, INCOME, RATES COMPARISON

5 - 26

## SELF-EMPLOYMENT

CHALLENGES, PROJECT WORK

27 - 52

## DEMOGRAPHY

ORIGIN, EDUCATION, INDUSTRY

53 - 65

## OUTLOOK

WORKLOAD, MARKET DEVELOPMENT, CLIENTS

66 - 80

## COVID-19

INFLUENCE OF COVID-19 ON THE FREELANCER MARKET

81 - 96



# FINANCIALS

# HOURLY RATE 2020

What is your current all-inclusive hourly rate? (Net hourly rate, taxes not included)

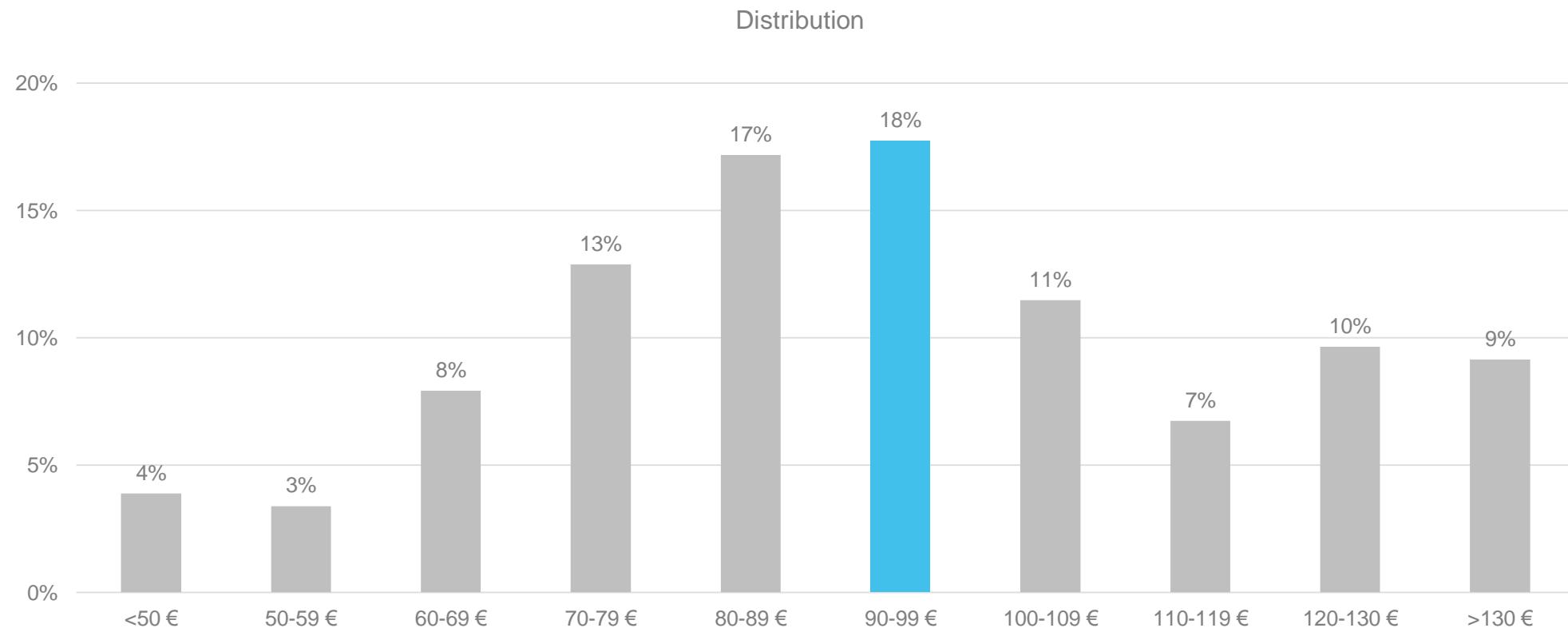


**€94.28**

is the average hourly rate in 2020.

The difference from 2019 is just €0.39. The average is calculated from data before the pandemic was declared (€94.57) and since the beginning of the crisis (€93.82).

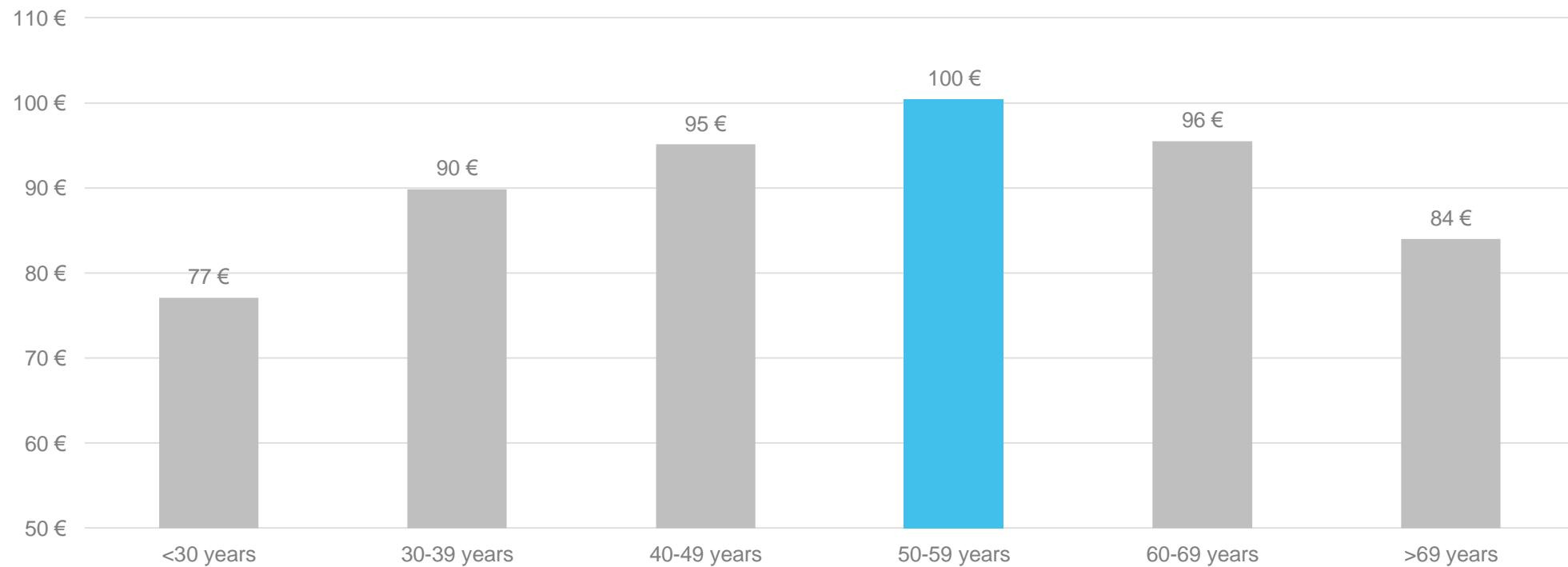
# HOURLY RATE



**67%** of freelancers set an hourly rate between €60 and €109. Only 4% receive less than € 50 an hour.

# HOURLY RATE

Hourly rate based on age



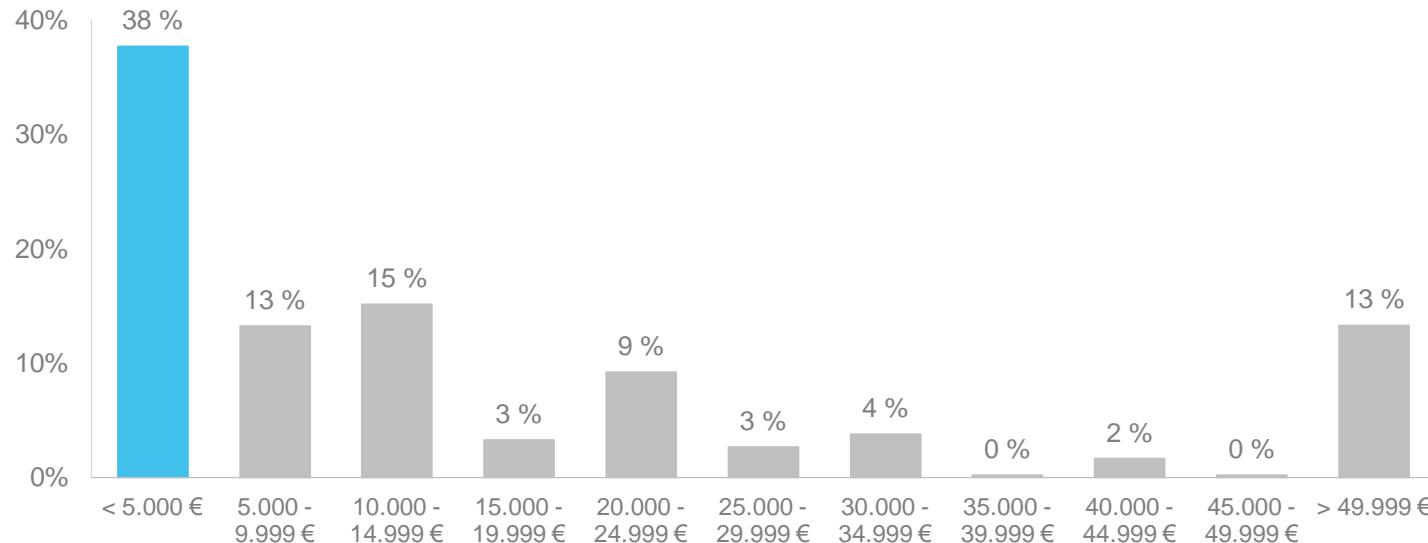
**€100**

Freelancers who are 50 to 59 years old receive

The youngest generation (under 30 years old) receives the lowest hourly rates with €77 / hour on average.

# STARTING CAPITAL

How big was your financial buffer when you started working as a freelancer?



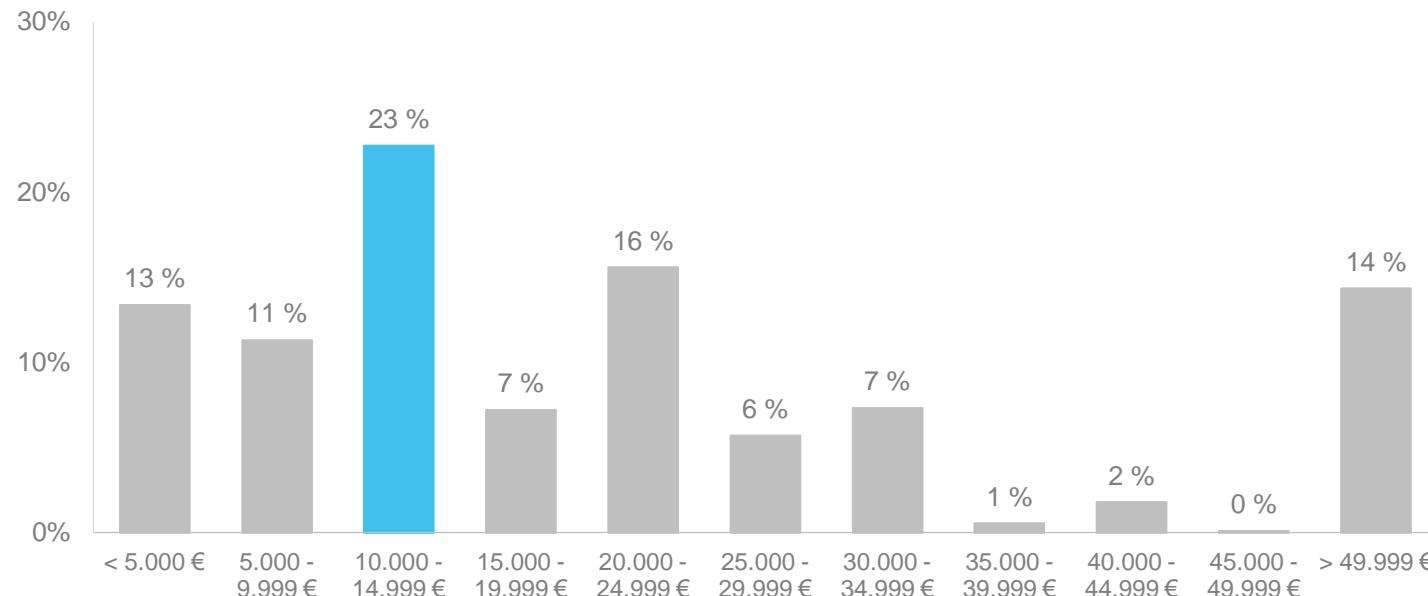
Financial buffer (Median)

€7,000

**38%** of the respondents had only a small financial buffer of less than €5,000..

# RECOMMENDED STARTING CAPITAL

Which financial buffer do you recommend - before starting as a freelancer?



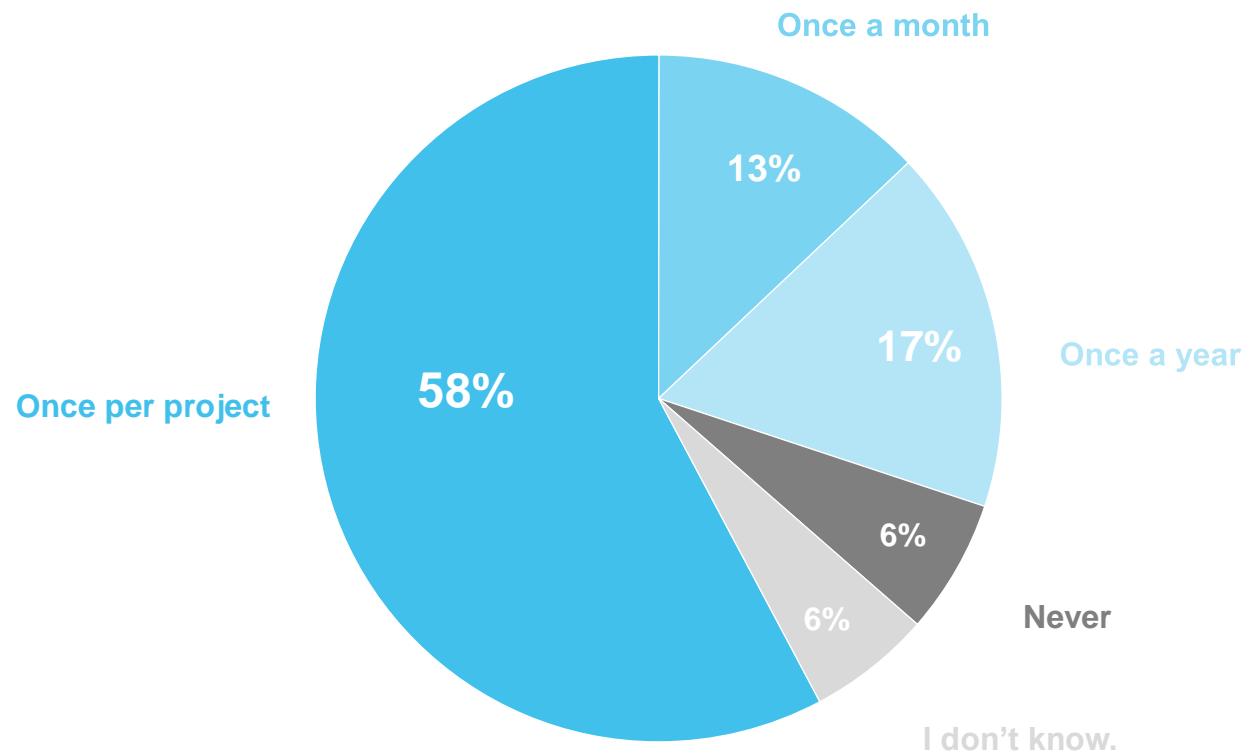
Recommended buffer (Median)

€15,000

**87%** of freelancers recommend a financial buffer of at least €5,000. However, 38% said they started out with less. This could be a high financial risk for freelancers, especially in times of low levels of projects.

# CALCULATION

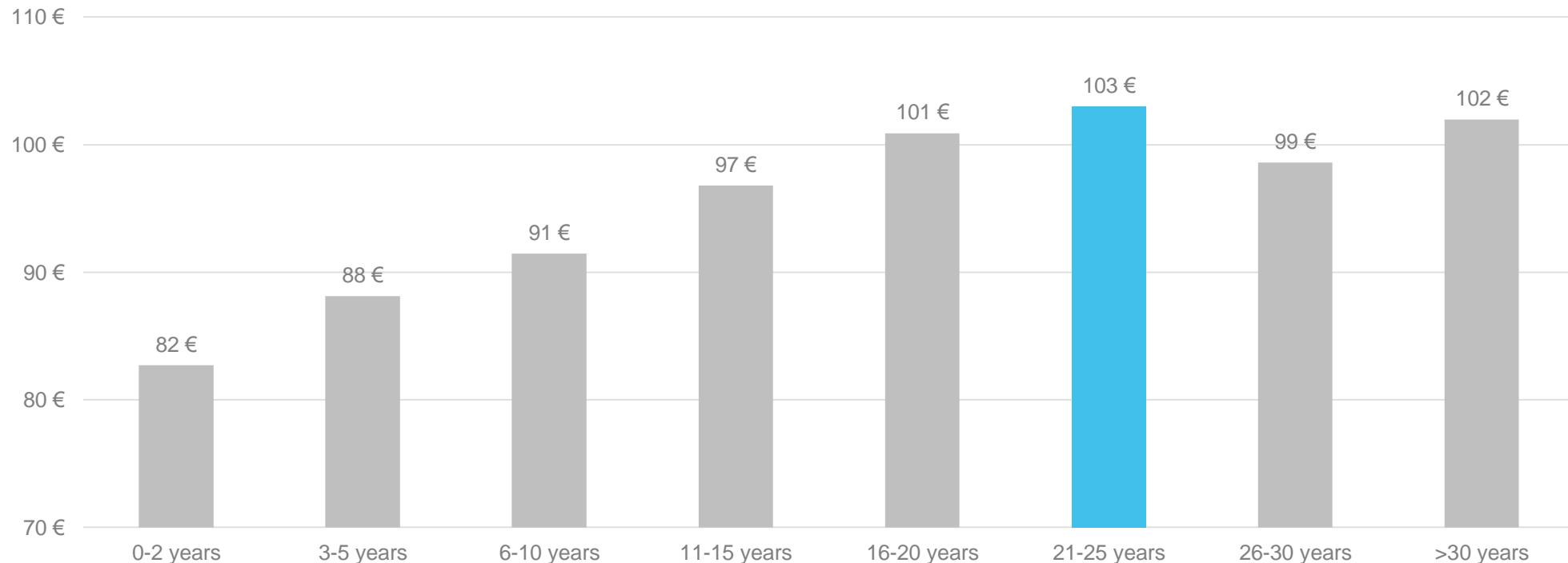
How often do you reevaluate your hourly rate?



**58%** of freelancers reevaluated their hourly rate for each project.

# WORK EXPERIENCE

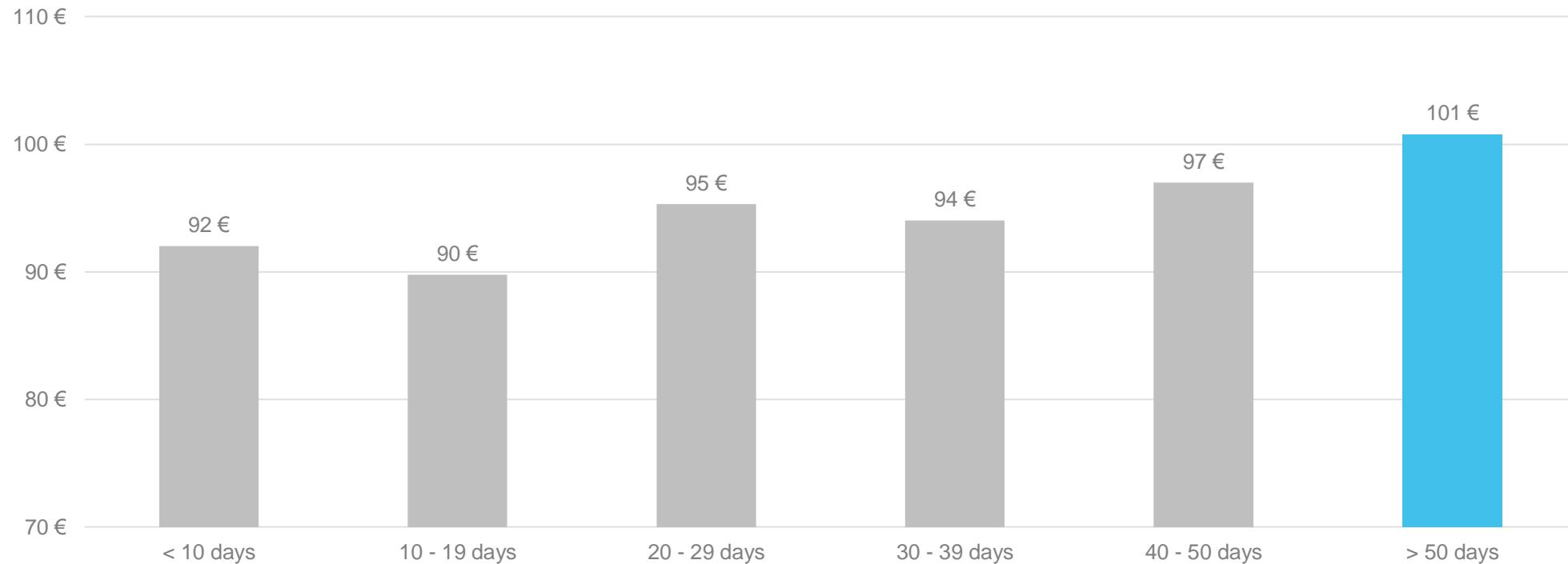
How many years of work experience did you have before you became a freelancer?



Freelancers with 21 - 25 years of professional experience receive **€103** per hour.  
With less than three years of professional experience, freelancers get € 20 less.

# VACATION DAYS

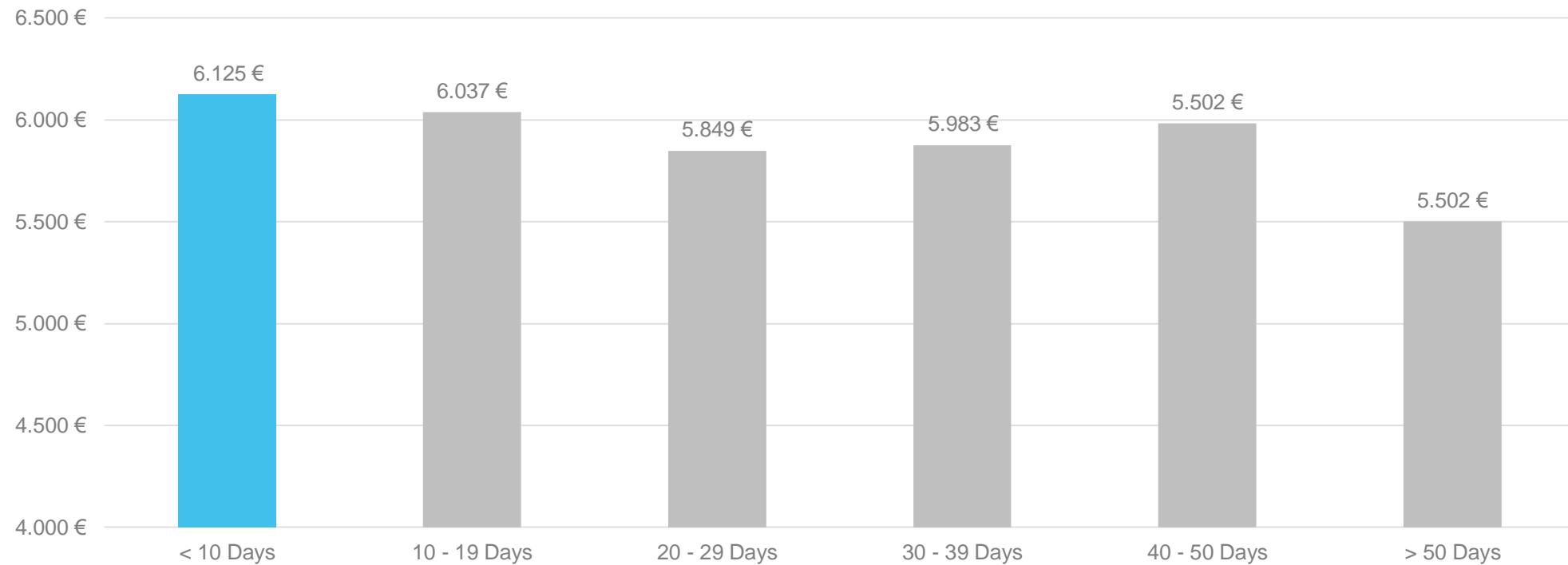
Hourly rate based on vacation days



Freelancers who take more than 50 days of vacation a year receive **€101** per hour.

# VACATION DAYS

Net income based on vacation days

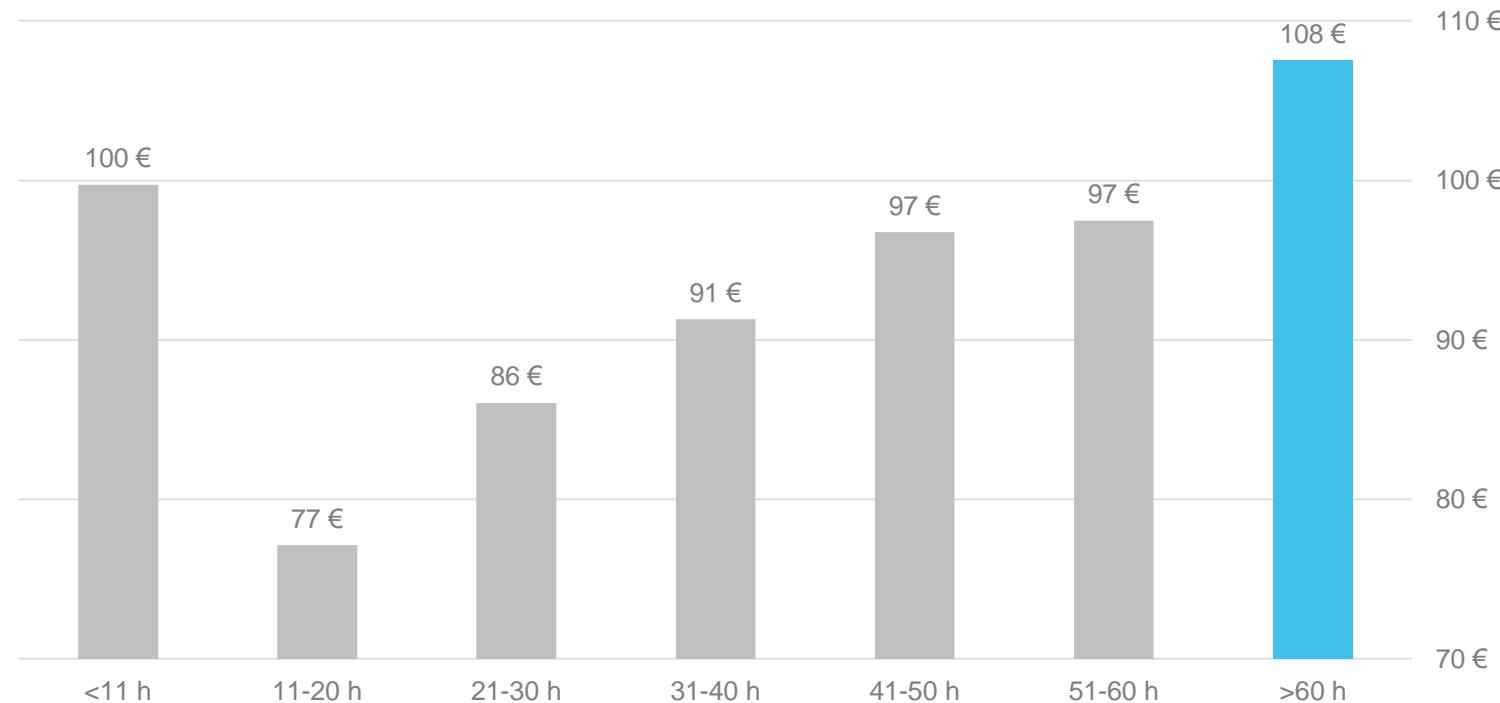


Freelancers who take less than 10 days of vacation a year earn a monthly net income of

**€6,125**

# WORKING HOURS

Hourly rate based on weekly working hours

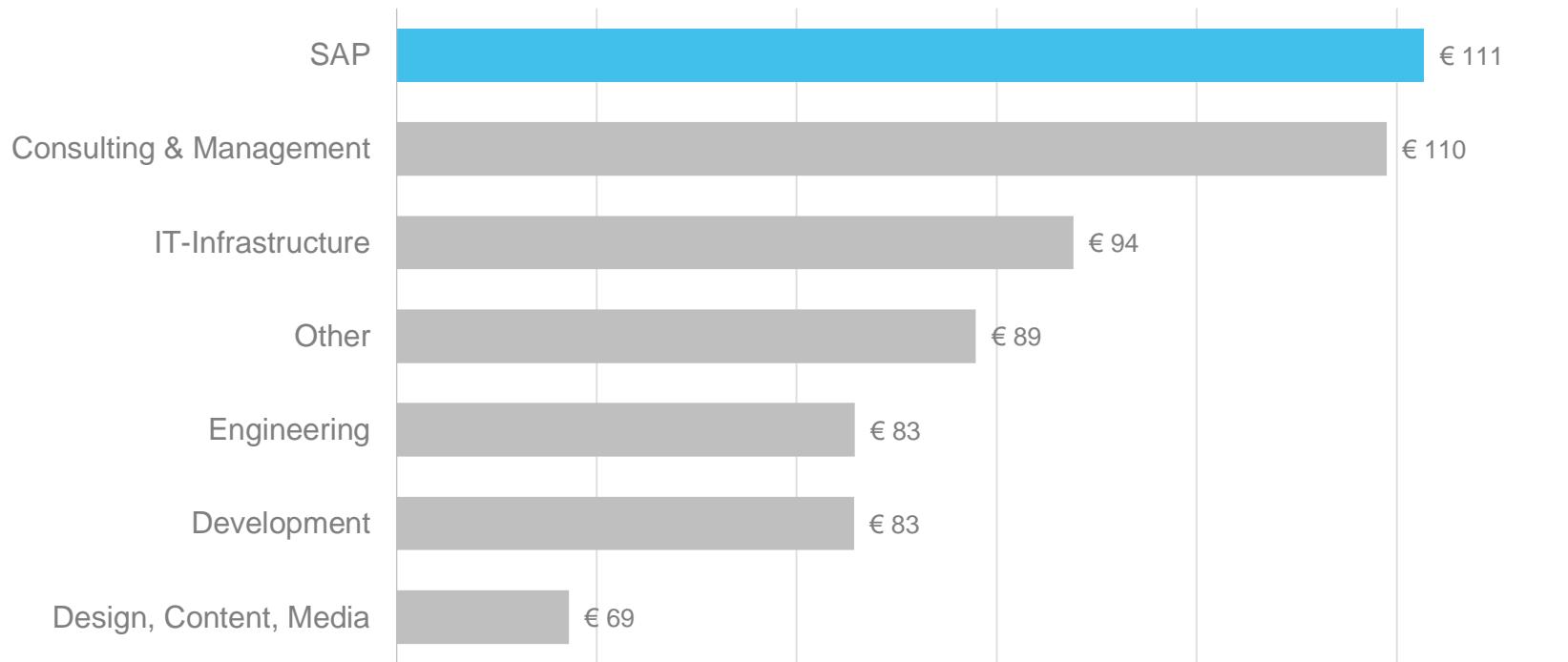


€108

Is the hourly rate earned by freelancers who work over 60 hours per week.

# AREA OF EXPERTISE

Hourly rate based on the area of expertise

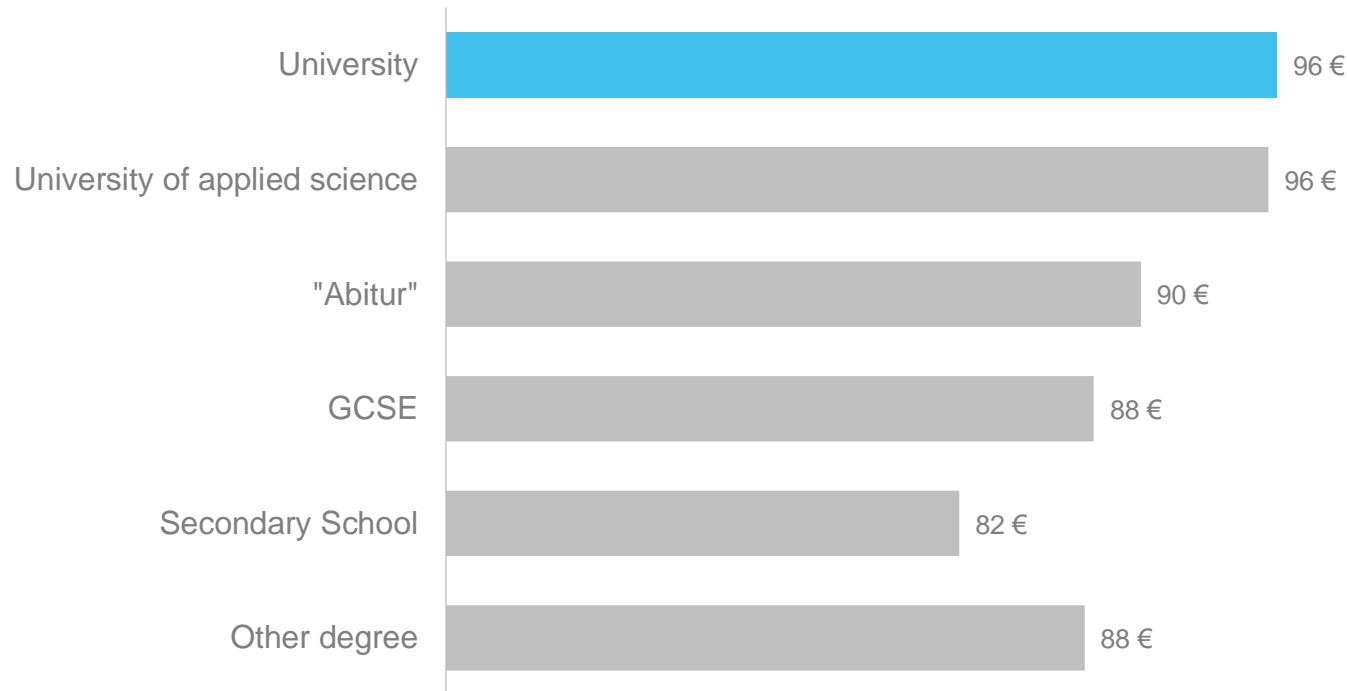


SAP freelancers earn the highest hourly rates at **€111**. Runner-up with €110 / hour is the area of "Consulting & Management".

The lowest hourly rates are earned in the area of "Design, Content, Media".

# EDUCATION

Hourly rate based on education.

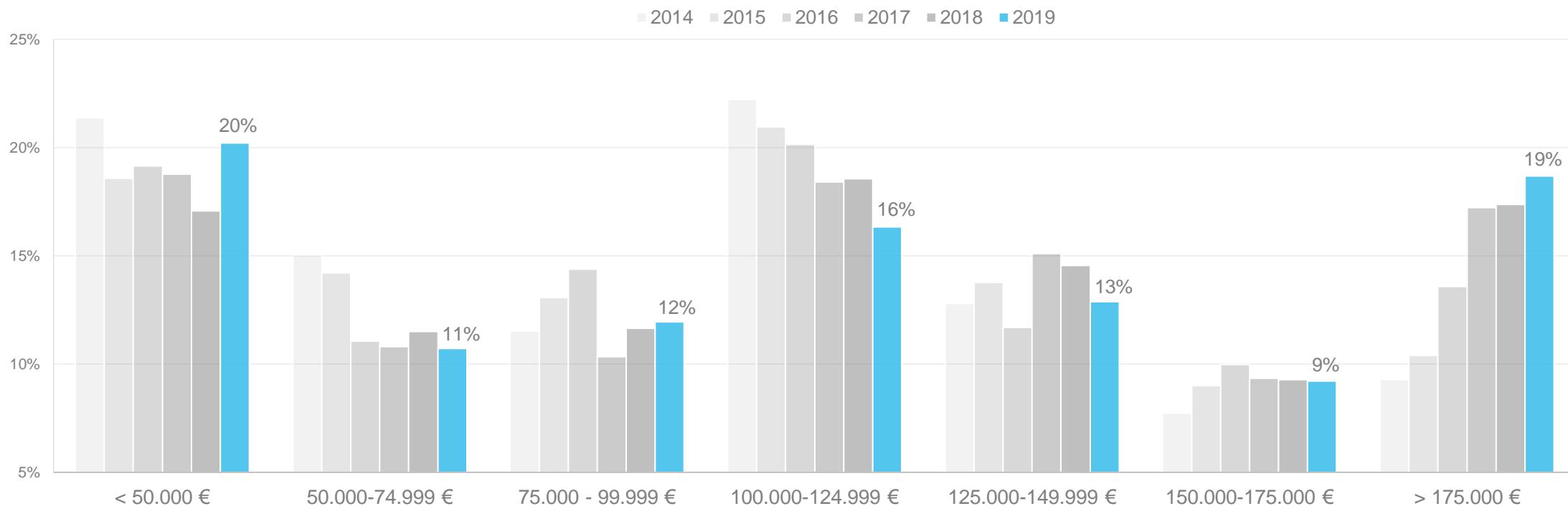


**€96**

is the hourly rate earned by freelancers with a degree from a university of applied science or higher.

# GROSS SALES

What was your gross sales in 2014, 2015, 2016, 2017, 2018 and 2019?

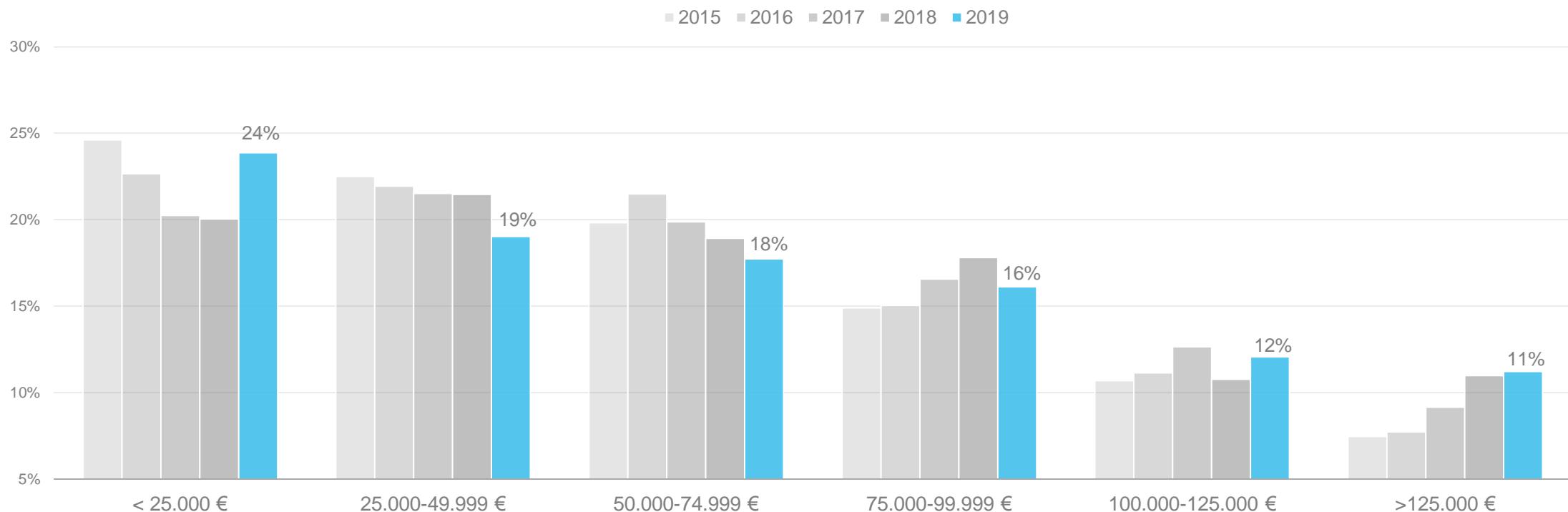


**57%** of freelancers had gross sales in 2019 of more than €100,000.

The proportion of freelancers with gross sales over €175,000 increased to 19%.

# GROSS PROFIT

What was your gross profit in 2019?

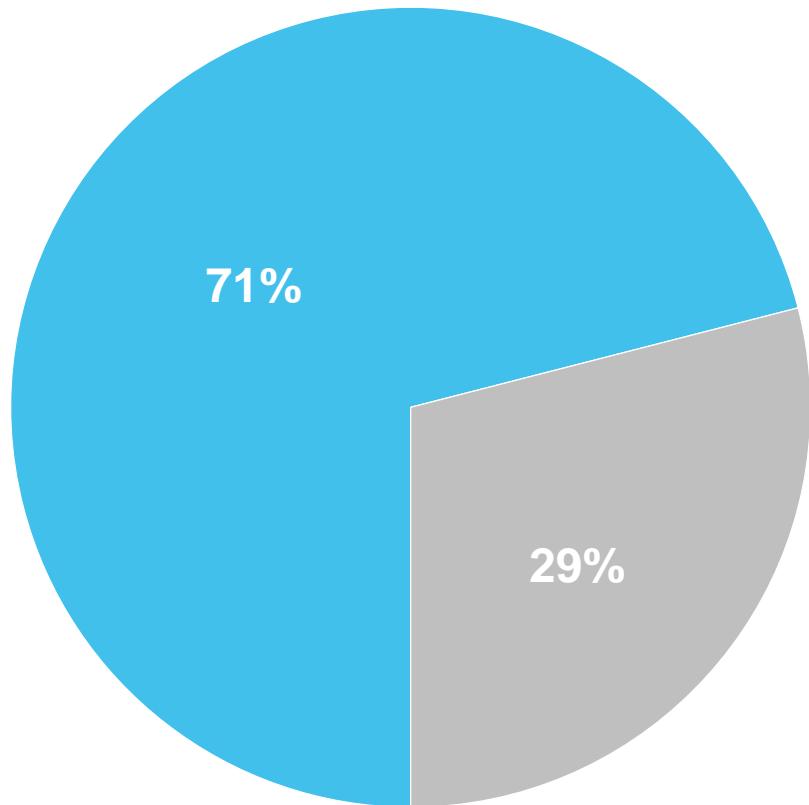


**57%** of freelancers had a gross profit of over €50,000 in 2019.

The proportion of freelancers with a gross profit over €125,000 increased to 11%.

# INCOME SATISFACTION

Are you satisfied with your income?



## YES

71% are satisfied with their income.

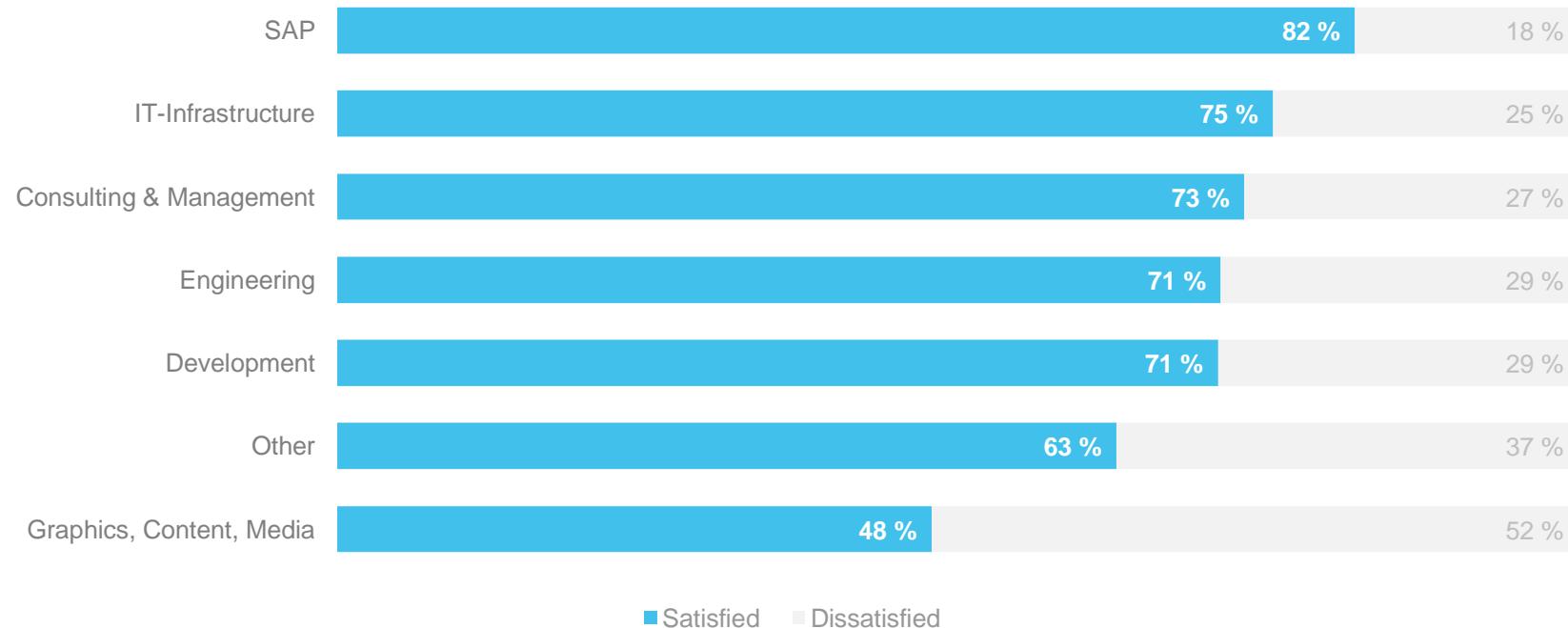
## NO

29% are not satisfied with their income.

This is especially true for freelancers with less project experience that usually receive a lower hourly rate.

# INCOME SATISFACTION

Based on area of expertise



**71%** marks the average income satisfaction. Noteworthy: freelancers in the area of "Graphics, Content, Media" show a far lower income satisfaction of only 48%.

# HOURLY RATE WOMEN vs. MEN

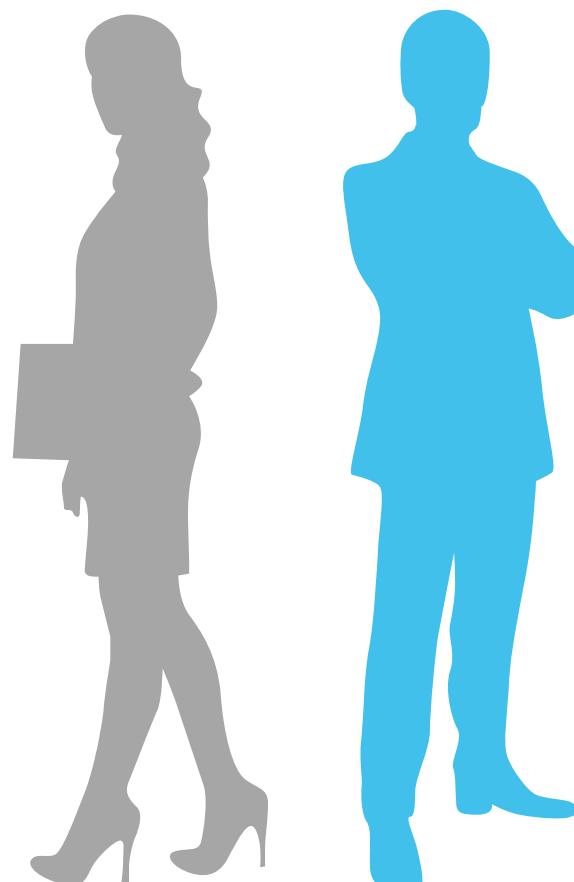
All-inclusive hourly rate & net income from project work per month

WOMEN

**€86.11**

The average hourly rate for female freelancers is € 9.27 lower than the hourly rate of male freelancers.

**€4,271** net income per month



MEN

**€95.38**

In 2019, the hourly rate of male freelancers was €94.66. This is an increase of €0.73 compared to last year.

**€6,118** net income per month

# HOURLY RATE (D-A-CH)

GERMANY

€93

AUSTRIA

€91

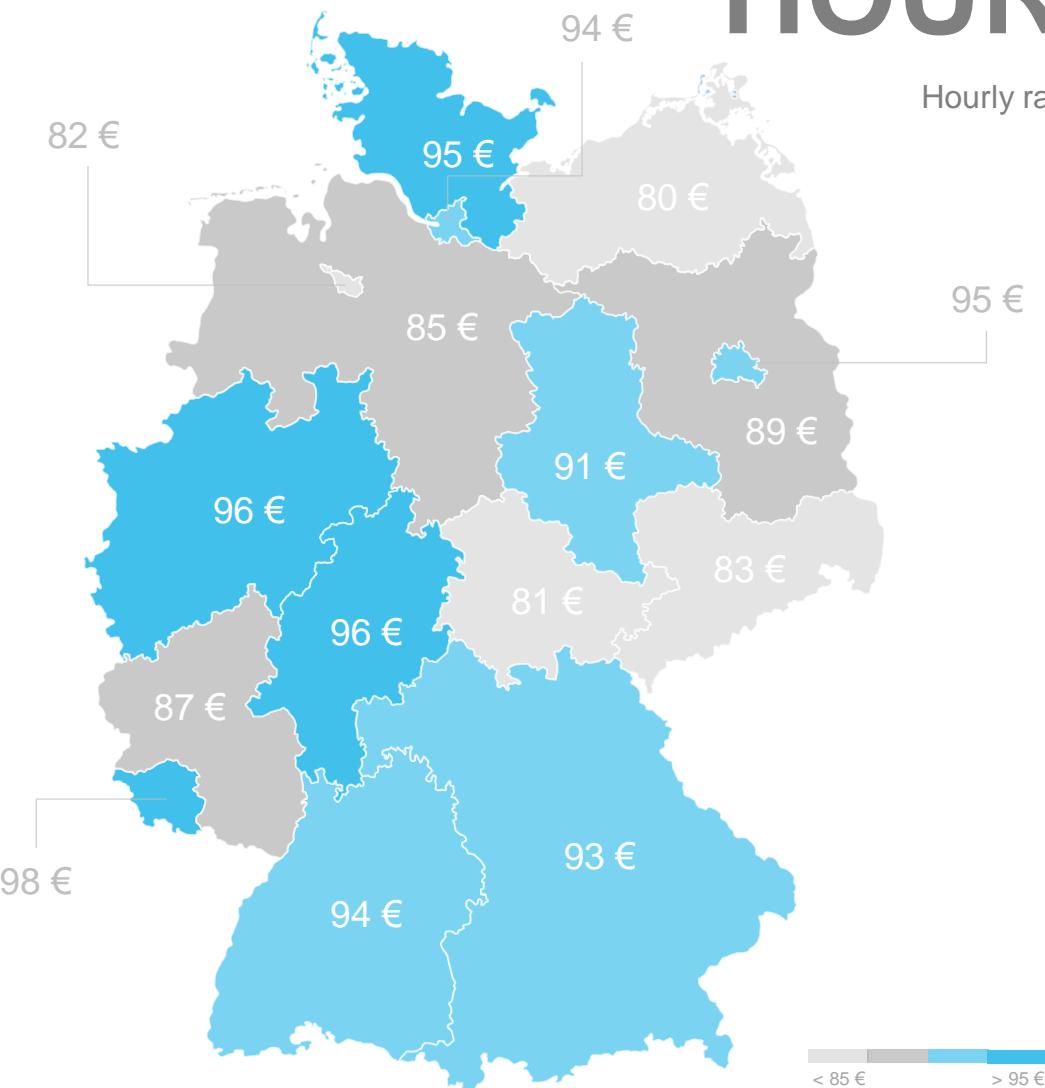
SWITZERLAND

€129



# HOURLY RATE

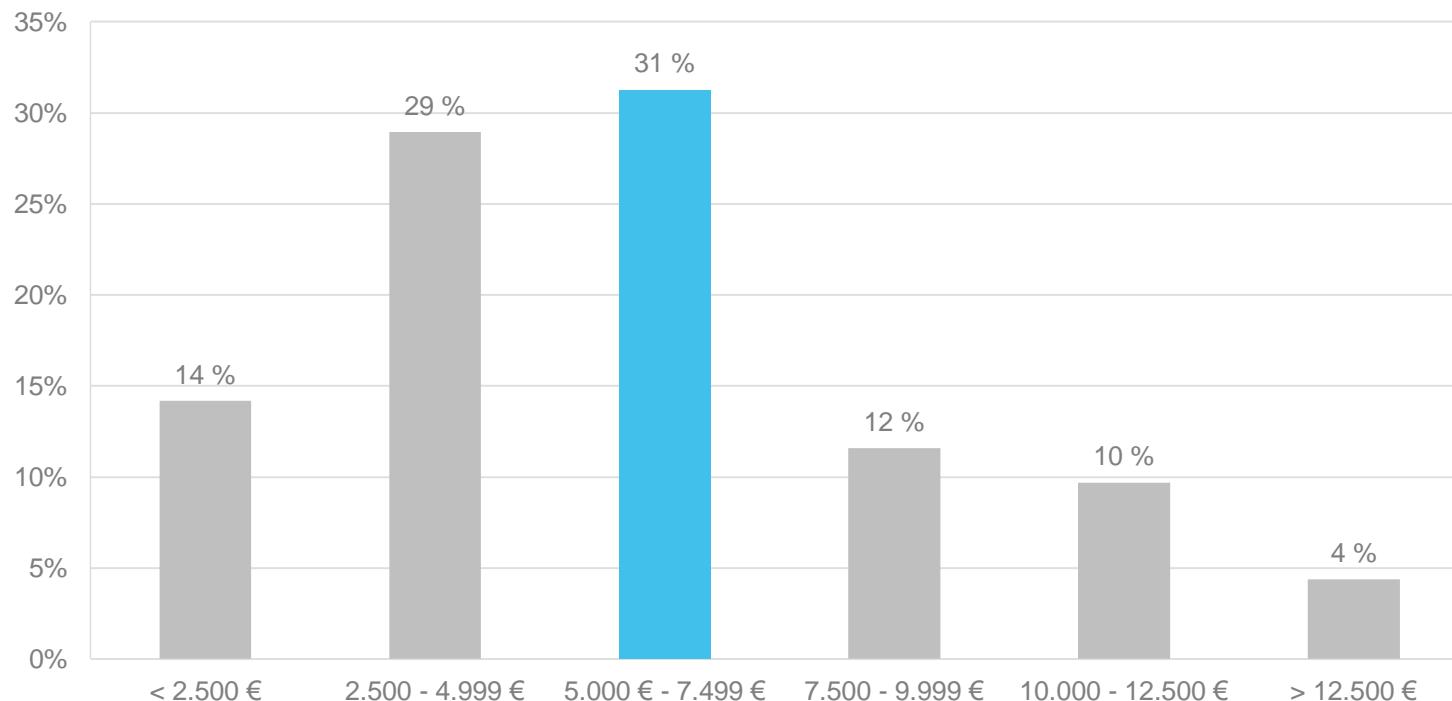
## Hourly rate across Germany



98,33 €	Saarland
96,20 €	North Rhine-Westphalia
95,96 €	Hesse
95,15 €	Schleswig-Holstein
94,96 €	Berlin
94,37 €	Baden-Wuerttemberg
94,04 €	Hamburg
93,15 €	Bavaria
91,47 €	Saxony-Anhalt
89,44 €	Brandenburg
87,12 €	Rhineland-Palatinate
85,38 €	Lower Saxony
82,55 €	Saxony
81,67 €	Bremen
80,76 €	Thuringia
79,80 €	Mecklenburg-West Pomerania

# NET MONTHLY INCOME

How much is your average net income from project work per month? (excluding taxes, social security contributions, insurance, office rent, etc.)



Average net monthly income

€5,899

**31%**

of the respondents have a net monthly income between €5,000 and €7,499.

26% of those surveyed have a net income of over € 7,500 per month.

# FINANCIALS

## Key Findings





# SELF-EMPLOYMENT

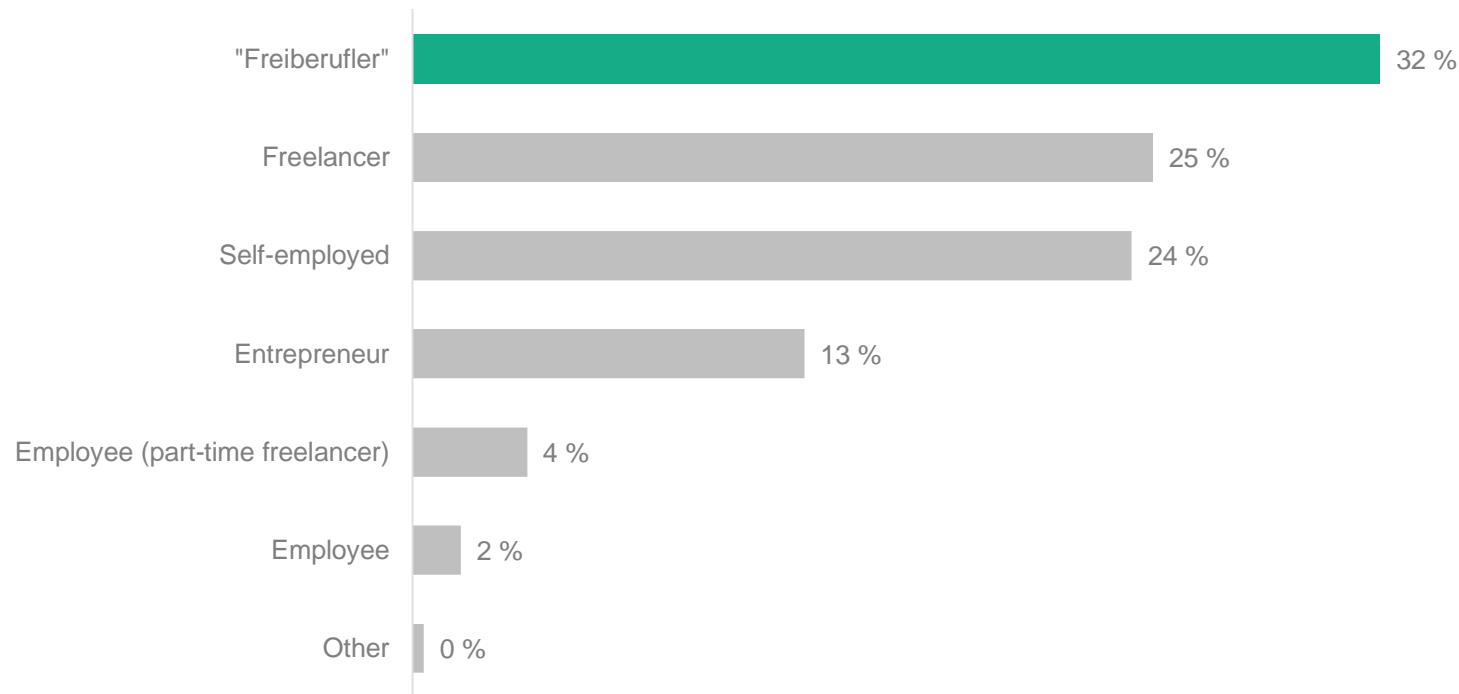


“Freelancers are the plankton of an entrepreneurial society: accelerators for transformation, nucleus for start-ups, drivers of innovation for traditional companies, helpers in need when there are gaps in personnel capacity. In this country, however, they are often forgotten by politicians, little respected and strangled by labor law. In post COVID-19 times, a political moratorium will therefore be needed: get rid of the false-self-employment debate, no statutory pension insurance, get rid of bureaucratic hurdles.“

Thomas Sattelberger - Member of the Bundestag - FDP

# PROFESSIONAL GROUP

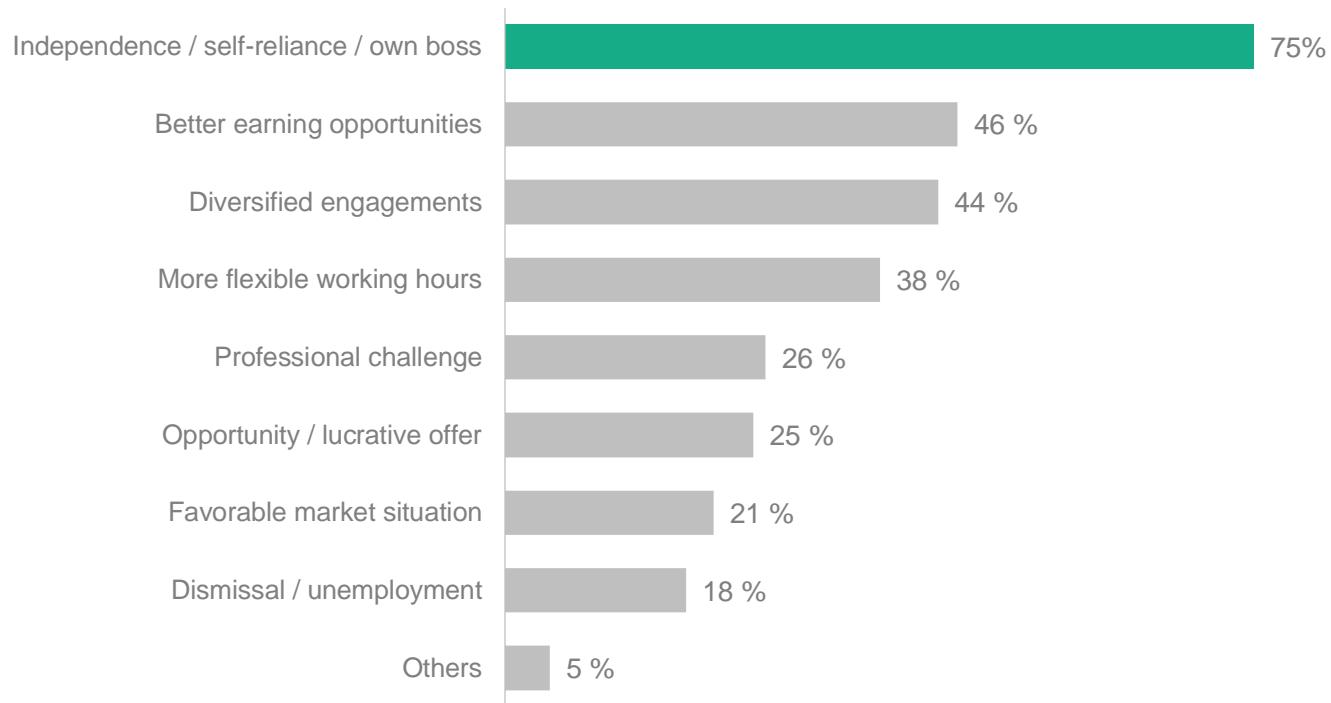
Which term best applies to you?



**32%** of all participants define themselves as "Freiberufler", followed by 25% who chose "Freelancers" and 24% picked "self-employed."

# TRIGGER TO GO FREELANCE

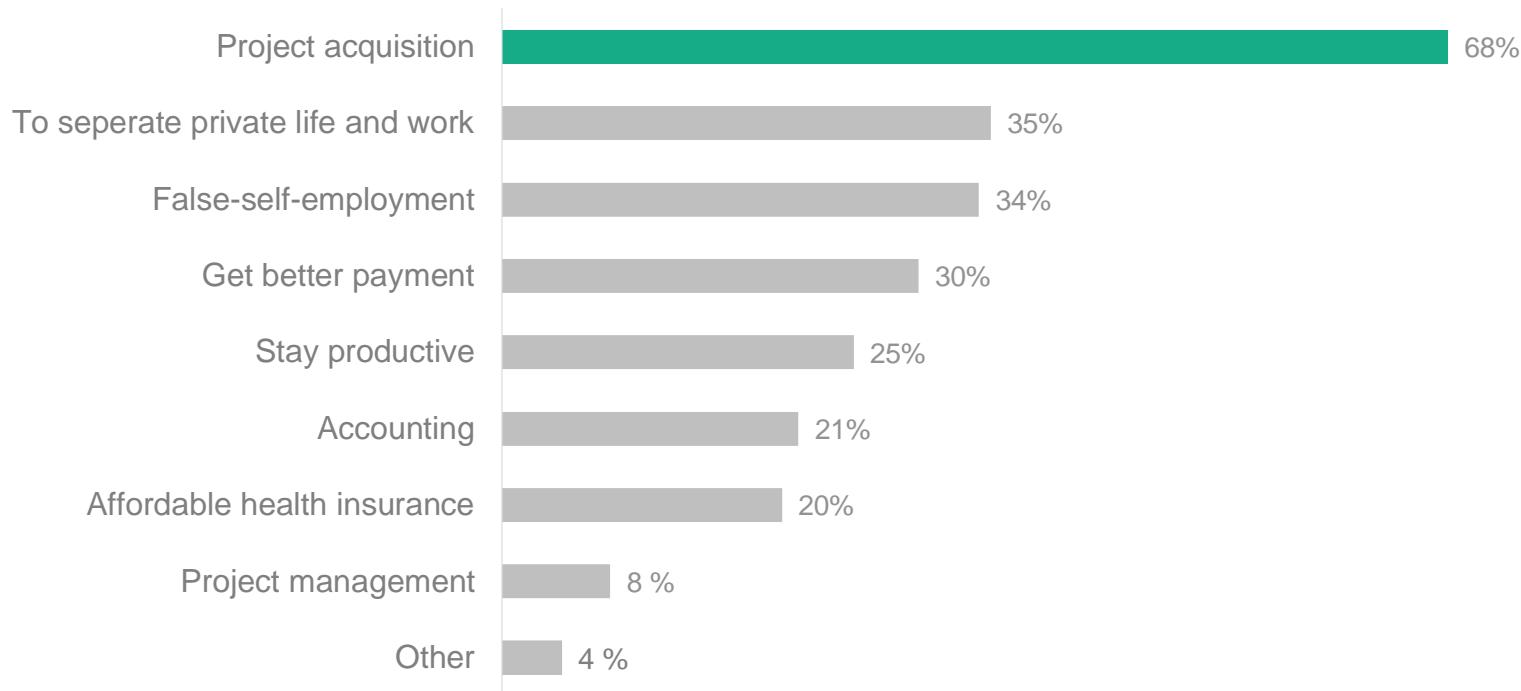
Why did you become a freelancer?



**75%** state "Independence" as the reason why they started out as a freelancer. Only 46% mentioned "better earning opportunities" as a critical factor when making the leap to self-employment.

# CHALLENGES

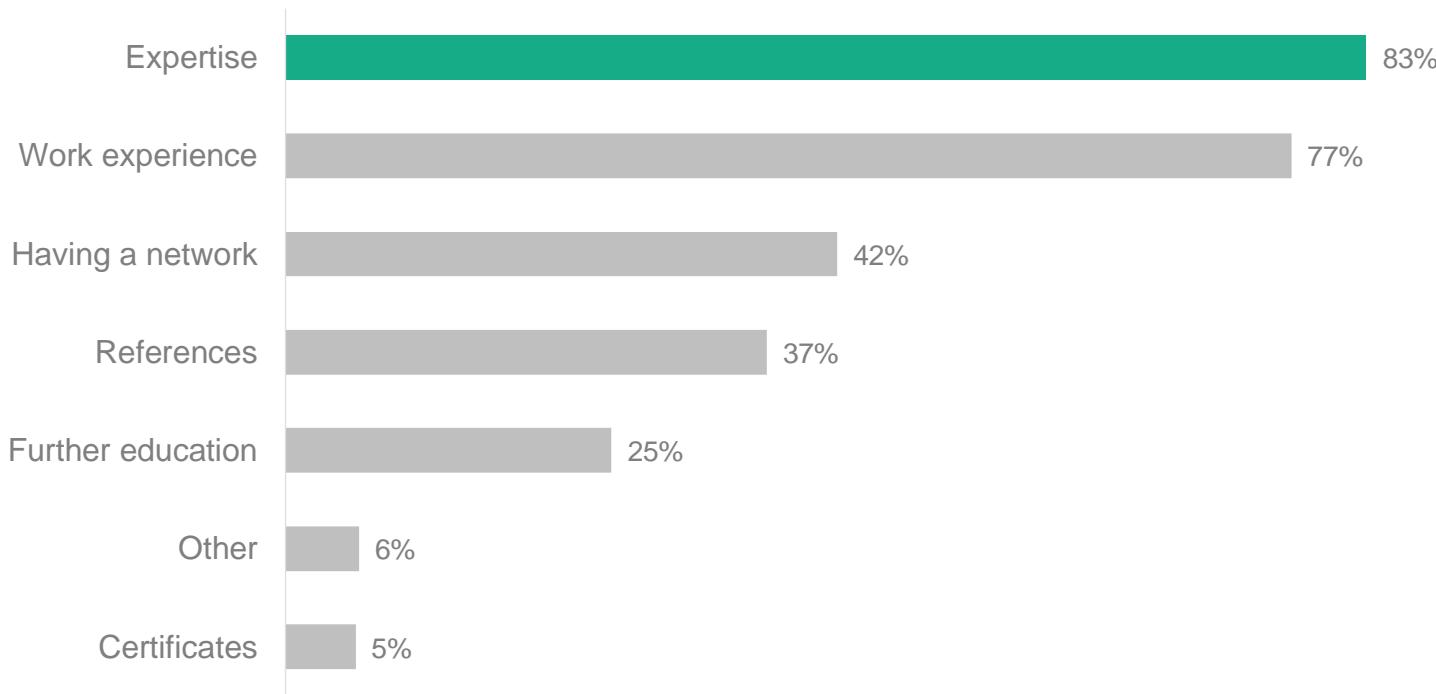
What are the biggest challenges as a freelancer?



**68%** of freelancers agreed that finding new projects is the biggest challenge.

# SUCCESS

What characterizes a successful freelancer?

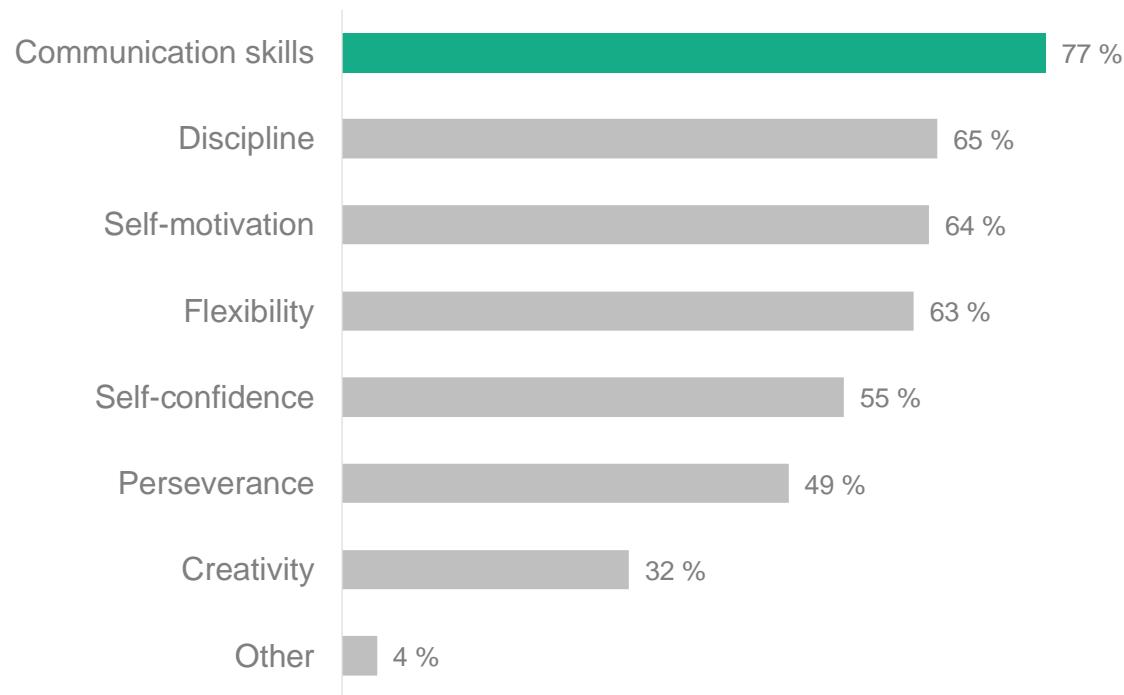


**83%**

agreed that the most important thing to succeed as a freelancer is having the expertise to complete the project. Closely followed by relevant work experience (77%), which takes second place. Only 5% of the respondents considered certificates as relevant when it comes to success as a freelancer.

# SOFT SKILLS

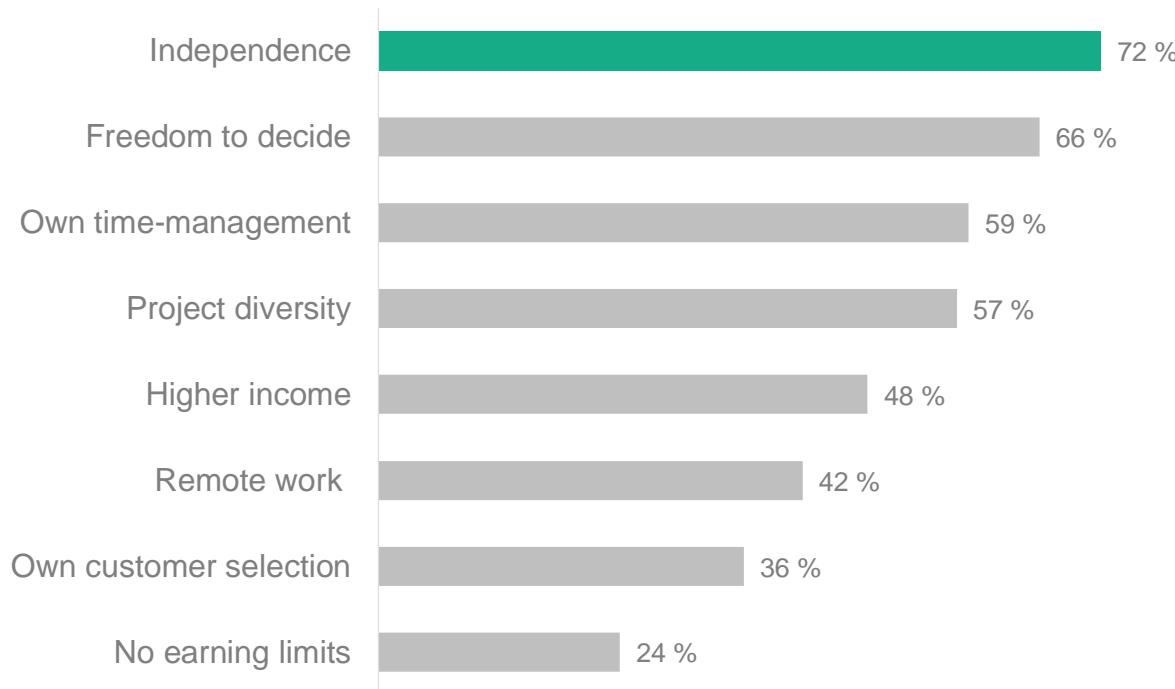
What are the most important soft skills for freelancers?



**77%** of the freelancers considered having great communication skills as the most important soft skill.

# ADVANTAGES

What are the main advantages of self-employment?

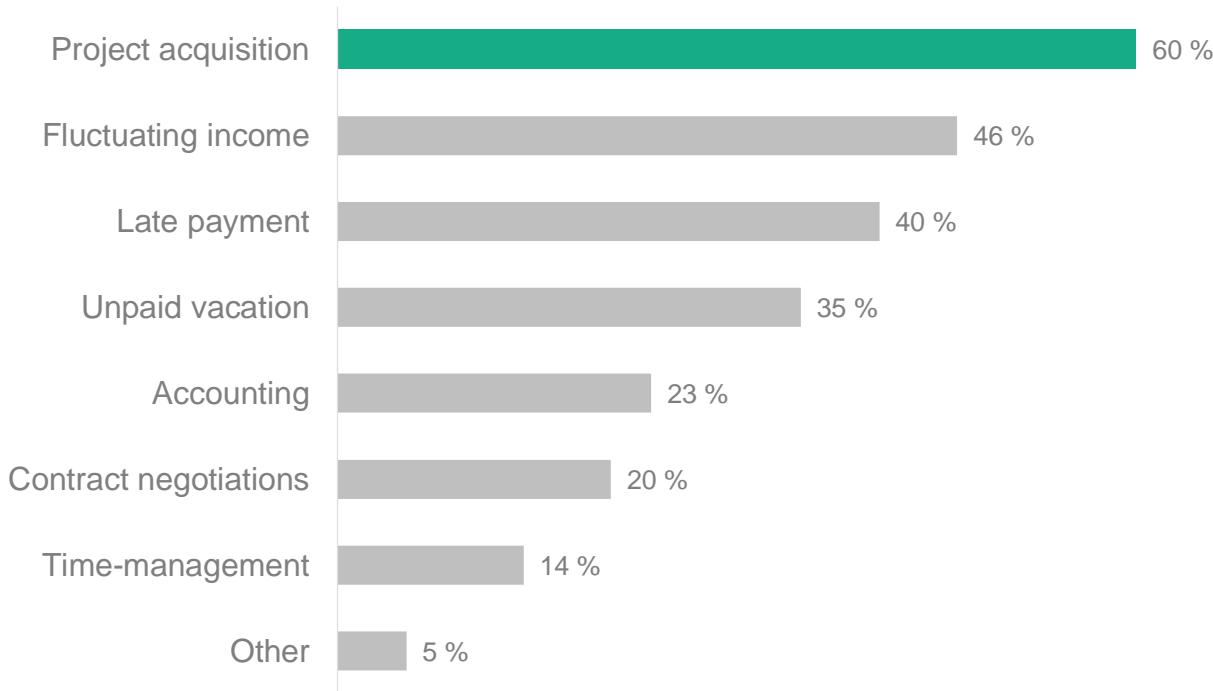


**72%** see independence as the biggest advantage of self-employment.

For 66% of freelancers it is the freedom to decide that matter the most.

# DISADVANTAGES

What is the biggest disadvantage?

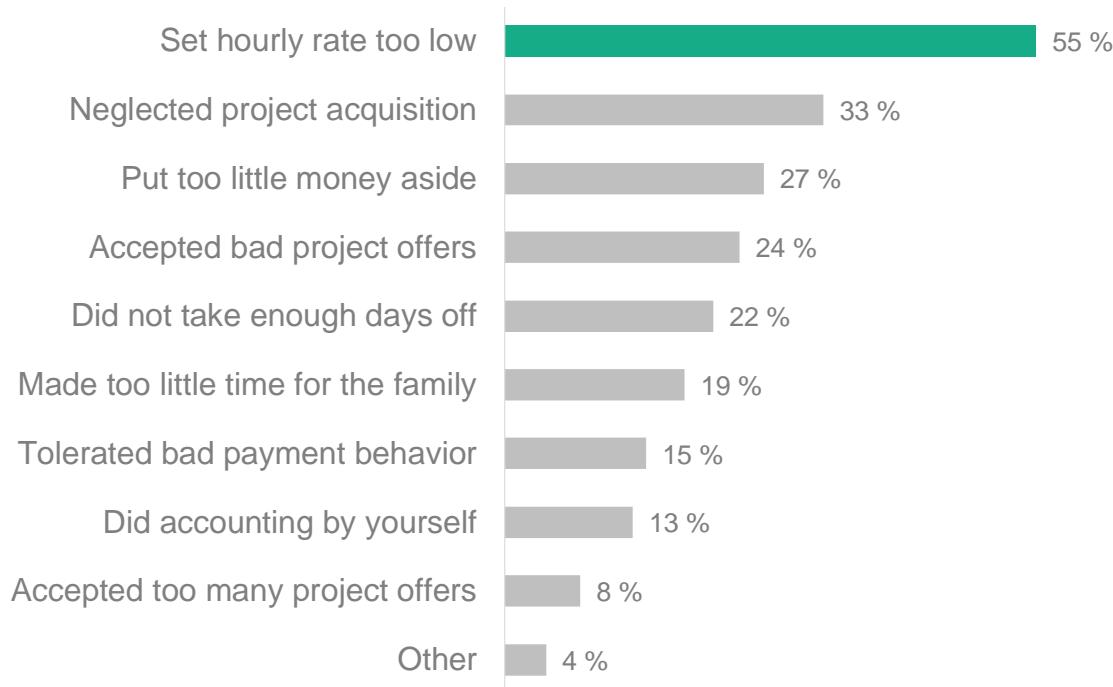


**60%**

reported "Project acquisition" as the biggest disadvantage of being self-employed.

# ROOKIE MISTAKES

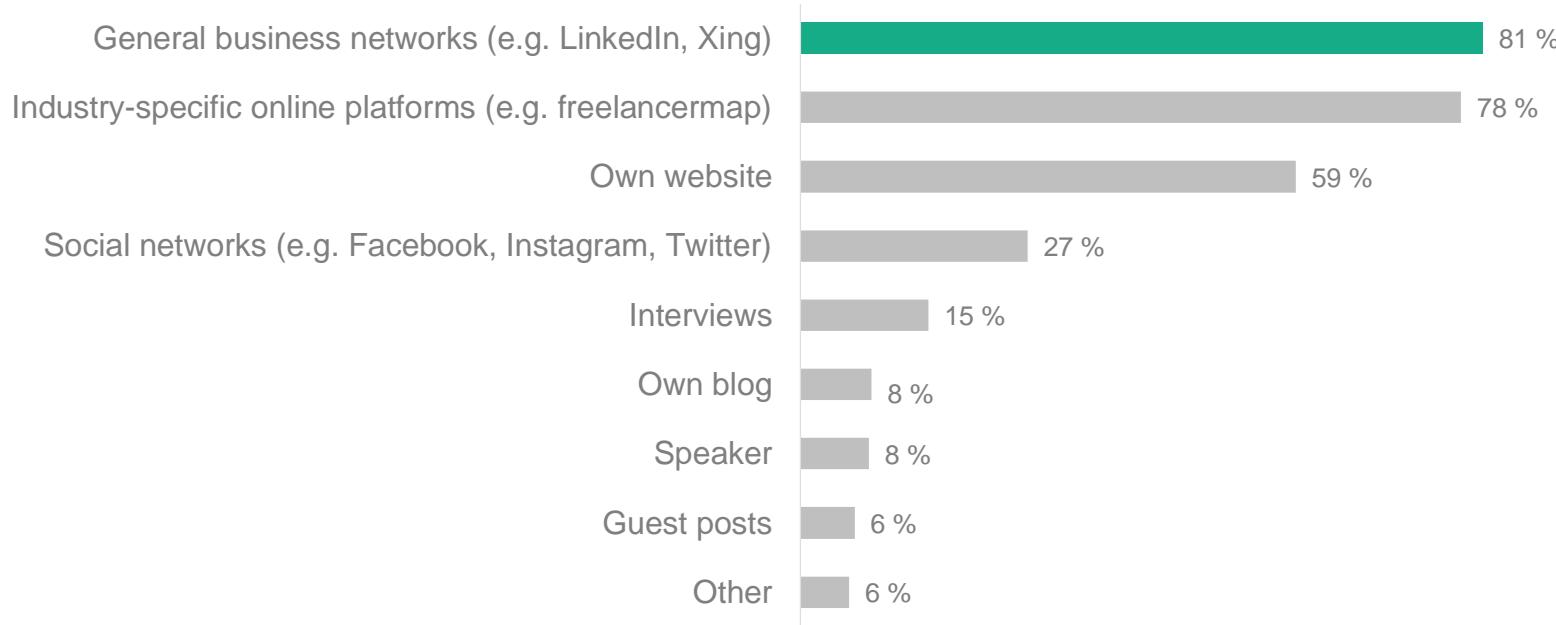
What mistakes did you make most often when you started out as a freelancer?



**55%** of freelancers cited charging way to low rates as their main mistake.

# MARKETING

What methods do you use to market yourself?

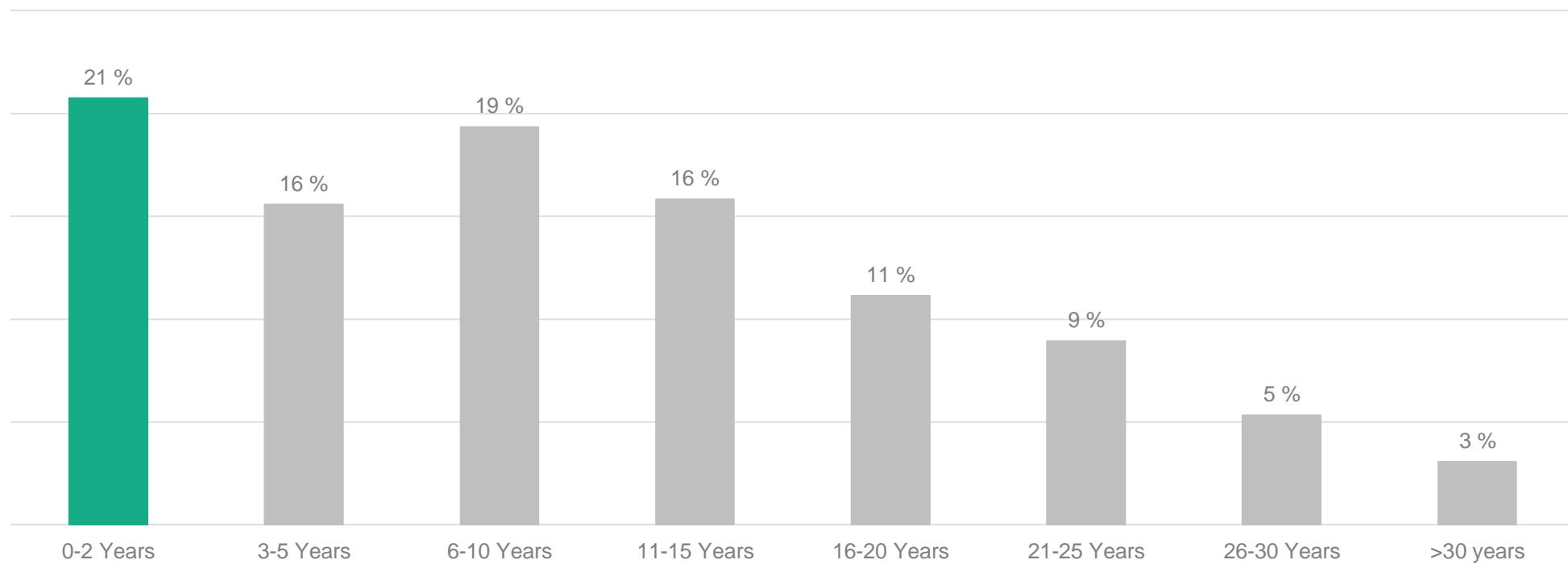


**81%** of the freelancers are using business networks like LinkedIn or Xing to market themselves.

8 out of 10 of the respondents can be found on industry-specific online platforms - like freelancermap. More than half of the freelancers also put their own website into their marketing mix.

# SELF-EMPLOYMENT EXPERIENCE

How many years have you been self-employed?



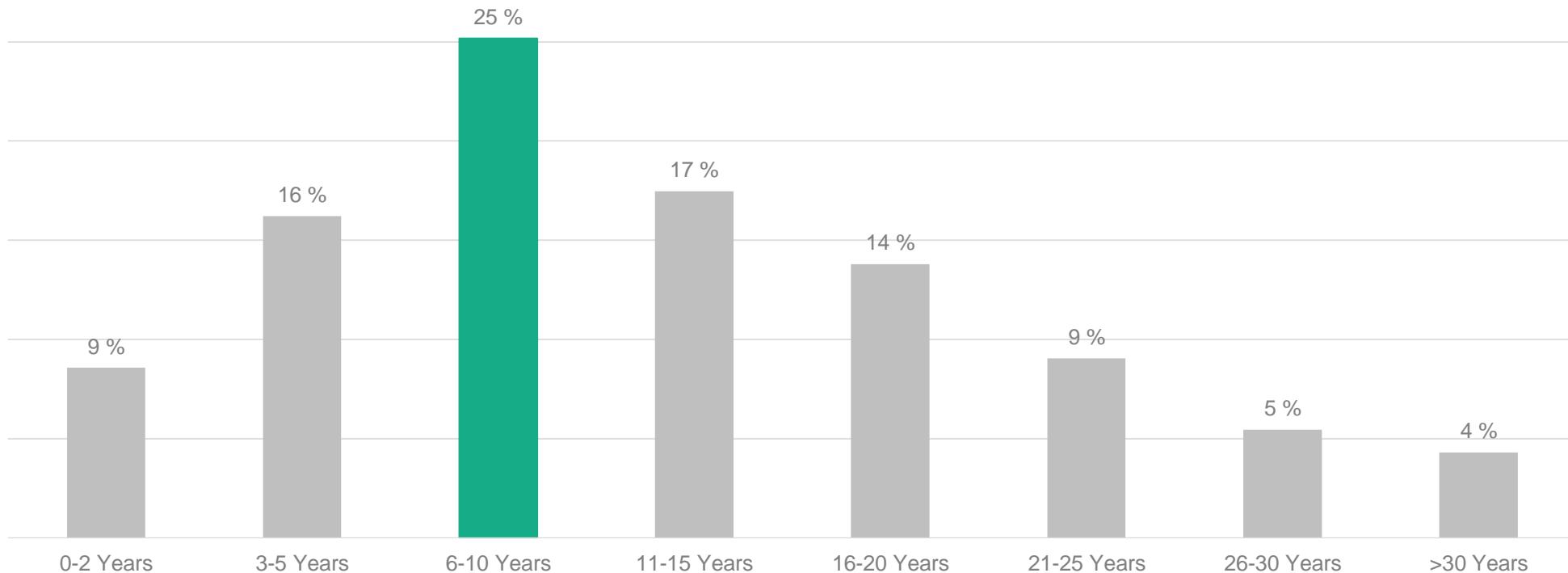
The average freelancer has been self-employed for

**11 years**

44% of the freelancers have been self-employed for more than 10 years – 56% have been self-employed for less than 10 years.

# WORK EXPERIENCE

How many years of work experience did you have before you became a freelancer?

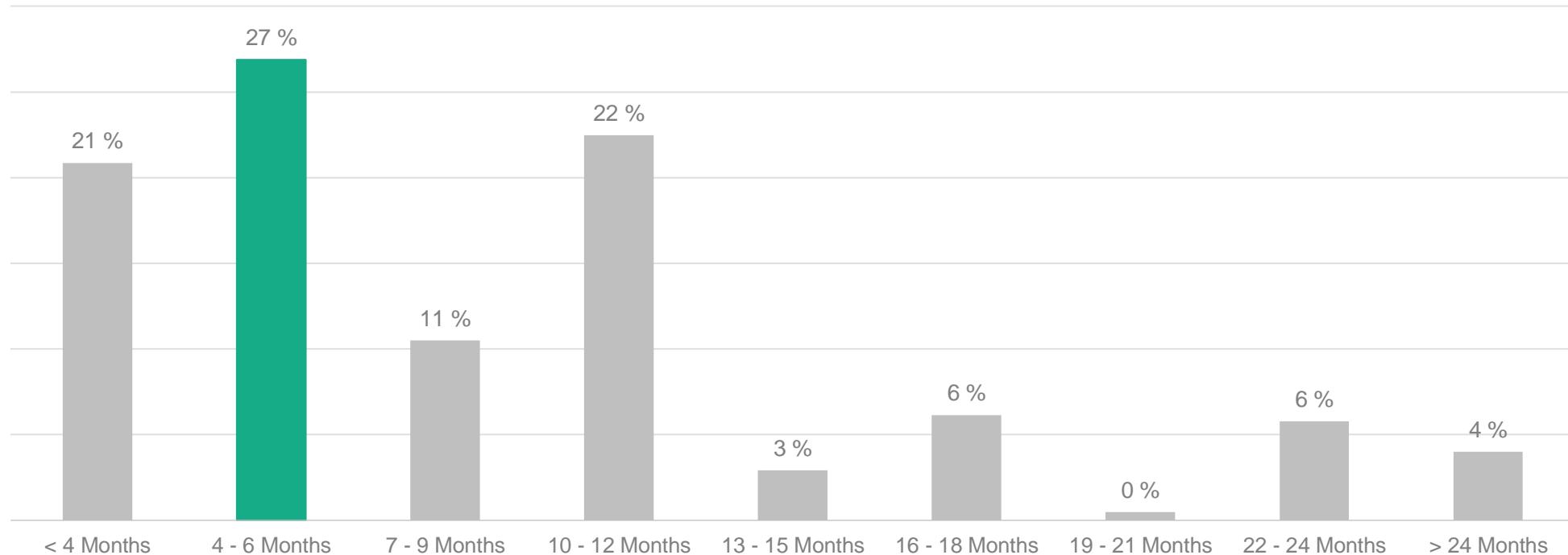


**13 years** is how long the average freelancer gains work experience before they become self-employed.

25% of the respondents dared to take the step into self-employment after less than 3 years of employment.

# PROJECT DURATION

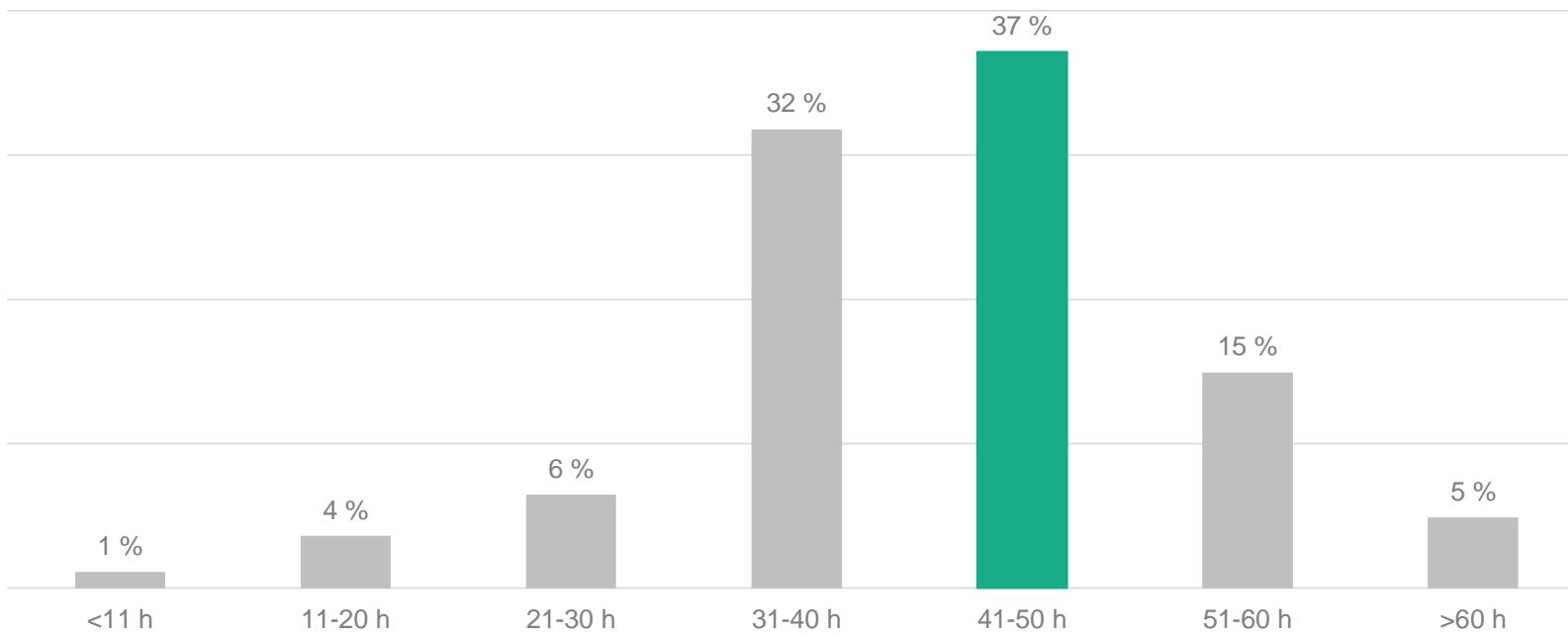
How long do you spend on each project on average?



Freelancers spend an average of **10 months** on a project.

# WORKING HOURS

How many hours do you work per week?

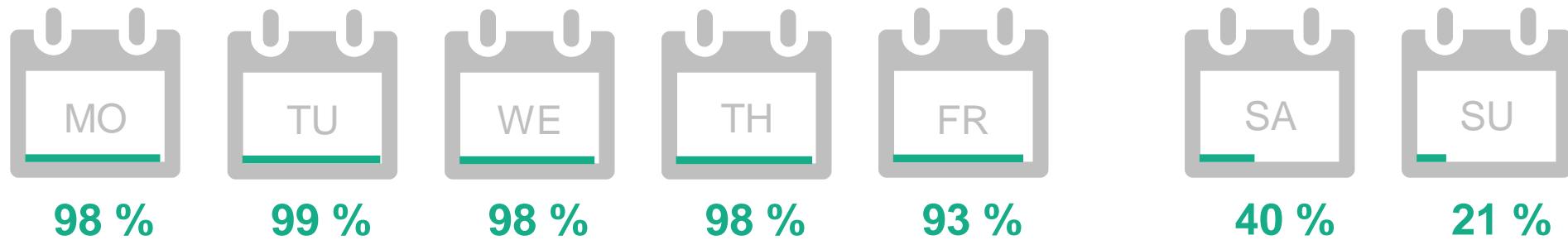


Freelancers work an average of **44 hours** per week.

The majority (69 %) dedicates 31 - 50 hours to work per week. Only 5% of freelancers work longer than 60 hours per week.

# WORKING WEEK

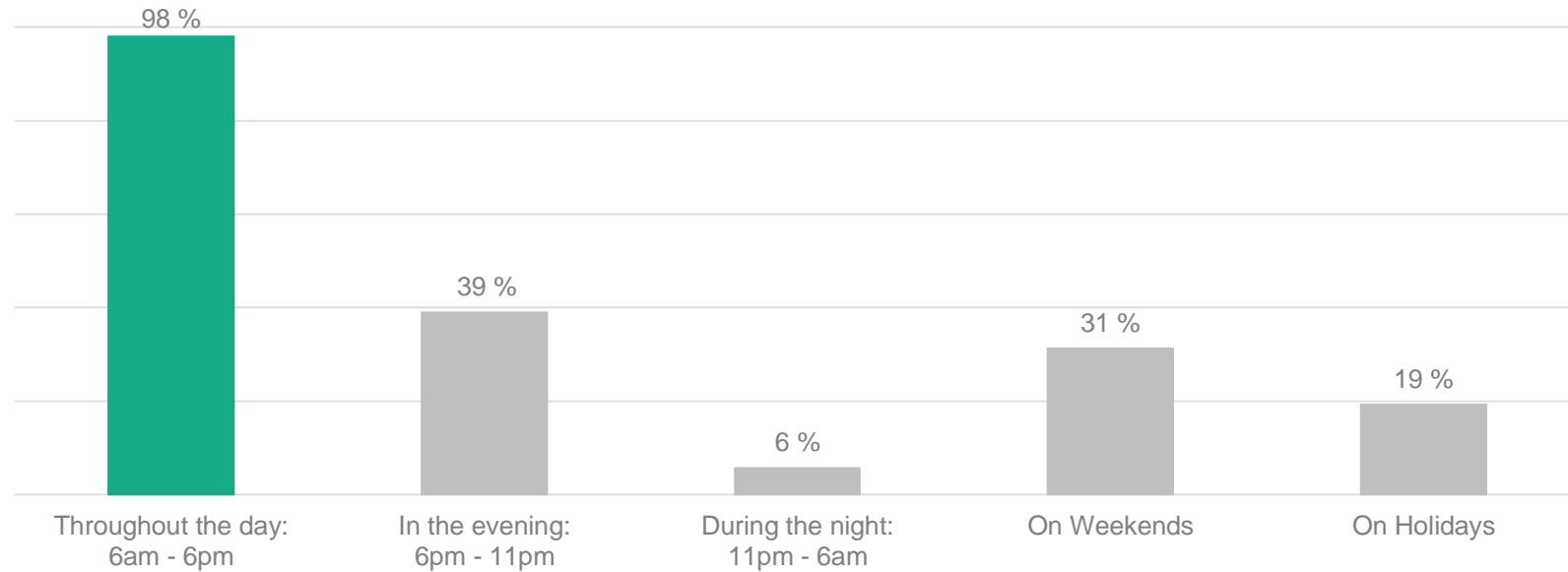
What days do you work during the week?



**40%** of the freelancers also work on Saturdays. 21% even work on Sundays.

# AVAILABILITY

When can you be reached by your customers?

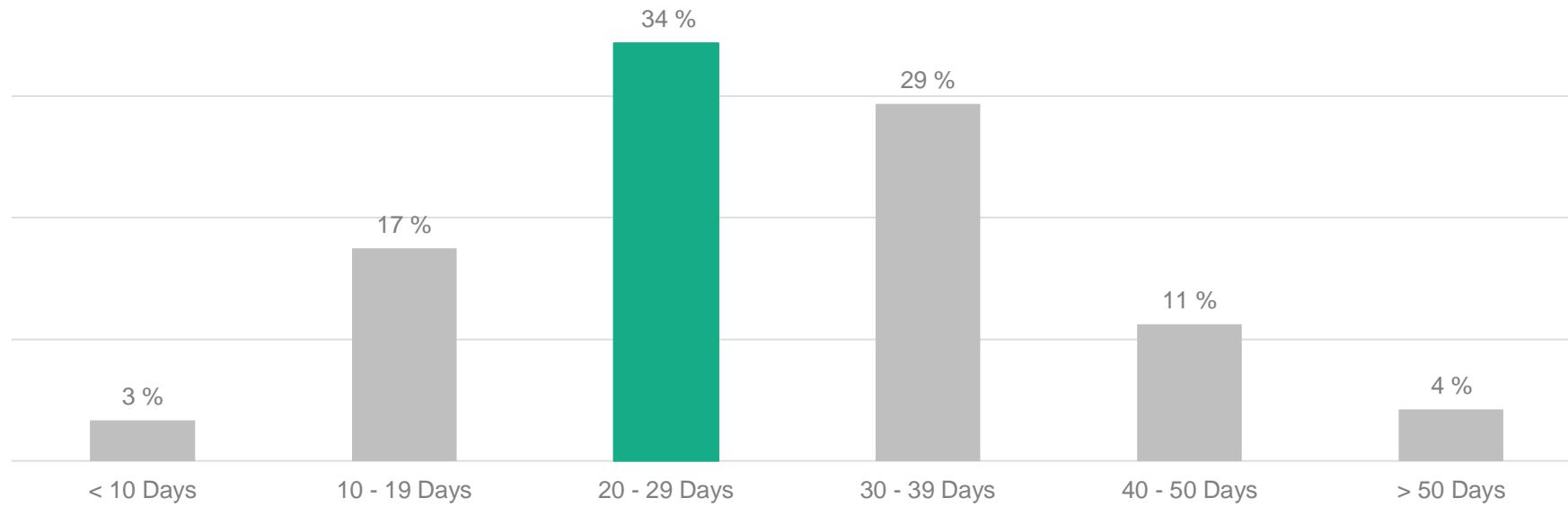


**31%**

of the freelancers work on weekends. Only 6% work during the night.

# VACATION

How many days off do you take in one year?

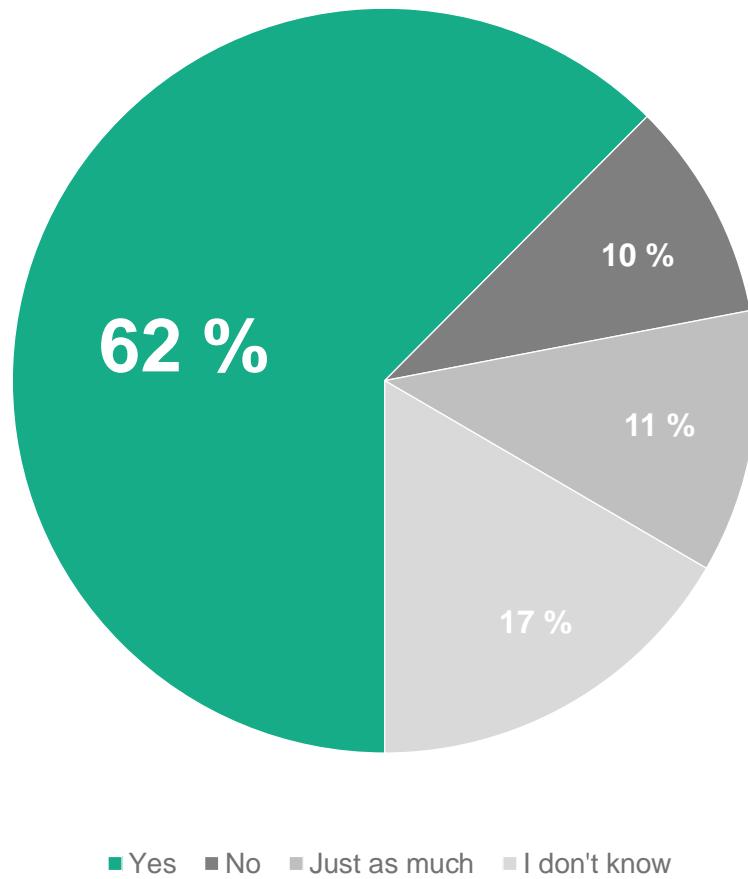


The average freelancer takes **27 days** off per year.

More than half of the respondents stated that they take less than 30 vacation days per year. 45% of the freelancers are below the statutory vacation entitlement of 24 working days.

# FREELANCING vs. EMPLOYMENT

Do you earn more than your colleagues in a permanent position?



## YES

62% think they earn more than their colleagues in a permanent position.

## NO

10% think they earn less than their colleagues in a permanent position.

## JUST AS MUCH

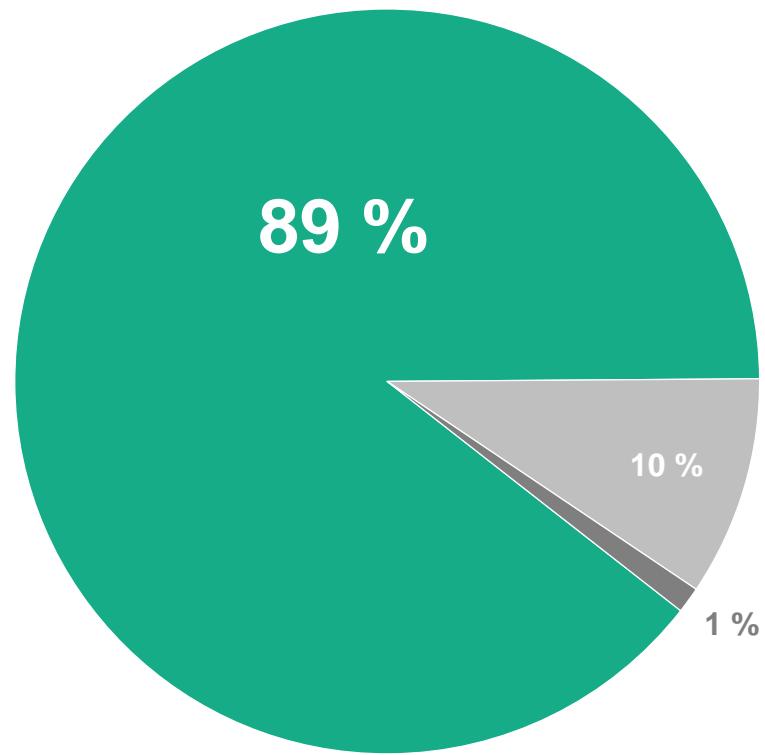
11% estimate their earnings on a same level as their colleagues in a permanent position.

## I DON'T KNOW

17% don't know if they earn more or less than their colleagues in a permanent position.

# FREELANCER AGAIN?

If you could start over, would you become a freelancer again?



■ Yes ■ I don't know ■ No

## YES

89% would become freelancers again.

## I DON'T KNOW

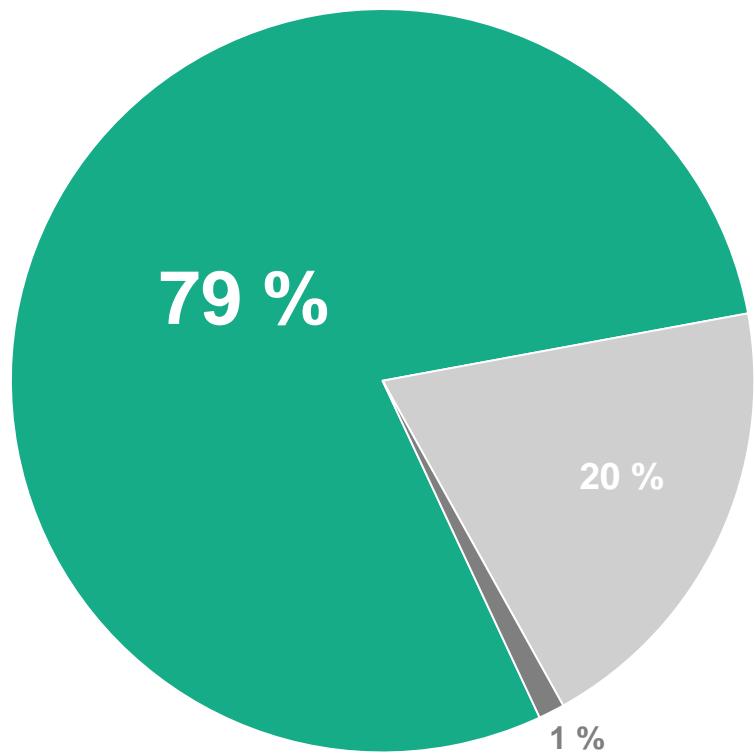
10% are not sure.

## NO

Only 1% would not choose to be a freelancer.

# OCCUPATION

Do you want to continue working as a freelancer?



## YES

79% want to continue working as a freelancer.

## YES, BUT ...

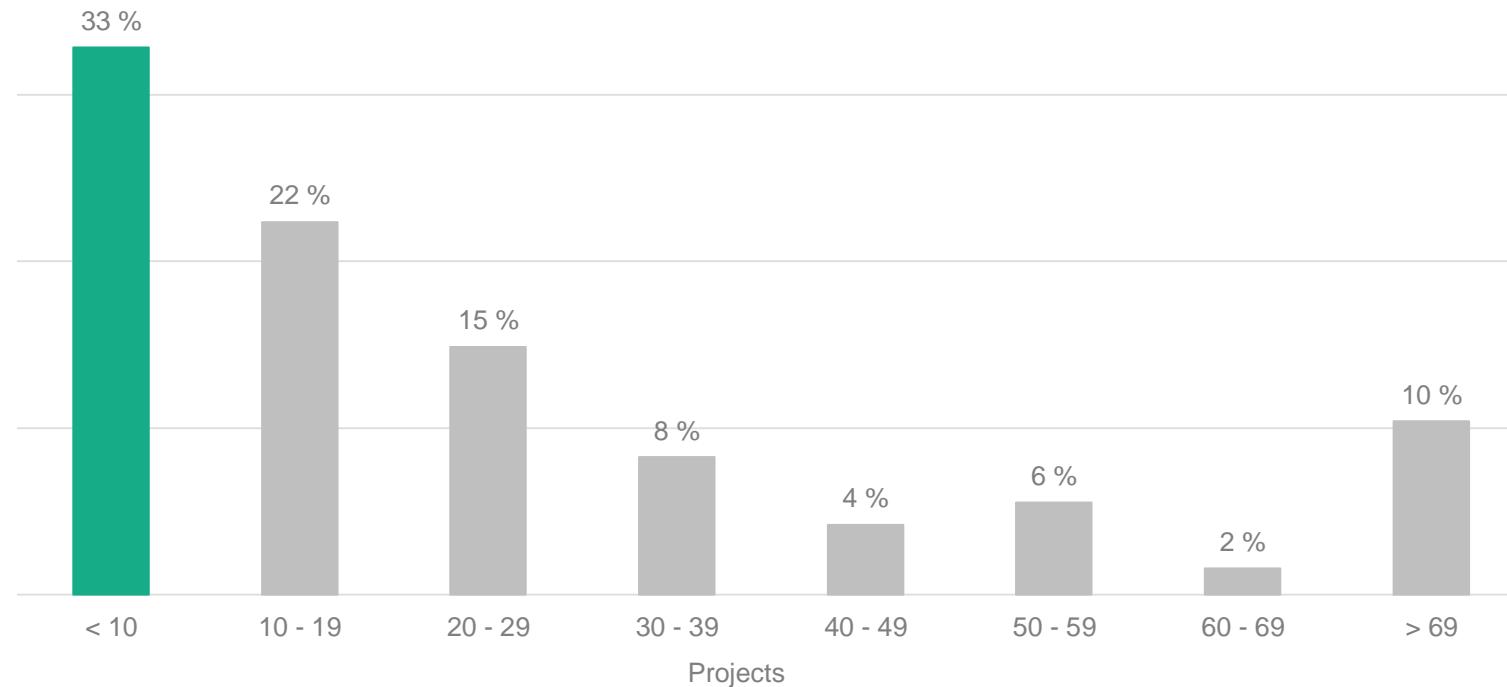
20% would take a permanent position, if the salary was high enough.

## NO

Just 1% wants to stop working as a freelancer.

# PROJECT EXPERIENCE

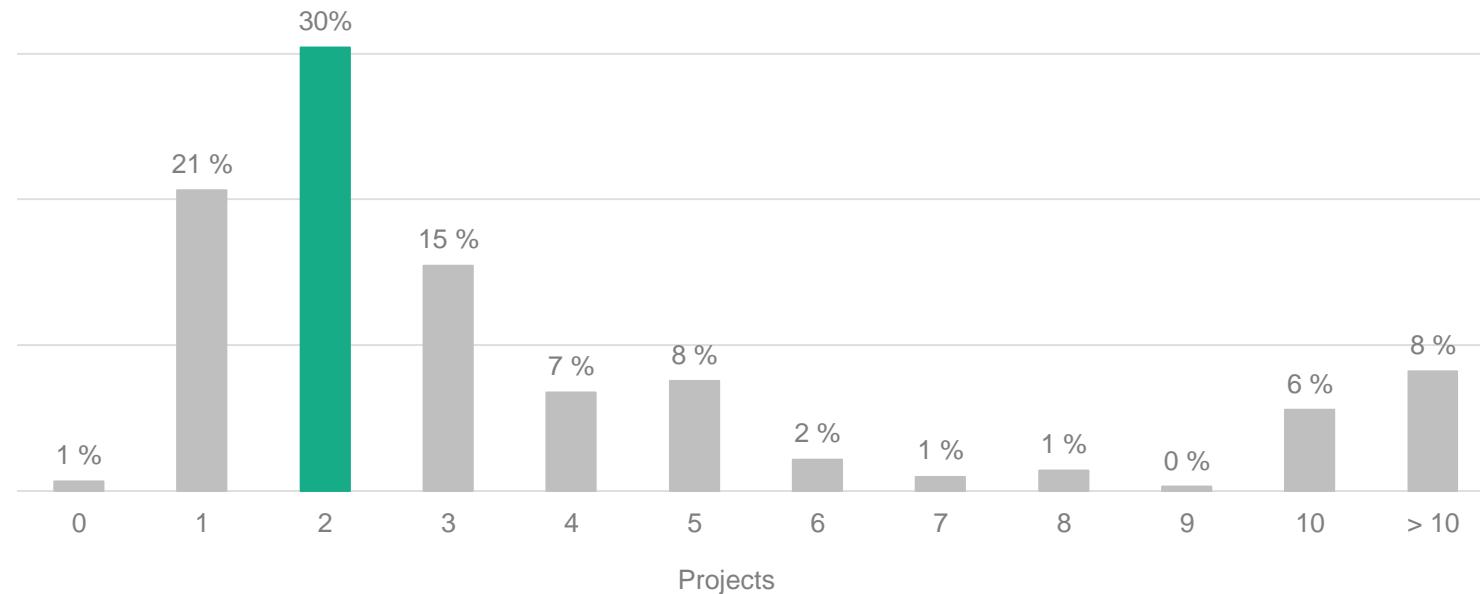
How many projects have you completed until now?



**70%** of the freelancers have completed less than 30 projects until now. On average, freelancers have completed 39 projects. Typically, the field "Graphics, Content, Media" has completed a great amount of projects, since here, project duration is rather short.

# PROJECT NUMBER

How many projects do you complete in one year?

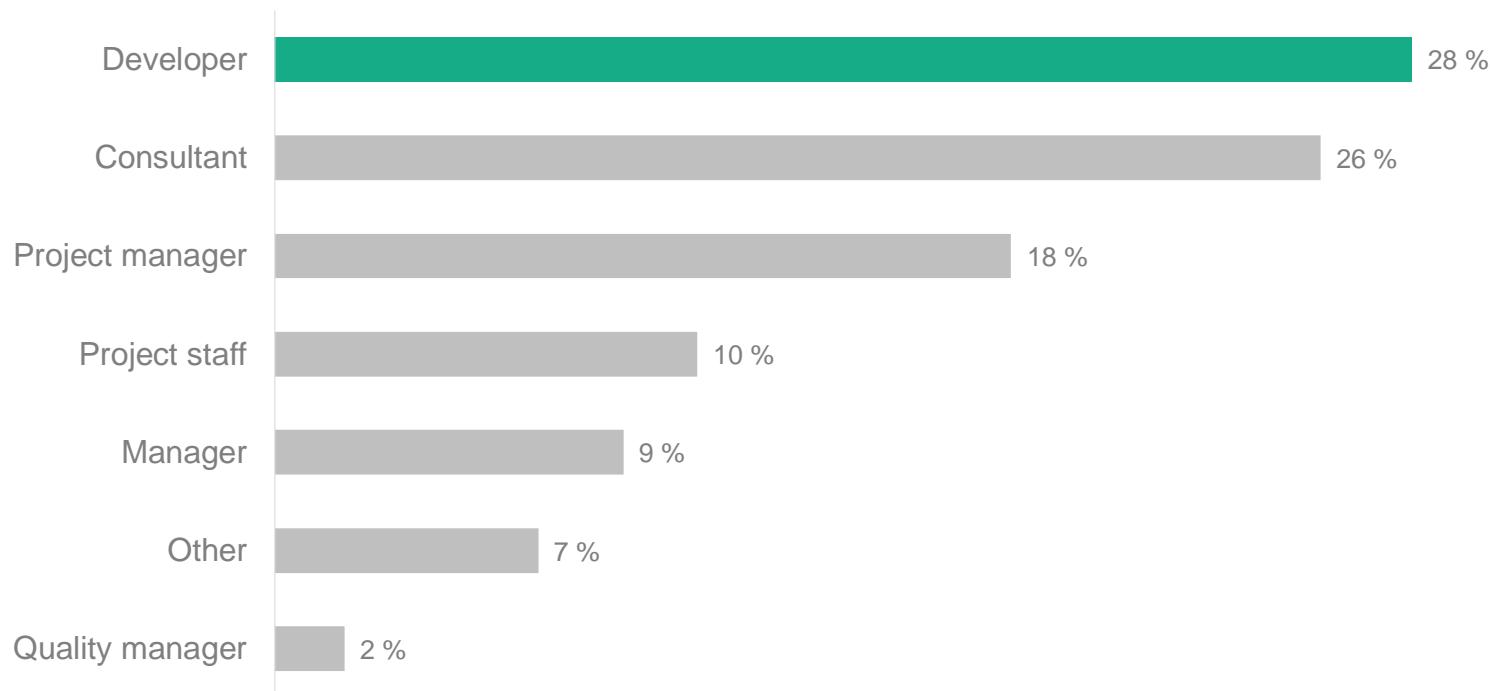


**67%**

complete up to 3 projects per year. Just 8% of the freelancers complete more than 10 projects per year.

# ROLE IN THE PROJECT

What role do you have in the current (or last) project?

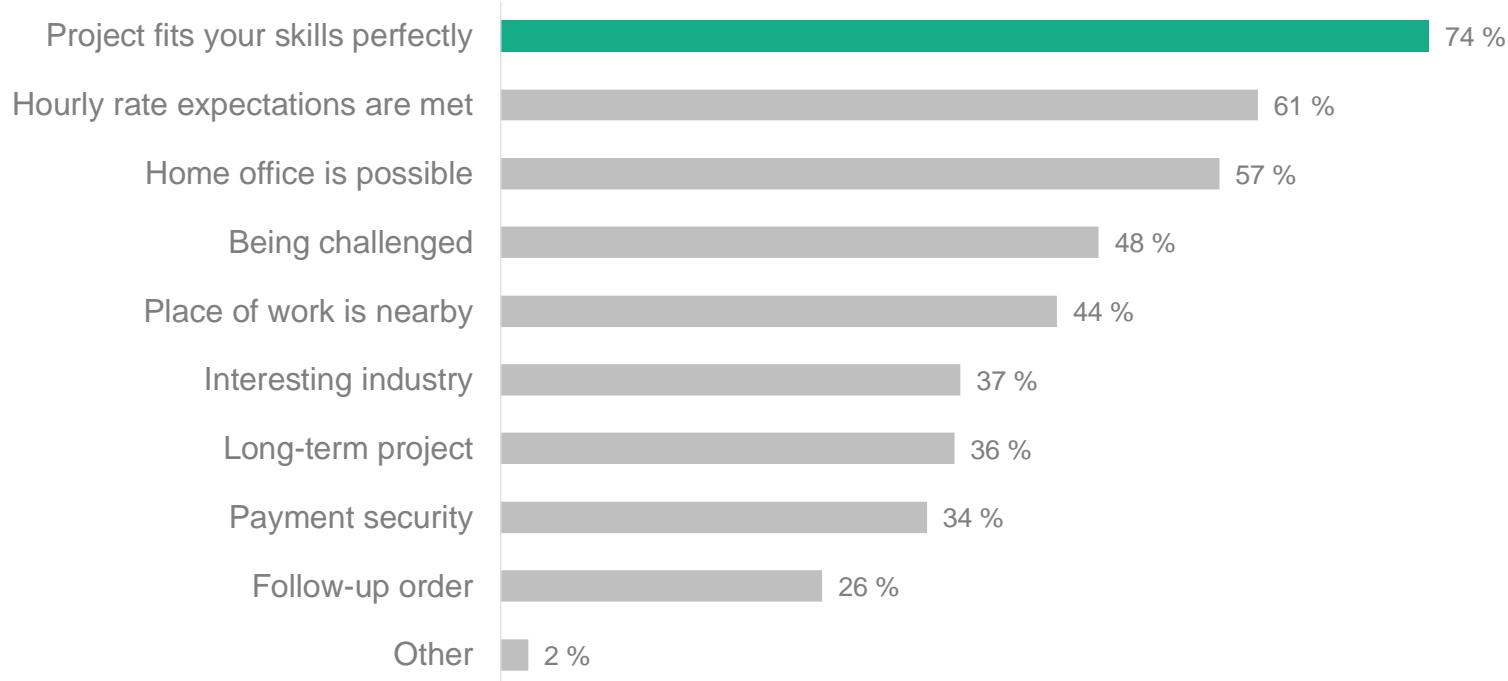


**28%** of freelancers describe their role as developers.

Runner up: Consultants (26%) and project managers (18%). Those three roles account for 72% of the respondents.

# PERFECT PROJECTS

What factors define a perfect project?

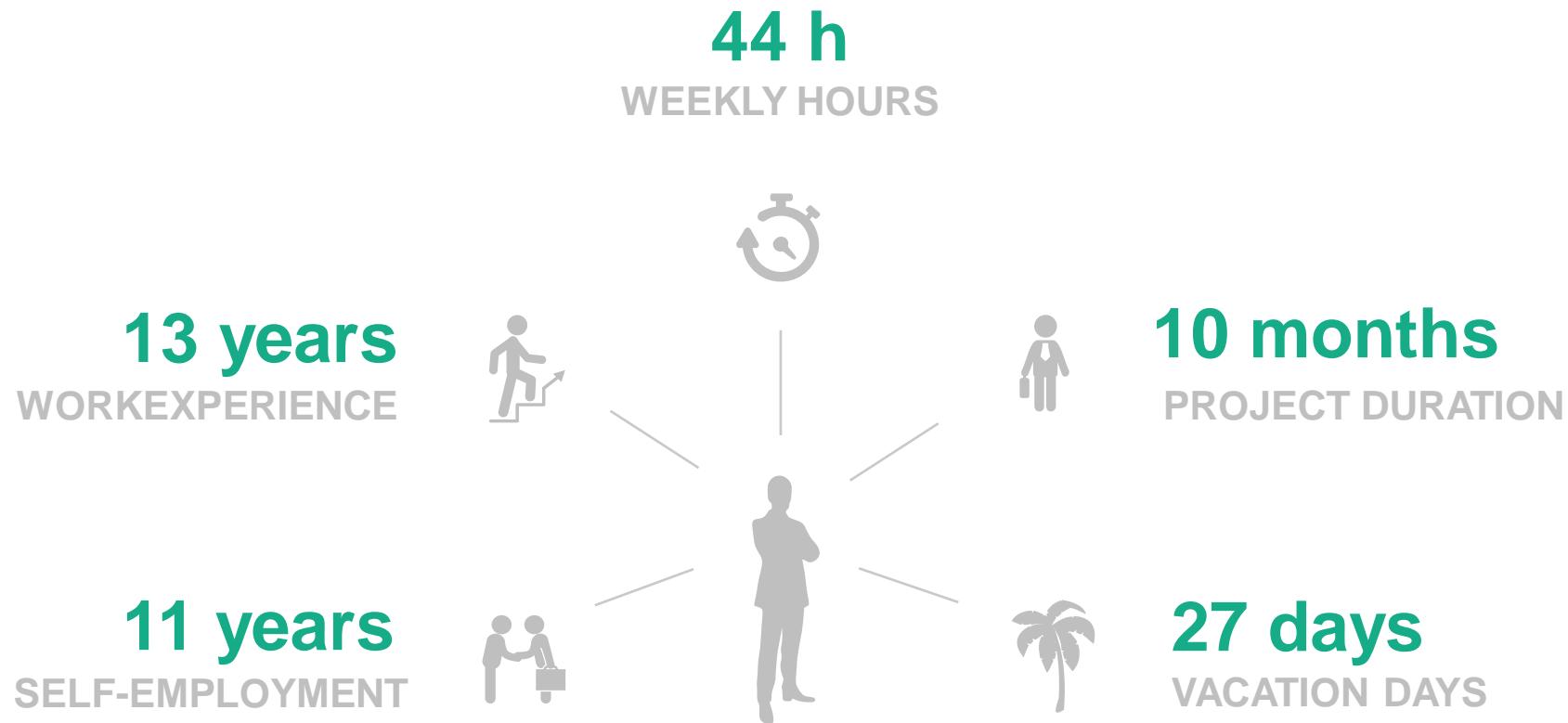


**74%** define a perfect project as a project that matches their skills perfectly.

Other than that, projects where the requested hourly rate is met as well as those with the possibility to work from home are possible favorites.

# SELF-EMPLOYMENT

## Key Findings





# DEMOGRAPHICS

“During the corona pandemic, the benefits and opportunities of digitalization have clearly been shown for all branches of industry! This offers freelancers the unique opportunity to use digitization more in the future if the framing conditions are right!”

Prof. Michael Rotert - eco - Association of the Internet Industry e.V.



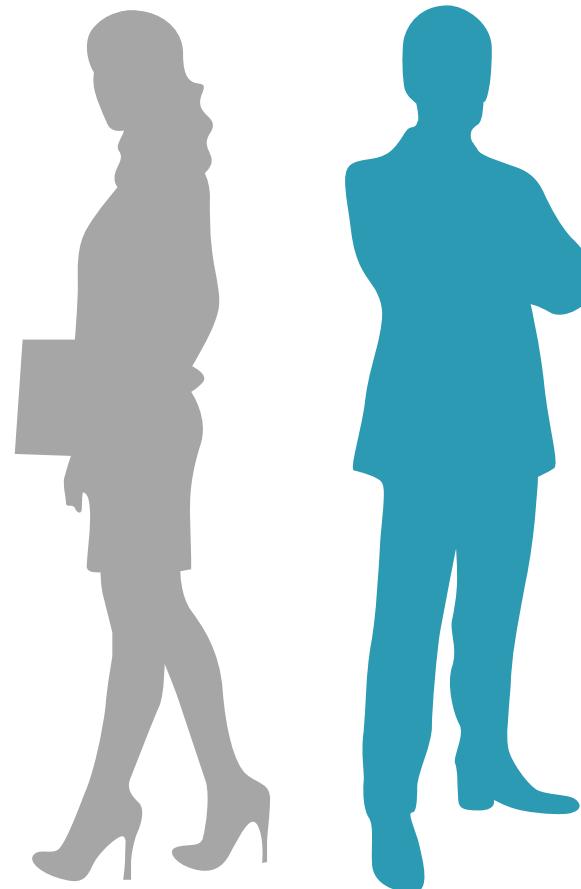
# GENDER DISTRIBUTION

Ratio of female and male freelancers

**WOMEN**

**12%**

The fraction of female freelancers amongst the respondents is only 12 %.



**MEN**

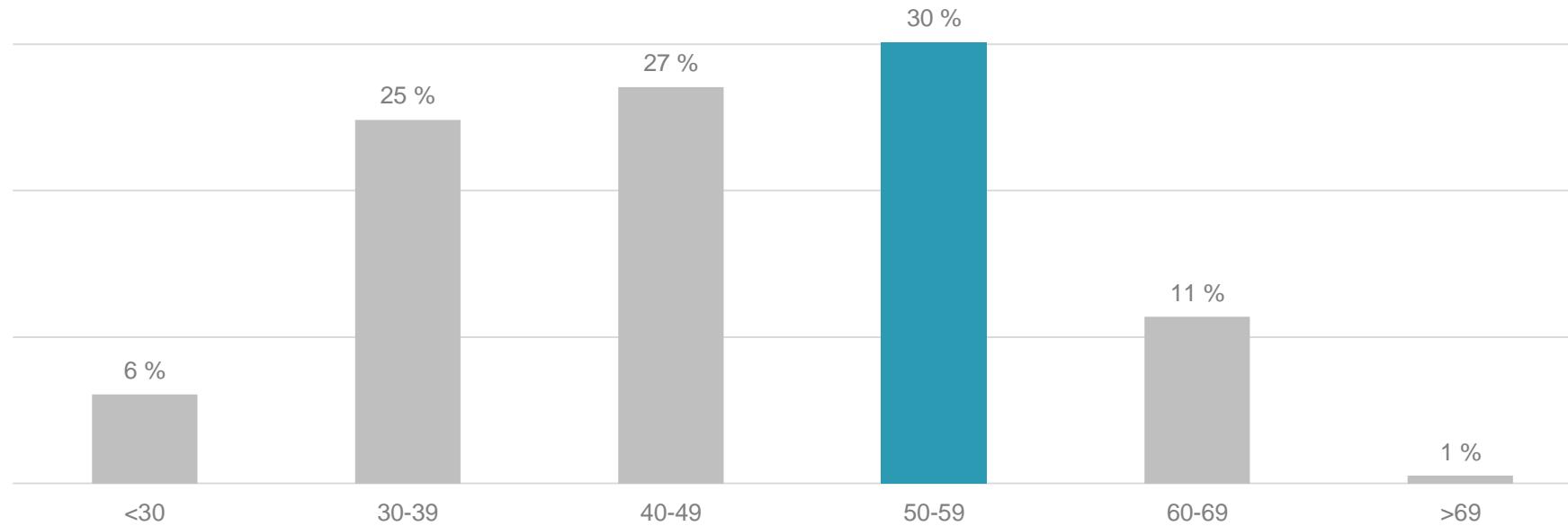
**88%**

9 out of 10 freelancers are male.



# AGE

Distribution of the freelancers based on their age

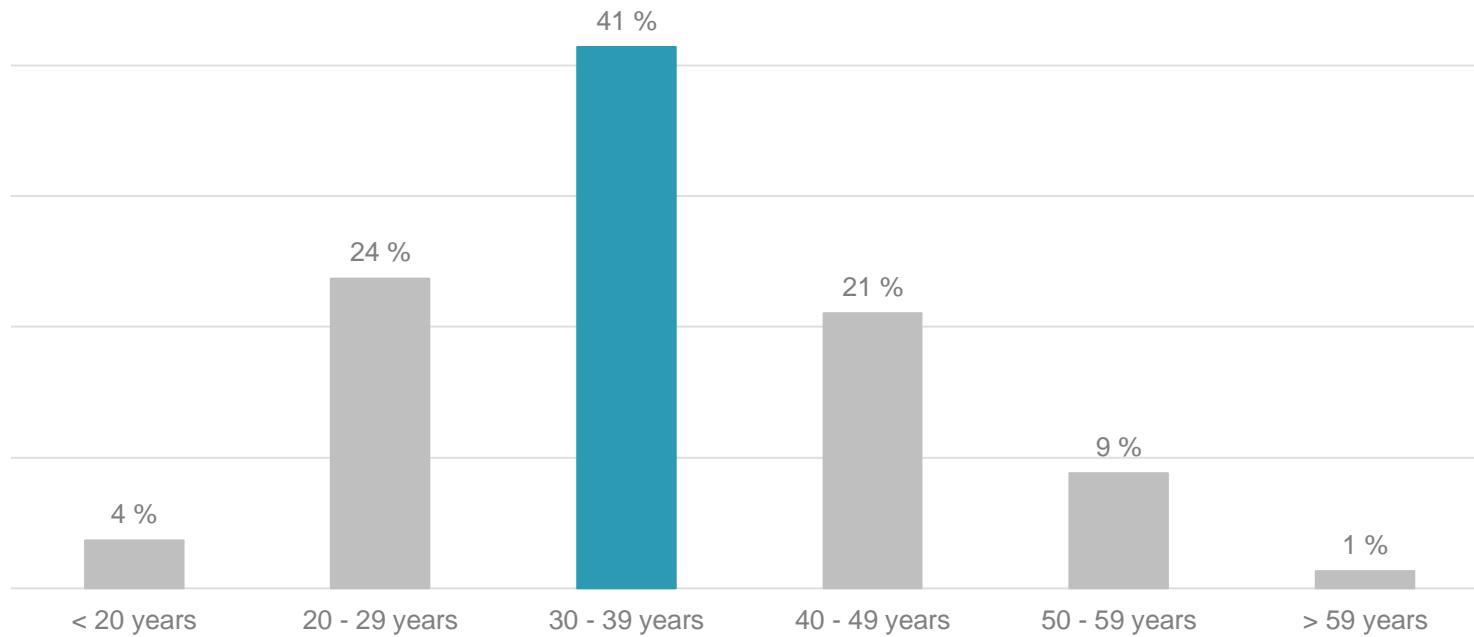


**46 years-old** are freelancers on average.

The “young generation” of under 30-year old's, makes for only 6% of the respondents. It could be argued, that many freelancers finish their studies or education and must gain work experience, before making their way into self-employment.

# THE RIGHT TIME

At what age did you decide to become a freelancer?



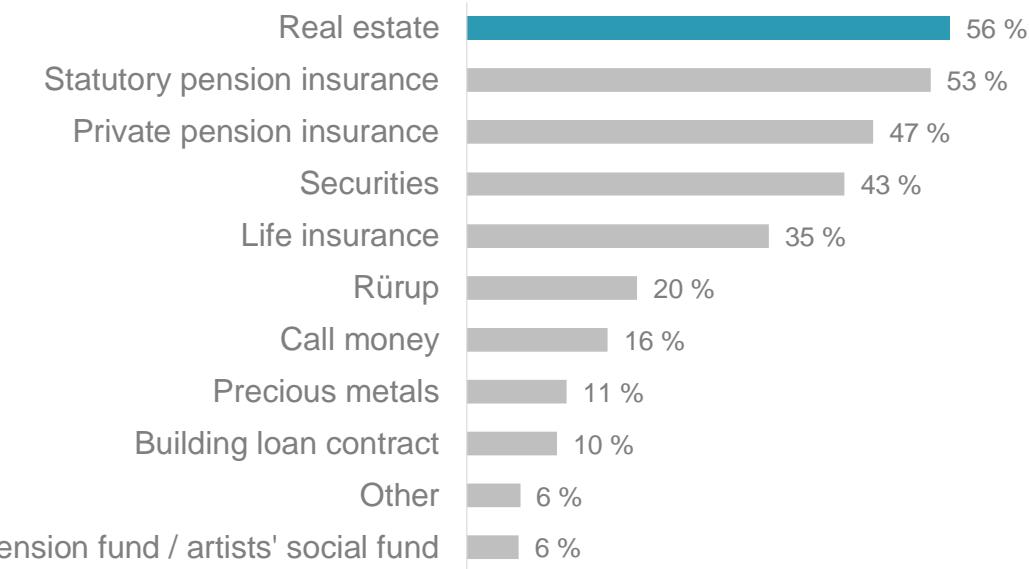
Average age

**35 years**

**41%** decided to become freelancers in their 30ies.

# RETIREMENT PLAN

What does your retirement plan consist of?



**56%** provide for their retirement with real estate.

Cryptocurrencies have been mentioned the most under "other".



Planned retirement age

**65 years**

# RETIREMENT PROVISION

How much do you save each month for retirement provision?



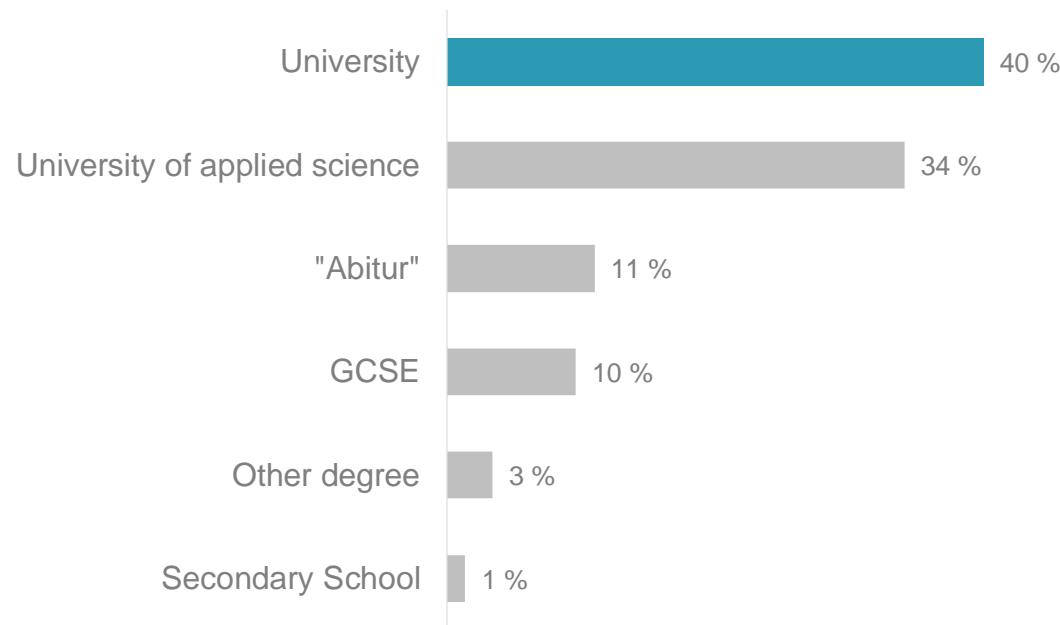
**€998**

is the average amount that freelancers save for retirement provision.

Freelancers under 30 years save only €661 per month. The amount for the pension increases significantly after the age of 30. A lower income and the reduced investment opportunities seem to be the reasons for this.

# EDUCATION

What is your highest level of education attained?

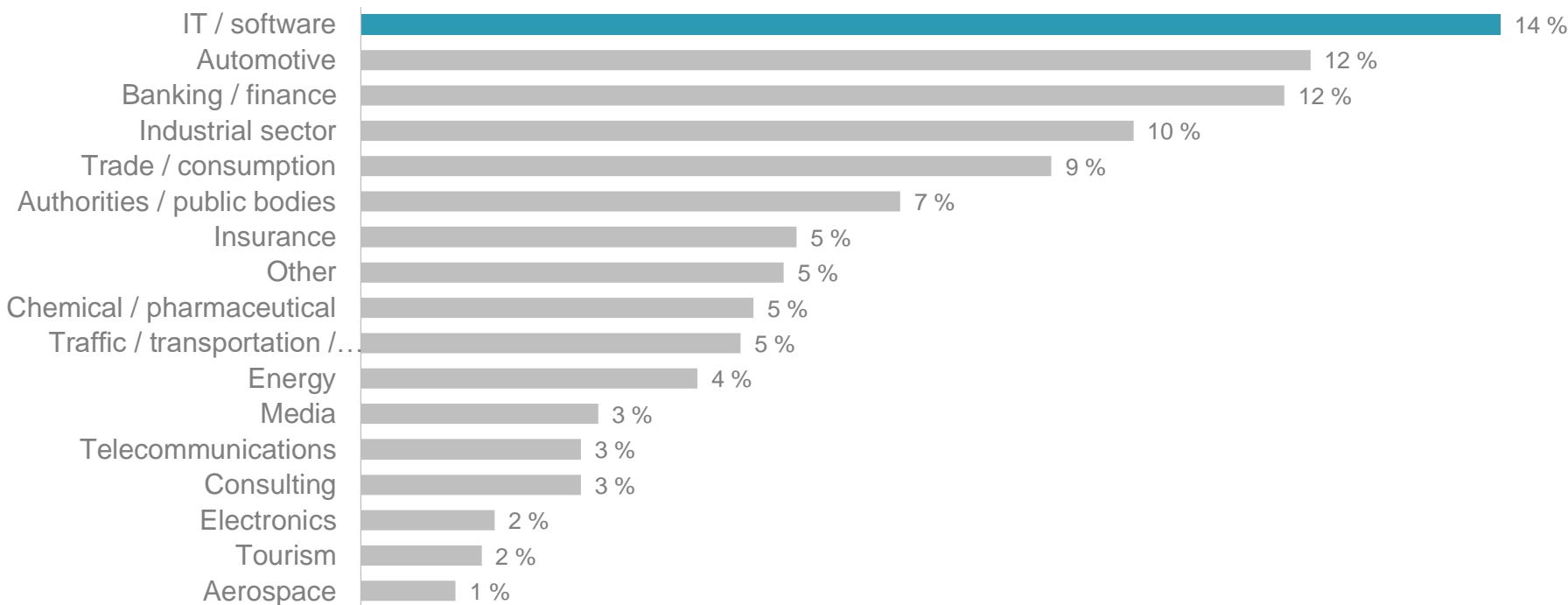


**40%** of the freelancers attained a university degree.

34% attained a degree at a university of applied science. Thus, 74% of the respondents gained academic

# INDUSTRY

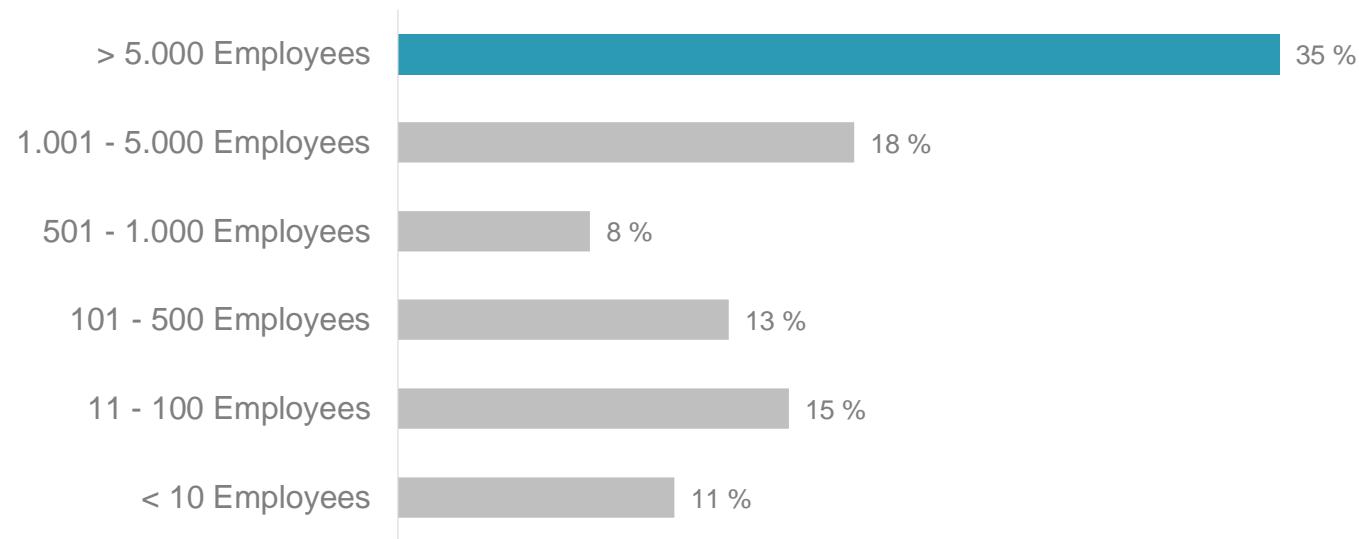
Which industry does your current (or last) project belong to?



**48%** of the freelancers work in the four industries IT / software, automotive, banking / finance and the industrial sectors.

# COMPANY SIZE

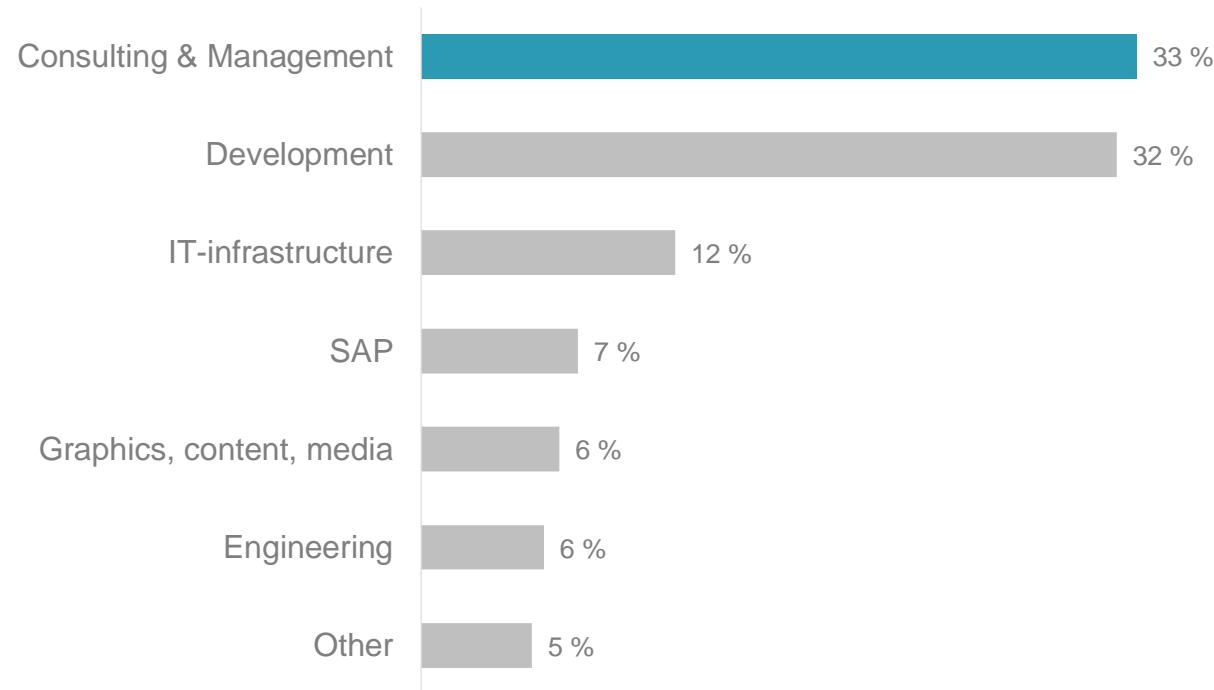
What size is the company of your current (or last) project?



**61%** of the respondents work in companies with more than 500 employees.  
Only 11% work in small enterprises with less than 10 employees.

# AREA OF EXPERTISE

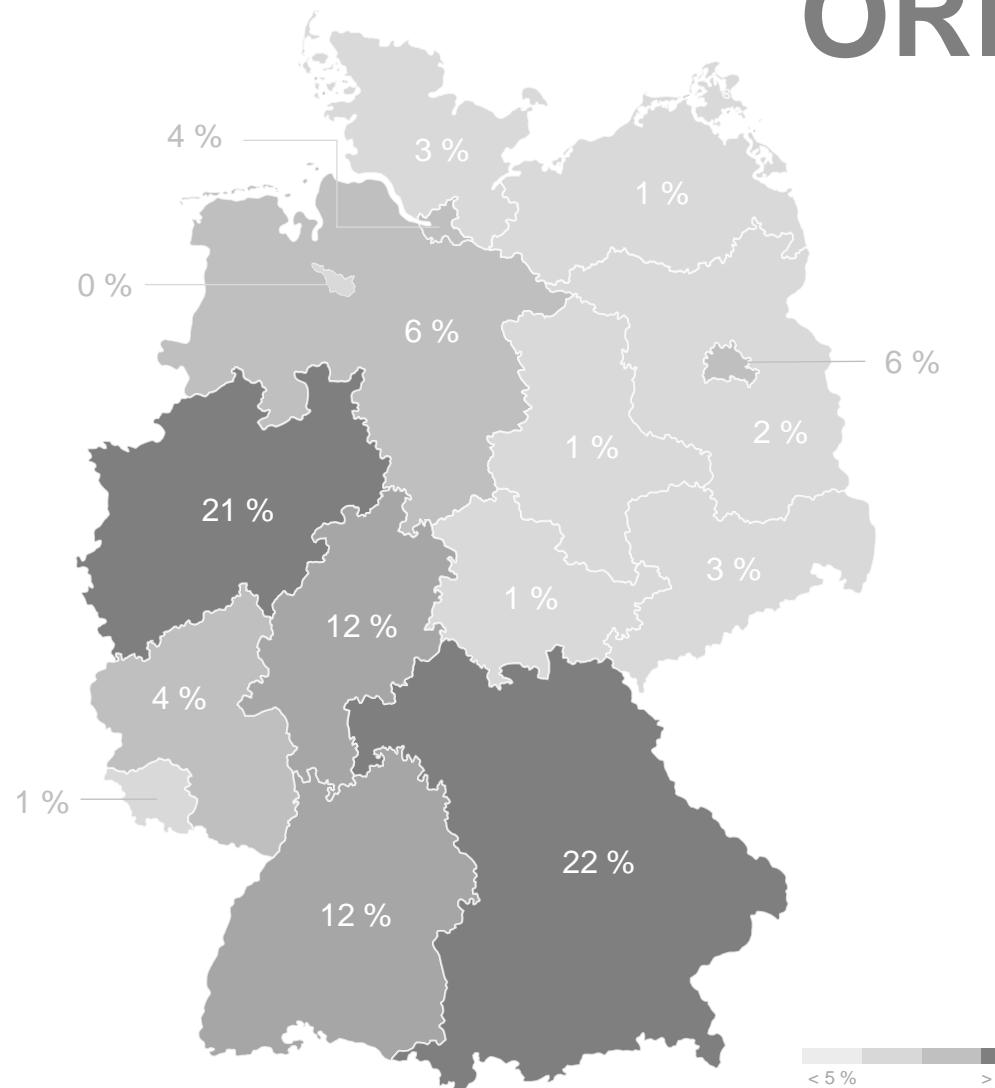
Which area of expertise do you belong to?



**65%**

of the respondents work in development or consulting & management positions.

# ORIGIN

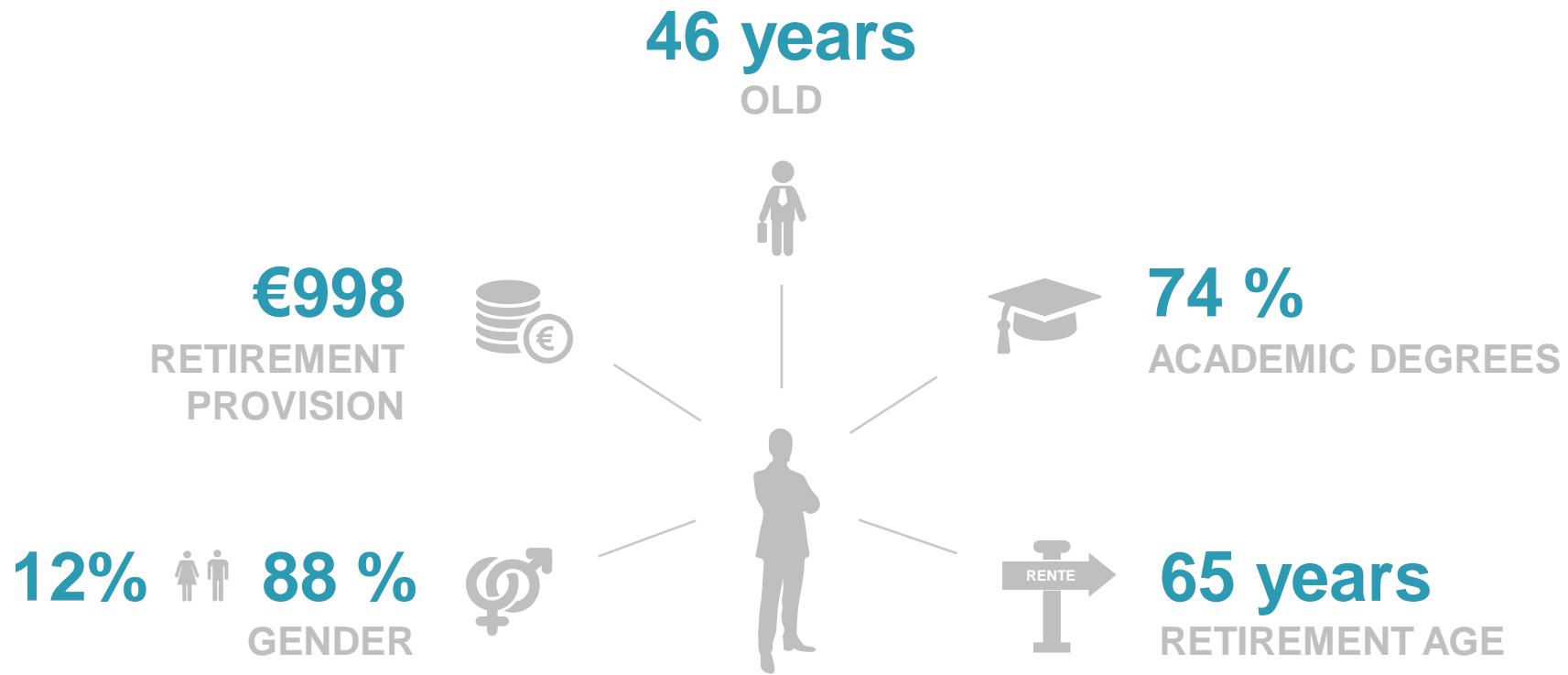


**85%**

of the freelancers are from “old” German states.

# DEMOGRAPHICS

## Key Findings





# OUTLOOK



„We now have the opportunity to learn from the crisis and combine economy and ecology in order not only to achieve economic recovery, but to make it sustainable and crisis-proof. Because we see now: What's ecologically reasonable also pays off economically. If we do not consider this in the pricing process, no rescue packages will help“.

Claudia Müller - Member of the Bundestag - Bündnis 90 die Grünen

# TOPICS OF THE FUTURE

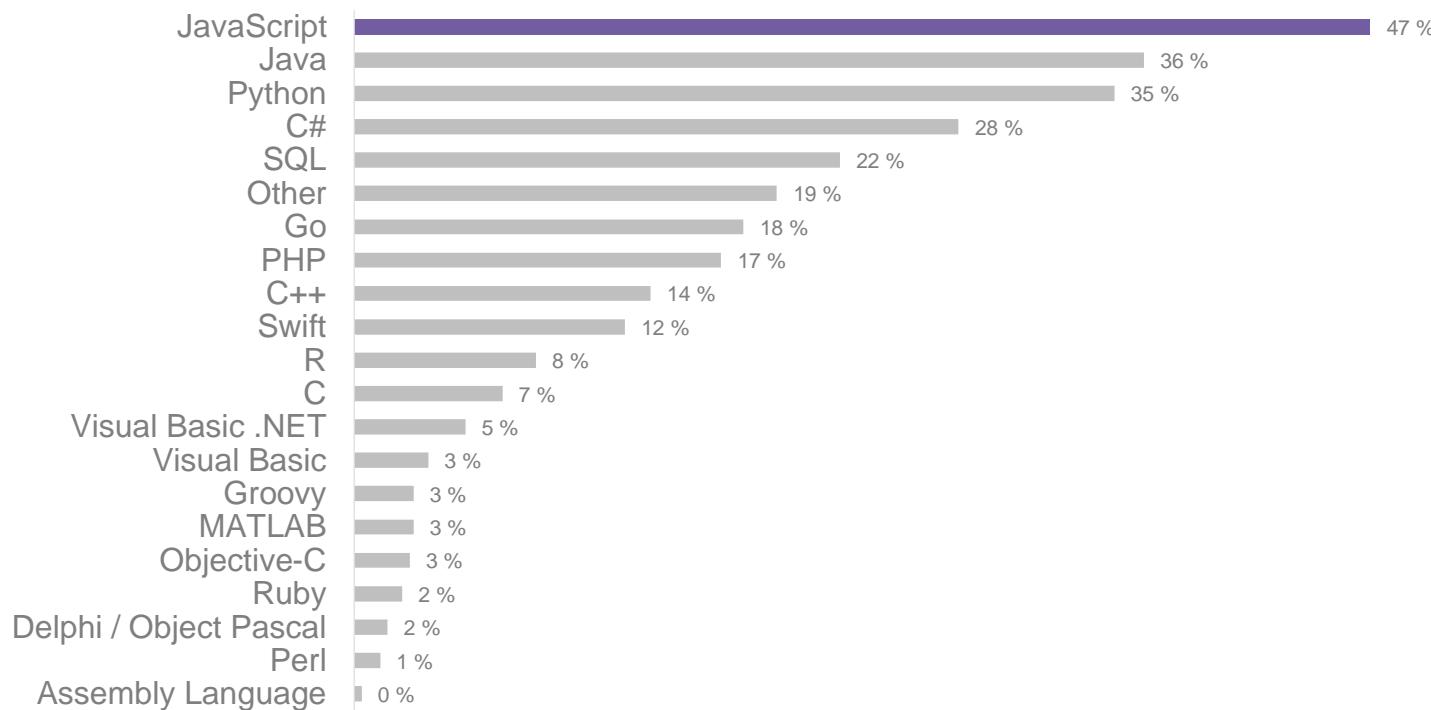
Which topics will be important in the future?

	Artificial intelligence	Internet of Things	Agile project management	DevOps	Robotics	Blockchain
IT security	Cloud services	Big data	Smart home	Virtual reality	Augmented reality	Quantum computers
				3D printing	Drones	...

**65%** of the respondents attribute growing importance to IT security. Further, the topics "artificial intelligence" (62%), "cloud services" (57%) and IoT (45%) are expected to play important roles in the future.

# PROGRAMMING LANGUAGES

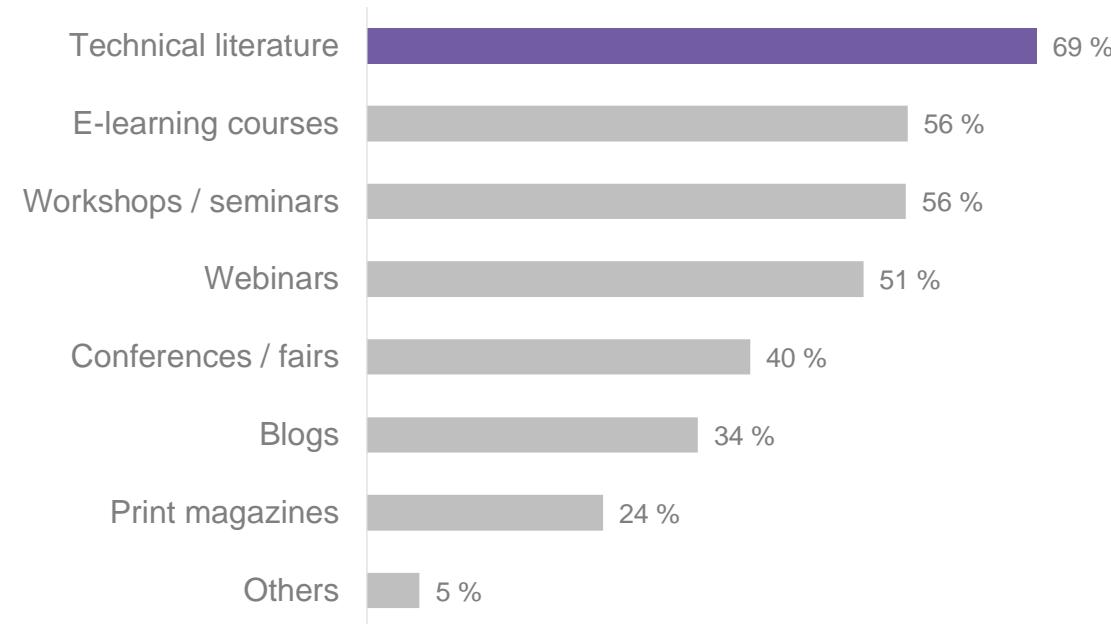
Which programming language will be important in the future?



**47%** think, that JavaScript will gain importance in the future. Under "Other" mainly the following languages have been mentioned: **Kotlin** (43 times), **Rust** (23 times), **TypeScript** (16 times).

# FURTHER EDUCATION

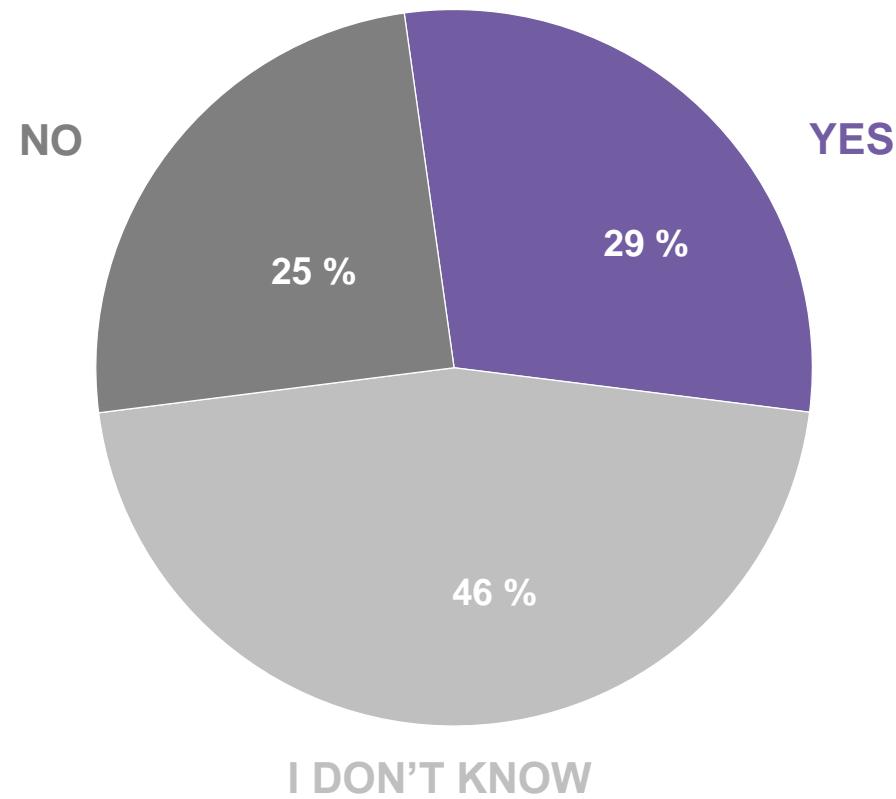
Which methods do you use for further education?



**69%** educate themselves with specialist literature. Every second person uses e-learning courses, workshops, seminars or webinars. "YouTube", "internet research" and "learning by doing" were often mentioned under others.

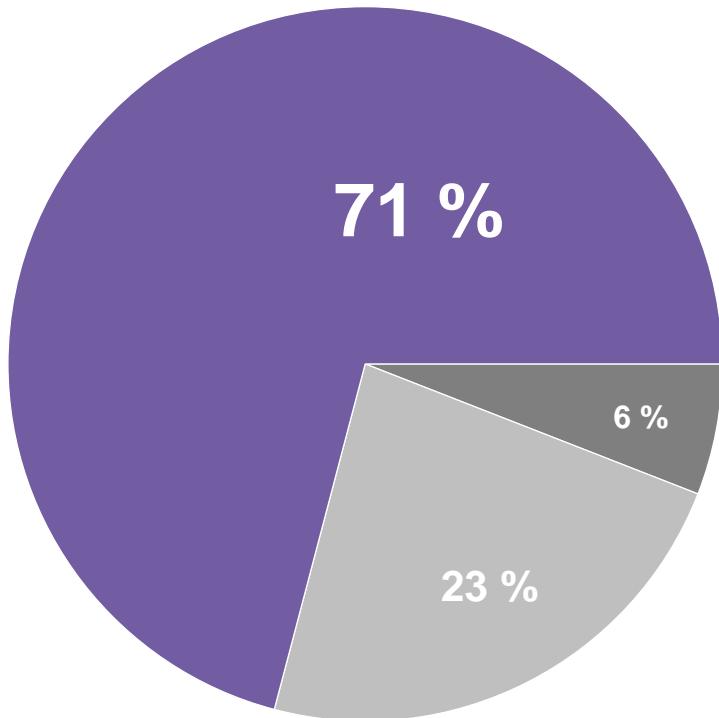
# COMPANY

Are you planning on founding your own company?



# FRAME CONDITIONS

Do you think that politics set the right framework for freelancers?



## NO

71% see politically imposed deficits in the frame conditions for freelancers.

## NEUTRAL

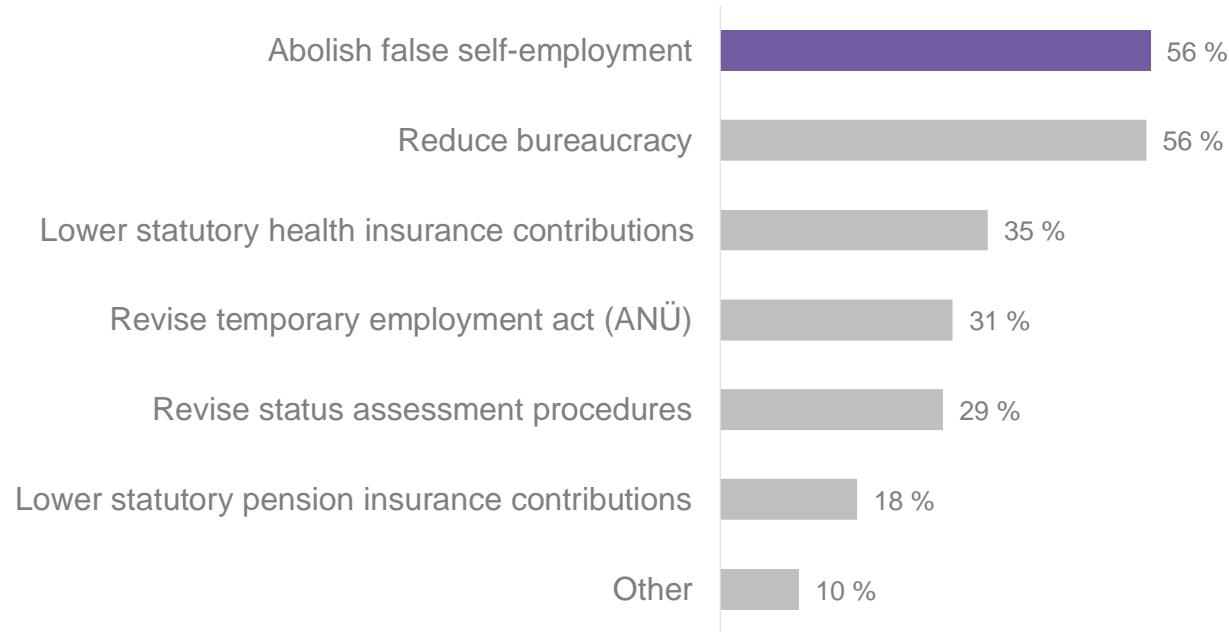
23% are neutral.

## YES

Only 6% consider the frame conditions as right.

# POLITICAL MEASURES

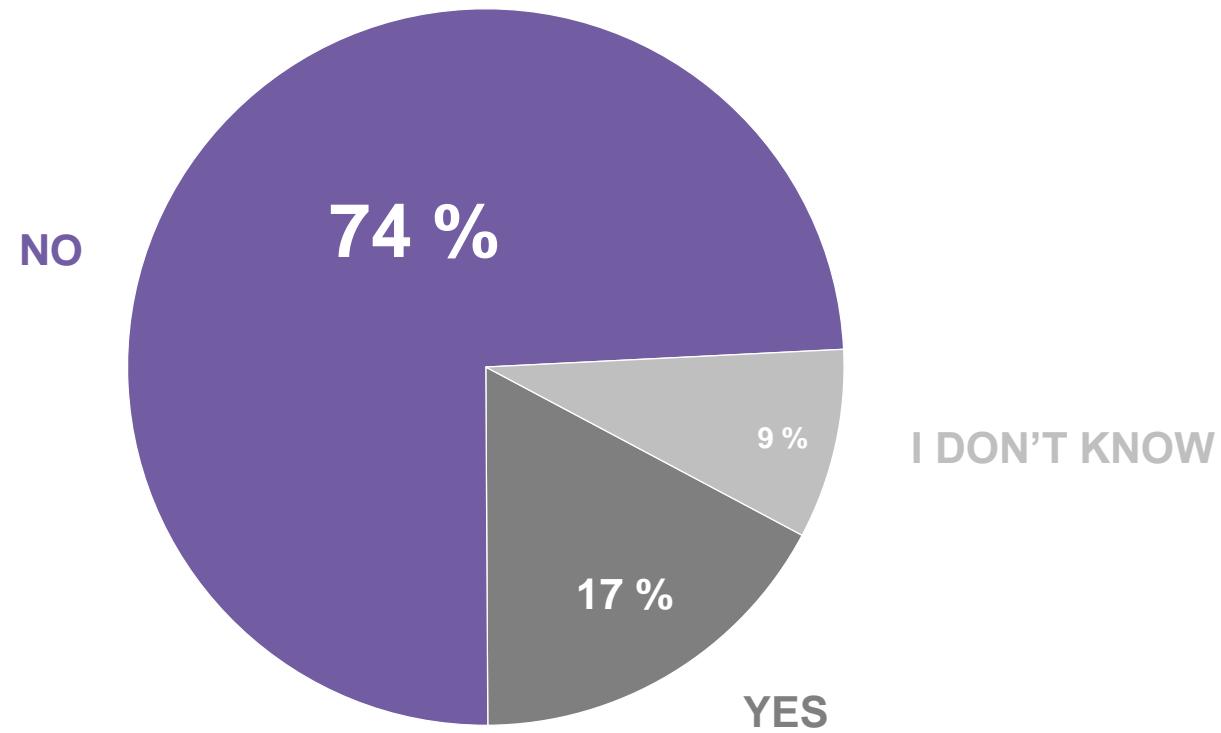
What measures should the state take to support the self-employed?



**56%** of the respondents demand the abolition of the false self-employment. It has been shown that this legal uncertainty irritates companies and freelancers alike. Over half of the respondents also wish for reduced bureaucracy.

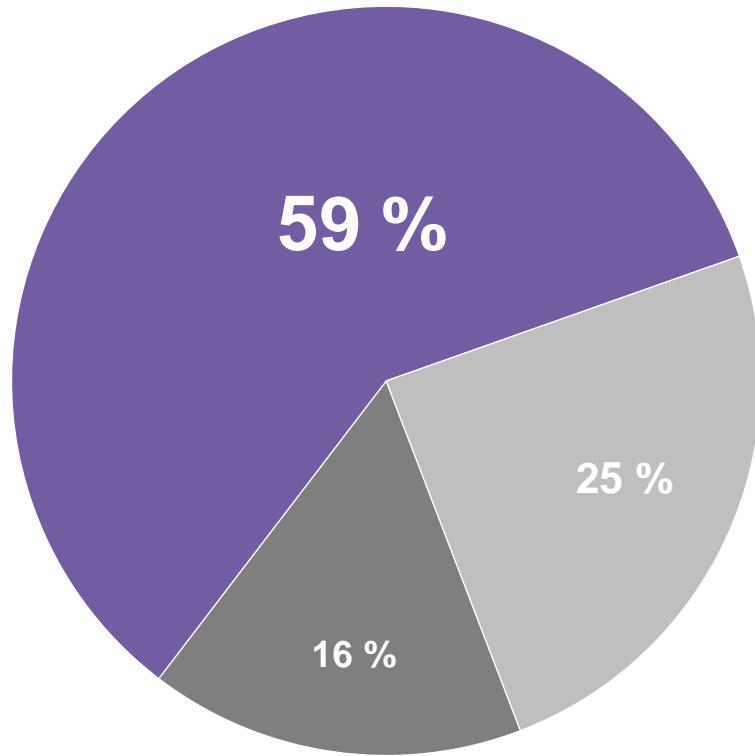
# FALSE SELF-EMPLOYMENT

Have you ever had the feeling of being false self-employed (scheinselbständigkeit)?



# EMIGRATION

Are you planning on leaving Germany?



**NO**

59% don't plan to emigrate.

**I DON'T KNOW**

25% don't know.

**YES**

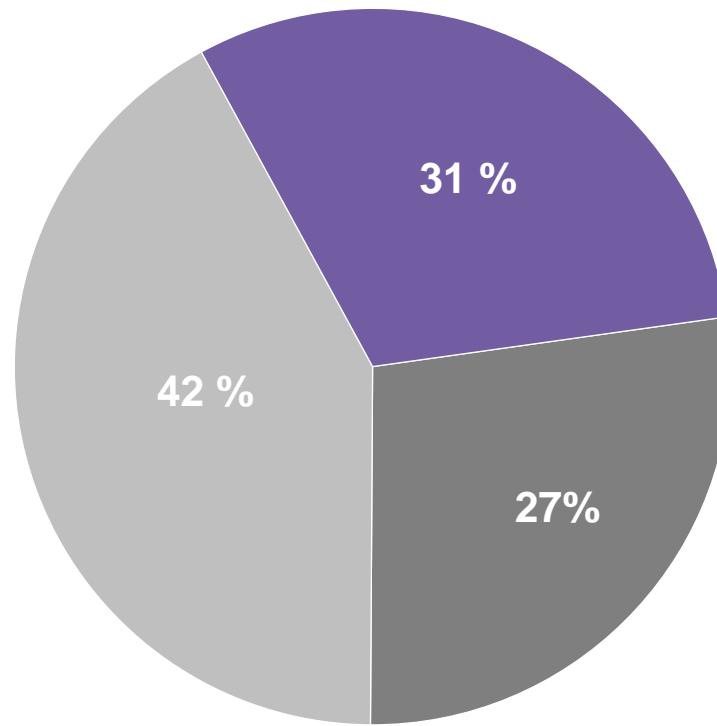
16% plan to leave Germany.

# WORKLOAD

What do you expect your workload to be in 2020?

## STAY THE SAME

42% expect no change in 2020.



## FEWER PROJECTS

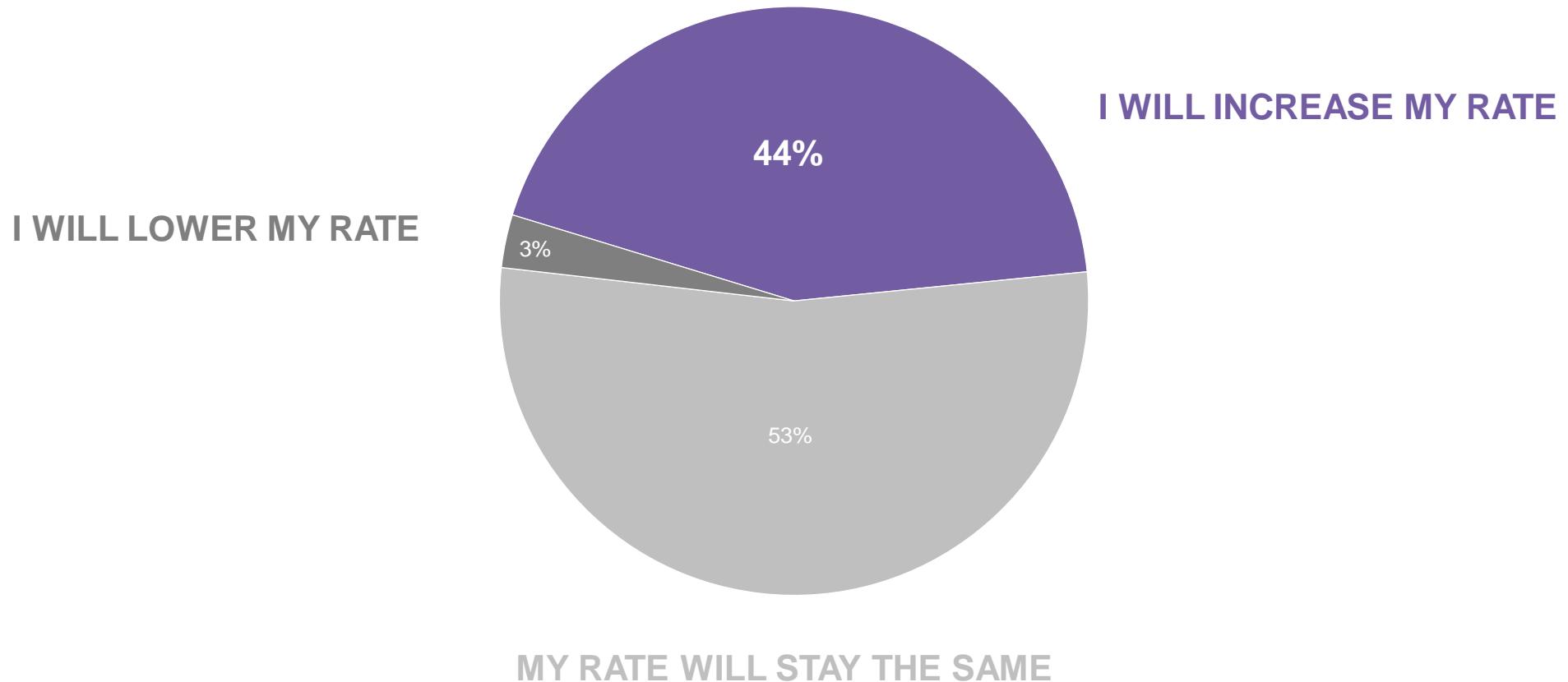
31% expect fewer projects from clients.

## MORE PROJECTS

27% expect more projects from new and existing clients.

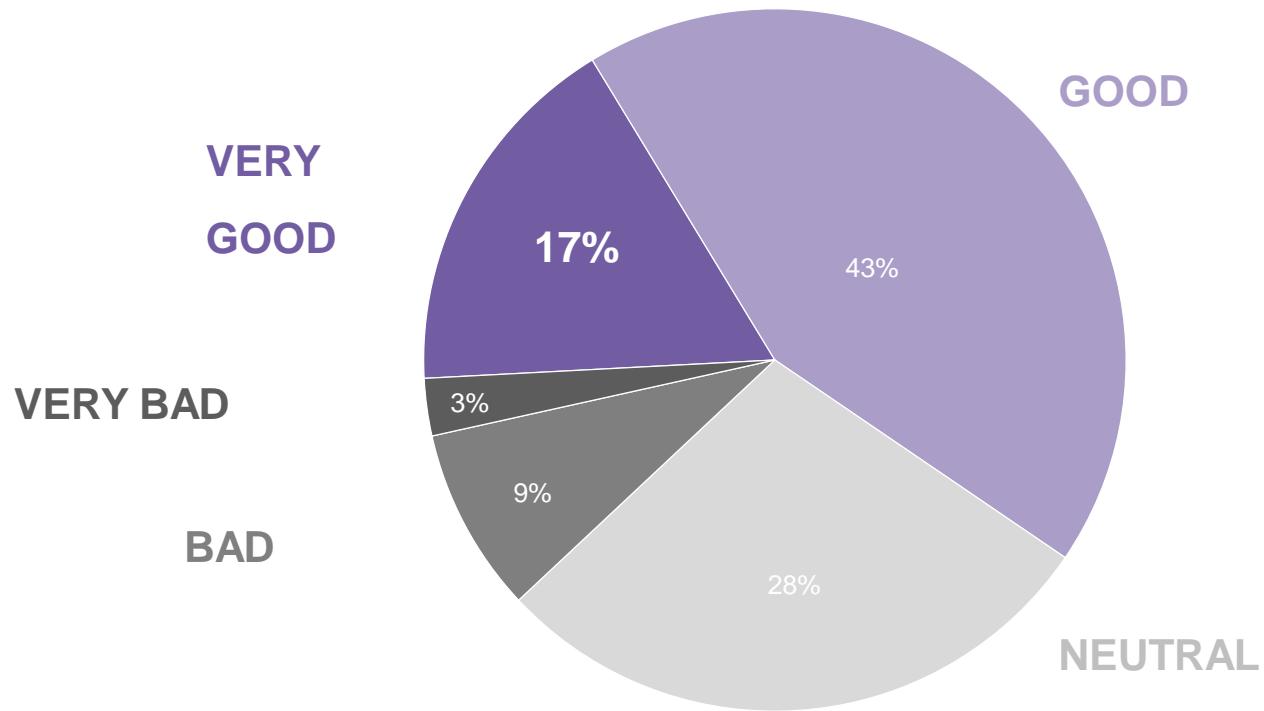
# HOURLY RATE DEVELOPMENT

Are you going to change your hourly rate in the following 12 months?



# ECONOMIC SITUATION

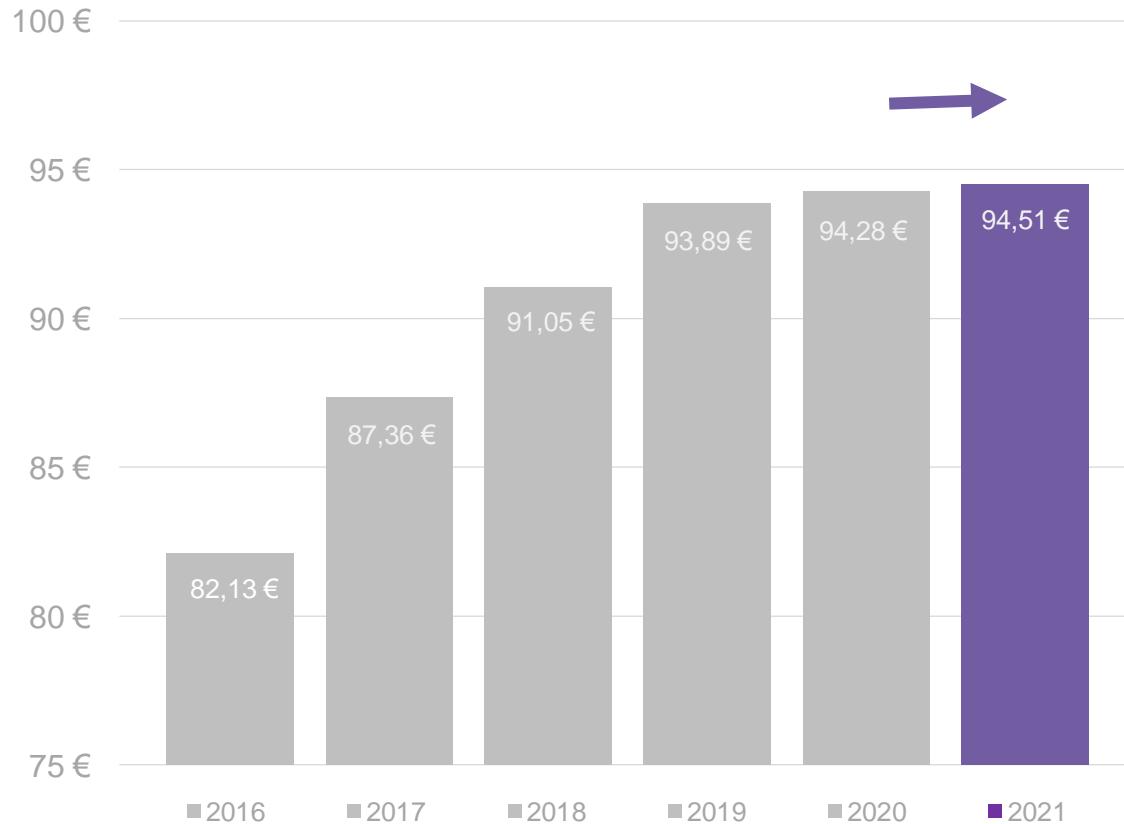
How would you assess the current economic situation?



**60%** assess the current economic situation as “very good” or “good”. Only 12% perceive a negative economic situation.

# HOURLY RATE 2021

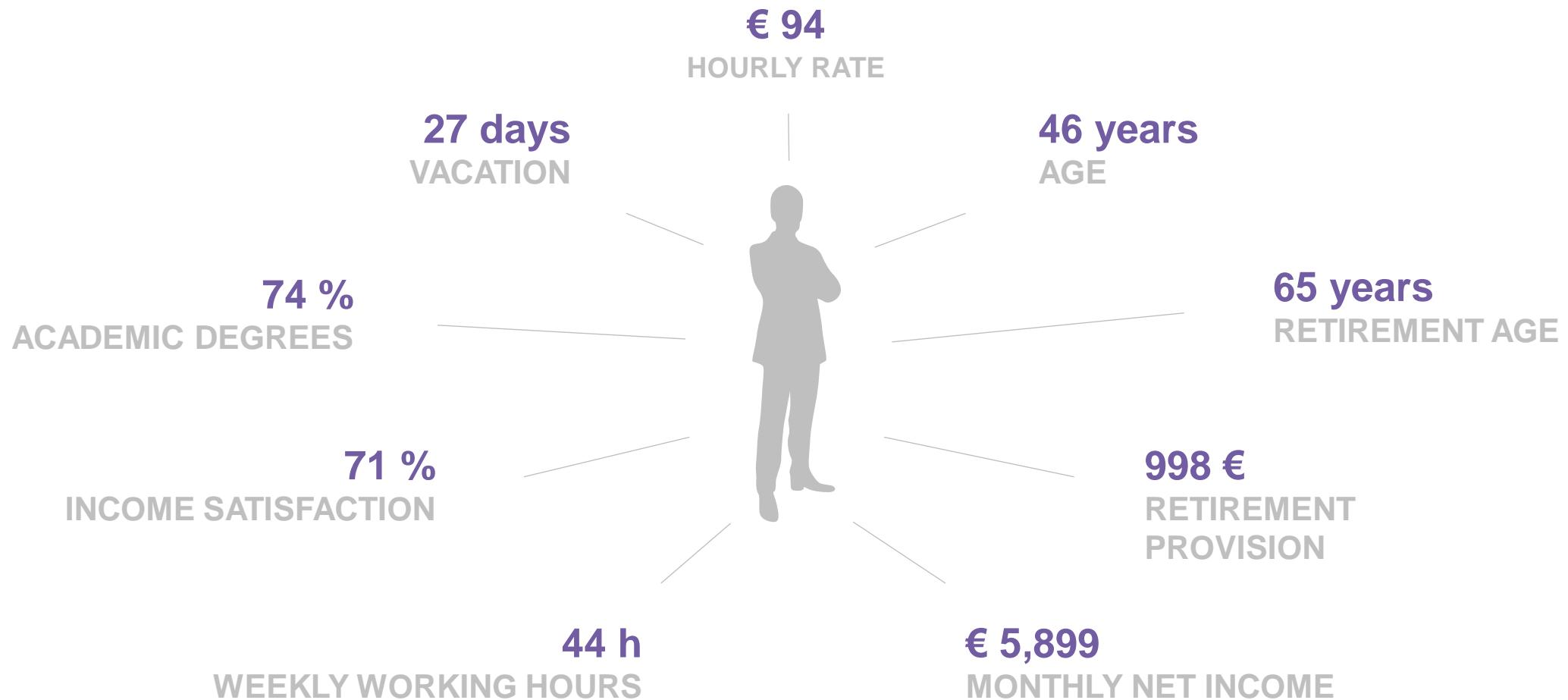
Forecast\* of the average hourly rate 2021



~ 95 €

\* This forecast was calculated based on the data from previous freelancer compasses - the answers of hourly rate developments in particular – as well as methods of predictive analysis.

# FREELANCER STUDY 2020 (D/A/CH REGION)





# COVID-19

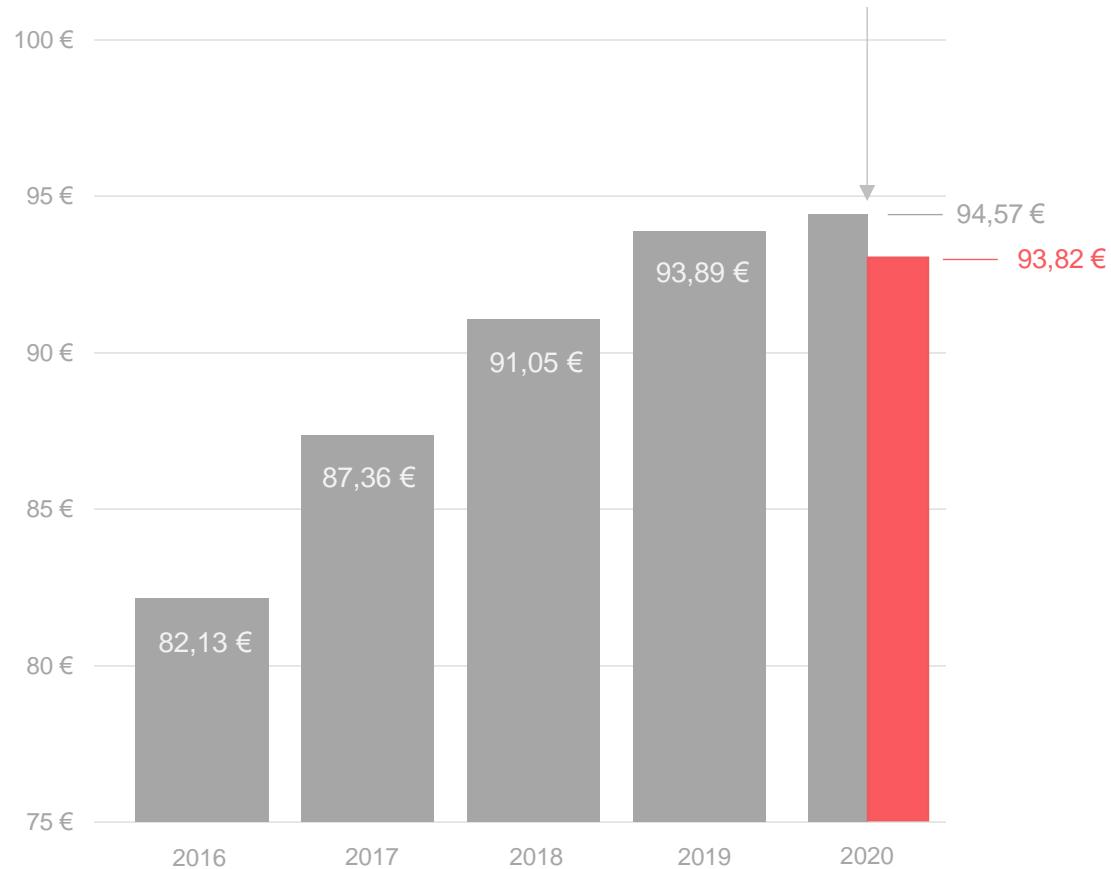
“The effects of the corona crisis are clearly visible in our data. On the positive side, we can state that the fear of losing the livelihood is slowly decreasing. However, the negative signals are predominant: 66 percent of the respondents rate the current work situation as (very) bad. Hourly rates decrease. Project cancellations and losses in sales can be identified. It is difficult to predict the potential time of recovery – freelancermap will continue to collect data and communicate the developments in monthly surveys”.

Florian Baumann - Head of Marketing - freelancermap GmbH



# HOURLY RATE

COVID-19 was declared a pandemic by the WHO on March 11, 2020



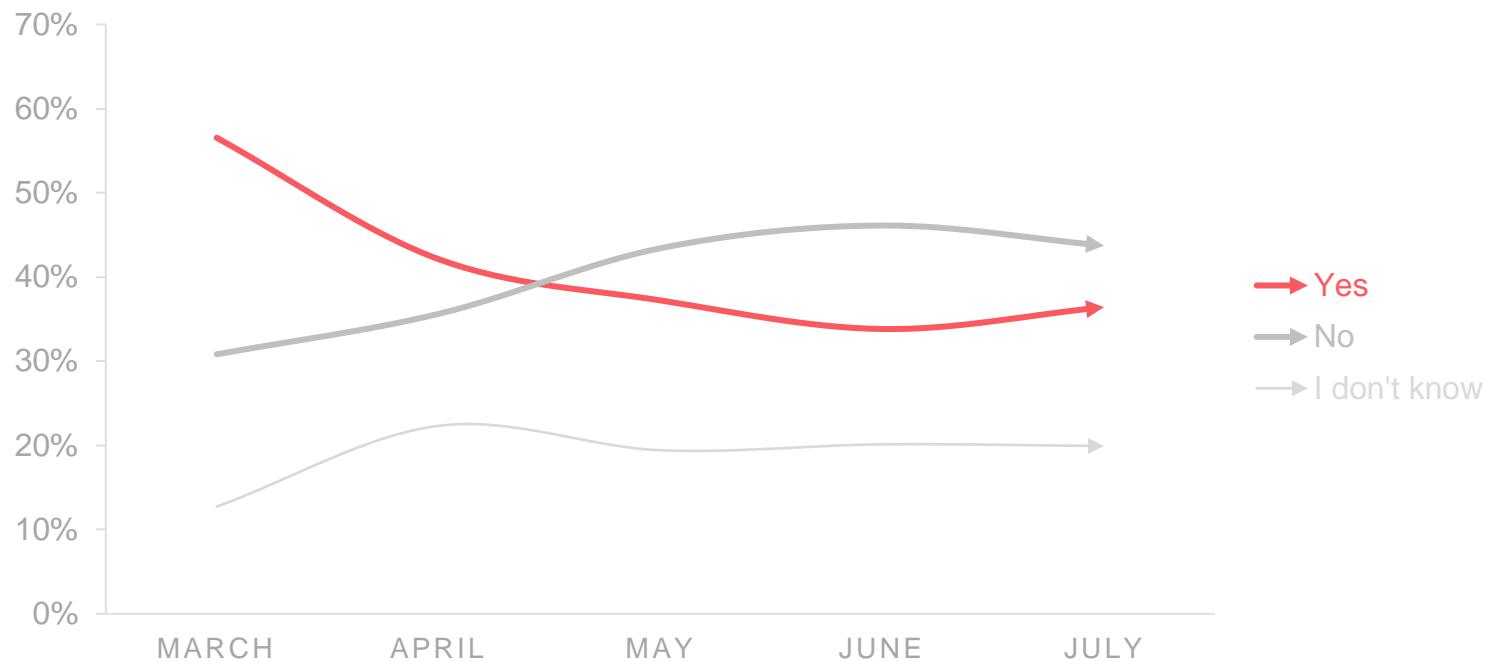
For the first time in five years, there is no significant upswing in hourly rates.

Before the coronavirus crisis, only 1% of freelancers said they wanted to cut their hourly rate over the next 12 months.

Since the World Health Organization called Covid-19 a pandemic (March 11, 2020), the proportion has risen to over 5%.

# LOSS OF LIVELIHOOD

Do you fear losing your livelihood?

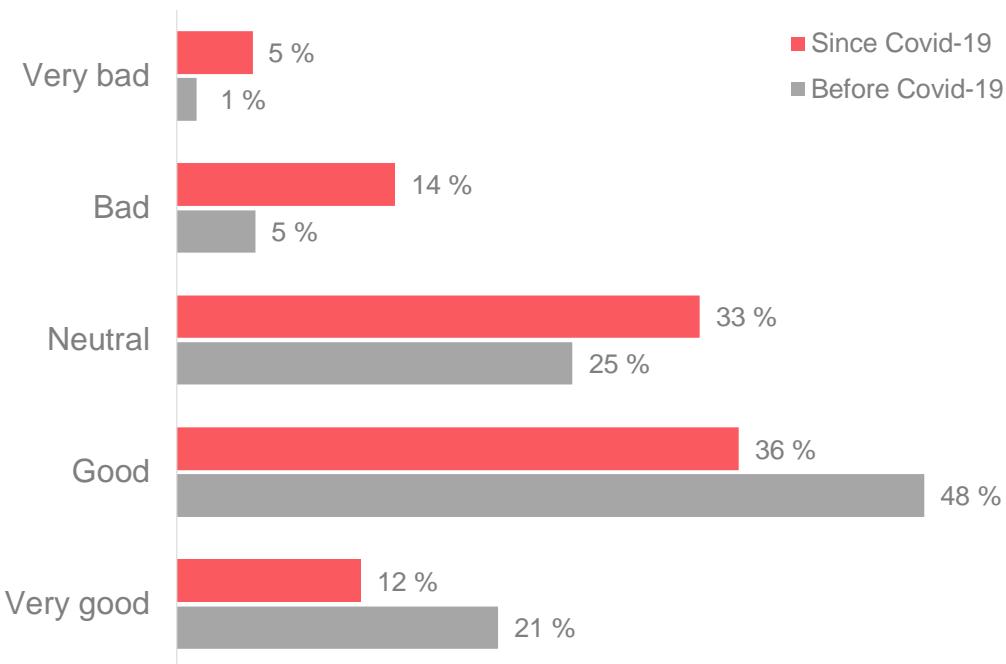


**57%**

stated fear of losing their livelihood in March. In July, the value has dropped to 36%. Seemingly, fears for existence were very common among freelancers at the beginning of the crisis. Supporting measures and rescue funds issued by the state seem to have alleviated these fears among the respondents.

# ECONOMIC SITUATION

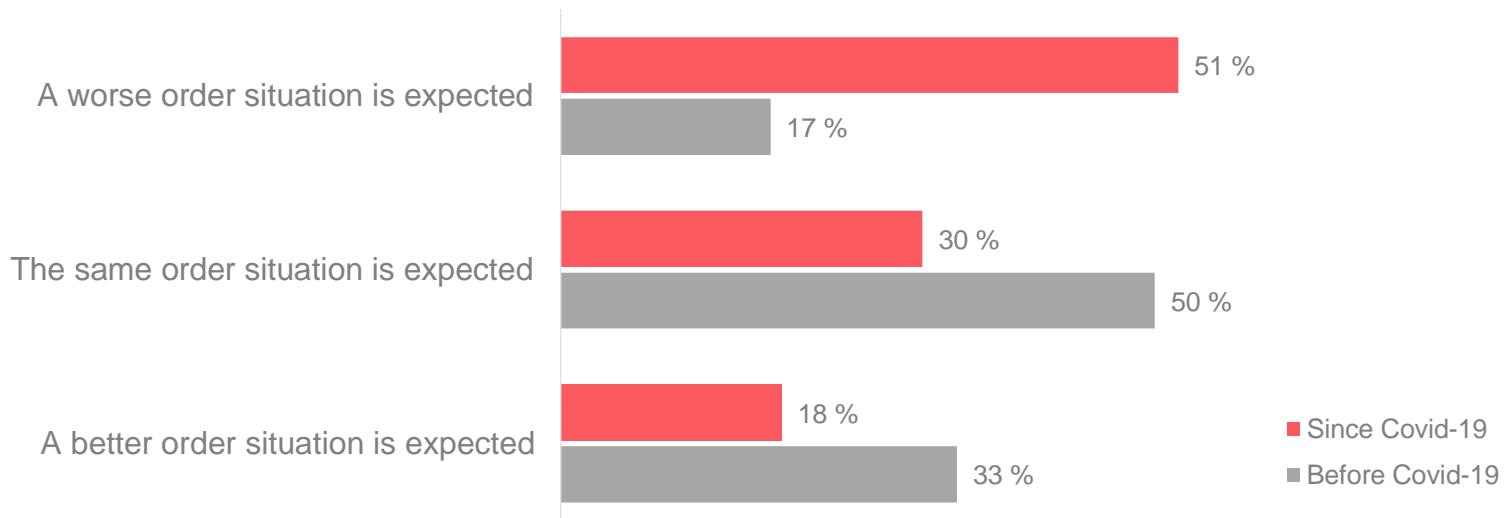
How would you assess the current economic situation?



**19%** assess the current order situation since the corona crisis as (very) bad. Before the crisis started, only 6% assessed their economic situation negatively.

# WORKLOAD

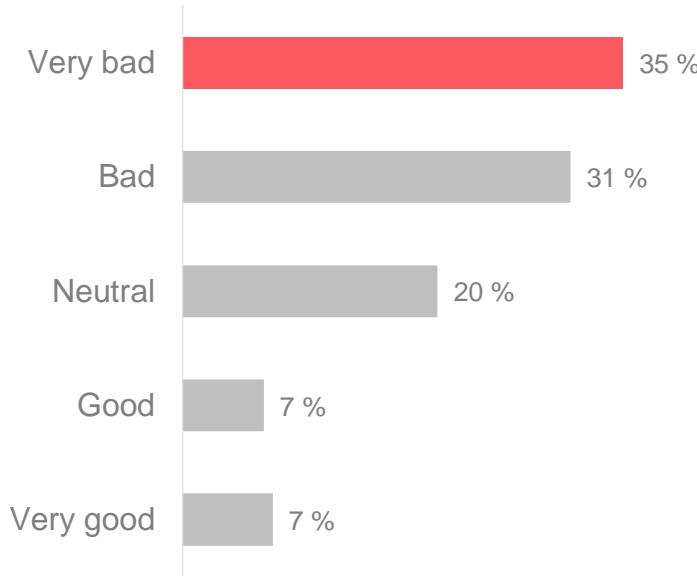
How do you expect your workload to change in 2020?



**51%** expect fewer projects in 2020 since the corona crisis started.

# WORKLOAD

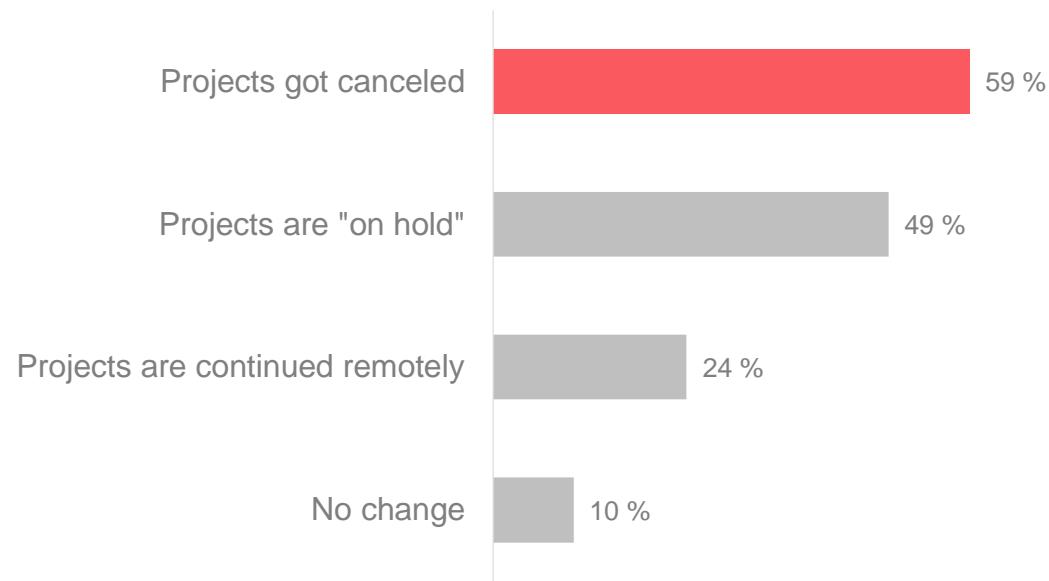
How would you assess the current order situation?



**66%** assess the current order situation as bad or very bad.

# IMPACT ON PROJECTS

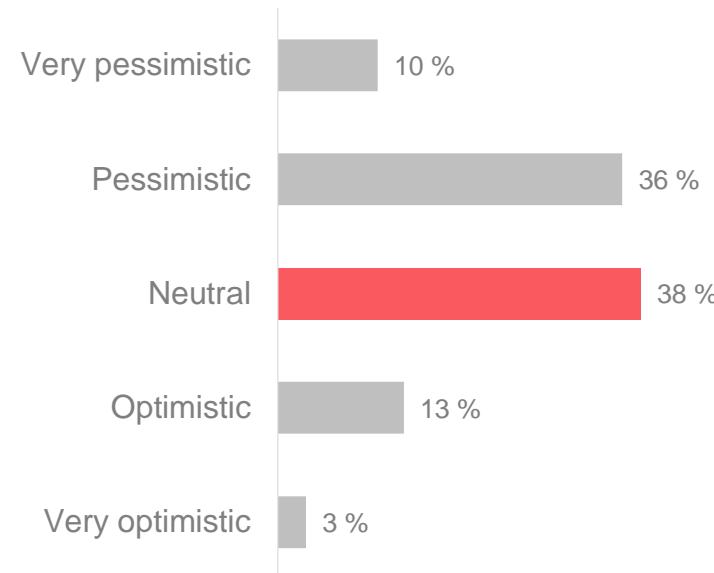
How has Covid-19 impacted your projects?



**59%** of all projects have been cancelled. 49% are “on hold”.

# MOOD

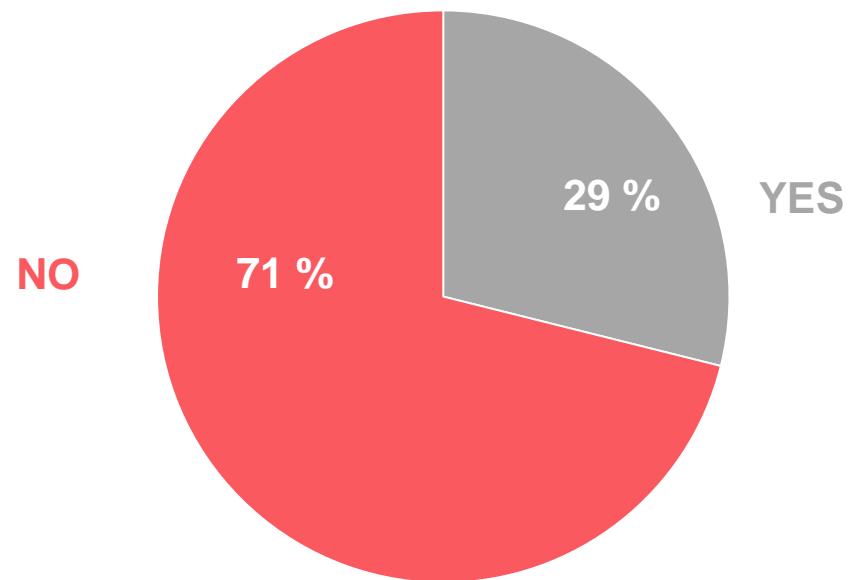
How do you assess the current mood on the project market?



**46%** describe the current mood as (very) pessimistic. Only 16% are optimistic.

# PROJECT ACQUISITION

Have you successfully acquired new projects in the past three months?



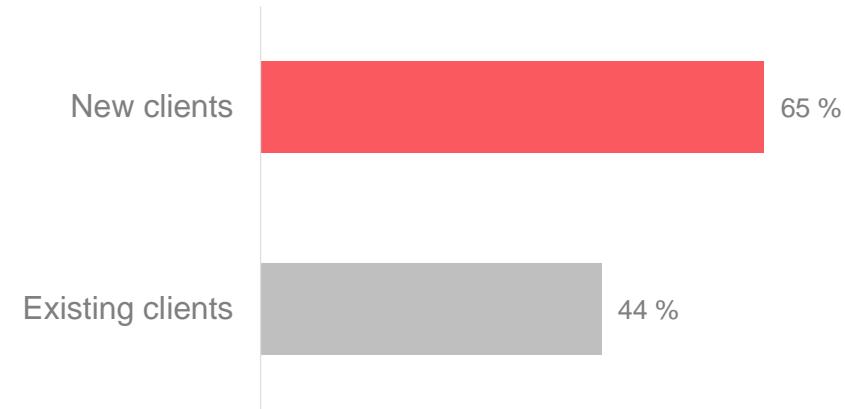
**71%**

three months.

have not been able to successfully acquire new projects over the past

# CLIENTS

Who booked you for new projects?

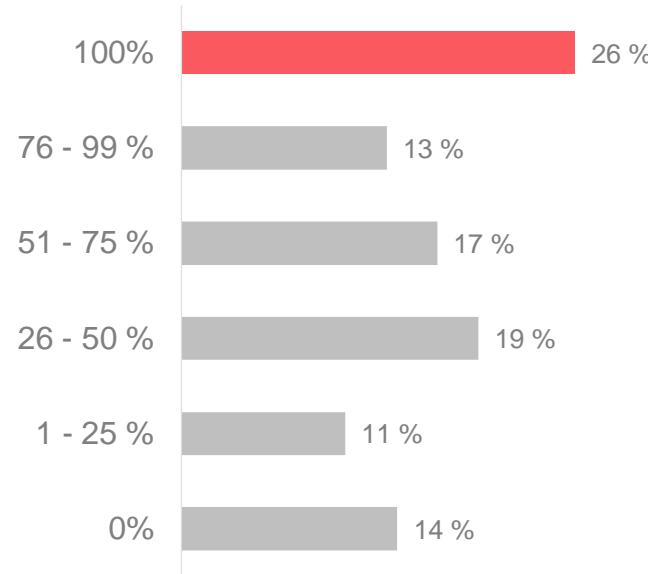


**65%** of the freelancers have acquired new customers.

9% have been able to acquire new customers as well as retain existing customers.

# SALES

How high are your sales losses since the outbreak of the corona crisis?

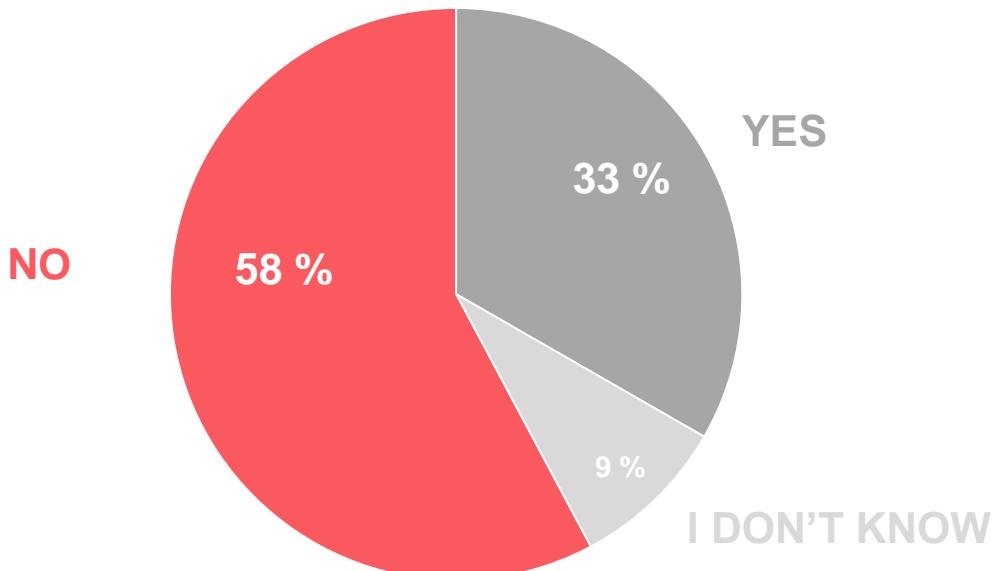


**26%**

of the freelancers have had no sales at all since the corona crisis.

# SUPPORTING MEASURES

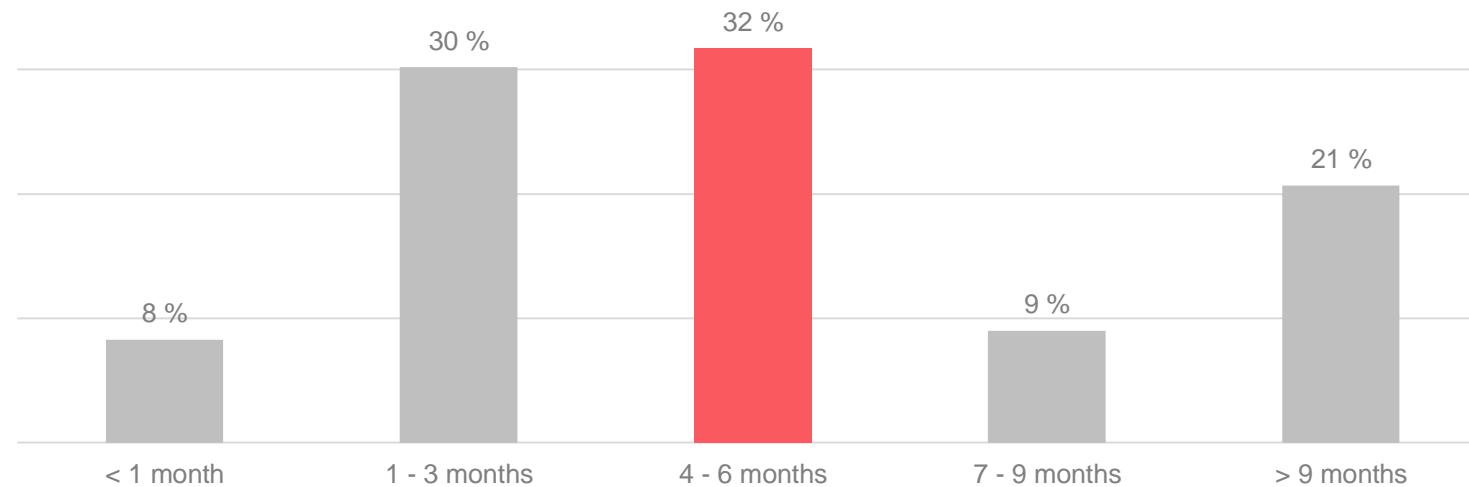
Did you have to apply for supporting funds from the state due to the corona crisis?



**33%** had to apply for supporting funds. Since 26% experienced total loss of income during the crisis, the extensive supporting measures from the state seem reasonable.

# FINANCIAL DIFFICULTIES

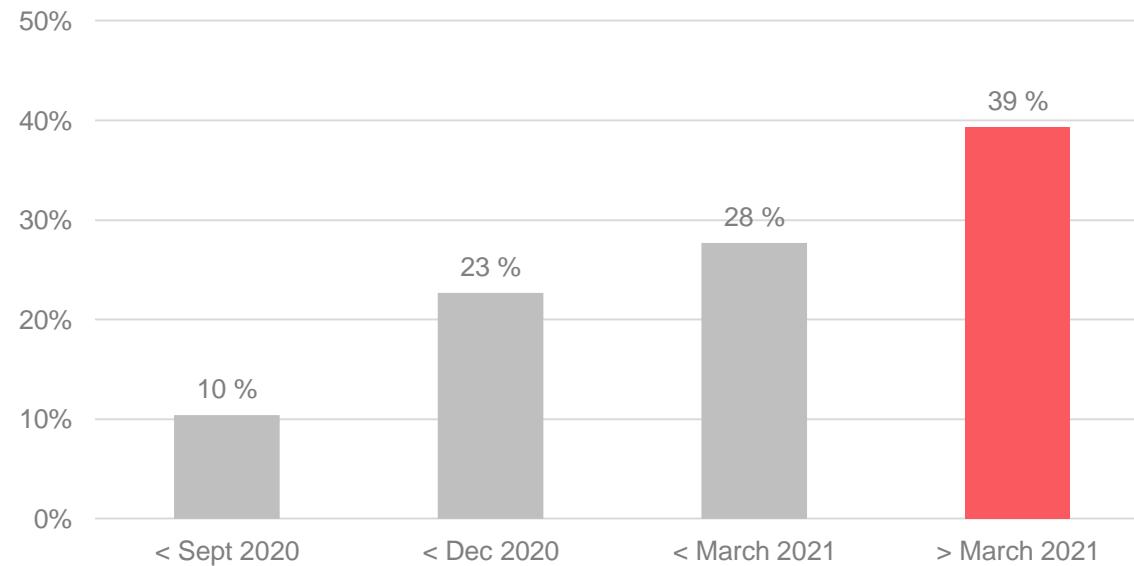
How long can the corona crisis last before you fall into financial difficulties?



**70%** will fall into financial difficulties within the next six months. An expansion of the supporting measures might be necessary if the corona crisis persists through 2020.

# END OF THE CRISIS

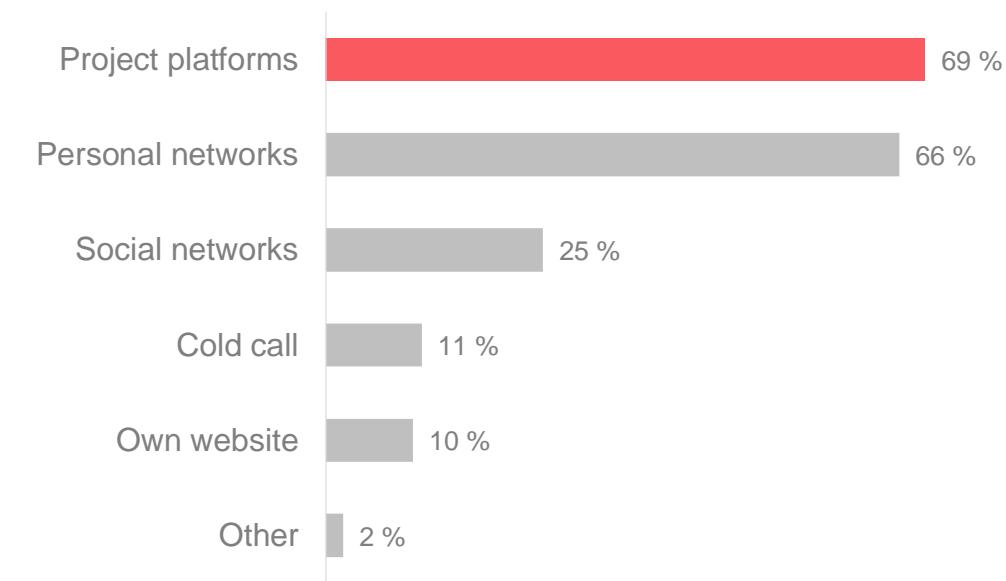
How long will it take to go back to normal?



**67%** assume the crisis will last until 2021. 39% expect the end after March 2021.

# ACQUISITION CHANNELS

Which acquisition channel is the most promising during the crisis?



**69%** see project platforms as the most promising acquisition channel. Personal networks do the trick for 66 %.

# FREELANCERMAP

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Nuremberg, July 2020

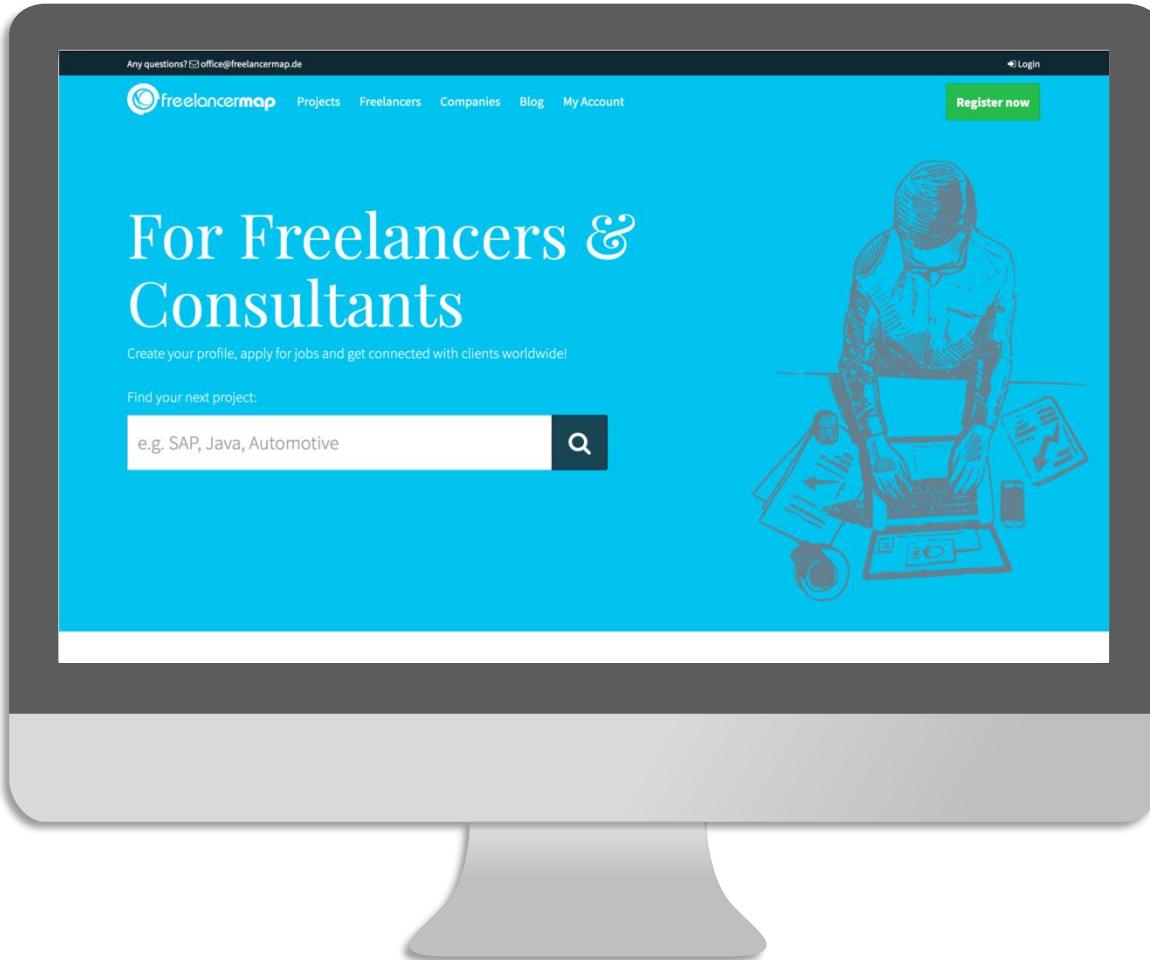
Freelancermap GmbH

Pretzfelder Straße 7-11  
90425 Nürnberg  
Deutschland

[office@freelancermap.de](mailto:office@freelancermap.de)  
[www.freelancermap.com](http://www.freelancermap.com)

# FREELANCERMAP

The open digital marketplace for freelancers & consultants



As a pioneer in the digital project placement, freelancermap connects recruiters and highly qualified freelancers throughout IT, engineering, consulting and design industries.

The company was founded in 2005 in Germany as an open marketplace and has since grown into a leading platform for experts and contract projects within the IT- and engineering industry.

Freelancermap makes sure experts and clients find each other and start working at zero commission fees.

[freelancermap.com](http://freelancermap.com)