



Benchmark Report 2021 For freelancers

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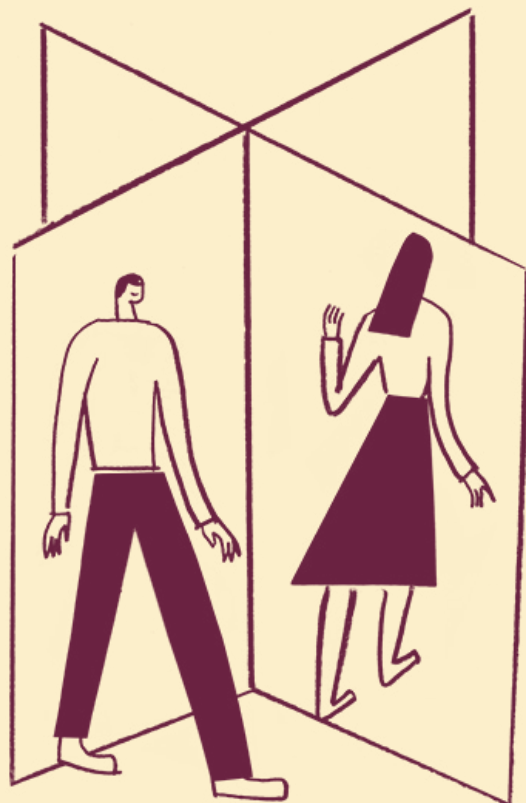
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Hello.

All of us at Mailchimp want to thank you for participating in the Mailchimp & Co Benchmark Report, our first-ever agency and freelancer survey.

Over the years, we've heard from many of you that as you're working and growing on your own, you want to learn more about what others are doing and how they're finding success. That sparked this initiative to gather and share our report on the most important insights of the past year.

And what a year. None of us could have predicted the tectonic changes we experienced throughout 2020. From speaking with many of you directly, I know there were many highs and lows last year, and it wasn't "business as usual" for anyone.

Of everything I've observed, the stories that are most amazing to me are those of resilience and perseverance, innovation and adaptation.

In a year when it was legitimately a challenge to survive, so many actually managed to adapt, to improve, to grow, and to thrive. I see you out there, and I want you to know that you inspire me.

Here at Mailchimp, the year wasn't without its challenges. But it was also a time of huge excitement, as we officially launched Mailchimp & Co, our global community exclusively for freelancers, designers, and agencies.

Of all the things we've all learned this year, it's that the power of community—to inspire, to support, to teach, to learn—remains one of our most important tools.

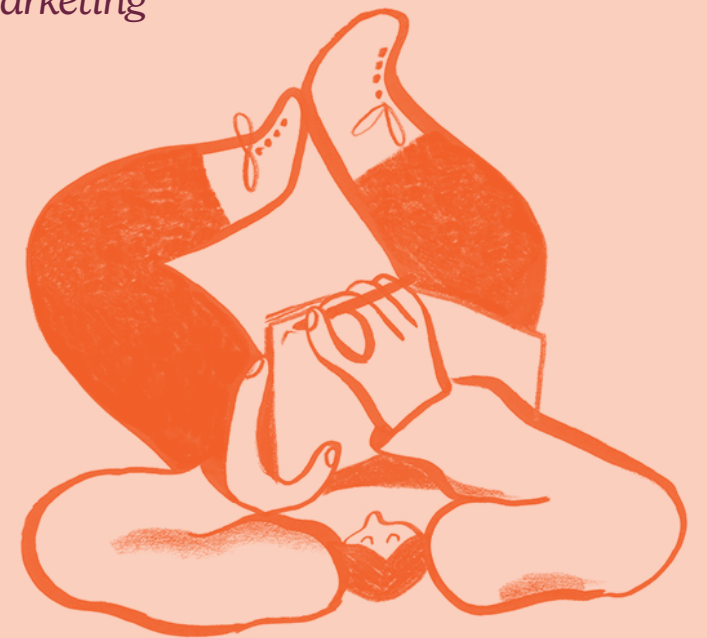
And with that, we're proud to share our first ever global survey of freelancers and agencies, brought to you by Mailchimp & Co. We'll follow up with publications where we get into more detailed analysis, as well as information on members-only special events.

And, don't forget to join Mailchimp & Co—for free—if you haven't already.

Please enjoy the study, and again, thank you.

Sean Cook

Vice President of Partner Marketing
Mailchimp



About Mailchimp & Co



You help your clients grow their businesses using Mailchimp. So we designed a community to help you grow yours.

Created with the specific needs of agencies and freelancers in mind, Mailchimp & Co is a community designed to help you expand your expertise, build your network, simplify your work, and get rewarded with insider perks and exclusive resources.

Whether you're just starting out as a freelancer, have landed your first couple of clients, or are a full-blown agency with lots of accounts, Mailchimp & Co is here for you and your business.

If you haven't already signed up, you can do it [here](#).



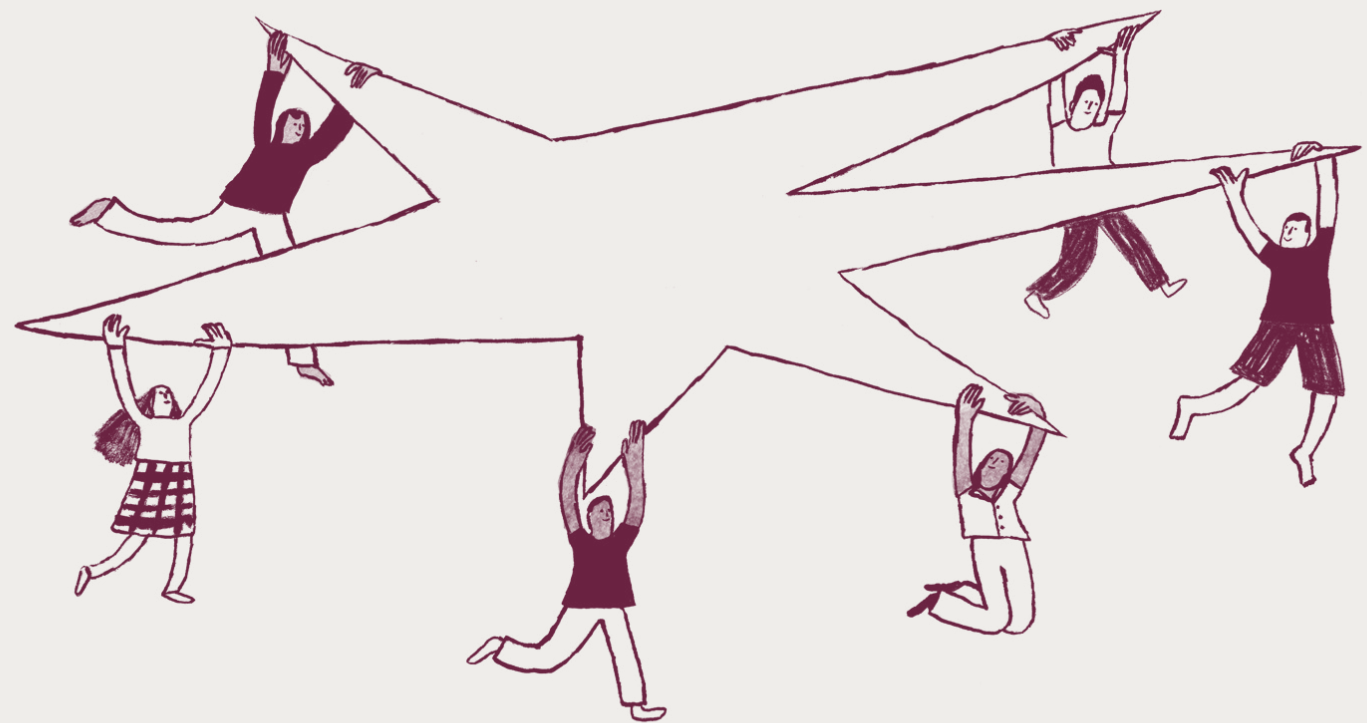
Who completed the survey

When we started thinking about this survey, one of our first mandates was to make sure that it was truly representative of our community, and truly global in scope. With your help, we delivered!

We had

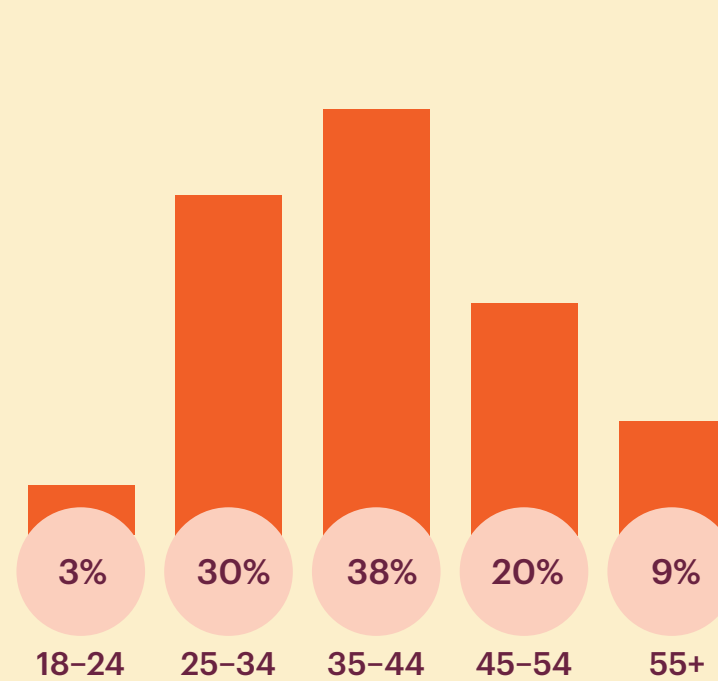
2,000+

respondents, including 1,382 agencies and 623 freelancers from 44 countries.

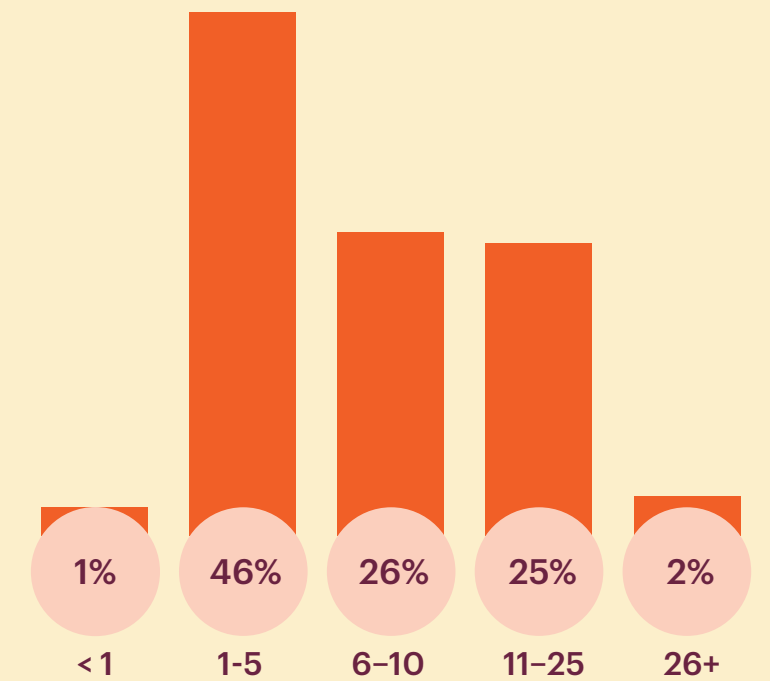


Freelancers by the numbers

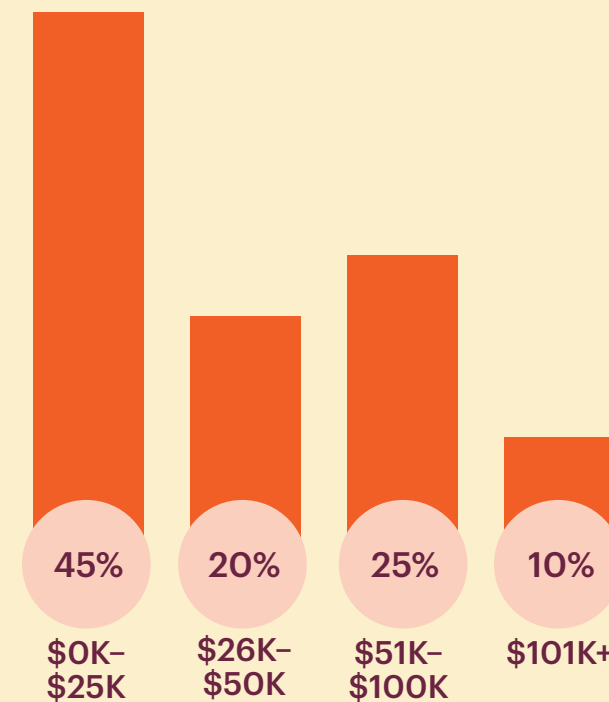
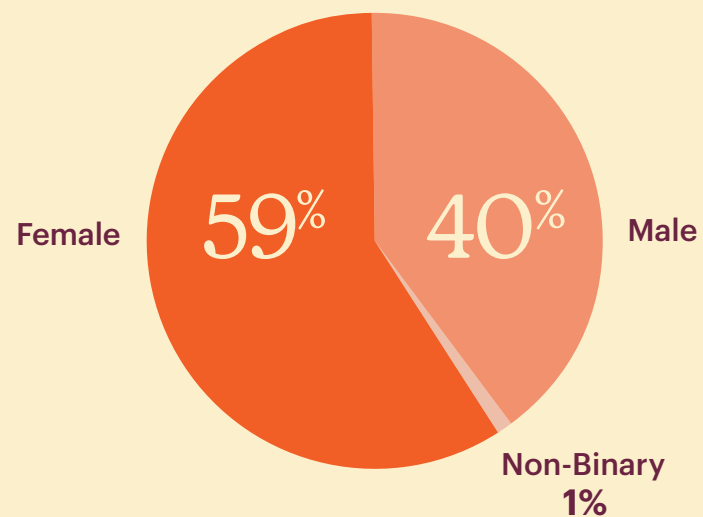
Here's a snapshot of who took part in our survey—a diverse mix of freelancers at all stages.



AGE



YEARS FREELANCING



REVENUE



HOW DID YOU START FREELANCING?



Type of freelancer

An industry of specialists

Interestingly, only 13% of freelancers described themselves as people working in “marketing.” The rest are positioning themselves as specialists, which can help freelancers carve out their own niches, stand out from the crowd, charge more for their expertise, and ultimately increase their earning potential. Below are the words that came up most often when we asked you to describe your business.



The power of benchmarking

Insights to help you run a better business

This report was created in partnership with BenchPress and The Agency Collective. The first truly global benchmarking survey for freelancers, it's designed to enable you to compare yourself to freelancers around the world in several key areas, including hourly rates, sales performance, earnings, and time management.

Along the way, we'll be sharing some tips and best practices, too—insights that have the power to transform your business and help you grow your own way.



CREATED IN
PARTNERSHIP
WITH



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The Headlines

Our biggest takeaways from a year like no other.



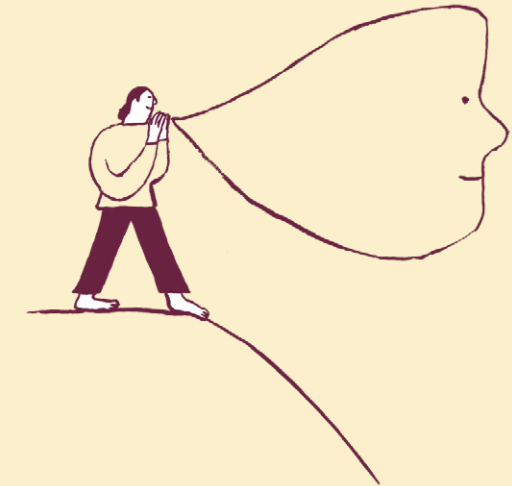
Freelancers are feeling positive

Despite the challenges 2020 presented, many freelancers saw the past year as a positive professional experience overall, with 28% saying they “did well” and 16% describing it as their “best year ever.”



Nearly half increased revenue in 2020

45% managed to increase revenue in 2020, with 22% growing revenue by more than a quarter. 70% expect to see revenue increase in the next 12 months, as confidence returns.



Referrals are the most effective sales strategy

37% of freelancers said the #1 way they won new business was through referrals from existing clients. That said, freelancers told us they also used a wide mix of other sales tactics, too.



Key stats

Facts and figures to get you thinking.



The top 10% charge \$197 per hour

For freelancers billing at a fixed rate for all services, the average rate reported is \$75 within North America and \$59 elsewhere. For those using a variable rate, the top 10% of freelancers were billing \$197 per hour on average.



Leading freelancers earn \$50K+ per year

In North America, 25% of freelancers earn \$50K per year or more, with the average freelancer earning \$36,065. Outside of North America, 13% earn \$50K per year or more, with the average being \$25,492. Regardless of location, freelancers can expect to earn around \$20K per year less than agency owners, on average.

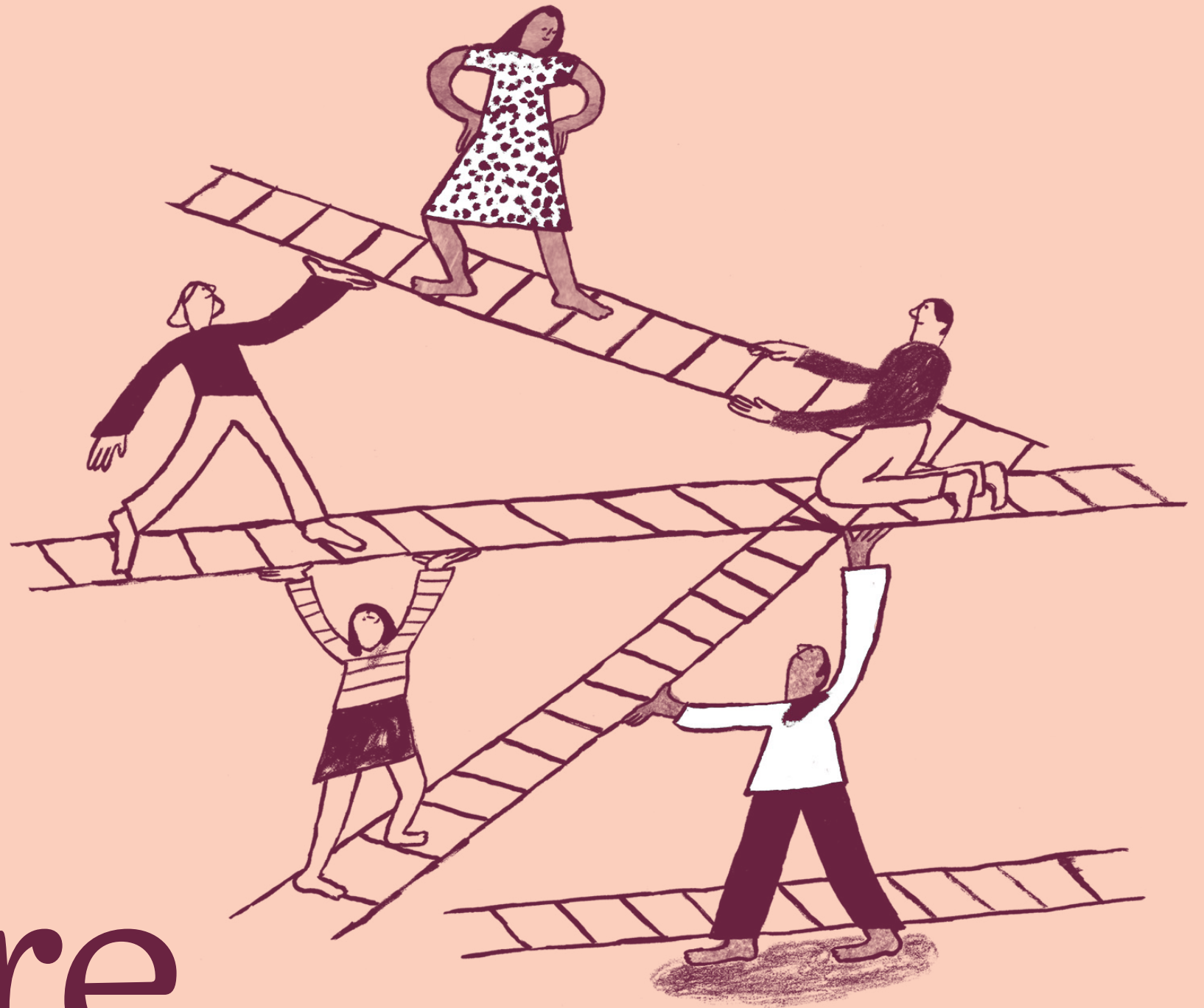


36% of freelancers hope to open their own agency

Despite the challenges many freelancers faced in 2020, 36% reported ambitions to open their own agency in the future, with 17% planning to do so in the next 12 months.



Big picture 2020



A year to remember. And to forget :)

Let's be honest: very few of us are sad to see 2020 in the rear-view mirror. It was a challenging, tiring year.

But your responses reminded us there's lots to feel good about at the end of the day.

Here's a top-line view of some of our findings.



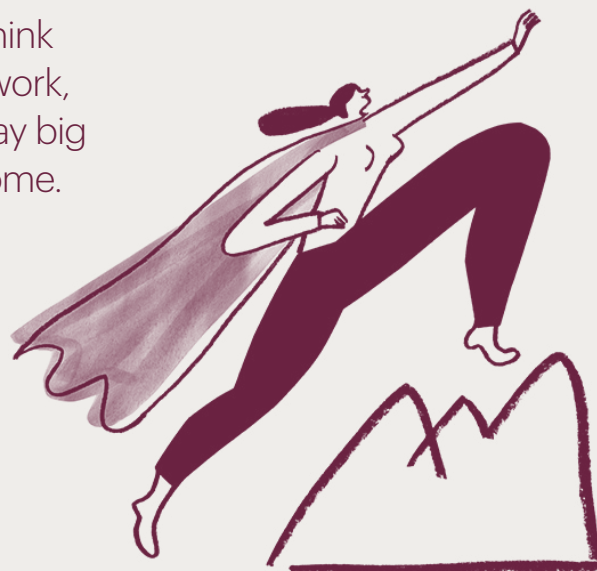
The good

Amazingly, we heard a lot of feel-good stories:

45% SAW REVENUE INCREASE

22% GREW REVENUES BY MORE THAN 25%

Of note: For many, 2020 provided a nudge to rethink and revitalize how they work, and they think this will pay big dividends for years to come.



The not-so-good

Still, many others reported a tough year:

7% SAID IT WAS THEIR MOST CHALLENGING EVER

36% REPORTED DECREASED REVENUE

Of note: Many say they're carrying more debt, and that it may impact their business decisions for some time to come.

Pro tip: Make this the year you help someone out, or ask for help. There's strength in numbers. (A big reason we created Mailchimp & Co, by the way!)



What were freelancers saying?

Candidly, 2020 was a tough one for freelancers. Over a third saw their revenue drop in 2020, with around 1 in 5 losing more than a quarter of their revenue.

That said, many reported they were still feeling positive. We asked freelancers why.

First, the pandemic simply prompted many freelancers to lower their expectations and just be glad to get through the year intact.

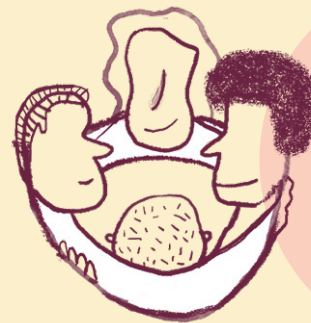
Second, for many freelancers, **2020 provided a long-overdue nudge to optimize the way they work and reap the rewards**. The year's challenges became opportunities to revamp their service offering, type of clients, new business strategy, and ways of working.

Finally—and maybe most surprisingly—there was some good news across the industry: **45% of freelancers actually saw revenue increase in 2020**.

Here's how you described what happened in 2020.



16%
Best year ever!



28%
We did well



37%
We did OK



12%
We struggled a bit



7%
Our toughest year ever





Pricing



Pricing matters.

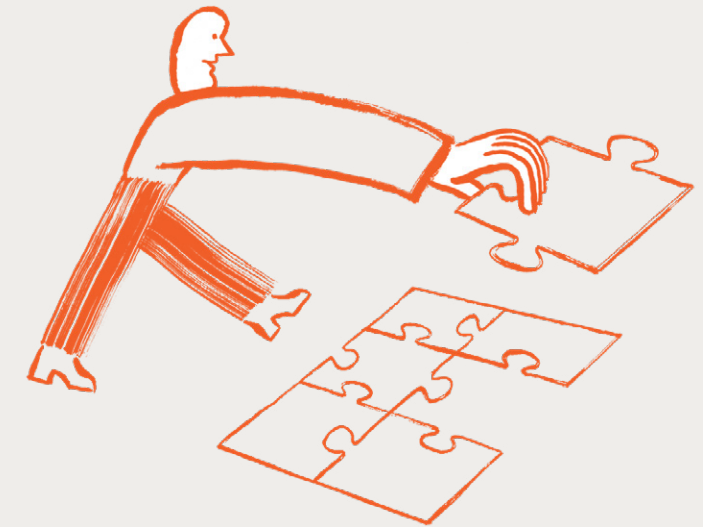
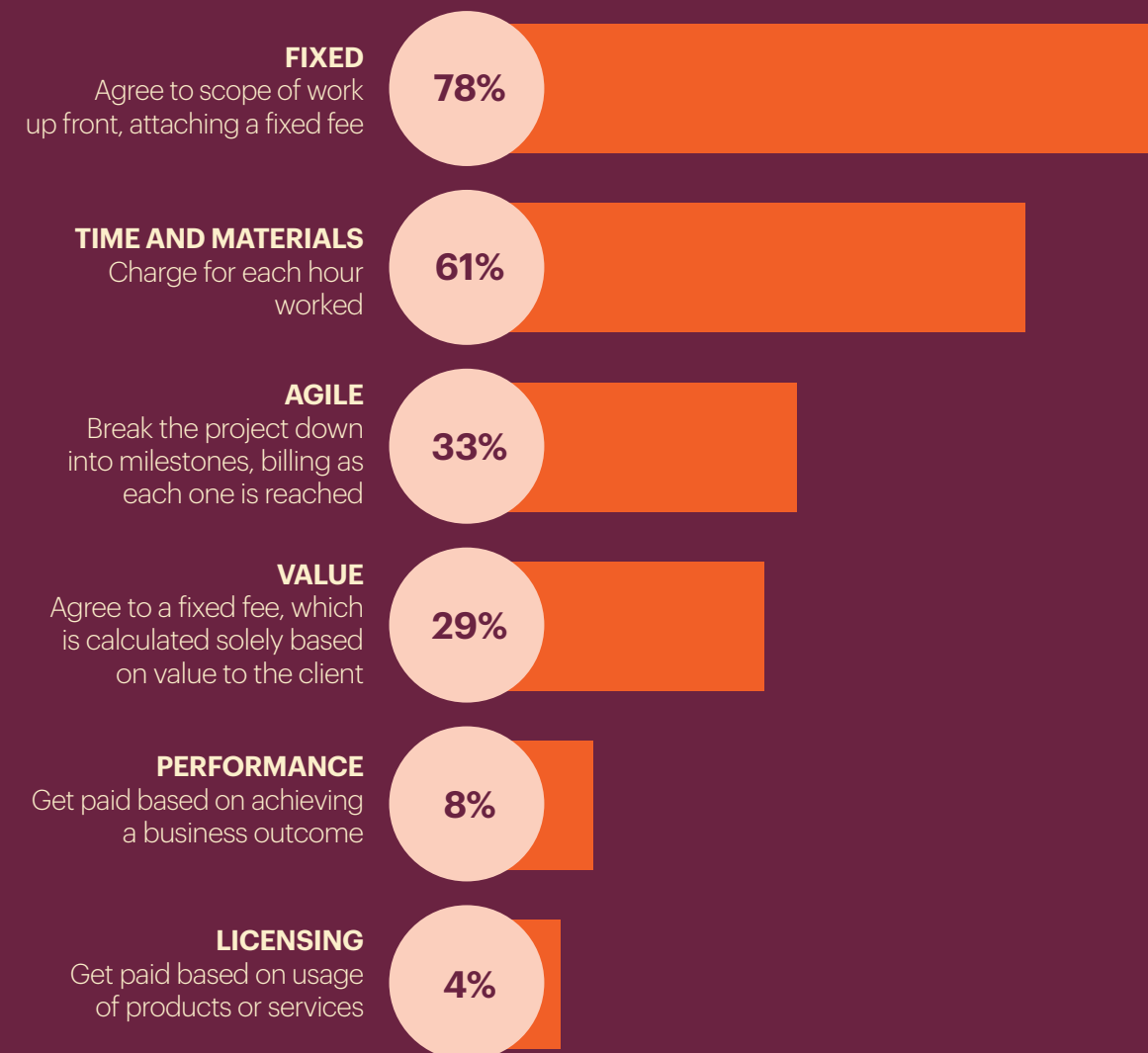
A freelancer's identity isn't just defined by their clients and their work—it's also defined by how they charge clients for that work.

In the following pages, we explore pricing models across the industry.

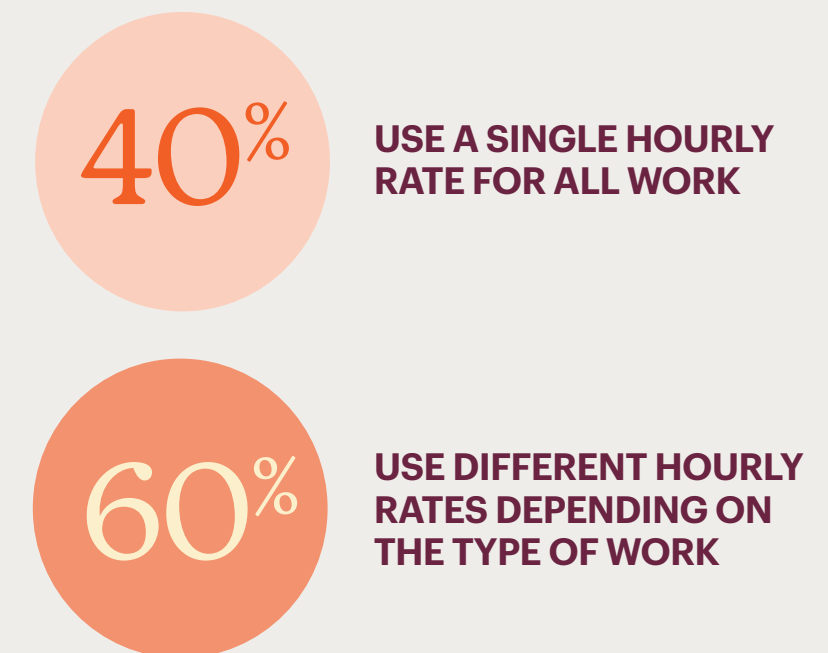


How freelancers price

Depending on the type of work being undertaken, freelancers employ a variety of compensation models. Here's how you told us you price your work.



Hourly rates: fixed or variable?

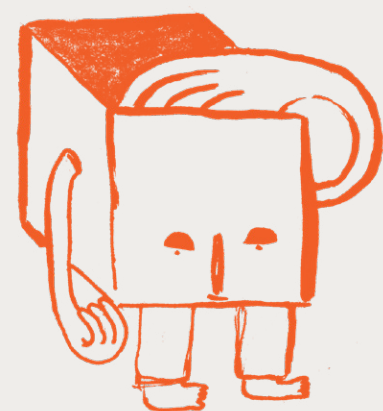


Fixed hourly rate

Average rates for freelancers using a fixed hourly fee model

A lot of things can affect pricing: your service offering, the number of years you've been operating, or where you're located, to name just a few.

That said, we wanted to get a sense of the average hourly rates across the globe, just so you can see where you fit in.



WITHIN NORTH AMERICA

\$150	– Top 10%
\$120	– Top 25%
\$75	– Average
\$50	– Bottom 25%
\$30	– Bottom 10%

OUTSIDE NORTH AMERICA

\$121	– Top 10%
\$89	– Top 25%
\$59	– Average
\$36	– Bottom 25%
\$22	– Bottom 10%



Variable hourly rates

Average rates for freelancers billing a variable hourly fee

AVERAGES

	NORTH AMERICA	OTHER COUNTRIES
High hourly rate	\$100	\$89
Average hourly rate	\$71	\$57
Low hourly rate	\$50	\$42

WHAT THE TOP 10% CHARGE

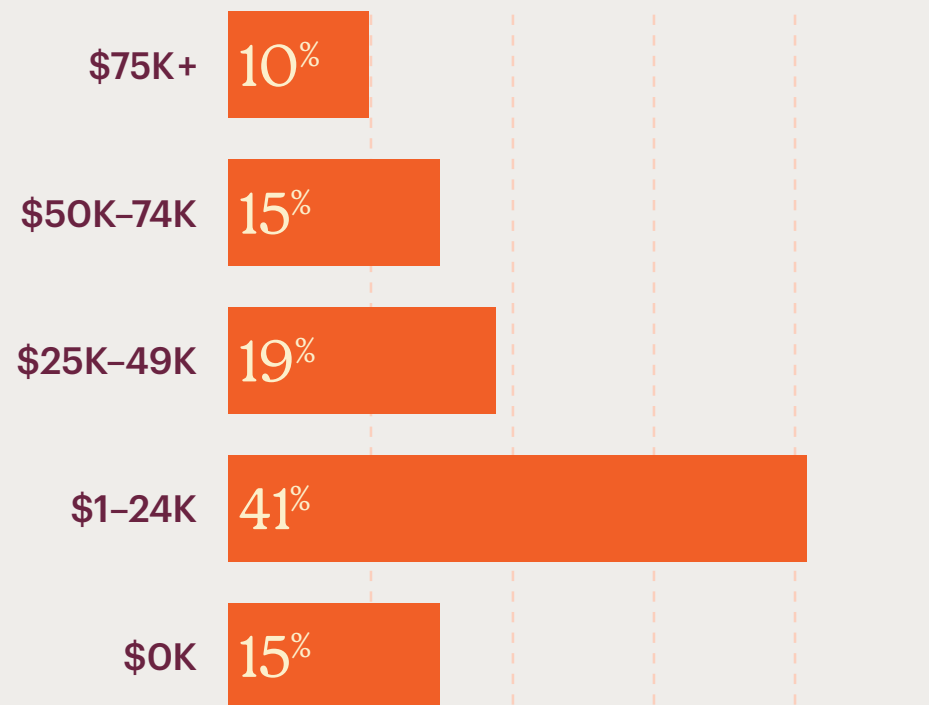
	NORTH AMERICA	OTHER COUNTRIES
High hourly rate	\$197	\$178
Average hourly rate	\$124	\$124
Low hourly rate	\$99	\$94



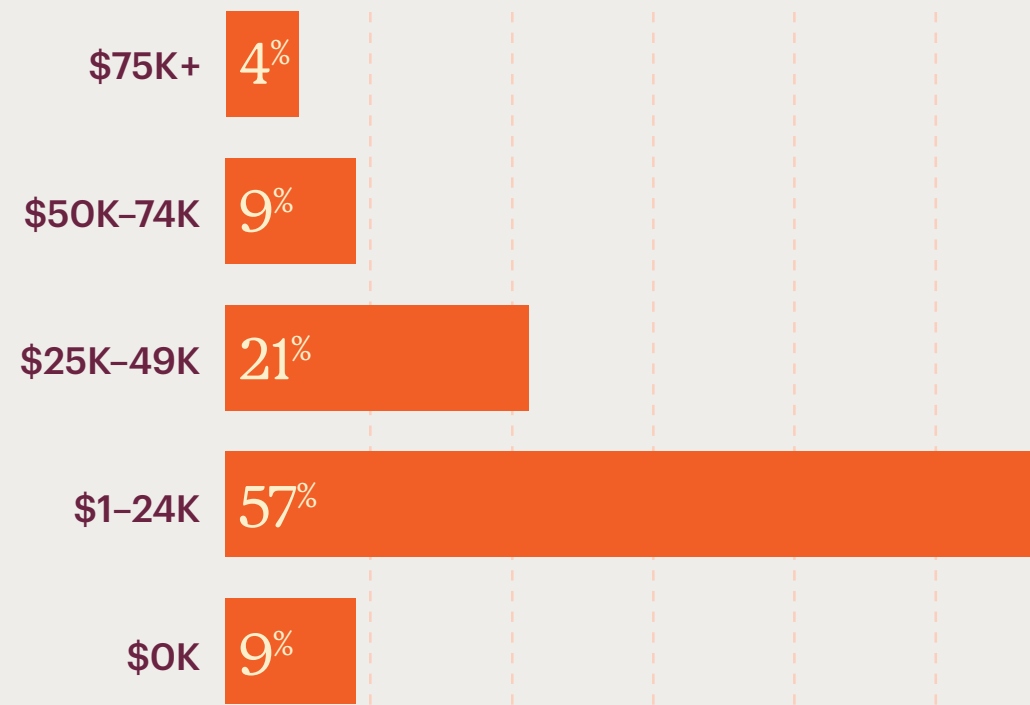
What freelancers earn

We spoke to a wide variety of freelancers across many markets and areas of expertise; as a result, we also got a wide range of responses when it came to earnings.

ANNUAL PERSONAL INCOME OF FREELANCERS (WITHIN NORTH AMERICA)



ANNUAL PERSONAL INCOME OF FREELANCERS (IN OTHER COUNTRIES)



**THE AVERAGE FREELANCER IN NORTH AMERICA
EARNS \$36,065 PER YEAR**

**THE AVERAGE FREELANCER OUTSIDE
NORTH AMERICA EARNS \$25,492 PER YEAR**

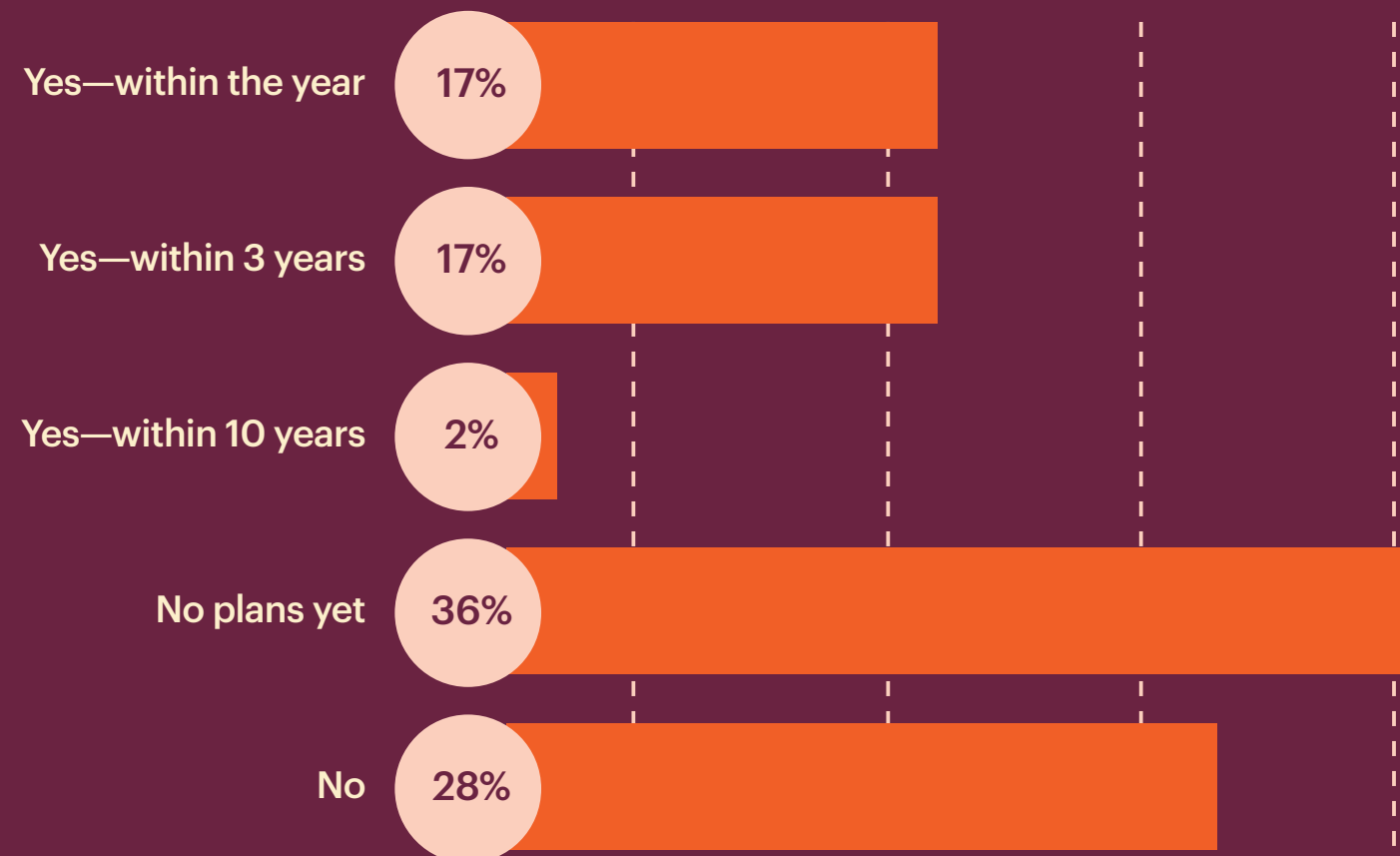


Agency aspirations

46% report earning more as freelancers than they did in their previous full-time positions.

Based on their successes in freelance life, many declared their intention to take things to the next level and open their own agency.

DO YOU HAVE PLANS TO LAUNCH AN AGENCY?



Tips to unlock your profits

(and increase your earnings)



1 See what's profitable (and what's not)

Profits aren't derived evenly across all the work that you do. It's really important to understand where you make money (and where you lose it), so you can make more informed decisions about what to take on and what to avoid. Which clients and projects are the most profitable? What do you want more of in 2021?

2 Review your pricing

Your costs go up every year; your pricing should, too. For a step-change in your pricing (and profitability), you'll need to sell value, not time. Show your clients that you truly understand their needs, and that you can deliver solutions nobody else can. That's what your clients value, and what they'll pay more for.

3 Get more from your existing clients

Make sure you have a plan for your key clients and set revenue targets. Once you've established a relationship on one part of their business, see if you can expand into others. Find new ways to learn more about their challenges and demonstrate that you can help solve them. Got a great idea? Pitch it to them, just as you would with a new business prospect.

4 Increase your capacity

You don't need to hire people to increase your capacity. There's an army of talented freelancers out there that you can call on to work with you on key projects. When doing this, make sure you add an appropriate margin for the time you'll spend communicating with everyone involved and managing the project for the client.





The work



No two freelancers are exactly alike.

Especially in the ways they do what they do.

We dug in to learn more about how you're approaching everything from billing structure to winning clients.

What tried-and-true practices are you following? Is there anything you could do to mix things up for 2021?

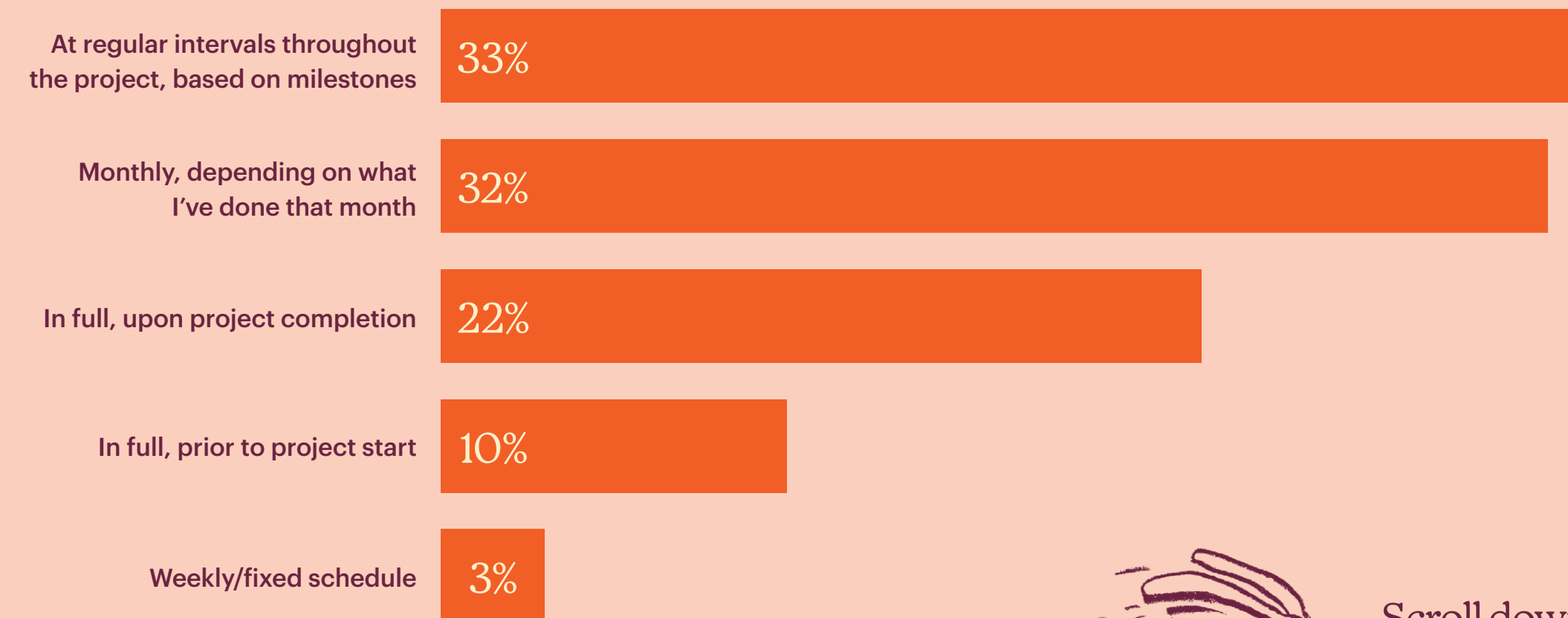
Read on and find out.



Getting paid

At some point, almost every freelancer has experienced the need to chase down an overdue invoice, but fortunately, a large percentage reported using the industry best practice of getting at least some payment up front.

WHEN DO YOU BILL FOR CLIENT WORK?



Scroll down for some great tips to help you get paid quicker.



Tips to keep your cash flow flowing



Managing cash flow has never been more important, so we put together some tips to help you make it happen with your clients.

1 Open with openness

Be candid about your terms in proposals and pitch docs. Getting clarity from the start will go a long way in defining your relationship.

2 Set up for success

If you need a deposit to get started, make sure to let your client know it's not just necessary, but actually the fastest way to get your resources allocated. Try to avoid saying it's just your policy, so that clients don't feel overly pressured.

3 Take a phased approach

Avoid scheduling a large payment for the very end of the project. Link your payments to key project milestones and invoice regularly throughout the process. It keeps your business more liquid but also avoids end-of-project sticker shock.

4 Find allies in accounting

Especially with larger clients, your invoices can unfortunately get lost in the shuffle sometimes. If you can, build a relationship with someone in accounting so you can check in if an invoice or expense report seems to be stuck in the system.

5 Be systematic

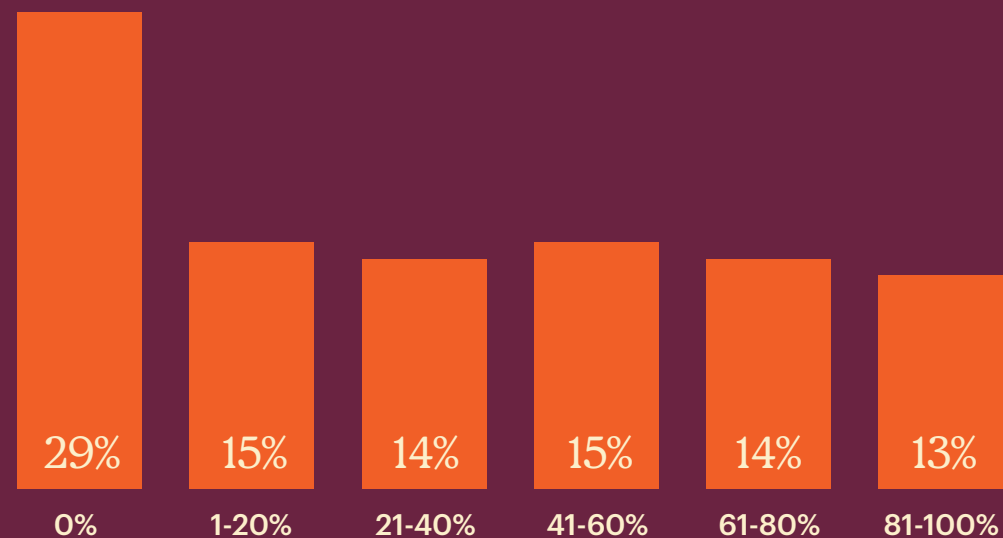
Make sure to review your receivables at least once a week and schedule time to make check-in calls if necessary. If you're one of those people who's not comfortable making calls like this, is there someone on your team who could help?



Breaking it down

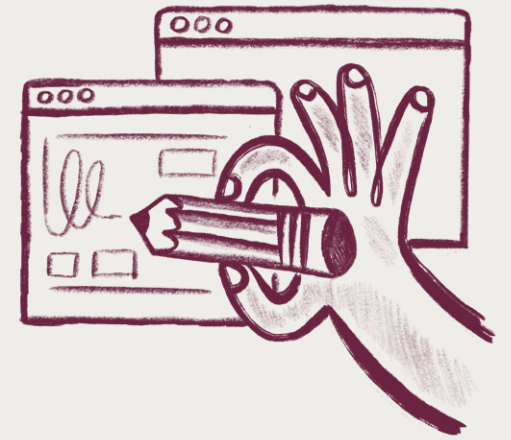
Two trends are continuing to change the way we work: the shift from retainers to project-based work, and an increase in the amount of work for remote clients.

PERCENTAGE OF CLIENT WORK ON RETAINERS

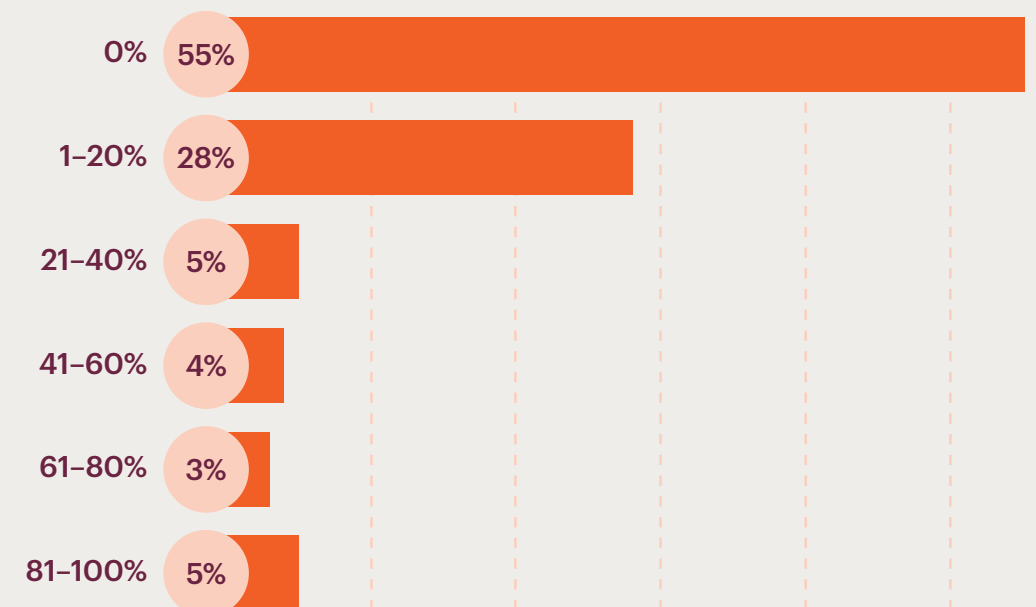


Project vs. retainer

It's the age-old question: what's the optimal mix of project-based vs. retainer work for you? What targets are you setting for each for 2021?



PERCENTAGE OF CLIENT WORK FROM OTHER COUNTRIES



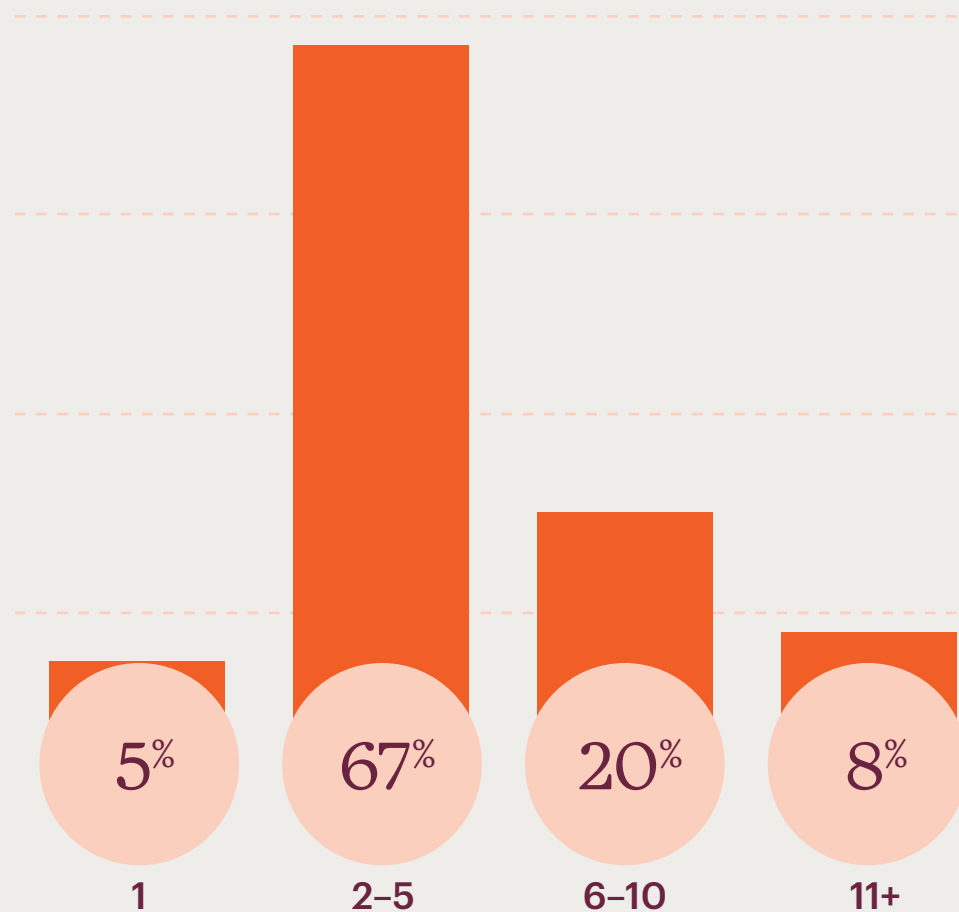
Are freelancers ready to get more global?

The rise of remote work and video conferencing has done much more than create a boom for sweatpants. It's unlocked new opportunities for freelancers to work beyond their previous geographical boundaries. 45% are already taking advantage. Are you?



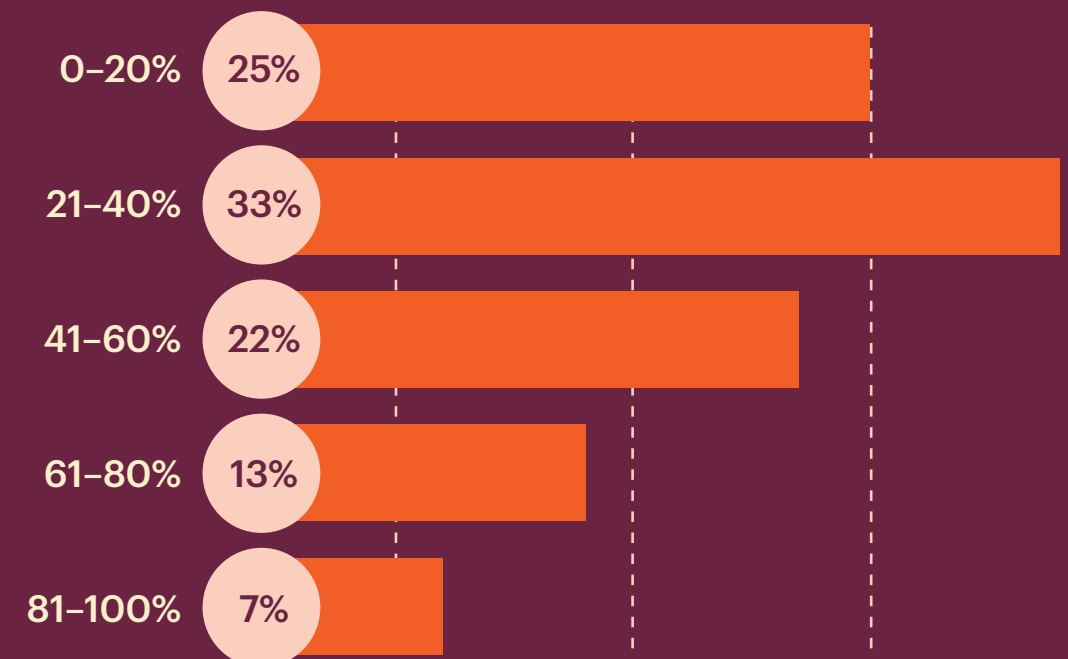
Reliance on a single client

Regardless of their project vs retainer mix, many freelancers reported heavy reliance on a single client.



HOW MANY CLIENTS DO YOU TYPICALLY WORK WITH AT ANY POINT IN TIME?

LARGEST CLIENT AS A PERCENTAGE OF REVENUE



For most freelancers, there are definitely lots of advantages to having a single flagship client. But if that client represents more than 20% of your billables, there are potential risks, too. Read on to learn how to mitigate them—or even turn them into advantages.



Simple tips to reduce your risk



As long as they're keeping you busy, there's absolutely nothing wrong with having a single large client. That said, it can be tricky to diversify and shelter yourself from risk. Here are two strategies that can help.

1 Make hay while the sun shines

The good news about large clients providing consistent work is that they can sometimes be easier to manage than multiple smaller ones, and more profitable too. Remember that the better you know a client, the more knowledge you have to help them with their marketing efforts. Always ask yourself—and them—if there are new areas of their business you can be helping with.

2 Be ready for anything

Even when the relationship is great and you've delivered the goods, remember that your clients sometimes struggle with uncertainty too. That means the risk that projects may get put on hold or disappear altogether. Stay supportive, and remember that proactively helping them navigate their business challenges might be a new way to unlock more business with them—if not now, then in the future.

If your biggest client left tomorrow, would you be ready?

A tough question. But one worth asking when things are stable and you have the clarity of mind to plan. Here are some others:

How long is your runway while you look for new business?

Do you have access to financing if you need it?

Would you have to cut ties with any support staff or regular partners?

Who are the first 5 people you could call to generate additional work?

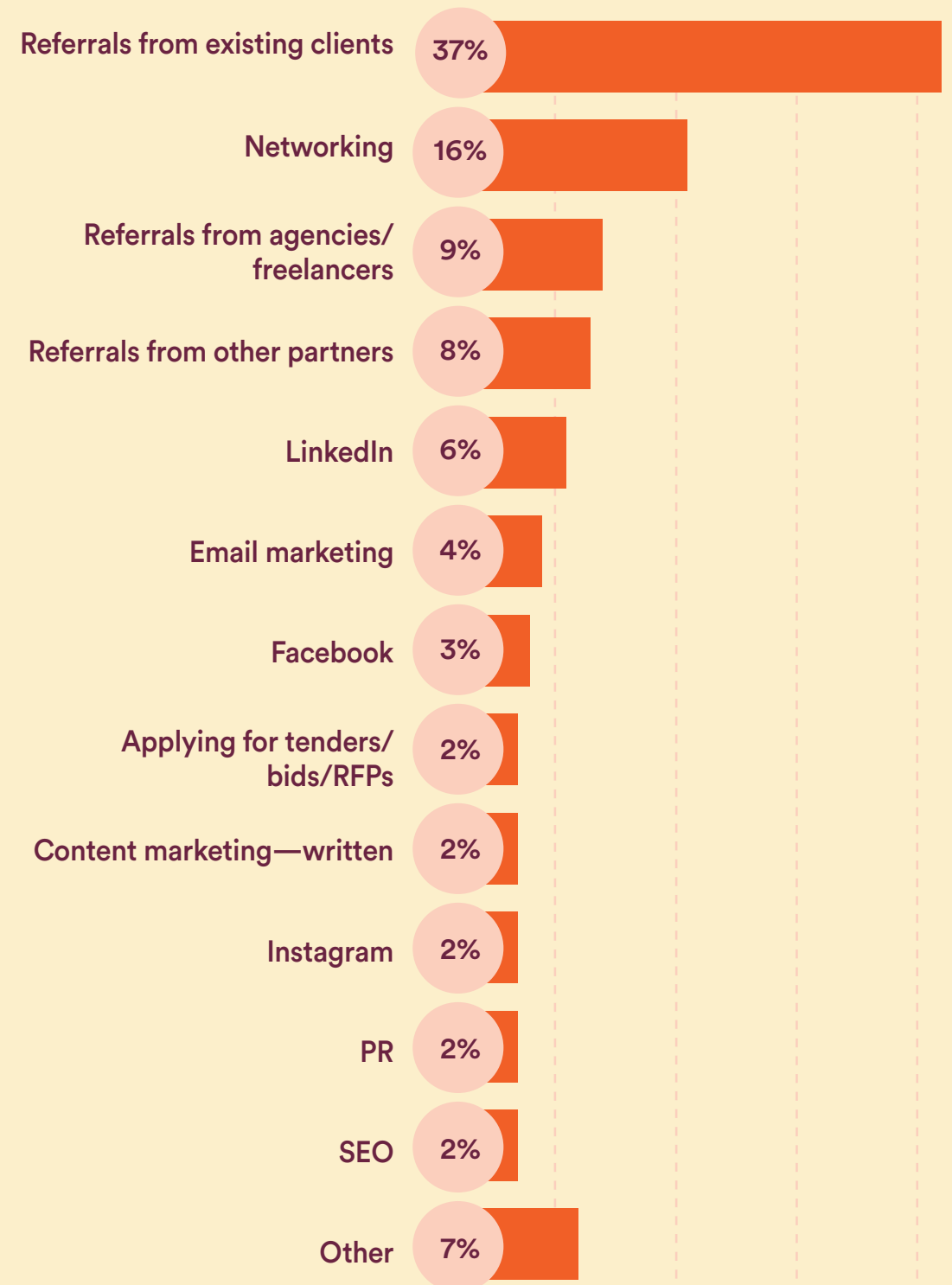


Winning new business

When it comes to winning new business, what strategy works best? We asked that question and the answer was definitive: referrals from existing clients.



NEW BUSINESS STRATEGIES, RANKED BY EFFECTIVENESS



Five steps to increasing referrals



Since referrals are by far the most effective sales strategy, we wanted to share a few ways to help make them happen.

1

Create a list

of the top 10 clients who love what you do and who would be happy to refer you to others.

2

Let them know

when you've got some capacity opening up, and that you'd appreciate the referral to work with more clients like them.

3

Be specific

about who you'd really like to work with. What type of business would make a great client for you? Create a list of the qualities you most value in a client relationship, then build your prospect list based on your findings.

4

Set targets

to call a certain number of people each week and ask for referrals. Create a script if it makes things easier. The more you do it, the better results you'll get.

5

Say thank you

to clients who help you out. Provide feedback that reinforces what a great referral looks like.





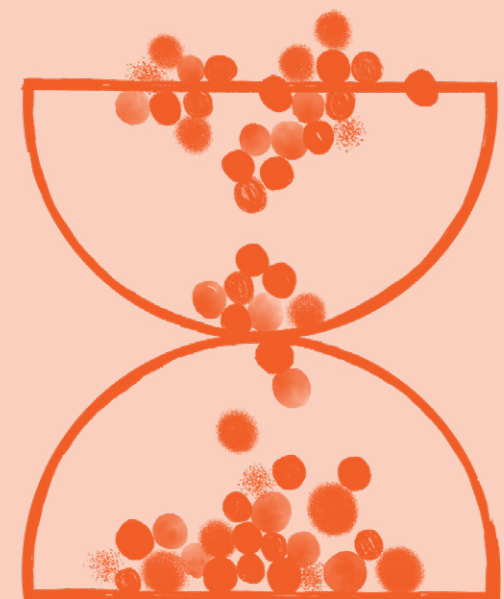
How freelancers spend their time



Time is arguably our most precious resource.

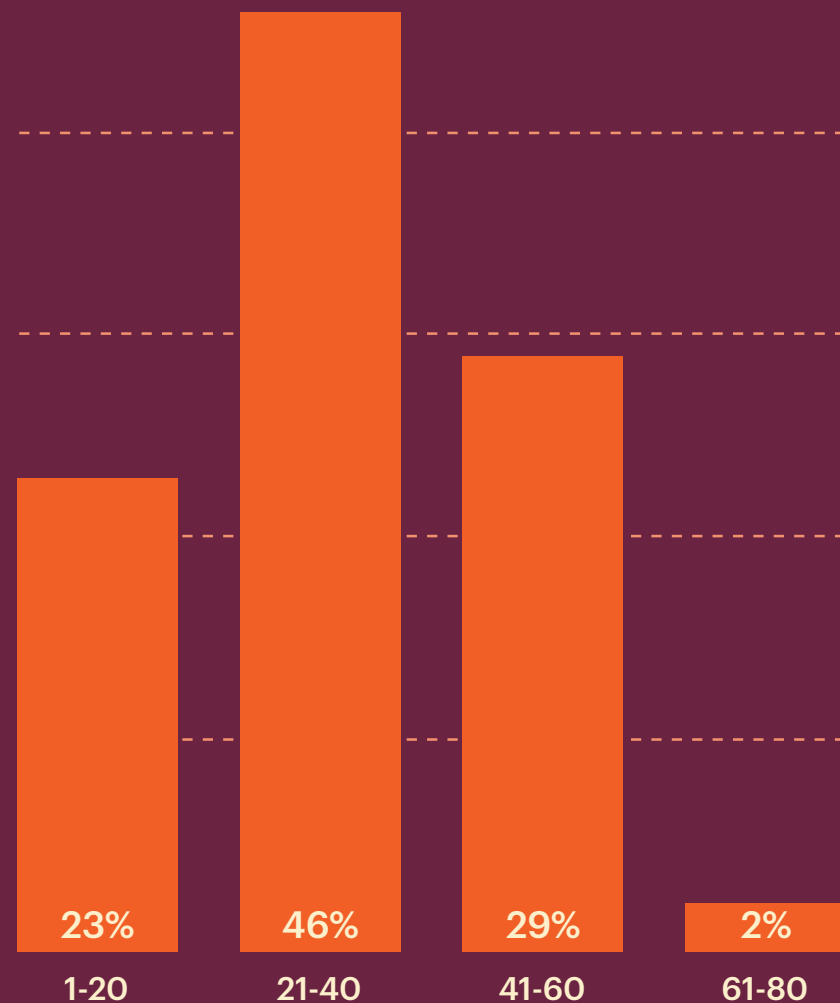
How we spend it determines
our success.

We took some time to find out
how freelancers are currently
spending theirs—and how it's
working for them. Let's dive in.



Time

While many reported putting in the long work weeks we often hear about in marketing, a surprising percentage seem to be maintaining a more traditional 9-to-5 schedule.



HOURS PER WEEK SPENT WORKING

HOW FREELANCERS SPEND THEIR TIME



The average
freelancer
works 35 hours
per week.



Freelancers want to spend less time on these tasks...



...and more time on these



Pro tips

Tips on how to get more out of every working day.

Time Management:

Go for peak productivity

Are you an owl or a lark? Most people have a productive peak. Know when you work most efficiently, and plan your schedule accordingly.

Beware of bottlenecks

Even if they're informal, try to perform regular efficiency audits. If you're spending too much time on non-billable hours, maybe it's time to streamline your admin processes.

Call for backup

One great thing about being a freelancer is that you have lots of opportunities to learn new skills on the fly. Just remember that nobody's amazing at everything. If you're really grinding on one aspect of a project, consider calling in some support. Hint: the Mailchimp & Co community is a great place to start.



Money Matters:

Make it automatic

You probably didn't get into this business because you love paperwork, but if you're not keeping up with your billing, you can leave yourself vulnerable to cash crunches. Invest in an accounting app, and take advantage of automated reminders to create invoices—and chase existing ones.

Know your value

Consider increasing your rates annually, even if it's only by a small amount. Every year you work is another year you've honed your skills, so you're worth more. And if you don't raise your rates, you may actually be losing money. Inflation is real.

Time to unsubscribe?

While certain platforms are obviously essential to your everyday business (we're partial to one in particular), it's possible that you're over-investing in solutions you don't use much. While a few dollars a month may not seem like a lot, it all adds up. And don't forget to turn off auto-renew unless you're absolutely positive you'll still need that monthly pricing plan this time next year.

Want more tips to keep you leveling up?

Check out mailchimp.com/andco/resources for helpful articles, freelancer profiles, and reading lists of the best new books in marketing.





What the future holds



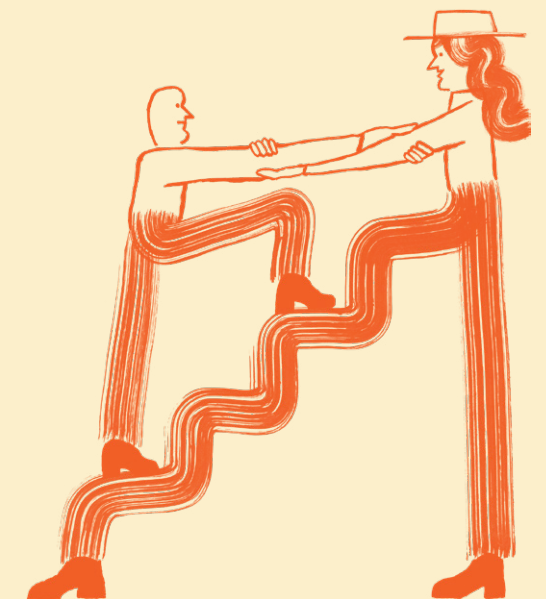
So much more's in store

While it's been great to review everything that happened in 2020, it's more important to look ahead.

That's why we're closing with some trends to watch in 2021 that'll help you rethink how you're working, get you inspired, and unlock new growth.

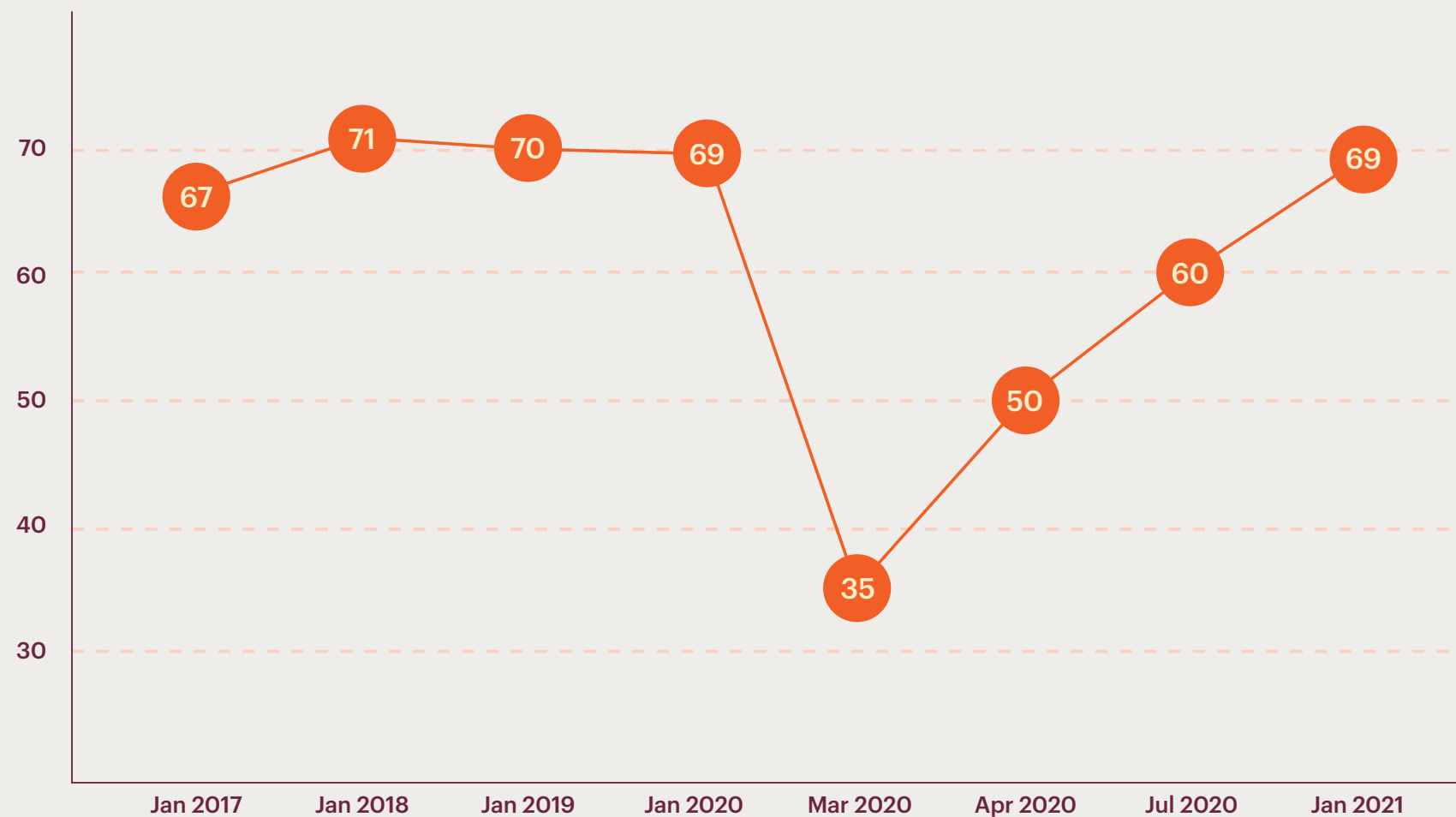
And make sure to read the very last page to sign up for Mailchimp & Co (if you haven't already) and stay in touch for updates on new studies, invitations to exclusive events, and lots more.

Ready? Let's go.



Freelancer confidence indicator

First things first: confidence is back. While 2020 saw a huge dip in confidence, levels have now rebounded to historical averages.



Scores represent a ranking out of 100, where 0 is least confident and 100 is most confident.

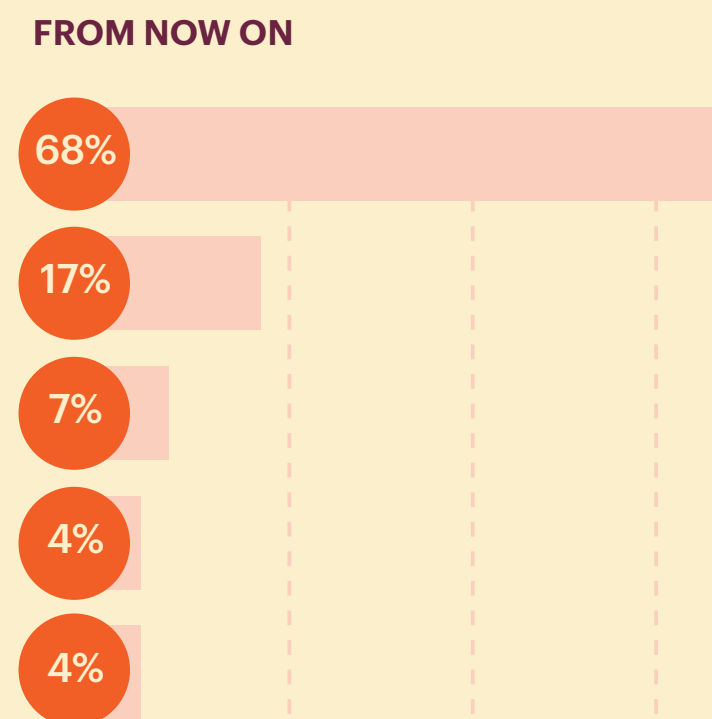
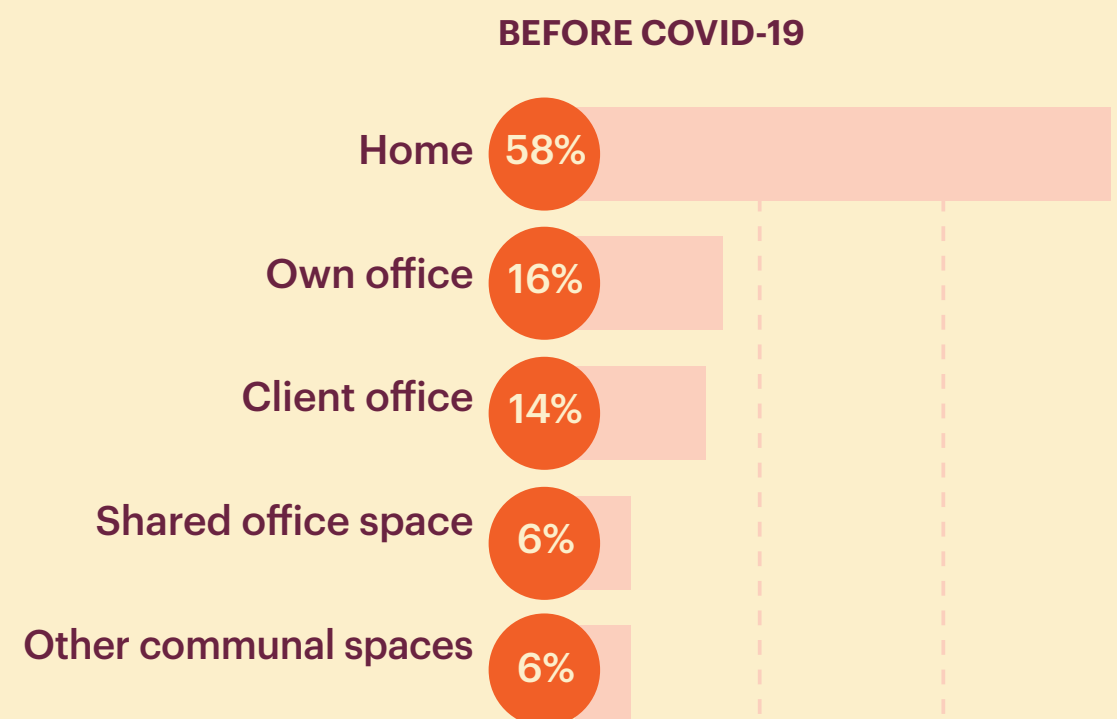


Remote working

While much of the world struggled to adjust to working from home, freelancers saw a much less seismic shift: just 10% more said they were now WFH, but hadn't been prior to COVID-19.



WHERE FREELANCERS SPEND THEIR TIME



In conclusion...

If there's one thing this report has shown us, it's that there's lots to be excited about, and huge opportunities for freelancers to thrive and grow in their own unique way.

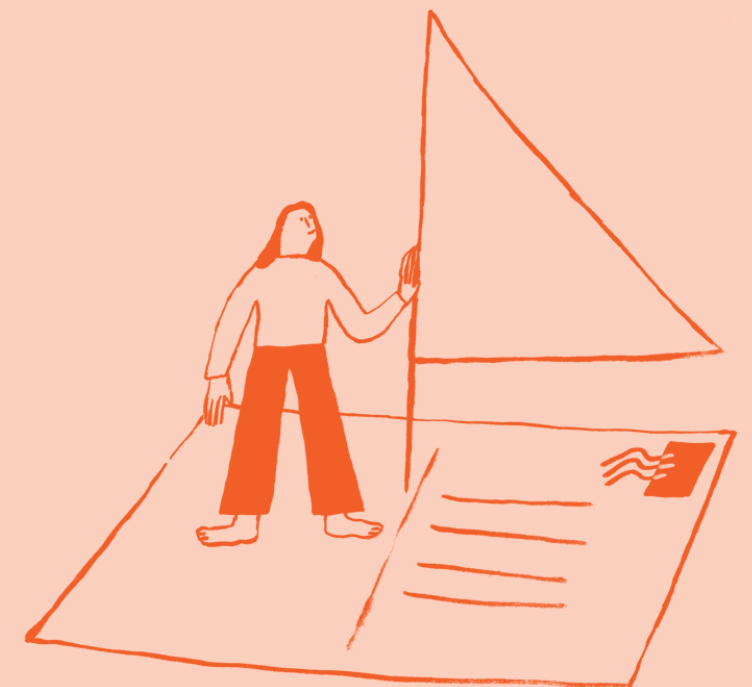
We hope you found this study useful, and in the coming year, we've got lots more to share with the Mailchimp & Co community.

Once again, if you haven't already signed up to join us (free!), you can do it [here](#).

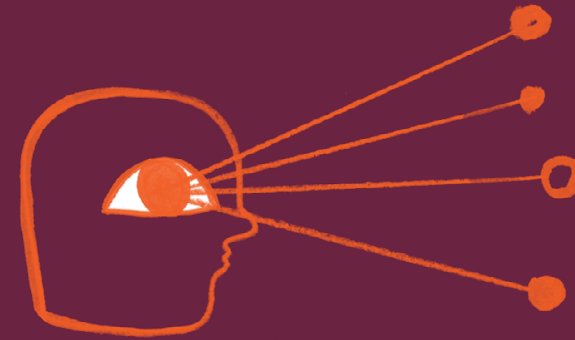
Thanks for reading, thanks for sharing, and thanks for keeping us inspired, too.

Best,

The Mailchimp & Co Team



Stats, analysis, and insight— personalized for you



This study is just the beginning. We've created several reports and events with insights personalized to you. We'll be rolling them out throughout the year. Read on to learn when they'll be available and how to access them.

FREELANCERS

This report

AGENCIES UNDER \$1M

Data from agencies with
revenue under \$1m

REGIONAL BENCHMARKS*

Coming later in 2021—and
in your local currency

* These reports will only be available to those who have completed the survey. If you haven't completed it yet and want access to specific benchmarks for your region, take the survey now.

Go ▶



Events to ignite your growth

Mailchimp & Co is hosting a series of events in 2021 to help you take your plans to the next level. These include practical events to help you get more from your email marketing, plus further insights from the benchmarking data contained in this report.

Check out the latest events ►

