



2019 FINANCIAL ATTITUDES AND BEHAVIORS AMONG INDEPENDENT WORKERS

March 2019



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Survey Methodology

- **Who**

- A stratified random sample based on U.S. Census data for age and gender
- 2,010 U.S. adults 22-73 years old, including:
 - 1,044 traditional workers (those who work full- or part-time for an employer and receive a W-2 for tax purposes)
 - 658 independent workers (those who work full- or part-time earning income through freelance, contract, temporary employment or business ownership and receive a 1099 form(s) for tax purposes)

- **What**

- An online survey conducted by Beacon Research in partnership with T. Rowe Price
- This study has an overall margin of error of +2.2% at the 95% confidence level

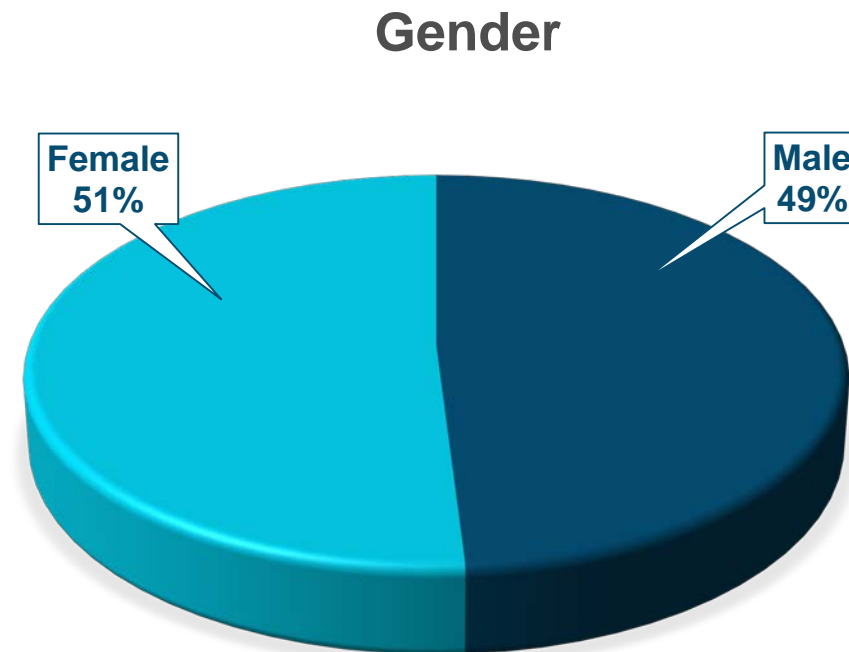
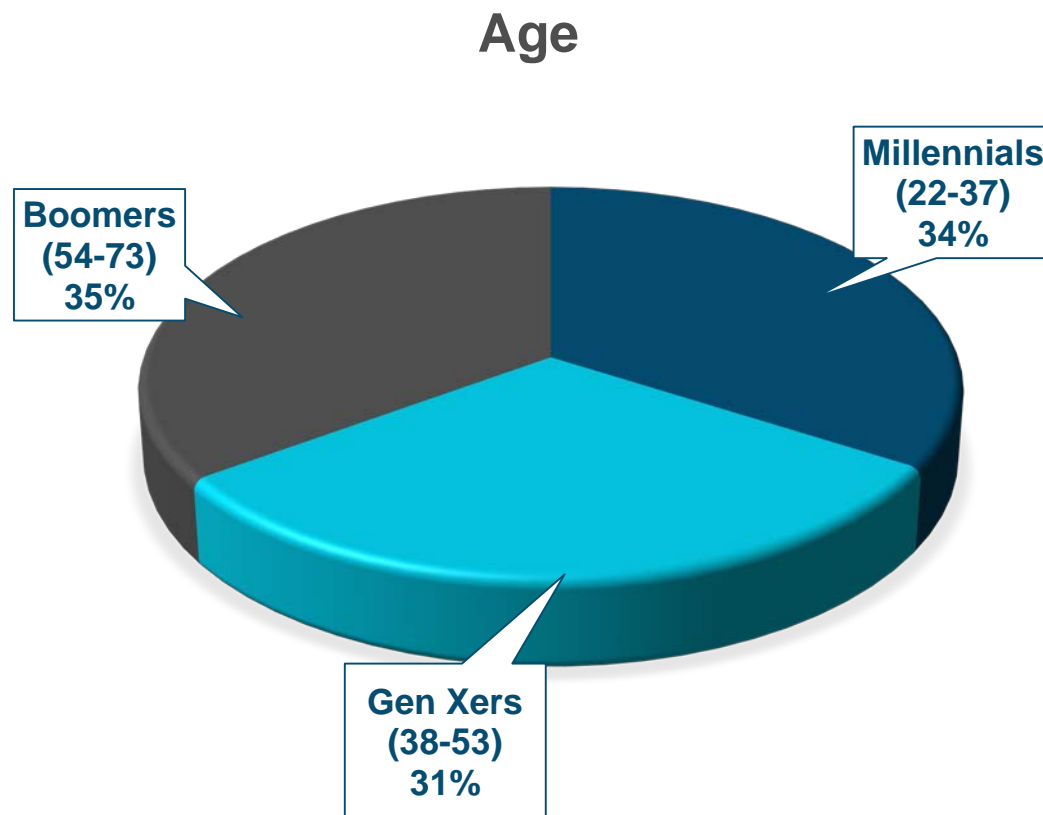
- **When**

- January 24, 2019 - February 16, 2019



PROFILE OF SURVEY PARTICIPANTS

Opinions were collected from 2,010 adults 22-73 years old using U.S. Census-based age and gender quotas



Q2 Which includes your age?
Q3 With which do you identify?

By design, only working households were included, with a strong mix of traditional and independent workers

Thinking about your sources of income,
which one currently describes you?

Traditional Workers:

1. *I work full-time for an employer(s) and receive a W-2 for tax purposes*
2. *I work part-time for an employer(s) and receive a W-2 for tax purposes*

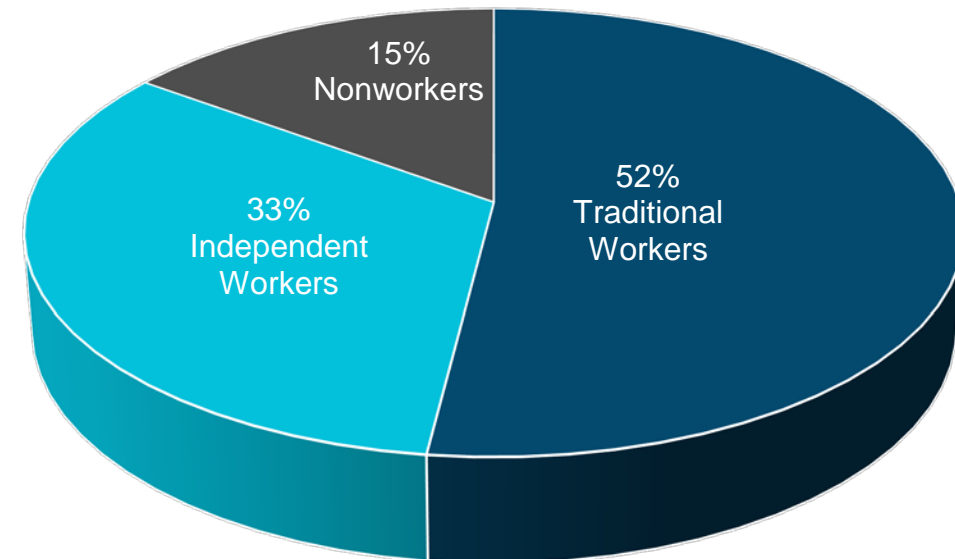
Independent Workers:

3. *I work full- or part-time for an employer(s), but also work independently (freelance, contract or temporary) so receive W-2 and 1099 forms for tax purposes*
4. *I work independently (freelance, contract, or temporary) and receive a 1099 form(s) for tax purposes*
5. *I am retired, but work independently (freelance, contract or temporary) and receive a 1099 form(s) for tax purposes*

Non-workers (who have a working spouse / live-in significant other):

6. *I am retired and rely on my retirement savings, social security, and/or investments for income*
7. *I do not work or earn money at all, my spouse/partner or other family member is the sole income provider*

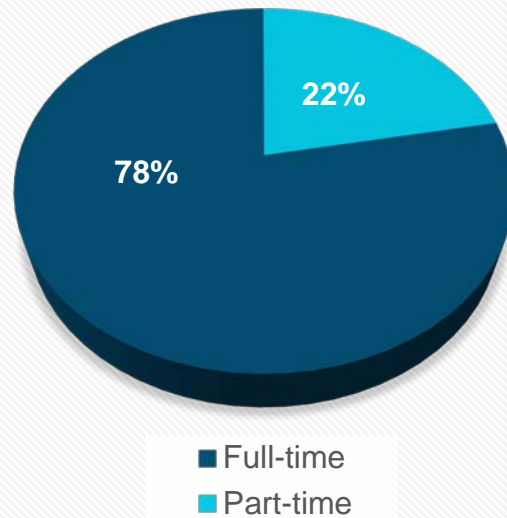
Type of worker
(*n* = 2,010)



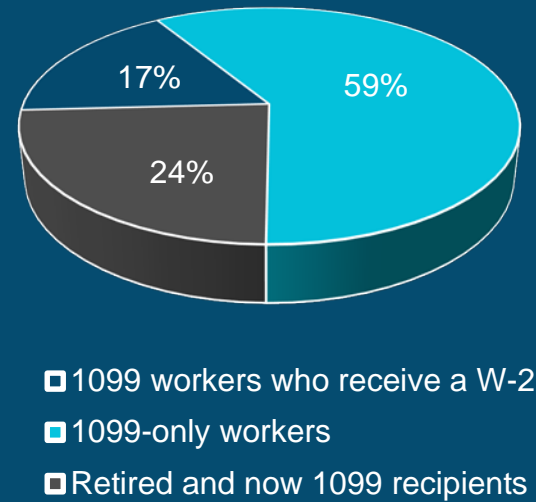
Q5 Thinking about your sources of income, which one currently describes you?

A deeper look at the work status of the survey takers

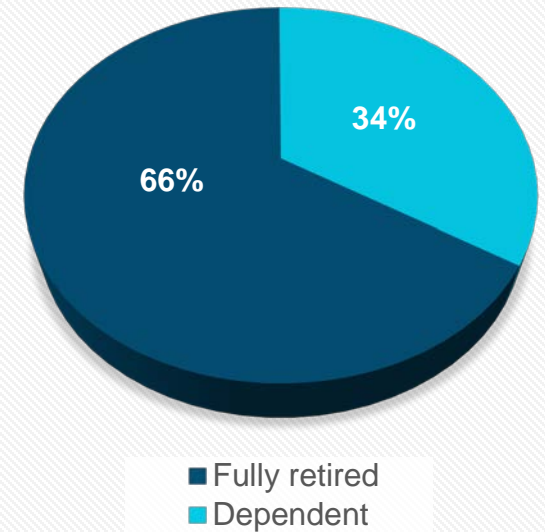
Traditional Workers
(*n* = 1,044)



Independent Workers
(*n* = 658)



Nonworkers
(*n* = 308)

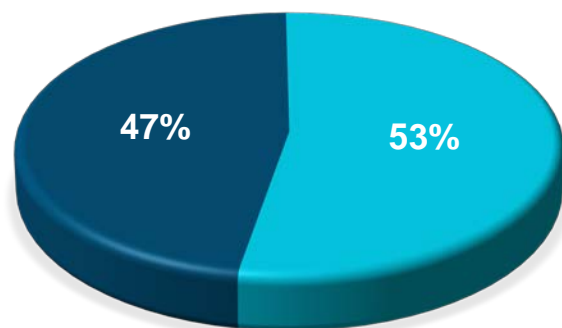


Q5 Thinking about your sources of income, which one currently describes you?



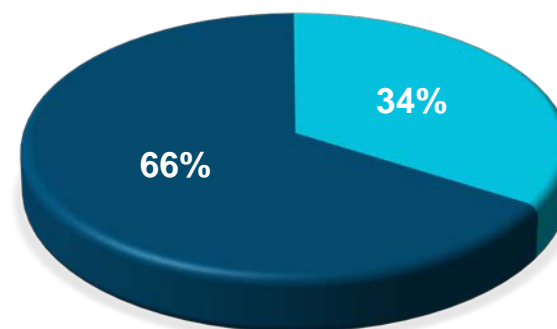
Minimum quotas were set for education and income to ensure a good mix

Education



- High school or some college
- Two-year degree or more

Income



- Under \$75,000
- \$75,000+

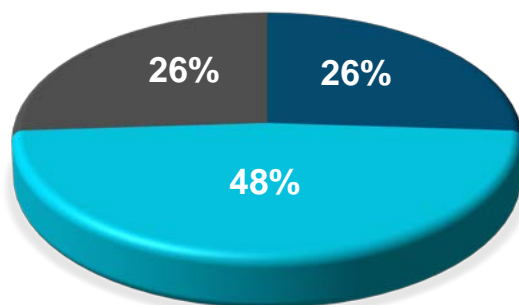
Q92 What is the highest level of education you have completed?

Q4 Which of the following indicates your household's total annual income, before taxes?



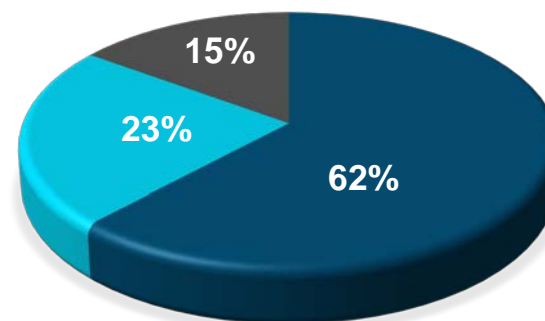
Environment and marital status fell naturally (i.e., no predetermined quotas were set)

Environment



- Urban
- Suburban
- Rural

Marital Status



- Married or living with a significant other
- Single, never married
- Separated, divorced, widowed or not remarried

Q93 Finally, which of the following describes where you live?

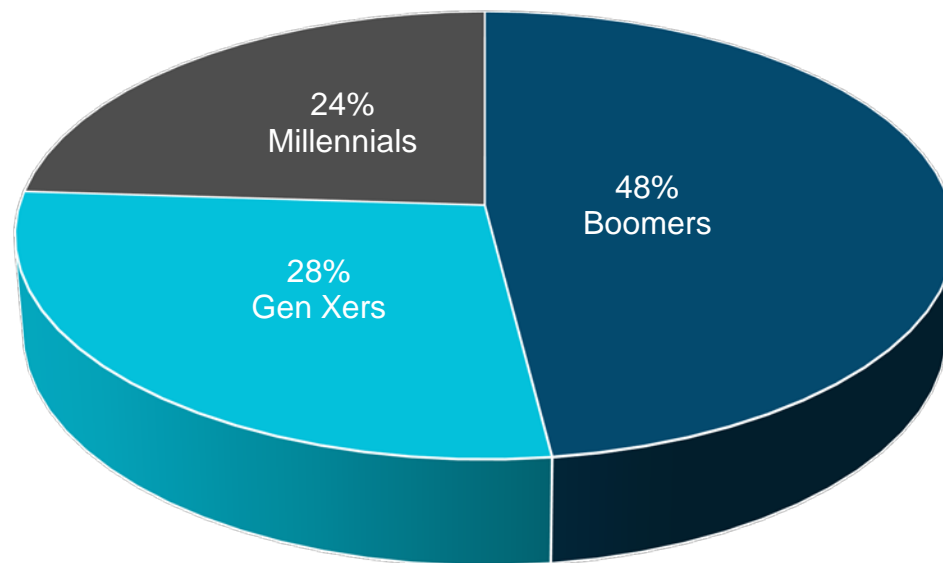
Q12 What is your marital status?



MEET THE INDEPENDENT WORKERS

Boomers represent nearly half of independent workers

By generation
(*n* = 658)

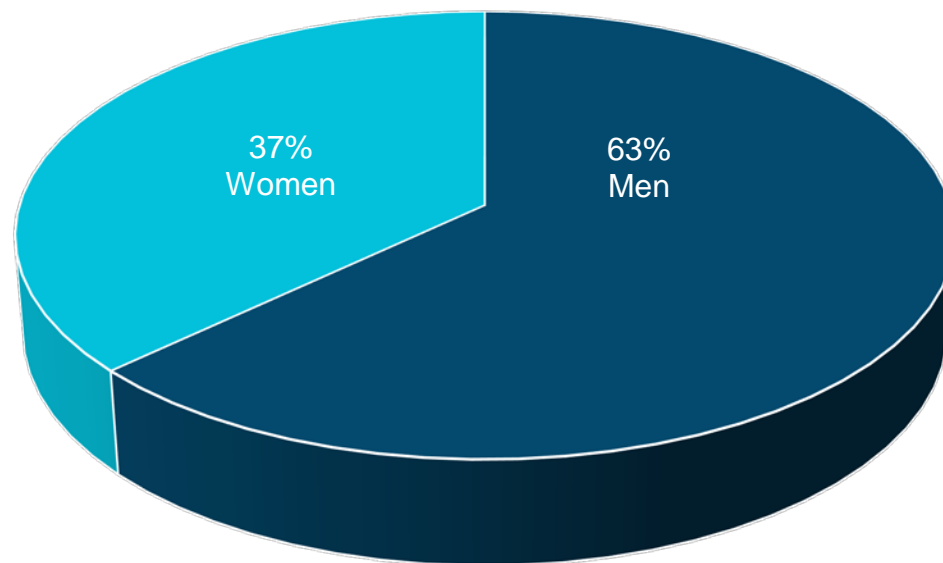


Q2 Which includes your age?

Q5 Thinking about your sources of income, which one currently describes you?

Men account for two-thirds of independent workers

By gender
(*n* = 658)



Q3 With which do you identify?

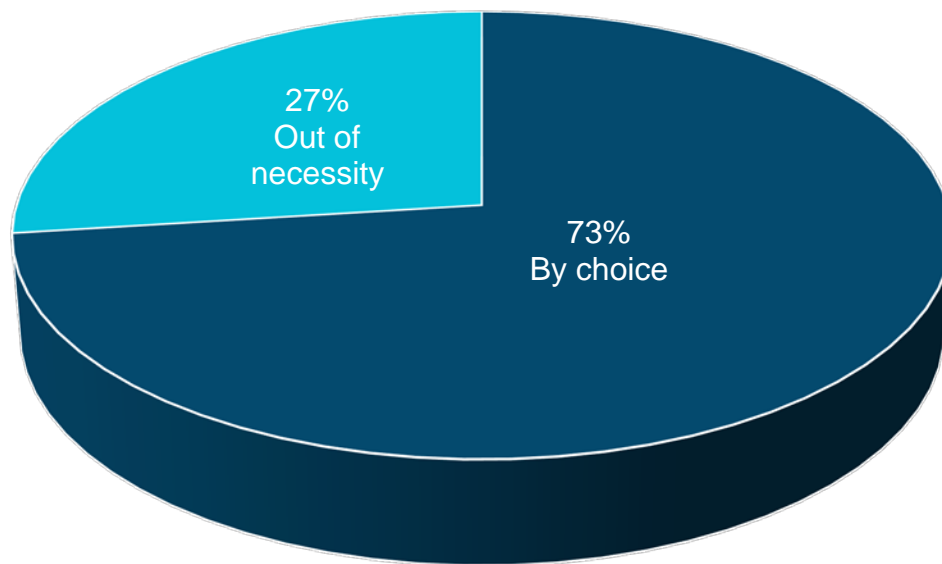
Q5 Thinking about your sources of income, which one currently describes you?



Three-quarters of independent workers started working independently by choice

Independent workers

(*n* = 658)



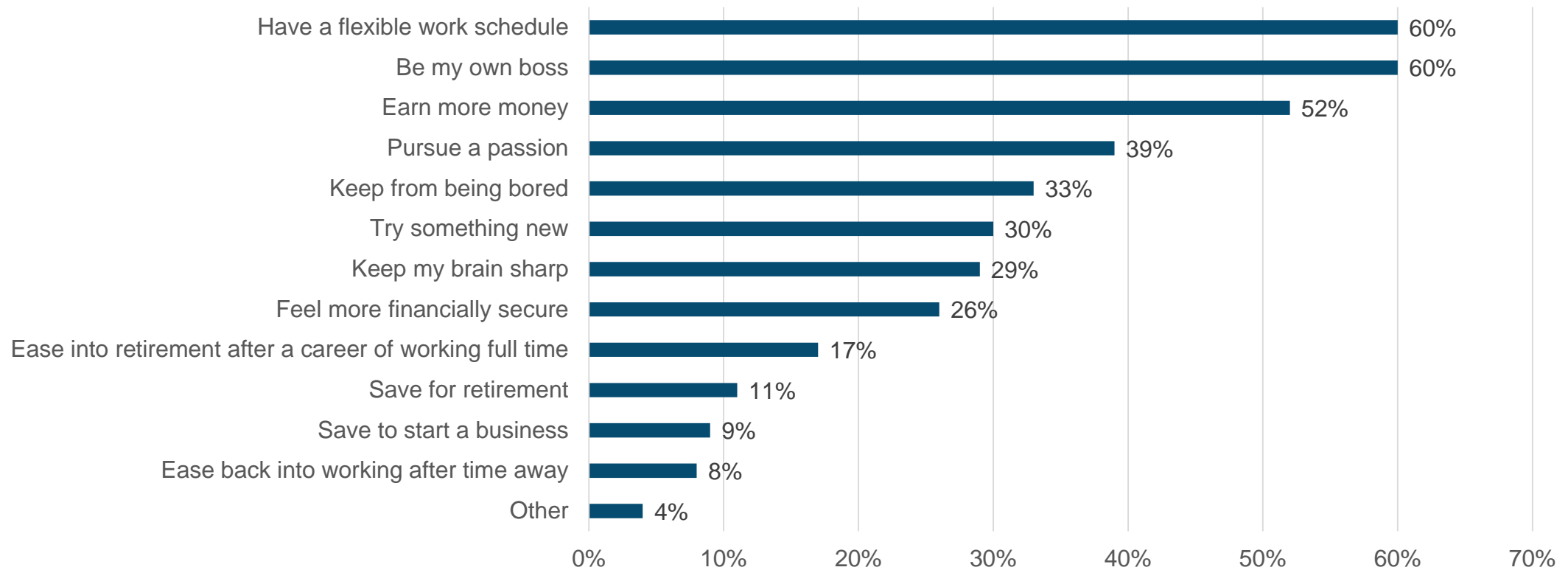
Q5 Thinking about your sources of income, which one currently describes you?

Q44 Did you start working independently by choice or out of necessity?

Independent workers who chose to work on their own wanted a more flexible schedule, to be their own boss, and to earn more money

Why started working independently by those who chose to do so

(n = 481)

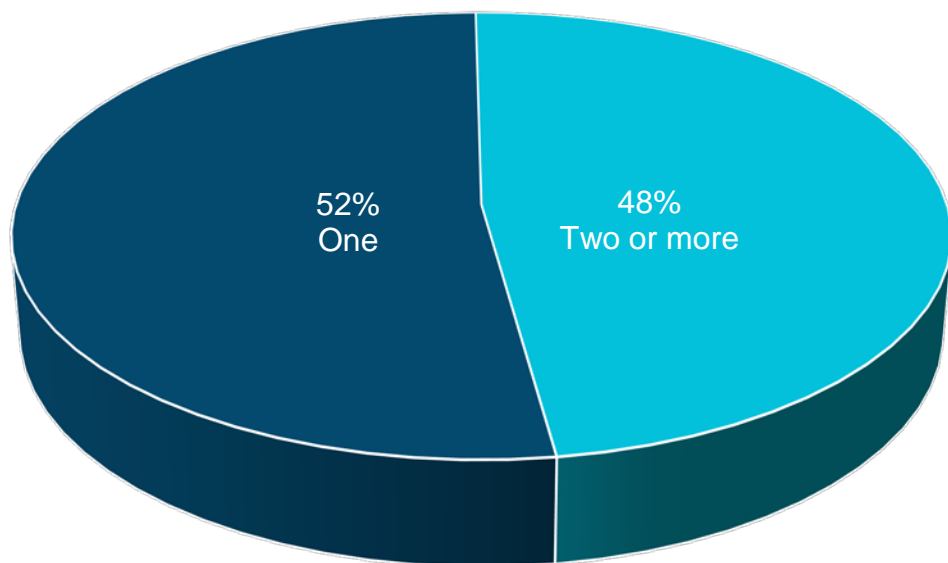


Q44 Did you start working independently by choice or out of necessity?

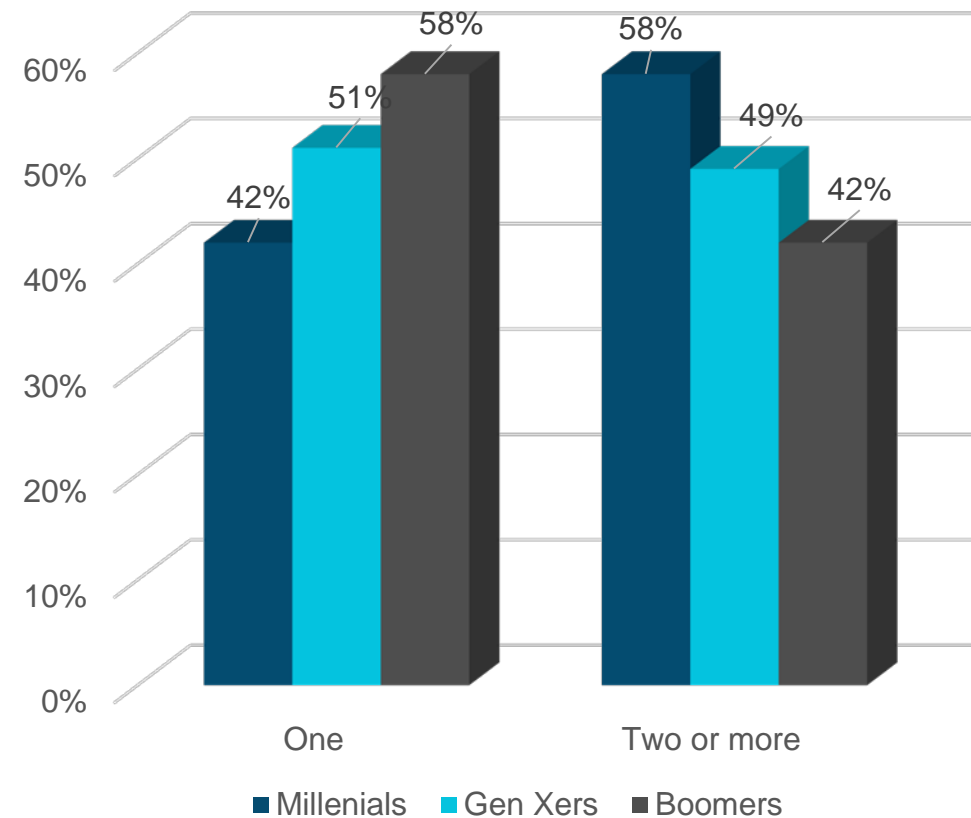
Q48 Originally, what motivated you to work independently as a freelancer, contractor, and/or temporary worker? CHECK ALL THAT APPLY.

Nearly half of independent workers are doing 2+ types of independent work, driven by millennials and Gen Xers

of different types of work
doing independently
(n = 658)



Generational differences



Q37 How many different types of work are you currently doing on a freelance, contract, and/or temporary basis?



The top two reasons for doing multiple types of independent work are to maximize earnings and pursue multiple interests or passions

What's the main reason you are currently doing more than one type of independent work?

(n = 314)

To maximize earnings	42%
To pursue multiple interests or passions	36%
To test out new business ideas	9%
Can't find full-time work	8%
Other	5%

Millennials are almost twice as likely to say to maximize earnings vs. to pursue multiple interests (n = 93)

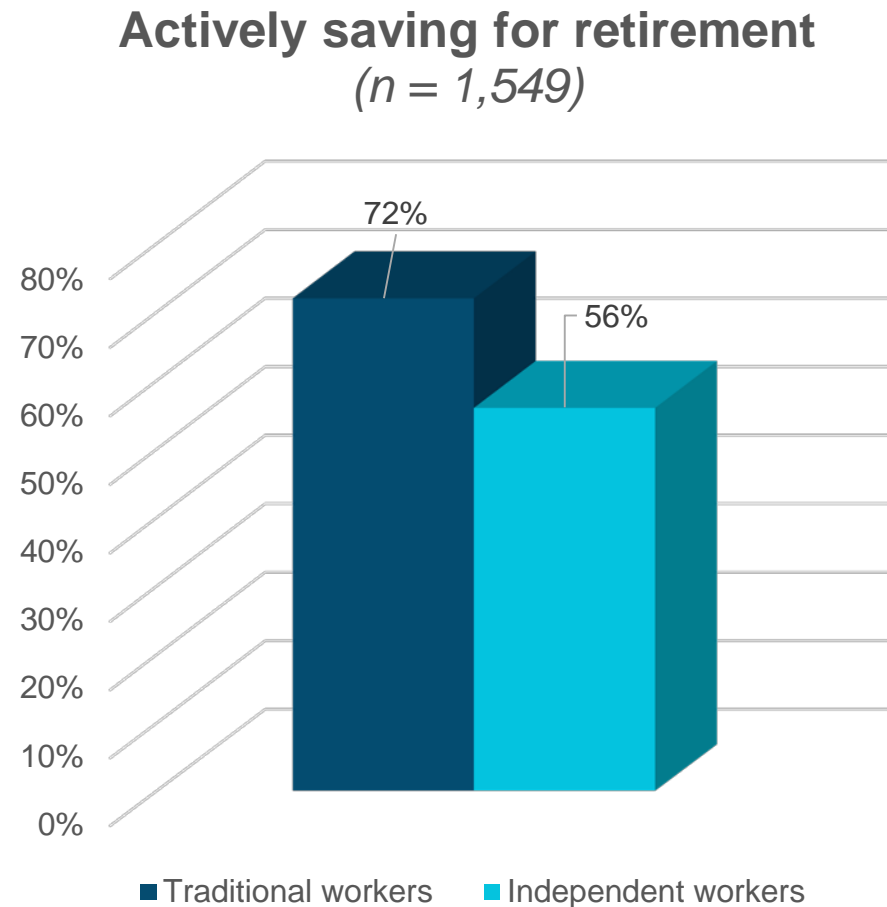
To maximize earnings	45%
To pursue multiple interests or passions	27%
To test out new business ideas	15%
Can't find full-time work	12%
Other	1%

Q37 How many different types of work are you currently doing on a freelance, contract, and/or temporary basis?



INDEPENDENT VS. TRADITIONAL WORKERS: RETIREMENT

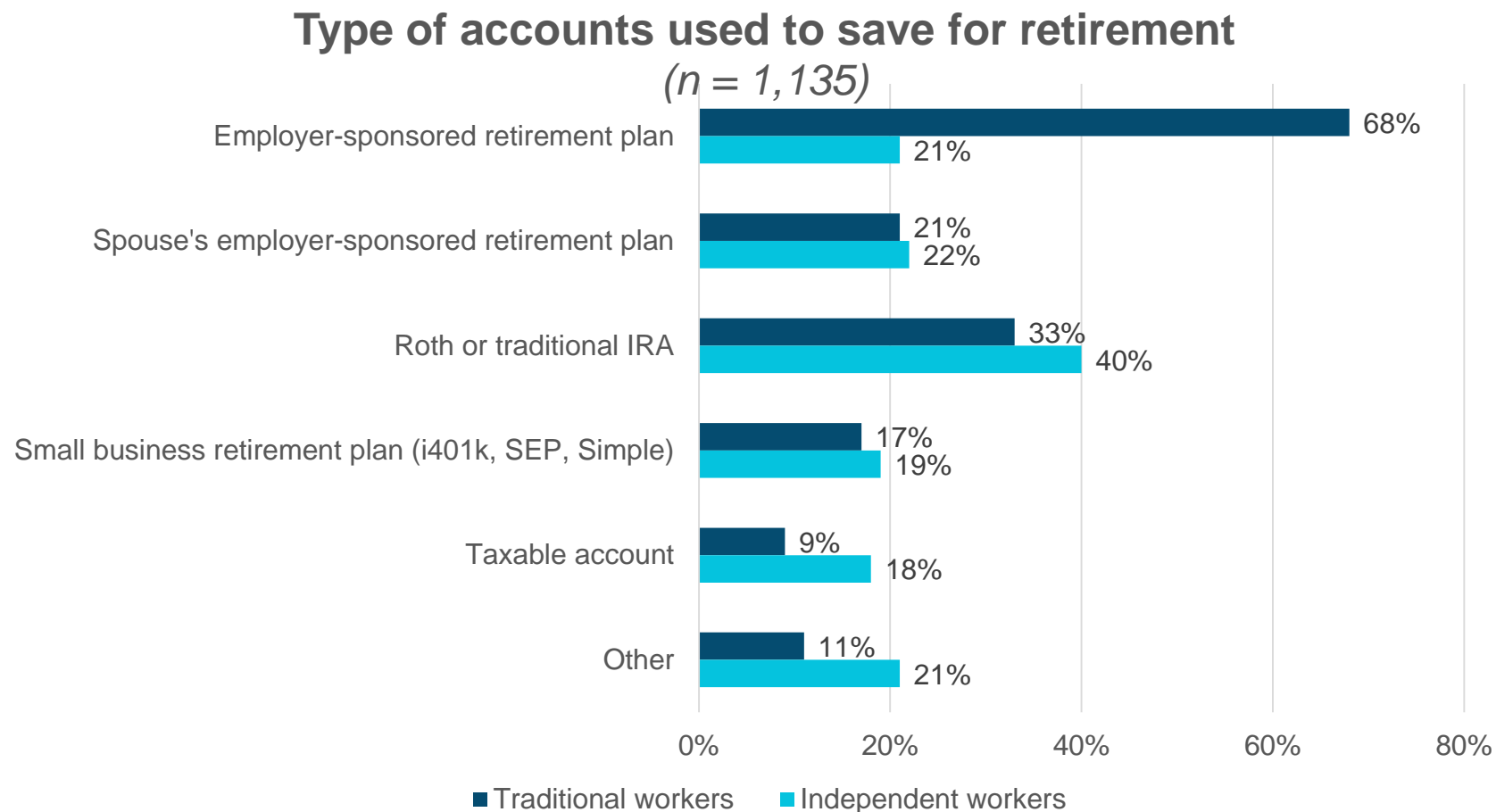
Most participants are actively saving for retirement,
with traditional workers significantly more likely to do so
than independent workers



Q85 Are you actively saving for retirement? (Excludes those who already identify as retired and are still working.)



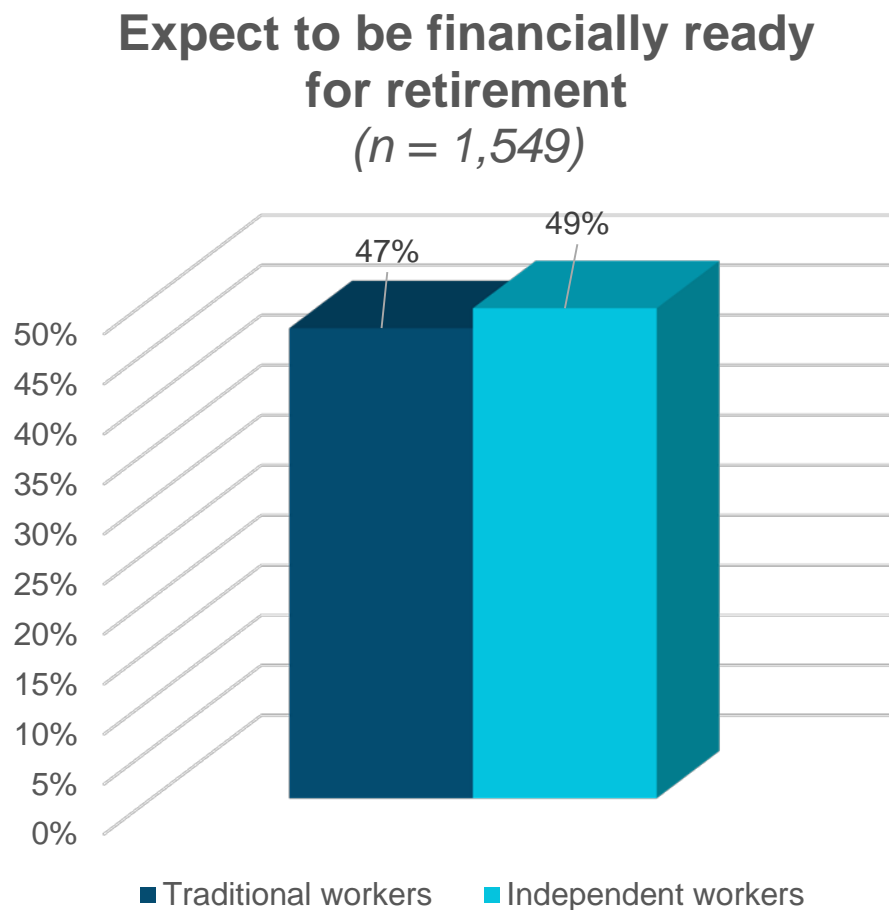
Independent workers primarily use IRAs, while traditional workers primarily use employer-sponsored retirement plans



Q87 What kind of account(s) are you using to actively save for retirement? CHECK ALL (Excludes those who already identify as retired and are still working.)



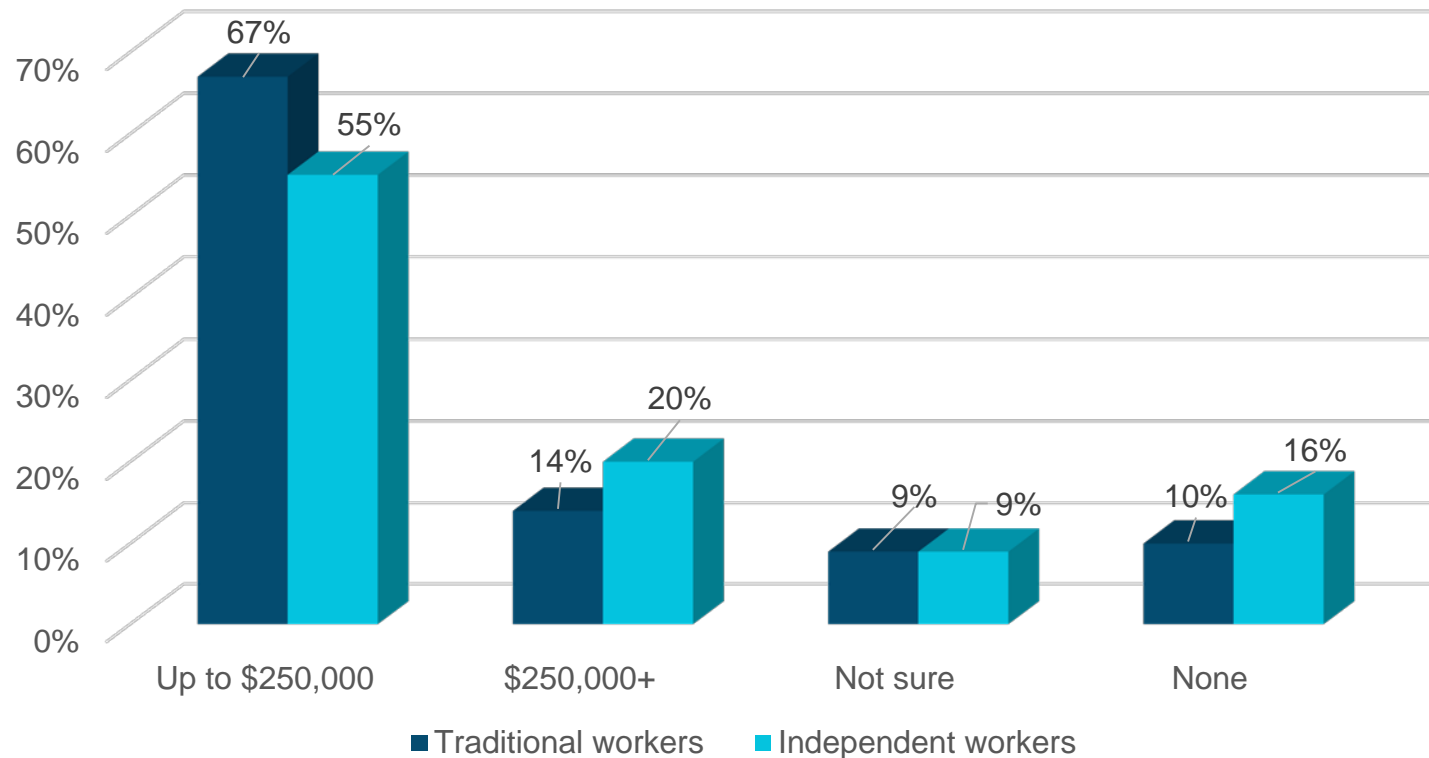
Independent workers are just as likely as traditional workers to say they feel they will be financially ready for retirement



Q73 Do you feel you will be financially ready for retirement? (Excludes those who already identify as retired and are still working.)

Most participants have up to \$250,000 saved for retirement, with independent workers significantly more likely than traditional workers to have \$250,000+

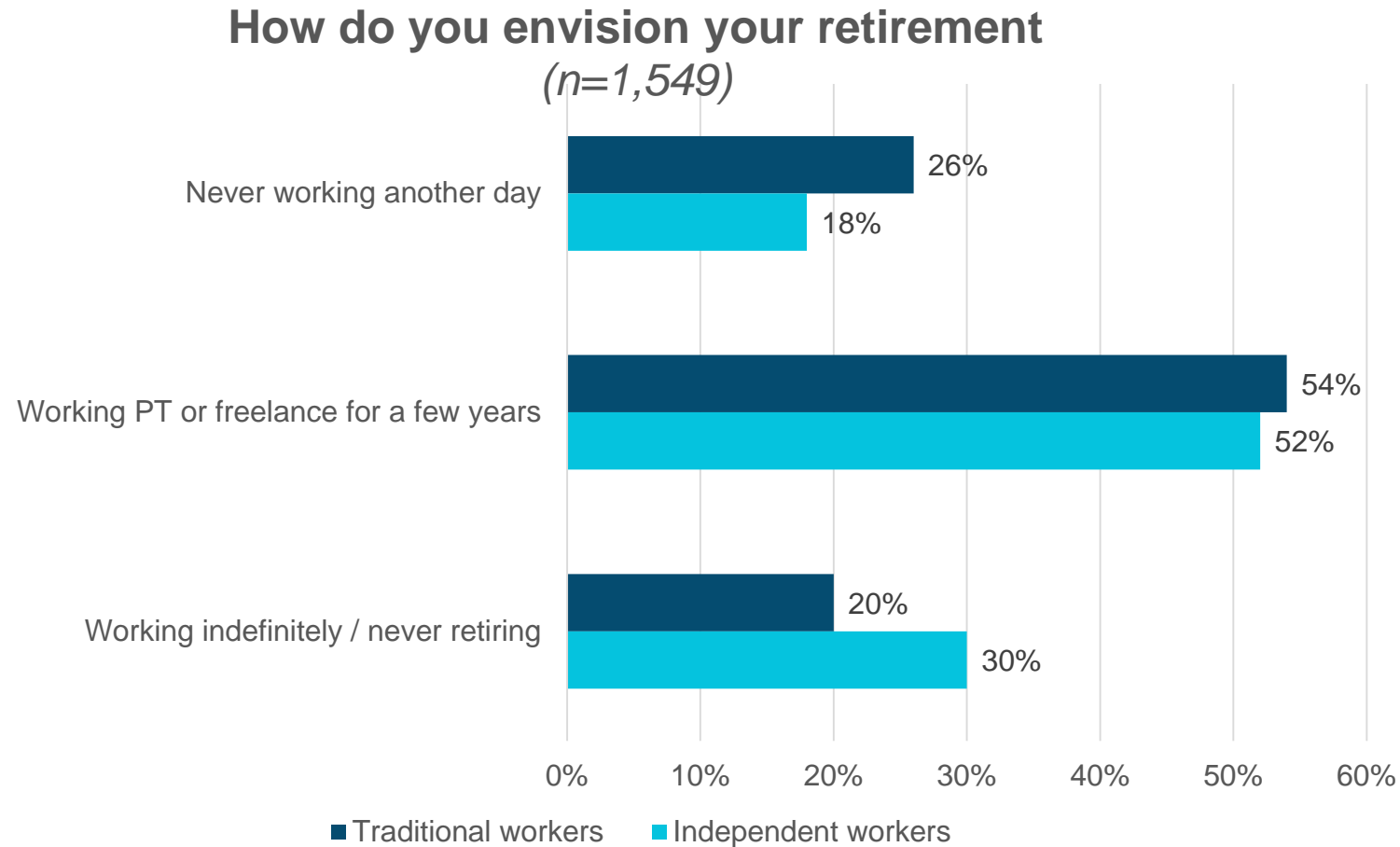
Estimated value of household's retirement assets
(n = 1,549)



Q88 What would you estimate to be the total value of your household's 401(k)/403(b) account(s) and/or IRAs? (Excludes those who already identify as retired.)



Both traditional and independent workers envision working part time in retirement, while independent workers are significantly more likely to keep working indefinitely



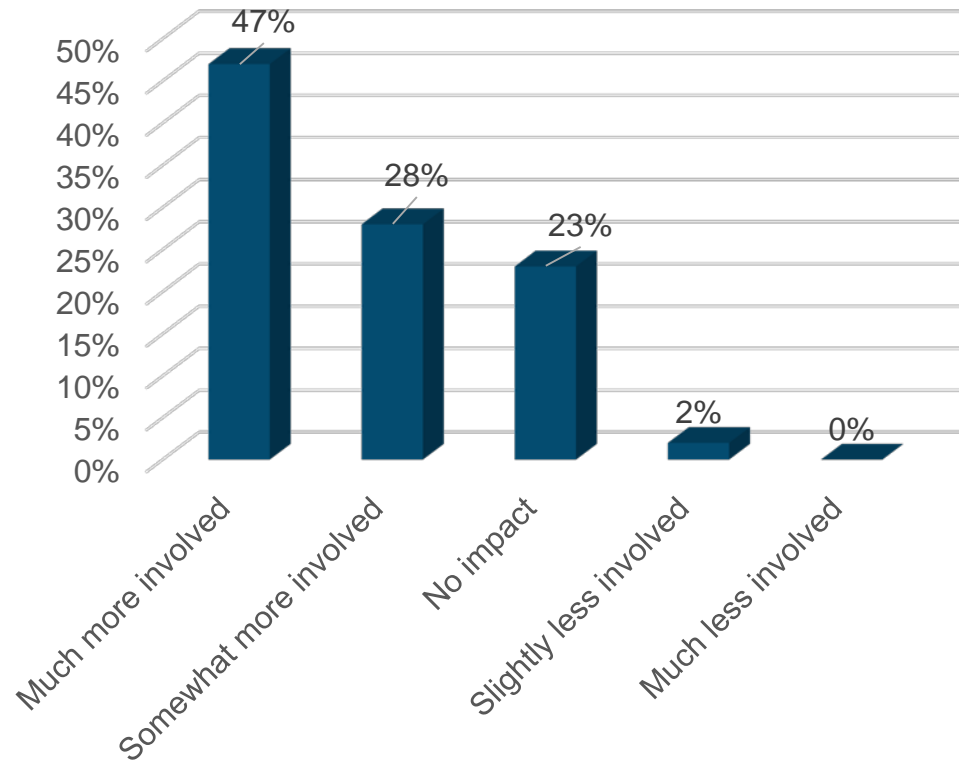
Q65 How do you envision your retirement? (Excludes those who already identify as retired and are still working.)



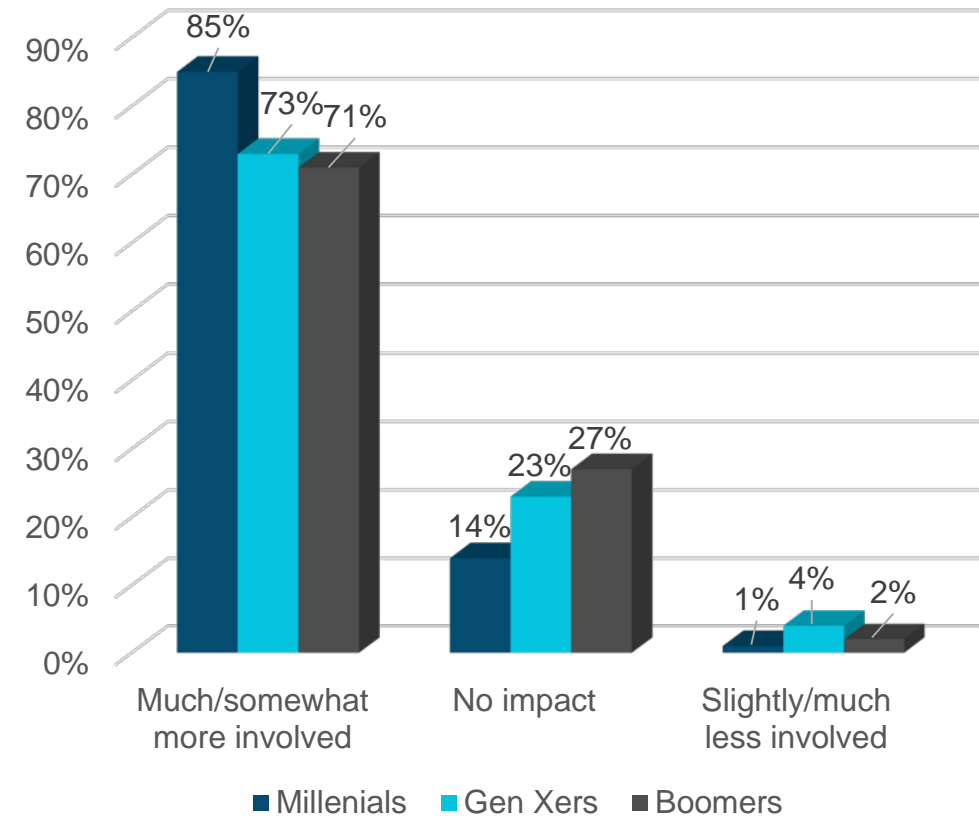
INDEPENDENT WORKERS: MONEY HABITS

Independent workers are more involved with their finances since working on their own, with millennials significantly more involved than Gen Xers and boomers

Involvement with finances
(n=658)



Generational differences



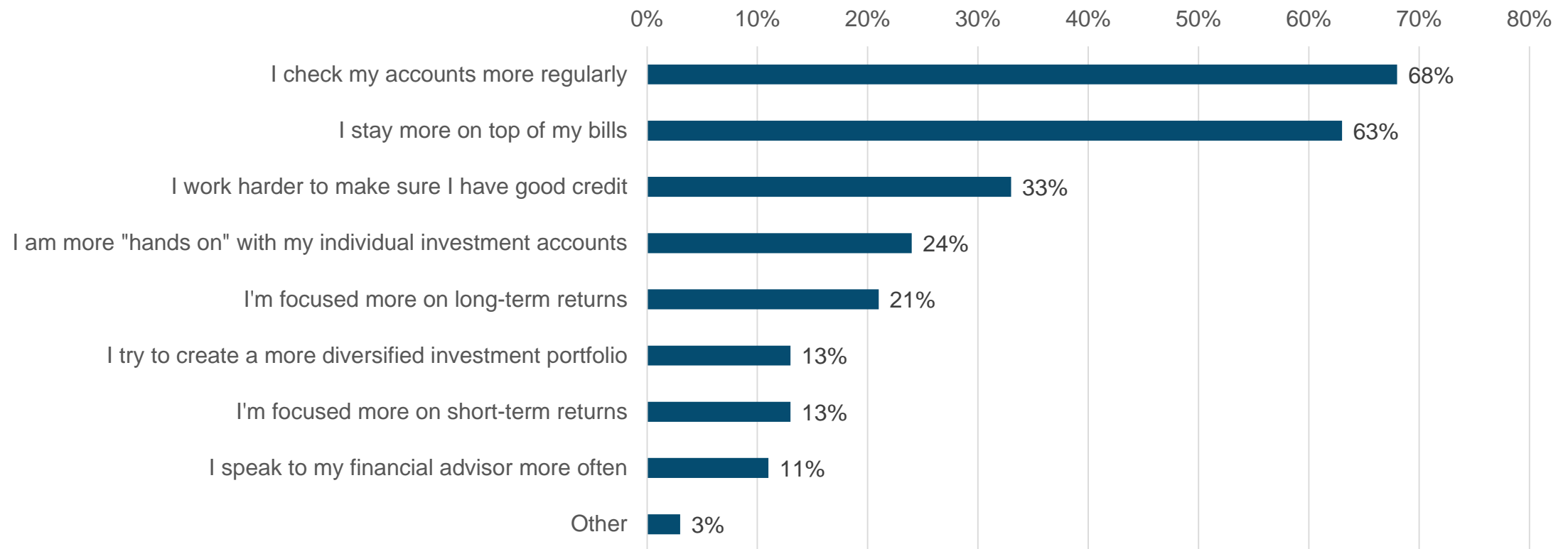
Q53 Do you feel that working independently has made you more or less involved with your personal finances (investments, savings, etc.)?



Two-thirds of independent workers who have become more involved with their finances say they check their accounts more regularly and stay more on top of their bills

How independent workers have become more involved with their finances

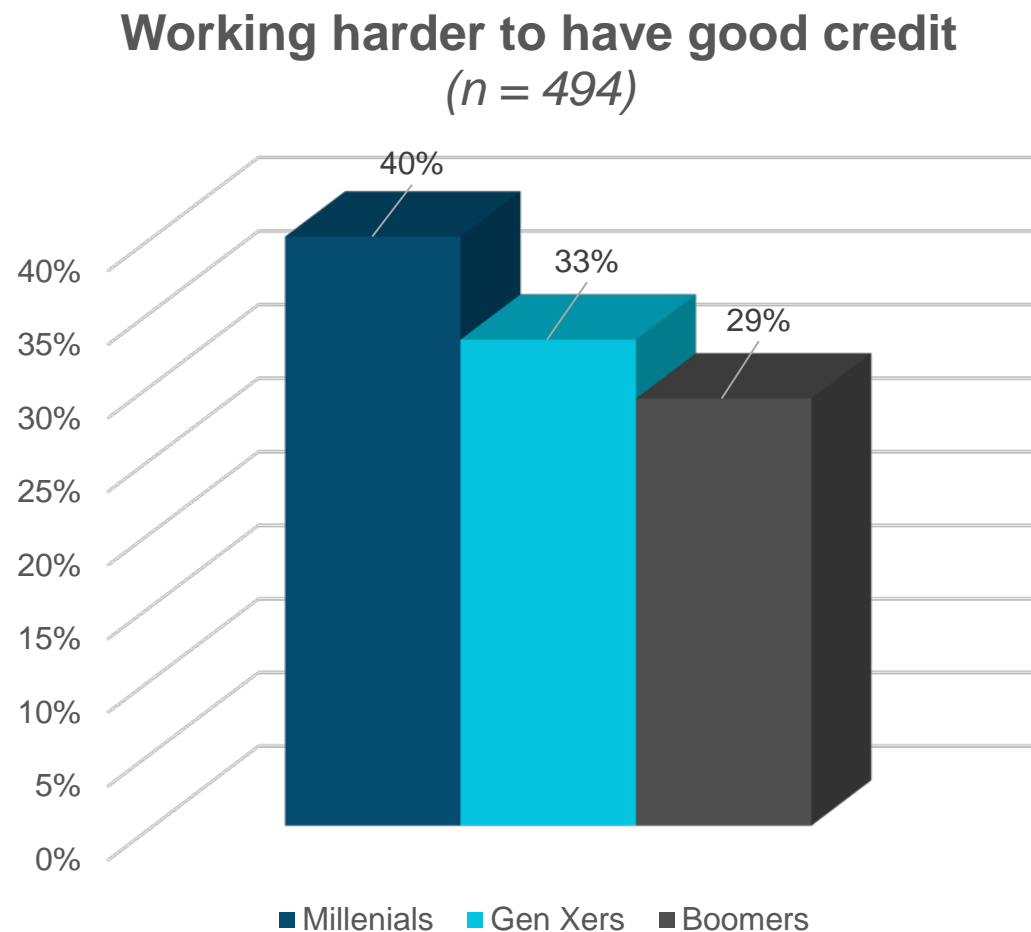
(n = 494)



Q54 - How have you become more involved with your finances as a result of working independently? CHECK ALL THAT APPLY.



Millennials are significantly more likely than boomers to be working harder to have good credit



Q54 How have you become more involved with your finances as a result of working independently? CHECK ALL THAT APPLY.



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