

Women Independents: From Recession to Recovery

The COVID-19 pandemic and its related recession have had dramatic and outsized economic impacts on women. Unlike prior recessions, where men were more affected, in 2020, women bore the brunt of the recession's job losses. Despite making up just 48% of the workforce, women comprise 56% of workforce exits since the pandemic started¹.

These losses continued in 2021, with 275,000 women leaving the labor force in January, meaning they are no longer working or looking for work. This lowered women's labor force participation rate to 57%, the lowest it's been since 1988. Because of these numbers, the Institute for Women's Policy Research is calling this downturn the first Shecession².

Women independent workers were also disproportionately hit by the pandemic and recession. According to the 2020 MBO Partners State of Independence study, the number of full-time female independents fell by 1.4 million, while the number of full-time male independents only declined by 300,000.

“Other countries have social safety nets. The U.S. has women.”
– sociologist Jessica Calarco

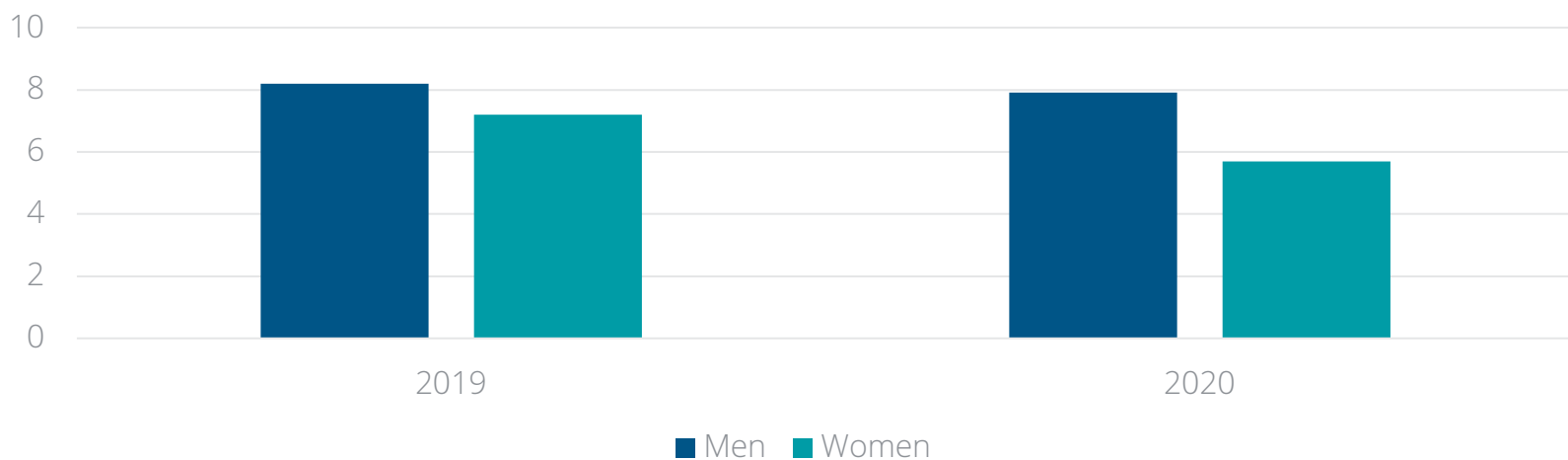
¹ U.S. Department of Labor, Women in the Labor Force: <https://www.dol.gov/agencies/wb/data/facts-over-time/women-in-the-labor-force#labor-force-participation-rate-by-sex-race-and-hispanic-ethnicity>.

² The Institute for Women's Policy Research, Women and the COVID-19 Pandemic: Five Charts and a Table Tracking the 2020 Shecession by Race and Gender, January 28, 2021: <https://iwpr.org/iwpr-issues/employment-and-earnings/women-and-the-covid-19-pandemic-five-charts-and-a-table-tracking-the-2020-shecession-by-race-and-gender/>.

Callout: From Petersen, Anne Helen, November 11, 2020: <https://annehelen.substack.com/p/other-countries-have-social-safety>.

In other words, 82% of the decline in full-time independent workers came from women. These job losses also resulted in greater economic impacts on women independents, with 38% of women saying the pandemic set them back financially versus only 29% for men.

**FULL-TIME INDEPENDENT WORKERS,
BEFORE AND DURING THE COVID-19 PANDEMIC
(IN MILLIONS, BY GENDER)**



The reasons for the declines in women working full-time, both in traditional jobs and independent work, are similar. The recession hit two sectors overrepresented by female workers: services and businesses serving consumers. For example, 59% of full-time female independents report serving consumers and 70% report providing services. Only 42% of full-time male independents serve consumers, with 58% providing services. Another key reason for the decline in female independents & traditional workers alike lies in the burden of caregiving responsibilities – which fall disproportionately on women. Shuttered schools, a lack of childcare, caring for sick relatives and other caregiving requirements resulted in women leaving the workforce.

While the pandemic's pressures on working women have been intense, it's also led to more women looking to become independent workers. In fact, as of Fall 2020, the number of women surveyed who said they would either definitely or probably become an independent worker or start a small business jumped from 10.1 million in 2019 to 17.9 million in 2020, an increase of 77%. This is by far the largest increase in the 10+ years of the MBO State of Independence research series. Of course, not all this enthusiasm will translate into new independent workers. Historically, only about 9% of those saying they will either definitely or probably

become independent workers do so. But this jump in interest in becoming an independent worker will likely lead to a strong rebound in their numbers over the next 2-3 years.

Women Choose Independence for Control, Flexibility and Passion

Throughout the more than ten years of MBO Partners' State of Independence research, women have identified differently than men when it comes to working on their own. For example, more women than men have said work flexibility, schedule control, and work they like are important reasons they choose to be independent. Men, on the other hand, have consistently expressed more interest in being their own boss and earning more money.

The pandemic didn't change this. In

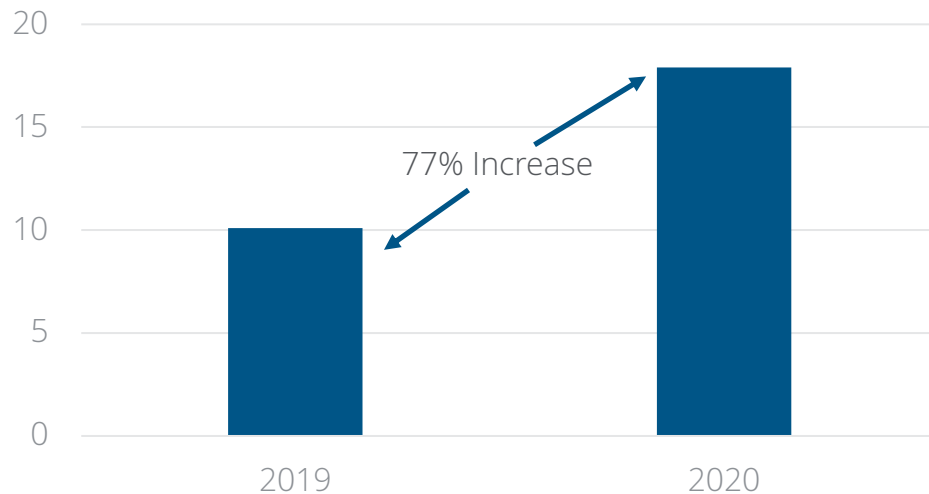
2020 close to 3 out of 4 women (72%) reported that flexibility was an important motivator for becoming an independent worker. Just over half of the men (54%) reported that flexibility was key. Women independents also said controlling their schedule was an important reason for becoming independent (67 percent versus 49 percent for men), and 78% of women said doing something they like is more important than making the most money, compared with 64% for men. Men were more likely than women to note that they like being their own boss (69 percent vs. 55 percent) and to say they don't like answering to a boss (65 percent vs. 57 percent).

Focusing on flexibility, control, and doing work they like works for most women independents. Almost 9 out of 10 (89 percent) report being satisfied or highly satisfied with independent work (79 percent for men), 89 percent say they are happier as independents (79 percent for men) and 77% say they're healthier (67 percent for men). Women independents are also more upbeat about the future than men, with 77 percent of women saying they are optimistic about their future career compared to 54 percent for men.

Moving Beyond the Pandemic to Recovery

Despite how economically challenging the past year has been overall and especially for women, we're optimistic about the outlook for women independents. Most economists project a robust post-pandemic

WOMEN PLAN ON SHIFTING TO INDEPENDENT WORK OVER THE NEXT 2-3 YEARS (IN MILLIONS)



recovery, and we're already seeing green shoots for independent workers. In addition to the survey data discussed above, our recent research brief [Independent Workers Lead Recent Surge in Professional Service Business Applications](#) shows independent worker applications to start new businesses are at an all-time high. This includes applications from industries that have a high proportion of women independent workers.

Also, the pandemic has accelerated many of the long-term trends driving the growth of independent work. These include the shift to remote work, employers increasing their use of independent workers to improve business flexibility and agility and a growing support infrastructure of products, services, and programs making it easier, cheaper, and less risky to become independent. [See the MBO State of Independence study series reports for more details on these trends.](#)

Combined with finding a better lifestyle and career fit, many women will turn or return to independent work as the economy climbs out of the recession. In the early recovery years of the past recession (2010 - 2012), women represented close to 50% of all full-time independents. We anticipate a return to these levels as the economy improves, schools are back in session, and other caregivers can be employed more safely for child and elder care.

ABOUT THE STUDY

The 2020 MBO Partners State of Independence in America is the 10th consecutive year this study has been conducted. Since 2011, independent workers have completed over 23,000 in-depth surveys and over 1,500 independent workers have been interviewed in-person as part of this study series. For the 2020 study, Emergent Research and Rockbridge Associates conducted an online survey in August 2020. This survey had responses from 3,687 residents of the U.S. (aged 18 and older), including 1,023 independent workers; the results were used to size the independent workforce and profile motivations among independent and traditional workers. The survey results were weighted to reflect the demographics of the U.S. The data related to the general population has a margin of error of +1.7 percent and the data specific to independent workers has a margin of error of +3.06%. The 2020 results are generally consistent with the survey results from the prior 9 years.

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