



# Freelance and Interim Salary & Benefits Survey

**July 2007**

## Table of contents

<b>1. Introduction</b> .....	<b>1-2</b>	
<b>2. Executive Summary</b> .....	<b>3-6</b>	
<b>3. Graphical Analysis</b> .....	<b>7-31</b>	
Fig 1: Total Work Experience .....	7	
Fig 2: Total time spent freelancing .....	8	
Fig 3: Average duration of assignments.....	9	
Fig 4: Notice Period .....	10	
Fig 5: Weekly working hours.....	11	
Fig 6: Day rates .....	12	
Fig 7: Average day rate by region and discipline.....	13	
Fig 8a: Average day rate by job title - Directors .....	14	
Fig 8b: Average day rate by job title - Managers .....	15	
Fig 8c: Average day rate by job title – Execs/Assistants .....	16	
Fig 8d: Average day rate by job title – Others.....	17	
Fig 9: Average day rate by Job Title and Gender .....	18	
Fig 10: Salaries.....	19	
Fig 11: Average salary by region and discipline .....	20	
Fig 12a: Average salary by job title - Directors .....	21	
Fig 12b: Average salary by job title – Managers & Execs .....	22	
Fig 12c: Average salary by job title – Other .....	23	
Fig 13: Average salary by Job Title and Gender.....	24	
Fig 14: Client key reasons for freelance assignment.....	25	
Fig 15: What first got you into freelancing? .....	26	
Fig 16: Key reasons for freelancing.....	27	
Fig 17: Main disadvantages of freelancing .....	28	
Fig 18: What traits are needed to be a successful freelancer?.....	29	
Fig 19: How long do you anticipate freelancing for? .....	30	
Fig 20: Most popular networking communities used .....	31	
<b>4. Contact Information</b> .....	<b>32</b>	

## Introduction



### Introduction by mad.co.uk

The results are in! mad.co.uk and the SG Group's first ever Salary & Benefits Survey for the Freelance & Interim sector has been completed by more than 700 professionals working in marketing, media, advertising and design.

In a world where the "job for life" is rapidly disappearing and both clients and agencies are changing the way they are structured, increasing numbers of professionals are finding themselves doing freelance stints, either by design or circumstance. In fact, 40 per cent of the poll said that freelancing was a conscious career choice.

Now to the salaries and whether you are earning a fair wage for your hard work....

Reflecting the pay disparity in the world of permanent positions, overall men in freelancing are paid an average of 12 per cent more than women, with the average day rate for men being £260 and the average day rate for women being £232.

For those respondents on a paid annual salary (or pro rata annual salary), the national average is £41,460 with the average London salary slightly higher at £42,505. The discrepancy between male and female pay is slightly less, with men earning on average eight per cent more than women.

A near majority (91 per cent) of respondents said that as freelancers they expected to be paid more than permanent staff - the rate has to make up for a lack of paid holiday, pension contributions and sick pay for most - and 82 per cent said that they believe they are being paid fairly.

Continuing the positive theme, 29 per cent of the poll said that they had received or negotiated a pay rise during an assignment, thanks to the fluid nature of freelancing and changes in their initial role. A pay rise was expected by 55 per cent in the next six months. Money is not the only driver though, as benefits are highly valued and just over half the respondents said that the benefits offered by a company influenced their choice of recruitment/interim agency or direct contact with a company. Something worth knowing!

So what are the downsides? Uncertainty and unpredictable earnings were frequently mentioned, with 30 per cent of the poll having a notice period of one month and 32 per cent working to a notice period of one week or less.

However, these anxieties are balanced against the flexibility this career option offers and 51 per cent of respondents said that was their main motivation. The opportunity to develop a breadth of skills, which makes one more attractive in the job market, was seen as a very positive outcome of freelancing and 71 per cent said that that they have been able to develop their career.

**Branwell Johnson, Editor, mad.co.uk**



## Introduction by The SG Group

We are extremely pleased to present this year, for the first time, an annual salary survey giving an insight into the world of freelancers. "About time!" you might well be thinking, particularly as more professionals are freelancing out of choice (rather than necessity) than ever before. And, with our long history in the freelance world, you might also expect us to know all the answers, but some surprising nuggets of information have been unearthed.

For us, the good news is that recruitment agencies are still in poll position when it comes to finding work. Personal networks were the next most important route into work, but recruitment agents still held a lead of almost 10 per cent over other job search methods (and I suspect that good agents are almost considered to be part of the 'personal network'). Either way, these statistics don't overly surprise me – possibly because, by necessity, long-term relationships between agents and freelancers must exist.

However, while on the subject of 'the personal touch', the survey results suggest to me that employers sometimes forget to view freelancers as part of the team. Think about this; 83 per cent of freelancers receive no benefits. They don't have regular salary reviews, and a significant number are not aware that have a legal right to paid holidays.

Bearing in mind the specialist skills a freelancer can bring, it seems silly not to reap significant organisational benefits simply by being a little more inclusive.

Despite this obvious need for more inclusive behaviour, it was interesting that over 70% believed that their career has developed while freelancing. A main reason for this was the opportunity to broaden their experience in ways not available to those in permanent positions. This statistic certainly gives lie to the idea that career progression is the preserve of full-time employees. Particularly when you consider that about 60 per cent will eventually return to full-time employment.

There are many useful insights in these results, but for me there is a clear message coming through: employers need to not only recognise the added value provided by freelancers, but to reward them. And I don't necessarily mean spending more money, just acknowledging that they can be a lot more beneficial to an organisation if they aren't simply seen as a short-term overhead.

Treat them like they're part of the team. Because they are.

**Pip Zingg, Leader of Operations, The SG Group**

## Executive Summary

### ■ Respondent Profile

- 59% Female
- 41% Male
- The average age of respondents is 37
- Average day rate – £244; Average salary - £41,460
- 80% London and SE based
- 68% of respondents freelancing full-time
- 71% of respondents are educated to a degree level or above
- 61% of respondents working client –side
- 72% of respondents are paid a day rate (as opposed to a fixed fee, or pro rata annual salary)

### ■ Work history & background to freelance assignments

23 per cent of respondents have worked between 6 and 10 years and over a third (39%) have been working more than 16 years in total. On average, professionals in the marketing and creative fields have 12 years and 4 months work experience in total. The average time spent freelancing is 3 years and 2 months, and respondents spend an average of 4.4 months on an assignment. Marketing and creative freelance professionals work an average of just under 30 hours a week.

45 per cent of respondents currently work for more than one employer and in the main, respondents work from employers offices (55%). 42 per cent of respondents manage staff, and of these, 73 per cent manage teams of between one and five people.

## ■ Notice Period

36 per cent have a notice period of one month and 32 per cent work to a notice period of one week or less. The average notice period is 3.5 weeks.

## ■ Salary

91 per cent of respondents said that as freelancers, they expected to be paid more than someone doing the equivalent job on a full time basis. 82 per cent believe that their remuneration fairly reflects their responsibilities. Of the 18 per cent who disagree, comments refer to the difficulty in increasing rates for long term clients and also to clients' budgetary constraints when it comes to hiring freelancers. There is also a feeling amongst this group of respondents that 'you can't put a price on a good idea'.

In terms of how freelancers are paid for the work that they do, 40 per cent of respondents invoice the client directly, with Ltd Company status. 25 per cent are paid via the recruitment provider's payroll.

72 per cent of respondents are paid a day rate for their work, while 16 per cent are paid a pro rata annual salary. The remaining 12 per cent of respondents are paid a fixed fee and work on a project basis.

### **Day rates**

Of those respondents who are paid a day rate, the national average day rate for marketing and creative freelancers is £244. The average London day rate is lower than the national average, at £230. In relation to gender, overall men are paid an average of 12 per cent more than women, with the average day rate for men being £260 and the average day rate for women being £232.

In terms of roles, at director level, CEO's and Partners are the highest earners in the marketing and creative fields, earning an average day rate of £483. At managerial level, Business Development Managers are the highest earners with an average day rate of £286. At executive level, PR

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Executives came top of the earnings scale with day rate of £153. Finally, in other levels, Business Consultants were on top with an average day rate of £382.

## **Annual Salaries and fixed fees**

For those respondents who are paid an annual salary (or pro rata annual salary if receiving a fixed fee), the national average salary for marketing and creative freelancers is £41,460. The average London salary is slightly higher than the national average, at £42,505. There is also a discrepancy between male and female salaries in the freelancing world, with men earning on average 8% more than women. The average salary for men is £43,479, whereas for women it is £40,306.

Looking at average annual salaries based on role, Sales Directors top the list of Director-level titles, with an average annual salary of £100,000+. At Managerial level, Business Development Managers earn the most, with an average salary of £60,033. At executive level, Events Executives earn the most, with an average salary of £35,000. In other levels, Business Consultants came highest with an average salary of £67,000.

## **Salary Increase**

29 per cent of respondents said they had received or negotiated a pay increase during an assignment. 55 per cent of all respondents said that they were expecting a pay increase in the next 6 months.

## ■ **Benefits**

A massive 83 per cent of respondents working via a recruitment/interim provider do not receive any benefits in addition to their salary. Of those that do receive benefits, the most popular one is paid holiday, followed by bonuses, sick pay and pension scheme. Other benefits include gym membership and lunches. Just over half of respondents (51%) said that the benefits offered by a company influenced their choice of recruitment/interim provider used or company worked for.

## ■ Job-seeking, motivations and career development

45 per cent of respondents said that they use a recruitment agency to find freelance work. 36 per cent cited personal networks as the second most popular approach. Respondents spend an average of 15 per cent of their time looking for work, relative to time spent working.

When asked what the client's main motivation was for their last assignment, 27 per cent of respondents cited **specialist skills** as the main reason. This was followed by **specific project** (20%) and **busy period** (17%). Other reasons included maternity cover, crisis management, and holiday cover.

In terms of what first got respondents into freelancing, 40 per cent said that it was a conscious career choice.

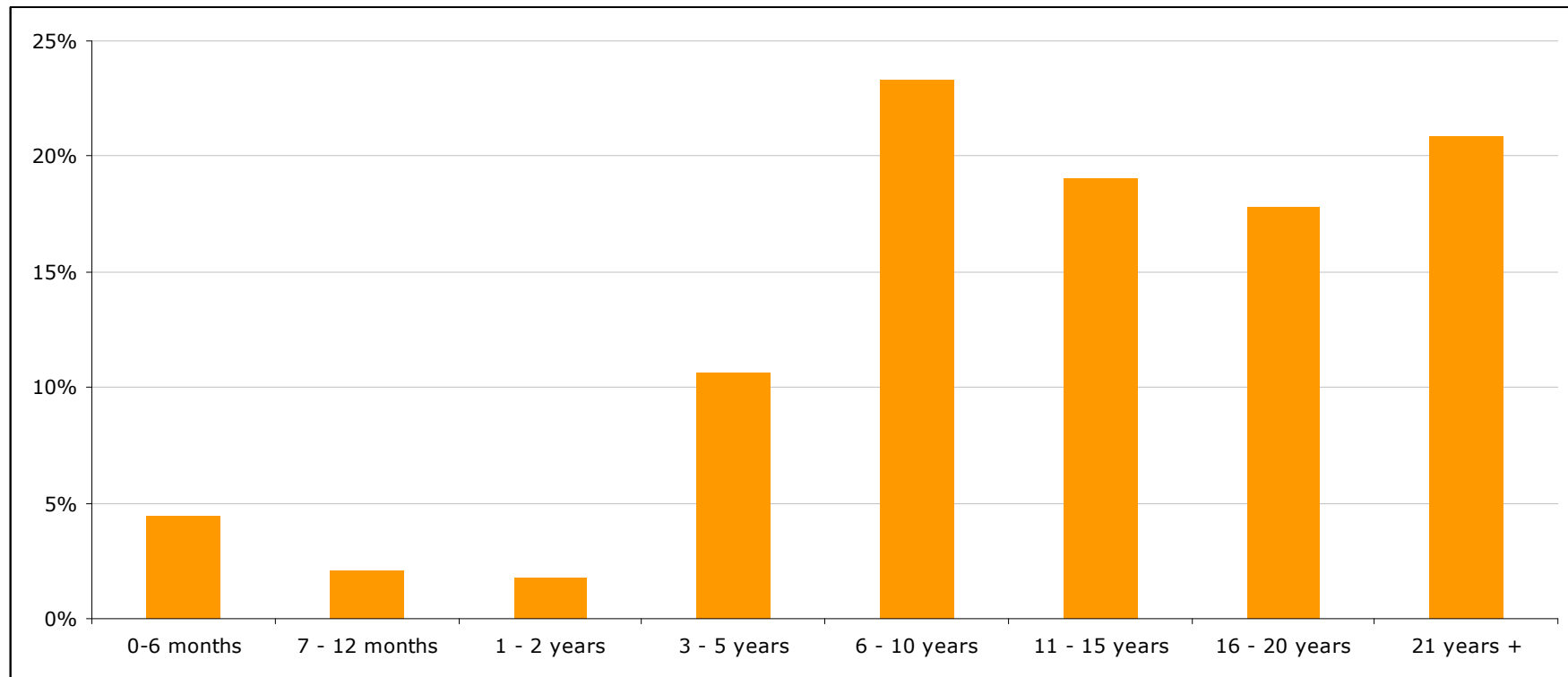
Two thirds of respondents said that uncertainty about the future and unpredictable earnings were the main disadvantages of freelancing. This is balanced against the main motivation for freelancing – 51 per cent of respondents said that flexibility was one of the main motivators for freelancing as opposed to working in permanent employment. However, this seems to be a two way process - when asked what traits are required to make a successful freelancer, 71 per cent of respondents agreed that flexibility and adaptability were key.

41 per cent of respondents anticipate freelancing long term and a further 21 per cent say that they will continue to freelance for between one and two years more. 71 per cent feel that they have been able to develop their career while freelancing. When asked how they had done this, many said that the ability to work across a varied client base had allowed them to develop a breadth of skills and a depth of knowledge that they may not have gained if working in the permanent sector.

## Graphical Analysis

**Fig 1: Total Work Experience**

(Base: All respondents)

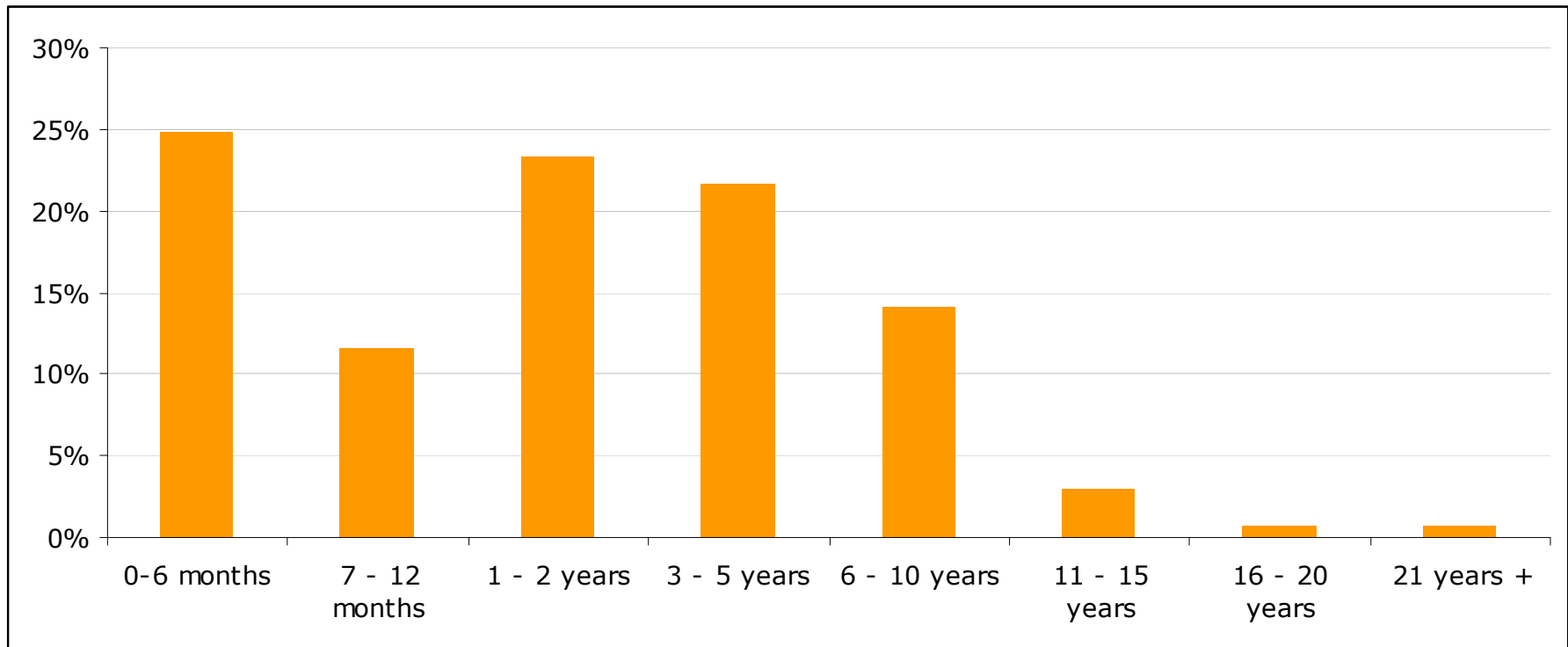


23 per cent of respondents have worked between 6 and 10 years and a massive 39 per cent have been working more than 16 years in total.

On average, professionals in marketing and creative fields have 12 years and 4 months work experience in total.

**Fig 2: Total time spent freelancing**

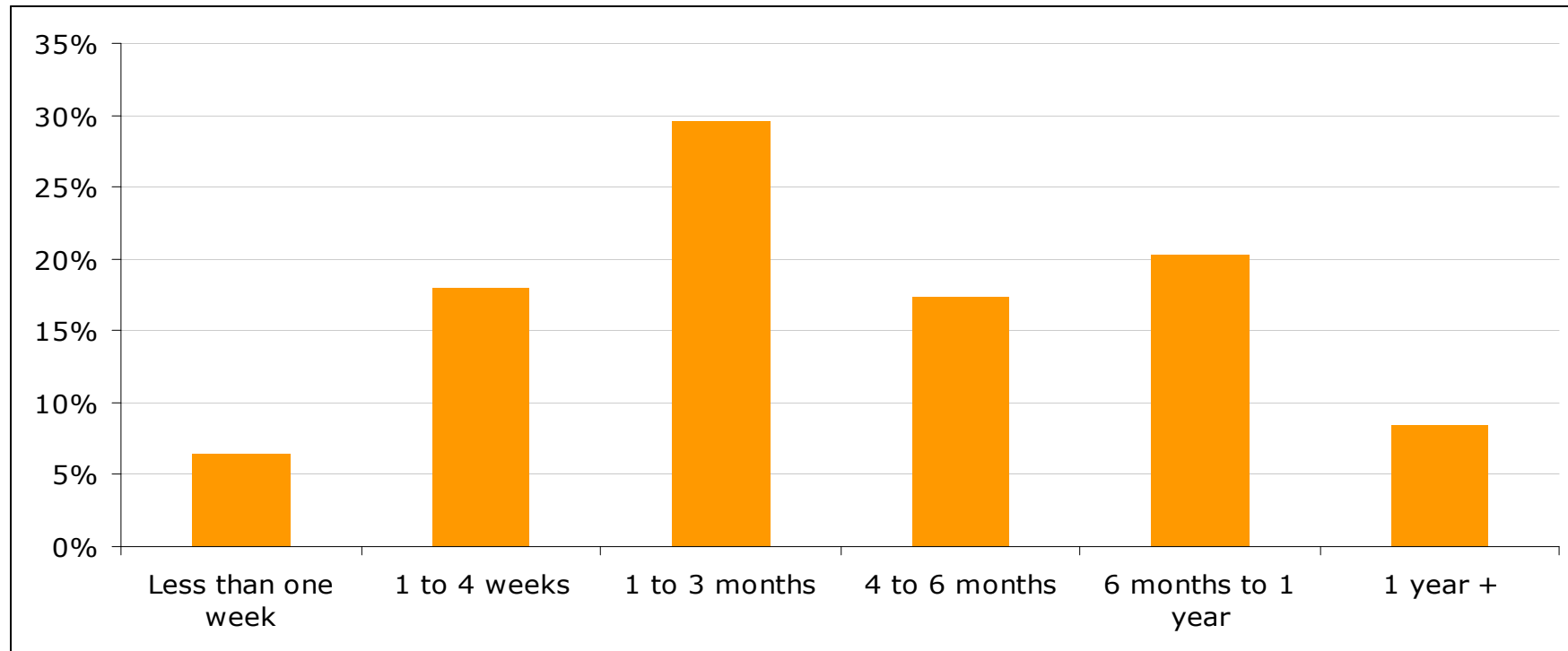
(Base: All respondents)



36 per cent of respondents are relatively new to this way of working, having been working on a freelance basis for a year or less. 18 per cent have been freelancing for more than 5 years. The average length of time spent freelancing so far is 3 years and 2 months.

**Fig 3: Average duration of freelance assignments**

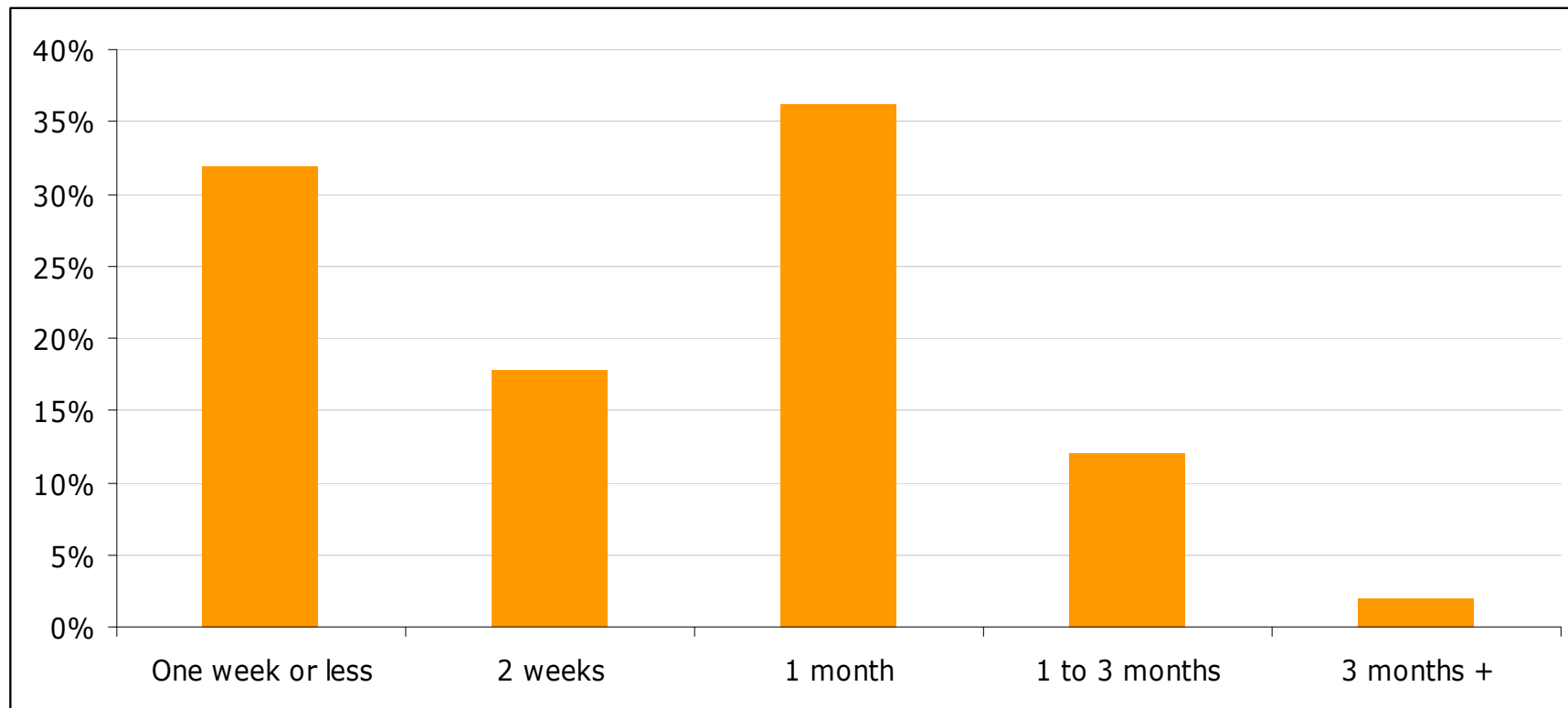
(Base: All respondents)



71 per cent of the freelance assignments undertaken by respondents are less than 6 months in duration. Almost a quarter (24%) of assignments last one month or less, and most assignments (30%) last for between 1 and 3 months. The average duration of an assignment is 4.4 months.

**Fig 4: Notice Period**

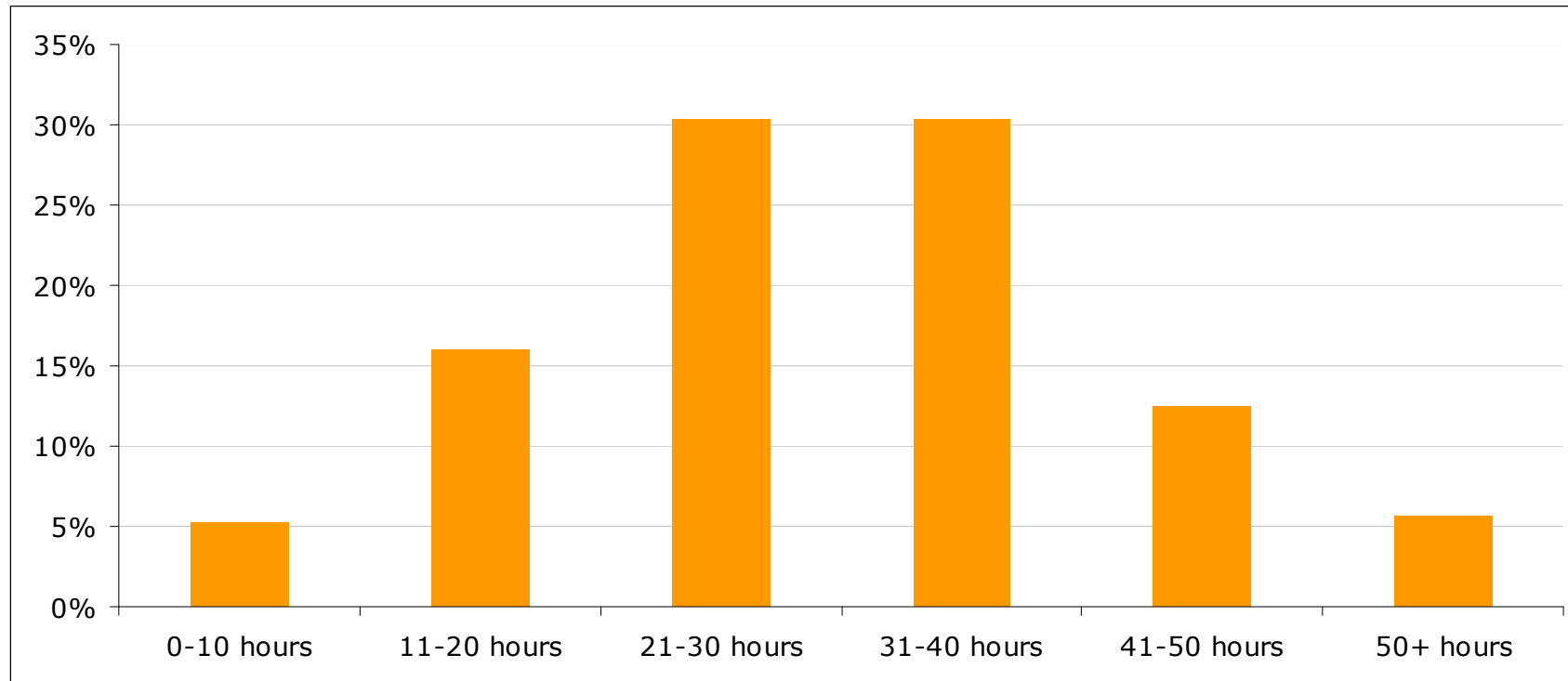
*(Base: Respondents who work to a notice period – 55% of total respondents)*



36 per cent have a notice period of one month and 32 per cent work to a notice period of one week or less. The average notice period is 3.5 weeks.

**Fig 5: Weekly Working Hours**

*(Base: Part time workers only – 20% of total respondents)*



The hours worked by part time freelancers varies widely and in some cases exceeds standard full time hours. 60 per cent of respondents work over 20 hours per week, and almost a fifth (18%) work more than 41 hours per week. Marketing and creative freelance professionals work an average of just under 30 hours a week.

**Fig 6: Day rates**

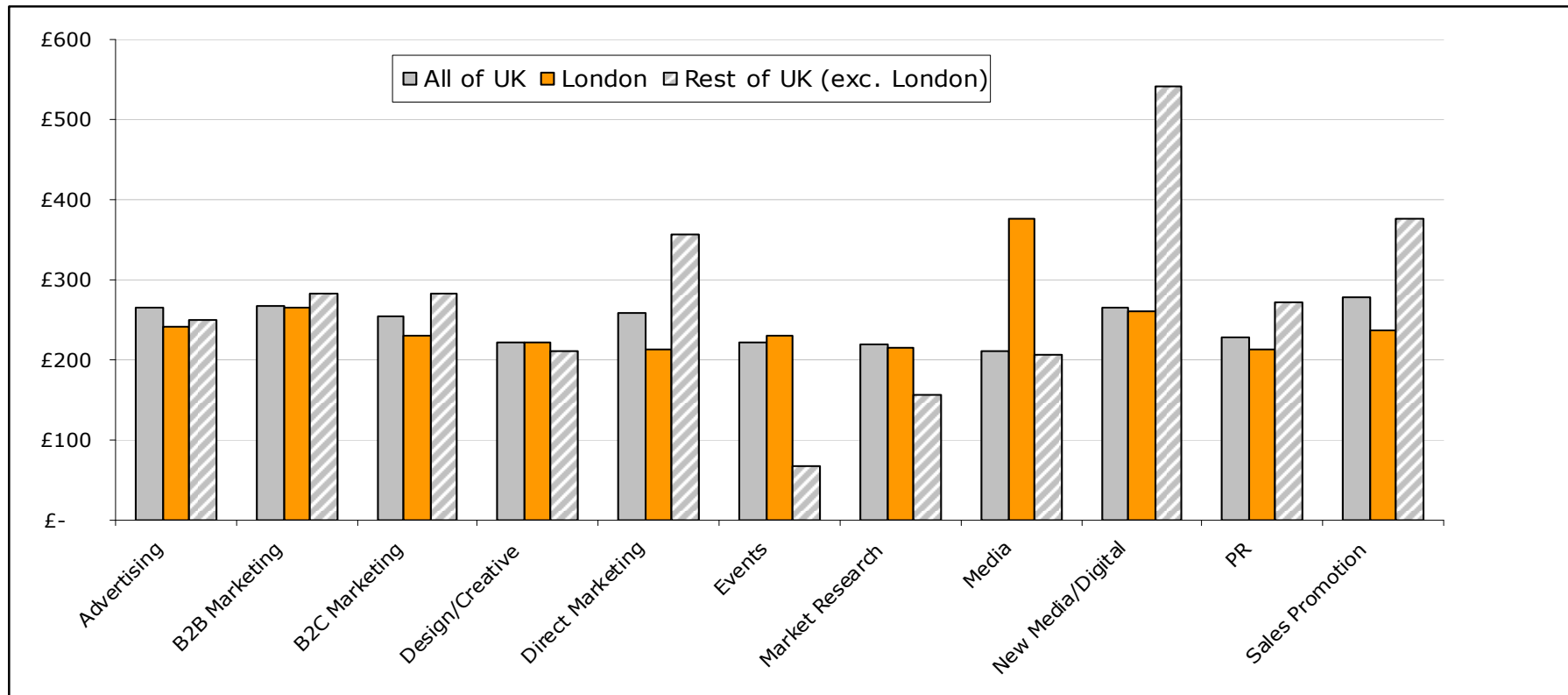
(Base: Respondents who earn a day rate - 72% of total respondents)



The most commonly occurring salary bands are between £151 - £200 and between £201 - £300, with 26% and 24% of respondents falling into these brackets respectively. 28 per cent of respondents are earning in excess of £300 per day, with 8 per cent earning upwards of £500 per day. The national average day rate for marketing and creative freelancers is £244.

**Fig 7: Average Day Rate by Region and Discipline**

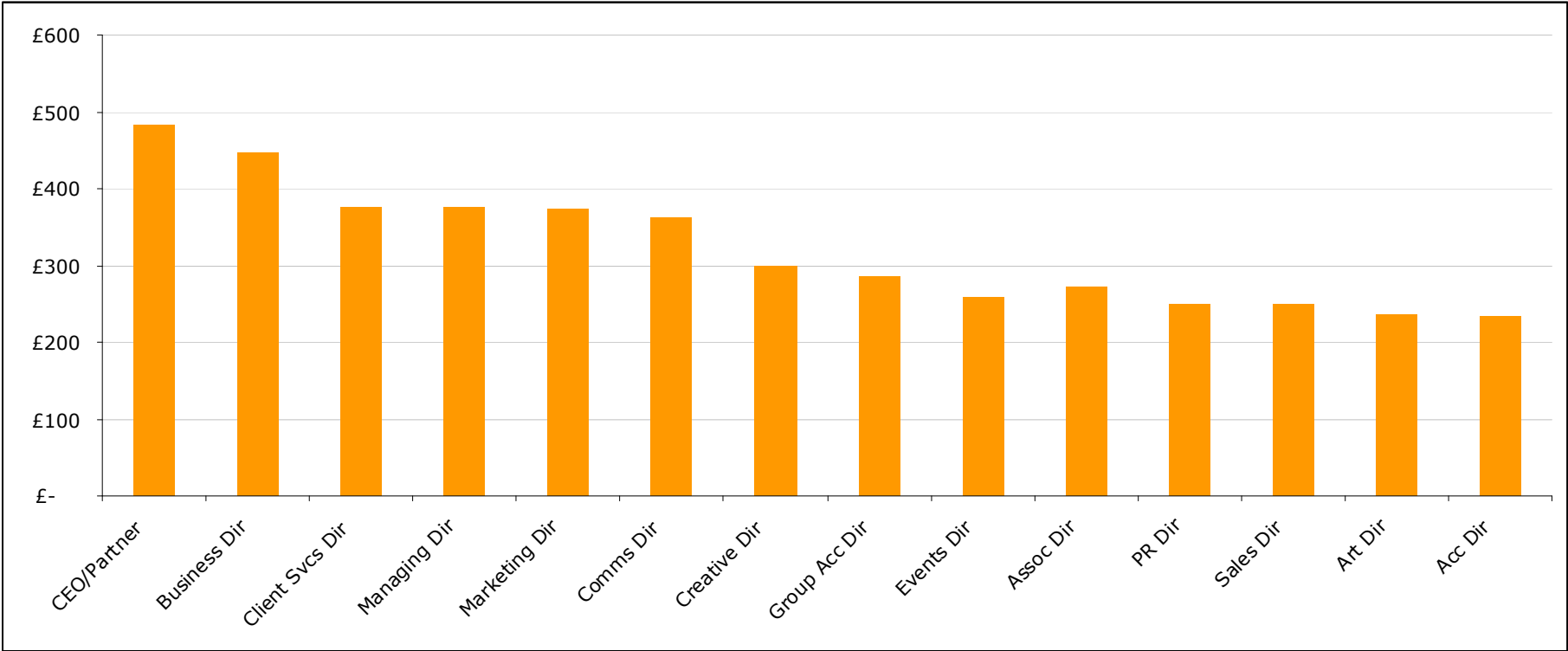
(Base: Respondents who earn a day rate - 72% of total respondents)



Average London day rates are higher in comparison with the rest of the UK in four disciplines out of eleven: Events earn 71% more than their counterparts living elsewhere in the UK; Media earn 45% more; Market Research earn 26% more; and Design & Creative earn 5% more than their counterparts living elsewhere in the UK. However, in the Marketing disciplines, average London day rates are lower than those in the rest of the UK – 68%, 23% and 6% lower for Direct Marketing, B2C Marketing and B2B Marketing respectively. The largest discrepancy in the average day rate between respondents working in London compared to the rest of the UK was found in Digital/New Media – 108% lower in London.

**Fig 8a: Average Day Rate by Job Title – Directors**

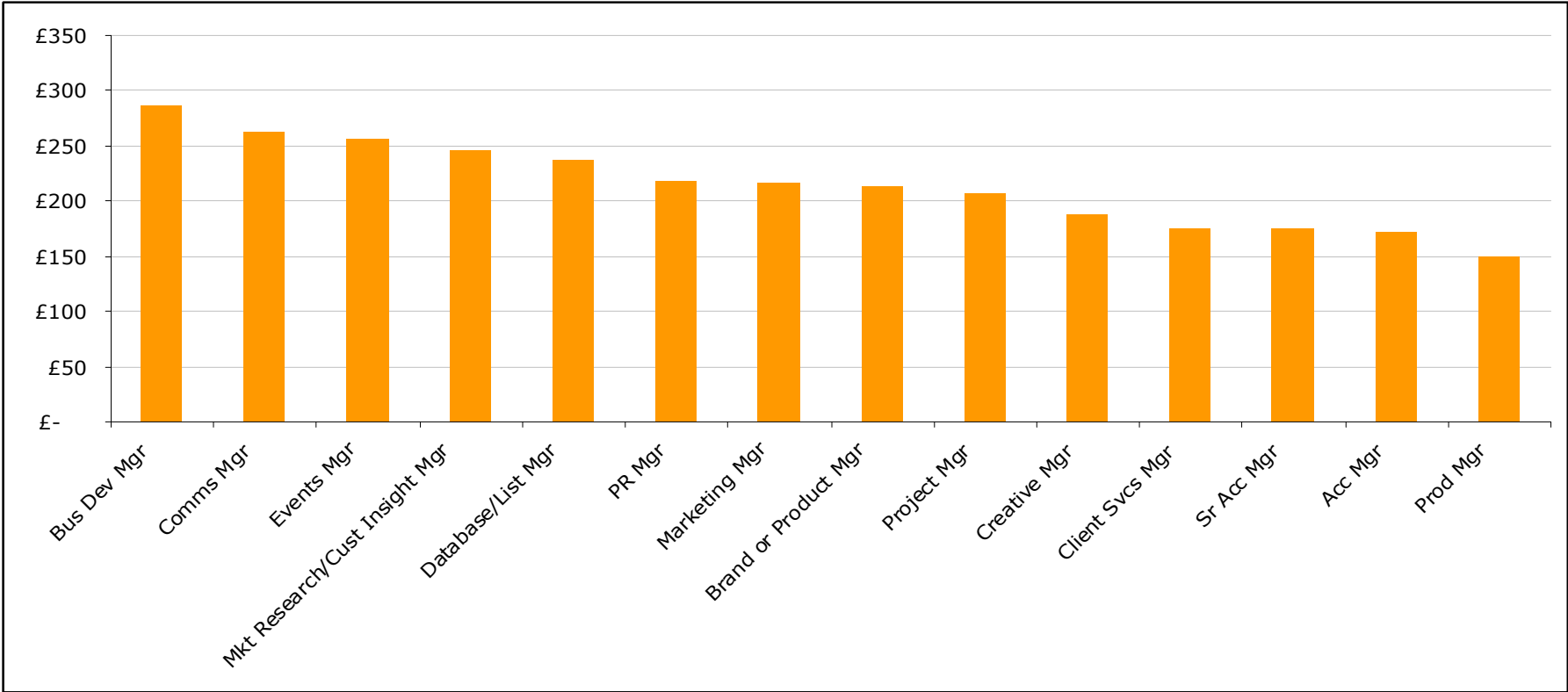
(Base: Respondents who earn a day rate - 72% of total respondents)



CEO's and Partners earn the most in the Director category, with an average day rate of £483, followed by Business Directors (£446) and Client Services Director (£376). The average day rate for respondents in the Director category is £306.

**Fig 8b: Average Day Rate by Job Title – Managers**

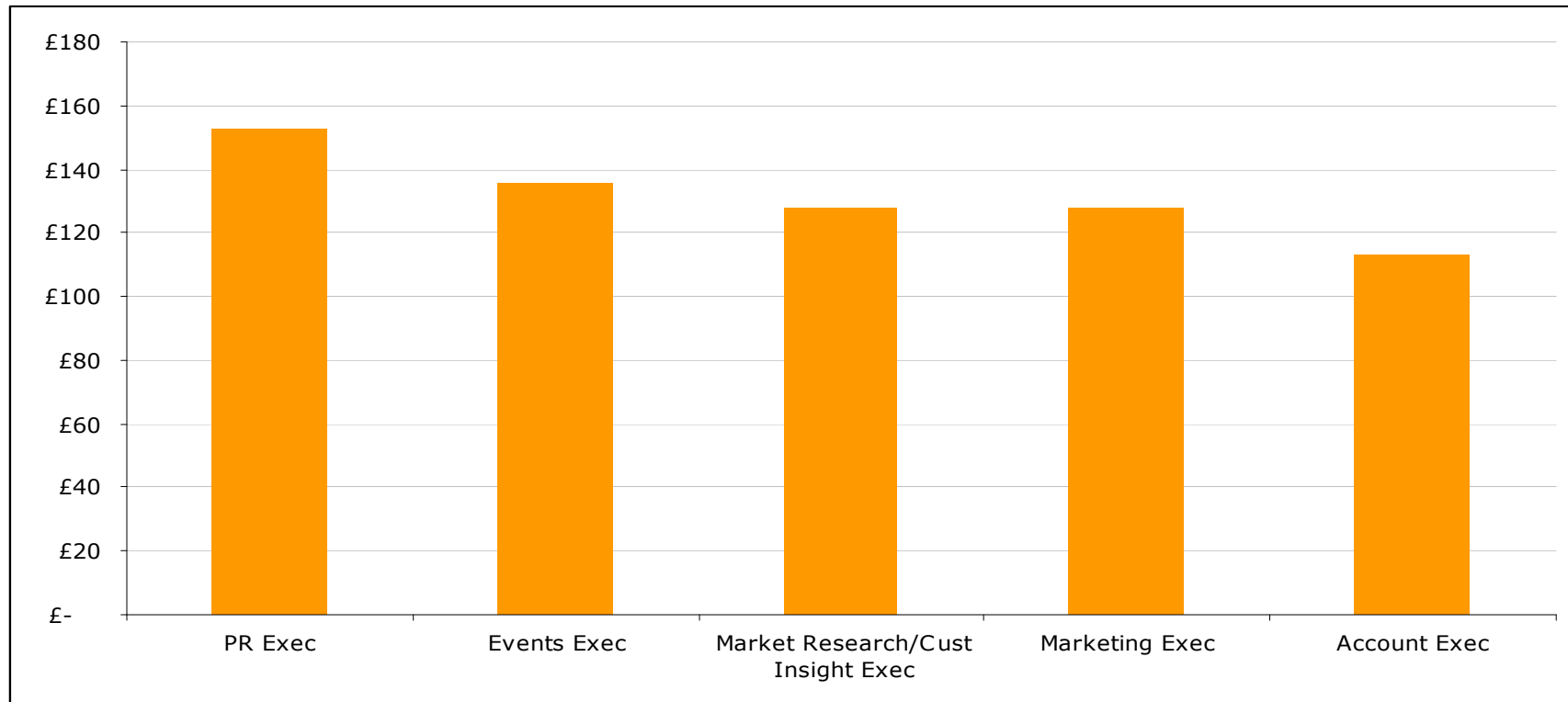
(Base: Respondents who earn a day rate - 72% of total respondents)



Business Development Managers earn the most in the Manager category, with an average day rate of £286, followed by Communications Managers (£263) and Events Managers (£257). The average day rate for respondents in the Manager category is £225.

**Fig 8c: Average Day Rate by Job Title – Executives/Assistants/Coordinators**

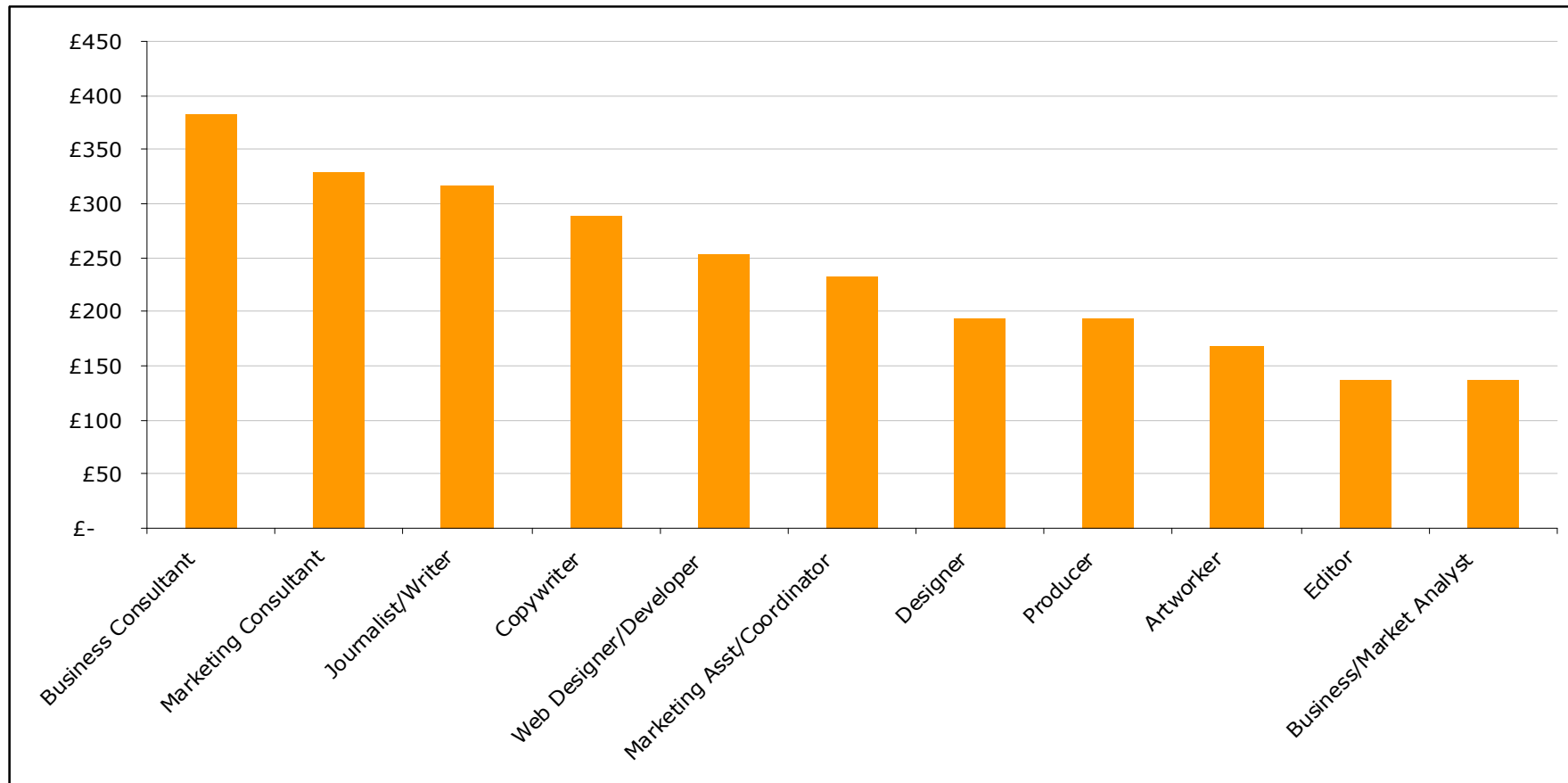
(Base: Respondents who earn a day rate - 72% of total respondents)



PR Executives are at the top of the scale in this category, with an average day rate of £153. Account Executives earn the least, with an average day rate of £113. The average day rate for respondents in this category is £130.

**Fig 8d: Average Day Rate by Job Title – Other professionals**

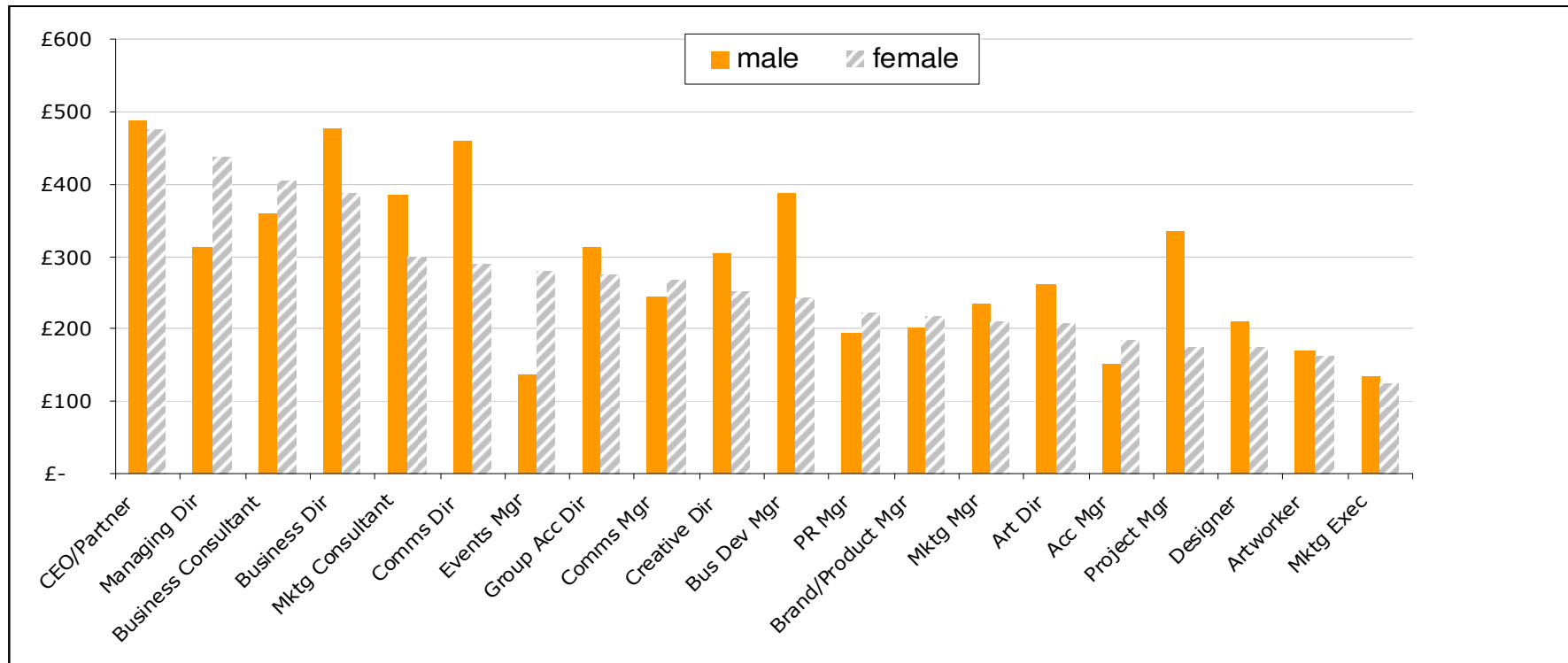
(Base: Respondents who earn a day rate - 72% of total respondents)



Business Consultants earn the most in this category, with an average day rate of £382, followed by Marketing Consultant (£329) and Journalist/Writer (£317). The average day rate for respondents in this category is £254.

**Fig 9: Average Day Rate by Job Title and Gender**

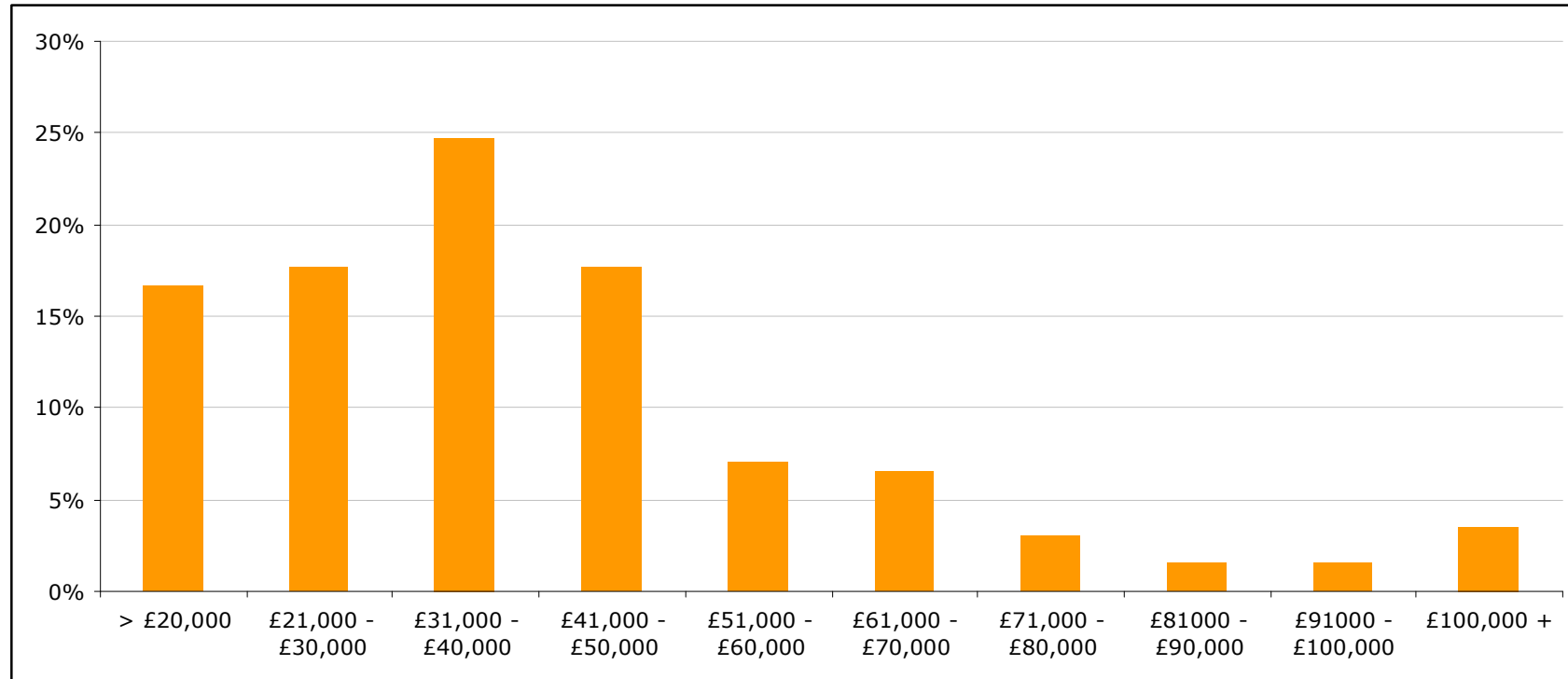
(Base: Respondents who earn a day rate - 72% of total respondents)



Female respondents earn higher average day rates for 7 out of 20 job titles. The largest difference is for female Events Managers, who earn on average 52 per cent more than men. However, in 13 job titles, the average day rate for men is higher than that for women – the difference is most marked for Project Managers, where men earn on average 91 per cent more than women.

**Fig 10: Salaries**

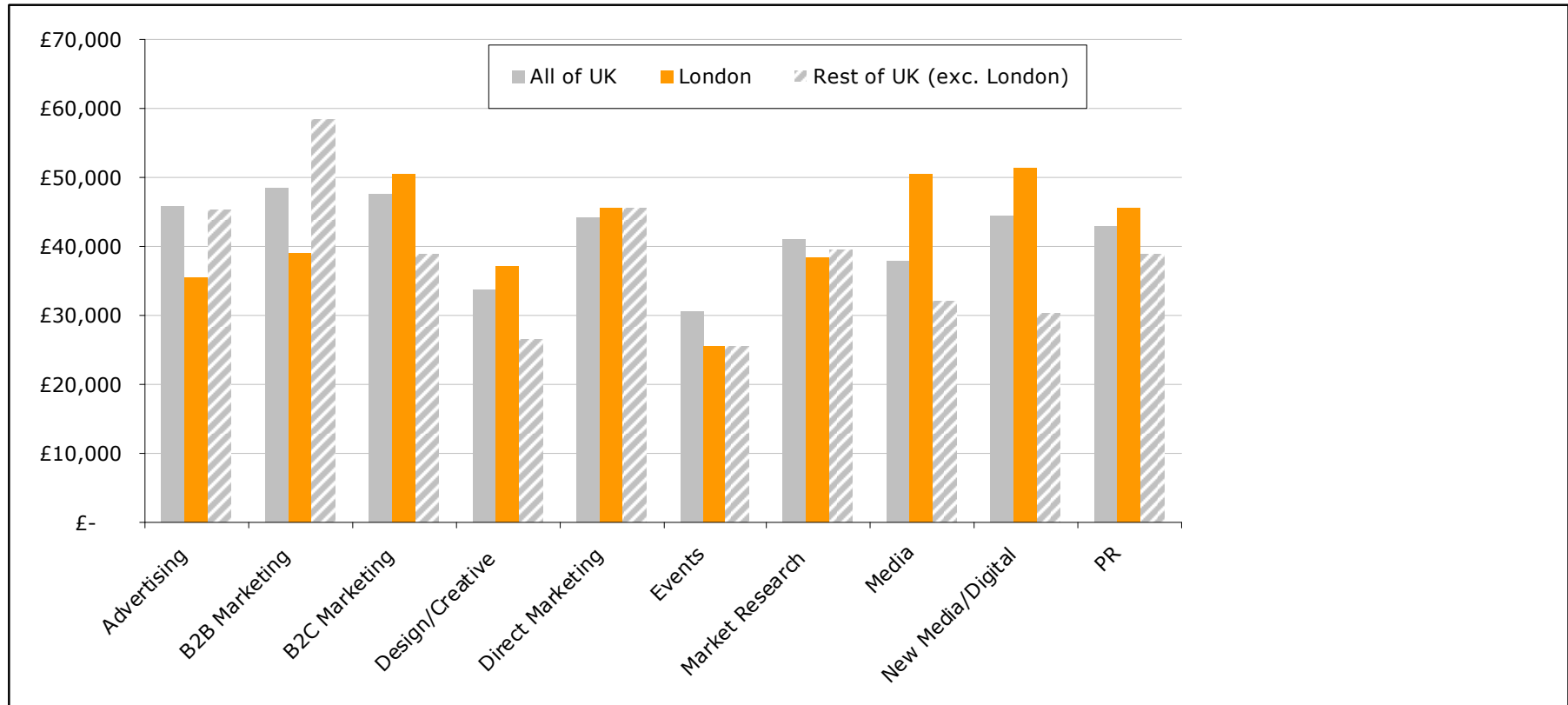
(Base: Respondents who earn an annual or pro rata annual salary – 28% of total respondents)



The most commonly occurring salary bands are £31,000 - £40,000, £21,000 - £30,000 and £41,000 - £50,000 with 26 per cent, 17 per cent and 17 per cent of respondents falling into these brackets respectively. 42 per cent of respondents are earning in excess of £40,000, with 11 per cent earning upwards of £70,000. The national average salary for marketing and creative freelancers is £41,460.

**Fig 11: Average Salary by Region and Discipline**

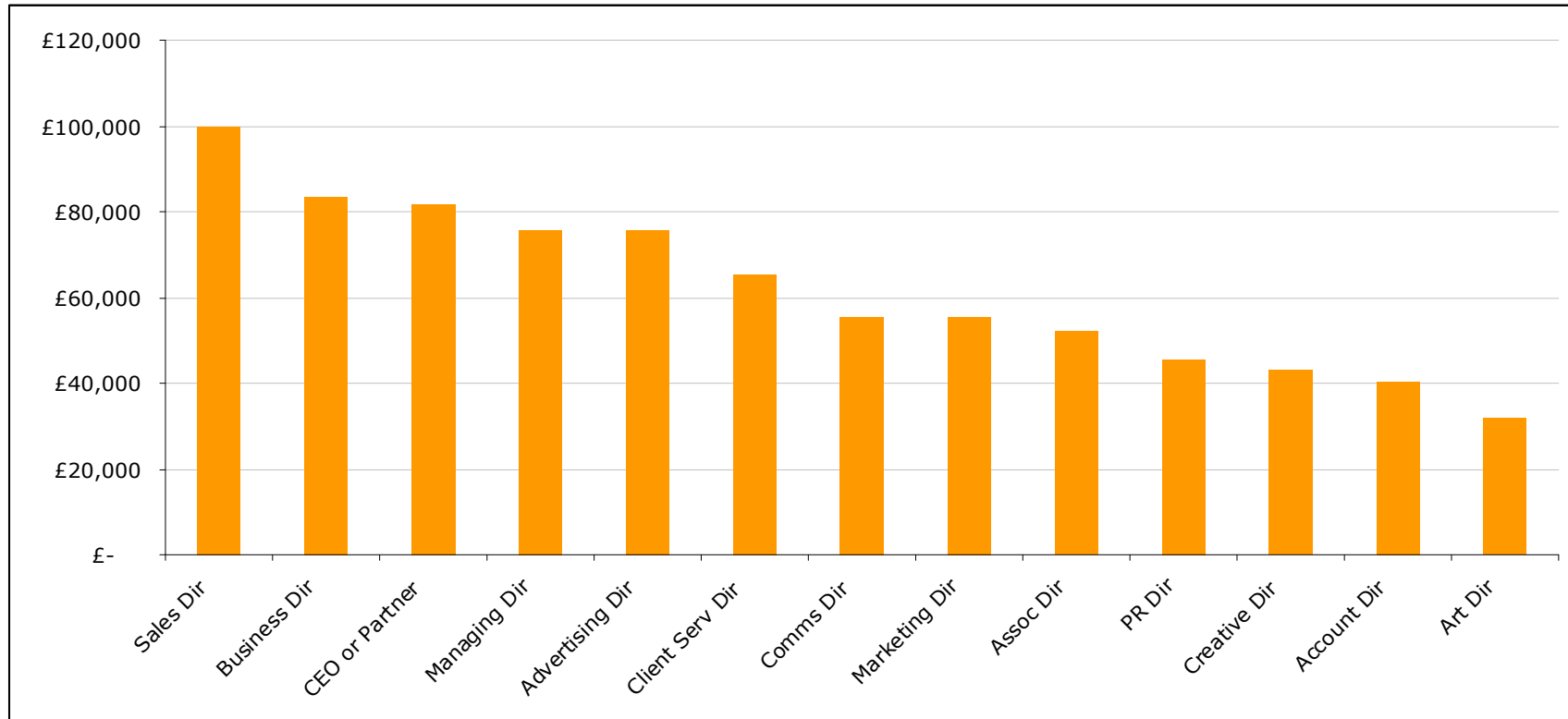
(Base: Respondents who earn an annual or pro rata annual salary – 28% of total respondents)



Average London salaries are higher in comparison with the rest of the UK in five disciplines out of ten: New Media/Digital earn 41% more than their counterparts living elsewhere in the UK; Media earn 36% more; Design & Creative earn 26% more; and B2C Marketing earn 23% more than their counterparts living elsewhere in the UK. However, in other disciplines, London respondents did not fare so well, with respondents working in B2B Marketing earning on average 50 per cent less than their counterparts elsewhere in the UK. There was no discrepancy in average pay for Events and Direct Marketing.

**Fig 12a: Average Salary by Job Title – Directors**

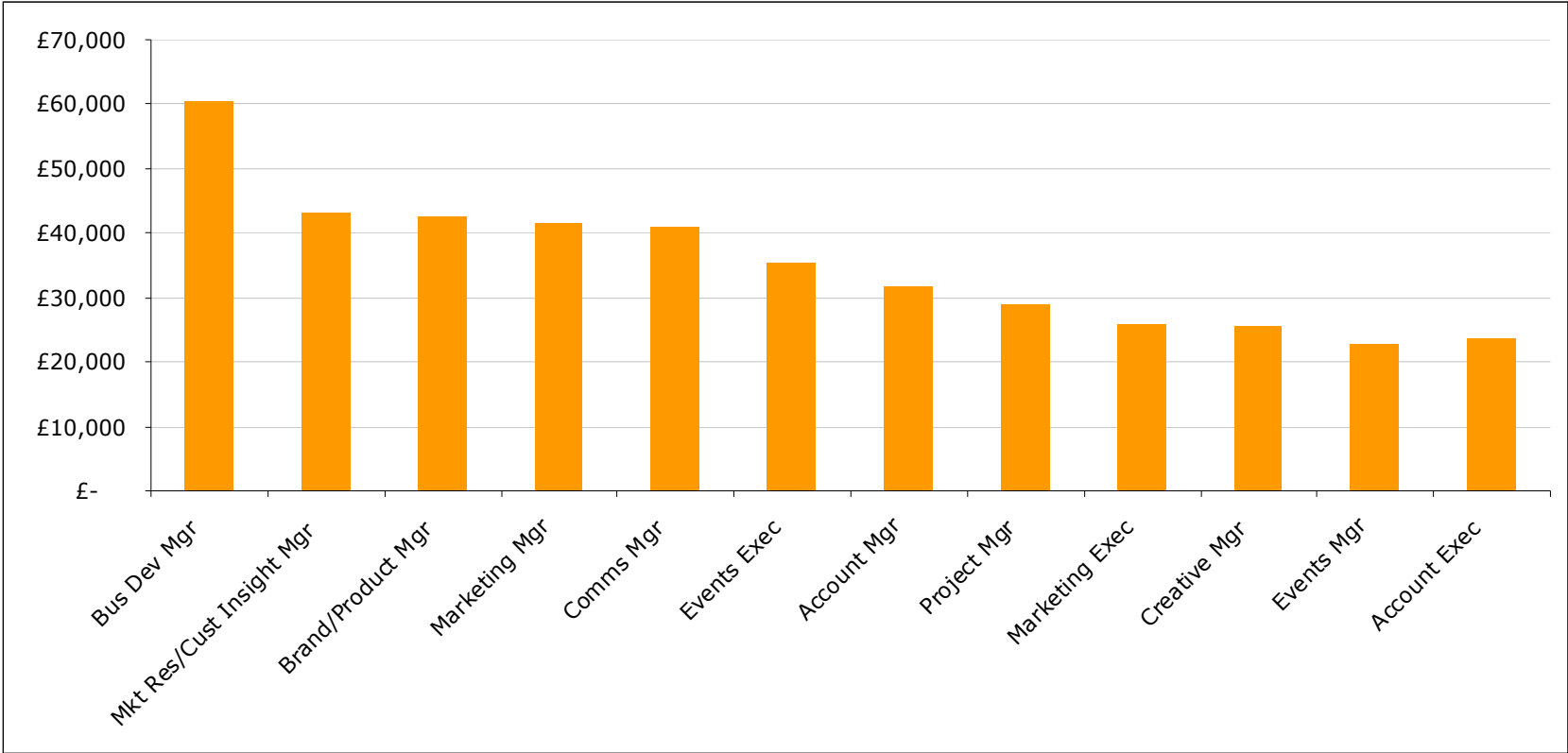
(Base: Respondents who earn an annual or pro rata annual salary – 28% of total respondents)



Sales Directors earn the most in the Director category, with an average salary of £100,000, followed by Business Directors (£83,300) and CEOs/Partners (£81,833). The average salary for respondents in the Director category is £56,095.

**Fig 12b: Average Salary by Job Title – Managers & Executives**

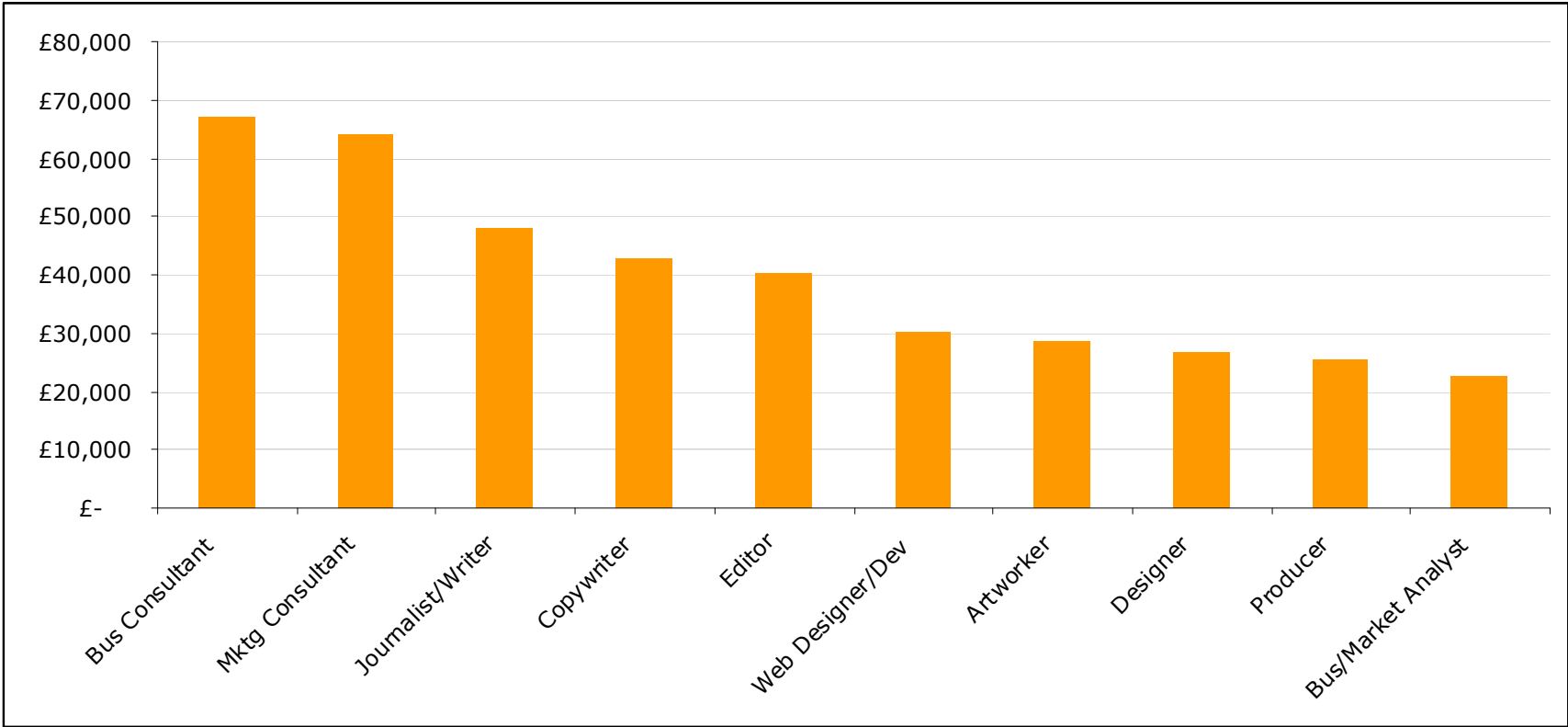
(Base: Respondents who earn an annual or pro rata annual salary – 28% of total respondents)



Business Development Managers earn the most in this category, with an average salary of £60,333, followed by Market Research/Customer Insight Managers (£43,278) and Brand/Product Managers (£42,500). The average salary for respondents in this category is £37,768.

**Fig 12c: Average Salary by Job Title – Other titles**

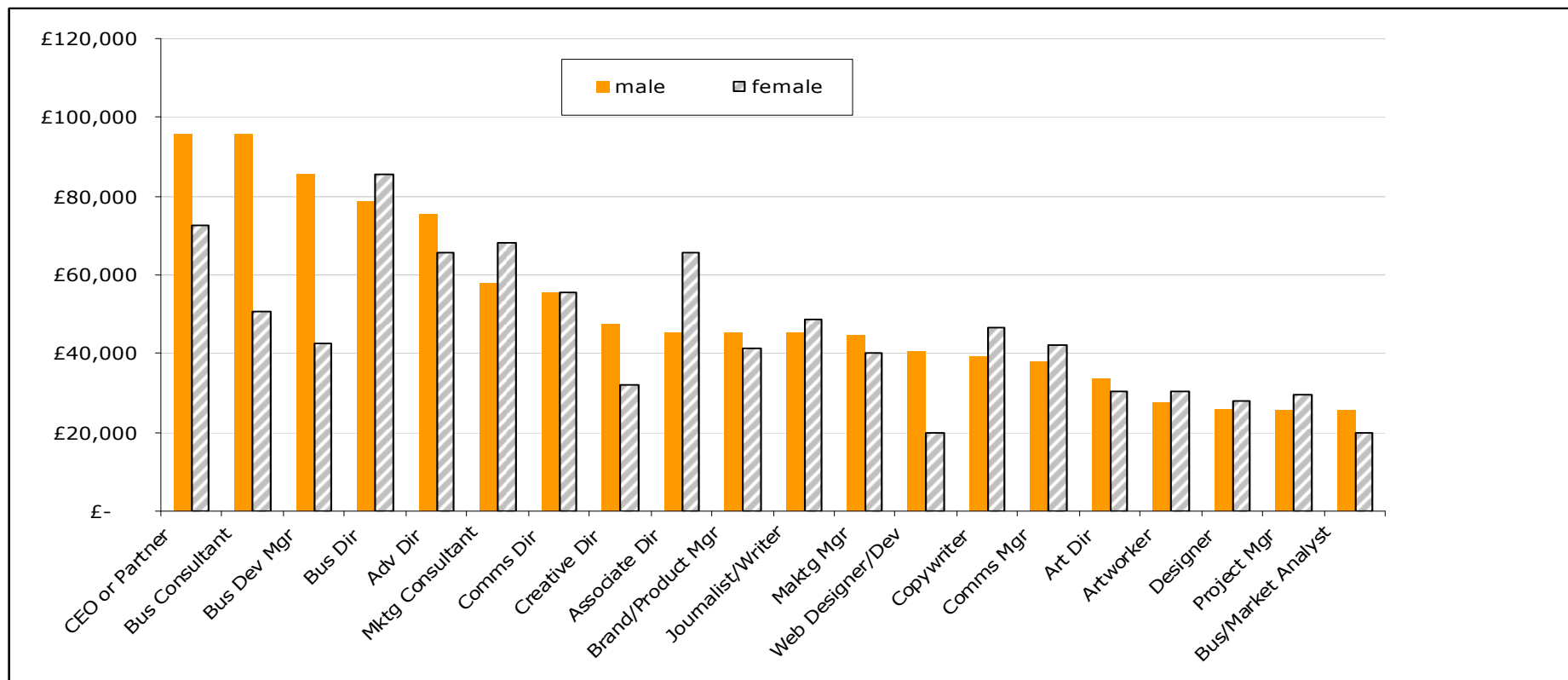
(Base: Respondents who earn an annual or pro rata annual salary – 28% of total respondents)



Business Consultants earn the most in this category, with an average salary of £67,000 followed by Marketing Consultants (£63,950) and Journalists/Writers (£48,000). The average salary for respondents in this category is £37,229.

**Fig 13: Average Salary by Job Title and Gender**

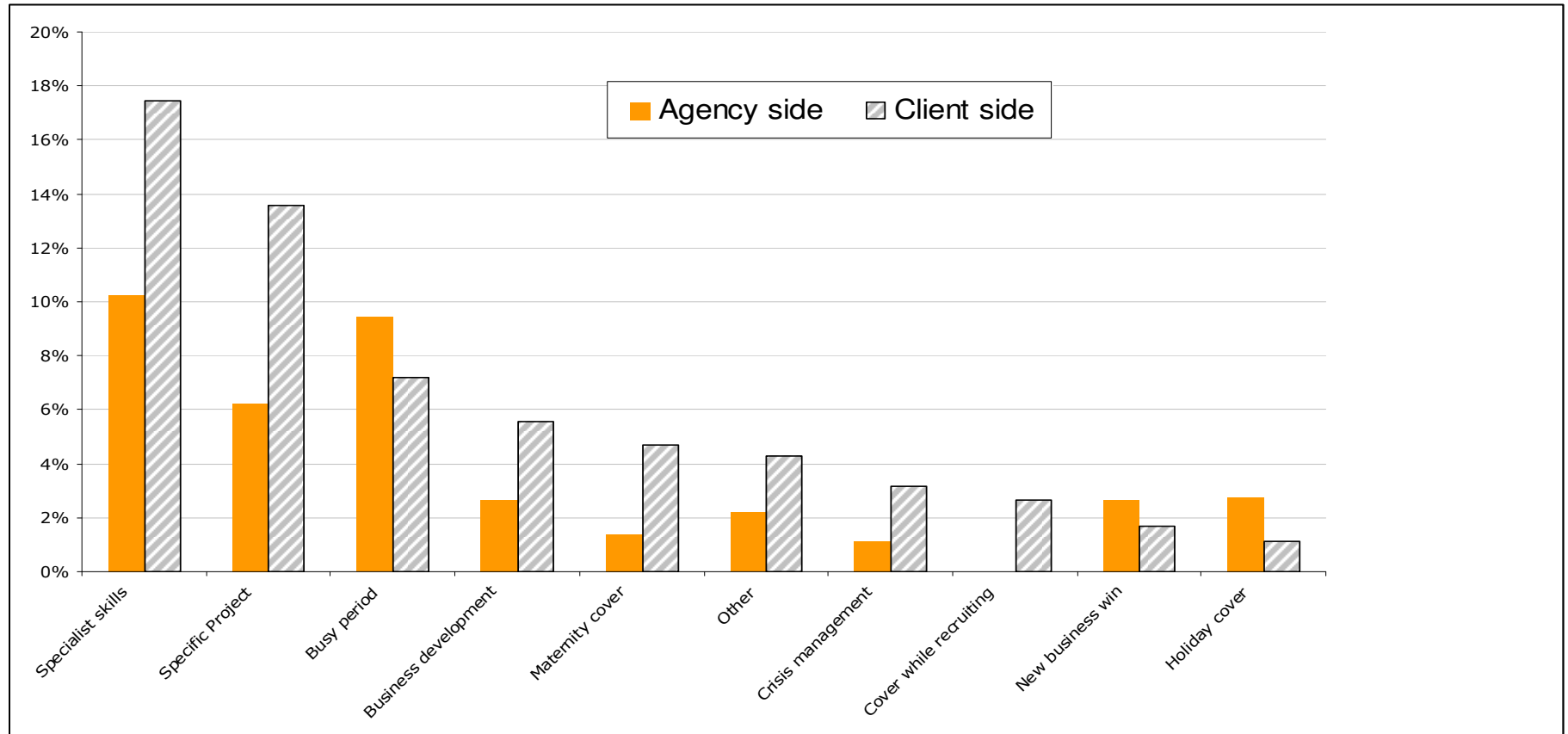
(Base: Respondents who earn an annual or pro rata annual salary – 28% of total respondents)



Female respondents earn higher average salaries than men for 9 out of 20 job titles. The largest difference is for female Associate Directors, who earn on average 31 per cent more than men. However, in 10 job titles, the average day rate for men is higher than that for women – the difference is most marked for Business Development Managers, where mens’ salaries are on average double those of women.

**Fig 14: Client key reasons for freelance assignment**

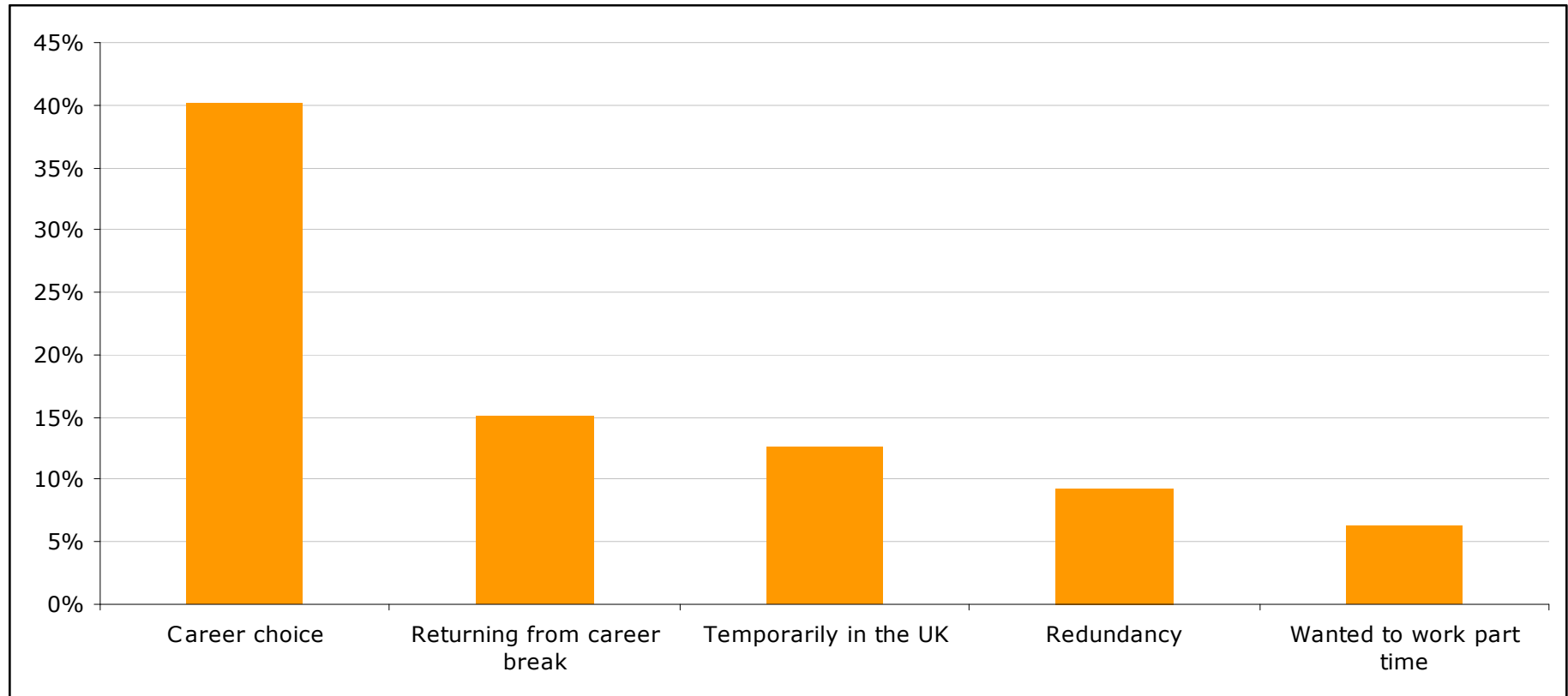
(Base – all respondents: respondents selected up to 3 answers which they considered the most important)



For those respondents working agency side, the most popular reason cited for why the client recruited for that particular assignment was **specialist skills**. Followed by **busy period** and **specific project**. On the client side, the same reasons came top. **New business development** and **maternity cover** were also cited as important reasons on the client side.

**Fig 15: What first got you into freelancing?**

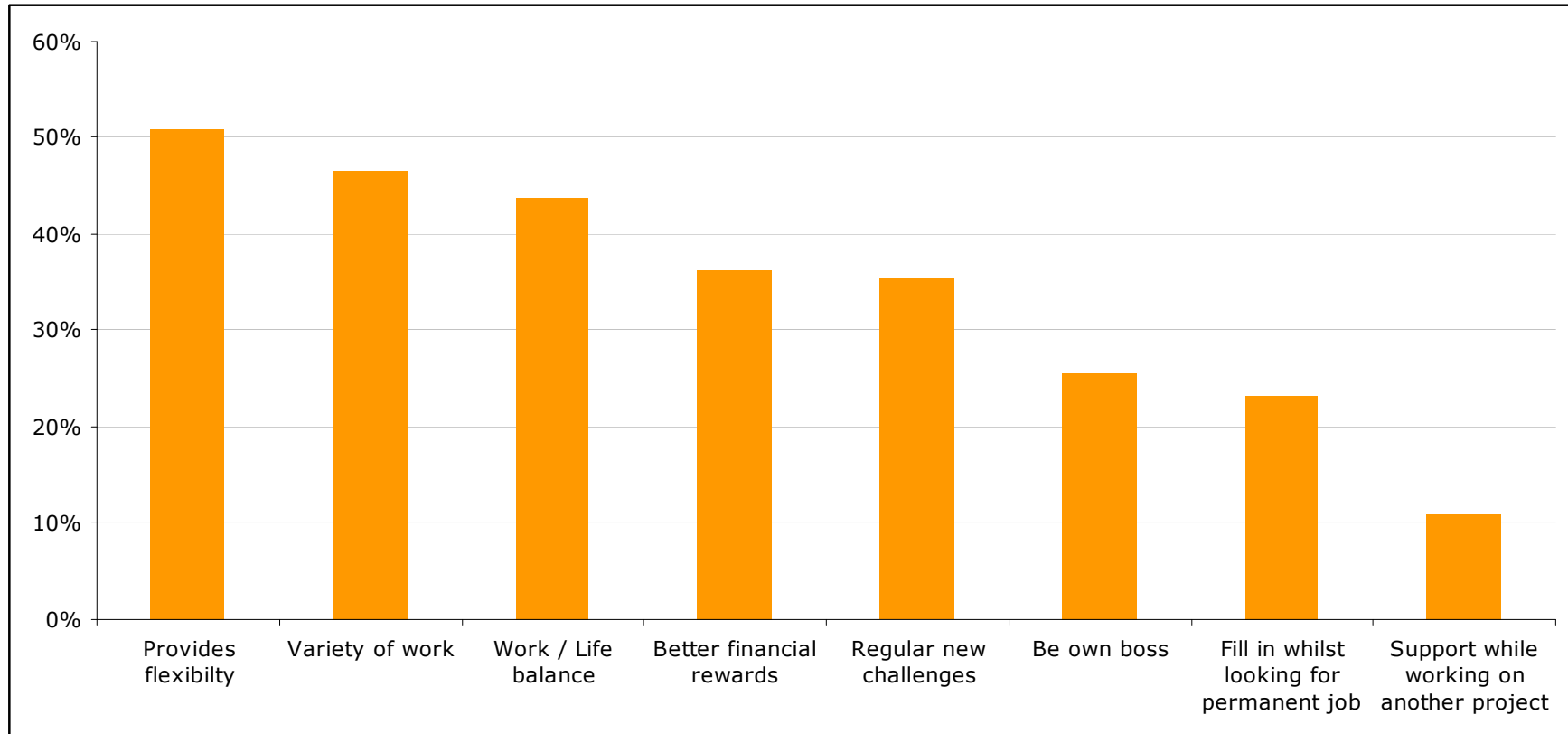
(Base: All respondents)



40% of respondents were unanimous in their reason for entering into freelancing – a **conscious career choice**. 15 per cent cited **returning from career break** as the next most popular reason (15%), followed by **temporarily in the UK** (13%). Other reasons not included on this graph include: ageism, visa restrictions, disagreement with previous company, and permanent work ended unexpectedly.

**Fig 16: Key reasons for Freelancing**

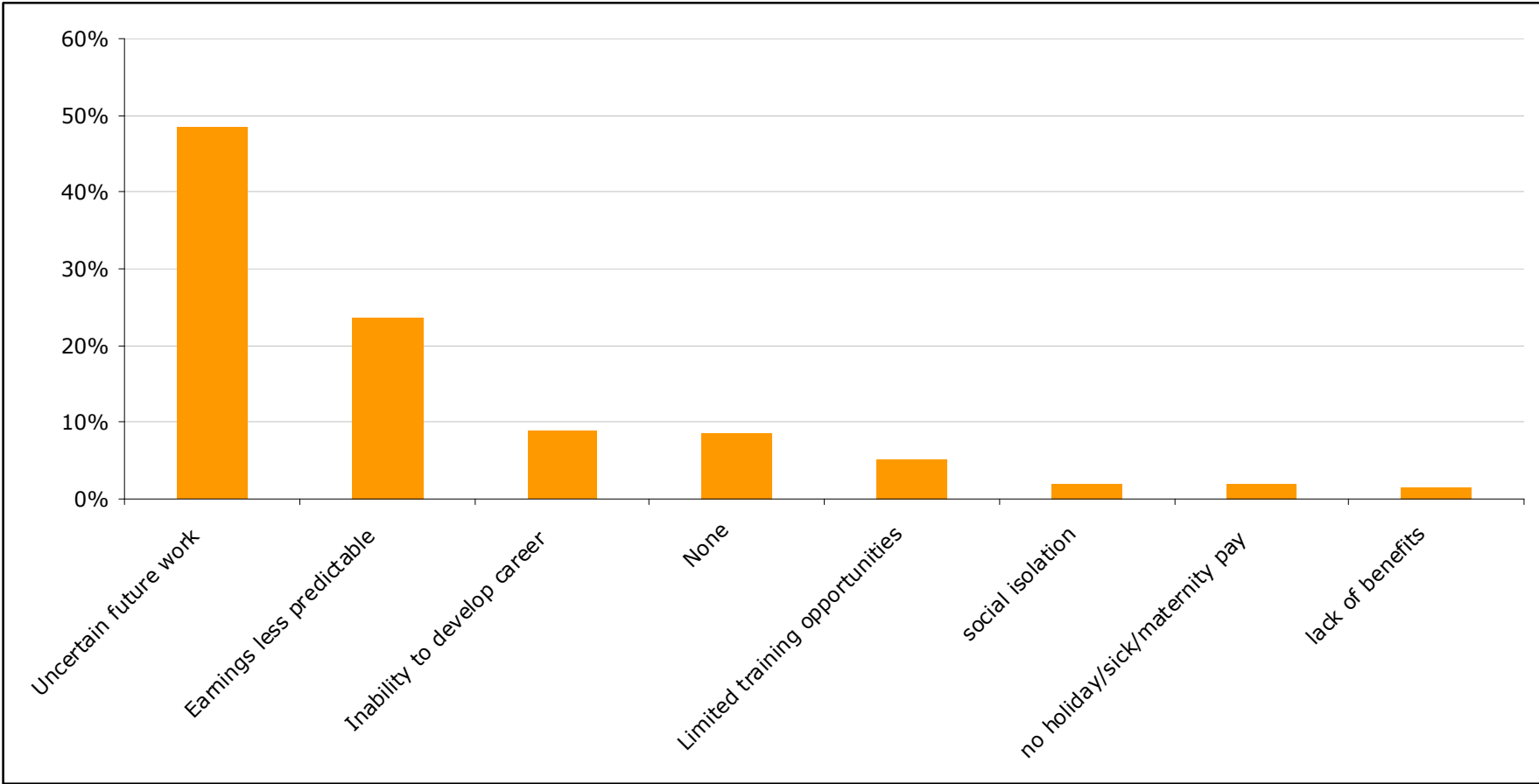
(Base – all respondents: respondents selected up to 3 answers which they considered the most important)



Just over half of respondents (51%) agreed that the key reason for freelancing was the **degree of flexibility** that this way of working provides. The **variety of work** was the next most popular reason (47%), followed by **work/life balance**. **Money** was the fourth most popular reason, with 36 per cent of respondents agreeing that this was one of the top 3 reasons for freelancing.

Fig 17: Main disadvantage of freelancing

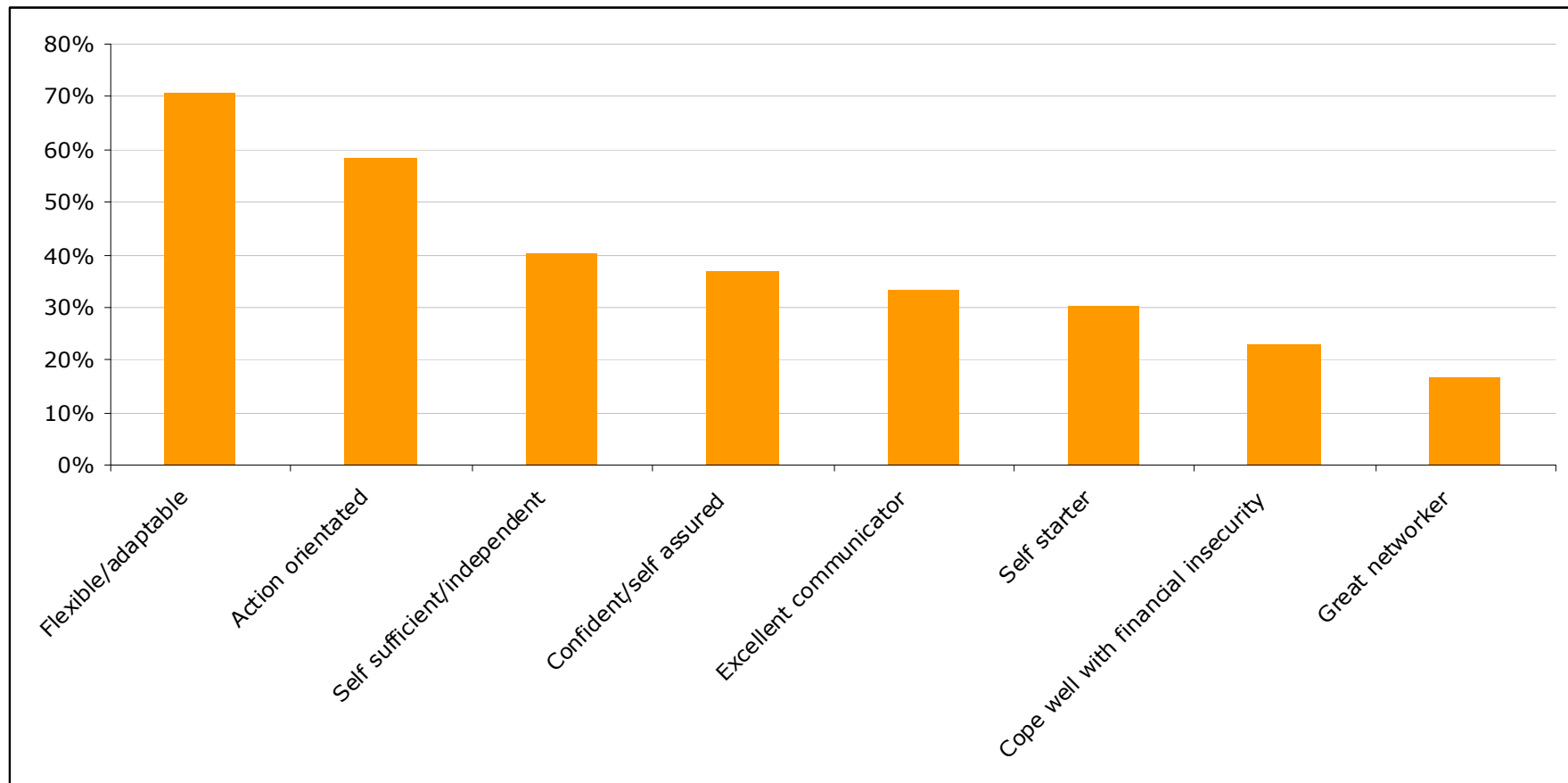
(Base: All respondents)



Over half of respondents (47%) agree that **uncertainty about future work** is the main disadvantage faced when freelancing. **Unpredictable earnings** was cited by 23 per cent of respondents. Lack of benefits, and lack of holiday, sick and maternity pay were cited by just 3 per cent as being the main disadvantage of freelancing.

**Fig 18: What traits are needed to be a successful freelancer?**

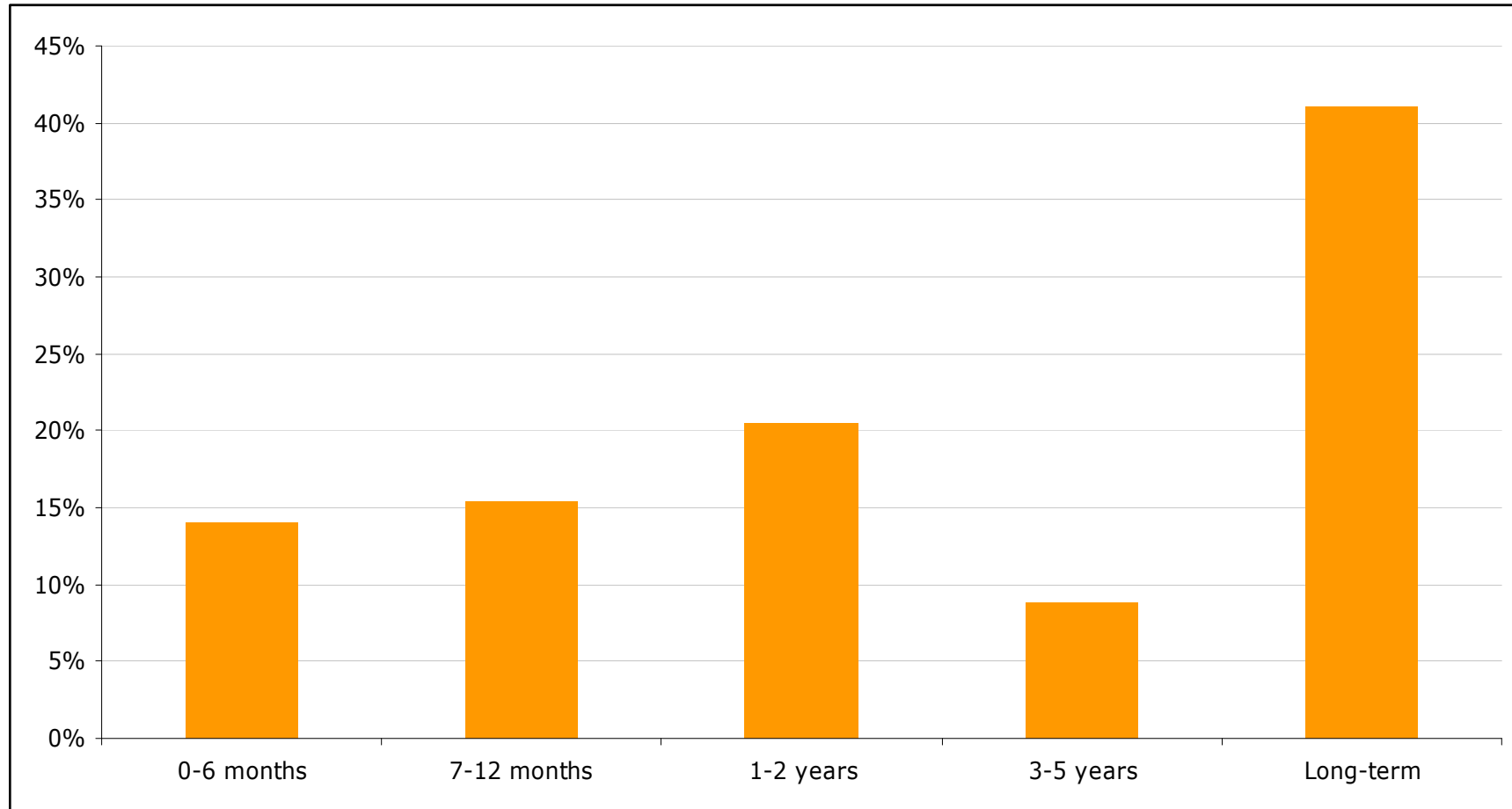
(Base – all respondents: respondents selected up to 3 answers which they considered the most important)



**Flexibility and adaptability** were quoted as essential traits for a successful freelancer by 71% of respondents, followed by **action-orientated** and **independent/self sufficient**.

Fig 19: How long do you anticipate freelancing for?

(Base: All respondents)

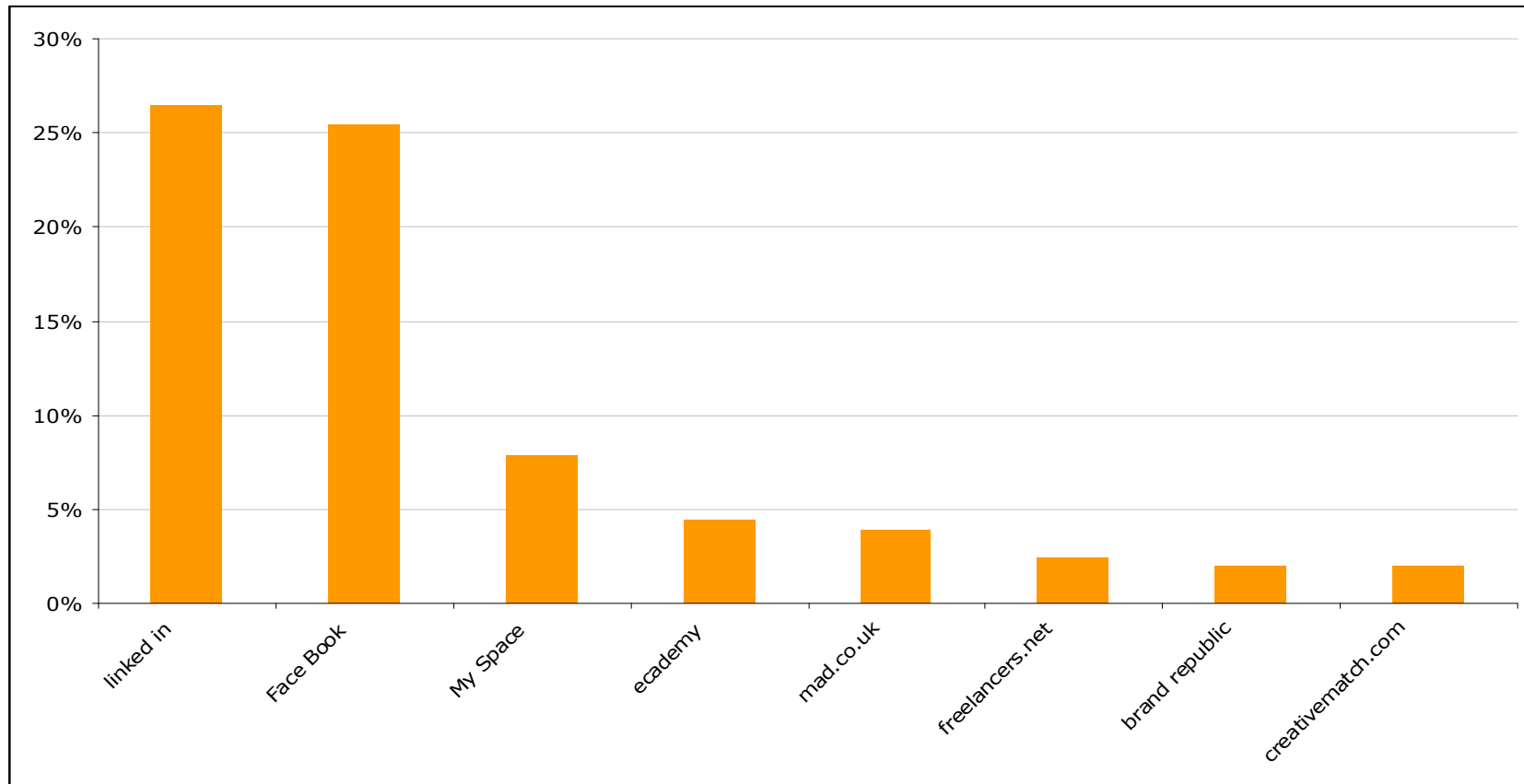


41 per cent of respondents see freelancing as a permanent situation and intend to do it long-term. 21 per cent see themselves as freelancing for between one and two

more years. 30 per cent anticipate freelancing for less than one year.

**Fig 20: Online networking communities used – most popular**

(Base: respondents to this question – 28% of total respondents)



More than one quarter of respondents to this question use **Linked in** and another quarter are on **Facebook**. Other social networking sites used by respondents include My Space, ecademy, mad.co.uk and freelancers.net.

## Contact Information

For more information on the Freelance & Interim Salary Survey July 07, please contact Namrita Sachdev on the details below.

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