



# A State Of Independence In America Research Brief

## Digital Nomadism: A Rising Trend

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The MBO Partners [2018 State of Independence in America](#) research finds 4.8 million independent workers currently describe themselves as digital nomads.

In this State of Independence Research Brief, we explore the rising trend of and interest in digital nomadism, as well as some reasons for its growing popularity.

### What are Digital Nomads?

Much like independent workers, digital nomads defy a single definition, choosing to combine working remotely and travel for various reasons and lengths of time. While they tend to be younger and male (see *Who are the Digital Nomads?* below), all age groups are represented and almost one-third are female. Most are Full or Part-Time Independent workers (freelancers, independent contractors, self-employed, etc.), but some have traditional jobs.

There are digital nomads who travel for years, regularly moving across countries and continents. Others are nomadic for shorter periods, taking “workcations” and working sabbaticals lasting from several weeks to many months. Many also never cross a border, choosing instead to live and work while exploring a single location or country. United by a passion for travel and new adventures, digital nomads enjoy the ability to work anywhere they can connect to the Internet.

### Technology Enablement and the Growth of Remote Work

Digital nomads harness the Internet and a wide variety of digital, cloud-based telework tools to do their work. These

“Digital nomads are people who choose to embrace a location-independent, technology-enabled lifestyle that allows them to travel and work remotely, anywhere in the world.”

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include online video and chat services to connect with customers and partners, content creation tools and cloud storage to build and deliver products, and online services such as Airbnb and Google’s ITA Matrix flight finding programs that they turn to for logistical support.

In many ways, digital nomads are the leading edge of the shift to mobile and distributed work. Workers in general are increasingly working remotely and spending more of their time away from the office. [According to Gallup](#), 43 percent of Americans work remotely at least some of the time, and the share of these workers who work remotely 4-5 days per week increased from 24 percent in 2012 to 31 percent in 2017. This broader shift to remote work also means hiring firms are familiar with and comfortable hiring remote workers, even if they’re halfway around the world.

## Supported by a Growing Array of Services

To help digital nomads with their journeys, a growing industry is creating products and services to help them navigate the challenges of their work and lifestyle.

These include:

- **Coworking and co-living spaces catering to digital nomads:**

These spaces provide a place to work, professional business infrastructure (including highspeed Internet), temporary housing, and access to a local community of like-minded people. *Roam*, for example, provides co-living and coworking spaces specially designed for digital nomads in a growing number of global locations.

- **Online talent marketplaces and remote job sites:**

The general online talent marketplaces make it easier for digital nomads to find remote work. There are also specialized marketplaces, such as Estonia's *Jobbatical*, that match workers with short-term, global job opportunities.

- **Digital nomad tour services:**

Companies such as *Remote Year* and *Nomad Cruise* bring together groups of professionals who travel, work, and live remotely for a few weeks to as long as a year. These firms handle all the logistics, allowing the digital nomad to focus on work and exploring new places.

- **Online information sites:**

These sites provide a wide range of useful data and information that help digital nomads with their travels. For example, *Nomad List* has data on the cost of living, internet speeds, city safety, walkability, weather, taxes, visas, and a variety of other information of interest to nomads for over 1,200 cities around the world.

Even the auto industry is adding products targeted at digital nomads. **Both Volkswagen and Nissan have recently announced new vans targeted at “VanLifers,”** the term used to describe digital nomads who tour around in camper vans.

## Who are the Digital Nomads?

Digital nomads are a diverse group in terms of age, gender, and income. While they skew young and male, almost one-third (31 percent) are female and over half (54 percent) are older than 38 years old.

Because digital nomads are a mix of full-timers (54 percent) and part-timers (46 percent) and many only do it for part of a year, their income from their digital nomad work varies widely. Over a third (38 percent) report earning less than \$10,000 per year. But 16 percent, or about 790,000, say they earn \$75,000 or more.

Digital nomads work a variety of fields, with the most common professions being creative professionals (writers, designers, editors, content creators, etc.), IT professionals (programmers, developers, etc.), marketing and communication professionals, and those involved in ecommerce. The unifying theme of these professions is they can be done remotely using digital tools and the Internet.

Most digital nomads keep their costs down by working from places with relatively low costs of living. Yet often they are serving customers in higher wage labor markets. Combining low-cost living with earning income at the wage rates of higher cost locations, they're able to take advantage of “geoarbitrage.” Popularized by the best-selling book *The 4-Hour Workweek*, geoarbitrage means digital nomads are better able to fund their travels and, potentially, spend less time working to support themselves and more time enjoying their adventure.

## Independents and Traditional Workers Alike Aspire to be Digital Nomads

The digital nomad trend has attracted a lot of media attention as well as a strong following in social media. Popular digital nomad and #vanlife blogs, videos, and Instagram accounts have created a spectator sport inspired by pictures and stories of faraway places, exotic locations, and yoga retreats—often with dogs—along a seashore.

Most people who follow these sites aspire to become digital nomads. This is reflected in the survey data. We asked Americans with traditional jobs if they planned on becoming digital nomads over the next 2-3 years and 11 percent said yes, and 27 percent said maybe. This translates to roughly 17 million people saying yes, and 42 million people saying maybe.

Despite their aspirations, most of these people will not become digital nomads. Instead, they will continue to be what we call armchair digital nomads, those who follow the exploits of others instead of becoming digital nomads

themselves. But this data shows the extent of the interest in this work and lifestyle. It also shows the number of digital nomads will likely grow substantially over the next few years.

## Digital Nomadism Will Continue to Expand

The outlook for digital nomadism is quite positive. Continued improvements in mobile and cloud computing tools and technologies will lead to greater levels of remote work. An expanding number of specialized services and products are making it easier to become and operate as a digital nomad, and corporations large and small are expected to hire more remote workers—both independent and traditional—in the coming years.

Demographic trends also support increases in digital nomadism. Aging Baby Boomers will continue to “unretire” and work past the traditional retirement age. Many choose

to do this nomadically, either within the U.S. or by traveling abroad. Millennials will also continue to flock to this lifestyle, inspired by the opportunity to pursue their travel interests while working. And older Gen Xers are reaching the life stage where traveling while working has become more viable.

Changing views towards work will also help drive the digital nomad trend. People are looking for more work/life balance, and are increasingly valuing experiences, especially travel. At the same time, companies are recognizing the need to offer greater levels of work flexibility to attract, retain, and engage employees.

This combination of trends leads to an increase in both the supply and demand for digital nomads, which means more opportunities for the millions of Americans aspiring to become one.

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