



Digital Nomads: Leading the Shift to Remote and Distributed Work

Excerpted from the 2019 State of Independence in America Report

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. The MBO Partners [2019 State of Independence in America](#) research finds 7.3 million American workers currently describe themselves as digital nomads.

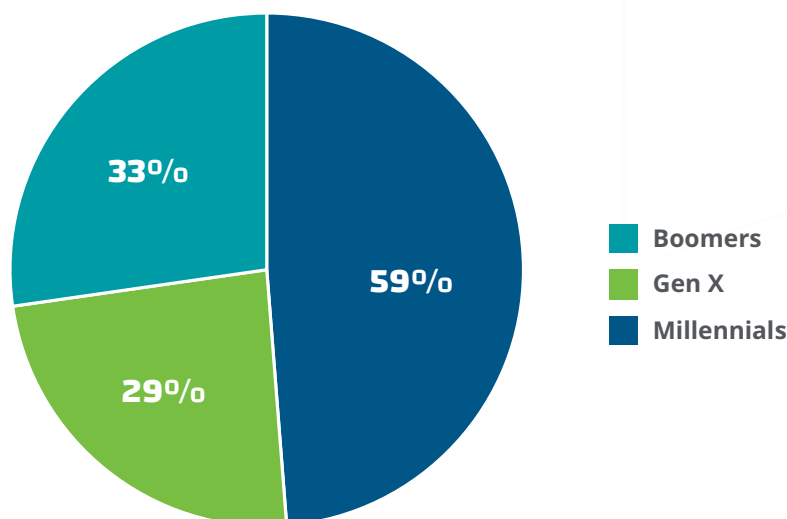
In this State of Independence Research Brief, we explore this increasingly important trend as well as the reasons for the growing popularity of digital nomadism.

WHO ARE DIGITAL NOMADS?

Digital nomads defy a single definition, yet all choose to combine working remotely and traveling for various reasons and lengths of time. Some digital nomads 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.

Digital nomads tend to be younger and male, but all age groups are represented: 39 percent are female and 41 percent are 40 years old or older.

DIGITAL NOMADS BY AGE COHORTS



Most digital nomads, 4.1 million (56 percent), are full or part-time independent workers (freelancers, independent contractors, self-employed, etc.), but a sizeable minority, 3.1 million (44 percent), report having traditional jobs.

Most digital nomads report being highly satisfied (79 percent) or satisfied (9 percent) with their work and lifestyle. Although many (26 percent) planned to be nomadic for the less than one year, 60 percent report they will continue as digital nomads for at least the next two years.

Because digital nomads are a mix of full-timers (61 percent) and part-timers (39 percent) and many only do it for part of a year, their income varies widely. About 1 in 5 (19 percent) report earning less than \$10,000 per year. But 36 percent, or about 2.6 million, say they earn \$75,000 or more. Regardless of how much they make, most digital nomads are satisfied with their earnings. Almost 4 out of 5 (79 percent) report either being very satisfied (35 percent) or satisfied (44 percent) with their income. This is slightly higher than the income satisfaction reported by workers who aren't digital nomads. Also, the satisfaction scores are similar across all income groups. This is likely due to digital nomads being focused on their journey in addition to their earnings. In interviews, digital nomads often say they're satisfied with their income as long as they earn enough to support their travels.

To help stretch their income, most digital nomads keep their costs down by working from places with relatively low costs of living. At the same time, they often virtually serve 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 income/living cost "geoarbitrage." Popularized by Tim Ferriss' best-selling book *The 4-Hour Workweek*, geoarbitrage means digital nomads are better able to fund their travels and spend less time working to support themselves and more time enjoying their adventures.

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Digital nomads work in a wide variety of fields, ranging from consulting, coaching, and research (13%) to sales, marketing, and PR (also 13%) to other remote-friendly fields like information technology (11%) and creative services (9%) with other fields represented relatively equally. The unifying theme of these professions is that they can be performed remotely using digital tools and the Internet.

TECHNOLOGY ENABLES DIGITAL NOMADS TO WORK ANYWHERE

Digital nomads harness the Internet and a wide variety of digital, cloud-based telework tools to do their work. These include online video and chat services to connect with customers and partners, collaborative content creation tools, and cloud storage to do their work and online travel sites and services 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

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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.

Independent workers are even more likely to work remotely than the average worker. Data from the 2019 State of Independence in America study shows that 83 percent of full-time independent workers report working remotely at least some of the time and 37 percent work remotely full-time.

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DIGITAL NOMADS SUPPORTED AND ENABLED BY A GROWING ARRAY OF PRODUCTS AND SERVICES

A growing digital nomad support 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 high-speed Internet access), 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 and Bali's Hubud is just one of the many spaces around the world that cater to traveling professionals.



Online talent marketplaces and remote job sites:

Online talent marketplaces make it easier for digital nomads to find remote work. Independent workers who are digital nomads are almost twice as likely (46 percent) to report using an online marketplace to find work than independent workers who aren't digital nomads (24 percent).



Digital nomad tour services:

Companies such as Remote Year, Hacker Paradise, 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 digital nomads 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. The Earth Awaits, for example, allows digital nomads to calculate monthly budgets based on detailed cost of living data for over 600 cities. And Nomad List has information on Internet speeds, city safety, walkability, weather, taxes, visas, and other information of interest to digital nomads for over 1,200 cities around the world.



Financial services:

A growing number of firms are offering products and services that simplify finances for digital nomads. Safety Wing, a startup focused on safety net services for digital nomads, is providing medical insurance for digital nomads. Paypal and other financial institutions are offering specialized cross-border transaction processing services and accounting firms like Nomad Tax help with the complex business and personal tax issues digital nomads face.



Education, training and coaching:

Reflecting the growing interest in this work lifestyle, a variety of firms are providing training and education on digital nomadism. The well-known technology education bootcamp company General Assembly offers an online “how-to” class on becoming a digital nomad. There’s also more in-depth courses available. The Digital Nomad Summit, for example, is a multi-day event targeted at people who want to become digital nomads. There’s also a rapidly growing cottage industry of coaches, mentors, and advisors helping people achieve this lifestyle.

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

DIGITAL NOMADS: TECHNICALLY SAVVY, SKILLS ORIENTED, AND WELL-EDUCATED

Since most digital nomads rely on digital tools and the Internet in their work, it’s not surprising they report having stronger technical skills than those who aren’t digital nomads. Seventy-two percent report they use technology to make them more competitive in their work, versus 41 percent of non-digital nomads. Digital nomads are also more likely to be early adopters of technology (61 percent) than non-digital nomads (24 percent).

Specialized skills are important to most digital nomads, as is learning new skills. Sixty-five percent say their work requires specialized training, education or expertise versus 48 percent for non-digital nomads. Sixty-three percent also report participating in work-related skills training over the past year versus 47 percent for non-digital nomads.

Digital nomads are also, on average, well-educated with 51 percent having a college degree or higher (versus 35 percent for adult Americans) and 21 percent reporting having an advanced degree (versus 13 percent for adult Americans).

MILLIONS ASPIRE TO BE DIGITAL NOMADS

The digital nomad trend has attracted a lot of media attention as well as a strong social media following. 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 happy nomads—often with dogs—along a seashore.

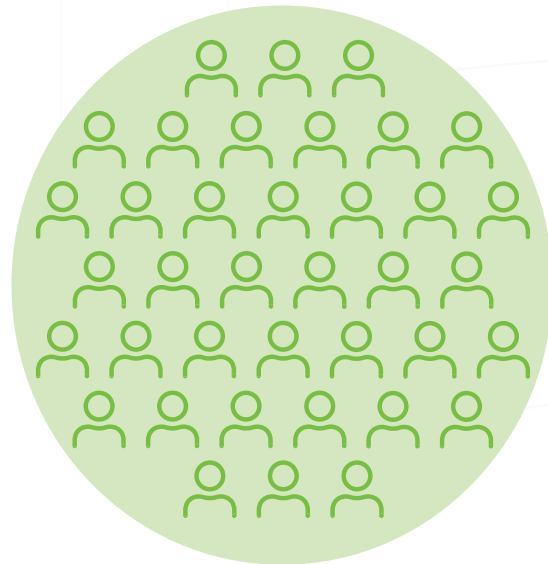
Most people who follow these sites aspire to become digital nomads, and the survey results reflect this. We asked adult Americans who aren't currently digital nomads if they plan on becoming digital nomads over the next 2-3 years and 16.1 million said yes, and 41 million said maybe.

57.1 MILLION AMERICANS ASPIRE TO BE DIGITAL NOMADS



16.1M

Those planning on becoming a digital nomad over the next two years



41M

Those who may become a digital nomad over the next two years

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. However, this data shows how extensive interest is in this lifestyle.

THE NUMBER OF DIGITAL NOMADS WILL CONTINUE TO GROW

The outlook for digital nomadism is quite positive. Continued improvements in mobile and cloud computing tools and technologies are leading to increasing levels of distributed and remote work. An expanding number of specialized services and products are also making it easier to become and operate as a digital nomad, and hiring organizations are increasing their use of remote workers, including digital nomads.

Demographic trends also support increases in digital nomadism. Aging Baby Boomers will continue to “unretire” and work past the traditional retirement age. Many will choose to do this nomadically, either within the U.S. or by traveling abroad. Older Gen Xers are reaching the life stage where traveling while working has become more viable. Millennials will also continue to flock to this lifestyle, inspired by the opportunity to pursue their travel interests while working. And Gen Z, which is just entering the workforce, is already showing they are at least as travel-oriented as their older Millennial siblings.

Changing corporate views towards remote work is also driving the growth of digital nomads. Corporations are recognizing the need to offer greater levels of work flexibility to attract, retain, and engage highly talented workers. Because of this, corporations are starting to use extended work/travel opportunities as a perk. Corporations also realize digital nomads bring new perspectives, ideas and thinking to their businesses, and are increasing their use of this highly skilled labor pool.

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This combination of trends means increases in both the supply and demand for digital nomads and more opportunities for the many millions of Americans looking to join them.



ABOUT MBO PARTNERS®

MBO Partners delivers solutions that make it safer and easier for enterprise organizations and top independent professionals to work together. Through its proprietary platform, MBO has built a comprehensive workforce ecosystem that fuels both sides of the independent economy. MBO strengthens relationships, minimizes risk, and maximizes value for its clients. Its unmatched experience and industry leadership enable it to operate on the forefront of the independent economy and consistently advance the next way of working.

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ABOUT THE STUDY

The 2019 MBO Partners State of Independence in America is the 9th consecutive year this study has been conducted. Since 2011, independent workers have completed over 22,000 in-depth surveys and over 1,400 independent workers have been interviewed in-person as part of this study series.

For the 2019 study, Emergent Research and Rockbridge Associates conducted an online survey in March of 2019. This survey had responses from 3,985 residents of the U.S. (aged 21 and older), including 1,046 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% and the data specific to independent workers has a margin of error of +2.7%. The 2019 results are generally statistically consistent with the survey results from the prior 8 years.