How and Why
Tech Companies Hire Freelance Developers
WHO DOES SOMETHING LIKE THIS?
We do. Lemon.io is a platform for hiring vetted freelance developers. We exist to help early-stage startups source the talent that’s just as good as their big competitor’s but won’t break their budget. We make this possible by not inflating our own overheads and keeping our marketing budgets nanoscopic. The best way to do that is invest in content marketing, so we do a lot of that.

Over the time, doing tons of research for our content, we’ve noticed that there were almost no reports on why people decide to work with freelance developers (or not) and what drives their decisions.
So we decided to make our own and surveyed more than 300 representatives of tech companies. I don’t want to ruin the party with spoilers, but what we got in this report as a result, are 130 pages of insiders info on how tech leaders make decisions about outsourcing, the stereotypes on the market and unexpected experience-based statistics.

We hope this report will help businesses understand the benefits they can get from outsourcing their dev tasks, and freelancers — what concerns and biases they’re up against.
1. **Respondents**
   - Age, gender, roles
   - Location
   - Industry
   - Company size
   - Revenue

2. **Experience hiring freelancers**
   - Decision to hire freelance dev vs respondents'...
     - ...age
     - ...gender
     - ...industry
     - ...company size
     - ...revenue

3. **Reasons to hire**
   - Reasons to hire vs...
     - ...industry
     - ...company size
     - ...revenue

4. **Reasons Not to hire**
   - Reasons Not to hire vs ...
     - ...industry
     - ...company size

5. **What could change the decision not to hire**
   - Depending on industry
   - Depending on company size

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   - Hiring freelancers
   - Reasons to hire
   - Reasons not to hire

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   - Vs senior devs
   - Vs architects

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    - Gender distribution among freelancers
    - ...vs respondents’

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    - Vs countries to hire
    - Vs tracking tools
    - Vs collaboration tools

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RESPONDENTS

1
The survey done to complete this report was distributed among the people who are involved in decision-making process of hiring developers in US-based startups.

Among all respondents, 62% belonged to a middle age group of 25-44 years old, including 37% of the largest age group of respondents who are 35-44 years old.

The least represented among the respondents was the youngest group of 18-24 years old interviewees — only 6%, while the oldest groups of 55+ y.o. was twice as big — 12%.
The majority of people interviewed identified themselves as men 77%. While only 19% of respondents identified as women, and 1% as non-binary/other.
32% of respondents stated that they are the CEO and/or Director of their company, which was the most popular answer to this question.

17% of respondents are either Founders or co-Founders of their businesses.

8% of respondents are CEO and/or Founder.

Only 5% of people who make decisions on hiring freelance developers stated they were CTOs.
The biggest clusters of startups which participated in our research were located in: California, Washington and New York.
When asked what industry their company belongs to, 50% of respondents stated «Tech». Among other popular answers were AI (19%), IT (17%) and Marketing & Advertising (17%). Biotech, Fashion, Cybersecurity and Strategy & Consulting have received the fewest mentions (2%, 2%, 2%, 3% respectively).

For the convenience of future analysis, we’ve divided industries into two major groups:

- Tech (including AI, Biotech, Cybersecurity, Fintech, IT, Technology)
72% stated that their company consists of only 1-9 employees. Only 4% said their companies employed over 250 people.

For the convenience of future analysis, we’ve divided the companies into two groups:

- Small Companies (<50 employees)
- Big Companies (50+ employees)
29% of interviewees stated their companies’ annual revenue was less than $100,000 and only 15% of reported revenues of over $1 million.

For the convenience of future analysis, we’ve divided them into three groups depending how big their annual revenues were:

- **Small Revenue (less than $100,000)**
- **Medium Revenue ($100,000 - $500,000)**
- **Large Revenue ($500,000 +)**

30% of respondents stated they don’t know their companies' exact revenue.
EXPERIENCE
HIRING
FREELANCERS
2
Have you ever worked with freelance developers?
Have you ever worked with freelance developers?

Only 17% of respondents have never worked with freelance developers before.
Have you ever worked with freelance developers?

Surprisingly, the younger respondents were — the least likely they were to have worked with freelancers.

More than half of 18-24 y.o. respondents say they’ve never hired freelance developers. People who are 25-34 y.o. are also less likely to hire freelancers than those who are 35 and older.
While we’ve discovered that age did influence the reported experience of hiring freelancers there were no significant differences depending on gender.

Have you ever worked with freelance developers?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>Male</td>
<td>81%</td>
<td>19%</td>
</tr>
</tbody>
</table>
### VS POPULAR INDUSTRIES

*Have you ever worked with freelance developers?*

<table>
<thead>
<tr>
<th>Industry</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>86%</td>
<td>14%</td>
</tr>
<tr>
<td>Marketing &amp; Advertising</td>
<td>94%</td>
<td>6%</td>
</tr>
<tr>
<td>IT</td>
<td>85%</td>
<td>15%</td>
</tr>
<tr>
<td>Health and Wellness</td>
<td>91%</td>
<td>9%</td>
</tr>
<tr>
<td>Fintech</td>
<td>88%</td>
<td>13%</td>
</tr>
<tr>
<td>Education</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>eCommerce</td>
<td>91%</td>
<td>9%</td>
</tr>
<tr>
<td>AI</td>
<td>85%</td>
<td>15%</td>
</tr>
</tbody>
</table>

The industry that reported to rely on freelance developers the most was marketing & advertising — 94% said they’ve worked with freelancers before.
VS COMPANY SIZE

Have you ever worked with freelance developers?

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Company (&lt;50 employees)</td>
<td>84%</td>
<td>16%</td>
</tr>
<tr>
<td>Big Company (50+ employees)</td>
<td>64%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Small companies are 20% more likely to outsource their development tasks to freelancers than companies with over 50 employees.
Have you ever worked with freelance developers?

<table>
<thead>
<tr>
<th>Revenue Level</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Revenue (up to $100,000)</td>
<td>69%</td>
<td>31%</td>
</tr>
<tr>
<td>Medium Revenue (up to $500,000)</td>
<td>91%</td>
<td>9%</td>
</tr>
<tr>
<td>Large Revenue ($500,000 +)</td>
<td>87%</td>
<td>13%</td>
</tr>
<tr>
<td>I don’t know</td>
<td>83%</td>
<td>17%</td>
</tr>
</tbody>
</table>

But at the same time, the companies with less than $100,000 annual revenue are the ones that are least likely to hire freelancers.
REASONS TO HIRE
Why have you decided to start hiring freelancers?
Why have you decided to start hiring freelancers?

- Freelancers are more affordable than in-house developers: 25%
- Freelancers offer a bigger variety of available skills: 20%
- Freelancers are more flexible: 25%
- I’ve heard positive feedback: 3%
- I couldn’t find an in-house employee: 3%
- Our team is distributed: 16%
- No need for a full time developer: 4%
- Other: 3%

Top 3 reasons to hire freelance developers are:
1. Freelancers are more affordable than in-house developers – 25%
2. Freelancers are more flexible – 25%
3. Freelancers offer a bigger variety of available skills – 20%

Another popular reason to turn to freelancers is working with an already distributed team.
Why have you decided to start hiring freelancers?

- Freelancers are more affordable than in-house developers
- Freelancers offer a bigger variety of available skills
- No need for a full time developer
- Our team is distributed
- Freelancers are more flexible
- I’ve heard positive feedback
- I couldn’t find an in-house employee

**Tech**

- 25%
- 30%
- 0%

**Non-tech**

- 20%
- 10%
- 5%
- 15%
- 20%
- 10%
VS SIZE

Why have you decided to start hiring freelancers?

The most popular reason for the bigger companies to hire freelance developers is the bigger variety of skills available among freelancers.

For small companies, affordability is on the top of the list.
**VS SIZE**

*Why have you decided to start hiring freelancers?*

- Freelancers are more affordable than in-house developers
- No need for a full time developer
- Our team is distributed
- I couldn’t find an in-house employee
- Freelancers offer a bigger variety of available skills
- Freelancers are more flexible
- I’ve heard positive feedback

---

- Small company
- Big company
Why have you decided to start hiring freelancers?

As expected, the lower company’s annual revenue is — the more important affordability is for them.

Another interesting finding is that companies which annual revenue marks at $100,000 - $500,000 are more likely to start hiring freelance developers as an addition to their distributed teams.
Why have you decided to start hiring freelancers?

- Freelancers are more affordable than in-house developers
- Freelancers offer a bigger variety of available skills
- Freelancers are more flexible
- I’ve heard positive feedback
- No need for a full-time developer
- Our team is distributed
- I couldn’t find an in-house employee

Revenue Categories:
- Big Revenue (up to $500,000)
- Medium Revenue (up to $100,000)
- Small Revenue (up to $100,000)
- I don’t know
REASONS NOT TO HIRE
What is the main reason(s) you have never hired a freelancer?
What is the main reason(s) you have never hired a freelancer?

On the contrary, the top 4 reasons why respondents have never hired freelancers before were these:

1. I am not sure I can afford to hire a freelancer – 18%
2. I doubt the professional skills of freelancers — 14%
3. I am concerned about my intellectual property – 14%
4. I prefer working with people who are in the same office– 12%.

It is important to mention, that the gaps in percentages between answers to this question weren’t large. Meaning, there wasn’t just one factor prevailing over others.

At the same time, reasons Like Language barrier and Unsuitable time-zones turned out to be the least of the concerns.
What is the main reason(s) you have never hired a freelancer?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I prefer working with people who are in the same office</td>
<td>12%</td>
</tr>
<tr>
<td>I don't trust freelancers</td>
<td>10%</td>
</tr>
<tr>
<td>I don’t know where to find freelancers</td>
<td>11%</td>
</tr>
<tr>
<td>I am not sure I can afford to hire a freelancer</td>
<td>10%</td>
</tr>
<tr>
<td>I doubt the professional skills of freelancers</td>
<td>14%</td>
</tr>
<tr>
<td>I am concerned about my intellectual property</td>
<td>18%</td>
</tr>
<tr>
<td>Freelancers are only good for small projects</td>
<td>14%</td>
</tr>
<tr>
<td>Freelance/remote employees won’t work well with the team</td>
<td>10%</td>
</tr>
<tr>
<td>Language barrier</td>
<td>4%</td>
</tr>
<tr>
<td>Unsuitable time-zone</td>
<td>2%</td>
</tr>
</tbody>
</table>
What is the main reason(s) you have never hired a freelancer?

- I prefer working with people who are in the same office (26%)
- I don't trust freelancers (13%)
- I don't know where to find freelancers (13%)
- I am concerned about my intellectual property (13%)
- Freelancers are only good for small projects (13%)
- I am not sure I can afford to hire a freelancer (13%)
- I doubt the professional skills of freelancers (9%)
- Freelance/remote employees won’t work well with the team (8%)
- Language barrier (4%)
- Unsuitable time-zone (1%)

The main concern that keeps small companies from hiring freelance developers is not being able to afford them.
WHAT COULD CHANGE THE DECISION NOT TO HIRE
What circumstances could make you start hiring freelancers?
What circumstances could make you start hiring freelancers?

- Positive feedback from someone I trust: 41%
- If I couldn't afford a full-time developer: 12%
- If I couldn't find a full-time developer: 8%
- If I needed someone ASAP: 31%
- Other: 8%

41% of small companies representatives who have never worked with freelance developers before said they would change their mind and give freelancers a try if they got a positive feedback from someone they know and trust.
Apart from the circumstances to hire freelancers discussed on the previous slides, we’ve asked our respondents to provide us with a more precise answers in the open-question format.

Here is what they said:
Part of them stated that nothing could make them hire freelancers because the kind of industry they work in:

As a security company, we probably won't ever use a freelancer

In some industries, software isn't the core function of the business, but rather supports the business. In industries where software is not the core, I'd be more open to hiring freelancers
Others were concerned about freelancers reliability, their skills and where to find them:

It's actually freelancer reliability that concerns me – when they take on too much or a project spikes they become unreliable. It's also difficult for us to assess their technical ability.

My main concern is about quality. Will I be getting great quality that works how I need it to? I don't know where to find freelancers that I can be assured are of great quality (for example, I stay far, far away from Fiverr, because everything you get on there is subpar, and it amounts to wasted time and money).
And some are concerned about what their investors might think:

My biggest apprehension is how using freelancers is viewed by investors. I don't have a technical co-founder, and investors do not like this. The company is too early to hire a CTO, so I am in a bit of precarious place at the moment.
SILICON VALLEY VS THE REST OF THE USA
Where is your company/business located?
28% of our respondents stated that their business is located in California, while the number of respondents from all the other states of the USA combined was only two times bigger.

Thus, we decided to compare the answers of these two groups of respondents to see if there are major differences in the attitude towards freelancers.
Have you ever worked with freelance developers?
And we discovered that companies in California hire freelance developers just as often as the companies in other states.
Why have you decided to start hiring freelancers?
Freelancers are more affordable than in-house developers.

Freelancers offer a bigger variety of available skills.

Freelancers are more flexible.

I’ve heard positive feedback.

I couldn't find an in-house employee.

Our team is distributed.

No need for a full time developer.

Other

We also didn’t notice any major discrepancies in reasons companies decide to start hiring freelancers.

1. Freelancers are more affordable than in-house developers
2. Freelancers offer a bigger variety of available skills
3. Freelancers are more flexible
4. I’ve heard positive feedback
5. I couldn’t find an in-house employee
6. Our team is distributed
7. No need for a full time developer
8. Other
What is the main reason(s) you have never hired a freelancer?
But there were differences in California vs Other States when it came to the most popular reasons not to hire freelance developers.

Turns out, companies located in California are much more concerned about their intellectual property and not being able to afford freelancers than businesses from the other states.

On the other hand, Californian startups were significantly less worried about freelancers not fitting in with the rest of the team or that freelance developers are only good for doing small tasks.
VS REASONS NOT TO HIRE

1. I prefer working with people who are in the same office
2. I don’t trust freelancers
3. I don’t know where to find freelancers
4. I am not sure I can afford to hire a freelancer
5. I doubt the professional skills of freelancers
6. I am concerned about my intellectual property
7. Freelancers are only good for small projects
8. Freelance/remote employees won’t work well with the team
9. Language barrier
10. Unsuitable time-zone
MOST POPULAR JOB LEVELS TO HIRE
What level of freelance developers do you hire?
Most of the businesses that hire freelancers prefer to hire the more experienced middle and senior developers. While only 24% also work with junior devs and even less businesses hire architects (21%).
MOST POPULAR COUNTRIES TO OUTSOURCE TO
In your opinion, what countries are the best ones to outsource to?
RESULTS

- The most popular regions to outsource to among the startups we’ve surveyed were named to be Eastern Europe and North America (41%-40%), followed up by Asia and Middle East (24%).

- The less popular options mentioned were South American countries and other European countries.

- 34% of respondents who hired freelance developers before, stated that they don’t have any country preferences to search for freelance developers.
In the comment section, some respondents explained their choices:

I would love to say that it doesn't matter, but I've had such trouble working with non-US freelancers that I almost always exclude them now.

MY COUNTRY. They understand my language and culture. That makes communication far more effective between us.

I prefer to hire based on timezone and workday overlap.

Only countries where I can trust NDA and IP contracts can be enforced for primary app work, Eastern Europe if app/service is built from scratch.
Why do you think the countries you’ve chosen are the best for hiring freelance developers?
Top 3 reasons why Eastern Europe countries are the best for hiring freelance developers according to our interviewees were:

1. Great previous experience with developers from there
2. They have the biggest pool of talent
3. They have the best rates

Top 3 reasons why USA&Canada are the best countries for hiring freelance developers are:

1. Great previous experience with developers from there
2. Because of the language spoken/communication specificity
3. The location is in the most convenient time zone for me
They have the best rates
They have the biggest pool of talent
Because of the language spoken/communication specificity
The location is in the most convenient time zone for me
I have great previous experience with developers from there
I've heard only good references
I have no preferences
Other

USA & Canada
Eastern Europe (e.g. Poland, Ukraine, Romania, Bulgaria, Belarus, Russia)
What are your preferred countries to outsource to?
What are your preferred countries to outsource to?

- Asia and the Meddle East: 13%
- Eastern Europe: 20%
- Balkans: 6%
- Latin America: 7%
- US & Canada: 26%
- Western Europe & Nordic: 6%
- I have no preferences: 21%
What are your preferred countries to outsource to?

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia and the Middle East</td>
<td>16%</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>24%</td>
</tr>
<tr>
<td>Balkans</td>
<td>5%</td>
</tr>
<tr>
<td>Latin America</td>
<td>8%</td>
</tr>
<tr>
<td>US &amp; Canada</td>
<td>24%</td>
</tr>
<tr>
<td>Western Europe &amp; Nordic</td>
<td>5%</td>
</tr>
<tr>
<td>I have no preferences</td>
<td>16%</td>
</tr>
</tbody>
</table>
What are your preferred countries to outsource to?

- Asia and the Meddle East: 13%
- Eastern Europe: 25%
- Balkans: 7%
- Latin America: 7%
- US & Canada: 24%
- Western Europe & Nordic: 5%
- I have no preferences: 19%
What are your preferred countries to outsource to?

- Asia and the Meddle East: 16%
- Eastern Europe: 24%
- Balkans: 5%
- Latin America: 8%
- US & Canada: 24%
- Western Europe & Nordic: 7%
- I have no preferences: 16%
TRUST
Overall Trust

This trust score was combined based on the overall answers to the list of 10 questions focused on different kinds of tasks with three options:

- ‘Would trust to a freelancer’,
- ‘Wouldn’t trust to a freelancer’
- ‘Not applicable to me’.

Out of all answers in this section, in 66% of cases respondents chose ‘Would trust to a freelancer’, which demonstrates a high level of trust to freelance developers in general.
VS TASKS

Small tasks like edits and fixes and integration with third-party apps are trusted to freelancers the most often along with website and app development from scratch.

Security tasks, software architecture and maintenance are the tasks most business said they wouldn’t trust to a freelancer (51%, 51%, 26% of negative answers respectively).
## Overall Tasks

<table>
<thead>
<tr>
<th>Task</th>
<th>Would trust to a freelancer</th>
<th>Wouldn’t trust to a freelancer</th>
<th>Not applicable to me</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small tasks (edits, fixes)</td>
<td>92%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Security tasks</td>
<td>41%</td>
<td>51%</td>
<td>5%</td>
</tr>
<tr>
<td>Software architecture</td>
<td>40%</td>
<td>51%</td>
<td>5%</td>
</tr>
<tr>
<td>Integration with third-party apps</td>
<td>77%</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>Site migration</td>
<td>69%</td>
<td>23%</td>
<td>5%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>70%</td>
<td>26%</td>
<td>5%</td>
</tr>
<tr>
<td>Web applications creation</td>
<td>71%</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>Mobile applications creation</td>
<td>68%</td>
<td>21%</td>
<td>5%</td>
</tr>
<tr>
<td>eCommerce development</td>
<td>57%</td>
<td>19%</td>
<td>5%</td>
</tr>
<tr>
<td>Website development from scratch</td>
<td>80%</td>
<td>15%</td>
<td>5%</td>
</tr>
</tbody>
</table>
In general, tech companies tend to trust completing different tasks to a freelance developer. They easily trust small tasks, website development, third-party apps integration and web apps development to freelancers.

However, when it comes to software architecture and security tasks, the majority of tech sphere companies won’t trust them to freelance developers (54% and 55% respectively).
VS TECH COMPANIES

- Small tasks (edits, fixes): 92% Would trust to a freelancer, 4% Wouldn’t trust to a freelancer, 4% Not applicable to me
- Security tasks: 38% Would trust to a freelancer, 54% Wouldn’t trust to a freelancer, 8% Not applicable to me
- Software architecture: 36% Would trust to a freelancer, 55% Wouldn’t trust to a freelancer, 9% Not applicable to me
- Integration with third-party apps: 74% Would trust to a freelancer, 18% Wouldn’t trust to a freelancer, 8% Not applicable to me
- Site migration: 66% Would trust to a freelancer, 24% Wouldn’t trust to a freelancer, 0% Not applicable to me
- Maintenance: 69% Would trust to a freelancer, 27% Wouldn’t trust to a freelancer, 4% Not applicable to me
- Web applications creation: 71% Would trust to a freelancer, 21% Wouldn’t trust to a freelancer, 8% Not applicable to me
- Mobile applications creation: 66% Would trust to a freelancer, 22% Wouldn’t trust to a freelancer, 2% Not applicable to me
- eCommerce development: 54% Would trust to a freelancer, 19% Wouldn’t trust to a freelancer, 27% Not applicable to me
- Website development from scratch: 80% Would trust to a freelancer, 14% Wouldn’t trust to a freelancer, 6% Not applicable to me
Compared to tech companies, non-tech businesses trust freelancers even more. Only 1% of respondents from non-tech companies said they wouldn’t trust Small tasks to a freelancer.

And while security tasks and software architecture are still less likely to be trusted to freelance devs, the percentage of non-tech businesses which would outsource them is higher.

Non-tech startups are also more likely to trust maintenance and site migration to freelancers that the tech companies.
<table>
<thead>
<tr>
<th>Service</th>
<th>Would trust to a freelancer</th>
<th>Wouldn’t trust to a freelancer</th>
<th>Not applicable to me</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small tasks (edits, fixes)</td>
<td>94%</td>
<td>1%</td>
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</tr>
<tr>
<td>Security tasks</td>
<td>41%</td>
<td>52%</td>
<td>7%</td>
</tr>
<tr>
<td>Software architecture</td>
<td>46%</td>
<td>46%</td>
<td>8%</td>
</tr>
<tr>
<td>Integration with third-party apps</td>
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<td>Mobile applications creation</td>
<td>67%</td>
<td>23%</td>
<td>10%</td>
</tr>
<tr>
<td>eCommerce development</td>
<td>61%</td>
<td>19%</td>
<td>11%</td>
</tr>
<tr>
<td>Website development from scratch</td>
<td>76%</td>
<td>19%</td>
<td>5%</td>
</tr>
</tbody>
</table>
VS SMALL REVENUE

We’ve also discovered that the trust levels businesses express in regards to freelance developers seems to depend on how big their revenues are.

Companies with revenues up to $100 000 a year tend to have average trust scores.
## VS SMALL REVENUE

<table>
<thead>
<tr>
<th>Service</th>
<th>Would trust to a freelancer</th>
<th>Wouldn’t trust to a freelancer</th>
<th>Not applicable to me</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small tasks (edits, fixes)</td>
<td>94%</td>
<td>52%</td>
<td>0%</td>
</tr>
<tr>
<td>Security tasks</td>
<td>35%</td>
<td>52%</td>
<td>2%</td>
</tr>
<tr>
<td>Software architecture</td>
<td>35%</td>
<td>52%</td>
<td>2%</td>
</tr>
<tr>
<td>Integration with third-party apps</td>
<td>76%</td>
<td>13%</td>
<td>2%</td>
</tr>
<tr>
<td>Site migration</td>
<td>69%</td>
<td>24%</td>
<td>2%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>65%</td>
<td>24%</td>
<td>2%</td>
</tr>
<tr>
<td>Web applications creation</td>
<td>70%</td>
<td>20%</td>
<td>2%</td>
</tr>
<tr>
<td>Mobile applications creation</td>
<td>67%</td>
<td>22%</td>
<td>2%</td>
</tr>
<tr>
<td>eCommerce development</td>
<td>54%</td>
<td>15%</td>
<td>2%</td>
</tr>
<tr>
<td>Website development from scratch</td>
<td>78%</td>
<td>19%</td>
<td>2%</td>
</tr>
</tbody>
</table>
Businesses with $500,000 - $1,000,000 annual revenues tend to trust freelance developers the most.
### VS MIDDLE REVENUE

<table>
<thead>
<tr>
<th>Service</th>
<th>Would trust to a freelancer</th>
<th>Wouldn’t trust to a freelancer</th>
<th>Not applicable to me</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small tasks (edits, fixes)</td>
<td>90%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Security tasks</td>
<td>43%</td>
<td>51%</td>
<td></td>
</tr>
<tr>
<td>Software architecture</td>
<td>45%</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>Integration with third-party apps</td>
<td>82%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Site migration</td>
<td>65%</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>69%</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Web applications creation</td>
<td>71%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Mobile applications creation</td>
<td>63%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>eCommerce development</td>
<td>63%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Website development from scratch</td>
<td>96%</td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>
VS BIG REVENUE

Compared to businesses with lower annual revenues, high-earning companies tend to trust freelance developers the least while still expressing high trust scores and readiness to delegate to freelancers almost all kinds of tasks except security and architecture.
<table>
<thead>
<tr>
<th>Service</th>
<th>Would trust to a freelancer</th>
<th>Wouldn't trust to a freelancer</th>
<th>Not applicable to me</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small tasks (edits, fixes)</td>
<td>90%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Security tasks</td>
<td>35%</td>
<td>60%</td>
<td>8%</td>
</tr>
<tr>
<td>Software architecture</td>
<td>39%</td>
<td>54%</td>
<td></td>
</tr>
<tr>
<td>Integration with third-party apps</td>
<td>71%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Site migration</td>
<td>71%</td>
<td>21%</td>
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<td>21%</td>
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<td>64%</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>eCommerce development</td>
<td>60%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Website development from scratch</td>
<td>77%</td>
<td>17%</td>
<td></td>
</tr>
</tbody>
</table>
COMMENTS ON TRUST

Here’s what the respondents also said regarding trust:

I would have said yes to all. As long as the freelancer has a good reputation or that I receive a recommendation from a peer, freelancer can always be an option. Some tasks do require more knowledge of how "we" work and could be a challenge when working with a freelancer.

On the binary between would and would not, some of these I'd be in between on. As in, it depends, and I lean toward would prefer not to but would consider it.
Many respondents stated about the necessity of vetting freelancers:

The main thing is vetting them. Good people are hard to find

The caveat of "trust a freelancer" is that they would need to be vetted by in-house engineering team
FREELANCERS VS IN-HOUSE TEAMS
To which extent do you agree or disagree with these statements?
Most often the respondents completely or partly agreed on these statements:

1. Freelancers are more affordable than in-house developers (80%)
2. Freelancers propose a wider range of skills than in-house teams (69%)
3. In-house teams are more trustworthy when it comes to security than freelancers (67%, with the highest percentage of those, who completely agreed with the statement - 33%)

The statements the respondents most often partly or completely disagreed with were these:

1. Freelancers are easier to manage compared to in-house teams (68%, including 29% of those, who completely disagreed with the statement)
2. Freelancers are hard to rely on (52%)
3. Freelancers are more likely to miss deadlines than in-house teams (48%)
### VS IN-HOUSE TEAMS

In-house teams are more trustworthy when it comes to security than freelancers

<table>
<thead>
<tr>
<th></th>
<th>Completely agree</th>
<th>Partly agree</th>
<th>Partly disagree</th>
<th>Don't have an opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>33%</td>
<td>34%</td>
<td>15%</td>
<td>7%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Freelancers are hard to rely on

<table>
<thead>
<tr>
<th></th>
<th>Completely agree</th>
<th>Partly agree</th>
<th>Partly disagree</th>
<th>Don't have an opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>8%</td>
<td>33%</td>
<td>34%</td>
<td>18%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Freelancers are more likely to miss deadlines than in-house teams

<table>
<thead>
<tr>
<th></th>
<th>Completely agree</th>
<th>Partly agree</th>
<th>Partly disagree</th>
<th>Don't have an opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>8%</td>
<td>29%</td>
<td>32%</td>
<td>16%</td>
<td>15%</td>
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</tbody>
</table>

Hiring freelancers means having access to the top talent and experts

<table>
<thead>
<tr>
<th></th>
<th>Completely agree</th>
<th>Partly agree</th>
<th>Partly disagree</th>
<th>Don't have an opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>40%</td>
<td>26%</td>
<td>10%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Freelancers are easier to manage comparing with in-house teams

<table>
<thead>
<tr>
<th></th>
<th>Completely agree</th>
<th>Partly agree</th>
<th>Partly disagree</th>
<th>Don't have an opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>8%</td>
<td>19%</td>
<td>39%</td>
<td>29%</td>
<td>5%</td>
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</tbody>
</table>

Freelancers propose a wider range of skills than in-house teams

<table>
<thead>
<tr>
<th></th>
<th>Completely agree</th>
<th>Partly agree</th>
<th>Partly disagree</th>
<th>Don't have an opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>27%</td>
<td>42%</td>
<td>17%</td>
<td>6%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Freelancers are more affordable than in-house teams

<table>
<thead>
<tr>
<th></th>
<th>Completely agree</th>
<th>Partly agree</th>
<th>Partly disagree</th>
<th>Don't have an opinion</th>
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<td>28%</td>
<td>52%</td>
<td>15%</td>
<td>32%</td>
<td></td>
</tr>
</tbody>
</table>
HIRING FREELANCE DEVELOPERS
While choosing between a few freelancers, I would prefer...
DECIDING FACTORS

Top 3 priorities while choosing which freelancers to hire are:

1. Someone who speaks English over someone who doesn’t (90%)
2. Someone more experienced (69%)
3. Someone who is more proactive over someone who strictly follows the instructions (69%)

The least important factors are:

1. Someone less qualified but friendly over someone more experienced but unfriendly (18%)
2. Someone from the US over someone from outside the US (25%)
3. Someone with a lower hourly rate (30%)
While choosing between a few freelancers, I would prefer*

- Someone who speaks English over someone who doesn’t
- Someone more experienced
- Someone who is more proactive over someone who is strictly following the instructions
- Someone with a better portfolio
- Someone with a culture/mentality close to mine
- Someone with a lower hourly rate
- Someone from the US over someone from outside the US
- Someone less qualified but friendly over someone more experienced but unfriendly
While choosing between a few freelancers, I would prefer*

The overall answers to this question do not differ much depending on age, but there are several exceptions:

- Someone who speaks English over someone who doesn’t – for the youngest group of 18-24 y.o. respondents this point was the least important in comparison with others (19%);
- Someone from the US over someone from outside the US – the 65+ age group chose this option twice as often as others (14%);
- Someone with a better portfolio – older age groups of the age 55+ found this point more important than others (8%);
- Someone less qualified but friendly over someone more experienced but unfriendly – 18-24 years old respondents agreed with this statement more often than others while people older than 65 found it the least important
While choosing between a few freelancers, I would prefer:

1. Someone who speaks English over someone who doesn’t
2. Someone from the US over someone from outside the US
3. Someone more experienced
4. Someone with a better portfolio
5. Someone with a lower hourly rate
6. Someone with a culture/mentality close to mine
7. Someone less qualified but friendly over someone more experienced but unfriendly
8. Someone who is more proactive over someone who is strictly following the instructions
Among the freelance developers you’ve worked with previously, how many were male?
Among the freelance developers you’ve worked with previously, how many were male?

- All of them: 25%
- Majority: 48%
- Half: 3%
- Minority: 1%
- None: 4%
- I don’t know: 20%
Among the freelance developers you’ve worked with previously, how many were male?

While we didn’t notice any significant difference between the answers of female and male respondents when it came to the gender balance among previously hired freelancers, the one thing that varied was that a bigger percentage of female respondents said that all of the freelance developers they’ve worked with before were male (38%) and male respondents more often chose the «majority» option.
Among the freelance developers you’ve worked with previously, how many were male?

1. All of them
2. Majority
3. Half
4. Minority
5. None
6. I don’t know
WORKING WITH FREELANCERS
Where do you prefer to hire/find freelancers?
HIRE/FIND

- Referrals from people I know: 81%
- Social networks: 20%
- Generic freelance platforms: 26%
- Vetted freelance platforms: 34%
What hourly rate are you willing to pay freelancers?
According to our respondents, only 4% were willing to pay senior freelance developers less than $15/hour, with the majority voting for $55+/hour as being a fair pay.

The most popular hourly rates for junior developers stated as up to $25/hour, and for the middle devs it’s the range of $15-$45/hour.

Here’s what our interviewees also had to say regarding the costs of hiring freelance developers:

- ‘Generally agree on a flat rate based upon how much work/time/experience is likely required. This ensures we’ll always know our costs ahead of time and gives the freelancer greater freedom and flexibility to perform task as they choose.’
- ‘I hire based on: talent/skill first and see if I can stay within budget and make a profit. Also depends on what the project requires and if it's a one-off or could lead to more work.’
HOURLY RATE

Junior
- Below $15: 33%
- $15-25: 34%
- $25-35: 17%
- $35-45: 10%
- $45-55: 3%
- More than $55: 3%

Middle
- Below $15: 10%
- $15-25: 19%
- $25-35: 24%
- $35-45: 21%
- $45-55: 16%
- More than $55: 10%

Senior
- Below $15: 4%
- $15-25: 7%
- $25-35: 11%
- $35-45: 18%
- $45-55: 12%
- More than $55: 48%
How do you track freelancers' hours?
Tracking Hours

- Google spreadsheet: 23%
- Email: 13%
- Messengers: 5%
- Special tools (Toggl, Hubstaff, Clockify, Asana, etc.): 36%
- Through the freelance platforms’ trackers: 29%
- Do not track: 29%
What collaboration tools do you use?
Collaboration Tools

- Email: 74%
- Asana, Jira, Trello and other tools: 62%
- Telegram, Skype, Zoom, Slack and other messengers: 75%
- Social Platforms: 12%
- The Freelance Platform: 19%
PREVIOUS EXPERIENCE WITH FREELANCERS
How was your experience working with freelancers?
How was your experience working with freelancers?

71% of respondents stated their previous experience of working with freelancers was good or very good.

On the contrary, only 6% graded their experience as bad (5%) or very bad (2%).

The same amount of people (6%) said they’ve had different experiences with freelancers.
How was your experience working with freelancers?

The people who stated they were the most happy about working with freelancers were those who hired developers from vetted freelance platforms. 77% of respondents stated that they had positive experience from hiring freelancers through vetted platforms, and only 2% of them had a negative experience.

Generic freelance platforms also got mostly positive reviews with 72% of positive answers. However, the share of negative experience answers was higher – 7% and the overall happiness was even lower than for those who hired freelancers based on referrals.

Those who hired through social networks reported to have the worst experiences. However, this way of hiring was reported to be quite polar – 35% of all respondents stated they had very good experience hiring through social networks (the largest share).
**VS WHERE TO HIRE/ FIND?**

*How was your experience working with freelancers?*

<table>
<thead>
<tr>
<th>Method</th>
<th>Very good</th>
<th>Good</th>
<th>Neither good nor bad</th>
<th>Bad</th>
<th>Very bad</th>
<th>Different</th>
</tr>
</thead>
<tbody>
<tr>
<td>Referrals from people I know</td>
<td>29%</td>
<td>43%</td>
<td>16%</td>
<td>4%</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Social networks</td>
<td>35%</td>
<td>28%</td>
<td>19%</td>
<td>2%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Generic freelance platforms</td>
<td>19%</td>
<td>53%</td>
<td>17%</td>
<td>6%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Vetted freelance platforms</td>
<td>24%</td>
<td>53%</td>
<td>17%</td>
<td>4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Very good**: Purple
- **Good**: Green
- **Neither good nor bad**: Blue
- **Bad**: Red
- **Very bad**: Orange
- **Different**: Yellow
How was your experience working with freelancers?

Since Eastern Europe and North America were the two most popular locations to outsource development to, we decided to compare the experiences of people who hired from those regions. As you see, despite minor fluctuations, there is no significant difference between the two.
How was your experience working with freelancers?

**Eastern Europe**
- Very good: 26%
- Good: 43%
- Neither good nor bad: 17%
- Bad: 7%
- Very bad: 6%

**US Canada**
- Very good: 30%
- Good: 39%
- Neither good nor bad: 21%
- Bad: 3%
- Very bad: 6%
How was your experience working with freelancers?
How do you track hours of freelancers?

The respondents who reported not tracking freelancers’ hours at all tend to have the least successful cooperation with them. On the other hand those who track developers’ hours through email or using dedicated tools & trackers, report much better experience.
How was your experience working with freelancers?

How do you track hours of freelancers?

<table>
<thead>
<tr>
<th>Method</th>
<th>Very good</th>
<th>Neither good nor bad</th>
<th>Bad</th>
<th>Very bad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google spreadsheet</td>
<td>23%</td>
<td>53%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Email</td>
<td>28%</td>
<td>52%</td>
<td>17%</td>
<td>3%</td>
</tr>
<tr>
<td>Messengers</td>
<td>42%</td>
<td>33%</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Tools (Toggl, Hubstaff, Clockify, Asana, etc.)</td>
<td>30%</td>
<td>45%</td>
<td>18%</td>
<td>5%</td>
</tr>
<tr>
<td>Through the freelance platforms’ trackers</td>
<td>27%</td>
<td>45%</td>
<td>19%</td>
<td>4%</td>
</tr>
<tr>
<td>Do not track</td>
<td>27%</td>
<td>36%</td>
<td>16%</td>
<td>4%</td>
</tr>
</tbody>
</table>

- Very good
- Neither good nor bad
- Bad
- Very bad
VS COLLABORATION TOOLS

How was your experience working with freelancers? What collaboration tools do you use?

Another factor that seems to result in bad experience with freelancers is using social media platforms for collaboration with developers.
VS COLLABORATION TOOLS

How was your experience working with freelancers? What collaboration tools do you use?

- Email: 28% Very good, 43% Good, 18% Neither good nor bad, 3% Bad, 7% Different
- Asana, Jira, Trello and other tools: 27% Very good, 45% Good, 17% Neither good nor bad, 6% Bad, 6% Different
- Telegram, Skype, Zoom, Slack and other messengers: 27% Very good, 44% Good, 16% Neither good nor bad, 6% Bad, 6% Different
- Social platforms: 31% Very good, 27% Good, 4% Neither good nor bad, 8% Bad, 11% Different
- The freelance platform: 23% Very good, 44% Good, 19% Neither good nor bad, 7% Bad, 7% Different
BEST AND WORST EXPERIENCE
Tell us a couple of words about your best and/or worst experience
Positive experiences:

- A freelancer did an excellent job on one project at a very reasonable cost with little need for supervisions. Yet on a later project, that same freelancer needed more.

- A freelancer rearchitected an API platform with data libraries, reducing deploy time, and increasing data architecture consistency for the company.

- We have freelancers that have been working with us since 2013, and that are basically family now.

- Best experience is getting a custom landing page built in record time when one of my in-house developers wasn't able to work that day.

- The freelancers that I've worked with all had the initiative to do more than that was required of them which I admired the most.

- Best hire – became co-founder & CTO.
Negative experiences:

- After ending the project, I was offered for a higher price, if not he will delete the website from the hosting.

- Time zone and communications are a problem. Even when English is good sometimes things get lost in translation. Requirements and objectives must be very well defined to make up for remote, culture, and language challenges.

- Worst experience was being ghosted for two weeks when I had a client deliverable deadline.

- Worse experience is when a freelancer disappeared the day before we launched our product and came back couple weeks later.
Suggestions regarding hiring freelancers:

The caveat of "trust a freelancer" is that they would need to be vetted by in-house engineering team.

Freelancers tend to be more on call versus agencies. I feel like hiring agile experienced individual contributors for quicky but slightly heavy lifts if the most efficient versus campaign-level projects that typically require full teams.
Suggestions regarding hiring freelancers:

I found that all freelancers we hired were really dedicated and worked as if they were part of the company. Of course, this is only possible if a proper selection process is in place. I recommend choosing 2 to 3 top talent and have them complete a small project (paid). You ask them to complete the exact same work and the compare the results and interactions you have with them while reviewing your work. Yes, you'll pay 2 to 3 times for the same small task, but it could save you a lot of problems.
Some interesting insights from the respondents’ comments:

I've only worked with remote teams. Tried to hire local out of stanford but americans all have their side projects and tough to compete with Palantir, FB, Google who are constantly poaching top talent.

Finding the right person is the biggest issue. I've wasted a lot of time with poor freelancers. But once you find the right freelancer, it's amazing.

I find it to be a win-win situation. You find freelancers who can do menial tasks for a low cost as they are paid precisely for the work they do, not paid simply for turning up. On the flip-side, if you need some specific work, hiring an expert freelancer gives you access to top talent.
TO HIRE OR NOT TO HIRE?
Would you recommend hiring freelance developers to other entrepreneurs?
WOULD YOU?

- Yes, absolutely: 46%
- Probably, yes: 40%
- Most likely, no: 7%
- Absolutely not: 6%
- I don’t know: 1%