

Digital Nomads

September 2022

Working From The Road:

The Aspirations and
Reality for Digital Nomads

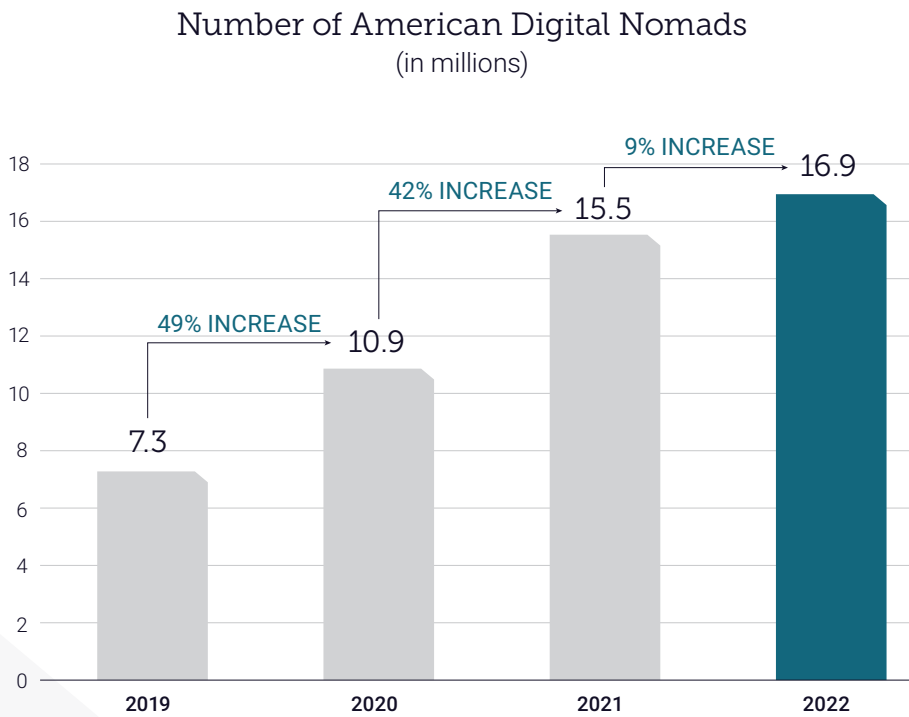
Digital Nomads:

People who embrace a location-independent, technology-enabled lifestyle – have moved from being eccentrics to mainstream in less than a decade.

Working from the Road:

The Aspirations and Reality for Digital Nomads

The MBO Partners [2022 State of Independence](#) research study found that 16.9 million American workers currently describe themselves as digital nomads, increasing 9% from 2021 and a staggering 131% from the pre-pandemic year 2019.



Let loose by the shift to remote work during the pandemic, digital nomads work and live remotely, anywhere in the Internet-connected world.

Organizations of all sizes now work with digital nomads and find that untethering work from fixed locations can be a win-win proposition. Workers work when and where they want; organizations get access to top talent who are satisfied with their lifestyle.



Meet the 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 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. Some travel the globe, but many never cross a border, choosing to live and work while exploring a single area or country, including the United States. They are united by their passion for travel and new adventures.

Traditional Workers Hit the Road

The COVID-19 pandemic is perhaps the single biggest impact on the growth and makeup of digital nomads. Traditional workers (those employed full time by an organization) were unleashed from their offices, and many took to the road to embrace their newfound freedom. The number of digital nomads with traditional jobs increased by 9% in 2022, growing from 10.2 million in 2021 to 11.1 million in 2022. This is on top of the number of digital nomads with traditional jobs doubling in 2020 and increasing 42% in 2021. In fact, since the start of the pandemic, the number of digital nomads with traditional jobs has more than tripled.

Notably, nomads are significantly more likely to have been self-employed than their traditionally employed counterparts. Three out of four digital nomad traditional workers (76%) had either started their own business or worked as an independent before joining the traditional workforce, vs. 40% of workers overall. They feel more in control of their own destiny and career futures, too.

...since the start of the pandemic, the number of digital nomads with traditional jobs has more than tripled.

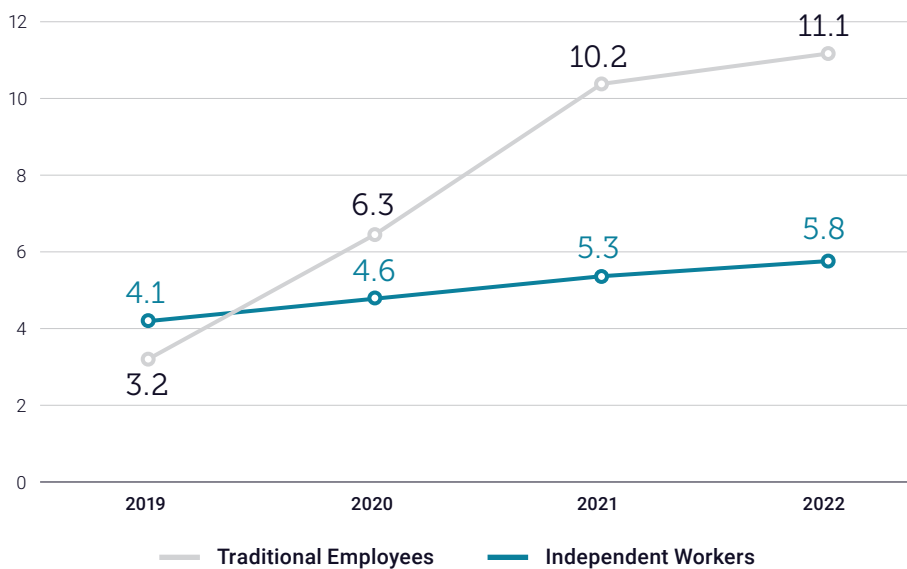
Half of digital nomad traditional workers consider themselves a free agent (or somewhat a free agent) whereas only 29% of traditional workers overall claim that autonomy. We think of free agents as traditional jobholders who are open to new opportunities from new employers and may even actively scan for external opportunities on a regular basis, vs. workers who see themselves staying with their current employer for the medium to long-term. In this sense, traditional workers who work as digital nomads are more similar in DNA to independents than other types of workers.

The number of digital nomads who are independent workers... also increased in 2021, growing by 5%.

Independent Workers still Trekking

The number of digital nomads who are independent workers (freelancers, independent contractors, etc.) also increased in 2021, growing by 5%. Independent workers have always had substantially more location freedom than traditional job holders, so the impact of COVID-19 on the number of independent workers who are digital nomads has been much less pronounced. The effect of the mix shift between types of digital nomads has been quite dramatic. In 2019, 44% of digital nomads were traditional job holders. In 2022, two-thirds (66%) of digital nomads are traditional jobholders.

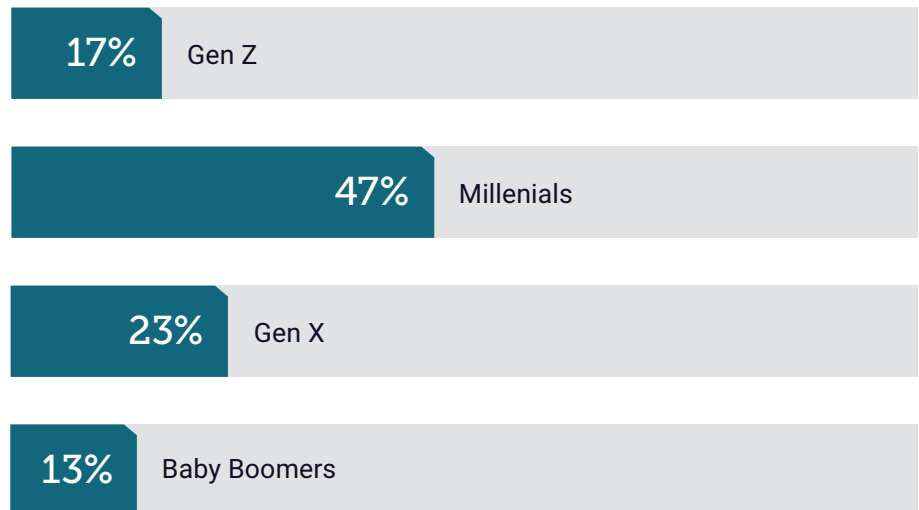
Number of Digital Nomads by Worker Type
(in millions)



Digital Nomads Skew Young, Male, and Democrat

The pandemic also led to digital nomad demographic shifts. In 2019, 27% of digital nomads were Baby Boomers (born 1946-1964), but the share of Baby Boomers fell to 17% in 2020 and continued to decline to 12% in 2021. In 2022, the Boomer share remained low at 13%. This decline is not surprising. Older workers are more concerned about COVID-19 and at a greater risk of serious illness, making them less interested in a nomadic lifestyle while the pandemic persists, and a similarly large number of Boomers left the workforce entirely during the pandemic. We do, however, expect to see an uptick in the number of Baby Boomer digital nomads as pandemic concerns subside. By income, flexibility, and ability to travel because of life stage, these workers should remain a loyal core of nomads in years to come.

Percentage of Digital Nomads by Generation Type



The younger generations, Gen Z (17%) and Millennials (47%), comprise most digital nomads. Their overall share has been increasing since 2019. In addition to being less cautious than older workers, Gen Z and Millennials generally have more location flexibility due to their life stage. Gen X's share stayed stable in 2022 at 23%.

Overall, digital nomads have gotten younger over the past four years. But older age groups continue to be well represented, with over one-third (37%) coming from the two older generations and almost one in 10 (9%) older than 60.

More males than females 2022 were nomads; the exact breakdown is 59% male and 41% female, which is consistent with prior years, including prior to the pandemic. Over half (56%) of all digital nomads are married, but there are big differences in the marriage rate between digital nomads with traditional jobs and independent workers. Nearly two-thirds of digital nomads with traditional jobs are married, while only about one-third (37%) of independent workers who are digital nomads are married.

The racial make-up of digital nomads is 76% white, 18% African American, 8% Hispanic, 4% Asian, and 3% from another background (respondents could provide multiple answers to this question).

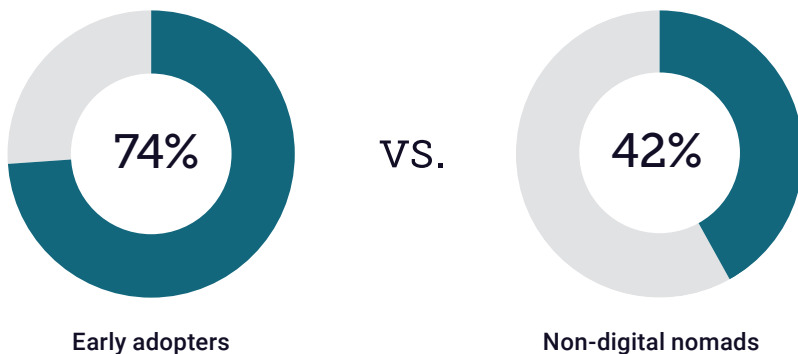
In terms of politics, digital nomads skew heavily Democratic. Half (51%) consider themselves Democrats, 24% Republicans, and 23% Independents. By comparison, [Gallup reports](#) that for the U.S. overall, 29% of voting-age adults consider themselves a Democrat, 28% Republican, and 41% Independent.



Digital Nomads: Technically Savvy, Skills-Oriented, Well-Educated Professionals

Digital nomads work in a wide variety of fields, with the main professions including information technology (21%), creative services (12%); education and training (11%); sales, marketing, and PR (9%); finance and accounting (9%); and consulting, coaching and research (8 %). The unifying theme of these professions is that they can be performed remotely using digital tools and the Internet. The allocation of talent found across these professions has been consistent year-over-year.

Since most digital nomads rely on digital tools and the Internet in their work, it's not surprising that they report having stronger technical skills than those who aren't digital nomads.



Eighty-six percent report they use technology to make themselves more competitive in their work, versus 47 percent of non-digital nomads. Digital nomads are also more likely to be early adopters of technology (74 percent) than non-digital nomads (42 percent). Specialized skills are important to most digital nomads, as is learning new skills. Sixty-eight percent say their work requires specialized training, education, or expertise versus 47 percent for non-digital nomads. Seventy-three percent also report participating in work-related skills training over the past year versus 53 percent for non-digital nomads.

Digital nomads are also, on average, well-educated, with 59% having a college degree or higher (versus 35% for adult Americans) and 26% reporting having an advanced degree (versus 13% for adult Americans).

Digital Nomads Among the Most Satisfied with their Work and Income

Consistent with prior years, digital nomads are among the workers most satisfied with their work and lifestyle.

Eighty-one percent report being highly satisfied and 11% satisfied with their work and lifestyle. Only 3% were dissatisfied. This compares to 68% of non-digital nomads reporting being highly satisfied and 14% satisfied with their work and lifestyle.



A key reason for this high level of satisfaction is that regardless of how much they make, most digital nomads are satisfied with their earnings. More than 4 out of 5 (82%) report either being very satisfied (51%) or satisfied (31%) with their income. This is higher than the income satisfaction reported by workers who aren't digital nomads, with 71% reporting either being very satisfied (32%) or satisfied 39%) with their income. Also, the satisfaction scores are similar across all income groups. This is likely due to digital nomads focusing not just on earnings but also on the journey. In interviews, digital nomads often say they're satisfied with their income if they earn enough to support their travels.

Because digital nomads are a mix of full-timers (78%) and part-timers (22%) and may only do it for part of a year, their income varies widely. One in five digital nomads (21%) report earning less than \$25,000 annually. But 45 percent say they earn \$75,000 or more. The number of high earners is due to many digital nomads working in fields where talent shortages are common. Their skills are in demand, and their salary levels are high.



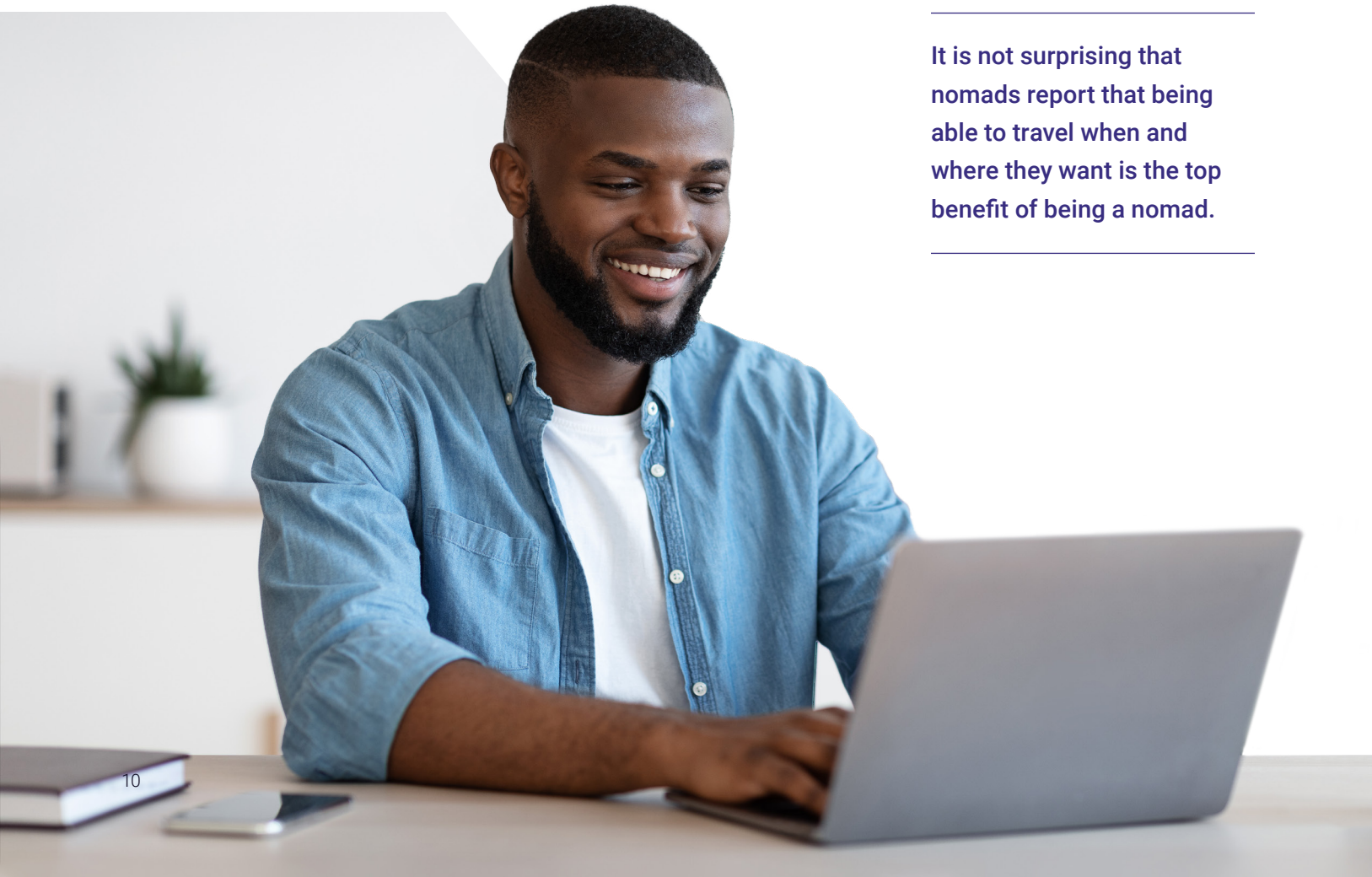
Definition:

You engage in geoarbitrage when you change where you live (and work) to take advantage of different prices for the same assets in various markets.

To help stretch their income, many digital nomads work from places with relatively low costs of living. At the same time, they often serve customers virtually in higher-wage labor markets. Combining low-cost living with higher expat income, they can take advantage of income/living cost **“geo-arbitrage.”** This enables lower-income digital nomads to fund their travels and spend less time working to support themselves and more time enjoying their adventures.

Digital nomad satisfaction levels are also high due to the benefits of this work and lifestyle. It is not surprising that nomads report that being able to travel when and where they want is the top benefit of being a nomad. Other benefits include a better work/life balance than a traditional lifestyle, experiencing new cultures, and meeting new people.

It is not surprising that nomads report that being able to travel when and where they want is the top benefit of being a nomad.



The Hard Things About Living Life on the Road

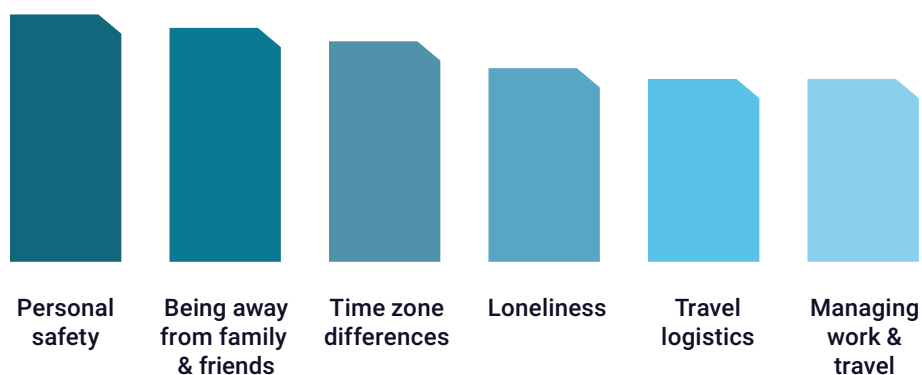
Although digital nomads report high satisfaction levels, being nomadic is not without challenges.

The top challenges reported by current digital nomads are personal safety (34%), being away from family and friends (32%), time zone differences making work difficult (30%), loneliness (26%), travel logistics (25%) and managing work and travel (25%).

In our survey, we asked former digital nomads why they discontinued the lifestyle, and their answers echoed the challenges reported by current nomads.

The top three reasons are: they got tired of traveling, it was too expensive, and the logistics were too challenging. Other reasons included loneliness, difficulties combining work and full-time travel, and missing family and friends. The reality is that constant travel combined with work is complicated and challenging. But even when they've stopped, our interviews with former digital nomads indicate many will return to digital nomadism.

Top Challenges Reported by Current Digital Nomads



Most Digital Nomads Plan to Continue Working This Way


More digital nomads are reporting that they plan on continuing to be nomadic over the next 2-3 years. In 2022, 69% of digital nomads report planning to continue as digital nomads for at least the next 2-3 years. This is up from 54% in 2021 and 49% in 2020. The main driver of this increase comes from digital nomads with traditional jobs.

The share planning on continuing as digital nomads for at least the next 2-3 years increased from 49% in 2021 to 71% in 2022. Based on interviews, this increase is due to more employers allowing their workers to continue as digital nomads, and possibly also the strongly pent-up demand for travel caused by the pandemic.

More Digital Nomads Plan to Travel Internationally in the Coming Year

With the easing of the COVID-19 pandemic and related travel restrictions, digital nomads are planning more cross-border travel. Almost 6 in 10 nomads (58%) plan to spend at least some of their time over the next year outside the U.S. Last year, only 48% of nomads traveled internationally. Although the share of nomads planning to travel exclusively in the U.S. declined to 42% in 2022 from 52% in 2021, even those saying they plan to travel internationally say they will also spend time exploring domestically.

Another change from before the pandemic is that digital nomads visit fewer locations but spend more time at each stop. Like last year, almost half (48%) of digital nomads report this is their plan for the following year. In our interviews, digital nomads report that this approach, often called slow travel, provides a more active social life, allows them to learn more about local cultures, and improves their work productivity.

A woman with curly hair is sitting on a bed, holding a white mug. She is looking towards the left. In the background, there is a desk with a laptop. The entire image has a blue tint.

...the shift to remote work has created the opportunity, or at least the possibility, that becoming a digital nomad is an achievable goal.



The VanLife Movement

VanLifers Fastest Growing Digital Nomad Segment



VanLifers are digital nomads who travel, live, and work in RVs, vans, or other vehicles converted into roaming residences. VanLifers were the fastest growing digital nomad segment, increasing 19% in 2022 and reaching 3.1 million. This is up from 2.6 million in 2021 and 1.9 million in 2020. The pandemic clearly accelerated the growth of the VanLife trend. Driving around in a van or RV means you don't have to get on airplanes, stay in hotels, eat at restaurants or visit other places where you risk exposure.

But the VanLife trend was growing before a pandemic, thanks to several travel benefits. In addition to being able to visit popular vacation spots and urban areas, VanLifers can easily explore hard to get to national parks and remote wilderness areas. Traveling by van or RV can also reduce travel costs and allow VanLifers to take along various equipment (bikes, etc.), personal items, and even pets.

VanLife has also long had a large presence on social media. Millions of people follow Vanlife posts and videos, which raises awareness and attracts new VanLife participants.

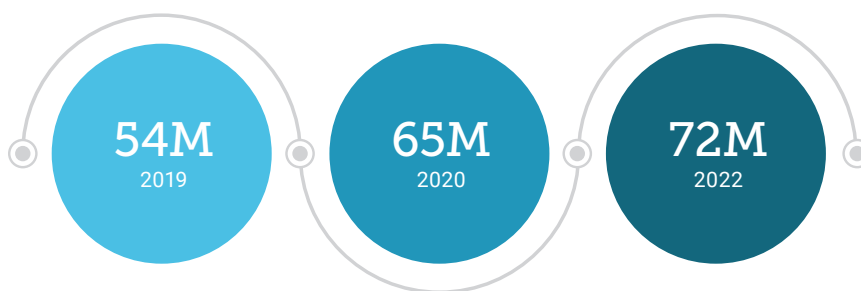
Becoming a Digital Nomad: A Popular Aspiration

The digital nomad trend has long attracted traditional media attention and 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—in beautiful and/or culturally exciting places. Additionally, the shift to remote work has created the opportunity, or at least the possibility, that becoming a digital nomad is an achievable goal. Combined with the natural interest of many to travel, this has resulted in millions aspiring to become digital nomads.


We asked adult Americans who aren't digital nomads if they plan on becoming digital nomads over the next 2-3 years. In 2022 the results project to 25 million saying yes and 48 million saying maybe. This is a 12% increase compared to 2021 in the number of Americans saying they might or will become digital nomads over the next 2-3 years.

Combined with the natural interest of many to travel, [vanlife] has resulted in millions aspiring to become digital nomads.

Adult Americans that Plan on Becoming Digital Nomads



Despite their aspirations, our studies indicate that only about 8% to 11% of those saying yes or maybe will become digital nomads over the next 2-3 years. The rest 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 the interest is in this lifestyle. It also shows how the shift to remote work, especially for traditional jobholders, is making the idea of becoming a digital nomad even more popular.

The background of the slide features a teal-to-blue gradient. In the upper half, the silhouettes of two people are shown from the chest up, standing on a flat surface that appears to be the roof of a vehicle. They are facing each other, with their arms extended horizontally. The person on the left has curly hair, and the person on the right has their hair pulled back. The lower half of the image shows the dark interior of a vehicle, with the outlines of seats and windows visible. The overall mood is one of freedom and mobility.

The digital nomadism trend has reached the size and scale that a wide variety of organizations are providing products and services to assist digital nomads.

The Bright Future of Digital Nomadism

After the explosive growth of American digital nomads in 2020 and 2021, this year has seen a relatively modest increase of 9% in their numbers. This slowdown was expected due to the pandemic easing, life and work starting to return to normal, and more workers expected to show up at the office at least a few days a week.

But the factors driving the growth of digital nomadism are still in place. People want to travel, awareness and interest in digital nomadism is growing, and the shift to remote work will continue to be a powerful enabler. Other factors driving the growth of digital nomads include:

1 Organizations are allowing more employees to become digital nomads:

Corporations have been hesitant to allow their employees to become nomadic. This is changing, and many companies have announced plans and policies to enable more employees to become digital nomads. This gives millions of people the ability to become more nomadic - and as this study's data shows, many traditional jobholders have embraced this opportunity and more will join them in the coming years.

2 Countries and cities around the world are vying for digital nomads.

Just as companies compete for talent, countries and cities are now also competing for talent to live and work in their domain. Governments at all levels realize that digital nomads spend more money than tourists, don't put much strain on public services, create jobs for locals - and even start local businesses. Because of this, over [45 countries have created digital nomad visas](#) and other programs to smooth out the red tape, making it easier to for digital nomads to locate in their countries.

A growing support industry is making it easier to be a digital nomad.



3 A growing support industry is making it easier to be a digital nomad.

The digital nomadism trend has reached the size and scale that a wide variety of organizations are providing products and services to assist digital nomads. These include everything from cross-border health insurance and financial services to temporary work and living spaces to online information sites and sites specifically designed to help digital nomads find work. [Even digital nomad villages](#) - organized communities that provide the work and living infrastructure remote workers need to be productive and social activities to keep them happy – are springing up worldwide.

4 Remote work technology and methods continue to improve.

The pandemic-induced shift to remote work has resulted in massive investments in remote work tools and technology. These include faster Internet speeds and greater bandwidth, remote collaboration and teaming software, and better tools operating remotely. Organizations and managers are also learning to productively utilize remote workers and effectively include them in their teams. Digital nomads, who are intensive users of remote technology, benefit greatly from these advances.

About MBO Partners®

MBO Partners is a deep job platform that connects and enables independent professionals and microbusiness owners to do business safely and effectively with enterprise organizations. 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. For more information, visit mbopartners.com.

Methodology

The findings in this research brief come from the 2022 MBO Partners State of Independence in America study survey, which was fielded in July of 2022. This is the 12th consecutive year this study has been conducted. For the 2022 study, Emergent Research and Rockbridge Associates surveyed 6,488 residents of the U.S. (aged 18 and older) including 901 current digital nomads. The survey results were weighted to reflect the demographics of the U.S.

