

FREE AGENT NATION

**How America's New
Independent Workers
Are Transforming
the Way We Live**

ADVANCE
READING COPY
NOT FOR RESALE
Hardcover
Publication
April 2001

DANIEL H. PINK

FREE AGENT NATION

How America's
New Independent Workers
Are Transforming the
Way We Live

DANIEL H. PINK



A Time Warner Company

Copyright © 2001 by Daniel Pink
All rights reserved.

Warner Books, Inc., 1271 Avenue of the Americas, New York, NY 10020

Visit our Web site at www.twbookmark.com



Printed in the United States of America

First Printing: April 2001
10 9 8 7 6 5 4 3 2 1

Library of Congress Cataloging-in-Publication Data

Pink, Daniel H.

Free agent nation : how America's new independent workers are
transforming the way we live / Daniel H. Pink.

p. cm.

Includes index.

ISBN 0-446-52523-5

1. Self-employed—United States. 2. Entrepreneurship—United States.
I. Title.

HD8037.U5 P56 2001
331.25—dc21

00-066257

Author's Note

This book is a ground-level view of a revolution in how Americans work and live. It is the product of more than a year on the road and face-to-face interviews with several hundred independent workers. Except where noted in the text or endnotes, all quotations in the pages that follow (including the epigraphs that open each of the first thirteen chapters) come from interviews I conducted, and recorded on audiotape, during my journey through Free Agent Nation. In nearly all cases, I use people's real names. In the few instances where, at the subject's request, I use a pseudonym or disguise the person's identity, I note that in the text.

Among the many things I learned in my travels was how time-starved most Americans feel. And among the many things I've learned from reading nonfiction books is how little authors do to accommodate this reality of their readers' lives. That's why, at the end of every chapter of this book, I've included what I call "The Box." The Box contains the chapter's key information and arguments. It consists of four small entries: "The Crux," which summarizes the chapter in 150 words or less; "The Factoid," one particularly revealing statistic from the chapter; "The Quote," which pulls from the chapter one representative quotation; and "The Word," a novel term or phrase from the new vocabulary of free agency. Read only "The Box" and you'll miss the chapter's narrative and nuance—but not, I hope, its point.

Contents

PROLOGUE. 1

PART ONE **WELCOME TO FREE AGENT NATION**

CHAPTER 1. Bye, Bye, Organization Guy 00

CHAPTER 2. How Many Are There?:
The Numbers and Nuances of Free Agency 00

CHAPTER 3. How Did It Happen?:
The Four Ingredients of Free Agency 00

PART TWO **THE FREE AGENT WAY**

CHAPTER 4. The New Work Ethic 00

CHAPTER 5. The New Employment Contract 000

CHAPTER 6. The New Time Clock 000

PART THREE
HOW (AND WHY) FREE AGENCY WORKS

- CHAPTER 7. Small Groups, Big Impact:
Reinventing Togetherness in Free Agent Nation 000
- CHAPTER 8. Getting Horizontal:
The Free Agent Org Chart and Operating System 000
- CHAPTER 9. The Free Agent Infrastructure 000
- CHAPTER 10. Matchmakers, Agents, and Coaches 000
- CHAPTER 11. Free Agent Families 000

PART FOUR
FREE AGENT WOES

- CHAPTER 12. Roadblocks on Free Agent Avenue:
Health Insurance, Taxes, and Zoning 000
- CHAPTER 13. Temp Slaves, Permatemps, and the
Rise of Self-Organized Labor 000

PART FIVE
THE FREE AGENT FUTURE

- CHAPTER 14. E-tirement:
Free Agency and the New Old Age 000
- CHAPTER 15. School's Out:
Free Agency and the Future of Education 000
- CHAPTER 16. Location, Location . . . Vocation:

Free Agency and the Future of Offices, Homes,
and Real Estate 000

CHAPTER 17. Putting the "I" in IPO:
The Path Toward Free Agent Finance 000

CHAPTER 18. A Chip Off the Old Voting Bloc:
The New Politics of Free Agency 000

CHAPTER 19. What's Left:
Free Agency and the Future of Commerce,
Careers, and Community 000

NOTES 000

APPENDIX: RESULTS OF THE FREE AGENT ONLINE CENSUS. 000

ACKNOWLEDGMENTS 000

INDEX 000

Prologue

I suppose I realized that I ought to consider another line of work when I nearly puked on the Vice President of the United States.

It was a sweltering June day in Washington, D.C.—the kind of day that drenches your shirt and sours your mood. I was completing my second year as then Vice President Al Gore's chief speechwriter. And I was doing it hunched in front of my computer, banging on the keyboard, hoping that when my fingers stopped I'd have produced another sentence, and that this new sentence would move me closer to completing one of two speeches that were due that afternoon.

Seated at nearby desks were two other, only slightly less beleaguered, speechwriters with whom I shared a large and mangy office. Even on this most oppressive of days, we wore the mandatory uniform for White House men: suit pants, a starched shirt, and a tie cinched to the Adam's apple. Room 267 always smelled vaguely like a junior high locker room, but today was especially rank. As a climatological sauna baked the nation's capital, here in our own mini-seat of power, the air-conditioning had gone kaput. But away I typed, skittering ever nearer to finishing each speech, even as I melted into my cheap, gray chair.

At 5:45 that evening, I pulled both speeches from my printer, and scooted to the Vice President's West Wing office, about sixty

paces down the hall from the Oval Office. At 6:00 P.M. the schedule called for “speech prep,” a peculiar meeting, wherein the Vice President reads your speech and explains what he likes—or, more often, what he doesn’t—as you sit there, mostly silent, absorbing the critique. This particular speech prep, however, was better than most. Gore was lighthearted and jokey (his office, let history record, had air-conditioning that day), and mostly satisfied with the texts. When the meeting began breaking up after about forty-five minutes, I lifted myself out of my chair—and immediately felt nauseated and light-headed.

I walked out of the Vice President’s office, shut his imposing mahogany door behind us, and lingered in his waiting room, where still more aides answered phones, screened visitors, and guarded the inner sanctum. Noticing that I was wobbling, one of my colleagues said, “Dan, you look green.”

“Yeah,” I responded. “I don’t feel so good.”

The next thing I remember I was regaining consciousness, seated in a waiting room chair. And I was vomiting—steadily, calmly, like a seasoned pro. Not onto the plush vice presidential carpet fortunately, but into a ceremonial bowl that was a gift, I think, from the Queen of Denmark. (I’ve since learned that under certain interpretations of international treaties, my regurgitation could be construed as an act of war against the Nordic nation.) I looked up and blinked away the haze to reveal the horrified faces of my colleagues, unaccustomed to such displays in the West Wing. My first thought: “Oh no, this is how they’re going to remember me. After all the blood I’ve sweated, the great lines I’ve written, the indignities I’ve endured, I’m going to be known as the guy who upchucked in the Veep’s office.”

Before long, Gore emerged from behind his office door, surveyed the scene, squared his heels to look at me, and drawled, “But Daaaaann. I said I *liiiiiked* the speech.” Then after being assured by the ever-present Secret Service agent that I was a threat to neither his safety nor the U.S. Constitution, he returned to his office. A White House doctor arrived shortly thereafter. He spirited me to a West Wing examination room, checked my vitals, and issued the following diagnosis: exhaustion.

Three weeks later, on Independence Day, I left that job. Indeed, I left *all* jobs for good. I became a free agent.

I forged an office out of the attic of my Washington, D.C., home, and tried to parlay my skills and contacts into something resembling a living for my young family. I secured a contract with *Fast Company* magazine, and jumped on the phones to see if somebody would pay me for prose. Soon, they did—and I began working for myself, writing speeches and articles for just about anybody whose check would clear.

Now, truth be told, this move from the White House to the Pink House was something I'd been contemplating for a long time. My job had its charms at first—trips aboard *Air Force Two*, meetings at the vice presidential mansion, chance encounters with Wolf Blitzer. But before long, the hypoxia of having reached the heights of my profession gave way to a dull sadness. I missed my wife. I missed our daughter. I missed my life. And perhaps strangely for someone normally in “public service,” I missed making a difference.

And I wasn't alone. At least that's what I sensed. Several of my friends and neighbors were making similar moves. They were abandoning traditional jobs to strike out on their own. Some, of course, were keen on building the next great company. But most were thinking smaller. Like me, they were tired and dissatisfied. They just wanted to be in charge of their lives.

Following this hunch, I asked my editors at *Fast Company* if I could look into this phenomenon—and what I found astonished me. It wasn't simply that legions of people were declaring independence—becoming self-employed, independent contractors, and micropreneurs. It was *why* they were doing it, and *how*. I wrote a cover story for the magazine about these “free agents,” and within a day of publication my e-mail in box was bulging with messages, many of them downright gleeful. Each day, dozens of electronic epistles arrived thanking me for writing the article, and for identifying and legitimizing this new way to work.

At the same time, many commentators and pundits took aim at free agency. First, they said it couldn't *be*: a *Washington Post* columnist suggested that I ought to start taking Thorazine to

curb my obvious hallucinations. Then they said it couldn't be good: *The New Yorker* called the article the "most eloquent manifesto" for the end of loyalty in America.

Regular people were cheering me on. Elites were shouting me down. I knew I was on to something.

The trouble was, that's about all I knew. The more I investigated free agency, the more I realized that our knowledge of this emerging workforce was at best scant—at worst, pathetic. Even with corporate downsizing an established practice, and computers and the Internet becoming more powerful every day, nobody could tell me much about people who work on their own or who have formed very small enterprises. The most likely sources of such information, the government's statistical agencies, didn't have the answers. Not the Bureau of Labor Statistics, which generates the influential monthly unemployment figures. Not the Commerce Department, even though one of its bureaus proclaims itself America's "national factfinder." And not the Treasury Department, which printed money but didn't much know how people earned it.

Then I hit upon an idea. How does any nation endeavor to understand itself? It takes a census. It talks to people, asks them a series of questions, and tries to paint a portrait of the country at that moment. Since we don't know much about free agents, why not conduct a census of Free Agent Nation?

On the day before my thirty-fourth birthday, the authorities chose to celebrate by issuing an urban heat advisory. The temperature had cracked three figures, the humidity had turned thermonuclear. I don't do well in heat (see above), but I had work to do. I was heading to Suitland, Maryland, a dreary little town three miles outside Washington. There, across the street from a strip mall, whose tenants include the A-1 Pawn Shop and the Christ Did It All Beauty Salon, is a four-acre plot of government land rimmed by a barbed wire fence—headquarters of the United States Census Bureau. And on the second floor of one of the complex's five buildings—a three-story box of beige bricks that resembles a Brezhnev era elementary school—sat the man I was after, James F. Holmes.

Holmes was acting director of the U.S. Census Bureau, a talented thirty-year bureau veteran thrust into the top job when the previous director abruptly resigned. In the space of a week, he'd gone from a post as director of the Census Bureau's Atlanta office to temporarily running the entire 2000 Census. Relying on some contacts I'd made at the White House, I'd arranged a meeting with Holmes, though I kept my exact purpose murky.

Holmes proved to be an exceptionally nice man from the moment he opened his door and welcomed me into his office. He wore an ecru shirt, a brown tie with a dizzying pattern, and a constant but sincere smile. Wisps of white hair crawled through his black mustache. His alert eyes gleamed behind square glasses. Holmes chatted amiably about the census as I summoned the courage to ask him the question that had brought me to his office.

I told him how impressed I was that the Census Bureau could manage a task as awesome as enumerating some 280 million people—and how useful the resulting data would be to the country. But, introducing the subject as gently as I could, I added that the government hadn't done a great job of counting free agents, describing their lives, or charting their future. What he needed—jeez, what America needed—was a census of Free Agent Nation. Then I offered to help. "If you'll deputize me," I said, "I'll go out and do the job myself."

His cheery disposition evaporated. He looked at his conference table, then up at me, then back down, and then up at me again.

I explained to Holmes that my census would be much like the 1790 census, the first census of the United States. Back then, Secretary of State Thomas Jefferson handled the job with the aid of only seventeen federal marshals. It wasn't perfect, but it was revealing. Jefferson admitted as much when he delivered his results to President George Washington. He sent Washington a letter in which the known returns were written in black and the conjectures in red. But those general impressions, Jefferson assured the President, were results "very near the truth." That would be my standard, too. If he deputized me to take a census of Free Agent Nation, I promised Holmes, I'd deliver results "very near the truth."

"I see you've done your homework," the acting census director sighed. "But it's not the sort of thing we ordinarily do. I'm afraid the answer is no. He agreed the country needed to learn more about microbusinesses, solo workers, and independent professionals—and he seemed somewhat interested in the project. Then when I turned my head, he excused himself, sprang from the table, and left his office. He said he wanted to ask his secretary Carol for something, though I suspect he also directed her to keep one finger on the button that speed-dialed security.

When Holmes returned, he handed me a slip of paper with the name of the Census Bureau staffer who specialized in the self-employed.

"I'm sure she'll be helpful," I told him. "But I'd like to do this myself. And I'll do it for free."

"Well, that's very nice of you," he said, remaining standing and subtly edging me out of his office.

"So there's no chance, huh?"

He shook his head.

"Okay," I said as I left the office. "I'll let you know how it goes."

He smiled, shook his head again, and returned to his conference table, where he would greet the next special pleaders who had already massed outside his office.

I called my wife from the Suitland parking lot. "He wouldn't deputize me," I told her. "I guess we'll have to do it ourselves."

"Cool," Jessica said. "Let's go."

And we did. For the next year, she and I, our young daughter—and before long, a second daughter—traveled America in search of Free Agent Nation. In countless cities in a few dozen states—in coffee shops, libraries, lobbies, and bookstores, in living rooms, kitchens, basements, and backyards—I talked with free agents of all varieties about their work, their lives, their dreams, their troubles, and their future. Like Jefferson, I was seeking results "very near the truth."

This is what I found.

PART ONE

Welcome to
Free Agent Nation

1

Bye, Bye, Organization Guy

"I'm not an organization woman. I'm not good at protecting the organization."

—Lisa Werner Carr (Dallas, Texas)

At 7:45 on an April morning, I find myself doing something I've never done before and likely will never do again: I'm standing outside a 7-Eleven in Bayside, Queens, scoping for a sixty-eight-year-old woman. Ah, there she is. Betty Fox . . . aka Grandma Betty . . . aka GrandmaBetty.com. She's pocketbook-clutching confirmation that the free agent ethic is seeping into almost every corner of American life.

Betty's story begins in the early 1960s. Her husband, David, dies at the age of thirty-three, leaving her to raise their two sons. The women's movement is dawning. *The Feminine Mystique* is flavoring the zeitgeist. But while one Jewish housewife named Betty is encouraging women to seize the workplace, this Jewish housewife named Betty finds the workplace seizing her. Forced to earn a living for her family, she becomes a bank teller. After that, she takes a clerical job at a boys shirt company, where she works for sixteen years. Then the company goes under—and Betty goes on unemployment. Through a Queens neighbor, she eventually finds a job as an office manager for a small billing company.

Until the company moves too far away for Betty to commute. She's sixty-seven. She doesn't have a job. She doesn't have a pension. But she's got a son who's a bank technology officer—and he hooks her up with WebTV, a service that lets people surf the Internet using their television sets.

Within a year, Betty becomes a citizen of Free Agent Nation.

Her Web site is called GrandmaBetty.com, "The Starting Point for Active Seniors." When she first experimented with WebTV, she always found too much material and never what she wanted. ("I'd search for 'peaches,' and I'd get all these pornographic sites!") So she started organizing material herself—and her son put the collection on her own Web site. Unbeknownst to her, she'd created what the venture capitalists and Internet gurus call a "portal." And through that portal came tides of e-mail. People asked Grandma Betty how to make yeast rolls, what to do about "severe constipation," where to buy support stockings. Betty surfed for answers, zapped replies, and added new links to her site. Today, she's got about fifty categories. Her entertainment section is *the* place to go for links to Ed Sullivan sites. Her "Humor Center" includes dillies like: "Old accountants never die. They just lose their balance."

As for the organizing principle, "It's all alphabetical," she told me proudly and repeatedly at the Queens diner where we talked. She's also an affiliate with a few online retailers, which produces a small revenue stream to accompany the writing and consulting gigs she'd landed because of her Internet presence. Some large companies have even tried to buy her out.

"This is so much better than working for a boss," she says. "My son calls my site sticky," she says. "That's what I am. I'm sticky."

She is also the future. Although she may not know it, Betty Fox represents a fundamental change in the form, function, and ethic of American work. She's working solo, operating from her home, using the Internet as her platform, living by her wits rather than the benevolence of a large institution, and crafting an enterprise that's simultaneously independent and connected to others. Betty Fox is a free agent.

Over the past decade, in nearly every industry and region, work has been undergoing perhaps its most significant transfor-