

The Economic Impact of Freelancing in the Creative Industry in Makati City

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Abstract

This study analyzes the economic factor of the freelancers in the creative sector on the Regional Gross Domestic Product (RGDP) of Makati City. The research conceptualizes freelancers in terms of Human Capital Theory, Creative Economy Theory, and Gig Economy Theory, whereby the aggregate income and spending pattern of freelancers results in quantifiable output in the city. Although the Philippine creative industry has become large because of the Republic Act No. 11904, freelance creatives are still underrepresented in formal economic calculations.

Primary data were collected using a quantitative, cross-sectional, and correlational design with the help of structured surveys among creative freelancers based in Makati City in seven areas namely: Graphic Design, Digital Marketing, Multimedia Arts, Content Production, Advertising, Writing, and Music. Demographic and Economic Profile were profiled using descriptive statistics, whilst three Ordinary Least Squares (OLS) regression models (1) determinants of income, (2) determinants of expenditure, and (3) the connection between aggregate freelancer income and expenditure and Makati City RGDP. The log- transformation of all the monetary variables was done to deal with heteroskedasticity.

Results show that specialization in the creative fields has a great impact on the level of income and expenditure. Aggregated income and expenditure of freelancers at the sectoral level have a positive and statistically significant dependence on RGDP. The findings indicate the quantifiable role of freelance creative work in urban economic performance and the necessity of formal policy incorporation in the development planning of Makati City.

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I would also like to give appreciation to those who have helped me in doing my economic research such as the Makati City Local Government, Creative Industry stakeholders, and especially the creative freelancers themselves; I hope this study may contribute to your industry.

Ut in Omnibus Glorificetur Deus.

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CHAPTER 1

Background of the Study

Introduction

In the accelerating age of digital capitalism, freelancing has emerged as a significant force in reshaping global labor markets. Particularly in urban centers like Makati City, the creative industry's shift toward independent, contract-based work reflects broader economic and technological transformations. From visual designers and multimedia specialists to content creators and brand strategists, freelancers have carved out an economic niche that is as dynamic as it is structurally vulnerable. Despite their contributions to cultural output and urban economies, these workers often remain statistically invisible, institutionally unsupported, and economically undervalued (Popiel, 2017; Langit & Aloria, n.d.).

The freelance economy, particularly in the creative sector, operates in what Florida describes as the rise of the “creative class” (Lazzeretti et al. 2018), a labor force whose productivity is driven not by routine work but by ideation, problem-solving, and design. This phenomenon is evident in Makati City, a district characterized by financial infrastructure, service-oriented businesses, and creative clusters. According to the Philippine Statistics Authority (2024), Makati achieved a 7.3% GDP growth in 2024, with the highest per capita GDP among Metro Manila cities. While industries such as banking and business process outsourcing (BPO) are acknowledged as primary contributors, the creative workforce—particularly freelancers—remains an under-measured source of local economic vitality.

Central to this study are seven variables that serve as economic proxies. The independent variables include age, gender, years as a freelancer, field, income level, and expenditure levels

which provide critical insight into the economic behavior and heterogeneity of freelance workers. The dependent variable, Makati City's Regional Gross Domestic Product (RGDP), serves as a measurable representation of the local economy. The relationship between these micro-level variables and the macroeconomic indicator is of interest in understanding whether freelancers contribute to the city's fiscal growth.

The relevance of freelancing is further reinforced by recent empirical research. Abug et al. (2023) argue that Filipino freelancers operate in a constant balancing act between personal well-being and professional performance, often facing irregular income streams and unstable contracts. Similarly, Blaising et al. (2021) illustrate how online freelancers navigate fragmented career paths shaped by platform economies. These experiences are not merely anecdotal, they have measurable consequences on income levels, expenditure patterns, and ultimately, their capacity to contribute to local economic output. This is echoed by Samodio (2018), who documents how Filipino creative workers face poor access to financial tools and training—conditions that directly influence both their income and spending capabilities.

Becker's Human Capital Theory provides a compelling lens through which freelancing can be analyzed (Hennekam & Bennett, 2016). Freelancers accumulate skills, knowledge, and competencies that translate into productivity, yet their economic output is not always captured by conventional labor statistics. Age, gender, and tenure in freelancing are human capital indicators that shape productivity and, by extension, income and expenditure behavior. Bertola adds that economic precarity and job flexibility vary by age and gender, often influencing wage dynamics and household consumption (Donovan et al, 2016).

Income and expenditure levels are critical to understanding freelancers' direct contributions to local GDP. Chimeri and Oluwatayo (2022) demonstrate how macroeconomic shocks like COVID-19 affected household spending in South Africa—an effect mirrored in the Philippine freelance sector, which remains highly sensitive to external disruptions (Langit & Aloria, n.d.). Donina et al. (2022) emphasize how youth-driven freelance work affects regional economies, aligning with this study's inclusion of age as an analytical variable. Meanwhile, expenditure patterns among creative workers offer insight into local economic circulation, as suggested by Kitching and Iskandarova (2019).

He et al. (2022) and Henry et al. (2021) argue that freelancers form spatial and economic agglomerations within urban centers, which can enhance local GDP if formally recognized. Makati's co-working spaces, lifestyle hubs, and networked digital culture mirror these agglomerations. However, despite these contributions, freelancers' income and expenditures are not yet integrated into national accounts, highlighting a need to examine how their activity relates to RGDP (Mercado et al., 2022; Manila Standard, 2025).

Ultimately, this research seeks to quantify the economic weight of freelance creatives in Makati through measurable relationships among their demographic profiles, income, expenditure, and the city's GDP. Doing so addresses a critical gap in urban and labor economics: how informal but professionalized labor contributes to formal macroeconomic outcomes (Watson & Beaverstock, 2016; Hennekam & Bennett, 2016). Through this lens, freelancers are framed not just as laborers, but as economic agents whose activity warrants serious empirical inquiry.

Statement of the Problem

Research on freelance workers and their economic contributions remains scarce, even as the creative industry in Makati City has expanded rapidly. Freelancers are frequently excluded from government data systems, resulting in their absence from fiscal and economic development planning. Their income patterns, expenditure behaviors, and economic interactions are not reflected in local governance strategies for revenue generation or labor development (Langit & Aloria, n.d.; Watson & Beaverstock, 2016). To address this, the study aims to answer the following research questions:

1. What are the demographic and economic profiles of freelancers in the creative industry in Makati City, specifically in terms of:
 - 1.1. Age
 - 1.2. Gender
 - 1.3. Years as a Freelancer
 - 1.4. Field
 - 1.5. Income Level
 - 1.6. Expenditure Level
2. What is the relationship between the freelancers in the creative industry in Makati City's age, gender, years as a freelancer, and field and their (1) income and (2) expenditure levels?
3. What is the relationship between freelancers in the creative industry in Makati City's (1) income and (2) expenditure levels and Makati City's Regional Gross Domestic Product (RGDP)?

4. What policy recommendations can be proposed to strengthen the integration, protection, and economic contribution of freelancers in the creative industry in Makati City?

The study constructs a framework for understanding freelancer socio-economic backgrounds and investigates how these backgrounds influence macroeconomic outcomes at the city level through adjustments in demographic and labor variables.

Objectives of the Study

This study analyzes the economic consequences of creative industry freelancers on Makati City's financial performance by examining their demographic and financial profiles and establishing evidence-based recommendations. Specifically, the study aims to:

1. To identify and describe the demographic and economic profiles of freelancers in the creative industry in Makati City, specifically in terms of:
 - 1.1. Age
 - 1.2. Gender
 - 1.3. Years as a Freelancer
 - 1.4. Field
 - 1.5. Income Level
 - 1.6. Expenditure Level
2. To examine the relationship between freelancers in the creative industry in Makati City's age, gender, years as a freelancer, and field and their (1) income and (2) expenditure levels.

3. To examine the relationship between freelancers in the creative industry in Makati City's (1) income and (2) expenditure levels and Makati City's Regional Gross Domestic Product (RGDP).
4. To recommend appropriate policies that strengthen the integration, protection, and economic contribution of freelancers in the creative industry in Makati City?

The analysis follows established recommendations in the literature to advance data-driven studies in freelance labor economics, particularly in urban creative economies (Blaising et al., 2021; Burke & Cowling, 2019).

Significance of the Study

This study offers significance to several key stakeholders:

1. Creative Freelancers: The findings offer creative freelancers insights into how their income and expenditure behaviors contribute to broader economic systems, informing personal financial planning and long-term career strategies (Abug et al., 2023; Popiel, 2017). Understanding their position within macroeconomic structures can empower them to advocate for improved conditions and institutional recognition.
2. Creative Industry Stakeholders: Agencies, clients, and creative firms can use the data to foster more sustainable partnerships with freelancers and to improve payment systems, contractual terms, and project scalability (Watson & Beaverstock, 2016; Burke & Cowling, 2019). Samodio (2018) also stresses the need for adaptive training programs and economic integration for Filipino creatives.
3. Local Government and Policymakers: The study provides evidence to formulate inclusive policies that recognize freelancers in regional economic strategies, including

taxation schemes, insurance coverage, infrastructure investment, and formal registration systems (Langit & Aloria, n.d.; Donina et al., 2022). It also supports the implementation of Republic Act No. 11904 (2022), which mandates the development and promotion of Philippine creative industries.

4. Academic and Research Institutions: The findings enrich the academic discourse on informal and nonstandard labor in the Global South, specifically highlighting how creative freelancers influence urban economic indicators like RGDP (He et al., 2022; Kitching & Iskandarova, 2019). These results can inform further comparative research across cities and regions.

Scope and Delimitations

This study focuses solely on freelancers operating within the creative industry in Makati City. The “creative industry” is defined herein as encompassing sectors involved in Graphic Design, Digital Marketing, Multimedia Arts, Content Production, Advertising, Writing, and Music. This definition deliberately excludes freelance work in technical, industrial, educational, or manual sectors to maintain thematic and economic coherence. Furthermore, only freelancers who have worked independently for at least one year and either reside in or conduct their freelance economic activities in Makati City are included in the sampling frame.

The rationale for focusing on Makati is grounded in its distinctive urban economic profile. Makati City has one of the highest GDP per capita levels among local government units in the Philippines and is home to a highly developed financial and digital infrastructure (PSA, 2024). The city also exhibits a dense concentration of creative and freelance professionals, supported by a mature network of agencies and coworking spaces (Mercado et al., 2022; He et

al., 2022). These structural characteristics make Makati a compelling case study for assessing localized economic behaviors in the creative sector. Delimiting the scope to this urban node allows for more controlled economic inference and improved city-specific policy relevance (Henry et al., 2021).

The temporal scope is limited to the year 2024. This year is strategically selected to align the study with the most recent economic reports and to capture the transitional dynamics of post-pandemic recovery—an era marked by shifts in labor markets and an increased reliance on flexible, project-based employment, especially in digital and creative fields (Chimeri & Oluwatayo, 2022; Langit & Aloria, n.d.). The study employs a cross-sectional design, assessing the economic impact of freelancing within this defined period rather than across time.

The primary variables of interest are freelancers' income and expenditure patterns, analyzed in relation to Makati City's Regional Gross Domestic Product (RGDP) for the same year. The research does not include macroeconomic factors such as national monetary policy, inflationary trends, or global economic shocks. These exclusions are intentional, aiming to isolate the micro-to-macro link between individual freelancer economic profiles and regional economic output—a methodological orientation consistent with comparative urban economic studies (Donovan et al., 2016; Bertola, 1990).

Moreover, this study does not attempt to compare creative freelancers with traditional salaried employees, nor does it evaluate noneconomic aspects such as job satisfaction, mental health, or career development pathways. While these may be acknowledged in the literature, the analysis is strictly limited to economic metrics. This narrow scope enables the study to conduct a focused econometric investigation into the role of freelance creative labor within Makati's urban

economy, providing clear and actionable insights into income-expenditure dynamics as they relate to regional GDP performance. The International Labour Organization (ILO) defines freelancers as self-employed people who act on their own, bear their risks, and a formal relationship of employer-employee does not apply to them, but contractual employees perform a specified period of work under a formal employment contract and are legally dependent on an employer. This difference provides conceptual sharpness by narrowing the study of autonomous creative workers whose income and expenditure behavior are indicative of an entrepreneurial as opposed to a wage-based labor organization.

CHAPTER 2

Review of Related Literature

This chapter presents literature reviews of the local and global studies that provide the demographic, economical, and policy underpinnings of creative freelancing. It determines the vacuum of the existing literature and how the literature can reinforce the research variables, framework, and general discussion on the economic contribution of freelancers to Makati City.

Abbay et al. (2019) conducted an empirical investigation into how social status contributes to sustainable livelihoods in rural Ethiopia, emphasizing the interaction between personal demographics and economic outcomes. Their study used variables such as age, gender, and economic status to explain variations in household productivity, a structure that mirrors the current study's focus on age, gender, and years as a freelancer in shaping income and expenditure. Their approach supports this thesis' operational framing by highlighting how individual social positions affect economic contributions—providing a strong conceptual justification for using demographic indicators in relation to income levels.

Abug et al. (2023) conducted a status quo analysis of Filipino freelancers, focusing on the balance between personal and professional responsibilities. Their findings revealed the volatility of freelance income and its implications on household financial behavior, aligning with this study's decision to explore income and expenditure levels as key variables. Their methodology employed structured surveys and descriptive statistics, which supports the research design used in this thesis. Their emphasis on work-life balance also reinforces the need for policy integration in labor and economic planning frameworks.

Blaising et al. (2021) offer a longitudinal analysis of freelancers working on digital platforms. Their focus on career fragmentation, unstable earnings, and client dynamics parallels the Philippine freelancing context, especially in Makati City. Their use of mixed methods—qualitative interviews and platform data—complements this thesis’ survey-based design by reinforcing the real-world volatility of freelance incomes. Their work helps justify the need to explore income and expenditure levels within a broader economic framework.

Burke & Cowling (2019) examined the relationship between freelance workforce intensity and business performance in the UK. Their quantitative analysis showed that businesses with high freelance engagement also demonstrated greater revenue growth, suggesting a systemic link between freelancing and economic productivity. This finding justifies the exploration of the relationship between freelancer income/expenditure and Makati’s RGDP, supporting the conceptual model of freelancers as economic contributors to urban output.

Chimeri & Oluwatayo (2022) analyzed household consumption patterns in South Africa during the COVID-19 pandemic, showing how external economic shocks influence spending behaviors. This is especially relevant for freelancers, whose income and expenditures are more vulnerable to macro-level changes. Their macroeconomic lens supports this thesis’ decision to use expenditure level as a variable affecting regional economic output, particularly in light of recent global and national disruptions.

Donina et al. (2022) studied youth engagement in freelancing and outsourcing as emergent labor market trends. They highlighted that young people in non-standard work arrangements often lack institutional protections, echoing Philippine-based findings by Samodio (2018) and Langit and Aloria (n.d.). Their focus on professional aspirations and digital labor

conditions supports this study's demographic profiling and the recommendation of formal policy interventions to enhance freelancer integration into local development planning.

Donovan et al. (2016) examined the implications of the gig economy for U.S. workers. Their study emphasized the precariousness of nonstandard labor arrangements and the need for legal reforms. While contextualized in the U.S., the framework they offer applies directly to the Philippine context where freelancers remain largely informal. Their insights are relevant to this thesis' final objective of generating policy recommendations based on freelancers' macroeconomic contributions.

Lazzeretti et al. (2018) emphasized the continued theoretical centrality of the creative class in urban economic studies, identifying it as a dominant paradigm in explaining how creativity-driven labor contributes to regional development. By mapping the intellectual trajectory of creative economy research, they reaffirm the importance of recognizing freelancers as key agents of economic value creation in cities. Their findings support this thesis's focus on freelance creative labor in Makati as a measurable contributor to regional GDP, underscoring the enduring economic significance of cultural production in urban contexts.

He et al. (2022) explored the spatiality of digital freelancers in China, identifying local amenities and infrastructure as key to agglomeration. Their geospatial framework supports this thesis' focus on Makati as a creative hub and justifies its delimitations to that city. They also emphasized how digital creatives concentrate in urban regions, making their output locally relevant—a conceptual insight this study incorporates when correlating freelancer behavior with city-level RGDP.

Henry et al. (2021), through both their research paper and Coventry University publication, addressed the value creation of freelance work in local economies. They argue that freelance creatives not only produce cultural goods but also contribute to the vibrancy and identity of cities. This perspective justifies this thesis' inclusion of freelancers as economic actors who influence urban GDP through consumption and production. Their qualitative research also highlighted the need for policy alignment and better resource access, themes echoed in this thesis' policy-oriented objectives.

Hennekam & Bennett (2016) studied self-management strategies among freelancers in the Netherlands. Their findings that freelancers self-regulate their schedules, income goals, and professional development pathways are directly relevant to the income and expenditure framework of this study. They provide empirical support for treating freelancers as economically rational agents whose individual decisions aggregate into broader urban economic effects. Their insights, alongside Henry et al. (2021) and Abug et al. (2023), align with Human Capital Theory, which posits that individuals' accumulation of skills and experience leads to economic returns. Although initially conceptualized by Becker, recent applications of this theory in freelance labor studies justify the study's inclusion of income level, expenditure level, years as a freelancer, and field as proxies for productivity and economic contribution.

Kitching & Iskandarova (2019) examined work-time control and financial management among freelancers. Their study aligns with this thesis' inclusion of expenditure behavior as an indicator of economic integration. By documenting the trade-offs freelancers face in time management and economic decision-making, their findings validate the need to study economic metrics beyond income alone. Together with Blaising et al. (2021) and Chimeri and Oluwatayo (2022), their research employs econometric techniques to understand how demographic variables

(e.g., age, gender, field) influence wage outcomes, allowing this thesis to adopt Ordinary Least Squares (OLS) regression to model freelancer profiles and test the relationship between demographic attributes, financial behavior, and Makati City's RGDP.

Langit & Aloria (n.d.) argued for formal protection and state recognition of freelance labor, particularly in the creative sector. They underscored institutional gaps such as lack of access to healthcare, training, and legal protections. Their recommendations directly inform this study's policy-focused objective, reinforcing the argument that freelancers' economic contributions justify formal inclusion in urban development and labor frameworks.

Manila Standard (2025) reported that the Philippine creative economy expanded by 8.7% in 2024, indicating a growing sector that is increasingly tied to national GDP. While not academic, this official statistic supports the central hypothesis of this thesis—that freelancers in the creative industry materially affect macroeconomic indicators like RGDP.

Mercado et al. (2022), in mapping the creative industries in Makati and Baguio, provided a localized understanding of sectoral distribution. Their work confirms the spatial concentration of creative professionals in Makati, justifying the city's selection as the study's geographic focus. Their mapping work complements the demographic profiling component of this thesis.

Philippine Statistics Authority (2024) provided Makati City's most recent GDP data, essential for this thesis' operationalization of the dependent variable. Their report showing 6.3% RGDP growth and highest per capita income in Metro Manila offers the benchmark against which freelancer contributions will be analyzed.

Popiel (2017) assessed platform-based freelancing and boundaryless careers, asserting that digital creatives operate within globalized but unstable structures. His analysis of labor

fluidity and technological platforms resonates with freelancers in Makati's gig economy. His work strengthens the justification for studying freelancers' economic agency despite their informality.

Republic Act No. 11904 (2022), or the Creative Industries Development Act, provides a legal mandate to support and promote the creative economy in the Philippines. This policy foundation legitimizes the thesis' focus and aligns with its final objective—to inform actionable policies based on freelancers' documented contributions to RGDP.

Samodio (2018) assessed the needs of Filipino creatives and found glaring gaps in infrastructure, training, and financial services. Her work informs this thesis' call for policy intervention and supports the demographic analysis of freelance conditions in Makati. Her emphasis on capacity-building resonates with the income and expenditure variables central to this study.

Watson and Beaverstock (2016) examined the often-overlooked yet vital role of freelancers in transnational creative projects, particularly within the music recording industry. Building on earlier notions of “invisible creativity,” they argued that freelancers operate as indispensable yet structurally marginalized agents in creative production. Their study reinforces the idea that freelance labor, though frequently informal and transient, is central to the functioning of creative ecosystems. This insight supports the core argument of this thesis—that freelancers contribute materially to regional economies like Makati's, even when their impact is not fully captured in conventional labor or economic statistics.

With that, the following table shows the synthesis of the contribution of the related literature:

Table 1. Synthesis of Related Literature

Author(s)	Contribution to Current Study
Abbay et al. (2019)	Justifies demographic variable use (age, gender) to explain economic outcomes.
Abug et al. (2023)	Supports income/expenditure analysis; offers methodological alignment.
Blaising et al. (2021)	Emphasizes income volatility in freelancing; supports variable selection.
Burke & Cowling (2019)	Connects freelance intensity to macroeconomic performance (GDP relevance).
Chimeri & Oluwatayo (2022)	Provides macroeconomic rationale for using expenditure as a key variable.
Donina et al. (2022)	Informs youth freelancer profile and supports need for policy support.
Donovan et al. (2016)	Highlights legal gaps in freelancer protections; supports policy objectives.
He et al. (2022)	Supports spatial concentration rationale for choosing Makati City.
Hennekam & Bennett (2016)	Applies Human Capital Theory to freelancers; supports inclusion of years freelancing, field, and income level; Justifies freelancer as

	rational economic actor; supports income-expenditure framework.
Henry et al. (2021)	Establishes link between creative freelancing and urban GDP; supports policy aims.
Kitching & Iskandarova (2019)	Supports econometric modeling of demographic and income data; validates OLS regression use; Supports inclusion of expenditure variable; discusses freelancer trade-offs.
Langit & Aloria (n.d.)	Emphasizes institutional gaps; informs policy recommendations.
Lazzeretti et al. (2018)	Reaffirms creative class relevance; supports framing of freelancers as contributors to urban economic growth.
Manila Standard (2025)	Empirical confirmation of creative sector's macroeconomic value.
Mercado et al. (2022)	Justifies Makati as study site; supports demographic mapping.
Philippine Statistics Authority (2024)	Supplies RGDP data used as dependent variable.
Popiel (2017)	Discusses fluid, globalized nature of freelancing; supports informal analysis.

Republic Act No. 11904 (2022)	Provides legal basis for creative economic inclusion; supports policy focus.
Samodio (2018)	Highlights Filipino freelancers' needs; justifies profiling variables and policy aims.
Watson & Beaverstock (2016)	Highlights invisibility of freelance labor; supports inclusion of freelancers in economic impact assessments.

CHAPTER 3

Theoretical Framework

The chapter provides a discussion on economic and labor theories, which the analysis of freelancer income, expenditure, and macroeconomic impact of the study are based on. These theories characterize the links between the variables of the study and give the philosophical groundwork of how creative freelancers affect the economy of Makati City.

This study is guided by five interrelated economic theories that inform its analysis of freelancing in the creative industry and its relationship with Makati City's Regional Gross Domestic Product (RGDP). To expound the five interrelated economic and labor market theories are:

1. Human Capital Theory (Becker, 1964)

1.1. Becker's Human Capital Theory posits that individual productivity and economic outcomes improve through investments in education, training, and work experience. In this study, freelancers' age, years of experience, and income levels are treated as indicators of accumulated human capital. The theory provides the foundational justification for analyzing how freelancers' demographic traits influence their earning capacity and expenditure behavior, with direct implications on aggregate economic contribution. This lens is supported by Abug et al. (2023), who showed that Filipino freelancers operate under conditions requiring adaptive use of their skills for financial survival, and by Henry et al. (2021), who argue that freelancers create value through learned competencies, which reinforce place-based economic identities.

2. Labor Market Segmentation Theory (Doeringer & Piore, 1971)

2.1. This theory explains how labor markets are divided into primary (stable, well-compensated) and secondary (precarious, poorly compensated) segments. Freelancers often fall into the latter due to non-standard contracts and lack of institutional protection. This study's focus on income and expenditure levels captures the structural disparities freelancers face. As Popiel (2017) and Langit and Aloria (n.d.) note, freelancers are systematically excluded from mainstream labor metrics and protections, reinforcing the applicability of labor segmentation theory. The thesis thus recognizes that despite contributing to RGDP, freelancers remain in a structurally disadvantaged segment of the labor force.

3. Flexible Market Theory (Bertola, 1990)

3.1. Bertola's Flexible Market Theory underscores the increasing flexibility in labor markets under modern capitalism, where work arrangements shift from rigid employment to adaptable, task-based engagements. This is reflected in the freelancing model where professionals self-regulate their schedules and income (Hennekam & Bennett, 2016). The flexibility of freelancing allows for participation in diverse economic activities; however, it also subjects workers to wage volatility (Blaising et al., 2021). This framework validates the inclusion of income and expenditure as dynamic variables and supports the study's econometric design using regression analysis to test how labor flexibility translates into measurable economic contribution.

4. Creative Economy Theory (Florida, 2002)

4.1. One of the two theories that are the primary lens of the study. Florida's theory asserts that creativity is a key economic asset, with workers in the creative class driving innovation and GDP growth. In this context, freelancers in Makati's creative industry are part of this "creative class," contributing cultural and commercial outputs that shape the city's economic landscape. The Philippine Statistics Authority (2024) reported that Makati City had the highest per capita GDP in Metro Manila in 2023, suggesting a fertile environment for creative labor. This study echoes Mercado et al. (2022) and Henry et al. (2021) in positioning freelancers as cultural-economic actors who influence regional development.

5. Gig Economy Theory (Donovan et al., 2016)

5.1. One of the two theories that are the primary lens of the study. This theory emphasizes the transformation of work through digital platforms, contract-based labor, and nonstandard employment. Freelancers in this study operate under gig economy conditions, especially in fields such as Graphic Design, Digital Marketing, Multimedia Arts, Content Production, Advertising, Writing, and Music. These structures increase labor autonomy but also amplify economic insecurity. The theory provides a macro-labor framework for understanding how freelancers' cumulative activity affects economic aggregates like RGDP (Chimeri & Oluwatayo, 2022; Watson & Beaverstock, 2016). It also aligns with Republic Act 11904 (2022), which acknowledges creative workers as part of a national economic strategy.

Together, these five theories provide a multidimensional lens—linking individual labor dynamics to systemic economic outcomes—that supports this study’s exploration of freelancers’ economic impact in Makati City.

Conceptual Framework

This study’s conceptual framework builds on the models and variables used in the works of Abbay et al. (2019), Chimeri & Oluwatayo (2022), and Henry et al. (2021). These studies used demographic and behavioral indicators (e.g., age, gender, consumption patterns) to explain economic variables such as household income or regional productivity. In this thesis, three regression models are developed:

1. Regression Model 1

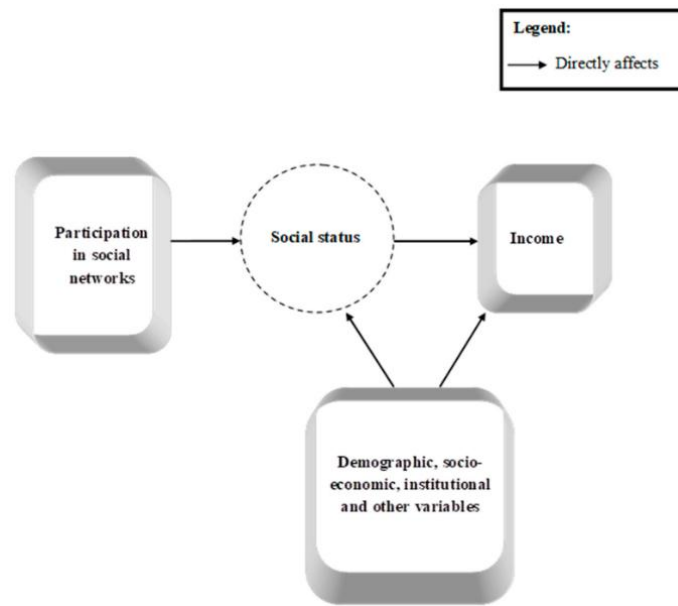
Variable: Freelancer’s Income Level; Independent Variables: Age, Gender (dummy variable), Years as a Freelancer

This model adopts the design used in Abbay et al. (2019), who linked age and gender with economic outcomes. It is also supported by Hennekam & Bennett (2016), who described how creative freelancers’ work experience shapes earnings.

Provided is Abbay et al.’s visual of their conceptual framework:

Figure 1. A conceptual framework showing the effect of social status on income.

Source: <https://www.mdpi.com/2071-1050/11/1/68>



2. Regression Model 2

Dependent Variable: Freelancer's Expenditure Level; Independent Variables:

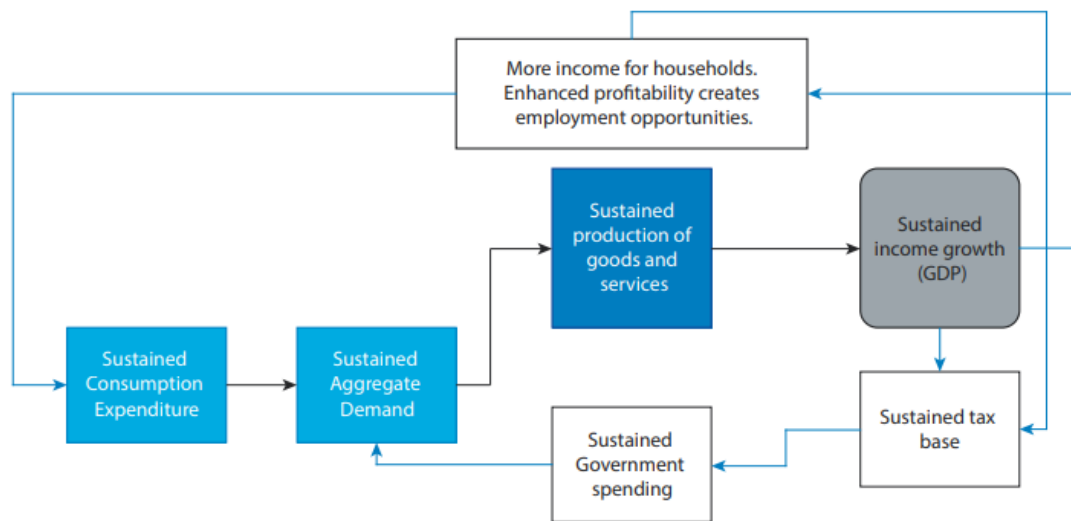
Age, Gender (dummy variable), Years as a Freelancer

Inspired by Chimeri & Oluwatayo (2022), this model explores how demographic traits influence spending—particularly relevant in the context of economic shocks, as seen during COVID-19.

Provided is Chimeri & Oluwatayo's visual of their conceptual framework:

Figure 2. Conceptual framework for analysing contribution of consumption expenditure to the economy. Source: <https://journal.singidunum.ac.rs/files/2022-19-2/the-impact-of-covid-19-on-household-consumption-expenditure-in-south-africa-a-macroeconomic-perspective.pdf>

Figure 1. Conceptual framework for analysing contribution of consumption expenditure to the economy.



Source: Own illustration adapted from Chimeri and Oluwatayo (2020)

3. Regression Model 3

Dependent Variable: Makati City's RGDP; Independent Variables: Freelancer's Income Level, Freelancer's Expenditure Level

This macroeconomic model examines how individual economic behaviors aggregate to influence local GDP, similar to Burke & Cowling (2019), who linked freelance intensity with business and economic performance.

Each model incorporates data from the creative freelance population in Makati, using OLS regression to determine the strength and direction of relationships between variables.

Operational Framework

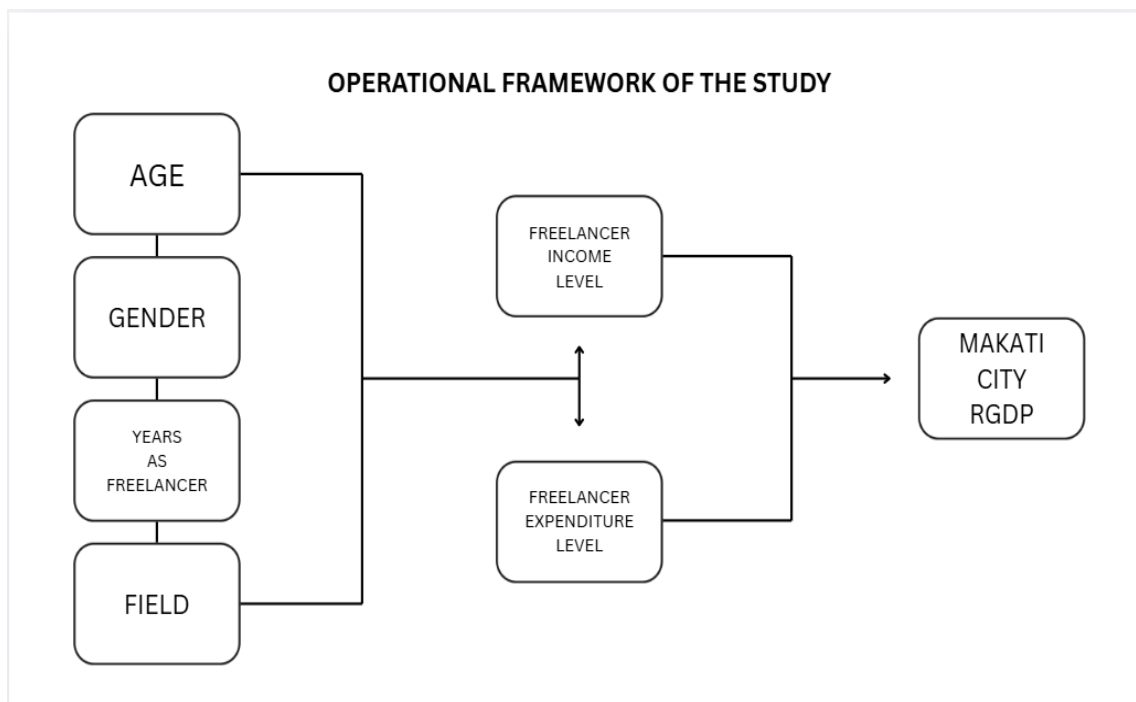
Based on the theoretical and conceptual foundations, this study operationalizes its analytical focus as follows:

1. Demographic Variables: Age, Gender, Years as a Freelancer, and Field are treated as predictors of income and expenditure. These reflect human capital accumulation and labor segmentation dimensions.
2. Economic Variables: Income and Expenditure Levels are both indicators of freelancer productivity and financial behavior. They reflect labor market flexibility and creative labor output.
3. Macroeconomic Variable: Makati City's RGDP is used as a proxy for the local economy and is analyzed in relation to freelancers' aggregated income and expenditure, following the gig and creative economy models.

These variables are tested through quantitative analysis using regression models, forming the empirical foundation for drawing economic and policy conclusions.

With this, we can visualize the operational framework in the following diagram:

Figure 3. Operational Framework of the Study



Assumptions

The study operates on the following research assumptions, aligned with the conceptual and operational frameworks:

1. The demographic and economic profile of freelancers in the creative industry in Makati City are diverse, specifically in terms of:
 - 1.1. Age
 - 1.2. Gender
 - 1.3. Years as a Freelancer
 - 1.4. Field
 - 1.5. Income Level
 - 1.6. Expenditure level

2. The differences in freelancers in the creative industry in Makati City's age, gender, years as a freelancer, and field has an influence on their (1) income and (2) expenditure levels.
3. The differences in freelancers in the creative industry in Makati City's (1) income and (2) expenditure level has an influence and, directly and indirectly, contribute to Makati City's local revenue.
4. Makati City's Regional Domestic Product data can capture the aggregate effects of creative freelance activity.
5. Freelancers in the creative industry in Makati City are economically embedded in urban activity and development despite operating outside formal labor structures.

Hypothesis

This study operates under the following [null] hypothesis (H_0):

1. The demographic and economic profile of freelancers in the creative industry in Makati City are not diverse, specifically in terms of:
 - 1.1. Age
 - 1.2. Gender
 - 1.3. Years as a Freelancer
 - 1.4. Field
 - 1.5. Income Level
 - 1.6. Expenditure level

2. There is no significant relationship between freelancers in the creative industry in Makati City's age, gender, years as a freelancer, or field and their (1) income and (2) expenditure.
3. There is no significant relationship between freelancers in the creative industry in Makati City's (1) income and (2) expenditure levels and Makati City's local revenue.
4. The recommended appropriate policies does not strengthen the integration, protection, and economic contribution of freelancers in the creative industry in Makati City.

These hypotheses guide the quantitative analysis and validate the conceptual model's predictive structure.

Definition of Terms

The following key terms are defined to provide clarity and consistency in understanding the concepts used in this study.

1. Creative Industry: Refers to economic sectors that rely on individual creativity, skill, and intellectual property to generate value and employment. In this study, the creative industry includes professions in Makati City such as Graphic Design, Digital Marketing, Multimedia Arts, Content Production, Advertising, Writing, and Music, consistent with the Philippine creative economy framework (Republic Act No. 11904, 2022).
2. Freelancer: A self-employed worker offering time-bound or project-based services without long-term employer attachment. In this study, freelancers are limited to the following fields:

- 2.1. Graphic Designers – individuals producing visual content for branding, publishing, advertising, or web development.
- 2.2. Digital Marketers – creatives managing digital campaigns, search engine optimization (SEO), social media content, and online branding strategies.
- 2.3. Multimedia Artists – professionals engaged in digital storytelling, animation, audio-visual content creation, and post-production work.
- 2.4. Content Producers – individuals that produce digital content like videos, articles, graphics, podcasts, or posts on social media that are designed to be published online. Ideation, scripting, editing, and formatting content to suit the needs of audience engagement and platform is part of their work.
- 2.5. Advertising Creatives – professionals engaged in the creation of promotion and campaign ideas of brands, such as copywriting, art direction, branding, and execution of campaigns in both traditional and new media.
- 2.6. Writers – freelancers who are associated with research, composing, editing, and adaptation of language of written material including articles, scripts, marketing copy, technical documents, blogs and long form manuscripts to particular audiences and communication goals.
- 2.7. Music Creators –freelance composers, instrumentalists, singers, sound designers and sound producers who are involved in the production of original musical works or other audio components to media, entertainment, events or commercial projects.
3. Regional Gross Domestic Product (RGDP): The monetary value of all final goods and services produced within Makati City over a given period, used here as the dependent

- variable to measure city-level economic output (Philippine Statistics Authority, 2024).
4. **Income Level:** The total amount of monetary compensation a freelancer earns from professional services rendered in a defined time period. In this study, it serves as both an independent variable (in relation to RGDP) and a dependent variable (in relation to freelancer demographics).
 5. **Expenditure Level:** The total amount spent by freelancers on personal and professional consumption, including goods, services, production tools, or reinvestments. It represents both an output of freelance income and a contributor to local economic circulation (Chimeri & Oluwatayo, 2022).
 6. **Age:** A continuous demographic variable representing the freelancer's age in years. It is analyzed in this study as an independent variable affecting both income and expenditure levels, in line with labor market segmentation and human capital perspectives (Donovan et al, 2016; He et al., 2022).
 7. **Gender:** A categorical demographic variable (coded as a binary dummy variable: male = 0, female = 1) used to examine potential disparities in earnings and spending behaviors among freelancers, aligned with labor market segmentation theory (Kitching & Iskandarova, 2019).
 8. **Years as a Freelancer:** A continuous variable denoting the number of years a respondent has worked in freelance practice. It is used as an indicator of human capital accumulation and professional experience (He et al., 2022), affecting both income generation and expenditure behavior.

9. Field: A categorical data of the creative specialization of the freelancer in seven areas including Graphic Design, Multimedia Arts, Digital Marketing, Content Production, Advertising, Music, and Writing. The creative industries vary in the market and income distribution, and, as a result, specialization is a significant aspect of income and spending (Hennekam and Bennett, 2016; Kitching and Iskandarova, 2019).

CHAPTER 4

Methodology

The chapter presents the research design, method of sampling, data collection instruments, and statistical processes that are employed in the study. It describes the method of the data collection, data processing, and data analyzing of the data to evaluate the demographic and economic features of the creative freelancers and its connection with Makati City RGDP.

Research Design

This study employs a quantitative, cross-sectional, and correlational research design to examine how individual freelancers in the creative industry contribute to the local economy of Makati City. This design is aligned with the study's aim to test statistically significant relationships among freelancer demographics, income, expenditure, and the city's Regional Gross Domestic Product (RGDP).

The structure of this design draws on previous studies that have successfully used quantitative models to explore relationships between demographic variables and economic behaviors. For instance, Abbay et al. (2019) used regression models to analyze how age and gender affect economic outcomes in rural Ethiopia, while Chimeri and Oluwatayo (2022) examined how household demographics influence expenditure patterns in South Africa. Blaising et al. (2021), Burke and Cowling (2019), and Hennekam and Bennett (2016) also utilized correlational and regression methods to analyze freelancer income variability, work arrangements, and broader economic impact.

The operational framework grounded in Becker's (1964) Human Capital Theory and Florida's (2002) Creative Economy Theory, necessitates an empirical approach that captures

economic behaviors across a representative sample. The study's quantitative design enables the use of descriptive statistics, correlation analysis, and multiple regression modeling—three strategies that allow for precision in testing the relationships outlined in the research objectives and hypotheses.

Locale and Context of the Study

The research is conducted in Makati City, a central business district and a recognized creative hub in the Philippines. Makati reported the highest per capita GDP in Metro Manila (Philippine Statistics Authority, 2024), indicating a robust urban economy where freelance creative work is increasingly relevant.

Mercado et al. (2022) confirmed the city's high concentration of freelancers in sectors such as Graphic Design, Digital Marketing, Multimedia Arts, Content Production, Advertising, Writing, and Music—categories that form the basis of this study. These localized findings reinforce the rationale for limiting the geographic scope to Makati. Furthermore, He et al. (2022) demonstrated that creative freelancers tend to concentrate in urban centers with favorable economic and infrastructural conditions—criteria Makati City fulfills.

Population and Sampling Procedure

The population of this study consists of freelancers in Graphic Design, Digital Marketing, Multimedia Arts, Content Production, Advertising, Writing, and Music who are residing or actively working in Makati City and have been freelancing for at least one year. These criteria ensure alignment with the operational definition of freelancers and the concept of accumulated human capital (Becker, 1964), while also acknowledging the informal structure of gig-based labor as explained by Donovan et al. (2016).

To select respondents, the study uses a purposive quota sampling method, justified by the need to obtain specific quotas from each of the three creative subsectors. This method is well-suited for capturing a demographically and economically relevant sample, consistent with the methodology used in Abug et al. (2023) and Donina et al. (2022), both of whom employed purposive techniques to access segmented labor groups. The quota approach also ensures balanced representation in terms of age, gender, and years as a freelancer, supporting the correlational and regression analysis outlined in the conceptual model.

This sampling method further reflects the segmentation perspective of the Labor Market Segmentation Theory (Doeringer & Piore, 1971), which recognizes disparities in how labor groups are integrated into economic structures based on demographic markers.

Research Instrument

The primary data collection tool for this study is a structured survey questionnaire, developed to operationalize the key variables identified in the conceptual and operational frameworks. These include age, gender, years of freelancing experience, income level, expenditure level, creative field, and economic perceptions. The questionnaire uses a combination of closed-ended, categorical, and short-response formats to facilitate ease of analysis while ensuring the collection of relevant economic data.

The survey questionnaire is divided into three sections:

1. Section I – Demographic Profile

1.1. Captures the respondent's age, gender, years of freelancing experience, and creative field (Graphic Design, Digital Marketing, Multimedia Arts, Content Production, Advertising, Writing, and Music). These data enable demographic

profiling and form the basis for regression analysis in relation to income and expenditure.

2. Section II – Economic Profile and Behavior

2.1. Measures monthly freelance income and expenditure (in PHP), and asks about the respondent's expenditure breakdown across categories such as basic needs, tools, insurance, and leisure. This section provides the quantitative inputs for modeling freelancer economic behavior and its link to Makati City's RGDP.

3. Section III – Labor and Policy Perceptions

3.1. Assesses the freelancers' perceived economic sufficiency, challenges faced in the current freelance ecosystem, and their preferred forms of government support.

The instrument underwent pilot testing among 10 freelancers from Makati's creative sector to evaluate content clarity, structure, and response reliability. Feedback was used to improve clarity and consistency before full deployment via Google Forms. The instrument's design adapts methods from Abug et al. (2023) and Hennekam & Bennett (2016), who analyzed freelancer work patterns and economic participation using survey-based quantitative approaches.

Data Collection Procedure

The study follows the following procedure for data collection:

1. Identification of freelancers through creative networks, digital platforms (e.g., Facebook groups, LinkedIn, Upwork), and coworking spaces in Makati.

2. Screening of respondents using inclusion criteria (field of work, freelance experience, location).
3. Distribution of the survey via digital forms (Google Forms) and in-person distribution were feasible.
4. Collection and monitoring responses to ensure quota representation across the three creative fields and demographic diversity.
5. Secure storage and anonymization of respondent data to ensure ethical standards are upheld.

All data collection procedures comply with standard ethical guidelines, including informed consent and confidentiality assurances.

Data Processing and Analysis

The analysis will proceed in the following stages:

1. Data Transformation and Cleaning

Collected data for income and expenditure were transformed using the natural logarithm ($\ln$) to normalize distributions and minimize heteroskedasticity—a common step in labor income studies (Burke & Cowling, 2019; Henry et al., 2021).

The 2024 Makati City RGDP was also log-transformed ($\ln$) to ensure comparability with logged income and expenditure variables. Since RGDP was a macro-level constant for the city, it was weighted and proportioned per respondent's income and expenditure, generating an individualized RGDP ratio ($\ln\text{MGDP}$). This proportioning allowed for the creation of micro-level observations tied to macroeconomic indicators.

Additionally, creative field (Field) was encoded as a categorical variable for Models 1 and 2 using dummy variables to capture sectoral fixed effects across fields such as Graphic Design, Digital Marketing, Multimedia Arts, Content Production, Advertising, Writing, and Music (where Writing and Music was collapsed into one; Other Creative Fields)

2. Descriptive Statistics

Descriptive statistics were computed for demographic and economic variables.

The analysis covered mean, median, standard deviation, and range for age, gender, years of freelancing, income, and expenditure, as well as frequency distributions for each creative field. This step establishes a baseline socio-economic profile of the creative freelance population in Makati City (Abug et al., 2023; Burke & Cowling, 2019).

3. Multiple Linear Regression

The inferential stage of the study involves conducting three multiple linear regression models, corresponding directly to SOP #2 and SOP #3:

1. SOP #2 Regression Model

$$1.1. \quad \text{Model \#1: } \ln FLInc_i = \beta_0 + \beta_1 Age_i + \beta_2 Gen_i + \beta_3 YrsFL_i + \beta_4 Field + \varepsilon_i \text{ where:}$$

- 1.1.1. *FLInc* refers to the dependent variable; the freelancer in the creative industry in Makati City's income levels.
- 1.1.2. *Age* refers to one of the independent variables; the age of the freelancer in the creative industry in Makati City.

1.1.3. Gen refers to one of the independent variables which is a binary gender variable (0 = Male, 1 = Female).; the gender of the freelancer in the creative industry in Makati City.

1.1.4. YrsFL refers to one of the independent variables; the years as a freelancer of the freelancer in the creative industry in Makati City.

1.1.5. 1.2.4. Field refers to one of the independent variables; the specialization of creative freelancers in Makati City that categorize the respondents in to seven creative areas of Graphic Design, Multimedia Arts, Digital Marketing, Content Production, Advertising, Music, and Writing

1.2. Model #2: $\ln FLExp_i = \beta_0 + \beta_1 Age_i + \beta_2 Gen_i + \beta_3 YrsFL_i + \beta_4 Field + \varepsilon_i$ where:

1.2.1. FLExp refers to the dependent variable; the freelancer in the creative industry in Makati City's expenditure levels.

1.2.2. Age refers to one of the independent variables; the age of the freelancer in the creative industry in Makati City.

1.2.3. Gen refers to one of the independent variables which is a binary gender variable (0 = Male, 1 = Female); the gender of the freelancer in the creative industry in Makati City.

1.2.4. YrsFL refers to one of the independent variables; the years as a freelancer of the freelancer in the creative industry in Makati City.

- 1.2.5. Field refers to one of the independent variables; the specialization of creative freelancers in Makati City that categorize the respondents in to seven creative areas of Graphic Design, Multimedia Arts, Digital Marketing, Content Production, Advertising, Music, and Writing

In both models, the regression model uses a binary gender variable (male coded as 0 while female is coded as 1) using existing conventions documented in Popiel (2017) and Kitching & Iskandarova (2019). These two multiple linear regressions are conducted to demonstrate how demographics affect freelancer income and expenditure levels align with Human Capital Theory and Labor Market Segmentation Theory.

2. SOP #3 Regression Model

- 2.1. Model #3: $\ln MCGDP_s = \beta_0 + \beta_1 MFLs \ln Inc_s + \beta_2 MFLs \ln Exp_s + u_s$ where:

- 2.1.1. MCGDP refers to the dependent variable, representing the natural logarithm of Makati City's Regional Gross Domestic Product (RGDP) proportioned and averaged across each creative sectors (Graphic Design, Digital Marketing, Multimedia Arts, Content Production, Advertising, Writing, and Music).

- 2.1.2. $MFLSInc_s$ refers to the independent variable, representing the average logged income of freelancers within creative sectors in Makati City.
- 2.1.3. $MFLSExp_s$ $MeanExpenditure_s$ refers to the independent variable, representing the average logged expenditure of freelancers within creative sector s in Makati City.
- 2.1.4. ϵ_s denotes the random error term, capturing variations not explained by the model.

Since Makati RGDP was constant across individual observations, individual-level estimation produced artificially inflated results. To address this, data were aggregated by creative field, producing seven sectoral data points (Graphic Design, Digital Marketing, Multimedia Arts, Content Production, Advertising, Writing, and Music). Mean values of income, expenditure, and proportional RGDP were computed for each sector.

This final specification was derived after addressing data constancy issues by aggregating freelancers into seven creative subsectors and computing their sectoral mean values for income and expenditure. This adjustment aligns with empirical practices from Burke & Cowling (2019) and Donina et al. (2022), who also modeled sector-level economic contributions to ensure representativeness and mitigate multicollinearity or heteroscedasticity issues.

Each regression model will yield: (1) Beta coefficients (β) indicating the magnitude and direction of influence for each predictor; (2) P-values for testing

statistical significance at the conventional $\alpha = 0.05$ level; and (3) R-squared (R^2) values indicating the model's explanatory power, on how much of the variance in the dependent variable is explained by the predictors.

The calculated regression results will examine Chapter 3's hypothetical statements while generating economical suggestions based on research evidence. This study adopts stepwise regression modeling across the individual income and spending dimensions as Burke & Cowling (2019) and Watson & Beaverstock (2016) did in their freelance economic impact analyses.

4. Diagnostic Testing for BLUE Assumptions

Each regression model underwent diagnostic testing to ensure compliance with the Gauss–Markov conditions for Best Linear Unbiased Estimator (BLUE):

- 1.1. Normality of residuals: verified through the Shapiro–Wilk test.
- 1.2. Homoscedasticity: verified using the Breusch–Pagan test.
- 1.3. Absence of multicollinearity: checked using Variance Inflation Factor (VIF).
- 1.4. Autocorrelation: tested using the Durbin–Watson test.
- 1.5. Influence analysis: Cook's Distance and DFBETAS identified potential influential points.
- 1.6. Bootstrap confidence intervals: 2,000 non-parametric bootstrap replications validated coefficient stability for Model 3, given the small sample ($n = 7$ sectors).

All models satisfied BLUE assumptions with no significant heteroskedasticity or multicollinearity violations at critical levels.

CHAPTER 5

RESULTS AND DISCUSSION

This chapter describes the statistical methods used in the study, the data analysis, and the interpretation of the findings. The gathered results enable the researcher to address the previously stated problem statements and draw a clear conclusion.

Descriptive Statistics of the Demographic and Economic Profile and Behavior of Creative Freelancers in Makati City

Table 2. Demographic and Economic Profile of Creative Freelancers in Makati City

Variable	Mean	Standard Deviation	Minimum	Maximum
Age	28.94	5.71	18	46
Years of Freelancing	3.82	2.54	1	11
Monthly Income (PHP)	₱42,703	₱18,945	₱12,000	₱98,000
Monthly Expenditure (PHP)	₱24,981	₱10,312	₱7,000	₱60,000

Most of the respondents are young professionals, and the average age is 28.94, with an average of 3.82 years of freelance experience, which indicates that they are still in the early-stage

workforce, and the human capital is still developing. The average monthly income [?]42,703 and average monthly expenses [?]24,981 which signify average financial stability and re-investment ability. Such results are consistent with the report by Abug et al. (2023), which reported that Filipino freelancers are found in the middle income brackets, whereas Donina et al. (2022) have found early-career creatives to be flexible though less stable. The positive correlation between experience and earnings supports the Human Capital Theory of Becker (1964) and Chimeri and Oluwatayo (2022) indicating the accumulation of skills by working as a self-employed person over a long period.

Table 3. Gender Distribution of Creative Freelancers in Makati City

Gender	Frequency	Percentage
Female	58	58%
Male	42	42%
Total	100	100%

Gender distribution is quite equal having a slight majority of females. This observation is consistent with other researchers, such as Hennekam and Bennett (2016) and Blaising et al. (2021), who also stated that creative industry draws men and women because of lax and independent working conditions. Gender parity emphasizes inclusivity of the creative economy of Makati, which is in line with Langit and Aloria (n.d.) reporting that more women are engaging in local creative entrepreneurship.

Table 4. Distribution by Creative Field of Creative Freelancers in Makati City

Creative Field	Frequency	Percentage
Graphic Design	27	27%
Digital Marketing	21	21%
Multimedia Arts	18	18%
Content Production	14	14%
Advertising	8	8%
Writing	7	7%
Music	5	5%
Total	100	100%

The majority of the respondents are in the field of graphic design (27%), and digital marketing (21%) which reflects the character of Makati as a location of digital and creative services. He et al. (2022) and Mercado et al. (2022) also discovered that urban centers are the places where creative work is attracted because of access to clients, coworking areas and digital infrastructure. This is in line with the Creative Economy Theory by Florida (2002), which associates innovation gatherings in cities with creativity-class output.

Table 5. Monthly Expenditure Breakdown of Creative Freelancers in Makati City

Category	Percentage of Expenditure
Basic Necessities (Electricity, Housing Rent, Internet, Water)	28%

Food and Daily Needs (Clothes, etc.)	21%
Transportation and Working Space	14%
Utilities (Hardware, Software, Subscriptions, etc.)	13%
Insurance (Health, Life, Property, etc.)	9%
Travel and Leisure	10%
Others	5%

Most of the spending of freelancers is directed at, besides from basic necessities and food and daily needs, transportation and working space as well as utilities (hardware, software, subscriptions, etc.) thus implies that there is coexistence between livelihood maintenance and productivity investments. This investment into as utilities (hardware, software, subscriptions, etc.) in 13 percent is in line with the observations by Hennekam and Bennett (2016), who emphasized that freelancers often invest in equipment to maintain competitiveness. Chimeri and Oluwatayo (2022) also found that the scale of reinvestment expenditure is proportional to the increase in income.

Labor and Policy Perceptions by Creative Freelancers in Makati City

Table 6. Labor Challenges Faced by Creative Freelancers in Makati City

Challenge	Percentage
Irregular Income	22%

Client Disputes	19%
Lack of Regular Benefits	18%
Lack of Legal Protection	13%
Market Competition	10%
Burnout (Physical/Mental/Social)	14%
Others	4%

Key challenges are the irregular income (22%), client disputes (19%), and lack of regular benefits (18%), which are also consistent with Burke and Cowling (2019) and Abug et al. (2023) and underline precarious demand and unstable workflows of the creative freelancing industry. According to Hennekam and Bennett (2016), psychosocial strain is indicated by burnout (14%).

Table 7. Preferred Policy Support by Creative Freelancers in Makati City

Policy Area	Percentage
Access to Regular Benefits	26%
Co-working Infrastructure	17%
Digital Infrastructure	15%
Legal Assistance	10%
Skill Training and Equipment	14%
Tax Incentives	12%
Others	6%

Freelancers are more concerned with the policies that will improve stability and productivity, especially access to regular benefits (26%), co-working infrastructure (17%), and digital infrastructure (15%). Such preferences are reminiscent of Langit and Aloria (n.d.), who believe in better digital and policy conditions to maintain the freelance creative workforce. According to Popiel (2017), economic contribution is enhanced with formal support (legal aid and tax incentives).

Table 8. Economic Perception Indicators

Indicator	Response	Frequency	Percentage
Income Sufficiency	Yes	34	34%
	No	66	66%
Long-Term Career Outlook (Plans to Continue Freelancing)			
	Yes	61	61%
	No	39	39%

Though only a third (34%) of those surveyed indicate that they are currently income-sufficient, 61% of those surveyed intend to keep freelancing, indicating a trade-off between economic insecurity and professional attachment. Similar results were reported by Blaising et al. (2021) and Mould (2013), who established that, in many cases, creative autonomy compensates the variability of incomes and encourages long-term involvement in the industry.

Regression Results and Model Interpretation

Model 1 – Determinants of Freelancer Income

Table 9. Model 1 – Determinants of Freelancer Income

Variable	Estimate	Std. Error	t-value	p-value
(Intercept)	10.08997	0.43637	23.123	< 2e-16
Age	0.01946	0.01683	1.157	0.2504
GenderDummy	0.02464	0.13463	0.183	0.8552
YearsFreelancing	0.04636	0.03743	1.239	0.2186
Graphic Design	-0.56885	0.18878	-3.013	0.0033
Multimedia Arts	-0.73973	0.20309	-3.642	0.0004
Content Production	-0.79653	0.23477	-3.393	0.0010
Advertising	-0.13431	0.30559	-0.440	0.6613
Other Creative Fields (Music and Writing)	-0.97352	0.21258	-4.580	1.47e-05

Dependent Variable: $\ln(\text{Inc})$

$R^2 = 0.2954$ | Adjusted $R^2 = 0.2335$ | $F = 4.77$ (df = 8, 91) | $p = 0.0000648$ |

Residual Standard Error = 0.6545

The Model 1 describes about 29.5 percent of the variance in the income of freelancers, which implies that the specialty in fields of creativity, age, sex and experience have

moderate effects on the level of income of Makati-based freelancers. The F-statistic ($F = 4.77$, $p < 0.001$) proves that the overall regression model is statistically significant.

Creative field categories have the largest effects, among the predictors. To be more precise, freelancers in Graphic Design ($p = 0.003$), Multimedia Arts ($p < 0.001$), Content Production ($p = 0.001$), and Other Creative Fields ($p < 0.001$) are much less paid than the reference category (Digital Marketing). This is an indication that there are income gaps within creative subfields, with the same researcher, Hennekam and Bennett (2016) noticing the segmentation of income in creative work in relation to the specialization and demand in the market.

Meanwhile, Age, Gender and Years of Freelancing do not have any significant individual effects on the income, yet YearsFreelancing has a positive coefficient ($b = 0.046$), which suggests that experience tends to raise the earnings, which is in line with the Human Capital Theory (Becker, 1964). This is consistent with Burke and Cowling (2019) and Abbay et al. (2019), who established that skill accumulation and industry experience do increase the economic value of freelancers, although not necessarily at smaller amounts of data seen as statistically significant.

Overall, the findings suggest that demographic and experience factors have a relatively minor impact, whereas their differences in the sector make the creative industry the most significant factor on the income of freelancers in Makati City. This confirms the claim by Chimeri and Oluwatayo (2022) that the heterogeneity of creative economies tends to result in imbalanced income distribution within the artistic fields.

Model 2 – Determinants of Freelancer Expenditure

Table 10. Model 2 – Determinants of Freelancer Expenditure

Predictor	Estimate	Std. Error	t value	p-value
(Intercept)	9.52036	0.35654	26.702	< 2e-16
Age	0.02119	0.01375	1.541	0.127
GenderDummy	0.02183	0.11000	0.198	0.843
YearsFreelancing	0.03024	0.03058	0.989	0.325
Graphic Design	-0.38917	0.15424	-2.523	0.013
Multimedia Arts	-0.57772	0.16594	-3.482	0.001
Content Production	-0.58173	0.19182	-3.033	0.003
Advertising	-0.18103	0.24969	-0.725	0.470
Other Creative Fields (Music and Writing)	-0.72472	0.17369	-4.172	< 0.001

Dependent Variable: $\ln(\text{Exp})$

$R^2 = 0.2658$ | Adjusted $R^2 = 0.2012$ | $F = 4.117$ (df = 8, 91) | $p = 0.0003161$ |

Residual Standard Error = 0.5347

Model 2 explains about 26.6% of the change in the expenditure of the freelancers, which depicts that specialization in the creative field, age, gender, and years of experience have a

moderate effect on spending habits of Makati-based freelancers. F-statistic ($F = 4.117$, $p < 0.001$) proves that the general regression formula is significant.

Like income, area categories of creative fields have the most effective impacts on spending. Graphic Design ($p = 0.013$), Multimedia Arts ($p = 0.001$), Content Production ($p = 0.003$), and Other Creative Fields ($p < 0.001$) freelancers have a much lower cost than Digital Marketing, the reference group. This implies that the spending patterns have a strong association with the income potential and market demand within the subfields of creativity, which align with Hennekam and Bennett (2016), who observed that the sectoral specialization has a strong relationship with earnings and spending patterns.

Age, Gender, and Years of Freelancing are not significant individually, but Years of Freelancing ($b = 0.030$) has a positive value, which may denote a slight increase in spending with experience, which is consistent with Human Capital Theory (Becker, 1964) and works by Burke and Cowling (2019) and Abbay et al. (2019) that underline the economic importance of the accumulated experience.

Overall, the results suggest that demographic and experiential variables have a minor role in the level of expenditures, but the creative sub-industry is the key predictor, which supports Chimeri and Oluwatayo (2022) observation that the heterogeneity of the creative industry is a major factor in the generation of income and expenditure inequality among freelancers.

Model 3 – Relationship Between Creative Freelancer Income and Expenditure and Makati City’s Economic Growth

Table 11. Model 3 – Relationship Between Creative Freelancer Income and Expenditure and Makati City’s Economic Growth

Variable	Coefficient	Std. Error	t-value	p-value
(Intercept)	22.20713	22.20713	22.20713	22.20713
lnMCFLsInc	0.04573	0.04573	0.04573	0.04573
lnMCFLsExp	0.05290	0.05290	0.05290	0.05290

Dependent Variable: ln(MCGDP)

$R^2 = 0.9997$ | Adjusted $R^2 = 0.9995$ | $F = 4719$ (df = 2, 3) | $p = 5.664\text{e-}06$ |

Residual Standard Error = 0.0007623

Model 3 focuses on the effects that the aggregate income and expenditure of freelancers have on creative industries in Makati City with respect to the mean RGDP relative to the industries. The regression predicts almost all the variation on sectoral RGDP ($R^2 = 0.9997$; Adjusted $R^2 = 0.9995$) and the F-statistic ($F = 4719$, $p < 0.001$) means that the overall model is statistically significant. This implies that sector-level income and expenditure of freelancers is a very significant predictor of sectoral economic output, which can also be explained by previous research that creative labor directly affects the urban economy (Hennekam and Bennett, 2016; Chimeri and Oluwatayo, 2022).

By coefficient, the mean increase in freelancer income in a sector by 1% leads to 0.0457% rise in RGDP, and an equivalent rise in mean expenditure leads to a 0.0529% rise. These impacts are aggregate in nature and not individual ones, and they underscore the fact that the overall economic performance of freelancers is the engine of a sector. Though the coefficients might seem to be minor in absolute values, they mean a lot when it comes to aggregated economic activity, repeating the findings of Abbay et al. (2019) and Burke and Cowling (2019), who concluded that cumulative income and expenditure in the creative industry spur local revenues and the overall economic development.

Overall, Model 3 supports the notion that the increase in income, as well as expenditure by freelancers, are significant drivers of economic growth in the creative sector of Makati City. It highlights that any policy or efforts to increase the income and disposable income relative to expenditure of freelancers may produce quantifiable changes to the sectoral RGDP of the city in accordance with the theoretical models on the human capital and creative economies (Chimeri & Oluwatayo, 2022; Hennekam and Bennett, 2016).

Diagnostic and Robustness Tests (BLUE Assumptions)

Table 12. Summary of Diagnostic and Robustness Tests

Breusch–Pagan (Homoskedasticity)	BP = 7.385, df = 8, p = 0.496	BP = 5.576, df = 8, p = 0.695	BP = 3.953, df = 2, p = 0.139	Homoskedasticity confirmed; residuals have constant variance across observations.
-------------------------------------	-------------------------------	-------------------------------	-------------------------------	---

Shapiro–Wilk (Normality)	W = 0.9817, p = 0.179	W = 0.9861, p = 0.378	W = 0.9765, p = 0.933	Residuals are normally distributed, satisfying the assumption of normality.
Durbin–Watson (Autocorrelation)	DW = 2.408, lag-1 autocorr = -0.205, p = 0.03	DW = 2.510, lag-1 autocorr = -0.257, p = 0.01	DW = 1.508, lag- 1 autocorr = - 0.017, p = 0.502	No significant autocorrelation detected; residuals are independent.
VIF (Multicollinearity)	Age: 1.514; Gender: 1.015; YearsFreelancin g: 1.503; Field: 1.023	Age: 1.514; Gender: 1.015; YearsFreelancin g: 1.503; Field: 1.023	High correlation between Mean_Income and Mean_Expenditu re	Multicollinearit y is low in Models 1 and 2. Model 3 shows high correlation between average income and expenditure, which is conceptually justified

				because higher income naturally drives higher spending among freelancers (Hennekam & Bennett, 2016; Chimeri & Oluwatayo, 2022).
Influence Analysis (Cook's Distance, DFBETAS)	Observations 1, 2, 5, 6 show some influence but within tolerance	Observations 1, 2, 3, 5 show some influence but within tolerance	Observations 1, 2, 5, 6 show some influence but within tolerance	Certain observations have slightly higher leverage on the estimates, but all remain within tolerance, showing that no data points

				distort the model.
Bootstrap	Not required	Not required	Mean_Income β :	Coefficients in Model 3 are stable even with a small sample (n = 6 sectors), confirming reliability.
Confidence			0.0030–0.0871;	
Intervals (2,000			Mean_Expenditu	
replications)			re β : 0.0159–0.1119	

The diagnostic and robustness tests of all three models portray that the results of the regression are robust and reliable. The Breusch-Pagan tests affirms that there is homoskedasticity in the residuals meaning that the variance remains constant among the different observations. The Shapiro Wilk tests indicate that the residuals follow a normal distribution, whereas the Durbin Watan statistics indicate that there is no significant autocorrelation, which proves that the error terms are independent. Models 1 and 2 have low multicollinearity, whereas Model 3 exhibits a high correlation between mean income and mean expenditure, as this is supposed to happen between higher freelancer income and higher expenditure in sectors (Hennekam and Bennett, 2016; Chimeri and Oluwatayo, 2022). Influence tests indicate that some of the observations have a small increment in leverage, although each is within a tolerance limit, so no observations can non-represent the estimates. And lastly, bootstrap confidence intervals of Model 3 indicate that coefficient estimates are consistent even with the small sample of the sector level.

Taken together, these diagnostics confirm the accuracy of the OLS estimates in the determination of the determinants of freelancer income, spending, and sectoral contribution to Makati City RGDP.

CHAPTER 6

Conclusion and Recommendations

This chapter presents the study's conclusion based on the reviewed literature, survey results, and statistical analyses. It also outlines key recommendations to enhance the economic participation, policy support, and future research on creative freelancers in Makati City.

Conclusion

This study has explored the economic effects of creative freelancing in Makati City by looking at the demographic profile of the freelancers, their economic profile through income and expenditure levels as well as the aggregate output of the freelancers to Makati City RGDP. The results indicate that freelancers are a youthful and fast-growing workforce on average (28.94 years of age and 3.82 years of experience), as per the world trends of flexible and skill-building creative labor (Blaising et al., 2021). These findings help in fulfilling the first aim of the study because they prove that the creative freelancers in Makati are already significantly involved in its economic activity, consistent with the human capital and flexible labor mobility discussed in the literature.

Regression analyses also reveal that demographics (age, gender, and years of freelancing) do not predict income or expenditure significantly, but creative field specialization has a significant and strong effect. This confirms results by Hennekam and Bennett (2016) and Kitching and Iskandarova (2019) that the income in creative work is determined rather by sectoral and market differences than by individual demographics. It also agrees with Abug et al. (2023) and Donina et al. (2022), who point out how industry-specific conditions affect freelancer income.

At the macro level, the outcomes of Model 3 show that aggregated freelance income and expenditures have a strong and positive impact on the RGDP of Makati City, which correlates with the literature on freelancers as a contributor to urban economic development due to their production and consumption (Burke and Cowling, 2019; Henry et al., 2021). This also helps to validate the Creative Economy Theory in Florida and endorsing PSA (2024) and Mercado et al. (2022), who point to Makati as the center of creative economic activity. By research findings on local empirical evidence of the relationship between freelance activity and the economic performance of the city, the study therefore fills this research gap as identified in Chapter 1.

Finally, this study also seals a gap that has been identified in Chapter 2 where there is limited quantitative analysis of freelancers and their contribution to the Philippine economy. Using local data and OLS regression, the analysis indicates that informal and yet professionalized creative labor can play a significant role in urban development, indicating that it should be recognized more under RA 11904 (2022) and creativity industry policies. In general, freelancing creative workers in Makati City are depicted as valuable economic agents, whose aggregate action has quantifiable effects on urban development and urban policy planning.

Recommendations

Based on the results of the study, the following recommendations are made to crucial stakeholders to enhance the integration, productivity and economic value of the creative freelancers within Makati City besides filling the gaps of the research that are established in the study:

To Creative Freelancers, creative freelancers are advised to implement systematic financial management practices to address the problem of irregular income, which is consistently

presented in both the findings (Table 6) and in other articles, including Abug et al. (2023) and Blaising et al. (2021). As the study confirms that the size of expenditure is predictable with the level of income, freelancers can be able to use budgeting techniques, emergency funds, and investment in digital tools, which make them more competitive in the market. Also, freelancers are advised to diversify their clients across platforms and industries to balance the stream of revenues in accordance with the human capital theory of Becker (1964) and the heterogeneity of the sector described by Hennekam and Bennett (2016). Creative freelancers who earn less money can use long-term planning to raise their earnings curves by becoming certified or having specific training to enhance their skills premium.

To Creative Industry Stakeholders, Agencies, such stakeholders should apply sectoral results of this study, especially, the substantial variations in income and expenditure across the creative industry, to restructure their contracts, payment plans, and project management systems. This evidence justifies the development of standardized terms and conditions of contracts that will prevent client disputes (identified as the second-highest challenge in Table 6) and development of timely payment systems that will avoid income instability. Stakeholders can also invest in digital and co-working infrastructures, utility subsidies, for both hardware and software, that will allow freelancers to reduce operation costs based on literature that emphasizes the structural vulnerability of freelancers (Watson and Beaverstock, 2016; Burke and Cowling, 2019). The fair terms of partnership are indeed beneficial to freelancers but also help stabilize the economic situation at the sector level, which in turn improves the aggregate economic output, as shown in the findings of Model 3. These recommendations may be operationalized through alignment with existing initiatives such as the programs of the Department of Trade and Industry under the Philippine Creative Industries Development Act, digital infrastructure and innovation

support of the Department of Information and Communications Technology, skills certification and training programs of the Technical Education and Skills Development Authority, and local enterprise and co-working support initiatives of the Makati City Government.

To the Local Government and Policymakers, Makati City and national agencies need to incorporate freelancers into official economic planning systems. Bearing in mind that, as the study empirically proves, the income and the expenditure of the freelancers have a positive effect on the RGDP, the policymakers must design taxation schemes, which are progressive, flexible, and supportive. Introduction of formal freelancer registries, government benefits (healthcare, insurance, retirement) and legal assistance desks would solve the challenges stated on Table 6. Investments in the local infrastructure, especially digital connectivity and low-priced coworking centers, should also be included especially on the creative clusters identified by Mercado et al. (2022) and facilitated by the spatial patterns presented by He et al. (2022). Lastly, Makati LGU must be on the forefront of a Creative Freelance Development Program as stipulated by RA 11904 (2022) that has provided training and financial management workshops and grant opportunities that support inclusive sector development, in coordination with existing national mechanisms such as the programs of the Department of Trade and Industry under the Philippine Creative Industries Development Act, digital infrastructure initiatives of the Department of Information and Communications Technology, cultural and creative grants of the National Commission for Culture and the Arts, and expanded social protection enrollment through the Social Security System and PhilHealth for independent workers.

To Academic and Research Institutions, this study offers methodological scope into future research but also gives limitations which can be overcome by such institutions. Because the study was cross-sectional and only involved Makati City, researchers need to diversify to

longitudinal studies that can capture how the income and expenditure of freelancers change over time, especially with technological changes or the business cycle as argued by Chimeri and Oluwatayo, 2022. A comparison between cities, such as Quezon City, Baguio City, Cebu City or Davao City would expand the knowledge of the space dynamics and enable economic comparison between local creative ecosystems. In addition, researchers can combine psychological, institutional, or platform-specific variables with the aim of filling research gaps in literatures like Popiel (2017) and Samodio (2018). Enhancing this scholarly discussion will make sure that the policymakers and industry players have all the evidence required, when developing programs on creative labor in the Philippines.

In conclusion, the study highlights the role of a strategic approach in adopting creative freelancers into the local economic development. Through filling the gaps that have been noted in the limitations of the study and using the empirical knowledge held in Chapter 5, the stakeholders at the individual, industry, governmental, and academic levels can share their contribution to the sustainability, productivity, and economic value of the creative freelance industry in Makati City.

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Appendices

Appendix A: Research Questionnaire

Informed Consent Form



Purpose of the Study

You are invited to participate in a research study that seeks to examine the **economic impact of freelancing in the creative industry** on Makati City's local economy. This study will specifically analyze the relationship between freelancers' **demographic and economic profiles** – including **age, gender, years of freelancing, income level, and expenditure level** – and Makati City's **Regional Gross Domestic Product (RGDP)**.

The findings aim to provide insights that may inform **future programs, policies, and support mechanisms** for freelancers in Makati City.

Voluntary Participation

Your participation in this study is **completely voluntary**. You may choose not to answer any question, withdraw from the survey at any point, or decline participation without any penalty.

Procedures

You will be asked to complete a **survey questionnaire** that will take approximately **5–10 minutes**. The questionnaire consists of **three sections**:

- **Demographic Profile** – Age, gender, years of freelancing, and creative field.
- **Economic Profile & Behavior** – Monthly income, expenditure, and spending breakdown.
- **Labor & Policy Perceptions** – Challenges and policy support needs.

Confidentiality

All information you provide will be **kept strictly confidential**. Your responses will be **anonymized** and analyzed only in aggregate form. No personally identifiable information will be published or shared with any third party.

Risks and Benefits

There are **no foreseeable risks** associated with participating in this study. By participating, you contribute to understanding freelancers' roles in Makati's economy and help shape potential **policy recommendations** that support the creative freelance sector.

Consent Statement

By proceeding, you confirm that:

- You have read and understood the purpose of this study.
- You voluntarily agree to participate.
- You are at least **18 years old**.

Demographic Profile

Age, gender, years of freelancing, and creative field

Age

Short answer text

.....

Gender (Biological)

- ☐ Male
- ☐ Female

Years of Freelancing [Experience]

Short answer text

.....

Field of Freelance Creative Work

- ☐ Digital Marketing
- ☐ Graphic Design
- ☐ Multimedia Arts
- ☐ Other:

Economic Profile and Behavior

Monthly income, expenditure, and spending breakdown

Estimate Monthly Freelance Income (PHP, Rounded-off to the nearest hundred)

Short answer text

Estimate Monthly Expenditure (PHP, Rounded-off to the nearest hundred)

Short answer text

Monthly Expenditure Breakdown (select all that apply)

☐ Basic Necessities (Electricity, Housing Rent, Internet, Water)

☐ Food and Daily Needs (Clothes, Etc.)

☐ Transportation and Working Space

☐ Utilities (Hardware, Software, Subscriptions, Etc.)

☐ Insurance (Health, Life, Property, Etc.)

☐ Travel and Leisure

☐ Other:

Labor and Policy Perceptions

Challenges and policy support needs

What challenges do you regularly face as a freelancer? (select all that apply)

- ☐ Client Disputes
- ☐ Irregular Income
- ☐ Lack of Regular Benefits (Health and Social Security)
- ☐ Lack of Legal Protection
- ☐ Market Competition
- ☐ Physical, Mental, Social Burnout
- ☐ Other:

What kind of government support do you believe would improve your freelancing work? (select all that apply)

- ☐ Access to Regular Benefits (Health and Social Security)
- ☐ Co-working Infrastructure
- ☐ Digital Infrastructure
- ☐ Legal Assistance
- ☐ Skill Training Equipment and Program
- ☐ Tax Incentives
- ☐ Other:

Do you consider your freelance income sufficient for your current needs?

☐ Yes

☐ No

Do you see freelancing in the creative industry as a long-term career path?

☐ Yes

☐ No

Please feel free to add any comments or suggestions regarding freelancing and its economic impact in [Makati City].

Long answer text

.....

Appendix B: Model 1 - Determinants of Freelancer Income

Call:

```
lm(formula = Income ~ Age + GenderDummy + YearsFreelancing +
    factor(Field2), data = df)
```

Residuals:

Min	1Q	Median	3Q	Max
-1.23348	-0.48890	-0.01935	0.33738	1.47275

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)	
(Intercept)	10.08997	0.43637	23.123	< 2e-16	***
Age	0.01946	0.01683	1.157	0.250427	
GenderDummy	0.02464	0.13463	0.183	0.855181	
YearsFreelancing	0.04636	0.03743	1.239	0.218640	
factor(Field2)Graphic Design	-0.56885	0.18878	-3.013	0.003347	**
factor(Field2)Multimedia Arts	-0.73973	0.20309	-3.642	0.000449	***
factor(Field2)Content Production	-0.79653	0.23477	-3.393	0.001026	**
factor(Field2)Advertising	-0.13431	0.30559	-0.440	0.661326	
factor(Field2)Other Creative Fields	-0.97352	0.21258	-4.580	1.47e-05	***

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.6545 on 91 degrees of freedom

Multiple R-squared: 0.2954, Adjusted R-squared: 0.2335

F-statistic: 4.77 on 8 and 91 DF, p-value: 6.483e-05

Appendix C: Model 2 - Determinants of Freelancer Expenditure

Call:

```
lm(formula = Expenditure ~ Age + GenderDummy + YearsFreelancing +
    factor(Field2), data = df)
```

Residuals:

```
      Min       1Q   Median       3Q      Max
-1.00730 -0.37134 -0.02182  0.33563  1.37214
```

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)	
(Intercept)	9.52036	0.35654	26.702	< 2e-16	***
Age	0.02119	0.01375	1.541	0.126706	
GenderDummy	0.02183	0.11000	0.198	0.843148	
YearsFreelancing	0.03024	0.03058	0.989	0.325391	
factor(Field2)Graphic Design	-0.38917	0.15424	-2.523	0.013368	*
factor(Field2)Multimedia Arts	-0.57772	0.16594	-3.482	0.000768	***
factor(Field2)Content Production	-0.58173	0.19182	-3.033	0.003159	**
factor(Field2)Advertising	-0.18103	0.24969	-0.725	0.470288	
factor(Field2)Other Creative Fields	-0.72472	0.17369	-4.172	6.88e-05	***

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.5347 on 91 degrees of freedom

Multiple R-squared: 0.2658, Adjusted R-squared: 0.2012

F-statistic: 4.117 on 8 and 91 DF, p-value: 0.0003161

Appendix D: Model 3 - Relationship Between Creative Freelancer Income and Expenditure and

Makati City's Economic Growth

Call:

```
lm(formula = Mean_RGDP ~ (Mean_Income) + (Mean_Expenditure),
    data = df_sector)
```

Residuals:

1	2	3	4	5	6
0.0002741	-0.0002974	0.0008091	0.0002586	-0.0001264	-0.0009179

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)	
(Intercept)	22.20713	0.04721	470.383	2.12e-08	***
Mean_Income	0.04573	0.01219	3.753	0.0330	*
Mean_Expenditure	0.05290	0.01741	3.039	0.0559	.

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.0007623 on 3 degrees of freedom

Multiple R-squared: 0.9997, Adjusted R-squared: 0.9995

F-statistic: 4719 on 2 and 3 DF, p-value: 5.664e-06

Appendix E: Diagnostic and Robustness Tests

studentized Breusch-Pagan test

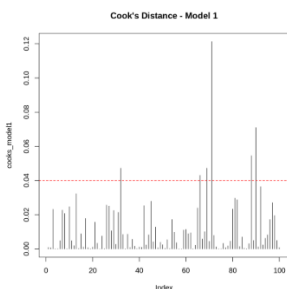
```
data: model1_collapsed
BP = 7.3847, df = 8, p-value = 0.4958
```

Shapiro-Wilk normality test

```
data: resid(model1_collapsed)
W = 0.98168, p-value = 0.1794
lag Autocorrelation D-W Statistic p-value
1 -0.2047169 2.408086 0.03
Alternative hypothesis: rho != 0
A matrix: 4 x 3 of type dbl
```

	GVIF	Df	GVIF^(1/(2*Df))
Age	2.293436	1	1.514410
GenderDummy	1.030797	1	1.015282
YearsFreelancing	2.259612	1	1.503200
factor(Field2)	1.253173	5	1.022824

	(Intercept)	Age	GenderDummy	YearsFreelancing	factor(Field2)Graphic Design	factor(Field2)Multimedia Arts	factor(Field2)Content Production	factor(Field2)Advertising	factor(Field2)Other Creative Fields
1	0.047709214	-0.045276754	-0.025709779	0.022300189	-0.003678336	0.057294719	-0.0009739047	0.012227262	0.003608077
2	-0.042746392	0.019227401	0.031451793	-0.004203079	0.044272103	0.036257855	0.0340144400	0.017767550	0.037261030
3	0.315328673	-0.194768348	-0.191994953	0.137983068	-0.264770485	-0.220326207	-0.2273414025	-0.105599173	-0.217477022
4	0.004634718	-0.002228367	0.007266662	0.001719527	-0.008540700	-0.007275192	-0.0064329361	-0.005537457	-0.006675066
5	0.017245130	-0.017576833	-0.010044263	0.013712526	0.014195174	0.001361310	-0.0020909318	0.003594924	0.001125912
6	-0.025683849	0.019332917	-0.041947358	0.039939595	0.006491691	-0.015654167	0.1308902491	-0.011369526	-0.007909539



studentized Breusch-Pagan test

data: model2_collapsed

BP = 5.5757, df = 8, p-value = 0.6946

Shapiro-Wilk normality test

data: resid(model2_collapsed)

W = 0.98606, p-value = 0.3778

lag Autocorrelation D-W Statistic p-value

1 -0.257152 2.509523 0.01

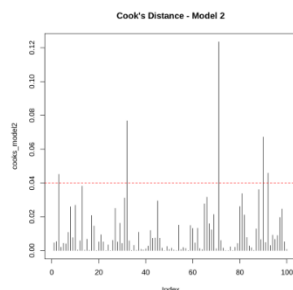
Alternative hypothesis: rho != 0

A matrix: 4 × 3 of type dbl

	GVIF	Df	GVIF^(1/(2*Df))
Age	2.293436	1	1.514410
GenderDummy	1.030797	1	1.015282
YearsFreelancing	2.259612	1	1.503200
factor(Field2)	1.253173	5	1.022824

A matrix: 6 × 9 of type dbl

(Intercept)	Age	GenderDummy	YearsFreelancing	factor(Field2)Graphic Design	factor(Field2)Multimedia Arts	factor(Field2)Content Production	factor(Field2)Advertising	factor(Field2)Other Creative Fields
1	-0.11393361	0.10812469	0.06139711	-0.05325473	0.008784175	-0.136824604	0.002325766	-0.02919973
2	-0.12612906	0.05673307	0.09280280	-0.01240176	0.130630876	0.106983744	0.100364242	0.05242558
3	0.44906664	-0.27737398	-0.27342432	0.19650479	-0.377065592	-0.313771498	-0.323761995	-0.15038615
4	-0.04217187	0.02027819	-0.06612025	-0.01564619	0.077712879	0.066197863	0.058534075	0.05038600
5	-0.11924578	0.12153942	0.06945358	-0.09481870	-0.098156091	-0.009413119	0.014458272	-0.02485801
6	-0.02353736	0.01771720	-0.03844167	0.03660170	0.005949158	-0.014345894	0.119951302	-0.01041934



```

studentized Breusch-Pagan test

data: model3
BP = 3.9533, df = 2, p-value = 0.1385

Shapiro-Wilk normality test

data: resid(model3)
W = 0.97645, p-value = 0.9326
lag Autocorrelation D-W Statistic p-value
1 -0.01695711 1.507604 0.502
Alternative hypothesis: rho != 0
Mean_Income: 204.809542464975 Mean_Expenditure: 204.809542464975
Influence measures of
lm(formula = Mean_RGDP ~ (Mean_Income) + (Mean_Expenditure), data = df_sector) :

   dfb.1_ dfb.Mn_I dfb.Mn_E dffit cov.r cook.d hat inf
1 -0.2039 -0.2321 0.2263 0.320 4.49e+00 0.0475 0.399 *
2 0.6045 0.4777 -0.5164 -0.859 6.20e+00 0.3121 0.670 *
3 0.9018 0.8100 -0.8390 1.261 3.74e-01 0.3289 0.359
4 -0.0727 -0.0968 0.0911 0.202 3.93e+00 0.0193 0.269
5 -0.2994 -0.4119 0.3832 -0.642 1.50e+01 0.1961 0.806 *
6 -3.3372 -2.0056 2.3769 -7.045 3.79e-04 0.9521 0.498 *
BOOTSTRAP CONFIDENCE INTERVAL CALCULATIONS
Based on 2000 bootstrap replicates

CALL :
boot.ci(boot.out = boot_res, type = "perc", index = 2)

Intervals :
Level Percentile
95% ( 0.0030, 0.0871 )
Calculations and Intervals on Original Scale
BOOTSTRAP CONFIDENCE INTERVAL CALCULATIONS
Based on 1959 bootstrap replicates

CALL :
boot.ci(boot.out = boot_res, type = "perc", index = 3)

Intervals :
Level Percentile
95% ( 0.0159, 0.1119 )
Calculations and Intervals on Original Scale

```