



 PUBLICFIRST

Digital Nomads

How many, why, and does it matter?

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EXECUTIVE SUMMARY

"I'm living like a king and can save a good amount a month. The countries where the cost of living is lower are starting to pop up. In London no one is happy and in Europe it's really hard to sustain a life." - Male, 25, Germany, startup founder - online training

"Bali is a great place to be if you want to be surrounded by a lot of digital nomads who are very ambitious. I like working in a co-working hostel; everyone is working on their own thing, doing it remotely. It's very, very inspiring, and motivating." - Male, 20s, Germany, freelancer - digital services

"One of the massive appeals of Bali is the safety and family values. I want to bring up a family in a place like this, where it's safe. A place where we can be part of the community. The US is not like that." - Male, 30s, USA, business owner - property and cyber security

Is the 'digital nomad' phenomenal real? If so, how many Brits are living and working abroad in this way, what are their lives like, and does any of this truly matter?

Digital nomadism is a distinct form of emigration where workers are not reliant on the economy of their host country for employment. Instead, they remain economically connected to their home country, using digital technology to work remotely while living abroad.

To research the digital nomad trend Public First combined polling, modelling, and a new approach to opinion research - 'immersive' research. This involved sending researchers to Bali to meet and interview digital nomads in their natural environment. After all - how else could we find out what they think?

Some key findings of this report are:

- We estimate that **165,000 British citizens** live and work abroad as digital nomads, spend an average of **seven months a year** overseas, and collectively **earn £5.2 billion** whilst away.
- This means the economy loses **£3.1 billion in consumer spending** along with **£320 million in lost VAT** revenue. These digital nomads contributed **£1.6 billion in income tax and national insurance** last year - revenue that could be at risk if they choose to relocate permanently.

- There are approximately **85,000 employed** and **80,000 self-employed** digital nomads living and working abroad.
- Many digital nomads leave the UK due to the **high cost of living** and **expensive rents**, and the **higher standard of living** they can afford in places like Bali. Financial advantage is a key reason why many choose to work abroad, and why many will decide to stay.
- The digital nomads we spoke to were often very critical of their home countries, comparing the **negative culture** and **high levels of crime** unfavourably to the safety and strong sense of community they experienced in Bali.
- Self-employed digital nomads described Bali as an **ideal place to build a business**. The low cost of living allows them to experiment, while the convenient living and working conditions enable them to focus fully on their enterprises. The opportunity to network with likeminded and ambitious individuals was also seen as a real plus.
- The experience of employed digital nomads was more mixed. Many reported **feeling isolated** from their colleagues and **struggled to stay motivated** while working full-time in this environment. Businesses are increasingly offering employees the opportunity to work temporarily abroad, with longer stays limited by legal restrictions and administrative complexities. But if digital nomadism isn't compatible with employed work, this could hinder take-up.
- Our polling suggests that as much as **7% of the adult population** consider themselves very likely to work as a digital nomad over the next three years. Were 50% of them to follow through on this plan this would mean **1.4 million digital nomads** and a loss of **£26 billion in consumer spending** and **£2.7 billion in VAT** whilst they are away. **£5 billion** of additional tax would also be put at risk were self-employed digital nomads to change their tax residency status or incorporate a business abroad.
- The rapid improvement in **healthcare, schooling and infrastructure**, combined with **lower taxation**, mean older digital nomads could **settle down permanently**.

Research Methods

To explore the digital nomad trend we employ three complementary research methods: Polling, modelling, and immersive research.

Polling and modelling

We use a nationally representative poll of British adults to assess the scale of digital nomadism. First, we ask respondents how many digital nomads they personally know, providing insight into how widely recognized the trend has become. We then follow up with a more detailed sequence of questions and combine with statistical modelling to estimate the number of British digital nomads. We outline the full methodology in Appendix A3.

We also examine the extent to which the British public is considering adopting this lifestyle and their overall attitudes toward digital nomadism. Finally, we combine the results of our polling with government data and third-party evidence to estimate the economic and fiscal consequences of this growing trend.

Immersive Research

Polling is valuable for capturing broad opinions, but to truly understand this trend, we needed to hear directly from digital nomads. To do this, we traveled to Bali, a major hub for digital nomadism, and conducted nearly 40 in-depth interviews with digital nomads from the UK, Europe, the USA, and other developed nations. These interviews took place in co-working spaces across the island, allowing us to engage with a diverse range of individuals.

None of the interviews were pre-arranged, enabling us to connect with digital nomads we would never have reached through traditional research methods. Through these conversations, we gained insights into their motivations for choosing this lifestyle, the type of work they do, their experiences of working remotely, and whether they see themselves continuing as digital nomads in the long term.



EMIGRATION, REMOTE WORKING AND DIGITAL NOMADISM

Digital technology is increasingly enabling people to live and work wherever they choose. Reports suggest this is fueling a surge in the 'digital nomad' phenomenon - an ever-growing group of workers opting to live abroad, far from their colleagues, offices, and customers¹. Many of these digital nomads, we are told, enjoy warmer climates, idyllic ocean views, or vibrant cityscapes while continuing their usual jobs and earning the same as they would at home. But traditional expats have been relocating in large numbers for decades, so is this really any different? And what evidence is there that UK employees can - or even want - to embrace this lifestyle?

Traditional emigration is a popular British tradition

British citizens have been emigrating in large numbers since the early noughties. Throughout the 2010s, approximately 150,000 British nationals emigrated each year, though this number has dropped to 100,000 since COVID-19 and the end of the EU transition period². In 2017, the European Union estimated that just under 900,000 British citizens were living in the EU³. More broadly, the total number of British-born people living abroad was estimated at around 5 million by the IPPR in 2006⁴. These figures suggest that British citizens not only have the propensity to emigrate but also the opportunity to build new lives in other countries.

Traditionally, expats would leave their jobs in the UK to seek new work in their destination country, either integrating into the local economy or leveraging trade opportunities between the two nations. In contrast, digital nomads have no need for a commercial link to their host country's economy, often continuing to operate within their home country's economy as if they had never left. This applies both to employees, for whom working abroad may be no different from remote work at home, and to the self-employed, whose clients may be unaware of their new location. Digital nomadism offers a hassle-free way of doing what many Brits have done for decades, with the added advantage of minimal disruption to careers or income.

¹ <https://www.theguardian.com/money/2023/nov/04/digital-nomads-work-remotely-tech-visas>

² [Long-term international migration, provisional - Office for National Statistics](#)

³ [What information is there on British migrants living in Europe? - Office for National Statistics](#)

⁴ [Nearly 1 in 10 Britons live abroad | Reuters](#)

Remote working plays an increasingly important role in the British economy

The rise of digital nomadism is part of a broader shift toward remote work, a trend that was rapidly accelerated by the COVID-19 lockdowns. At its peak, 38% of workers were exclusively working from home⁵. Currently, business surveys estimate that 30% of the workforce are hybrid workers, while 8% work entirely remotely⁶. This equates to nearly 3 million Brits working exclusively away from the office - a figure likely to grow as younger companies, whose employees are more inclined toward remote work, grow into the major businesses of the future.

Remote work is disproportionately common in highly productive and fast-growing sectors. Nearly half of all work in the Information and Communication sector - which includes developers, IT consultants, data analysts, e-commerce professionals, and digital media specialists - are performed remotely. These roles are particularly well-suited to remote work, offer higher-than-average salaries and likely to expand in number.

Unsurprisingly, these industries also face intense competition for skilled workers. The need to attract and retain top talent is a key reason why over 70% of companies worldwide now offer their employees options to work remotely⁷. As a result, highly skilled and productive employees are increasingly leveraging their bargaining power to secure the flexibility to work abroad, whether for extended periods or on a permanent basis.

Sectors compatible with remote work also play a crucial role in the startup economy, generating a disproportionate share of new businesses that drive future economic growth - a topic explored further in Chapter Two. As the digital nomad trend continues to expand, it is likely that highly productive, skilled employees and startup founders will be among those choosing to move abroad. If these individuals decide to settle permanently overseas, it could have long-term implications for the growth and competitiveness of the British economy.

Digital nomads remain working within the British economy

A digital nomad uses digital technology to work remotely from abroad whilst maintaining a career hooked into the economy of their home country. This distinguishes them from traditional expats, whose work is typically tied to the economy of their destination country. This connection also allows digital nomads to maintain salaries comparable to what they would earn at home. Digital nomads may be employed, working with colleagues based in their home country, or self-employed, serving clients from their country of origin. With the freedom to live anywhere, many digital nomads choose destinations with a lower cost of living, enabling them to enjoy a

⁵ [The impact of remote and hybrid working on workers and organisations - POST](#)

⁶ [Managers say working from home is here to stay | CEPR](#)

⁷ [Current trends in remote working](#)

higher standard of living than would otherwise be possible whilst they save and invest for the future.

The appeal of working abroad has led many businesses to offer digital nomad options to employees, particularly in industries with strong competition for talent. By the end of 2023, business surveys showed that just over 50% of firms had implemented or were considering policies allowing employees to work remotely from a foreign country for up to 90 days⁸. This helps companies attract and retain top talent while avoiding the compliance risks and administrative complexities of long-term international remote work. Only 10% of firms offered employees the option to work abroad for longer, with 80% citing tax and legal compliance as the biggest challenge.

The legal and regulatory barriers to digital nomadism present an opportunity for countries looking to attract skilled workers. Many have already taken action, with 58 countries offering digital nomad visas by May 2024. Their motivation is partly immediate economic stimulation - digital nomads contribute to local economies through sustained spending patterns that surpass those of short-term tourists. However, there is also a longer-term incentive; the potential for highly skilled workers to integrate into the local economy. They may do this by filling in-demand labour market gaps, or starting businesses that create jobs, attract investment, and rely on local supply chains.

There are potentially negative implications for the British economy

In the short term, digital nomad migration brings both economic benefits and costs to the UK. Initially, digital nomads may retain their UK tax residency, continuing to contribute to the economy and pay taxes as usual while placing less strain on infrastructure and public services. However, a key drawback is the loss of consumer spending within the UK, which affects retailers and reduces VAT revenue for the government.

In the longer term, the impact is more uncertain and potentially concerning. Entrepreneurs who might have started and grown their businesses in the UK could instead do so abroad. As their businesses expand, they may hire local employees, integrate with local supply chains, and, if the tax incentives are strong enough, eventually register their companies overseas. This means businesses that would have contributed to the British economy instead become foreign companies selling into it. Given that these businesses are likely to employ highly skilled digital workers with above-average salaries, this shift could have a negative impact on UK productivity.

⁸ [Current trends in remote working](#)

SCALE AND DRIVERS OF DIGITAL NOMADISM

- We estimate that **165,000 British citizens** are working abroad as digital nomads, the same as the working-age population of Newcastle. On average they **work abroad for 7.5 months a year** and earn a combined **income of over £5.2 billion** during this time.
- Public First modelling suggests the digital Nomad trend last year cost the UK economy **£3.1 billion in consumer spending** and the exchequer **£320 million in lost VAT**.
- The most common reason digital nomads in Bali gave for moving away was the **high cost of living and expensive rents** in their home countries. This was reflected in polling; of respondents who thought it very likely they would become a digital nomad in the next three years, **64% thought issues relating to personal finances were a major benefit**.
- Many also wanted to get away from the **negative culture** in their home countries in search of **adventure and fun**.

How many digital nomads are there and what is driving the trend? The pull factors are perhaps obvious - warmer weather, exploring cultures, and a chance for adventure - but what is pushing people away from the UK? This section first estimates the number of British citizens living and working abroad in this way using polling and some nifty modelling techniques. We then draw on the Bali interviews to explore the motivations behind this phenomenon.

The scale of digital nomadism is enough to have noticeable economic effects

We estimate there are nearly 165,000 British digital nomads currently living and working abroad. This is roughly equivalent to the working-age population of Newcastle and the same as the total number of British citizens who have permanently emigrated over the past two years. These numbers are enough to have a small but noticeable impact on the British economy.

The decision of a large number of workers to live abroad has direct economic and fiscal consequences, particularly through lost consumer spending in the retail and hospitality sectors. On average, digital nomads spend 7.5 months of the year abroad, collectively earning an estimated £5.2 billion during this time. If they were living in the UK, we

estimate the economy would benefit from an additional £3.1 billion in consumer spending. This also impacts public finances, with an estimated £320 million in lost VAT revenue.

The British public is becoming increasingly aware of the digital nomad trend, often through personal connections. Ten percent of British adults say they know someone currently working as a digital nomad, rising to 23% among those aged 18 to 34. This suggests that digital nomadism is particularly popular among younger generations and is likely to continue growing.

Methodological challenge: Few attempts have been made to estimate the scale of digital nomadism, and those that exist are of questionable accuracy. This is largely due to the lack of an easy method for measuring it. Digital nomads often retain UK tax residency and are not required to inform HMRC when they leave, meaning there is a lack of data from official sources. Typically, when population data is unavailable, researchers rely on representative samples. However, this is challenging in this case, as we have no way of knowing how digital nomadism affects survey participation. To address this problem, the economics team devised a novel approach, which we outline in the appendix.

The digital nomad trend is driven by frustration at home and the attraction of moving abroad

To understand the driving forces behind the digital nomad trend, we drew on findings from our immersive research study in Bali. These interviews were conducted primarily with individuals from Western countries, many of which face similar economic challenges to the UK.

The cost of living is driving people away from their home countries. The most common reason cited for becoming a digital nomad was financial. Many have left due to high rents, rising living costs, and heavy taxation in their home country. In Bali, they report living in larger, higher-quality homes for a fraction of the cost, can afford to eat out regularly, and still have money left over to save and invest. For many it is an absolute no-brainer. This was corroborated by the results of our polling - Of respondents who thought it very likely they would become a digital nomad in the next three years, 64% thought issues relating to personal finances were a major benefit.

"I'm living like a king and can save a good amount a month. The countries where the cost of living is lower are starting to pop up. In London no one is happy and in Europe it's really hard to sustain a life." - Male, 25, Germany, startup founder - online training

"So you massively reduced your costs 100%. I just came back from London a month ago where I spent so much for the apartment. I could have rented here for five years with the rental for six months in London." - Female, 30s, Spain, self-employed - online retail and fashion

The opportunity to travel while working is a major draw. For many, it offers a way to experience the 'gap year' experience while still advancing their careers and earning an income. These nomads are truly mobile, moving every week or at least every month, seeking cultural experiences, meeting like-minded individuals, and embracing adventure. Some explained that taking a traditional gap year felt like a luxury, both financially and in terms of career progression. In this context, combining work with travel becomes practical and appealing.

"My main motivation is to discover myself more. With my first travel experience I realized this world can be so different, and coming back home to Austria I realised there is so much more. Like, why should I stay here? Why shouldn't I explore everything, my perspectives, how I want to truly live my own life?" - Male, 20s, Austria, freelancer/small business owner - AI integration

"People tend to be a little bit depressed in Germany during winter. I could make money from anywhere, and if I could be anywhere, would you be in Cologne right now?" - Male, 20s, Germany, entrepreneur - runs online courses business targeting the German-speaking market

Finding a more positive culture is both a push and pull factor. Many digital nomads move abroad in search of a stronger sense of community while also wanting to escape negativity, social tensions, or crime in their home countries. For some - particularly those from cities like Paris or London - the relative safety of Bali is an important reason for relocating. Others highlighted Bali's positive cultural atmosphere, appreciating its traditional family and community values.

"In Bali, you can just leave your computer there and go to the toilet, to the restroom. Can you do that in London? Never, you take it with you to go to the toilet." - Female, 20s, France, employed - administrative assistant

"The pros are just the environment, the atmosphere, the standard of living is a lot higher, the quality of life is a lot greater. Mentality of just the local people, spirituality of just the community here. The Balinese and Indonesian people I absolutely adore and love. And there's a really great connection and community here that drives that sense of home." - Female, 30s, Canada, self-employed - teaches online and homeschools locally

"We don't feel safe going back to the US. Drugs and mental health are a real danger over there and as mental health declines it falls out onto the street. Here the family culture is strong and drugs are illegal." - Male, 30s, USA, business owner - property and cyber security

WORKING AS A DIGITAL NOMAD

- We estimate that of the 165,000 digital nomads **85,000 are employed** and **80,000 are self-employed**.
- Self-employed digital nomads described Bali as the ideal place to build a business, with **low costs enabling them to experiment** and the **convenient living and working conditions** ideal for focussing.
- We estimate that self-employed digital nomads paid **£590 million in taxes** to the British Government last year, income that could be at risk should they change their tax-residency status or choose to register their business abroad.
- Employed digital nomads found the experience of being away from their team more difficult, with the less structured environment a hindrance to work .

The push and pull factors driving people to move abroad will partly determine the scale of the digital nomad trend, as explored in the previous chapter. But the long-term impact also depends on the *stickability* of digital nomadism - how many will choose to stay? This will ultimately be shaped by the lived experiences of digital nomads working abroad. To explore this further, we draw on insights from our interviews.

The experience of digital nomads is overwhelmingly positive

Most of the digital nomads we spoke to in Bali were extremely positive about their experience working abroad. They praised the fantastic co-working spaces, the convenience of daily life, and the vibrant social scene available when they finished work. However, some also mentioned drawbacks, such as feelings of isolation, managing significant time differences with colleagues or clients back home, and struggling to stay motivated in such a different environment. One interesting finding was in the different experiences of employed and self-employed workers.

Of the 165,000 digital nomads, we estimate that approximately 85,000 are employed and 80,000 are self-employed. Our interviews in Bali revealed a distinction between the experiences of these two groups with the self-employed overwhelmingly positive. For those who were employed, however, the experience was more mixed. Some struggled with the pressures of corporate life, finding it incompatible with Bali's more relaxed and free-spirited atmosphere.

Is digital nomadism a risk to British small business?

One of the key themes from our research was the strong compatibility between digital nomadism and starting or growing a business - something we explore in more detail below. This trend should be a concern for Western economies like the UK. Today's small startups are the big businesses of the future, driving economic growth, wealth, and prosperity.

We estimate that over 20% of new business formations in the UK are in sectors well-suited to remote working and as such susceptible to the growing digital nomad trend⁹. More concerningly, these sectors are highly productive, with average wages of £50,000 compared to £37,000 across all industries¹⁰. If these businesses choose to grow elsewhere, the UK risks losing high-paying jobs and valuable tax revenue that would otherwise support the domestic economy.

There are many positives and some negatives to working this way

Digital nomads in Bali were generally very positive about their experience and keen to highlight the benefits of working this way. While some drawbacks were mentioned, they were primarily reported by employed workers rather than the self-employed.

Digital nomadism is an ideal environment for starting a business. One of the standout findings of our research was the significant benefits it offers to young entrepreneurs. Those looking to start their own business or work freelance described Bali as a fantastic place to launch their ventures.

The most commonly cited advantage was the low cost of living and reduced overheads. This financial flexibility allows entrepreneurs to take risks, knowing that a few slow months won't leave them struggling to pay rent. It also provides the freedom to experiment and invest in new ideas. Beyond cost savings, the strong entrepreneurial culture and vibrant network of like-minded individuals both provides both inspiration and opportunity for collaboration and growth.

"Bali is a great place to be if you want to be surrounded by a lot of digital nomads who are very ambitious. I like working in a co-working hostel; everyone is working on their own thing, doing it remotely. It's very, very inspiring, and motivating." - Male, 20s, Germany, freelancer - digital services

"I think it's a good place to network. I actually met my co-founder in this place. If you want to network, you can sit on these two tables here, and you would meet like, five people in the span of two hours." - Male, 20s, Pakistan, startup founder with business registered in US - mental health platform

⁹ Public First analysis on data from the Business Register and Employment Survey and Business Demography data from the ONS

¹⁰ Public First analysis using the Annual Survey of Hours and Earnings and Business Register and Employment Survey providing gross annual pay for full time employees

"Being an entrepreneur abroad reduces costs massively. That gives you breathing room." - Male, 30s, USA, business owner - property and cyber security

"So with living here and having a lower cost of living, but also still being able to have clients that are paying more of Western prices. That allows me to increase savings and increase my investment back into my business." - Female, 30s, Canada, self-employed - teaches online and homeschools locally

For many, the setup and working environment is ideal for productive working. The advantages go beyond financial savings and networking - many find the practicalities of co-working in Bali ideal for focussing fully on a new venture. Co-working spaces are often better equipped and more comfortable than those in cities like London, and the lifestyle is highly convenient. Homes are just minutes from work, and there's little need to worry about cooking, grocery shopping, or even doing laundry. This creates an environment where entrepreneurs can dedicate themselves entirely to their projects.

Beyond this, Bali offers a strong support network of young entrepreneurs and remote workers, fostering an exciting and comradely atmosphere. And when the workday is over, there are plenty of opportunities for socializing and having fun.

"It's just like life is quite easy here, with respect to less distraction. I would wake up, I would come here, have a coffee, work until the end of the day, and I would go have dinner somewhere. I'm a very work oriented person and it's really good for helping you to focus on work, because there's no distraction and everything's kind of on your doorstep." - Male, 20s, Pakistan, startup founder with business registered in US - mental health platform

"I live a one minute walk away from here, so I just walk to this place in the morning and then I can just work for as long as I want. It's really, really easy." - Female, 20s, Denmark, freelancer - software and data migration

"A lot of things are very easy, right? So here I can just eat three times a day in a restaurant, I don't have to cook, I don't have to do groceries, I don't have to do laundry. A lot of those basic tasks or commuting, they don't take up any more time. So all of that free time just gives you more time." - Male, 20s, Germany, freelancer - digital training

"Despite having a working day where I work like 10 hours, 12 hours, or just five hours, I always have the feeling of, wow, after my work stops, I want to discover everything. I want to go to events, meet new people and stuff. But honestly, I work less hours. You can have the same productivity, but work fewer hours." - Male, 20s, Austria, freelancer/small business owner - AI integration

Some digital nomads struggle with motivation and feel disconnected from their work. Loneliness, isolation from colleagues, and the lack of a structured routine or

close support network made work more challenging for some. This was primarily an issue for employees rather than the self-employed, with some finding that the pressures of day-to-day work clashed with their idyllic surroundings and desire to relax and enjoy their new lifestyle.

“So most of the people initially struggle with productivity, depression and lack of grounding. They have to live out of their backpack.” - Female, 30s, Russia, freelance - marketing business consultant



Employees find it harder than the self-employed. Those working remotely while their colleagues remain in a different country - often in a vastly different time zone - struggle the most. Many digital nomads have been granted temporary permission to work abroad, but without direct access to their bosses and wider teams, their experience is often more difficult.

This group generally found the transition tougher, with many feeling that the rigidity of work deadlines clashed with Bali's more unstructured lifestyle. As a result, some reported feeling stressed, lonely, and even regretting their decision. Unlike self-employed nomads, they found fewer benefits in flexible working arrangements or networking opportunities.

However, for those who would be working remotely in their home country regardless, Bali still offered a preferable alternative - providing a more enjoyable environment than being confined to a small apartment back home.

"This business is a startup, so there are a lot of things that have not been put in place yet, and all sorts of situations come up. There are all sorts of meetings that aren't scheduled that need to happen right away. Not being there in person is hard." - Male, 30s, Romania, employed - runs a mental help digital hotline business

Despite many digital nomads feeling more productive and motivated, most acknowledged that they likely worked fewer hours than they would at home. Without the pressure of high rent and living costs, there was less incentive to work long hours. Some freelancers reported working just three or four days a week instead of a full schedule, as they simply didn't need to earn as much.

For others, the reduced workload was less about financial necessity and more about making the most of their surroundings. With exciting activities on their doorstep, many prioritized enjoying their travel experience alongside work.

"I work harder in Germany because of the weather outside. You don't have so much cool stuff to do outside. Here you can go to a restaurant, you can go to a bar, you can meet people, you can go to the beach. So you work less hard." - Female, 20s, Brazilian but resides in Germany, freelancer - coder

"You cannot compare [productivity working remotely to in an office together]. You can say whatever you want about remote working. It's super beneficial and cost efficient, for sure, for the business, but it's not the same as when you're sitting around a table with people and what you get done in one hour." - Female, 30s, Spain, self-employed - online retail and fashion

"That type of grind that you find in London, in big cities, you cannot find it here. You tend to get very comfortable with the lifestyle here, and since it's very affordable and

easygoing, you don't get stimulated in terms of business. You don't get inspired as much. That's my perspective. I'm just not as hungry as I was in London.” - Female, 30s, Spain, self-employed - online retail and fashion

For business owners and freelancers, being away from clients and potential customers was seen as a potential problem, especially for those looking to grow their ventures. Many acknowledged that prolonged physical distance could limit their long-term success. Some saw returning home for a few months each year as a way to mitigate this issue, but last-minute requests for in-person meetings remained a barrier they couldn't easily overcome. However, this very much depended on the nature of the business. Broadly speaking, businesses with a strong digital focus where the expectation is on digital communication were considered less affected by geographical distance.

“[Working here has] helped me to be more productive, but I lose some client contact, you know what I mean? So I think moving here has helped develop the business but to build more relationships with our clients is more difficult because the distance between France and Bali is huge.” - Male, 20s, France, self-employed - finance, sports coaching and data

“The problem here is sometimes clients want to schedule a meeting in a cafe or whatever, and I'm like, yes, but I'm not there. I try to not say that I'm in Bali because I'm still afraid that this might impact my credibility.” - Male, 20s, Austria, freelancer/small business owner - AI integration

THE FUTURE OF DIGITAL NOMADISM

- Our polling suggests that **7% of adults** consider themselves very likely to work as a digital nomad over the next three years. Were just 50% of these people act on this intention and work as a digital nomad for at least 7 months, this would mean **1.4 million additional British digital nomads** with combined **earnings of £44 billion** whilst working from abroad.
- Were 2.1 million Brits to move abroad and work as digital nomads the British economy would lose out on approximately **£26 billion of spending** (1.9% of GDP) and **£2.7 billion of VAT**.
- We estimate that 1 million of these digital nomads would be self-employed and would pay **£5 billion** in work related taxes. This income for the Treasury could be at risk in the long run should they change their tax residency status or register their business abroad.
- Digital nomads in Bali consider **paying less tax** an appealing reason to make working abroad a more permanent arrangement.
- The rapid improvement in **healthcare, schooling and infrastructure** is leading digital nomads to consider staying for the longer term and to bring up a families abroad.

The number of digital nomads currently living abroad is relatively small and unlikely to be keeping Treasury officials or Bank of England economists awake at night. But could this change? Digital nomadism has only recently entered the public consciousness, and as awareness grows, more people may begin to see it as a viable option. This chapter explores the potential growth of the digital nomad trend, drawing on polling data and insights from our immersive research.

The scale of digital nomadism is likely to expand significantly

Seven percent of British adults say they are very likely or certain to work abroad as a digital nomad for an extended period within the next three years. Among those aged 18 to 34, this figure rises to 18%, with men showing slightly more interest than women. Were 50% of those who express this intention follow through, an astonishing 1.6 million British citizens could move abroad to work for an extended period over the next three years. Such a shift would have significant implications for the UK economy.

Were 1.6 million digital nomads to live and work abroad for seven months each, we estimate they would generate £44 billion in income during that time. This would result in a loss of approximately £26 billion in consumer spending for the UK economy and £2.7 billion in VAT revenue for the Treasury. Additionally, if self-employed digital nomads changed their tax residency status or incorporated their business abroad, it could put £5 billion in tax contributions at risk. These are figures the Treasury would certainly notice.

These calculations are based on responses from a single poll and should be interpreted with caution. Many respondents may have given aspirational answers rather than a realistic assessment of what is truly feasible for them. After all, we are all prone to making optimistic plans that don't always materialize. Further still, it presupposes that there is demand for 1.4 million jobs that digital nomads can carry out. Nevertheless, we believe the digital nomad trend is set to grow - and grow significantly. But does the UK risk losing digital nomads permanently? The rest of this chapter explores this question.

With healthcare, education and infrastructure improving, digital nomads may be in it for the long run

Once abroad, many digital nomads - particularly the self-employed - find the positive working environment a strong reason to stay, at least for a while. But what about the long term? Could digital nomads begin to settle down and even start families while maintaining this lifestyle? To explore this, we once again draw on insights from our immersive research and interviews with digital nomads in Bali.

The rapid improvement of healthcare, schools, and infrastructure is making Bali an increasingly viable long-term option for older digital nomads. For some, the dream is to establish a successful business whilst in Bali, settle down, and raise a family there.

The main drivers behind this shift are an enhanced standard of living and a more traditional, community-focused culture - values they wish to bring their children up within. As the first generation of digital nomads ages, more are choosing to put down roots, making this a growing trend.

"I have seen a huge shift in families as well as solo entrepreneurs that have decided to set up and then start building a business. It is shifting that way, because so many people are searching for either remote work or they're looking for something that's going to create a better, cheaper living environment for them, so that they can actually feel that they are successful monetarily." - Female, 30s, Canada, self-employed - teaches online and homeschools locally

"One of the massive appeals of Bali is the safety and family values. I want to bring up a family in a place like this, where it's safe. A place where we can be part of the community. The US is not like that." - Male, 30s, USA, business owner - property and cyber security

"I mean definitely, I want to stay for a long time. The health care situation is getting better. In Bali there will be western people going there to retire so they are improving it. They are investing because there is money there to be made." - Male, 30s, Italian, small business owner - digital marketing agency

"I don't think that my company in the future will be something physical, it will be fully remote. I guess you can employ people from all over the world and be anywhere." - Male, 20s, Brazilian but resides in Germany, freelancer - coder

"[Starting a business is easier because] there are a lot less restrictions here, especially on the digital nomad side, but also on the business side. With everything, there's so much flexibility. Sure, there's so many different hoops that you technically can jump through once you find them, but you don't really need to." - Female, 30s, Canada, self-employed - teaches online and homeschools locally

Tax and paying less of it is a long term consideration for some. Many people are angry at the high taxes they're expected to pay in their home countries and have no problem searching for ways to pay less. There is a sense they are paying high taxes for services that other people enjoy.

"I mean, I think it's definitely a part of it. I met a guy from the Netherlands who was like, it's 45% to my country, but now it's 0% because you can spend one week in Dubai per year and then get tax residency in Dubai and then don't pay tax. So, some people do that. I don't really care. I just want it to look correct on paper, it should just be the right thing." - Female, 20s, Denmark, freelancer - software and data migration

"We are the world champions of taxes in France. So [if you want us to move back] reduce taxes for the business owner." - Male, 20s, France, self-employed - finance, sports coaching and data

For many, family, friends, and the desire for a settled community will ultimately lead them back home. While digital nomadism offers the chance to travel, work, and enjoy new experiences, many see it as a temporary chapter rather than a permanent lifestyle. In the long run, the pull of family and friends back home will be the deciding factors that bring them back.

"So my friends and family are so close to me that this is an adventure. It's not a long term thing for me, it's more exploring the world." - Female, 30s, Germany, self-employed - software developer

Conclusion and Further Research

The digital nomad trend is no longer a niche phenomenon but a growing movement with a measurable impact on the British economy. Our research estimates that nearly 200,000 British citizens are currently working abroad as digital nomads, collectively earning £6.2 billion while overseas. Although they remain economically connected to the UK - continuing to pay taxes and working with home-country clients or suppliers - their absence leads to a loss in consumer spending and VAT revenue. If the trend accelerates, as our research suggests it might, and more digital nomads gradually detach from the UK economy, the long-term economic implications could be far more significant.

The motivations behind this shift are clear. Many digital nomads point to high living costs and expensive rents in their home countries as key push factors, while the higher quality of life, entrepreneurial opportunities, and strong sense of community in destinations like Bali act as powerful incentives. Our immersive research reveals a notable divide between the experiences of self-employed and employed digital nomads - with the former generally thriving in these flexible environments, while the latter often face challenges related to isolation and a lack of structured support.

We believe the findings of this study represent just the tip of the iceberg in understanding a trend that is still in its early stages. As digital nomadism continues to grow and evolve, there is significant potential for further research to explore its broader implications on individuals, businesses, and economies.

METHODOLOGY

A1. Immersive research at Public First

At Public First, we are increasingly turning to immersive research as a key approach for qualitative studies. Unlike traditional focus groups, which typically last an evening, immersive research involves sending researchers into specific locations for extended periods - often several days - to gain deeper, more authentic insights. They also allow us to access people that would otherwise be very difficult to reach.

For this study, Public First conducted nearly 40 in-depth interviews with digital nomads living in Bali. Over two days, we spoke with individuals in Canggu - widely considered the "digital nomad capital of the world" - and Ubud, a smaller but thriving nomad hub in the heart of the island. Our goal was to gain first-hand insight into their motivations, attitudes, and experiences.

Interviewees ranged in age from 23 to 40, and each was screened at the start of the conversation to ensure they met our definition of a digital nomad. If they did not, their responses were not included in our research. None of the conversations were pre-arranged, as we find that engaging with people in their natural environments leads to more authentic discussions and allows us to reach individuals who might never participate in focus groups or online surveys.

To maintain consistency and comparability, all interviews followed a shared discussion guide. However, the open and informal nature of these conversations provided deeper, more spontaneous insights than structured research methods typically allow.

A2. Polling

We conducted a nationally representative poll of 2,000 adults living in Britain to gain a deeper understanding of public awareness, attitudes, and intentions regarding digital nomadism. Our survey explored familiarity with the concept, including how well people understood digital nomadism and whether they personally knew anyone living that lifestyle. We also examined how many respondents were considering or actively planning to become digital nomads in the near future, as well as broader perceptions of the trend, including its potential benefits and challenges for individuals, businesses, and society.

Beyond gathering direct responses, we used the polling results to develop data-driven estimates on the number of British digital nomads. The methodology behind this modeling is explained in detail below.

A3. Modelling the number of digital nomads now and in the future

Estimating the number of digital nomads presents significant challenges due to the lack of official data. To address this, we developed a multi-step approach combining polling questions with statistical modeling to generate a reliable estimate.

First, we asked respondents to report the total number of British people in their extended family before specifying how many of them were currently working abroad as digital nomads. To ensure clarity and consistency, we provided a clear definition of a digital nomad and instructed respondents to only include individuals who had been abroad for at least two months while continuing to work remotely. This allowed us to calculate the average proportion of digital nomads within respondents' extended families. By assuming this proportion was representative of the wider UK population, we used it to generate an initial estimate of the total number of British digital nomads.

To validate and refine this estimate, we repeated the process using close friends instead of extended family. By averaging the two results, we obtained a more robust measure.

However, recognizing that polling-based estimates can be prone to overestimation, we applied an adjustment factor using a control group. We repeated the analysis, this time asking respondents how many of their close friends and extended family members were teachers rather than digital nomads. We then compared our polling-based estimate of the number of teachers to official government statistics on the UK teaching workforce. Since our methodology overestimated the actual number of teachers, we calculated the scale factor between the two figures and applied this correction to our digital nomad estimate.

By adjusting for the overestimation inherent in self-reported polling data, we arrived at a more accurate and reliable estimate of the number of British digital nomads currently living and working abroad.

A.4 Economic Modelling

Gross wages earned by digital nomads whilst abroad

To estimate the average gross annual earnings of digital nomads, we used data from the Annual Survey of Hours and Earnings (ASHE). We identified occupations that are compatible with remote work and digital nomadism based on the Standard Occupational Classification (SOC) at the Minor Group (three-digit code) level. Using employment figures for each profession, we calculated a weighted average salary, ensuring that our estimate reflected the actual distribution of workers across relevant occupations.

Next, we applied this average earnings figure to our estimated number of digital

nomads, producing an estimate of the total gross annual income generated by British digital nomads. For simplicity, we assumed that self-employed digital nomads earn the same as employed digital nomads, acknowledging that earnings may vary but lacking sufficient data to model this difference accurately.

Finally, using polling data, we incorporated estimates of the average number of months per year that digital nomads spend abroad. By applying this proportion to the total gross annual income, we calculated the total earnings generated by digital nomads while living outside the UK.

Consumer spending lost to the British economy

We first calculate income tax and National Insurance contributions (NICs) that would typically be paid by employed and self-employed digital nomads, based on their average gross annual earnings. For the self-employed, we assumed that most were sole traders, a finding supported by our polling data, who would be subject to income tax and national insurance. To take a conservative approach, we included only income tax contributions given national insurance is often paid at lower rates for free lancers. From this, we estimate the disposable income earned by digital nomads while they were abroad.

We next adjust for savings and housing costs. Based on recent UK savings patterns, we applied a savings rate of 10.5% to reflect the portion of earnings not spent¹¹. Additionally, we deducted 17% for housing, fuel, and power costs using ONS estimates¹². The remaining amount provides an estimate of the average annual consumption spending of a digital nomad.

Finally, we applied our polling-based estimate of the average number of months per year that digital nomads spend abroad allowing us to quantify the total consumer spending lost to the UK economy,

VAT lost to the Exchequer

We calculate the percentage of consumption spending that is paid in VAT using total VAT receipts for 2023/2024 and household Final Consumption data^{13,14}. This is multiplied by total consumption spending lost to the UK economy to estimate the total VAT lost.

Self-employed taxes at risk

We take our estimate of the total income tax paid by the self-employed (method described in 'consumer spending lost to the British economy' above). This is a conservative estimate for the tax at risk as we ignore national insurance due to the challenge of calculating this with limited data.

¹¹ [United Kingdom Household Saving Ratio](#)

¹² [Family spending in the UK - Office for National Statistics](#)

¹³ [Annual UK VAT statistics 2023 to 2024 commentary - GOV.UK](#)

¹⁴ [Household final consumption expenditure :National concept CVM SA - £m - Office for National Statistics](#)

