



**NORTH AMERICA INSIGHTS**

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# The creator class

How microbusiness is fueling the next wave  
of small business



# Foreword

"The creator class has created a true paradigm shift in what it means to work, succeed and be your own boss."

The Internet has long been called the great democratizer for small businesses. And while that's still true, recent years have also seen the rise of an even greater democratizer in the business world: online content-sharing platforms. These global platforms help level the playing field by giving businesses one account each and, therefore, only one voice apiece too, regardless of size.

Small businesses are seizing the opportunity to get noticed. Whether it is creative individuals monetizing their online influence or more conventional startup firms marketing their wares, a new class of business — call them the "creator class" — that utilizes social media to punch above their weight is emerging.

The creator class extends far beyond TikTok dancers and Instagram influencers, however. It includes entrepreneurs, artists, consultants, gamers, life coaches and freelancers who are turning their passion and skills into multiple, profitable business streams.

From "Mr. Beast," who grew a thriving YouTube presence into a chain of real-life ghost kitchens,<sup>1</sup> to the "Excel TikToker," whose spreadsheet tips and tricks bring in more than six figures a day,<sup>2</sup> these creators are nimble and brand-savvy. And they leverage their communities to create exciting new opportunities and paths to financial stability for talented individuals. Today, anyone who dreams of offering monetizable value to the world can start by building and connecting online communities.

The creator class has created a true paradigm shift in what it means to work, succeed and be your own boss. Scaling up from a hobbyist to a full-time entrepreneur has never been easier, thanks to democratization around social media, as well as advances in payment technology, Web3 principles and monetization models. In fact, our research suggests that more than a quarter (29%) of creators today have already reached the \$50,000 revenue threshold to be considered "microbusinesses."

To be sure, this paradigm shift did not happen out of the blue. It was bolstered by the upheaval inflicted by COVID-19, which caused much more business to be done via digital channels — from Zoom to TikTok to contactless purchasing. At the same time, the pandemic encouraged people to re-evaluate their priorities, which paved the way for more autonomous and creative career paths.

The rise of the creator class is unlikely to become just another short-lived headline, either. In fact, it is already serious business: Reliable estimates put the value of the global economy generated by the creator class at over \$100 billion;<sup>3</sup> in North America alone, some 22 million people identify as creators. Among younger generations, the creator class appears to be especially well entrenched — 21% of Millennials and Gen Zers say they are creators, while an additional 61% say they aspire to become creators.

Mastercard, for its part, prides itself on empowering small businesses by facilitating innovation and accessibility — the same ideals that gave rise to the creator class. We pride ourselves a taking needs-based approach, listening, learning and building the solutions that small businesses — and creators — need to succeed. In the years ahead, we look forward to helping all creators reach their full potential, as they become an increasingly pivotal part of our world economy.

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1. You've Heard of Ghost Kitchens. Meet the Ghost Franchises  
2. How an Excel TikToker Manifested Her Way to Making Six Figures a Day  
3. The Continuous Growth And Future Of The Creator Economy

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the future

# Executive summary

## 1 **Shifting career ideals pave the way for the rise of the creator class**

The rise of the creator class is being driven equally by what people want (i.e., the ability to do work they are passionate about) and what they are opting out of (notably: corporate culture). Nearly three in four Gen Zers and Millennials (73%) told us they would rather be a creator, entrepreneur or small business owner than work at a traditional corporate job, while 82% either already are currently creators (21%) or would like to become one (60%). We see creators as the pioneers influencing the new business dynamics between what people want and the communities that are created around those desires.

## 2 **The creator class is an economic and business force**

One-fifth of creators (20%) already consider it their full-time job; another 53% are contemplating quitting their day jobs to become a full-time creator. Our research also indicates that creators are a group of business owners who can generate real income. Currently, 29% of creators can already be considered "microbusinesses," with earnings of more than \$50,000 a year from creating. There is a tier of high earners as well, including the 6% of creators who already generate over \$250,000 in annual revenue.

### 3 **Creators are fledgling business owners motivated by financial security and freedom**

The end goal for creators is not just to showcase their passion to the world, it is to create a value exchange that honors their creation. In fact, nearly two-thirds of creators envision turning their endeavors into businesses and eight in ten creators are exploring multiple revenue streams to build financial stability.

### 4 **Creators need help facing mounting pressures**

Creators are often an "army of one," tasked with behemoth expectations in terms of output and creativity. The pressure to always be creating is intense as 89% of creators report experiencing burnout. A similarly high percentage feel beholden to algorithms and platforms that are constantly shifting, as 86% of creators feel they do not have control over their content. Financial challenges – from rising costs to inconsistent income streams – are also pervasive for over eight in ten creators.

### 5 **Brands must embrace authentic co-creation for successful creator relationships**

Creators are tastemakers who are both leading cultural trends and building engaged communities. Creators are welcoming brands into the conversation, too – for example, 88% of creators want the support of big brands to help grow their business. However, to make the most of their engagement with creators, brands should also cultivate the kind of two-way conversations, community-building and inspiring collaboration that creators seek and excel at.



### **Methodology**

For this study, we leveraged a multi-pronged methodology, including both qualitative and quantitative research. The qualitative components included industry landscaping research, stakeholder interviews, as well as interviews with diverse experts. Quantitatively, The Harris Poll, on behalf of Mastercard, surveyed 4,000 consumers in North America, including 2,000 creators defined as entrepreneurs, "solo-preneurs," small business owners and content creators who have more than 2,000 followers on Instagram, TikTok, LinkedIn, or Twitter and/or who have at least 500 followers on YouTube.

01

The next wave  
of small is here



# Dialing up revenue streams, platforms and financial freedom

78%

agree "being a creator helps me establish financial stability"

"The creator economy has been around basically forever. It is only now that the tools and the technology exist to enable creators to scale their audiences and monetize them"

– Creator partnership expert

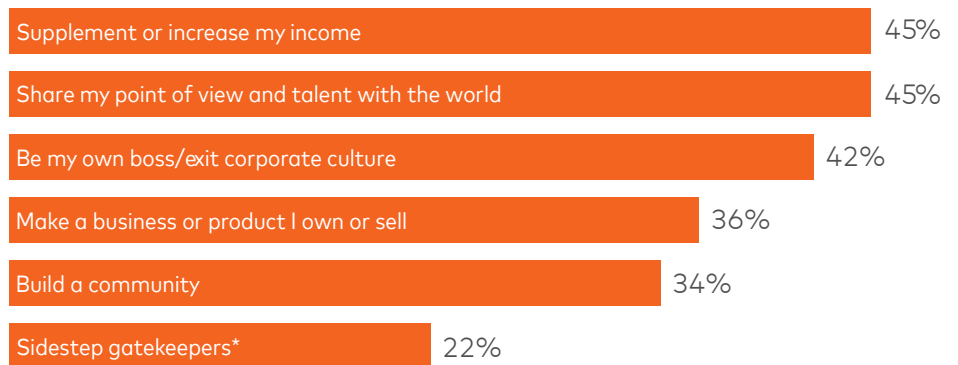
The creator class shares similar entrepreneurial aspirations with traditional small business owners. Motivated by passion and the promise of financial freedom, almost two-thirds (64%) of creators ultimately hope to turn their endeavors into a sustainable business. Eight in ten are leveraging multiple revenue streams to build financial security.

For creators, top monetization efforts currently include starting their own brand or product (51% of creators), earning money or tips from fans (48%), and leveraging creator funds from platforms like YouTube or TikTok (47%). Most see YouTube (59%), Instagram (52%), Facebook (50%) and TikTok (44%) as the most important creator platforms of the next two years, with some also showing interest in platforms like Twitch (28%) Discord (28%), and Patreon (24%), among others.

Creators unanimously agree that there will be more ways to monetize in the future. In fact, 84% believe that, "In the next 3 years, more platforms will be developed for people to make a decent income as a content creator."

## Creators are passion-driven and business-minded

Reasons for becoming a creator



\*and traditional business methods



# Dimensionalizing the creator class

More than a quarter (29%) of creators can be considered a small or microbusiness based on revenue, earning more than \$50,000 a year

Creators represent the next wave of digital entrepreneurship, leveraging the power of technology to cultivate community, take ownership, and monetize their personal brands. This new kind of small business thrives on reaching niche sets of consumers, whether by region, unique interests or style.

Along the way, the creator class is rewriting definitions of success and forging its own path. Eighty-two percent of creators agree that "As a creator, I can side-step the gatekeepers of traditional corporate culture to connect directly with my audience."

Creators use an average of 9 platforms per week. Platforms used most often:

- Websites to host content such as social media platforms
- Digital payment tools to accept payments from others
- Creative tools and design programs

## Creators are young, diverse and community-oriented

66%

are under 40

42%

are people of color\*

82%

have financially supported other creators\*\*

57%

became a creator to focus on their passions

\*11% Black | 11% Hispanic | 7% AAPI | 13% Other  
 \*\* (vs 74% of White creators who have done so)

### Creator Spotlights: Multiple pathways to success

1 in 3 creators identify themselves as business owners or entrepreneurs



**Kat Norton**

YouTuber

Daily income: Six figures

(from income streams such as TikTok, Instagram, Webinars and courses)



**Mr. Beast**

YouTuber | Media Mogul

Annual income: \$54 Million (2021)

(from income streams like Media Studio, Ghost Kitchens, Merch, NFTs, Experiential marketing)



**Blippi**

YouTuber | Brand

Daily income: \$20,000

(from income streams like merch sold at major retailers, Netflix musical, live events)

# Appreciating the uniting and unique needs of creators

## Security needs:



55% want fraud/identity protection and basic security software while 50% want cybersecurity insurance

Creators share many common aspirations, and with that comes the need for support with content visibility, finances, tools, building community, security protection and education to help them grow their future. However, there are also important differences between them. Five key groups of creators (see below) show varying degrees of engagement, income and business goals. These five types need different things from brands, too. For instance, while more fledgling creators tend to need financial help to get off the ground, more established creators often seek tools to optimize and further increase the distribution of their content.

## Uniting needs of creators, top five needs from brands

- ① Content distribution
- ④ Community collaboration
- ② Financial support
- ⑤ Security
- ③ Content creating tools

## Unique needs of creators

		Top needs from brands	
<b>Hobby creators</b>	<ul style="list-style-type: none"> <li>About half (52%) have been creating for less than a year</li> <li>Less focused on monetizing content as a goal</li> </ul>	Financial support (22%)	<div style="display: flex; align-items: center;"> <span style="font-size: 2em; margin-right: 10px;">↓</span> <span>Lower income</span> </div>
<b>Struggling artists</b>	<ul style="list-style-type: none"> <li>Become creators to focus on their passion and supplement their income</li> <li>Nearly two-thirds (65%) name financial independence as a goal</li> </ul>	Financial support (38%)	
<b>Moderate monetizers</b>	<ul style="list-style-type: none"> <li>Focused on monetizing content, but most make less than \$50k a year</li> <li>73% say their goal is to create a financially - stable business model</li> </ul>	Help with increased content distribution (46%)	
<b>Rising stars</b>	<ul style="list-style-type: none"> <li>Content-focused creators who are dreaming to take their content to the next level</li> <li>63% say their goal is to quit their job and focus solely on creating</li> </ul>	The right tools to create better content (56%)	
<b>All-in creators</b>	<ul style="list-style-type: none"> <li>Business-minded creators and heavy users of content tools</li> <li>Nearly half (49%) are earning \$100k from creating</li> </ul>	Financial support (38%)	

# 02

Creator challenges  
to solve for



# Barriers for creators

89%

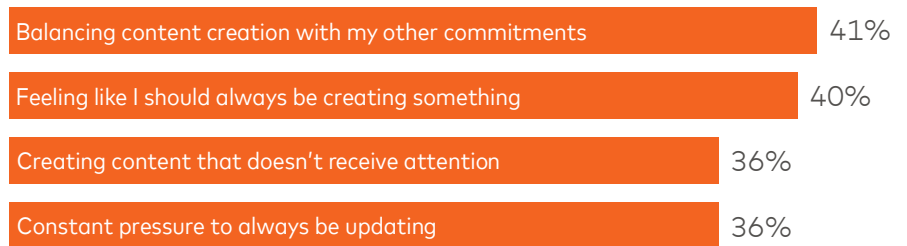
of creators experience burnout.  
93% BIPOC creators  
(vs 86% White)

## Burnout bubbling over:

### The pressure to create never stops

Creators' personal brand and personhood can become blurred, promoting an "always-on" mindset. Many struggle to balance creating with other commitments amid constant pressure to always produce something new. And it is not just the need to constantly create that is burning creators out. Another barrier to success involves the challenge of managing the multiple platforms needed to bring their content to life. The average creator reports using nine platforms a week, from social media to marketing tools to financial platforms, and everything in between.

#### Top drivers of burnout



86%

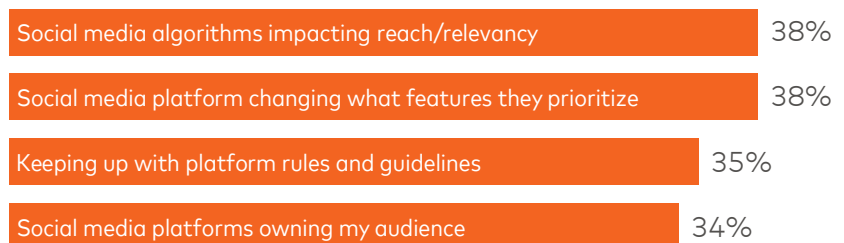
of creators feel they do not have control over their content. 91% BIPOC creators  
(vs 82% White)

## Algorithmic authority:

### A rising issue with social media platforms

While social media platforms enable creators to build communities that are foundational to their businesses, such platforms also represent an ever-evolving black box that controls creators' destinies. This leads creators to feel beholden to those platforms which can dictate the success or failure of creators' content. Ownership is also a challenge, as more than half (54%) say better protecting their content and business is a goal.

#### Top drivers of losing control of content



83%

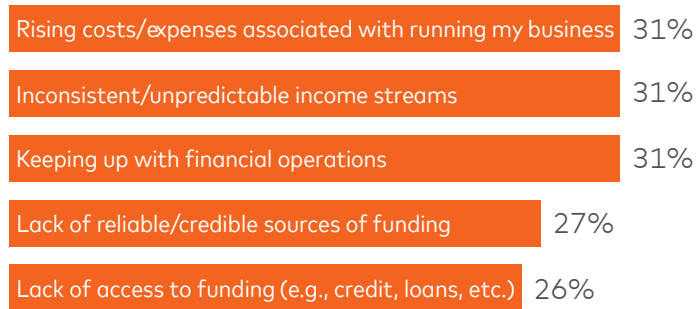
of creators experience financial challenges. 87% BIPOC creators (vs 79% White)

**Financial feasibility:**

**Creating a middle class of creators**

The creator class consists of a pyramid of earners with a highly successful few on prominent display at the pinnacle. However, the majority experience financial challenges as they work to grow their business. Much like small businesses in general, creators cite rising costs and expenses are a top challenge. Inconsistent income streams, managing financial operations and inadequate funding are also key barriers to growth.

**Top financial challenges**



03

Support creators  
to fuel the future



# Five key opportunities to further support creators

- 1 Build and cultivate spaces for creators to come together and build community** with your brand, providing support, growth hacks and networking with like-minded professionals as part of the value exchange
- 2 Continue to build progress with financial security and stability for creators of color**, designing specific tools, resources and financial vehicles that purposefully build a more equitable, inclusive and celebrated space
- 3 Further accelerate creators' financial freedom** by investing in their businesses with funding and education, especially around how to scale, monetize and build brand partnerships
- 4 Provide continuous access to tools and educational resources that seamlessly integrate into creators' multi-platform ecosystems** to alleviate the burnout of managing multiple tools
- 5 Continue to develop needs-based solutions to help ease creators' pain points** around tasks such as payment processes, taxes, cashflow management and loans

# Opportunities to collaborate

## Process simplification

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**Mastercard Receipt Management:** Improve record keeping and expense tracking by digitally capturing business receipts for purchases made with your Mastercard. Available in the Apple or Google Play store.

**Mobile Point-of-Sale (MPOS) program:** Smart, simple and safe mobile payment solutions enable smartphones and tablets to accept payments. Mastercard has simplified the payments ecosystem by eliminating the need for traditional terminal hardware.

## Education

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**Digital Doors:** The Mastercard Digital Doors program provides access to e-commerce capabilities, educational resources and digital tools empower the creator community and small businesses looking to deepen their digital penetration and thrive online.

## Process solution benefits

Access to platforms and tools that fuel the creators' growth through partnerships with:

**Adobe:** Creates designs, videos, marketing materials, and more with Adobe's suite of tools and apps.

**Stride:** Provides access to on-demand, simple and affordable coverage plans for independent workers.

**Microsoft Advertising:** Grow customer reach through search and native ads.

**Zoho Social:** Build, manage and measure your business's reach across social networks.

**Uber for Business:** Helps manage day-to-day operations, including rides, meals, and delivery networks.

**Intuit® QuickBooks® Online:** Track income and expenses, send invoices, and run report analytics.

## Cybersecurity & Intelligence

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**Assessment:** My Cyber Risk Powered by Risk Recon helps small businesses detect and monitor cyber risk across their organization's digital environment to proactively mitigate cyber threats before they can be exploited.

**Monitoring:** ID Theft Protection™ for SMB helps defend small business owners against the threat of identity theft in 4 ways: detect, alert, resolve, and protect.





Designed by Mastercard Creative Studio