

# The Passion Economy, a False Promise?

*I have no special talent. I am only passionately curious*

*Albert Einstein*

## Introduction

My studies have brought me to three different countries so far. I have obtained a double degree during my Bachelor's through studies in Germany and Sweden, while my Master's has lead me from Germany to the United States conducting both an MBA and an MA program. Though scholars of the three countries differ significantly in theory, mindset and approach, all of them find passion to be an essential part of a fulfilled life.

The Scandinavians taught me that most of the greyness of everyday life is created by the sheer fact that one would rather be doing something different<sup>1</sup>. It raised some sort of perspective about myself and what I am doing with my life. Despite duty and responsibility forcing me to engage in activities often undesirable but necessary, it is the desired activities that I am always passionate about. They are also the activities that have created memories and allow me to look back with pride after a handful of years. These are the activities that came with ease and created no burden to me as the bearer.

The Americans, or let me say a very specific professor I shall not name, never hesitated to repeat that if we, my peers and I, didn't work hard, an apex predator from Harvard or Yale would come and take our jobs, our house, and our wives. Yes, those were his words. He called us out to search for an area we were naturally interested in and then take in all information that exists about that topic. Only then shall we become the predator ourselves and be invincible in our professional life. He was never interested in what we 'think' about a topic but wanted facts and figures that state the undeniable truth. He taught me that if I don't love what I do, I will not care to gather the means necessary to be a predator and will finally lose what is dear to me to someone from Harvard or Yale.

In Germany, my home country, studies have always been very theoretical. We were supposed to understand a topic to its fullest before actually applying it to the real world. During my work prior and during to my studies, I observed the quality each person was dedicated to deliver. I learned that what seems to be driving us as Germans is a matter of personal commitment and standards that make us thrive towards perfection and dedication in sometimes the simplest tasks. Things have to be done exactly right and we cannot leave things unfinished. Passion comes with this sense of personal commitment and pride in the outcome. Something I have embodied and have taken with me into the world until today.

Reaching the end of my twenties and leaving behind my academic life, I have found myself still struggling to define a single topic that I am truly passionate about. The most different of topics can keep me busy without being annoying. It is rather the type of activity or task in combination with its environment that awakens passion in my heart. A challenge, a

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<sup>1</sup> Strid, Steve & Andréasson Claes: The Viking Manifesto. London: Marshall Cavendish Ltd, 2007, p. 11

sense of urgency, room for creativity and the necessity of the task itself have been the foundation for my passion so far. While I am still searching for a field which I am truly passionate about, others have begun finding their trade within their passion. The passion economy claims to be the answer to an growing lack of rewarding work during an increasingly automated world. However, if passion economy is the future of work in the age of automation, is this passion enough to make a living? What is passion economy in the first place?

## The Tale of the Passion Economy

The phrase passion economy has been around for quite some time but has been gaining increasing popularity especially in Silicon Valley<sup>2</sup>. Even prior to the emergence of the passion economy, it was unquestioned that passion for ones work has a significant positive influence on productivity. Passion influences the personal commitment and willingness to allocate personal resources to ones work.<sup>3</sup>

The general idea of the passion economy is that the average worker or employee is creating a niche business on their own to become somewhat independent from a conventional 9-to-5 employment. Here, the opportunities are primarily expected to be for the low income population. Contrary to gig workers or freelancers, the passion economy does not imply to take on temporary contracts but to create value for a specific niche audience by creating and sharing content on a certain platform. Here, it is crucial that the content is based on the unique skillset and passion of the creator. According to author Adam Davidson, the passion economy requires three main elements<sup>4</sup>:

1. The creator who is building a business through a personal set of skills in relation to a specific topic fueled by passion.
2. The platform on which the creator is able to present and sell the product or service created.
3. The market or customer who is consuming the created goods.

Contrary to traditional social media marketing or sales, the passion economy promises a more individual and unique relation between creator and consumer in which both parties are supposed to benefit. According to Forbes, the majority of users of conventional platforms like Instagram or Facebook is aware of the marketing schemes and is no longer getting stimulated through these channels. On passion economy platforms on the other hand, the creators benefit as they are not driven through specific contracts but their own passion to create something unique and create value. The consumers on the other hand gain through variety, creativity and individuality of the goods or services consumed<sup>5</sup>.

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<sup>2</sup> Forbes, "The Rise Of The Passion Economy - And Why You Should Care", [www.Forbes.com](http://www.Forbes.com), July 17, 2020, accessed May 28, 2022, <https://www.forbes.com/sites/benjaminvaughan/2020/07/17/the-rise-of-the-passion-economyand-why-you-should-care/?sh=75f6371617b9>

<sup>3</sup> Adomako, Samuel; Quartey, Samuel Howard; Narteh, Bedman, (2016) "Entrepreneurial orientation, passion for work, perceived environmental dynamism and firm performance in an emerging economy" *Journal of Small Business and Enterprise Development*, Vol. 23 Iss 3pp. -

<sup>4</sup> Mighty Networks, "Passion Economy – What is the passion economy?", [www.mightynetworks.com](http://www.mightynetworks.com), accessed May 28, 2022, <https://www.mightynetworks.com/encyclopedia/passion-economy>

<sup>5</sup> Forbes, "The Rise Of The Passion Economy - And Why You Should Care"

This type of social media or digital business also tackles a more practical problem of its conventional peers. Most recently drawing attention through the ongoing acquisition of Twitter by Elon Musk, the number of fake accounts on conventional social media platforms is significant. In other words, the conventional attention economy is facing the problem of legitimacy<sup>6</sup>. On Twitter apparently 1 out of 5 accounts is fake<sup>7</sup>, whereas Facebook has been removing in average 1.5 billion fake accounts every quarter between 2018 and 2021<sup>8</sup>, just to name two examples. While the attention economy creates a perfect environment for fake attention, the passion economy relies on real business transactions. Usually, the creator does not receive any income without an actual purchase by a consumer.

In summary, the idea of the passion economy is to create an opportunity for the average creator to convert a passion into a business. According to Forbes, every talent-based industry is at risk of disruption by passion economy communities<sup>9</sup>. In the words of Adam Davidson<sup>10</sup>:

*“This is not a book about geniuses who went to Harvard and used their dad’s money to start a business. These are regular folks — many of them grew up either poor or lower middle class or working class — who figured some things out.”*

*Adam Davidson*

## The Knight under the Shining Armor

In January 2020, Adam Davidson accompanied by Daniel Pink held a small gathering in a private book store to discuss and promote his new book “The Passion Economy”. During a Q&A he was asked the following: “I was curious about your thoughts, whether there is enough space in this new passion economy. [...] What about [...] people who are not the quickest on the draw? Is there space in that?”. Adams response: “First of all I would say, there is definitely losers in this economy and there might be a lot of losers in this economy.”<sup>11</sup> What does this mean?

Despite arguing that the passion economy is a means for the average employee to create a sustainable income and doing something passionate, he does not hold the passion economy to be something in which a majority can create a living. As a matter of fact, his statement, which seems to be contrary to what he tries to say with his book, underlines what facts and figures about the platforms have proven already.

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<sup>6</sup> Forbes, “Elon Musk Says Twitter Deal ‘Cannot Move Forward’ until CEO Proves Fake Account Numbers”, [www. Forbes.com](https://www.forbes.com/sites/roberthart/2022/05/17/elon-musk-says-twitter-deal-cannot-move-forward-until-ceo-proves-fake-account-numbers/?sh=48c92dd82f22), May 17, 2022, accessed May 28, 2022, <https://www.forbes.com/sites/roberthart/2022/05/17/elon-musk-says-twitter-deal-cannot-move-forward-until-ceo-proves-fake-account-numbers/?sh=48c92dd82f22>

<sup>7</sup> SparkToro, “SparkToro & Followerwonk Joint Twitter Analysis: 19.42% of Active Accounts Are Fake or Spam”, [www.sparktoro.com](https://sparktoro.com/blog/sparktoro-followerwonk-joint-twitter-analysis-19-42-of-active-accounts-are-fake-or-spam/), May 15, 2022, accessed May 28, 2022, <https://sparktoro.com/blog/sparktoro-followerwonk-joint-twitter-analysis-19-42-of-active-accounts-are-fake-or-spam/>

<sup>8</sup> Statista, “Global number of fake accounts taken action on by Facebook from 4th quarter 2017 to 4th quarter 2021”, [www.stratista.com](https://www.stratista.com/statistics/1013474/facebook-fake-account-removal-quarter/), May 8, 2022, accessed May 28, 2022, <https://www.stratista.com/statistics/1013474/facebook-fake-account-removal-quarter/>

<sup>9</sup> Forbes, “The Rise Of The Passion Economy - And Why You Should Care”

<sup>10</sup> Sergio Caredda, “Book Review: The Passion Economy by Adam Davidson”, [www.sergiocaredda.eu](https://sergiocaredda.eu/inspiration/books/book-review-the-passion-economy-by-adam-davidson/), January 9, 2020, accessed on May 28, 2022, <https://sergiocaredda.eu/inspiration/books/book-review-the-passion-economy-by-adam-davidson/>

<sup>11</sup> Politics and Prose. “Adam Davidson, “The Passion Economy” (With Daniel Pink)” January 14, 2020, video, 46:12, <https://www.youtube.com/watch?v=6ZK04MJqEjU>

One of the most popular platforms emerging in the past years is OnlyFans. OnlyFans has more than 170 million registered users and 1.5 million content creators who offer private pictures, videos and conversations in the context of adult entertainment. Top creators can earn up to \$100,000 on a monthly basis while the platform record is currently held with \$2 million per month. What sounds like the dream of the passion economy are simply some of the numbers a marketer would like one to see. With an average subscription fee of \$7.20 and an average subscriber count of 21, the average creator only earns around \$151 a month. In short, the top 1% accounts make 33% of all money while the top 10% earn 73%. As a matter of fact, the average creator loses money with every hour he spends creating content based on an hourly wage of \$15.<sup>12</sup> On the bright side, the platform itself earned \$2 billion in revenue in 2020 alone.<sup>13</sup>

Another example is Skillshare, which was launched in 2011 and connects those with skills with those who want to learn. Since its foundation, the platform has grown to over 12 million registered users with over 35,000 classes and 8,000 teachers all over the world.<sup>14</sup> Here, the top 500 teachers earn about \$2,000 per month on average. The highest paid teacher made \$68,000 in April 2020 in a single course on Adobe software. Compared to OnlyFans creators, these numbers are significantly lower. Furthermore, aside from being a very nice financial boost, \$2,000 are far from being enough to finance a household. The platform on the other hand earned \$15 million in revenue in 2018<sup>15</sup>

The final example is Twitch, a video livestreaming platform launched in 2011. In 2021, Twitch had in average 2.84 million concurrent viewers and 9 million streamers. Despite the large number of streamers, more than 50% of money paid out is collected by only 1% of the streamers.<sup>16</sup> The best-paid streamer even made more than \$5 million in 2022 so far.<sup>17</sup> The average expert streamer can make \$3,000 to \$5,000 per month by playing roughly 40 hours a week increased by ad revenues which are estimated to be at \$250 per 100 subscribers.<sup>18</sup> Small streamers, however, usually receive about \$50 to \$1,500 a month<sup>19</sup>. The platform is again major profiteer in this scenario with \$2.3 billion in revenue in 2020<sup>20</sup>.

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<sup>12</sup> Famemass, “OnlyFans Statistics: Users, Creator Earnings & More [NEW DATA]”, [www.famemass.com](http://www.famemass.com), accessed May 28, 2022, <https://famemass.com/onlyfans-statistics/>

<sup>13</sup> Earthweb, “OnlyFans Statistics: Users, Revenue & Creator Earnings for 2022”, [www.earthweb.com](http://www.earthweb.com), May 22, 2022, accessed May 28, 2022, <https://earthweb.com/onlyfans-statistics/>

<sup>14</sup> Learnopoly, “Skillshare Statistics“, [www.learnopoly.com](http://www.learnopoly.com), accessed on May 28, 2022, <https://learnopoly.com/skillshare-statistics/>

<sup>15</sup> LATKA – B2B SaaS Blog, “\$15 Million Revenue Skillshare Shows Learning Platforms How It’s Done”, [www.getlatka.com](http://www.getlatka.com), June 27, 2020, accessed May 28, 2022, <https://blog.getlatka.com/15-million-revenue-skillshare-shows-learning-platforms-how-its-done/>

<sup>16</sup> The Wall Street Journal, “Twitch Streamer Earnings Increase for Top Gamers, Data From Hack Shows”, [www.wsj.com](http://www.wsj.com), October 9, 2021, accessed May 28, 2022, [https://www.wsj.com/articles/twitch-streamer-earnings-increase-for-top-gamers-data-from-hack-shows-11633802185?mod=tech\\_lead\\_pos2](https://www.wsj.com/articles/twitch-streamer-earnings-increase-for-top-gamers-data-from-hack-shows-11633802185?mod=tech_lead_pos2)

<sup>17</sup> Mobile Marketing Reads, “Twitch Revenue and Usage Statistics (2022)”, [www.mobilemarketingreads.com](http://www.mobilemarketingreads.com), January 31, 2022, accessed May 28, 2022, <https://mobilemarketingreads.com/twitch-revenue-and-usage-statistics-2021/>

<sup>18</sup> Business of Apps, “Twitch Affiliate Partner Program“, [www.businessofapps.com](http://www.businessofapps.com), accessed May 28, 2022, <https://www.businessofapps.com/affiliate/twitch/>

<sup>19</sup> Streamer Facts, “How much do Twitch streamers make in 2022? Small vs Big vs Top-tier“, [www.streamerfacts.com](http://www.streamerfacts.com), April 5, 2021, accessed May 28, 2022, <https://streamerfacts.com/how-much-do-twitch-streamers-make/>

<sup>20</sup> Business of Apps, “Twitch Revenue and Usage Statistics (2022)“, [www.businessofapps.com](http://www.businessofapps.com), May 4, 2022, accessed May 28, 2022, <https://www.businessofapps.com/data/twitch-statistics/>

From these numbers we can conclude that Adam Davidsons response is quite adequate. The majority of the creators currently on the passion economy platforms are not winners of a new type of economy. Some are more successful than others and earn a “nice” extension to their pay checks but others are even losing money and only a handful of creators are living the dream. In other words, in its current state, the passion economy cannot be the answer to an increasing dissatisfaction at work in the age of automation. Passion utilized on the current platforms rarely creates enough to make a living. The platforms themselves on the other hand, are highly profitable.

However, is the general idea false? Peter Drucker introduced the world to the knowledge worker while Adam Davidson speaks about the passion of each individual. The theory of the knowledge worker has been widely accepted. Are the knowledge worker and the “passion worker” so different to one another?

## Knowledge and Passion

Drucker defined the knowledge worker as someone who applies theoretical and analytical knowledge in order to develop products and services. The knowledge worker is one of the most crucial assets of a company in today’s society due to their significantly increased productivity as well as creativity. The knowledge worker is not bound to specific professions but can be found in a multitude of different industries.<sup>21</sup>

Contrary to their peers, knowledge workers are, according to Drucker, a minority within the workforce but the main reason for growth and prosperity of the company which employs them. However, they are only able to do so when provided with the proper circumstances - namely, a degree of autonomy, room for creativity, mentoring, a challenging environment and encouragement.<sup>22</sup>

Once the knowledge worker has been assigned a specific task, it has to be up to the knowledge worker themselves how to fulfill it. They need to be responsible for their own contribution, they have to be in charge of innovation within their work, and they need to have access to continuous learning and teaching opportunities.<sup>23</sup>

Comparing Drucker’s knowledge worker with the passion worker described by Adam Davidson, one can see the similarities in how they are supposed to work. Both workers are driven by an internally rooted desire to perform, but while the knowledge worker gets assigned a task, the passion worker chose one themselves. However, the knowledge worker retains agency over the industry and company when applying for a job, which I claim to be similar enough. The knowledge worker is not independent as he is still bound through employment, whereas the passion worker is independent and usually self-employed. Both workers are making decisions on their own during task performance, innovation and self-improvement.

In short, the idea behind both workers is showing significant similarities.

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<sup>21</sup> CFI, “Knowledge Workers“, [www.corporatefinanceinstitute.com](http://www.corporatefinanceinstitute.com), accessed May 28, 2022, <https://corporatefinanceinstitute.com/resources/knowledge/other/knowledge-workers/>

<sup>22</sup> Harvard Business Manager (2006), “Die wichtigsten Ideen von Peter F. Drucker“, p. 10

<sup>23</sup> Drucker, Peter F. (1999), “Knowledge-Worker Productivity: The Biggest Challenge“, California Management Review, Vol. 41, No. 2

Is it the future though?

Unfortunately, the numbers mentioned above are only three out of many platform examples on which few have created a fortune through their passion while many have failed to find success. The passion economy has brought many platforms to the market that benefit significantly from the promises they have made to their creators. Nevertheless, the majority of them only earns something on the side.

Nevertheless, it is undeniable that passion for ones work drives ones productivity. Pursuing a profession that is related to ones interests not only leads to a happy life, but also very likely to a successful career. The knowledge and the passion worker are not so different to one another and the strengths of former can be found in latter. But unfortunately only in a handful of individuals. In my opinion, the passion economy is not the answer to dissatisfaction or even a lack of work, but something one should keep in mind when choosing a path for oneself. Even if that might require taking some risk and uncertainty into the career. It will certainly pay off in the long run.

*The coward believes he will live forever*

*If he holds back in the battle,*

*But in old age he shall have no peace*

*Though spears have spared his limbs*

*“Hávamal”*

*The Viking Manifesto*