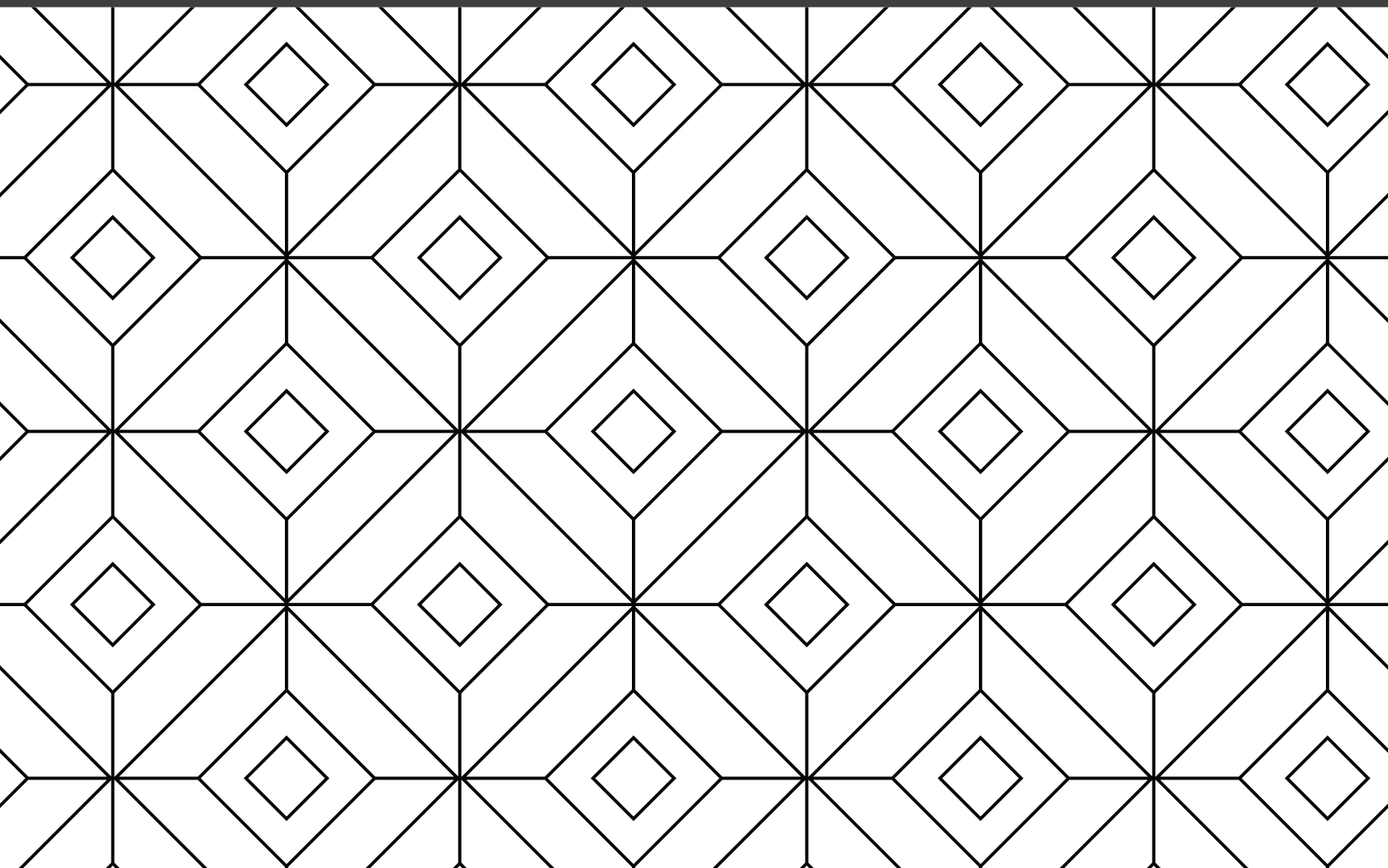


Jobseeker's Guide to Searching for Contract Work Opportunities



One out of every eight employers utilizes temporary or contract employees. It is estimated that between 17 million and 41 million people work as consultants, freelancers, contract workers, temporary employees, seasonal or on-call workers, and interns. About 15 million of those are considered **“full-time independents,”** working more than 15 hours a week.

Almost half of U.S. adults – **47.8 percent** – report either currently working or having worked as an independent worker at some time during their career. Over the **next five years**, this number is **projected to increase to 53 percent of the workforce** either currently working as an independent worker or who will have worked as an independent.

Independent work – in particular, contract work – is attractive to individuals who are looking to return to the workforce while or after caring for children or aging parents and those who are looking to transition from full-time employment into semi-retirement. It's also **increasingly an option for those who are starting their careers.**

This is supported by the statistics: **Millennials** – born between 1980 and 2000 – made up **38 percent** of the full-time independent workforce in 2019, according to MBO Partners' "State of Independence" report. **Baby boomers**, born between 1946 and 1964, encompass **33 percent.**

Temporary and contract workers are an important part of the workforce. **Contract workers** offer companies **flexibility in staffing and help fill in gaps** (especially in growing companies), to address seasonal needs, or when permanent employees are on leave, sabbatical, or vacation.

Contract and temporary opportunities are particularly attractive to jobseekers during recessions and economic downturns. For the jobseeker, the **interview-to-hire process is often shorter, meaning you can be back to work more quickly.** Even companies that have enacted a hiring freeze may still be taking on temporary or contract employees, because this money often comes from a different budget than traditional salaries.

Eighty percent of full-time independent workers are independent by choice. More than half say they will not go back to a traditional job. In addition, **53 percent** of full-time independent workers report they **feel “more secure” working independently**. This is perhaps a reflection that even traditional employment has no guarantees of stability.

And a growing number of contract positions are for remote work, removing geographic proximity from the requirements for working these types of positions.

What is Contract Work?

Temporary positions – or contract work opportunities – are an alternative to full-time, permanent work. Contract and temporary work can also be a side hustle to supplement your income. In 2019, 15 million people had a side hustle, an increase of more than 40 percent since 2016.

Contract workers may be self-employed or may be contracted through an agency. Self-employed workers are responsible for their own taxes, insurance, and benefits, while agencies often employ contract workers as W-2 employees (handling the billing, paperwork, and taxes for the contract employee).

There is sometimes a perception that contract work is only for low-paying, lower-skill jobs. This isn't true. There are contract opportunities available for almost any field and industry and for a wide variety of positions – up to, and including C-suite roles. Contract work opportunities are common in creative service professions as well as the information technology, financial services, and healthcare industries.

Among full-time independent workers, the average income is \$68,300, according to MBO Partners. This is higher than the median family household income in the United States (\$59,039). About 20 percent of full-time independent workers earn more than \$100,000 a year. In 2019, 40 percent of independent workers had a 4-year college degree or higher, including 17 percent who hold advanced degrees.

Jobs may be listed as “contract” or “temporary” – but they’re not the same. Contract positions are for a specified time period. Temporary positions, on the other hand, may not have a defined time period. Temporary workers may be directly employed by an employer, or may be employees of a temporary agency. Contract workers, unless hired through an agency or consulting firm, are independent contractors. This means you are responsible for your own taxes, insurance, and benefits. In essence, you are self-employed and the company you’re working for is your client.

One important distinction between permanent and contractor or temporary positions has to do with the Internal Revenue Service. IRS regulations dictate that the employer cannot have as much control over how a contract worker does his or her job as it would with a permanent employee. While the requirements of the position don’t change if it’s permanent or temporary, the employer can’t define how the work is done by a contract worker.

Because it’s easier to find a job when you have a job, accepting a contract position makes you more attractive to prospective employers. In addition, contract work opportunities can often lead to a full-time, permanent position, especially if the opportunity is advertised as a “temp-to-hire” position. This type of arrangement allows a company to see if the individual has the skills, education, and personality the position requires before committing to a permanent position.

Advantages and Disadvantages of Contract Work

As with any type of position, there are advantages and disadvantages to contract work opportunities.

Some advantages:

- Contract work allows a jobseeker to gain experience in a new field or industry without committing to full-time employment.
- Compensation may be at a higher hourly rate than what would be paid to an

employee, to compensate for a lack of job security and benefits.

- In most cases, contract workers are eligible for unemployment benefits when a contract ends, providing a bridge to benefits for individuals who may have been fired from a previous role.
- Contract work may turn into a full-time, permanent job offer in the future.

Some disadvantages:

- Contract work often offers no employment benefits (although limited benefits are sometimes available, especially if working through an agency or Employer of Record).
- Contract opportunities are perceived to be less stable than permanent jobs.
- Because of the risk of being accused of “misclassifying” contractors as employees by the IRS, contract workers may not be invited to participate in employee functions.

Where to Find Contract Work Opportunities

Contract work opportunities can be found in many of the same ways as traditional job opportunities are found: networking, online job boards, and direct contact with prospective employers.

Online

When searching for contract opportunities online, look to the traditional large job boards such as [Indeed.com](https://www.indeed.com), [SimplyHired.com](https://www.simplyhired.com), [CareerBuilder.com](https://www.careerbuilder.com), [Glassdoor.com](https://www.glassdoor.com), and [Monster.com](https://www.monster.com). Use search filters to identify contract and temporary roles (not all job boards offer “contract” or “temporary” as search filters, but many do).

Also consider specialized marketplaces, like [FlexJobs.com](https://www.flexjobs.com), [Outsourcely](https://www.outsourcely.com), [WorkingNomads.co](https://www.workingnomads.co), or industry-specific job sites like [Mediabistro](https://www.mediabistro.com), [ProBlogger.com](https://www.problogger.com), [Dribbble.com](https://www.dribbble.com), or [Authentic Jobs](https://www.authenticjobs.com) (for creative and media opportunities) or [Dice.com](https://www.dice.com) or [Stack Overflow](https://www.stackoverflow.com) (for technology positions).

You can also find online job boards specifically for remote opportunities.

These include:

- [Remote|OK](#)
- [Remotive](#)
- [Hubstaff Talent](#)
- [Skip The Drive](#)
- [Virtual Vocations](#)
- [Jobspresso](#)
- [We Work Remotely](#)

Some of these sites require a subscription to access job opportunities, but may also offer benefits, such as access to education and training.

Not familiar with marketplaces in your target industry? Search for “contract work” + your industry or “freelance jobs” + your industry and see what comes up. For example, a search of “contract work” + public relations yielded several online sites, including [RemotePRJobs.com](#) (a subscription site) and [PeoplePerHour.com](#).

There are also online marketplaces to match freelancers with opportunities. These include sites like [Guru.com](#), [Freelancer.com](#), and [Upwork.com](#). Some of the gigs posted are extremely short-term (a one-time project, or a one-week project), while others are contract opportunities lasting 3 months, 6 months, or longer.

Social Media

Search LinkedIn for contract work opportunities. One of the search criteria is “Job Type” and both contract and temporary positions are available in the search. (If applicable, also choose the “Remote” search criteria to expand beyond your current geographic area.) You can also check out Company Pages on LinkedIn and see what other companies LinkedIn recommends you connect with or follow.

Word of mouth is consistently reported as one of the top ways to secure contract work.

Staying connected with previous co-workers and supervisors on social media ensures you are top-of-mind when a contract opportunity comes about. If you are unemployed, be sure to let your network know you are open to contract work opportunities.

Direct Contact

Another source of contract opportunities is previous employers. This is especially relevant if your current position was eliminated due to an economic downturn. Your previous employer may be interested in hiring you as a contract employee. The funding for this work may be available from a different budget line item. While you may not be able to get as many hours as you would as a full-time employee, you already know the job, and that makes this option attractive to your previous employer too. And you'll be in a position to be re-hired full-time in the future if the economic situation changes.

Consulting Companies/Agencies

There are a number of agencies and consulting firms that help connect contract workers with employers. Some of these specialize in particular industries, while others serve a wide variety of independent workers.

Business management firms for contract workers, such as MBO Partners, can not only help facilitate a match between a contract worker and an employer, but also help handle billing and paperwork related to contract employment. Some even offer the opportunity to participate in benefit programs, such as health insurance and retirement plans and/or offer liability insurance.

Some possible sources include:

- [MBO Partners](#)
- [Creative Circle](#)
- [Toptal](#)
- [Field Nation](#)
- [WorkMarket](#)

Other firms act as the “Employer Of Record” (EOR) for companies, handling the administrative, compliance, and financial logistics for employing contract workers.

Some of these firms include:

- FoxHire
- SafeGuard Global
- Airswift
- Lano

Important Considerations for Contract Workers

As a contract worker, there are some things you may not have had to consider previously, but that need addressed.

Scope of Work Agreement (SWA)

One of the most important documents for contract workers is a Scope of Work Agreement (SWA). This written agreement outlines the details of the arrangement between the contract worker and the employer. The agreement should state that the arrangement is one between an independent contractor and the contracting company. The contract should also specify – in writing – what the specific responsibilities and deliverables are, including deadlines. The SWA may also outline the specific timeframe for the contract arrangement. It should also detail the amounts and timing of payments, including when payments are due, and what happens if payments are not made. Finally, it should clarify ownership of the work being performed. Does the contract worker or the hiring company own the work? Both parties should sign and retain copies of the SWA.

Insurance

If the contract worker is functioning as a self-employed individual, there are several types of insurance to consider. In addition to health insurance, the contract worker may be required to show proof of liability coverage. In addition, if possible, the contract worker should obtain short-term and/or long-term disability coverage, although that may be

difficult to secure and/or costly, depending on the type of work being performed.

For health insurance, consider procuring health insurance through the Affordable Care Act Marketplace at <https://www.healthcare.gov>. If you have recently lost your insurance coverage from a traditional employer, you may be eligible for a Special Enrollment Period outside of the annual open enrollment dates. Also consider short-term health insurance plans, which provide more limited coverage but at a lower cost. These plans are available for terms of up to 12 months (renewable up to 36 months, depending on state of residence).

Liability policies may be available through your regular insurance agent or specialized agencies, such as Hiscox. In addition, some Employer of Record agencies offer liability insurance coverage.

Benefits

One of the disadvantages to contract work is a lack of benefits – in particular, retirement and health insurance. In the same way that you should secure your own health insurance, you should fund your own retirement plan. One option is to open a Roth IRA, an individual retirement account that allows you to set aside money for your retirement that can be withdrawn tax-free, provided certain conditions are satisfied. The money invested within the Roth IRA grows tax-free. Contributions can be made at any age, as long as the account holder has earned income.

You do have to meet income requirements to contribute to a Roth IRA. In 2020, the income limit for singles is \$139,000; for married couples, the limit is \$206,000. The amount you can contribute to a Roth IRA also changes periodically. In 2020, the contribution limit is \$6,000 a year for individuals up to age 50; those 50 and older can contribute \$7,000. Almost all brokerage firms, banks, and investment companies offer a Roth IRA. Consult a financial advisor for specific information.

Taxes

One of the biggest differences between permanent employment and contract employment is taxes. If you are employed through a staffing agency or Employer of Record, that organization may assist with tax compliance. If, however, you are self-employed, you are responsible for withholding and submitting your own taxes, including quarterly estimated taxes. You should consult with a qualified tax advisor to ensure you are setting aside and remitting the correct amounts to both the state and federal government.

The Future of Contract Work

Contract work is expected to continue to grow in the coming years, especially as remote work opportunities become more available. Technology increases the opportunities to not only perform job responsibilities but also find contract opportunities and handle the billing and paperwork associated with working independently.

Contract work is especially appealing to skilled professionals, aging baby boomers who are looking for more control over their time in their pre-retirement years, and millennials, who like the flexibility of contract work.

Employers also find a contract work arrangement to be beneficial, giving them access to skilled workers who want more control over their time and income. And because contract workers can be employed on an as-needed basis, it gives employers flexibility to respond to changing economic situations.

The future of work is likely to be more fluid. Instead of a series of long-term, permanent positions, workers may find themselves shifting between independent work and traditional employment. Some industries, such as the film industry, have provided a model for team- and project-oriented work for many years. Research suggests this is likely to become more common in other industries, such as information technology, healthcare, and government services.

So whether you're considering contract work as a bridge between permanent positions or a new way of working, you're part of a trend in the workforce.