

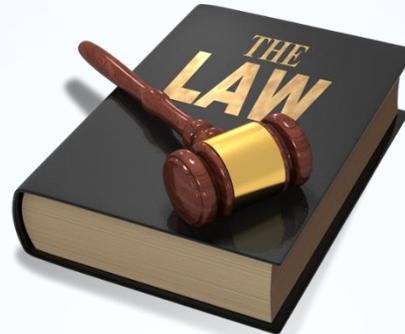
How to Work as a Consultant



One Alternative to Permanent Employment

Program Caveats

I'm **NOT** an Attorney, Insurance or Tax Professional



I'm a Friend talking to a Friend..



Consult a Tax or Insurance Professional and/or Business Attorney

Some Basic Terminology

1099 Consultant (independent) vs. W2 Employee

1099 Consultant/Contractor/Freelancer:

- A non-payroll worker hired by a company to provide services on a contract basis
- Typically gets paid via invoicing
- Usually “hired” for a specific project or short-term work



W-2 Employee:

- Is a worker on a company's payroll (even a consulting company)
- Gets paid a standard wage on a regular pay schedule
- Typically, ongoing work and projects in your role.

What is the Gig Economy?

Companies are working more with consultants and temporary workers for a specific, term-based project (**Gig**)



Gig Workers are independent contractors, contract firm employees or part-timers assigned to temporary, flexible jobs

It is the “Future of Work” for many of us.

Employee vs. Consultant

Can receive benefits

Employer pays ½ FICA (SS & Medicare) employment taxes

Paid by paycheck (via W2)

Income & payroll taxes paid via your paycheck

Limited tax deductions for unreimbursed expenses

No paid benefits

You pay full employment taxes - all 15.3%

You Invoice (via 1099-NEC)

You pay/file your income taxes quarterly

Available tax deductions*

*see a tax accountant



What's in it for the Client?

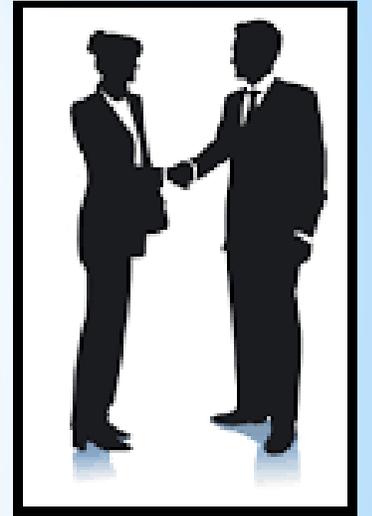
Easier to hire and fire

No long-term commitment

Objective & seasoned team member

Skills the employed team doesn't have

Saves money - no benefits, training, PTO, etc.



What's in it for You?

Fill resume gap - Mitigates unemployment bias

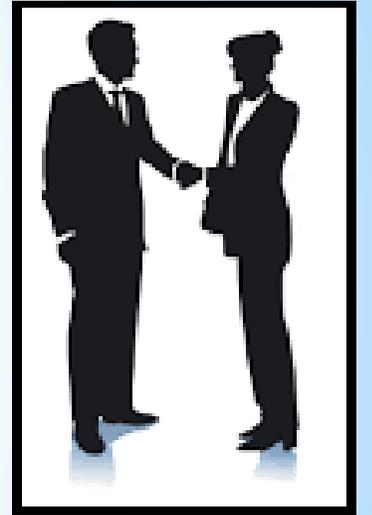
Usually paid more - Than the employees

Current Position - LinkedIn 100% complete profile

Variety - Develop varied experience and resume

Opportunity - Companies are more willing to contract for “older” staff while they hire “younger” staff

Contract-to-Hire - Only available if on a contract.



Why to Not be a Consultant

Not treated as well as the other employees

Might be unhappy

Unpaid admin tasks

I need benefits

May only be short term

You may actually be treated better

You will likely move on

Larger hourly rates

You can buy benefits

6 month contract at \$85/hour about \$85K (\$170K annually).



Do I Need my own Company?



Not typically...

Common Forms of Business Entities

Form	Org. Documents	Personal Liability	Taxation
Sole Proprietor	None	Unlimited	Pass-through personal income (Schedule C)
LLC - Sole Member	Certification of Formation	Limited	Pass-through personal income (Schedule C)
“C” Corp	Articles of Incorporation & By-Laws	Limited	Double Taxed (Corp & Personal)

Note: This is an over-simplified summary of several complex sets of laws & regulations.

FYI: “Limited” personal liability does NOT mean no personal liability

Consult legal & tax professionals!

Start, Operate, Grow

[Business.NJ.Gov](https://www.business.nj.gov)

A one-stop for the information you need to do business in New Jersey

They have:

- Start-up Guide
- Starter Kit
- Resources and support
- FAQ's.

To form an LLC: \$125; Renewal: \$75/year.



How Much Should I Charge?

“Market Rate” is the average price a customer will pay for your type of consulting service in your geography

If a consultant like you receives \$100 per hour, then the “market rate” is likely between \$75 to \$125 per hour.

Hourly Calculator (Your annual “Nut”):

Your last annual salary / 52 weeks / 40 hours

Consider all costs: Benefits, admin & PTO time, etc.



Check this website for guidance:

<https://foundr.com/how-much-to-charge-for-consulting>.

About Errors and Omissions Insurance

A type of professional liability insurance that protects companies, their workers, and other professionals against claims of inadequate work or negligent actions

Who gets sued?

In America... Everyone “involved”...

The company & the workers

Do I need Errors & Omission insurance?

It depends on your risk involvement and tolerance.



Consult legal & insurance professionals!

What if I Need Health Insurance?

Pays for medical, surgical, and other healthcare expenses

Contract Employee: Company Group Plan

Other Group Plans:

Professional associations

NJ Business & Industry Association ([NJBIA](http://www.njbia.org))

Healthcare Exchange: (a.k.a. Affordable Care Act or Obama Care)

Get Covered NJ: <https://www.nj.gov/getcoverednj/>

National Exchange: www.healthcare.gov

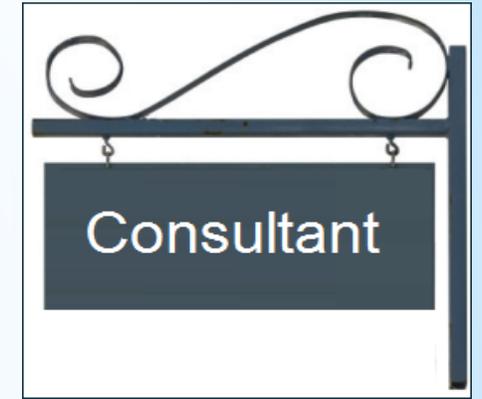
Medicare (For you, not family): 65 or older, plus supplement plans

COBRA (premiums may not be a business tax deduction).



How to Become a Consultant

1. Repeat after me... “I am a consultant!”
2. Identify the niche in which you have knowledge, experience and support
3. Choose & research your target market
4. Alert & manage your professional network
(Include your accountant & lawyer)
5. Develop a business plan.



Now That You Are a Consultant

Name & create your company

Register your website address ASAP; Create a website

Develop your professional support network

Acquire any needed licensing & certificates

Don't do this alone. Get advice...

Accountant, lawyer, colleagues, friends...

SCORE, Small Business Development Centers...

Update your LinkedIn Profile.

Ways to Generate Business

Find and attend business networking groups:

BNI, LeTip, others...

Join Meetup.com:

Create a robust professional profile

Join/attend local Meetups

Join and participate in LinkedIn groups

Attend professional associations and conferences

Alert and (re)activate your “network”

Be **ACTIVE** on Social Media.



Build Loyalty in Your Clients

Interact with your clients in a personable way:

Get to know your clients, their challenges, and what their goals are

Find out what other projects they might need help with, and offer support:

If they don't tell you, tell them that you're open to working on more projects in the future

Never over-promise and then under-deliver:

Delivering great work on time is paramount to building trust

Always get testimonials: How? Ask for them.



Some Websites for Finding Gigs

- [FlexJobs](#) - Offers flexible jobs that include part-time, freelance and remote jobs. Membership is \$59.99/year
- [Freelancer](#) - Hosts a variety of remote jobs that may be offered as contracts or hourly gigs
- [SolidGigs](#) - Matches you with the top 1% of freelance jobs from dozens of premium sources
- [The Job Boards](#) - LinkedIn, Indeed, ZipRecruiter, etc.



Informational Resources

- [Indeed](#) - “Contract Work vs. Full Time: Advantages of Employment Types”
- [Indeed](#) - “Pros and Cons of Choosing Contract Work”
- [Upwork](#) - “Contract vs. Full-Time Employment: Key Differences Explained”
- [LinkedIn](#) - “Contract vs. Full-Time Employment: Key Differences Explained”.



In Summary

Consulting - An alternative to permanent employment

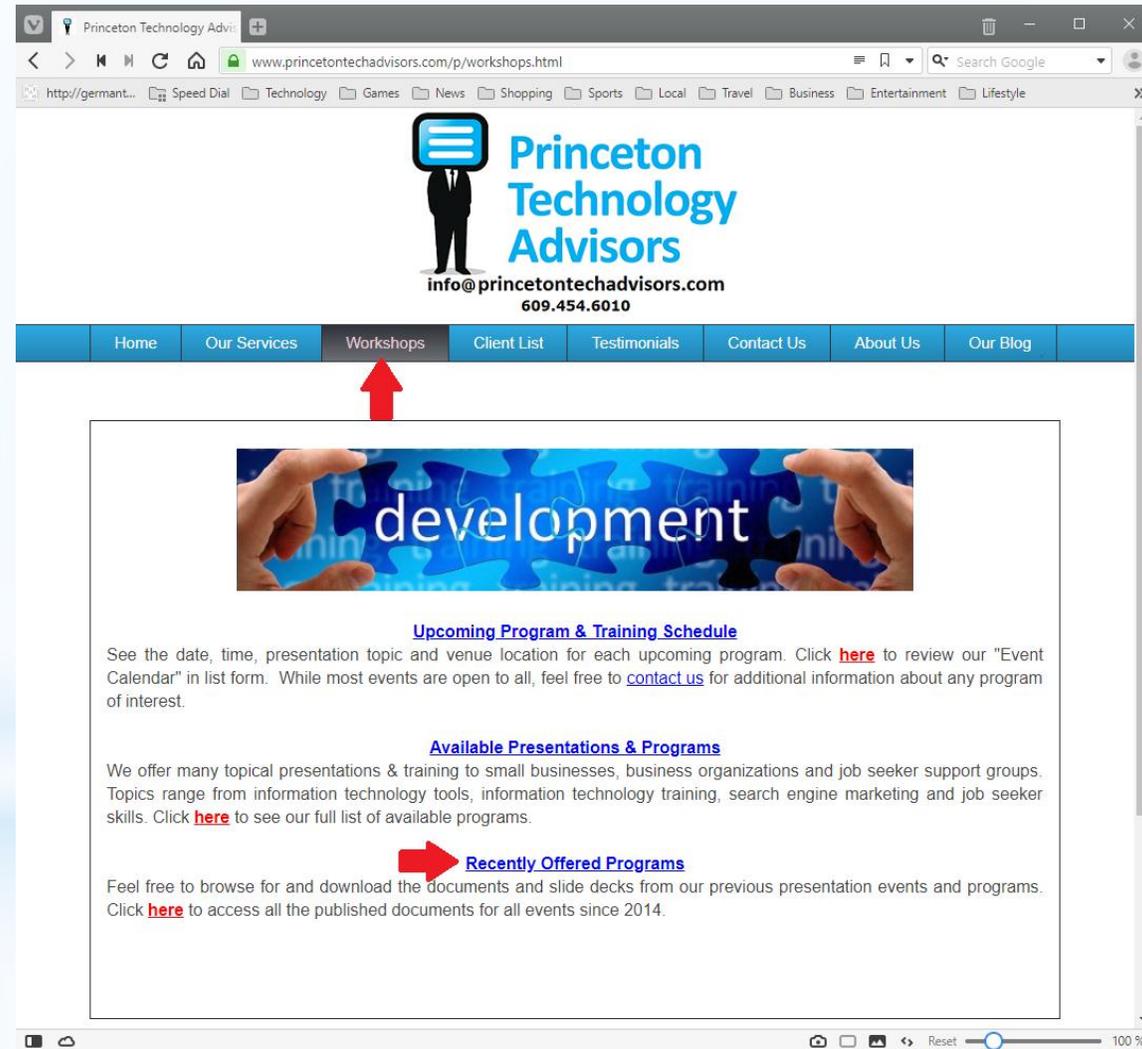
While there are Pros and Cons, Pros:

- Resume gap filler
- Develop varied experience & robust resume
- Get paid! Maybe more than an employee; Maybe even hired

You don't need to become an LLC, but you can

Declare “I am a consultant” and get started.

To Find this Slide Deck...



The screenshot shows a web browser window displaying the Princeton Technology Advisors website. The browser's address bar shows the URL www.princetontechadvisors.com/p/workshops.html. The website header features the company logo, which includes a silhouette of a person holding a sign with three horizontal lines, and the text "Princeton Technology Advisors" and "info@princetontechadvisors.com 609.454.6010". Below the header is a navigation menu with items: Home, Our Services, Workshops, Client List, Testimonials, Contact Us, About Us, and Our Blog. The "Workshops" item is highlighted with a red arrow pointing upwards. Below the navigation menu is a large banner image showing hands holding puzzle pieces with the word "development" in the center. Below the banner are three sections of text, each with a blue arrow pointing to a link: "Upcoming Program & Training Schedule", "Available Presentations & Programs", and "Recently Offered Programs".

Princeton Technology Advisors
info@princetontechadvisors.com
609.454.6010

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development

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See the date, time, presentation topic and venue location for each upcoming program. Click [here](#) to review our "Event Calendar" in list form. While most events are open to all, feel free to [contact us](#) for additional information about any program of interest.

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We offer many topical presentations & training to small businesses, business organizations and job seeker support groups. Topics range from information technology tools, information technology training, search engine marketing and job seeker skills. Click [here](#) to see our full list of available programs.

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Feel free to browse for and download the documents and slide decks from our previous presentation events and programs. Click [here](#) to access all the published documents for all events since 2014.

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Thank You