

Becoming a Contractor

Before you decide on whether to use the skills and experience you have gained, consider the following:

Pros of contracting

- Potential to earn more income than a permanent employee.
- Far more freedom to control what work you do.
- Chance to experience a wide variety of projects and industries.
- Chance to learn new skills and keep abreast of current doctrine on many projects.
- You can take planned breaks between contracts to travel, spend time with the family etc.
- You have greater responsibility for your own financial planning, especially if you run a limited company.
- The independence contracting affords is a good confidence builder.

Cons of contracting

- Lack of job security (especially during economic downturns).
- You only get paid when you actually work - no holiday pay, sick pay, or other benefits.
- You may not have so much choice as to where you work, and may have to travel more to secure contract work.
- You will have more paperwork to deal with (particularly if you have a limited company).
- You will have to negotiate punitive tax laws, particularly IR35.
- You may need to develop additional sales and networking skills to help secure fresh contract work.

For most contractors, the pros of contracting nearly always seem to outweigh the cons. If you've already decided to become a contractor, chances are you have the temperament to take a chance and take control of your own career.

Others simply aren't cut out for the uncertainty contracting can bring, especially in tough economic times, and prefer to return to permanent work.