Freelance vs. Captive
Making an Informed Decision

A presentation by John Hedtke
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Speaker Background

John Hedtke has worked in high tech for over 30 years and has written books and documentation for many leading software products. John owns and operates *Double Tall Consulting*, a company that provides consulting, writing, and training services to private and government clients in all fields. He also runs tradebookauthor.com, a blog for people who want to become authors.

When not otherwise occupied, John lives near Tacoma, WA. He plays the banjo, writes magazine articles, and writes slogans for a button company. John is a Fellow of the STC.
What this presentation covers

- What a captive is
- What a freelancer is
- The advantages and disadvantages of freelancing
- The advantages and disadvantages of captivity
- How to try out freelancing if you’re new to it
Definitions

- A captive is a wage slave, an employee.
- A freelancer is a contract worker, usually temporary.
- The lines between the two are really blurry these days.
Why does it matter?

A job’s a job, particularly these days, so what’s the difference?

If possible, you should be happy.
Rules to work by

**Principle:**
Nothing has value if you don’t know what you want.

**Corollary:**
If you don’t ask for what you want, you’ll never get it.
Freelancing: the pros

- Money, money, money!
- Set your own hours
- Set your own days
- Work at home
- Work on the projects you like
- Tax advantages
- No dress code
- The grass is greener
- Control your environment
- Avoid politics
- Capitalize off corporate misfortunes
Freelancing: the cons

- You can starve!
- No bennies
- Every day is a working day
- You spend a lot of time marketing yourself
- Working at home
- Variability of work
- Loneliness
- Pay for everything
- Fiscal responsibility
- Provide your own hardware support
- Need for self-discipline
- Don’t see people at their best
Freelancing: the good and bad

- The good part of freelancing is *flexibility*.
- The bad part of freelancing is *risk*.
Captivity: the pros

- Stability
- Benefits
- Regular wages
- Raises
- Social interaction
- Supplies and software and computers
- Free tech support
## Benefits

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*Freelance vs. Captive*

by John Hedtke, www.hedtke.com
Captivity: the cons

- You have to go to work *EVERY* day.
- You can't sleep late.
- You have to do what they tell you to.
Captivity: the good and bad

- The good part of captivity is security.
- The bad part of captivity is stagnation.
Which one is better?

- It all depends on what you want and what’s available to you.
- There’s no reason you can’t try both, even simultaneously.
- Make hay while the sun shines.
Wanna try freelancing?

If you’re a captive, moonlight to see if you like it and can cut it.

Use the STC and other resources to network with other freelancers as well as other captives. Be sure that you have the support of your significant other.

Keep an eye on the money at all times. Re-evaluate your desires every so often.
How much money should you make?

When you add in all the benefits, you’re getting about half again as much as a captive.

Rule of thumb:
1. Take your annual salary.
2. Knock three zeroes off the end.
3. That’s your hourly rate.
Taxes

Taxes are your biggest problem at first.

- Save 50 cents of every dollar that comes in (Federal taxes + SE tax)
- Budget for your state taxes, too
- Keep every receipt
- Buy an IRA and use it!

You can fine-tune this in a year or two.
Summary

- Freelancing is invigorating.
- Captivity is security.

I like both of those.
Read these for freelancing skills

- *The Secrets of Consulting* by Gerald M. Weinberg
- *Peopleware, 3rd edition* by Tom DeMarco & Timothy Lister
- *A Whack on the Side of the Head* by Dr. Roger von Oech
- *Up the Organization* by Robert Townsend
- *Clutter’s Last Stand* by Don Aslett
- *The Richest Man in Babylon* by George S. Clason
- *The Time Trap* by Alex Mackenzie

(This list is at [http://www.hedtke.com/clouds.htm](http://www.hedtke.com/clouds.htm))
Resources

- Go to http://www.hedtke.com/clouds.htm for the recommended reading list, links to the handouts, and other resources, including links to free classes to increase your skills.

- For information about becoming an author, check out “Hey, kids! Become an author at home in your spare time and earn big bucks!” at http://tradebookauthor.com.
Thank you!

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Feel free to email or write if you have questions. (Please use the name of this seminar as the subject so I can get to it quickly.)