



International  
Trade  
Centre

NORWEGIAN  
REFUGEE COUNCIL



# Introduction to Online Freelancing

Trainer's Name

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# Course Objectives

**By the end of this module, you will be expected to:**

1. Understand online freelancing and appreciate its contribution to the economy
2. Build a freelance business from scratch, including setting accounts on Upwork, building a portfolio, among others
3. Prepare a tailor-made cover letter for every job and bid for freelance jobs or projects.
4. Embrace and use productivity tools for freelancing in day-to-day tasks
5. Identify scams and scammers to avoid losing hard-earned money or personal information
6. Understand key professional guidelines and objectives a freelancer must always uphold

# Learning Objectives

**By the end of this lesson, you should be able to:**

1. Define online work, contingency worker, and the gig economy.
2. Understand the freelance workforce composition and the percentage freelancers inject into the U.S. economy.
3. Recall the advantages and disadvantages of freelancing.

# Online work

## What is online work?

Online work, often referred to as **online jobs**, is any job you can carry out while working from home or a remote location, rather than reporting to a set location daily.

Online jobs are becoming more and more readily available as technology and internet connections continue to improve. Many people work from home or remote locations in a variety of fields such as customer service, computer programming, writing, billing, education, and among others.

# Freelancing

## What is freelancing?

When you talk to anyone who is looking for work nowadays, you will hear one word repeated more and more: **freelancing**.

We are most familiar with the verb, which refers to pursuing a career without making a long-term commitment to one employer.

Usually, people who freelance are **self-employed**; they decide who they will work for, for how long and which type of projects to take on.

# Upwork & Freelancer Union 2019 Report

## Notable Findings: Upwork & Freelancer Union Survey 2019 – Freelancing in America

### WORKFORCE COMPOSITION

- ✓ **57 million** Americans freelanced in 2019, representing 35% of the U.S. workforce. The freelance workforce has grown from 53 million in 2014 to 57 million in 2019.

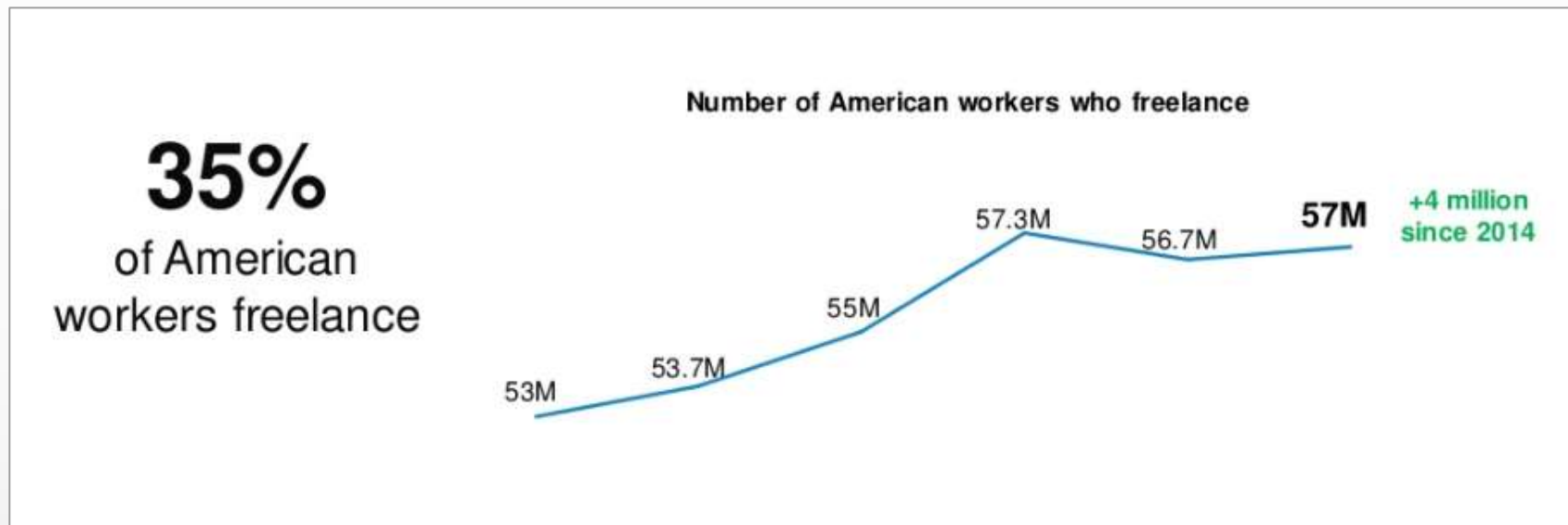
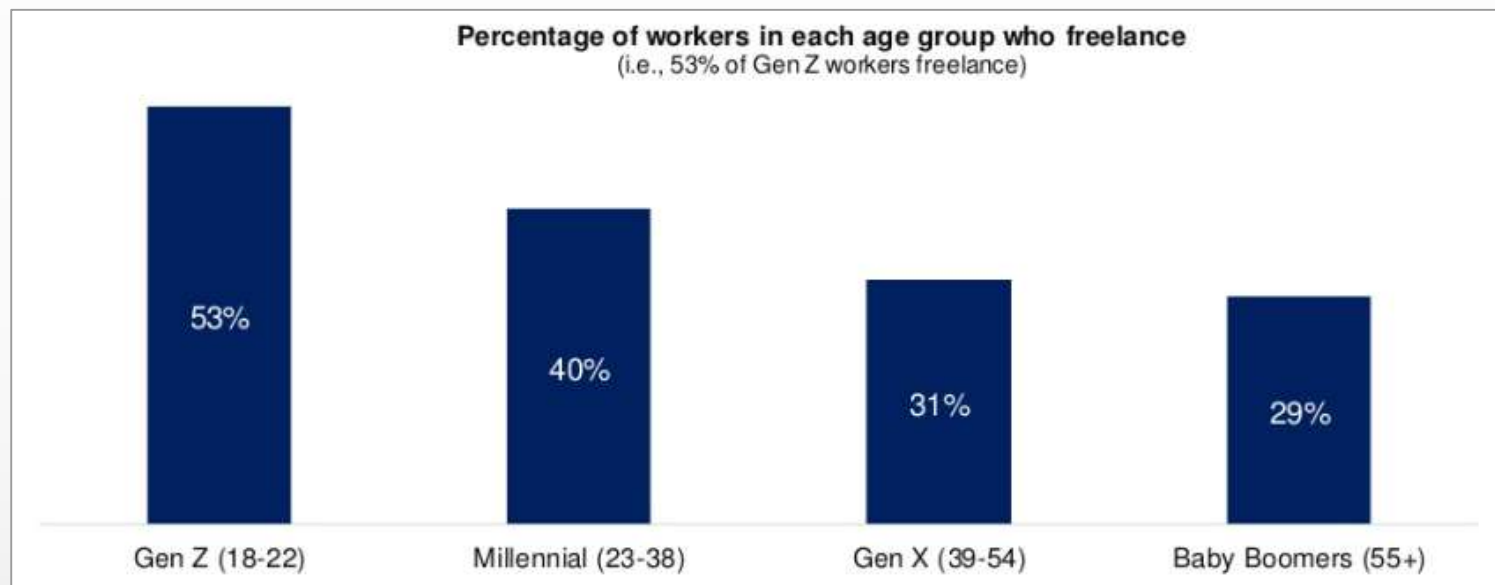


Figure: Number of American workers who freelance  
<https://www.upwork.com/i/freelancing-in-america/>

## Notable Findings: Upwork and Freelancer Union Survey 2019

- ✓ The share of full-time freelancers increased from 17 percent in 2014 to 28 percent in 2019.
- ✓ **Younger generations** are more likely to freelance, especially Gen Z (ages 18-22). 53% of workers ages 18-22 freelance – the highest freelance participation rate of any age bracket since 2014.



**Figure:** Percentage of freelancers proactive in preparing for economic downturn



## Notable Findings: Upwork and Freelancer Union Survey 2019

- ✓ The most common type of freelance work is skilled services, with 45% of freelancers providing skills such as programming, marketing, consulting, and among others.



# Findings: Upwork and Freelancer Union Survey 2018

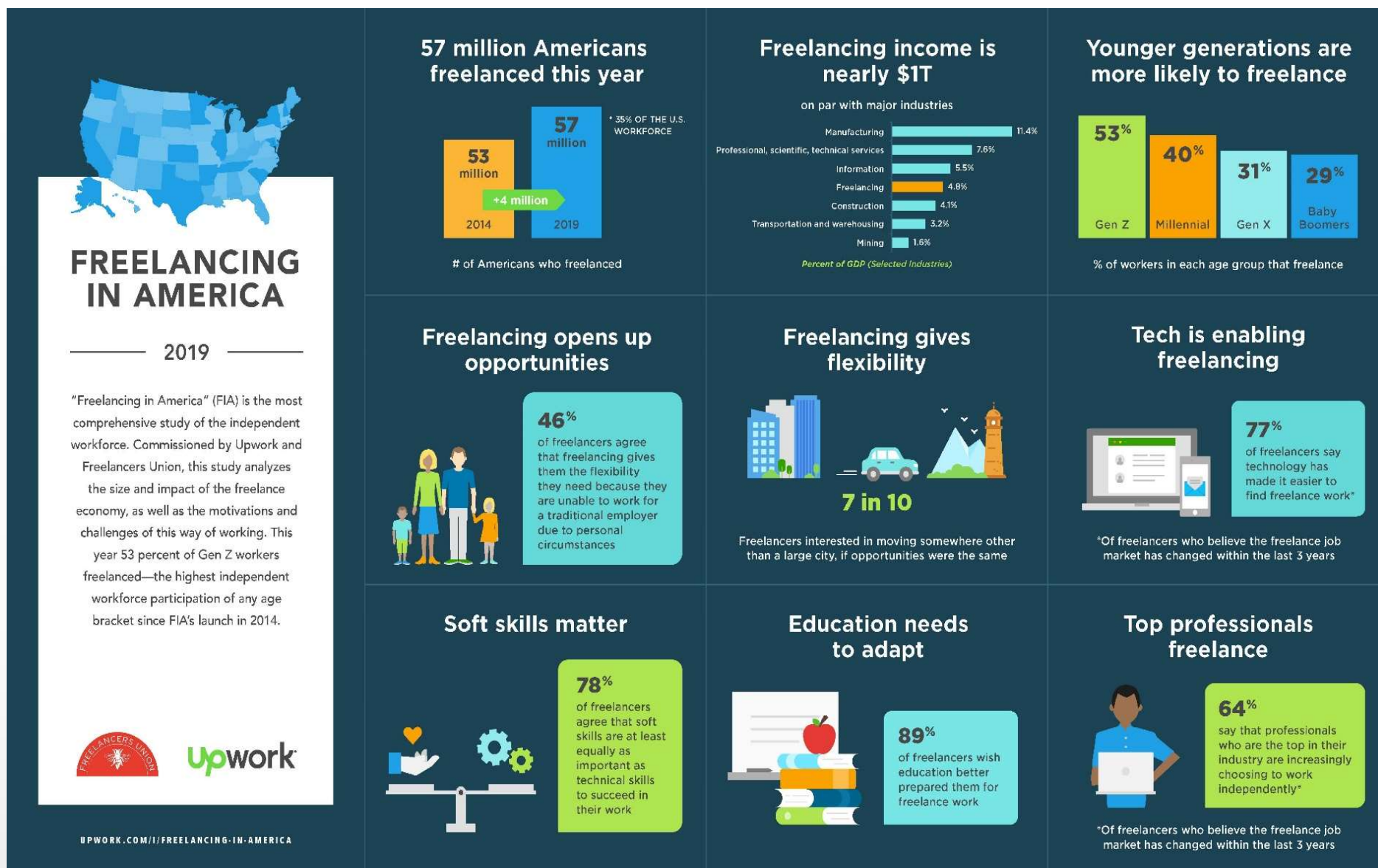


Figure: Freelancing in America 2019 (infographic)

# The gig economy

## What is gig economy?

1. The “gig economy” is loosely defined as an economy where workers do not have one employer but instead have numerous freelance jobs (**gigs**). A **freelance job** (gig) is one that a person does by themselves instead of a being employed by a company and can involve client work for organizations.
2. The **gig economy** refers to a labour market that is characterized by the prevalence of independent, temporary work that is conducted on a short-term or task-by-task basis

# The gig economy

and payment is received upon the completion of these tasks.

This differs from traditional employment which is characterized by nine-to-five working hours and a monthly salary, or contractual employment.

The second definition focuses on the following key features:

- **Independent work:** Gig workers have a high degree of control and flexibility in determining either what work to perform, when to perform the work, and in some cases, where to perform the work from.

## The gig economy

- **Short-term nature of work:** Gig workers perform work on a short-term or task-by-task basis. For example: transcribing a set of data, designing an application, fixing a burst pipe, or giving someone a ride. Both the worker and the client/employer recognize the limited duration of the employment relationship.
- **Payment per task:** Gig workers are paid by the task, as opposed to those workers who receive a salary or hourly wage.

## The gig economy

With the growth of companies like **Uber** and **TaskRabbit**, more and more workers are joining the gig economy and being classified as **contingent staff** rather than as employees.

### What are contingent workers?

Contingent workers are freelancers, independent contractors, consultants, or other outsourcers and non-permanent workers who are hired on a per-project basis and work on site or remotely.

# Benefits freelancers forgo or do not receive

↓

**HEALTH COVERAGE**

**PAID SICK LEAVE / VACATION**

**DISABILITY / UNEMPLOYMENT  
INSURANCE**

**RETIREMENT SAVINGS**

**COMPENSATION BENEFITS**

**PROTECTION FROM DISCRIMINATION**



*Typical freelancing home office set-up*

To account for the value of employee benefits forgone, and as a rule of thumb; you may need to make from **2 to 3 times** your full-time base salary. There are other kinds of benefits freelancers and independent contractors enjoy, however, in the case of Uber, for example, drivers can choose;

- ✓ When they want to work
- ✓ Where they want to drive
- ✓ Jobs they want to do in the gig economy
- ✓ They can also drive for Bolt (**formally known as** Taxify), eDriver, Little Cab, SafeBoda, etc.



## Advantages of freelancing

- a) **Your own boss:** Freelancers are highly autonomous you generally answer to no one (except; clients) and operate on your own terms, at your own hours, and at the rates you establish.

*You choose the clients you wish to work with and the projects on which you work, particularly if you have an excess of work. You can drop projects requiring a big portion of your time or slow-paying clients or turn down low-paying projects if you desire.*

- b) **Flexibility:** Do you need to pop out for some groceries or pick the kids up from school or take time with family and friends or use the gym while it is quiet?

## Advantages of freelancing

*No problem. As a freelancer, you can take a break when you want. There are no set rules – you set the rules but be wise to set rules that do not jeopardize your financial output.*

- c) **Financial independence:** As a freelancer, you are in control of your earnings. Most of the time, this will be related to the number of projects you decide to take on and your agreed rates.
  - *If your rates are deemed too high, and clients try to barter you down, then you can politely tell them no. Other people value your work and will pay your rates or high rates.*
  - *“Do not put all your eggs in one basket.” Diversify your sources of income. Reward and motivate yourself as bonus schemes are out of question*

## Advantages of Freelancing

- d. **Job security:** Since freelancers are self-employed, you will never have to worry about your job being in jeopardy. Those in staff jobs are vulnerable towards receiving 'the pink slip' if layoffs need to happen, and as a result, may be forced to compete with their colleagues to keep their jobs.
- e. **Full credit:** When you work as a freelancer, you will receive full credit for your work. You do not have to worry about the blunders of other workmates in a company, compromising your work success for the sake of others or the team taking credit for your work.
- f. **Freedom:** Whether in the coffee lounge, home office or home table, in your pajamas or in the library – freedom to work from anywhere is a top motivator.

## Disadvantages of freelancing

- a. **Isolation:** Working from home can be isolating. You do not have interactions with management, staff or other employees just like the normal work set-up.

**Solution:** *The involvement of professional associations, networking, and social media can help relieve the isolation. Social media networks such as Facebook, Twitter, Instagram, and LinkedIn are great tools to connect with other professionals.*

- b. **Lack of job security:** The nature of freelancing raises the question of job security. Despite a slow start, it takes time for new businesses to fail.

**Solution:** *In the early stages of freelancing, you can keep your regular job and launch your freelance business part-time on the side until you develop a client base.*

## Disadvantages of freelancing

- c. **Client development:** One of the most important challenges of launching a new freelancing business is gaining clients. With time, freelancers gain the trust of clients by providing quality services leading return projects.

**Solution:** *You must constantly promote and market your business to develop and retain new clients.*

- d. **Initial cash investment:** Most new businesses require an initial investment.

Cash to:

- ❑ Purchase computer/laptop, software, and other equipment (start-up kits).
- ❑ Pay memberships and connects, for example, Upwork connects, Proz membership plans, etc.

## Disadvantages of freelancing

**Solution:** *As you progress, keep a percentage of your freelance earnings as an investment.*

- e. **Lack of benefits:** As an independent contractor, you do not receive employee benefits such as vacation pay, health insurance, and other common perks. Paid sick leave is non-existent and malpractice or professional liability insurance can be costly.

Health insurance can be costly for freelancers since they cannot benefit from the volume-based discounts offered to large companies:

**Solution:** *Develop a backup plan for times when you are unavailable to serve your clients or meet deadlines due to sickness, personal emergencies, or vacations.*

# Disadvantages of freelancing

- f. *Tax consequences:*** In a country where a freelance business is taxed, it is paramount to file tax returns. Independent contractors living in countries where freelancing is not taxed must keep careful records of all their expenditures. Taxation will one day be introduced in such countries.

**Solution:** *Understand the tax regimen and plan for freelancing taxation.*

## WHY FREELANCE?

- **Companies** are looking for **specialized skills** for **one-off** projects
- **Millennials** are “**on demand**” creatures
- Getting work as a freelancer is **cheap & simple**
- There is **no** such thing as **job security**
- Freelancing may be **less impacted** by **AI**
- **Technology** favors the gig economy
- There is increased **legislative action** to support gig workers
- **Freedom** and **flexibility** is attractive
- **No limit** on how much you can **earn**
- Going online **reduces costs** for everyone involved
- Freelancing shifts the **work-life balance**



Baby Boomers  
1940 - 1959



Gen X  
1960 - 1979



Gen Y (Millennials)  
1980 - 1994



Gen Z  
1995 - 2010



# Questions?

# Thank you