

n = 1 : Engineering Your Freedom

Becoming a Technical Freelancer

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github.com/cj2001/wimp_2025

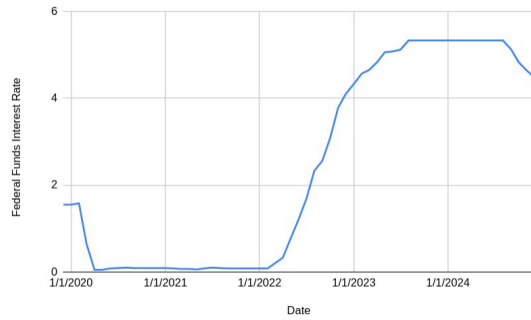
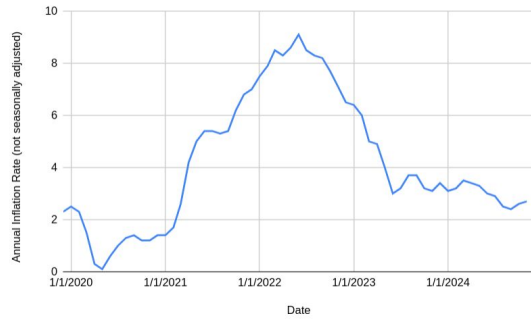
It is projected that in 2027, 86.5 million people will be freelancing in the United States and will make up 50.9 percent of the total U.S. workforce.

Agenda

- Why freelancing?
- Preparing for the leap
- Setting your rates
- Getting clients
- Running your freelancing business
- Lessons learned and challenges to expect

Caveat Emptor:

I am not a lawyer or
an accountant



<https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
<https://fred.stlouisfed.org/series/FEDFUNDS>
<https://www.statista.com/statistics/199999/worldwide-tech-layoffs-covid-19/>

Some hard truths about the job market in 2025

- Company loyalty is a thing of the past
 - Pensions: the historical driver to employee loyalty
- Companies are prioritizing stock prices over employees
- Return to office (RTO) mandates are rampant
 - Layoffs in disguise
 - “Bamboo HR’s findings show that about one-quarter of vice presidents and C-suite executives implemented return-to-office policies in hopes of prompting voluntary resignations. Similarly, around 20 percent of HR professionals indicated that their in-office policies were designed to make workers quit.”¹
 - Micromanagement is harder when your team is remote

1. The Hill. [“Employers used return-to-office to make workers quit. Then this happened.”](#) (08/06/2024)

What keeps people in corporate jobs

- “Job security”
- Healthcare: the 800 lb gorilla in the room (at least for the US)!
- Other benefits
 - 401k matching
 - Lower taxes
 - Stock options (optional)
 - Various other forms of insurance
 - Access to corporate infrastructure
- Great colleagues
- Mentoring and other training opportunities



FEAR

UNTIL YOU HAVE THE COURAGE TO LOSE SIGHT OF THE SHORE,
YOU WILL NOT KNOW THE TERROR OF BEING FOREVER LOST AT SEA.

Introduction to freelancing

- You are your own boss and make all the rules
- “Full time pay on part time work”
- You work on **what** you want to work on, **when** you want to work on it, **where** you do the work, and for **whom** you want to work
- When you are talking to a potential employer (client), you are one of a few people they are talking to, at most
- If a potential client is talking to you, it is because they have real work that needs to be done, not a phantom job ad

Examples of freelancing goals

- Replace your corporate salary
- Have something to pay the bills while looking for another corporate job
- Augment existing employment (i.e. a side gig)
- Try it out and see if it is for me
- Learn new skills for potential future employment

Each of the above goals has a different target metric, timeline, and potential duration.

Preparing to take the leap

- Setting a goal
- Identify what you want to work on
- Get financially ready for being without an income
- Establish which pricing model(s) you will use
- Figure out how much money you need to make a month
 - Rule of 60%
- Accounting for taxes
 - Quarterly estimated tax payments
 - Self-employment tax
 - Understand what is tax deductible
 - Now is a great time to hire an accountant!
- Become an actual business

The pros and cons of various pricing model options

- Hourly
 - Pro: Easiest for many companies to understand and implement
 - Con: Requires detailed tracking and reporting
- Per project
 - Pro: Allows for greater flexibility if you are an efficient worker
 - Con: Difficult to price
- Retainer
 - Pro: Guaranteed income for the duration of the project, simplified invoicing
 - Con: without clear boundaries, scope creep can lead to overwork
- Fractional (generally for more experienced workers)
 - Pro: engagements typically longer term
 - Con: lines can get blurred with full-time employment (ex: specific working hours)

Hourly rate	\$150		Weekly revenue (FT)	\$3,750
Number of hours in a week	25		Monthly revenue (FT)	\$15,000
Health insurance	\$1,500		Health insurance	\$1,500
Targeted monthly take home	\$8,000		Expenses	\$750
Federal tax (including self employment tax)	0.29		Revenue less insurance, expenses	\$12,750
State tax	0.0455		Federal tax	\$3,698
			State tax	\$580
			Monthly take home pay	\$8,472
			Difference	\$472

See “monthly budget planner.xlsx” in repo

Hourly rate	\$150		Weekly revenue (FT)	\$4,500			
Number of weeks worked	48		Monthly revenue (FT)	\$18,000			
Number of hours in a week	30		Annual revenue (actual)	\$216,000		Annual revenue (FT)	\$216,000
Health insurance (monthly)	\$1,500		Health insurance	\$18,000		(if working 52 weeks)	
Number of months paying insurance	12		Expenses	\$9,000.00			
Targeted monthly take home	\$8,000		Revenue minus insurance and expenses	\$189,000			
Monthly tax-deductible expenses	\$750						
Federal tax (including self employment tax)	0.29		Federal tax	\$54,810			
State tax	0.0455		State tax	\$8,600			
			Revenue less insurance, expenses, taxes	\$125,591			
			Monthly take home pay	\$10,466			
			Difference	\$2,466			

See “annual salary scenario planning.xlsx” in repo

Becoming an actual business


- Common freelance business types
 - Limited Liability Corporation (LLC)
 - S-Corporations (S-Corp)
 - Now is a great time to talk to a lawyer!
- Employer Identification Number (EIN)
- The importance of a business banking account
 - Getting paid
 - Taxes: **KEEP YOUR PERSONAL AND BUSINESS EXPENSES SEPARATE!!!**
- The importance of a business mailing address (that is not your home address)

“Your network is
your net worth.”

Getting clients: some hard truths

- Your first client will come from within your existing network
- So will your second
- And probably your third
- ...
- Good networks include:
 - People you have worked with in the past
 - Other people in your field who know of your experience, skills, and interests
 - People who work for companies that have problems that you can solve
 - Other freelancers!
- The brand of YOU is built on EXPERIENCE
- It is hard to be a successful data freelancer if you have not worked in data before

Some tips for growing your network

- 
- A solid portfolio
 - The blog post - video - LinkedIn (and/or other social media) cycle
 - All code on GitHub / GitLab
- Meetups
- Podcasts
- Participate in the open source community
- Finding your people through online communities
 - ex: “The Corporate Escapees”
 - ex: A multitude of Discord servers

Contract tips from the trenches

All contracts **should...**

- Have a clear statement of work
- Specify a minimum and maximum number of hours per week or month (for hourly, retainer, or fractional work)
 - Be clear that you will bill that minimum, regardless of whether the client uses that time or not
- Identify what meetings you must attend, meeting cadence
- Specify the start and end date
- State when you will be paid, how, and the penalty for payments not being received on time
- Discuss exit clauses
- Describe what, in addition to your time, the client will pay for
 - Travel
 - Hardware / software costs

Useful tools for running your business

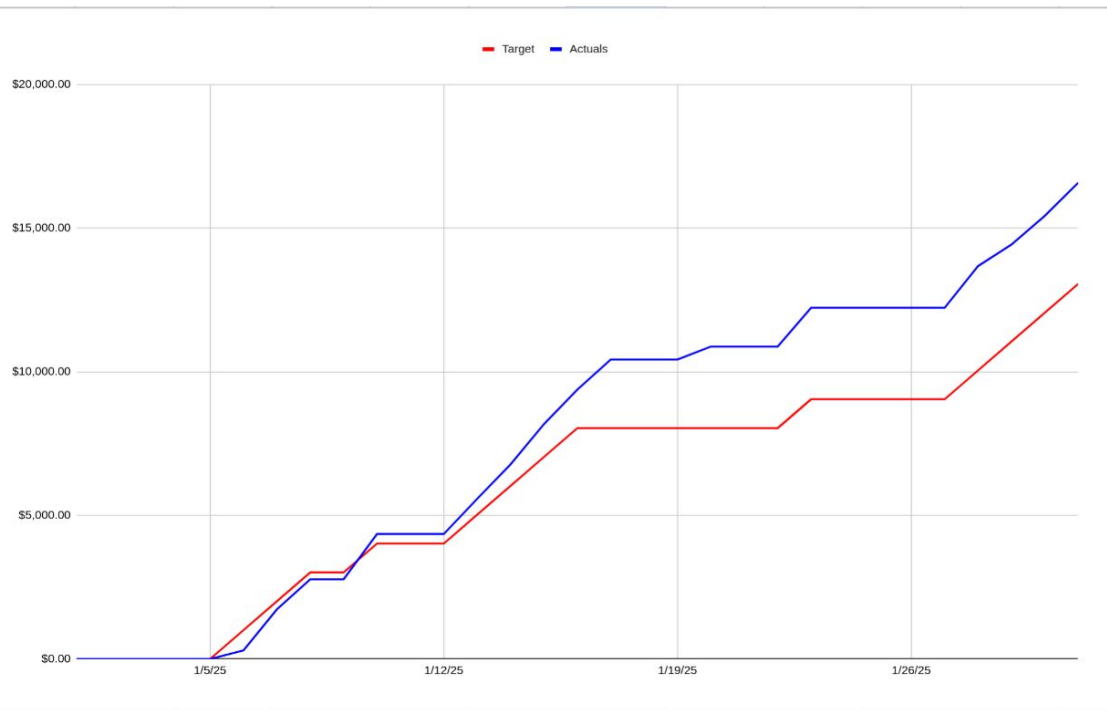
- Buy the domain and set your email to it
- Calendar management/scheduling system
- A mechanism to receive payment
- Bookkeeping system
 - Beyond a spreadsheet
 - Must link to your business bank account
 - Give your accountant access to it
- Business credit/debit card
- Business cards (sort of)
- Be prepared to work with the systems of your clients
 - Operating systems
 - Infrastructure



	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	TOTALS	25
Client 1		2	1			3		6	
Client 2								0	
Client 3			3					3	
Client 4			4			5		9	
Client 5				7				7	
	0	2	8	7	0	8	0		
Rates									
Client 1	\$150.00								
Client 2	\$200.00								
Client 3	\$125.00								
Client 4	\$225.00								
Client 5	\$150.00								
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	TOTALS	\$4,350.00
Client 1	\$0.00	\$300.00	\$150.00	\$0.00	\$0.00	\$450.00	\$0.00	\$900.00	
Client 2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Client 3	\$0.00	\$0.00	\$375.00	\$0.00	\$0.00	\$0.00	\$0.00	\$375.00	
Client 4	\$0.00	\$0.00	\$900.00	\$0.00	\$0.00	\$1,125.00	\$0.00	\$2,025.00	
Client 5	\$0.00	\$0.00	\$0.00	\$1,050.00	\$0.00	\$0.00	\$0.00	\$1,050.00	
	\$0.00	\$300.00	\$1,425.00	\$1,050.00	\$0.00	\$1,575.00	\$0.00		

See “Time Tracker January 2025.xlsx” in repo

Company	Total Billable Hours	Rate	Total Invoice	Taxes	Take Home
Client 1	19	\$150.00	\$2,850.00	\$997.50	\$1,852.50
Client 2	19	\$200.00	\$3,800.00	\$1,330.00	\$2,470.00
Client 3	17	\$125.00	\$2,125.00	\$743.75	\$1,381.25
Client 4	22	\$225.00	\$4,950.00	\$1,732.50	\$3,217.50
Client 5	19	\$150.00	\$2,850.00	\$997.50	\$1,852.50
TOTALS	96		\$16,575.00	\$5,801.25	\$10,773.75
TAX DEDUCTABLE EXPENSES	\$750.00		\$15,825.00	\$5,538.75	\$10,286.25



days in month	13 total month goal		\$13,057.69	daily goal	\$1,004.44
1/1/25	\$0.00	\$0.00	\$0.00		
1/2/25	\$0.00	\$0.00	\$0.00		
1/3/25	\$0.00	\$0.00	\$0.00		
1/4/25	\$0.00	\$0.00	\$0.00		
1/5/25	\$0.00	\$0.00	\$0.00		
1/6/25	\$1,004.44	\$300.00	\$300.00		
1/7/25	\$2,008.88	\$1,425.00	\$1,725.00		
1/8/25	\$3,013.31	\$1,050.00	\$2,775.00		
1/9/25	\$3,013.31	\$0.00	\$2,775.00		
1/10/25	\$4,017.75	\$1,575.00	\$4,350.00		
1/11/25	\$4,017.75	\$0.00	\$4,350.00		
1/12/25	\$4,017.75	\$0.00	\$4,350.00		
1/13/25	\$5,022.19	\$1,225.00	\$5,575.00		
1/14/25	\$6,026.63	\$1,200.00	\$6,775.00		
1/15/25	\$7,031.06	\$1,400.00	\$8,175.00		
1/16/25	\$8,035.50	\$1,200.00	\$9,375.00		
1/17/25	\$8,035.50	\$1,050.00	\$10,425.00		
1/18/25	\$8,035.50	\$0.00	\$10,425.00		
1/19/25	\$8,035.50	\$0.00	\$10,425.00		
1/20/25	\$8,035.50	\$450.00	\$10,875.00		
1/21/25	\$8,035.50	\$0.00	\$10,875.00		
1/22/25	\$8,035.50	\$0.00	\$10,875.00		
1/23/25	\$9,039.94	\$1,350.00	\$12,225.00		
1/24/25	\$9,039.94	\$0.00	\$12,225.00		
1/25/25	\$9,039.94	\$0.00	\$12,225.00		
1/26/25	\$9,039.94	\$0.00	\$12,225.00		
1/27/25	\$9,039.94	\$0.00	\$12,225.00		
1/28/25	\$10,044.38	\$1,450.00	\$13,675.00		
1/29/25	\$11,048.81	\$750.00	\$14,425.00		
1/30/25	\$12,053.25	\$1,000.00	\$15,425.00		
1/31/25	\$13,057.69	\$1,150.00	\$16,575.00		

See “Time Tracker January 2025.xlsx” in repo

Lessons learned and challenges

- Be a generalist, prepared to constantly learn new things
- The importance of client diversity
 - The complexities of larger organizations
 - Bureaucracy, insurance requirements, reporting requirements
- My health insurance error
- Taking on too much work
- Taking on too much low value work
- The (lack of) value of online freelancing platforms
- The need for a support network

The only thing to
fear is ____.

The only thing to fear is bad Wi-Fi, clients who pay in “exposure,” scope creep that grows faster than a toddler left alone with a box of crayons, time zones that make 3 AM your “business hours,” revision requests labeled as “tiny tweaks” but are actually a full rewrite, coffee running out mid-deadline, accidentally sending the invoice with a typo that says \$10 instead of \$10,000, forgetting to hit “track changes,” discovering your “dream client” was actually a chatbot, chasing down payments like a bounty hunter in a spaghetti western, spilling coffee on your laptop (again), trying to understand an NDA that reads like ancient Greek, being ghosted after delivering your best work ever, someone offering you “exposure” again, forgetting to save your work before a power outage, project descriptions that say “quick and easy” but take three months, clients who communicate only in emojis, and yes, one more person asking if you can work for free because “it’s great for your portfolio.”

github.com/cj2001/wimp_2025

Thank you!

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& ASSOCIATES