



Pros and Cons of Contracting

Should you be contracting? Chances are you have already weighed up the decision but the following should help you decide.

ADVANTAGES	DISADVANTAGES
<p>Contractors can structure their income through Limited Companies or Umbrella Companies to earn more.</p> <p>It is likely you will increase your charge out rate and earn more gross income than as a permanent employee.</p> <p>Flexibility is one of the great advantages of contracting. You can plan your contracts around your own time schedule and you will have more say in how you perform your work. This will give you flexibility to tackle other projects (fixing up your house or taking those long travel trips you have dreamed of).</p> <p>The nature and flexibility of contracting is the best way to evolve a business. Contracting will teach you some business sense and as you develop your skills you could hire staff to do your basic work giving you time to secure more contracts. A contract can provide you with income while you grow your business.</p>	<p>It is often more difficult to secure loans if you are a contractor as lenders prefer the security of a permanent salary to contract income.</p> <p>You are unlikely to secure employee benefits such as sick pay and holiday pay.</p> <p>There is more financial risk being a contractor. A number of factors such as a market downturn could reduce your rates and your prospects of securing new contracts. If you are sick or disabled you may earn no income.</p>