

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

ADVISORY

How Accounting Firms Can Leverage the Gig Economy

While freelancing is a part-time or side-gig for many people, a growing number of people make it a full-time living. Twenty-nine percent of survey respondents said their freelance business is their only source of income, up from 17% in 2014.

Jim Boomer • Dec. 12, 2017



It might be time to remove “remote work opportunities” from your company’s list of perks and call it a survival strategy. A recent [survey](#) from the Freelancers Union found

that the freelance workforce has grown three times faster than the traditional workforce since 2014. If it continues at that rate, the majority of the U.S. workforce will be freelancers within the next ten years.

While freelancing is a part-time or side-gig for many people, a growing number of people make it a full-time living. Twenty-nine percent of survey respondents said their freelance business is their only source of income, up from 17% in 2014. We're not just talking about drivers, writers, graphic designers and other types of service providers. It includes accountants.

Before we discuss how firms can leverage the gig economy, let's consider what's behind this growth.

- **Freedom.** Freelancing used to be a fallback for people between jobs, but it has become an attractive career option. In the survey, 63% of respondents said they're doing freelance work by choice, not necessity. Half said they would not take a traditional job if it were offered to them, for any amount of money. People don't want to answer to a boss, have projects forced on them, or ask for permission to do things like go to a doctor's appointment.
- **Flexibility.** While Millennials may be the driving force behind the movement toward more flexibility in the workplace, they aren't the only ones craving flexibility in their careers. Older generations want it as well. In fact, this is one of the most widely cited reasons people quit a traditional job to freelance. People want to telecommute, work when they want to work, travel and not be bound by location or time frames.
- **Technology.** Although stability used to be a concern for freelancers, 66% of respondents said the freelance job market has changed in the past few years. Technology has made it easier to find work, and they're averaging 36 hours per week.
- **Income.** Freelancers are making more money than ever before. The percentage of freelancers making \$75,000 to \$99,999 per year reached 19%, up from 9% in 2014. Those earning \$100,000 to \$149,000 increased from 5% to 12%. And among the 17.2 million people who quit a traditional job to freelance, two-thirds say they're making more money on their own.

So now we know why people want to freelance, but why should firms care?

Seasonal staffing

Leveraging the gig economy actually makes a ton of sense for accounting firms due to the seasonality of the profession and the nonrecurring nature of client demands (i.e., acquisition or sale of a business, new accounting guidance being issued, etc.).

Hiring gig workers during tax season and other high-volume times of year can help firms up their staffing levels, make their existing staff's workload more manageable, and avoid layoffs or paying for idle capacity during quieter months.

Tapping into talent

Hiring gig workers also allows firms to tap into people's unique abilities. There are a wide variety of talented people out there, and not all of them are looking for 9-to-5 work. Limited time does not equal limited skill.

A small firm may have a hard time finding one or two employees with the range of skills needed to perform client accounting services, compliance work, advisory services, and M&A consulting. Rather than spending time trying to find a "unicorn," firms can retain several different specialty freelancers, each of whom has the particular skills that are required to handle different client needs.

How to find and work with freelancers

The gig economy is a tremendous opportunity for firms to access a broad pool of talent without the expense of insurance and perks, but on-demand work isn't right for every task.

Here are some guidelines for finding and working with freelancers:

- **Make sure you need a freelancer, not an employee.** If you just need extra hands during busy season or specialized knowledge for a certain project, an on-demand worker may be the answer. If you need someone for ongoing work that will require a lot of direction or set hours, you should hire a part-time or full-time employee.
- **Identify the right platform.** Once you've decided that a freelancer is the right choice, identify the appropriate platform for finding your freelancer. On-demand platforms span a wide range of industries, and their numbers are growing. Even traditional job boards are getting in on the action. [Upwork](#), [Freelancer](#), [Accountingfly](#), [Indeed](#), [Guru](#), and [FlexJobs](#) are good places to start, but there are dozens of others. You may even be able to find one locally using your own network.

- **Create structure and provide tools.** While your freelancers should be able to work independently, you need to provide a structure to make that happen. Clearly communicate deliverables, expectations and timeline. Have them sign an independent contractor agreement and consider the tools they'll need to complete their work. Will you need to set up an email address on your domain? Will they have access to all client files? If not, how will you limit access? Who will they report to and how will they communicate? How will they submit invoices and get paid?

The gig economy is growing, and big companies, including [Intuit](#) and [PwC](#), are already taking advantage of it. What's holding your firm back?

[Advisory](#) • [Firm Management](#) • [Technology](#) • [Article](#)

CPAPA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2023 Firmworks, LLC. All rights reserved