



Tradewind Solutions LLC

Executive Search

Fewer Employment Costs, More Productivity

Everybody wants to increase productivity because that ultimately leads to increased profitability. On the other hand, nobody wants to increase employment costs.

But what if you could increase productivity and reduce employment costs *at the same time*? Sound too good to be true? Not if you hire workers on a contract basis.

The impatience of progress

While hiring on a full-time basis may not be a possibility at the moment—for whatever reason—projects still have to be finished and deadlines still have to be met. Progress doesn't wait for anything (including the economy). That's why hiring workers on a contract basis gives you the flexibility you need to not only complete projects and meet deadlines, but also to maintain budget controls, especially in the area of employment costs.

When a worker comes on board as a contractor, you don't incur any of the costs involved with hiring somebody on a full-time basis. First and foremost, there are **no employee payroll tax costs**, including Social Security, Medicare, state unemployment insurance, F.U.T.A., Workers' Compensation insurance premiums, and state disability insurance. Those are just a few of the financial advantages associated with contractors.

But wait, there's more . . .

The elimination of payroll tax costs is just the tip of the iceberg in terms of the cost savings you'll realize by hiring contractors. There are numerous other benefits, as well, and they all serve to reduce the cost of employing important workers while at the same time taking advantage of their skills and talents to give your company the edge it needs in this competitive market.

- No employee benefit costs, including medical insurance, life insurance, retirement and pension plan contributions, and the related administrative costs
- No liability insurance covering contractor actions
- No paid time off, including holidays, vacations, sick time, and personal time
- No administrative costs for hiring, including advertising, recruiting, interviewing, checking references, and processing employment paperwork
- No payroll withholding and deductions to collect, pay, administrate, and report
- No collective bargaining for union situations
- No need to worry whether or not an independent contractor (1099) will subject the company to IRS and state audits

Whatever your workforce planning needs, contractors can fill the gaps and provide much-needed flexibility—and they can do so as much or as little as you need them to. They are an excellent investment of resources, and as you can see by the information presented above, they represent a much smaller



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investment than the one required to hire workers on a full-time basis. And the return that you receive on that investment can be just as substantial, if not more so.

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