



5 Stupid Mistakes I Made in My 1st Year of Freelancing (and How I Would Avoid Them Today)

Description

When I quit my job at the end of 2020, nothing felt more freeing. No more 40-hour work weeks; no more long, boring meetings; no more commutes, video calls, emails, and mandatory “outings.” For the first time in my life, I was my own boss, and I felt I could make more money in less time.

It didn't take long before that bubble burst. As I would find out, freelancing as a writer didn't mean I was completely free. I still had to find clients and schedule calls and market myself as a competent writer. I still had to network, meet people, and check my LinkedIn. It was still work, and, to be honest, it was a *lot* more work than my full-time job.

I made some pretty common mistakes during my first year — mistakes that made freelancing harder than it should have been. Between undercharging for my services and overworking myself, here are my top five freelancing mistakes from that first year.

1. I didn't charge what I was worth

When I first started, I didn't want to charge too much for my services. I didn't have clients lined up, and I felt I had to low-ball my prices in order to attract people.

But, as I would soon find out, by charging lower rates, I had to do double the work to make ends meet. What's worse is that clients would come to expect the low rate from me, which made for awkward conversations later when I asked for a “pay bump.”

Over time, as I became more confident in my work, I began to realize I could earn more for the same quality of work. I began to see that clients were willing to pay more for the quality I was producing.

Now, I typically charge by the project (not the word or hour), and I make sure I'm making at least \$75 an hour. If I can net \$75 an hour, I know I'm earning what I should be for a writer with my experience.

It can be hard to set a price for yourself, especially when you're starting out. My tip: look at what other

writers are charging, especially those who are in your line of expertise. And you've been writing for eight-plus years, don't charge a rate that writer who has worked one to two years would charge. Charge what you're *worth*. Trust me: it'll pay off.

2. I took out *too much* for taxes

Taxes. Ugh.

As a freelancer, you will perhaps hate nothing more than calculating your own taxes. That's why I now use a tax professional: I just hand everything to my personal accountant, and she works her magic to lower my liability.

But, in the beginning, I was my own personal accountant. And boy, let me tell you — I was the most “cautious” armchair accountant you could find. I took out a whopping 30% of everything I earned and set it aside in a savings account. I didn't even set it in a high-yield savings account for fear that I would reach my withdrawal limit and be unable to access the funds come tax time.

And, to my surprise, I got an extremely hefty tax return — far more than I was expecting.

Now, getting a tax return is better than owing on taxes. And if you're afraid of owing taxes, then you might want to take the cautious route, too. But here's the problem: when you give *too much* to the CRA, you're basically giving them a free loan. A few hundred dollars might not seem like a lot. But if it's a few thousand, you could be investing that money and earning more money on compound interest.

A good rule of thumb is to take 20-25% out for taxes each time you get paid. For many freelancers, that's still going to be a lot more than you need. After your first year, you'll have a better understanding of how much you'll owe in taxes, if your income stays relatively the same.

3. I didn't save enough for “slim” times

Here's a quick tip: when you're making a *tonne* of money, put money aside for later. Trust me: you'll need it.

During my first year, I didn't have consistent work. Some months I would have numerous clients — each paying a high rate. I would get fat paycheques that more than paid for my monthly expenses. And, as ashamed as I am to admit this, I would often give into lifestyle inflation, buying things that I didn't need but wanted.

But those extravagant expenses came back to haunt me when those clients left, and I had little money coming in. Though I've always made enough to cover my bills, I haven't always made enough to cover my investing and savings goals, too.

During fat months, don't inflate your spending: inflate your savings. That way, when the paycheques get thin — it happens — you won't feel anxious knowing you can't save money.

4. I worked through holidays and weekends

In my first year, I basically worked far more hours than I had during my 40-hour work week. The reason? I couldn't sit still, not when I knew I could be making more money.

Besides, I didn't know *how* to take holidays. When I was employed, I could get time off approved and not feel responsible for the work I was missing. As a freelancer, however, how do you tell a client, "Sorry, I'm going to Venice for two weeks"?

It took a while to figure this one out. But here's what I do now: I tell myself I have to make a certain figure each year (at least \$90,000). Then I look at the workweek. I know there are roughly 260 working days each year. I tell myself, "Okay, I want to take four weeks off this year." So, that brings the workweek down to 240 days.

To net \$90,000 a year with four weeks off, I have to make \$375 per day. That's the goal I set for myself, and so long as I can hit that (it's *very* doable), I don't feel restless when I take time off.

5. I said "yes" too often

It's okay to say "no" to a client, especially if you're not interested in the work. When I first started freelancing, I was so desperate to get new clients, I would write on topics that didn't interest me or, worse, topics I wasn't specialized in. My space has always been personal finance and investing, but I was taking topics in healthcare, environmental science, and — once — furniture design.

Don't be afraid to turn down a project. It can be hard, true, but if you're not interested, you might not have the motivation to do the best job you can. In fact, it could take you *longer* to finish the job, which might mean less pay (if you're getting paid by the project).

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