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6 Advantages Contractors have over Permanent Staff:

Pretty much all contractors used to be permanent staff as very few go directly into contracting. Also, pretty much all permanent staff have considered becoming contractors at some stage of their careers with some taking the leap and others deciding to stay put for whatever reason. To help them make a decision we have put together ten advantages in being a contractor.

1. The Money is much Better

When a permanent worker becomes a contractor, he or she will usually double their salary. However they have much more than double their available money as their costs wonâ€™t have gone up. Someone who previously spent 80% of their salary and saved 20% would now find that they had 6 times as much spare money as they had before, if they doubled their income when going contract.

2. Thereâ€™s Less Tax to Pay

Whether the contractor is self employed, goes through a Limited Company or an Umbrella Company they will pay less tax than a permanent worker would pay.

3. They Donâ€™t Have to Worry about Career Progression

Thereâ€™s none of the worries for contractors of annual reviews and whether they will be selected when a potential promotion becomes available. They just take the cash and move on to the next job.

4. They Can Get a Much Better House

It used to be that contractors got turned down for mortgages if they didnâ€™t have three years accounts and the amounts used to calculate their income was only the amount they paid themselves as a Director after all the expenses were taken out. However, now there are specialist Contractor Mortgages companies who can get them mortgages that use their total income as the figure used for calculating how much money they will get for a mortgage.

5. They Can Get Out and Do Something Else More Quickly

As Contractors are piling up spare cash at a multiple of what permanent workers can save they can then use that money in a few years time to get out altogether and do something else.

6. They can use Money to get Money

Most Contractors use the spare cash that they are piling up for investment purposes so that not only are they working for money but their money is working for money too. They usually invest it in the Stock Market and in the Property Market and, provided they invest it wisely, they can build up quite a supply of money. Some use that spare cash to get out of contracting altogether. Others just let the cash pile up and spend it on a better lifestyle. Whichever route they take they can up with a much better style of life, at a much younger age, than their permanent peers.

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