



# The Professional Linguist Perspective on Independent Contracting

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By:

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## About this study:

The language industry is generally described as a “cottage industry”, with the overwhelming majority of companies having less than 5 employees and less than \$1,000,000 in revenue. For a number of years there has been increased scrutiny by government regulatory agencies. A significant number of companies have been audited and fined for relying primarily on independent contractors to perform the services provided.

This study was conducted in response to an idea that was raised recently, to eliminate the opportunity for professional linguists—translators and interpreters—to work as independent contractors. Instead, professional linguists would need to be employees for whomever required their services. They would have taxes deducted from their paychecks, receive whatever benefits might be afforded and generally be subject to traditional employer controls.

We wanted to understand the professional linguist perspective on this idea related to the conduct of their profession and also their interest in performing work as an employee versus an independent business person.

## Survey Methodology:

The linguists who were contacted by email for this study were certified by one of three organizations:

- Certification Commission for Healthcare Interpreters
- National Board of Certification for Medical Interpreters
- American Translators Association

Linguists were asked to complete an online survey which included a series of questions to capture in which state they practiced, data describing their practice and information about motivations and attitudes related to working as an independent business owner/independent contractor.

## About the Author:

Richard Antoine, MIB/MBA is the Executive Director of InterpreterEd.com, a training organization dedicated to developing and supporting professional interpreters. He was among the nine founders of the Association of Language Companies, the US national trade group for the language industry, and was elected to be the association's first president. He has over 25 years of experience in the language industry, including work primarily in management, but also performing linguistic communication services. He received a Bachelor of Science degree from Carnegie-Mellon University in Pittsburgh, Pennsylvania with a dual major in Managerial Economics and French. He received a joint Master of International Business and Master of Business Administration degree from Pepperdine University in Malibu, California. He has traveled throughout Western & Central Europe, Asia and the Americas with work experience in both Europe and the Americas.

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## Report

Some in government view translators and interpreters as low-wage workers, commonly abused by employers who misclassify them as contractors in an effort to escape taxes. While this behavior happens in some cases, this study found little evidence to support the idea that this is an intentional and widespread behavior or that it is applicable to the mainstream of the language industry. Some government agencies are auditing language service providers and applying fines and sanctions on small companies which find it difficult to navigate a sea of obscure and conflicting regulations.

The Professional linguists responding to this survey demonstrated a high degree of consistency in their responses. While the majority worked between the languages of English and Spanish (84), there were a total of 24 languages use professionally by respondents, providing a diversity of experiences and opinions.

### Thoughtful and Articulate

Professional linguists manage their workload, accept the responsibility to secure and maintain their professional credentials and take their legal obligations seriously. Like other small business people, they understand that there are risks and rewards to any venture, and these linguists both accept and celebrate their opportunity.

Based on the results of this survey, Professional linguists are thoughtful and articulate independent business people. As some respondents noted:

*“There is no reason for interpreters or translators to be treated as employees unless they decide to work for one client or one agency only and enter into an employment relationship. We are professionals who should have complete control over our own business.”*

*“I am not seeing myself as an independent contractor. I am seeing myself as a small business owner and expect to be treated as such in all aspects (including taxes).”*

*“I have always (60 years) worked as an independent contractor.”*

### Having multiple clients is the norm, with flexibility and control the keys to satisfaction

The typical linguist responding to this study works under an independent contractor arrangement and has 5 or more clients. According to the Federal Bureau of Labor Statistics, in a 2015 post to the Occupational Outlook Handbook, *“Many self-employed interpreters and translators start their own business by first establishing themselves in their field.”* This idea is supported by this study as 20

respondents cited “starting a business as a side job” as an advantage to working as an independent contractor. They choose to be independent because of the freedom allowed by this working arrangement as well as the ability to start a business.

These linguists do not rely on just one client for their income. It is nearly impossible for most linguists to work full time as a translator or interpreter while relying on just one client for work. For a linguist who works between English and Cape Verdean Creole for example, the volume of work can be insufficient in terms of annual volume and also be inconsistent during the year, with peaks of high volume and times when there is no work at all. With this said, professional linguists will seek several clients to minimize the times when they have no work to perform, in fact, well over 90% of the linguists surveyed had multiple clients during 2016.

Having multiple clients is also important to assure a variety of projects and assignments. The linguists surveyed pointed to this variety of work, and the freedom to set prices and decline work, as important reasons for choosing to be independent, as opposed to seeking employment.

## Frustrated with Regulations and the System

There is intense competition within the language industry at the same time there is significant growth in opportunities. In a market with numerous service providers, everyone is squeezed to a certain extent in the effort to attract and satisfy price conscious buyers, and the linguists surveyed were unafraid to share their thoughts:

*“It challenging to get a good salary”*

*“There are also downsides and costs that are not considered. Transportation costs are paid by the interpreter and some assignments can be hard to get to. It is very difficult to secure more than 2 assignments per day through agencies and the higher rate per hour we receive is offset by the lack of hours (assignments tend to be short on average only an hour). Other logistical costs such as printing/faxing for invoicing etc.”*

*“As an independent contractor working over the phone, I made very little, even working for 3 companies. As an employee for less than 6 months, I have done much better.”*

Most linguists take this in stride however, and bristle with the idea of companies being required to engage linguists only under an employment arrangement.

*“If linguists are regulated to that level, most of us will leave the industry all together”*

While some are interested in a salaried position, a full 87% noted it is important to them that they be able to work as an independent contractor and personally maintain their client relationships.

## Conclusion

Professional linguists are small business people who definitively value and seek flexible work arrangements, as is their legal right in a free-enterprise system. But proposed regulatory policies apparently seek uniformity in the way independent professionals engage with their clients, seemingly without regard for the nature of the engagements or the preferences of the parties.

This desire for uniformity seems to ignore the very real and important independent business decisions being made, potentially and unfairly harming industry participants and the industry as a whole. In the effort to ensure the efficient collection of taxes and other monies, government agencies appear to be moving toward influencing the business relationship between linguists and their business partners in a way which interferes with an efficient marketplace, diminishing incentives and net benefit to the economy.

*“I don't see the need for government to collect additional taxes from agencies, when they (government agencies -ed) are already collecting my taxes as a freelancer. I like being my own boss and deciding who I work for. As far as HOW we work, we have professional standards and professional associations that hold us accountable and provide guidelines (and sometimes actual regulations) about our jobs.”*

## Recommendations

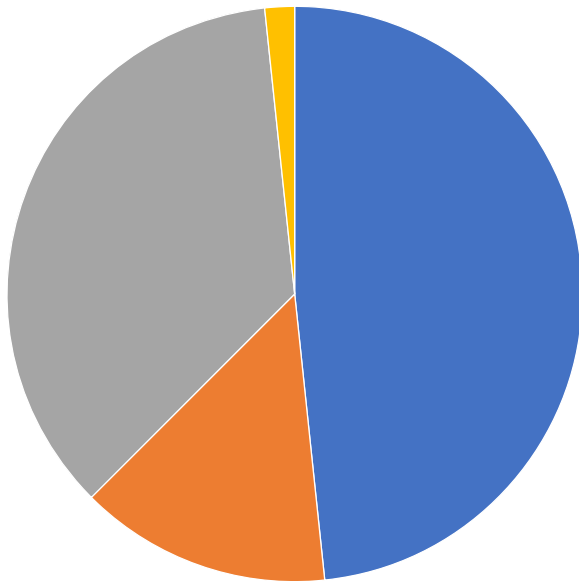
1. Legislators should look to codify “safe-harbor” protections for the working arrangements of linguists. Thus, linguists could evaluate each work opportunity and determine the appropriate approach for each working relationship depending on the term and scope of the work as well as other factors. Professional linguists would continue to be responsible for the conduct and reporting of their individual business affairs. Clients and would be allowed to engage linguists in a variety of ways, depending on the linguists’ preference and be held accountable for proper accounting and reporting under existing laws.
2. Additional research should be done to capture a larger number and broader geographic and linguistic ranges of linguist perspectives. The linguist perspective would potentially be better understood, and effective legislation easier to craft, with a larger, more diverse sample which accounts for differences based on annual workload, the size, types and ranges of projects completed, cultural preferences, state tax policies and other factors
3. The perspective of clients of linguists should be considered to ensure that any regulatory actions are well considered and support a healthy and robust industry.

## Survey Response Data

### State of Residence

A total of 118 responses were received from the group of 927 professional linguists who were invited to participate in this study. The linguists were located in 25 states with the largest number of respondents being from California (43%), followed by Massachusetts (8.5%), Texas (5%) Florida (4%) and Ohio (4%) with the other states combined having slightly more than a third of the total respondents with 34.75%.

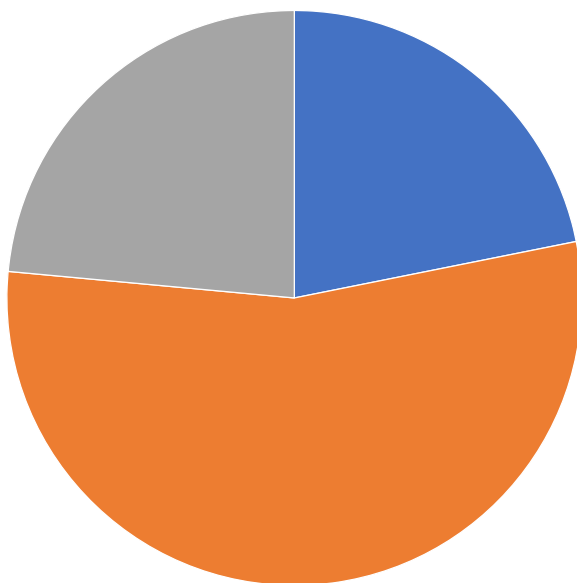
State	Percentage
California	43.22%
Massachusetts	8.47%
Texas	5.08%
Florida	4.24%
Ohio	4.24%
Alabama	2.54%
Arizona	2.54%
Indiana	2.54%
Minnesota	2.54%
New York	2.54%
North Carolina	2.54%
Oregon	2.54%
Georgia	1.69%
Illinois	1.69%
Maryland	1.69%
New Jersey	1.69%
Pennsylvania	1.69%
South Carolina	1.69%
Washington	1.69%
Alaska	0.85%
Nebraska	0.85%
Tennessee	0.85%
Utah	0.85%
Virginia	0.85%
Wisconsin	0.85%



## Services Provided

- Interpreting
- Translating
- Both translating and interpreting
- Do not provide services

48% of the respondents provide only interpreting service, 14% provide only translating services, 36% provide both translating and interpreting services and 2% do not perform either of these.

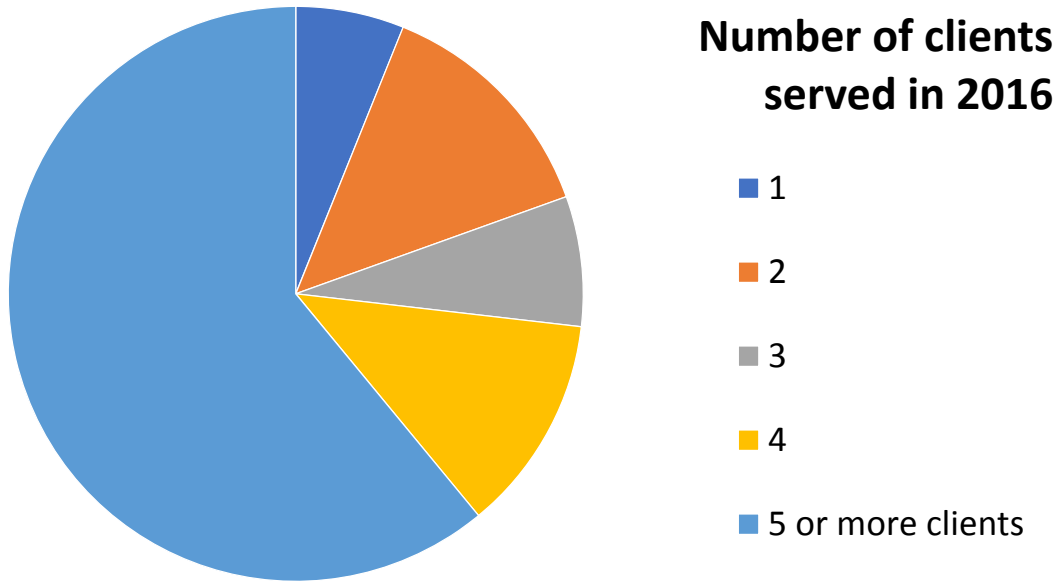


## Working Arrangement

- W2/Employee
- 1099/Independent Contractor
- Both W2/Employee & 1099 worker/Independent Contractor

While a bit over half of the professional linguists surveyed work under an Independent Contractor agreement (55%), nearly a quarter of the respondents (24%) work as employees while also providing services to others as an independent contractor. Working solely as an employee was the least common option with less than 22%.

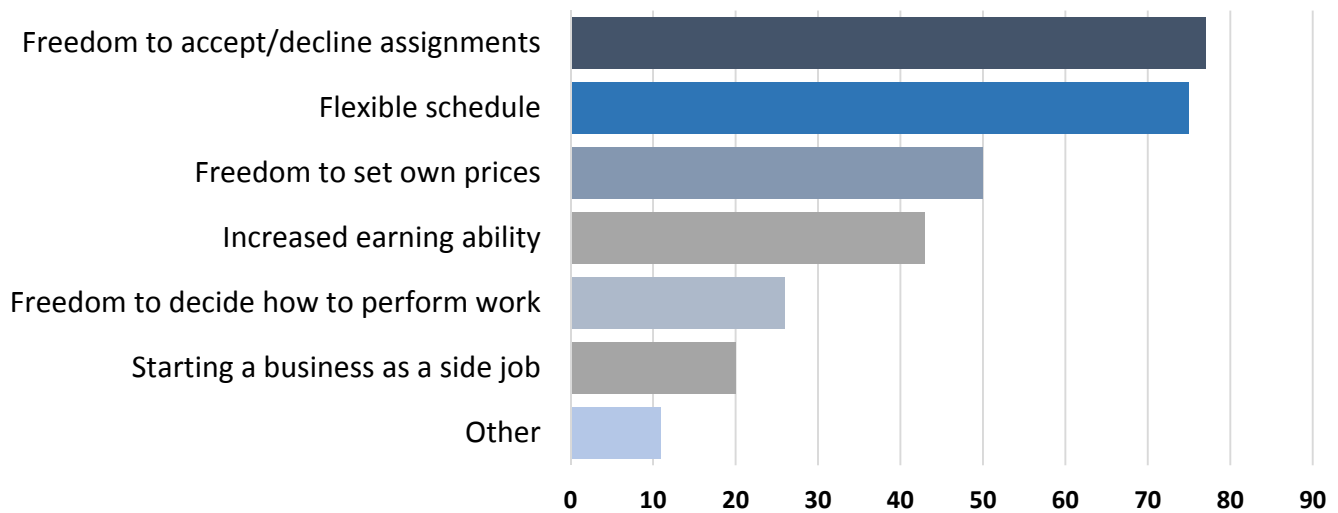




The overwhelming majority of professional linguists, well over 90%, had more than one client in 2016. Only 6% of the linguists answering this question had one client for the year.

1 client	6.10%
2 clients	13.41%
3 clients	7.32%
4 clients	12.20%
5 or more clients	<b>60.98%</b>

## Advantages of being an Independent Business Person



In this question, respondents were asked to identify the advantages they valued in working independently. It was possible for a linguist to choose more than one option. Professional linguists clearly prefer the freedom to decide what they will and will not do, and having the ability to decide how they will adjust their schedule to meet client requirements. Economic independence is also a strong motivating factor, with 20 linguists citing the goal of establishing a business. A variety of benefits were cited by the respondents choosing the option "other" including:

Great variety of assignments (medical centers, schools, etc)

Love working for myself.

Can be away for 3 months each year

Freedom to interpret in a variety of settings

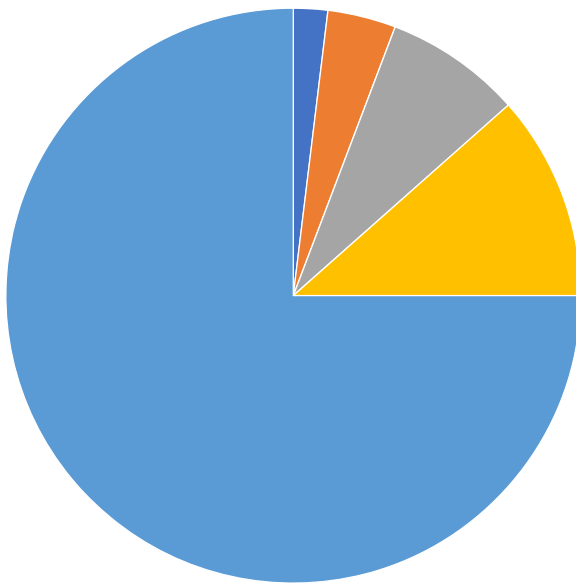
Not being at a place full time. I call it "Short and sweet work."

Variety

Freedom to work where I want

Example to family

Running my own business



### How important is it that you have the choice to work as a Freelancer/1099-contract worker?

- Not important
- Somewhat unimportant
- Neutral
- Somewhat important
- Extremely important

In this final survey question, the professional linguists surveyed spoke overwhelmingly that having the option of being an independent contractor is important to them.

Not important	2%
Somewhat unimportant	4%
Neutral	8%
Somewhat important	12%
Extremely important	75%