



MYTH vs. FACT

Under Attack

A multi-front assault on independent contracting is intensifying at both the federal and state levels. Government agencies are threatening to eliminate the businesses created by independent contractors and erect legal barriers that would make engaging independent contractors' services difficult, if not illegal.

About Us

It's My Business is a coalition of individuals and organizations that supports 10.3 million people who are exercising their right to work for themselves. We are raising awareness about the multi-front assault on independent contracting that is intensifying across America, threatening harmful consequences to the economy. Please help us support independent contractors.

**10.3
MILLION**

**U.S. WORKERS ARE
INDEPENDENT
CONTRACTORS**

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Independent Contractors: Myths and Facts

There are numerous misunderstandings about independent contracting in America. Let's examine the facts:

MYTH

Independent contractors would rather be employees.

FACT

Not so. A U.S. Bureau of Labor Statistics study shows that 82.3% of those who are self-employed prefer their jobs to working as salaried or hourly employees. Other research by the Pew Research Center shows that self-employed workers, including independent contractors, have higher job satisfaction than salaried employees.

MYTH

The rise in independent contracting is costing the economy good jobs.

FACT

Wrong. For the last several decades, virtually all new jobs in the United States have been created by small businesses, including independent contractors, not existing, larger companies. In fact, annual job growth in large businesses has been typically zero for the last 30 years.

MYTH

Tax evasion is the primary reason businesses use independent contractors rather than employees.

FACT

Just the opposite is true. According to the U.S. Department of the Treasury, "independent contractors and their clients tend to pay higher levels of taxes, especially Social Security and Medicare taxes, than employees and employers." In fact, the U.S. Treasury found that classifying workers as independent contractors actually increases tax revenues.

MYTH

Tax cheating is widespread among independent contractors, depriving government entities of revenue.

FACT

Not so. According to the IRS, accurate reporting of income from contractors (who receive 1099 forms) is virtually identical to that of employees (who receive W-2s). The IRS reports that 97% of independent contractors accurately report their income compared to the 99% that is accurately reported by employees.

MYTH

Independent contractors earn less compensation.

FACT

Many economists have noted that independent contractors can earn more money than traditional employees. As small business owners, independent contractors generate additional income by growing their businesses. In fact, more than 20% of independent contractors employ at least one person, and many employ several.