



Update: The Challenge Of Working As A Freelancer

It may seem strange to some, and others miss it all together, but there is a definite natural rhythm to life and work that is in synchronism with the seasons. For, whether we realize it or not, with each season comes a different set of emotions and expectations.

Spring brings a feeling of new beginnings and anticipation of the summer days which are to follow. Summer, for most, brings with it thoughts of vacations, enjoying the outdoors and other relaxing recreational pursuits.

But for the freelancer there is little thought of vacations because this usually is their busiest time of the year.

Freelance work tends to be cyclical; there is a discernable ebb and flow that is in sync with the seasons. It seems that most companies tend to produce their programs in the late spring and throughout the summer.

This year, for those who work primarily in film production, the natural rhythm of things was interrupted. Usually work starts to pour in during the last two weeks of April and the early part of May. This year, in Toronto at least, the bulk of the projects didn't begin until mid- to late-June. Conversely, on the West Coast the industry has been booming since early in the year, even though production is down somewhat.

The fact that it is booming out West now and is slower in the East tends to exaggerate the regional disparity that exists within the industry. It seems that there is a surfeit of work in one region and a shortage of work in the other production centre; in effect too much work and not enough work at the same time!

The reason for a lot of the production now being done on the West Coast is its geographic proximity to the American production and post-production centres in California.

The disparity seems greater than it is, particularly in light of the boom years that were the norm prior to the downturn experienced in 1989.

There have been many reasons advanced for the production downturn experienced recently in the Toronto area. The growing cost of labor is cited as one reason the number and size of

productions coming to Toronto is in decline.

Personally, this has been a good year for me to date because I work primarily in television, which was not as adversely affected as film.

Labor Costs

There is a feeling among those who control budgets that Toronto is getting to be, or already is, too expensive a locale in which to mount a production and still ensure that it will make a profit. Labor costs too often are used to explain away the difficulty in getting a suitable return on investment in today's increasingly competitive environment.

Often producers who haven't shot in Toronto for a few years will notice a significant increase in their production costs; one component of this increase will undoubtedly be an increase in the cost of labor. The convenient explanation has been that unionized personnel have become greedy and are trying to cash in on the lack of productions coming to the area.

While there will always be some who try to take advantage of the situation, by and large most in the industry are fair-minded and reasonable, if for no other reason than self-preservation. If, like any commodity, labor prices itself above the market value no will purchase it.

The fickle nature of production dollars in this country should be proof enough that if costs are too high in a production centre the dollars will go elsewhere. Although rates for unionized labor have gone up, it basically has been to keep up with the pace of inflation.

Another factor at work is the dramatic increase in the value of the Canadian dollar in respect to the American dollar. And, for the foreseeable future, the Canadian dollar isn't expected to fall to the 80 cent U.S. level that made it so attractive for American productions to shoot in Canada. The consequence of the high value of the Canadian dollar is higher costs for those who import Canadian goods and for those who use Canadian labor.

But the situation would be further

exacerbated by the advent of free trade and the impending 9% GST when it comes on line as scheduled in 1991.

Implications Of The GST

No one really knows for sure just what the impact of these government policies will be. But there is a great deal of discussion and many tax experts are studying the implications of the GST for those who are engaged in the freelance market.

As a freelancer I am interested and eager to know what the tax implications will be, because they will have a direct bearing on the cost of doing business and, in the end, on the costs that will have to be passed on to the customer.

The new law tax could have far-reaching implications; it could affect the very way in which freelancers are employed by making it more advantageous for many companies that presently employ freelancers to employ only staff people because of the tax advantages. Conversely, companies could find it more advantageous to have only contract employees.

This could affect large numbers of freelancers looking for work when their contracts run out all at once; making it difficult for all those concerned and disrupting the marketplace.

Which brings us to the issue of competition.

As I've mentioned in past articles, once you attain a certain level of competency what sets you apart from your peers is your character and your ability to add to a production, not just in terms of your particular discipline but in the intangible that is present in someone who cares about what they are doing.

Due to the cyclical nature of this business — and the occasional oversupply of qualified personnel — some of the less skilled people, motivated by their need to work, slash their rates. This has two different effects on the workplace.

One, it calls into question the ability of the person who is willing to slash their rates. In effect they are devaluing