

## Episode 50: Policy Issues and Other Challenges Impacting Independent Consultants in the U.S.—with Dr. Carl Camden

Deb Zahn: Welcome to episode 50 of the Craft of Consulting podcast. My guest today is Dr. Carl Camden. He is the Founder and President of iPSE-U.S. iPSE is an association that does policy work on behalf of independent workers. There are a slew of policy challenges and barriers that independent workers—including independent consultants—face, and this is the organization that addresses those. He's going to go through what some of those are. They are really important things to pay attention to if you work independently. Then he's also going to talk about ways that the association is trying to remove some of those barriers and make it easy for independent workers to focus on their business and focus on their lives. Great information in this. Let's get started.

Hi, I want to welcome my guest today, Dr. Carl Camden. Dr. Camden, welcome to the show.

Carl Camden: Thank you for having me.

Deb Zahn: Let's start off...and if you could tell my listeners about who you are and what association you founded.

Carl Camden: We founded the Association of Independent Workers. We are representing the third of the American workforce that doesn't work as an employee—independent contractors, people who are self-employed professionals, have single person LLCs. We are working on two particular aspects. On one, we're seeking to acquire political rights to end discrimination that takes place against independent workers. On the other side, we are working to build a set of group-rated benefits and business protection for independent workers so they don't have to work with as much risk as they do now.

Deb Zahn: That's wonderful. I fit into that description that you just gave as do many consultants out in the world. I also work with other independent workers who live under some of the same threats or lack of protections that we're going to talk about today. That's why I wanted to have this conversation. What caused you to found iPSE? What was the impetus for that?

Carl Camden: I was formerly the CEO of Kelly Services. We were deploying talent in our global supply chain management model around the world for much of the global Fortune 500. We were shocked as we began moving into 40, 50, 60 countries that the U.S. was singularly the most difficult country for an independent worker to work in—provided the least amount of benefits, the least amount of protection—and we came to the conclusion that we were going to fix that. There was no reason for the U.S. to rank last in making it possible for people to be consultants, to be freelance engineers. I began working to do that. When I retired from Kelly, they asked me to continue that project with my team, and

they would help support that. I left Kelly, but I've continued working for years now in the independent worker space.

Deb Zahn: That's wonderful. I know when I started consulting, I worked at a firm, so none of this was familiar to me. When I went independent this last June in 2019, suddenly all of the things that you folks are working on matter greatly to me and, of course, they should have before. I'd like to dig into some of what those challenges and barriers are that you see independent workers face. I want to start with one that I know a lot of consultants are now talking about with great concern, which is how some states are moving toward minimizing the ability to be independent. Because really, they think that you're employed and they want to change some of the regulations related to what employment versus being independent is considered. Can you say a little bit more about what's been going on out in the world?

Carl Camden: In several states—and California is the one that's received the most attention—there was a significant effort to reduce the number of people who would qualify to be classified as an independent worker and to force large numbers of independent workers to have to work within an employment model. If I listened to their rhetoric, the primary reason for doing so is feeling that independent workers were being taken advantage of because they weren't being given access to either business protection or social benefits. The problem was and is that as they began imposing and working at imposing those restrictions from the AB5 legislation in California, there was a significant rebellion by independent workers saying, “We like the way we were. We like what we have.”

For those who are cynics in the world, part of the reason I think there's also been as much push behind this is that when you have employer-based tax collection, the states are much more efficient at collecting taxes than they are when they're working with large groups of small businesses and independent workers. What ended up happening in California was that most of the professional associations that had large numbers of independent workers ended up filing for exemptions from the California regulations. Now the AB5 ruling probably applies to less than 10% of the independent workforce in California.

Deb Zahn: Has this picked up any speed in any other states?

Carl Camden: New Jersey and New York have been moving somewhat down the same path and so again, our association is being active at working to end that discrimination and what I would call oppression of the independent workforce.

Deb Zahn: Yeah. If you could do that in New York, I'd be really grateful. Of course, I've lived in all the 3 states you're talking about. That definitely concerns me. I know that the firm I used to work for, which is an absolutely lovely firm, but part of what they do is if somebody leaves the firm to become an independent consultant, they often will do a subcontractor arrangement with them. Now they're worried

about that because of some of the activity in these states related to that and they don't want to expose themselves to any risk, which puts those of us who fall under non-compete clauses in a really tricky situation. Now again, my firm is great. They're working with me, but it puts a lot of folks on the consultant side who want to move into consulting independently, if they have any non-competes, it puts them in a really bad situation to be able to get business.

Carl Camden: It's very contradictory to live in a country that says it values entrepreneurship, small business creation, but then works so hard to prevent people from pursuing their dreams of how they want to work and creating their own craft and profession. I think the resistance that's been arising around the country to these regulations from the independent workforce will definitely slow down the attempts of states to try to convert these people to an employment-based system.

Deb Zahn: Good. That's wonderful. As well as your advocacy, I can imagine. What are some of the other challenges and barriers you're seeing that pop up for independent workers?

Carl Camden: Well, one is that while we can, in some places you can find access to social benefits. They are not group rated, which means that for an independent worker to acquire healthcare or life insurance or disability, they often end up going into an individual marketplace which is significantly more expensive. What the Association of Independent Workers has been doing is working to create group-rated products for independent workers so that they're not facing price discrimination as they look at acquiring benefits. Prudential is one of our lead investors helping to develop these types of products.

Deb Zahn: That's wonderful. Then I know there are also challenges and barriers related to taxes. What are you seeing there?

Carl Camden: There are tax issues of significance. The IRS, the Department of Treasury on one side has been working hard to try to reclassify workers because they again feel that it's a more efficient tax collection system to work in an employment model than it is to work with independent workers. Aside from that, the clarity as to what's a legitimate business expense and what is going to be attacked, and how you're going to be audited, hasn't really been developed well by taxing authorities at the state level or the federal level. You're an independent worker. You probably have faced some of those same issues: Is this a legitimate expense or not? It should be a legitimate expense I'm going to file, but then you sometimes will be audited. All of that becomes very difficult.

Then a second problem—we always tend to talk about social benefits—but it's also much more difficult for independent workers to acquire things like cyber protection. If you're an employee, you just take for granted that if your computer systems are hacked, you're fine, you're not liable. If you're an independent worker and your systems are hacked, if you lose work product, if you're unable to complete projects, you

alone suffer and it's very difficult for a solo worker, for an independent worker to be able to have that type of cyber protection. Things like jury duty. If you're an employee and you get called to be a juror on a trial that's going to last four weeks, you know that when you come out, you're still going to have a job. That while you're completing that task, you're still usually going to be paid by the company.

Carl Camden: If you're an independent worker and you're called in for the O.J. Simpson trial, any project that you don't have completed isn't going to be completed. You will lose the revenue. There's no guarantee it's going to be there when you come out. There are lots of different types of social obligations, citizenship obligations, but again, discriminate or hit the independent worker much more intensively than they do an employee.

Deb Zahn: Right. Absolutely. Do you see any good developments happening federally or in any states? Anything that gives you cause to smile?

Carl Camden: I've attended a talk about the East Coast states and West Coast states that have been resisting. In the Midwest, you also have states that have large amounts of independent workers—where the automotive industry would be, where the finance industry, medical centers are. In those states you find a significant number of republican and democratic state legislators beginning to work together to say, “How do we go about fixing this? How do we go about making these types of business protections especially available to these independent workers?” We're seeing great progress here in Michigan and seeing a lot of progress in the Midwestern and Southern states.

Deb Zahn: I mean, everybody's heard of the term gig economy as a big wave that we're currently in the midst of. When you look forward at the future of independent working and independent workers, what do you see?

Carl Camden: A McKinsey study argues, and I believe that they are correct, that we will be a majority independent work style country within 5 to 10 years. The shift is taking place very rapidly. Part of the reason for the shift is worker preference, as what you and I have been talking about, but also part of the reason is that what economists call a job lifecycle has increasingly shrunk. When I was growing up, I had parents who said, “Find a job that you can do for the rest of your life. Find a job where you can start work on day 1 and retire from that job.” Now, whether I agree or disagree or how boring that might sound, that was the promise that the old world of work had. But today, technology obviates jobs very quickly. Factories go out of business, and there is no promise that a job as it exists is going to last for your entire career.

Workers see that. They don't want to be taken advantage of. They'd prefer to control their own destiny. That's one of the trends that's driving it. I think secondly, there are two demographic trends that are driving independent work. Everybody always thinks of the independent worker and they always describe

them as the millennials, but there are just as many independent workers in the U.S. over the age of 50 as there are under the age of 30. Their careers aren't over. They're not done. They have finished trial jury and they want to really do the type of work that they want to do. They are the fastest growing component of the independent workforce. Then you have the individuals coming out of college who are well-trained technically, scientifically, and they're saying that they want a chance to pursue their own dreams. They don't want to have to spend 5 to 7 years working in a job where somebody will listen to them to see if their idea is worth the chance. They're willing to get out there, take a chance, work hard.

Deb Zahn: Yeah, that's great. It's interesting, I'm in one of those. I didn't become independent until I was 50. That's true with a lot of new consultants, particularly independent consultants, is they've done really wonderful things in workplace settings and under some type of employment. Maybe they've led things, maybe they've been operational people, whatever it is. Now they want the freedom and flexibility in their lives that they haven't had under employment. They're willing to trade some of their security for that, and they want to offer what they have out into the world. That's the time they do it. Once you get out of some of the Big 5 consulting firms that tend to have a different approach to hiring and what they're looking for...For a lot of those small to midsize firms, they're really looking for folks with experience. They're looking for folks who've actually done beautiful things before and now come do it under a consulting model, then all the things you're talking about suddenly apply to them.

Carl Camden: You're absolutely right. There are very few highly trained...If you take engineers or you take clinical trial researchers, people that I've worked with, the ability to practice the part of the craft that they love, to organize and to not have to do. To organize their lives around the parts of work that they love, which you get to do as a consultant. You don't necessarily have to do the parts of things you didn't love when you were an employee. That ability to construct what is the ideal practice for you. That ability to say, "I'm going to work on these parts and I'm never going to do this part again because I really hated it." That type of control over your work I think is very important. We have two hashtags that people love. One of them is #LoveTheWayYouWork, but the one that's really catching on is #OrganizeYourWorkAroundYourLife instead of having to arrange your life around your work. That's very popular, especially with the post-retiree independent workers.

Deb Zahn: Yeah, I love that. I've seen those hashtags and they definitely resonated with me. Actually, one of the main things I hear from a lot of new consultants in their never-again category is staff meetings.

Carl Camden: I like that. I may steal that one. We've been also using one especially with the younger independent workers; it's #DitchTheScript. You don't have to work the way your parents told you you had to or the way the schoolteacher says. Ditch the script and work the way you want to.

Deb Zahn: I love it. Yeah. It was interesting when I first joined my firm. My firm where I worked was relatively flat, but I was used to employment where if you're going to the doctor, you tell someone. Suddenly I was a consultant at a relatively not highly structured firm, and someone new came in and started telling people when they were going to the doctor. Then it started to catch on, and two of us did a rebellion.

Carl Camden: Good for you.

Deb Zahn: "Does anyone here care about my health conditions at all? As long as it's not getting in the way of your work. Does anybody care?" The answer was no. I said, "Great. Then I'm never going to tell you what I'm doing. Just going to do my thing and I'll do my part to make this office and this firm successful." It worked. As an independent consultant, except for my husband and my mom, I don't really tell anybody when I'm going to go off and do things. That's the tremendous freedom you get, but it comes with some of the downsides you're talking about. If you are in front of a professional, let's say they're over 50, they've done good things in the world, and they're going to become an independent worker through joining or becoming an independent consultant. What advice would you give them?

Carl Camden: We prepare people in schools to be an employee. They teach you how to write a resume. They teach you the mechanics of how to go about pleasing a boss who could be difficult to please. But what we don't teach in high school or college very well is how to go about being an independent worker. Among the things we don't teach them all the way from the very beginning is that you don't need a resume. You need something else. You need a credentialing document that shows what you're able to do, what you have done in terms of specific types of project work, and so on. One of the things that we're working with both community colleges and other colleges, as well as developing our own educational material, is how do you go about making that transition? How do you go about selling yourself? The mechanics. Now, setting yourself up as an independent business.

The tax requirements, as you and I were talking about earlier, are different. You have different forms. You have different times that you have to file. Nobody is doing a basic, solid, across-the-country education system for independent workers. We're working on that also as part of what the Association of Independent Workers needs to provide. I think of having a starter kit which says, in this document, in this kit are 17 things you need to do. If you do them in this order, at the end of the day you are a legal independent worker with a bona fide marketing and business plan that you're going to attempt to execute and with a set of the resources that are available to you in your state or region. That's the type of support we give to people who are becoming employees. Our education system does. That's not the type of stuff we're giving to independent workers. That needs to be fixed.

Deb Zahn: Yeah, I love that. I personally would have paid for that because...I was fortunate. I already had a client base and a pipeline built up so I didn't have to worry about getting business. I had done that under the safety and security of a firm, but I'm still, as of today, correcting things on my taxes and looking up what a 1099 is. Because I didn't have a starter kit that said, from a tax perspective, from a benefits perspective, here are the things you need to do and here's the correct sequencing for them. I think that would be enormously helpful. One of the things they need to do is they need to join iPSE. That's one of the things they should do.

Carl Camden: They need to go to [www.ipseus.org](http://www.ipseus.org). Sign up, join, become part of the political movement for sure. Then take advantage of education opportunities, and then business protections, and so on, that we offer through our—because we have to keep the benefits and services side separate from the not-for-profit side—iWorker Innovations, is our sister organization. You can link right through the iPSE-U.S. site, and it gives you the ability to acquire additional products and services. In fact, the iPSE membership already comes embedded with the first tranche of social benefits that you're going to need in order to have some protection as an independent worker.

Deb Zahn: That's wonderful. I will have a link to all of that on the website. I will also offer to you, if anybody's going to do any advocacy in New York State, I have a background in that and I'm highly motivated.

Carl Camden: Obviously, because New York and New Jersey are now among the new battleground states...We'll be in touch.

Deb Zahn: That sounds wonderful. I do have one last question that I want to ask you because I do ask all of my guests this, regardless of what they talk about. One of the important things, and I assume it's not just consultants, it's important for independent workers, is how you bring that balance to your life? How you put your life at the center and work as part of that? How do you personally do that?

Carl Camden: It's a tough question, but I will say it's easier doing it now as the head of a political association than it was when I was CEO of a global Fortune 500 firm.

Deb Zahn: I imagine.

Carl Camden: The difficulty is when it's your own business, it gets really hard to put down the phone. It's really hard to not look at the emails and the text messages that are rolling in. One of the things that's very hard for me to do, but I think it's important to maintain that home and personal stability, is to agree to periods where the phone will be on lockdown. You put it in a drawer, you'll leave it alone, you will look at your spouse or partner directly, have great conversations with them, and have some level of work-life balance.

Deb Zahn: That's right. Not just text them in between meetings.

Carl Camden: I have been guilty of that. I admit it. That doesn't tend to work.

Deb Zahn: Yeah, and an emoji doesn't make it better! That's wonderful.

Well, Dr. Camden, thank you so much for joining us. As I said, I will put links to iPSE-U.S. on the website. Again, you offer such a tremendous amount in the policy advocacy piece of this that I don't think a lot of people are thinking about when they become independent consultants, and they certainly should. I know that people in California, New York, and New Jersey are definitely paying attention to it because they're afraid of what they're seeing. Thank you for your wonderful work for us.

Carl Camden: Thank you for focusing on this area. I appreciate it.

Deb Zahn: Thanks so much for listening to this episode of the Craft of Consulting Podcast. I want to ask you to do three things. If you enjoyed this episode or any of my other podcasts, hit subscribe. I've got a lot of other great guests and content coming up, and I don't want you to miss anything.

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