

Episode 7 (HEALTH CARE AND BENEFITS) Start

{Intro Music}

This is the Institute for Music Leadership

Stephen: Hello. I'm Stephen Biegner, and this is *Create. Inspire. Lead.* We're still doing minisodes with Blaire, and this is another little snippet from our larger conversation about freelancing. Specifically - if you're going to primarily freelance, what do you do about health care?

Blaire: Right. So I'm going to expand that to beyond just health care. So there's a lot of benefits that you can get in a typical job. And that's why a lot of places will, you know... that's why people are seeking after these positions as well is just the fact that they are high caliber. So that's what you get in military. That's what you get in orchestra, it's what you get if you go into higher education, if you get even teaching at a music school versus running your own studio, you can get benefits potentially out of one if you are a big enough time faculty. I mean, there's a lot of things that you get out of that.

Stephen: However, if you're a freelancer, there is still a way to join an organization to get benefits like you would in a more typical 9 to 5 type job.

Blaire: Freelancers Union for all freelancers across the United States, and they even have lawyers you can use to help you with things. And so they have a situation set up, if you remember, you can get discounts through them for health insurance, through different organizations that they interact with. There's also things like AAA, Geico, car insurance, you know, to help you with that as well, just to help cut some costs.

Stephen: Now, if you don't belong to an organization like the Freelancer's Union, can you pay for insurance on your own?

Blaire: There are people who just flat out pay health insurance to a company. I will say that it's expensive, but people do it. So you either go... you do it by yourself. You do it with some sort of cut through an organization, understanding you have to be a member of said organization. But usually with those organizations, you get cut on other things as well, such as a discount for instrument insurance and car insurance and stuff like that.

Stephen: So, that's one way you can get help with health insurance and some other benefits and discounts, but what about retirement? That's something that's often overlooked by freelancers that is sort of built into full-time positions within a company.

Blaire: But when it comes to retirement, that is one of those things that when talking to freelancers, a lot of people had wished they had started earlier because it's not one of those things that they're thinking about necessarily or putting aside money. And if you're in a business, it's a 401k, if you're in a nonprofit profit it's a 403b... And so those are just automatic cuts out of your paycheck that get put aside. And then usually your organization invests in it too. So you can almost double your amount fairly quickly. You can actually put in money for your own retirement fund. And the one that I recommend, especially for young students, is a Roth IRA, which essentially means that you put money in after taxes have been taken out.

Stephen: That's important because unlike a 401k or 403b - two types of retirement accounts in traditional jobs - your money going into a Roth IRA has already been taxed. That means when you go to take it out several decades later, you've already paid taxes on that money. For 401ks or 403bs, usually that money is deposited pre-tax, so you'll owe taxes not on the small amounts that went in each week, but on the much larger accrued amount of money sitting in your retirement fund.

Blaire: So imagine sitting there and accruing and accruing and accruing and then it gets taxed when it's thousands of dollars later. A Roth IRA is something that you can put in just a little bit and you determine, OK, great. This month I had extra gigs. I'm going to put a bunch of money into this. It's already been taxed, and you can put it in there and then take it out later and it doesn't get hit. So you take a hit early, but then you don't take a hit later when it's worth a lot more.

Stephen: There are lots of ways to get a Roth IRA. We'll include a link to some helpful resources if you want to get started. Usually there's a base amount you need to deposit to get started. In some cases you can run them yourself, and in others, you can hire someone to manage your money for you. You just have to figure out what's right for you.

Blaire: But nonetheless, putting money aside is really, really important. Also, as an individual freelancer, studio teacher, gigger, however you want to call yourself, it's also might be important for you, even if you do get a 401k, just as an extra support system for yourself.

Stephen: As a freelancer, benefits may take a little more work because you're not getting everything from one single organization.

Blaire: You might have to piecemeal together from a freelancer union or American Federation for Musicians, for instance. They actually help with a life insurance. So they have this cool plan

that they work with, you know, with a specific organization. So you get a certain amount of money for like if you get hurt on the job automatically. And then after that, you can add on more programs to your account by paying a little bit each month. And they kind of help with that in the sense of like by their organization's connections, it's not as expensive.

Stephen: So, even though you may have to piece things together, it's definitely worth exploring, figuring out what your priorities are, and talking to other freelancers about what they do. And then, you can create your own support system, which is so important.

Blaire: You'll see a lot of different versions of these, but do some research and poke around and then see what's going to be the best bet for you.

{outro music}

Stephen: Of course, we again want to thank Dr. Blaire Koerner. We'll include some links to the Freelancer's Union and some articles about Roth IRAs if you're interested. And remember, if you have specific questions for Blaire, you can set up an appointment with her through Handshake. The link for that and other resources will be in the show notes.

Today's episode was mixed by me. Questions were compiled by Frances Inzenhofer and Emma Gierszal. I wrote the intro music and incidental music for this episode, and the outro music was composed by Alexa Silverman. Please be sure to follow us on SoundCloud or on the IML's Facebook page for podcast updates, and of course you can always email us with comments, questions, or ideas for future episodes.

Now, go out. Make art. Do good work. From the IML, I'm Stephen Biegner. Until next time.

Episode 7 (HEALTHCARE AND BENEFITS) End