Freelancers Union FIF law KS Written Testimony 2/20/23

There's an alarming statistic that says 70% of all freelancers have had trouble getting paid at one time or another. That makes for one heck of a <u>long unpaid invoice</u>. Seeing that statistic, I think that, in and of itself, is reason to push for legislation. Having freelanced for 25 years, I can attest that late payment and non-payment are, indeed, a huge issue for freelancers, even here in Kansas. For example:

- One of the larger, well-known, well-respected independent advertising agencies in Kansas City (with annual revenue of over \$100 million) told me point blank that they won't sign freelancer contracts (or estimates, even, for that matter—or pay deposits), yet they have contractors sign a contract that they put together. However, in this contract, there's a stipulation that states that they won't pay their freelancers (contractors) until 30 days AFTER they get paid by their client. This is no matter what the freelancer's own business policies or payment terms are, no matter what's stated on their invoice, no matter if the agency doesn't get paid for six months or more ... or at all. That's a huge risk to ask of a self-employed individual ... and something that doesn't guarantee the freelancer will get paid at all.
- A national restaurant chain, headquartered in Leawood, Kansas, took months to pay my invoice of just a few hundred dollars. They'd hired me (a freelance copywriter) and a friend of mine (a freelance graphic designer) to work on a campaign and, in doing so, signed my contract—which covered payment terms (30 days), late fees (1.5%), and what would happen in the case of nonpayment. We did the work as promised, up to their standards, and on time. They seemed happy with the campaign. The designer got paid for his invoice (that was three times as much as mine) right away. I did not. After more than 30 days, I followed up ... only to still not get paid. I followed up every month with a past due notice, only to be completely ignored. I finally received payment many months later after I reached out to the company's accounting firm ... and then was swiftly berated by my contact—the one who'd ghosted me. In this payment, they failed to pay the late fees, even though they'd previously agreed to them in the contract. (Come to find out, my contact was next-door neighbors with the freelance designer. Perhaps that's why he got paid right away. I'll never know.)
- I'd been working on several projects over the course of a few months for a Kansas-based insurance brokerage company when, all of a sudden, they stopped paying. I followed up by email, postal mail, and phone, and got no response. Of course, I stopped doing any work for them; freelance isn't free. I sent past-due notices and tacked on late fees, and was 100% ignored. In following the terms of my contract (which they'd agreed to and signed), I had my attorney follow up with them. Only then, did I finally receive

communication from them. They said they didn't like the work on the last project and, therefore, weren't going to pay. (Note: they had never communicated this with me in any way, shape or form, nor had they given me the opportunity to revise the work and make good on it.) My attorney followed up, reminding them of their agreement that they would pay for my time and effort (not a product), to which they sent payment totaling just 50% of the original invoice amount. My attorney followed up again, suggesting further legal action, as per the contract, and they finally paid the second half ... without any late fees.

As someone who is completely immersed in the freelance lifestyle and has served at the helm of The Freelance Exchange of Kansas City for the past 20+ years (having met and heard from hundreds, if not thousands, of freelancers), I can confidently tell you that this is a huge sticking point. Freelancers get taken advantage of all the time—simply because they're self-employed, and it's time to put a stop to it. Please help us pass the Freelance Isn't Free law to help prevent any more self-employment abuse.

Thank you, Julie Cortés

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Copywriter by day. Freelance Rockstar by night. <u>Julie Cortés</u> lives, breathes, teaches, speaks, and coaches on all things creative self-employment. She's run her own business for 25 years, is the founder and president of <u>The Freelance Exchange of KC</u>—a professional trade organization for advertising / marketing freelancers, and created a much-needed college-level course, Freelancing 101, for the world-renowned <u>Kansas City Art Institute</u>, where she teaches as an adjunct professor. Recognized with awards dozens of times over for her work, leadership, volunteerism and community involvement, this freelance rockstar is regularly sought out for media interviews, business coaching, and speaking engagements. Cortés is loving life, living out her passion for helping creative freelancers succeed.