Tips on Setting Professional Rates

What am I worth? How much should I charge? Those are probably the most frequently asked questions for anyone who is either employed or working independently today. Below are links to sources of competitive salary information, as well as additional thoughts about freelancing rates for technical communicators/information designers on the Central Coast.

Sources of Competitive Salary Information

These sites offer helpful sources of salary data and ongoing conversations about rate-setting:

- Salary.com offers various wizards that calculate the competitive rates for your industry, role, level of expertise, and geographical area.

- Dice.com hosts discussions on rates at community.dice.com/t5/Salary-Discussion/bd-p/4.

- STC.org offers an annual salary database at stc.org/publications/salary-database. The cost is $10 for members and $49 for non-members.

Suggestions for Setting Contracting Rates

General tip: When *contracting***,** you'll need to factor in the additional **overhead** applicable to independent professionals, such as your federal self-employment tax, the cost of maintaining a home office that includes your equipment and software, marketing expenses, professional skill development, travel, and so on. For example, your self-employment overhead might be about 30–40% higher than what you would need as an employee to cover your typical expenses.

What Contracting Rates Apply Locally? (The Short Answer)

In our area, the spectrum of rates for a contract technical communicator/information designer probably ranges **between $15 and $85** or more per hour, depending on variables that include your education, experience, range of skills, and the extent of your specialization. For example:

- A recent college graduate who's had at least one solid internship might bill $15–20/hour.

- A person with junior-level proficiency (a few years of experience) might bill $20–35/hour.

- On the other end of the spectrum, a senior information design professional with hard-to-find or unique experience might charge $75–85/hour. Consultants who design specialized training or services might bill $100/hour to thousands of dollars per day to deliver them.

- The median freelance rate is perhaps about **$55-65/hour,** depending on the factors below.

How Do I Avoid Backing Myself into a Corner with My Rates? (Longer Answer)

Several **situational factors** can influence the **range** you charge for different efforts. To begin negotiations, you could say, **"My rates range from X to Y, depending on these factors…":**

- **The complexity of the work to be performed.** More demanding work usually justifies a higher hourly rate than less involved work. For example, you might decide to bill $50/hour to edit documentation, but then charge $75–$85/hour to research, design, and develop an entire instructional system. (The latter effort is much more complex and requires broader theoretical knowledge plus a wider range of skill sets.)

- **The technical nature or uniqueness of the subject matter.** For example, if you would need an advanced or specialized degree to even understand your client's body of material — regardless of the work to be performed — you could easily justify a higher rate.

- **The role(s) you will play on the project.** More challenging roles, such as acting as the project manager, would usually warrant a somewhat higher rate than you might otherwise charge. Or, if you would be primarily *consulting* (advising) on a project on an intermittent basis, your *consulting* rate might be substantially higher than your *contracting* rates.

- **The expected quantity of work, or level of "guaranteed" effort over time.** The more regular, steady, and predictable the work is (e.g., if it would involve a fairly high volume or consistent flow), the less you might need to expend time and resources to market yourself during that period. The temporary reduction in your marketing requirements could possibly enable you pass on the savings by accepting a lower hourly rate than you would otherwise.

Examples of Compensation Models

General note: Any time you are asked to provide an *estimate* for an undertaking that would be *new to both you and the client,* you run the risk of being unable to accurately predict the "unknown unknowns," and could far under-scope the project. Estimating might be best left to the situations in which you have had more experience with the client's products, information, personnel, and terminology. In the beginning, doing a **short, sample project** for that client might provide enough insight to help you produce accurate estimates from that point forward. Here are examples of a few compensation options that you might negotiate with your clients:

- **Fixed-price, budget-cap, or flat-fee approach,** where, over the course of the project, your total invoices would not exceed a predefined limit. This approach might involve your "backing into" that total, so stipulate very carefully what you will deliver! Also use *caveats, constraints,* and *assumptions* to delineate what conditions must exist to stay within scope.

- **Estimated-task approach,** where you provide an estimate of the time to complete each discrete block of work that you identify. You and the client must agree on (and state in the contract) whether those estimates are "ballpark only" or represent "fixed-price" efforts.

- **Level-of-effort approach,** where you do the work (usually without a detailed estimate) within a "not-to-exceed" number of hours per billing period. For example, you might agree to work a steady 30 hours a week for 6 months. When many variables and unknowns exist that would make estimating difficult, this model keeps the budget and workflow predictable.

- **As-needed approach,** where you proceed (usually without a detailed estimate or budget cap) to work as many hours as needed in a given period to get the job done on schedule!