



## How to set hourly rates

Translation and interpreting (T&I) work can be quoted, and charged, in various units: per fixed price or per word for written translation, or per hour, usually for interpreting but also for written translation in some circumstances.

I often ask people to quote an hourly rate. Mostly for interpreting work of course, but even sometimes for translation or other work like checking or research.

Some people already have a rate, some are able to quote one if asked, while others are not sure. If you are not sure, this document is intended to help. It explains our philosophy and describes exactly how *we* set our own prices.

Regardless of how you quote and charge for any sort of T&I work, at the end of each job you can look at how much you received in payment, and divide that by *all* the hours it took to get that money, and if you do this for every job over say a three month period and take an average, if you are happy with that hourly income, that sounds like it might be *at least* your your hourly rate.

One simple way of putting it would be the amount of money for which you would be happy to sit and do nothing for an hour.

Some might say “Well I just wouldn’t do that”, but they would. Everyone has a price. If I was offering a million dollars an hour, most of those people would relent and agree to do it.

They would probably agree to half a million per hour, \$250k per hour, and so on down to a more realistic dollar amount, but there would be an amount below which they would start to think to themselves “This is ridiculous, I would be making more money translating at the moment”, and that is exactly the point I would like to reach.

I would like to know what is the least amount of money you are happy making per hour when you have quoted a job. Doesn’t matter whether you are charging per word or per hour or for a fixed price.

In other words when you quote a written translation job for a *fixed* rate or price, and you get it done quickly, and you look back and say “That was good money! I quoted this much and it only took this many hours, I wish every job was that profitable!”, *that* sounds to me like it should be your hourly rate!

When you quote a fixed price or per word you take on the responsibility for a certain amount of productivity and quality. With responsibility comes risk. So in other words (I realise everything in this document is restated many times in other words) it is an amount of money per hour, that protects you from the risk of quoting and getting it wrong.

Wherever possible I quote fixed prices for my clients, and it always involves risk. But it is moral and rational that I take on all the risk instead of leaving it with my client. After all, I am the one publicly declaring that I am a professional translator, not them.

By ‘professing’ in this way, I am claiming to possess all the knowledge required to best manage those risks, and the service I am offering to my clients is basically the opportunity for them to outsource to me all the risk attached to misunderstandings/not reaching their LOTE counterparts/translating badly or translating too slowly.

When I quote, I am saying to my client that, for a fixed price, they can relax and know that I will take full responsibility for ensuring clear understanding among all stakeholders regardless of language ability, accurately, faithfully and on time. That is the proper remit of a professional translator. If I fail, I don’t get paid. That’s the ultimate risk: no guarantee of payment except my ability to keep my promise.

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But I don't always manage to quote enough to make it worth my while! Life, and translation, is often unpredictable, and despite my best efforts and 30 years experience, I sometimes spend so much time on a job that in the end I made a miserable amount per hour, sometimes even losing money! But that's my problem, not theirs. All I can do is learn from the experience and try to improve my quoting skills in the future.

When I ask you for an hourly rate, I am offering to relieve you of all that stress. My aim when engaging the services of draft translators and casual interpreters is to create a space where they can remain in love with their work and are free to concentrate solely on the problem of language, and where possible, develop their professional and life skills. I do NOT want people working for me to be unhappy with their choices and simply trying to get it over with because the money is so bad. That's a bad way to spend your working day. I've done it. I hated it. Both I and the quality of my work suffered.

Now let's get back to reality here. Most of the time I do ask draft translators for a fixed rate per word. In that case I am also outsourcing risk to the draft translator. I am asking them to charge no more than they quoted even if they end up spending twice the amount of time on it than they expected.

But if I work with someone who realises partway through the job they have underquoted, and are now regretting their quote, I expect them to stick by their quote for this job. I have already quoted the job to my client and I will absolutely not charge them more than I quoted. But provided the person is a good user of the CPT system (timesheets, Notes Files, Diaries etc) the next job we do I am very keen to help them improve their quoting skills and work out better rates. That's what this document is for.

I am perfectly happy for people to quote each job on its merits because that's exactly what I do. And if they get it wrong then I expect them to take responsibility for that and that's also what I do. I am not asking anyone to do anything I don't do or haven't done myself.

But there are some jobs where we both know it is simply not possible to quote a fixed price because you can't know in advance how long it will take. When I am interpreting, I don't know if the job will end mid afternoon or go until midnight, nor how many hours I might be obliged to sit waiting while the client sorts out their issues. So hourly rates are the only fair way for the client and I to make sure we are both supporting each other.

Similarly, I fully expect casual translators to be able to quote fixed word rates if they are working in their own workspace, which they have spent many years developing so that it enables optimum productivity, all the way from the keyboard to the kitchen. But if I ask a draft translator to come into our office to work (which often happens – we don't work like agencies) then I pay hourly rates, because there's no way I could expect them to hit the same productivity targets in a different office on different computers, or waiting for me to explain what I want.

And of course, if you are selling checking, editing, researching to someone, you probably charge by the hour. But again, that hourly rate should compensate the person to *at least* what they would be making on their best day as a translator working per word (why would you work for less?)

So that brings us to what *your* hourly rate should be. I italicise 'your' because it has nothing to do with the dollar figure anyone else is charging. That would be to assume that these things are determined simply by an individual's membership in a class of people, which tends to erase everything about the individual member. That's called "class theory" and is designed to serve broad political movements rather than the economic interests of any individual ensnared within it.

Every individual has different goals, needs, costs, options, expectations and clients. So the dollar figure is specific to them, and to you, and to each job.

To serve *your* economic interests you need to ask yourself "How much per hour could I be making right now?" (See diagram on next page)

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What is a job that you know you could go and get right now? It might be a completely different job, or you might have plenty of translation and interpreting work that you know makes you a certain amount per hour (because you have done that three month analysis I described above).

Whatever that amount is, you would be mad to settle for less than that. Provided of course it was more or less equivalent in every other way: similar hours per week, similar level of amenity, emotional and intellectual satisfaction, danger and inconvenience etc.

Perhaps you are in the fortunate situation of having enough translation and interpreting work to keep you busy 40 hours every week. In which case you could subtract from your sales for three months all the outgoings required to generate those sales (known as "COGS" Cost of Goods Sold), divide by 480 (12 weeks x 40 hours), and there's your hourly rate. I have a spreadsheet that makes this calculation very easy and I am keen to share it and show people how to use it.

As long as you are making at least that much per hour, you can hardly complain. Again, this is the way I have always approached my hourly rate.

Then there is an upper limit. All other factors remaining equal, if you are the more or most expensive person I know, you are less likely to be offered any work.

But all other factors are not equal, and I have always tried for myself and tried to help other translators learn how to compete on factors *other than price*.

It is competing solely on price that makes us appear to the world like we are mere typists and taxi drivers, with no remarkable skills that may deliver widely varying levels of quality and service.

People who obsess over "rates" are actually contributing to the problem of the world not taking us seriously.

If we want to make money, we MUST learn other ways to compete.

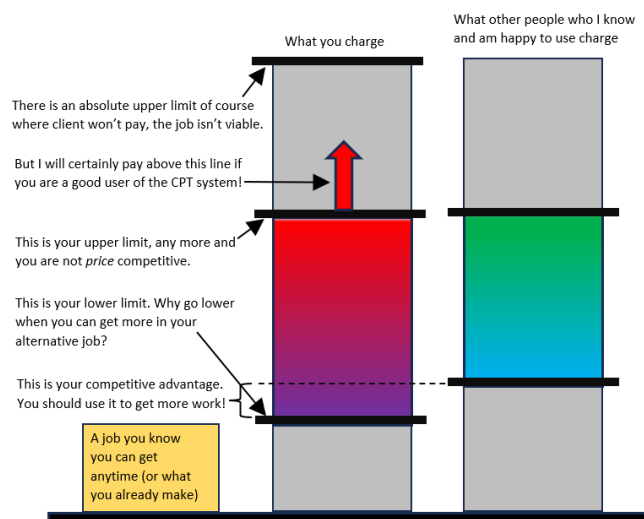
You may be competing to get work from me. You are definitely a factor in how competitive my product is, and that drives the amount of work I can then offer you. Here's the ten things we need from people. Low prices is only number 4.

<https://poolettranslation.com.au/file/7637/823>

Some may say that I am foolish allowing people to charge per hour when I am not in control of what they are doing. I have always trusted people and rarely been disappointed.

Some are suspicious of my motives for asking people to do a timesheet. One of the main reasons is to get people to gather the data necessary for *them* to be able to set better rates for themselves.

By creating an environment that allows people to develop their love of translation and develop their associated skills, I believe people will be motivated to learn how to set hourly rates that are competitive and rewarding.



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