

TheCopywritersCoach.com

How To Set Your Copywriting Rates: Part 1

By veteran copywriter and
copywriter's coach, Chris Marlow

If you're just starting out in copywriting (or even if you've been at it awhile), it's good to know that in any freelance business, there's a rule of thumb that says you can't make a decent living by charging less than \$50 per hour.

However, that's a one-size-fits-all approach, and one size does not fit all in the copywriting business, because not all copywriters have the same skill level, not all markets pay the same for copywriting, and even the economy can affect copywriter pricing.

In this installment on "How to Set Your Rates," I'll show you the formula for determining the hourly rate that's right for you.

In the next installment on this subject, you'll learn about primary industries that use copywriters, and how they differ in their pay conventions.

And in the final installment of "How to Set Your Rates," I'll share with you the various (and perhaps surprising) ways you can structure your pay.

Setting your hourly rate

Knowing your hourly rate will help you determine what you should charge for a job, and it will also allow you to charge for jobs that require only an hour or two of your time.

But always avoid working for "an hourly rate," since as you get better and faster at what you do, your speed in finishing the job will allow you to earn more than your stated hourly rate.

That said, let's get a pencil and figure out what your hourly rate should be.

First, determine what you want your annual income to be. If you're not sure, check out www.salary.com. For the purposes of this exercise, we'll assume a yearly pay of \$42,252, which is the median pay for an intermediate level copywriter working full time for an employer in Southern California.

Next, figure out what your monthly overhead is. This usually includes the following expenses:

Income Taxes (ballpark at 25% of your gross)
Utilities
Health Insurance
Disability Insurance
Miscellaneous Office Supplies
Marketing
Postage and Shipping
Telephone
Accounting
Travel
Office Equipment
Software
Dues & Memberships
Subscriptions
Food & Entertainment
Gas & Car Maintenance
Car Insurance
Retirement Savings (figure 10% of gross)
Rent (If you work from home, determine what percentage of your home is used for office space, and use that percentage to determine how much of the mortgage or rent applies to overhead; the same calculation applies to utilities.)

Next, multiply your total monthly overhead by 12, to get your yearly overhead, and add your desired yearly income to your total yearly overhead.

For instance, if you want to earn \$42,252 and your overhead runs \$20,000, you'll need to earn \$62,252.

But wait — this is America and you need to earn a profit on your work. For that, add 10% to 20%. For our purposes here, let's add 15%. Now your yearly earnings need to be \$71,589.

Divide \$71,589 by the number of hours you plan to work over the course of a year. If you plan to work 50 40-hour weeks, that's 2,000 hours.

Thus your hourly rate can be \$35.80 per hour. Or so it would seem.

The fact is, you will never actually earn money for every hour you work. Most copywriters spend a couple of days a week on the business of running a business — attending trade shows, doing the books, prospecting for clients, and much more.

And because of that, your hourly rate must go higher than \$35.80 if you want to make a successful career of copywriting. Some writers charge \$50 per hour, others \$65 or \$75 per hour. And more advanced writers (those who can supply strategy, help with list/media selection, offer development, creative direction, and more), earn \$100 per hour and upward.

Whatever hourly rate you settle on, it's good to remember it's mostly a guideline for determining a flat rate for the whole job. And each job will be unique.

One job may be for a large corporation that's used to paying a mid- to high-fee; another might be for a small inn that has a limited but acceptable budget. In the end, the hourly rate you earn and the fee you charge will be based upon three things: 1) Your ability to accurately estimate your time, 2) What feels like a fair price to you, and 3) What the market will bear.

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Award-winning copywriter Chris Marlow has written for the nation's leading businesses for more than two decades. For information on powerful copywriting, visit: <http://www.chrismarlow.com>

Chris also offers business and copywriting coaching to new, aspiring, and seasoned copywriters who want to accelerate their success. Check out the benefits of coaching at: <http://www.TheCopywritersCoach.com>

Chris has also created the world's only large-scale survey of copywriter pricing and economics. Find out what others charge and earn at: <http://www.FreelancersBusinessStore.com>

And for free information on how to quickly build a profitable freelance business, sign up for Chris' **Freelancer's Business Bulletin** at: <http://www.FreelancersBusinessBulletin.com>

PO Box 1134, Palm Desert, CA, 92261
P: 760-340-2045 / F: 760-406-6200
Email: chris@chrismarlow.com

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