**Deciding what to charge: worksheet prepared by Corinne McKay (corinne@translatewrite.com)**

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| A. How much money do you want *in your bank account* each month (your monthly net salary including all non-work expenses such as rent/mortgage, food, entertainment, car expenses, pet expenses, etc. ) |  | Jane Translator’s example |
| $4,000 |
| B. Estimated tax amount per month (20-50%, depending on your country and tax bracket) |  | $1,000 |
| C. Contribution to retirement account per month |  | $500 |
| D. Health insurance or other benefits, per month |  | $500 |
| E. “Paid vacation” account contribution, per month (money you use to pay yourself when you take time off) |  | $363\* |
| F. Professional development expenses, per month (for example if you plan to spend $3,000 per year to attend conferences, enter $250) |  | $250 |
| G. Professional association dues (paid yearly, but break down to a per-month amount) |  | $35 |
| H. Subscription-based web services, per month (Office 365, LinkedIn Premium, online backup services, etc.) |  | $100 |
| I. Office rent, if any, per month |  | 0 |
| J. Computer hardware and software, per month (for example if you plan to buy a new computer and a TM program, estimated total $2,400, enter $200) |  | $100 |
| K. Work-related child care, if any, per month (note that if you have kids 12 and under, you can probably deduct summer day camp: check with an accountant) |  | 0 |
| L. Communications expenses, per month (Internet, phone, etc.) |  | $150 |
| L. Add up lines A-L: | **Total (gross)amount you need to earn *per month*:** | **$6,998 (let’s call it $7,000)** |

\* Paid vacation: Jane pays herself $4,000 a month and takes four weeks (one month) off. So she needs to save $4,000 over the course of 11 months=$363 per month

**You may want to do this exercise for a couple of different income levels:**

-bare bones (no extra expenses, or taking money out of savings for extra expenses)

-mid-range (not dipping into savings or cutting expenses, but not saving much)

-ideal (the same level of financial security as someone with a traditional job)

**Now, let’s break the above amount down into your required hourly or per-word rate.**

A major variable for any freelancer, especially a beginning freelancer, is non-billable time. It’s easy to think that you just take the number you calculated on page one, divide by four for your required weekly income, then divide by 40 for your required hourly income. But very few freelancers will actually bill 40 hours per week. There are lots of variables: non-billable time for marketing, professional development, accounting, working on your website, issuing quotes, invoicing, etc. Plus, for beginners, you will have time that you want to be working but you don’t have enough work to fill the time. This is something to consider when you look for clients: working with regular agency clients who send you lots of work, you could perhaps bill 35 hours per week. Working with direct clients who take more time to find and retain, and whose work may involve more administrative overhead, you might bill closer to 20 hours.

You may want to do this exercise a couple of times, as with the first section. For example, do this calculation for 20, 25, and 30 billable hours per week.

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| Total from page 1, multiplied by 12 (required yearly gross income) |  | Jane Translator’s example |
| $84,000 |
| Total number of weeks per year you plan to work (for example if you want to take 4 weeks of vacation, enter 48). Subtract \*any\* week that you would not be working. For example if you normally lose 5 work days to stay home with sick kids, count that as a zero-income week. |  | 48 (four weeks of vacation) |
| Divide line 1 by line 2 (gross income by working weeks). Enter your required gross income per working week. |  | $1,750 |
| Number of hours per week you hope to bill (maybe calculate for 25, 30, and 35 hours per week) |  | 25 |
| Divide required weekly gross income by target billable hours. Enter your required hourly rate. |  | $70 |

Now, you have a couple of options. If you do work that is billed by the hour, you need to charge the amount that you calculated in the final cell. If you do work that is billed by the word, then you need to know how many words per hour you translate or edit. The only way to find this out is to time yourself, making sure to include proofreading and anything else needed to produce the final translation, or deducting the amount you pay a proofreader out of your earnings.