

Q1 2008 Freelance Rates for Technical and Marcom Writers

This report is based on input from 47 freelance technical/marcom writers and documentation managers. **All rates are those actually charged, not asking rates.** If you are a member of elephant.org.il you are also entitled to access to the results of the survey of salaried technical/marcom writers and documentation managers or of freelance rates for copy editors. Nonmembers can purchase access to the other surveys for a very small fee.

How Rates Were Calculated

The way rates are calculated affects the outcome.

Average by Writer and percentile rates are calculated in units of rate per writer with no weight given to the number of hours each writer works.

In other words $Avg = (RateForA + RateForB) / NumberOfWriters$.

For example, if writer A works 200 hours/mo and charges \$10/hour, while writer B works 100 hours/mo and charges \$20/hr the average is calculated as follows:

$$Avg = (\$10 + \$20) / 2 = \$15 .$$

Average by Hours is a weighted average that places more weight on rates for writers who have more billable hours and therefore more impact on the market.

In other words $Avg = TotalAmountBilled / Total\ Hours$. In additional set of average salaries was calculated (with no breakdowns) based on For example, if writer A works 200 hours/mo and charges \$10/hour, while writer B works 100 hours/mo and charges \$20/hr the average is $Avg = (\$2000 + \$2000) / 300 = \$13.33$.

Direct Rate vs. Market Rate

Direct rates, subcontractor rates and rates paid by the client for subcontract work are all maintained and calculated separately. Only the relevant number of hours are included in Average by Hour calculations for writers who work both directly and as subcontractors.

Direct Rate = the rate charged by contractors who work directly with the client and does not include data from subcontractors.

Market Rate = the rate charged the client. This includes data from subcontractors who know what rate the client was charged, and does include data from subcontractors who do not know what rate was charged.

When calculating Average by Hour calculations for Market Rates, the Direct Rate is calculated for the number of Direct Hours and the Rate Paid by Clients is calculated for the number of subcontracting hours reported.

In other words $Market\ Rate = (DirectRate * \%Direct) = (ClientPaidRate * (1 - \%Direct))$

Subcontracting hours for freelancers who do not know what rate the client paid are not included in the Market Rate calculations.

Subcontractor Rate = the rate received by the sub contractor.

Writer Received Rate = the weighted average rate received by the writer from direct clients (for Direct work) and from main contractors (for Subcontract work). In other words $Writer\ Received\ Rate = (DirectRate * \%Direct) = (SubRate * (1 - \%Direct))$

Exchange Rates

Most technical writing rates have been set in \$USD for years. The dramatic drop in the exchange rate at the start of April 2007 has changed

Quarter	% Reporting Rates in NIS
Q3 2007	26%
Q4 2007	8%
Q1 2008	17%

Rates that were listed in NIS were converted to \$USD at the Jan. 15 exchange rate of 3.711 . This is the reason that some of the percentile rate are uneven amounts (that percentile happened to be an NIS rate converted to \$USD).

Note: the questions ask for the rate in \$ unless the respondent specifies otherwise.

Average, Median and Percentiles

Average is calculated by adding up all rates and dividing the sum by the number of rates reported. $Average = SUM / \# \text{ of entries}$. An additional average based on the total amount charged by all writers/total hours billed by all writers was added to the nationwide calculations.

Median is what is the rate for the person in the middle, with the same number of people earning the same or more as those earning that rate or less.

Percentiles are a ranking of entries with the lowest at 1 and the highest at 100.

25% rate means that 25% earn that rate or less, and 75% earn that rate or more. This is a low-end rate - most writers earn more.

50% rate means that 50% earn that rate or less, and 50% earn that rate or more. This is what the average, run-of-the-mill technical writer should expect to earn.

75% rate means that 75% earn that rate or less, and 25% earn that rate or more. This is what a writer who is the starting point for a high-end

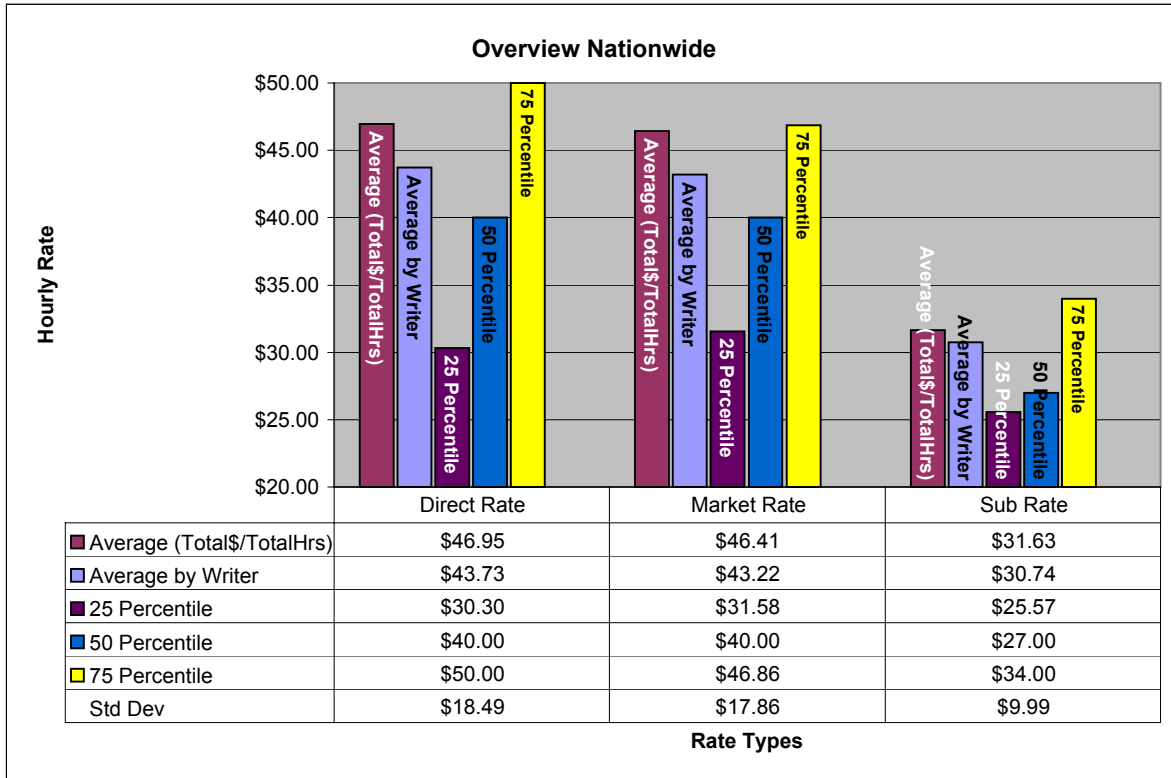
90% rate means that 90% earn that rate or less, and 10% earn that rate or more. This is a high-end rate - these figures are not included in

Q1 2008 Freelance Rates for Technical and Marcom Writers

General

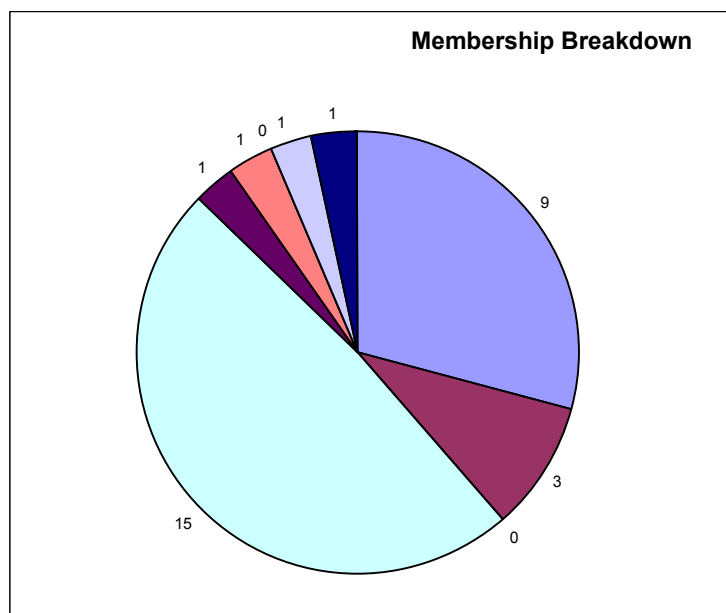
Technical writing rates appear to have stabilized at a new benchmark rate of just under \$40/hr after a slow, but steady rise. Rates for direct contractors have dropped somewhat, while market rates which include the rates charged by companies rose slightly at the median and low end. This indicates that technical writing companies have begun to charge a little more than independent contractors. Rates for subcontractors rose dramatically well above the Q1 and Q2 rates. This suggest a number of parallel trends:

1. Clients are beginning to insist that technical writing companies use more expensive subcontractors.
2. Subcontractors are forcing a change in the percentage of the amount charged that they receive.
3. The ratio of experienced subcontractors with long-term on-site placements vis-a-vis off-site subcontractors who work on projects is changing.



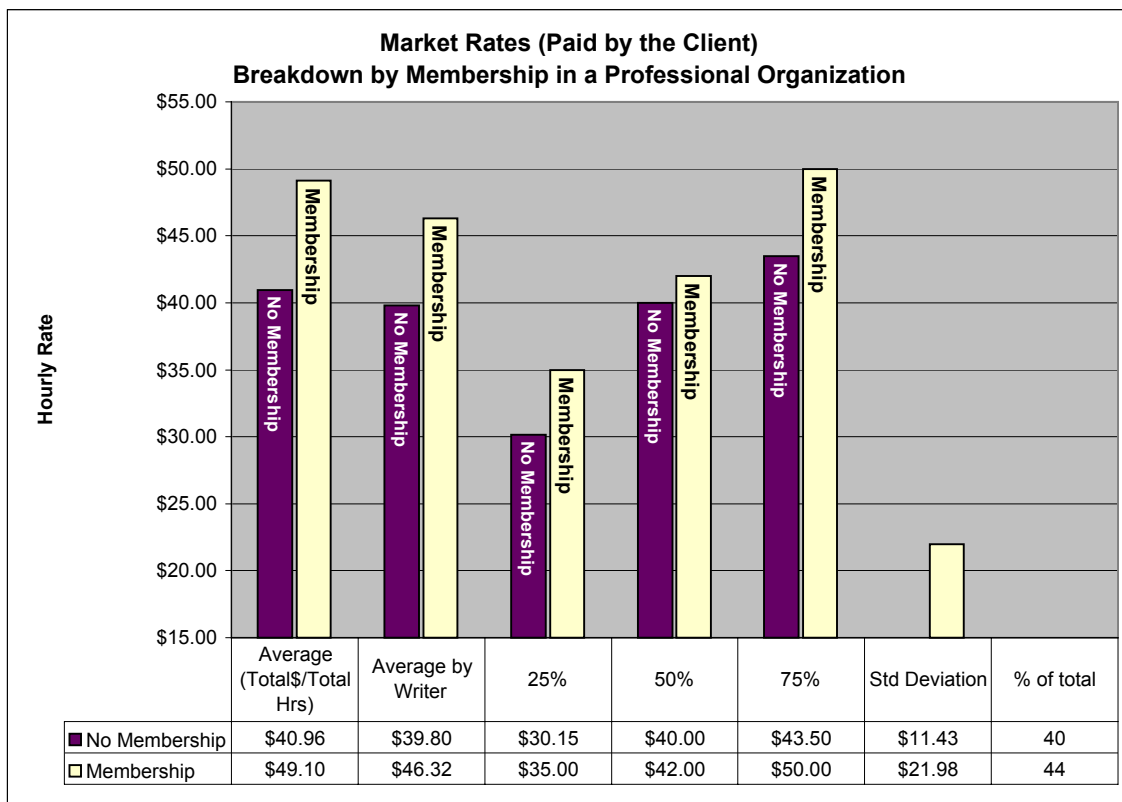
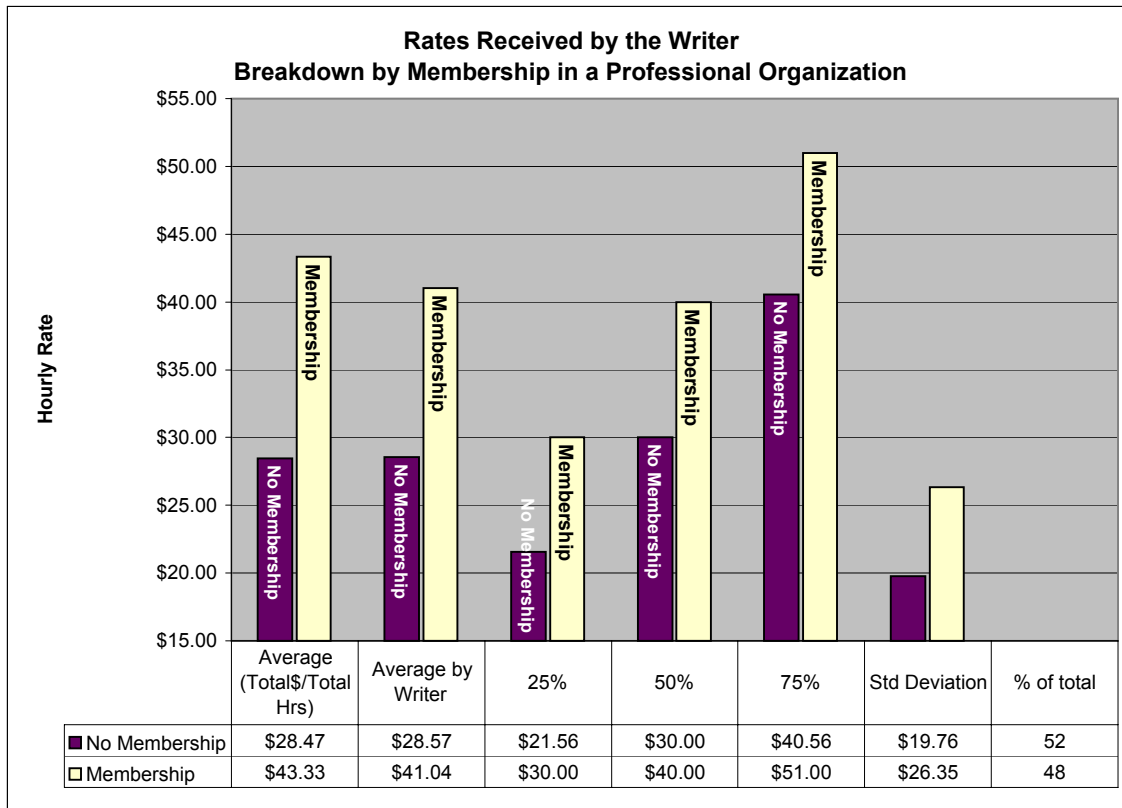
Professional Organizations

The percentage of the freelance writers reporting that they belong to at least one professional organization has increased to the point where it exceeds the percentage that do not belong to any professional organization. This indicates that freelance writers are finding more value in professional organizations than in the past. Because of the increase in the number of affiliated writers we cannot necessarily assume a direct relationship between affiliation and an increase in rates even though rates rose for affiliated writers in all percentiles and dropped for unaffiliated writers.



Q1 2008 Freelance Rates for Technical and Marcom Writers

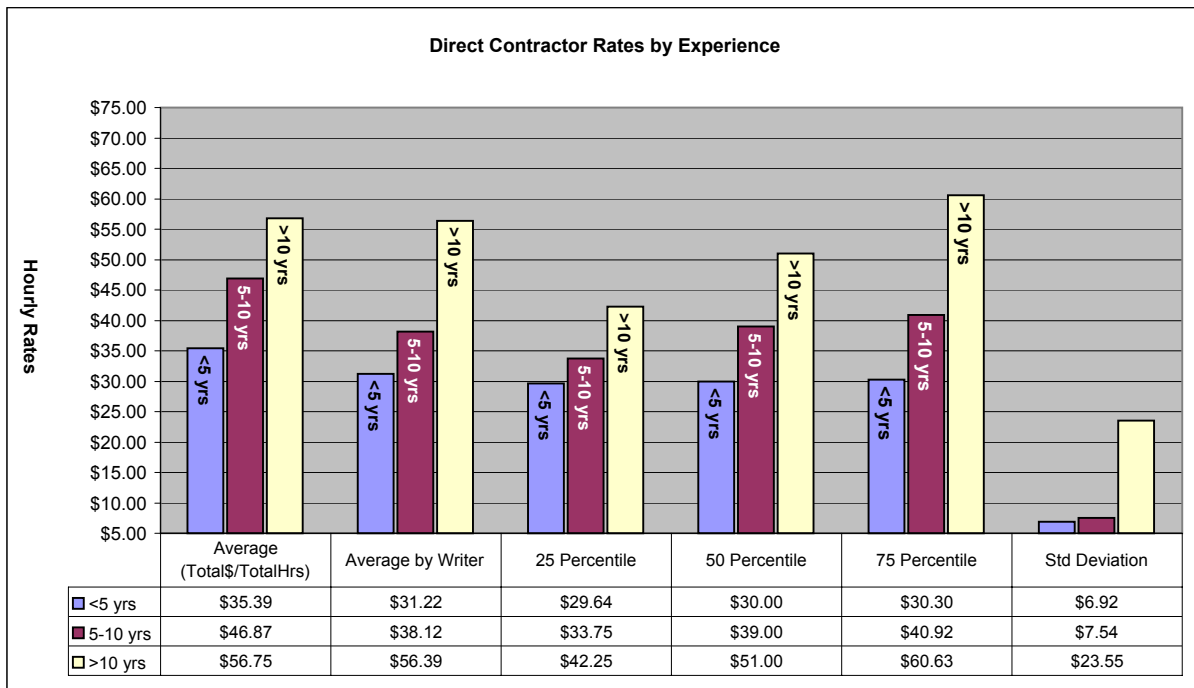
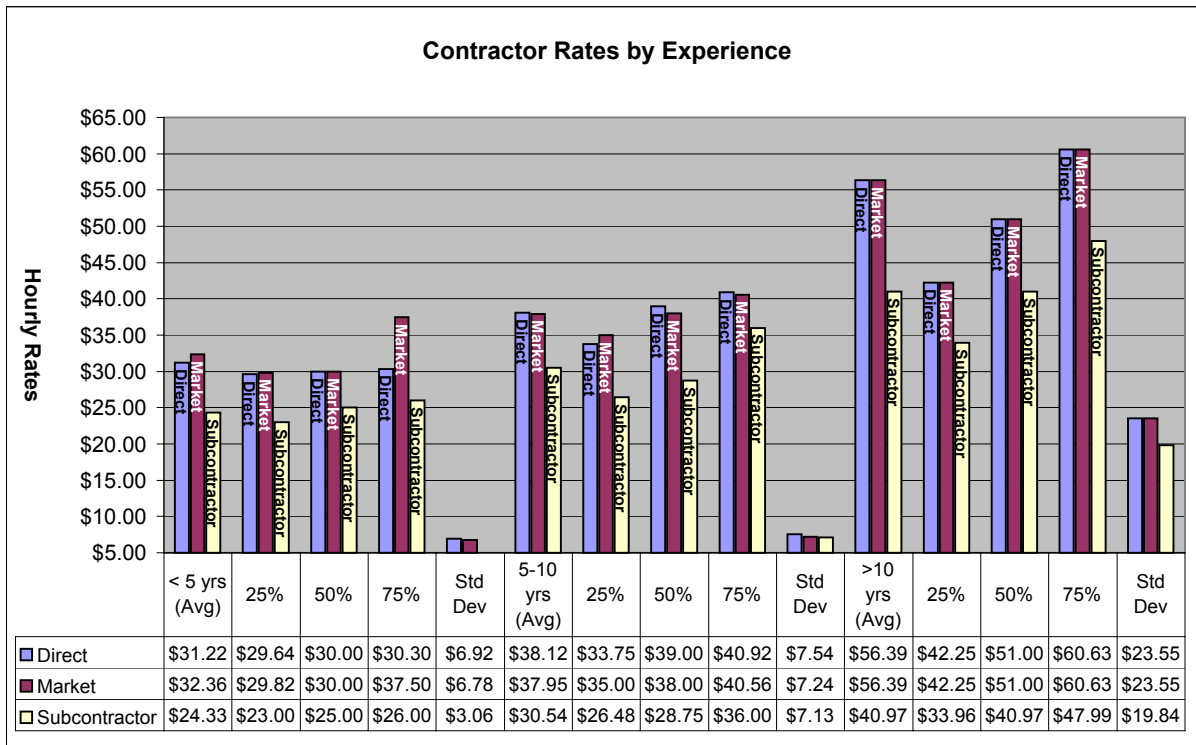
Professional Organizations (continued)



Q1 2008 Freelance Rates for Technical and Marcom Writers

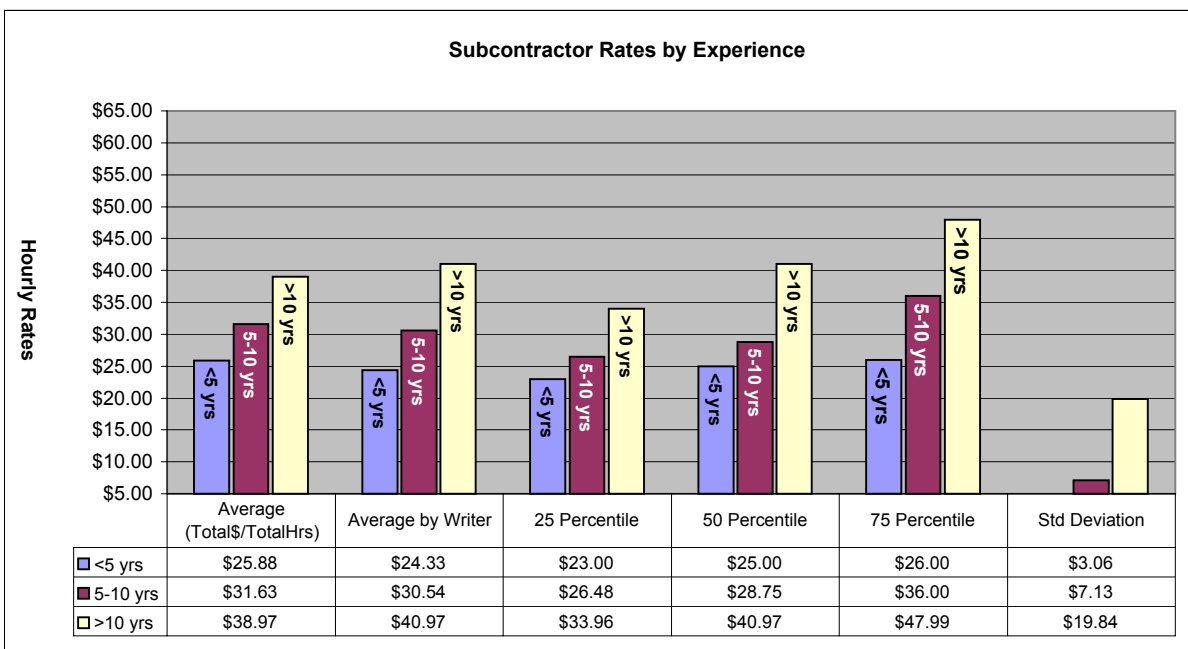
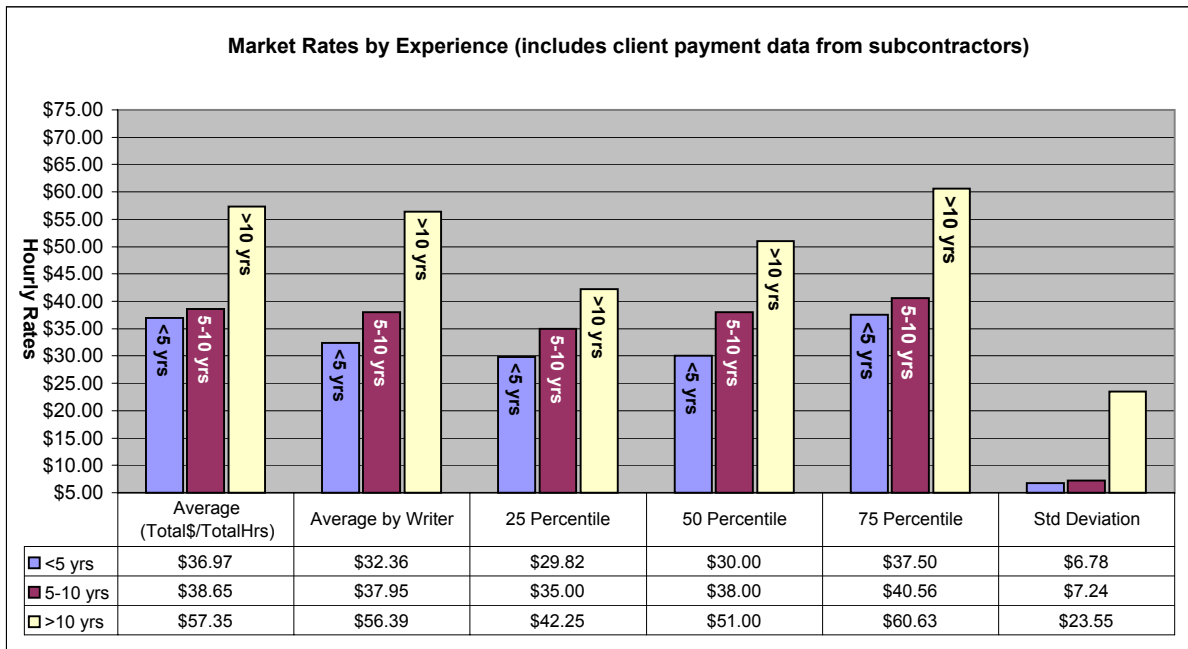
Experience

Part of last quarters gains by the least experienced and most experienced direct contractors were lost, while rates for those in the 5-10 year



Q1 2008 Freelance Rates for Technical and Marcom Writers

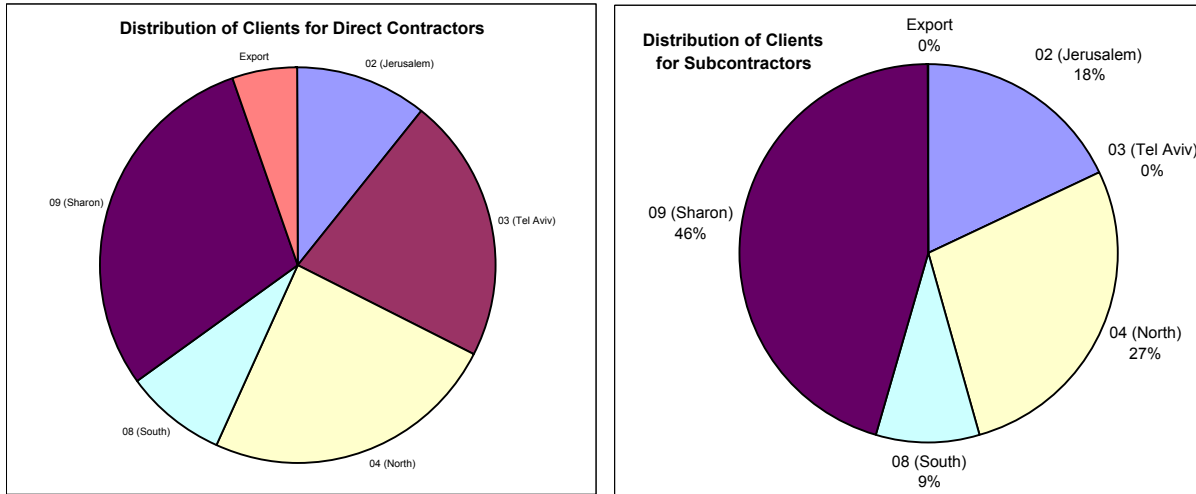
Experience (continued)



Q1 2008 Freelance Rates for Technical and Marcom Writers

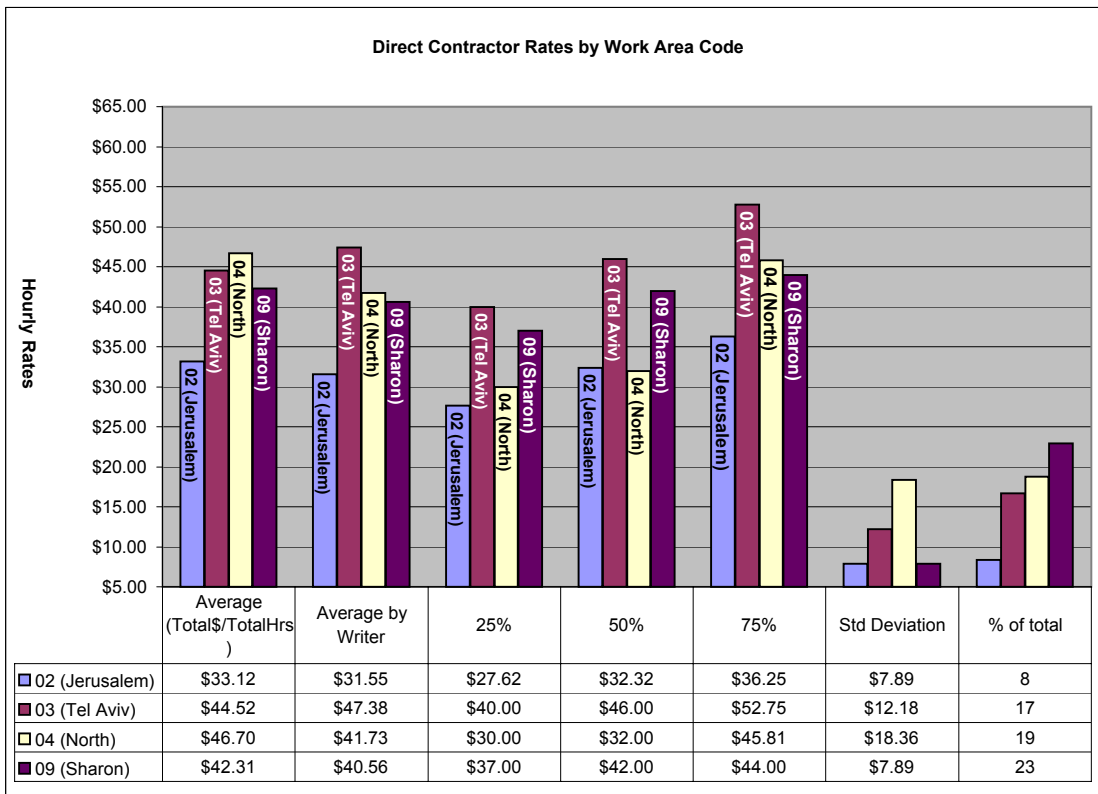
Geography

A new statistic that I "stumbled across" while comparing rates based on home vs. work area codes is for freelancers who "export" their work , i.e. work remotely for overseas clients. The number of writers is still small, but it is an interesting trend to watch. Rates for these writers are higher than for work performed in Israel. Separate statistics for writers who export or work in the 08 area do not appear in this report because there were too few respondents.



Direct Contractors

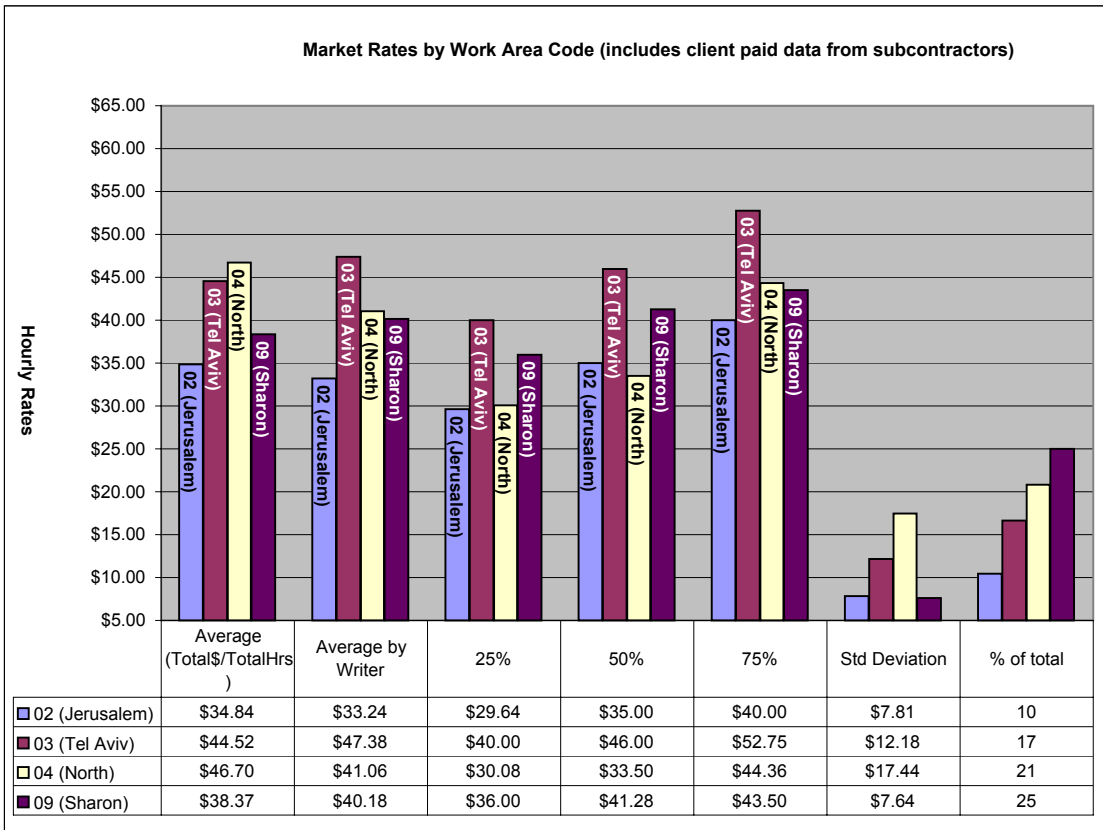
The Average by Hour rate for direct contractors in the 04 area code disproportionately high compared to its standing in the percentile breakdowns. This can only be explained by well paid writers accounting for a larger share of the billable hours in the north than in other ar codes.



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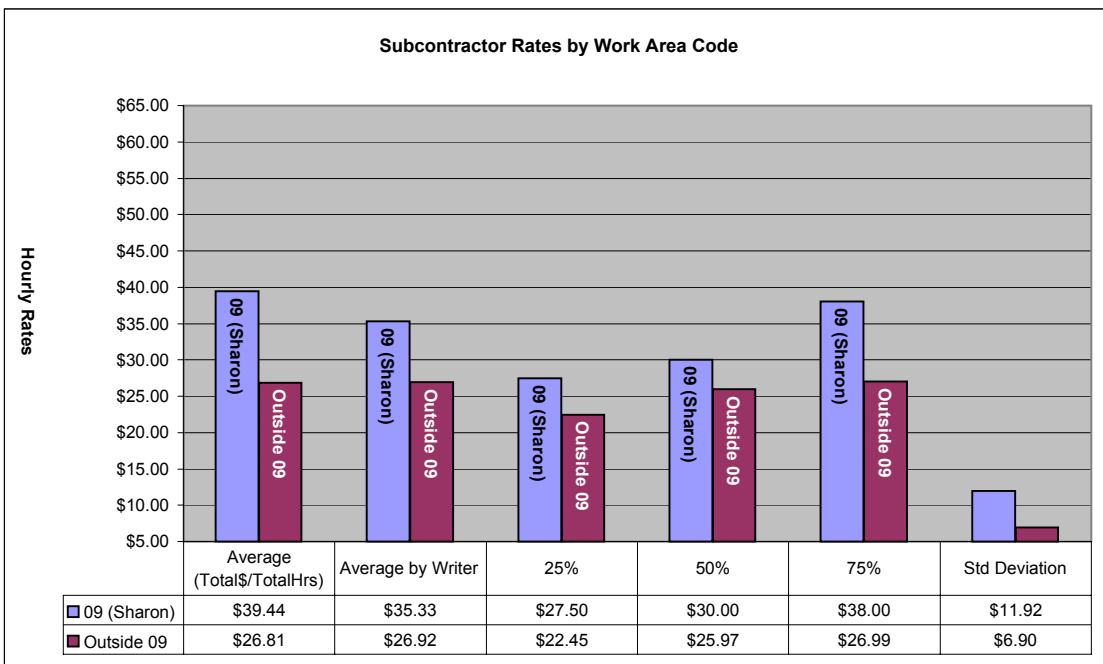
Geography (continued)

Market Rates



Subcontractor Rates

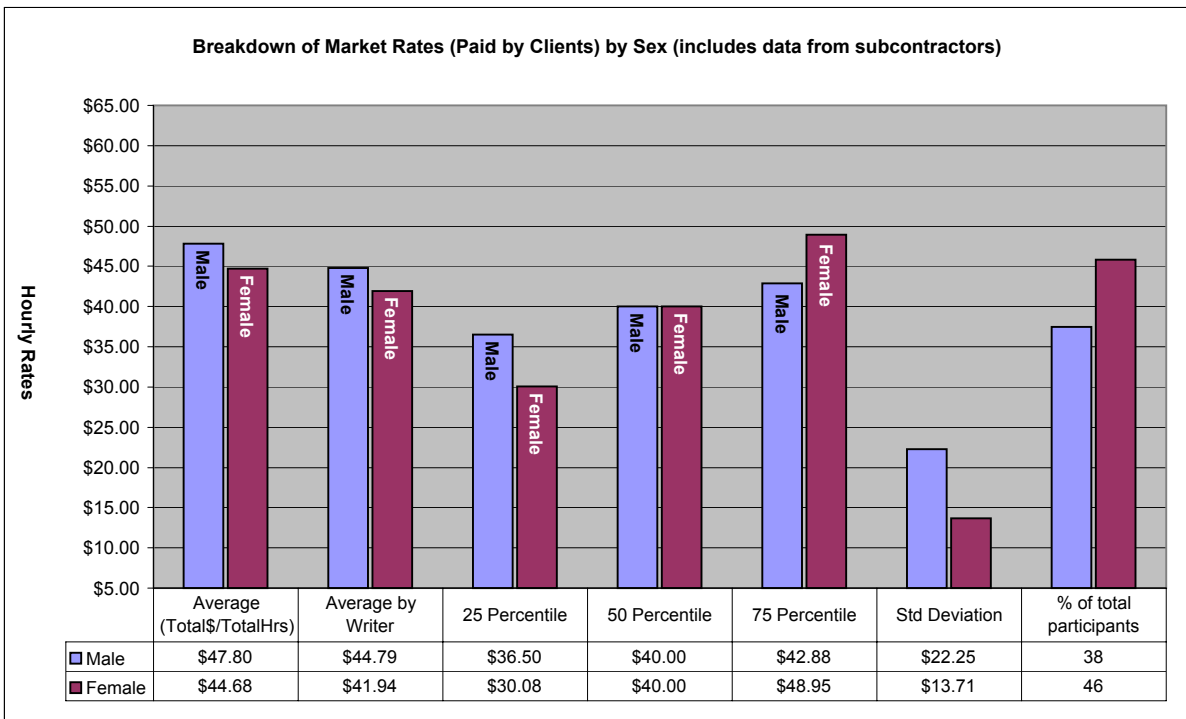
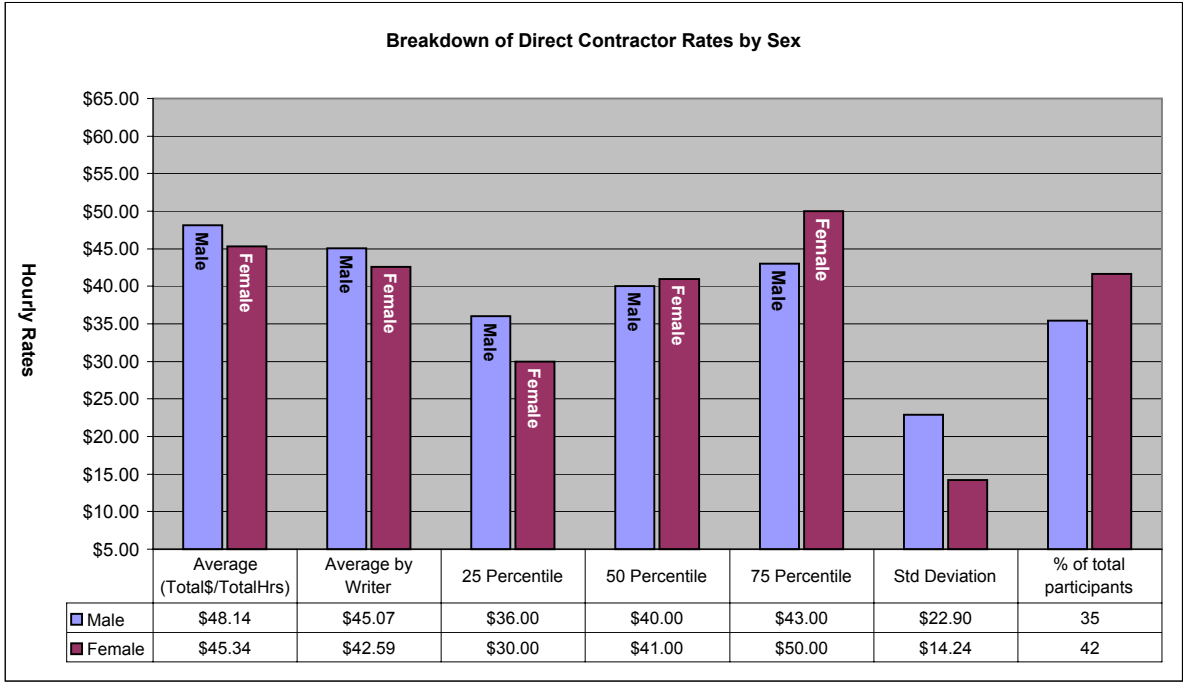
The number of subcontractors in each of the area codes outside of 09 were small, so they were combined and compared with the 09 area code as a group.



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Sex

The differences between male and female rates continues to be minor and which earns slightly more changes from quarter to quarter. This indicates that there is little if any sex discrimination in this profession.



Q1 2008 Freelance Rates for Technical and Marcom Writers

Sex (continued)

