

# Comparing and Contrasting: Hourly vs. Fixed Rates

January 13, 2015

## Pros

### Hourly Rate

- Compensated for time spent working
- Adjusts for workload fluctuations
- Increased expense details for clients

- Versatile applications depending on the job
- Point of negotiation in contracts
- Pays the bills

### Fixed Rate

- Lowered expectation to stay within budget
  - Increased control over project time management
- Personal budget is clearly established

## Cons

### Hourly Rate

- Client might find rate to be steep
- Scrutiny over hours spent working
- Efficiency lowers your pay

- Pricing model scares clients away
- Risk of not getting paid

### Fixed Rate

- You may be low-balled without realizing
- Does not account for changes in project scope by client
  - Difficult to reach endpoint on large projects

### Hourly Rate Uses:

- Long projects
- Fickle clients
- Tight timelines

### Fixed Rate Uses:

- Small gigs
- Extended timelines
- Great deals