

Other Options

Per-Person Fee

Although not as commonly used, a per-person fee arrangement is an option, particularly when planning a smaller event such as a dinner party. In this case, the event planner may charge a fee of \$10 to \$40 per person depending on what services are needed and how many people are attending.

If you charge a per-person fee, make sure you set a minimum that will adequately compensate you for your time. The number of actual guests may be lower than the initial estimate. If the host tells you the event will involve 25 people, but only 10 decide to attend, you want to ensure your fee does not suffer as a result.

Commission

A few event planners offer their services free of charge to clients. They earn their money from **commissions** paid by vendors. The percentage of commission will depend on how effective a negotiator you are. Most suppliers will give you **10 percent off** simply because you request a discount. (Discounts are usually passed along to the client.) If you have established a relationship with a vendor, they may offer you a higher percentage for referring business to them.

Receiving this type of “**kickback**” is viewed as unethical by many event planners, although it is standard practice in other industries. (For example, travel agents traditionally offered their services free of charge to travelers because they were paid a commission by airlines, hotels, and other travel suppliers.)

When deciding whether to go this route with your business, consider that some clients (those who believe “you get what you pay for”) may be skeptical of an event planner who charges no fee for their service, unless they are employed by a vendor such as a hotel.

Reselling Products

As mentioned in the section on taxes, some event planners buy products (e.g. party favors) at wholesale prices and then resell them at retail to their clients. If you plan to become a reseller.

Fundraisers

If you want to work with non-profit organizations, you may hear that they have “no money” to pay an event planner. One way to overcome that is to offer to organize a fundraising event, which could raise money for the organization and pay your

fee. You might share the “gate” (money raised from ticket sales or admission fees) 50-50, or work out some other arrangement. Some event planners make similar arrangements with sponsorships or donations that they arrange for non-profit organizations. This is a risky way to get paid, so make sure it is a cause you believe in.

Combination

Some event planners charge a combination of fees. For example, a corporate meeting planner might charge the client a flat fee combined with a percentage of the cost of the event; while a planner who does small social events might charge a flat fee plus earn a commission from vendors.

Once you have been planning events for a while, you may decide to revise your fees, or charge amounts based on different methods. With more experience or education, you may also want to raise your fees.

When setting your fees, consider the services you will provide, your experience, and what the local competition is charging. You should also determine what your **overhead** and **administration costs** are and ensure you include a portion of your costs in your fees for every event.

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