

Setting Your Fees

Long before your first phone call from a prospective client you need to decide how much you will charge for your time and expertise.

The most common ways for event planners to charge for their services are:

- Cost-Plus
- Hourly Fee
- Flat Fee

Cost-Plus

This method (also known as a **percentage fee**) involves charging clients a fee based on the cost of the event. Many event planners use this method, alone or in combination with an hourly fee.

After adding up all the costs of the event (before taxes), you would charge an additional **10 to 25 percent** as your fee (the average is about **15 percent**). So if the event costs \$10,000 and your fee is 15% of the cost, you would earn \$1,500.

If you decide to price your services this way, determining the budget will be an important first step to ensure you can provide the service for that amount of money. In some cases, particularly social events, this method alone may not pay enough. For example, if you are planning a children's birthday party with a budget of \$500, a fee of \$50 or so may not properly compensate you for your time. In such cases, we know of an event planner who charges up to **40 percent** of the total cost.

If you are considering charging a percentage of the fee, keep in mind that a number of clients do not like this method. Hospitality Networks advises:

“Select a planner who charges by the hour rather than based on a percentage of the total bill. When the planner's fee is based on a percentage of the bill there is little incentive to save you money on the cost of your event.”

All Rights Reserved © [Arab British Academy for Higher Education](http://www.abahe.co.uk)

