

## Sliding Scale Fee Guide

When negotiating fees with clients, a few questions listed below can help guide your thinking. As a starting point for negotiations, Living Systems will use the following formula for calculating client fees:

### **0.1% X annual household income - \$5 per dependent + \$15**

**Note: 0.1% of annual household income portion of the equation is very simple to calculate. It simply requires removing the “000” from the original income quoted. For instance, \$40,000 annual income X 0.1% = \$40.**

Example client fees:

Client with \$0 annual income and no dependents:

$$0.1\% \times \$0 - \$0 + \$15 = \$15/\text{session}$$

Client with \$75,000 annual household income and 2 dependents

$$0.1\% \times 75,000 - \$5 \times 2 \text{ dependents} + \$15 = \$80/\text{session}$$

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Questions for consideration when negotiating client fees:

1. What is the client's annual household income?
2. How many family members are there in the household and how many of these members would be considered dependents?
3. Are there other aspects of the client's circumstances that should be taken into consideration when calculating the fee (e.g. disability, insurance coverage, separation/divorce, family loss, etc.)?
4. Is the amount discussed a comfortable number for the client that they could see managing to pay on a regular basis? How frequent would they like their sessions to be at this amount?

Notes for contractors/interns:

It should be noted that this is not a truly equitable guideline. The \$15 additive in the equation is more impactful/burdensome for those on the lower end of the fee scale than those on the higher end. This is why interns/contractors should exercise flexibility and judgment when charging their fees. It may be that senior contractors actually want to increase the additive as income increases to the higher end.

Interns/contractors should be mindful that they should aim to keep Living Systems in the black when billing for their hours. This often seems to work out naturally over a larger caseload.