

Contractor doctor: are advertised contract rates a good guide to market rates?

Dear Contractor Doctor,

Hi, I've been reading the excellent help available on the site, particularly the article written by a contractor about [how they went from permanent to contracting](#).

I am currently working in a permanent role, but due to company problems it is likely I will be made redundant any day!

I've often thought about contracting as I have a broad range of IT skills and currently work in IT & network support/consultancy. However when I search [Jobserve](#) the hourly rates for support/contracting are not that high, typically £12 p/h. Using the [calculator](#) on your site shows that it is a fairly poor monthly income. So I am a little confused as to the way forward. I guess it comes down the skills that you have, as per the website, which talks about High End & niche skills etc.,

Yours still confused

[Name supplied]

Contractor Doctor says:

Thanks for your kind comments about the site.

There are three case studies you might find useful which have been written by real contractors. They describe how they made the transition from permanent to contract:

[From permanent to contract - case study 1](#)

[From permanent to contract - case study 2](#)

[From permanent to contract - case study 3](#)

Most agents rarely advertise the rate on [Jobserve](#), because they want to get try and get as much margin as possible out of the contractor. As a first time contractor you are a prime target for being able to optimise their margins.

Whilst agents have the 'agent' title remember that they get paid commission based on their margins, so are essentially salespeople. They want to charge the client as much as they can and pay you as little as possible.

Advertised rates tend not to reflect actual rates that you can get in the market and can often be purposely low. This is because sometimes agents are obliged to advertise impossible jobs for their clients. For example, when the client wants to pay peanuts for a high demand skill and not get a monkey. The agent will then advertise the position to show they are 'trying' to get someone, but will publicise the low rate to put people off phoning them and wasting their time.

Take advertised rates with a pinch of salt as a guide to market rates.

Your next step if you fancy contracting is to make as many contacts with people as you can who are contracting and have similar skills to your own. They can then give you advice about a sensible rate to charge. At a guess, with your skills I'd expect you to command around £20 to £30 an hour.

To establish your market worth you can try putting yourself on the market to see what you can get. Start with a high rate and then lower it until you get firm bites. I've discussed this more in the article [Determining the Contract Rate for Your Skills When Entering the Contract Market](#)

Good luck!

Contractor Doctor

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