

Do you have a paralegal billing rate?

By Kris L. Canaday, Freelance Paralegal

Not too long ago, I was talking with a young solo practitioner who needed help with trial prep. He has a growing practice but isn't quite ready to hire employees; he does, however, need help – especially on larger cases. After he asked about my fees, he responded that he'd need to see if they were okay with his client. It's not the first time I've had such a conversation with a young attorney and I immediately knew that he did not yet have his billing rates established.

It's difficult enough for young solos to develop their own billing rate [see, [Are you pricing for success \(or failure\)](#)]. When you're starting your own practice, hiring personnel is generally the last financial obligation on your mind. A solo is used to doing everything alone. It's not until much later, when the pressure of growth starts to suffocate, that thoughts of billing rates re-enter the picture:

“Why am I struggling financially when I'm so busy?”

“Am I charging the right amount?”

“Should I bring in support?”

“If I do, what should I charge?”

You don't need to wait until you reach that point, though, to answer such questions. It's a good idea to [periodically assess your own billing rate](#) and **have a pre-established paralegal billing rate so you're ready when the time comes**. Add it to your retainer agreement, so it's there and ready. If you don't already have your paralegal billing rate in your retainer agreement, at least be prepared to go to the client if the situation arises and say, “We're going to need to bring in paralegal support for this case. The billable rate for my paralegal is”

If you're looking to retain a freelance paralegal or paralegal support service, keep in mind that the paralegal's billing rate is not your billing rate. This is another mistake I find – mostly with younger solos – as with the situation above. It's your practice and *your* billing rates that you're charging your clients.

A freelance paralegal or paralegal support service has its own billing rate. That's the rate it charges the attorney or law firm for the support provided. That's the rate the attorney or firm pays to the service provider.

What the attorney or law firm recharges to its client(s) is up to the attorney or firm and should be billed at the firm's own paralegal billing rate. The firm or attorney's paralegal billing rate should be more than the freelance paralegal or paralegal support service's billing rate. Retaining a freelance paralegal or paralegal support service is a deductible business expense when tax time rolls around, but the difference between the freelance paralegal's billing rate and the attorney or law firm's billing rate is an immediate profit for the attorney or firm.

Do you have a paralegal billing rate for your practice? If not, now is the time to establish one.

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