

Popular Threads on Solosez

[RANT] How Do You React When Asked to Lower Your Fee?

How do you react when a potential client (or an attorney referring a potential client) asks for a "discount," "friendly rate," etc.? This happens to me all the time (even before I quote a fee), and it's really beginning to annoy me.

Susan K. Ashabraner, Fullerton, California

I have been known to ask PC if he wants a pro bono application, just in case he thinks he qualifies.

Alan P. Bernstein, New Jersey

If they ask you for a discount before you quote your fee, just raise your fee and then give them a discount back down to your regular fee. If you normally \$200/hr and they want a discount, say "sure, my regular fee is \$245/hr, but I'll lower it to \$200 for you." or if you normally do an estate plan for \$1000, tell them it's normally \$1300 but you'll do it for \$1000. If they are asking for a discount and they don't even know what your normal fee is that's weird. On the other hand, if it's an attorney who refers a lot of things to you, you could do a 10% or 5% discount, or waive the initial consultation fee or something like that.

Leanna Hamill

At least where I practice, raising fee and then offering a "discount" would violate a few ethics rules. I actually used to do that with one client who loved to negotiate. BUT...I told him I was raising fee 25% and that was how much he could negotiate it down. He more enjoyed the process and we would jokingly "negotiate" the fees. But to do so without disclosure??? Not here.

Alan P. Bernstein, New Jersey

It depends on the regular rate. I might knock \$25 an hour off, or knock \$25 off of a will package. If it makes the sale, I'd rather make \$575 than zero. But I'm not going to do a deep discount for someone who is not a repeat customer.

Ronald A. Jones, Florida



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I work almost exclusively flat fee and I have a range of what I consider a fair fee. The vast majority of my Clients are from the Caribbean where most of the cultures revolve around haggling and negotiations. If I wasn't willing to negotiate my fees I would probably be out of business since the mind set of my client base is that if you accept the first quoted price you are just being ripped off. No ifs ands or buts. No efforts to convince them of the value of the initial fee quotes have ever worked with any regularity.

I do however tell potential clients that I do not negotiate fees unless they are ready to retain me right there. If they are not ready to hire me right now I ask them to return when they are sure that I'm the right lawyer for them.

Ken Forman, North Miami Beach, Florida

Past threads on this topic tended to advise that you should stick to your rate and if it is too much for PC, then they were welcome to go elsewhere for their legal services. Only requirement is that a lawyer needs to have a better than cursory idea of where the market is on these particular services, and know their own operations so you can price your services with a reasonable margin and be confident that you are within a normal range of price in the market.

People haggling for a bargain have appeared to be less than ideal clients as the relationship goes forward.

Frederick Mischler. Dayton, Ohio

Without changing demeanor, I just tell the person that my rates are not the lowest available and if that is what they are looking for, they probably would be happier with someone else...the choice is theirs. As far as I can tell, no one ever has been offended. Some times they decide one way, sometimes the other. Either way I thank them for considering me. That usually disposes of the issue.

From what I have seen, the client who constantly is unhappy with what you charge is going to use that concern to second-guess everything you do. I'd rather not have to deal with a perpetually unhappy client...by definition, you cannot win.

Hang in there...sometimes clients actually do appreciate the hard work you do for them.

Alan Inglis, California

I agree with Mr. Jones. I often tell people that I didn't get into this line of work to not be able to help people if they can't pay, but I my practice is my

business and my family depends on it. I think this helps allay their fears that I'm not the money-grubbing lawyer they think exists.

Shane Jimison

I, too, am fairly firm. I tell a PC that I don't compete on price and that my price, while perhaps not the lowest, is fair. I then go into a mini-shpiel of how great I am.

Meyer Silber, New York

I just use the analogy about their job....if the company they worked for, a very successful company, asked them to take a temporary cut in pay, would they do it? Most people see it more clearly then--- THEY WANT YOU TO WORK FOR THEM.

Gary Spencer

If they haggle... many of them do actually... I ponder a minute, punch numbers in my calculator and usually knock off one half of my hourly rate (.5) from the fee. It's not a huge discount, but they like saving a little bit. And as someone else said, I'd rather have a client at bit less than the full fee than no client at all. Everyone is a potential source of future referrals and happy clients are the best source!

I also tell them how I base my fee. I explain that my hourly rate is such and such and that it will take X hours for me to work on their matter. And then I continue to explain that my flat fee rate is less expensive than a retainer. This works for estate planning. For divorces, I take it by case by case basis -- my retainers for divorces are not standard. I base it upon their facts, where they are in the proceedings, their personality and where I see the divorce going -- uncontested or contested. It's hard to judge the matter up front, but I find that if I try to analyze it and base a minimum retainer off of that then everyone is happy. I actually spend some time explaining to my clients how my fee is calculated. They more they know, the better they feel. I also explain that I don't charge for copying, basic mailings and even some routine phone calls and emails.

Jennifer N. Sawday, Long Beach, California

shpiel? i always write it as spiel, since in the German s is pronounced like sh in English:))

Alan P. Bernstein, New Jersey

This is just me and I've only really been in business two weeks, but I plan to offer a discount of 25% if the client prepays twice the quoted retainer.

David Sandy

Well, it think to sell the client a fee is reasonable you need to compare it to what's at stake. I had a client that wanted some help with a divorce settlement. I quote her a fee based on about 2 hrs. of my time. Less then \$300 she thought that was too high. Well on its own it does but since a \$40,000 swing in what would get or not get. I didn't bring that up to the PC maybe if I had I might have gotten the work. Then again maybe not.

John Davidson

Thanks for not letting the "only two weeks" deter you from responding. New solos with new ideas! I had not thought of this reply.

Actually, I'll use it next time. I don't think I want to do a dissolution for 75% of my hourly, but I'll offer a 50% reduction in the retainer. Which, of course, means it will be largely a security deposit against the final bill, so the client will have to pay monthly. But I'll let the PC do the math and make the decision.

Carolyn J. Stevens, Lolo, Montana

If it comes up before a rate quote, do they know the difference? All we have to sell is our time and skill. Being expressly asked to lower a fee is different than being asked for a friendly rate. My fees are always reasonable, viewed from my perspective (clients don't complain either).

Sometimes I tell people different things, when it comes up. Discounts don't pay the bills. I have to take care of my staff and family, and don't believe in working for free by anyone else's choice but mine. Similar statements come up also.

Sometimes you can train the referral source, so issue does not arise.

Darrell G. Stewart, San Antonio, Texas

Alan Weiss recommends that if a client wants to reduce a fee, you offer to reduce your services to the client. Depends on what the request is, but could go like this:

Q. Can you take \$10 an hour off? A. I can, but then I cannot promise same day phone calls, those are reserved for full fee clients. Q. Can you drop the fee by 10%? A. The choice is yours, but with that you become a "B" client, and I focus on my A clients matters quickest. (presumes you

have a reputation for promptness).

Q. Can I get free advice? A. No. --

Ted A. Waggoner, Rochester, Indiana

Sounds reasonable and might work. The only problem I can see is keeping straight who's A and who's B. In the end, we probably do want to provide excellent service to every client (or should want to). So, you are probably inclined to treat Bs better than what they are paying for. that could cause it's own problems and encourages sticking to a properly identified hourly rate and telling clients that you are worth paying that fee. If they are truly concerned about resolving their issue, then they should consider how committed they are to making that happen.

Frederick Mischler, Dayton, Ohio

I would never engage in this--my work is my advertisement and I would never want to be in a position where I will be doing work that is not top notch. A client who asks for a discount will refer other similar clients to you based on the expectation of a discount. A good client will not ask for discounts and would refer other good clients to you. Best to wait to build a good practice rather than slapping together whatever you can as quickly as you can. Also make sure that you invest in a web site that makes you look like you are worth your fee (see mine at www.twllaw.com)

Also, it's not fair to all of the full price clients when you give someone a discount. The only discounting I do is for non-profits, and the same discount applies across the board in that case.

Tim Lewis, New York, New York

I have been working as co-counsel with a fair-sized firm that had no problem accepting a 10% discount, conditioned on prompt payment of bills within 10 days, when requested by a large corporation, with the understanding that substantial business would continue to flow from that source. Since the larger firm agreed to that arrangement, I was forced to conform.

But generally, our two-man firm will quote a fee and stand by it.

Steve Petix, San Diego, California


I can think of several GOOD reasons why discounting my regular fee might be appropriate in certain situations, and IMHO is not "unfair" to full paying clients. My .02.

Traci Ellis, Smyrna, Georgia

Hey Traci, that was only one penny's worth. 

What are your several GOOD reasons?

Regards, Art Macomber

That was just the down payment; since you asked, here's the rest: 1. An extremely well paying client who gives me lots of repeat business might get a discount because of the volume of work; 2. This same client might get a discount on some very small issue that I don't really spend that much time on, and can discount the hourly on it which makes the client feel good, and keeps the full pay repeat business coming; 3. Close relationships, but not close enough for free legal work. For example, a former high school teacher I was fond of; a friend of my parents; my son's best friend's parents, etc. These are usually one time matters, not overly taxing. 4. Bartering--I have a marketing consultant client who needs a client retainer agreement drafted and some other contracts reviewed (i.e. a lease for a new office space). I need some copywriting done for my new website that is under construction and she happens to be an excellent copywriter. But, she's a start-up and is strapped for cash right now. In exchange for me doing some legal work for her at a reduced rate, she is writing most of my website copy FREE OF CHARGE. Somebody owes me some change. This was at least a nickel's worth 

Traci Ellis, Smyrna, Georgia

Look, folks, this is a free market. You can set your fees anyway you want, subject to the bar rules. At least in Florida "Clearly Excessive" fees are prohibited, but "Clearly insufficient" fees are not addressed.

I can, and do, charge more for litigation than transactional work.

I can, and do, favor long time repeat clients on my fee structure.

I can, and do, discount when I feel it is appropriate- either because the matter is small one (I typically charge \$600 for a summary administration, without homestead or ad; or \$750 with one or both of those; but if it involves a small piece of property, typically a vacant lot worth a couple of thousand dollars, I've been known to cut it to \$250; it just doesn't make sense to charge \$600 for a piece of property worth \$1200: the client won't hire me, the property will go unprobated and eventually be sold for taxes. I'd rather have the \$250 for 30 minutes work than not) OR because I feel the client simply doesn't have the money. I'd rather make some money off of it than none; and the other alternative is doing it pro bono; it's a silly argument that says I have to charge my full rate or nothing, or not do it; and if that's the case then chances are it will not be done. As far as being

"fair" to my clients paying full freight, see the parable of the vineyard workers (Matthew 20:1-16). They got what they agreed to at the price they agreed to pay, and it's my business if I want to cut someone a better deal. It's my money that's being paid. And if my client paying full freight were in strained financial circumstances, then they would appreciate my discounting my fee as well.

Ronald A. Jones, Florida

I hope my serious post to this thread allows one with tongue in cheek. I very seldom meet with PCs in my office v. theirs, but if I did, there is a display piece available I would have in a prominent location. It is a WWII US hand grenade (sans explosive) attached to a wood base with a plaque that reads "For Free Legal Advice Please Take A Number". There is a tag on the grenade's pin ring that reads "#1".

Ron's point about getting paid by the clients that can pay (however much they might want to weasel out of it) enabling you to take on pro bono work when you run across someone who really deserves a break is very well taken.

Alan L. Inglis, Rancho Cucamonga, California

You mistake promptness for quality. I don't compromise on that, but I do make it clear that I react to my A clients. I have ten phone calls when I am out of the office for a while - I call my A clients before my B clients. Emergencies always come first, but some clients have "cried wolf" enough to become B clients.

Point is, they want to negotiate fees, I negotiate over the intangibles, not quality, but the things that often caused them to call me in the first place. Prompt response, and more staffing than other firms our size (someone has to pay for that).

I don't say, I can only spend two hours doing research for your case at that rate. Don't skimp on quality, no matter the price.

Ted A. Waggoner, Rochester, Indiana

Back in the days when i was doing most of my billing based on time, and meeting in office across the desk I always wished I had a Taxi meter, calibrated for the hourly rate, mounted behind me that I could start when we sat down, or whenever we "went on the meter".

Michael D. Caccavo, Barre, Vermont

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