

Self-employment part 2: pay

Edward Maxwell

Introduction

In the first resource of this three-part series on self-employment (*Music Teacher*, July 2023), I gave an overview of the main issues we need to consider when running a business as a self-employed person. In this second resource, we'll look in detail at arguably the most important aspect of self-employment: rates of pay. As well as putting food on the table and a roof over our heads, our rates of pay are a very public reflection of what we, and other people, consider to be our value.

Unlike class teachers, there are no nationally recognised pay scales for visiting music teachers. We have to balance what we think we're worth with how much students (or their parents) are prepared to pay for our services, and with what the 'going rate' is in a particular area. As we'll see, an hourly rate includes much more than the actual 'contact time' – the time we spend with our students. We need to take into account the level of expertise we've built up through extensive training and practice, and we need to make a very honest assessment of the value of what we offer, and what we can realistically expect to earn.

Instrumental teaching is mostly unregulated. Even in some schools and music services, where you might expect some level of quality control, jobs can be given to VMTs who have no formal qualifications in either teaching or music. Some people think that merely possessing a Grade 8 certificate or playing to a competent standard (not always the same thing) is a sufficient qualification to put themselves forward as a teacher. They can still be great teachers, of course, but unqualified people in any profession will usually get paid substantially less (class teaching being a notable example).

At the top end of the scale, there are musicians who've spent four or more years training at top universities and music colleges (sometimes both), who've devoted tens of thousands of hours of practice to attain a formidable level of playing, and who now perform and teach at the highest level. If you were looking for maths tuition, you'd expect to pay substantially more if you engaged the services of someone with a maths degree from a prestigious university and who was well qualified in teaching, than from someone who had simply scraped through their maths A level and who hopes to make money on the side by tutoring.

The same principle should apply in music. If you're a highly qualified and experienced teacher with an impressive portfolio of professional performing experience, **do not undervalue yourself**. You can expect to charge considerably more than an inexperienced or unqualified teacher.

In private teaching in particular, waters may be muddied by people doing some teaching on the side for 'pin money' – perhaps they have a partner who has a 'professional' job, and who brings in most of the family income. Even some schools might not treat you with the respect you deserve, which can make you feel undervalued. **Remember, if you're a highly skilled professional in your field, you can expect to command professional rates.**

Before we look at some of the factors to consider when setting our rates, let's take an overview of what our earnings actually include.

For illustrative purposes, and because it's a nice round number, I'm using the rate of £50 per hour. This is around the average hourly rate charged in south-east England for instrumental lessons in private schools (rates in London are sometimes even higher). There are large regional differences in pay, so if you're working in the north of England, you may be receiving substantially less. But before you get too outraged at the disparity, remember that rent and house prices are far higher in London and the south-east than in other parts of the country.

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What does our 'hourly rate' really include?

A friend of mine works in corporate finance, and they recently asked what my hourly rate was. I told him it was £50 (self-employed, not salaried – as we'll see, there's a big difference). 'So you're on about £100k?' he asked. His rough calculation was: hourly rate x 40 hours a week x 50 weeks a year. Calculated like that, you arrive at an approximate annual salary of £100,000.

£100k would be nice, but let's explore what we *actually* earn.

Time

There's a lot more we do than just the contact teaching time. These activities might include:

- ▶ Preparing and sending invoices, and chasing up unpaid bills.
- ▶ Keeping accounts up to date.
- ▶ Keeping registers.
- ▶ Timetabling (some schools require weekly timetables, which can be particularly time-consuming).
- ▶ Researching instruments for students to buy.
- ▶ Recommending music books and accessories, or purchasing them yourself and reclaiming the money.
- ▶ Writing and arranging music for ensembles.
- ▶ Making exam entries and chasing up reimbursement from parents.
- ▶ Dealing with parents' enquiries: some parents want an in-depth post-mortem after virtually every lesson, while others might take up a lot of time by not replying to emails, requiring you to keep asking them for a response.
- ▶ Planning lessons.
- ▶ Writing reports.
- ▶ Attending parents' evenings.
- ▶ Attending school concerts.
- ▶ Attending compulsory safeguarding training at schools and completing online courses.
- ▶ Attending CPD (continuing professional development) courses.
- ▶ Demonstrating your instrument (e.g. playing in a school assembly or class lessons).
- ▶ Offering trial lessons (you might choose to offer them free of charge, though it's perfectly acceptable to charge).
- ▶ Individual practice: we need to keep on top of our own playing in order to teach effectively.
- ▶ Travelling between schools.
- ▶ Breaks. Most employed people have paid breaks, so it is not unreasonable to include a break in your hours of work.

Expenses

In addition to our time, our hourly rate also includes our expenses:

- ▶ Venue hire (or, if you teach at home, heating costs).
- ▶ Travel costs.
- ▶ The cost of our instruments, equipment and maintenance.
- ▶ Sheet music.
- ▶ Apps we use in our teaching.
- ▶ Expenses involved in CPD – for example, paying for courses or books.
- ▶ Subscriptions to professional organisations (e.g. Musicians' Union or ISM).
- ▶ Other subscriptions: music magazines, Spotify, Sibelius, Microsoft, etc.
- ▶ DBS costs.
- ▶ Insurance.
- ▶ Accountancy fees.
- ▶ Private pension contributions.
- ▶ Holiday pay.

Here are some back-of-an-envelope calculations, which include some, but by no means all, of the time and expenses listed above:

- 1 Let's say that we teach for six hours a day on five days a week. We have an average of one hour of admin to do every day (including many of the things from the list above), plus half an hour of travel and a half-hour break.
- 2 Let's say that our six hours of contact teaching pay at a rate of £50 per hour, which adds up to £300 per day. Factoring in the extra two hours per day non-contact time we've identified above, we have eight hours @ £300, reducing our hourly rate to approximately £37.50.
- 3 The weekly number of hours we've been working is 40 (30 hours contact time plus ten hours in breaks and administration), so we're earning £1,500 per week.
- 4 We can only teach for 30 weeks per year at a school, giving us a total income of £45,000.
- 5 Let's put 20% (£9,000) of this into our pension fund. This is less than the 23.68% employer's pension contributions that employed teachers get, but it gives us a round number to work with. We're therefore left with £36,000.
- 6 If we reverse-engineer the ball-park salary calculation mentioned at the start of this section, this gives us an **hourly rate of £18.00**.

Suddenly that £50 per hour doesn't seem quite as impressive, and besides, there's a lot of extras we haven't factored in.

Of course, we do theoretically have 22 weeks of holiday in this scenario. Many of us may continue teaching through the holidays, or have regular freelance playing work, **but if you wish to be an exclusively school-based self-employed instrumental teacher, your pay is going to be spread very thinly indeed, even if it is ostensibly a good rate.**

If you're negotiating with schools, or anyone challenges you about your fees, remember to point out that fees include a lot more than simply lesson time.

What's the market rate for music lessons?

If you set a particularly low rate, you are devaluing your profession. If your rate is too high, however, you may deter students and parents, who can find cheaper tuition elsewhere. This is how supply and demand works.

Here is a list of factors to consider when setting your rates:

- ▶ **Musicians' Union rates:** don't charge less than these rates, but feel free to charge more. These are advisory *minimum* rates for the most inexperienced teachers, which do not take into account regional variations or different levels of training, qualifications or experience. There is no quality control (being a member of either the MU or ISM does not guarantee that you're a good teacher) and if you've been teaching for a number of years, it's perfectly acceptable to charge substantially higher rates. (The ISM, incidentally, explains on its website that competition law prevents it from recommending freelance musicians' rates of pay.)
- ▶ **National surveys of rates of pay:** you may have seen pay surveys, such as those published by ISM. While these give an interesting insight into general trends, they may have been filled in by a small number of self-selecting respondents and do not necessarily reflect the reality of pay rates, or take into account regional variations. Again, there is no obligation to follow these rates.
- ▶ **Local 'word of mouth' surveys:** my own informal surveys (asking friends and colleagues) reveal very different results from those of ISM surveys. The best indicator is to ask around and see what your competitors are charging. Find out a bit about them. Where did they train? What are their qualifications? What performing work do they do? What can you offer that they can't?
- ▶ **Your own reputation:** if you have an excellent reputation as a teacher, and have an impressive CV including top-level performing work, it stands to reason that you can charge higher than average rates – people will understand that you have to pay more for better quality.
- ▶ **How affluent your area is.** It's not your job to means-test parents. You need to set a rate that reflects your expertise, but the parents' ability to pay your fees is, nonetheless, a consideration. I've heard stories of some teachers making up a rate on the spot, depending on the size of a student's house. While your conscience might dictate that you discount fees for poorer families, it's unfair to raise fees for richer parents just because you think you can get away with it. Furthermore, it could put you in an awkward position if they find out what you charge elsewhere. It's important to set a rate and stick to it across the board.

Ideally, we should also be able to compare our fees with those of similarly qualified experts in other fields. Unfortunately, however, most people consider music lessons to be a luxury, not a necessity. We may have trained for four or more years, have put in tens of thousands of hours of practice, and have years of experience of working at a high level. That surely puts us at the level of lawyers, doctors, dentists or accountants. Sadly, music lessons are not considered as valuable or necessary to society as other jobs and therefore we simply can't command comparable fees. It's worth being aware, however, of those comparable levels of training and expertise when considering your rates.

Being self-employed in a school

In part three of this three-part series on self-employment, we'll look in more depth at developing and maintaining relationships with schools. But here are some frequently asked questions about our relationships with schools concerning fees.

Where do I stand legally in terms of setting fees?

You have a legal right to set your own fees. An important principle of being self-employed is to have autonomy over your business, without it being controlled by anyone else. This includes setting fees.

Where do schools stand legally if they try to impose fees?

Some schools do not recognise the VMTs' right to set their own fees, and attempt instead to impose their own rates. In doing so, those schools are opening themselves up to a challenge at a tribunal: they're essentially treating VMTs as employees, but without offering any of the benefits that employees receive (holiday pay, employers' pension contributions and so on). Furthermore, they could potentially fall foul of competition law: in attempting to fix prices, they're essentially forming a cartel. If found guilty, a company can be fined ten per cent of its annual turnover (though it's unlikely that things would ever reach that stage).

Can schools recommend a rate?

School bursars or heads of music are free to *recommend* a rate, but VMTs are equally free to overrule it, if they feel that the rate undervalues their worth. Schools are often unaware of 'going rates'. VMTs usually have a much clearer view of the landscape: not only are you likely to be teaching at a number of schools, but you will probably also have a wide network of friends and colleagues with whom you can compare notes about pay and conditions.

Can VMTs collectively decide on a rate?

Your business is, in law, entirely separate from that of both the school and your colleagues. If you collude with your colleagues to agree on a fixed rate, you're technically forming a cartel and engaging in the same illegal price-fixing practices mentioned above (if found guilty, it's a maximum sentence of five years in prison). Don't worry, however. In reality, this would be hard to prove and everyone could just claim to be charging the same 'going rate'. A single rate is often considered preferable because multiple rates might confuse parents.

What if I want to set a different rate?

Reasons you may wish to depart from the consensus:

- ▶ You feel that the school's recommended rate undervalues you.
- ▶ As mentioned earlier, it's preferable to set a consistent rate across the board. If, for example, you teach at two neighbouring schools but charge different rates, parents will be confused at the disparity, possibly feeling ripped off when being charged a higher fee.
- ▶ You have had a long and distinguished career and feel that you should be paid more than a new teacher who arrives at the school straight out of college.

You should not be pressurised into following anyone else's fees. However, bear in mind that in charging more than the consensus, you might risk losing students to fellow teachers. On the other hand, charging less might be perceived as undercutting your colleagues. Some schools have several teachers of popular instruments such as piano, drums or singing, but if you're the only teacher of your instrument, you may be seen as abusing your monopoly if you charge more than your colleagues. If you wish to charge more, however, ultimately that is your prerogative.

What if a school engages another teacher of my instrument?

If you set a rate that's substantially higher than that of your colleagues, the school may wish to engage another less experienced teacher of your instrument who charges less, in order to offer parents a choice. The school has every right to do this, but it may not necessarily be a bad thing. Parents who recognise your superior expertise and are happy to pay more for it, are likely to be more supportive of their child's musical development. You may end up with the more rewarding students. In my own teaching career (admittedly mostly in private schools), I have had more parents questioning why my fees are so low than taking issue with the expense.

Comparing school rates

Comparing rates of pay at different schools can often be misleading – you might not be comparing like with like. Remember that when you account for the 23.68% employer's pension contributions and 12.07% holiday pay, there is a 35.75% difference in a job's worth between being employed and self-employed. If you see an advert for a job, look to see whether it says *employed* or *self-employed*. To make the conversion, multiply or divide by 1.36 to find the job's true value. For example, if it's advertised as an *employed* job at £40 per hour, it will be actually worth around £54.40 (40 multiplied by 1.36). If it's advertised as £40 *self-employed*, it is the equivalent of £29.41 employed (40 divided by 1.36). It's a large difference.

Making comparisons, however, can be problematic because of differing roles and responsibilities within different schools. One school may give you more administrative support than another, for example in preparing timetables, ordering music for students, or making exam entries. For this, they may take a cut of the fees in 'room hire' and 'administrative' charges.

The lesson fees paid by parents include the actual lesson time and all administrative duties. Although the money and these duties may be split in different ways between the school and VMT, to the parent, these divisions of pay and labour (or, indeed, the employment status of the VMT) are irrelevant. As far as parents are concerned, *they are just paying for a set rate for music lesson for their child*. Therefore, when making comparisons between different schools, it's more accurate to compare the *actual fees paid by parents*, rather than the *amount received by VMTs*, which might be lower in some cases.

Here are three fictitious examples – all three schools are in the same area and have the same amount of prestige:

School A: parents pay £50 per hour for lessons. VMTs are *employed* at a rate of £35 per hour (which, as we have seen, is actually worth £47.60). The school collects the fees and prepares the timetables.

School B: parents pay £50 per hour for lessons. VMTs bill them direct. The school charges £1 per hour room hire, but provides administrative support, including preparing timetables. VMTs therefore receive £49 per hour, but have to spend extra time sending out bills and chasing up invoices (and also take the risk if parents default on payment).

School C: there are discussions about the rate of pay VMTs should charge. There is no room hire charge, but VMTs have to do all the administration – collecting fees, preparing timetables, making exam entries, etc. The school suggests that, as rates of pay at neighbouring schools range between £35 (they have erroneously failed to factor in the employment status) and £49, a rate in the middle – £42 per hour – would be appropriate. You point out that £50 is the 'going rate', and that parents pay this at other schools without complaint. Since you have to do more admin than colleagues at other schools, it's fair that you receive the full amount and that the school doesn't take a cut.

Negotiating a fair rate

The title above isn't quite accurate. You don't need to *negotiate* – you can unilaterally set your fees. However, being self-employed puts you in a vulnerable position. You're deprived of any rights against unfair dismissal, and you can be cast out at the whim of a head of music, so you might not wish to put your head above the parapet and go it alone when setting fees. If you do want to negotiate a single rate with colleagues and the music department or bursar, here are some suggestions:

- ▶ Research the rates parents pay at neighbouring schools and look at job adverts (remembering to differentiate between employed and self-employed jobs).
- ▶ Discuss rates of pay with colleagues and see if you can come to a consensus on the fees you think are appropriate to charge. You might only teach on one day a week at a school and consequently may not ever see, or even know, many of your colleagues. Find out if there is a VMT email or WhatsApp group – if there isn't, set one up. It's important to have open discussions, rather than everyone resenting the same thing in silence.

- ▶ Ideally you will have a VMT representative who can speak to the school on behalf of everyone. If you don't, then suggest this.
- ▶ If the school is attempting to deprive you of legal rights, contact the ISM or MU, who will be happy to intervene on your behalf (and you can remain anonymous if you'd prefer).

Normally a school will readily accept requests for a higher rate, if presented with compelling evidence. Why wouldn't a school want happy and well-paid VMTs? After all, a pay rise for a self-employed VMT costs the school nothing, and the school wants to attract the best teachers.

Giving yourself a pay rise

It's best to make relatively small annual increases than to leave it a few years and then have a large increase. Your *terms and conditions* should specify the amount of notice required for fee increases. Normally this will be the same as the notice period for stopping lessons – if parents don't like the new fees, they have the opportunity to stop lessons before the new rates apply.

Although it can feel awkward putting up fees, you shouldn't be embarrassed. To repeat my earlier point, your fees reflect your self-worth, and it's crucial not to undervalue yourself.

As previously mentioned, keep an eye out on the 'going rate' in your area, but also factor in the rate of inflation. Bear in mind, however, that few jobs are keeping up with the current high inflation rates. If you teach at a private school, it's interesting to monitor the increases in the school's own fees. At one particular school, for example, I calculated that over a ten-year period, school fees had risen 23% above inflation, while the school-imposed music lesson fees had dropped 9% below inflation.

Ways to maximise our earning potential

Group teaching

One way to increase your hourly rate is to teach in groups, or run ensembles. Work out a pay scale, whereby if you teach two students, you charge them each two thirds of your hourly rate (giving you £66 per hour, instead of £50 per hour) or a group of three students are each charged half your hourly rate (giving you £75 per hour in total). Running an ensemble can bring in even more. If, for example, you charge 20 students £5 each for an hour-long ensemble, you will bring in £100.

Career progression and promotion

In most employed jobs, you can earn considerably more money as you progress up the career ladder within a single organisation. For classroom teachers, this might include promotions to head teacher, deputy head, head of department, head of year, safeguarding lead and so on. Classroom teachers also may get incremental rises just for being in the job for a particular length of time. Similar opportunities are lacking for self-employed VMTs, though this is partially offset by the freedom and flexibility we enjoy in our work, and our ability to dictate our own rates of pay. Our only option for 'promotion' may be to move to a more prestigious school in the private sector. Private schools are competing to provide the best possible quality of education, and want to attract the very top teachers. You can gradually work your way up the hierarchy of schools: the more prestigious the school, the more you can charge.

A word of warning: while parents at these establishments expect to pay the very highest fees, they may also expect exceptional results, so there may be the unrealistic expectation for distinctions in every music exam. While you may be hoping that music gives a student some light relief from a hot-house academic environment, it may end up fulfilling the opposite function, leaving you and your students stressed and feeling constantly under pressure. We previously looked at dealing effectively with parents in an earlier *Music Teacher* resource ([November 2020](#)), and we'll be looking at relationships more generally in part three of this three-part series.