

# How to be an interpreter or translator - and not go broke

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Translations*

# Who am I?

- ▶ I attended a high school with a business track focus in Argentina.
- ▶ In 10<sup>th</sup> grade I had a paid position at the school.
- ▶ Freelance English teacher in Buenos Aires, where I applied these Business Plan concepts in my 20s.

# Agenda

- ▶ Business models
- ▶ Types of employment
- ▶ Business plan
- ▶ Marketing
- ▶ Standards
- ▶ Accounting
- ▶ Fixed expenses
- ▶ Activity-based expenses
- ▶ Time
- ▶ Target income
- ▶ Salaries of comparable professions
- ▶ Market research
- ▶ Rate calculators
- ▶ Doing the math
- ▶ Professional associations and unions
- ▶ What happens when the numbers don't work
- ▶ Keeping a client happy
- ▶ Requests for funding
- ▶ OK... let's do the math. Last, to give it time

# Business model: Individual provider

- ▶ Renders all services personally
  - ▶ through direct contracts or
  - ▶ as a subcontractor of one or more language service companies.

# Business model: Solopreneur

- ▶ Only provides services in those languages for which she or he is qualified.
- ▶ Contracts directly with clients where for the same project he or she renders part of the services personally.
- ▶ Subcontracts specialized aspects (e.g. desktop publishing) to other providers.

# Business model: Small Language Service Company (less than 5 languages)

- ▶ Renders some services him/herself through direct contracts in those languages for which he or she is qualified.
- ▶ For some projects renders part of the services by him/herself and subcontracts other parts to other individual providers, and also
- ▶ Subcontracts services to other individual providers.

# Business model: Boutique Language Service Company (specialized)

- ▶ Generally focuses on a narrow range of subjects.
- ▶ For some projects renders part of the services by him/herself and subcontracts other parts to other individual providers, and
- ▶ Also subcontracts services to other individual providers.

# Business model: Larger Language Service Company (more than 5 languages)

- ▶ Subcontracts the vast majority of language services.
- ▶ Has employees such as project managers, schedulers, and other administrative staff.



# IRS types of workers

- ▶ **Independent Contractor:** Covers their own expenses and risk for work provided.
- ▶ **Employee:** Employer covers all expenses and covers risk for work provided including travel time and mileage.
- ▶ **Ad hoc employee:** Some training and vacation expenses might be covered by worker. Travel time and mileage are covered.
- ▶ **Part time employee:** Employer covers all training and risk expenses including travel time and mileage.

Source: [IRS listing of types of workers.](#)

# Business deductions

As of 2017

- ▶ employees can't deduct business expenses
- ▶ the standard personal deduction almost doubled in all cases
- ▶ many exemptions were folded into the personal deduction and others became limited.

Source: [the Tax Policy Center](#).

My CPA does my taxes. I let him take care of it.

# What is a business plan? Investopedia definition

A business plan includes

- ▶ a description of a company or small business,
- ▶ its services and/or products and
- ▶ how the business will achieve its goals.

The plan includes

- ▶ the overall budget,
- ▶ current and projected financing,
- ▶ a market analysis and
- ▶ its marketing strategy approach.

# What is a business plan? Investopedia definition

In a business plan, a business owner

- ▶ projects revenues and expenses for a certain period of time and
- ▶ describes operational activity and costs related to the business.

The idea behind putting together a business plan is

- ▶ to enable owners to have a more defined picture of potential costs and drawbacks to certain business decisions and
- ▶ to help them modify accordingly before implementing these ideas.

# So... to stay in business...

We have to have work

We have to do administrative work (billing)

We have to sell our work (marketing)

We need to get better all the time (get CE credits)

Otherwise, we go broke.

We can do it all or delegate some parts of the work.



# Business plan development

## Consult with experts!

SCORE is a national network that provides low cost education and mentorship to entrepreneurs.

*SCORE is a nonprofit association dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship. We have been doing this for over fifty years.*

*Because our work is supported by the U.S. Small Business Administration (SBA), and thanks to our network of 11,000+ volunteers, we are able to deliver our services at no charge or at very low cost.*

# Marketing - What is our business?

## For translation

- ▶ ATA or WA DSHS certification for translation
- ▶ NYU certificate in translation
- ▶ MA in translation, etc.

## For interpreting

- ▶ State court interpreting certification
- ▶ National certification as a medical interpreter (CCHI, National Board)
- ▶ State certification as a medical interpreter (Oregon, Washington)
- ▶ RID certification for ASL interpreters

# Marketing: be good and look good

Don't write like this:

- ▶ The deadline **have been** extended.
- ▶ We don't want our fans to forget nuggets we **have share** before.

This is better:

- ▶ The deadline **has been** extended.
- ▶ We don't want our fans to forget nuggets we **have shared** before.

Hire someone to edit your text!



# Marketing: be good and look good

- ▶ Your **writing** is your permanent, memorable image. If they can't trust what they can see, what about what they can't see?
- ▶ **Dress** like a professional.
- ▶ Show up **on time**.
- ▶ **Answer** the phone.
- ▶ Be **polite**.
- ▶ **Deliver** on time. **No excuses**. If necessary, negotiate deadlines.

# Marketing: be good and look good

## Invoice like a professional:

- ▶ Exactly what you negotiated.
- ▶ Following your client's payment practices.
- ▶ Promptly.
- ▶ With a professional-looking invoice. I use QuickBooks Online, which allows for online payments.
- ▶ Do not send a reminder for an invoice they already paid!



# Marketing - showcasing our product

- ▶ Develop a nice website. Have the people from SCORE critique it.
  - ▶ Hire a professional. Designers are even better if they represent our target clients.
  - ▶ Here is a link to my site.
  - ▶ Get good business cards. Have them reviewed by SCORE.
- ▶ Develop a business plan. SCORE can help with that too.

# Marketing - finding clients

- ▶ Where do we find business?
- ▶ How do we establish a relationship with a client when we find one?

*If you don't toot your own horn, someone else will use it for a spittoon.*

What is self-promotion?

# Marketing - Networking

- ▶ Start local, with your local Chamber of Commerce.
- ▶ My local Chamber has “how to network” events.
- ▶ Be committed: keep your relationship-building appointment no matter what.
- ▶ See how a Russian colleague is developing connections in the chemical field.

# Negotiation: meeting the client's needs

- ▶ Start by getting to know your prospective client.
- ▶ How does your product add value to their business?
- ▶ How can your product solve problems their business is facing?
- ▶ If they don't need your services now, they may know someone who does.
- ▶ Leave the discussion of money for last.

# ASTM - creating a framework for teamwork

See my ASTM-based chart for discussing a relationship with a client

- ▶ Translation worksheet
- ▶ Interpreting worksheet

Both worksheets are on [this page](#)



# Accounting: what to keep track of

Tracking resources and expenses to make sure resources aren't stretched too thin.

Two limited resources:

- ▶ Time
- ▶ Money

Not tracking these resources leads to not being able to keep our word.



# Accounting: How to keep track of it

- ▶ There are several accounting systems on the market. I use Quicken and QuickBooks.
- ▶ The issue isn't what product we use. It's just a question of choosing a product we find useful, and sticking with it consistently. An accountant can guide us in that decision. SCORE consultants are available to guide entrepreneurs in these steps.



# Fixed expenses: Cost of doing business

- ▶ Having a car
- ▶ Training
- ▶ Dictionaries
- ▶ Smartphone
- ▶ Taxes
- ▶ Health insurance
- ▶ Errors and omissions insurance
- ▶ Tax preparation
- ▶ Office supplies
- ▶ Business cards
- ▶ Notepads
- ▶ Internet service
- ▶ Travel to the country where our language is spoken every few years
- ▶ This is not an exhaustive list!



# Activity-based expenses

- ▶ Mileage
- ▶ Parking
- ▶ Extra travel time
- ▶ Travel, lodging, meals
- ▶ Other costs

# Expenses: Vehicle expenses

Cost of ownership - Consumer Reports

Check the cost of ownership of your car!

Cost of ownership - Kelly Blue Book



# Vehicle expenses

Business mileage rates, per the IRS

2010	50 cents/mile
2011	55.55
2013	56.5
2015	57.5
2017	53.5
2019	58
2020	57.5



# Time: Non-billable work

The following items are part of the 40-hour week for a contractor. They often take at least 8 hours a week.

- ▶ Networking
- ▶ Billing
- ▶ Following up on clients
- ▶ Negotiating
- ▶ Training

Include them in your cost of doing business!



# Time: Personal

- ▶ Non-billable work during personal time leads to:
- ▶ Distracted work during work time, which leads to:
- ▶ Not keeping work commitments, which leads to:
- ▶ Poor quality work, which leads to:
- ▶ Losing clients

Do you have a better plan?

# Target income

Two approaches:

- ▶ What would be the take home pay of someone in an equally prestigious/interesting job?
- ▶ What bills do I want to be able to pay?

Why check a target?

If we don't know where we're going we will never know whether we got there.



# Salaries of comparable professions and of translators and interpreters

The OOH states that “about 1 in 5 were self-employed in 2014.” However, the ALC survey of 2015 states that 89% of the work is done by freelancers.

Salaries of comparable professions	Source: <u>Occupational Outlook Handbook of Comparable Professions</u>
Adult literacy and GED teachers	\$50,650
Court reporters	\$51,350
Kindergarten and Elementary School Teachers	\$55,490
Postsecondary Teachers	\$75,430
Technical Writers	\$69,850
Writers and Authors	\$61,240

Salaries of translators and interpreters	Source: <u>Occupational Outlook Handbook of Comparable Professions</u>
Professional, scientific and technical services	\$52,060
Government	\$50,880
Educational services	\$43,380
Healthcare and social assistance	\$42,630



# Market research

- ▶ Court Interpreting Research survey by Robert Joe Lee
- ▶ IMIA compensation survey of 2010
- ▶ MMIA compensation survey of 2006
- ▶ ATA compensation survey of 2006

# Two ways to figure out your rate

- ▶ Start from your target
- ▶ Start from what you know of the market

The translator's rate is subject to mainly three factors:

- ▶ How much money the translator wants to earn in a period of time
- ▶ How many units the translator can process in that time
- ▶ What amount the client is willing to pay
- ▶ Proz guide to calculating your fees

# Rate calculators

Rate calculator

Average rates charged

Proz wiki article on determining rates and fees

CalPro, published by the ATA:

Can go from your target or from what the market will bear.

Gaucha Translations rate calculator



# Interpreter math

- ▶ 1 hour for:
  - ▶ Driving to each appointment,
  - ▶ Getting in and out of each parking lot, and
  - ▶ Time for each appointment to run late
- ▶ Realistic appointments:
  - ▶ 8 am, ending at 9,
  - ▶ 10 am, ending at 11
  - ▶ 12 pm, ending at 1
  - ▶ 2 pm, ending at 3
  - ▶ 4 pm: administrative time (not an appointment) - can be swapped for another block
- ▶  $4 \text{ appointments/day} \times 5 \text{ days/week} = 20 \text{ appts / week}$



# Interpreter math

- ▶ 4 appointments/day x 5 days/week = 20 appts / week
- ▶ 80 appts/month
- ▶ 800 appts/year
- ▶ (10 months/year, discounting vacations, slow times of year, holidays, time for conferences, etc.)
- ▶ The two months off are because summer and Christmas are slow times for interpreters in any field, with schools, courts and businesses on slow schedules.



# Washington interpreter spreadsheet

This is a two week report from an actual interpreter.

HOURS PAID	MILES
78.00	1717.77

# He's on track to making \$60,000/year.

HOURS PAID	
Hours of interpreting	78.00 h
Time driving 1717.77 at 35 mph (this counts as time at work)	49.08 h
Admin time	10.00 h
Total time worked:	137.08 h
Hours/day (137.08 hours/10 days for two weeks of work)	13.71 h
\$32.50/interpreting hour	\$2535.00
\$/hour worked (total dollars divided by total hours worked)	\$18.49/h
mileage money reimburses for car expenses, so it is not included as income	





# Taxes

IRS quarterly estimated tax payment form

Figure out what kind of worker you are and what your tax liability is based on that.

# Unions allow us to discuss working conditions

These are unions for interpreters.

Oregon Interpreters in Action: <http://interpretersinaction.org/>

Washington State: Local 1671 Interpreters United  
<https://interpretersunited.wfse.org/>

To work for their contracts, you have to be certified or registered/qualified.

California Federation of Interpreters: <https://www.calinterpreters.org/>

Some professional associations limit the conversations on working conditions. Unions have open discussions on these issues. This is more than payment. It includes team interpreting, how long an interpreter can work without a break, and other issues.



# What if the numbers don't add to what we want?

If we can't make the income we want, we can hone our skills and credentials. Professional associations list trainings on their sites. Only associations with voting members are listed below.

- ▶ [www.atanet.org](http://www.atanet.org)
- ▶ [www.najit.org](http://www.najit.org)
- ▶ [www.imiaweb.org](http://www.imiaweb.org)
- ▶ [www.ncihc.org](http://www.ncihc.org)
- ▶ [www.ostiweb.org](http://www.ostiweb.org)
- ▶ <https://www.notisnet.org/>
- ▶ <http://netaweb.org/>



# What if the numbers don't add to what we want?

If we can't make the income we want, we can find another job.

Worksource Oregon says:

*WorkSource Oregon, the state's public workforce system is here to help you get a job, increase your skills, and explore training options. Oregonians looking for work should visit their nearest WorkSource Oregon Center to find staff and services dedicated to helping Oregonians get back to work. The Job Seeker Resources on this website are additional online resources to assist you.*

Here is the equivalent in Washington State

# When profits don't meet expectations

- ▶ We start to work longer hours
- ▶ We accept lower rates to get more work
- ▶ We aren't available to network to find better clients
- ▶ Our accounting suffers
- ▶ We get in trouble with the IRS
- ▶ We start to work weekends
- ▶ We lose quality because we aren't fresh

Material gleaned from conversations with colleagues.

# How to keep a client coming back

We asked these questions in the Negotiation step:

- ▶ How does your product add value to their business?
- ▶ How can your product solve problems their business is facing?
- ▶ Are you meeting your commitment to quality?

It's about the client!

- ▶ Clients start small. It can take a few years to develop a good client.
- ▶ Small clients that are very connected with the community are very important clients. They give referrals!

# How to submit a request for funding

DARPA, the Defense Advance Research Projects Agency, asks some very clear questions in their funding proposals:

- ▶ What are you trying to do? Articulate your objectives using absolutely no jargon.
- ▶ How is it done today, and what are the limits of current practice?
- ▶ What is new in your approach and why do you think it will be successful?
- ▶ Who cares? If you are successful, what difference will it make?
- ▶ What are the risks?
- ▶ How much will it cost?
- ▶ How long will it take?
- ▶ What are the mid-term and final “exams” to check for success?

# Let's try a calculator

Rate calculator

Average rates charged

Proz wiki article on determining rates and fees

CalPro, published by the ATA:

Can go from your target or from what the market will bear.

Gauch Translations rate calculator



# More links

- ▶ [CSA research survey on interpreting and translation around the world.](#)
- ▶ [Does Money Buy Happiness?](#) by Princeton University, 2010
- ▶ [Cost of Living in America's 50 Biggest Cities](#)
- ▶ [Area Median Income search tool for 2019](#)

# Stay in touch!

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Resources at:

[Business practices](#)

[Employment classification](#)