

Your Voice Over Business ... Structure And Charge Right

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Voice over is more than having fun at the mic. It's a business. And to be blunt, if you don't treat it as such, you're just playing with a hobby.

So now be honest: Are you satisfied that you're operating your VO business in a way that brings you maximum profit and efficiency?

Oh oh. I see a slight "no" forming on your lips.

Solution? For one, attend the VOICE 2012 session, ***Business: Simplify How You Run It***, presented by me and voice talent / business consultant **Elizabeth Holmes** on Thursday, June 14.

Also check out the following excerpts from articles in the **VoiceOverXtra** archive and ***Voice Over Legal***, the new eBook by voice talent / attorney **Robert Sciglimpaglia**. (To read the full VoiceOverXtra articles referenced, just type the author's name in the SEARCH box at the VoiceOverXtra website, www.VoiceOverXtra.com.)

These excerpts tackle two of the most commonly asked questions about a voice over business:

- How do I structure the business for max profit and efficiency? And
- How do I set my voice over fees?

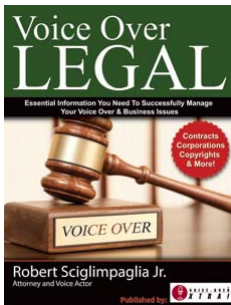
1. STRUCTURING YOUR BUSINESS

A recent poll on **VoiceOverXtra** (see red box at top right of the home page) asked voice actors how they've structured their business.

Six percent of the respondents said, "I don't know or don't understand." OK.

But among those who DID know, 63% were a “sole proprietorship” – in other words, not a formal legal entity. The remainder had formed a corporation:

- 23% **Limited Liability Corporation (LLC)**, which limits personal liability
- 6% **S Corporation**, which avoids double taxation, and
- 3% **C Corporation**, which is a separate taxpaying entity.



In Chapter 2 of the new eBook ***Voice Over Legal*** (www.VoiceOverLegal.com), author **Robert Sciglimpaglia Jr.** – voice actor / actor / attorney - explains the advantages of incorporating (plus the dangers of NOT doing so). Here are excerpts:

PROTECTS FROM LAWSUITS

“The question of whether or not to incorporate has been subject of much debate in the voice over community. It is my firm belief however, that there should be *no* debate about it whatsoever. The question should not be *whether* to incorporate, but rather, *how best* to incorporate.

“Just like engaging in any type of business venture, a decision needs to be made about what “form” the business will take ...

“In my opinion, the cost of setting up a formal entity, like an LLC or corporation, is far less than the potential cost of defending a lawsuit or action by the IRS

“In some cases, it will also save the voice over artist at tax time, depending on the revenues generated from the voice over business.

“In fact, an LLC is extremely simple to set up in almost all states and, unless a voice over artist has employees working for the LLC, it doesn’t even require a separate Employer Identification Number (EIN) like a corporation would need.

BUSINESS OR HOBBY?

“Further, the IRS makes a very serious distinction between a “hobby” and a

“business.” If the IRS determines that someone is pursuing voice over as a hobby, then it will *disallow* any deductions for any voice over-related expenses, like production costs of the demo, home studio costs, the costs of attending conferences, etc.

“The number one factor that the IRS says you should ask yourself concerning whether an activity is considered a hobby or a business is, “Do you run the activity in a businesslike manner?”

“In my opinion, operating your voice over business as an LLC or corporation *certainly* would go a long way in convincing the IRS that your voice over activity is a bona fide business, rather than just a hobby.”

2. SETTING YOUR VOICE OVER RATES

Debate rages about what to charge your voice over clients, and how to figure your rates. If you belong to the SAG-AFTRA union, of course, you’ll charge the minimum union rate or more. Check out these rates at www.aftra.com.

Outside union scale, most working pros deride low-ball pricing, which encourages voice seekers to lower pay for all voice overs. Shouldn’t you be paid according to your true worth to the project?

So assuming you’re not a low-baller, how do you set your rates?

Below are two approaches:

- factors to consider in setting non-union rates, and
- what to consider when bidding to narrate an audiobook.

NON-UNION RATES: WHAT TO CONSIDER



James Alburger - voice coach, producer and co-producer of VOICE 2012 – lays out the many considerations in setting non-union rates in these excerpts from **Fees: Figuring What To Charge / Part 1:**

“If an agent represents you, the agent will take care of the pricing and will handle negotiations. Even when one of your personal contacts inquires about your fee, you should refer them to your agent. This does two things:

- It takes the heat of negotiating your fee off of you, and
- It creates a much more professional image for you as a performer.

“As non-union talent, your agent may be permitted to take a much higher commission than if you were union talent. Some agents will add their commission on top of your talent fee, but many will take the commission off the top of your fee before you get paid.

IF YOU DON'T HAVE AN AGENT...

“If you are freelancing without representation, it's a bit tougher to set your rates. In that case, here are some factors that will affect it:

Your experience and abilities.

The more skilled you are as a performer, the more likely you will be able to demand a higher fee - especially once you have established a name for yourself and are confident with the work you do

Prior experience and clients.

Have you already done some work for a few satisfied clients? If so, their names may help to establish credibility and thus help to justify a higher fee

The client's budget.

You'll need to be flexible and might have to decide if you want to work for a minimal fee (which is all that many small or independent producers are willing to pay).

“Keep in mind that local radio stations will often give away production and voice talent for free just to get an advertiser to buy time on their station. Thus, many independent producers will offer to do the voice work themselves in an effort to save a few bucks.

“Your challenge as a voice artist is to offer a service that is superior and more effective for the client than what they can get from a radio station or producers who do their own voice work.

Can you justify your fee?

This gets back to your abilities. If you market yourself with professional print materials and a dynamite demo, you'd better be able to meet the level of expectations when a client books you for a session.

Consider your market.

Non-union talent fees vary greatly from market to market. To set an appropriate fee for your talent, you'll need to find out what other voice actors are getting paid in your area. And always remember that the most important factor is your ability as an actor.”

AUDIOBOOKS ARE ANOTHER CHALLENGE



The long narrations of audiobooks present yet an additional challenge. As audiobook narrator **John Pruden** advises in **Recording Audiobooks Efficiently: Finished Hour vs. Labor Hour**:

“There are a lot of variables involved in audiobook production. Managing the variables that are under your control can go a long way to helping you be more successful as an audiobook narrator. Here, we’ll be focusing primarily on audiobook production at home, rates per finished hour, and how actual labor hours figure into the equation ...

“Basically, a narrator can record in one of two places:

- in a publisher’s or producer’s studio, or
- at home in your own studio.

“If you’re recording alone at home you have all the time in the world, right?

“Right, but also *Wrong!*

“There are “finished hours” and “labor hours,” and the labor hours are paid from the finished hour rate!

“Typically, audiobook narrators are paid an hourly rate based upon the “finished hour” of the book being narrated.

“Hourly rates for new narrators paid by medium- to large-sized publishers range from about \$100 to \$350 per finished hour - both in studio and at home ...

“However long it takes you to actually complete your portion of this book is your hours of labor

“If a low per-finished hourly rate is combined with a lot of production hours, it’s possible for a narrator to get paid less than minimum wage per hour of labor!

“It is important to take all of this into consideration by doing that math – *before* negotiating.”



Founded in 2007 (shortly after VOICE 2007), **VoiceOverXtra** (www.VoiceOverXtra.com) is the voice over industry’s online news, training and resource center, featuring near-daily news and how-to features, plus a comprehensive voice over industry DIRECTORY, CALENDAR of events, CLASSIFIEDS, links to scores of resources, and an archive of many hundreds of how-to articles on voice acting, home studio, business and marketing, and the industry.

VoiceOverXtra also serves the community as host to live online and recorded webinar training, and recently published **Voice Over LEGAL**, it’s first eBook.

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