



Summary Report UK Coaching Rates

What Are Typically Coaching Rates?

Introduction

Following a number of requests from The Association for Coaching (AC) members and other members of the Coaching community, the AC designed an online survey to explore the current Coaching rates charged by coaches, predominantly in the UK. This survey forms part of the AC's on-going commitment to promote best practice, raise awareness and standards across the Coaching industry.

The survey was targeted at AC members, other Coaching individuals, purchasers of Coaching and Coaching clients.

Headlines

The majority of respondents were coaches and they formed the basis of analysis for this report. However, the other respondents, purchasers of Coaching services and Coaching clients generally mirrored the findings of the coaches.

Life Coaching is the most popular Coaching service offered and purchased.

Coaches typically coach each client for an hour at a time, as part of a programme or package of Coaching.

The average Coaching rate when taken on a per individual session basis is £50 to £75 per hour, but tends to be over £100 per session per hour when included as part of a package or monthly rate. The rate rises again to an average of £125 to £250 per hour when offered in a business context, again as part of a programme of Coaching, or monthly fee.

Whilst there is a lot of commonality around Coaching rates charged there is also a number of outliers offering Business and Executive Coaching services at a much higher rate than the norm, which have pushed up the averages, especially in the business context.

There are 5 key explanations for coaches charging the rate they do. Coaches will typically consider a number of questions before they can determine their rate. The most popular explanation is based on *personal calculations* which considers personal factors such as 'how much am I worth?', 'what experience do I have?', 'what training have I invested in?', 'how much do I require in order to make a living?' and 'what contribution do I need to make to my income?' Others based their explanation on *perceived attractiveness to the market* by considering 'what is an affordable rate?', 'what will be considered competitive?', and 'what represents good value for money?' The previous two explanations are often informed by coaches' *market research*, which also forms a separate category, and is the third key explanation. Questions coaches explore include 'what is the market charging (in my area)?' and 'what are my peers charging?'

Buyers of Coaching services recorded a high level of satisfaction with the quality and value offered by their coaches.

Participants

326 participants took part in the survey, which ran for three weeks over September and October 2004.

Coaches	91%
Purchasers of Coaching	3%
Coaching Clients	6%

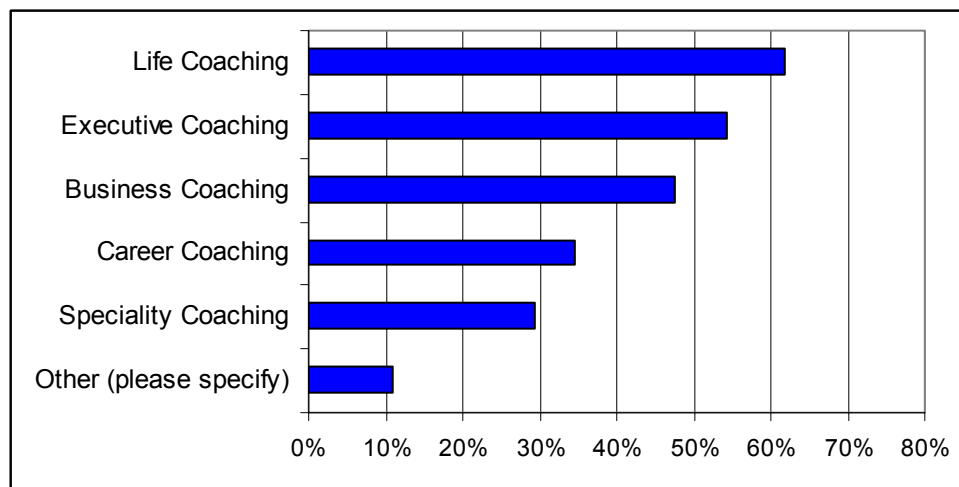
NB: The purchasers of Coaching and Coaching clients are referred to as buyers of Coaching

Survey Findings

Section 1 – Analysis of responses from coaches

What type of Coaching do coaches offer?

Life Coaching is the predominant Coaching service offered by coach respondents, although Business and Executive Coaching also has a strong representation. 'Other' types of Coaching include a variety of other niche Coaching areas such as team / group Coaching, teen Coaching, sales and marketing Coaching.



NB: Speciality Coaching was illustrated as stress, performance and health Coaching.

Key fact: 62% of coach respondents offer Life Coaching services.

What format do coaches sell their services?

The most popular approach for coaches to offer their service is via a programme or package of Coaching with an average of 6-7 sessions. This is followed by individual sessions and then a monthly / flat rate fee.

For each varied approach to Coaching the hourly Coaching session is the prevalent duration. And while Executive and Business coaches are more likely to offer 1.5, or 2 hour sessions the hourly session is still their more popular offering.

However coaches offer their services buyers seem to like coaches who are flexible and will offer the option of both a programme and, or individual (top-up) sessions.

Key facts: 47% of coach respondents prefer to offer their services as part of a programme, 24% offer their services on an individual session basis and 16% sell their services as a monthly or flat fee.

What do coaches charge for their Coaching packages?

There is a polarisation of pricing. Fees at the low end are around £300 per Coaching package and are typically offered by life coaches, while at the top end, fees are £1,000 plus and unsurprisingly are offered by those who operate predominantly in the corporate space.

Business and Executive Coaches will be more likely to offer Coaching sessions that last longer than the hour, providing one justification for their higher fee rates.

The average per package rate is £1,500 (typically for 6-7 sessions), but this figure is skewed by a number of exceptional high fees from those working as Executive or Business Coaches.

The average session fee can be calculated approximately as £250 per session, which could be £250 per hour if coached for a single hour (as 45% of coaches do) or reduced to £125, if part of a two hour Coaching session (as 27% of coaches do). The reality is that the majority of coaches are charging less than this because they are operating as Life Coaches. Their fee will be nearer to £50 and £75 per hour.

Key fact: 66% of coaches charge under £1,000 for their package of Coaching, while only 34% charge over £1,000.

What do coaches charge per individual session?

Nearly three quarters of coaches who do offer their services on an individual basis (24% of all Coaching respondents) charge less than £100 per session. The remaining 25% are evenly distributed through fifty pound incremental pricing brackets ranging up to £500+, apart from a slight blip at the £126-£150 mark.

64% of individual sessions last an hour, while 11% last 1.5 hours and 18% last 2 hours.

Key fact: 43% of coaches who offer individual Coaching sessions (typically by the hour) charge between £50 and £75.

What are coaches' monthly rates?

The average monthly rate for the 16% of Coaching respondents who charge a monthly or flat rate fee for their services is £315. This includes Life Coaching, Business and Executive Coaching rates. When the Business and Executive Coaching rates are considered in isolation the monthly rate rises to an approximate average of £1,100.

The average session rate based on an average of three hourly sessions per month is approximately £100.

Key fact: The average monthly / flat rate fee is £315, rising to £1,100 when Business Coaches and Executive Coaches are considered in isolation.

What are coaches' day rates?

For the 5% of Coaching respondents who charge a day rate their average fee is £825. Interestingly buyers of Coaching services who said they pay by the day expect to pay an average of just over £1000.

Key fact: The average day rate charged for Coaching is £825.

How do coaches explain their prices?

Some form of personal calculation is the most favoured explanation for how a coach arrives at their pricing. Considerations coaches' include are the extent of their personal experience, the amount and level of training they have received, how much they personally feel they are worth and what revenue they need to make in order to attain their required/desired income. Another reason sighted by coaches was their desire to ensure that their rates were affordable, competitive and representing value for money. They were keen to make certain they develop business and built a client-base. The former two explanations will undoubtedly at some point have also included the third most popular explanation, market research. However, for over half the coaches knowing what other coaches were charging, and what the market would bear was a specific consideration when deciding on their rates.

Just under a fifth of coach respondents sighted their rates as being temporary based on their newness to Coaching. As their experience, confidence and credibility raises, so will their rates.

The final key explanation proposed by a fifth of coaches was alignment with other developmental interventions e.g. counselling. Some coaches came from these backgrounds or aligned themselves with these industries in order to get a feel for rates.

Key fact: 80% of coaches have made some form of personal calculation, which considers their personal circumstances to arrive at their chosen rate. 68% have essentially priced their services to ensure they are affordable, competitive and represent value for money, based on perceived client expectations, while 58% have undergone some form of market research to arrive at their pricing.

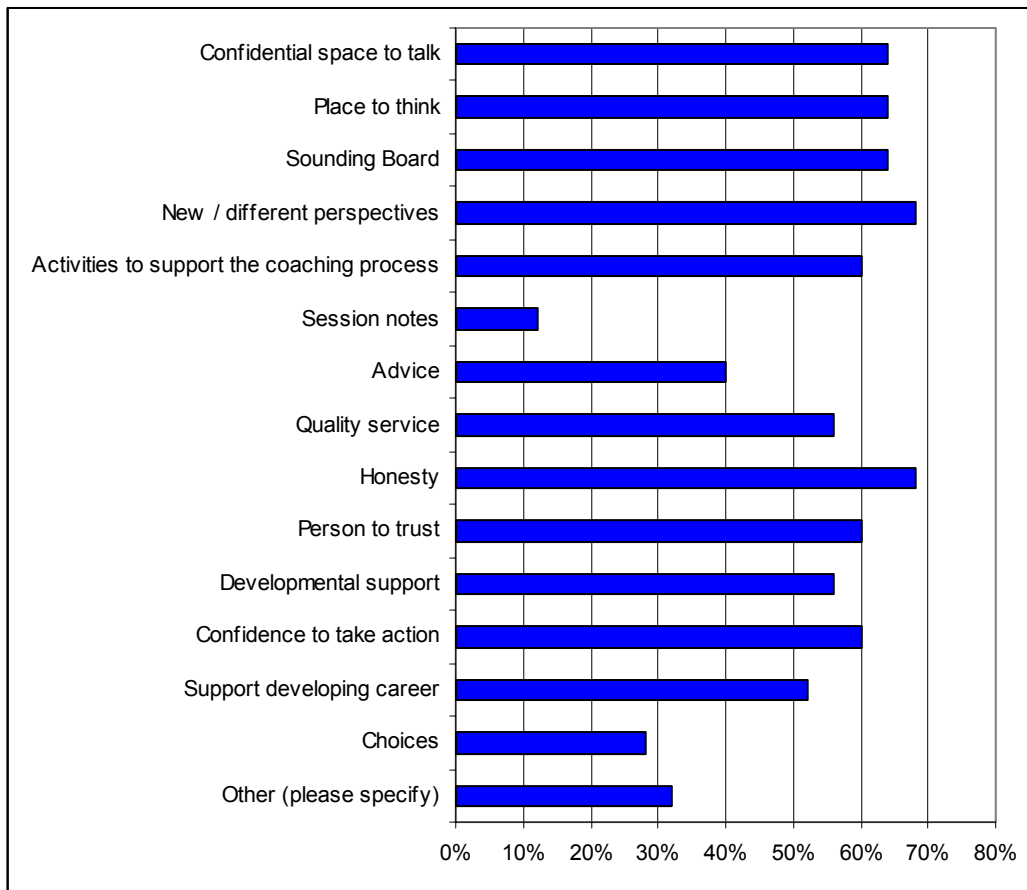
Section 2 – Analysis of responses from Purchasers/Clients:

What do purchasers and clients of Coaching services think?

For those respondents who were not coaches and evaluated the quality of Coaching services 88% stated they were either excellent or good. While a near equivalent number (80%) described the value of Coaching as either good or excellent.

In terms of what purchasers and clients believe they received from their coaches there are two marginally popular 'wins', 'new / different perspectives' and 'honesty'.

See table on the next page for an overview of the results.



Conclusions

- Coaches who sell their services as part of a package, monthly or day rate can expect to achieve a higher hourly rate than those selling their Coaching services as individual sessions.
- Coaches operating in the corporate space are more likely to offer Coaching sessions lasting longer than an hour.
- While there is no official standard for Coaching rates the influence of other developmental interventions such as counselling and training, along with what people have stated they need to earn and current market conditions has most likely and informally normalised rates.
- Recipients of Coaching services seem well serviced in terms of value and quality.

Future Predictions

- The current average Life Coaching fee of £50-£75 per hour could rise to £150-£200 per hour as the market matures.
- Coaching rates may experience an increase through a maturing market, as two key forces come in to play. Namely there is an expansion of coaches who become more confident with their services and what they are worth, and prospective clients become more comfortable paying for the services of a coach and appreciate the value they will receive.
- Coaching rates may be held back if coaches do not value their services and continue to compare their intervention to others such as counselling, psychotherapy, Reiki etc. (Although there is nothing to say that these other interventions are better or worse, or valued more or less highly). It is a question of what the market will take.