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# 2018 Intuit Rate Survey: Billing Rates, Value Pricing and More



HEATHER SATTERLEY, EA

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The 2018 Intuit® Rate survey has closed and the results are in! This year, we received responses from all over the world and will share the insights we learned in a series of articles to be published on the Firm of the Future blog over the next several months.

Get an [interactive tool here](#) for a visual view of survey results.

Read the other articles on the 2018 Intuit Rate Survey:

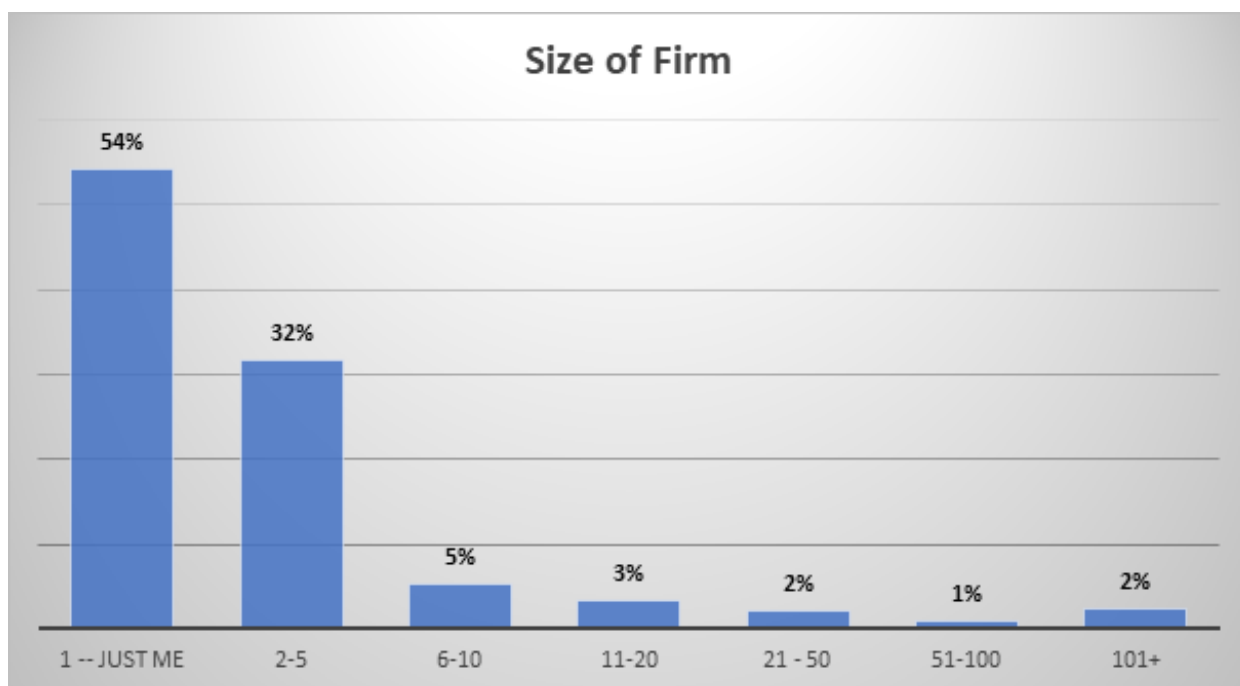
- [2018 Intuit Rate Survey: Rates by Region, Credential & Certification](#)
- [2018 Intuit Rate Survey: Best Sources to Find New Clients](#)

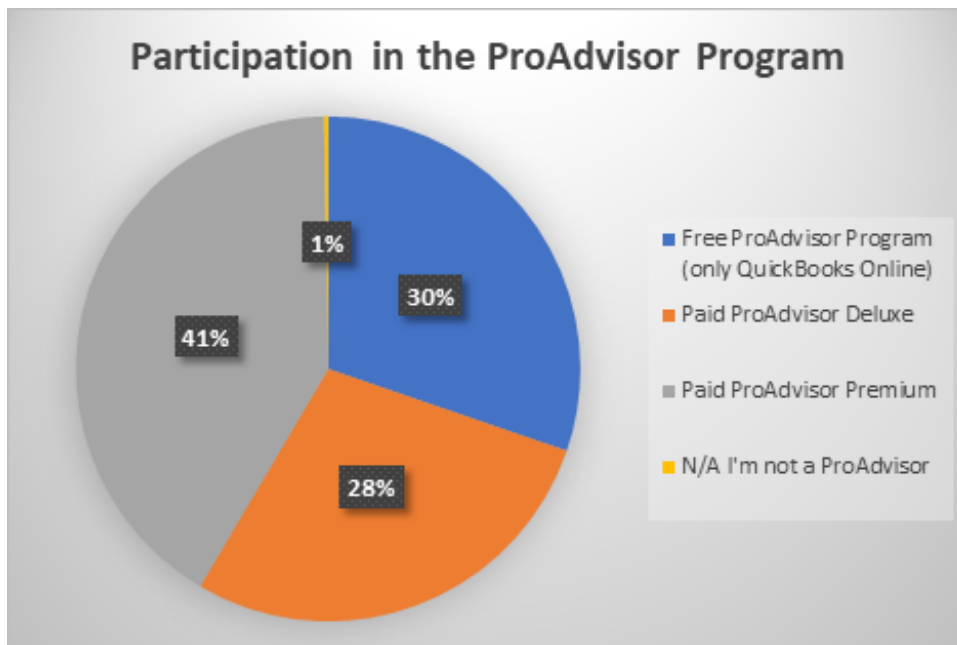
This year's survey asked a variety of questions related to firm demographics, methods used to bill clients for different types of services, and of course, how much practitioners are charging for these services. New to this year's survey is how accountants are attracting new business to their firms; we asked a series of questions about referral sources, and the use of social media in marketing and firm growth. We were also curious how billing rates were affected by using automation tools, such as bank feeds, to complete their work.

## Who Participated in the Survey?

As you can see from the following charts, most of the respondents to the survey:

- were sole practitioners (54 percent) or small firms with less than five employees (32 percent);
- belonged to the QuickBooks ProAdvisor® program, with 30 percent belonging to the free QuickBooks® Online program and 69 percent (combined) belonging to one of the QuickBooks Desktop paid programs; and
- selected bookkeeper (59 percent) or accountant (35 percent) as one their professional designations.





## Billing Practices

The survey asked practitioners how they billed their clients for various service offerings based on the following definitions:

- **Hourly billing** based on the hours worked.
- **Value pricing** based on the maximum amount a given client is willing to pay for a service, typically set before the work begins.
- **Value billing** is usually marking up – or more frequently marking down – the invoice to the client after the work has been performed.
- **Fixed fees** with the fee often determined based on estimated hours (or cost) to complete the work.

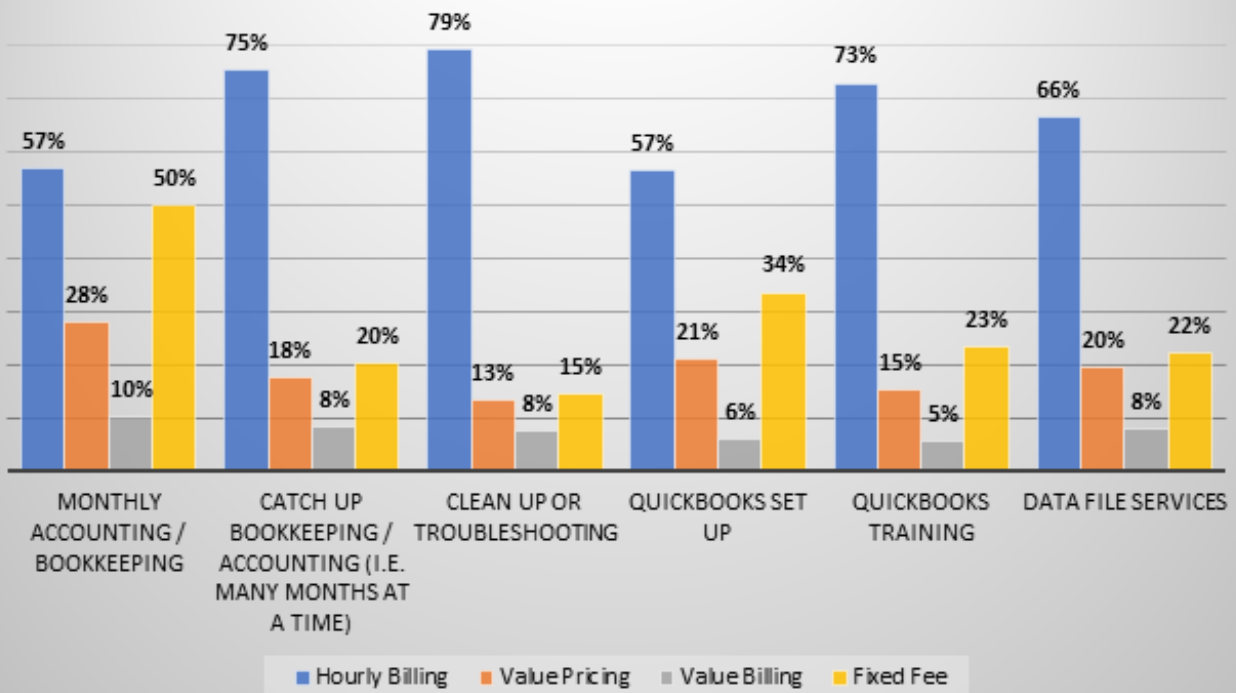
When billing for QuickBooks-related services, clearly hourly billing is still most widely used for catch-up bookkeeping (75 percent), cleanup and troubleshooting (79 percent), and training (73 percent). Fixed fee billing, on the other hand, is gaining popularity with ProAdvisors who provide monthly services (50 percent) compared to hourly billing (57 percent).

The methods used for other services told a different story. Fixed fee pricing was the most popular method to bill clients for payroll (55 percent), individual (57 percent) and corporate (54 percent) tax preparation services, while hourly billing was most popular for advisory services (70 percent) and technology consulting (72 percent).

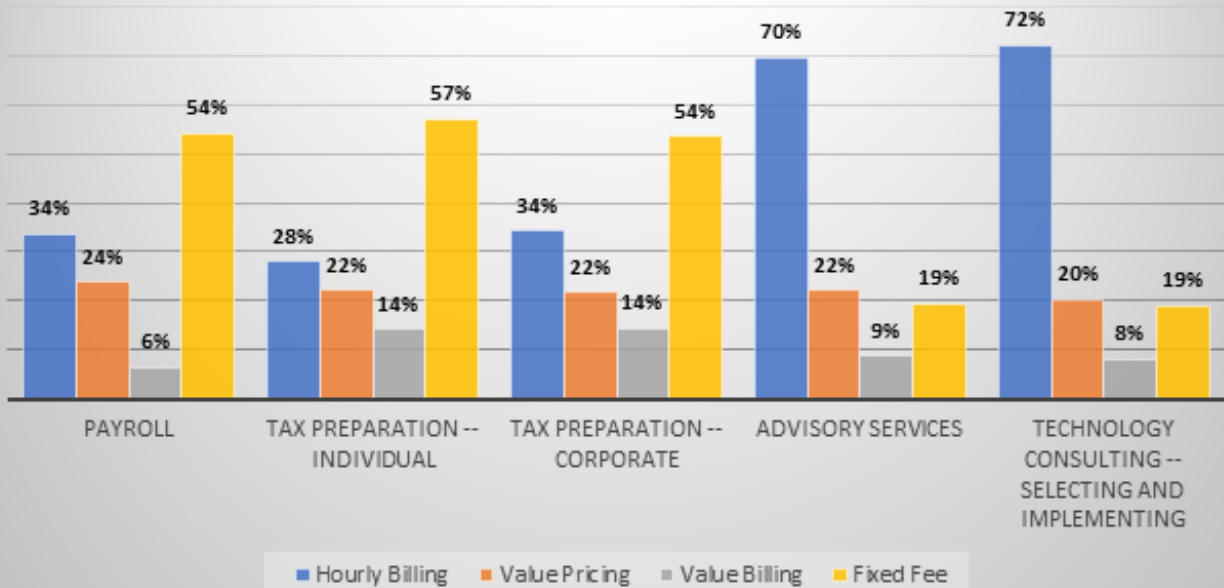
The survey results seem to suggest that accounting professionals prefer to bill hourly for services where there is higher degree of variability about the time and effort needed to complete the work. If the process used to complete a service has been standardized or there is lower risk of variability, practitioners are comfortable and even prefer using fixed fees or value pricing to bill their work. But, if the risk of variability is high, they tend to stick with hourly billing to protect the profitability of the job.

What is interesting about this notion is that 73 percent of respondents admitted to discounting or writing down their fees occasionally, suggesting that hourly billing may provide less protection than is perceived.

## Billing Methods for QuickBooks-Related Services



## Billing Methods for Other Services

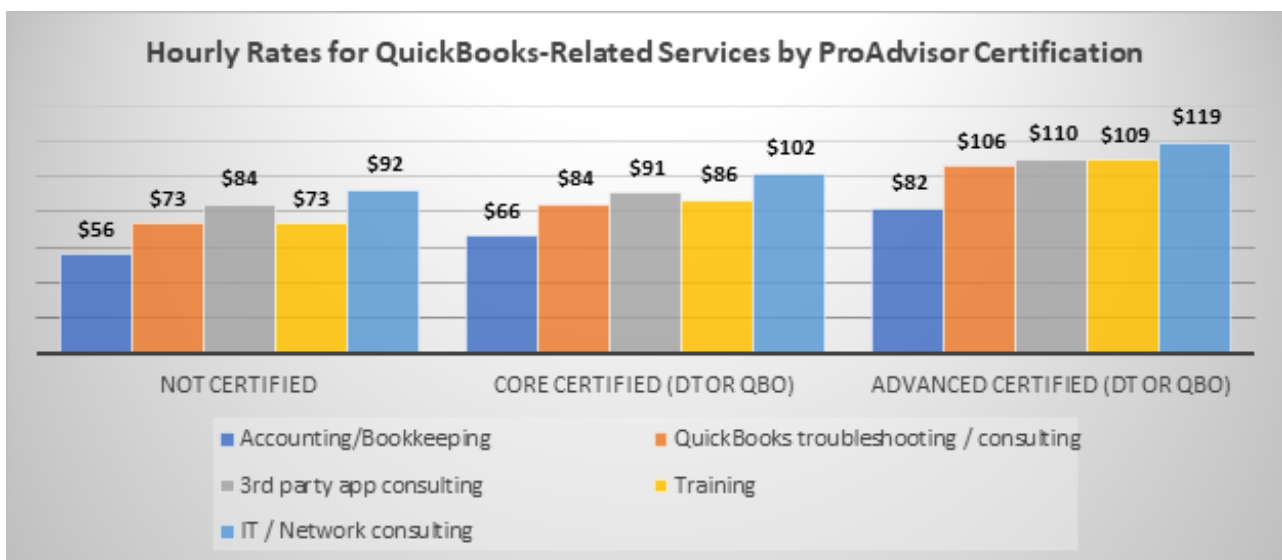
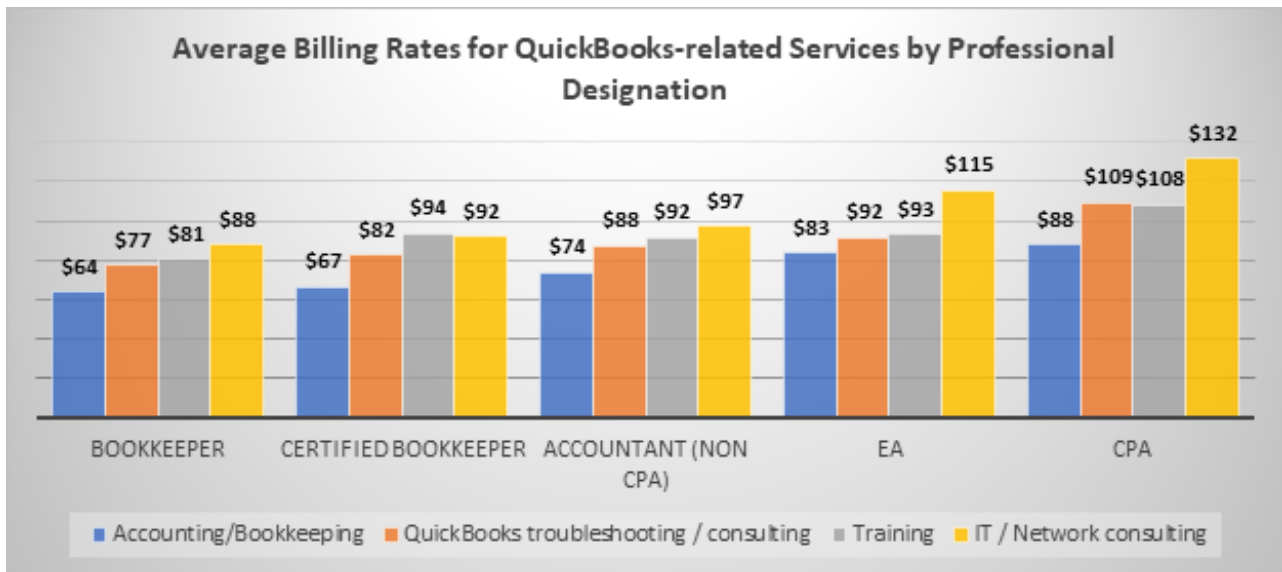


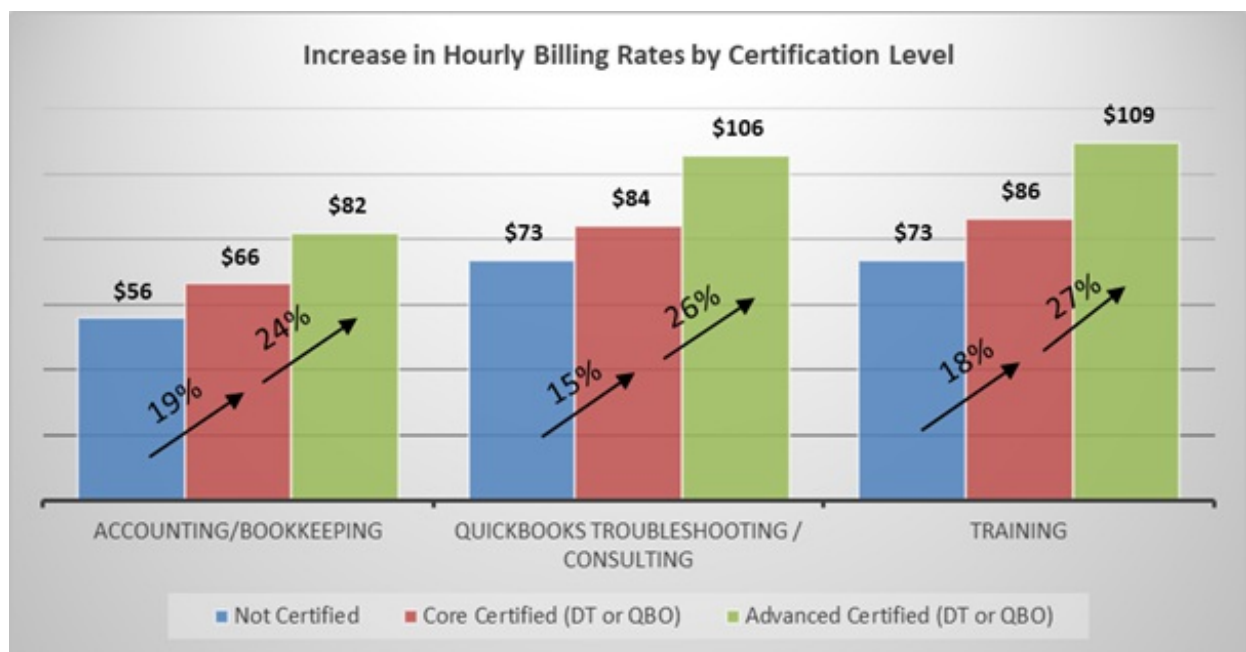
## Average Hourly Rates

The average hourly rates reported clearly show that the more you invest in your education and certifications, the higher the fee you can command for services. We looked at the average hourly billing rates for QuickBooks-related services by professional designation (CPA, CB, EA) and ProAdvisor certification status. In both cases, the higher the certification, the higher the average hourly billing rate reported. In fact, the average hourly rate increase for top three specific

QuickBooks-related services showed an average increase of 17 percent upon achieving Core Certification and another average increase of 25 percent upon achieving Advanced Certification status.

The big takeaway here is to get your certifications! If you've haven't signed up for the [QuickBooks ProAdvisor program](#) or gotten certified yet, you can start your journey to certification today.

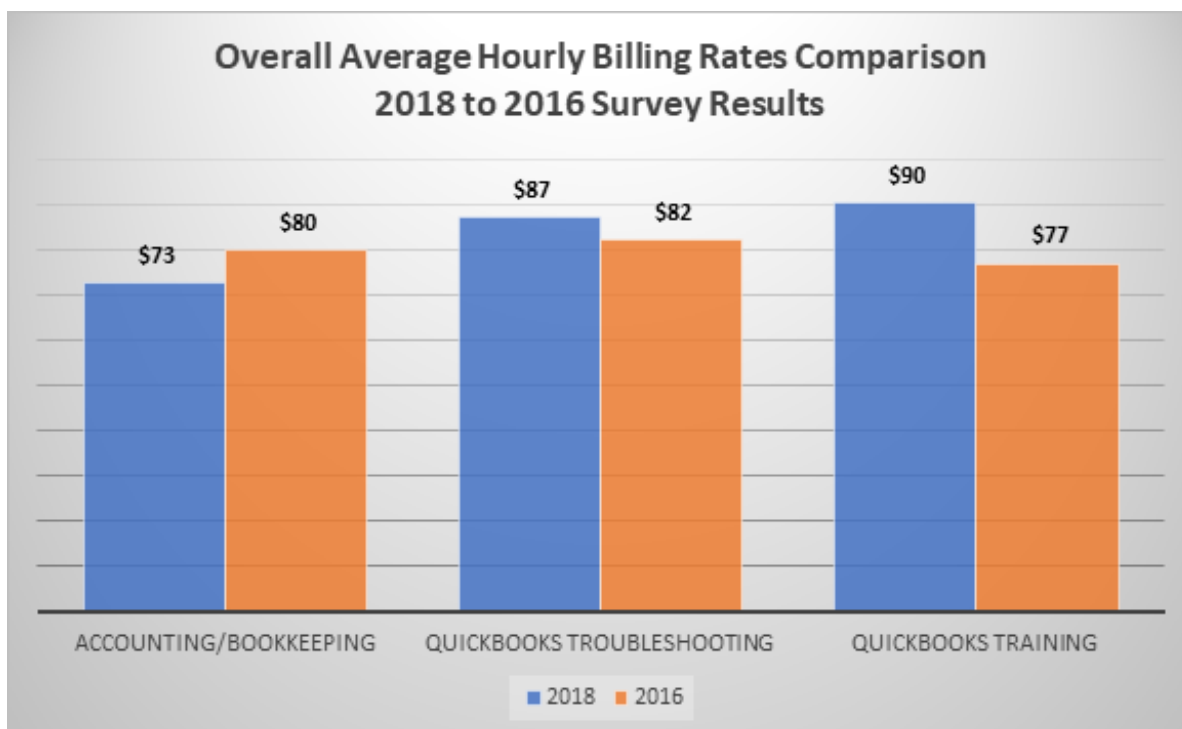




## Comparison to Last Survey

We compared this year's results to the last time the Intuit Rate Survey was conducted in fall 2016. While there was a slight dip in the average rates for bookkeeping and accounting services (\$73 in 2018 compared to \$80 in 2016), average rates *increased* for QuickBooks troubleshooting (\$87 in 2018 compared to \$82 in 2016) and training services (\$90 in 2018 compared to \$77 in 2016). We also learned from the 2016 survey that many practitioners use different billing methods for different types of services, so this year we dug a bit deeper by asking which billing methods accounting professionals are using by service type. This will give us insight into how and *why* different methods are used for different types of services.

It should be noted that there was a change in how we worded certain questions and how people could respond in this year's survey. For example, in the 2016 survey, respondents were asked to select a single billing method for each type of service they offered, but in 2018, we allowed them to select all methods that applied to them – for example, respondents could select hourly billing *and* value pricing for the same service. This explains why the total percentages in many of the charts do not total 100 percent.



Once busy season winds down, it's a great time to evaluate what went well for your firm and identify areas where you can improve your own business practices including your billing methods and rates. Take the time to look back at the accomplishments that you and your team have achieved over the past year; maybe you earned a new certification or other skill that brings additional value to your clients? If so, consider raising your billing rates accordingly.

If you're still billing hourly, consider exploring other pricing options such as value pricing that can help you boost your profitability as your firm processes become more efficient and automated.

How do your rates measure up against the survey data? Make sure to check out the next two articles in this series, "[2018 Intuit Rate Survey: Rates by Region, Credential and Certification](#)," and "[2018 Intuit Rate Survey: Best Sources to Find New Clients](#)." These articles include statistics by geographic area and share data about the rates charged by those using a fixed or value pricing model to bill clients.

**Editor's note:** This article is co-authored with Michelle Long, CPA.



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## About the Author

Heather has been an Intuit Certified QuickBooks® ProAdvisor since 1999, achieved her QB Advanced certification in 2007 and her QuickBooks® Enterprise Solutions certification in 2010. Heather is an Enrolled Agent permitted to practice before the Internal Revenue Service.

*Heather Satterley,*  
*EA*

@hsatterley <http://www.qbotrainer.com>