

An Economic Philosophy

When I tell people my rates for professional writing, graphic or web design they get this quizzical look on their face. If they've done their homework and shopped around, and most business people do, they know that charging \$40 per hour is well under the standard market price of \$50 to \$100 per hour. The mostly unspoken questions go something like "Why are your rates so low? Are you just undercutting the market or is this yet another cut-rate service?"

The answer to both questions is "no". I am a professional and take pride in the quality of work produced and making sure my clients are happy. Providing excellent service is a no-brainer. A happy customer not only returns, he or she tells friends and associates, which translates into even more business.

The reason for what is deemed to be a low rate has to do with a personal philosophy on economics. Simply put, if I charge less for my services than you can charge less for yours and still make the same profit margin. When you charge less for your service that affects the cost of the goods or service someone else charges and they can keep *their* costs lower. In the end it is the consumer that benefits; consumers like you and me. When consumers, the backbone of any economy, pay less for essential goods and services they require less wages to make ends meet, which reduces the cost of doing business, which lowers the costs of goods and services.

Are you getting the picture here? We all live in the same pond and the decisions we make influence the decisions and choices made by the rest of the pond's inhabitants and the pond itself. It's not that simple you say? Yes, actually it is. *Every* decision made that affects our economy and the standard of living for everyone starts with just one person. That person may be a CEO answerable to stockholders or a baker feeding his family. The only difference is the degree of influence.

The CEO potentially can affect thousands, even millions and, as we've seen quite recently, can topple an economy. But don't underestimate the influence of the baker. He or she provides an essential service. Their demands for a higher wage not only raises the price of bread, it has a boomerang effect in that other trades people as well as professionals ask for more money to afford the bread and then, when their prices go up, the baker needs more money to maintain his or her standard of living.

So I choose to keep my rates reasonable and it is not seen as a sacrifice. No, we may not ever gain entrance to the elite club of the rich and famous, but we will live comfortably with all our needs met and then some. What more could you ask?

Now, just for fun, here are a few stats for you to ponder.

- If you have \$100 (USD) converted from 1950 to 2005 it would be equivalent to \$835.41.¹
- The average income in the same year was \$14,500; a house cost \$3,216 and a loaf of bread cost 14 cents.²
- The national average wage index for 2009 in the United States was \$41,794.29³
- The average wage for Canadians between March 2009 and March 2010 was \$45,601.⁴
- There were an estimated 72 million credit cards in circulation in Canada in 2009 with a total outstanding credit-card debt of \$78 billion in September; up from \$76 billion in September 2008.⁵
- An estimated 686 million credit cards were in circulation in the United States in 2009 (Author's note: the Canadian version of CreditCard.com reported this statistic; the US version has a different figure of 576.4 million⁶) with a total debt of \$847 billion.

Comments on this article are welcome at [Facebook](#).

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¹ <http://www.thepeoplehistory.com/1950s.html>

² <http://www.thepeoplehistory.com/1950s.html>

³ <http://politicalcalculations.blogspot.com>

⁴ <http://www40.statcan.gc.ca/l01/cst01/labr69a-eng.htm> (annual wage calculated based on 37.5 hrs/wk)

⁵ <http://canada.creditcards.com>

⁶ <http://www.creditcards.com/credit-card-news/credit-card-industry-facts-personal-debt-statistics-1276.php>