Morals for your story

The Oredigger, vol. 91, issue 11 (Nov. 29, 2010), p. 10

Written by Shira Richman

Dilemma
I recently started my own business. In my field, my salary is derived in two ways: 1) an hourly charge, and 2) a mark-up on materials that I personally purchase for the construction projects. Since I am a business owner, I am able to buy supplies at wholesale rates; it is customary in my field not to tell clients the profit made on these purchases.

I think I should be honest with my clients, though. Since I am already making money by the hour, it seems excessive to also make a profit on purchases. However, I worry that if I tell my clients about the customary mark-ups I am revealing a secret of my industry, which will create complications for my colleagues in this field.

Should I follow my own ethical code and be honest with my clients? Or be loyal to my industry and follow its customs?
--Unnatural Capitalist

Responses
Why not just charge your clients wholesale prices for the materials you buy? This way you can follow your ethical code and respect the ideals of your profession. That's not to say that it's morally wrong to add a slight charge on materials for your effort; just don't be greedy.

Another option is to raise your hourly rate and explain to your clients that you will be offering them wholesale prices on materials. This way no information is revealed about your industry's practices and you can adhere to your personal code of ethics.
--Schaeffer Buchanan

I would suggest that you follow your moral code and do not charge your clients extra for materials. However, you don't need to explain to them that you are not making profit on your materials. Just go about your business and people will see you are cheaper and different; you will likely get more clients while not betraying your industry or your personal principles.
--Michael Mey

I think you should be honest with your clients. Even though it is common practice to double-charge clients in your field, it's still corrupt. You have a moral obligation as a person and to your clients to tell them information that will be beneficial to them.
This situation reminds me of the system of tax collectors in Roman society 2000 years ago. In order to make a significant profit, the tax collectors would take more money from the people than they were supposed to, which is just wrong.
To sum it all up, you should not take more money from your clients than you need, and you should at least be honest with them about how the charges are calculated.
--Nate Caroe

Sounds like you got yourself stuck between a rock and a hard place, eh? Personally, being the greedy kid that I am, I would not tell your customers about the various charges. By telling them, you could possibly lose business because people may begin to become suspicious about other potential charges.
Kant, on the other hand, would tell you to be honest with your customers; he would argue that it is your responsibility to tell your customers the truth and not worry about the consequences. You should probably follow Kant's reasoning instead of mine. Either way, your customers should realize it's a business, which really is largely about getting money.
--Zach Albaitis

I don't think you need to tell your clients about the mark-ups if you're worried about conflicts with your colleagues. Most Americans expect mark-ups from companies because that's how profit is made. A company isn't a company without profit. Almost everything we buy is marked up.
If your clients think you're charging too much, they can discuss it with you or go somewhere else for the service. Conflicts with colleagues are not as easily solved.
--Lauren Miyazawa

To solve this matter, I would like to look at Kantian ethical theory, in which respecting human dignity is largely what determines the morality of an action. In your case, charging extra for materials that you go out and buy seems reasonable. If you don't charge extra for this service, you will not be respecting your dignity. Not only does purchasing the items take your time, for which you should be compensated, it also draws on your expertise and judgment. These are all reasons clients are seeking your help in the first place. They know that these services come at a price.
One think you could do, though, is to offer your clients the option of buying materials themselves. This would create even more respect for human dignity by giving clients a choice about what they want to do.
--Chris Asmussen
Next Week's Dilemma

Recently, I was taking a test, during which we were not allowed to use calculators. This is an upperclassman-level test, so the professors are fairly trusting. I noticed that a friend was using a calculator, which, as I have said, was not allowed on the test. Based on my discussions with him/her prior to the test, I am certain that this was totally an honest mistake on his/her part.

What should I do in this particular situation, and what is ethical in the general case?

--Witness of Unintentional Cheating