



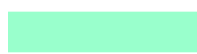


YOUR HOURLY RATE

1	Estimated salary		\$40,000	
2	Estimated taxes - Add 30%		\$12,000	
3	Total Salary for the year		\$52,000	
4	Yearly business hours	2,080 > 1904 after vacation & sick days		
5	60% billable efficiency	1,142 billable hours per year		
7	Labor hourly rate (total salary (line 3) / 1142) =		\$45.53	labor hourly rate
8	Business overhead expenses:		\$35,000	
9	Business overhead + salary = TOTAL		\$87,000	
10	Overhead as % of Salary (line 8/line3)		67.30%	
11	Overhead hourly rate: Labor Hr. Rate x OH % (line 10xline7)		\$30.64	overhead hourly rate
12	Rate to recover Income + OH: ($\$45.53 + \30.64)		\$76.16	 WHAT YOU MUST CHARGE!
	Profit percentage			
13	Hr. Rate x 10%		\$7.62	
14	Add to Hr. rate		*\$83.77	 WHAT YOU SHOULD CHARGE!
15	Round it up...		\$85.00	

HOURLY RATE IS \$85.00 PER HOUR.

YOUR HOURLY RATE - *working copy*

- 1 Estimated salary _____
- 2 Estimated taxes - Add 30% _____
- 3 Total Salary for the year _____
- 4 Yearly business hours 2,080 > 1904 after vacation & sick days
- 5 60% billable efficiency 1,142 billable hours per year
- 7 Labor hourly rate (total salary (line 3) / 1142) = _____ labor hourly rate
- 8 Business overhead expenses: _____
- 9 Business overhead + salary = TOTAL _____
- 10 Overhead as % of Salary (line 8/line3) _____
- 11 Overhead hourly rate: Labor Hr. Rate x OH % (line 10xline7) _____ overhead/hourly rate
- 12 Rate to recover Income + OH: _____
 (\$45.53+\$30.64)  WHAT YOU MUST CHARGE!
- Profit percentage
- 13 Hr. Rate x 10% _____
- 14 Add to Hr. rate _____
 WHAT YOU SHOULD CHARGE!
- 15 Round it up... 

HOURLY RATE IS \$ _____ PER HOUR.