

Hourly Rate Estimation Worksheet

Please note that this worksheet is *not meant to advise you on what can be a business tax write-off.*

This worksheet will help you figure out what an appropriate hourly rate would be to charge for freelance work.

Please enter as monthly estimates. For yearly estimates, divide by 12 to get monthly cost.

If any field doesn't apply, leave it blank.

Your in-home office rent _____ warning: often this can be difficult to justify when applied to write-offs, but that doesn't mean you can't allow for it when charging clients

Your salary _____ amount you need to earn per month to live (food, rent, etc), regardless of whether you have work

Utilities

Electricity _____

Heat _____

AC _____

Phone _____ include cell phone service, if used for business

Water/Sewage _____

Internet _____

Taxes

Quarterly estimated self-employment tax _____ For US residents, please see <http://www.irs.gov/businesses/small/article/0,,id=98846,00.html> for more info on estimating your Self-Employment tax

Sales tax _____ This would be the tax on your services that you would charge your clients, you need to pay this to the Government

Insurance

Health _____

Equipment/business _____ Enter these as they apply. If you are working for large companies, it may be a good idea to obtain business insurance, just in case!

Premises _____

Equipment

Computer(s) _____

Office equip. _____

Phone _____

Benefits

Vacation/sick _____ Gotta have time off! You may want to calculate everything with this blank, then go back and add in hourly rate x number of hours you want for vacation/sick per month. This will give you an adjusted hourly rate to include this benefit

Self-Promotion

Business cards _____

Advertising _____

Portfolio _____

Website/hosting _____

Office Supplies

Paper, pens, ink... _____

Art Supplies

Stock photos, tools... _____

Travel Expenses

Gas _____ As of 4/07 rate per mile in US is \$0.48.5, multiply this by the number of miles per month

Food _____

Lodging _____

Hour Rate Estimation Worksheet, cont.

Business Entertainment _____ this is "wining and dining" your client, remember to keep receipts for taxes

Furniture (chairs, desk, etc) _____ may be yearly, divide total by 12

Equipment Purchases

Hardware _____

Software _____

Misc. _____

Totals

Basic Monthly
Operating Costs _____

Profit _____ Probably between 10% and 20%. Enter in decimal form + 1. So 1.1 for a 10% profit margin

Plus Profit _____

Savings for
Retirement _____ You do want to retire, don't you? Amount to enter depends on age and
how much you want to retire with, remember this is a monthly estimate, try \$150

Total Monthly _____

Total Weekly _____

Hours per week _____ How many hours you want or will work per week

Total Hourly _____

This is meant to be a guide. If the number is too outrageously high, bring it down to something more reasonable. If the number is too low in your opinion, raise it. Now comes the fun part of figuring out how many hours a project will take! Remember to always include a couple extra hours for unforeseen problems.