

Rate Strategies

What are the prevailing rates in your field?

- Ask other contractors
- Research salary websites: Salary.com, payscale.com, http://forms.web.roberthalf.com/salary_guides
- Check Consultantjournal.com
- Find tools to track expenses: <http://www.popularmechanics.com/technology/how-to/g1013/10-apps-for-the-self-employed/>

Pricing Calculator (comparing W-2 Contractors and 1099 Contractors)

What are the costs in addition to anything you paid as a regular, benefited employee?

Example:

Components of Pay	W-2	1099
Base	\$ 30.00	\$ 30.00
Taxes	<i>Employer paid</i>	\$ 2.18 (7.25%)
Insurance / other	\$ 7.50 (25.0%)	\$ 7.50 (25.0%)
Subtotal (taxes + other)	\$ 7.50	\$ 9.68
Total	\$ 37.50	\$ 39.68

Actual:

A. Base Salary: _____ per hour

B. Benefits: Personal insurance, taxes (15.3%), vacation, education, retirement (~25%) _____ per hour

C. Hourly Rate: *Sum of A + B (above)* _____ per hour