

VA Income Calculator

How to charge? When I started, I phoned several secretarial services, both close to home and further out to get a calibration on basic costings. I didn't want to charge too much but I didn't want to undercharge either. Being consistent with your charging is important – doing different prices for different people will only help to get yourself confused and your book-keeping in a mess. *Keep a list of your prices close to hand* – that way you won't sound hesitant over the phone, but confident. When I only had a couple of services to offer it wasn't a problem, but now I do so several things, I need to keep track of what my charges are.

Don't forget to add your expenses, e.g. stationery, printing, postage, labels, phone calls, faxes, etc. to your invoices after listing your rate. Make sure you keep an accurate record.



Working out your rates

Came across this formula years ago for working out contract rates for engineers. I've used the same formula. And so, I have set it out below modified for your use. Based on a 38 hour week but if your country works different hours, you'll need to adjust for that.

Public Holidays	12 days	92 hours
Annual Leave	20 days	152 hours
Long Service Leave	4.3 days	33 hours
Sick Leave	10 days	76 hours
Accident Cover	3%	60 hours
Superannuation	10%	198 hours
Professional Indemnity	3%	60 hours
Misc. Leave (family, injury, etc)	3 days	23 hours
Professional Development	5 days	38 hours
Termination/Redundancy	5 days	38 hours
TOTAL		770 hours

Thus your hourly rate should be calculated as 1980 hours (38 hour week for a full year) less 770 hours = 1210 hours. So, if you are aiming for a regular income of say \$AUD50,000 your rate would be \$A41.32 per hour for regular word-processing or basic work. Obviously more in-depth jobs should be charged at a greater rate, thereby increasing your annual income. Don't forget to allow for expenses incurred in providing these services. But this should give you some guidance in quoting for your work.

You would be wise also, to use the above to help calculate how much you should put away for leave, otherwise when you aren't working, after having developed your business, you'll have nothing to live on! And you also need to be putting away for tax, insurances, Superannuation and any other items important for you to continue maintaining your business and lifestyle.

This is just one way to perform a calculation for your basic hourly rate and you may well come across other ways to work out rates suitable for you. The good thing about this formula is that you start with what would be an appropriate annual wage in your geographical situation, thereby keeping in line with the cost of living in your area. You can next start working on rates for high worth services and packages that may command monthly rates rather than hourly.

Remember to change the \$50,000AUD to whatever the regular income would be for you in the corporate world where you live. And check what the public holidays and acceptable leave allowances are for your region.

The important thing to remember is to not over-price your work, nor under-price yourself - you do yourself a disservice and your industry and will find it very difficult to bring your rates up to what would be appropriate to cover your expenses without losing clients.



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