

LABOR BURDEN CHART

Fourteen base wages against six workers compensation rates, showing what the hour actually costs you before a minute of it is unbillable, and then what happens when some of it is.

The wage on the check is not the cost of the hour. On top of it sit FICA at 7.65 percent, state and federal unemployment, workers compensation at a rate set by the trade, general liability priced off payroll, and whatever benefits the business carries. Together they are the labor burden.

The second thing that moves the number is that not every paid hour is a billable one. Drive time, loading, the supply house, the rained out morning and the cleanup are all paid and none of them appear on an invoice, so the burdened cost has to be recovered across fewer hours than were paid for.

Burdened cost per paid hour, by wage and workers comp rate

Base wage	2% comp	5% comp	9% comp	15% comp	25% comp	40% comp
\$16.00	\$20.34	\$20.82	\$21.46	\$22.42	\$24.02	\$26.42
\$18.00	\$22.64	\$23.18	\$23.90	\$24.98	\$26.78	\$29.48
\$20.00	\$24.93	\$25.53	\$26.33	\$27.53	\$29.53	\$32.53
\$22.00	\$27.22	\$27.88	\$28.76	\$30.08	\$32.28	\$35.58
\$25.00	\$30.66	\$31.41	\$32.41	\$33.91	\$36.41	\$40.16
\$28.00	\$34.10	\$34.94	\$36.06	\$37.74	\$40.54	\$44.74
\$30.00	\$36.39	\$37.30	\$38.49	\$40.30	\$43.30	\$47.80
\$32.00	\$38.69	\$39.65	\$40.93	\$42.85	\$46.05	\$50.85
\$35.00	\$42.13	\$43.18	\$44.58	\$46.68	\$50.18	\$55.43
\$40.00	\$47.86	\$49.06	\$50.66	\$53.06	\$57.06	\$63.06
\$45.00	\$53.59	\$54.94	\$56.74	\$59.44	\$63.94	\$70.69
\$50.00	\$59.33	\$60.83	\$62.83	\$65.83	\$70.83	\$78.33
\$60.00	\$70.79	\$72.59	\$74.99	\$78.59	\$84.59	\$93.59
\$75.00	\$87.99	\$90.24	\$93.24	\$97.74	\$105.24	\$116.49

FICA at 7.65 percent, unemployment at 3 percent, general liability at 2 percent of payroll and benefits at \$2.00 an hour. Every paid hour billable, so this is the burden alone. Workers comp rates run from about 2 percent for office work to 40 percent or more for roofing, and they are set per class code per state.

Burden as a percent over the wage

Base wage	2% comp	5% comp	9% comp	15% comp	25% comp	40% comp
\$16.00	27.2%	30.1%	34.1%	40.2%	50.2%	65.1%
\$18.00	25.8%	28.8%	32.8%	38.8%	48.8%	63.8%

Base wage	2% comp	5% comp	9% comp	15% comp	25% comp	40% comp
\$20.00	24.6%	27.7%	31.7%	37.7%	47.7%	62.7%
\$22.00	23.7%	26.7%	30.7%	36.7%	46.7%	61.7%
\$25.00	22.7%	25.6%	29.7%	35.7%	45.7%	60.7%
\$28.00	21.8%	24.8%	28.8%	34.8%	44.8%	59.8%
\$30.00	21.3%	24.3%	28.3%	34.3%	44.3%	59.3%
\$32.00	20.9%	23.9%	27.9%	33.9%	43.9%	58.9%
\$35.00	20.4%	23.4%	27.4%	33.4%	43.4%	58.4%
\$40.00	19.6%	22.7%	26.6%	32.7%	42.7%	57.7%
\$45.00	19.1%	22.1%	26.1%	32.1%	42.1%	57.1%
\$50.00	18.7%	21.7%	25.6%	31.7%	41.7%	56.7%
\$60.00	18%	21%	25%	31%	41%	56%
\$75.00	17.3%	20.3%	24.3%	30.3%	40.3%	55.3%

The multiplier, expressed as the percent on top of the base wage. It falls as the wage rises because the \$2.00 of benefits is a fixed amount per hour rather than a percentage of pay.

What unbillable time does to the rate

Base wage	5 of 8 billable	5.5 of 8 billable	6 of 8 billable	6.5 of 8 billable	7 of 8 billable	8 of 8 billable
\$16.00	\$34.34	\$31.22	\$28.62	\$26.42	\$24.53	\$21.46
\$18.00	\$38.24	\$34.76	\$31.86	\$29.41	\$27.31	\$23.90
\$20.00	\$42.13	\$38.30	\$35.11	\$32.41	\$30.09	\$26.33
\$22.00	\$46.02	\$41.84	\$38.35	\$35.40	\$32.87	\$28.76
\$25.00	\$51.86	\$47.15	\$43.22	\$39.89	\$37.04	\$32.41
\$28.00	\$57.70	\$52.45	\$48.08	\$44.38	\$41.21	\$36.06
\$30.00	\$61.59	\$55.99	\$51.33	\$47.38	\$43.99	\$38.49
\$32.00	\$65.48	\$59.53	\$54.57	\$50.37	\$46.77	\$40.93
\$35.00	\$71.32	\$64.84	\$59.44	\$54.86	\$50.95	\$44.58
\$40.00	\$81.06	\$73.69	\$67.55	\$62.35	\$57.90	\$50.66
\$45.00	\$90.79	\$82.53	\$75.66	\$69.84	\$64.85	\$56.74
\$50.00	\$100.52	\$91.38	\$83.77	\$77.32	\$71.80	\$62.83
\$60.00	\$119.98	\$109.08	\$99.99	\$92.30	\$85.70	\$74.99
\$75.00	\$149.18	\$135.62	\$124.32	\$114.75	\$106.56	\$93.24

Workers comp at 9 percent, everything else as above. The whole burdened cost of eight paid hours has to come back across however many of them were billable, so the rate you charge has to carry the rest.

Every figure on this sheet was produced by the same calculator that runs at contractorhandbook.com, free and with no signup.

These are estimating figures for ordering and pricing, not engineering. Nothing here sizes a structural member, checks a load, or replaces local code, a permit, or a manufacturer's installation instructions. Where a rule of thumb is doing the work it is written into the notes under each table rather than hidden.