OVERHEAD AND PROFIT CHART

Fourteen direct job costs against five overhead and profit combinations, with the markup each combination actually equals and what adding the percent to the cost instead would have left you with.

Overhead and profit are both percentages of the price, not of the cost. That single sentence is the difference between pricing a job correctly and giving away a large slice of the profit line, and it catches a lot of otherwise careful estimators.

Ten percent overhead and ten percent profit means the price is the cost divided by 0.80, not the cost times 1.20. On a $10,000 job that is $12,500 rather than $12,000, and the $500 you did not charge is forty percent of the profit you thought you were making.

Price by direct job cost and O and P

Direct job cost	10 + 5	10 + 10	15 + 10	20 + 10	25 + 15
$1,000	$1,176.47	$1,250.00	$1,333.33	$1,428.57	$1,666.67
$2,500	$2,941.18	$3,125.00	$3,333.33	$3,571.43	$4,166.67
$5,000	$5,882.35	$6,250.00	$6,666.67	$7,142.86	$8,333.33
$7,500	$8,823.53	$9,375.00	$10,000.00	$10,714.29	$12,500.00
$10,000	$11,764.71	$12,500.00	$13,333.33	$14,285.71	$16,666.67
$15,000	$17,647.06	$18,750.00	$20,000.00	$21,428.57	$25,000.00
$20,000	$23,529.41	$25,000.00	$26,666.67	$28,571.43	$33,333.33
$25,000	$29,411.76	$31,250.00	$33,333.33	$35,714.29	$41,666.67
$35,000	$41,176.47	$43,750.00	$46,666.67	$50,000.00	$58,333.33
$50,000	$58,823.53	$62,500.00	$66,666.67	$71,428.57	$83,333.33
$75,000	$88,235.29	$93,750.00	$100,000.00	$107,142.86	$125,000.00
$100,000	$117,647.06	$125,000.00	$133,333.33	$142,857.14	$166,666.67
$150,000	$176,470.59	$187,500.00	$200,000.00	$214,285.71	$250,000.00
$250,000	$294,117.65	$312,500.00	$333,333.33	$357,142.86	$416,666.67

Column headings are overhead percent plus profit percent, both taken on the price. Direct job cost is material, labor including its burden, subcontractors, equipment, permits and dump fees.

What each combination really is

Overhead	Profit	Price on $10,000	Markup this equals	Added to cost instead
10%	5%	$11,764.71	17.6%	$11,500.00
10%	10%	$12,500.00	25%	$12,000.00
15%	10%	$13,333.33	33.3%	$12,500.00

Overhead	Profit	Price on $10,000	Markup this equals	Added to cost instead
20%	10%	$14,285.71	42.9%	$13,000.00
25%	15%	$16,666.67	66.7%	$14,000.00

The last column is what you would have charged by multiplying the cost by one plus the percentages, which is the common error. The gap between it and the price column is money that was never recovered.

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.