CONTRACTOR HOURLY RATE CHART

Nine target incomes against the percentage of your hours that are billable, and then the same targets against the overhead the business carries. The rate you have to charge is the crossing point.

The rate is not a market price you look up. It is an arithmetic result: what you want to earn, plus what the business costs to run, divided by the hours you can actually bill, plus whatever profit you want on top of your own pay.

Two inputs decide almost all of it. The overhead is one, because it is money out before a job starts. The billable percentage is the other, and it is the one that surprises people: at forty hours a week for forty eight weeks you have 1,920 hours, and at seventy percent billable you have 1,344 of them to sell.

Hourly rate by target earnings and billable percentage

Target earnings	50% billable	60% billable	70% billable	80% billable	90% billable
$40,000	$87.96	$73.30	$62.83	$54.98	$48.87
$50,000	$99.54	$82.95	$71.10	$62.21	$55.30
$60,000	$111.11	$92.59	$79.37	$69.44	$61.73
$70,000	$122.69	$102.24	$87.63	$76.68	$68.16
$80,000	$134.26	$111.88	$95.90	$83.91	$74.59
$90,000	$145.83	$121.53	$104.17	$91.15	$81.02
$100,000	$157.41	$131.17	$112.43	$98.38	$87.45
$120,000	$180.56	$150.46	$128.97	$112.85	$100.31
$150,000	$215.28	$179.40	$153.77	$134.55	$119.60

Forty hours a week for forty eight weeks, $36,000 a year of overhead, and 10 percent profit on top of your own pay. The target is what you want to take out of the business, not the revenue.

The same targets, by what the business costs to run

Target earnings	$12,000 overhead	$24,000 overhead	$36,000 overhead	$50,000 overhead	$75,000 overhead
$40,000	$42.99	$52.91	$62.83	$74.40	$95.07
$50,000	$51.26	$61.18	$71.10	$82.67	$103.34
$60,000	$59.52	$69.44	$79.37	$90.94	$111.61
$70,000	$67.79	$77.71	$87.63	$99.21	$119.87
$80,000	$76.06	$85.98	$95.90	$107.47	$128.14
$90,000	$84.33	$94.25	$104.17	$115.74	$136.41
$100,000	$92.59	$102.51	$112.43	$124.01	$144.68

Target earnings	$12,000 overhead	$24,000 overhead	$36,000 overhead	$50,000 overhead	$75,000 overhead
$120,000	$109.13	$119.05	$128.97	$140.54	$161.21
$150,000	$133.93	$143.85	$153.77	$165.34	$186.01

Seventy percent of 1,920 hours billable, 10 percent profit. Overhead here is the annual total: truck, fuel, insurance, phone, software, office, accountant, advertising, and the time you spend estimating rather than working.

Break even against the rate with profit in it

Target earnings	Billable hours	To cover	Break even	With 10% profit	Day rate
$40,000	1,344	$76,000.00	$56.55	$62.83	$502.65
$50,000	1,344	$86,000.00	$63.99	$71.10	$568.78
$60,000	1,344	$96,000.00	$71.43	$79.37	$634.92
$70,000	1,344	$106,000.00	$78.87	$87.63	$701.06
$80,000	1,344	$116,000.00	$86.31	$95.90	$767.20
$90,000	1,344	$126,000.00	$93.75	$104.17	$833.33
$100,000	1,344	$136,000.00	$101.19	$112.43	$899.47
$120,000	1,344	$156,000.00	$116.07	$128.97	$1,031.75
$150,000	1,344	$186,000.00	$138.39	$153.77	$1,230.16

At 70 percent billable and $36,000 of overhead. Break even is the rate at which you earn exactly your target and the business makes nothing. The profit column is what leaves something behind for the slow year, the bad debt and the truck that has to be replaced.

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.