

## Rate Strategies

What are the prevailing rates in your field?

- Ask other contractors
- Research salary websites: [Salary.com](http://Salary.com), [payscale.com](http://payscale.com)
- Check [Consultantjournal.com](http://Consultantjournal.com)
- Find tools to track expenses: <http://www.popularmechanics.com/technology/howto/g1013/10-apps-for-the-self-employed/>

## Rate Calculator (comparing W-2 Contractors and 1099 Contractors)

Components of Pay	W-2 contract	1099 contract
Base	\$ 30.00	\$ 30.00
Taxes	<i>Employer paid</i>	\$ 2.18 (7.65%)
Insurance / other	\$ 9.00 (30.0%)	\$ 9.00 (30.0%)
Subtotal (taxes + other)	\$ 9.00	\$ 11.18
<b>Total</b>	<b>\$ 39.00</b>	<b>\$ 41.18</b>

### Rate Worksheet:

#### **Actual:**

A. Base Salary: \_\_\_\_\_ per hour

B. Benefits: Personal insurance, taxes, vacation,  
education, retirement (~30%) \_\_\_\_\_

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