

What's Your True Employee Costs?

Compiled according to guidelines set forth by the
National Association of Auditors, Controllers, and Treasurers

What is the actual per hour cost with minimal benefits? How costly is the hiring process for even lower salaried workers? In three easy steps, the example below demonstrates your true hourly cost.

Step One...

Example of full time, 40 hour a week employee being paid \$9.00hr,
your annual cost is...

State and Federal Unemployment & Medicare Taxes
State Workman's Comp premium

Minimum Hospitalization Insurance

Total Annual Cost of Current Employee → → →

2080hrs annually x \$9.00 = \$18,720.00

10 to 11% 1,965.60

W/C premium 2,175.26

\$300 month 3,600.00

Annual cost \$26,460.86

Step Two...

Remove non-productive hours like 7 paid holidays and 1 week vacation out of hours actually worked, you now have only 1984 productive hours...

Annual payroll costs divided by productive hours equals an...

Actual Payroll Cost of Current Employees → → →

(Total Placement's bill rate for this person...)

2080 - 96 hrs = 1984 hrs worked

\$26,460.86 ÷ 1984 =

Actual cost per hour \$13.34 hr
(\$12.78)

Step Three...

Minimal Costs associated with hiring.

Run small ad in the classifieds to find an employee → → →

If, 20 people call in using 3 minutes per call of your time 1.0 hrs

If, 20 apply, minimum of 5 minutes per person 1.7 hrs

Your assistant interviews only 8, at 30 minutes each 4.0 hrs

Minimal time your office dealt with applicants: 6.7 hrs.

(Assuming your HR assistant is only paid \$15.00 hr?)

Drug test for the one person you want.

Criminal Background test for just one person

Cost distributed over 90 days, and assuming your 1st person "sticks."

Minimal Cost of Employee hired on your own → → →

7 days \$354.00

\$15hr x 6.7hrs = 100.50
\$454.50

\$35 35.00

\$25 25.00

\$514.50

\$514.50 ÷ 520 hours + 0.99hr

Employee Costs \$14.33hr

(With minimal hiring costs)

An Example of what Total Placement can do for you ...

Cost distributed over 90 days → → →

(Total Placement's bill rate for this person...)

**With Total Placement,
You Only Pay ... \$12.78 hr**

Hiring through Total Placement saves you money!

How? It allows you and your people to remain productive. While our service is helpful to businesses in many ways, we have demonstrated just one advantage in the above presentation. From experience, you can't hire a \$10.00+hr person for \$8.00+hr with a promised raise to \$10.00 hr later. In the end, you just overpay an \$8.00+hr person. However as you can see, there is no economical reason to handicap your recruiting efforts. You can see from the *Employee Cost Analysis*, our service costs no more than you are already paying current employees, and... **your people are not interrupted** during the hiring process. **They continue being productive** in areas that make you money.

Total Placement is Cost Effective for Your Bottom Line.

So, why not use Total Placement for your staffing needs?