

## Contracting Rate Strategies

### Prevailing Rate

What are the prevailing rates in your field?

- Ask other contractors
- Research salary websites: [Salary.com](https://www.salary.com), [Payscale.com](https://www.payscale.com)
- Check [Consultantjournal.com](https://www.consultantjournal.com)

### Contracting Rate Comparisons

Compare W-2 and 1099 contract rates using the table below:

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

### Rate Worksheet

Use the following worksheet to calculate your actual rate:

**Component**

**Hourly Rate**

A - Base Pay

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B - Benefits - Personal insurance, taxes, vacation, education, retirement (~30%)

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**C - Total Hourly Rate - Add rows A + B above**

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