

Employee costs template

Recruitment costs

Enter the costs to attract and onboard this employee:

Recruitment costs (advert, recruiter fee, background checks, interview and time to select).

Onboarding costs (training, orientation, existing employee time).

Fixed costs (new office equipment, computer, phone, training, travel, certification).

Total recruitment costs

Ongoing employee costs

Enter the employee related costs this employee will incur:

Benefits (insurance, paid time off, bonuses).

Fixed costs (ongoing office equipment, computer, phone, training, travel, certification).

Other costs with your industry.

Total annual costs

Employee wage

If you pay the employee a wage:

Enter the number of hours this employee works each week.

Enter the hourly rate of pay

Total pay

Total waged employee costs

Year 1

Subsequent years

› **Or** (select one of these not both)

Employee salary

If you pay the employee a salary:

Enter the annual salary paid to this employee.

Total salaried employee costs

Year 1

Subsequent years

Employee costs template

Use this **Employee Cost Template** to calculate the real cost of adding employees into your business. It can help you work out the annual cost of hiring a new employee by adding their hourly wage or annual salary to additional costs they may incur.

Hidden costs

The cost of adding a new employee can vary depending on several factors, including the industry, the position being filled, the location of the company, and the level of experience of the new employee.

Taking these costs into account, the total of adding a new employee can range from a few thousand dollars for entry-level positions to tens of thousands of dollars for more senior positions.

When to employ a new person

Adding employees can help expand your business and bring in more revenue and more customers. Over time, you could grow to the point where you can step away from your business knowing your team will run it efficiently for you until you return.

But working out the costs of hiring an extra employee is one thing, deciding when to hire them is another.

The following circumstances are good indicators you need extra help:

- › There is more work or customers than you can manage, and it's taking longer and longer to fill orders.
- › Increasing customer complaints over delays.
- › You're working every weekend, and the administration tasks are overwhelming.
- › New work is being turned down and you're missing business opportunities.

Other options

If the cost of a new full-time person is too much, then part time, casual and contracting are all options that can be more cost-effective, depending on the workload and type of work.

Other ways to reduce your risk of adding an extra salary include:

- › If you only need a certain amount of time each week, a part time employee can provide the extra help you need without committing.
- › Using short-term employees if your workflow is unpredictable.
- › If you have a specialized project-oriented need, a contractor might be a better approach.