Minimum Job Price Worksheet

Estimate a job price that covers your planned labor, direct costs, overhead allocation, and a fixed profit allowance.

Printable PDF. Enter your values and calculate with a separate calculator; this file does not calculate automatically.

The calculation

Planning price = (total labor hours x labor planning rate) + direct costs + allocated overhead + profit allowance

INPUT / RESULT	GUIDANCE	YOUR VALUE
A. Service labor hours	Hours	
B. Travel, setup and cleanup labor	Hours	
C. Total labor hours	A + B	
D. Labor planning rate	Per hour	
E. Planned labor cost	C x D	
F. Direct job costs	Supplies / transport	
G. Allocated overhead	Share per job	
H. Cost coverage subtotal	E + F + G	
I. Fixed profit allowance	Amount	
J. Planning price	H + I	

Use one currency throughout. Date: _____ Service / scenario: _____

Worked example

2 service hours + 1 hour of travel, setup and cleanup = 3 labor hours. At $25 per hour, labor cost is $75. Add $15 direct costs and $10 overhead: $100 cost coverage. Add a $20 fixed profit allowance: $120 planning price.

Illustrative values only. These are not recommended market rates or promises of results.

How to use your result

Use total person-hours: two people working for one hour means two labor hours. Choose a labor rate that accounts for the cost of the work. Do not count the same transport or equipment cost in both direct costs and overhead.

Keep the result in context

This simplified worksheet excludes percentage-based payment fees and taxes charged on sales. Account for those separately before quoting. A fixed profit allowance is different from a target margin percentage.

Your next decision

Which assumption needs checking before you spend money, quote a job, or commit to a schedule?

Continue with the practical decision guide and worksheet on the next pages.

Understand cost coverage, markup, and margin

Work through the decision

The first worksheet uses a fixed profit allowance. This is a simple planning method, but it is not the same as a target profit margin. Cost coverage includes your planned labor, direct job costs, and an allocated share of overhead. The rate and allocation are assumptions you must check against actual work.

Allocate overhead with a realistic job count. If monthly overhead is $200 and you expect 20 jobs, the allocation is $10 each; at ten jobs it becomes $20 each. A lower workload changes the cost coverage even if service time remains the same. Avoid counting a transport cost both here and in direct costs.

A situation to learn from

Illustrative comparison: cost coverage $100 plus $20 fixed allowance gives a $120 price. The $20 is a 20% markup on $100, but about 16.67% of $120 revenue. A 20% margin on the same cost coverage would require $100 / (1 - 0.20) = $125, before excluded fees and sales taxes. Markup and margin use different denominators.

How to respond

If using percentage payment fees in a fuller model, define them explicitly. With cost coverage $100, target margin 20%, and payment fee 3% of price, an illustrative price is $100 / (1 - 0.20 - 0.03) = $129.87. This simplified model assumes the fee is only a percentage, applies to that price, and has no fixed component; denominators must be positive.

Price assumption check

Use this page with your own service and circumstances. Record assumptions separately from confirmed facts, and update the plan using actual work.

Service person-hours / travel and setup hours / labor rate

Direct costs / monthly overhead / realistic job count

Fixed allowance OR target margin method, clearly selected

Fees and taxes to assess separately / final quote conditions

Review before taking the next step

Change one assumption: If the job takes one extra labor hour, what happens to the price needed for cost coverage? Write the reason for the change before adjusting future quotes.

- [ ] Labor hours count all workers.
- [ ] Markup and margin distinguished.
- [ ] Fees model assumptions checked.
- [ ] Calculated price tested against actual scope and demand.

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