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SERVICE BREAK-EVEN

BUSINESS	PERIOD	PREPARED BY

Monthly fixed costs (including what you need to pay yourself)

Cost	Notes	Monthly
Owner pay / draw (target)		
Payroll taxes and self-employment tax set-aside		
Health insurance, retirement contribution		
Office, coworking or home office		
Software, tools, subscriptions		
Insurance (liability, E&O)		
Marketing and website		
Phone, internet, professional fees		
Other fixed costs		
Total monthly fixed costs		

Rate and capacity

Hourly rate billed	Variable cost per hour	Contribution per hour	Working hours / month	Billable %	Realistic billable hours

Break-even

Break-even billable hours / month	Break-even revenue / month	Hours as % of realistic capacity	Rate needed to break even at capacity

Break-even hours = fixed costs / (rate - variable cost per hour). Because owner pay is included in fixed costs, "break-even" here means paying yourself the target amount. If break-even hours exceed about 70% of realistic capacity, the rate is too low or costs too high: the last column shows the rate that would break even at your actual capacity. Typical billable share for a solo professional is 50 to 65% of working hours once admin, selling and unpaid work are counted.

NOTES / OPTIONS (RAISE RATE, RETAINER CLIENTS, CUT A COST)