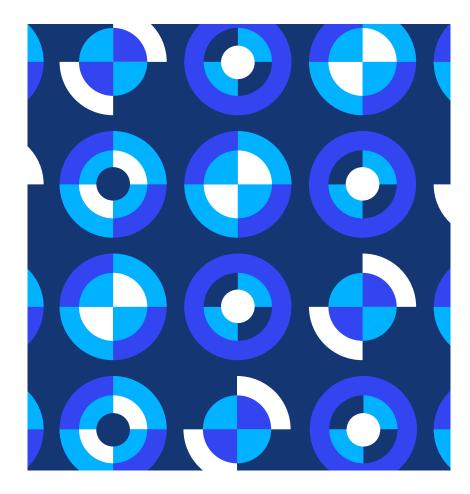
The True Cost of Employment



Do you know how much each of your employees is really costing your company?

The cost of employment doesn't stop with a worker's wage. Added expenses for employer tax contributions, insurance, benefits, recruiting, and ongoing management all add up.

In all, you can spend more than 60% of an employee's yearly wages simply to recruit and keep that worker on your team.

It seems like a lot, yet that calculation leaves out so many other factors including:

- · Ongoing HR Management
- · Time & Effort for Payroll

· HR Software

· And Much More

And the costs grow with turnover. Hourly workers have such high turnover rates that hiring one person isn't necessarily a long-term investment.

For example, retail positions have an average turnover of 60%.⁵

This means that to hire a 50-person workforce and stay fully staffed, a retail employer would have to conservatively hire 90 workers over the course of the year. Questioning the math here? Remember: even the replacements who are hired have potential for turnover.

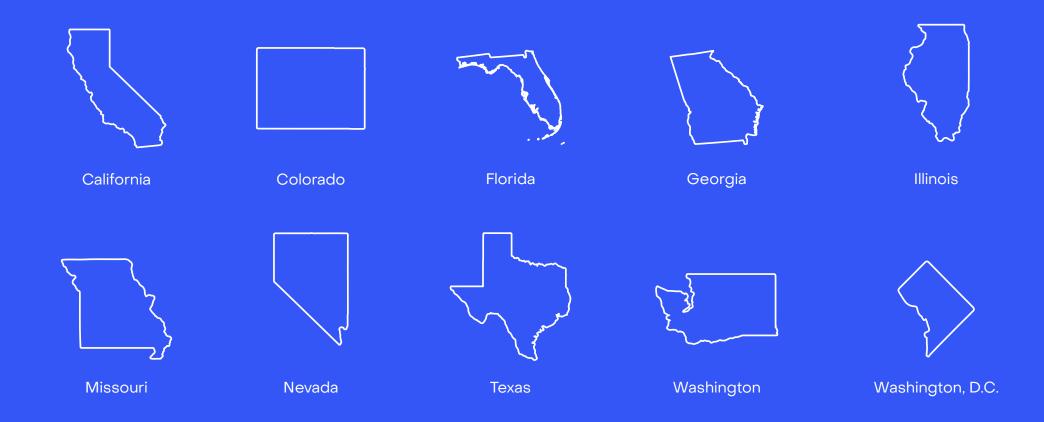
The cost of recruitment alone for these 90 employees is staggering. As employers spend more than \$6,700 per employee, the total could be upwards of \$603,000.

Put together, these are the costs that can make employing your own workforce a significant strain on your bottom line.

Take a closer look at how the numbers actually add up.

Find Your State

For a closer look at your potential savings, click on your state below. If you're curious about where we got our numbers, check out our full explanation here.



The Cost of Employment in California

To employ a worker making \$15 per hour for 1 year

Hourly Pay: \$15.00 Total Yearly Pay: \$31,200.00

Cost 1: Taxes

OASDI: 6.2%
Medicare: 1.45%
Federal Unemployment: 0.6%
State Unemployment: 3.85%

Cost 2: Insurance

Workers' Compensation: 1.85% Short- and Long-Term Disability: 0.4% Liability Insurance: \$48.00

Cost 3: Benefits

Medical Insurance: 22% Sick Days: 1.2%

Cost 4: Recruitment + Ongoing Management

Payroll: \$357.05 Human Resources: \$1,154.88 The Cost of Recruitment: \$6,721.00 In comparison, here's what it looks like for one worker if you hire with Bluecrew:

Employment On Your Own

Total Yearly Pay (\$15/hour):	\$31,200
Taxes:	+ \$3,775
Insurance:	+ \$750
Benefits:	+ \$7,176
Recruitment:	+ \$6,721
Ongoing Management:	+ \$1,511

Total: \$51,113

Employment with • bluecrew

Total Yearly Pay (\$15/hour): \$31,200 Bluecrew Rate: +40% Mark-Up

Taxes: Included Insurance: Included Benefits: Included Recruitment: Included Ongoing Management: Included

Total: \$43,680

Savings with Bluecrew: \$7,433 per worker

^{*}This is a typical rate across the nation, but your company may receive a different quote based on your location, workers' comp rates, and the types of jobs you are hiring for. Please get in contact with a Bluecrew sales representative for your customized rate.

Takeaway

The real-life mark-up on recruiting and employing one \$15/hour employee for a year is **63.8% in California.** In other words, you spend nearly **\$20,000** on taxes, insurance, benefits, recruiting and ongoing management in one year.

If you're looking for peace of mind and long-term savings, learn more about how Bluecrew works at bluecrewjobs.com/employers.





The Cost of Employment in Colorado

To employ a worker making \$15 per hour for 1 year

Hourly Pay: \$15.00

Total Yearly Pay: \$31,200.00

Cost 1: Taxes

OASDI: 6.2%
Medicare: 1.45%
Federal Unemployment: 0.6%
State Unemployment: 2.64%

Cost 2: Insurance

Workers' Compensation: 1.85% Short- and Long-Term Disability: 0.4% Liability Insurance: \$48.00

Cost 3: Benefits

Medical Insurance: 22% Sick Days: 1.2%

Cost 4: Recruitment + Ongoing Management Payroll: \$357.05
Human Resources: \$1,154.88
The Cost of Recruitment: \$6,721.00

In comparison, here's what it looks like for one worker if you hire with Bluecrew:

Employment On Your Own

Total Yearly Pay (\$15/nour):	\$31,200
Taxes:	+ \$3,397
Insurance:	+ \$750
Benefits:	+ \$7,176
Recruitment:	+ \$6,721
Ongoing Management:	+ \$1,511

Total: \$50,755

Employment with • bluecrew

Total Yearly Pay (\$15/hour): \$31,200 Bluecrew Rate: +40% Mark-Up

Taxes: Included Insurance: Included Benefits: Included Recruitment: Included Ongoing Management: Included

Total: \$43,680

Savings with Bluecrew: \$7,075 per worker

^{*}This is a typical rate across the nation, but your company may receive a different quote based on your location, workers' comp rates, and the types of jobs you are hiring for. Please get in contact with a Bluecrew sales representative for your customized rate.

Takeaway

The real-life mark-up on recruiting and employing one \$15/hour employee for a year is **62.6% in Colorado.** In other words, you spend over **\$19,000** on taxes, insurance, benefits, recruiting and ongoing management in one year.

If you're looking for peace of mind and long-term savings, learn more about how Bluecrew works at bluecrewjobs.com/employers.



The Cost of Employment in Florida

To employ a worker making \$15 per hour for 1 year

Hourly Pay: \$15.00

Total Yearly Pay: \$31,200.00

Cost 1: Taxes

OASDI: 6.2%
Medicare: 1.45%
Federal Unemployment: 0.6%
State Unemployment: 2.75%

Cost 2: Insurance

Workers' Compensation: 1.85% Short- and Long-Term Disability: 0.4% Liability Insurance: \$48.00

Cost 3: Benefits

Medical Insurance: 22% Sick Days: 1.2%

Cost 4: Recruitment + Ongoing Management

Payroll: \$357.05 Human Resources: \$1,154.88 The Cost of Recruitment: \$6,721.00 In comparison, here's what it looks like for one worker if you hire with Bluecrew:

Employment On Your Own

Total Yearly Pay (\$15/hour):	\$31,200
Taxes:	+ \$3,432
Insurance:	+ \$750
Benefits:	+ \$7,176
Recruitment:	+ \$6,721
Ongoing Management:	+ \$1,511

Total: \$50,790

Employment with • bluecrew

Total Yearly Pay (\$15/hour):	\$31,200
Bluecrew Rate:	+40% Mark-Up

Taxes:	Included
Insurance:	Included
Benefits:	Included
Recruitment:	Included
Ongoing Management:	Included

Total: \$43,680

Savings with Bluecrew: \$7,110 per worker

^{*}This is a typical rate across the nation, but your company may receive a different quote based on your location, workers' comp rates, and the types of jobs you are hiring for. Please get in contact with a Bluecrew sales representative for your customized rate.

Takeaway

The real-life mark-up on recruiting and employing one \$15/hour employee for a year is **62.7% in**Florida. In other words, you spend over \$19,000 on taxes, insurance, benefits, recruiting and ongoing management in one year.

If you're looking for peace of mind and long-term savings, learn more about how Bluecrew works at bluecrewjobs.com/employers.





The Cost of Employment in Georgia

To employ a worker making \$15 per hour for 1 year

Hourly Pay: \$15.00

Total Yearly Pay: \$31,200.00

Cost 1: Taxes

OASDI: 6.2%
Medicare: 1.45%
Federal Unemployment: 0.6%
State Unemployment: 4.25%

Cost 2: Insurance

Workers' Compensation: 1.85% Short- and Long-Term Disability: 0.4% Liability Insurance: \$48.00

Cost 3: Benefits

Medical Insurance: 22% Sick Days: 1.2%

Cost 4: Recruitment + Ongoing Management

Payroll: \$357.05 Human Resources: \$1,154.88 The Cost of Recruitment: \$6,721.00 In comparison, here's what it looks like for one worker if you hire with Bluecrew:

Employment On Your Own

Total Yearly Pay (\$15/hour):	\$31,200
Taxes:	+ \$3,900
Insurance:	+ \$750
Benefits:	+ \$7,176
Recruitment:	+ \$6,721
Ongoing Management:	+ \$1,511

Total: \$51,258

Employment with • bluecrew

Total Yearly Pay (\$15/hour): \$31,200 Bluecrew Rate: +40% Mark-Up

Taxes: Included Insurance: Included Benefits: Included Recruitment: Included Ongoing Management: Included

Total: \$43,680

Savings with Bluecrew: \$7,578 per worker

^{*}This is a typical rate across the nation, but your company may receive a different quote based on your location, workers' comp rates, and the types of jobs you are hiring for. Please get in contact with a Bluecrew sales representative for your customized rate.

Takeaway

The real-life mark-up on recruiting and employing one \$15/hour employee for a year is **64.2% in Georgia.** In other words, you spend over **\$20,000** on taxes, insurance, benefits, recruiting and ongoing management in one year.

If you're looking for peace of mind and long-term savings, learn more about how Bluecrew works at bluecrewjobs.com/employers.





The Cost of Employment in Illinois

To employ a worker making \$15 per hour for 1 year

Hourly Pay: \$15.00 \$31,200.00 **Total Yearly Pay:**

Cost 1: Taxes

OASDI: 6.2% 1.45% Medicare: Federal Unemployment: 0.6% State Unemployment: 4.18%

Cost 2: Insurance

Workers' Compensation: 1.85% Short- and Long-Term Disability: 0.4% Liability Insurance: \$48.00

Cost 3: Benefits

Medical Insurance: 22% 1.2% Sick Days:

Cost 4: Recruitment + Ongoing Management

Payroll: \$357.05 \$1,154.88 Human Resources: The Cost of Recruitment: \$6,721.00 In comparison, here's what it looks like for one worker if you hire with Bluecrew:

Employment On Your Own

Total Yearly Pay (\$15/hour):	\$31,200
Taxes: Insurance: Benefits: Recruitment: Ongoing Management:	+ \$3,878 + \$750 + \$7,176 + \$6,721 + \$1,511
Total:	\$51,236

Employment with • bluecrew

Total Yearly Pay (\$15/hour):	\$31,200
Bluecrew Rate:	+40% Mark-Up

Taxes:	Included
Insurance:	Included
Benefits:	Included
Recruitment:	Included
Ongoing Management:	Included

Total: \$43.680

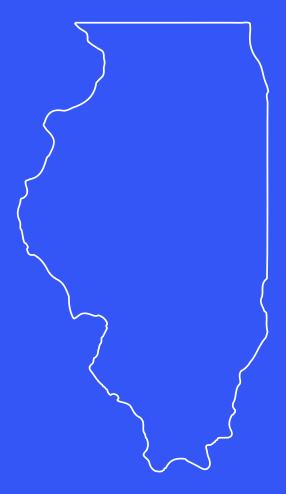
> **Savings with Bluecrew:** \$7,556 per worker

^{*}This is a typical rate across the nation, but your company may receive a different quote based on your location, workers' comp rates, and the types of jobs you are hiring for. Please get in contact with a Bluecrew sales representative for your customized rate.

Takeaway

The real-life mark-up on recruiting and employing one \$15/hour employee for a year is **64.2% in Illinois.** In other words, you spend over **\$20,000** on taxes, insurance, benefits, recruiting and ongoing management in one year.

If you're looking for peace of mind and long-term savings, learn more about how Bluecrew works at bluecrewjobs.com/employers.





The Cost of Employment in Missouri

To employ a worker making \$15 per hour for 1 year

Hourly Pay: \$15.00 Total Yearly Pay: \$31,200.00

Cost 1: Taxes

OASDI: 6.2%
Medicare: 1.45%
Federal Unemployment: 0.6%
State Unemployment: 2.38%

Cost 2: Insurance

Workers' Compensation: 1.85% Short- and Long-Term Disability: 0.4% Liability Insurance: \$48.00

Cost 3: Benefits

Medical Insurance: 22% Sick Days: 1.2%

Cost 4: Recruitment + Ongoing Management

Payroll: \$357.05 Human Resources: \$1,154.88 The Cost of Recruitment: \$6,721.00 In comparison, here's what it looks like for one worker if you hire with Bluecrew:

Employment On Your Own

Total Yearly Pay (\$15/hour):	\$31,200	
Taxes:	+ \$3,316	
Insurance:	+ \$750	
Benefits:	+ \$7,176	
Recruitment:	+ \$6,721	
Ongoing Management:	+ \$1,511	

Total: \$50,674

Employment with • bluecrew

Total Yearly Pay (\$15/hour): \$31,200 Bluecrew Rate: +40% Mark-Up

Taxes: Included Insurance: Included Benefits: Included Recruitment: Included Ongoing Management: Included

Total: \$43,680

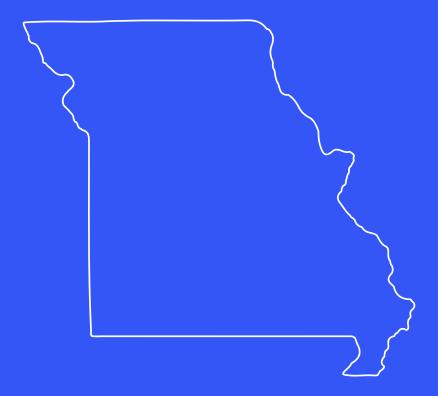
Savings with Bluecrew: \$6,944 per worker

^{*}This is a typical rate across the nation, but your company may receive a different quote based on your location, workers' comp rates, and the types of jobs you are hiring for. Please get in contact with a Bluecrew sales representative for your customized rate.

Takeaway

The real-life mark-up on recruiting and employing one \$15/hour employee for a year is **62.4% in Missouri.** In other words, you spend over **\$19,000** on taxes, insurance, benefits, recruiting and ongoing management in one year.

If you're looking for peace of mind and long term savings, learn more about how Bluecrew works at bluecrewjobs.com/employers.





The Cost of Employment in Nevada

To employ a worker making \$15 per hour for 1 year

Hourly Pay: \$15.00 Total Yearly Pay: \$31,200.00

Cost 1: Taxes

OASDI: 6.2%
Medicare: 1.45%
Federal Unemployment: 0.6%
State Unemployment: 2.83%

Cost 2: Insurance

Workers' Compensation: 1.85% Short- and Long-Term Disability: 0.4% Liability Insurance: \$48.00

Cost 3: Benefits

Medical Insurance: 22% Sick Days: 1.2%

Cost 4: Recruitment + Ongoing Management

Payroll: \$357.05 Human Resources: \$1,154.88 The Cost of Recruitment: \$6,721.00 In comparison, here's what it looks like for one worker if you hire with Bluecrew:

Employment On Your Own

Total Yearly Pay (\$15/hour):	\$31,200
Taxes:	+ \$3,457
Insurance:	+ \$750
Benefits:	+ \$7,176
Recruitment:	+ \$6,721
Ongoing Management:	+ \$1,511

Total: \$50,815

Employment with • bluecrew

Total Yearly Pay (\$15/hour): \$31,200 Bluecrew Rate: +40% Mark-Up

Taxes: Included Insurance: Included Benefits: Included Recruitment: Included Ongoing Management: Included

Total: \$43,680

Savings with Bluecrew: \$7,135 per worker

^{*}This is a typical rate across the nation, but your company may receive a different quote based on your location, workers' comp rates, and the types of jobs you are hiring for. Please get in contact with a Bluecrew sales representative for your customized rate.

Takeaway

The real-life mark-up on recruiting and employing one \$15/hour employee for a year is **62.8% in Nevada.** In other words, you spend over **\$19,000** on taxes, insurance, benefits, recruiting and ongoing management in one year.

If you're looking for peace of mind and long term savings, learn more about how Bluecrew works at bluecrewjobs.com/employers.





The Cost of Employment in Texas

To employ a worker making \$15 per hour for 1 year

Hourly Pay: \$15.00 Total Yearly Pay: \$31,200.00

Cost 1: Taxes

OASDI: 6.2%
Medicare: 1.45%
Federal Unemployment: 0.6%
State Unemployment: 1.35%

Cost 2: Insurance

Workers' Compensation: 1.85% Short- and Long-Term Disability: 0.4% Liability Insurance: \$48.00

Cost 3: Benefits

Medical Insurance: 22% Sick Days: 1.2%

Cost 4: Recruitment + Ongoing Management

Payroll: \$357.05 Human Resources: \$1,154.88 The Cost of Recruitment: \$6,721.00 In comparison, here's what it looks like for one worker if you hire with Bluecrew:

Employment On Your Own

Total Yearly Pay (\$15/hour):	\$31,200
Taxes:	+ \$2,995
Insurance:	+ \$750
Benefits:	+ \$7,176
Recruitment:	+ \$6,721
Ongoing Management:	+ \$1,511

Total: \$50,353

Employment with • bluecrew

Total Yearly Pay (\$15/hour): \$31,200
Bluecrew Rate: +40% Mark-Up

Taxes: Included Insurance: Included Benefits: Included Recruitment: Included Ongoing Management: Included

Total: \$43,680

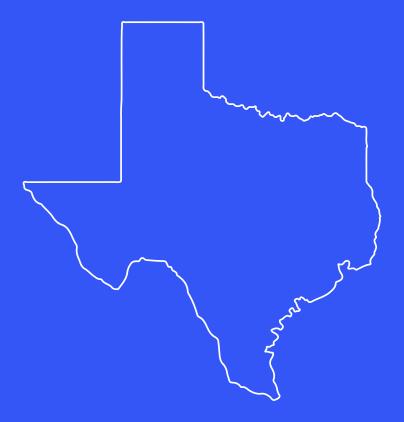
Savings with Bluecrew: \$6,673 per worker

^{*}This is a typical rate across the nation, but your company may receive a different quote based on your location, workers' comp rates, and the types of jobs you are hiring for. Please get in contact with a Bluecrew sales representative for your customized rate.

Takeaway

The real-life mark-up on recruiting and employing one \$15/hour employee for a year is **61.3% in Texas.** In other words, you spend over **\$19,000** on taxes, insurance, benefits, recruiting and ongoing management in one year.

If you're looking for peace of mind and long-term savings, learn more about how Bluecrew works at bluecrewjobs.com/employers.





The Cost of Employment in Washington

To employ a worker making \$15 per hour for 1 year

Hourly Pay: \$15.00 Total Yearly Pay: \$31,200.00

Cost 1: Taxes

OASDI: 6.2%
Medicare: 1.45%
Federal Unemployment: 0.6%
State Unemployment: 1.3%

Cost 2: Insurance

Workers' Compensation: 1.85% Short- and Long-Term Disability: 0.4% Liability Insurance: \$48.00

Cost 3: Benefits

Medical Insurance: 22% Sick Days: 1.2%

Cost 4: Recruitment + Ongoing Management

Payroll: \$357.05 Human Resources: \$1,154.88 The Cost of Recruitment: \$6,721.00 In comparison, here's what it looks like for one worker if you hire with Bluecrew:

Employment On Your Own

Total Yearly Pay (\$15/hour):	\$31,200	
Taxes:	+ \$2,979	
Insurance:	+ \$750	
Benefits:	+ \$7,176	
Recruitment:	+ \$6,721	
Ongoing Management:	+ \$1,511	

Total: \$50,377

Employment with • bluecrew

Total Yearly Pay (\$15/hour): \$31,200 Bluecrew Rate: +40% Mark-Up

Taxes: Included Insurance: Included Benefits: Included Recruitment: Included Ongoing Management: Included

Total: \$43,680

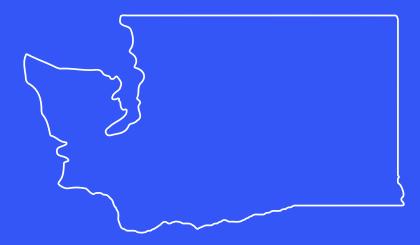
Savings with Bluecrew: \$6,697 per worker

^{*}This is a typical rate across the nation, but your company may receive a different quote based on your location, workers' comp rates, and the types of jobs you are hiring for. Please get in contact with a Bluecrew sales representative for your customized rate.

Takeaway

The real-life mark-up on recruiting and employing one \$15/hour employee for a year is **61.3% in Washington.** In other words, you spend over **\$19,000** on taxes, insurance, benefits, recruiting and ongoing management in one year.

If you're looking for peace of mind and long-term savings, learn more about how Bluecrew works at bluecrewjobs.com/employers.





The Cost of Employment in Washington, D.C.

To employ a worker making \$15 per hour for 1 year

Hourly Pay: \$15.00

Total Yearly Pay: \$31,200.00

Cost 1: Taxes

OASDI: 6.2%
Medicare: 1.45%
Federal Unemployment: 0.6%
State Unemployment: 4.65%

Cost 2: Insurance

Workers' Compensation: 1.85% Short- and Long-Term Disability: 0.4% Liability Insurance: \$48.00

Cost 3: Benefits

Medical Insurance: 22% Sick Days: 1.2%

Cost 4: Recruitment + Ongoing Management

Payroll: \$357.05 Human Resources: \$1,154.88 The Cost of Recruitment: \$6,721.00 In comparison, here's what it looks like for one worker if you hire with Bluecrew:

Employment On Your Own

Total Yearly Pay (\$15/hour):	\$31,200	
Taxes:	+ \$4,025	
Insurance:	+ \$750	
Benefits:	+ \$7,176	
Recruitment:	+ \$6,721	
Ongoing Management:	+ \$1,511	

Total: \$51,383

Employment with • bluecrew

Total Yearly Pay (\$15/hour): \$31,200 Bluecrew Rate: +40% Mark-Up

Taxes: Included Insurance: Included Benefits: Included Recruitment: Included Ongoing Management: Included

Total: \$43,680

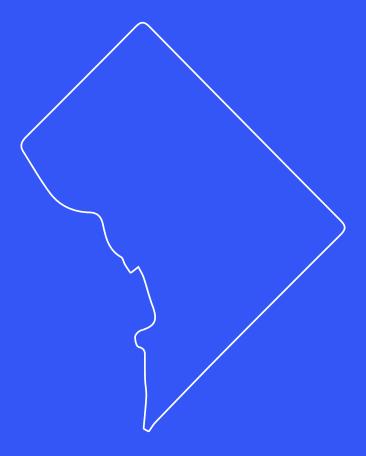
Savings with Bluecrew: \$7,703 per worker

^{*}This is a typical rate across the nation, but your company may receive a different quote based on your location, workers' comp rates, and the types of jobs you are hiring for. Please get in contact with a Bluecrew sales representative for your customized rate.

Takeaway

The real-life mark-up on recruiting and employing one \$15/hour employee for a year is **64.6% in Washington, D.C.** In other words, you spend over **\$20,000** on taxes, insurance, benefits, recruiting and ongoing management in one year.

If you're looking for peace of mind and long-term savings, learn more about how Bluecrew works at bluecrewjobs.com/employers.





If you're curious, here's how we got our numbers

Note: The sample math below is for the state of California. However, each state's math was done in the same way, and the citations are accurate for all states.

Hourly Pay:		\$15.00
Hours Per Week:	X	40
Weeks Per Year:	X	52

Total Yearly Pay: \$31,200.00

Cost 1: Taxes

OASDI (Social Security) and Medicare are fixed rates. Our use of the .6% Federal Unemployment Tax employer contribution is based on the assumption that employers receive the full 5.4% SUTA credit³ and that for hourly workers at this or a similar pay rate, we do not need to account for the \$7,000 cap. We elected to use the median of the employer tax rate range¹ for the State Unemployment Tax employer contribution.

OASDI:	+ 6.2%	
Medicare:	+ 1.45%	
Federal Unemployment:	+ 0.6%	
State Unemployment:	+ 3.85%	
Total:	12.1%	
Total Yearly Pay:	x \$31,200.00	
Total Yearly Taxes:	\$3,775.00	

Cost 2: Insurance

For insurance numbers, we focused on using effective averages that would apply to most employers. While your workers' compensation rates will depend on your workplace, we used 1.85% based on the national average paid of \$1.85 per \$100 in payroll.6 Short- and long-term disability numbers were based on average employer costs from the Bureau of Labor Statistics,2 and liability insurance is presented as a yearly average fixed cost per employee.4

Workers' Compensation:	+ 1.85%
Short + Long-Term Disability	+ 0.4%
Total:	2.25%
Total Yearly Pay:	x \$31,200.00
	<u> </u>
Total Yearly Taxes:	\$702.00
Liability Insurance:	+ \$48.00
Total Yearly Insurance:	\$750.00

Cost 3: Benefits

Total Yearly Taxes:

Both the average for employer medical insurance costs and for sick day costs came from average national employer costs from the Bureau of Labor Statistics.²

Medical Insurance: Sick Days:	22% + 1.2%
Total:	23.2%
Total Yearly Pay:	x \$31,200.00

\$7.176.00

Cost 4: Recruitment and Ongoing Management Our cost of recruitment is a complex measurement of the time and effort it takes to recruit a single employee, as well as the opportunity cost of each vacancy depending on their wage.

You can check out all of our calculations here.

We calculated the additional cost of ongoing payroll and human resources activities based on the estimates that businesses require one Payroll Analyst per 200 employees and one Human Resources Manager per 100 employees. The numbers below are calculated based on the the average salary in California for those roles according to salary.com.

Payroll: \$357.05 Human Resources: + \$1,154.88 The Cost of Recruitment: (\$15/hour employee) + \$6,721.00

Total: \$8,232.00

References

- 1. Blakely-Gray, R. (2019). What Is My State Unemployment Tax Rate? Retrieved from https://www.patriotsoft-ware.com/payroll/train-ing/blog/what-is-my-state-unemployment-tax-rate/.
- 2. Employer Costs for Employee Compensation News Release Text. (2019). Retrieved from https://www.bls.gov-/news.release/ecec.nr0.htm.
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