What commonly goes into staffing company bill rates? Isn’t their profit simply what they charge a client minus what they pay the temporary employee? This factsheet breaks down bill rates and resulting profit.

For example, when a staffing company pays the national average hourly rate of $17, it would have to mark up that pay rate by 51.5%, resulting in a bill rate of $25.76, to cover operating expenses and legally mandated labor costs and achieve the industry’s national average net profit rate of 3.3% (or $0.85 per hour in this example).

**BILL RATE: $25.76**

- **HOURLY BILL RATE**: Charged to client
- **HOURLY PAY RATE**: Paid to staffing employee
- **LEGALLY MANDATED LABOR COSTS**
  - **FICA** (7.65%): Social Security (6.20%) and Medicare (1.45%)
  - **FUTA** (0.60%): Federal Unemployment Tax Act (varies by state—minimum used, including maximum potential credits)
  - **SUTA** (4.00%): State Unemployment Tax Act (varies by state)
  - **WC** (1.99%): Workers’ compensation (varies by work type and state)
- **G&A**: General and administrative expenses (18.70%) for operating and overhead costs such as corporate employee payroll, taxes, and benefits; rent; equipment; and advertising and marketing
- **NET PROFIT**: What is left for the staffing company after all expenses

**Questions?**
Contact Cynthia Davidson, ASA director of research, at cdavidson@americanstaffing.net or 703-253-2048.

NOTE: The average hourly pay rate is from the latest ASA Staffing Employee Survey conducted among nearly 12,000 temporary and contract workers. The average net profit and G&A percentages are from the ASA Staffing Operations Benchmarking Survey. © 2019 American Staffing Association