

VirtualEdgeHQ



Pricing Clarity Worksheet

A practical tool for freelancers, VAs, and solo professionals to calculate sustainable, profitable rates.

This worksheet helps you understand the real cost of running a freelance business, including the hidden expenses and non-billable time most new freelancers overlook.

Use it to calculate a baseline hourly rate, evaluate project pricing, and build offers that support your life and your business.

1. Identify Your Annual Income Goal

This is the amount you need to earn **before** expenses and taxes.

What is your ideal annual income?

- \$ _____

What is your minimum sustainable annual income?

- \$ _____

Most freelancers choose a number between these two as their working target.

2. Estimate Your Annual Business Expenses

List everything required to run your business. Include both recurring and occasional costs.

- Software + subscriptions (project management, invoicing, design tools)
- Equipment (laptop, monitor, keyboard, repairs)
- Internet + phone
- Office supplies
- Training + courses
- Marketing + website
- Professional services (accountant, legal)
- Insurance
- Workspace (home office upgrades, coworking)

Total annual expenses:

\$ _____

3. Calculate Your Tax Allocation

Freelancers typically set aside **25–35%** of income for taxes, depending on location and structure.

- Percentage you will set aside: _____%
 - Estimated annual tax amount: \$ _____
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4. Determine Your Annual Business Cost

Add your income goal + expenses + taxes.

Annual Business Cost = Income Goal + Expenses + Taxes

Total annual business cost:

\$ _____

This is the *real* amount your business must generate to be sustainable.

5. Estimate Your Billable vs. Non-Billable Time

Most freelancers dramatically overestimate how many hours they can bill.

Break down your weekly time:

- Total hours you want to work per week: _____
- Hours spent on admin, marketing, communication, planning: _____
- Hours spent on client work (billable): _____

Multiply your billable hours by 48 (assuming 4 weeks off per year).

Annual billable hours:

_____ hours

If this number is under 1,000 hours, that's normal. If it's over 1,400, double-check; it may not be realistic.

6. Calculate Your Baseline Hourly Rate

Use the formula:

Baseline Hourly Rate = $\frac{\text{Annual Business Cost}}{\text{Annual Billable Hours}}$

Baseline hourly rate:

\$ _____ per hour

This is the *minimum* you must charge to break even; not your final rate.

7. Adjust for Value, Expertise, and Capacity

Your baseline rate doesn't account for:

- specialized expertise
- speed and efficiency
- high-trust communication
- strategic thinking
- emotional labor
- client complexity
- urgency
- risk
- deliverable value

Most freelancers add **20–50%** to their baseline to reflect real value.

- Value multiplier (20–50%): _____%
- Adjusted hourly rate: \$ _____

This becomes your **internal rate**, used to price projects and retainers.

8. Build Project or Retainer Pricing

Use your internal rate to estimate project scope:

- Estimated hours: _____
- Internal rate: \$_____
- Project base price: \$_____

Then add:

- complexity factor
- revision buffer
- communication time
- project management
- contingency

Final project price:

\$_____

For retainers:

- Monthly hours included: _____
- Internal rate: \$_____
- Retainer base price: \$_____

Add a premium for:

- priority access
- guaranteed availability
- ongoing support

Final retainer price:

\$_____

9. Set Boundaries Around Scope

Use this section to define what's included — and what isn't.

What's included in this service:

- _____

What's not included:

- _____

What triggers a scope review:

- _____

How you communicate scope changes:

- _____

10. Your Pricing Summary

- Minimum sustainable hourly rate: \$ _____
- Internal (value-adjusted) hourly rate: \$ _____
- Standard project price range: \$ _____ – \$ _____
- Standard retainer price range: \$ _____ – \$ _____

Non-negotiable boundaries:

- _____

This becomes your internal pricing guide; not something you share with clients, but something you use to stay consistent, confident, and profitable.

NOTES