

VOAs vs. Employees

Virtual Office Assistants' services run \$25-\$40+ an hour. Let's compare this with the cost of hiring an employee. An employee's actual cost is 2 to 2 ½ times their salary after you factor in some of the inevitable expenses that come with hiring an employee.

- Health/Dental/Vision Benefits
- Equipment and Space
- Supplies
- Retirement Plans
- Insurance
- Unemployment
- Taxes
- Overtime Payment
- Someone to administer and oversee all of the above.

Let's see this put to work. Here is a case example of hiring an employee to manage a certain chore vs. hiring an experienced VOA charging \$20 an hour.

The Employee

Hourly Pay Rate:	\$12. ⁰⁰
Fringe Benefits @ 35%	+ 4. ²⁰
Overhead Rate @ 50%	+ 6. ⁰⁰
Total Effective Pay Rate:	<u>\$22.²⁰</u>
Hours per year	x 2,080
Total Annual Labor Cost	<u>\$46,176.⁰⁰</u>

Although the employee is paid a wage of \$12.⁰⁰ an hour, this is not the true cost to the organization. The cost of benefits and overhead brings the employee's true cost to the organization to \$22.²⁰ an hour or \$46,176.⁰⁰, that's almost double the employee's wage.

The Virtual Assistant

Hourly Pay Rate	\$20. ⁰⁰
Fringe Benefits @ 35%	+ 0. ⁰⁰
Overhead Rate @ 50%	+ 0. ⁰⁰
Total Effective Pay Rate	<u>\$20.⁰⁰</u>
Hours per year	x 1040
Total Annual Cost	<u>\$20,800.⁰⁰</u>

You actually save over \$25,000.⁰⁰ a year by contracting with a VOA rather than hiring a full-time employee. Although, the VOA's hourly rate is more than the employee's rate, you save the cost of benefits and overhead that would have to be applied to the employee's wage. Not only that, but because VOAs are more experienced, more efficient, and better connected than the employee, you'll need to devote far less time to the project to get the same results---only 1,040 hours a year versus 2,080 for the new employee. Your employee's 8 hour day can be crunched into 3-4 hours with a VOA.

Simply put, you should contract with a VOA because it is more cost-effective and VOAs go far beyond the normal assistant's duties to deeply impact your own productivity. No task is too big or too small for a VOA to handle. Even if you have only an hour of work a month for a VOA to do, a VOA can (and will) do it. VOAs let you focus on the things that are most important to you; while they handle the other duties that can eat away at your time and productivity.

This example is adapted from/can be found in the book, Consulting for Dummies.