



## Opening the door to productivity

### How a Virtual Assistant Can Save You Money

Let's start off by taking a look at the costs associated with a standard in-office employee. <sup>1</sup>If you are paying an employee \$36,000 per year to be your in-office assistant, you're paying about \$17.31 per hour.

- Two weeks of vacation – It will cost you approximately \$1,385.00 to cover your employee's role (more if you hire a temp agency).
- Health Insurance (employer portion for 12 months @\$150.00) - \$1,800.00
- FICA Taxes (7.165%) - \$2,754.00
- Worker's Compensation (.61%) - \$220.00
- Unemployment Insurance (State & Federal) - \$309.00
- Misc. Costs (Vision, Dental, Disability, 401K Matching, Profit Sharing, Stock Options) - >\$3,000.00.00
- Office space, equipment, software (100 sq ft @ applicable rate) - \$2,500.00 (\$25.00/sq. ft. is conservative)
- Annual Bonus (1 month's salary) - \$3,000.00
- Sick Time (10 days per year) - \$1,385.00
- Other intangible costs (furniture, testing, training & fees, sick children, etc.) - \$1,200.00

Typical Costs - \$53,553.00 - \$25.75/hr total effective hour rate at 100% productivity. At 75% productivity level, this employee's cost for actual work becomes \$34.33/hour and at a 50% productivity level, it's \$51.50/hour. In effect, you could easily be paying your employee three times his/her annual salary!

America Online and Salary.com conducted in-depth research concerning the amount of time that is wasted during work hours. 10,044 people responded to the survey. Here are their findings: <sup>2</sup>

#### Top Time-Wasting Activities

- |                                    |       |
|------------------------------------|-------|
| 1. Surfing Internet (personal use) | 44.7% |
| 2. Socializing with co-workers     | 23.4% |
| 3. Conducting personal business    | 6.8%  |
| 4. Spacing out                     | 3.9%  |
| 5. Running errands off-premises    | 3.1%  |
| 6. Making personal phone calls     | 2.3%  |
| 7. Applying for other jobs         | 1.3%  |
| 8. Planning personal events        | 1.0%  |
| 9. Arriving late/Leaving early     | 1.0%  |
| 10. Other activities               | 12.5% |

<sup>1</sup> <http://ezinearticles.com/?Outsourcing-and-Virtual-Assistants:-Small-Business-Saviors&id=47602>

<sup>2</sup> [http://www.salary.com/careers/layoutscripts/crel\\_display.asp?tab=cre&cat=nocat&ser=Ser374&part=Par555](http://www.salary.com/careers/layoutscripts/crel_display.asp?tab=cre&cat=nocat&ser=Ser374&part=Par555)



# The Permanent Record

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### Top Time-Wasting Excuses

1. Don't have enough work to do 33.2%
2. Underpaid for amount of work 23.4%
3. Co-workers distract me 14.7%
4. Not enough after-work time 12.0%
5. Other excuses 16.7%

The average employer assumes that an employee wastes 0.94 hours per 8 hour day. The average employee admits to wasting an average of 2.09 hours per 8 hour day. That's a difference of 1.15 hours per day per employee! If your employee's average salary is \$39,795.00/year (the average yearly American salary) and the worker is actually wasting 1.15 hours per day *more* than the employer estimates, you're talking about a difference of 299 hours per year. That is equivalent to \$5,720.00 per year for one employee to be unproductive at the office.

Now, let's look at the ways a Virtual Assistant can supply you with the support you need while saving you money and time, and reducing stress. While a Virtual Assistant may charge more on an hourly basis (\$25.00 to \$75.00 hour depending on their skill set and specialty services), you won't be paying for a full-time employee at that rate. You only pay for the hours your Virtual Assistant worked on projects for you and your company.

Put an end to paying for employee goof-off time. Pay only for the amount of time you need. Many Virtual Assistants also offer packaged rates that include discounts for pre-purchasing set numbers of hours and weekly, monthly or quarterly plans. Many also offer discounts for new and returning customers. This will also assist you in preparing your monthly budget.

Because Virtual Assistants own their own hardware and software, and pay their own taxes and benefits, they are experts at stretching a dollar. They are experts in their respective fields, don't require training and aren't going to bring their personal issues into your office. If your Virtual Assistant is unable to perform a certain task, he/she has plenty of resources in which to find someone who can. Virtual Assistants work together and help one another to get things done.

Because Virtual Assistants use their own equipment in their own offices, you save wear and tear on your machines and space. There's no need for special hardware, software or other accommodations. No more paying for employee benefits, workman's compensation, unemployment insurance, or taxes.

Michelle Schoen of [The Permanent Record](http://ThePermanentRecord.com) started her company and has been a Virtual Assistant since 1990. She is a certified Real Estate Administrative Assistant and Transaction Coordinator. She also designs and updates websites. In addition, she also has a 20+ year background in medical claim billing and collections, authorization acquisition and transcription. She can be reached at [michelle.schoen@thepermanentrecord.net](mailto:michelle.schoen@thepermanentrecord.net) or (303) 733-0885.

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