Hourly vs Fixed Price Calculator

A one-page worksheet for a web design job: work out your floor, estimate the hours, price it fixed, see the break-even line, and check your real rate after the job. Inside: a quick "fixed or hourly?" check, the floor sum, the fixed-price calculator, wording for a fixed price with an hourly edge, the "offer both" email, an optional value check and a checklist. Fill in every [bracket] and delete the guidance in italics. Works in Google Docs, Word, Notion, a spreadsheet or any email client.

This template gives you a method, not a market rate. We found no official source for a typical web design price or hourly rate, so every number in the example page is made up.

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1. Fixed or hourly? (a quick check, for you)

Our rule of thumb, not a standard. Go fixed when all three are true:

- [ ] *You've built something like it before.*
- [ ] *The scope fits on one page.*
- [ ] *The content is ready (or has a date).*

Go hourly (as an estimate, labelled as one) when nobody can see the end of the job: the scope isn't decided, the client keeps adding things, or it's small tweaks month after month. On fixed, every hour you go over is yours. On hourly, the client carries the risk of a long job, so agree a check-in (for example, send the hour count at the halfway point). AIGA's Standard Form of Agreement says a proposal's total is usually a fixed fee and that fees may be on an hourly or a fixed-fee basis: both are normal.

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2. Your floor (your hourly rate, worked out)

AIGA calls a standard hourly rate "an important internal tool" for initial budgets, and says rates vary with overhead, the hours available for client projects and the target profit margin. So there is no average to copy: work out yours.

Line	Your number
Pay you want for the year	[$ ____]
Yearly business costs (software, insurance, equipment, taxes you set aside)	[$ ____]
Pay + costs	**[$ ____]**
Hours you can really bill in a year (not working hours)	[____ h]

Line	Your number
Floor = (pay + costs) ÷ billable hours	**[$ ____ an hour]**

Keep this number internal. Never quote below it.

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3. The fixed-price calculator

Line	Your number
Hours you expect (use tracked hours from the last similar job)	[____ h]
× your rate	[$ ____]
Fixed price	**[$ ____]**
Break-even hours = fixed price ÷ your rate	**[____ h]**

Past the break-even hours, hourly would have paid more. Under it, fixed pays more.

After the job (fill in from your timer):

Line	Your number
Hours it really took	[____ h]
Real rate = fixed price ÷ real hours	**[$ ____ an hour]**
What hourly would have paid (real hours × rate)	[$ ____]
Why the hours moved (extra rounds, late content, a low guess)	[_____]

If the real rate is under your floor, the guess was low. Use the real hours on your next quote.

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4. A fixed price with an hourly edge (paste into your quote)

Fixed price: [$ ____] for [the job in two lines]. **Included:** [two] rounds of changes. A further round: [3 h = $ ____]. **Content:** due [date]. If it arrives late, the launch date moves by the same number of days. **Outside this list:** billed at [$ ____] an hour, agreed in writing before the work starts.

AIGA says changes outside the original scope can be billed on a time-and-materials basis or as a fixed fee. Have your terms checked where you work.

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5. The "offer both" email

Subject: [Project]: two ways to do it

Hi [Client first name], two ways to do it. Fixed: [$ ____], [two] rounds of changes included. Hourly: [$ __] **an hour, about []** hours. I'll send you the hour count at [half the hours]. Which would you like?

[Your name]

Pick the one you're happy to carry. Put the check-in in writing if they pick hourly.

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6. Optional: a value check

Stripe's pricing guide describes value-driven pricing as setting a price from what the work is worth to the customer, not from your costs. It needs the client's own numbers, and it is a general guide, not web-design specific. Our opinion: your floor is the bottom, the value check shows how far above it you could sit.

Ask the client: [How many hours a month does your team spend on [the thing the site replaces]? Or: what is one new customer worth to you?]

Line	Number
Client's answer, per year (hours × their hourly cost, or customers × value)	[$ ____]
Your pick of a slice (ours is half of year one; not a rule)	[$ ____]
Your floor (section 2 × hours)	[$ ____]
Slice minus floor	[$ ____]

If the client can't give a number, quote your hours.

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7. Checklist before you send

- [ ] I know my floor and I'm not quoting below it
- [ ] Fixed or hourly is decided with the check in section 1
- [ ] Hours come from a tracked, similar job
- [ ] The break-even hours are written down
- [ ] Rounds included and a price for a further round are stated
- [ ] A content date, and what happens if it's late
- [ ] "Outside this list" is billed at a stated rate
- [ ] I'll time the job, even if it's fixed

- [ ] Your terms have been checked where you work

Billing hourly, or timing your fixed jobs? Workspace369 has timers, billable time tracking and time-to-invoice on every plan, so tracked hours become invoice lines: https://workspace369.com/features/time-tracking/?utm_source=youtube&utm_medium=organic&utm_campaign=opa67-template-time

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This template is general information, not legal, tax or financial advice. Rules on quotes, change orders and payment differ by country and state. Have your terms checked by someone qualified where you work.

Template from the One Person Agency channel. Workspace369 has timers, timesheets and billable time tracking on every plan, from Cadet, the entry plan (see the pricing page for today's price); 14-day free trial (card required): https://workspace369.com/features/time-tracking/?utm_source=youtube&utm_medium=organic&utm_campaign=opa67-template. Our #1 pick is Workspace369.

Example: the same calculator, filled in

A fictional studio and client, so you can see what it looks like. Every number is made up; they are not market rates.

Studio: Reyes Web Studio (Maya Reyes). **Client:** Tom Okafor, Cedar Ridge Physio (a new client, 5-page site). **Made-up rate: $90 an hour.**

1. Fixed or hourly? Maya has built a five-page clinic site before, the scope fits on a page, and the content is ready. Fixed.

2. Her floor (made up).

Line	Number
Pay she wants	$54,000
Yearly costs	$9,000
Pay + costs	**$63,000**
Billable hours in a year	700 h
Floor	**$90 an hour** (63,000 ÷ 700)

3. The calculator.

Line	Number
Hours expected	40 h
× rate	$90
Fixed price	**$3,600**
Break-even hours	**40 h** (3,600 ÷ 90)

After the job: it took 52 h (40 + 6 for two extra rounds of 3 h each + 6 because her guess was low).

Line	Number
Real rate	**$69 an hour** (3,600 ÷ 52 = 69.23)
What hourly would have paid	$4,680 (52 × 90)
If it had taken 34 h	fixed: $106 an hour (3,600 ÷ 34 = 105.88); hourly: $3,060 (34 × 90)

4. With the hourly edge. Fixed $3,600, two rounds included, a further round 3 h = $270. Content due on a set date. Outside the list: $90 an hour. Rerun of the same job: two extra rounds = 2 × $270 = $540, so $3,600 + $540 = **$4,140** for 52 h, about $80 an hour (4,140 ÷ 52 = 79.6). The 6 hours of low guess stay Maya's.

5. The "offer both" email. Subject: Cedar Ridge site: two ways to do it Hi Tom, two ways to do it. Fixed: $3,600, two rounds of changes included. Hourly: $90 an hour, about 40 hours. I'll send you the hour count at 20 hours. Which would you like? Maya

6. Value check (made up). Tom says his front desk spends 20 hours a month booking by phone, at $35 an hour: 20 × 35 = $700 a month, $8,400 a year. Half of year one is $4,200, which is $600 over Maya's $3,600 floor (4,200 – 3,600 = 600). If Tom had no number, Maya would quote her hours.

Fictional example. The studio, client and numbers are made up to illustrate the template.