

What Are Your Worth per Hour?

What are you worth per hour? What is your company worth per hour?

Are you doing the things in your work that are allowing you to bring the most value to your role, team and company?

There is a way to analyze this and you do it by using the law of 1920. I have done different forms of calculations to look at hourly worth before but [Joe John Duran](#) simplified this for me when he discussed this at [EO Barcelona University](#). So here we go. If you assume that with vacations and holidays you have 48 work weeks a year and you multiply that by 40 hours a week you get 1920.

$48 \text{ weeks} \times 40 \text{ hrs} = 1920$

Now divide your annual income by the 1920 to get your hourly value. Let's use this example below:

$\$100,000 \text{ of annual income divided by } 1920 = \52 per hour

With that said, if you are doing work that is worth less than \$52 an hour, you are hurting your productivity and profitability! Do you fix the copier when it is broken, file a bunch of papers, or spend time with a bum computer? All these services can be valued and compared to your hourly worth.

This same exercise can be done to determine your Corporate Hourly Value: $\text{Corporate Annual Revenue} / (1920 \times \text{team members}) = \text{Corporate Hourly Value}$

Example:

$\$1,000,000 / (1920 \times 5 \text{ team members}) = \104 per hour.

This is a great way to determine if you need to hire others to do the things that you should not be doing given your

strengths (see Maximization blog). The more time you spend doing the things that you have a natural strength or core competency to do, the more energized you become as determined in [Marcus Buckingham's](#) research on strengths.

Joe John says "Revenues are directly linked to the size, depth and breadth of your client relationship and profit margins are directly linked to the size and productivity of your staff".

To sum this up the law of 1920 says that how and what your team works during the average work hour determines the success of the practice!