

# Solopreneur Money Math: Calculate Your Freedom Number

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Icebreaker:

What is the weirdest  
thing within arm's  
reach of you right  
now?

It is projected that in 2027, 86.5 million people will be **freelancing** in the United States and will make up 50.9 percent of the total U.S. workforce.

Myth: corporate  
employment is  
more safe than self  
employment

My story

Just because a  
company lays off  
10,000 employees  
doesn't mean they  
have 10,000 people  
less work to do!



# FEAR

UNTIL YOU HAVE THE COURAGE TO LOSE SIGHT OF THE SHORE,  
YOU WILL NOT KNOW THE TERROR OF BEING FOREVER LOST AT SEA.

# Introduction to the benefits of solopreneur work

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- You are your own boss and make all the rules
- You work on what you want to work on, when you want to work on it, where you want to work, and for whom you want to work
- When you are talking to a potential employer (client), you are one of a few people they are talking to, at most
  - “It is easier to land your first client than your next job!” -Brett Trainor
- If a potential client is talking to you, it is because they have real work that needs to be done, not a ghost job ad



Caveat Emptor:

I am not a lawyer or  
an accountant

## Exercise: What is your hourly rate?

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$$\text{Hourly Rate} = \frac{\text{Annual Salary}}{\text{Number of Working Hours in a Year}}$$

- Assumes you received paid vacation/holiday and sick time
- Number of working hours/year varies by country
  - US: 2080 hours (40 hours/week x 52 weeks/year)
  - UK: 1740 hours (37.5 hours/week x 52 weeks/year)

## Exercise: What is your hourly rate?

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$$\text{Hourly Rate} = \frac{\$150,000}{2080}$$

How does that number compare to typical contractors working in your company or field?

How much do contract shops typically take off the top?

## A fully-burdened number

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$$\text{Hourly Rate} = \frac{\text{Annual Salary} \times 1.25}{1000}$$

[https://github.com/ClairSullivan-Associates/maven\\_slide\\_decks/tools](https://github.com/ClairSullivan-Associates/maven_slide_decks/tools)

# Monthly scenario planning

The Rule of 60%

Hourly rate	\$150	Weekly revenue (FT)	\$3,750
Number of hours in a week	25	Monthly revenue (FT)	\$15,000
Health insurance	\$1,500	Health insurance	\$1,500
Targeted monthly take home	\$8,000	Expenses	\$750
Monthly tax-deductible business expenses	\$750	Revenue less insurance, expenses	\$12,750
Federal tax (including self employment tax)	0.29	Federal tax	\$3,698
State tax	0.0455	State tax	\$580
		Monthly take home pay	\$8,472
		Difference	\$472

# Annual scenario planning

Hourly rate	\$150	Weekly revenue (FT)	\$3,750		
Number of weeks worked	48	Monthly revenue (FT)	\$15,000		
Number of hours in a week	25	Annual revenue (actual)	\$180,000	Annual revenue (FT)	\$180,000
Health insurance (monthly)	\$1,500	Health insurance	\$18,000	(if working 52 weeks)	
Number of months paying insurance	12	Expenses	\$9,000.00		
Targeted monthly take home	\$8,000	Revenue minus insurance and expenses	\$153,000		
Monthly tax-deductible business expenses	\$750				
Federal tax (including self employment tax)	0.29	Federal tax	\$44,370		
State tax	0.0455	State tax	\$6,962		
		Revenue less insurance, expenses, taxes	\$101,669		
		Monthly take home pay	\$8,472		
		Difference	\$472		

# Some final thoughts

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- “It is easier to land your first client than your next job.”
  - You don’t need tons of clients, just a few to make those hours and completely replace your corporate salary
- You can be up and running as an official business in under 24 hours
- Just because companies are laying off doesn’t mean they don’t have work that needs to be done
- You can start the wheels in motion while still in your corporate job



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# Launch Your Solopreneur Business for Senior ICs and Managers in Tech

Clair Sullivan Tech pro who replaced salary going solo

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# Thank you!

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