

Internal Hourly Rate

**Sample Calculation**

	<b>Total</b>	<b>Partners</b>	<b>Associates</b>	<b>Paralegals</b>
<b>Firm-wide</b>				
Total expenses	\$25,787,500			
Less lawyer compensation	\$7,085,000			
Less paralegal compensation	\$1,827,500			
Firm overhead	<u>\$16,875,000</u>			
Total FTE timekeepers		50.00	50.00	25.00
Total FTE fee-earners	112.50	50.00	50.00	12.50
Overhead per fee earner	<u>\$150,000</u>			
<b>Per individual</b>				
Allocated overhead		\$150,000	\$150,000	\$75,000
Salary, benefits and taxes		\$295,000	\$128,800	\$69,600
Total cost		<u>\$445,000</u>	<u>\$278,800</u>	<u>\$144,600</u>
Expected billable hours		1,700	1,850	1,450
Preliminary internal hourly rate		<u>\$262</u>	<u>\$151</u>	<u>\$100</u>
Expected realization		92%	88%	84%
Required Internal hourly rate		<u>\$285</u>	<u>\$171</u>	<u>\$119</u>