



When to Add a Second Crew

A second crew is a real annual cost before it earns a dollar: \$91,520 a year in labor for two people at a \$22 base wage. Knowing that number first is what makes the pricing and capacity math behind the hire honest.

A second crew is not a maybe-someday expense, it is a specific dollar figure the moment the hours and wage are known, before a single new customer is signed. Knowing that number first is what turns "we could probably use another crew" into a real, priceable decision.

A worked example: the annual cost before any revenue

A 2-person crew at a \$22 base wage, working 40 hours a week for a 40-week operating season, loads to \$28.60 an hour at the standard burden default. That is 3,200 crew-hours a year, and \$91,520 in annual labor cost, the real number that has to be covered by whatever new revenue the crew is meant to bring in, before overhead, equipment, or profit are even added on top.

Supporting one employee is a smaller, related question

Adding a single employee rather than a full second crew runs the same math at a smaller scale: the same \$22 base wage loads to the same \$28.60 an hour, and one person's annual loaded cost is \$45,760. Required revenue to cover that cost alone, at the standard 35% target margin, comes to \$70,400, the floor the added labor has to clear before it is worth the hire at all.

Capacity comes before cost

Employee Capacity answers a different, earlier question: given the crew's current size and workday structure, how many additional properties does one more person's weekly hours actually buy. Adding a person's hours to a crew does not automatically mean the business can sell that added capacity, the capacity number and the cost number both need to be run before committing.

Why the labor number has to come first

Pricing a new crew's work, or deciding whether a hire is worth it, without first knowing the real loaded labor cost is how a business ends up committing to a hire that cannot pay for itself. The \$91,520 or \$45,760 figure is not the whole decision, but it is the floor every other number in the decision has to clear.

Key takeaway. A second crew or a single new hire has a real, calculable annual labor cost before it earns anything. Know that number first, then check whether the capacity and revenue opportunity actually cover it.

Assumptions

- The worked example uses a \$22 base wage (loaded to \$28.60 at the standard 30% burden default), a 40-hour week, and a 40-week operating season, all illustrative round numbers.

Frequently asked questions

Does the burden percentage change much between businesses?

Yes, it typically runs 20 to 45% of base wage depending on state payroll taxes, workers comp classification, and benefits offered. The 30% default used here is a starting point, worth checking against your own numbers before committing to a hire based on this figure alone.

Should additional fixed costs (a second truck, more equipment) be added to this number?

Yes, the second-crew break-even calculation has a field for exactly that, additional annual fixed costs get added to the labor cost before the required revenue is calculated, so the full real cost of the hire is priced, not just the payroll portion.

How is this different from the loaded labor rate guide?

The loaded labor rate guide explains what one hour of crew time costs. This guide takes that same loaded rate and scales it up to a full crew or employee's annual cost, the number that actually needs to be covered by new revenue before a hiring decision is worth making.

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