HANDYMAN MARKETING PROS

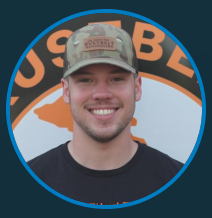
THE HANDYMAN PRICING PLAYBOOK

How to Price Projects So You Actually Make Money

"Most handyman businesses don't have a pricing problem. They have a math problem."

WHAT YOU'LL LEARN INSIDE

- ✓ How to calculate your true labor cost (not what you "pay yourself")
- ✓ The 3 numbers every handyman must know before pricing any job
- ✓ Why 50% gross margin is your target — and how to hit it
- ✓ The simple 5-step pricing framework you can use on any job
- ✓ How to respond when a client says your price is too high



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I learned pricing the hard way—running my own remodeling crew, miscalculating bids, and feeling the sting of razor-thin margins. This playbook is everything I wish someone had handed me on day one.

INTRODUCTION

Let's Talk About How You're Pricing Jobs

Right now, most handyman businesses price their jobs based on one (or more) of these:

- What competitors are charging
- What feels reasonable
- Fear of losing the customer
- What the client says their budget is

HERE'S THE PROBLEM

None of those are financial systems. They're emotional reactions.

If you don't know your numbers, your business is operating on guesswork. And guessing eventually leads to burnout, inconsistent cash flow, and working long hours without building wealth.

This playbook walks through a clear, structured pricing framework that turns your handyman business into a financially stable operation. No fluff. Just math that works.

> **"If you can't point to the math behind your price, you're gambling with every estimate you send."**

THE FOUNDATION

The Three Numbers You Must Know Before You Price Anything

Every profitable handyman business understands three categories of cost:

1. **Direct Labor** — what it costs to do the work
2. **Direct Job Costs** — materials, subs, equipment
3. **Overhead** — the cost of keeping the lights on

If you skip any one of these, your pricing will be wrong. Let's break each one down.

NUMBER ONE

Direct Labor Cost (Your True Field Rate)

If you're an owner-operator, this is where most people go wrong. Ask yourself one question:

> **"What would it cost to replace me in the field?"**

That number is your labor cost. Not your paycheck. Not your profit. If you'd have to pay someone $30/hour to replace yourself, then $30/hour is your business's labor expense. Full stop.

COMMON MISTAKE

That $30/hour is not profit. It is a cost of delivering the service. Thinking of your labor as profit creates the illusion of success. You might "pay yourself," but the business itself earns nothing. That becomes a major problem when you try to grow.

NUMBER TWO

Direct Job Costs

These are expenses that only exist if the project exists:

- Materials
- Subcontractors
- Equipment rentals
- Dump fees

If the project doesn't happen, these costs don't happen. Simple as that. These are variable costs tied directly to production.

NUMBER THREE

Overhead (The Cost of Staying in Business)

Overhead includes every expense that occurs whether you have work or not:

- Insurance
- Truck payments
- Fuel
- Licensing fees
- Office rent
- CRM software
- Website hosting
- Marketing expenses
- Phone bill
- Tool repair and replacement
- Administrative payroll

PRO TIP

If you fail to account for overhead in your pricing, you are slowly subsidizing your own business out of your own pocket.

THE MATH

How to Convert Overhead Into an Hourly Cost

Overhead must be distributed across your billable hours. Here's how that looks with real numbers:

SAMPLE MONTHLY OVERHEAD

Insurance	$200
Fuel	$100
Truck payment	$400
Website	$299
Marketing	$100
Phone	$60
CRM	$40
Tool expenses	$50
Total Monthly Overhead	**$1,249**

$1,249 ÷ 160 billable hours **= $7.81 / hour**

That means your business costs **$7.81 per labor hour** before you make any profit. This number must be factored into every single job.

PRO TIP

160 billable hours assumes 40 hours per week of actual field time. If you're doing admin, estimates, and drive time during those hours, your real billable count is lower, and your overhead per hour is higher. Be honest with this number.

Your Overhead Calculator (Fill In Your Numbers)

Insurance	_____
Fuel	_____
Vehicle payment	_____
Website / hosting	_____
Marketing	_____
Phone	_____
CRM / software	_____
Tools / equipment	_____
Licensing / fees	_____
Other: _____	_____
Total Monthly Overhead	_____
Your billable hours per month	_____
Your Overhead Per Billable Hour	_____

PUTTING IT TOGETHER

Calculating the True Cost of a Project

Let's walk through a real example: a **drywall repair** job.

Job Details	Value
Estimated labor hours	8 hours
Materials	$100
Labor rate (replacement rate)	$30/hour
Overhead rate	$7.81/hour

1 Calculate Direct Costs

Labor: 8 hrs × $30	$240.00
Materials	$100.00
Gross Direct Cost	**$340.00**

2 Add Overhead Allocation

Overhead: 8 hrs × $7.81	$62.48
True Total Cost	**$402.48**

REALITY CHECK

If you charge $402.48 for this job, you break even. Yes, you "paid yourself." But the business made nothing. Zero profit. That's not sustainable.

3 Apply 50% Gross Margin (Multiply Direct Cost by 2)

Gross Direct Cost × 2	$340 × 2
Sale Price	**$680.00**

Net Profit: $680 – $402.48 = $277.52 (~41% net margin)

CRITICAL CONCEPT

The Difference Between Margin and Markup

This is where a lot of handyman businesses unknowingly leave money on the table. These two words sound similar, but they produce very different results.

MARKUP (50%)

$100 cost + 50% = $150 charge

Profit: $50

33% Margin

MARGIN (50%)

$100 cost ÷ 0.50 = $200 charge

Profit: $100

50% Margin

Method	Cost	Formula	Sale Price	Profit	True Margin
50% Markup	$100	$100 × 1.50	$150	$50	33.3%
50% Margin	$100	$100 ÷ 0.50	$200	$100	50.0%
50% Markup	$500	$500 × 1.50	$750	$250	33.3%
50% Margin	$500	$500 ÷ 0.50	$1,000	$500	50.0%

WARNING

Confusing markup and margin causes severe underpricing. On a $500 job, the difference is $250 in lost profit. Multiply that across a year of projects and the gap is enormous.

THE TARGET

Why 50% Gross Margin Is the Healthy Target

Using the drywall repair example from earlier:

Gross Direct Cost	$340.00
↓ Apply 50% margin: $340 × 2	
Sale Price	**$680.00**
↓ Subtract true total cost (with overhead): $680 – $402.48	
Net Profit	**$277.52**
Net Profit Margin	**~41%**

That margin may seem high. It needs to be. Here's why.

THE "WHY"

Why Strong Margins Are Necessary

High margins do not mean you're overcharging. They give your business the room it needs to survive and grow. Specifically, they provide:

- **Protection** when estimates are off
- **Coverage** when projects run long
- **Cushion** for callbacks and warranty work
- **Funding** for marketing that brings better leads
- **Capital** for hiring employees when you're ready
- **Stability** during slow seasons

> **"Low margins create stress and vulnerability. You cannot scale with stability off razor-thin pricing."**

GROWTH REALITY

What Happens When You Hire Employees?

If you hire someone at $30/hour and your pricing only covers that labor cost, you now own a company that generates no profit. You're managing projects, handling risk, and carrying liability for free.

Profit compensates you for:

- Risk
- Business management
- Administrative time
- Financial investment
- Legal responsibility

BOTTOM LINE

Without profit margin, you are simply self-employed labor. You own a job, not a business.

BENCHMARKS

What Is a Healthy Net Profit?

After paying labor, materials, subcontractors, and overhead, here's where you should land:

Below 10%	15%+	20-25%+
FRAGILE	BASELINE	STRONG
One bad month creates real stress	Minimum target for stability	Well-run, scalable operation

YOUR PRICING SYSTEM

The Simple Pricing Framework

Here's the complete system in five steps. Use this for every estimate you send.

1. **Estimate Your Labor Hours**
   Be realistic. Include setup, cleanup, and travel between stages.

2. **Multiply by Your True Labor Cost**
   Use the replacement rate, not what you "want" to earn.

3. **Add Material and Subcontractor Costs**
   Every direct job cost goes in here.

4. **Add Overhead Allocation Per Hour**
   Multiply your overhead rate by the labor hours on this job.

5. **Multiply Gross Direct Cost by 2**
   This targets a 50% gross margin. That resulting number is your financially healthy sale price.

PRO TIP

Write this framework on a sticky note and put it where you do estimates. Until it becomes second nature, the checklist keeps you honest.

MINDSET

If the Number Feels High

If you run the math and think, "No one will pay that," pause.

The solution is rarely lowering your price. More often, it means:

- You need **higher-value customers**
- You need **stronger marketing**
- You need to **improve efficiency**
- You need **more billable hours**
- You need to **refine your offer**

DO NOT DO THIS

Reducing price breaks the math. It does not fix it. If your price feels too high, fix the inputs, not the output.

FINAL THOUGHT

Price With Math, Not Emotion

Cash flow is the lifeblood of a handyman business. Profit is the safety net.

If you want to:

- Hire and grow
- Reduce stress
- Build reserves
- Invest in marketing
- Eventually sell your business

You must price based on financial reality, not emotion.

> **"When pricing is mathematical, you gain control. When pricing is emotional, the market controls you."**

Ready for Your Next Step?

You've got the pricing framework. Now let's make sure the right customers are finding you.

Book Your Free Strategy Call

Here's what you'll get on the call:

- A quick audit of your current pricing and marketing
- Your top 3 fixes to start getting better leads
- Honest recommendations (no pressure, no gimmicks)

See Our Transparent Pricing

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Licensed contractor. Former handyman business owner. Someone who's done the math the hard way.