

University of Mississippi eGrove

Newsletters

American Institute of Certified Public Accountants
(AICPA) Historical Collection

1963

Revenue and expenses of accounting firms, 2nd annual survey 1963; Management of an accounting practice bulletin, MAP 14b

Robert N. Sempier

Follow this and additional works at: https://egrove.olemiss.edu/aicpa_news

Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

Sempier, Robert N., "Revenue and expenses of accounting firms, 2nd annual survey 1963; Management of an accounting practice bulletin, MAP 14b" (1963). *Newsletters*. 233.
https://egrove.olemiss.edu/aicpa_news/233

This Book is brought to you for free and open access by the American Institute of Certified Public Accountants (AICPA) Historical Collection at eGrove. It has been accepted for inclusion in Newsletters by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

JAN
MAP 14_b

REVENUE
AND EXPENSES
OF
ACCOUNTING
FIRMS

2ND ANNUAL SURVEY 1963

A MANAGEMENT OF AN ACCOUNTING PRACTICE BULLETIN

Staff Bulletin Published by
The American Institute of Certified Public Accountants

This bulletin is a publication of the staff of the American Institute of Certified Public Accountants and is not to be regarded as an official pronouncement of the Institute. It was prepared by Robert N. Sempier, CPA, manager, management of an accounting practice.

MAP 14_b

REVENUE AND EXPENSES OF ACCOUNTING FIRMS

2ND ANNUAL SURVEY 1963

AMERICAN
INSTITUTE
OF CPAs

*Copyright 1963 by the
American Institute of Certified Public Accountants, Inc.
666 Fifth Ave., New York, New York 10019*

CONTENTS

	<u>Page</u>
Introduction	5
Methodology	7
Figure I Respondents by size of firm.....	11
Figure II Respondents by region.....	11
Figure III Respondents by metropolitan area.....	11
Exhibit I Percentages of firms with various gross income (all services).....	12
Exhibit II Per cent of gross income by type of professional services (regional basis).....	13
Exhibit III Total salary, operating expenses and net income percentages (nationwide basis)....	15
Exhibit IV Staff salaries and outside services as a percentage of gross income (regional basis) ..	16
Exhibit V Operating expenses as a percentage of gross income (nationwide basis).....	18
Exhibit VI Net income before partners' salaries, drawings and federal income tax (regional basis)	19
Exhibit VII Net income by number of partners before partners' salaries, drawings, and federal income tax (small firms).....	20
Exhibit VIII Net income by number of partners before partners' salaries, drawings, and federal income tax (medium firms).....	23
Exhibit IX Net income before partners' salaries, drawings, and federal income tax (by region and size of metropolitan area).....	27
Exhibit X Usual billing rates per hour (by class of staff and region).....	30
Exhibit XI Usual method of determining hourly billing rates (by size of firm).....	33
Exhibit XII Average billings per person per year (by size of firm).....	34

INTRODUCTION

THE DUAL AND INTERRELATED purpose in publishing MAP No. 14, "Basic Financial Reporting for Accounting Firms," was to provide practitioners with a uniform chart of accounts which could be used to improve the operation of their individual practices and to establish a base for the collection of comparable statistics for the benefit of the entire profession.

The results of the first survey on income and expenses of accounting firms was published in 1962 as MAP Bulletin No. 14A.

This survey is a continuation of a long-term professional statistical gathering program regarding revenue and expenses of accounting firms which permits the reader to compare his income and expenses with composite figures of responding firms of similar size, according to region and size of metropolitan area. The replies to the questionnaire have been tabulated and are presented in the accompanying exhibits.

The bulletin is published for the information and assistance of members of the Institute and others interested in the subject.

METHODOLOGY

A MAILING of approximately 12,750 questionnaires was made to each firm and individual practitioner's office represented in the Institute. Firms which had more than one office were requested to complete the questionnaire only for the office to which the questionnaire was addressed. The survey was conducted on a completely anonymous basis.

There were 2,204 replies of which 1,696 were usable in entirety and 198 partially usable (breakdown of professional income missing). The balance (310) were not usable because a significant number of questions were not answered.

All usable replies were transferred to punched cards at the Institute. The replies were then tabulated by an independent service bureau.

It is hoped that we may expect greater participation on the part of the membership with each succeeding survey.

In the interest of uniformity of understanding, the following explanations are provided:

MEDIAN

THE "MEDIAN" is the middle figure in a list in point of size. Thus, if there are 25 items there will be 12 equal to or higher than the median and 12 equal to or lower. The median of a group is con-

sidered more useful than an arithmetic mean (“average”) because it is not unduly affected by extremely high or extremely low items. Therefore, in using a median, it is possible for a series of figures not to total 100 per cent.

INCOME FROM PROFESSIONAL SERVICES

Auditing—Includes audits in which an opinion is qualified or in which a disclaimer is issued.

Taxes —Includes tax returns, tax examinations, tax assessment appeals and estate planning.

Management services—Includes systems installations, investigations, cost analyses and other consulting and management services.

Other accounting services—Includes preparation of nonaudited statements and write-ups.

SALARIES AND OUTSIDE SERVICES

Salaries professional staff—Includes salaries of accounting staff only.

Salaries other—Includes stenographers, typists, and other indirect salaries.

Outside services—Includes consultation with other firms, work performed by others of both a professional and non-professional nature relating to engagements, professional referral fee costs, and cost of data processing.

Note: Salaries, other than for partners or proprietor, include all salaries, wages, commissions, bonuses, profit sharing, overtime; in general, all items of direct compensation for services, including provisions for vacations, sick benefits, separation pay, military leave pay, holiday pay, etc.

NET INCOME

IT SHOULD BE NOTED that MAP No. 14 recommends that partners' salaries be deducted in the Income Statement of an accounting firm. For *tabulating* purposes, however, partners' or proprietor's salaries are not deducted from gross income in any of the following exhibits.

STATES INCLUDED IN VARIOUS REGIONS

- NEW ENGLAND —Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.
- MIDDLE ATLANTIC—Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania, West Virginia.
- SOUTHEAST —Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia.
- CENTRAL —Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, Wisconsin.
- NORTHWEST —Colorado, Idaho, Kansas, Montana, Nebraska, North Dakota, South Dakota, Utah, Wyoming.
- SOUTHWEST —Arizona, New Mexico, Oklahoma, Texas.
- FAR WEST —Alaska, California, Hawaii, Nevada, Oregon, Washington.

INCOME AND EXPENSES OF ACCOUNTING FIRMS

IN REPLY TO THE QUESTION of whether the chart of accounts of the respondents generally conformed to the recommendations made in MAP Bulletin No. 14, 1,131 or 60 per cent indicated that it did. However, an exception was noted in that only 551 of the 1,131 respondents followed the recommended practice of charging partners' salaries in the statement of income.

Size of firm (office), is determined by the number of partners and professional staff as follows:

Individual — Sole practitioner

Small — 2-15 partners and professional staff

Medium — 16-35 partners and professional staff

Large — over 35 partners and professional staff

The breakdown by size of firm (office) of the respondents is as follows:

Figure I

	<u>1963</u>	<u>1962</u>
Individual	410	310
Small	1,353	1,028
Medium	95	80
Large	36	17

The breakdown by region of the respondents is as follows:

Figure II

	<u>1963</u>	<u>1962</u>
New England	90	66
Middle Atlantic	413	279
Southeast	293	231
Central	389	303
Northwest	132	113
Southwest	217	161
Far West	360	282

The breakdown by size of metropolitan area is as follows:

Figure III

	<u>1963</u>	<u>1962</u>
Under— 25,000	297	233
25,000— 50,000	178	130
50,000—100,000	201	157
100,000—500,000	421	323
Over—500,000	797	592

Per Cent of Gross Income by Type of Professional Services†
(regional basis)

Exhibit II

<u>Region</u>	<u>Individual</u>	<u>Small</u>	<u>Medium</u>	<u>Large</u>
NEW ENGLAND				
Auditing	50%	45%	70%	71%
Taxes	20	24	17	17
Management services	10	08	07	08
Other	10	13	05	04
MIDDLE ATLANTIC				
Auditing	30	53	60	65
Taxes	20	20	20	20
Management Services	04	05	04	10
Other	30	17	07	01
SOUTHEAST				
Auditing	31	34	50	67
Taxes	25	29	30	17
Management Services	02	05	05	08
Other	31	20	06	01
CENTRAL				
Auditing	20	30	51	70
Taxes	24	25	20	13
Management Services	07	10	10	09
Other	39	25	10	05

† The figures in this Exhibit are medians. See page 7 for explanation.

Per Cent of Gross Income by Type of Professional Services†
(regional basis)

Exhibit II (continued)

<u>Region</u>	<u>Individual</u>	<u>Small</u>	<u>Medium</u>	<u>Large</u>
14 NORTHWEST				
Auditing	19%	20%	39%	*%
Taxes	28	35	40	*
Management Services	10	07	07	*
Other	40	23	12	*
SOUTHWEST				
Auditing	20	20	54	*
Taxes	33	34	19	*
Management Services	05	06	03	*
Other	35	28	10	*
FAR WEST				
Auditing	14	22	40	61
Taxes	25	25	25	29
Management Services	03	07	04	09
Other	40	34	07	00
NATIONWIDE				
Auditing	20%	30%	51%	65%
Taxes	19%	32%	50%	65%
Management Services	05	07	05	08
Other	35	23	07	01
				5

* Insufficient number of replies for separate classification.

† The figures in this Exhibit are medians. See page 7 for explanation.

Total Salary, Operating Expenses and Net Income Percentages†

(nationwide basis)

Exhibit III

	<i>Individual</i>	<i>Small</i>	<i>Medium</i>	<i>Large</i>
	<u>1963 1962</u>	<u>1963 1962</u>	<u>1963 1962</u>	<u>1963 1962</u>
	100% 100%	100% 100%	100% 100%	100% 100%
Gross Income				
Total Staff Salaries and Outside Services	12% 13%	31% 31%	41% 40%	50% 53%
Gross Profit	88% 87%	69% 69%	59% 60%	50% 47%
Operating Expenses	24% 24%	21% 20%	18% 19%	18% 17%
Net Income	64% 63%	48% 49%	41% 41%	32% 30%

† The figures in this Exhibit are medians. See page 7 for explanation.

Staff Salaries and Outside Services
As a Percentage of Gross Income†

<u>Region</u>	(regional basis)			<u>Large</u>
	<u>Individual</u>	<u>Small</u>	<u>Medium</u>	
NEW ENGLAND				
Professional Staff	—%	21%	40%	49%
Other Staff	—	09	07	06
Outside Services	—	01	—	—
MIDDLE ATLANTIC				
Professional Staff	—	24	31	41
Other Staff	—	07	07	08
Outside Services	—	—	01	01
SOUTHEAST				
Professional Staff	—	22	25	35
Other Staff	10	08	08	06
Outside Services	—	—	—	—
CENTRAL				
Professional Staff	—	21	33	39
Other Staff	05	08	07	07
Outside Services	—	—	—	—

† The figures in this Exhibit are medians. See page 7 for explanation.

Exhibit IV (continued)

Staff Salaries and Outside Services
As a Percentage of Gross Income†

(regional basis)

<u>Region</u>	<u>Individual</u>	<u>Small</u>	<u>Medium</u>	<u>Large</u>
	1963	1963	1963	1963
	1962	1962	1962	1962
NORTHWEST				
Professional Staff	—%	21%	31%	*%
Other Staff	14	08	07	*
Outside Services	—	—	—	*
SOUTHWEST				
Professional Staff	—	20	31	50
Other Staff	10	08	07	06
Outside Services	—	—	—	—
FAR WEST				
Professional Staff	—	21	34	37
Other Staff	10	08	07	06
Outside Services	—	—	—	—
NATIONWIDE				
Professional Staff	—%	21%	31%	41%
Other Staff	10	08	07	06
Outside Services	02	02	—	—
ices		01	01	—

* Insufficient number of replies for separate classification.

† The figures in this Exhibit are medians. See page 7 for explanation.

Operating Expenses as a Percentage of Gross Income†
(nationwide basis)

Exhibit V

<u>Operating Expenses</u>	<u>Individ- ual</u> —%	<u>Small</u> —1%	<u>Medium</u> —2%	<u>Large</u> —1%
Contributions	1.6	1.4	1.0	.8
Equipment Expense	.2	.3	.6	.9
Firm Relations	.6	.5	.4	.3
Insurance	5.0	4.6	4.4	3.8
Occupancy and Maintenance	.7	.7	1.0	2.0
Other Operating Expense	.3	.3	.3	.1
Postage and Express	.0	.1	.3	.6
Professional Development	.8	.4	.4	.5
Professional Membership Expense	.0	.0	.0	.0
Provision for Doubtful Accounts	1.0	.8	.5	.4
Publications	2.3	2.0	1.6	1.3
Stationery, Printing and Supplies	.1	.2	.1	.1
Taxes—Other	.2	1.1	1.3	1.4
Taxes—Payroll	2.0	1.3	1.0	.7
Telephone and Telegraph	3.9	2.8	1.5	.4
Travel and Subsistence	.0	.0	.7	1.5
Welfare and Group Benefits				.7

† The figures in this Exhibit are medians. See page 7 for explanation.

**Net Income Before Partners' Salaries,
Drawings, and Federal Income Tax†**

Exhibit VI

(regional basis)

<i>Region</i>	<u><i>Individual</i></u>	<u><i>Small</i></u>	<u><i>Medium</i></u>	<u><i>Large</i></u>
New England	\$13,000	\$26,000	\$179,000	over 199,000
Middle Atlantic	12,000	32,000	110,000	over 199,000
Southeast	11,000	27,000	118,000	over 199,000
Central	12,000	33,000	125,000	over 199,000
Northwest	12,000	24,000	116,000	*
Southwest	12,000	27,000	112,000	over 199,000
Far West	11,000	29,000	128,000	over 199,000
Nationwide	<u>1963</u> <u>1962</u>	<u>1963</u> <u>1962</u>	<u>1963</u> <u>1962</u>	<u>1963</u> <u>1962</u>
	11,000 10,000	29,000 29,000	122,000 110,000	over 199,000 over 199,000

Median Number

Partners	1	2	4	8
Professional Staff	0	2	15	55
Other Staff	2	1	5	16

* Insufficient number of replies for separate classification.

† The figures in this Exhibit are medians. See page 7 for explanation.

**Net Income by Number of Partners
Before Partners' Salaries, Drawings, and Federal Income Tax**
(small firms)

Exhibit VII

<u>Region</u>	<u>Low</u>	<u>High</u>	<u>Median</u>
NEW ENGLAND			
<u>Number of Partners</u>			
1	\$ 5,000	\$121,000	\$18,000
2	14,000	84,000	28,000
3	25,000	126,000	48,000
4	71,000	71,000	71,000
5	63,000	83,000	73,000
over 5	*	*	*
MIDDLE ATLANTIC			
<u>Number of Partners</u>			
1	\$ 3,000	\$125,000	\$15,000
2	10,000	104,000	33,000
3	20,000	107,000	54,000
4	53,000	150,000	82,000
5	50,000	147,000	84,000
over 5	*	*	*

<u>Region</u>	<u>Low</u>	<u>High</u>	<u>Median</u>
SOUTHEAST			
<u>Number of Partners</u>			
1	\$ 3,000	\$ 44,000	\$17,000
2	6,000	81,000	30,000
3	19,000	82,000	42,000
4	22,000	147,000	73,000
5	54,000	110,000	80,000
over 5	*	*	*
CENTRAL			
<u>Number of Partners</u>			
1	\$ 5,000	\$ 64,000	\$ 20,000
2	7,000	80,000	35,000
3	15,000	119,000	53,000
4	32,000	123,000	61,000
5	48,000	124,000	104,000
over 5	*	*	*
NORTHWEST			
<u>Number of Partners</u>			
1	\$ 5,000	\$ 41,000	\$ 15,000
2	13,000	75,000	25,000
3	23,000	94,000	45,000
4	35,000	96,000	76,000
5	57,000	114,000	62,000
over 5	48,000	97,000	81,000

* Insufficient number of replies for separate classification.

Net Income by Number of Partners **Exhibit VII (continued)**
Before Partners' Salaries, Drawings, and Federal Income Tax
(small firms)

<u>Region</u>	<u>Low</u>	<u>High</u>	<u>Median</u>
<u>SOUTHWEST</u>			
<u>Number of Partners</u>			
1	\$ 5,000	\$ 93,000	\$ 17,000
2	11,000	78,000	28,000
3	20,000	103,000	55,000
4	57,000	95,000	76,000
5	12,000	97,000	67,000
over 5	*	*	*

<u>FAR WEST</u>			
<u>Number of Partners</u>			
1	\$ 3,000	\$ 53,000	\$ 17,000
2	6,000	89,000	33,000
3	22,000	96,000	65,000
4	49,000	154,000	66,000
5	113,000	119,000	*
over 5	*	*	*

* Insufficient number of replies for separate classification.

**Net Income by Number of Partners
Before Partners' Salaries, Drawings, and Federal Income Tax
(medium firms)**

Exhibit VIII

<u>Region</u>	<u>Low</u>	<u>High</u>	<u>Median</u>
NEW ENGLAND			
<u>Number of Partners</u>	\$	\$	\$
1	*	*	*
2	*	*	*
3	*	*	*
4	*	*	*
5	*	*	*
6	*	*	*
7	*	*	*
8	*	*	*
over 8	*	*	*
MIDDLE ATLANTIC			
<u>Number of Partners</u>			
1	*	*	*
2	*	*	*
3	60,000	152,000	72,000
4	66,000	183,000	96,000
5	86,000	212,000	118,000
6	*	*	*
7	*	*	*
8	69,000	317,000	253,000
over 8	*	*	*

* Insufficient number of replies for separate classification.

Net Income by Number of Partners Exhibit VIII (continued)
 Before Partners' Salaries, Drawings, and Federal Income Tax
 (medium firms)

<u>Region</u>	<u>Low</u>	<u>High</u>	<u>Median</u>
SOUTHEAST			
<u>Number of Partners</u>			
1	\$ *	\$ *	\$ *
2	*	*	*
3	*	*	*
4	72,000	94,000	81,000
5	*	*	*
6	103,000	169,000	120,000
7	*	*	*
8	*	*	*
over 8	*	*	*
CENTRAL			
<u>Number of Partners</u>			
1	*	*	*
2	54,000	125,000	96,000
3	68,000	132,000	81,000
4	69,000	200,000	96,000
5	92,000	265,000	104,000
6	119,000	197,000	138,000
7	122,000	143,000	139,000
8	148,000	231,000	161,000
over 8	*	*	*

<u>Region</u>		<u>Low</u>	<u>High</u>	<u>Median</u>
NORTHWEST				
	<u>Number of Partners</u>			
	1	\$ *	\$ *	\$ *
	2	*	*	*
	3	*	*	*
	4	*	*	*
	5	*	*	*
	6	*	*	*
	7	*	*	*
	8	*	*	*
	over 8	*	*	*

SOUTHWEST				
	<u>Number of Partners</u>			
	1	*	*	*
	2	*	*	*
	3	*	*	*
	4	80,000	158,000	126,000
	5	*	*	*
	6	*	*	*
	7	*	*	*
	8	*	*	*
	over 8	*	*	*

* Insufficient number of replies for separate classification.

Net Income by Number of Partners Exhibit VIII (continued)
Before Partners' Salaries, Drawings, and Federal Income Tax
 (medium firms)

<u>Region</u>	<u>Low</u>	<u>High</u>	<u>Median</u>
FAR WEST			
<u>Number of Partners</u>			
1	\$ *	\$ *	\$ *
2	*	*	*
3	15,000	117,000	74,000
4	40,000	168,000	143,000
5	*	*	*
6	*	*	*
7	*	*	*
8	*	*	*
over 8	*	*	*

* Insufficient number of replies for separate classification.

Net Income Before Partners' Salaries,
Drawings, and Federal Income Tax†
(by region and size of metropolitan area)

Region	Size of				Medium	Large
	Metropolitan Area	Individual	Small	Medium		
NEW ENGLAND	Under— 25,000	\$14,000	\$46,000	\$ *	\$ *	* \$
	25,000— 50,000	*	18,000	*	*	*
	50,000—100,000	*	25,000	*	*	*
	100,000—500,000	11,000	28,000	*	*	*
	Over—500,000	13,000	34,000	*	*	over 199,000
MIDDLE ATLANTIC	Under— 25,000	14,000	20,000	*	*	*
	25,000— 50,000	15,000	28,000	*	*	*
	50,000—100,000	12,000	32,000	*	*	*
	100,000—500,000	9,000	27,000	111,000	*	*
	Over—500,000	11,000	34,000	112,000	*	over 199,000
SOUTHEAST	Under— 25,000	10,000	18,000	*	*	*
	25,000— 50,000	17,000	27,000	*	*	*
	50,000—100,000	11,000	31,000	61,000	*	*
	100,000—500,000	11,000	31,000	110,000	*	*
	Over—500,000	8,000	27,000	*	*	over 199,000

* Insufficient number of replies for separate classification.

† The figures in this Exhibit are medians. See page 7 for explanation.

**Net Income Before Partners' Salaries,
Drawings, and Federal Income Tax†**
(by region and size of metropolitan area)

Exhibit IX (continued)

<u>Region</u>	<u>Size of Metropolitan Area</u>	<u>Individual</u>	<u>Small</u>	<u>Medium</u>	<u>Large</u>
CENTRAL	Under— 25,000	\$13,000	\$21,000	\$ *	\$ *
	25,000— 50,000	10,000	31,000	*	*
	50,000—100,000	10,000	42,000	*	*
	100,000—500,000	12,000	34,000	115,000	*
	Over—500,000	11,000	36,000	125,000	over 199,000
NORTHWEST	Under— 25,000	11,000	18,000	*	*
	25,000— 50,000	*	34,000	*	*
	50,000—100,000	11,000	23,000	*	*
	100,000—500,000	11,000	29,000	124,000	*
	Over—500,000	*	34,000	*	*

* Insufficient number of replies for separate classification.

† The figures in this Exhibit are medians. See page 7 for explanation.

**Net Income Before Partners' Salaries,
Drawings, and Federal Income Tax†**
(by region and size of metropolitan area)

Exhibit IX (continued)

<u>Region</u>	<u>Size of Metropolitan Area</u>				<u>Small</u>	<u>Medium</u>	<u>Large</u>
	<u>Under—</u>	<u>25,000</u>	<u>Individual</u>	<u>Small</u>	<u>Medium</u>	<u>Large</u>	
SOUTHWEST		\$12,000	\$32,000	\$	*	*	*
		25,000—	12,000	25,000	*	*	*
		50,000—	16,000	42,000	*	*	*
		100,000—	11,000	21,000	*	*	*
		Over—	12,000	29,000	126,000	over 199,000	
FAR WEST		11,000	27,000	*	*	*	*
		25,000—	10,000	19,000	*	*	*
		50,000—	16,000	33,000	*	*	*
		100,000—	9,000	29,000	*	*	*
		Over—	10,000	30,000	155,000	over 199,000	

* Insufficient number of replies for separate classification.

† The figures in this Exhibit are medians. See page 7 for explanation.

Usual Billing Rates Per Hour
(by class of staff and region)

Exhibit X

<u>Region</u>	<u>Class of Staff</u>	<u>Low</u>	<u>High</u>	<u>Median</u>	
NEW ENGLAND	Juniors	Less than \$5.00	\$10-15	\$ 5.00- 7.50	
	Semi-seniors	Less than 5.00	10-15	7.50-10.00	
	Seniors	5.00- 7.50	15-20	10.00-15.00	
	Supervisors	7.50-10.00	20-25	10.00-15.00	
	Principals	7.50-10.00	over 25	10.00-15.00	
	Partners	5.00- 7.50	over 25	10.00-15.00	
MIDDLE ATLANTIC	Juniors	Less than \$5.00	\$20-25	\$ 5.00- 7.50	
	Semi-seniors	Less than 5.00	over 25	7.50-10.00	
	Seniors	Less than 5.00	over 25	10.00-15.00	
	Supervisors	5.00- 7.50	20-25	10.00-15.00	
	Principals	5.00- 7.50	over 25	10.00-15.00	
		Partners	5.00- 7.50	over 25	15.00-20.00
SOUTHEAST	Juniors	Less than \$5.00	\$10-15	\$ 5.00- 7.50	
	Semi-seniors	Less than \$5.00	15-20	7.50-10.00	
	Seniors	5.00- 7.50	15-20	7.50-10.00	
	Supervisors	5.00- 7.50	20-25	10.00-15.00	
	Principals	5.00- 7.50	over 25	10.00-15.00	
		Partners	5.00- 7.50	over 25	10.00-15.00

Exhibit X (continued)

Usual Billing Rates Per Hour
(by class of staff and region)

<u>Region</u>	<u>Class of Staff</u>	<u>Low</u>	<u>High</u>	<u>Median</u>
CENTRAL	Juniors	Less than \$5.00	\$10-15	\$ 5.00- 7.50
	Semi-seniors	Less than 5.00	10-15	7.50-10.00
	Seniors	Less than 5.00	15-20	7.50-10.00
	Supervisors	5.00- 7.50	20-25	10.00-15.00
	Principals	5.00- 7.50	over 25	10.00-15.00
	Partners	5.00- 7.50	over 25	10.00-15.00
NORTHWEST	Juniors	Less than \$5.00	\$10-15	\$5.00- 7.50
	Semi-seniors	5.00- 7.50	10-15	7.50-10.00
	Seniors	5.00- 7.50	15-20	7.50-10.00
	Supervisors	5.00- 7.50	20-25	10.00-15.00
	Principals	5.00- 7.50	over 25	10.00-15.00
	Partners	5.00- 7.50	over 25	10.00-15.00
SOUTHWEST	Juniors	Less than \$5.00	\$10-15	\$5.00- 7.50
	Semi-seniors	Less than 5.00	10-15	7.50-10.00
	Seniors	5.00- 7.50	15-20	7.50-10.00
	Supervisors	7.50-10.00	20-25	10.00-15.00
	Principals	5.00- 7.50	over 25	10.00-15.00
	Partners	5.00- 7.50	over 25	10.00-15.00

<u>Region</u>	<u>Class of Staff</u>	<u>Low</u>	<u>High</u>	<u>Median</u>
FAR WEST	Juniors	Less than \$5.00	\$10-15	\$5.00- 7.50
	Semi-seniors	Less than \$5.00	15-20	7.50-10.00
	Seniors	5.00- 7.50	20-25	10.00-15.00
	Supervisors	7.50-10.00	20-25	10.00-15.00
	Principals	7.50-10.00	over 25	10.00-15.00
	Partners	5.00- 7.50	over 25	15.00-20.00

Usual Billing Rates Per Hour
(by class of staff and region)

Exhibit X (continued)

	Usual Method of Determining Hourly Billing Rates (by size of firm)				Total
	<u>Individual</u>	<u>Small</u>	<u>Medium</u>	<u>Large</u>	
Two times annual salary divided by estimated chargeable hours	98	430	32	10	570
Two and a half times annual salary plus payroll taxes and fringe benefits divided by estimated total normal hours per year (coincides with per diem rate of one per cent of annual salary)	46	355	25	6	432
Three times hourly base salary rate (exclusive of bonus or overtime payments)	51	189	11	2	253
Other	179	355	21	18	573
	<u>374</u>	<u>1,329</u>	<u>89</u>	<u>36</u>	<u>1,828</u>

Exhibit XII

Average Billings
Per Person Per Year
(by size of firm)

<u>Amount</u>	<u>Individual</u>	<u>Small</u>	<u>Medium</u>	<u>Large</u>
Less than 10,000	127	322	9	—
10,000—12,000	98	418	19	2
12,000—13,000	30	168	22	5
13,000—14,000	19	118	14	1
14,000—15,000	26	126	16	4
15,000—16,000	22	77	5	10
16,000—17,000	13	37	7	4
17,000—18,000	8	24	3	3
over—18,000	67	63	—	2
	<u>410</u>	<u>1,353</u>	<u>95</u>	<u>31</u>