Daily Loss due to Lost Production

One (1) day / Eight (8) hours

Hourly wage, fringe, taxes and insurance		$42	$42	$42	$42	$42	$42	$42	$42	$42	$42	$42	$42	$42	$42	$42
Daily crew size		5	10	15	20	50	100	200	300	400	500	600	700	800	900	1000
Lost time per man per day	Hours															
	2.00	$420	$840	$1,260	$1,680	$4,200	$8,400	$16,800	$25,200	$33,600	$42,000	$50,400	$58,800	$67,200	$75,600	$84,000
	1.50	$315	$630	$945	$1,260	$3,150	$6,300	$12,600	$18,900	$25,200	$31,500	$37,800	$44,100	$50,400	$56,700	$63,000
	1.00	$210	$420	$630	$840	$2,100	$4,200	$8,400	$12,600	$16,800	$21,000	$25,200	$29,400	$33,600	$37,800	$42,000
45 minutes	0.75	$158	$315	$473	$630	$1,575	$3,150	$6,300	$9,450	$12,600	$15,750	$18,900	$22,050	$25,200	$28,350	$31,500
30 minutes	0.50	$105	$210	$315	$420	$1,050	$2,100	$4,200	$6,300	$8,400	$10,500	$12,600	$14,700	$16,800	$18,900	$21,000
15 minutes	0.25	$53	$105	$158	$210	$525	$1,050	$2,100	$3,150	$4,200	$5,250	$6,300	$7,350	$8,400	$9,450	$10,500
10 minutes	0.17	$35	$70	$105	$140	$350	$700	$1,400	$2,100	$2,800	$3,500	$4,200	$4,900	$5,600	$6,300	$7,000
5 minutes	0.08	$18	$35	$53	$70	$175	$350	$700	$1,050	$1,400	$1,750	$2,100	$2,450	$2,800	$3,150	$3,500

AT A LABOR COST PER HOUR OF	THE COST PER MINUTE IS:
$31	$0.52
$32	$0.53
$33	$0.55
$34	$0.57
$35	$0.58
$36	$0.60
$37	$0.62
$38	$0.63
$39	$0.65
$40	$0.67
$41	$0.68
$42	$0.70
$43	$0.72
$44	$0.73
$45	$0.75
$46	$0.77
$47	$0.78
$48	$0.80
$49	$0.82
$50	$0.83

Weekly Loss due to Lost Production

Five (5) days / Forty (40) hours

Lost time per man per day	CREW SIZE	5	10	15	20	50	100	200	300	400	500	600	700	800	900	1000
	Hours															
	2.00	$2,100	$4,200	$6,300	$8,400	$21,000	$42,000	$84,000	$126,000	$168,000	$210,000	$252,000	$294,000	$336,000	$378,000	$420,000
	1.50	$1,575	$3,150	$4,725	$6,300	$15,750	$31,500	$63,000	$94,500	$126,000	$157,500	$189,000	$220,500	$252,000	$283,500	$315,000
	1.00	$1,050	$2,100	$3,150	$4,200	$10,500	$21,000	$42,000	$63,000	$84,000	$105,000	$126,000	$147,000	$168,000	$189,000	$210,000
45 minutes	0.75	$788	$1,575	$2,363	$3,150	$7,875	$15,750	$31,500	$47,250	$63,000	$78,750	$94,500	$110,250	$126,000	$141,750	$157,500
30 minutes	0.50	$525	$1,050	$1,575	$2,100	$5,250	$10,500	$21,000	$31,500	$42,000	$52,500	$63,000	$73,500	$84,000	$94,500	$105,000
15 minutes	0.25	$263	$525	$788	$1,050	$2,625	$5,250	$10,500	$15,750	$21,000	$26,250	$31,500	$36,750	$42,000	$47,250	$52,500
10 minutes	0.17	$175	$350	$525	$700	$1,750	$3,500	$7,000	$10,500	$14,000	$17,500	$21,000	$24,500	$28,000	$31,500	$35,000
5 minutes	0.08	$88	$175	$263	$350	$875	$1,750	$3,500	$5,250	$7,000	$8,750	$10,500	$12,250	$14,000	$15,750	$17,500

Annual Loss due to Lost Production

Fifty (50) weeks @ Forty (40) hours / Two thousand (2,000) hours

Lost time per man per day	CREW SIZE	5	10	15	20	50	100	200	300	400	500	600	700	800	900	1000
	Hours															
	2.00	$105,000	$210,000	$315,000	$420,000	$1,050,000	$2,100,000	$4,200,000	$6,300,000	$8,400,000	$10,500,000	$12,600,000	$14,700,000	$16,800,000	$18,900,000	$21,000,000
	1.50	$78,750	$157,500	$236,250	$315,000	$787,500	$1,575,000	$3,150,000	$4,725,000	$6,300,000	$7,875,000	$9,450,000	$11,025,000	$12,600,000	$14,175,000	$15,750,000
	1.00	$52,500	$105,000	$157,500	$210,000	$525,000	$1,050,000	$2,100,000	$3,150,000	$4,200,000	$5,250,000	$6,300,000	$7,350,000	$8,400,000	$9,450,000	$10,500,000
45 minutes	0.75	$39,375	$78,750	$118,125	$157,500	$393,750	$787,500	$1,575,000	$2,362,500	$3,150,000	$3,937,500	$4,725,000	$5,512,500	$6,300,000	$7,087,500	$7,875,000
30 minutes	0.50	$26,250	$52,500	$78,750	$105,000	$262,500	$525,000	$1,050,000	$1,575,000	$2,100,000	$2,625,000	$3,150,000	$3,675,000	$4,200,000	$4,725,000	$5,250,000
15 minutes	0.25	$13,125	$26,250	$39,375	$52,500	$131,250	$262,500	$525,000	$787,500	$1,050,000	$1,312,500	$1,575,000	$1,837,500	$2,100,000	$2,362,500	$2,625,000
10 minutes	0.17	$8,750	$17,500	$26,250	$35,000	$87,500	$175,000	$350,000	$525,000	$700,000	$875,000	$1,050,000	$1,225,000	$1,400,000	$1,575,000	$1,750,000
5 minutes	0.08	$4,375	$8,750	$13,125	$17,500	$43,750	$87,500	$175,000	$262,500	$350,000	$437,500	$525,000	$612,500	$700,000	$787,500	$875,000

APPROXIMATE ALLOCATION OF EACH DOLLAR ($) OF SALES

SALES	$1.00
LESS:	
MATERIALS	$0.25
LABOR (1)	$0.60
GROSS PROFIT	$0.15
LESS:	
OVERHEAD	$0.12
NET PROFIT B4 TAXES	$0.03

(1) LABOR

WAGE & FRINGE (2)	$0.50
UNION ADMIN.(2)	$0.01
EMPLR. TAXES & INSUR. (3)	$0.09
TOTAL	$0.60

(2) Per union agreement
(3) Per government regs.

These tables give an approximation of how much labor costs per minute at various labor cost points, $31 to $50 per hour. The larger tables show the cost of lost production (daily, weekly and annually) for periods of time (Five (5) minutes to Two (2) hours) at the specified labor cost per hour (wages, fringes, insurance and payroll taxes) for various crew sizes. For example, if an employer that employs 100 full time men at $42 per hour loses 30 minutes of production per day for any reason, that employer pays $525,000 annually for wages and related payroll costs and gets absolutely nothing for it. **It takes high productivity to justify high wages**. That is why any operation that affects the productivity of our field workers must be superb. **NO EXCEPTIONS, PERIOD.** If indeed you think there is some lost productivity on your job, you can see how much it costs. When you extrapolate that over the entire company for one year, the dollars are huge. If some of the lost time can be recaptured by better management, leadership, supervision and planning, all of the money goes to the bottom line with hardly any cost. That is why all of us, labor and management, must do a better job. If we do not, the market forces will force unions and union contractors out of business. That is the way the free enterprise system works. Be productive or become irrelevant. There is no middle ground.