

Budgeting

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Budgeting a Larger Project

If you followed the [personal project rates](#) budgeting and [scope concepts](#), then the effort to make it a project that is staffed by more than just you is pretty simple. You add lines for each member of your team and add in all of the relevant caveats. A lot of folks think things we'll take less time than it will actually take – everyone is guilty of this. Generally, this is because of communications. Back and forth with stakeholders like clients, or agency, or creative executives can take up a lot of time. For example, if someone says “it'll take an afternoon,” remember that work needs to be approved so you should hold time for revisions. Are there reviews? Are there support hours?

Be sure to wrap overhead costs or “fringe” on top of labor lines. You need to process their checks, etc. Make sure you're compensated for that. For smaller projects I usually just add 10% on top for safety. If you're a bigger company (or represent one), the overhead percentage is usually bigger because taxes and other factors need to be taken into account. Adding 25% is usually safe.

For the top-line: Just like personal rates, you want to aim for a number that is safely “enough.” Budget the job using industry prices, then throw on a contingency, and if applicable: a margin. Throughout the job, reallocate funds when you've come up with better, more efficient options. You're a Creative Technologist, it's part of why you're such a good member of the team!

On jobs that you won't make money on because you don't have a stake, add some of that leftover to your contingency, then you can “release” funds back to the general project budget: another department could use it. On jobs that you do make money on, add some of that to your contingency and hold the remainder. In some cases, it's appropriate to release the funds back to the client, but in other jobs, this becomes margin. I like to call it “Pizza Party” money. Regardless of how that money gets reallocated, know this: margin and contingency is leverage and gives you a place to negotiate.

Budgeting Your Personal Life

While this isn't an element of Creative Technology practices, budgeting your personal life is critical to success in your field. It's important to know what your regular personal expenses are. It's good to know how much you spend each month on things like rent, utilities, family stuff, car stuff, loans, food, booze, subscriptions, health. If you track yourself for a few months, you'll quickly learn what the categories are, and what you spend in each category. This will help you figure out how much you need to charge on a job in order to survive, and perhaps to thrive. It'll also let you know if you're spending too much money at the bookstore or at the bar or whatever. The first time I did this and saw that I had spent \$10,000 at restaurants and on delivery in a single year, I dramatically changed my habits. Worth doing this for sure, and it'll make you a better producer, too!