



# NACE Worksheet

## How to Calculate Cost-Per-Hire

1.	<b>Cost for college relations/recruitment office</b> (This category includes the total cost of office overhead; salaries and benefits of recruiters—prorated if their time is divided among other HR functions; expenses associated with recruiter training and professional development, e.g., membership fees, conference/workshop fees.)	\$ _____
2.	<b>Cost of prerecruiting activities</b> (Total cost of activities such as resume books, information sessions, related activities, programs for faculty/career services staff.)	\$ _____
3.	<b>Cost for recruiting trips</b> (Expenses associated with on-campus recruitment, e.g. recruiter travel and accommodations expenses, cost of equipment rentals.)	\$ _____
4.	<b>Cost for company visits</b> (Expenses for bringing candidates to the organization, including candidates' travel, lodging, and meal expenses, and the time of line managers, recruiters, and other staff involved in the visit.)	\$ _____
5.	<b>Hiring and relocation cost</b> (Expenses for new hires visiting work city to locate housing, temporary lodging costs, moving expenses.)	\$ _____
6.	<b>Cost of advertising</b> (Expenses associated with recruitment advertising and recruitment literature.)	\$ _____
7.	<b>Total cost</b>	\$ _____
8.	<b>Total number of college hires</b>	_____
9.	<b>Average cost-per-hire</b> (Divide the total cost by the total number of college hires.)	\$ _____

*NACE's formula for calculating cost-per-hire is based on the work of Robert Greenberg, former director of career services at the University of Tennessee-Knoxville.*

### Using Cost-Per-Hire

It is important to remember that no measure should be considered in isolation, and a high or low cost-per-hire alone means little by itself. Cost-per-hire says nothing about the quality of your hires or the satisfaction of your customers, or the overall success of your recruiting program, so don't confuse a low cost-per-hire with a positive result. What cost-per-hire can do is help you examine the various components in your recruiting program to determine how you are spending your recruiting dollars and where you are getting the best value for your dollar. It can also help you explain the need for resources. For example, you may find that your prerecruiting activities represent a substantial portion of your overall cost-per-hire. You may want to look at each specific activity to determine if something needs to be altered or if, indeed, the money spent is well worth the investment.