**Cost of Hiring an Employee in the USA**

If you want to hire new employees, you may face some hard truths. In USA hiring is very complex and it takes a lot of skills, patience,[time](https://hundred5.com/blog/speed-hiring-process) and money to find the right person to fill a position. There are many factors and it takes a lot of calculations to figure out what it costs to hire an employee for a company. Nevertheless, most of the organizations have to go through almost the same process to recruit new talent.

Here are some steps of some of the most common hiring costs across industries.

### External hiring team- Small business owners spend around 40% of their working hours on tasks that do not generate income, such as hiring. To be honest, it is not even close to enough to have a dedicated HR team. There are many HR agencies happy to help you out in filling a position. Trouble is, the service does not come cheap. In one research, a number of companies disclosed their total spend on hiring fees. In total, it adds up to over $16,000 per year, and unbelievably that's per single placement.

### HR team (Internal)- The perfect time to get a dedicated HR (person or team) onboard is once your company gets big enough to warrant its own hiring processes. Salaries differ across the board, but general estimates are anywhere[from $91,000 to $120,000](https://www.allbusinessschools.com/human-resources/salary/) per year, with healthcare on the lower end and company management on the higher end of the scale.

### Career events- It’s not all about online. Sometimes you need to reach out and meet prospective new employees in person. There are a lot of recruitment events and career fairs to attend, and that is a great scope for employers as they can search for new staffs. According to Glassdoor, the cost of taking part in a single event, like this, ranges from $125-225

**Recruiting Expenses-** Finding technically qualified people who can function effectively in a rapidly growing start-up venture is no easy task.  In an earlier column, we discussed the economic alternatives for headhunting.  For this column, it suffices for me to remind you to be sure to devote the time to make sure that your hires are as close to perfect “10s” as possible.  Anything less are going to be a drag on your business.

### Job board's fees-  Placing a job ad does not come for free, and it adds up to the total cost of hiring an employee. For example, at the moment, LinkedIn is a great place to search for a job. At present, it'll set you back[$1.20 - $1.50](https://www.hrsource.org/maimis/Members/Articles/2017/05/May_23/LinkedIn_s_New_Pricing_Model_for_Job_Postings.aspx) per single click on your job ad, depending on location, job title, and competition.

### Background checks- You can check for anything from verifying their education, previous employers, to criminal databases. One of these checks will be priced as little as $5 and[as much as $80](https://www.goodhire.com/employment-screening/pricing) per single applicant. It depends on how detailed you would like to go.

### Salary + extras- Taxes are no joke, and they vary greatly from one city to another, let alone between countries. Let’s take the United States for an example, and [famous research done by MIT](http://web.mit.edu/e-club/hadzima/how-much-does-an-employee-cost.html). For instance, if the basic salary is around $50,000 annually, the employer’s costs are any place from 1.25 to 1.4 times over than the base. In this specific case, it means that for the employee to receive $50,000, the employer has to pay from $62,500 to $70,000 per year.

From the above-mentioned point, we can see that there are too many costs included to hire an employee in the USA. On the other hand, the cost minimized to nearly half, if the company hire a virtual employee for their company.