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# Cost of Vacancy (COV)

* Every position, whether support or sales, has a revenue-contributing role to play in a company. Unfilled positions undermine overall productivity, resulting in mounting costs which continue to escalate each day a position remains empty.
* This Simple Salary Multiplier formula for calculating COV (below) is one of the most straightforward calculation methods.
* A Harvard Business School study found that the value of productivity per person was typically three times a person’s salary.

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| **$16,592** | **Typical cost of vacancy for a $40K Employee Replaced after 34 Days.** |
| See Sample Below |

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| Cost of Vacancy (Simple Salary Multiplier Calculation Method) | **Sample** | **Actual** |
| Annual Salary | $40,000 | $ |
| Productivity Multiplier (Typically 3 according to a Harvard Business School Study) | x 3 | X |
| Annual Contribution (Salary multiplied by Productivity Multiplier) | = $120,000 | = $ |
| Productive Days (260 less PTO and Vacation) | ÷ 246 | ÷ |
| Daily COV (Annual Contribution divided by productive days) | = $488 | = $ |
| Days to Fill (Average 34 Days according to a recent SHRM Study) | x 34 | X  |
| Total COV (Daily COV multiplied by Days to Fill) | = $16,592 | = $ |

Visit [www.appleone.com/cov](http://www.appleone.com/COV) for more specific ways to calculate cost of vacancy