ZENTHOS

COST WORKSHEET

Nearshore vs Offshore vs In-house: compare two quotes on one page

Fill in one column per option. The tax lines are US federal rules, not advice: confirm with your CPA.

COST COMPARISON

	Offshore	Nearshore	In-house
A Hours per year (engineers x 1,920)			
B Hourly rate, or loaded salary / 1,920			
C Pre-tax cost = A x B			
D Year-1 deduction: all of C if US work; C / 30 if foreign			
E Year-1 after-tax cost = C - 21% x D			
F Extra hours you expect from time-zone friction (%)			
G Adjusted cost = E x (1 + F)			
H Shared working hours per day with your team			

THREE RULES FROM THE POST

Foreign is foreign: Mexico and Colombia get the same 15-year US tax treatment as India (26 USC 174).
Break-even: offshore costs the same as nearshore only if it needs (nearshore rate / offshore rate - 1) more hours.
Example: $67.50 / $36 = 1.875, so India would need 87.5% more hours to match Latin America's cost.

BENCHMARKS (ACCELERANCE 2026 GUIDE, 60 PARTNER FIRMS)

Senior, per hour: Asia $31-41. Latin America $60-75. Europe $64-76.
Junior, per hour: Asia $24-31. Latin America $33-45. Europe $31-39.
Winter overlap with a 1pm-10pm India shift: New York 2.5 hours, Chicago 1.5, London up to 7.5, Los Angeles under 1.

GET THESE IN WRITING FROM ANY VENDOR

- [ ] Overlap hours: the exact shared hours in your time zone.
- [ ] Review turnaround: a maximum time for a first code review, such as 4 working hours.
- [ ] Named seniors, with a notice period before any swap.
- [ ] IP assignment: all code assigned to you on payment, with no reuse rights.
- [ ] Rate lock: a fixed rate for 12 months, with a review if the currency moves more than 5%.
- [ ] Exit terms: a handover plan, repo access from day one, and no fee to leave.

Send us your scope and time zone. We will tell you honestly whether offshore fits.

zenthos.in/contact - free consultation, no obligation