**Calculating your fees breakeven point (weekly calculation) **

**The formula above shows the fee you need to charge breakeven when full (100% occupancy).**

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|  | | **Example** |  |  |
| Step 1 | The current annual costs. | **£112,056.00** | A |  |
| Step 2 | The number of weeks the setting is open | **38** | B |  |
| Step 3 | A divided by B = the weekly cost | **£2,948.84** | C |  |
| Step 4 | The hours open per day x the number of places available each day x the number of days open in a week = total number of hours per week. | **6 hours x 24 places x 5 days = 720 hours pw** | D |  |
| Step 5 | C divided by D = the breakeven hourly fee (assuming full occupancy). The breakeven rate is: | **£2,948.84 ÷ 720 = £4.09** |  |  |

**The formula below shows the fee you need to charge to breakeven based on your normal occupancy.**

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| --- | --- | --- | --- | --- |
| Step 1 | Insert weekly expenditure here | **£2,948.84** | E |  |
| Step 2 | Calculate the typical/normal hours you sell in a week | **576** | F |  |
|  | Divide E by F to get breakeven fee rate based on your typical hours you sell | **£2,948.84 ÷ 576 = £5.11** | G |  |

This can be calculated using the formula here:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Step 1 | Using the information from the previous table.  Multiply D x 80%. | **720 x 80% = 576** | E |  |
| Step 2 | C divided by E = breakeven fee per hour (assuming 80% occupancy rate). | **£2,948.84 ÷ 576 = £5.11** | F |  |
| or | The breakeven hourly rate at 70% occupancy would be:  C divided by (D x 70%) | **£2,948.84 ÷ (720 x 70% = 504) = £5.85** | G |  |

If the setting normally operates at 65% or 75% occupancy, the same formula can be used. When it is understood how much is needed to breakeven at normal occupancy, consider what other providers charge and agree a fee structure that allows for a surplus/profit as required.