

Sample Start-up Costs

Centers



You will incur some one-time costs just to get your business started. These costs can be very high to start a center. Listed below are some of the costs you might incur. You will need to research what your specific costs will be. In this example, the center will be licensed for 76 children, ages six weeks to five years.

Expense Item	Center (76 children)
Child Care Costs	
Educational Supplies/Equipment (toys,books,etc.)	\$4,100
Other	
Other	
Marketing Costs	
Business Cards, Flyers	300
Website	500
Other	
Furniture & Fixtures, Improvements	
Fencing	3,300
Indoor Furniture/Equipment (mats, cribs, smoke detector, fire extinguisher, computer, CD player, etc.)	17,200
Outdoor Equipment/Furniture (playground equip., etc.)	9,400
Kitchen Equipment/Supplies	3,200
Housekeeping Equipment/Supplies	500
Office Furniture	2,000
Renovation/Building Costs	*
Other	
Administrative Expenses	
Utilities Deposit	150
Install Phone	200
Licensing/Fees	500
Insurance (hazard, liability, child abuse & neglect, bonding)	3,000
Legal/Accounting Fees	500
Professional Development (CPR, etc.)	150
Other	
Working Capital (8 months)	27,200
Subtotal One-Time Costs	\$72,200
Contingency (15%)	\$10,830
Total One-Time Costs	\$83,030

* Renovations to meet licensing requirements and building costs will vary. Renovations in a center could be as much as \$50,000 or more depending on the space and work required. The cost to build a building will usually be much higher. You should always get good estimates of work required and expected costs before signing a lease or contract. In this example, the owner will purchase a building for \$107,000 and will have renovation costs (including contingency) of \$45,000.

Data Source: Good Work and Self-Help

Determining Costs (Centers) – Child Care Business Basics

(www.self-help.org/ccbb)