

Pricing Your Child Care Services

Direct Costs

There are three components to pricing you should consider:

- Costs (direct and overhead)
- Your reserve (amount left over after all expenses are paid – i.e. for contingencies)
- Market price (what your competition is charging)

Check NCHHS reimbursement rates for child and adult food programs.

Example: Estimated direct costs for one preschool child for one 5-day week.

Cost per child per day	
Breakfast.....	\$1.43
Snack... ..	0.79
Staff salaries*	17.63
Art/crafts.....	<u>0.75</u>
<i>Total costs per child per day.....</i>	<i>\$20.60 (A)</i>
<i># days per week.....</i>	<i>5 (B)</i>
Total direct costs	
per child per week (AxB).....	\$103.00

Note: Infant and toddler rates will probably be higher due to additional costs of diapers and food. You can ask parents to supply these items for infants to keep your costs low.

*Staff salaries include only teacher, teacher assistant, and floater salaries. As you increase the number of children, you will hire more teachers and pay more in wages. (When you have five children you will need fewer staff than when you have 75 children.) This number does not include director's salary or assistant director's salary because these positions need to be hired and paid from the first day of opening, no matter how many children you care for that day.

Gifts from friends, family, and church members of toys, equipment, curtains, rugs, dress-up clothes, etc., will help save money. Local merchants may also donate furniture, carpet remnants, building supplies, fences, etc. In return, you can offer to tell parents about the merchants' generosity.

'Gifts for the Greater Good' can be a good source of office, craft, and school supplies for non-profits. Go to: <https://good360.org/> for more information. Also check your local [Smart Start](#) for available grant money.

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Direct Costs Worksheet

Exercise 4-3: Direct Cost Worksheet

	Total costs per day	/ # of children =	Cost per child per day
Breakfast	\$ _____	_____	\$ _____
Snack	\$ _____	_____	\$ _____
Lunch/Supper	\$ _____	_____	\$ _____
Salaries (other than director and assistant director)	\$ _____	_____	\$ _____
	\$ _____	_____	\$ _____
Payroll taxes (for above salaries only)	\$ _____	_____	\$ _____
	\$ _____	_____	\$ _____
	\$ _____	_____	\$ _____
TOTAL costs per child per day			\$ _____
# of days per week open			_____
TOTAL direct costs per child per week (=total costs per child per day x # of days per week)			\$ _____