

Estimating the Cost of a Startup

Because the costs of starting a business are often underestimated, we encourage new entrepreneurs to use this guide to estimate how much money they will need. These will all be pre-opening expenses.

		\$ Cost
Facilities	Land Purchase	
	Building Purchase	
	Initial Rent	
	Deposits (Security/Utilities/etc.)	
	Improvements/Remodeling	
	Signage	
	Decorating	
	Other:	
Equipment	Furniture/Fixtures	
	Production Machines/Equipment	
	Computers/Software	
	Cash Registers	
	Telephones/Telecommunications	
	Vehicle	
	Other:	
	Supplies/Promotion	Office Supplies
Stationary/Business Cards		
Brochures/Flyers/Other Material		
Starting Inventory		
Basic Website		
Brand Development		
Advertising/Promotional Activities		
Other:		
Fees and Other Costs	Licenses/Permits	
	Professional Fees	
	Attorneys/Accountants	
	Insurance	
	Franchise Fee	
	Salaries	
	Cash	
	Other:	
Total		

The First 90 Days Projected Monthly Costs - Prepare an itemized statement identifying both (1) your personal living costs and (2) the anticipated monthly costs of operating the business for the first three months. Include the following items plus any other expenses that you deem appropriate for your individual situation.

Personal Living Expenses - Make a family budget. Look at your family's fixed and variable living expenses. It's important to know the amount of personal costs that you'll have to cover during the startup phase of your business.

Schedule B: Personal Living Expenses				
<i>Family Income</i>	<i>Month 1</i>	<i>Month 2</i>	<i>Month 3</i>	<i>Total</i>
Wages (take-home)	\$	\$	\$	\$
Wages (take-home)—Spouse	\$	\$	\$	\$
Interest and dividends	\$	\$	\$	\$
Miscellaneous	\$	\$	\$	\$
Total Income	\$	\$	\$	\$
<i>Family Expense Budget</i>	<i>Month 1</i>	<i>Month 2</i>	<i>Month 3</i>	<i>Total</i>
Auto expenses (gas, maintenance, etc.)	\$	\$	\$	\$
Auto insurance	\$	\$	\$	\$
Auto payment	\$	\$	\$	\$
Cable TV	\$	\$	\$	\$
Childcare	\$	\$	\$	\$
Clothing	\$	\$	\$	\$
Credit card payments	\$	\$	\$	\$
Dues and subscriptions	\$	\$	\$	\$
Electricity	\$	\$	\$	\$
Entertainment	\$	\$	\$	\$
Gas company	\$	\$	\$	\$
Groceries & outside meals	\$	\$	\$	\$
Health insurance	\$	\$	\$	\$
Homeowner's insurance	\$	\$	\$	\$
Income tax (additional)	\$	\$	\$	\$
Life insurance	\$	\$	\$	\$
Medical and dental	\$	\$	\$	\$
Miscellaneous	\$	\$	\$	\$
Mortgage/Rent	\$	\$	\$	\$
Other debt payments	\$	\$	\$	\$
Telephone bill	\$	\$	\$	\$
Tuition	\$	\$	\$	\$
Vacations	\$	\$	\$	\$
Water, sewer, trash collection	\$	\$	\$	\$
Other	\$	\$	\$	\$
Total Expenses	\$	\$	\$	\$
Net Cash Remaining (Needed)	\$	\$	\$	\$
Total Schedule B				

Business Operating Costs

At a minimum, estimate monthly income and expenses for your business's first 90 days of operation.

Schedule C: Business Operating Costs (First 90 Days)				
<i>Estimated business income</i>	<i>Month 1</i>	<i>Month 2</i>	<i>Month 3</i>	<i>Total</i>
Total Income	\$	\$	\$	\$
<i>Monthly expenses</i>	<i>Month 1</i>	<i>Month 2</i>	<i>Month 3</i>	<i>Total</i>
Advertising	\$	\$	\$	\$
Bank service charges	\$	\$	\$	\$
Business insurance	\$	\$	\$	\$
Credit card fees	\$	\$	\$	\$
Delivery charges	\$	\$	\$	\$
Dues and subscriptions	\$	\$	\$	\$
Health insurance	\$	\$	\$	\$
Inventory	\$	\$	\$	\$
Lease payments	\$	\$	\$	\$
Loan payments	\$	\$	\$	\$
Miscellaneous	\$	\$	\$	\$
Office expenses	\$	\$	\$	\$
Payroll other than manager	\$	\$	\$	\$
Payroll taxes	\$	\$	\$	\$
Professional fees	\$	\$	\$	\$
Rent	\$	\$	\$	\$
Repairs and maintenance	\$	\$	\$	\$
Salary of owner or manager	\$	\$	\$	\$
Sales tax	\$	\$	\$	\$
Supplies	\$	\$	\$	\$
Telephone	\$	\$	\$	\$
Utilities	\$	\$	\$	\$
Other	\$	\$	\$	\$
Total Expenses	\$	\$	\$	\$
Net Cash Remaining (Needed)	\$	\$	\$	\$

Recap of Costs

Initial Business Setup Dollars Needed (from Schedule A):	\$ _____	
Operating Dollars Needed for First 90 Days (from Schedule C):	\$ _____	
Total Dollars Needed for Setup and First 90 Days (sum of A + C):	\$ _____	\$ _____
Additional Personal Cash Needed or Available (from Schedule B):		\$ _____
Net Cash Needs for Personal and Business Survival during Startup and First 90 Days:		\$ _____