

TABLE 1 Profit Margin (percentage method)

NUMBER OF CHILDREN IN CARE	TOTAL COSTS FOR PAST 6 MONTHS	PROFIT MARGIN RATE	AVERAGE RATE I SHOULD CHARGE
40	$\$200,000 \times 2 = \$400,000/\text{year}$	15% = \$60,000	\$11,500/year; \$958/month
40	$\$200,000 \times 2 = \$400,000/\text{year}$	20% = \$80,000	\$12,000/year; \$1,000/month

TABLE 2 Setting your rates using example numbers from Table 1.

PROFIT MARGIN	RATES AT THIS MARGIN	75th PERCENTILE AVERAGE MARKET RATE	DIFFERENCE IN RATES	HOW DO I COMPARE? HIGHER OR LOWER?
15%	\$958/month (\$43.54/day)			
20%	\$1,000/month (\$45.45/day)			