How much does it cost?

How to figure out what to charge for your classes.

There are multiple variables that go into creating an equitable course charge. One of the first things to figure out is course expenses. Completing this worksheet ahead of time will help you to determine some of these cost variables so that you can use your individual date to perfect your course pricing and to create your course charges.

Here's the formula: P=(((I+(S\*N)+(C+W))/A)+MV)

But let’s break it down to make it easier. **P**rice = ((**I**nstructor cost + (supply cost per **S**tudent \* **N**umber of students) + (supply cost per **C**lass + **W**here [rent/utilities/travel]) / **A**verage number of students per class plus **M**arket **V**alue.

Supply cost per **S**tudent **(S\*N)**

These are items used by 1 student.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **Cost of package** | **# per package** | **Individual cost**Divide cost by # per package) |
| Adult manikin lung |  |  |  |
| Child manikin lung |  |  |  |
| Infant manikin lung |  |  |  |
| One-way training valves or sheet |  |  |  |
| Book/eBook |  |  |  |
| eCard |  |  |  |
| First Aid Supplies |  |  |  |
| Online course link |  |  |  |
|  |  |  |  |

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Add more supplies as needed.

For example: Laerdal Little Anne 24-pack airways is $62.

$62 / 24 = $2.58 per lung.

Also include in here any giveaways – keychain barrier sheets or other products you hand out to students. You buy these things, so they should be included in your course charge.

Supply cost per **C**lass **C**

These are items used by more than 1 student or over several classes.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Item | Cost of package | # per package | Cost per item (Divide cost by # in package) | How many classes will this last? | Averaged cost per class (Divide cost per item by number of classes it should last) |
| AED Training Pads |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**W**here Costs **W**

This includes rent, utilities, and any physical location costs. This is more challenging to put into a table as instructors with a physical location will track this differently than instructors who rent occasional space. Where also includes travel costs.

If you have a physical location:

Monthly rent:\_\_\_\_\_\_\_\_\_ Average number of classes per month: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Divide monthly rent by number of classes to have a rent cost per class. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Annual utility cost: \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Average number of classes per year: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Divide annual utility costs by number of classes to have a utility cost per class. This is done on an annual basis as utility costs fluctuate with the seasons and an annual average is easier to calculate. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

If you rent occasional space:

Hourly rent:\_\_\_\_\_\_\_\_\_ Average number of class hours per month: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Multiply hourly rent by # of class hours per month and then divide by the number of classes per month to determine the average rental rate per class. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

If you train on location only:

Average drive distance per class:\_\_\_\_\_\_\_\_\_ Average number of classes per month: \_\_\_\_\_\_\_\_\_

Multiply distance by 2 (round-trip) and then multiple by the number of classes per month. Next multiple that number by .56. This will give you your mileage reimbursement rate. \_\_\_\_\_\_\_\_\_\_

**I**nstructor Costs **I**

How much to you pay yourself? Do you pay yourself per class or by the hour?

Write that amount down here: ­­­­­­­­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ class/hour.

**a**verage class size **A**

How many students do you have in each of your classes? Do you have a minimum? What is the average that you have?

If you are mobile – do you plan your charges per person or for a minimum number? I.e. I charge a base rate to travel to a class that includes the first 4 participants. So, the charge is the same if it there are 2 or 4 in the class. I then charge per person for each additional participant.

**M**arket **V**alue **MV**

From our friends at Merriam-Webster:

(<https://www.merriam-webster.com/dictionary/market%20value>)

**Definition of *market value***

**:**the price at which something can be sold **:**the price that buyers are willing to pay for something.

determining the car's *market value.*

The house sold below *market value*.

What do others in your area charge for classes? What we charge at the Training Center is not what you should be charging and vice versa. Course charges will vary depending upon where you are located.

Are there other ways to calculate course charges?

Um, yes! This is not the only method. There are others. This is the method that I have created and used in my business for almost 15 years.

No matter what method you use, you want to account for all of your expenses to provide a course. This includes supplies, course materials, shipping expenses, swag, travel, rent/utilities, tolls, postage, market value, and probably things I may have forgotten.

Questions?

Feel free to contact me if you have any questions!