

Developing Rates For Your Child Care Business

How much should I charge?

No one can answer this question for you. But part of the answer is, what do you need?

If you were out shopping for a job you would have a pretty good sense of how much you needed to be paid per hour in order to cover your life expenses. Everyone wants to make \$100/hour but very few people do.

Here are some questions to ask yourself.

1. How much money do I need per month to cover the basics? Things like rent, utilities, food, transportation etc? OR ...How much did I make on my last job?
2. How many kids do I plan to care for? Your small capacity license allows you to care for 6-8 children? What ages will they be? Generally the younger the child the more you can charge.

Example

I plan to care for 4 or 5 children (since I have 2 of my own). I am quitting a job that paid me \$12/ hour that was about \$2000 before taxes (Gross). So, I need to make \$2000 per month to cover my basic expenses. Divided 4 ways that is \$500 per child per month. If I take 5 children then I divide \$2000 5 ways which equals \$400 per child per month.

Next set of questions.

1. What do other child care providers in my area charge?
2. Is there something special about the care I offer that would allow me to charge more?
3. How quickly do I need to fill my child care spaces?
4. What can parents who live in my neighborhood afford to pay?

You may find that you can take 3 infants @ \$800 per month and you will make about the same as a \$14.29/hr job. But you may also find that parents can only afford to pay \$400 per month per infant and you will make about the same as a \$7.14/hour job.

