## Break-Even Worksheets: Dollar Basis

### Step 1: Classify Your Costs
Using your most recent income statements, classify all costs as either **fixed** or **variable**, then total each category.

- Actual Total Sales = $ [__________]
- Total Variable Costs = $ [__________]
- Total Fixed Costs = $ [__________]

### Step 2: Calculate Variable Cost Percent
“For every $1.00 of sales, what percent goes away to variable costs?”

\[
\text{Variable Cost Percentage} = \frac{\text{Total Variable Costs}}{\text{Actual Total Sales}} = \frac{\$ \text{[__________]}}{\$ \text{[__________]}} = \% \text{[__________]} \\
\]

### Step 3: Calculate Contribution Margin
“For every $1.00 of sales (after paying for variable costs), what percent is left to cover fixed costs . . . plus any targeted profit?”

\[
100\% - \text{Variable Cost Percentage} = 100\% - \% \text{[__________]} = \% \text{[__________]} \\
\]

### Step 4: Calculate Break-Even Sales
“How many ‘cents-es’ does it take to cover your fixed costs?”

\[
\text{Break-Even Sales} = \frac{\text{Total Fixed Costs}}{\text{Contribution Margin \%}} = \frac{\$ \text{[__________]}}{\% \text{[__________]}} = \$ \text{[__________]}
\]

**NOTE:** To calculate the sales needed to generate a target profit, just add that target profit amount to your total fixed costs, then divide that amount by your contribution margin.

### Step 5: Check Your Calculations
“Does the sales level you figured actually break-even - or give you the profits you target?”

\[
\text{Break-Even Sales} - \text{Variable Costs} \times \text{Break-Even (above)} = \text{Contribution Dollars}
\]

\[
\text{Break-Even Sales} - \text{Fixed Costs} = \text{Net Profit}
\]

* Compute this figure by multiplying Break-Even (above) by the Variable Cost Percent in Step 2.

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BREAK-EVEN WORKSHEETS: PER UNIT BASIS

Step 1: Classify Your Costs
Using your most recent income statements, classify all costs as either fixed or variable, then total each category. Record the actual number of units sold and actual sales volume.

Actual Total Sales = $ ____________
Total Variable Costs = $ ____________
Total Fixed Costs = $ ____________
Total Units Sold = $ ____________

Step 2: Calculate Your Price Per Unit
Price Per Unit = \frac{Total Sales}{Number of Units Sold} = $ ____________

Step 3: Calculate Your Variable Cost Per Unit
Variable Cost Per Unit = \frac{Total Variable Costs}{Total Units Sold} = $ ____________ per unit

Step 4: Calculate Your Contribution Dollars Per Unit
Price per Unit - Variable Cost per Unit = Contribution Margin Cost Per Unit
$ ____________ per unit - $ ____________ per unit = $ ____________ per unit

Step 5: Calculate Your Break-Even Sales in Units
Break-Even Sales = \frac{Total Fixed Costs}{Contribution Margin Per Unit} = $ ____________ units needed in sales to Break-Even

$ ____________ per unit

NOTE: To calculate the sales needed to generate a target profit, just add that target profit amount to your total fixed costs, then divide that amount by your contribution margin.