



SAMPLE BREAK EVEN ANALYSIS

Break Even Point is crucial for an owner operator to know and understand in order to run their business. A driver's Break Even Point is the number of miles driven for a month when all fixed costs for your business and home expenses are paid.

	<u>MONTH</u>	<u>ANNUAL</u>	<u>% of Income</u>
INCOME:			
Hauling Income:	\$11,000	\$132,000	100.00%
Fuel Sur Charge	2,712	\$32,544	
TOTAL INCOME	\$13,712	\$164,544	
EXPENSES:			
600 Truck Payments	1,400	16,800	10.2%
610 Insurance	478	5,736	3.5%
620 Tax, License, Permits	169	2,028	1.2%
700 Food (per diem)	570	6,840	4.2%
710 Fuel	4,562	54,741	33.3%
730 Repair & Maintenance	577	6,922	4.2%
650 Postage	31	241	0.1%
750 Tolls/Scales/Washes	10	81	0.0%
760 Truck Washes	62	311	0.2%
770 Telephone/Communications	75	1,046	0.6%
780 Motels/Showers	43	317	0.2%
790 Labor	0	323	0.2%
800 Bookkeeping & Tax	80	960	0.6%

810 Laundry & Uniforms	25	264	0.2%
820 Supplies/Tools/Equipment	145	1,516	0.9%
870 Money Transfer Fees	27	324	0.2%
900 Miscellaneous	20	568	0.3%
TOTAL EXPENSES	<u>\$8,273</u>	<u>\$99,280</u>	60.3%
NET PROFIT BEFORE TAXES	<u>\$5,439</u>	<u>\$65,264</u>	39.7%
*ESTIMATED TAX EXPENSE	<u>\$ 1,360</u>	<u>\$16,316</u>	
NET PROFIT AFTER TAXES	<u>\$4,079</u>	<u>\$48,948</u>	

Assumptions:

Revenue per mile:	\$1.02
Fuel Sur Charge	\$0.45
Monthly truck payment:	\$1,400
Ave total miles per month:	10,000
Ave fuel cost per gallon (after s/c):	\$3.75
Ave miles per gallon:	5.5
Maintenance per mile:	\$0.06

Break Even (miles)
5087

**Monthly Break Even Point based on sample personal expenses of \$2075.00 per month.*

 = VARIABLE

 = O/O AVG.

 = FIXED EXP.

**NOTE: Estimated tax expense equals Self-Employment Tax (15%), Income Tax (Ave approx 7% of net profit after adjustments for dependents and personal deductions) and State Income Tax (Ave 3%)*