

FOOD TRUCK BUDGET PLAN

1. Initial Startup Costs

Food Truck Purchase or Lease:

- New truck: \$70,000–\$100,000
- Used truck: \$30,000–\$60,000
- Leasing: \$2,000–\$3,500/month (*recommended for beginners to minimize risk*).

Truck Customization and Outfitting:

- Equipment installation, plumbing, and electrical: \$10,000–\$25,000.

Licenses and Permits:

- Health permits, business license, food handler's permit: \$500–\$2,000 (*varies by location*).

Initial Inventory:

- Ingredients, packaging, disposables: \$1,000–\$3,000.

Insurance:

- General liability, commercial auto, and product liability: \$2,000–\$5,000/year.

Branding and Marketing:

- Truck wrap/decals, website, and advertising: \$2,000–\$5,000.

Point of Sale (POS) System:

- Hardware and software: \$500–\$1,500.

Miscellaneous Expenses:

- Fire extinguisher, safety equipment, small wares: ~\$1,000.

Estimated Total Startup Costs:

- Low: ~ \$46,000–\$50,000
- High: ~ \$142,000–\$145,000

2. Recurring Monthly Costs

Food and Beverage Costs:

- 25%–35% of monthly sales (e.g., \$2,500–\$3,500 for \$10,000 in sales).

Truck Loan/Lease Payments: \$2,000–\$3,500.

Fuel and Maintenance: \$500–\$1,000.

Staff Wages: \$2,000–\$8,000 (depending on employees and hours).

Utilities: Propane, electricity, water: \$200–\$500.

Parking Fees: \$200–\$500.

Marketing and Advertising: \$100–\$500.

Insurance: \$200–\$500/month (if paying monthly).

Permit Renewals: ~\$300/month.

Estimated Total Monthly Costs:

- Low: ~ \$7,800
- High: ~ \$17,000

3. Revenue Projections

Average Sale Per Customer: \$8–\$15.

Customers Per Day: 50–200 (varies by location and marketing).

Estimated Daily Revenue: \$400–\$3,000.

Estimated Monthly Revenue (25 days): \$10,000–\$75,000.

4. Profit Margin

Typical Profit Margin: 6%–10% after expenses.

- Example: \$30,000 revenue - \$25,000 expenses = \$5,000 profit (16.7% margin).
- Profit margin depends on cost control, pricing, and efficiency.

5. Break-Even Analysis

Break-Even Calculation:

- Monthly expenses ÷ average sale per customer = customers needed.
- Example: \$15,000 expenses ÷ \$10 average sale = 1,500 customers/month.

6. Emergency Fund

- **Recommended Reserve:** 3–6 months of operating costs.
- Estimated Amount: \$20,000–\$50,000.

Key Tips for Effective Budget Plan

- **Leasing a truck** is a lower-risk option for beginners.
- **Research local permit and licensing requirements**, as costs vary by city/county.
- **Track expenses carefully** and aim for a profit margin of at least 6%–10%.
- **Set realistic sales and customer goals** based on location and marketing efforts.
- **Maintain an emergency fund** to cover unexpected expenses or slow periods.
- **Invest in marketing** to attract consistent foot traffic and grow revenue.