The Numbers Behind an Interior Design Studio

A free field guide from Bytell Press. The figures come from our example financial model for a solo, owner-operated residential design studio. They are planning assumptions, not quotes for your market; the worksheet at the end is for your own numbers.

Most new design studios do not fail on taste. They fail because the owner never worked out how much work a month it takes to cover the bills and a paycheck. This guide gives you that arithmetic in two pages.

1. How the work is priced

A studio has **two income streams**: a design fee for the work, and a margin on the furnishings it buys at trade price and bills to the client. The example model uses these lines:

Service line	Model price	Model gross margin
Paid consultation	$100–$175 per hour	High
E-design, remote	$300–$1,500 per room	About 90%
Room-level design fee	$1,500–$5,000 per room	High
Full-service design fee	$6,000–$25,000 and up	High
Furnishings billed at cost plus 30%	Per order	About 23%
Blended across the mix	**About $8,000 per project**	**About 62%**

Design fees are where the margin is, because the owner's time is taken as a draw and not counted as a job cost. Furnishings add revenue but thin the margin. In the model, a furnishings-heavy room bills $10,800 and keeps about $4,500, or 42%. A design-forward room bills $6,600 and keeps about $4,400, or 67%.

2. What it costs to open

The example model's launch lines add up to between **$19,300 and $35,000**. There is no truck, workshop or inventory.

Use of funds	Amount
Design software and tools	$1,000–$3,000
Computer and equipment	$1,500–$3,500
Sample and finish library	$500–$2,000
Business formation and setup fees	$300–$1,500
Insurance, first year	$1,000–$3,000

Use of funds	Amount
Brand, website and first-project photography	$2,000–$6,000
Trade accounts, memberships and first marketing	$1,000–$4,000
Working-capital cushion	$12,000
Total	**$19,300–$35,000**

The model carries no loan. The cushion is there for slow months and for the gap between paying a vendor deposit and collecting from the client.

3. What it costs to stay open

The model carries about **$5,400 a month** in fixed costs:

Monthly fixed cost	Amount
Software, insurance, website and phone, marketing and photography, memberships and samples, bookkeeping	$1,900
Owner draw	$3,500
Total	**$5,400**

There is no payroll in the model. Contractors are paid per project.

4. The break-even: the one number to know

Break-even revenue = monthly fixed costs ÷ gross margin.

With the model's numbers: $5,400 ÷ 0.62 = about **$8,710 a month**. At $8,000 a project, that is **a little more than one typical project a month** before the studio earns anything beyond the owner's draw.

The margin matters as much as the volume. A month of furnishings-heavy work at 42% would need about $12,857 to cover the same $5,400.

5. The first year has almost no slack

The model starts at about $8,000 a month, which is under the break-even, and grows about 2% a month. The table shows it:

Point in the model	Monthly revenue	Against the $8,710 break-even
Opening month	About $8,000	Below
Year 1 average	About $8,917	Just above
Year 1 average if revenue runs 20% low	About $7,133	Below

After a year of $3,500 draws, the model's first year ends at about $1,600 of net income. If revenue runs 20% under the model, the studio stays open only because the draw can be cut: without the draw,

break-even is about $3,065 a month. Know how small a draw you can live on before that happens.

6. Your numbers

Fill this in with your own fees and costs before you spend anything.

Question	Model	Yours
Typical revenue per project	$8,000	_____
Blended gross margin	62%	_____
Monthly fixed costs before your draw	$1,900	_____
Monthly owner draw	$3,500	_____
Break-even revenue (fixed costs ÷ margin)	$8,710	_____
Starting cash cushion	$12,000	_____

If your break-even needs more projects than one designer can deliver in a slow month, fix the plan before you launch: raise the design fee, hold the furnishings markup, or add a remote design package that fills the gaps.

This guide is general business information, not legal, tax, accounting or investment advice. The figures are illustrative assumptions from an example model and are not a forecast or a promise of results. Licensing and insurance requirements vary by state and are not covered here; check yours with the state agency.

Bytell Press publishes the full business plan, the editable financial model behind these numbers, and the operating playbooks for an interior design studio.

Visit us: https://bytellpress.com/guide/interior-design-studio