The Numbers Behind a Tree Care Business

A free field guide from Bytell Press. The figures come from our example financial model for an owner-operated, one-crew tree care company. They are planning assumptions, not quotes for your market; the worksheet at the end is for your own numbers.

Most new tree companies can do the work. The ones that struggle bought the truck and chipper before working out how many jobs a month it takes to pay for them. This guide gives you that arithmetic.

1. How the work is priced

Tree work is priced **by the job**, from the crew time, equipment and risk it uses up. The example model uses these lines:

Service line	Model price	Priced from
Residential removal, typical	$700–$2,500	Height, diameter, access, debris
Large or hazardous removal	$2,500–$6,000+	Rigging, nearby structures, crane need
Pruning and trimming	$300–$1,500	Crown size, cuts, access
Stump grinding	$100–$400 per stump	Diameter, root chase, access
Blended across the mix	**About $950 per job**	**48% gross margin**

Removal is the anchor line, but stump grinding carries the highest margin in the model because it uses one machine and little labor. Attach it to nearly every removal.

2. What it costs to open

The example model opens on about **$260,000**: a loan of about $180,000 and about $80,000 of the owner's own money.

Use of funds	Model range
Used bucket truck	$55,000–$120,000
Brush chipper	$20,000–$55,000
Stump grinder	$10,000–$40,000
Dump truck or heavy trailer	$20,000–$50,000
Climbing and rigging kit	$3,000–$8,000
Chainsaws and pole saw	$4,000–$9,000
Protective gear and first-aid kit	$2,000–$4,700
Fees, company formation, first insurance deposits	$3,000–$8,000

Use of funds	Model range
Working capital for the ramp	$15,000–$40,000
Total in the model	**About $260,000**

3. What it costs to stay open

Crew wages, disposal and fuel are counted in the cost of each job. These are paid every month regardless:

Monthly cost	Amount
Fixed overhead: yard, insurance, software, phone, accounting	$3,500
Equipment loan payment	$3,035
Owner draw	$7,000
Total	**$13,535**

The owner's own labor is not in the job costs. It is paid as the draw.

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

Break-even revenue = monthly fixed costs ÷ margin.

The model's gross margin is 48%. Two more costs move with every sale: card processing at 2% of revenue and marketing at 6%. So 48% less 8% leaves **40%** of each dollar to cover the monthly bills.

With the model's numbers: $13,535 ÷ 0.40 = about **$33,838 a month**. At $950 a job, that is about **36 jobs a month**. Take the owner draw out and the number falls to about $16,338. At that level the bills are paid and the owner earns nothing.

5. Plan for the ramp and the first winter

The example model starts at $12,000 in month one and takes 8 months to reach a steady $38,000 a month. Then the seasons move it:

Month type	Multiplier	On a $38,000 steady month
May and June	1.20	About $45,600
January and February	0.70	About $26,600

A $26,600 winter month is below the $33,838 break-even, and so are the early months of the ramp. The model's $40,000 of opening cash is there to cover them. Once at full speed, hold back part of the May and June surplus to cover January and February.

6. Your numbers

Fill this in with figures from your own market before you sign for equipment.

Question	Model	Yours
Average job in dollars	$950	_____
Gross margin after crew, disposal and fuel	48%	_____
Margin left after card fees and marketing	40%	_____
Monthly overhead, loan payment and draw	$13,535	_____
Break-even revenue (monthly costs ÷ margin)	$33,838	_____
Jobs a month to break even	36	_____
Opening cash to carry the ramp	$40,000	_____

If your break-even needs more jobs than one crew can finish in your slowest months, fix the plan before you buy the truck: borrow less, raise the average job with stump grinding, or cut a monthly cost.

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 a tree care company.

Visit us: https://bytellpress.com/guide/tree-care-service