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Introduction

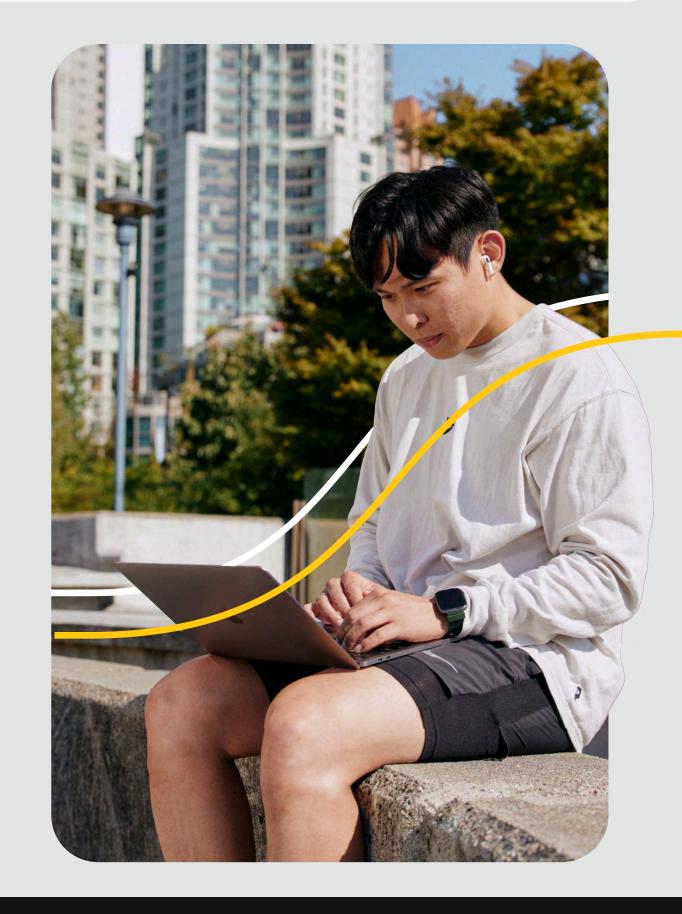
You've got the skills, you've got the training, and you're ready to start helping clients change their lives and crush their fitness goals. Only problem is... you don't know what to charge for your products or services.

And you're not alone. One of the toughest decisions new entrepreneurs have to make is how to price their products and services.

Your pricing needs to be realistic—but it also needs to be motivating. There's no point choosing pricing that's so high that no one will pay it, but there's also no victory in charging—or earning—too little. Finding that sweet spot can feel like an algebra problem without a solution, but we're here to tell you, it can be done.

In this guide we'll walk you through some of the approaches you can take as you set your own pricing. We'll look at all different types of products and services, so, whether you train clients in-person, online, or do both,we'll help you figure your pricing out.

Step one is to ask yourself "what should I base my pricing on?" Let's discuss in Part 1.





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Part 1: What to base your pricing on

When you start as a trainer, you're probably just hoping to make enough to cover your general cost of living and maybe save a little if you're lucky—but to build a sustainable, long-term business, you'll need to set your goals a little higher.

Whether you're training clients in-person, online, or in some hybrid way, the products and services you're offering require an investment of time and resources, and they provide a service to your clients or members. That means, to be truly profitable you need to have pricing that not only covers your time, energy, skills, and resources, but gives you back more than you put in. This is what's known as your return on investment, and you should keep it top of mind as you decide how to price your products and services. By doing this, you break out of the hamster wheel cycle that many fitness professionals find themselves in: exchanging time and knowledge for money, capping out their earning potential quickly, and running themselves ragged in the process.

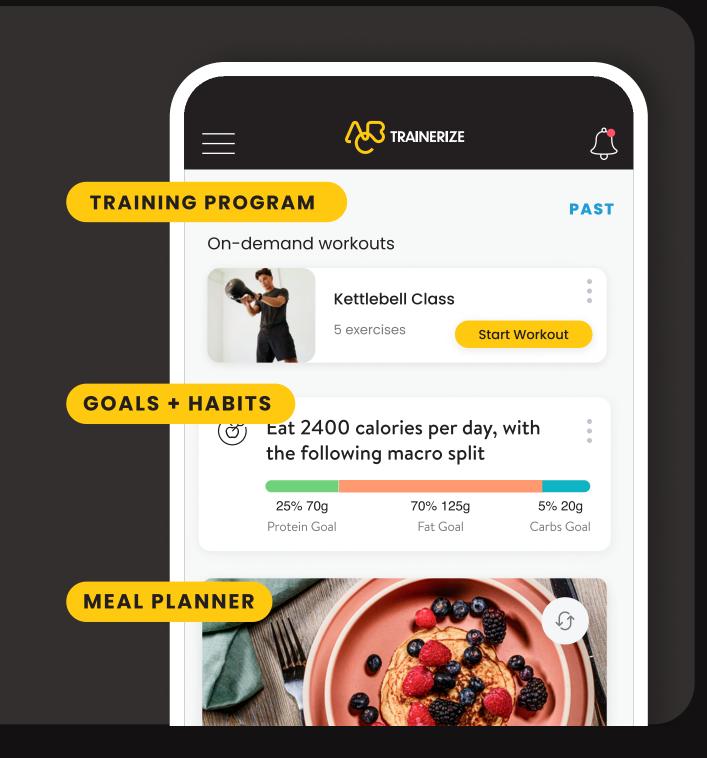
Now that you've got the right mindset, pull out a piece of paper (or create a Google document!) and record your answers to the following questions. We've added some prompts to help you get going.

1. What product or service are you selling?

First things first, get a clear grasp on exactly what the product or service you're selling is and how you want it to be understood by your prospective clients. This is critical because the "what" is going to give you a starting point for your price and any research you do.

Is it...

- A bundle or package including both online and in-person services?
- An in-person personal training program?
- An online-only personal training program?
- A hybrid training program?
- A complementary service offering (nutrition coaching, habit coaching, mindset coaching, etc.)
- An in-person membership?
- An online or virtual membership?
- A low-touch training program?
- A high-touch training program?
- An in-person add-on for personal training?
- An online add-on for personal training??
- A standalone digital product (like video call sessions or online challenges)?
- Something else?



SIDEBAR: Fight the wage gaps.

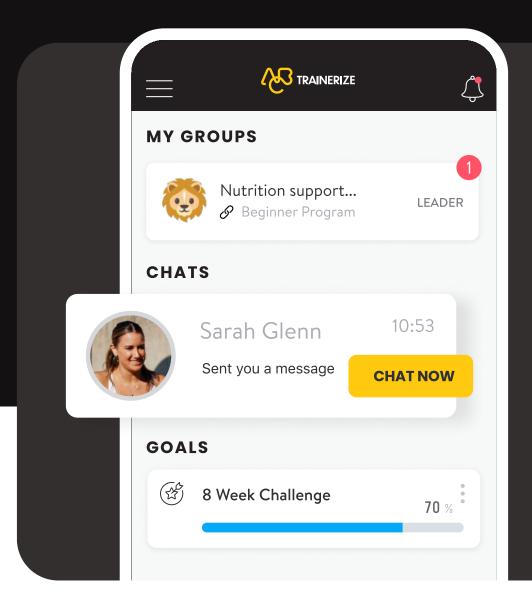
According to a survey conducted by the <u>PTDC</u>, women earn 68% of their male counterparts in the personal training industry—and people of color also learn less than white trainers. If you're part of a marginalized group, take extra care when choosing your rates to avoid becoming a statistic.



2. What kind of extras are you including?

Once you're clear on what the main product or service you're offering will be, it's time to dig a layer deeper and lay out what exactly that product or service will include.

After all, no two services are the same, and you will want to nail down these details so you can make sure you're staying competitive and leverage them in your marketing.



Here are some extras you might be including:

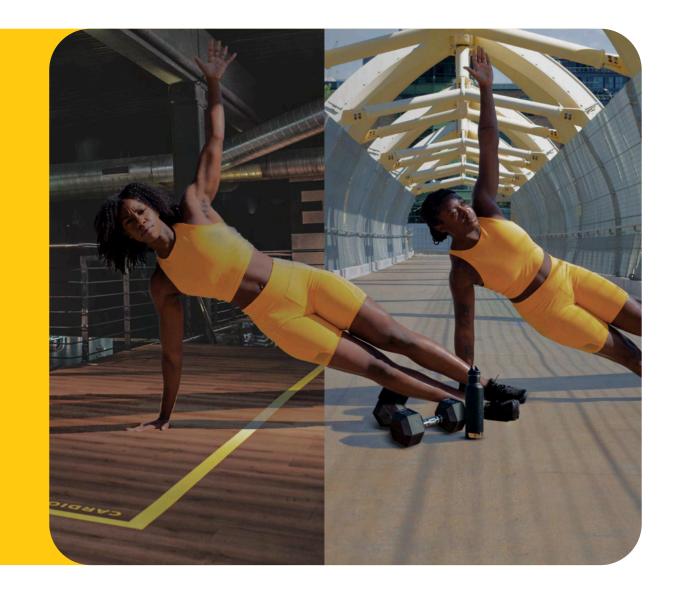
- Weekly check-ins (phone calls, video calls, messages, etc.)
- Unlimited messaging
- Access to on-demand video workouts
- Historical data
- Community support via group chats or social media
- Nutrition tools like meal plans or grocery lists
- Complementary services (like habit coaching, nutrition coaching)
- Goal setting sessions
- Educational resources and tools
- Progress tracking and updates

3. What can your target demographic afford?

With your product or service defined, and your extras pinned down, it's time to pivot and start thinking about the people who you want to work with. This is where you'll need to put your research hat on and get up close and personal with your niche and target clients. The more detailed you can be in this step, the better the fit of your pricing will be and the better equipped you'll be to understand how you may want to change or adjust your products and services to serve your market best.

Think about the lifestyle of your target clients...

- Do they come from a single-income household?
- Are they at a lower-earning stage of their career?
- Do they have a lot of disposable income?
- Are they budget conscious or more liberal in spending?
- Do they see fitness or wellness services as a luxury?
- What are they traditionally willing to spend on their health and fitness?
- Is online training a more affordable option than their current fitness solution?
- Is online training an add-on or a full-service for these clients?



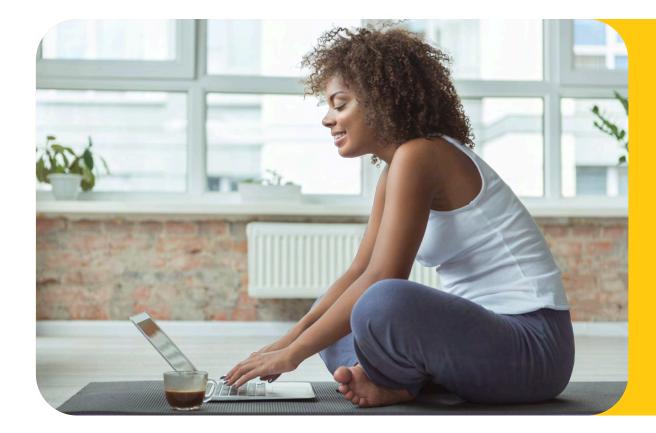
SIDEBAR: Go beyond physical location!

If you're training 100% in-person, geographic data can play a key role in answering the above questions. But remember that online services open you and your business up to clients around the world. If you're focused on online personal training, don't focus too much on geographical demographics! Think bigger! Your niche exists beyond your city—you just need to get out there and meet those people!



4. How do you value your expertise and experience?

Asking you to put a price on your expertise and experience can feel like a subjective exercise—one that isn't easy to complete, but it's a critical part of pricing your services. After all, you're the one who will be creating these products and it's your knowledge and skills that you clients will be tapping into when they purchase them. Know the market value for your particular set of skills and use that to generate your return on investment.



Do you have...

- Extensive experience in your niche
- A personal connection to your niche
- A desire to learn a new niche, which may take some time
- Certifications, accreditations, and other education
- Testimonials and success stories that demonstrate your expertise
- Awards or recognition for your work

SIDEBAR: Education pays off.

Data from the <u>PTDC</u> shows that education and personal trainer income are correlated—people with more education tend to earn more. So if you've been toying with the idea of leveling up your skills or diving into a specialization, know that with education, you're investing in both yourself and your business success.

5. How much "unpaid time" will the product or service cost you?

It's easy to get a bit nearsighted when it comes to your products and services, focusing on only the parts your clients see. But anyone who's ever run a business knows there's a lot that goes on behind the scenes before the first sale ever happens, and you need to make sure you're being compensated for it.

In that same document where you listed out your products and services, and their extras, start tallying up how much time do you need for...

- Upfront setup
- Maintenance and updates
- One-on-one communication
- Group communication
- Customized programming
- Personalization or on-the-fly adjustments
- Progress reviews and monitoring

6. How much overhead should you consider for your business?

If you're an online <u>personal trainer</u>, you won't have any overhead costs like rent, utilities, and insurance, right?

YES, BUT NO.

You may not have costs associated with in-person facilities, but you still have overhead costs to factor into your overall profit margin! Don't underestimate the investment you need to make in being self-employed.



Consider things like...

- Software (ahem—your <u>ABC Trainerize</u> subscription!)
- Hardware (computer, phone, printer, headphones, etc.)
- Insurance
- Fitness equipment
- Education & professional development
- Outsourcing (bookkeeper, marketing expert, photographer)

If you run and have in-person clients at a club, there are more obvious expenses to consider such as...

- Space rental costs
- Gym equipment
- Payroll for staff
- Advertising costs
- Location upkeep

SIDEBAR: Claim your expenses

While the exact rules and requirements will vary from country to country, in many parts of the world, entrepreneurs and business owners can claim their business expenses on their taxes to help reduce their tax burden and maximize their profits. Next tax season, do some digging or hire an accountant who can help you submit expenses.

7. How profitable would this product or service be at different price points?

It's important to get an idea of exactly what you're offering and what it's "worth"—to both you and your potential clients!

For example, you can sell 10 products at \$50 and make \$500, or you can sell 2 products at \$250 and make the same. Different packages will require different marketing strategies, and you'll also need to know if you can actually support the volume you need to sell to be profitable.

So, be wary of undercharging—if you're offering high-touch training at \$150/month and that's a great price in your market, you might end up with more clients than you can actually manage. This can both impact the quality of your product, and result in disappointed people having to miss out.

It's clear that there can be a strong relationship between price and sales volume. In order to truly work out how profitable your product/service will be at different price points consider...

- How long this program will be relevant and saleable
- How many you would have to sell to break even
- How many you would have to sell to be profitable
- How many months or packages would you like to sell

Up next, we'll get more specific about how to extrapolate that info into your fees!





Part 2: How to set your hourly rate

Calculating an hourly rate is a fantastic place to start when it comes to your pricing and is one of the most common approaches —especially in the fitness industry and particularly for professionals who operate mainly in-person.

To help you calculate your own hourly rate, we've broken the process down into 8 helpful steps:

- Step 1: Research similar roles and their typical salaries
- Step 2: Set your working hours
- Step 3: Calculate your overhead time
- Step 4: Build in some breathing room

- Step 5: Calculate your base hourly rate
- Step 6: Calculate out your expenses
- Step 7: Sum it up
- Step 8: Check the fit

Step 1: Research similar roles and their typical salaries

In this method, you'll be using industry standards in compensation as your starting point. So you'll need to do a bit of digging and find out how much you could earn if you weren't working for yourself.

For example, look at what a personal trainer with similar education and experience to your own would make employed at a well-respected fitness club or studio.

According to <u>our research</u>, in the US that would typically be around \$65,000/year or \$5416.66/month. That translates to an hourly rate just under \$34/hour.

Step 2: Set your working hours

Determine how many hours a week you'd like to spend working. And be reasonable here. While we'd all love to work 8 hours a week and bring home the big bucks, it's important that you look at your own business as a full-time job, at least in the beginning.

For simplicity, let's imagine you want to work 8 hours a day, 5 days a week. That's a total of 40 hours per week or 173.81 hours a month.

(40 hours a week x 52.143 weeks in a year) / 12 months = 173.81

Step 3: Calculate your overhead time

As discussed in Part 1, the work you do as a fitness professional or business owner includes far more than just the time you spend working directly with clients.

As you build your business, you'll likely be putting some hours into:

- Accounting/bookkeeping
- Marketing

- Training and development
- Research
- Travel
- Etc.

Make a list of all the things you do on a monthly basis to help build and grow your business, deliver your services, or increase your value or skills, then tally up the hours you spend on them every month.

We'll call those your overhead hours, and for our example, we'll imagine that you spend 10 hours a month on them.



Step 4: Build in some breathing room

You might be a boss business owner, but you're also a human, and it's important to make sure that your pricing model isn't putting you into a position where you feel like you can't stop and catch your breath.

That's why we recommend you also set a minimum amount of time off that you want to take each year. This can be used for vacation, or for unexpected things that come up, like sickness or family emergencies. Whatever you use it for, it'll give you peace of mind.

Let's give ourselves 10 days off a year or (based on the working hours we set in step 1) 80 hours off a year or 6.66 hours per month.

80 hours per year / 12 months per year = 6.66 hours per month

SIDEBAR: Take the reins on your time

In our calculations, we've built in some time for vacation and other impromptu time off, but you can build in whatever kinds of time off you need. Maybe you attend a conference every year, complete a recertification program or professional development course, or attend trade shows. Whatever time you need, make sure you build it into your pricing model. This way, you won't feel guilty taking time away from clients. You also won't end the year with an unpleasant surprise when you come up short on your revenue targets.

Step 5: Calculate your base hourly rate

It's time to start piecing together your hourly rate, and to do it you're doing to factor in all of the numbers you've just calculated.

Start with your monthly working hours: 173.81 hrs/month

Then subtract your monthly overhead time: 173.81 - 10 = 163.81 hrs/month

And your monthly vacation time: 163.81 - 6.66 = 157.15 hrs/month

Next, take the base monthly income you wanted to achieve (\$65,000/12 months = \$5416.66) and divide it out by your remaining hours:

\$5416.66 / 157.15 hours per month = \$34.47per hour

How much is your salary?	
Yearly salary	\$ 65,000
Monthly salary	\$ 5,416.67
Biweekly salary	\$ 2,500
Weekly salary	\$ 1,250
Daily salary	\$ 250
Hourly salary	\$ 31.25

You can use this handy tool to help with your calculations.

Step 6: Calculate your expenses

If you answered the questions in Part 1 of this guide, you should already have a solid sense of the costs associated with running your business.

For the sake of our example calculations, let's assume that you have total overhead and expenses of \$750/month or \$9,000/year.

If we divide those expenses over the 157.15 billable hours you plan to work each month, it works out to \$4.77/hour.

HINT: <u>use the same tool</u> from before to calculate your hourly expenses, but enter your annual expenses where you previously entered your annual salary.



Step 7: Sum it up

Add your hourly earnings to your hours expenses and ta-da, you have yourself a starting point for the hourly rate you should charge!

In our case, we'll sum up the \$34.47/hour and \$4.77/hour, bringing us to a total hourly rate of \$39.24.

And then, because that number is a bit awkward (imagine telling a client you charge \$39.24...to the penny) and because it's always a good idea to build in a bit of padding or extra profit margin, we can round that up to a nice even \$40/hour.

Now you know that if you can fill your working hours with clients and charge at least \$40/hour you will not only be able to cover your costs, but you will also be able to achieve your target revenue of \$65,000

SIDEBAR: An extra dollar or two can really add up

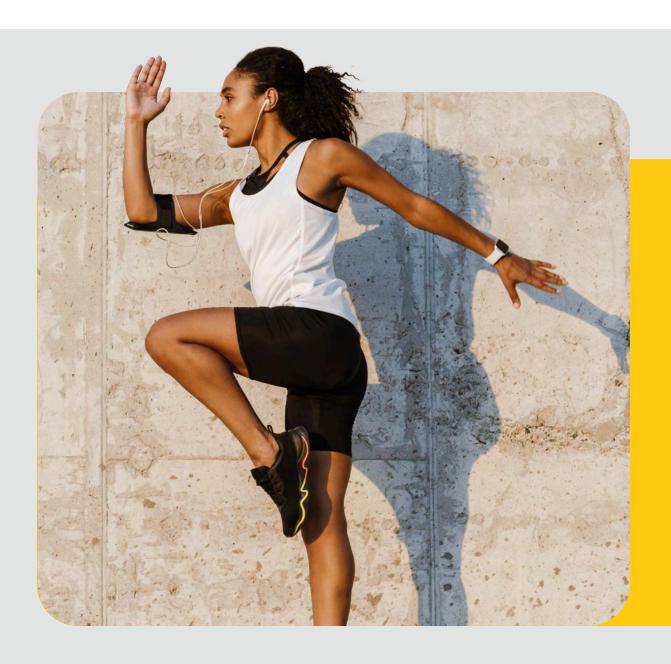
Rounding up those few extra cents to a nice whole number is a great way to add some cushion to your revenue, but you don't have to stop at a few pennies. In almost all markets, a dollar or two up or down won't be the make or break factor in landing a sale. Check what your target audience will spend and what your competitors are offering first, but if the market will bear it, as long as you aren't making huge jumps, you can generally slide your rate up by a dollar or two to build in extra earning potential. Bumping your rate from \$37/hour to \$39/hour for example can increase your profits by 5%.

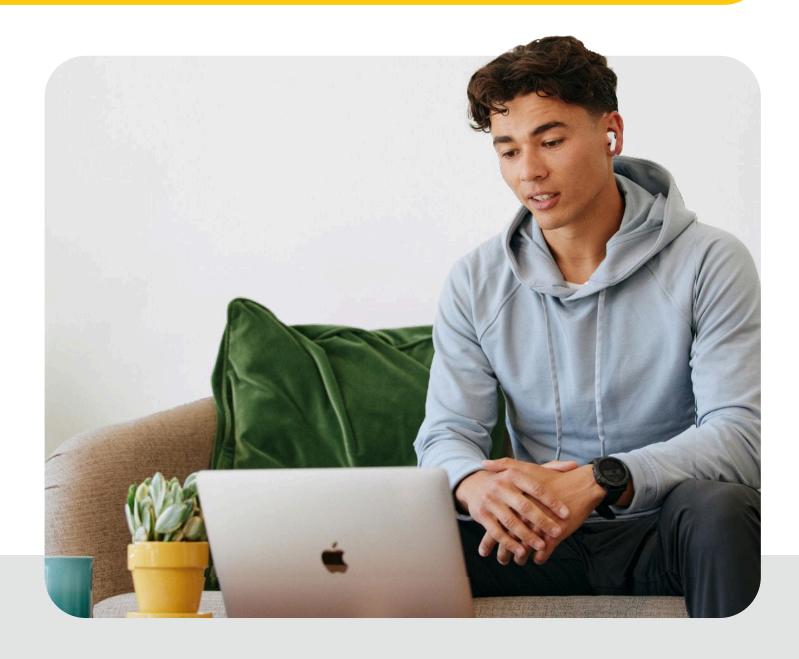
Step 8: Check the fit

Congrats! You've pinned down an hourly rate. But before you start advertising it publicly, take a step back and do these 2 things:

First: check how it stacks up against what your target audience is willing or able to pay for your services.

Second: check how it compares to what your competitors are charging. Use the research we recommended in Part 1 to inform this.





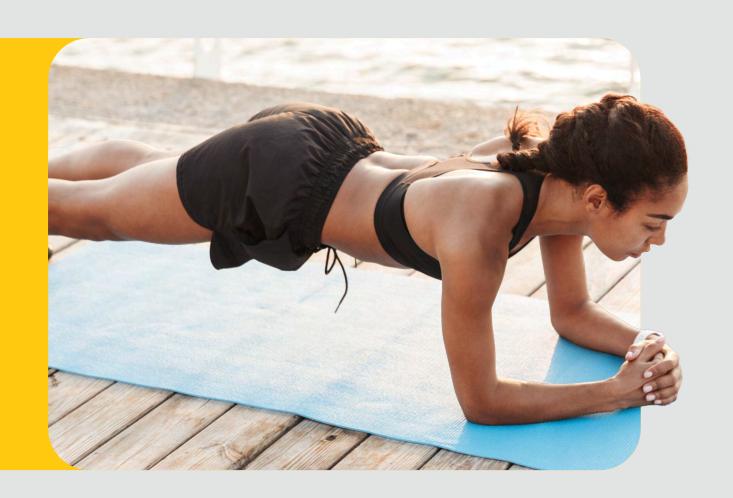
If it's too high, try doing one of the following things:

- Look for ways to decrease your overhead time and expenses so you can lower your prices without sacrificing your revenue (e.g., use program templates that you clone and edit so you can customize programming faster)
- Look for ways to increase the perceived value of your products or services, with little to no additional overhead or expenses incurred on your part (e.g., throw in some free resources or low-touch extras)



If it's too low, try doing one of the following things:

- Go back and double check/recalculate your overhead time and expenses (there's a chance you've just underestimated the amount of time and effort needed)
- Increase your prices to match what your competitors are charging (if the market will bear it, and that's the going rate, don't try to undercut the competition—you'll only end up undercutting yourself in the process)



SIDEBAR: Prices are never set in stone

While we can't recommend changing your prices too frequently, if you launch your products and services and find yourself struggling to close new clients or achieve your revenue targets, it is worth reevaluating your pricing.

If you're flip-flopping on your hourly rate, we recommend going to market with the highest rate you're comfortable with and then adjusting down if you need. It's always easier to lower your prices than to increase them.

Sometimes it takes launching a program, product, or service to know what the real value is. So be brave, know your value, and set those prices.

Part 3: How to set your flat rate

For many personal trainers, hourly rates are the norm. They're easy to calculate and work especially well if you're dealing mainly with in-person clients, or where the products and services you're selling include only a finite amount of your time. But with only a finite number of hours in a day, hourly pricing models can leave you maxing out your profits and struggling to scale your business.

By comparison, flat rates (and the various types of products that pair well with them) can make it easier to take on more clients and increase your revenue without ramping up your working hours. With flat-rate pricing, you'll typically see wider profit margins and can encourage clients to make larger up-front purchases (also saving you time and effort on future sales and renewals).

For your clients, flat-rate pricing is also beneficial because it's clear exactly what they're paying and exactly what they're getting in exchange.

While flat rate prices will vary from product to product and service to service, the calculation is essentially the same.

Flat rate price = (Hourly Rate x Time)

E.g. if your hourly rate as a PT is \$100 and you offer a 2 hour session, the flat rate is \$200.

We've broken it down into 5 helpful steps:

Step 1: Set your hourly rate

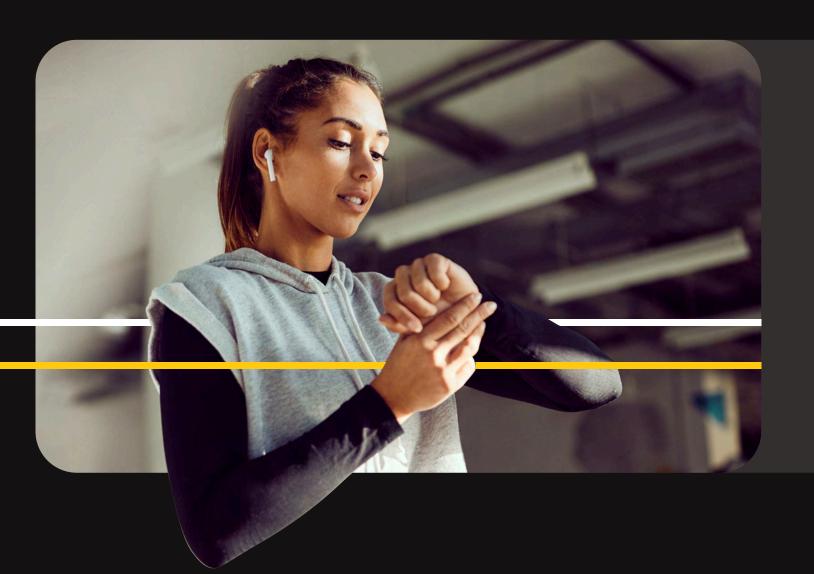
Step 2: Map your hours by product or service

Step 3: Calculate out your costs

Step 4: Set your markup

Step 5: Sum it up





Step 1: Set your hourly rate

If you haven't already, now's the time to go back to Part 2 of this guide and follow our steps for calculating your hourly rate.

You'll need it for the above formula (Flat rate price = Hourly Rate x Time).

Step 2: Map your hours by product or service

To make your pricing clear and flexible, break down your services into different products or packages. This helps clients choose what suits them best and allows you to set different rates for various offerings.

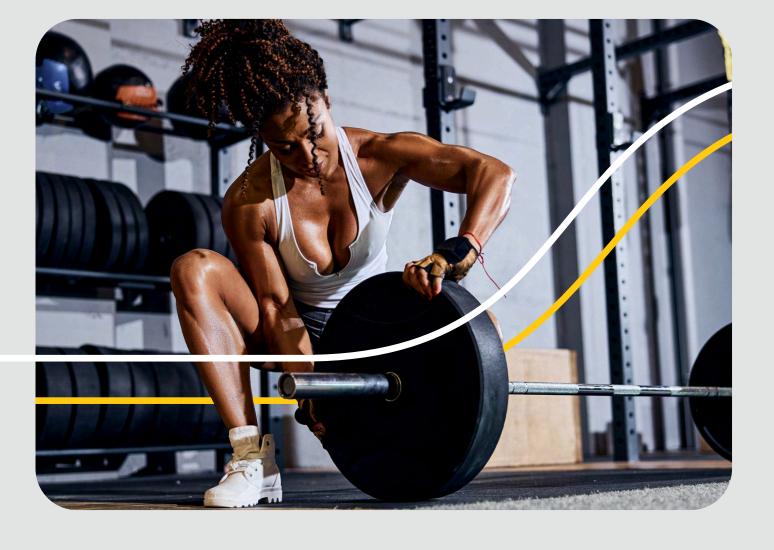
- **Define services:** List the different types of training sessions or services you provide, such as one-on-one sessions, group classes, nutritional consultations, etc.
- Allocate time: Estimate the amount of time you'll spend on each service. This includes the actual session time, preparation, planning, and any follow-up.

Step 3: Calculate out your costs

As we've mentioned before, if you answered the questions in Part 1 of this guide, you should already have a solid sense of the costs associated with running your business.

Understanding your costs is crucial for setting prices that cover your expenses and generate profit. Be sure to consider:

- **Direct costs:** Identify direct costs associated with each service, like equipment, transportation, or rental fees for training space.
- Indirect costs: Consider indirect costs such as marketing, insurance, and administrative expenses. Divide these costs among your services.



Step 4: Set your markup

While applying a markup is optional, it's a real opportunity to rapidly increase your revenue.

Markup helps you include a profit margin on top of your costs, ensuring that your pricing covers both your expenses and allows you to earn a reasonable income.

When setting your markup rate, decide on a percentage that suits your industry and business goals. A common, healthy range is 20-50%. Apply your chosen markup percentage to the total costs of each service to calculate the profit you want to make.



Step 5: Sum it up

This step is all about bringing together the information and decisions you've made in the previous steps to create a comprehensive and attractive flat rate pricing structure.

HERE'S A MORE DETAILED BREAKDOWN:

Calculate service price

For each service or product you offer, add up the direct costs, indirect costs, and the markup percentage you've chosen. This will give you the total amount you need to charge to cover your expenses and earn a profit. Example: If your one-on-one training session costs \$30 in direct costs and \$20 in indirect costs, with a 30% markup, the total service price would be \$30 + \$20 + 30% of (\$30 + \$20) = \$30 + \$20 + \$15 = \$65.

Create packages

To provide clients with more options and encourage them to commit to more sessions, consider creating different packages. Bundling services together at a slightly discounted rate can incentivize clients to choose larger packages, which benefits both you and the client. Example: If your individual session costs \$65, you could offer a package of 10 sessions for \$600 (\$60 per session), making it more attractive for clients to commit to multiple sessions upfront.



Communicate clearly

Once you've finalized your pricing structure, clearly communicate it to your clients. This could be on your website, social media, or any marketing materials you use. Make sure to include:

- **Service descriptions:** Provide detailed descriptions of each service or package. Explain what's included in each session and how it benefits the client.
- **Pricing breakdown:** Break down the pricing for each service or package. Transparency helps build trust with your clients.
- Value proposition: Highlight the value clients will receive by working with you. Emphasize the results they can achieve and the benefits of your expertise.

Periodic review

Your pricing shouldn't be set in stone. As your business grows and evolves, your costs might change, and market conditions could shift. Schedule regular reviews of your pricing structure to ensure it remains competitive and profitable.

- Adjustments: If you notice that certain services are in higher demand or that your costs have increased, be open to adjusting your pricing accordingly.
- Competitive analysis: Keep an eye on your competitors' pricing and the overall market trends. This can help you stay competitive and appropriately position your services.

As you continue to offer quality services and build relationships with your clients, your pricing strategy will play a crucial role in your success as a personal trainer.

Remember, setting your flat rate requires finding a balance between your expertise, the value you provide, and what clients are willing to pay. As you continue to offer quality services and build relationships with your clients, your pricing strategy will play a crucial role in your success as a personal trainer.

Be confident in your pricing and the quality of your services!

SIDEBAR: Automate your payments

<u>Trainerize Payments</u> allows you to charge clients a flat fee, a recurring subscription, sell appointment session packs and even share free products! Automate the delivery of your programs, meal plans and much more so you can focus on building your business.



Conclusion

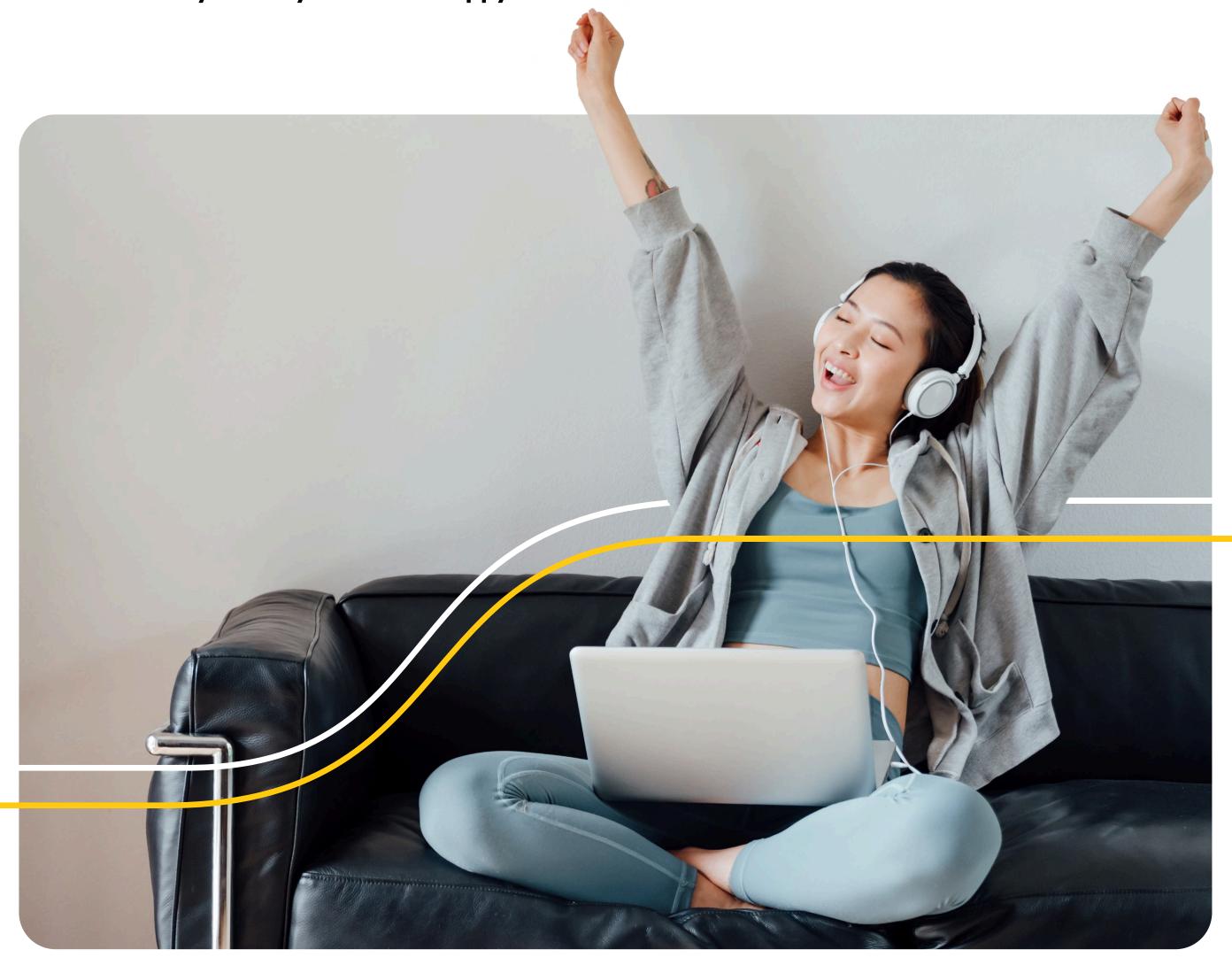
Just as you prepare meticulously to help your clients achieve their fitness goals, setting the right prices requires careful consideration, strategic thinking, and a deep understanding of your own worth.

Pricing is about more than just numbers; it's about creating a balance between covering your costs, delivering exceptional value, and positioning yourself competitively in the market. Remember that your rates are a reflection of your dedication, expertise, and the transformative impact you have on your clients' lives.

By identifying what products or services you're offering, understanding your target demographic, evaluating your expertise, and calculating the hidden hours and overheads, you've laid a solid foundation for determining your rates.

Crucially, it's important to remember that the path to success is ever-evolving, and the same should go for your pricing strategy. Regular reviews and adjustments ensure that you remain aligned with your goals and market realities.

We know that navigating the intricate world of pricing as a personal trainer or fitness business owner is no easy feat, but armed with the knowledge and insights provided in this guide, we know you're well-equipped to **find the sweet spot** that makes both you and your clients happy!



12/12 Conclusion