

Worksheet for Calculating Return of Investment



Is it worth paying an online referral agency to increase your census? Use this worksheet to figure it out:

Revenue:

Average monthly rent:

Average care charge:

Average length of stay (months):

Operating Margin: %

If you're not sure, use 30% which is the industry average.

TIP: Your operations team should be able to tell you about your operating margin, if you don't know it.

Remember when multiplying by percent you need to express that percent as a decimal, so instead of 85% you would multiply by 0.85.

Referral agency percent: %
(industry average is 85%-100%)

Return on Investment Calculation:

(Average monthly rent + average monthly care charge) × average length of stay

= **Average Lifetime Revenue**

Average lifetime revenue × Operating margin percent

= **Average operating profit**

(Average monthly rent + average monthly care charge) × Referral agency percent*

= **Marketing cost**

(Average operating profit - Marketing cost) / Marketing cost

= **Return on Investment**

If your return on investment is positive, you owe it to yourself to consider doing that marketing program. If you'd like information on how Caring.com can help you fill up your community, please visit www.Caring.com and click on "Providers Get Listed" or call (866) 824-9209 or email Katie@caring.com