

## Potential earnings as an ADI with an ELITE franchise

### Update January 2023

These figures are based on average working weeks under an **ELITE Franchise**. These figures will fluctuate for various reasons:

#### Increase:

- Pre-paid cancellations – you still charge, but don't use fuel
- Pay-as-you-go customers pay higher hourly rate
- There may be other incomes from referral commissions etc
- Small training area, meaning less traveling time and fuel used between lessons
- Teaching in an automatic car, as normally a higher hourly rate charged, and if it's a Hybrid potentially less fuel used

#### Decrease:

- Late notice cancellations without pre-payment
- Sickness
- Car trouble
- Bad weather
- More lesson millage, for example more dual carriageway and motorway lessons

#### Income:

Hourly rate of £40 per hour (ELITE Driving School prices for manual tuition current at 1<sup>st</sup> January 2023).

30 x £40 = £1,200 a week

Or 35 Hours 35 x £40 = £1,400 a week

Or 40 Hours: 40 x £40 = £1,600 a week

Then you will need to deduct your weekly expenses:

#### Franchise Cost:

If you chose to join a franchise you will have a weekly fee to pay your franchisor. This will vary hugely from school to school depending on the services they provide. Some franchisors charge a lower weekly rate, but then add additional charges for extra services like introducing or booking new customers for you. Some will also provide a driving school vehicle, but normally at a premium rate. When choosing a franchisor, you also need to consider how much the school charges their customers for lessons. If their franchise fee is low, but their hourly rate for lesson is low, you will probably end up earning less. You need to consider what you want from a franchise and carefully chose one that suits your needs.

ELITE franchise fee (all inclusive, excluding car): £110 per week (50 weeks a year only)

## **Driving School Vehicle:**

We don't supply a car with our franchise as some instructors prefer a training vehicle that they are familiar with. Some of our instructors purchase their own cars, and some lease. We don't mind either way, so long as it is not too old, has air conditioning, dual controls, and is in good condition to fit in with the 'ELITE' brand. We will arrange for the ELITE livery to be fitted. Leasing tends to be the preferred worry-free and cost-effective choice.

Cost of a vehicle will vary depending on whether you buy a car outright, and whether that car is new or used, and model chosen hugely effects cost, or buy a car on finance, or lease. Many instructors chose to lease a driving school car, as it is worry free. Normally you are only required to pay a month rental in advance, so you don't need to find a large initial deposit. It will come already fitted with dual controls, will have a high millage allowance, so no depreciation to worry about. It will also be fully maintained, so no unexpected servicing or breakdown costs. A lease car is normally replaced every 1-2 years with a new car, so no MOT to worry about. Also, knowing that you will get it replaced regularly means that you will not be quite so precious about it when your learners accidentally crunch the gears, burn the clutch, or scrape a wheel on a kerb, which will ease your daily stress level. You also get worn tyres replaced, breakdown cover, and a replacement car normally within 24 hours if the car can't be fixed.

Also leasing can be more tax efficient as the monthly cost of a leased vehicle can be offset immediately as an expense for tax purposes. Whereas a purchased vehicle is seen as an asset to the business and written off over a period. If you choose to lease, we can assist you in arranging a contract hire agreement from approximately £90 per week with one of our recommended suppliers.

As an example of average lease cost, based on the price of a Toyota Yaris Hybrid, on a 36 month 60,000 miles lease, supplied by CA Car, as at 1<sup>st</sup> February 2023:

£97 per week all-inclusive of VAT, servicing, worn tyre and wipers, breakdown and replacement vehicle cover.

## **Fuel cost:**

This will also vary depending on what vehicle you use for teaching, as some vehicles are more fuel; efficient than others. It will also depend on your millage both whilst teaching and traveling between lesson.

High end estimate for:

30 hour week - £90 per week  
35 hour week - £105 per week  
40 hour week - £120 per week

## **Car insurance:**

Like any insurance, this will also vary depending on the vehicle, where you live, your age, your personal circumstances, and other criteria that insurance companies specify. However, ADI insurance is normally reasonable, as so long as there are dual controls fitted, and you are a professional ADI, you are generally considered as a relatively low risk.

*ELITE Driving Instructor Training Ltd, Redhill, Surrey, RH1 5PJ*

High end estimates £15 per week (£780 a year)

**Projected earnings estimates:**

So, based on the **lowest** hourly rate, and with **high end** estimates for expenses, leasing a Toyota Yaris Hybrid, working 49 weeks a year on an ELITE franchise you could **expect** to earn:

Working for 30 hour week (49 weeks a year) you can expect:

Income: £1200

Expenses: £312

Total income before tax £888 per week (£43,512 per year)

Or for a 35 hour week based on an ELITE franchise (working 49 weeks a year) you can expect:

Income: £1400

Expenses: £342 (high end estimate)

Total income before tax £1,058 per week (£51,842 per year)

Or for a 40 hour week based on an ELITE franchise (working 49 weeks a year) you can expect:

Income: £1600

Expenses: £342 (high end estimate)

Total income before tax £1258 per week (£61,642 per year)

So if it sounds like this is what your business needs then [contact us](#) to discuss it further. We'll be quite happy to discuss any questions you may have over the phone, or meet for a chat over a coffee, or we'll come to you. Whatever suits you, we're looking forward to hearing from you again!