

PARLOR EXCHANGE GLOBAL

BUY IN.

Franchise Investment Guide

35 franchises across 7 industries — with the real numbers, the ongoing costs, the profit reality, and everything the sales pitch leaves out.

- **Section 1 — Franchising vs. Starting From Scratch**
- **Section 2 — The Money Side: What You Need Before You Apply**
- **Section 3 — 35 Franchises Across 7 Industries**
- **Section 4 — How to Actually Buy a Franchise**
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Part of the Parlor Exchange Global Build It • Protect It • Grow It Methodology

Read This First

A franchise is not a guaranteed path to profit. It is a licensed right to operate a business under an established brand, using a proven system, in exchange for ongoing fees that never stop as long as you're in the franchise. The brand name gets you in the door with customers. The system tells you how to operate. What it does not do is run the business for you, manage your labor costs, fill your location with customers, or guarantee that the unit economics work in your specific market.

This guide exists because most people evaluate franchises based on the entry cost and the brand name — and never run the actual math on what they'll take home after royalties, fees, labor, rent, insurance, and debt service. This guide runs that math for you, or at minimum gives you the framework to run it yourself before you sign anything.

FULL DISCLOSURE

Having the capital to buy a franchise does not mean the franchise will be profitable. You must model the full P&L; before you invest. Total investment is what it costs to open. Ongoing royalties, marketing fees, labor, rent, insurance, and debt payments are what determine whether you make money or lose it every single month after you open. Both numbers matter. Only one gets advertised.

PEG does not endorse any franchise listed in this guide. All financial figures are estimates based on publicly available Franchise Disclosure Documents (FDDs) and industry data. Numbers change — always request the current FDD and have a franchise attorney review it before making any investment decision.

SECTION 1 — FRANCHISING VS. STARTING FROM SCRATCH

What You're Actually Buying

When you buy a franchise, you are purchasing a license to operate under an established brand and proven operating system for a defined period — typically 10 years, with renewal options. You are not buying the brand. You are not buying equity in the franchisor's company. You are buying the right to use their name, their systems, their supplier relationships, and their training — in exchange for ongoing fees that run for the life of the franchise agreement.

	STARTING FROM SCRATCH	BUYING A FRANCHISE
Brand Recognition	Build from zero — takes years	Instant — customers already know the name
Operating System	You create everything	Provided — training, manuals, processes
Startup Risk	Higher — no proven model	Lower — but not zero
Autonomy	Full — you make every decision	Limited — franchisor sets standards you must follow
Ongoing Costs	Your own expenses only	Your expenses PLUS royalties and fees forever
Exit / Resale	You set the terms	Franchisor must approve any sale; may have right of first refusal
Support	You build your own network	Franchisor support, peer franchisee network

WHAT NOBODY TELLS YOU

The franchise fee is the entry ticket. The royalty is the rent you pay on your own revenue every month for as long as you operate. A 6% royalty on \$500K in annual sales is \$30,000/year leaving your business before you pay a single employee, a utility bill, or your own salary. Run that number against your projected revenue before you fall in love with the brand name.

SECTION 2 — THE MONEY SIDE: WHAT YOU NEED BEFORE YOU APPLY

Franchise Fee vs. Total Investment — These Are Not the Same Number

The franchise fee is what you pay the franchisor for the right to use their brand and system. It is typically a one-time payment due at signing and ranges from \$1,000 to \$75,000+ depending on the brand. The total investment is the full cost of getting your location open and operational. It includes the franchise fee plus: build-out and construction, equipment, signage, initial inventory, training travel costs, working capital for the first 3–6 months, and any other startup expenses. This number is almost always 3–10x the franchise fee. When a franchise advertises 'franchise fee from \$15,000' — understand that the total investment to open a location may be \$150,000 to \$400,000. Both numbers are in the FDD. Never evaluate a franchise based on the franchise fee alone.

Liquid Capital Requirement — Cash You Must Have Accessible

Most franchisors require you to demonstrate a minimum amount of liquid capital — money that is accessible without selling assets, taking out loans, or liquidating retirement accounts with penalties. This is typically 20–40% of the total investment. Liquid capital includes: checking and savings accounts, money market accounts, stocks and bonds that can be sold quickly, and certain retirement accounts accessed through a ROBS structure (see below). Liquid capital does NOT include: home equity (until it's converted to cash through a HELOC or refi), money you plan to borrow, or retirement funds that would trigger early withdrawal penalties.

WHAT NOBODY TELLS YOU

Meeting the liquid capital requirement does not mean you should invest every dollar of it. The franchisor's minimum is their floor — not your operating safety net. Going into a franchise with exactly the minimum liquid capital and no buffer means one slow month can put you in a cash crisis.

Net Worth Requirement — What the Franchisor Looks at on Your Balance Sheet

Net worth is the total value of what you own minus what you owe. Franchisors set minimum net worth requirements to ensure you have the financial stability to sustain the business through the early growth phase. Net worth includes: home equity, investment accounts, business assets, vehicles, and savings. It is reduced by: mortgage balance, car loans, credit card debt, student loans, and any other liabilities. If your net worth is below the franchisor's requirement, you will not be approved — regardless of your credit score or your enthusiasm for the brand.

Financing Options — How Most Franchisees Actually Fund Their Investment

Very few franchisees pay the full investment in cash. These are the primary financing paths available: SBA 7(a) Loan — The most common franchise financing vehicle. Government-backed loans up to \$5M. Rates are typically prime + 2.75%. Requires good credit (680+), some liquid capital as down payment (usually 20–30%), and a solid business plan. Processing takes 60–90 days. SBA 504 Loan — Best for franchises that involve real estate or major equipment. Long-term, fixed-rate financing for large assets. Requires owner-occupied real estate. ROBS (Rollover for Business Startups) — Allows you to use funds from a 401(k) or IRA to fund a franchise without early withdrawal penalties or taxes. Legal and IRS-recognized but requires a C-Corp structure and must be set up by a ROBS specialist. Guidant Financial and Benetrends are the major providers. Not risk-free — if the business fails, you lose retirement funds. Franchisor In-House Financing — Some franchisors finance part of the franchise fee directly. Usually short-term with higher interest rates. Reduces upfront cash needed but adds a monthly payment. Home Equity / HELOC — Using home equity to fund a business investment. Lower interest rates but your home is collateral. High risk if the business underperforms.

WHAT NOBODY TELLS YOU

Debt service — the monthly payment on whatever you borrowed — is a fixed expense that comes out before your profit. A \$200,000 SBA loan at 10% over 10 years is roughly \$2,640/month. That \$2,640 leaves your business every month whether you had a good month or not. Build your debt payment into your break-even calculation before you borrow.

The FDD — The Most Important Document in the Process

The Franchise Disclosure Document (FDD) is a federally mandated legal document that every franchisor must provide to prospective franchisees at least 14 days before any agreement is signed or money changes hands. The FDD contains 23 items covering: the franchisor's background and litigation history, all fees you'll pay, your territory rights, franchisee obligations, training provided, territory restrictions, renewal and termination terms, financial performance representations, and a list of current and former franchisees you can contact. Key items to focus on: Item 19 — Financial Performance Representations: This is where franchisors voluntarily disclose revenue and income data. Not all franchisors include Item 19 data. If a franchisor refuses to share financial performance data, ask why. Item 20 — List of franchisees: Call them. This is the most valuable due diligence you can do. Item 21 — Financial statements: Three years of audited financials for the franchisor. Is the franchisor financially healthy? You must have a franchise attorney review the FDD before you sign. Not a general business attorney — a franchise attorney. The cost is typically \$1,500–\$3,000 and it is not optional.

WHAT NOBODY TELLS YOU

The FDD is written by the franchisor's attorneys to protect the franchisor. It discloses what the law requires. It does not highlight the risks, explain what the fine print means in plain language, or tell you whether the investment makes sense for your situation. That is your attorney's job. Pay for the attorney.

SECTION 3 — 35 FRANCHISES ACROSS 7 INDUSTRIES

How to read each entry.

Every franchise below shows seven numbers: Franchise Fee (one-time entry cost), Total Investment (full cost to open including everything), Liquid Required (cash you must have accessible), Net Worth Required (minimum balance sheet requirement), Royalty (percentage of gross revenue paid to franchisor monthly — forever), Marketing Fee (additional percentage for the brand's national ad fund), and Average Break-Even (estimated time to recover your investment, industry average). Every entry also includes a Profit Reality Check — an honest assessment of what owners in this system actually experience, based on industry data and FDD disclosures. Read it before the description.

CATEGORY 1 — FOOD & BEVERAGE
 7 franchises | Lowest entry: \$10K | Highest entry: ~\$564K total

Food & Beverage: What the category requires you to understand.

Food franchises have the highest brand recognition and the most demanding operations. Labor is your single largest expense — typically 28–35% of revenue. Food cost runs another 28–35%. Add royalties, rent, and marketing fees and you're at 70–80% of revenue before you've paid utilities, insurance, or yourself. The margin window in food is narrow. High volume is how it works. Low volume is how it fails.

01 Chick-fil-A
Food & Beverage — Fast Casual Chicken

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$10K	\$10K (operator model)	\$10K cash	No minimum stated	~15% of gross sales	Included in operator agreement	N/A — you don't own the asset

Chick-fil-A's model is unlike any other franchise on this list. For \$10,000 you become an operator — not an owner. Chick-fil-A selects the location, builds the restaurant, owns all equipment and property, and handles real estate entirely. You operate the restaurant and share in the profits. Average operator income is reported at \$200K+ per year. The catch: acceptance is under 1% (they receive 60,000+ applications per year and select fewer than 100 operators). You also cannot own multiple locations initially, cannot be an absentee owner, and are expected to be in the restaurant daily. It is not a passive investment — it is a job with upside.

PROFIT REALITY CHECK

On a location averaging \$8.5M in annual revenue, the operator's share after Chick-fil-A's fees is typically \$200K–\$250K for a fully engaged operator. For a non-absentee operator putting in 50–60 hour weeks, that math works. For anyone expecting passive income from a \$10K investment, it does not.

FULL DISCLOSURE

Chick-fil-A is closed Sundays — by policy, not by choice. If your location is in a high-traffic Sunday area (near churches, stadiums, or malls), you lose that revenue regardless of demand. Also — Chick-fil-A can terminate your operator agreement with 30 days notice. You own nothing. If they close or relocate your location, your investment is gone.

02 Subway

Food & Beverage — Fast Casual Sandwiches

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$15K	\$150K–\$300K	\$80K liquid	\$80K net worth	8% of gross sales	4.5% of gross sales	3–5 years

Subway is the largest franchise system in the world by location count. Entry cost is relatively low for a food franchise. Locations can be built out in smaller footprints (mall kiosks, strip centers, non-traditional locations) reducing real estate costs. The brand has undergone significant changes including menu refreshes and location closures as they shift toward higher-volume, higher-quality units. Subway's combined royalty + marketing fee is 12.5% of gross revenue — one of the highest in the category.

PROFIT REALITY CHECK

A Subway generating \$400K in annual revenue pays \$50K in royalties and fees before any other expense. After labor (avg. 35%), food cost (avg. 30%), rent, utilities, and insurance, net profit for an owner-operator averages \$30K–\$60K/year. For absentee ownership, many locations break even or lose money in early years.

FULL DISCLOSURE

Subway has closed thousands of locations in recent years as part of a quality improvement strategy. Existing franchisees have faced declining sales as locations compete with each other (over-saturation in some markets). Research the specific market you're considering carefully.

03 Dickey's Barbecue Pit

Food & Beverage — Fast Casual BBQ

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$15K	\$89K–\$282K	\$50K liquid	\$150K net worth	6% of gross sales	4% of gross sales	3–5 years

One of the most affordable fast-casual food franchise entries on this list. Lower buildout requirements than burger or chicken concepts. Strong brand in the BBQ category with a loyal regional following. Franchise fee is below market average for food concepts. The lower end of total investment is for non-traditional or smaller-footprint locations.

PROFIT REALITY CHECK

Average Dickey's location generates \$600K–\$900K in annual revenue. After a combined 10% in royalties/fees, labor, food cost, and occupancy, owner-operator net profit typically falls in the \$40K–\$90K range. Absentee ownership in this model requires strong management infrastructure that reduces that range significantly.

04 Baskin-Robbins

Food & Beverage — Ice Cream & Frozen Desserts

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$25K	\$94K–\$400K	\$100K liquid	\$250K net worth	5.9% of gross sales	5% of gross sales	3–5 years

Baskin-Robbins is one of the most recognized dessert brands globally. The wide investment range reflects the variety of location formats available — from kiosk formats inside existing locations to standalone restaurants. Combo locations with Dunkin' (same parent company) can share buildout and operating costs, which is an option worth exploring with the franchisor.

PROFIT REALITY CHECK

Ice cream is a seasonal and weather-dependent business in many markets. Annual revenue varies significantly. A standalone Baskin-Robbins averaging \$400K/year nets an owner-operator approximately \$30K–\$60K after all expenses. The dessert category rewards high-traffic locations — a mediocre location will not be saved by the brand name.

05 Auntie Anne's

Food & Beverage — Pretzels & Snacks

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
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\$30K	\$199K–\$385K	\$100K liquid	\$300K net worth	6% of gross sales	1% of gross sales	3–5 years
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Auntie Anne's operates primarily in malls, airports, and high-foot-traffic venues. The business model is dependent on location quality — an Auntie Anne's in a struggling mall is a very different business from one in a major airport or tourist destination. Lower food complexity than full restaurant concepts reduces labor requirements. Part of the Focus Brands family.

PROFIT REALITY CHECK

A well-located Auntie Anne's can generate \$400K–\$700K in annual revenue. After combined royalties/fees of 7%, food cost (~25%), and labor, net profit for owner-operators ranges from \$50K–\$120K in strong locations. Mall traffic decline has affected many locations — location selection is critical.

FULL DISCLOSURE

Retail mall traffic has declined significantly post-2020. If your available location is in a mall with anchor tenant vacancies or declining foot traffic, that trend directly impacts your revenue ceiling regardless of your operations.

06 Rita's Italian Ice

Food & Beverage — Frozen Desserts / Italian Ice

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$35K	\$130K–\$425K	\$100K liquid	\$250K net worth	6.5% of gross sales	2% of gross sales	3–5 years

Rita's is a seasonal concept in most markets — primarily spring through fall — which significantly affects annual revenue and cash flow planning. Strong brand in the mid-Atlantic and Northeast; growing nationally. Lower buildout cost options available. Simplicity of product (frozen desserts) means lower food preparation complexity and labor requirements than full food concepts.

PROFIT REALITY CHECK

Seasonality is the defining financial challenge for Rita's. A strong summer location may generate \$300K–\$500K in 6–7 months. Winter months bring near-zero revenue in northern markets. You must cash-flow plan for the off-season — rent, insurance, and loan payments do not stop when the weather turns cold.

FULL DISCLOSURE

If you are considering Rita's in a northern market, model your annual cash flow month by month. Do you have enough saved from summer revenue to cover fixed expenses through winter? Many Rita's operators underestimate this and find themselves in cash shortfalls by February.

07 Tropical Smoothie Cafe

Food & Beverage — Smoothies & Food

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$30K	\$277K–\$564K	\$125K liquid	\$350K net worth	6% of gross sales	3% of gross sales	3–5 years

One of the fastest-growing QSR (quick service restaurant) brands in the US. Tropical Smoothie Cafe has expanded its menu beyond smoothies to include wraps, flatbreads, and bowls — increasing average ticket and reducing dependence on smoothie seasonality. Strong franchise support infrastructure. This is the highest-investment entry in this category and pushes above the guide's general cap, included because the brand trajectory and unit economics justify the inclusion.

PROFIT REALITY CHECK

Locations average \$800K–\$1.2M in annual revenue. After 9% combined royalties/fees, labor (30–35%), food cost (28–32%), and occupancy costs, owner-operator net profit averages \$80K–\$150K for strong locations. Absentee ownership with a general manager reduces take-home but the model supports it at higher-revenue locations.

CATEGORY 2 — CLEANING & MAINTENANCE

5 franchises | Lowest entry: \$4K | Highest entry: ~\$155K total

Cleaning & Maintenance: The most overlooked category in franchising.

Commercial cleaning franchises have the lowest barriers to entry in all of franchising and some of the most reliable revenue profiles. B2B contracts mean you're not dependent on retail foot traffic or consumer discretionary spending. Offices, medical facilities, and schools need cleaning regardless of the economic cycle. The work is not glamorous — that's exactly why the market is underserved and the opportunity is real.

08 Jan-Pro Cleaning Systems

Cleaning & Maintenance — Commercial B2B Cleaning

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN

\$1K–\$3.5K	\$4K–\$50K	\$2.5K liquid	\$5K net worth	10% of gross sales	1% of gross sales	1–2 years
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Jan-Pro is a master franchise model — you buy a unit franchise from a regional master franchisee, who provides your initial accounts and ongoing support. You clean commercial spaces (offices, medical, industrial) under contract. The business can be run as a side operation initially and scaled by adding accounts and staff. One of the most accessible franchise entry points in any industry.

PROFIT REALITY CHECK

A Jan-Pro franchisee starting with \$5K in guaranteed accounts and growing to \$100K/year in revenue nets approximately \$55K–\$65K after royalties, supplies, and labor (if subcontracting cleaning). As a solo operator, labor cost is your time — which increases margin but limits scale.

FULL DISCLOSURE

The 10% royalty is above average but comes with guaranteed accounts from the master franchisee — meaning your first revenue is provided, not self-generated. Understand what happens when those accounts are not renewed and what your obligation is to replace them.

09 Stratus Building Solutions

Cleaning & Maintenance — Commercial Green Cleaning

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$2.7K–\$35K	\$4K–\$66K	\$3.5K liquid	\$5K net worth	5% of gross sales	0.5% of gross sales	1–2 years

Similar model to Jan-Pro with a green/eco-cleaning focus. Regional master franchisees provide initial accounts. Lower royalty rate than Jan-Pro (5.5% combined vs. 11%). Operates in the same B2B commercial cleaning space. Strong for urban markets where sustainability messaging resonates with commercial tenants.

PROFIT REALITY CHECK

With \$50K in annual revenue, Stratus franchisees net approximately \$35K–\$42K after royalties and supplies as owner-operators. Scaling to \$150K+ in accounts requires hiring staff — at which point labor becomes your primary cost management challenge.

10 Coverall

Cleaning & Maintenance — Commercial Cleaning

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
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\$6K–\$36K	\$15K–\$40K	\$6K liquid	\$10K net worth	5% of gross sales	0.5% of gross sales	1–2 years
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Coverall operates similarly to Jan-Pro and Stratus — a master franchise model with guaranteed initial accounts. One of the more established names in commercial cleaning franchising with over 8,000 franchise owners. Regional support centers handle billing and customer service, which reduces administrative burden on franchisees.

PROFIT REALITY CHECK

Coverall franchisees at \$75K in annual revenue net approximately \$50K–\$58K as owner-operators. The model has a realistic path to \$100K+ income within 2–3 years for operators who grow accounts consistently.

11 Chem-Dry

Cleaning & Maintenance — Carpet & Upholstery Cleaning

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$23.5K	\$56K–\$153K	\$30K liquid	\$50K net worth	Monthly flat fee (not % of revenue)	None	2–3 years

Chem-Dry is a residential and commercial carpet cleaning franchise using a proprietary carbonated cleaning process. The royalty structure is a flat monthly fee rather than a percentage of revenue — which means the more you earn, the lower your effective royalty rate. This is a significant advantage over percentage-based royalty models at higher revenue levels. Low overhead — operates from a van, no retail location required.

PROFIT REALITY CHECK

Average Chem-Dry operator revenue is \$100K–\$180K/year. With a flat royalty (approximately \$400–\$500/month) instead of a percentage, a franchisee doing \$150K/year keeps significantly more than they would in a percentage model. Net income for owner-operators typically ranges \$55K–\$90K.

12 Molly Maid

Cleaning & Maintenance — Residential House Cleaning

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$14.9K	\$110K–\$155K	\$50K liquid	\$150K net worth	6.5% of gross sales	2% of gross sales	2–3 years

Molly Maid is a residential cleaning franchise — you build a team of cleaners who service homes on recurring weekly or biweekly schedules. Recurring revenue model means predictable income once accounts are

established. Part of the ServiceMaster family of brands. Strong brand recognition in residential markets.

PROFIT REALITY CHECK

A Molly Maid with 200 recurring accounts generating \$600K in annual revenue nets approximately \$80K–\$120K for the owner after royalties, labor, supplies, and insurance. This is a managed business — you build and manage a team; you are not doing the cleaning yourself at scale.

FULL DISCLOSURE

Labor management is the primary operational challenge in residential cleaning. Turnover among cleaning staff is high industry-wide. Your ability to hire, train, and retain reliable cleaners directly determines your revenue consistency.

CATEGORY 3 — HEALTH, FITNESS & WELLNESS

5 franchises | Lowest entry: \$4K | Highest entry: ~\$500K total

Health, Fitness & Wellness: High demand, high competition, location dependent.

The fitness industry has grown consistently for two decades. The post-2020 landscape has shifted toward boutique fitness over big-box gyms. Member churn (cancellations) is a constant variable in the math — monthly recurring revenue looks great until you model churn rates. Location and market saturation are the two variables that most determine success in this category.

13

Jazzercise

Health & Fitness — Dance Fitness Instruction

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$1.25K	\$4K–\$10K	\$2K liquid	\$5K net worth	20% of gross receipts (above \$12.5K/year)	None below threshold	1 year

The lowest-cost franchise entry in this entire guide. Jazzercise franchisees are certified instructors who license the brand to teach Jazzercise classes. No retail location required — you can rent studio space per class. For someone already certified as a fitness instructor or willing to get certified, this is an extremely low-risk franchise entry point. Royalty kicks in above \$12,500 in annual revenue, meaning early growth is essentially royalty-free.

PROFIT REALITY CHECK

A Jazzercise instructor teaching 15 classes per week at \$12/participant with average class sizes of 15 can generate \$80K–\$120K annually. After the 20% royalty (on revenue above the threshold), net income for a strong instructor in a solid market runs \$55K–\$85K. This is a people business — your personality, energy, and community building determine your class size.

14 Snap Fitness

Health & Fitness — 24/7 Gym

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$29.5K	\$76K–\$395K	\$65K liquid	\$250K net worth	5.99% of gross sales	2% of gross sales	3–4 years

Snap Fitness is a compact 24/7 gym model — smaller footprint than Anytime Fitness or Planet Fitness, which reduces buildout and lease costs. Fully automated access means you can operate with minimal staff. Recurring membership revenue provides predictable monthly income once the member base is established.

PROFIT REALITY CHECK

A Snap Fitness with 400 active members at an average \$35/month generates \$168K in annual revenue. After 8% combined royalties/fees, lease, utilities, equipment financing, and insurance, net profit averages \$25K–\$55K in years 1–3, growing as membership base stabilizes.

FULL DISCLOSURE

Member acquisition in the first 12 months is the most critical and most expensive phase. Plan marketing spend of \$20K–\$40K in year one. A gym that opens without aggressive member acquisition spending will take 3–4x longer to reach break-even.

15 Anytime Fitness

Health & Fitness — 24/7 Gym

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$42.5K	\$107K–\$500K	\$80K liquid	\$300K net worth	~\$699/month flat fee	None (included in flat fee)	3–4 years

One of the largest gym franchise systems globally. Similar 24/7 automated model to Snap Fitness but with stronger brand recognition and a larger member community. Flat monthly royalty fee rather than percentage-based means higher effective rate at low revenue but capped upside for the franchisor at high revenue. Strong training and support infrastructure.

PROFIT REALITY CHECK

An Anytime Fitness with 600 members at \$40/month generates \$288K annually. After the flat royalty (~\$8.4K/year), lease, utilities, equipment, and staff, net profit for owner-operators averages \$50K–\$100K at stabilized membership. Year 1 is typically break-even or slight loss.

16 Club Pilates

Health & Fitness — Boutique Pilates Studio

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$49.5K	\$194K–\$398K	\$50K liquid	\$250K net worth	7% of gross sales	2% of gross sales	3–5 years

Club Pilates is the largest boutique Pilates franchise in the US. Reformer Pilates has strong retention rates compared to traditional gyms — members who get results stay. Monthly membership model with class packages. Premium price point (\$150–\$200+/month per member). Part of Xponential Fitness.

PROFIT REALITY CHECK

A Club Pilates with 250 active members at an average \$175/month generates \$525K annually. After 9% combined royalties/fees, lease, instructor payroll, and operating expenses, owner-operator net profit averages \$75K–\$130K at full capacity. Strong locations in affluent markets perform significantly better.

FULL DISCLOSURE

Instructor quality and availability is your primary operational risk. Pilates instructors require specific certifications and are in high demand. If you lose your lead instructor and cannot replace them quickly, class quality drops and member churn accelerates.

17 The Joint Chiropractic

Health & Wellness — Chiropractic Care

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$39.9K	\$213K–\$424K	\$100K liquid	\$300K net worth	7% of gross sales	2% of gross sales	3–4 years

The Joint is a membership-based chiropractic franchise — no insurance, no appointments, walk-in model. Monthly membership (\$70–\$80/month for unlimited adjustments) creates predictable recurring revenue. You do not need to be a chiropractor to own a Joint franchise — you hire licensed chiropractors to deliver the service.

PROFIT REALITY CHECK

A Joint with 300 active members at \$75/month generates \$270K annually. After 9% combined royalties/fees, chiropractor payroll (primary cost), and operating expenses, owner-operator net profit averages \$50K–\$90K. Chiropractor recruitment and retention is the primary operational challenge.

FULL DISCLOSURE

The Joint model is dependent on insurance-free cash payment — this is both an advantage (no insurance billing complexity) and a constraint (you cannot capture patients who only use insurance). Also note: you must hire licensed chiropractors in your state. Licensing requirements and scope-of-practice laws vary by state.

CATEGORY 4 — EDUCATION & TUTORING

4 franchises | Lowest entry: \$67K | Highest entry: ~\$339K total

Education & Tutoring: Recession-resistant, community-trusted, parent-driven.

Parents are among the most consistent spenders in any economic environment. Academic support services have strong retention — once a family finds a program that works, they stay. Education franchises reward operators who build community relationships and trust. This category also has strong demographic alignment with PEG's core audience — these businesses often thrive in communities where public school resources are underfunded.

18 Kumon *Education — Math & Reading Tutoring*

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$1K	\$67K–\$150K	\$70K liquid	\$150K net worth	~\$34–\$36 per enrolled student per month (flat fee)	None	2–3 years

Kumon has one of the lowest franchise fees in any category — \$1,000. The royalty structure is a flat per-student monthly fee rather than a percentage of revenue, which is unusual and beneficial at scale. Kumon operates as a supplemental education program (math and reading worksheets with instructor support) meeting 2–3x per week. Low-cost to operate — a rented classroom space and certified instructors are the primary requirements. Over 26,000 locations globally — one of the most proven franchise systems in this guide.

PROFIT REALITY CHECK

A Kumon center with 150 enrolled students at an average \$160/month generates \$24K/month in revenue. After the flat per-student royalty (~\$5,100/month at 150 students), rent, instructor payroll, and supplies, net profit for a center director/owner averages \$50K–\$85K annually at that enrollment level.

FULL DISCLOSURE

Kumon's enrollment is directly tied to your local marketing and school community relationships. Many successful Kumon owners are former teachers or education professionals with existing community networks. Cold-starting without those relationships takes longer.

19 Sylvan Learning

Education — Tutoring & Academic Support

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$42K–\$47K	\$73K–\$178K	\$40K liquid	\$100K net worth	8.9–9% of gross sales	2% of gross sales	2–3 years

Sylvan is one of the most established tutoring franchise brands in the US. Services include academic tutoring, test prep (SAT/ACT), and STEM programs. Flexible location options including shared spaces and school partnerships can reduce real estate costs significantly. Sylvan has shifted toward hybrid (in-center + online) delivery, which expands market reach beyond the immediate location.

PROFIT REALITY CHECK

A Sylvan location serving 80 active students at an average \$250/month generates \$240K annually. After combined 11% royalties/fees, instructor payroll, and occupancy costs, owner-operator net profit averages \$40K–\$75K. Strong performers with 150+ students earn significantly more.

20 Mathnasium

Education — Math Tutoring

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$47.5K	\$112K–\$149K	\$100K liquid	\$150K net worth	10% of gross sales	1% of gross sales	2–3 years

Mathnasium is math-specific tutoring using a proprietary 'Mathnasium Method.' The focus on a single subject simplifies instructor training and curriculum management. Membership model — students pay monthly, attend multiple sessions per week. One of the fastest-growing tutoring franchises with strong parent satisfaction scores.

PROFIT REALITY CHECK

A Mathnasium with 120 enrolled students at \$275/month generates \$396K annually. After 11% combined royalties/fees, instructor payroll (~40% of revenue), and occupancy, net profit for owner-operators averages \$55K–\$100K. The 10% royalty is on the high end for this category — worth modeling carefully.

21 Code Ninjas
Education — Kids Coding & STEM

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$39.9K	\$154K–\$339K	\$100K liquid	\$200K net worth	8% of gross sales	2% of gross sales	3–4 years

Code Ninjas teaches kids aged 5–14 programming, game development, and robotics in a structured dojo environment. The STEM education market has grown significantly as parents prioritize technology skills. Membership model with belt progression (similar to martial arts) creates strong retention incentive — kids want to advance. Relatively new franchise system (founded 2016) with rapid growth.

PROFIT REALITY CHECK

A Code Ninjas location with 100 active members at \$250/month generates \$300K annually. After 10% combined royalties/fees, instructor payroll, and occupancy, owner-operator net profit averages \$45K–\$85K. Year 1 and 2 are typically investment years with lower profitability as enrollment builds.

CATEGORY 5 — HOME SERVICES

5 franchises | Lowest entry: \$88K | Highest entry: ~\$178K total

Home Services: Low glamour, high demand, strong recurring revenue.

Home services franchises operate without retail locations, which dramatically reduces overhead compared to food or fitness. The work is essential, not discretionary — lawns still grow, windows still get dirty, mosquitoes still breed. Recurring service contracts provide predictable monthly revenue. Labor management is the primary operational challenge in this category.

22 Lawn Doctor
Home Services — Lawn Care & Treatment

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
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\$35K	\$100K–\$125K	\$50K liquid	\$150K net worth	9% of gross sales	2% of gross sales	2–3 years
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Lawn Doctor provides lawn treatment services — fertilization, weed control, aeration, and pest control — on recurring annual contracts. Vehicle-based operation — no retail location. Equipment and chemicals are the primary capital investment. Recurring contract revenue means once a customer is established, they renew annually without reselling. Proprietary equipment (Lawn Doctor's Turf Tamer) is part of the brand's service differentiator.

PROFIT REALITY CHECK

A Lawn Doctor with 400 residential accounts at an average \$500/year in service generates \$200K annually. After 11% combined royalties/fees, vehicle/equipment costs, and chemical supplies, owner-operator net profit averages \$55K–\$85K. Growing an account base from zero to 400 takes 2–3 years with consistent marketing.

23 Mosquito Joe

Home Services — Mosquito, Flea & Tick Control

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$42.5K	\$100K–\$165K	\$50K liquid	\$150K net worth	10% of gross sales	2% of gross sales	2–3 years

Mosquito Joe provides outdoor pest control through recurring seasonal treatment contracts. Vehicle-based, no retail location. The recurring contract model means a customer who signs up typically renews each season without re-selling. Part of the Neighborly (formerly Dwyer Group) franchise family — strong infrastructure and cross-referral network with other home services brands.

PROFIT REALITY CHECK

A Mosquito Joe with 500 seasonal accounts at \$400/season generates \$200K. Business is seasonal in most markets (spring–fall) which requires careful cash-flow planning for winter months. After 12% combined royalties/fees, vehicle, chemicals, and marketing, net profit averages \$45K–\$80K for active seasons.

FULL DISCLOSURE

Seasonality is real. In northern markets, the business may operate 6–7 months. Fixed expenses (loan payments, insurance, royalty minimums) continue year-round. Model your off-season cash flow before investing.

24 Window Genie

Home Services — Window Cleaning & Surface Treatment

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$37.9K	\$100K–\$178K	\$50K liquid	\$150K net worth	6% of gross sales	2% of gross sales	2–3 years

Window Genie provides residential and commercial window cleaning, pressure washing, gutter cleaning, and surface treatment services. Vehicle-based operation. Also part of the Neighborly franchise family. Relatively simple service delivery allows faster ramp-up than more technical home service categories. Lower royalty rate (6%) compared to several competitors in the category.

PROFIT REALITY CHECK

A Window Genie with 300 residential and commercial accounts averaging \$350/service 2x per year generates \$210K annually. After 8% combined royalties/fees, vehicle, equipment, and labor (if hiring), net profit averages \$55K–\$90K for owner-operators.

25 Mosquito Shield

Home Services — Mosquito Control

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$30K	\$60K–\$115K	\$35K liquid	\$100K net worth	7% of gross sales	1% of gross sales	1–2 years

Mosquito Shield is a growing alternative to Mosquito Joe with lower entry cost and lower combined royalty rate (8% vs 12%). Vehicle-based recurring contract model. Proprietary repellent-based treatment (vs. pesticide-based competitors) is a differentiator in markets with environmentally conscious customers. Earlier-stage franchise system — fewer locations means less proven data but potentially less market saturation in your area.

PROFIT REALITY CHECK

A Mosquito Shield with 400 seasonal accounts at \$375/season generates \$150K. After 8% combined royalties/fees, vehicle, and product costs, net profit averages \$55K–\$80K for active season owner-operators. Lower brand recognition than Mosquito Joe requires stronger local marketing investment.

26 Mr. Handyman

Home Services — Home Repair & Maintenance

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
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\$49.5K	\$120K–\$155K	\$50K liquid	\$150K net worth	7% of gross sales	2% of gross sales	2–3 years
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Mr. Handyman provides residential and commercial repair and maintenance services through a team of skilled technicians. The handyman/home repair market is among the most in-demand service categories nationally. Vehicle-based. You hire and manage technicians — you are not necessarily doing the work yourself. Also part of the Neighborly franchise family.

PROFIT REALITY CHECK

A Mr. Handyman with 4 full-time technicians generating \$600K in annual revenue nets owner-operators approximately \$80K–\$120K after 9% combined royalties/fees, technician payroll (~50% of revenue), and vehicle/equipment costs. Technician recruitment and retention is the primary growth constraint.

FULL DISCLOSURE

Skilled labor shortage in the trades is real and ongoing. Finding and keeping qualified handyman technicians is harder than it was 5 years ago. Your ability to pay competitively and create a good working environment directly determines your revenue capacity.

CATEGORY 6 — BUSINESS & FINANCIAL SERVICES

5 franchises | Lowest entry: \$2K | Highest entry: ~\$400K total

Business & Financial Services: White-collar franchises for a professional audience.

This category covers franchises that serve other businesses and consumers with professional services — tax preparation, printing, shipping, and travel planning. These are generally lower physical overhead than food or fitness concepts. The customer is often a repeat, loyal user of these services year after year.

27 Cruise Planners

Business Services — Home-Based Travel Agency

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$10.5K	\$2K–\$10K	\$2K liquid	\$5K net worth	3% of gross sales (host agency fee)	None	1–2 years

Cruise Planners is a home-based travel franchise — one of the lowest total investments in this entire guide. You operate as an independent travel agent affiliated with the Cruise Planners network, booking cruises and travel for clients and earning commissions. No physical location required. The business can be run full-time or part-time and is highly flexible. Full training provided — no travel industry experience required.

PROFIT REALITY CHECK

Income is commission-based — typically 10–16% of the booking value, minus the 3% host agency fee. A Cruise Planners agent booking \$500K in annual travel generates approximately \$55K–\$75K in gross commission, netting \$48K–\$65K after the host fee. Building a book of clients takes time — year one income is typically modest.

FULL DISCLOSURE

Travel is discretionary spending — it contracts in economic downturns. The COVID-19 period eliminated virtually all travel franchise revenue for 12–18 months. That risk is real and should factor into your financial planning. A home-based travel business has very low fixed costs which helped many agents survive — but revenue can go to near-zero in a black swan event.

28 H&R; Block
Financial Services — Tax Preparation

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$2.5K–\$8K	\$31K–\$149K	\$26K liquid	\$50K net worth	Varies by revenue (30–50% royalty on tax prep fees)	None	2–3 years

H&R; Block is one of the most recognized names in consumer tax preparation. Seasonal business — the vast majority of revenue is earned January–April. Year-round offices exist but require additional services (bookkeeping, financial services) to generate off-season revenue. Low franchise fee for the brand recognition. The royalty structure (percentage of tax prep fees, not gross revenue) is unusually structured — review carefully in the FDD.

PROFIT REALITY CHECK

A single H&R; Block location preparing 800 returns at an average \$250/return generates \$200K in tax season revenue. After royalties (which vary significantly based on your agreement), rent, staff, and marketing, net profit for an active season owner-operator averages \$30K–\$60K per tax season. Off-season revenue from bookkeeping can add \$15K–\$30K annually.

FULL DISCLOSURE

H&R; Block's royalty can run 30–50% of tax preparation fees depending on your franchise agreement tier — this is among the highest royalty rates in this guide. The brand recognition offsets this for high-volume locations. For lower-volume locations, the math can be challenging.

29 Liberty Tax Service

Financial Services — Tax Preparation

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$40K	\$58K–\$82K	\$40K liquid	\$150K net worth	14% of gross sales	5% of gross sales	2–3 years

Liberty Tax is the third-largest tax preparation franchise after H&R; Block and Jackson Hewitt. Similar seasonal model. Known for the waving Statue of Liberty costume marketing approach. Lower entry cost than a full H&R; Block territory. Combined royalty + marketing fee of 19% is high — revenue volume is what makes this work.

PROFIT REALITY CHECK

A Liberty Tax with 600 annual returns at \$200 average generates \$120K in tax season revenue. After 19% combined royalties/fees, seasonal staff, rent, and marketing, net profit averages \$20K–\$40K per tax season for an owner-operator. Owners who manage multiple locations improve the math significantly.

FULL DISCLOSURE

19% combined royalty and marketing fee means nearly 1 in 5 dollars of revenue leaves before you pay a single other expense. Model this carefully against your projected return volume and average fee per return.

30 Minuteman Press

Business Services — Printing & Marketing Materials

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$35K	\$75K–\$175K	\$50K liquid	\$150K net worth	6% of gross sales (only on sales above \$300K)	None below threshold	2–3 years

Minuteman Press is a B2B printing and marketing materials franchise. Businesses need printing — business cards, signage, promotional materials, direct mail — consistently regardless of economic cycles. The royalty structure is unusually favorable: 0% on the first \$300K in annual revenue, then 6% only on revenue above that threshold. This means a location doing \$250K/year pays zero royalty.

PROFIT REALITY CHECK

A Minuteman Press generating \$400K in annual revenue pays royalty only on \$100K (6% = \$6,000/year). After this favorable royalty structure, labor, equipment, and supplies, owner-operator net profit averages \$70K–\$110K. B2B relationships build slowly — year one requires aggressive client acquisition.

31 The UPS Store

Business Services — Shipping, Printing & Mailbox Services

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$29.9K	\$150K–\$400K	\$75K liquid	\$150K net worth	5% of gross sales	2.5% of gross sales	3–4 years

The UPS Store offers shipping, packaging, printing, mailbox services, and notary services. One of the most recognized retail service brands in the US. High foot traffic from both shipping customers and mailbox holders creates consistent daily volume. The business is genuinely recession-resistant — people ship packages in all economic conditions.

PROFIT REALITY CHECK

Average UPS Store generates \$400K–\$600K in annual revenue. After 7.5% combined royalties/fees, lease (primary cost — must be retail accessible), staff, and supplies, net profit for owner-operators averages \$50K–\$90K. Absentee ownership is possible but requires a strong manager — owner-operator economics are meaningfully better.

CATEGORY 7 — SENIOR CARE & HOME HEALTH

4 franchises | Lowest entry: \$68K | Highest entry: ~\$180K total

Senior Care: High demand, mission-driven, and complex to operate.

The US population is aging. By 2030, all Baby Boomers will be 65 or older. Demand for in-home senior care will increase for decades. These franchises provide non-medical home care — companionship, meal prep, transportation, daily living assistance. You are not a medical provider. You are a care coordinator and staff manager. The operational challenge is caregiver recruitment and retention in an industry with high turnover. The revenue model often involves Medicaid and long-term care insurance reimbursement — which carries policy and payment timeline risks.

FULL DISCLOSURE

MEDICAID AND INSURANCE REIMBURSEMENT — READ THIS BEFORE YOU INVEST IN THIS CATEGORY: Several senior care franchise models rely partially or significantly on Medicaid waiver reimbursement. Medicaid reimbursement rates are set by state governments and can be reduced at any budget cycle. Payment timelines from Medicaid can run 30–90 days, creating cash flow gaps you must fund out of pocket. If your state reduces Medicaid rates or changes waiver eligibility, your revenue model changes with it. These businesses can be excellent investments — but go in with full awareness of the reimbursement dependency and plan your cash reserves accordingly.

32 Visiting Angels

Senior Care — Non-Medical Home Care

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$45K	\$68K–\$122K	\$40K liquid	\$200K net worth	3.5% of gross sales	None	2–3 years

Visiting Angels is one of the largest non-medical home care franchise systems in the US. The 3.5% royalty rate is the lowest in this category — a significant advantage given that gross margins in home care are already compressed by caregiver labor costs (typically 55–65% of revenue). No medical licensing required to own the franchise — you hire caregivers and coordinate care. Strong brand recognition with families seeking care for aging parents.

PROFIT REALITY CHECK

A Visiting Angels generating \$700K in annual revenue pays only \$24,500 in royalties. After caregiver labor (~60% of revenue), office staff, insurance, and operating costs, owner-operator net profit averages \$60K–\$120K. Revenue ramps slowly in year one as client base builds through referral networks (hospitals, doctors, social workers).

33 Right at Home

Senior Care — Non-Medical & Skilled Home Care

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$48.5K	\$88K–\$149K	\$75K liquid	\$200K net worth	5% of gross sales	2% of gross sales	2–3 years

Right at Home provides both non-medical companion care and skilled nursing services through a network of caregivers and nurses. The skilled care component allows higher billing rates than non-medical care alone. Strong training and operational support from the franchisor. Over 700 locations globally — well-established system.

PROFIT REALITY CHECK

A Right at Home generating \$800K annually pays \$56K in combined royalties/fees. After caregiver payroll (~58%), office staff, insurance, and operating costs, net profit averages \$65K–\$110K for owner-operators. Skilled care billing is higher margin than companion care — building that component of your business improves the economics.

34 Home Instead

Senior Care — Non-Medical Home Care

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$60K	\$125K–\$175K	\$50K liquid	\$200K net worth	5.5% of gross sales	0.5% of gross sales	2–3 years

Home Instead is one of the most recognized names in non-medical senior care. Now owned by Honor Technology, which has invested in technology infrastructure to support franchisee operations. Strong referral network from the medical community (hospitals, discharge planners, geriatric care managers). Comprehensive training program.

PROFIT REALITY CHECK

A Home Instead generating \$1M annually pays \$60K in combined royalties/fees. After caregiver labor (~60%), admin, insurance, and operating costs, net profit for active owner-operators averages \$80K–\$130K. The \$60K franchise fee is the highest in this category but the brand recognition and referral infrastructure justifies the premium in established markets.

35 BrightStar Care

Senior Care — Medical & Non-Medical Home Care

FRANCHISE FEE	TOTAL INVESTMENT	LIQUID REQUIRED	NET WORTH REQ.	ROYALTY	MKTG FEE	AVG BREAK-EVEN
\$47.5K	\$100K–\$180K	\$100K liquid	\$250K net worth	5.25% of gross sales	0.75% of gross sales	2–3 years

BrightStar Care is the only franchise in this guide that provides both non-medical home care AND skilled medical care (registered nurses, licensed practical nurses, certified nursing assistants). The medical care component allows significantly higher billing rates and access to insurance reimbursement beyond Medicaid. Joint Commission accreditation is available — which opens corporate and institutional contracts.

PROFIT REALITY CHECK

BrightStar locations have higher revenue potential than non-medical-only care franchises due to the medical staffing component. Locations averaging \$1.5M in annual revenue net owner-operators \$120K–\$180K after 6% combined royalties/fees and operational costs. The higher liquid requirement (\$100K) reflects the need for working capital during the longer ramp-up period for medical staffing operations.

FULL DISCLOSURE

Operating a medical staffing franchise requires navigating healthcare licensing, nurse and CNA recruitment (currently a national shortage), and insurance credentialing. The revenue ceiling is higher than non-medical care but the operational complexity is also higher. This is the most sophisticated franchise in this category — appropriate for operators with management experience and strong working capital.

SECTION 4 — HOW TO ACTUALLY BUY A FRANCHISE

The franchise buying process is more structured than most people expect. It typically takes 3–6 months from first inquiry to signing day. Here is the sequence in the order it actually happens.

Self-Assessment & Financial Audit**01**

Before you look at any specific franchise, audit your own situation: How much liquid capital do you actually have? What is your real net worth? What is your credit score? What is your risk tolerance? Do you want to be an owner-operator (working in the business daily) or an absentee investor (hiring management)? What industries match your skills and interests? What geography are you willing to operate in? These answers eliminate 80% of franchises before you research a single one. Do not skip this step.

Research & Shortlisting**02**

Research franchises that match your capital, geography, and interest. Sources: Franchise Grade (franchisegrade.com), Franchise Direct (franchisedirect.com), Entrepreneur's Franchise 500 (entrepreneur.com), and FRANdata. Shortlist 3–5 franchises you want to learn more about.

Initial Inquiry & Discovery Call**03**

Contact each franchisor through their website or a franchise consultant. You'll be contacted by a franchise development rep — this person's job is to sell you on the franchise. They are not a neutral advisor. The discovery call is your first real conversation about the opportunity. Ask about item 19 (financial performance) early. If they're evasive, note that.

FDD Review — With an Attorney**04**

After the discovery call, you'll receive the FDD. You have a legally mandated 14-day review period before you can sign anything. Hire a franchise attorney to review it. Not optional. The attorney will flag unusual clauses, identify what's missing, and explain what you're agreeing to in plain language.

Franchisee Validation Calls**05**

Item 20 of the FDD lists all current and former franchisees with contact information. Call at least 10 current franchisees and 3–5 former franchisees. Former franchisees — especially those who left recently — are your most valuable source of honest information. Ask them the questions in Section 5 of this guide.

Discovery Day**06**

Most franchisors invite serious candidates to a Discovery Day at their headquarters. You meet the leadership team, tour the operation, and see the culture firsthand. This is also when the franchisor is evaluating you as a candidate. Come prepared with informed questions — not softballs.

Business Plan & Financing

07

If you're financing any part of the investment, your lender will require a business plan. Model your projected P&L; honestly — use Item 19 data if available, and apply conservative assumptions, not the best-case scenarios. SBA loan processing takes 60–90 days after approval. Start early.

Franchise Agreement Signing

08

The franchise agreement is the binding legal contract between you and the franchisor. It is different from the FDD — the FDD is disclosure, the agreement is the deal. Your attorney should review the franchise agreement before you sign. Once signed, most agreements are 10 years with renewal options. The franchise fee is typically due at signing.

Training & Pre-Opening

09

Most franchisors require initial training — typically 1–3 weeks at headquarters plus on-site support during opening. During this period you're also finalizing your location, completing buildout, hiring staff, and preparing for launch. This is the most operationally intense period of the entire process.

Opening & The First 90 Days

10

The first 90 days are when most of your opening investment is spent and when your revenue is lowest. This is when working capital matters most. Most franchisors provide opening support — use it. Track your actuals against your business plan projections weekly. If something is off, identify it early.

SECTION 5 — QUESTIONS TO ASK BEFORE YOU SIGN ANYTHING

These are not the questions on the franchisor's FAQ page. These are the questions that reveal what it actually looks like to operate in this system — asked to current franchisees, former franchisees, and the franchisor directly. Do not skip validation calls.

ASK CURRENT FRANCHISEES

Q: If you knew then what you know now, would you buy this franchise again?

This is the single most important question. The answer — and the hesitation before it — tells you more than any data point.

Q: What does your average month actually look like financially, after all fees and expenses?

You want a real number. If they won't give one, ask if they're comfortable or struggling. Watch for deflection.

Q: What does the franchisor do well? What do they do poorly?

Every system has both. A franchisee who says everything is perfect is not being honest with you.

Q: How long did it take you to break even and start paying yourself consistently?

Compare this to what the franchisor told you in the discovery call.

Q: How does the franchisor respond when you have a problem or a complaint?

Support responsiveness is the number one franchisee complaint across all systems.

Q: What do you wish someone had told you before you opened?

Open-ended. People answer this honestly.

ASK FORMER FRANCHISEES

Q: Why did you leave the system?

Voluntary exit, sale, non-renewal, or termination — each tells a different story.

Q: Did you make money during your time in the franchise?

And if not, what was the primary reason?

Q: Was the franchisor's support and disclosure accurate to what you experienced?

Specifically: were the financial performance representations (Item 19) realistic?

Q: Would you warn someone away from this franchise? Why or why not?

Former franchisees who left voluntarily often still respect the system. Those who were terminated or failed often have important information.

ASK THE FRANCHISOR DIRECTLY

Q: What percentage of your franchisees renew at the end of their agreement?

High renewal rate = franchisees are making money. Low renewal rate = warning sign.

Q: How many locations have closed in the past 3 years and why?

This is in the FDD (Item 20) but ask them to explain it. Closures happen — the explanation matters.

Q: What is the average time to profitability based on your Item 19 data?

If they don't have Item 19 data, ask why not. Most successful franchisors are proud to share it.

Q: What happens to my franchise agreement and territory if you are acquired or merge with another company?

Franchisor acquisitions happen and can change the operating relationship significantly.

Q: Can I speak with franchisees who are not on your 'approved' reference list?

If they only provide curated references, use the full Item 20 list from the FDD to find your own contacts.

WHAT NOBODY TELLS YOU

The franchisor's development team is a sales team. Their job is to help you fall in love with the opportunity. The current and former franchisees are your reality check. Spend more time talking to franchisees than to the franchisor's representatives. The deal will still be there after you've done due diligence. If the franchisor pressures you to decide before you've finished your research, that pressure itself is the answer.

Ready to go deeper?

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