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Many manufacturer websites tout the ease and profitability of starting your own bouncer business. Parents who've rented a bouncer think it seems like an easy way to make some extra cash. It sounds like a good idea too. You start to calculate in your mind, if I had 5 bouncers, I'd have an extra \$500 a week in cash!

But a bouncer business is a BUSINESS first and there are costs many people don't take into account. Let's take a closer look at the small backyard bouncer business.

Sam has \$10,000 worth of credit on his personal credit card, so he buys 4 bouncers to start off his business. He buys a trailer and a hand truck, takes out an ad in the yellow pages at \$100 a month, sets up a web site and buys some business cards to hand out. After investing in carpet remnants, cleaners, extra towels, and various odds and ends he'll need including business and rezoning licenses for his house, he's invested the entire \$10,000 into his business.

Bouncers	\$ 7,200.00
Shipping	\$ 300.00
Supplies	\$ 300.00
Trailer	\$ 600.00
Website	\$ 1,000.00
Hand Truck	\$ 100.00
Misc	\$ 500.00
	<b>\$10,000.00</b>

He forgot to factor insurance into his plan, so after much calling and waiting and many quotes he finds a policy for \$4000. He's pretty lucky at this point in the game to have gotten it.

So, he sets out on his first setup. It's not as easy as it looked- he struggles with issues that never occurred to him to think about. Narrow gateways, sloped yards, fire ants and dog poo, clients that argue over safety issues, and always, the weather! It is more physical than he imagined as well- he's exhausted.

He adjusts to the issues and is still pleased with his business, after all, he's putting an extra \$350-\$500 a week in the bank and that feels good. People are referring him business but he'd like to have all the units out each weekend. He invests in a postcard direct mailing and gets a great response. He's busy all the time! He wonders how long his back will hold out- so when a neighbor's kid offers to work for him, he

offers him \$25 per setup. He figures that's what he's paying himself as well, even if he doesn't actually see it in his hand.

At the end of the season, he relaxes and looks at his bank account, expecting to feel a sense of fulfillment only to be amazed at how little money is there. What happened to all that work? Where did the money go?

Let's take a look. Sam's season, realistically, is about 36 weeks. He charges \$125 for all day. He had 118 rentals this season:

Bouncer 1	\$ 125.00	36	\$ 4,500.00
Bouncer 2	\$ 125.00	34	\$ 4,250.00
Bouncer 3	\$ 125.00	28	\$ 3,500.00
Bouncer 4	\$ 125.00	20	\$ 2,500.00
		118	<b>\$14,750.00</b>

So far, so good! Nearly \$15,000 is a good part time income for warm weekends. But then he pulls out his expenses and is shocked to see how the little things add up:

Yellow Pages	\$ 1,200.00
Postcards	\$ 500.00
Insurance	\$ 4,000.00
Labor	\$ 2,950.00
Gas and Vehicle	\$ 590.00
Taxes .08	\$ 1,180.00
Printing & Postage	\$ 118.00
Misc Supplies	\$ 300.00
	<b>\$10,838.00</b>

His actual profit for the year was: **\$3912**. He shakes his head in disbelief. He worked heavy labor for 8 months for less than \$4000? He suspects gas and additional maintenance on his vehicle cost more than his estimate of \$5 per delivery as well. Half of the labor charges were to himself, but still, he didn't get into the business to make \$100 a day setting up and tearing down 4 moonwalks. Gritting his teeth, he estimates he put in about 10 hours a week, so he's looking at an investment of 3600 hours of his time. And he'll have to pay income taxes on that amount, bringing his real earnings to around \$3000. He hasn't even paid off his initial \$10,000 investment yet.

He quickly runs the numbers on his competitor who only charges \$100 a bounce rental and is shocked- he wonders if the guy realizes he only netted \$1198 which amounts to less than \$1000 after income taxes. He suspects his competitor isn't insured, saving him about \$4000, but it's still a lot of work for \$5000 a year!

Sam's wife looks over his shoulder and asks where he accounted for all the hours she put in on the phone and printing rental agreements for him. He shakes his head, realizing he hasn't even accounted for office staff. She figures if she had been paid minimum wage, she ought to have been paid about \$2500, at the minimum. And she's not including the time she put into the accounting.

His bottom line is about **\$500**. He is totally crushed. And his insurance renewal fee is going up. His wife is upset that they never do anything together on the weekend anymore. At that profit level, it will take him years just to pay off his initial investment. He thinks he should sell his inventory for \$5000 and cut his losses.

On a whim, he decides to see what would happen if he raised his prices to \$150 a day. Including paying his wife \$2500 a year for answering the phone, his net before income taxes is \$4126. Definitely better-and he does enjoy the business. He also decides to look at the numbers if he adds a slide or other higher-income item to the mix. He'll call his insurer first so that he can factor in the increased insurance and see if it's worth it to put more money and effort into the business, or to take back his weekends and move on.

Small bouncer businesses are costing many owners more than they are taking in- but most people don't realize it. I would urge anyone who is considering starting a bouncer business, particularly in high competition areas, to take a realistic look at the figures before calling your favorite manufacturer and handing over your credit card. If you are in an area where you cannot charge any more than \$100 per rental, it's highly unlikely that you can be profitable with just a few bouncers.

If you think you can get into the business and build your clientele by charging less than your competitors- think twice. You will be working every bit as hard as they do, for less money. It takes just as much time to talk on the phone, prepare rental agreements, travel, set up and take down a bounce for \$100 as it does for \$150. You just make \$50 less.

If you feel you have to drop prices to meet competitors- consider your actions very carefully. If you book fewer rentals, sure you make less. But you also work less and put less wear and tear on your units and your vehicle. With gas costs continuing to go up, that's not a small amount. Do you really want to work for less? Is it worth it to you?

As a part-time income generator bounces don't make a lot of sense anymore, if they ever did. It's a business and there are fixed costs associated with running a business, both in time and money. If you aren't prepared to become a large operator with a lot of bounces and a staff OR add higher income-generating inflatables to your inventory (along with the higher insurance and setup costs), take a hard look at how much revenue you'll really be taking in for your efforts. Owning your own business is a lifestyle choice, but it needs to ultimately be profitable for you.

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