

The six-section flow

Work through sections 01 to 06 in order. The right panel updates live as you type.

UCUnit Cost CalculatorTRUE COST PER UNIT ANALYSISUp to 5 Products / Services

Product 1 +

1Product / Service Identity

Define what you are costing

PRODUCT OR SERVICE NAME

Product 1

BUSINESS TYPE

Product

DEFINE YOUR "UNIT" (WHAT YOU ARE COSTING)

e.g., 1 shirt, 1 widget, 1 box

Be specific about your unit. If this isn't clear, your cost model will break down downstream.

2Expected Volume

Fixed cost allocation depends entirely on this estimate

EXPECTED UNITS SOLD (PERIOD)

e.g., 1000

PERIOD (LABEL ONLY)

e.g., per month, per year

Use a realistic, conservative estimate — not a best-case number. Overestimating volume will understate your true unit cost.

3Direct (Variable) Costs Per Unit

Costs that increase directly with each unit sold

COST ITEM	COST PER UNIT	
Materials / Inputs	\$ 0.00	x
Direct Labor	\$ 0.00	x
Packaging	\$ 0.00	x
Shipping / Fulfillment	\$ 0.00	x

UNI R BREAKDOWN

Product 1

COST COMPONENTS

Enter cost data on the left to see your unit cost breakdown

COMMON MISTAKES

WATCH OUT FOR

- Ignoring owner's salary — it is a real cost of the business
- Using best-case volume to allocate fixed costs
- Underestimating labor time in service delivery
- Forgetting returns, waste, or rework as indirect costs
- Not updating the model as volume or costs change

Sections 04, 05, and 06 are below the fold — scroll to reach them.

What each section is for

- 1

Identity
Name your product. Define exactly what one "unit" is.
- 2

Volume
Conservative monthly or annual unit volume.
- 3

Direct Costs
Per-unit costs traceable to one unit.
- 4

Indirect Variable
Period total for variable costs not tied to one unit.
- 5

Fixed Overhead
Period total for rent, salaries, software, owner's pay.
- 6

Selling Price
Optional — unlocks margin and break-even analysis.
- R

Results Panel
Live unit cost, margins, break-even, sensitivity.

Inputs in action

Same form, filled in: 500 t-shirts/month, \$25 selling price.

UC

Unit Cost Calculator

TRUE COST PER UNIT ANALYSIS

Up to 5 Products / Services

Custom Logo T-Shi...

+

01

Product / Service Identity

Define what you are costing

PRODUCT OR SERVICE NAME

BUSINESS TYPE

Custom Logo T-Shirt

Product

DEFINE YOUR "UNIT" (WHAT YOU ARE COSTING)

One adult-size, single-color front-print t-shirt

Be specific about your unit. If this isn't clear, your cost model will break down downstream.

02

Expected Volume

Fixed cost allocation depends entirely on this estimate

EXPECTED UNITS SOLD (PERIOD)

PERIOD (LABEL ONLY)

500

e.g., per month, per year

Use a realistic, conservative estimate — not a best-case number. Overestimating volume will understate your true unit cost.

03

Direct (Variable) Costs Per Unit

Costs that increase directly with each unit sold

COST TYPE

COST PER UNIT

Blank t-shirt (wholesale)

\$ 4.50

X

Ink and supplies

\$ 0.80

X

Direct production labor

\$ 1.50

X

Polybag and hang tag

\$ 0.30

X

UNIT COST BREAKDOWN

Custom Logo T-Shi...

COST COMPONENTS

Direct Costs Per Unit

Sum of variable costs per unit

\$7.85

Blank t-shirt (wholesale)

\$4.50

Ink and supplies

\$0.80

Direct production labor

\$1.50

Polybag and hang tag

\$0.30

Payment processing (3%)

\$0.75

Indirect Variable Cost/Unit

\$750.00 ÷ 500 units

\$1.50

Fixed Overhead Cost/Unit

\$8,000.00 ÷ 500 units

\$16.00

Total Unit Cost

\$7.85 + \$1.50 + \$16.00

\$25.35

MARGIN ANALYSIS

CONTRIBUTION MARGIN

GROSS MARGIN

\$15.65

\$-0.35

Price - Variable Costs

-1.4% of price

BREAK-EVEN POINT

Units to Break Even

512 units

What changed when we filled it in

- A

Unit defined precisely
"One adult-size, single-color, front-print t-shirt" — not just "t-shirts."
- B

Volume = 500
Conservative figure based on past 6 months (range was 420 to 640).
- C

Five direct cost lines
Shirt, ink, labor, packaging, payment processing — totaling \$7.85.
- D

Right panel updates live
 $\$7.85 + \$1.50 + \$16.00 = \25.35 total.
Indirect and fixed convert to per-unit only after Volume is set.
- Tip — try several scenarios**
Once filled in, change one input at a time and watch the right panel respond. Try different volumes, prices, or fixed cost levels. Each what-if takes seconds.

Reading the results

All four output blocks: cost components, margins, break-even, and sensitivity.

UNIT COST BREAKDOWN

Custom Logo T-Shi...

COST COMPONENTS

Direct Costs Per Unit	\$7.85
Sum of variable costs per unit	
Blank t-shirt (wholesale)	\$4.50
Ink and supplies	\$0.80
Direct production labor	\$1.50
Polybag and hang tag	\$0.30
Payment processing (3%)	\$0.75
Indirect Variable Cost/Unit	\$1.50
\$750.00 ÷ 500 units	
Fixed Overhead Cost/Unit	\$16.00
\$8,000.00 ÷ 500 units	
Total Unit Cost	\$25.35
\$7.85 + \$1.50 + \$16.00	

MARGIN ANALYSIS

CONTRIBUTION MARGIN

\$1

Price - Variable Costs

GROSS MARGIN

-\$0.35

-1.4% of price

BREAK-EVEN POINT

Units to Break Even

Fixed costs ÷ Contribution margin

512

VOLUME SENSITIVITY

UNITS SOLD	FIXED/UNIT	TOTAL UNIT COST
125	\$64.00	\$77.85
250	\$32.00	\$42.85
375	\$21.33	\$31.18
500	\$16.00	\$25.35
750	\$10.67	\$19.52
1,000	\$8.00	\$16.60
1,500	\$5.33	\$13.68

COMMON MISTAKES

WATCH OUT FOR

- Ignoring owner's salary — it is a real cost of the business
- Using best-case volume to allocate fixed costs
- Underestimating labor time in service delivery
- Forgetting returns, waste, or rework as indirect costs
- Not updating the model as volume or costs change

Five things to read off the panel

- 1

Total Unit Cost = \$25.35
Direct \$7.85 + Indirect \$1.50 + Fixed \$16.00. The price floor.
- 2

Contribution Margin = \$15.65
Price minus variable costs. Each shirt sold contributes \$15.65 toward fixed costs and profit.
- 3

Gross Margin = -\$0.35
Price minus TOTAL cost. Negative means fixed costs aren't being covered at this volume.
- 4

Break-Even = 512 units
Fixed costs ÷ contribution margin. We need 12 more shirts/month than forecast just to cover overhead.
- 5

Volume sensitivity table
Shows total unit cost at 25% to 300% of forecast volume. Sell 750/month and unit cost drops to \$19.52.

The owner's three levers

- Raise price (each \$1 up = \$1 more contribution margin)
- Sell more units (spreads \$8,000 fixed cost wider)
- Cut fixed costs (lowers the break-even bar)

Re-run the calculator with each lever moved to compare impact.