

GIFTS AND CRAFTS GUIDE

Business Startup Guide and Workbook

A start guide for getting your own business off the ground.

Veteran's Strategic Solutions LLC — Business Model Series

VETERAN'S STRATEGIC SOLUTIONS LLC

This guide works anywhere in the United States. Dollar figures are estimates from public sources, not quotes. Wherever there is a blank line, write in your own answer.

You make things with your hands and sell them to people who want something that was not made in a factory.

Woodwork, leather, candles, soap, jewellery, engraved and burned pieces, textiles, metalwork, pottery, cutting boards, signs, ornaments.

You are not competing with mass production and you must never try. A factory makes a cutting board for four dollars. You cannot. What you are selling is that a person made this one, and increasingly that it was made for the person buying it.

What this is not: printing designs on blank products, which is a different business, or buying wholesale and reselling, which is another one again. This is making the thing.

It is a widely observed problem in this trade, not a single formal study: by most informal estimates, well over half — commonly cited at approximately 60 percent — of craft fair vendors are not factoring their labour costs into their prices at all.

That is the defining failure of this trade, and it happens the same way every time: you leave your own time out of the calculation.

The materials for those earrings cost \$8. You sell them for \$22 and feel like you made \$14. But they took forty-five minutes, so you earned about eighteen dollars an hour before overhead — and once booth fees, platform fees, packaging and the pieces that did not sell come out, you may have earned nothing at all.

Part 3 is the most important section in this guide. If you take one thing from this document, take the formula.

- Can you make the same thing forty times without the fortieth being worse? Consistency separates a business from a hobby.
 - Can you charge a stranger triple what the materials cost and not apologise for it?
 - Are you willing to do the boring part — packaging, listings, inventory, bookkeeping? It is most of the work.
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About three out of four new businesses make it through their first year. About half are still running at five years. About one in three make it to ten.

Two honest caveats. Those numbers barely move by trade — federal data shows only a few points between the best and worst industries. And they count businesses with employees on a payroll, so a man working alone is largely not in them.

What is in your favour: you can test this for a few hundred dollars and one Saturday.

What is against you: your time is the product and there are only so many hours. That ceiling is real and it arrives faster than people expect.

What separates the ones who last:

Charging properly. See above. It is the whole game.

Making fewer things, better. Forty products means forty things you are mediocre at.

Money that repeats. One-off gift buyers are seasonal. Wholesale accounts, corporate orders and custom commissions are a business.

Surviving January. This trade is brutally seasonal and it catches people out.

Snapshot

Money to start	\$300 to \$3,000 materials and tools, plus \$300 to \$800 booth setup
Storefront needed	None. Garage, spare room, kitchen table
Skill gate	You need to actually make good things
Licence	Sales tax permit. Some categories have product rules
Time to first dollar	Two to eight weeks
Target net margin	60 to 75 percent retail, 33 to 50 percent wholesale

Part 1 — What It Costs to Start, by Craft

Ranges below are typical published figures for a home-based maker, not a workshop with teaching space. Tools and equipment typically account for 30 to 40 percent of a craft startup.

Craft	Tools and equipment	Starting materials	Notes
Beading and wire jewellery	\$100 to \$400	\$200 to \$600	The lowest barrier of any craft here
Metalsmithing jewellery	\$400 to \$1,400	\$300 to \$1,000	Torch, bench, tumbler push it up
Candles	\$150 to \$500	\$200 to \$500	Melter, thermometer, scale, moulds
Soap	\$150 to \$500	\$200 to \$600	Read Part 2 before you label anything
Leatherwork	\$300 to \$1,200	\$300 to \$800	Hides are the cost. Buy remnants first
Sewing and textiles	\$300 to \$1,500	\$200 to \$600	Machine quality is the whole difference
Woodworking	\$800 to \$5,000+	\$300 to \$1,000	See the warning below
Engraving and burning	\$300 to \$2,500	\$150 to \$500	The machine is nearly all of it
Resin and casting	\$150 to \$600	\$200 to \$500	Ventilation is not optional
Pottery	\$1,500 to \$6,000+	\$200 to \$500	The kiln is the barrier

Two warnings on the woodworking line

Safety gear is a real cost and it is routinely left out. A comprehensive kit for one person is \$200 to \$400 — safety glasses \$10 to \$30, hearing protection \$15 to \$50, respirator \$20 to \$100, gloves \$15 to \$40, apron \$30 to \$80.

Dust collection and ventilation run \$1,500 to \$14,000 depending on shop size. You can start smaller than that, but do not start with nothing. This applies to resin and pottery too.

And know your waste rate. Lumber waste in woodworking commonly runs 20 to 30 percent — that offcut is a real material cost and it belongs in your pricing.

The overrun that catches everybody

Buying premium tools before you have demand, and overstocking raw materials before you know what sells. Those are the two most common cost overruns in craft startups. Mid-range tools and small material buys until the market tells you what to make more of.

Part 2 — Product Rules, by Category

Most crafts are unregulated. A few are heavily regulated, and one category catches people entirely by accident. Spend an hour here before you label anything.

Soap, and the line that decides everything

This is the most misunderstood rule in handmade goods, and it is genuinely simple once you see it.

“True soap” is regulated by the Consumer Product Safety Commission, not the FDA — and the CPSC has no specific labelling requirements for true soap that is not intended for children under 12.

To qualify as true soap under the FDA's interpretation, the bulk of the nonvolatile matter must be alkali salts of fatty acids — what you get combining fats or oils with lye — and the only claim on the label is that it cleanses.

The moment you say it moisturises, exfoliates, deodorises or beautifies, it becomes a cosmetic and falls under the FDA.

The moment you say it treats acne, kills bacteria, or heals anything, it becomes a drug and the rules become far stricter. The FDA maintains an import alert for cosmetics carrying drug claims.

The practical rule: say “gently cleanses,” not “treats dry skin.” That one sentence keeps most small soapmakers entirely out of FDA jurisdiction.

If you are making cosmetics

The Modernization of Cosmetics Regulation Act of 2022 — MoCRA — was the biggest change to cosmetics regulation in decades, and it is now in force:

- Facilities that manufacture or process cosmetics must register with the FDA and list their products, with registration renewed every two years
- Labels must carry a US address, phone number or electronic contact so consumers can report adverse reactions
- Ingredients are listed in descending order by weight using standard international nomenclature, with anything at 1 percent or less listed in any order afterwards and colours last
- Ingredient text must be at least 1/16 inch high where the label has room

MoCRA exempts certain small businesses from the good manufacturing practice, registration and product listing requirements — but those exemptions do not apply to some categories, including products that regularly contact the mucous membrane of the eye.

The FDA publishes a “Small Businesses and Homemade Cosmetics” fact sheet. Read it. It is short and it is written for you.

One thing worth knowing: the FDA has never defined “natural” for cosmetic labelling.

Products for children under 12

This is the category people wander into by accident — a wooden toy, a child's apron, a novelty soap shaped like a crayon.

Products primarily intended for children 12 and under require a permanent tracking label, third-party testing including for lead, and a Children's Product Certificate.

That is a real compliance burden. It is not a reason to avoid the category, but it is a reason to know before you make a hundred units.

Categories to check yourself

I have not verified the specifics on these and you should confirm them directly before selling:

- Candles — warning labelling is an industry standard and some retailers require it
- Textiles and clothing — fibre content and care labelling rules apply
- Food, jam and baked goods — governed by your state's cottage food law, which limits what you can make and where you can sell it

A useful resource: the Handcrafted Soap and Cosmetic Guild is the trade body for this sector and provides compliance training. There are estimated to be over 350,000 small businesses making handcrafted soap and cosmetics in the United States, so you are not the first person to have these questions.

Part 3 — Making It a Real Business

Step 1. Pick one thing and get good at it

Not “crafts.” One product line you can make consistently and improve on. Every scattered maker sells less than every focused one.

My product: _____

Step 2. Sales tax permit

You are selling physical goods, so most states require registration before your first sale. A resale certificate also lets you buy materials wholesale without paying tax on them, which matters once you are buying in bulk.

Step 3. Sole proprietor or LLC

Filing fees run \$35 to \$500 by state, about \$132 on average, plus annual fees from nothing to \$800. Start as a sole proprietor unless you are making something with real product liability. Check licensing, zoning, and tax rules for your own city and state before starting.

Step 4. Get an EIN — it is free

Apply at irs.gov. Five minutes, no cost. Craft fairs and wholesale buyers will ask for it.

Step 5. Open a business bank account

Separate from personal, from day one.

Step 6. Insurance

Vendor liability insurance runs \$200 to \$400 a year, or \$50 to \$75 per event if you only do a few. Many craft fairs require proof of it before they will accept your application.

Add product liability if you are making anything that goes on skin, in a mouth, or into a child's hands.

Step 7. Understand what you owe

Self-employment tax of 15.3% on net business income plus income tax. Quarterly if you expect to owe \$1,000 or more federally — April 15, June 15, September 15 and January 15, moving to the next business day when one falls on a weekend or holiday. Set aside 25 to 30 percent of net.

Track your materials properly. Inventory and cost of goods sold are handled differently from ordinary expenses, and this trade generates a very large number of small receipts.

Part 4 — The Formula

Learn this and use it on every single item, including for family.

(Materials + Labour + Overhead) × Multiplier = Retail Price

Materials

Every physical thing in the product, at the price you actually paid.

Calculate per unit from bulk. A 10lb bag of soy wax at \$25 making 20 candles is \$1.25 of wax per candle.

Do not use bulk pricing you are not yet paying. If you buy at retail today, your cost is retail today.

Include the invisible ones: packaging, labels, hang tags, the box, tissue paper, the shipping mailer.

Include waste. Woodworking runs 20 to 30 percent lumber waste. Leather, fabric and paper all have offcut loss. That is material you paid for.

Labour — the line everybody skips

Pay yourself \$15 to \$25 an hour for skilled handmade work. \$30 to \$50 if the skill is specialised — metalwork, advanced sewing, fine art.

The test: what would you have to pay somebody else to do this work? That is your rate.

Time yourself honestly — cutting, setup, making, finishing, cleanup, packaging. Not just the interesting part.

Overhead

Use 15 to 25 percent of materials plus labour as a starting allocation.

Or calculate it properly, which is better. Total your annual business costs — platform fees, booth fees, advertising, tools, software, packaging, website — and divide by the number of items you expect to sell.

Worked example: \$2,115 of annual costs across 500 expected sales gives \$4.23 of overhead per item.

The multiplier

Selling to	Multiplier	Resulting margin
Retail — direct to customer	2.5 to 4×	60 to 75 percent
Wholesale — to a shop	2× your cost, or retail ÷ 2	33 to 50 percent
Consignment or boutique	Price at 4× cost	The shop adds its own ~50 percent

Lower-priced items need a higher multiplier. A 2× markup on a \$5 item earns you \$5. On anything under about \$30, use 3× or more.

Margins below 40 percent on retail are a warning sign — it almost always means labour or overhead is not being counted.

Worked example, with the check that matters

Illustrative, using verified rates and the verified formula.

A hand-poured candle:

Wax, wick, fragrance, jar	\$4.50
Label, box, packaging	\$1.25
Labour — 20 minutes at \$20/hr	\$6.67
Overhead at 20 percent	\$2.48
Total cost	\$14.90
Retail at 2.5×	\$37
Wholesale at retail ÷ 2	\$18.50

Now check the wholesale line. Your cost is \$14.90 against a wholesale price of \$18.50. That is \$3.60 of margin, which is not a business.

For wholesale to work, your total cost must be at or below 25 percent of your retail price. Here it is 40 percent.

So this product is not a wholesale product as currently made. Either the cost comes down — bulk materials, faster process, batch production — or the retail price goes up, or you sell it direct only.

That check is why the formula matters. It does not just set a price. It tells you which sales channels a product can survive in.

How long things take — set your own benchmarks

The labour line is only as good as your timing, and you cannot borrow somebody else's.

Time yourself on ten units of your main product. Not one — ten. The first is always slow and the tenth is closer to true. Take the average of the last five.

Time the whole cycle, not the making. Setup, making, curing or drying supervision, finishing, cleanup, packaging.

Re-time after fifty units. You will be faster, and that is a real gain you should either bank as margin or pass on as a lower price to win wholesale.

Batch production changes the arithmetic completely. Candles and soap in particular scale — twenty poured at once is far less than twenty times one. Time a batch and divide, rather than timing a single unit.

Part 5 — Where to Buy Materials

Buying at craft-store retail destroys the margin the formula depends on. Your formula assumes bulk pricing; here is how to get it.

Get your resale certificate first. Most genuine wholesale suppliers require one before they will open an account.

Where to buy:

- Craft-specific wholesale suppliers. Nearly every craft has dedicated trade suppliers — candle and soap supply houses, jewellery findings wholesalers, leather suppliers, lumber yards selling rough-sawn rather than dimensioned.
- Buy direct from a lumber yard or mill, not a home improvement store, once you know what you use.
- Manufacturer direct for packaging, boxes, labels and bottles. Minimum orders are higher and per-unit cost is far lower.
- Wholesale lots and liquidation for findings, hardware and components.
- Buying groups and trade associations — some negotiate member pricing.

On minimum order quantities: the whole point of wholesale is committing to volume. Do not commit to a minimum on a product you have not sold yet. Buy small at retail prices for the first run, prove it sells, then move to bulk — and recalculate your prices when you do.

When supplier prices rise, recalculate and reprice within the same quarter. Most makers absorb increases silently for a year and wonder where the margin went.

Part 6 — Where You Sell, and What Each Channel Takes

Channel	What it costs you
Craft fairs and markets	Booth fee, plus everything in Part 7
Etsy	6.5% transaction + 3% processing + \$0.20 listing — roughly 10 percent on a \$45 item
Amazon Handmade	Flat 15 percent referral, no listing fee
Your own site	Payment processing only, around 3 percent — but you drive all the traffic
Wholesale to shops	50 percent of retail
Consignment	Typically 30 to 50 percent to the shop, and you carry the risk until it sells

You save roughly 10 percent at a fair by having no platform fee. Pocket it as margin, or pass some on as an event discount without touching your real margin.

Keep prices consistent where customers can see both channels. Somebody who paid \$37 at the fair and finds it at \$28 online will not buy from you again.

Part 7 — What a Craft Fair Actually Costs

The booth fee is the smallest part of it, and this is where the money quietly goes.

One-time setup

Item	Cost
Tent, 10 × 10	\$100 to \$300
Tables	\$30 to \$80 each
Weights for the tent	\$50 to \$150 — outdoor events will require these
Tablecloths, display fixtures, risers	\$80 to \$200
Signage	\$50 to \$150
Lighting	\$40 to \$120
Card reader	\$0 to \$60
Total setup	\$300 to \$800

Per event

Item	Cost
Community pop-up	From \$25
Open craft fair, one day or weekend	\$50 to \$300, plus a \$0 to \$25 application fee
Established market or mid-size fair	Commonly \$50 to \$150
Outdoor event	\$75 to \$400
Larger juried festival or expo	\$350 to \$600+
Premium expo	\$2,000+
Card processing	2.6 to 2.9 percent plus a flat fee — about \$15 on a \$500 day
Inventory to fill a booth	\$2,000 to \$5,000 at retail value for a weekend fair

The break-even calculation, before you book

Total event cost divided by your average profit per item = the number of items you must sell.

A \$300 booth requiring 15 sales at \$20 profit each is a reasonable bet. The same booth requiring 60 sales probably is not, unless you have a specific reason to expect an unusual crowd.

At an established mid-size market, expect to break even on your first appearance and start profiting by the second or third. Crowds at that tier commonly run 500 to 2,000 people.

The thirty-hour reality

This is the arithmetic nobody does, and it is the most important number in this section.

A typical time breakdown for a single craft show, illustrative rather than a specific sourced case: roughly four hours packing, driving, setting up and taking down. Around ten hours in the preceding month on promotion, product tagging, display design and a practice setup. Plus the event itself.

Call it thirty hours for one show, before you count the time making the product.

If you clear \$200 of profit on that show, you earned a little over six dollars an hour.

That is not an argument against craft fairs. It is an argument for pricing so that a good show is worth thirty hours, and for dropping the events that are not.

Part 8 — The Market Test

One small craft fair tells you more than three months of research.

Book the cheapest local event you can find — a church bazaar, a school fundraiser, a farmers market. \$25 to \$50.

What to bring: twenty to forty pieces across three or four price points. Prices clearly displayed — a customer who has to ask often just walks. A notebook.

What to write down during the day, not after:

- Every item somebody picked up. Handling is the most reliable signal you will get
- Every item picked up and put back, and why if you can tell
- Everything asked for that you did not have. That is your next product
- Reaction to price. A wince is information. No reaction at all usually means you are too cheap
- How many walked past without slowing

How to read the day

What happened	What it means
One or two items sold out, rest untouched	Found your product. Go deep, drop the others
Steady interest, few sales	Usually price. Try one more event before changing
Nobody stopped	Display or concept is not reading. Ask a neighbouring vendor what they think you sell
Everything sold in two hours	You priced too low. Raise it and find the ceiling

Do two events before committing to a product line. One can be weather, or the wrong crowd.

Event 1 sales: _____ · Most-asked-for item I did not have: _____

The counterintuitive part: selling out is usually bad news. It feels like the best possible result and it means you left money on the table.

Part 9 — Seasonality, and the January Problem

October through December is enormous, and many makers earn the majority of their annual revenue in ten or twelve weeks. Then January arrives and nothing happens for three months.

Plan production in summer for the autumn season. You cannot make three months of inventory in three weeks, and everybody tries.

Book your holiday events by August. The good ones fill early and juried events close applications months ahead.

Build the non-gift lines deliberately:

- Weddings — spring and summer, and people spend
- Corporate orders — client gifts, employee recognition, conference items. Bulk, on invoice
- Custom commissions — memorials, retirements, anniversaries. Year-round, because life is year-round
- Wholesale accounts — shops reorder on their own schedule, not the gift calendar

Budget across twelve months. If December is 40 percent of your year, that money has to carry February.

My biggest month: _____ · My plan for January to March: _____

Part 10 — What Actually Sells

Personalisation is the single best margin lever

A generic item competes with every factory on earth. The same item with a name, a date, coordinates, or a unit crest does not.

It adds minutes and often doubles what you can charge. Charge a custom fee — \$10 to \$50 or more depending on the work — and never do custom for free.

Where the repeat money is

One-off gift buyers are seasonal and do not come back. These do:

- Corporate clients — employee recognition, client gifts, conference giveaways. One order can be a hundred units
- Wedding and event planners
- Local shops carrying your line wholesale
- Realtors — closing gifts, on every single sale

- Funeral homes and memorial commissions
- Units, VFW and Legion posts, first responder departments — retirements, promotions, awards, memorials

That last one is worth naming plainly. Retirement plaques, unit awards, coin displays, engraved gifts and memorial pieces are ordered every year by organisations with budgets — and almost always from a catalogue, with results that look like it.

You know what the piece is supposed to say, what the crest should be, and why the wording matters. That is a genuine advantage and it costs nothing to use.

Part 11 — Your First Customers

- Make ten to twenty pieces and sell them at one small event. Priced with the formula, not with your nerves.
- Photograph everything properly — natural light, plain background, one piece in use.
- Collect emails and phone numbers at every sale.
- Approach two local shops with three samples and a wholesale price sheet.
- Call your unit, the VFW post, and one realtor.

What to actually say

When somebody picks something up: “That’s one of my favourites.” Then stop. Talking is how makers lose sales that were already made.

When they ask if you made it: this is the question the business runs on. Answer with a specific: “I did — that one takes about three hours, mostly the sanding.” The detail is what justifies the price.

When they say it is expensive: “It is more than a store-bought one. There are four hours in that piece.” Say it once, pleasantly, and stop. Never discount on the spot.

When they ask for a custom version: “I can do that. Custom is [your fee] on top, and it takes about two weeks.”

Approaching a shop: “I make these locally. I’ve brought three samples and a wholesale sheet — I’d leave these with you and come back Thursday.” Leave the samples. It works.

When a shop asks for consignment instead of wholesale: understand what you are agreeing to. You keep the risk, you are not paid until it sells, and your stock sits in somebody else’s shop. Reasonable with a shop that does not know you. Ask for wholesale first.

Part 12 — Pricing Tiers

Tier	What it looks like
Low	Under \$25. Impulse buys, ornaments. Needs 3× or more to be worth making
Mid	\$30 to \$80. Where most handmade sells
Premium	\$100+. Custom, commissioned, larger, personalised

Build a range with all three and lead with the middle.

The low tier matters more than it looks — it is what somebody buys when they are unsure, and it is how they become the customer who later buys the \$120 piece.

Bundle rather than discount. “Three for \$60” protects your unit price. “20 percent off” teaches people to wait.

Have one deliberately expensive piece on the table. It anchors everything else, and occasionally somebody buys it.

Part 13 — Money Help for Veterans

VR&E, Chapter 31 — what is actually true.

The self-employment track is widely advertised as VA funding to start a business. The regulation requires that your service-connected disabilities be severe enough that self-employment is the only reasonably feasible career path for you. It is not a track you simply choose. In 2021, 162 veterans were in it out of more than 80,000 using VR&E overall.

The long-term services track is different and far more commonly used. It covers vocational school, technical certificates and trade programs with no tuition cap, and can cover tools, equipment and certification exam fees.

The catch: VR&E is an employment program, not an education program. If a counselor determines you can reasonably obtain suitable work with the training you already have, it gets denied. Anything funded must sit inside an approved individualised employment plan developed with your counselor.

Apply with VA Form 28-1900 and put the question to your counselor. Do not plan around a yes.

Free and reliable to everyone, no rating required: Small Business Development Centers, SCORE mentoring, Veterans Business Outreach Centers.

Part 14 — The Three Places People Get Stuck, and How to Get Past Them

1. Leaving your own labour out of the price

By most estimates, well over half of craft fair vendors — commonly cited at approximately 60 percent — do not factor labour into their pricing at all. Materials cost \$8, you charge \$22, and it feels like a healthy margin — until you count the forty-five minutes, the booth fee, the packaging and the pieces

that did not sell.

The fix: the formula, every time, including for friends and family. Materials, plus labour at a real rate, plus overhead, times 2.5 to 4. Write the number down before you decide how you feel about it.

2. Making forty different things

Every new maker wants to try everything, and variety feels like it gives customers choice. What it actually does is spread your skill thin, multiply your material costs, and fill your table with things nobody asked for.

The fix: three to five products. Get good at those. One weekend at a market will usually tell you which.

3. Being ambushed by January

A spectacular fourth quarter feels like proof the business works. Then January, February and March produce almost nothing, the money is gone, and you are wondering whether any of it was real.

It was real. It is seasonal, and seasonal businesses need a twelve-month budget.

The fix: decide in August. Book holiday events early, build production over the summer, develop the corporate, wedding, custom and wholesale lines, and spread the December money across the whole year.

None of these are reasons not to start. They are the three potholes in the road, and every one of them is avoidable if you know it is coming.

Part 15 — Your First 90 Days

Days	What you do
1 to 14	Pick one product. Check whether your category has product rules. Cost it with the formula.
15 to 30	Sales tax permit, resale certificate, EIN, bank account. Book one small event. Get vendor insurance.
31 to 45	Make twenty to forty pieces. Time yourself on ten of them. Photograph everything.
46 to 60	First event. Track what is picked up, what is asked for, and reactions to price.
61 to 75	Drop what did not move. Go deeper on what did. Second event.
76 to 90	Approach two shops with a wholesale sheet. Call one unit, one post, one realtor.

The One Number to Track

Your effective hourly rate.

Take everything you earned in a month. Subtract materials, booth fees, platform fees and packaging. Divide by the hours you actually worked — making, packing, listing, driving, standing at the table.

That number is the truth about this business, and it is the one nobody calculates.

If it is below minimum wage, you are not running a business yet, and the answer is almost always the price rather than the effort. If it is above \$25 an hour, you have something real.

Month 1: \$___/hr Month 2: \$___/hr Month 3: \$___/hr

After year one, switch to: percentage of revenue from repeat and wholesale accounts. One-off gift buyers are a treadmill. Accounts are a business.

Where This Goes If It Works

One product, done well, sold at markets. Weekends only, seasonal, no employees. A genuinely good second income, and plenty of people never want more.

Wholesale to shops. Fewer, larger orders. Less selling, thinner per unit, far more predictable.

Custom and commission work. Highest margin per hour, no inventory risk, and the customer comes to you.

Corporate and institutional. Bulk orders on invoice, ordered annually, and almost nobody local is competing for them.

The One-Page Version, If You Read Nothing Else

- Pick one product. Not crafts. One thing.
 - $(\text{Materials} + \text{Labour} + \text{Overhead}) \times 2.5$ to 4. Every item, including for family.
 - Pay yourself \$15 to \$25 an hour minimum. By most estimates, approximately 60 percent of vendors skip this line.
 - Time yourself on ten units and average the last five. Batch production changes the arithmetic completely.
 - Wholesale only works if your total cost is at or below 25 percent of retail. Check before agreeing.
 - Get a resale certificate and buy materials wholesale. Craft-store retail destroys the formula.
 - If you make soap, say “gently cleanses,” not “moisturises.” That keeps you out of FDA jurisdiction.
 - Anything for children under 12 needs tracking labels, third-party testing and a certificate.
 - Booth setup is \$300 to \$800 one-time. A show can be thirty hours of your life. Price accordingly and drop the events that do not pay.
 - Plan for January in August.
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A Last Word

The hardest thing in this trade is not making the item. It is writing a number on a tag that reflects what the work is worth, and then not apologising for it when somebody reads it.

Do the arithmetic before you set the price, and let the arithmetic be the answer. That is not arrogance. It is the difference between a business and an expensive hobby.

This guide is a starting framework, not legal, tax, regulatory or financial advice. Product safety, labelling, licensing and tax requirements vary by category, state and locality and change over time. Cosmetic, soap and children's product rules described here reflect federal guidance current as of August 2026 — verify directly with the FDA and CPSC before labelling or selling. Candle, textile and cottage food requirements are noted as areas to check and were not verified for this guide. Startup costs, material costs, booth fees and the worked examples are estimates and illustrations gathered from public sources, not quotes.

Startup Checklist

Use this checklist to turn the guide into a sequence of actions for your own market and circumstances.

Done	Startup action	Owner	Target date
■	Choose the business structure you will use.		
■	Get an EIN and open a separate business bank account.		
■	Check licensing, zoning, and tax rules for your own city and state before starting.		
■	Confirm insurance needs before accepting work or inventory.		
■	Complete the local market test described in the core guide.		
■	Build the startup budget and record actual costs.		
■	Set pricing using your own costs and required margin.		
■	Prepare customer terms, estimate and invoice forms.		
■	Launch outreach and record every lead and result.		

Equipment and Budget Worksheet

List only the tools, equipment, supplies, software and services required for the version of the business you plan to launch.

Item	Required or optional	Estimated cost	Actual cost	Supplier or source

Budget summary	Amount
Startup total	
Monthly fixed costs	
Working cash reserve	
Total funding needed	

Pricing and Estimate Template

Complete the cost fields with your own numbers. Use the pricing guidance in the core guide for the business-specific method.

Estimate field	Details or calculation	Amount
Customer and project		
Materials or inventory		
Labor hours and rate		
Equipment or venue		
Travel or delivery		
Subcontractors		
Overhead allocation		
Contingency or risk allowance		
Subtotal		
Applicable tax		
Estimated total		
Deposit and payment schedule		
Estimate expiration date		

Invoice Template

Business information	Customer information
Business name:	Customer name:
Address:	Company:
Phone:	Billing address:
Email:	Phone:
Tax ID:	Email:

Invoice number	Invoice date	Due date	Project or job
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Description	Quantity	Rate	Amount
Subtotal			
Tax			
Payments or deposits			
Balance due			

Payment method and terms:

Job Log and Lead Tracker

Record every inquiry, estimate, job and follow-up so the business can be managed from actual results.

Date	Lead or customer	Source	Need or job	Estimate	Status	Next action
Period	Leads	Estimates sent	Jobs won	Revenue	Follow-ups due	

Compliance and Safety Page

Check licensing, zoning, and tax rules for your own city and state before starting.

Review	Requirement or safety point from the core guide
■	Safety gear is a real cost and it is routinely left out. A comprehensive kit for one person is \$200 to \$400 — safety glasses \$10 to \$30, hearing protection \$15 to \$50, respirator \$20 to \$100, gloves \$15 to \$40, apron \$30 to \$80.
■	“True soap” is regulated by the Consumer Product Safety Commission, not the FDA — and the CPSC has no specific labelling requirements for true soap that is not intended for children under 12.
■	To qualify as true soap under the FDA's interpretation, the bulk of the nonvolatile matter must be alkali salts of fatty acids — what you get combining fats or oils with lye — and the only claim on the label is that it cleanses.
■	The moment you say it moisturises, exfoliates, deodorises or beautifies, it becomes a cosmetic and falls under the FDA.
■	The moment you say it treats acne, kills bacteria, or heals anything, it becomes a drug and the rules become far stricter. The FDA maintains an import alert for cosmetics carrying drug claims.
■	The practical rule: say “gently cleanses,” not “treats dry skin.” That one sentence keeps most small soapmakers entirely out of FDA jurisdiction.
■	Facilities that manufacture or process cosmetics must register with the FDA and list their products, with registration renewed every two years
■	The FDA publishes a “Small Businesses and Homemade Cosmetics” fact sheet. Read it. It is short and it is written for you.
■	One thing worth knowing: the FDA has never defined “natural” for cosmetic labelling.
■	That is a real compliance burden. It is not a reason to avoid the category, but it is a reason to know before you make a hundred units.
■	Agency or authority contacted: _____
■	Written confirmation or permit saved at: _____
■	Review date: _____ Renewal or recheck date: _____

Launch Readiness

PLAN	SET UP	PRICE	SELL	TRACK
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Use the worksheets in this guide to record your own numbers, decisions and results.

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