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# How to Start a Cleaning Business in 6 Steps

By [Meaghan Brophy](#) on May 28, 2019 | [How To](#), [How to Start a Business](#), [Starting a Business](#) | [Comments \(18\)](#)

Starting a cleaning business offers huge profit potential with minimal startup costs. To start, you just need a business plan, proper licenses and insurance, some cleaning supplies, and a solid marketing strategy. A savvy entrepreneur who doesn't mind doing dirty work can start a profitable cleaning company for \$1,000 to \$2,000.

When starting your own cleaning business, it's important to separate your personal and business finances. [Chase Business Checking](#) offers one of the most competitive fee structures, unlimited cash deposits, and you can open an account with a minimum of \$25. First-time Chase Total Business Checking account holders are being offered up to a \$200 bonus for opening a new account. Visit Chase to sign up.

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Here's how to start a cleaning business in six steps:

# 1. Create a Budget

You will need to spend a little to start your cleaning business. But, it is possible to start a cleaning business for less than \$1,000. Your budget will mostly consist of licenses and permits, basic cleaning products, and advertising. In the beginning, you may work by yourself. But if you plan on hiring a cleaning staff, be sure to budget for labor.

Here's a breakdown of the estimated costs for starting a cleaning business:

- **Licenses and permits:** \$30 to \$60 if you register as a sole proprietor or \$100 to \$500 if you register as a limited liability company.
- **Insurance:** \$500 to \$3,500 annually depending on number of employees. Expect to pay a few hundred dollars per month.
- **Cleaning equipment and products:** \$300 to \$600 depending on the type of tools. High-quality vacuums can cost \$200 to \$300, \$10 for several large all-purpose cleaning solutions, \$10 for a broom, \$20 for a mop, and \$20 for dusting supplies.
- **Advertising:** \$100 to \$200 for print and online marketing.
- **Labor:** Roughly \$11.63 per employee, per hour.

With these numbers, you can launch an operational cleaning business for as low as \$930. While it's possible to start your business for less than \$1,000, it's always a good idea to have more funds available. With any new business, it can take time before you start seeing a profit, so having funds to cover a few months' worth of expenses or any incidentals that pop up is a smart business move.

*“When I first started, I had a lot of extra money saved up from my previous employment. With the help of my husband, we were able to put up our own cleaning business. Honestly, it is better to be safe than sorry, so I would recommend that you have more than \$2,000 to start with.”*

*– Joanna Douglas, owner at [Clean Affinity](#)*

## 2. Choose the Right Business Structure

Prior to launching your cleaning business, you need to have it registered. Registering your business is necessary for opening a business bank account, applying for loans, and hiring employees. Registering your business involves choosing a business or legal structure, a name, and planning for taxes.

### Best Business Structures for Cleaning Companies

The two most popular [business structures](#) for small businesses are sole proprietorships and limited liability companies (LLCs). Many bootstrapped startups register their business as a sole proprietor. There’s not a lot of paperwork involved under this business structure. Plus, as the owner and sole proprietor, you have absolute control over your business.

The biggest disadvantage to a sole proprietorship is that there is no distinction between your business and personal assets. That means you are held liable if your business goes under due to debt, and your personal assets could be at risk.

Other cleaning businesses register as a limited liability company (LLC), which gives owners some protection from personal liability. So, if your cleaning company were to go out of business due to debt, your personal assets are more likely to be protected. However, the tax structure of an LLC is a little more complicated than a sole proprietorship, and LLCs have higher startup costs.

If you opt to form an LLC, we recommend working with a solution like [Incfile](#) to save money while registering your business. With Incfile, you can register your business for free; just pay the cost of your state fees. Visit Incfile to learn more.

[Visit Incfile](#)

## How Taxes Work for Cleaning Businesses

Your taxes will depend on the type of business you register. If you registered as a sole proprietor, you won't have to submit a separate tax report for your company's profits and losses. You will just have to file a form for individual income tax where your personal and business incomes are considered the same. With a sole proprietorship, you are subject to regular personal tax rates, instead of corporate tax rates.

Taxes under an LLC are much more complicated. Your company can be taxed as a sole proprietor, partnership, S corporation (S-corp), or C corporation (C-corp) depending on certain variables and what makes the most sense for your individual business. There are certain pros and cons for each tax treatment. You can find more information in our small business owner's [guide to LLC taxes](#).

## Choosing a Business Name

Naming your business is a crucial step that requires careful consideration. Ideally, your business name will be around for a long time, so make sure it is something you truly love. The name of your company can reflect your name, the services your business provides, or company ideals or promises.

To help you out here, we created the [ultimate business name generator](#). You just have to enter your services, area, and your name as the founder. The tool generates multiple suggestions which you can use as a starting point to come up with your own unique idea. Once you have the final list, head to the United States Patent and Trademark Office to check which names are still available.

## Franchise Option

Franchises are another popular and profitable option to consider when starting a cleaning business. With a franchise, you have the benefit of name recognition, regional or national marketing efforts, and established procedures and guidelines already in place. One disadvantage of starting a franchise is that you give up a lot of the creative freedom that comes with owning a small business, and have less of a say when it comes to operational procedures.

*“A secret I would like to share with everyone is that it’s a great idea to pick a good franchise that will take care of the marketing for you. You should focus on building good systems and practices—the core of every business’ growth. And choosing to be a franchisee will mean having this core already established for you. Be smart and choose a franchise company that has experience working with hundreds of similar*

*companies—a franchise company that has created and implemented systems leading to a successful cleaning business.”*

– Rune Sovndahl, CEO of [Fantastic Services](#)

## Organize Your Business Finances

Another important step in setting up your cleaning business is organizing your finances. Having your business finances separate from your personal finances makes it easier to manage your cash flow, organize your taxes, and can help protect your personal assets should anything go wrong.

[Chase Business Checking](#) is an excellent option for small businesses. They have nearly 4,900 branches, 16,000 ATMs, a mobile app, and an easy-to-use website. Receive a \$300 welcome bonus when you [open an account today](#).

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## 3. Get the Proper Licenses & Insurance

Licensing requirements can vary depending on your location, so check with your state, city, and county governments. Some cities require cleaning businesses to secure an occupational license while some only require you to file a Doing Business As (DBA) form.

The registration process may sound intimidating, especially to first-time entrepreneurs. However, the process is usually straightforward and can take as little as one day.

## Insurance

With any cleaning business, accidents can happen. For example, an employee might unintentionally break a mirror or knock a television off of its stand. Liability insurance is critical for protecting your business when accidents happen. For cleaning businesses catering to commercial clients, liability insurance is a must-have.

Before you get started cleaning your first property, it's important to find [janitorial insurance](#) you can count on. [AP Intego's](#) nationally licensed agents shop and compare your coverage needs to get you the right coverage at an affordable price, fast. Reach out for a free, no-obligation quote.

Visit AP Intego

## Bond

A bond is a form of insurance that acts as a financial guarantee against the terms of the bond. Obtaining a bond shields your business and your clients from losses due to employee theft. Many clients prefer cleaning businesses that are bonded, as they are guaranteed protection from any theft. Investing in a bond can provide peace of mind for you and your clients.

## Workers' Compensation

As you grow and hire more employees, your state might require you to pay into [workers' compensation](#). This type of insurance protects your employees from injuries and illnesses sustained on the job. It provides compensation in the form of wage and benefit replacement to your employees if they're injured on the job and can't continue to work. In exchange, employees relinquish the right to sue their employer for negligence.

Specific workers' comp requirements vary by state and by industry. If you're using a payroll management service, workers' comp is often something your payroll solution provider can manage for you. Many accounting solutions, such as [QuickBooks](#), also have options for managing workers' comp insurance.

If you're looking for an affordable workers' comp policy for your cleaning business, we recommend [The Hartford](#). The Hartford integrates with payroll providers to create accurate premiums, and has a pay-as-you-go program to ensure that your insurance costs are always reflective of existing employees. Submit a quick online application to get started with a free quote.

[Visit The Hartford](#)

## 4. Purchase Cleaning Equipment

Purchasing or renting professional cleaning tools and supplies to handle any cleaning job is an important step in starting your cleaning business. Buying powerful and effective cleaning solutions is key, but you may also want to consider alternative cleaning supplies to cater to a wide variety of customer needs. For example, scent-free products may be necessary for customers with allergies or other sensitivities. Other customers may request natural or organic products.



Here are some of the basic supplies you will need:

- Cleaning uniform or apron with multiple pockets to store essential items
- Window cleaner
- Paper towels
- Cloths
- Latex gloves
- Scrubbing brushes
- All-purpose cleaner
- Duster
- Sponge
- Disinfectants

You can purchase everything at your local grocery store as you launch your business and figure out which products you prefer. However, as your business grows and you get a feel for which products work best, consider purchasing your supplies in bulk from a wholesaler or a local janitorial supplier. Cutting your supply costs will help your business become more profitable.

*“When we started our business in 1994, we started with \$3,500 in the bank. Today, I would expect that the price to launch a cleaning business could be much cheaper because of the option to rent. During the time that we launched our business, we had to go out and purchase a ton of equipment, but today, there are several options for you to rent supplies and necessary cleaning machines on a per day usage.”*

– Cornell Alston, President of Operations, *Bright & Clear Floor Care*

## 5. Set Your Rates & Your Business Model

Cleaning services typically charge a \$50 to \$90 hourly fee, or a **flat rate** of \$120 to \$150 for a single-family home. Factors such as your location, your competition, your clientele, and the size and condition of the home will determine the exact fee you charge. Many cleaning businesses also offer upgrade options, such as window cleanings, appliance cleanings, or wall washings, for an additional fee.

Regardless of your pricing model, you'll need an easy way to bill your clients so you can get paid in a timely manner. **Chase Merchant Services** offers affordable payment processing rates and has a mobile app for accepting payments on the spot. All you need is your mobile phone, the Chase Mobile Checkout app, and a card reader. Visit Chase to get started.

[Visit Chase Merchant Services](#)

Here are three ways different cleaning businesses determine their fees:

### Hourly Rate

Hourly rates are by far the most common billing method for cleaning services. The easiest way to establish your hourly rate is to call your competitors and ask them how much they charge. They have most likely conducted their own research and have factored in all expenses in their current rates, including labor, equipment use, gas, and products. Use competitor rates as a guide for determining your own hourly rates, while also factoring in your specific costs of doing business.

## Flat Rate

If you are familiar with the houses and establishments in your area, you can use that knowledge to your advantage by charging a flat rate. Estimate the number of hours it will take you to clean a particular house and offer that rate to your customer. The advantage here is that you provide a fixed price for your services. Many customers prefer this cleaning rate because they know the exact amount they will have to pay for your service, regardless of how long the job takes.

## Square Foot Rate

Charging by the square foot is typically reserved for cleaning businesses that target large villas or vacation homes. These types of properties often have rooms and spaces that are rarely used and may require more manpower for an ultra-deep clean. Therefore, many companies set higher hourly rates for properties that are bigger than 1,000 square feet. For example, if you charge \$25 per hour for a single-family home, consider charging \$30 per hour for homes bigger than 1,000 square feet and \$40 per hour for properties larger than 2,000 square feet.

Regardless of the type of rate you choose, it's a good idea to outline the specific services that are included with a typical apartment or home cleaning. For example, a basic cleaning might include dusting,

wiping, vacuuming, and mopping. But spot cleaning walls or windows may be extra. Outlining which services are included and which services come with an extra fee helps set customer expectations and ensures customers are happy with the result.

## 6. Market Your Cleaning Business

Now that your pricing model is all set, it's time to get the word out about your new company. As a startup, you are probably working with limited capital and you'd want to make the most of your budget. Therefore, your marketing efforts should be highly targeted. You want your materials to reach the right types of people. For local businesses, the best marketing strategies often include a blend of online and traditional marketing.

### Offline Marketing

As a small business owner, you have the benefit of your friends and family cheering on your success. Instead of asking your friends and family to become customers, ask them to help spread the word about your new business. Word-of-mouth marketing is particularly effective, since **nine out of 10** consumers are more likely to trust and buy from a brand recommended by a friend.

Having the right promotional tools can make word-of-mouth marketing more of a science and less of a guessing game. First, create brochures and **business flyers** that describe the services you offer, pricing, hours, and contact details.

Next, offer coupons and a loyalty program. Coupons for new customers are a great strategy for getting people to try your business. Coupons can be something as simple as 10% off your first 10 hours of

cleaning, or 20% off a single-home cleaning service. For extra efficiency, you can print the coupons right on your service brochure.

Customer loyalty programs are an effective way of retaining your customers once they try your services. A simple punch card works fine. But there are also many digital [loyalty programs](#) that make it easy for you and your customers to track their progress. Your loyalty reward doesn't have to be extravagant, just enough to show appreciation to your regular customers. For example, a free window cleaning upgrade after five home cleanings is an easy reward.

*"Have a referral program that is strong. The best ways to drive new business is via word-of-mouth marketing. I spent over \$2,000 a week using direct mail, but word-of-mouth drove the highest closing ratio by far."*

*– Serial Entrepreneur, [Mike Kawula](#)*

## Online Marketing

When first starting out, you may be running your business, including cleaning homes, by yourself. Since time is limited, your marketing efforts need to be direct and effective. A majority of customers use the internet and Google searches to find local businesses. Many customers who need your services are looking for you online by searching for terms such as:

- Home cleaning Baltimore

- Carpet cleaning Akron
- Chimney cleaning Chicago

Having a strong online presence is important so that when potential customers search for cleaning services in your area, your business is one of the first to pop up. Having a strong online presence includes having a website and active social media accounts so that customers can find you easily, no matter how they search.

## Create Your Own Website

In order for customers to find you when they are doing local searches, you need to have a website. Creating your own website from scratch is not as complicated as it sounds. There are many easy ways to [make a business website](#) for little or no money. You just need a registered domain and a web hosting service.

[Bluehost](#) is one of the most versatile hosting options and delivers a great value. You can register your domain, host your website, access a WordPress web builder, and get a business email address for just \$2.95 per month. Visit Bluehost to get started.

[Visit Bluehost](#)

## Use Social Media Marketing

Using social platforms like Facebook and Instagram is an effective way to reach potential customers before they even search for a cleaning service on Google. For just a few dollars a day, you can create ads

that can reach thousands of people. Our guide on how to [create a Facebook ad](#) will walk you through the process.

## Register Your Business With Google

Creating a business profile on Google is completely free. If you register your business, it will show up on Google search results and on Google Maps. Plus, you can include information like your website, phone number, and business hours. Registering your business also lets customers leave a Google review. Positive reviews can help draw in new customers. Overall, registering your business makes it much easier for people to find your cleaning company.

## Use Scheduling Software to Manage Appointments

Even with minimal marketing, you could end up with more clients than you can keep track of with a simple calendar. Avoid double-booking yourself by using an online scheduling tool. [Square Appointments](#) syncs with your personal calendars and lets clients book appointments and make payments right from their phone. Best of all, Square Appointments is free for a single user.

[Visit Square Appointments](#)

# Starting a Cleaning Business Frequently Asked Questions (FAQs)

Starting a cleaning business involves a lot of different steps.

## How much money do I need to start a cleaning business?

You can start a cleaning business with as little as \$1,000 to \$2,000. But we recommend having more than that as a cushion to sustain operating expenses for the first few months. As with any new business, it may take time before you start seeing profits, so it's important to have enough cash flow to cover your expenses for at least a few months.

## How can I minimize expenses for a cleaning business?

When first starting out, some of your biggest expenses will be [credit card processing fees](#) and insurance fees. When choosing these services, it's important to shop around to find the best value to minimize your expenses. Also, purchase your cleaning supplies in bulk or from a wholesale supplier to minimize costs.

## When will my cleaning business start to make money?

This answer will vary depending on your location, advertising, expenses, and how satisfied your customers are with your work. It's possible for your cleaning business to start making money within a few months if you are diligent. The best way to make money quickly is by making a [business plan](#) that outlines your financials and sticking to that plan.

## What should I charge for house cleaning?

The average costs for cleaning services in 2019 are \$25 to \$50 per hour with one person, or \$50 to \$90 per hour total. You can choose to charge per hour, or a flat fee per house based on size and what type of cleaning the customer would like. For example, you can offer standard cleaning or deep cleaning, with deep cleaning costing extra. Look at what other companies in your area charge and use that as a guide.



# What skills do you need for a house cleaning business?

Starting any business requires a lot of drive and motivation. With a cleaning business specifically, you will need attention to detail, ability to work alone, and professionalism when interacting with customers. Especially at first, you will be handling all of the budgeting and financial aspects of your business as well as the marketing and branding efforts, in addition to actually performing the cleaning services.

## Bottom Line

Starting a cleaning business is a popular option for entrepreneurs because the startup costs and barriers to entry are very low compared to other types of businesses. Before you launch, take the time to map out a budget, business structure, and advertising strategy, and procure all of the necessary licenses and insurance plans.

Organizing your financials is one of the first steps towards success in starting any business. [Chase Business Checking](#) is an affordable solution with many convenient locations, competitive fees, unlimited deposits, and just a \$25 minimum to open an account. First-time Chase Total Business Checking account holders are being offered up to a \$300 bonus for opening a new account. [Visit Chase to sign up.](#)

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## About the Author

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[Meaghan Brophy](#)

[Meaghan Brophy](#) is a staff writer for Fit Small Business specializing in retail. She has provided content and guidance for indie retailers for years as the editor for Independent Retailer, a [RetailWire BrainTrust](#) panelist, and speaker at trade shows such as the [Independent Retailer Conference](#), UpperDeck, and [NY NOW](#). She has an M.S. in Publishing from Pace University.

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Ask a Question

**Thobeka Madelly** September 23, 2019 at 11:38 am

Hi what are the license /permit I need to start my cleaning company

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**Amanda Norman** September 25, 2019 at 4:16 am

Hi Thobeka,

Thanks for visiting the site. You'll want to check with your local government for licensing requirements. They can vary depending on your location. Hope this helps.

Best of luck with your cleaning business.

Mandy, Moderator

[Log in to Reply](#)

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**Chris Epps** September 14, 2019 at 11:24 pm

Hello... first off I'd like to thank you for this very detailed cleaning bussiness startup plan. I've wanted to start a cleaning business for some years now but I've never really looked in to what it would take to start it until I read this article. Now with what I've read and the research I've done I guess the only real question I have is how can a personal credit score effect the startup of this type of small bussiness or would it effect it at all. Although my credit score is good my curiosity because of business accounts with a bank and licensing, etc lead me to wonder how this could effect the startup of a small business.

[Log in to Reply](#)

**Amanda Norman** September 16, 2019 at 4:50 pm

Hi Chris,

So glad you found the article helpful. We have a couple of articles that should help answer your question. If you're keeping your finances separate, an event that would affect your personal credit shouldn't directly affect your business credit. Our articles on [How to Build Business Credit](#) and [Putting Personal Money Into a Business](#) discuss why it's important to keep your business and personal finances separate and some advice on how to do that as a sole proprietor, LLC, etc.

Hope this helps. Best of luck with your new business!

Mandy, Moderator

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**CF Smith** January 1, 2020 at 7:40 pm

So hows it going so far?

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**Eliaser Kweyo** July 17, 2019 at 2:12 pm

Good day

I am done with all registration paper and I'm now struggling with company profile. Can you please help me that.

[Log in to Reply](#)

**Amanda Norman** July 17, 2019 at 11:45 pm

Hi Eliaser,

Here is our step-by-step guide to setting up Google My Business profile.

<https://fitsmallbusiness.com/google-my-business/>

Hope this helps. Best of luck.

Mandy, Moderator

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**Karen Simmons** July 6, 2019 at 5:32 am

I need specific information on the cost of starting my own small business cleaning windows including start up fees and insurance.

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**Amanda Norman** July 7, 2019 at 3:10 am

Hi Karen,

Thank you for reading and commenting. We aren't able to provide one on one assistance, but we do have lots of great articles on [starting a business](#) including one

on [startup costs](#).

Good luck with your cleaning business!

Mandy, Moderator

[Log in to Reply](#)

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**Petre Macovei** June 27, 2019 at 9:28 am

Thanks for the article.

I want to open my own cleaning company.

I want to know if you can help me with a series of working procedures.

[Log in to Reply](#)

**Amanda Norman** June 27, 2019 at 3:37 pm

Hi Petre,

Thank you for reading and commenting. We aren't able to provide one on one assistance, but we do have lots of great articles on starting a business.

<https://fitsmallbusiness.com/starting-a-business/>

Good luck with your cleaning business!

Mandy, Moderator

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