How to estimate the minimum cost of an FBMP item:

IC = Item Cost

LST = 1 + Local sales tax rate

SC = Shipping Cost (whether buyer pays or you pay)

NAST = National Average Sales Tax (I currently use 7%)

FSF = Facebook Seller Fee, which is 5%

MPC = My packaging cost
for example, flex mailer or bubble mailer, but only if you pay for the packaging. Don't forget anything you pay for that is inside

Formula:

(((IC*LST)+SC)*(1+NAST))*(1+FSF) – SC – (IC*LST*NAST) + MPC

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Example:

(((2.09*1.0825)+4)*1.07)*1.05 – 4 – (2.09*1.0825*0.07) + 0.67

Broken down:

$2.09*1.0825 = $2.26 how much I paid for the item at Goodwill

$2.26 + 4 = $6.26 how much the item cost with local sales tax and buyer shipping

$6.26 * 1.07 = $6.70 how much the item costs with a buyer's sales tax added

$6.70 * 1.05 = $7.04 how much the item costs with the FB seller fee

$7.04 – 4 = $3.04 subtract the paid shipping IF the buyer pays

$3.04 – (2.09*1.0825*0.07) = $2.88 subtract buyer's sales tax

$2.88 + 0.67 = $3.55

So, if I want $3 profit, I cannot let the price slip below $6.55

So if I list for $8, I could do a promotion for up to 18% off and meet profit goal