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CULVER'S FRANCHISE – COSTS, FEES & EARNING STATS



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Liquid Capital: \$500,000+

Net Worth Requirement: \$1,250,000+

Investment: \$2.3M - \$5.79M

Franchise Fee: \$55,000

Units in Operation: 776

Founded: 1984

Franchising Since: 1988

Culver's is a Wisconsin-based franchise of restaurants specializing in American comfort food, including burgers, sandwiches, salads, and frozen custard. The company was founded in 1984 by Lea and Craig Culver. Today there are hundreds of locations across the United States.

When considering opening a Culver's franchise (<https://wolffranchises.com/what-is-a-franchise/>), it's important to be aware of the costs and fees associated with doing so. In this article, we'll break down the franchise fee, the estimated total investment, and the potential earnings you could see as a Culver's franchisee (<https://wolffranchises.com/what-is-a-franchisee/>).

IS CULVER'S A FRANCHISE OR CHAIN?

Culver's is one of America's favorite restaurants and what many people don't realize is that Culver's is actually a franchise. While the company does own some locations outright, the majority of Culver's restaurants are independently owned and operated by franchisees. This franchise model has been successful for Culver's, allowing them to expand slowly and still maintaining a high level of quality control.

The first Culver's franchise opened in 1990 and though it is sometimes compared to fast food chains, the Culver franchising system prides itself on providing a higher-quality dining experience. For example, all of the restaurant's beef is fresh, never frozen. As a result of its focus on quality ingredients and service, Culver's has become a popular destination for families and casual diners alike.

So next time you're craving a Culver's burger or sundae, rest assured knowing that you're supporting a local business owner – not a faceless corporation.



HOW MANY CULVER'S FRANCHISES ARE THERE?

As of June 2022, there are 867 Culver's restaurants (<https://www.culvers.com/franchise/faq>) in the United States located in 26 states, with the majority concentrated in the Midwest. While the restaurant franchise is best known for its ButterBurger® and frozen custard, it also offers a selection of salads, sandwiches, and soups. Thanks to its delicious food and Midwestern hospitality, Culver's has become a popular destination for families and casual diners alike.

The company's plan is slow and controlled growth and there aren't always openings for new franchisees because of this approach (<https://wolfffranchises.com/what-is-a-franchisee/>).

HOW MUCH DOES A CULVER'S FRANCHISE COST?

A Culver's franchise can cost between \$2,301,000 – \$5,788,000. The initial investment includes construction, equipment, supplies, signage, initial inventory, marketing, staff training, general operating expenses, and the cost of real estate.

Culver's also charges an ongoing royalty fee of 4% and a brand fund fee of 2.5% of gross sales. In addition to the initial investment, franchisees should expect to incur significant ongoing expenses, such as labor, marketing, and general operating costs. Given the high cost of starting a Culver's franchise, potential franchisees will need to have strong financial resources and experience in the restaurant industry.

While the upfront cost of a Culver's franchise is relatively high, it's important to remember that this is a well-established brand with a proven track record of success. As such, it could be a wise investment for those who are looking to get into the restaurant industry.



What is Culver's franchise fee?

For those looking to open a Culver's franchise, the initial franchise fee (<https://wolfffranchises.com/franchise-fee/>) is \$55,000. This fee gives you the right to use Culver's name and logos, access to their proven business model, and a 15-year lease at the location through the franchise agreement (<https://wolfffranchises.com/franchise-agreement/>). Approved existing franchisees can renew for another 10 years for what you could call a territory reservation extension fee or franchise fee of \$30,000.

In addition, Culver's provides ongoing support to franchisees, including help with marketing and operations. The franchise fee is just one part of the overall investment needed to open a Culver's restaurant. A marketing fee or advertising fee would be applicable for fee-based expenses if needed.

Franchisees need to have \$500,000 in liquid assets (\$750,000 if you prefer to own the real estate, building, and equipment).

Those who are passionate about food and customer service may find that the Culver's franchise fee is a worthwhile investment.

HOW MUCH DO CULVER'S FRANCHISE OWNERS MAKE?

Table 1 shows sales from 770 franchisees and 6 corporate-owned stores that opened for at least a year. The average annual sales were \$3.061 million.

Table 1
Franchised Restaurants Open 12 months

Number of Restaurants	Sales Range
21	\$4,500,000 and above
18	\$4,250,000 - \$4,499,999
26	\$4,000,000 - \$4,249,999
57	\$3,750,000 - \$3,999,999
75	\$3,500,000 - \$3,749,999
92	\$3,250,000 - \$3,499,999
116	\$3,000,000 - \$3,249,999
104	\$2,750,000 - \$2,999,999
87	\$2,500,000 - \$2,749,999
72	\$2,250,000 - \$2,499,999
56	\$2,000,000 - \$2,249,999
46	Below \$2,000,000
Highest Sales	\$6,888,379
Lowest Sales	\$938,084
Average Sales	\$3,061,676
Median Sales	\$3,039,326

According to sources, the average Culver's franchise owner earns an annual income of \$429,000. However, this number can vary depending on a number of factors, including the location of the restaurant and the size of the operation.

For example, owners of larger franchises in major metropolitan areas are likely to earn more than those with smaller businesses in more rural locations. Additionally, franchisees who have been in business for longer are typically more successful than those who are just starting out.

Overall, Culver's franchise owners can expect to make a decent income from their businesses. However, like with any other business, there is no guarantee of success. Factors like location, experience, and size all play a role in determining how much an owner can expect to make.

THE WOLF'S TAKE

Culver's is an incredibly impressive franchise – at \$3.061M in average unit volume, they're one of the top franchises in America.

For context, here are what some other popular burger franchises earn on average:

- Wendy's: \$2.01M
- Five Guy's (<https://wolfffranchises.com/five-guys-franchise/>): \$1.2M
- McDonald's (<https://wolfffranchises.com/mcdonalds-franchise/>): \$2.9M
- Burger King (<https://wolfffranchises.com/burger-king-franchise/>): \$1.4M
- Whataburger: \$3.1M

You read that correctly – Culver's beats all of them! The interesting part about this franchise is the slow and controlled approach they take. So much so, that to this day they choose to not sell certain locations.

- AVAILABLE MARKETS**
Open for Franchising
- FUTURE MARKETS**
Currently Not Available
- AVAILABLE ONLY TO EXISTING FRANCHISEES CURRENTLY OPERATING HERE**

Why? Because they want to strategically expand where their current restaurants are so they don't grow where their brand doesn't have the recognition yet.

While Culver's does boast strong numbers, it is an expensive investment – and you can be sure they will only accept strong and qualified operators!

ENDING SUMMARY

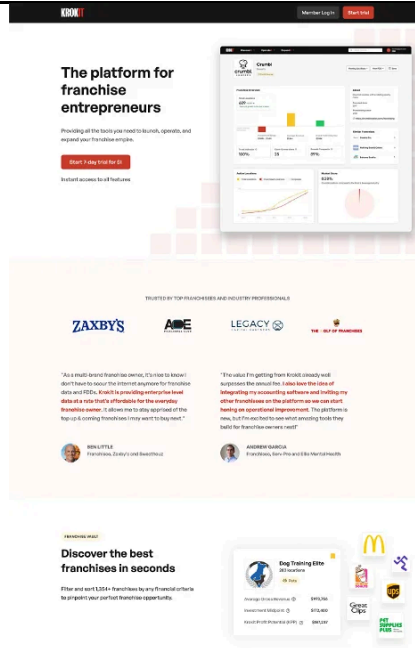
A Culver's franchise can be a costly but rewarding investment. With the right location and management, a franchisee can expect to make a decent income from their business. However, there are no guarantees of success and factors like experience and size play a role in determining earnings potential.

As always, due your due diligence.

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The Wolf

The Wolf of Franchises is an industry insider who's sharing the secret sauce of how lucrative the franchising industry can be. He offers expert insight to help both new and existing franchise owners reach success.

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