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SUBWAY FRANCHISE – COSTS, FEES & EARNING STATS



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Liquid Capital: \$40,000

Net Worth Requirement: \$80,000+

Investment: \$222,050 - \$506,900

Franchise Fee: \$15,000

Units in Operation: 36,000+

Founded: 1965

Franchising Since: 1974

In 1965, Fred DeLuca aspired to become a doctor but needed a way to fund his education. Peter Buck, a family friend, teamed up to open a submarine sandwich shop in Bridgeport, Connecticut. The company began to franchise in 1974 and rapidly grew throughout the United States. Today, there are more than 30,000 Subway sandwich shop franchises globally.

Subway has been one of the growing franchises in the world, and one of the more affordable franchises to start.

Subway offers a wide variety of sandwiches, salads, and wraps. They also offer breakfast sandwiches and flatbreads. All of their food is made fresh to order.

Read on to learn about the Subway franchise (<https://wolffranchises.com/what-is-a-franchise/>) cost, fees & earning stats.

IS SUBWAY A FRANCHISE MODEL?

Yes, Subway is a franchise.

Subway as a franchisor (<https://wolfffranchises.com/what-is-a-franchisor-definition/>) licenses its brand and methods to individual franchisees who open and operate their own Subway restaurant. It has become one of the most popular sandwich shops in the world.

While the vast majority of the Subway locations are in the United States, the company has expanded internationally and there are Subway franchises in over 100 countries across the globe.



HOW MANY SUBWAY FRANCHISES ARE THERE?

There are more than 36,000 Subway restaurants in over 100 countries. The company is the largest single-brand restaurant franchise globally. Subway was founded in 1965 and sold [312 sandwiches](https://www.subway.com/en-gb/aboutus/timeline#) (<https://www.subway.com/en-gb/aboutus/timeline#>) at its first restaurant, which was called Peter's Super Submarines. It was popular for its fresh sandwiches and low prices. Today, Subway has a global reach and is one of the most recognizable brands in the world.

Subway employees serve up fresh, made-to-order sandwiches each and every day. So if you're ever looking for a quick and tasty meal, be sure to stop by your nearest Subway restaurant.

HOW MUCH DOES IT COST TO OWN A SUBWAY?

The cost of owning a Subway franchise can vary depending on a number of factors, such as the restaurant's location and the franchise's size. However, a Subway owner's costs are between \$222,050 – \$506,900.

This includes the cost of equipment, inventory, and leasehold improvements. Of course, these costs can vary depending on the specific location and franchise agreement (<https://wolfffranchises.com/franchise-agreement/>). Some Subway franchises may also require additional expenses. They also operate at non-traditional locations such as airports and other places.

There have been some hiccups and store closures due to COVID and other reasons.

Overall, the cost of owning a Subway is significant but can be a decent investment for those interested in running their own business.

What is the Subway franchise fee?

The Subway franchise fee (<https://wolfffranchises.com/franchise-fee/>) is a one-time payment of \$15,000. In order to open a Subway, you may also need to meet minimum net worth and liquid assets requirements. In addition to the initial franchise fee, Subway franchisees must pay ongoing Subway store franchise royalties of 8% of total gross sales. Subway also charges a marketing fee of 4.5% of gross sales. These fees help to cover the cost of advertising and promotions, as well as the ongoing support that Subway provides to its franchisees.



WHAT ARE THE REQUIREMENTS TO OWN A SUBWAY FRANCHISE?

To own a Subway, potential franchisees must meet some requirements. First, they must apply. After the application is submitted, the Franchise Disclosure Document (<https://wolfffranchises.com/franchise-disclosure-document-fdd/>) will be sent.

Franchisees must also be prepared to make a significant financial investment.

Franchisees also must be willing to attend training courses and comply with Subway's operating standards. If potential Franchisees can meet these requirements, they may be well on their way to owning their own Subway franchise.

DOES A SUBWAY FRANCHISE MAKE MONEY?

While Subway doesn't publicly disclose how much franchisee (<https://wolfffranchises.com/what-is-a-franchisee/>) owners make, talking to other franchisees would be a worthwhile time investment as it is important to do your homework before you make the commitment.

The initial franchise fee is relatively affordable, and you will receive support and guidance from the company as you get started. However, you will need to have a good location in order to be successful. A franchise typically does best in a high-traffic area with good visibility. Additionally, you will need to hire experienced and reliable staff members.

HOW MUCH DOES A SUBWAY FRANCHISE OWNER MAKE A YEAR?

While the company doesn't publicly disclose how much a Subway franchisee owner makes (<https://wolfffranchises.com/what-is-a-franchisee/>), talking to other franchisees would be a worthwhile time investment as it is important to do your homework before you make the commitment.

THE WOLF'S TAKE

Subway is a massively popular franchise that has at one point, been the largest restaurant in the world in terms of the number of locations.

You read that right – the Subway franchise had more stores than any other in the fast food industry even McDonald's or Starbucks (<https://wolfffranchises.com/starbucks-franchise/>). But in the last few years, the sandwich giant has seen stores close at an alarming rate. In 2021 alone, Subway lost more than 1,000 US locations. In 2020, they lost 2,600 stores!

This isn't surprising to me given Subway's history of predatory franchise practices, in which they've deliberately sold locations far and wide simply to boost their royalty stream, while franchisees have had to duke it out for profits, and even cannibalize each other's sales.

Beyond its franchise sales practices, the brand has made headlines for all the wrong reasons in recent years:

- Bread that allegedly isn't bread (<https://www.theguardian.com/world/2020/oct/01/irish-court-rules-subway-bread-is-not-bread>)
- Tuna fish that allegedly isn't tuna (<https://www.webmd.com/diet/news/20220718/what-makes-tuna-tuna-subway-lawsuit-aims-to-find-out>)
- Franchisees writing an open letter to the CEO (<https://elisabethdelucaopenletter.com/>)

Note: read more about Subway's controversial rise to success here (<https://wolfffranchises.com/is-subway-a-good-franchise-investment/>).

Given the large number of franchisees that Subway has, I'm sure there are some successful ones out there. But if you're looking to buy a franchise business, and you have over 4,000 options – why would you risk buying into a brand with a resume of bad decisions that demonstrate they aren't committed to taking care of their franchisees?

My take – stay far away, and look elsewhere!



ENDING SUMMARY

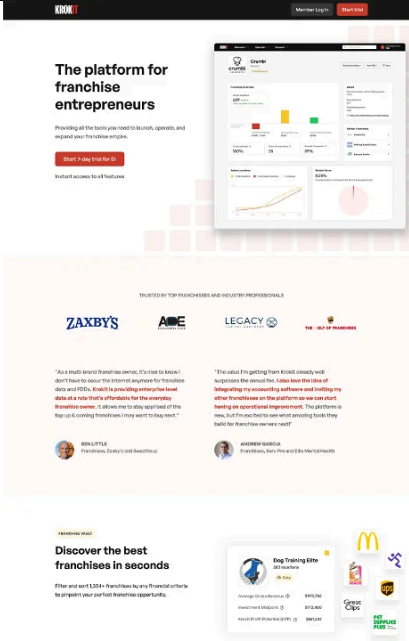
Subway is a popular sandwich shop that has a global reach. While the company doesn't publicly disclose how much its franchisees make, a Subway franchise typically does best in a high-traffic area with good visibility.

As always do your due diligence and your own research such as thoroughly reading Subway's franchise disclosure document and franchise agreement before investing.

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WILLIAMS
Franchise, Jewelry and Business

"The value I'm getting from Krokit already well surpasses the cost of the tool. I also love the idea of leveraging the marketing software and getting my other franchisees on the platform so we can start seeing operational improvement. This platform is new, but I've had to see what amazing tools they built for franchise owners next!"

ANDREW GARDNER
Franchise, New York City & North Carolina

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- Revenue: \$100K - \$500K
- Start-Up Costs: \$100K - \$500K

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Teriyaki Madness Franchise – Costs, Fees & Earning Stats → (<https://wolfffranchises.com/teriyaki-madness-franchise/>)




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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