

Google Ads Budget Calculator

A Comprehensive Guide by Optymizer

Google Ads Budget Calculator for Local Businesses

Calculate Your Perfect PPC Budget & Expected ROI

© 2026 Optymizer. All rights reserved.

What's Included

This calculator package includes:

1. **Excel/Google Sheets Calculator** - Interactive budget planner with formulas
2. **Industry Benchmarks** - Average costs and conversion rates by industry
3. **Budget Planning Guide** - How to determine the right budget for your goals
4. **Setup Instructions** - Step-by-step guide to using the calculator

How to Use This Calculator

Step 1: Download the Calculator

- Excel version: `google-ads-budget-calculator.xlsx`
- Google Sheets: Make a copy to your own Google Drive

Step 2: Enter Your Business Information

Required Inputs:

1. **Industry** - Select from dropdown (Plumbers, Lawyers, Dentists, Contractors, etc.)
2. **Average Job Value** - What's your typical customer worth? (Include repeat business)
3. **Close Rate** - What % of leads become customers? (If unsure, use industry average)
4. **Monthly Marketing Budget** - How much can you invest in Google Ads?
5. **Target ROI** - What return do you need? (Default: 5x means \$5 revenue per \$1 spent)

Example:

- Industry: Plumbing
- Average Job Value: \$850
- Close Rate: 40%
- Monthly Budget: \$3,000
- Target ROI: 5x (\$15,000 in revenue from \$3,000 spend)

Step 3: Review Your Projections

The calculator automatically shows:

- Recommended daily budget
- Expected clicks per month
- Expected leads per month
- Expected new customers
- Projected revenue
- Actual ROI percentage
- Break-even analysis

Step 4: Adjust Until It Makes Sense

Try different scenarios:

- What if I increase budget to \$5,000?
- What if I improve my close rate to 50%?
- What if my average job value was \$1,200 instead?

Understanding the Numbers

Average Cost Per Click (CPC) by Industry

Based on 2025-2026 Google Ads data:

Note: These are averages. Your actual costs depend on competition in your city, ad quality, landing page experience, and bidding strategy.

What Affects Your Cost Per Click?

Higher CPC (More Expensive):

- Large metropolitan areas (NYC, LA, Chicago)
- High customer lifetime value (lawyers, medical)
- Emergency/urgent services (24/7 plumbing, towing)
- Competitive markets (saturated with advertisers)

Lower CPC (More Affordable):

- Smaller cities and rural areas
- Specific long-tail keywords ("emergency plumber in south austin" vs "plumber")
- Good Quality Score (relevant ads, fast website, high CTR)
- Less competitive times (weekday mornings vs weekends)

Conversion Rate Reality Check

What's a "Good" Conversion Rate?

- ****10%+ = Excellent**** - Well-optimized landing page, strong offer, clear CTA
- ****5-10% = Good**** - Solid foundation, room for improvement
- ****2-5% = Average**** - Typical for most businesses starting out
- ****<2% = Poor**** - Landing page needs work, wrong traffic, or weak offer

How to Improve Conversion Rate:

1. Clear, compelling headline that matches your ad
2. Click-to-call button above the fold (mobile)
3. Simple form (name, phone, email - that's it)
4. Trust signals (reviews, years in business, certifications)
5. Fast page load time (<3 seconds)
6. Remove navigation (focus on one action: call or submit form)

Budget Planning Framework

The 5-10-15 Rule for Local Service Businesses

Minimum Budget to Be Competitive:

Option 1: Start Small (Test Phase)

- Budget: \$1,000-\$1,500/month (\$33-\$50/day)
- Expect: 50-100 clicks, 5-10 leads, 2-4 customers
- Best for: Testing if Google Ads works for your business
- Timeline: 60-90 days to determine viability

Option 2: Medium Budget (Growth Phase)

- Budget: \$3,000-\$5,000/month (\$100-\$166/day)
- Expect: 150-250 clicks, 15-30 leads, 6-12 customers
- Best for: Established businesses ready to scale
- Timeline: Drive consistent lead flow within 30 days

Option 3: Aggressive Budget (Market Domination)

- Budget: \$8,000-\$15,000/month (\$266-\$500/day)
- Expect: 400-750 clicks, 50-100 leads, 20-40 customers
- Best for: High customer LTV, multiple service areas
- Timeline: Dominate search results, maximize market share

Budget Allocation Strategy

How to Split Your Monthly Budget:

Campaign Type Split:

- ****70% Search Campaigns**** - Text ads on Google search results
- 50% branded/high-intent keywords ("plumber near me now")
- 20% informational keywords ("how to fix leaky faucet")

- ****20% Local Services Ads**** - Google Guaranteed, pay-per-lead
- ****10% Display Retargeting**** - Show ads to people who visited your site

Geographic Split (Multi-Location Businesses):

- 40% highest-value service area (downtown, affluent neighborhoods)
- 30% medium-value areas (suburbs, surrounding cities)
- 20% expansion areas (new territories)
- 10% testing (new keywords, new locations)

ROI Calculation Deep Dive

The Real ROI Formula

Most businesses focus on wrong metrics. Here's what actually matters:

Simple ROI:

$$\text{ROI} = (\text{Revenue} - \text{Ad Spend}) / \text{Ad Spend} \times 100\%$$

Example:

- Ad Spend: \$3,000
- Revenue Generated: \$15,000
- ROI = $(\$15,000 - \$3,000) / \$3,000 = 400\%$ or 4:1 return

But that's not the full picture...

True ROI Includes Lifetime Value

Customer Lifetime Value (LTV) Multipliers:

- ****One-Time Service:**** LTV = Average Job Value \times 1.3
- (30% come back or refer someone)
- Example: \$500 job \times 1.3 = \$650 true value
- ****Recurring Service:**** LTV = Average Job \times Number of Years \times Frequency

- Example: Pest control at \$80/month × 36 months = \$2,880 LTV
- ****Emergency + Maintenance:**** LTV = Average Emergency × 1 + Annual Maintenance × 5 years
- Example: \$800 AC repair + (\$200 tuneup × 5 years) = \$1,800 LTV

Adjusted ROI Calculation:

Adjusted ROI = (LTV × Customers - Ad Spend) / Ad Spend

Example:

- Ad Spend: \$3,000
- Customers: 10
- LTV per Customer: \$1,800
- Total LTV: \$18,000
- Adjusted ROI = (\$18,000 - \$3,000) / \$3,000 = 500% or 5:1

What's a "Good" ROI for Google Ads?

Industry Standards:

- ****3:1 or higher = Profitable**** - You're making money, keep going
- ****5:1 or higher = Excellent**** - Scale up, this is working great
- ****10:1 or higher = Exceptional**** - Rare but achievable with high LTV

ROI by Industry (Typical):

- Plumbing: 5-8:1
- HVAC: 6-10:1
- Legal (high-value cases): 10-20:1
- Dentistry: 4-7:1
- Home Services: 5-8:1
- Roofing: 7-12:1

Break-Even Analysis

How Long Until Google Ads Pays for Itself?

Break-Even Point = When Revenue = Total Ad Spend

Typical Timeline:

Month 1: Setup & Learning (-50% ROI typical)

- Spending: \$3,000
- Revenue: \$1,500
- Reason: Learning phase, testing keywords, optimizing

Month 2: Optimization (Break-even to +100%)

- Spending: \$3,000
- Revenue: \$3,000-\$6,000
- Reason: Better targeting, improved ads, eliminating waste

Month 3+: Profitable (+300-500% ROI)

- Spending: \$3,000
- Revenue: \$12,000-\$18,000
- Reason: Dialed in, high Quality Score, optimized landing pages

Cumulative Break-Even:

- Month 1-2: -\$1,500 (learning investment)
- Month 3: +\$9,000 profit
- Month 4: +\$12,000 profit
- ****Total after 4 months: +\$19,500 profit on \$12,000 spend****

Common Budget Mistakes to Avoid

Mistake #1: Starting with Too Small a Budget

Problem: \$500/month budget in competitive market

- Only \$16/day = maybe 1-2 clicks
- Not enough data to optimize
- Can take 6+ months to see results

Solution: Start with minimum \$1,500/month or don't start at all

Mistake #2: Spreading Budget Too Thin

Problem: Trying to advertise 10 services across 5 cities with \$2,000 budget

- \$40 per service per city = 1 click per day
- Impossible to get meaningful data

Solution: Focus on 2-3 best services in 1-2 best cities first

Mistake #3: Not Adjusting for Seasonality

Problem: Same budget year-round when demand fluctuates

- HVAC busy in summer, slow in spring
- Roofing busy after storms
- Landscaping peaks in spring

Solution: Increase budget 50-100% during peak season, reduce in slow months

Mistake #4: Ignoring Profit Margins

Problem: \$50 CPC for \$80 profit service

- Need 62%+ conversion rate to break even (impossible)

Solution: Only advertise high-margin services (\$300+ profit) with Google Ads

Mistake #5: No Budget for Landing Page Optimization

Problem: Spending \$5,000/month on ads but sending to homepage

- Conversion rate: 2%
- Could be 10% with proper landing page

Solution: Budget \$2,000-\$5,000 once for custom landing pages

Budget Optimization Strategies

Strategy #1: Dayparting (Time-Based Bidding)

Adjust bids based on when you get best results:

Increase Bids (+30-50%):

- Business hours when you can answer phone
- Days/times with highest conversion rates
- Emergency services: Evenings and weekends

Decrease Bids (-50-80%):

- When your office is closed
- Low-converting time slots
- When competition is highest (waste clicks)

Strategy #2: Geo-Bidding

Adjust bids based on location performance:

Increase Bids (+50-100%):

- Zip codes with highest average job value
- Areas with best customer reviews
- Low competition neighborhoods

Decrease Bids (-30-50%):

- Far edges of service area (long drive time)
- Areas with high cancellation rates
- Unprofitable neighborhoods

Strategy #3: Device Bidding

Mobile vs Desktop performance varies:

Increase Mobile Bids (+30%):

- Emergency services (people search on mobile)
- Services with high urgency (locksmith, towing)
- If your site is mobile-optimized with click-to-call

Increase Desktop Bids (+20%):

- High-consideration services (roofing, remodeling)
- B2B services (commercial clients)
- When forms convert better than calls

Strategy #4: Negative Keywords

Save 20-40% of budget by excluding:

- "DIY", "how to", "free", "cheap"
- Job seekers: "jobs", "careers", "hiring"
- Wrong services: "commercial" when you're residential
- Other cities outside service area

When to Increase Your Budget

Green Light Signals (Scale Up):

- ROI consistently above 5:1 for 2+ months
- Impression share below 50% (you're missing opportunities)
- Quality Score 7+ across most keywords
- Conversion rate improving month-over-month
- You have capacity for more customers

How Much to Increase:

- Profitable campaigns: Increase 20-30% monthly
- Exceptional campaigns (10:1 ROI): Increase 50-100%

- Monitor for 2 weeks, adjust as needed

When to Decrease Your Budget

Red Light Signals (Pump the Brakes):

- ROI below 2:1 for 2+ months straight
- Conversion rate declining despite optimizations
- Quality Score dropping below 5
- You're already at capacity (can't handle more leads)
- Seasonal slow period approaching

How Much to Decrease:

- Underperforming campaigns: Cut 30-50%
- Losing money campaigns: Pause completely
- Seasonal adjustments: Reduce 50% during slow months

Budget Planning Templates

Template 1: New Business (Never Run Google Ads)

Month 1-2: Learning Phase

- Budget: \$1,500/month
- Goal: Test viability, gather data
- Target: 10-15 leads, 3-5 customers
- Metric: Track cost per lead and cost per customer

Month 3-4: Optimization Phase

- Budget: \$2,500/month (if Month 1-2 shows promise)
- Goal: Improve conversion rate, reduce CPC
- Target: 20-25 leads, 8-10 customers
- Metric: ROI should reach 3:1 minimum

Month 5-6: Growth Phase

- Budget: \$4,000/month (if ROI 4:1+)
- Goal: Scale profitable campaigns
- Target: 35-40 leads, 15-18 customers
- Metric: Maintain ROI while increasing volume

Template 2: Established Business (Currently Running Ads)

Audit Current Performance:

- What's your current ROI?
- Which campaigns are profitable?
- What's your wasted spend?

Reallocation Strategy:

- Cut losing campaigns immediately (save 30%)
- Increase winning campaigns by 50%
- Test 1-2 new campaign types with 20% of budget

Example:

- Current Budget: \$5,000
- Wasted: \$1,500 (cut these)
- Winners: \$2,500 (increase to \$3,750)
- Testing: \$1,000 (new keywords/locations)
- New Total: \$4,750 (saving \$250 while improving results)

Tools to Help Manage Your Budget

Free Tools:

- Google Ads Performance Planner - Forecast budget impact
- Google Keyword Planner - Estimate costs before starting

- Google Analytics - Track conversions and ROI
- Google Search Console - Find organic keywords to target

Paid Tools:

- CallRail (\$45/mo) - Track phone call conversions
- Unbounce (\$90/mo) - Build high-converting landing pages
- Opteo (\$100/mo) - AI-powered optimization suggestions
- SEMrush (\$119/mo) - Competitive intelligence

Budget Tracking Spreadsheet

Track these metrics weekly:

Weekly Tracking:

Monthly Summary:

- Total Spend
- Total Revenue
- Overall ROI
- Cost Per Acquisition
- Customer Lifetime Value
- Projected 12-Month Value

Advanced: Variable Budget Strategy

Flexible Budget Based on Lead Flow:

Instead of fixed monthly budget, allocate based on capacity:

High Capacity (Slow Season):

- Increase budget 100%

- Bid aggressively
- Goal: Fill your calendar

Medium Capacity (Normal):

- Standard budget
- Maintain presence
- Goal: Steady lead flow

Low Capacity (Booked Out):

- Reduce budget 50-75%
- Only target premium keywords
- Goal: Capture only highest-value leads

Example (HVAC Company):

- January (slow): \$6,000 budget
- May (busy): \$3,000 budget
- July (peak): \$1,500 budget (already booked)
- September (shoulder): \$4,500 budget

Benefit: Spend more when you need customers, less when you're busy. Improves overall ROI.

Next Steps: Making This Calculator Work for You

Step 1: Fill Out the Calculator

- Be honest with your numbers
- Use conservative estimates (better to exceed than disappoint)
- Run 3-5 different scenarios

Step 2: Determine Your Comfort Zone

- What monthly investment are you comfortable with?
- What ROI would make you happy?

- How many customers can you realistically handle?

Step 3: Create Your 90-Day Budget Plan

- Month 1: Testing budget
- Month 2: Optimization budget (adjust based on results)
- Month 3: Growth budget (scale what works)

Step 4: Set Success Metrics

- Minimum acceptable ROI: ____:1
- Maximum cost per lead: \$_____
- Break-even cost per customer: \$_____
- Target customers per month: _____

When to Hire a Professional

DIY Google Ads Works If:

- You have 5-10 hours/week to manage it
- You're analytical and data-driven
- Your budget is under \$3,000/month
- You enjoy learning and testing

Hire an Agency If:

- Your time is worth more than \$100/hour (managing ads = opportunity cost)
- Budget over \$5,000/month (complexity increases)
- You've tried for 3+ months with poor ROI
- You want expert optimization (good agency can improve ROI 2-3x)

What to Expect from an Agency:

- Management fee: 15-20% of ad spend or \$1,000-\$3,000/month flat
- Setup: \$500-\$2,000 one-time
- Landing pages: \$2,000-\$5,000 one-time

- Minimum 6-month contract typical

Agency ROI Math:

- DIY: \$5,000 budget, 3:1 ROI = \$15,000 revenue
- Agency: \$5,000 budget + \$1,000 fee, 6:1 ROI = \$30,000 revenue
- ****Net benefit: +\$9,000 even after paying agency fee****

Need Help? Optimizer Google Ads Management

What We Do:

- ✓ Complete Google Ads setup and management
- ✓ Custom landing page design (conversion-optimized)
- ✓ Weekly optimization and bid adjustments
- ✓ Monthly reporting with actionable insights
- ✓ Call tracking and lead attribution
- ✓ No long-term contracts (month-to-month)

Our Results:

- Average client ROI: 7:1
- 500+ local businesses served since 2008
- Specialization in service-based businesses
- Google Partner certified

Pricing:

- Setup: \$1,500 one-time (includes landing page)
- Management: 15% of ad spend (minimum \$1,000/month)
- Recommended minimum ad spend: \$3,000/month

Free Google Ads Audit

We'll analyze your current campaigns and show:

- Wasted spend opportunities (typically find 30%+ savings)
- Conversion rate improvement potential
- Projected ROI if professionally managed
- Custom budget recommendations

No obligation. No sales pressure.

■ **Schedule Your Free Audit:** <https://optymizer.com/google-ads-audit>

■ **Email us:** hello@optymizer.com

■ **Visit:** <https://optymizer.com>

Documentation by Optymizer | <https://optymizer.com>

Growth by Optymizer

Helping local service businesses generate leads profitably since 2008.

© 2026 Optymizer. All rights reserved.