Business Financial Literacy

**The Hidden Costs of Living Out of Your Business**

Describe what’s happening in the picture:

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What would you do if you saw this?

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The term “living out of your business” refers to using \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ funds to cover \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expenses.

Business owners should maintain clear boundaries between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expenses.

When business and personal expenses are mixed, it becomes difficult to accurately track the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ of the business.

Stated simply: Using your business as a personal \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ is not only a bad idea, it’s a breach of your \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_ as an officer of the company.

Without clear separate of personal and business expenses, both the owner(s) and the business risk missing out on valuable tax \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

If a potential buyer, lender, investor, or supplier perceives your financials are a mess, your business becomes less \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

What is a negative impact of having an inflated EBITDA?

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Establish a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ business bank account exclusively for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ transactions.

Establish a regular \_\_\_\_\_\_\_\_\_\_\_\_ for yourself to cover personal expenses.

By keeping business and personal finances separate, the business can improve its \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to investors, buyers, lenders, and suppliers.

Where you can find additional resources, including a complimentary personal and business financial health review:

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