LoftyBiz Break-Even Sheet

Fixed costs plus your own pay, divided by gross margin. Then burn and runway if you are below the line.

Example figures. General education, not financial, legal or tax advice. Results vary. These are examples, not promises.

1. Five boxes

Write your figures for last month, or the average of the last three months. Treat your own pay as a cost, not as whatever is left over.

Box	What to write	Your figure
1. Fixed costs	Rent, staff, utilities, insurance, software, loan repayments — costs you pay even if sales are quiet.	
2. Owner pay	A fair monthly wage for the hours you work, even if you have not been taking it.	
3. Gross margin %	The share of each sale left after direct costs (ingredients, materials, packaging, ink).	
4. Break-even revenue	(Fixed costs + owner pay) ÷ gross margin. This is how much you must sell to cover everything, including you.	
5. Burn and runway	If sales are below break-even: monthly gap (burn) and cash ÷ burn (months of runway).	

2. Worked example (Yuki's bakery café — examples, not promises)

Average order about $11. Sales about $28,000 a month. These numbers are from the video and are examples only.

Item	Amount (USD)
Rent	3,800
Staff	9,200
Utilities, insurance, software	1,400
Loan repayment	600
Fixed costs total	15,000
Owner pay	4,000
Costs to cover (fixed + pay)	19,000
Gross margin	62%
Break-even (19,000 ÷ 0.62)	about 30,600
After margin work (65%)	about 29,200
Sales after changes (3-month average)	about 29,500

3. Worked example (Bogdan's sign and print shop — examples, not promises)

Item	Before changes	After changes
Sales a month	36,000	36,000
Gross margin	55%	58%
Gross profit	about 19,800	—
Fixed costs including owner pay of 4,500	24,000	about 22,600
Break-even	—	about 39,000
Monthly burn	about 4,200	about 1,700
Cash in the bank	42,000	42,000
Runway	about 10 months	about 2 years

4. Three mistakes to avoid

Leaving your own pay out of break-even. Using last year's margin when costs have changed. Watching only the bank balance instead of the burn, or cutting owner pay to zero and calling the problem solved.

The companion Google Sheet has live formulas. Put your own figures in the yellow cells. loftybiz.net

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