

## Beginning the New Year with a New Home-Based Business?

If you're planning to launch a home-based business, you're in good company. About half of all small businesses are home-based.<sup>1</sup> It's not hard to see why—there are no extra real estate costs and ramping up can be done gradually.

With the popularity of home-based businesses, there's much advice online for helping to make them a success. Following is a sampling:

**Entity structure** – Sole proprietorship can be the easiest and least expensive way to structure your business. If you select a name for your business that's different than your personal name, most states will require you to file for a DBA, which means "doing business as." For details on how to do this, check your state government's website. For other forms of structure, consult an attorney, accountant or business counselor.

Before opening for business, check with your city or county to see if you need to get a business license and permit to legally operate. If you have a homeowners' association, you might also check to make sure your business complies with your community's rules.

**Workspace and schedule** – If you are planning to deduct space in your home as a business expense, be sure you know the rules. For example, in general, the area must be used exclusively for your business. See [IRS Publication 587](#) for details and consider consulting an accountant and/or tax attorney.

To help you separate your home and work life, it's a good idea to establish a work schedule, setting designated hours for your business. And sticking to them.

**Online security** – Your computer is most likely critical to your business, so you'll want to keep it safe and secure. Make sure you have the latest web browser and anti-virus software, and install software updates as soon as they are available. Back up important data automatically, and store backups outside of your home or in the cloud. Also, ensure your wifi network is secure, encrypted and hidden.

**Controlling costs** – One easy way to keep your home business costs down is to reduce energy use. Tips include sealing openings such as air ducts and adding insulation to your attic and/or basement, weather-stripping around windows and doors, changing your heating and cooling systems' air filters regularly, installing a programmable thermostat, insulating your electric water heater, replacing light bulbs with LED or CFL bulbs, and purchasing ENERGY STAR business equipment, such as computers, printers and copiers. See these [tips](#) from energystar.gov for more.

Here's one last idea: Did you know you that Kemper Prime<sup>SM</sup> homeowners products already include protection for business property? The amount of coverage varies by product, but for the greatest amount, consider Kemper Prime Home Elite. It comes with higher limits for other coverages too. Ask your agent for details.

<sup>1</sup>Small Business Administration

Sources: Small Business Administration, energystar.gov, Federal Communications Commission, AARP.

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