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ARF'S REFERRAL PARTNER REWARDS PROGRAM

2026 SMALL BUSINESS SURVIVAL GUIDE: HOW REFERRAL PARTNERS ARE HELPING SMALL BUSINESSES NAVIGATE THROUGH AN UNSTABLE MARKET

Executive Summary

Small businesses entered 2026 in an unusual position: many key economic indicators like headline inflation, unemployment, and aggregate consumer spending have moderated from the extremes of 2022 and 2023, yet a meaningful share of small-business owners continue to report that operating conditions feel as difficult, or more difficult, as they did during the sharpest phase of the post-pandemic disruption. This is not a contradiction. It reflects a structural feature of small-business economics: national averages describe the aggregate, not the individual firm. A restaurant absorbing a double-digit increase in food costs, a contractor waiting seventy-five days for a receivable, or a professional-services firm losing a key employee to a competitor experiences 2026 very differently than composite statistics suggest.

This paper is written for the professionals who sit closest to that experience: accountants, bookkeepers, business consultants, commercial and SBA loan brokers, equipment vendors, payment processors, and other advisors who maintain ongoing relationships with small-business owners. We refer to this group collectively as Referral Partners because, in the ARF Financial network, that is the role they occupy. Not simply as a source of financing leads, but as the professionals best positioned to notice a change in a client's business before it becomes a financing emergency or, worse, an unrecoverable one.

Instability, properly understood, does not mean recession, and it does not mean widespread business failure. It means that the range of plausible outcomes for any given small business, its revenue, its costs, its access to labor and capital, has widened. Firms that were comfortably profitable in prior years may find their margins compressed by input costs, staffing, or slower-paying customers even while revenue is stable or growing. This is why the central distinction in this paper is between profitability and liquidity. A business can be profitable on paper and still run out of usable cash, because profit is recognized when it is earned while cash must be present when an obligation is due. Referral Partners who understand this distinction, and who can help clients recognize it in their own numbers, provide a different kind of value than either a lender or a generic financial article can offer.

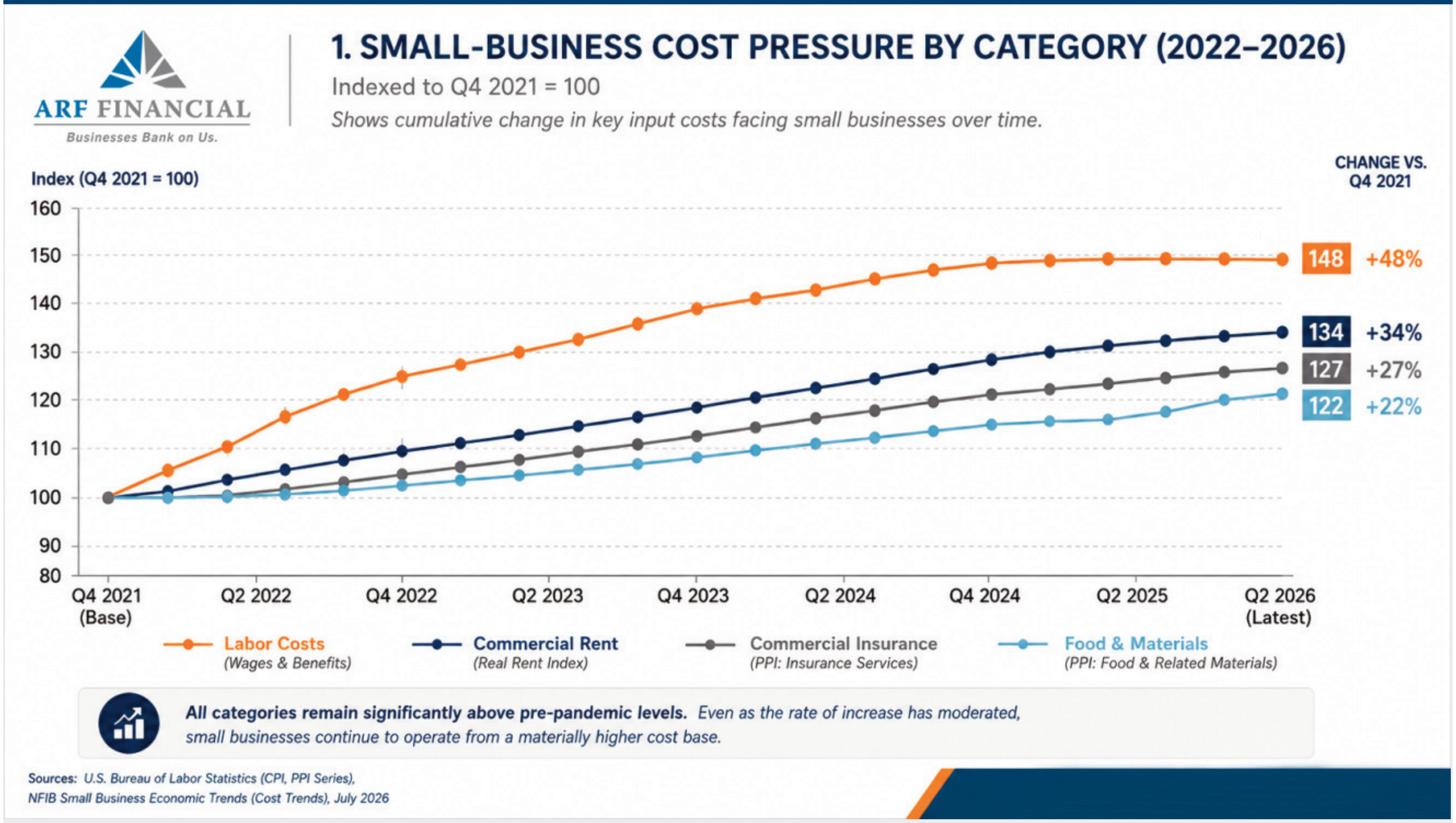
This paper does four things. First, it examines the operating pressures small businesses are experiencing, drawing on Federal Reserve, Bureau of Labor Statistics, Bureau of Economic Analysis, Census Bureau, SBA, and NFIB data, while explaining why national statistics can understate the pressure an individual business feels. Second, it develops a practical framework, ten warning signs, eight strategies, and a diagnostic checklist, that Referral Partners can use in real client conversations. Third, it explains why capital is a tool for specific financial problems rather than a universal remedy, and walks through the major categories of small-business financing on their merits. Fourth, it makes the case that the best time for a business to establish a financing relationship is before it urgently needs one when its financials still reflect strength rather than distress.

Referral Partners who internalize this approach do more than generate financing introductions. They become the professionals their clients call first when something changes which is, in the end, the most durable form of the referral relationship.

SECTION 1 — THE 2026 SMALL-BUSINESS OPERATING ENVIRONMENT

This section provides an evidence-based overview of the forces shaping small-business conditions in 2026. The goal is not to catalog every economic indicator, but to translate the most relevant ones into signals a Referral Partner can actually use.

PERSISTENT COST PRESSURE



Headline inflation has moderated considerably from its 2022 peak, although price pressures remain elevated in 2026. The Consumer Price Index for All Urban Consumers increased 3.4% over the 12 months ending July 2026. The Federal Reserve's preferred Personal Consumption Expenditures (PCE) price index increased 3.7% over the 12 months ending June 2026, with core PCE up 3.3%. The distinction matters: the Federal Reserve's 2% longer-run inflation objective is expressed in terms of PCE inflation, not CPI. For a small-business owner, however, a slower rate of inflation is not the same as falling prices.

Disinflation means prices are rising more slowly; it does not reverse the cumulative increases of the past several years. A business that absorbed large increases in food, packaging, labor, energy, or other operating costs in prior years continues to operate from that higher cost base even when the year-over-year inflation rate moderates. (Sources: U.S. Bureau of Labor Statistics, July 2026 CPI; U.S. Bureau of Economic Analysis, June 2026 Personal Income and Outlays.)

This dynamic can affect nearly every line item a small business controls: rent, insurance, utilities, labor, materials, transportation, technology, and vendor pricing. The mix varies considerably by industry and geography, so Referral Partners should avoid assuming that a lower headline inflation reading means a specific client's cost structure has stabilized. The more useful question is whether that client's actual operating costs are rising faster than its pricing, productivity, or revenue can absorb.

> **2026 REALITY CHECK**
> A cooling inflation rate describes the second derivative of prices, not the price level itself. A client whose costs rose sharply in 2022–2023 is still carrying that increase into 2026 regardless of what the current monthly CPI print shows.

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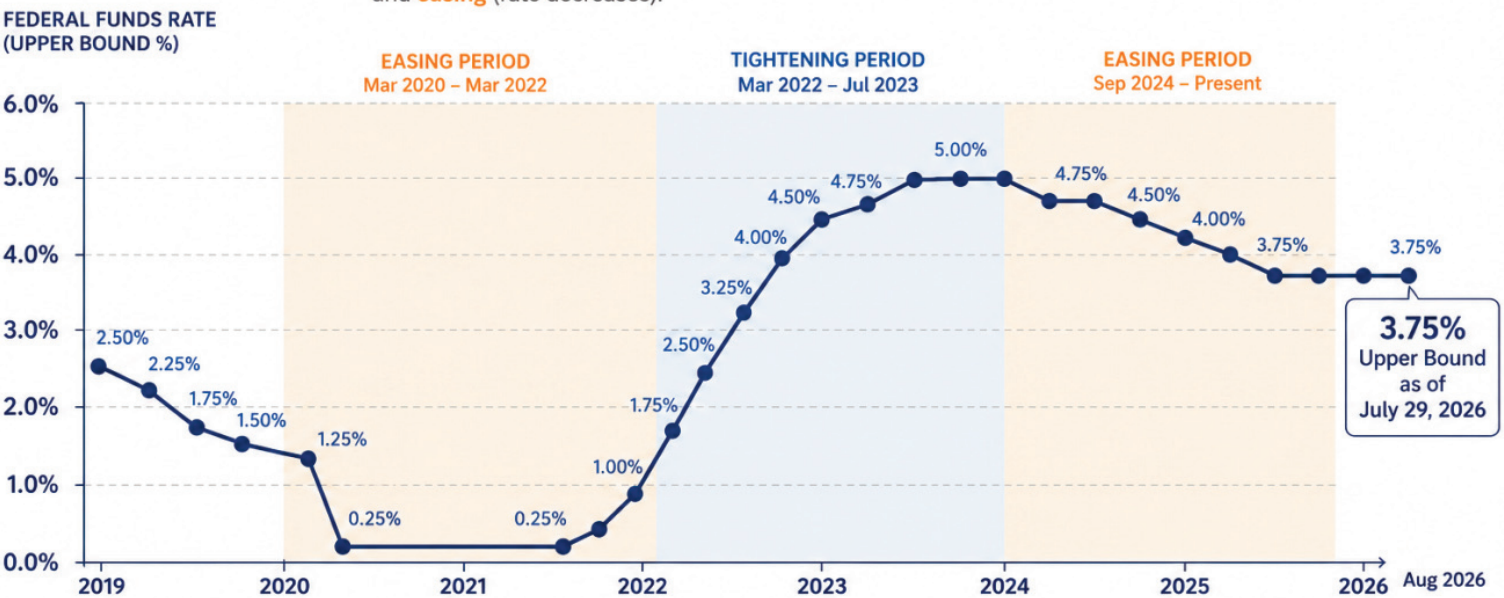
2. FEDERAL FUNDS RATE TREND (2019–2026)

Federal Open Market Committee (FOMC) Target Range – Upper Bound

The federal funds rate influences borrowing costs for businesses and consumers. Shaded areas indicate periods of monetary policy **tightening** (rate increases) and **easing** (rate decreases).



After aggressive rate increases in 2022–2023, the FOMC began reducing rates in September 2024.
The target range has remained at 3.75%–4.00% since July 2025.

Source: Federal Reserve Board – FRED (Series: DFF)
Data through July 29, 2026

The Federal Reserve reduced its target federal funds rate beginning in the second half of 2024, moving off the highs reached during the 2022–2023 tightening cycle. As of the July 28–29, 2026 FOMC meeting, the Committee maintained the target range at 3.50%–3.75%. Financing costs therefore remain an important consideration for small businesses even after the earlier easing cycle. Higher financing costs raise the hurdle rate for what counts as a worthwhile investment: an equipment upgrade, acquisition, renovation, or second location must generate enough incremental return to justify the cost of capital. Businesses with variable-rate obligations may also experience changes in debt service as rates reset. Because underwriting for new financing typically evaluates the borrower's existing obligations and ability to service additional debt, delaying a financing discussion until liquidity has already deteriorated can reduce the options available. (Source: Federal Reserve Board, FOMC statement, July 29, 2026.)

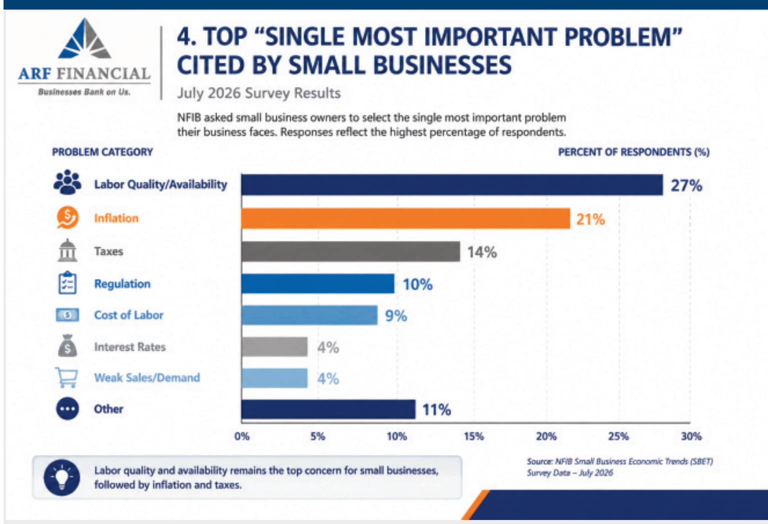
CONSUMER SPENDING AND DEMAND VOLATILITY

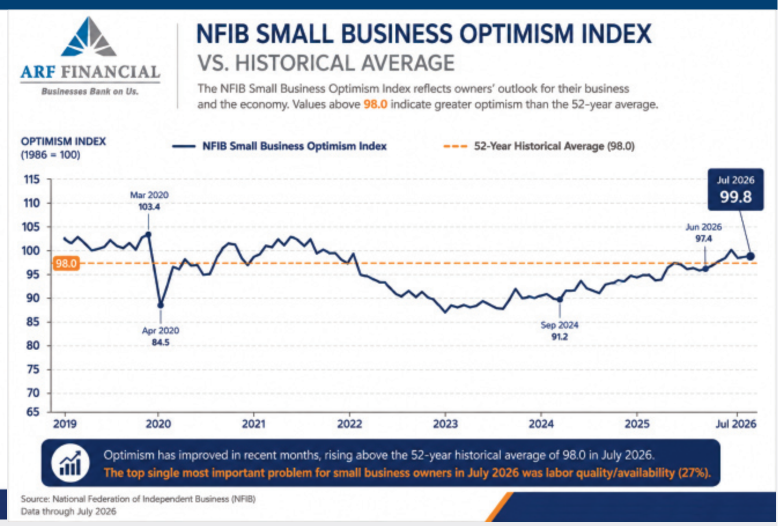
Aggregate consumer spending has continued to grow, but the topline number does not describe every industry or individual business. According to the Bureau of Economic Analysis, current-dollar Personal Consumption Expenditures increased 0.3% in June 2026 and real PCE increased 0.4%. Those national totals can coexist with very different results at the company level because demand varies by geography, industry, customer mix, price point, and product or service category. Referral Partners should therefore focus on what is happening inside the client's own revenue stream: average ticket, transaction volume, customer frequency, product or service mix, discounting, and gross margin. A firm's top-line revenue can remain stable while the economics underneath it change materially. (Source: U.S. Bureau of Economic Analysis, Personal Income and Outlays, June 2026.)

ADVISOR TAKEAWAY

Ask not just "is revenue up or down" but "what is producing the revenue this year, and is it the same mix as before." Flat or growing top-line revenue can conceal a materially different, and less profitable, mix underneath it.

LABOR CHALLENGES





Labor remains a significant concern for small businesses. NFIB's July 2026 Small Business Economic Trends report, released in August, reported that labor quality/availability was the single most important problem cited by 27% of owners, while the Small Business Optimism Index rose to 99.8, above its 52-year average of 98.0. The changing mix of concerns from month to month is itself useful context: a national improvement in optimism does not eliminate staffing or cost pressure at the individual-firm level. For Referral Partners, payroll growth, overtime, chronic vacancies, recruiting expense, and turnover can all be signals worth discussing because labor pressure can translate directly into margin and cash-flow pressure. (Source: NFIB, Small Business Economic Trends, July 2026.)

SUPPLY CHAIN AND GEOPOLITICAL RISK

Tariff changes, shipping and logistics disruptions, and commodity price volatility continue to affect small businesses that depend on imported goods, specific raw materials, or a concentrated set of suppliers. These effects are uneven: a business sourcing a key input from a single country of origin carries materially different risk than one with diversified suppliers, even within the same industry. Businesses with thin margins and limited pricing power are least able to absorb a sudden input-cost increase or supplier disruption. This paper does not take a position on the merits of any specific trade or tariff policy; the relevant point for Referral Partners is diagnostic. A client whose supplier base is concentrated, whose lead times have lengthened, or who has recently absorbed an unplanned cost increase from a supplier is carrying a form of risk that is often invisible until it produces a cash-flow event.

TAX, REGULATORY, AND COMPLIANCE COSTS

Compliance costs, payroll tax administration, state and local licensing, industry-specific regulatory requirements, and the accounting and legal support needed to manage them, represent a largely fixed cost that does not scale down when revenue softens. This paper does not offer tax or legal advice, and Referral Partners without tax or legal credentials should not attempt to provide it. What Referral Partners can usefully observe is timing: many small businesses experience their most acute cash pressure in the weeks surrounding quarterly estimated tax payments, sales-tax remittance deadlines, or annual compliance filings, and a business that appears financially stable most of the year can still face a real liquidity gap at these predictable points.

WHAT THE HEADLINES DON'T TELL YOU ABOUT SMALL-BUSINESS CONDITIONS

National economic reporting is, by construction, an average. When BLS reports moderating inflation, BEA reports GDP growth, or the unemployment rate holds near historic lows, these figures aggregate outcomes across millions of businesses and hundreds of industries. A national statistic can be accurate and still describe almost no individual business well. A small business's experience is shaped by its specific industry, geography, customer concentration, supplier relationships, local labor market, and capital structure, none of which appear in a topline number.

This is also why national data can appear to conflict with what Referral Partners observe on the ground. The Federal Reserve Banks' 2026 Report on Employer Firms, based on the 2025 Small Business Credit Survey, found that rising costs remained a leading financial challenge for small employer firms. The report also shows that businesses seek financing for both defensive and growth-oriented reasons: operating expenses and expansion or new opportunities are among the major reasons firms pursue capital. The practical lesson is that economic pressure and business opportunity can exist at the same time. Referral Partners should treat headline economic data as context, not as a substitute for what a specific client's own numbers are actually saying. (Source: Federal Reserve Banks, 2026 Report on Employer Firms: Findings from the 2025 Small Business Credit Survey.

SECTION 2 — THE CASH-FLOW SQUEEZE: WHY PROFITABILITY DOES NOT ALWAYS MEAN LIQUIDITY

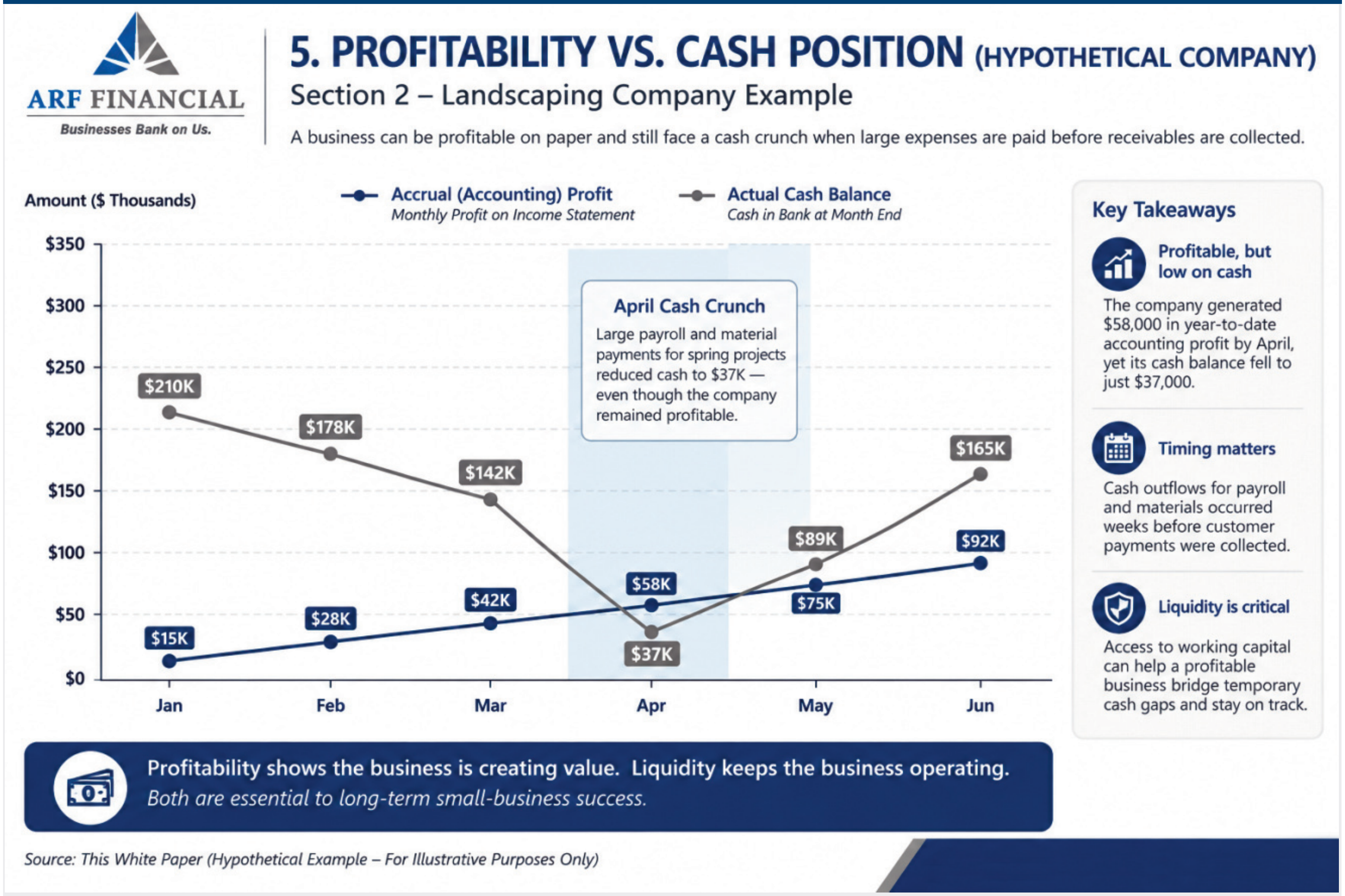
A profitable business can still run out of cash. This is one of the most consequential and least intuitive facts in small-business finance, and it is the reason Referral Partners should evaluate a client's cash position as carefully as its income statement.

Profitability is an accounting concept. Under accrual accounting, revenue is recognized when it is earned, when a service is delivered or a product is shipped and invoiced, not necessarily when the customer pays. Expenses are recognized when incurred, not necessarily when cash leaves the business. Liquidity, by contrast, is a physical fact: does the business have enough usable cash, at the specific moment an obligation comes due, to pay it? These two measures diverge constantly, and the divergence is driven by timing.

SEVERAL STRUCTURAL FACTORS WIDEN THE GAP BETWEEN PROFIT AND CASH:

- **Accounts receivable timing:** A business that closed a large contract and recognized the revenue may still be 30, 60, or 90 days from actually collecting payment.
- **Accounts payable:** A business can temporarily improve its cash position by stretching vendor payment terms, but this borrows from future flexibility and can damage supplier relationships or pricing.
- **Inventory purchases:** Cash goes out when inventory is purchased, often well before it is sold, and further before that sale converts to collected cash.
- **Payroll timing:** Payroll is one of the least flexible obligations a business has; it is due on a fixed schedule regardless of whether customer payments arrive on the same schedule.
- **Taxes**: Estimated and payroll tax deposits are due on fixed dates unrelated to a business's cash cycle.
- **Debt payments:** Debt service, likewise, is due on a fixed schedule regardless of collections.
- **Seasonal fluctuations:** Some months carry steady expenses but uneven revenue, or the reverse.
- **Large customer concentration:** A single large customer's payment timing can dictate a disproportionate share of the business's cash position.
- **Delayed reimbursements:** Businesses awaiting insurance, government, or contract reimbursements often carry the underlying cost long before recovery.
- **Expansion expenses and equipment purchases:** These are often large, lumpy cash outflows that do not correspond to a steady expense pattern on the income statement.
- **Unexpected repairs:** Emergency repairs compress the cash-flow timeline further, arriving without warning.
- **Owner distributions:** Draws taken based on reported profitability rather than available cash can leave a business short even when its books look healthy.

ILLUSTRATIVE EXAMPLE (HYPOTHETICAL; NOT AN ACTUAL ARF FINANCIAL CLIENT)



Consider a hypothetical commercial landscaping company with $1.8 million in annual revenue and a historically healthy 15% net margin, roughly $270,000 in annual accounting profit. The business serves a mix of residential customers, who pay promptly, and three commercial property-management clients who, together, represent 40% of revenue and pay on 60-day terms. In its peak spring season, the company must purchase mulch, plant material, and fuel in advance, and must staff up with seasonal labor two to three weeks before the revenue from spring contracts is collected.

In April, the company might record $220,000 in revenue and $190,000 in expenses, a $30,000 accounting profit for the month, while actual cash collected is only $140,000 because $80,000 of April's invoiced revenue, largely from commercial clients, will not be collected until June. Assume that $170,000 of April's expenses require cash payment during the month, including seasonal payroll, materials, fuel, vendor payments, and other operating costs. The business would therefore experience a $30,000 net cash outflow in April despite reporting a $30,000 accounting profit. The $60,000 swing between reported profit and cash movement is driven primarily by collection timing. If the company enters April with only a modest cash reserve, another delayed receivable or unexpected expense could put May payroll under pressure, not because the underlying business is necessarily unprofitable, but because the timing of cash in and cash out does not match.

WHAT THIS MEANS

Profitability answers whether the business model creates economic value over time. Liquidity answers whether the company can meet its obligations when they come due. A business can have a durable, valuable answer to the first question and still face a genuine crisis on the second.

Referral Partners who only look at a client’s income statement, or who assume revenue growth is inherently a sign of financial health, can miss the more urgent question entirely.

SECTION 3 — 10 WARNING SIGNS A SMALL BUSINESS MAY BE LOSING FINANCIAL FLEXIBILITY

None of the ten signals below is, by itself, proof of a problem. Each is a prompt for a more specific conversation and a closer look at the underlying numbers.

1. Increasing Reliance on Credit Cards for Routine Expenses

What the Referral Partner May Notice: The owner mentions using a business credit card for payroll, inventory, or vendor payments that used to be paid from the operating account; card balances that don't fully pay down month to month.

What It Could Mean: The business is using high-cost revolving debt to cover routine operating gaps rather than a genuine growth investment, often a sign that operating cash flow no longer covers operating expenses.

Questions to Ask the Business Owner: How has the card balance trended over the last six months? What specifically gets charged to the card versus paid from the operating account? Has the card ever been used to cover payroll or a tax obligation?

What to Examine: Credit card statements over 6–12 months, bank statements, income statement.

Potential Next Steps: Distinguish temporary from structural use; evaluate whether a lower-cost, purpose-built facility would reduce financing cost and improve visibility; examine the underlying cause (margin, receivables, seasonality) before assuming financing alone resolves it.

2. Accounts Payable Being Stretched Longer

What the Referral Partner May Notice: Vendor payment terms quietly extending from net-30 to net-45 or net-60; vendors calling about overdue invoices; loss of early-payment discounts.

What It Could Mean: The business is using suppliers as an informal financing source because other cash sources are insufficient.

Questions to Ask the Business Owner: Which vendors have been paid later recently, and why? Are any vendors tightening terms or requiring deposits? Is this seasonal or a persistent trend?

What to Examine: Accounts payable aging report, vendor statements, cash-flow statement.

Potential Next Steps: Identify whether the cause is a receivables problem, a margin problem, or overexpansion; protect key supplier relationships before terms deteriorate further; consider whether short-term financing could preserve discounts and relationships more cheaply than the cost of strained terms.

3. Customers Taking Longer to Pay

What the Referral Partner May Notice: Days sales outstanding rising; more invoices moving into 60+ or 90+ day aging buckets; increased need for collection calls.

What It Could Mean: Customer-side financial stress, weaker collections discipline, or contract terms that no longer match the business's own cash needs.

Questions to Ask the Business Owner: Which customers are driving the change? Has anything changed in your invoicing or collections process? Are your payment terms competitive with industry norms?
What to Examine: AR aging report, customer-level payment history, contracts and terms.

Potential Next Steps: Tighten collections cadence, consider deposits or milestone billing for new work, evaluate invoice financing for customers with reliable but slow payment, and address customer concentration risk if one account dominates the pattern.

4. Payroll or Tax Obligations Consuming More Available Cash

What the Referral Partner May Notice: Cash balance dips sharply around payroll or tax dates; the owner repeatedly describes payroll as "tight."

What It Could Mean: Fixed, non-negotiable obligations are outpacing the business's cash-generation cycle, often due to margin compression or growth outpacing collections.

Questions to Ask the Business Owner: How many days of cash cushion exist before each payroll run? Have payroll or benefits costs grown faster than revenue? Are estimated tax payments planned for or handled reactively?

What to Examine: Cash-flow statement, payroll register trend, tax payment history.

Potential Next Steps: Build a rolling cash forecast keyed to these fixed dates; consider whether a reserve or standby credit line would reduce the recurring stress without becoming a permanent crutch.

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13-WEEK ROLLING CASH-FLOW FORECAST TEMPLATE

Use this template to anticipate cash inflows and outflows, identify shortfalls early, and make informed decisions.

WEEK BEGINNING	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	WEEK 7	WEEK 8	WEEK 9	WEEK 10	WEEK 11	WEEK 12	WEEK 13
	__/__/__	__/__/__	__/__/__	__/__/__	__/__/__	__/__/__	__/__/__	__/__/__	__/__/__	__/__/__	__/__/__	__/__/__	__/__/__
CASH INFLOWS													
Cash Sales													
Accounts Receivable Collections													
Other Income													
Loan/Line of Credit Draws													
Other Inflows													
TOTAL CASH INFLOWS	$	$	$	$	$	$	$	$	$	$	$	$	$
CASH OUTFLOWS													
Payroll (Wages & Benefits)													
Cost of Goods Sold / Materials													
Rent / Lease													
Utilities													
Insurance													
Taxes													
Loan Payments													
Accounts Payable / Vendors													
Capital Expenditures													
Other Outflows													
TOTAL CASH OUTFLOWS	$	$	$	$	$	$	$	$	$	$	$	$	$
NET CASH FLOW (INFLOWS – OUTFLOWS)	$	$	$	$	$	$	$	$	$	$	$	$	$
ENDING CASH BALANCE (Cumulative)	$	$	$	$	$	$	$	$	$	$	$	$	$

TIP: Update this forecast weekly. Compare actual results to your forecast to refine assumptions and strengthen cash management.

Source: Illustrative template created for this white paper. For educational purposes only.

5. Inventory Accumulating Faster Than Sales

What the Referral Partner May Notice: Inventory levels or days-inventory-outstanding rising while sales are flat or declining; more products marked down or slow-moving.

What It Could Mean: Softening demand, overbuying relative to actual sell-through, or a shift in customer preference the business hasn't adjusted to.

Questions to Ask the Business Owner: How does current inventory turnover compare to a year ago? Are purchasing decisions based on sales data or on habit and anticipation? Is there a plan for slow-moving stock?

What to Examine: Inventory reports, turnover ratio, purchase orders versus sales data.

Potential Next Steps: Right-size purchasing, evaluate liquidation of slow-moving stock, and reconsider vendor minimum order quantities; a reduction in cash tied up in inventory often does more for liquidity than new financing.

6. Gross Margins Declining Despite Revenue Stability

What the Referral Partner May Notice: Revenue is flat or growing, but gross margin percentage is trending down quarter over quarter.

What It Could Mean: Input costs rising faster than pricing, a shift in product or service mix toward lower-margin work, or pricing that hasn't kept pace with cost increases.

Questions to Ask the Business Owner: Has the cost of your key inputs changed? When did you last review pricing? Has your mix of customers or services shifted?

What to Examine: Gross margin by product or service line, cost-of-goods-sold detail, pricing history.

Potential Next Steps: A margin-by-line review often reveals that revenue growth is coming disproportionately from lower-margin work; a pricing review or mix adjustment may matter more than financing.

7. Frequent Emergency or Reactive Borrowing

What the Referral Partner May Notice: Repeated short-notice requests for financing, often to cover an immediate obligation rather than a planned investment.

What It Could Mean: The business lacks a cash reserve or forecasting process and is managing liquidity reactively, which typically raises the cost and narrows the options available.

Questions to Ask the Business Owner: What triggered this specific need? Has this happened before in the past twelve months? What would need to be true for this not to recur?

What to Examine: Borrowing history and stated purpose, cash-flow statement, reserve levels.

Potential Next Steps: Shift from reactive to proactive planning, a rolling forecast and a standing credit facility secured before the next emergency typically produce better terms than financing sourced under time pressure.

8. Delayed Equipment Replacement or Deferred Maintenance

What the Referral Partner May Notice: Aging equipment kept in service past typical replacement cycles; increased repair frequency; the owner mentions "we'll deal with it next year."

What It Could Mean: The business may be conserving cash by deferring capital expenditure, which can be a reasonable short-term choice but carries risk of a larger unplanned failure and cost later.

Questions to Ask the Business Owner: What is the current condition and age of key equipment? What would happen to operations if it failed unexpectedly? Is this a cash decision or a genuine assessment that replacement isn't yet needed?

What to Examine: Equipment age and maintenance logs, capital-expenditure history, repair-cost trend.

Potential Next Steps: Distinguish disciplined capital planning from cash-constrained deferral; for the latter, planning replacement financing before failure is materially better than emergency financing after a breakdown.

9. Business Owners Injecting Personal Funds Repeatedly

What the Referral Partner May Notice: Recurring transfers from the owner's personal accounts into the business, sometimes undocumented or informally tracked.

What It Could Mean: The business's own cash generation is not covering its obligations, and the owner is personally absorbing the gap — often without a clear plan for how or whether it will be repaid.

Questions to Ask the Business Owner: How often has this occurred in the last year, and roughly how much? Is this documented as a loan, or as equity? What would happen if personal funds were not available? What to Examine: Owner's equity or loan account, bank statement patterns, balance sheet.

Potential Next Steps: This is one of the more urgent signals in this list — it typically means the business does not currently generate enough cash, on its own, to operate. Understanding why (margin, receivables, overhead, a one-time event) should precede any financing conversation.

10. A Growing Gap Between Revenue Growth and Avail able Cash

What the Referral Partner May Notice: Revenue is increasing, but the bank balance is flat or declining; the owner describes feeling like growth isn't "showing up" in the account.

What It Could Mean: Growth is consuming cash faster than it is generating it — common when growth requires upfront investment in inventory, staffing, or receivables that lag the associated revenue.

Questions to Ask the Business Owner: What has grown faster — your revenue or your receivables and inventory? Has your customer mix shifted toward slower-paying accounts? Are you financing growth from operating cash, savings, or credit?

What to Examine: Cash-flow statement, working-capital trend (AR plus inventory minus AP), balance sheet.

Potential Next Steps: This is often the clearest case for a genuine growth-related cash-flow gap — a legitimate scenario where working-capital financing that matches the growth cycle can be appropriate, in contrast to signs 1, 7, and 9, which more often point toward an underlying operating issue that should be addressed first.

SECTION 4 — WHY REFERRAL PARTNERS CAN SEE FINANCIAL PROBLEMS BEFORE LENDERS DO

Lenders typically enter the picture at a single moment: when a business applies for financing. By that point, the business has already reached a decision — it needs money, and it needs to explain why. A Referral Partner, by contrast, often has a continuous relationship with the business over months or years, built around a specific service: preparing its books, processing its transactions, selling it equipment, advising on operations, or brokering financing. That continuous relationship generates a kind of information a lender rarely sees until underwriting: the pattern of change, not just the snapshot.

This is the concept of financial pattern recognition. A single data point — this month's revenue, this month's payroll — tells you little. A pattern across several months — declining margin, lengthening receivables, rising card balances — tells you a great deal, often months before an owner is ready to describe the situation as a "financing problem." Small warning signs accumulate quietly. By the time an owner calls a broker or a bank and says "I need a loan," the underlying issue may have been visible in the data for two or three quarters.

This creates an opportunity for Referral Partners to expand their role: from a provider of a specific, transactional service to a broader strategic resource the client turns to for judgment, not just execution. That shift does not require becoming a lender or a credentialed financial advisor — it requires paying attention to what the Referral Partner is already positioned to see, and asking better questions about it.

SECTION 4 — WHY REFERRAL PARTNERS CAN SEE FINANCIAL PROBLEMS BEFORE LENDERS DO

Examples by Referral Partner Type

- ★ Accountant or Bookkeeper. Because they see every transaction, accountants and bookkeepers are often the first to notice margin erosion, a shift in the aging of receivables or payables, an uptick in personal-fund transfers into the business, or the emergence of a cash-versus-profit gap well before it appears in a conversation with the owner.

- ★ Payment Processing Professional. Transaction data can reveal declining average ticket size, a drop in transaction volume, a shift in the timing of sales (for example, increased dependence on end-of-month promotional spikes), or an increase in chargebacks or declined transactions — signals of both demand softening and, in some cases, customer-side financial stress.

- ★ Equipment Vendor. A vendor who sells or services equipment often notices when a client delays a routine replacement or downgrades to a lower-cost option relative to prior purchases — frequently an early indicator of cash conservation rather than simply a preference change.

- ★ Business Consultant. Consultants engaged in operations, staffing, or strategy work are well positioned to notice reduced marketing spend, staffing cuts in non-customer-facing roles, delayed facility investments, or a shift in owner attention from growth planning to day-to-day cash management.

- ★ Commercial Loan or SBA Broker. Brokers who maintain relationships beyond a single transaction may notice when a previously bankable client's most recent financials no longer support conventional underwriting as cleanly as before — an early signal that an alternative or complementary financing structure may deserve consideration, rather than waiting until the client no longer qualifies for anything.

- ★ Supplier or Industry Vendor. A change in ordering patterns — smaller, more frequent orders instead of larger periodic ones; requests for extended terms; slower payment on open account — can indicate that a customer's working-capital position has tightened, sometimes before that customer's own management fully recognizes it.

SECTION 5 — THE 2026 SURVIVAL PLAYBOOK: 8 STRATEGIES REFERRAL PARTNERS CAN DISCUSS WITH CLIENTS

1. Build a Rolling 13-Week Cash-Flow Forecast

A 13-week horizon is long enough to capture a full cycle of payroll, vendor payments, and receivables collection, but short enough to remain reasonably accurate. Unlike an annual budget, a rolling 13-week forecast is updated weekly with actual results, which turns it into an early-warning tool rather than a static projection. Referral Partners can help clients build the initial template and identify which line items to track — payroll dates, tax due dates, major receivables, and recurring vendor payments — so a coming shortfall is visible six to eight weeks in advance rather than six to eight days.

Referral Partner Conversation Starter: "If we mapped out your cash position week by week for the next quarter, where do you expect the tightest points to be? What are the two or three receivables or payments that would move that forecast the most if they came in early or late?"

2. Stress-Test the Business

Modeling specific scenarios — a 10% revenue decline, a major customer paying 30 days late, a key input-cost increase, an equipment failure, a rise in interest expense on variable-rate debt — turns an abstract sense of risk into a concrete number: how many weeks of cash cushion remain under each scenario, and at what point the business would need to act. This does not require sophisticated modeling; a simple spreadsheet with a handful of adjustable assumptions is often sufficient to change how an owner thinks about the decision.

Referral Partner Conversation Starter: "If your top customer paid 30 days later than usual next quarter, what would that do to your ability to cover payroll and vendor payments? What's the first thing you'd cut or delay?"

3. Examine Gross Margin, Not Just Revenue

Revenue growth with declining gross margin can produce worse cash flow than flat revenue with stable margin, because a larger volume of lower-margin sales still consumes proportionally more labor, inventory, and receivables financing. A margin-by-line review — by product, service, or customer segment — often identifies which part of the business is actually creating value and which part is diluting it.

Referral Partner Conversation Starter: "Which products, services, or customer segments have the strongest margins right now, and has that changed in the last year? Is your growth coming from the strong part of the business or the weak part?"

4. Review Accounts Receivable Aggressively

Payment terms, customer concentration, and collections discipline compound over time. A business that has not revisited its standard terms in several years, that has one customer representing an outsized share of receivables, or that treats collections as an afterthought is carrying more working-capital risk than its income statement suggests. Tightening terms for new customers, requiring deposits on large or custom orders, and establishing a consistent collections cadence are often more impactful than any financing decision.

Referral Partner Conversation Starter: "What are your standard payment terms today, and when did you last change them? What share of your receivables comes from your single largest customer?"

SECTION 5 CONT'D— THE 2026 SURVIVAL PLAYBOOK: 8 STRATEGIES REFERRAL PARTNERS CAN DISCUSS WITH CLIENTS

5. Reevaluate Inventory and Purchasing

Inventory is cash that has been converted into a less liquid form. Purchasing decisions driven by habit, vendor minimums, or anticipated — rather than actual — demand can tie up cash the business could otherwise use. A periodic review of turnover by SKU or category, and a willingness to liquidate slow-moving stock even at reduced margin, frees cash that a financing arrangement would otherwise need to replace.

Referral Partner Conversation Starter: "Which items in your inventory haven't turned over in the last 90 days? What's driving your purchase quantities — actual sales data, or supplier minimums and habit?"

6. Protect Access to Capital Before It Is Needed

Financing options are generally more favorable, and more numerous, when a business applies from a position of strength: stable or growing revenue, healthy credit, and a bank balance that has not yet deteriorated. Waiting until cash is genuinely tight narrows both the number of available options and the terms attached to them, because underwriting for most forms of financing looks backward at recent performance. Establishing a relationship — and, where appropriate, an approved facility — before it is needed preserves optionality: the business can choose whether and when to draw on it, rather than needing to qualify for something under pressure.

Referral Partner Conversation Starter: "If you needed access to $50,000–$100,000 within two weeks, do you know today where that would come from? Would you currently qualify for the financing options you'd want, or has anything changed that might affect that?"

7. Match Financing Structure to the Business Need

Short-term working-capital needs, seasonal inventory builds, equipment purchases, expansion projects, and recurring cyclical needs are not interchangeable, and financing structured for one purpose often performs poorly when applied to another. A seasonal need generally calls for something that can be drawn and repaid within that season; a long-lived asset purchase generally calls for a term that roughly matches the asset's useful life; a recurring, unpredictable need for working capital often calls for revolving access rather than a series of separate term loans. Referral Partners can add real value simply by helping a client articulate what the money is actually for before evaluating how to finance it.

Referral Partner Conversation Starter: "Is this a one-time need or something that's likely to recur? If it recurs, would you rather reapply each time, or have standing access you can draw on repeatedly?"

8. Create a Financial Contingency Plan

Before a problem occurs, an owner should know: how many weeks of operating expenses the business could cover from cash on hand; which expenses could be reduced quickly if revenue dropped; which financing relationships are already in place or could be activated quickly; and who — accountant, banker, broker, consultant — they would call first. Most of this can be documented in a page or two. Businesses that have thought this through in advance make calmer, better decisions when a real disruption occurs than businesses encountering the question for the first time under pressure.

Referral Partner Conversation Starter: "If revenue dropped 15% for two consecutive months, what's your plan? Who would you call first, and what would you want to already have in place before that call?"

SECTION 6 — WHEN FINANCING CAN HELP — AND WHEN IT CAN'T

Financing is a tool for solving specific financial problems, most of which relate to timing or capacity: a mismatch between when cash comes in and when it must go out, a seasonal inventory build that precedes the selling season, an equipment purchase needed to maintain or expand capacity, an expansion opportunity that requires upfront investment before it generates returns, or a bridge across a temporary gap — a large receivable not yet collected, a renovation, a one-time repair. In these situations, capital allows a fundamentally sound business to manage a timing problem without disrupting operations, and the return on the financing, in avoided disruption, captured opportunity, or preserved relationships, is reasonably clear.

Financing is a poor tool — and, over time, a potentially damaging one — for a different category of problem: a business model that is structurally unprofitable at current pricing and cost structure, demand that is persistently and not temporarily declining, pricing that does not cover the true cost of delivering the product or service, chronic negative margins, weak financial controls that obscure where money is actually going, or an existing debt load that already exceeds what the business's cash flow can service. In these cases, additional capital does not resolve the underlying issue; it typically postpones the point at which the business must confront it, often while adding a new fixed obligation — debt service — on top of an already strained cash position.

FINANCING CONSIDERATION

Capital should generally support a viable business strategy, not delay an unavoidable restructuring decision. This is not a judgment that a business facing structural problems has failed or should stop trying to improve — it is a statement about what financing can and cannot fix.

A Referral Partner who recognizes signs pointing toward the second category — chronic negative margins, deteriorating trends across multiple periods, debt service that already consumes an unsustainable share of cash flow — serves the client better by raising that distinction directly than by defaulting to a financing conversation. In some cases, the more valuable conversation is about pricing, cost structure, or staffing, or, in genuinely difficult cases, a candid discussion involving the business's accountant or attorney about the sustainability of the current model.

The following overview is educational, not a recommendation of any specific product. Referral Partners should evaluate financing options against the borrower's specific need, not the reverse.

Traditional Bank Term Loans

Typical Use Case: Established businesses financing a specific, identifiable investment — real estate, a major equipment purchase, a buyout.

Advantages: Typically the lowest cost of capital for qualifying borrowers; predictable, fixed payments.

Limitations: Often require strong financials, collateral, and time-consuming underwriting; less suited to recurring or unpredictable needs.

Appropriate When: The business has clean financials, a specific use of funds, and time to go through underwriting.

SBA Loans (7(a), 504, and related programs)

Typical Use Case: Similar to bank term loans, for borrowers who may not fully meet conventional bank criteria, often with longer terms and lower down payments.

Advantages: Longer amortization; a government guarantee can expand what a lender is willing to offer.

Limitations: Paperwork-intensive; underwriting timelines can run weeks to months; may require collateral or personal guarantees.

Appropriate When: The business needs longer-term, lower-cost capital and can accommodate the timeline.

Business Lines of Credit / Revolving Lines

Typical Use Case: Recurring or unpredictable working-capital needs — seasonal inventory, payroll timing gaps, short-term opportunities.

Advantages: Funds can be drawn only as needed; interest generally accrues only on the outstanding balance; capacity can be reused as the balance is repaid.

Limitations: Typically requires periodic underwriting or renewal; draw limits are tied to the business's financial profile.

Appropriate When: The need recurs or its timing is uncertain, rather than a single defined purchase.

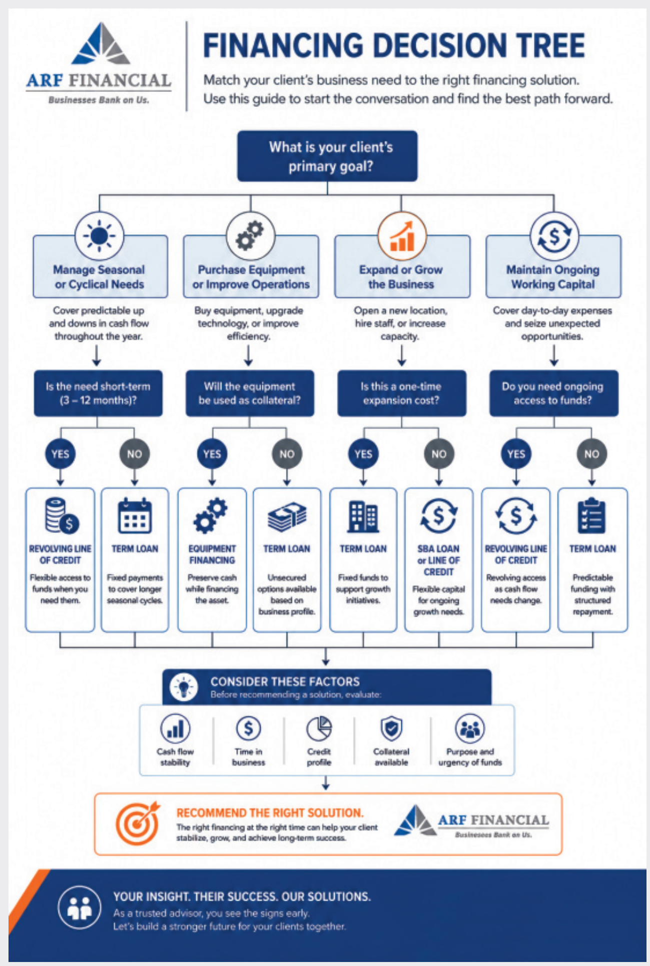
Equipment Financing

Typical Use Case: Purchasing a specific piece of equipment, where the equipment itself typically serves as collateral.

Advantages: Can preserve other credit lines; term often matches the equipment's useful life; may be available even to borrowers who wouldn't qualify for unsecured financing.

Limitations: Tied to a specific asset; not useful for general working capital.

Appropriate When: The need is a specific, identifiable piece of equipment.



Term Loans (Non-Bank, Non-SBA)

Typical Use Case: A defined amount for a defined purpose with a fixed repayment schedule, often faster to obtain than a bank term loan.

Advantages: Speed; sometimes more flexible qualification criteria.

Limitations: Cost of capital is typically higher than bank or SBA options; the repayment structure is fixed regardless of the business's cash-flow variability.

Appropriate When: Speed matters more than achieving the lowest possible cost, or the business doesn't qualify for bank or SBA options.

Business Credit Cards

Typical Use Case: Small, frequent purchases; short-term float on routine expenses.

Advantages: Convenience; widely accepted; potential rewards.

Limitations: High cost if balances are carried month to month; not well suited to funding larger or recurring working-capital gaps.

Appropriate When: Used for genuine short-term float that is reliably paid off, not as a substitute for a working-capital facility.

Invoice Financing (Where Appropriate)

Typical Use Case: Businesses with slow-paying but creditworthy commercial or government customers who need to convert receivables into cash sooner.

Advantages: Financing is tied to the receivable itself rather than solely to the borrower's overall credit profile.

Limitations: Cost is generally higher than a line of credit; may involve the financing company interacting directly with the business's customers.

Appropriate When: The core issue is specifically receivables timing with reliable-paying customers.

Alternative Commercial Financing (Including Revolving Products)

Typical Use Case: Businesses needing faster access, more flexible qualification, or a revolving structure than conventional bank products offer.

Advantages: Speed and flexibility; may be available to businesses that don't yet qualify for bank or SBA financing.

Limitations: Cost of capital is generally higher than conventional bank financing; terms vary significantly by provider and should be evaluated carefully.

Appropriate When: Speed, flexibility, or qualification constraints make conventional options impractical for the immediate need.

7 Questions Every Business Owner Should Ask Before Accepting Financing

1. What is the total cost of this financing, expressed as a dollar amount — not only as a rate?
2. How frequently are payments due, and does that schedule match my cash-flow cycle?
3. What is the actual term, and is there a penalty or fee for paying it off early?
4. What collateral or personal guarantee is required, and what happens to it if I can't make a payment?
5. What documentation will I need to provide, now and on an ongoing basis?
6. How quickly can I access funds, and how quickly could I access more if I needed it again?
7. If my revenue dropped for two or three months, how would this obligation affect my ability to operate?

Financing is a tool for solving specific financial problems, most of which relate to timing or capacity: a mismatch between when cash comes in and when it must go out, a seasonal inventory build that precedes the selling season, an equipment purchase needed to maintain or expand capacity, an expansion opportunity that requires upfront investment before it generates returns, or a bridge across a temporary gap — a large receivable not yet collected, a renovation, a one-time repair. In these situations, capital allows a fundamentally sound business to manage a timing problem without disrupting operations, and the return on the financing, in avoided disruption, captured opportunity, or preserved relationships, is reasonably clear.

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"Do you need money?" is rarely a useful question. It invites a reflexive no from an owner who has not yet connected today's operational friction to a financing conversation, and it does not surface the information a Referral Partner actually needs to be helpful. More diagnostic questions get further:

- What is putting the most pressure on cash flow right now?
- Are customer payment cycles changing?
- Are vendor terms becoming less favorable?
- Do you have any major equipment or inventory purchases coming up?
- If revenue fell 10% for three months, what would become difficult?
- What growth opportunity would you pursue if cash were not the constraint?
- How much liquidity does the business currently maintain?
- Are there periods during the year when your cash requirements pre dictably increase?
- If an unexpected $50,000 expense occurred next month, how would you fund it?

These questions work because they ask about the business's operations and constraints rather than presupposing a financial product. A client's answer to "what growth opportunity would you pursue if cash were not the constraint" often reveals an opportunity the owner has not fully articulated even to themselves — which is frequently more valuable to surface than a response to a direct financing pitch. Similarly, "if an unexpected $50,000 expense occurred next month, how would you fund it" tends to produce an honest, specific answer that a generic "do you need financing" question does not.

The purpose of this framework is not to manufacture a financing need where none exists. It is to give Referral Partners a structured way to understand a client's actual financial position, so that if and when a real need emerges — whether next month or next year — the Referral Partner already understands the context well enough to be useful immediately, rather than starting the conversation from zero.

SECTION 10 — THREE DETAILED BUSINESS SCENARIOS

The following scenarios are hypothetical composites constructed to illustrate the concepts in this paper. They are not descriptions of actual ARF Financial clients.

Scenario 1 — Restaurant or Hospitality Business

A hypothetical single-location full-service restaurant generates $2.4 million in annual revenue with historically stable 8% net margins. Over eighteen months, food cost as a share of sales rises from 30% to 34% as key proteins and packaging costs increase, while labor cost as a share of sales rises from 32% to 35% as the owner increases wages to retain kitchen staff. Taken alone, those changes would consume approximately seven percentage points of margin. Modest menu-price increases and smaller savings elsewhere offset part of the pressure, but net margin still falls from 8% to roughly 2–3%. The example illustrates why an owner can experience severe margin compression even when revenue remains relatively stable.

Early Warning Signals: Gross margin declining for three consecutive quarters despite flat-to-growing revenue; increasing use of a business credit card for weekly food and beverage vendor payments; and, in month fourteen, a walk-in cooler failure requiring an unplanned $18,000 replacement the business does not have cash reserves to cover.

Referral Partner Intervention: The restaurant's accountant, reviewing quarterly financials, flags the margin trend directly rather than waiting for the owner to raise it, and recommends a line-item cost review alongside a conversation about financing options for the equipment replacement specifically — rather than the owner reflexively charging it to the credit card at a materially higher cost.

Possible Strategy: A menu-engineering review identifies which dishes carry the thinnest margins under current food costs; a modest, targeted price adjustment on select items — rather than a broad increase — partially restores margin. The equipment replacement is financed through a facility matched to a short-to-medium repayment term, preserving the credit card's capacity for genuine short-term float.

Outcome: Margin recovers to the 5–6% range within two quarters — not fully back to the prior 8%, but stabilized — and the owner has a clearer view of margin by menu category going forward.

Scenario 2 — Professional or Business Services Company

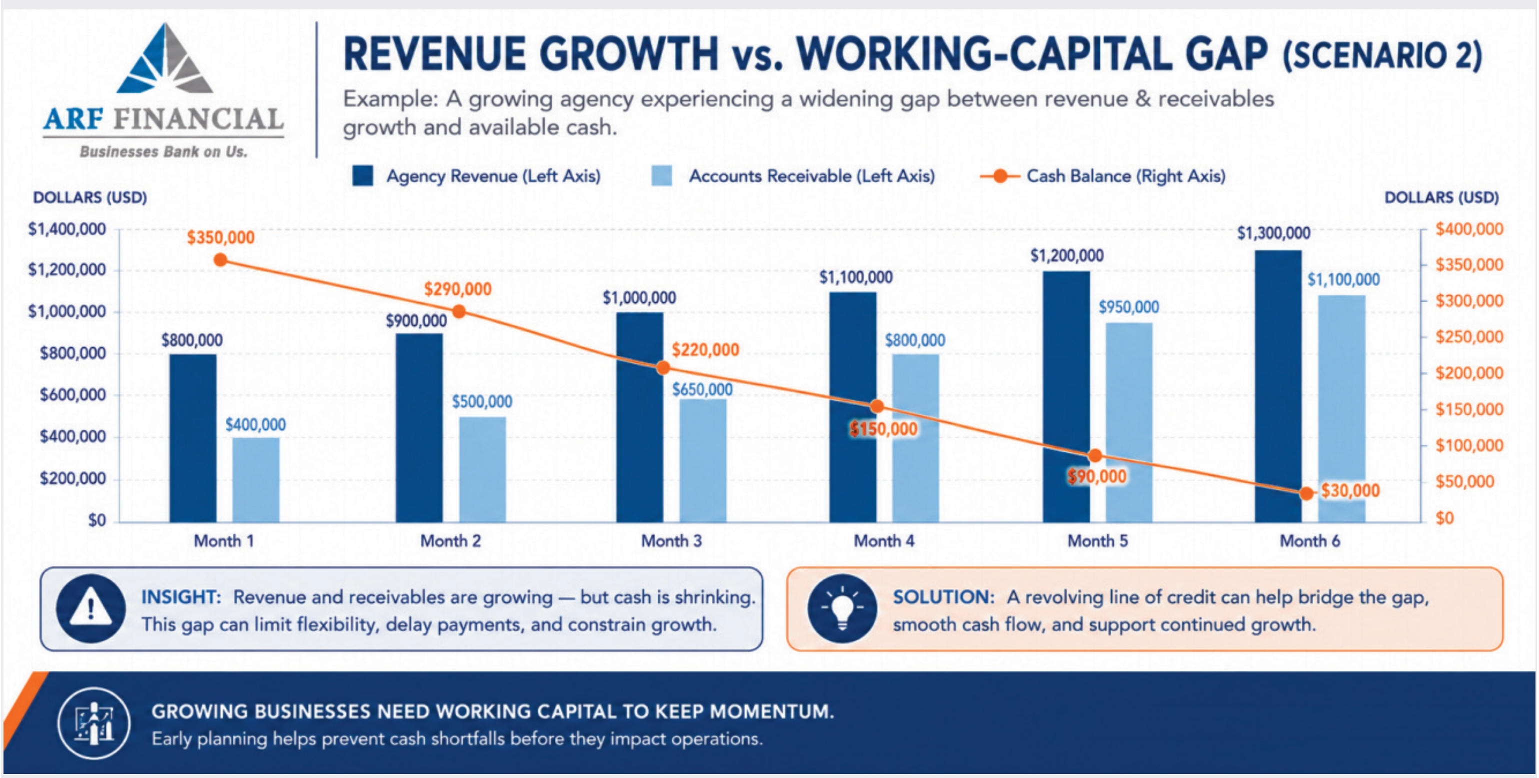
A hypothetical 14-person marketing and design agency generates $2.1 million in annual revenue, growing 18% year over year, driven primarily by three new enterprise accounts, each of which pays on 60-day terms as a matter of internal corporate policy — longer than the agency's historical mix of smaller clients on 30-day terms. Revenue and, on paper, profitability are both increasing. But accounts receivable have grown from $180,000 to $410,000 over the same period, and the agency has hired five additional staff to service the new accounts, with payroll due biweekly regardless of when the enterprise clients pay.

Early Warning Signal: The agency's bookkeeper notices that despite reported profit growth, the operating cash balance has been flat-to-declining for four months, and AR aging shows a growing share of receivables in the 46–60 day bucket.

Referral Partner Intervention: The bookkeeper raises the disconnect between reported profit and cash directly with the owner and suggests reviewing working-capital needs before the gap widens further, rather than waiting for a payroll shortfall to force the issue.

Possible Strategy: The agency explores a revolving line of credit sized to bridge the receivables timing gap specifically — drawn against invoiced-but-uncollected enterprise revenue during peak growth months and paid down as those invoices collect — rather than a lump-sum loan that doesn't match the self-correcting nature of the gap. In parallel, the agency negotiates improved terms (45 days instead of 60, or a partial deposit on new engagements) with enterprise clients going forward.

Outcome: The working-capital gap is bridged without disrupting hiring or client service, and the agency enters its next growth phase with both a financing relationship already in place and improved terms on new business.



Scenario 3 — Contractor / Skilled Trades Business

A hypothetical electrical contracting business with $3.5 million in annual revenue is awarded a $600,000 commercial buildout project. The contract requires the business to purchase approximately $140,000 in materials and mobilize a crew before the first milestone payment — typically 45 days after work begins — is received. The business's normal operating cash flow comfortably covers its existing residential and small-commercial workload, but the size and upfront material requirement of this specific project exceeds what its regular cash position can absorb without disrupting other ongoing jobs.

Early Signal: The contractor's equipment vendor and accountant, aware of the upcoming project through routine conversation, recognize this as a timing and scale issue rather than a sign of financial distress — a well-run business encountering a specific project whose cash requirements exceed its normal operating rhythm.

Possible Strategy: Rather than delaying material purchases (risking the project timeline) or diverting cash from other active jobs (risking those projects), the contractor arranges short-term financing sized specifically to the material purchase and mobilization costs, structured to be repaid as milestone payments are collected.

Outcome: The project proceeds on schedule, other ongoing work is unaffected, and the financing is retired within the project's own payment cycle rather than becoming a standing obligation.

SECTION 11 — BUILDING A CLIENT FINANCIAL RESILIENCE CHECKLIST

The following is a conversation framework, not an underwriting tool — it is designed to help a Referral Partner structure a periodic check-in with a client, not to replace the analysis a lender will perform.

- ★ Revenue: Is revenue growing, flat, or declining over the past 12 months? Is the business overly dependent on one customer or a small group of customers?
- ★ Margins: Are gross margins trending up, flat, or down? Has the mix of products, services, or customers shifted?
- ★ Liquidity: How many weeks or months of operating expenses could the business cover from cash on hand today?
- ★ Receivables: Are customers paying more slowly than a year ago? Is receivables aging concentrated in older buckets?
- ★ Payables: Is the business stretching vendor payment terms further than it used to?
- ★ Debt: Has total borrowing increased over the past year? Has the cost of servicing that debt increased?
- ★ Capital Expenditures: What equipment, facility, or technology investments or replacements are approaching in the next 6–12 months?
- ★ Seasonality: When during the year are cash requirements highest, and does the business have a plan for that period?
- ★ Contingencies: How would the business respond to an unexpected $25,000–$50,000 expense, or a 10–15% revenue decline lasting two to three months?

Used consistently — quarterly or semiannually — this checklist gives a Referral Partner a running record of how a client's financial position is trending, which is often more valuable than any single conversation, because it makes changes visible as they emerge rather than only in hindsight.

ARF FINANCIAL

Businesses Bank on Us.

CLIENT FINANCIAL RESILIENCE SCORECARD

A QUICK VIEW OF FINANCIAL STRENGTH & EARLY-WARNING SIGNALS

Use this scorecard to assess your client's financial resilience across key areas.
Plot your scores on the radar chart to see strengths, gaps, and action opportunities.

Client Name: ____________________

Date: ____________________

Prepared By: ____________________

HOW TO USE

1. SCORE Rate your client in each category from 1 (Weak) to 5 (Strong).

2. PLOT Plot each score on the radar chart to visualize strengths and weaknesses.

3. ACT Focus on lower-scoring areas and create a plan to strengthen them.

	CATEGORIES	SCORE (1–5)	NOTES / OBSERVATIONS
1	Cash Flow Stability		
2	Profitability & Margins		
3	Debt Management		
4	Working Capital Efficiency		
5	Revenue Quality & Diversification		
6	Customer Concentration		
7	Operations & Execution		
8	Industry & Market Outlook		
	TOTAL SCORE	____/50	

SCORING GUIDE

1	Weak	High risk / Immediate attention
2	Below Avg	At risk / Monitor closely
3	Average	Moderate risk / Needs focus
4	Above Avg	Strong / Monitor & maintain
5	Strong	Very strong / Well-positioned

INTERPRET YOUR SCORE

- 40–50 Strong: Well-positioned for growth and opportunity.
- 30–39 Moderate: Some risks—focus on improvement areas.
- 20–29 At Risk: Strengthen key areas to build resilience.
- 10–19 High Risk: Immediate action recommended.

STRONG BUSINESSES ARE BUILT ON INSIGHT AND ACTION.

Use this scorecard to start meaningful conversations and help your clients build a stronger, more resilient future.

Helping a client identify and address a financial need before it becomes urgent does more than solve that specific problem — it changes the nature of the relationship between the Referral Partner and the client. A Referral Partner who raises a margin concern, flags a receivables trend, or suggests exploring financing options before an emergency demonstrates a form of judgment that a transactional service relationship does not typically surface. Clients remember which advisors caught a problem early and which ones did not.

This has practical implications for the Referral Partner's own business, independent of any specific financing referral. It tends to strengthen retention, because a client who experiences an advisor's judgment as valuable is less likely to shop that relationship on price alone. It tends to expand the advisory relationship, because a client who trusts an advisor's judgment on one dimension of the business is more likely to bring that advisor into other decisions. And it tends to create more, not fewer, opportunities for the specific service the Referral Partner sells, because a client whose business is financially healthier is a more durable, more profitable client over time than one perpetually managing a crisis.

REFERRAL PARTNER INSIGHT

The most successful Referral Partners in this network do not think of themselves primarily as a source of financing transactions. They think of themselves as professionals who help clients recognize financial needs before those needs become emergencies — and financing, when appropriate, is one of several tools available to address what they've identified, not the objective of the conversation itself.

SECTION 13 — HOW ARF FINANCIAL SUPPORTS REFERRAL PARTNERS

ARF Financial has served small businesses since 2001, working with Referral Partners — including accountants, consultants, brokers, vendors, and other professionals — who maintain the kind of ongoing client relationships described throughout this paper. ARF's role is to give those Referral Partners a resource to turn to when a client conversation surfaces a genuine financing need, including working capital, expansion, recurring capital needs, or greater financial flexibility. (Source: ARF Financial, About Us and Loan Stars Referral Partner Program.)

Among ARF Financial's offerings is the Bankroll Revolving Line of Credit, an example of the revolving structure discussed in Section 8. Current ARF materials describe Bankroll as providing approved capacity of up to $1.5 million, fixed terms of up to 36 months, fixed weekly payments, and the ability for qualified clients to take additional draws and make paydowns during the revolving period. Because product terms and eligibility can change, Referral Partners should confirm current terms with ARF Financial before presenting specific details to a client.

ARF Financial also offers multiple commercial financing solutions beyond Bankroll. Current ARF Referral Partner materials identify offerings that include IO-Bankroll, Flex Pay and Interest-Only Flex Pay loans, working capital loans, bridge loans, and other line-of-credit solutions. The appropriate structure depends on the client's qualifications, use of funds, timing, and cash-flow profile.

For Referral Partners, ARF’s goal is to help evaluate whether a specific client situation represents a viable financing opportunity and, where it does, to provide options appropriate to qualified businesses.
ARF Financial's underwriting criteria, pricing, approval amounts, documentation requirements, and funding timelines vary by product and applicant. Referral Partners should use current ARF Financial materials or consult ARF directly rather than relying on this white paper as a product-term sheet.

The purpose of this section is not to turn the white paper into a product brochure. It is to position ARF Financial as a resource Referral Partners can bring into the conversation when a client's underlying need is appropriate for financing. Current product terms should always be confirmed at the time of referral.

CONCLUSION

Uncertainty cannot be eliminated. No amount of forecasting, planning, or financial preparation will make 2026's input costs, interest rates, or consumer behavior fully predictable for any individual small business. What can be improved, meaningfully and measurably, is a business's capacity to absorb and respond to that uncertainty when it arrives.

The businesses best positioned to navigate volatile conditions across the remainder of this decade tend to share a common set of habits rather than a common industry or size. They understand their numbers — not just whether they were profitable last month, but why, and what is driving the trend. They monitor cash flow specifically, not just profitability, because the two diverge in predictable and sometimes dangerous ways.

They recognize warning signs early, often because someone in their orbit — an accountant, a consultant, a vendor — is paying attention to patterns the owner is too close to the day-to-day to see clearly. They preserve liquidity deliberately, rather than treating whatever cash happens to be in the account as available for any purpose. They plan for multiple scenarios rather than a single expected outcome. They maintain access to appropriate financial resources before they need them, which preserves options that disappear once a crisis is underway. And they surround themselves with knowledgeable advisors who see different parts of the business and are willing to raise a concern before it becomes obvious.

This is where the Referral Partner's role continues to evolve — from a source of a specific transaction to a strategic financial ally who helps a client build these habits over time. That evolution does not require every Referral Partner to become a financing expert. It requires paying attention to what they are already positioned to see, asking better questions about it, and knowing when and how to bring in a resource — financial or otherwise — that fits what a specific client actually needs.

BECOME AN ARF FINANCIAL REFERRAL PARTNER

Help Your Clients Prepare for What’s Next

If you work with small-business owners, you may be in a unique position to recognize financial needs before they become urgent. By partnering with ARF Financial, you can help qualified clients explore financing solutions designed to support working capital, expansion, recurring capital needs, and other business opportunities.

Become an ARF Financial Referral Partner.

Referral Partner information and sign-up: https://www.arffinancial.com/loan-stars-form/

SOURCES AND REFERENCES

Primary sources used to verify the economic and ARF Financial statements in this edition are listed below.

Economic data are current through August 12, 2026 unless otherwise noted. Because economic releases and product terms change, readers should consult the source organizations for the latest information.

Federal Reserve Banks. 2026 Report on Employer Firms: Findings from the 2025 Small Business Credit Survey. Fed Small Business. www.fedsmallbusiness.org/reports/survey/2026/2026-report-on-employer-firms

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NFIB. Small Business Economic Trends, July 2026. www.nfib.com/news/monthly_report/sbet/

ARF Financial. About Us. www.arffinancial.com/company/about-us/

ARF Financial. Loan Stars Referral Partner Program and current product information. www.arffinancial.com/loanstars/

PUBLICATION VERIFICATION NOTES

The economic statements and primary source references in this edition were updated and verified against current public sources on August 12, 2026. The following items remain appropriate for ARF Financial's internal pre-publication review.

1. Economic data are time-sensitive. If publication is delayed materially beyond August 2026, refresh CPI, PCE, Federal Reserve policy-rate, NFIB, and Small Business Credit Survey references as newer releases become available.

2. ARF Financial should confirm that the Bankroll and other product descriptions in Section 13 remain current on the publication date, particularly maximum approval amounts, terms, payment structure, draw mechanics, pricing, and eligibility requirements.

3. The Referral Partner call-to-action currently directs readers to www.arffinancial.com/loanstars/. Confirm that this remains the preferred public sign-up destination at publication.

4. All numeric scenarios in Sections 2 and 10 are hypothetical composites created for educational purposes and are not represented as actual ARF Financial clients. ARF should confirm that the examples do not unintentionally resemble identifiable client situations.

5. ARF Financial legal/compliance and marketing teams should complete final review before external distribution, particularly for statements about financing suitability, underwriting, product mechanics, tax timing, and financial guidance.

6. The paper is educational and should not be treated as tax, legal, accounting, investment, or individualized financial advice. Referral Partners should operate within the scope of their own professional credentials and responsibilities.