Money Breakdown

Financial Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Revenue	$4,248	$4,414	$4,300	$4,509	$6,775	$4,991							$29,237
Expenses	$2,114	$5,583	$4,784	$4,324	$3,736	$3,606							$24,147
Profit:	$2,134	-$1,169	-$484	$185	$3,039	$1,385	$0	$0	$0	$0	$0	$0	$5,090

Revenue: Detail

1:1 Income Streams	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Retainer Clients	$3,330	$3,780	$3,830	$3,830	$4,080	$4,330							$23,180
One-Off Client Projects	$830	$505	$350		$2,500	$625							$4,810
Money Coaching / Strategy					$150								$150
Total:	$4,160	$4,285	$4,180	$3,830	$6,730	$4,955							$28,140

1:Many Income Streams	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Membership	$54	$54	$45	$45	$36	$36							$270
Digital Products	$9	$0	$75	$134	$9								$227
Other (workshops, affiliate, etc)	$25	$75	$0	$500									$600
Total:	$88	$129	$120	$679	$45	$36							$1,097

Grand Total:	$4,248	$4,414	$4,300	$4,509	$6,775	$4,991							$29,237

<u>Expenses: Detail</u>

General Operating Expenses	
Advertising	199.00
Bank Service Charges	(0.23)
Contract Labor	48.07
Courses / Continuing Education	128.35
Domains and Hosting	29.99
Merchant Account Fees	150.20
Office Supplies / Expenses	(9.02)
Software/Software Subscriptions	47.05
Telephone & Internet	22.26
Total General Operating Expenses	**615.67**
Payroll Expense	
Payroll	
Wages	2,300.00
Payroll Taxes	201.25
Total Payroll	**2,501.25**
Health Insurance	488.96
Total Payroll Expense	**2,990.21**
Total Operating Expenses	**3,605.88**

Money Thoughts, Reflections, & Strategies

Increasing Profits: Should I Save More, Invest More, or Pay Myself More?

As promised, I'm going to dive into how I'm handling the increased profits I'm seeing in my business recently.

Since the beginning of the year, my income from monthly retainer clients has steadily increased. (I'm pretty sure the increase has stopped, at least for the time being, though, as tax season tends to bring people out of the wordwork, then it tapers off over the summer. Which is great. Constant growth just isn't realistic!) Which means my discretionary business income has increased as well.

Note: For my purposes, "discretionary" means anything above and beyond my regular expenses (which are pretty lean) and a basic living wage for myself. (Not a thriving wave (which is above and beyond a living wage), though).

So the question becomes: **what do I DO with said discretionary income?** Well, there are three options:

- Invest back into my business. Think: hiring help, glowing up software options, investing in continuing education, etc.
- Save more. Growing either my business or personal savings pots, or a combo of both
- Pay myself more. ie: start moving from a living wage to a thriving wage

How do I decide? Here's my thought process:

Is there something specific I want to invest in for my business? Something that will make running a 1-person show a bit easier? Courses/continuing education I think will actually help grow my business (as opposed to something shiny I want to learn about simply for the fun of learning a new thing!)?

Answer: there really wasn't. I have my eye on a course that starts in August, but it's only a slight possibility. I have all the software I reasonably need (I actually just discovered I can downgrade my Zapier subscription and save $30/month!), and I'm not at a point where I want to hire a contractor again. So investing in my business is pretty much off the list.

What about saving more? This is pretty much my default (see previous month's report about my tendency to "hoard" money. 🤦🏻‍♀️) And I for sure what to start saving more. Post-covid times (when there wasn't so much stimulus money floating around) definitely put a damper on my savings rate, and I'm eager to start INCREASING my retirement funds as opposed to decreasing them. AND. I don't want savings to be ALL that I do with my extra profit.

Which brings me to paying myself more. I wanted to be super-mindful about this. **I didn't want to fall into the "lifestyle creep" trap and pay myself more just to have it trickle away by spending more on takeout and random purchases from Amazon**. Nope! I wanted to be clear about what that extra money is for.

Oh, and I need to mention: I automatically got a $235 "raise" starting in May. That's how much I used to spend on my dog every month, between prescriptions, food, and setting aside money for vet bills, but she died at the end of April. It's the WORST way to get a raise, but there you have it.

So, **I ended up paying myself $100 more per month in salary starting in May**, which made for an effective raise of $320 after taxes. I'm putting $150 of that toward my "my car is 13 years old" fund and $85 toward my "unicorn hair" bucket (I'm *this close* to pulling the trigger and going back to having cosplay hair!!). The rest went to the "lifestyle creep" bucket. As in, there's now more wiggle room for takeout and Goodr sunglasses. (Ya'll. Did you see their limited edition "Is it Queer in Here" pair?!?!?! ***I legitimately bought two pairs**.* You know, in case I lose/break/something happens to one pair, I have a backup!)

Everything else (which is coming out to about $600/month) goes toward retirement savings. My goal is to contribute a full $7,000 to my Roth IRA at the end of the year. I might not *quite* make it, but I'll get close (I'm currently at $3800).

"But wait, Stephanie," you might be saying to yourself, "**your profit for June was over $1000, why is there only $600 to put towards retirement?**"

Good question, my friend! **It's because my expenses aren't evenly distributed throughout the year**. I pay my accountant in March/April. My quiz software subscription (one of the more expensive annual software subscriptions I have) gets paid in July. My CFP certification renewal happens in March. But I set aside money every month for those expenses (and others), so when they come, there's money in the bank to pay for them. Ipso facto, while my profit for June might have been $1300, only $600(ish) was available for savings.

If/when I bring on any new retainer clients, and when revenue from my membership and digital products (hopefully!) becomes more substantial, my plan is to split the funds as follows:

Long-Term/Retirement Savings (above the $7k Roth IRA contribution)	25%
Mid-Term Savings (home repairs/upgrades, etc)	25%
Business Savings/Investments	25%
Personal/Lifestyle Spending	25%

Whew! That was a LOT of detail. Possibly way more than anyone other than me is interested in. But you know what? I love talking and thinking about all this. *shrugs*

Coming Up Next Month:

👉🏻 **What I spend money on in my business, what I don’t, and how that’s working out for me.**

(spoiler: it’s not always a home run! 🤣🤦🏻‍♀️)