

From Artist to Artist Entrepreneur



Get Shamele\$\$

Quick disclaimer | Fine print | My lawyers made me say it

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**WE WILL BE SENDING
YOU THE SLIDES! YAY!**

(just give us a few days)



WHO WE ARE



**Pamela Capalad,
CFP®, AFC®**

**Founder and CEO,
Brunch & Budget
(financial planning
practice)**

Dyalekt

**Co-Founder and Director
of Pedagogy, Pockets
Change
(hip hop + finance for
youth)**

Pamelekt

**Co-hosts - Brunch & Budget Podcast
(getshameless.com/podcast)**

**Co-Founders of See Change
(group financial coaching for Creators of Color)**

Let us Google us for you...



35th ANNUAL EDITION

Best of New York

Head spa, Mexican burger, British underwear, surfboard storage... p.55

And: Glenda Jackson / Jeremy O. Harris / Heidi Schreck & Tony Kushner / Peter Bogdanovich

March 4-17, 2019

NEW YORK

This Is How Impeachment

best of new york 2019 | The Best of New

Financial Planner




Brunch & Budget

letsbrunch@brunchandbudget.com

Pamela Capalad, who had been with a w
was the only one of her friends who "wo

BLAVITY : NEWS

News Op-Eds Lifestyle Submit a Story

This Couple Launched Three Programs Dedicated To Teaching Financial Literacy To POC

Want some budget tips to go along with that brunch?


Forbes

This Couple Created A Multilevel Curriculum To Teach All Ages Financial Literacy

 **Julian Mitchell** Former Contributor
Entrepreneurs
I cover entrepreneurs and startups disrupting industries.

Follow

TWEET THIS

-  That experience made me realize that this was my mission in life, helping generations of kids become financially literate.
-  From the perspective of an educator, it works well because it's fun.



Menu Search Bloomberg Sign In Subscri

Business

How to Make Managing Your Money Less Scary: Do it Over Eggs and Bacon

This financial planner uses low-pressure meet-ups to get millennials interested in their finances

getshameless.com

What is Brunch & Budget?

Brunch & Budget is a full service financial planning practice and was named best of NY by NY Mag in 2019

getshameless.com

How it started:



How it's going:



The b&b team - Allison, Brittany, Sam, Nicole, Pam



Dyalekt



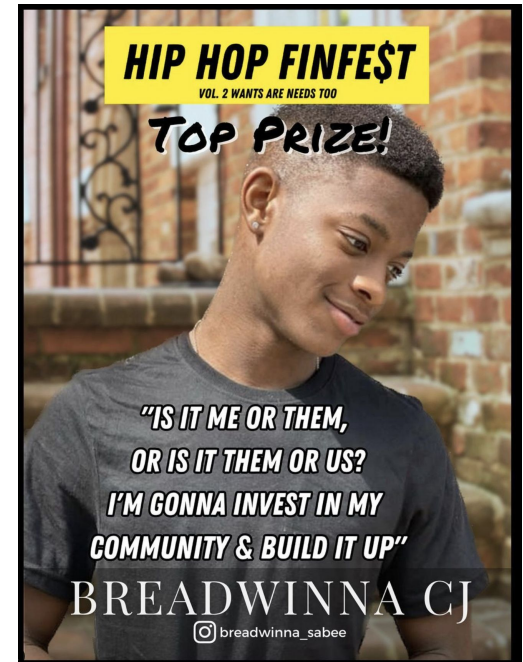
Ruth

What is Pockets Change?

Pockets Change uses hip hop pedagogy to teach students, teachers, and families how to liberate their communities through personal finance

getshameless.com

Pockets Change is the winner of the 2022 award for innovation in financial education



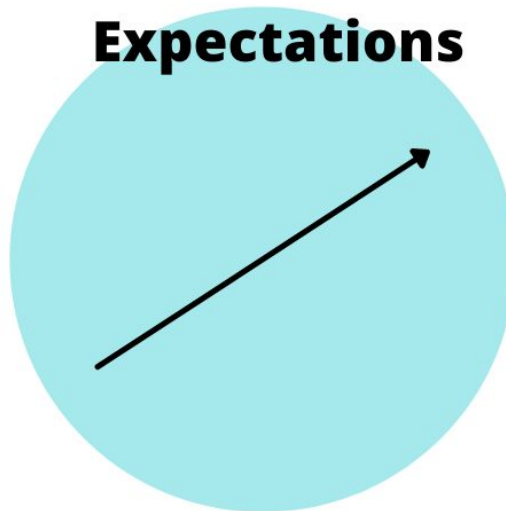
Congratulations to the winner of our 2nd annual financial education song contest!





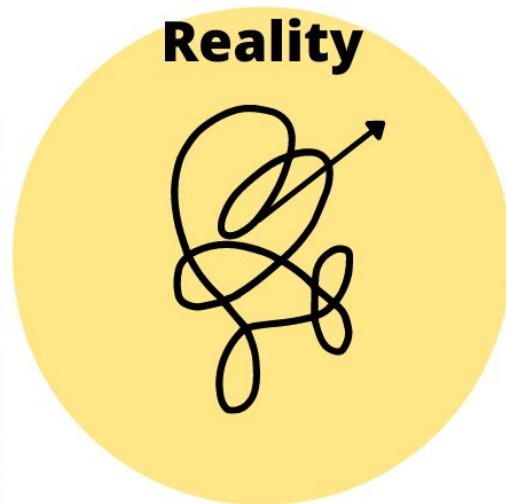
Today:

Expectations



Life:

Reality



Safety is the intervention

The foundation of Interpersonal Neurobiology is that we must feel safe in order to heal. - Interpersonal Neurobiology teachers

Money is emotional, and we're going to get deep into our habits & practices, wants & needs

We're happy to stop and speak about any feelings or memories that come up

We invite you to be vulnerable, but also feel free to keep yourself safe, and 'turn off your screen' if you need not be perceived

There are no bad questions and we'll explain anything you ask





FIND A MONEY BUDDY!



**Share in with a money
buddy:**

What does 'art as business'
means to you?

Taking control of your finances is a Revolutionary Act

You're part of a system that's designed to take you out:

- *Bad credit score?* Your landlord, employer, utility company, cell phone company, insurance company can penalize you
- *Didn't file taxes every year?* Can't buy a house, get a business loan, might owe back taxes
- *No estate plan?* All the work it took to accumulate wealth goes to lawyers and court fees



Taking control of your finances is a Revolutionary Act

Whether you want to be a millionaire or change the system, we're here to show you how to use it without feeling used





Agenda:

- ★ Setting your Rate
- ★ Negotiating Rates
- ★ Cash Flow Projections
- ★ Business Structure & Taxes
- ★ Financial Team



Setting Rates

Freelancers - how to set your first (or next) rate

Factor in:

- ★ hourly rate at past jobs
- ★ additional tax liability
- ★ health insurance and other benefits
- ★ Hours you're not getting directly paid (marketing, sales, admin, etc)





How to set your first rate - Example

\$50,000 - base salary at last job

\$3,825 - employer payroll taxes (7.65%
medicare and social security)

\$4,800 - health insurance costs

\$1,500 - 3% match on 401k

\$60,125 - total comp at full time job

\$29 - hourly rate (annual/52 wks/40 hrs)

**\$60 - freelance hourly rate (double it!
to account for hours not getting paid)**

How to set your rate - 5 mins

<http://bit.ly/seechangecashflow>

Share what rate you were planning to charge/currently charge and what rate you calculated



You only need to fill in green boxes, everything else is a formula!		
CALCULATE YOUR RATE	FILL IN	EXAMPLE
Base salary last job		\$50,000
401k match percentage		3.00%
Add payroll tax (7.65%)	\$0	\$3,825
Add health insurance		\$4,800
Add 401k match	\$0	\$1,500
Total comp at last job	\$0	\$60,125
Total comp hourly rate	\$0	\$29
Double it for freelance rate	\$0	\$58

Get Shameless Moment! ☀️

You are not just trading your time for money, you are also trading your expertise and experience.

REMINDER TO YOURSELF:

“I don't get paid for one hour, I get paid for one hour + 10 years of experience so I can do the job in one hour.”



Negotiating

The art of negotiating rates

- ★ Have a **'standard'** rate that you share with everyone
 - You won't always get this rate, but it's important that clients know what it is
- ★ Have a **'floor'** rate that you won't go below



The art of negotiating rates

- ★ Negotiating room is between floor rate and standard rate
- ★ Decide which communities or populations you have no 'floor' for
- ★ If you are giving someone a discount, make sure they know it (put it on your invoice!) It is a discount, not just you being flexible



Consistently raise your rates

- ★ Give yourself (arbitrary) rules for when to raise your rates
 - Every time you get X number of clients
 - Every 2-3 months
 - When you have to say no to a gig



Consistently raise your rates

- ★ Start by raising rates with new clients first, then go back and raise rates with existing clients
- ★ With existing clients, tell them your current rate is x , but you are willing to give them a discount for being an existing client



Get Shameless Moment! ☀️

Getting a NO is a good thing too!

It means they wouldn't have valued your products or services in the first place!





Share with a money buddy:

What is your method for raising your rates?

If you haven't raised your rates yet, what method are you going to try?



Cash Flow Projections



What your cash flow projections tell you

- ★ Review income that is regular and guaranteed
- ★ Review any long stretches where there is no projected income



What your cash flow projections tell you



- ★ Count how many different streams of income you have - multiple streams of income can get you through low income months
- ★ Plan to ramp up your marketing and sales strategies around the low income months

Cash Flow Projections - Expected Income

EXPECTED INCOME	Annual TARGET	Monthly TARGET	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	\$0.00
															\$0.00
															\$0.00
															\$0.00
															\$0.00
															\$0.00
TOTAL INCOME	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BUSINESS TAXES (25%)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL BUSINESS EXP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET CASH FLOW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PROJECTED BUSINESS EXPENSES	Annual	Monthly	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Education/Research/Dues															\$0.00
Meals/Entertainment															\$0.00
Travel															\$0.00
Office/Software															\$0.00
Professional advisors															\$0.00
Marketing/Advertising															\$0.00
Misc															\$0.00
TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

<http://bit.ly/seechangecashflow>

Cash Flow Projections - ACTUAL Income

ACTUAL INCOME	Annual TARGET	Monthly TARGET	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	\$0.00
															\$0.00
															\$0.00
															\$0.00
															\$0.00
TOTAL INCOME	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BUSINESS TAXES (25%)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL BUSINESS EXP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET CASH FLOW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACTUAL BUSINESS EXPENSES	Annual	Monthly	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Education/Research/Dues															\$0.00
Meals/Entertainment															\$0.00
Travel															\$0.00
Office/Software															\$0.00
Professional advisors															\$0.00
Marketing/Advertising															\$0.00
Misc															\$0.00
TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

<http://bit.ly/seechangecashflow>

12-Month Cash Flow Projections - SAMPLE

EXPECTED INCOME	jan15	feb	mar	apr	may	jun	jul	aug	sept	oct	nov	dec	Total
Operating Income													
Brunch Club		880	300	400	500	600	700	800	900	1,000	1,100	1,100	8,280
PEAK climbers club (\$75 budget sessions)						900				900			1,800
\$150 sessions - 5	735	750	750	750	750	750	750	750	750	750	750	750	8,985
Pockets Change		300	300	300	300	300	300	300	300	300	300	300	3,300
Twice a week client	1,575	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,375
Wealth Edge/Other?													0
Total Operating Income	2,310	3,730	3,150	3,250	3,350	4,350	3,550	3,650	3,750	4,750	3,950	3,950	43,740

First year of Brunch & Budget - 2015

INCOME	jan15	feb	mar	apr	may	jun	jul	aug	sept	oct	nov	dec	Total
Operating Income													
BUDGE	740	820	900	945	1,190	2,090	2,264	2,363	2,500	2,700	2,900	3,100	22,512
PEAK climbers club (\$75 budget sessions)													0
one on one sessions	735	890	1,005	535	650	400	910	975	900	900	900	900	9,700
Pockets Change										300	300	300	900
Twice a week client	1,575	4,175	4,475	4,612	2,306	1,350							18,493
Wealth Edge/Other?													0
Total Operating Income	3,050	5,885	6,380	6,092	4,146	3,840	3,174	3,338	3,400	3,900	4,100	4,300	51,605

12-Month Cash Flow Projections - SAMPLE

First year of Brunch & Budget - 2015

EXPENSES

Operating Expenses

Accounting and Legal				325									325
Advertising	100												100
CFP fees (including cont. ed.)	0	0	0			0	0	100	325	0	0	0	425
myplanmap								24	24	24	24	24	120
eMoney	352	352	352	352	352	352	352	224	224	224	224	224	3,584
E&O insurance									80	80	80	80	320
Office Supplies													0
XY Planning Network				297	397	397	397	397	397	397	397	397	3,473
conferences									1,000				1,000
Radio show dues (30) + cab rides (60)	90	90	90	30	30	30	30	30	30	30	30	30	540
moonclerk	138	221	235	227	170	161	142	147	149	163	169	175	2,097
Phone, Internet	110	110	110	110	110	110	110	110	110	110	110	110	1,320
Web Hosting and Domains	99			200				39					338
Total Operating Expenses	889	773	787	1,541	1,059	1,050	1,031	1,071	2,339	1,028	1,034	1,040	13,642

Get Shameless Moment! 🌟

The most important part about your cash flow projections is tracking actual income against projected

***What you measure gets managed,
what you manage comes true***





Creating action steps:

UNKNOWN: Who is going to say yes, buy your thing, engage in your services

KNOWN: Steps you can take to increase the odds that people say yes to you

Two kinds of action steps:

1. **Set up** - what you need to do to get started or take the next step
2. **Maintenance** - Regular action you take to keep the business/marketing/sales machine going

Make a list of clear action steps and share **ONE** action step you'd like to take right away:

SET UP - the one-off things you need to get done to move forward:

- ★ Create/update website, patreon, online profile
- ★ Put together portfolio of work
- ★ Decide on rates and invoicing system
- ★ Hire an accountant/bookkeeper/financial planner/attorney

MAINTENANCE - decide how often:

- ★ How many posts will you make on social media *each week*?
- ★ How many podcasts will you reach out to for interview *each month*?
- ★ How many pitch/proposals will you send *each week*?



Go on a cash flow date with yourself

Every month, ask yourself:

- ★ How much did you make this month?
- ★ How much did you project making this month?
- ★ Was it more or less than what you made?
- ★ Why do you think there was a difference in the projections vs. actual income?



Go on a cash flow date with yourself

Every month, ask yourself:

- ★ What marketing or sales strategies brought in the most revenue?
- ★ What brought in the least revenue?
- ★ Do you need to adjust your projections for the next month/ quarter/year





Business Structure & Taxes

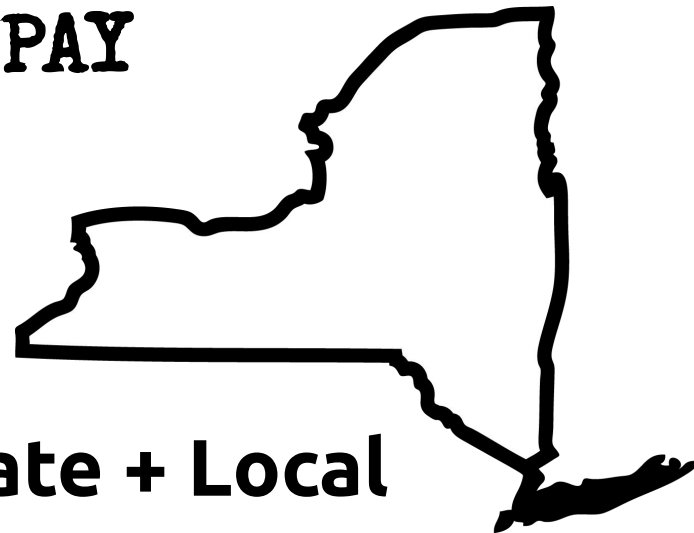
Which business entity to create

DBA Doing Business As	LLC Limited Liability Corp	S-Corp
<p>WHY: easiest and cheapest to create, can file for separate tax ID and open business account</p> <p>WHEN: you're ready to open a business account, create a more clear separation</p> <p>HOW: LegalZoom</p> <p>KEEP IN MIND: does not protect your personal assets, high audit risk</p>	<p>WHY: protect your personal assets</p> <p>WHEN: if your line of work is high liability (do people get sued a lot?)</p> <p>HOW: use attorney if possible</p> <p>KEEP IN MIND: expensive to file; for taxes, income will flow through personal returns and you are still at high risk for audit</p>	<p>WHY: protect your personal assets, reduce audit risk, reduce tax liability, take wages</p> <p>WHEN: if your business is grossing more than \$100k</p> <p>HOW: use attorney or accountant if possible</p> <p>KEEP IN MIND: you will need to file corporate tax returns and keep books</p>

TAXES YOU PAY



Federal



State + Local



TAXES YOU PAY



Employee/W2 Income	Self-employed/ 1099 income	S-Corp
<ul style="list-style-type: none">★ State★ Federal50% Social Security★ 50% Medicare	<ul style="list-style-type: none">★ State★ federal,★ 100% Social Security★ 100% Medicare	<p>Payroll State, Fed 100% SS, 100% Medicare</p> <p>Profit State, Fed 0% SS or Medicare</p>

TAXES YOU PAY – S-Corp



	S-corp	No S-corp (LLC)
Total Revenue	\$200,000	\$200,000
Biz Expenses	\$50,000	\$50,000
Salary/Net Income	\$70,000 (salary)	\$150,000 (net schedule C Income)
Profit	\$80,000	n/a
Payroll Taxes Owed	\$5,355	\$11,475



Financial Team

Your financial team

★ Accountant

- Files your taxes and advise on business deductions
- Helps calculate estimated taxes, retirement contributions, best way to file

★ Bookkeeper (sometimes the same person as your accountant)

- Tracks business income and expenses
- Runs profit and loss statements



Your financial team

★ Financial planner/coach

- High level business planning and can advise on cash flow, biz structure, insurance, retirement
- Plan how biz and personal finances flow together

★ Attorney

- Helping set up business entity
- Reviewing and creating contracts
- Helping with trademark and copyright needs



SHARE IN CHAT



Good peer pressure:

Share something you learned today that you plan to start working on/implementing/integrating into your life immediately!

Get Shamele\$

getshameless.com

