

Money/Taxes/Expenses have been a HOT topic recently so I wanted to do some training on that subject! When there is fear/uncertainty/disorganization/etc related to money, it can really shut anyone down in their business, SOOOOO let's get financially SAVY, ladies! I'm going to leave a VOXER message related to this topic, so check that out!

Random thoughts on Money/Wealth Management according to Leah Lauchlan...this is not gospel, but here are some suggestions that have helped our family...this is a novel, brace yourself...

1. It's important to remember that MK is NOT a traditional job/career SOOOOO the money management skills (or lack there of) that you had before MK are probably NOT sufficient to run a BUSINESS. We earn commissions, we are 1099 (not W-2), we have expenses/overhead and our business works in cycles...that's very different than just getting a paycheck every month. THEREFORE, to run a successful business, you need to IMPROVE your money management skills. It's something that cannot be ignored. And the excuse "I'm not good with numbers" doesn't fly - grab a calculator. Thankfully it's a SKILL, so anyone can master money management.
2. When you have money problems, it WILL negatively effect almost every other part of your life...relationships, marriage, health, business, etc. And we can tend to "blame" Mary Kay when we have money problems, but the REAL issue it most likely poor money management skills.
3. Not a lot of people have a healthy understanding of what money is and what it can or cannot do. All of us have emotional connections to money that we probably picked up in our childhood. Maybe your parents fought about money so you probably have negative emotions connected to money so you avoid dealing with it? Maybe your mom took you shopping after a big fight to make up for it so you might spend money for comfort? Maybe you grew up believing that a lot of money is bad or evil so you have a hard time believing or wanting to make a lot of money in your business? Whatever it is, we all have an emotional connection and it may or may not be healthy.
4. I would recommend reading Suze Orman's "9 Steps to Financial Freedom" - the 1st few chapters can help you identify whether or not you have a healthy understanding of what money is. A big concept in this book is "PEOPLE FIRST"...some people avoid money because they think it's wrong or selfish to focus on it, but the opposite is true. When you don't focus on respecting and managing money, it does a disservice to your family and if you can't take care of your family, how will you ever have excess to GIVE to others and take care of others. Focusing on money is putting PEOPLE FIRST.
5. I think we should implement spending disciplines at certain times. For example, a few years ago Cliff and I were trying to get really organized with our finances so I decided to not get my nails done or do anything to my hair or buy any clothes/accessories for an entire year. I did my own nails and let my hair grow out and rewore clothes/dresses that we already in my

closet in plenty. It was an "ugly" year - lol - but I wanted to do that to just practice discipline with spending and to prove to myself that none of that stuff "owned" me; I wanted to believe that I had self-control. I COULD AFFORD to do all of those things, but I chose not to for a season just to develop discipline. Cliff & I are most likely going to be building a custom house within the next year, when he's finally done with Law School. We need more than 1000 SF condo now that we have the 2 kids. We are busting out of my small closet right now so I have decided not to buy new shoes until we move. You can hold me accountable for that. I am going to build a closet like Pam Shaw's! So excited!

6. TRACKING IS KEY! Again the numbers excuse won't fly. I do not believe ANYONE can master their finances and save a lot of money (no matter how much or how little you make) without effective tracking or systems. I started tracking our spending/income (I used the excel spreadsheet that is attached) back in 2009 (we got a pretty hefty tax bill that we didn't expect; it didn't dawn on me that when I started making a 6 figure income that I would have to pay a lot more in taxes! HA!). The amount of money we were able to save/invest started doubling, tripling, quadrupling after I started doing this and it wasn't only because I was making more money, it's because I started tracking, which led to AWARENESS and awareness is KEY! We didn't even put ourselves on a budget, we just had more awareness. And most people start spending MOREE when they start making more, but our expenses (personal & business) have basically stayed the same (even now as a National) for the past 6 years and I attribute that to TRACKING. You cannot change what you do not know, you do not know what you do not TRACK! A tracked number GROWS - I would love to see your checking and savings accounts GROW! Tracking can become a fun game and it's exciting to watch your expenses decrease and your savings INCREASE. My VOXER message will go over some systems for tracking.

7. Take care of your business (and I would recommend personal) finances YOURSELF. If your husband takes care of it, either take more of a role or take it over! And this is one thing I do not delegate because I want to have AWARENESS. And I do consider money management to be an INCOME PRODUCING ACTIVITY. Don't use the "I'm too busy" excuse.

8. Mary Kay is a great TAX advantage but it can become a great burden if you're not prepared and not tracking. Once you start making Premier/Cadillac income I think it would be wise to go incorporated, which has some tax benefits. I would also INSIST that you work with an accountant to figure out how much you should set aside MONTHLY for taxes and pay taxes quarterly. The excel spreadsheet that is attached also helps at the end of the year when preparing for taxes because you have all your total expenses all ready to go. That way you don't have to devote an entire week and pull a couple all-nighters for tax prep, when you could be doing IPAs!

9. Work closely with a PROFESSIONAL when it comes to tax planning and prep. Have some who will not only file your return but will also help you do effective planning for the coming year and help you to MAX out all the tax advantages you can claim. And the tax code is always changing so you need

to work with someone who can keep you abreast on how the changes will effect your business. Be proactive. I can give you a referral for my CPA if you need it.

10. There are some investment accounts you can have that are a great tax advantage...Roth IRAs, Health Savings Accounts (HSAs) and a SEP account (I forget what that stands for), but it's basically a retirement account for self-employed people. These accounts help to lower your taxable income and help to plan and prepare for retirement. Mary Kay has the BEST retirement plan for NSDs!!!! Our Financial Advisor was in shock when we told him about it and said there is probably nothing out there that can match the plan. Becoming a National would be a wise move for retirement!

11. Part of my vision and mission is to mentor leaders who are not only successful in their business but successful and healthy in LIFE (emotionally, mentally, spirutally & financially). We are about developing the WHOLE woman and whether you like it or not, your finances effect every area of your life, so it's important to have a healthy financial life. I WANT YOU ALL TO MAKE A LOT OF MONEY!! LOL! Not only so you can buy STUFF and have nice things (although there's nothing wrong with that), but so you can be good stewards of what God can and will bless you with and so you can be a blessing to others. You cannot give what you do not have. The more financially healthy you become, money usually becomes LESS of an idol or "possession". One of my most favorite spiritual books is "The Pursuit of God" by A.W. Tozer...he says (paraphraed) that you enjoy 1000++ gifts/possessions on the outside as long as it's only God that reigns in your heart. When you view/respect money with a healthy perspective, you can enjoy money and all the benefits, without it ever becoming an idol in your heart.

Let's build an area of women who are fianacially healthy! Imagine if more families in this country were debt free and had money in savings/retirement????!!!! It would create a revolution in America. We have the vehicle in Mary Kay to teach other women to be healthy in every area of their life and break family cycles of a scarcity mentality and debt. Let's do this!