

hello :)

\* This information is for educational purposes only, none of this is official tax or financial advice

**budget**

Budgeting can seem like a bad word  
The simple idea of it can trigger awkwardness or aversion

But really, we deal with money or the consequences of money every day of our lives  
And it's important to understand it's flow -- how it's coming in and going out.  
To know what we're working with and what we want to do with it.

The goal of budgeting is to find balance in that fluctuation and to have a plan  
-- to be able to look at a financial situation with a birds eye view

The habit of having a healthy familiarity with our financial landscape can prepare us better  
for the future and support ongoing financial wellness and growth.



Being an artist or a creative person (or truly, just a being in the world)  
means that your life experience informs your work  
And so it can be helpful to look at budgeting in the same way

Being good with your personal finances builds good habits and confidence to have  
conversations and interactions around money in your projects

Focusing on getting your money right also has the potential to alleviate potential stress,  
freeing up your bandwidth to focus on other things

Budgeting is like brushing your teeth. Preventative, Simple, Healthy

**Budgeting for yourself requires introspection**

**You have to familiarize yourself with your habits and your current situation**

**Check in to see which things you're ok with and one you want to change.**

**It can be emotional and that's ok.**

# where to start :

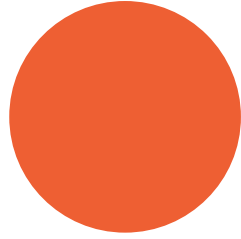
1. Pull your bank statements from the last 3 months
2. Highlight these three groups
  - a. Musts (bills, rent, childcare, therapy)
  - b. Recurring Transactions (subscriptions, memberships)
  - c. Elective spending (shopping, eating out, entertainment)
3. Look for patterns in your spending and check in with yourself about how you feel about what you've been doing.

Try to reserve judgement, it's really great that you're taking the time to do this. You're looking at a snapshot of your recent financial health, that's all.

4. Total up each category and get the average
5. Ask yourself these questions:
  - a. Is your income covering all of these expenses?
  - b. Are there any non-necessities that you could eliminate or that would be beneficial to be kept in check?
  - c. Are the things you spent money on things you care about?
  - d. Are there any bills or recurring costs that you forgot existed or that you could get for less?

\*you don't have to do this all in one day,  
give yourself a break if you need it

One size  
does not  
fit all



\*budget the way that works for you



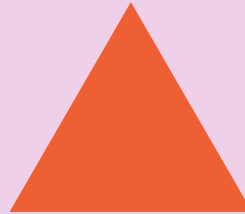
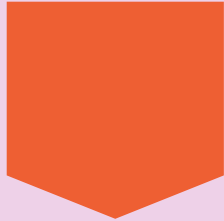
“ I overspend”

“ Money is  
Low  
Right Now”

“Spending  
=  
Guilt”

“I can't save  
for s#!~”

“I can't be  
bothered”



Zero - Sum



Essentials  
Only



50/30/20



You First



Automate



# Zero - Sum

A “Zero Sum” budget is helpful if you need to hold yourself accountable.

If you feel like an over-spender,  
it can be helpful to sit down and look at what you ACTUALLY have to spend  
and commit to staying inside of those rails.

With this method, you allocate all of your \$ (Bills and Pleasure)

First, you make sure all of the essentials are taken care of, then you divvy up the rest  
to cover your subscriptions, eating out, entertainment, travel, etc.

This way, you know you have \$100 to spend on shoes and you won't break the bank when you  
go to make the purchase.

[Want more Info?](#)



# Essentials Only



It's ok to be in a period of your life when you have to tighten your purse strings.

Whether you just had to cover a surprise expense or your income is a little rocky, it is good for everyone to know what their minimum cost of living is (without the expendable memberships and drinks with friends included).

Everyone's needs are different.

Generally, medications, rent, utilities, child care, therapy, insurance, car payments, groceries-- are needs.

Knowing this 'no frills' number can also help determine what your emergency fund is (3 to 6 months of expenses)

It can also help you know how much you need to make to cover your essential costs

[Want more Info?](#)



# 50/30/20

50/30/20 is a pretty popular model for allocating your income to different categories.

The idea is that:

Of your total income (whatever it is that month)

- 50% goes to Needs
- 30% goes to Wants
- 20% goes to Savings and Debt Payments

This is a flexible model that easily divvys your money up.

Mobile Banking makes this easy if you want to go all digital to separate your \$.

Some people pull out cash to go towards their wants, so that they know when the cash is spent, that's all.

Also, it isn't a hard and fast rule.

There may be some months that are 70/20/10 or 50/40/10, whatever works for your needs right then

The benefit is that you know how much you have to spend on fun while making sure necessities are covered.

[Want more Info?](#)



# You First

v  
v

Sometimes saving comes in as a last step in people's minds.

In that line of logic, you use what you have and then if there's anything left-- you save it.

This is not always an effective system, because you're putting your wants ahead of saving and there are no guarantees that you'll leave anything for yourself when it's all said and done.

Save FIRST. When you get income, put away an amount immediately as an investment in future you.

This can be automated if you get direct deposits so you never even have to think about it.

It's also ok to start small. \$5/mo is \$60 after a year. \$5/wk is \$240 after a year. That is something!  
If something comes up and you can't swing it one month, it's ok.  
Saving is about cumulative effort

[Want more Info?](#)

[Even more Info?](#)



# Automate

Sometimes the idea of maintaining another thing in our lives is legitimately too much.

## GET THE ROBOTS TO DO IT FOR YOU

Often times, the online banking that you're already using has a lot of tools you can take advantage of to do things like set up auto deposits, etc

Once everything is set up (a couple hours of work), then the maintenance of budgeting is only an occasional adjustment instead of an annoying task that you keep putting off.

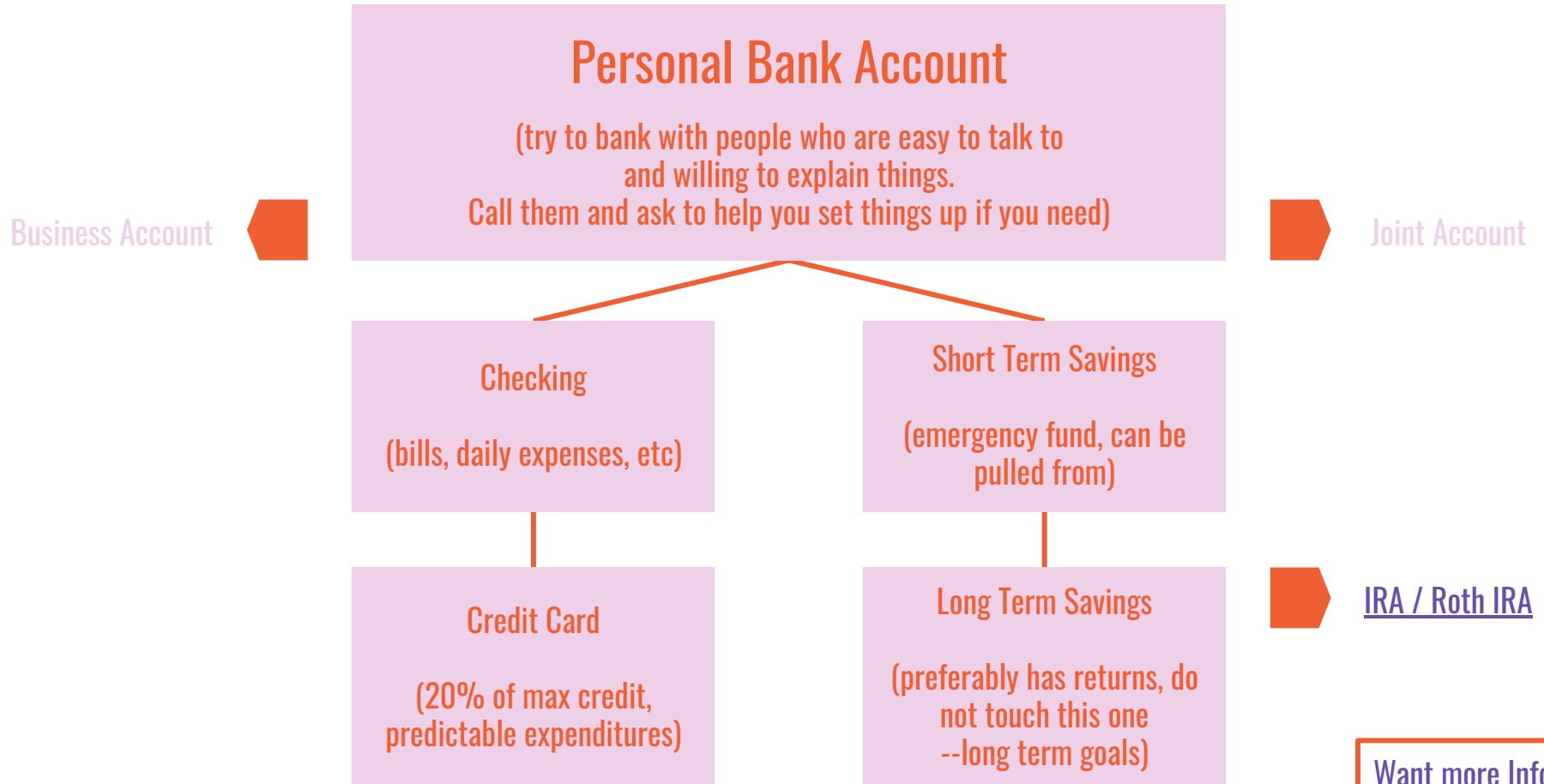
\*It is still important to set aside time to check in on things and make sure your system is still working for you. This can be weekly, monthly, quarterly.  
Set a calendar invite with yourself and make sure you're adjusting to your current moment.

There are a lot of tools that people have built to help (see below)

[Want more Info?](#)

[Tools](#)

Making a “Money Map” can help you to visualize and plan where your money is going/ coming from. Below is an example:



# Sequence of Savings

When you have extra money, here's how you decide where it goes to set yourself up for success



## **Emergency Fund**

(3-6 months of Expenses, more if income is uneven)



## **Debt**

(Credit Cards, Student Loans, Etc.) Pay off Higher Interest Loans First



## **Max Out Retirement Accounts**

(You can contribute to an IRA or Roth IRA even if you already have a 401k)



## **Investments**

(Open a Taxable Account [like this one](#) or any other low cost provider like Vanguard or Fidelity)



# What goes into your credit score and why it matters

Your credit score is basically proof that you are 'good' for the money that you borrow. It is calculated evidence you are responsible enough to pay it back in a timely manner and have reliable enough income to cover a loan.

- Your credit score is a number between 300-850, higher scores can lead to lower interest rates on loans and larger credit limits.

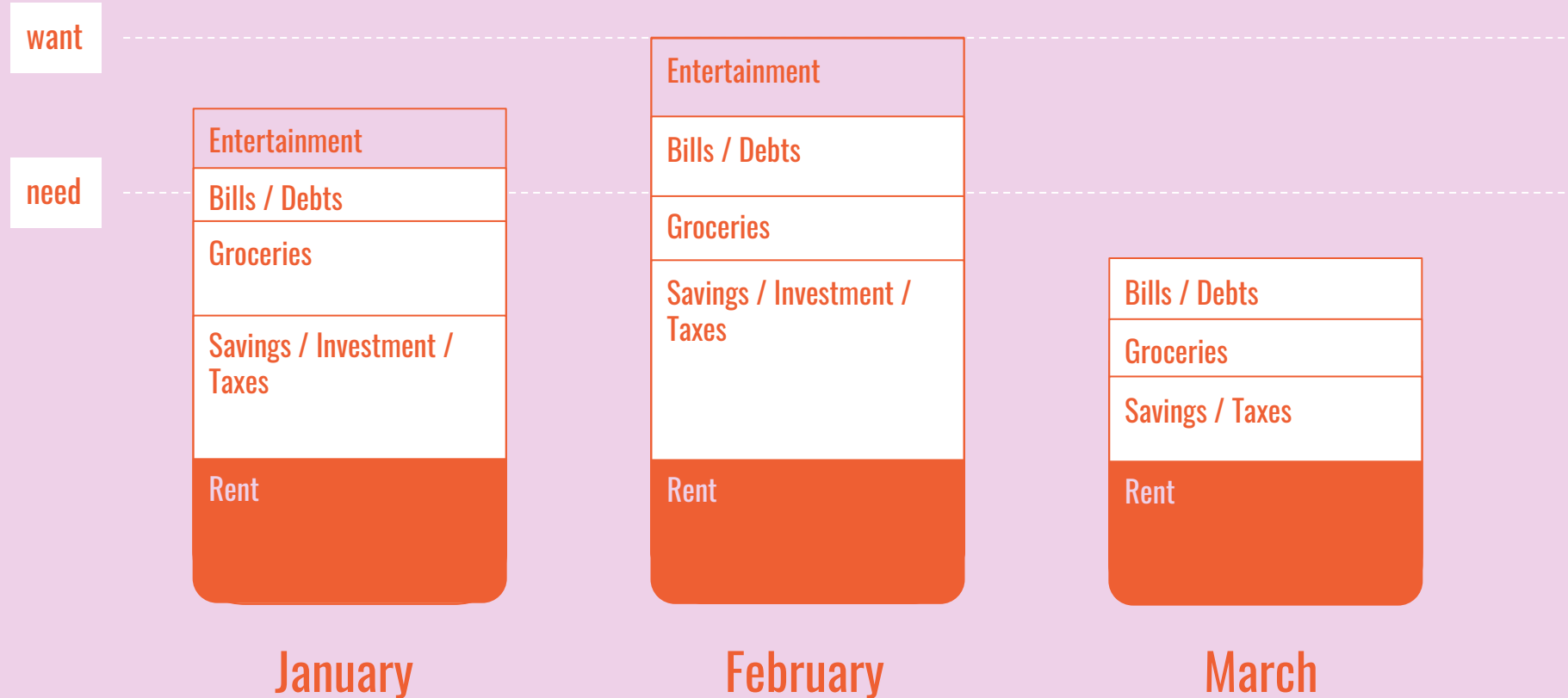
## 5 Things that Impact Credit Scores

1. On time payments (35%)
2. How much of your total credit you are using (30%)
3. Age of credit (15%)
4. Credit inquiries (10%)
5. Types of credit (10%)

[Want more Info?](#)

but real life tho...

# Uneven Income is normal in small business and freelance positions, The goal is to be able to adjust for potential inconsistencies



Preparedness is the name of the game for uneven income.  
In a good month, it's a good idea to increase your savings and investments  
so that you are set up well for leaner times.

The work you do may be seasonal (relying on art fairs, festivals, holidays, etc)  
If you are able to anticipate those fluctuations it will be easier  
to have a more steady and reliable bank account.

Being self employed increases your tax burden.  
Insure you fully understand this so you can adequately save and pay your taxes on time.

You may want to practice [working with a bookkeeper](#) if you want more support and clarity

# Steps to Take to Adjust for Uneven Income

1. Forecast Cash Flow Accurately and Honestly
2. Make Adjustments like syncing the Timing of Bills with pay periods or Negotiating Cost Reductions
3. Organize and Automate expenses to make this work less daunting and a lighter load
4. Diversify Revenue Streams to ensure you're not relying on one solution to carry you.
5. Increase Credit Limits BEFORE you need them to cover costs if necessary
6. Budget your time like you budget your money.  
Doing this thoughtfully can make sure you're not burning yourself out on efforts that don't serve you.

# Renting

## VS

# Buying

- Do you have a clear picture of your personal finances?
  - This will help you make decisions based on what funds are available
- How long do you plan to live in that location?
  - The longer you plan to stay, the more the up front costs will represent returns over time
- How much should you have saved in advance?
  - Down Payment, Closing Costs, Inspections, Etc
- What will it cost to maintain a home annually?
  - This can be between 1%-5% of the homes value.

[This Calculator from the NYT](#) is an awesome place to start

[Want more Info?](#)

projects

# There are different kinds of projects



**PERSONAL**



**BUSINESS**



**PROPOSALS**



# PERSONAL

This is a project that is for your **personal practice**.  
You have an idea that you'd like to try or expand on and there's  
no one else involved in the \$ part of things yet.

These costs may be a **line item** in your budget that you hold space for  
so you don't spend too much on a whim

We like to get inspired by materials,  
but it's a good idea to give ourselves a limit so that  
we're buying things that we will actually use or need.

It is also a good idea to plan and **save up** for bigger expenses  
if you know they're coming  
-- like a bulk order, a show, or matching for a grant.

You may want to open up a **seperate** savings account (aside from an  
emergency fund, etc), so you can keep tabs on how much you have available  
for this type of project since you are in control of what materials are used and  
if there's any urgency attached to things being made.

**It can be very easy  
to buy art supplies that you don't need for  
... inspiration ...**

**Hold money in your budget for this in the  
“want” category**

**Or save up to cover the full cost  
of a project, new equipment,  
or matching grant.**

# BUSINESS

This is similar to a budget you'd make for your own life, but a business is a project that is separate entity ( because taxes )

It's a good idea for your business to have it's own bank account  
ESPECIALLY if your business involves other people

When money comes in for the business, it goes into that account  
When money is spent for the business, it comes out of that account

There is overlap between this process and personal work that you might sell later down the line. But generally, this category is art that is made to be sold.

Familiarize yourself with **invoicing** and **Letters of Agreement**

Questions to Ask and Answer:

**How much should I be selling this item for to pay myself for the time spent, materials used, and a profit?**

**How much of a profit would I like to make/ is reasonable?**

**How much is my time worth?**

An **Invoice** is a document that says:

“Hey, we’ve agreed for me to do work for you and this is how much I’m going to get paid for that work.”

The terms of payment should have already been agreed upon and can be referenced on the invoice

Some companies or businesses will require an invoice before they can pay you for their records.

It’s a good thing to have and keep for your records as well

It helps make everything clear and reinforces the idea that you intend to be paid for the work you do as a professional



# INVOICE

# SL-01

Date: Jan 5, 2016

Due Date: Jan 12, 2016

**Balance Due: \$125**

**Olivia Brown**  
obrownart@gmail.com

Bill To:  
**Spenser Liszt**  
spenserliszt@gmail.com

Item	Quantity	Rate	Amount
Spenser Liszt Logo - Initial Payment	1	\$125	\$125

Subtotal: \$125

Total: \$125

#### Notes:

The Logo Fee begins at a flat rate of \$250 USD.

This includes the initial consultation, design research, subsequent correspondence, initial logo, one logo revision, and delivery of materials.

Any additional revisions or products will be agreed upon in advance and time spent will be charged at an hourly rate of \$25 USD/hr.

Payment via Venmo or Paypal has been requested.

#### Terms:

As per the Letter of Agreement:

"Client agrees to pay Designer 50% of the total project cost [\$125] before any services are provided, and the remaining 50% [\$125] is to be paid before any workable files are delivered. If the parameters of the Work change, or if it involves more time than estimated, Designer will inform Client and they can renegotiate the Work's cost. Payment is to be received within one week of invoice."

## An Letter of Agreement is a document that says:

“Hey, we’ve agreed for me to do work for you and this is exactly how I think that process should go- let’s cover our bases and agree on the terms of this project.”

Sometimes a company will already come to you with a contract, sometimes it may be a commission for an individual that seems more casual.

Ultimately, it is a good exercise for you to go through the process of knowing how you want an interaction to go around your work and take a moment to make that clear with the person that will be paying you for it.

Know what terms you are willing to negotiate on and are not

This can be referred back to throughout the project if necessary

Letter of Agreement

Client Name: \_\_\_\_\_  
Project Name: \_\_\_\_\_  
Designer: \_\_\_\_\_  
Start Date: \_\_\_\_\_  
Project Deadline: \_\_\_\_\_

**Objective:**  
The Designer shall provide the Client with a design solution for the Client's business. The Designer shall provide the Client with a design solution that is visually appealing, user-friendly, and meets the Client's requirements. The Designer shall provide the Client with a design solution that is visually appealing, user-friendly, and meets the Client's requirements. The Designer shall provide the Client with a design solution that is visually appealing, user-friendly, and meets the Client's requirements.

**Fee:**  
The fee for this project is \$10,000 USD. The fee includes the initial design, design revisions, and delivery of the final design. The fee does not include the cost of any third-party services or materials. The fee is non-refundable. The fee is payable in full upon the start of the project. The fee is payable in full upon the start of the project. The fee is payable in full upon the start of the project.

**Competition:** The Designer shall not provide design services to any other client for the duration of the project. The Designer shall not provide design services to any other client for the duration of the project. The Designer shall not provide design services to any other client for the duration of the project.

**Ownership:** The Client shall own the final design. The Designer shall retain the right to use the design for promotional purposes. The Designer shall retain the right to use the design for promotional purposes. The Designer shall retain the right to use the design for promotional purposes.

**Confidentiality:** The Designer shall not disclose any confidential information to any third party. The Designer shall not disclose any confidential information to any third party. The Designer shall not disclose any confidential information to any third party.

**Termination:** The Client shall have the right to terminate the agreement at any time. The Client shall have the right to terminate the agreement at any time. The Client shall have the right to terminate the agreement at any time.

**Sign-off:** The Designer shall provide the Client with a design solution that is visually appealing, user-friendly, and meets the Client's requirements. The Designer shall provide the Client with a design solution that is visually appealing, user-friendly, and meets the Client's requirements. The Designer shall provide the Client with a design solution that is visually appealing, user-friendly, and meets the Client's requirements.

**Designer Name & Title:**  
John Doe (12345)  
Creative Director

## An Letter of Agreement can include:

- A Creative Brief
- Your Fee
- What the Client Approval Process is Like
- What happens if the Client wants you to make Changes
- How soon you expect to get paid
- How long the project will take
- How you expect to be credited if the work is shown
- Sign-off to include the work in your portfolio
- What termination of the project would look like

# PROPOSALS

This is a project that hasn't happened yet, so this is a budget that is a **estimation of cost**.

The goal of this kind of budget is to help you clarify how much you will need for your work and why.

Keywords: Planned, Clear, Honest

All parts of the project should be thought through so that you're asking for enough and **not cutting yourself short in the long run**.

It's also important to be thorough so that the people or organization that could give you money have confidence in you and know what to expect.

**You are exhibiting Professionalism and Aptitude**

Things that are sometimes forgotten about:

- Adequate Compensation for Your Time
- Research and Design Materials
- Consumables (i.e. Gloves)
- Payment for Artistic Support (Photographer, Assistant, Etc)
- Travel

# Elements of a Good Proposal:

- A Brief Written Description of your project
- **Good Visuals**
  - Include Dimensions and Scale
  - Communicate Mood
  - Include Detail, different vantage points
- **Intended Materials**
  - Proof you know how to use materials (via Portfolio)
  - If you don't know how, proof you know someone who does and you know how much that will cost
- Images of Previous Work
- Estimated Cost Break-Down (Including Labor)
- Parameters/ Needs (ex: cannot be exhibited in direct sunlight)
- Timeline Estimate



Be prepared to know how your gift, grant, stipend, etc will be taxed. If it's taxed as income, you will need to set some aside to cover that





Get paid enough for your  
time and do not feel  
guilty about it.

resources

# Tools

## W.A.G.E

- Tool for finding out how much should be charged at different venues

## Real Cost Budgeting (Creative Capital)

- Info for how to determine what to charge for your time

## General Budget Template

## Project Budget Template

## Mint (Free Budgeting App)

## YNAB (Paid Budgeting App + Courses)

# More

## The Hell Yeah Group

## Journey to Launch

## Money Under 30

## Ellevest