

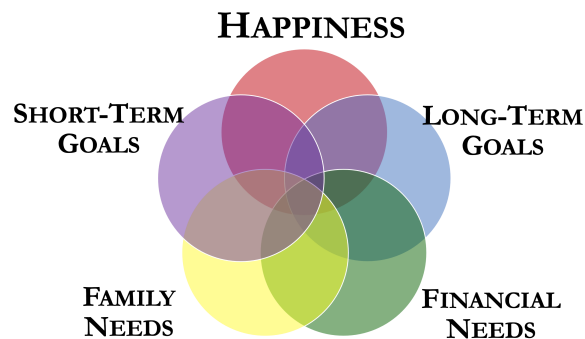
PERSONAL FINANCIAL PLANNING...
FOR MUSICIANS, ARTISTS, WRITERS & ENTREPRENEURS
OCTOBER 5, 2022

RESOURCES IF YOU HAVE QUESTIONS OR WANT MORE INFORMATION:

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TOP 15 PERSONAL FINANCE TIPS FOR ALL MUSICIANS & ARTISTS

Budgeting: 5 activities to take better control of your income and expenses

1. For 2 or 3 months a year, track every penny that you spend and that you earn. Analyze your behavior, judge yourself and make sure your actions align with your values and goals.
2. For 1 week a month, commit to not spending a penny dining out. No coffee, no fast food, nothing. Try it.
3. Analyze your insurance policies at least once a year. You can easily save yourself hundreds of dollars a year.
4. Cancel at least 2 subscriptions by the end of the year. You don't use them all – get rid of these tiny money pits.
5. Set financial goals. Set goals for the next 6 months, for the next 2 years and for the next 5 years. Once you identify your financial and personal goals, it's much easier to make a plan to achieve these goals.

Debt Management: 2 reasons to prioritize good debt vs. bad debt

6. Banks and lenders are extremely profitable – because we pay them interest. And then we pay them interest on our interest. It's your choice: give them your money or invest it in yourself.
7. Identify all of your outstanding debt and rank it from worst (most costly) to best (least costly). Make a plan to eliminate your worst debt as soon as possible.

Saving: 2 strategies related to saving more

8. Build an emergency fund with enough savings to cover 3-6 months of discretionary expenses. As artists, your income may be unpredictable at times; having this cushion can help you get from paycheck to paycheck.
9. As soon as you get any income, whether it's a recurring paycheck or a one-time gig, move at least 10% of the money into a dedicated savings account.

Investing: 3 reasons why it's the key to creating wealth

10. Compound growth – growth on growth – lets your money make money for you. Start using it early.
11. If you start investing a little in your 20s, once compound growth kicks in your money will go to work for you.
12. It's fun. And getting personally engaged in investing – whether that's in stocks or real estate ownership – gives you a personal connection to building wealth.

Taxes: 2 things to get better prepared for April 15, 2023

13. Get rid of your tax refund. It's your money, talk to HR and reduce your withholding so you get your money sooner and don't have to wait for a tax refund to get your money back.
14. Spend 1 hour reviewing tax policy to find 5-8 key deductions and credits that specifically apply to you and can save you hundreds or thousands in tax payments. We all have different situations that we can benefit from.

Retirement: 1 thing you can do tomorrow

15. Open an Individual Retirement Account (IRA) or Roth IRA and begin putting money aside for future-you. IRAs combine the benefits of investing and tax planning and will make your future much more comfortable.

A GOAL WITHOUT A PLAN IS JUST A DREAM. MAKE A PLAN TO ACHIEVE YOUR GOALS.



- In finance, nothing is free. There are tradeoffs to every decision.
- Personal Finance is the art of balancing short-term and long-term priorities. Be intentional about what your short-term and long-term choices are.
- Be careful about whom you work with. Nobody alive cares about your goals and your money as much as you do. Protect them both dearly.
- Your reputation and your time are two of the most valuable things you own. Protect them both dearly.
- Money cannot buy happiness. But it can create options. You get to choose the opportunities that bring you the most happiness. Choose very wisely.

6 TIPS TO THINK LIKE AN ENTREPRENEUR

- (1) Cash is Queen. Cash drives decisions. Treat your cash flow as if it's precious. Because it is.
- (2) Separate your personal and business activities. Get business bank accounts and credit cards.
- (3) Think about the type of legal entity you run. Sole proprietorships and partnerships are the default – but creating an LLC or corporation might protect you from liability.
- (4) Be clear about your mission. What are you trying to achieve through your work? Make a plan that clearly communicates your mission to both yourself and to others.
- (5) Develop your team. Who can help you achieve your mission? What advisors can make your life easier?
- (6) Create your personal biography. People want to know who you are and how you can make their life better.

REAL WORLD EXAMPLE FOR MUSICIANS

Imagine you get \$500 for playing a wedding. Imagine you incurred \$300 of expenses for that gig. You definitely have to report \$500 on income. If you're just a hobbyist, you might not get to expense the \$300 and you'll pay taxes on the \$500. If you're a business according to IRS, you can deduct the \$300 and probably only pay taxes on the \$200 profit. Knowledge is power.

REAL WORLD EXAMPLE FOR ARTISTS

Imagine you painted the next Rembrandt or O'Keefe and you sold it for \$1,000 at an art fair or gallery showing. If this is a personal project, you will report the \$1,000 of income and you might not get to deduct any of your expenses – unless you are a professional. You can convince the IRS that you are a professional if your Income less Expenses is greater than \$0 in 3 out of 5 years. If you are a professional, you can deduct all expenses and minimize the taxes that you pay the IRS.

REAL WORLD EXAMPLE FOR ANYONE

If you sell an NFT, an online recording or beats, you owe taxes on every penny that you sell it for. As above, you may get to deduct the expenses related to that income – but only if you are a professional artist.

FINANCIAL PLANNING WORKSHOPS – SPRING 2023 SCHEDULE

- SESSION #1 – Taking control of your income and expenses through college**
- Activity #1: Track every penny of income and expenses for a month – and analyze your behavior and goals.
 - Activity #2: Make a plan to pay off your credit cards (and any other bad debt).
- SESSION #2 – Investing and beginning to build your future opportunities**
- Activity #3: Design and write your own Investment Policy Statement, a roadmap to success.
 - Activity #4: Open a brokerage account to make saving and investing easy.
- SESSION #3 – Focusing on your future, creating the future you want for yourself**
- Activity #5: Open a Roth IRA account for retirement.
 - Activity #6: Plan out your budget for 2028 and for 2033.

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