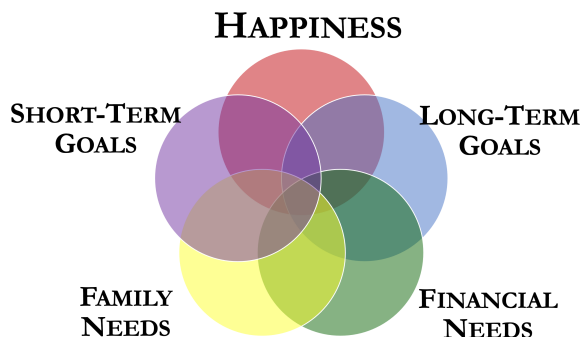


PERSONAL FINANCIAL PLANNING...
FOR MUSICIANS, ARTISTS, WRITERS & ENTREPRENEURS
FEBRUARY 16, 2022

RESOURCES IF YOU HAVE QUESTIONS OR WANT MORE INFORMATION:

brian.bolton@louisiana.edu
gradschool@louisiana.edu
<http://business.louisiana.edu/financepersonal>



TOP 10 TIPS FOR ALL STUDENTS

- (1) Every financial decision you every make has to be about you and your goals. Several times a year, commit to what your personal, career and financial goals are.
- (2) In finance, nothing is free. There are tradeoffs to every decision.
- (3) Finance is the art of balancing short-term and long-term priorities. Be intentional about what your short-term and long-term priorities are and how you pursue them.
- (4) Anytime you borrow and take on debt, have a clear plan for repaying that debt.
- (5) Check your credit score. If it's less than 750, make a plan to improve it.
- (6) Compound interest can be your best friend if you're investing and earning it. Compound interest can destroy your life if you're borrowing and paying it. Be very careful.
- (7) Know your risk tolerance. We all respond to risk differently; knowing your risk tolerance can change how you make decisions over the short-term and the long-term.
- (8) Be careful about whom you work with. Nobody alive cares about your goals and your money as much as you do. Protect them both.
- (9) Nothing is more important than your time. Protect it dearly.
- (10) Money cannot buy happiness. But it can create options. It's up to you to choose the opportunities that bring you the most happiness.

How Much Will You Have By Saving or Investing Annually for 20 Years?					What is the Full, True Cost of Using a Credit Card				
Interest Rate on Savings or Rate of Return on Investments	Savings or Investment Amount per Year				Assume You Pay Off Your Credit Card in: 10 years				
	\$1,000	\$3,000	\$5,000	\$10,000	Annual Interest Rate that the Bank Charges You	Amount You Put on Your Credit Card			
						\$100	\$1,000	\$5,000	\$10,000
1%	\$22,019	\$66,057	\$110,095	\$220,190	10%	\$159	\$1,586	\$7,929	\$15,858
4%	\$29,778	\$89,334	\$148,890	\$297,781	11%	\$165	\$1,653	\$8,265	\$16,530
5%	\$33,066	\$99,198	\$165,330	\$330,660	12%	\$172	\$1,722	\$8,608	\$17,217
6%	\$36,786	\$110,357	\$183,928	\$367,856	13%	\$179	\$1,792	\$8,959	\$17,917
7%	\$40,995	\$122,986	\$204,977	\$409,955	14%	\$186	\$1,863	\$9,316	\$18,632
8%	\$45,762	\$137,286	\$228,810	\$457,620	15%	\$194	\$1,936	\$9,680	\$19,360
9%	\$51,160	\$153,480	\$255,801	\$511,601	16%	\$201	\$2,010	\$10,051	\$20,102
10%	\$57,275	\$171,825	\$286,375	\$572,750	17%	\$209	\$2,086	\$10,428	\$20,856
11%	\$64,203	\$192,608	\$321,014	\$642,028	18%	\$216	\$2,162	\$10,811	\$21,622
12%	\$72,052	\$216,157	\$360,262	\$720,524	19%	\$224	\$2,240	\$11,200	\$22,401
15%	\$102,444	\$307,331	\$512,218	\$1,024,436	20%	\$232	\$2,319	\$11,595	\$23,191

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

10 TIPS TO THINK LIKE AN ENTREPRENEUR

- (1) Cash is Queen. Cash drives decisions. Treat your cash flow as if it's precious.
- (2) Save as much as you can. Your cash flow might be unpredictable. You never know how long your cash flow is going to last. Hope for the best and prepared for the worst.
- (3) Separate your personal and business activities. Get business bank accounts and credit cards.
- (4) Track every dollar you spend and every dollar you earn...both for your own goals and for tax planning.
- (5) Set up an Individual Retirement Account as soon as possible. Invest a little when you can – and watch it grow.
- (6) 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.
- (7) Learn what tax issues are important to you. You have many obligations and responsibilities to pay taxes from your income; but there are also many opportunities to reduce your tax burden as an entrepreneur. Learning a little can save you a lot.
- (8) 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.
- (9) Develop your team. Who can help you achieve your mission? What advisors can make your life easier?
- (10) 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.

What Are Your Values, Dreams & Goals?

Education

Career

Family

What Is Your Current Situation?

Education

Career

Family

Financial

Develop a Financial Plan for You, Your Family, Your Music, Your Art, Your Business

Investing

Budgeting

Debt
Management

Taxes

Insurance

Retirement

Education

Family

Business
Planning

Estate
Planning

Philanthropy

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