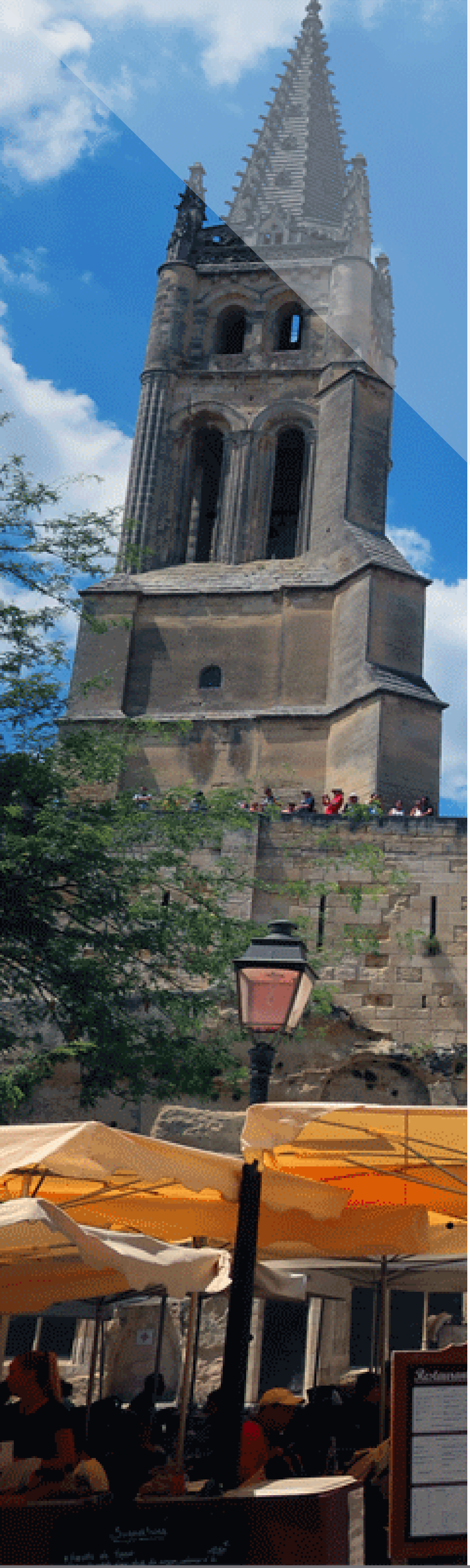
Heather
BEGINS

HOW TO MAKE MONEY

WITHOUT A JOB

TRACKING AND BUDGET

WEEK 5 - MODULE 1



SETTING INTENTIONS

THE PURPOSE OF THIS WORKSHEET

Before you set about finding work, you need to know how much money you need to earn. Up to now, you took a job based on a good-sounding salary, and thought about money as a way to buy stuff and have some degree of luxury.

Now, you'll be thinking more about money buckets. Building on your understanding of what you need, vs what's nice-to-have, you can focus on how much money you need to cover basic costs, and how much money affords you a bit more lee-way or creates money you can save.

Once you take control of your money needs, you can target the right opportunities that fulfill your needs!

What's important about making money without a job is that you essentially do things in reverse, and, you take more ownership and accountability for the money you earn. You will become much more present and aware of the money you make than you ever were in corporate. It's as if money will earn your respect, whereas before, you didn't even think about it.

Instead of relying on a "good sounding salary" you first figure out how much money you need to live. Next, as you go about finding ways to make money, you simply calculate each job in relation to your income needs. This lets you figure out whether it's an opportunity worth taking, whether you need to negotiate a higher rate, or whether you will need to do several jobs to get the income you need.

HOW TO MAKE MONEY - TRACKING IT

THIS SECTION FOCUSES ON HOW TO TRACK YOUR MONEY.

The key to making tracking work is for you to be fully honest, and account for everything you spend, down to the last dime. You might have a shopping “problem” and now is the time to acknowledge that. When you put your expenses down on paper (or electronic spreadsheet) you’ll get a real understanding of how much you’ve been spending, and, be able to recalibrate spending to reduce anxiety about debt going forward.

TOP SPENDING CATEGORIES

USE THIS PAGE TO WRITE DOWN YOUR TOP SPENDING CATEGORIES FROM YOUR TRACKING SHEET - ENTER CATEGORIES NEXT TO EACH NUMBER, AND DOLLAR AMOUNTS INTO THE BOXES.

#1

#2

#3

#4

#5

CUTTING COSTS

CREATING LESS FINANCIAL NEED

Use this page with your tracking spreadsheet (excel) and determine where you can cut costs, based on how much you want to save. Using the sample, write the category name, then figure out your numbers. Plug "reduced" numbers into the "revised spending" tab in the tracking spreadsheet. *See sample on the next page.*

AMOUNT YOU WANT TO SAVE PER MONTH:

DINING OUT (*SAMPLE*)

Current monthly expense: $500

Reduced monthly expense: $350

Amount Saved: $150

Current monthly expense: ____________

Reduced monthly expense: ____________

Amount Saved: ____________

Current monthly expense: ____________

Reduced monthly expense: ____________

Amount Saved: ____________

Current monthly expense: ____________

Reduced monthly expense: ____________

Amount Saved: ____________

Current monthly expense: ____________

Reduced monthly expense: ____________

Amount Saved: ____________

Current monthly expense: ____________

Reduced monthly expense: ____________

Amount Saved: ____________

CUTTING COSTS

SAMPLE

SAMPLE

AMOUNT YOU WANT TO SAVE PER MONTH: $1,000

Categories where I can reduce costs:

DINING OUT (*SAMPLE*)

Current monthly expense: $500

Reduced monthly expense: $350

Amount Saved: **$150**

ENTERTAINMENT

Current monthly expense: $800

Reduced monthly expense: $200

Amount Saved: **$600**

CABLE TV

Current monthly expense: $300

Reduced monthly expense: $150

Amount Saved: **$150**

CLOTHING

Current monthly expense: $700

Reduced monthly expense: $600

Amount Saved: **$100**

In this example, the goal was to cut out $1,000 in expenses. I chose the 4 categories I thought I could cut the most, and then, in red, you see the savings in all 4 categories equals $1,000.

Now, go back to your tracking spreadsheet, and fill in the reduced monthly expense numbers, (the line highlighted in red) in place of your current numbers. See how your monthly and annual expenses now reduce?! The more you're willing to cut back, the less money you'll need!

INCOME

NOW, COMPARE INCOME TO EXPENSES

Using your spreadsheet, fill in the numbers below. If you don't have a regular income, write the average of the past 6 months, OR, write your DESIRED monthly income if you have none at the moment. See sample on the following page:

What's your monthly income:

What's your total monthly expense?

Fill out only one option:

How much more income do you have than expenses?

How much more expenses do you have than income?

How much savings do you have?

Divide savings by 12. How much money does that give you per month?

SAMPLE

INCOME

EXAMPLE

USE THIS AS A SAMPLE TO COMPLETE THE PREVIOUS PAGE:

What's your monthly income:

NONE

What's your total monthly expense?

$2,500

Fill out only one option below:

How much more income do you have than expenses?

N/A

How much more expenses do you have than income?

$2,500

How much savings do you have?

$60,000

Divide savings by 12. How much money does that give you per month?

$5,000

IN THIS EXAMPLE, SAVINGS COULD OFFSET A LACK OF INCOME. AT THE EXPENSE RATE OF $2,500/MONTH, SAVINGS WOULD LAST FOR 24 MONTHS.

TRACKING SUMMARY

KEY MODULE TAKEAWAYS:

- Look at how much you spend each month, and whether there is a gap between what you earn, and what you spend
- Look at where you can lower expenses so you need less income.
- Figure out how much income you need, to match your expenses. Savings can be used to bridge a temporary gap in income, if you have savings.

FROM TRACKING TO BUDGETING

Once you have a real understanding of how much you spend, and how much you earn, you can finally create your budget. You should decide, first, whether you are going to save some of your money, or spend all of it. (If you can, I recommend saving a percentage!)

To create your budget, it's ideal to consider two scenarios - first, where you are covering all your basic needs. Second, where you have money for some nice-to-haves.

CREATING YOUR IDEAL BUDGET

Use this page to understand how much income you need to make, per month, to cover your needs, vs. afford nice-to-haves. *See sample on following page.*

Budget #A: Needs. How much $ do you need to cover needs?

Budget #B: Nice-To-Haves. How much $ covers needs + wants?

How much money would you like to SAVE each month? (Add this number to each scenario, to get total income needed.)

Budget A Revised to include Savings:

Budget B Revised to include Savings:

Choose one of these budgets, and now, as you look for ways to make money, you know how much you need to earn each month.

CREATING YOUR IDEAL BUDGET

SAMPLE

Budget #A: Needs. How much $ do you need to cover needs?

I need $2,000 per month to cover my basic needs.

Budget #B: Nice-To-Haves. How much $ covers needs + wants?

If I had $3,500 per month I'd be able to also have fun.

How much money would you like to SAVE each month? (Add this number to each scenario, to get total income needed.)

$500

Budget A Revised to include Savings:

$2,500

Budget B Revised to include Savings:

$4,000

Choose one of these budgets, and now, as you look for ways to make money, you know how much you need to earn each month.

One other point - make sure to track your INCOME as you go forward. Using the excel spreadsheet that's part of this lesson, you'll note a tab included to do that. This is a great way to also have a visual on which tasks get you the most money, which could allow you to focus your efforts, going forward, in the areas you profit from the most.

THE NOW AND NEED LESS PLANS.

Apart from the excel sheet, it's a great idea to have a way to track your income and expenses every day. If the spreadsheet isn't ideal, try an App. I love [iXpenseit](), but there are plenty of other great ones out there, so do your research, and pick the one that you find most comfortable, and that you'll actually use.

You could also get an expense tracking notebook, if you prefer to write things down. The important thing is to develop a daily habit.

In summary, you should now use the numbers you arrived at on the previous page, and as you begin making money in new ways, such as some of the ideas in the next lesson, you can target one thing that makes all the money, or multiple paths that, when combined, give you the income you need each month.