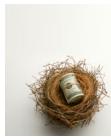


Create A Financial Safety Net

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There are a lot of reasons why people start their own businesses, but all of us have a common concern. What if the business does not bring in enough money for myself, or my family, to live on?

This concern is typical of any person starting their own business, and especially in the first few years of operation is a very real concern. Many businesses don't start to turn a profit until the first year of operation is over, and even once real profit can be seen, many businesses (both small and large) are continuing to put money into steady growth and development plans. There are ways to make sure that your entrepreneurial endeavors won't cost you everything, though. Here are some ways to create a financial safety net that ensures that, even if your business doesn't always turn a profit, you won't be broke during the inevitable "learning curve".

Don't Quit Your Day Job!

Of course, the whole reason that you are starting your own business is probably because you want to leave your day job, right? But the fact is, that reliable paycheck comes in very handy when you are learning the ropes of operating your own business. It's surprising how one bad month in your own business can affect both your self esteem and your financial outlook, and until you can operate your own business with a confidence rooted in reality, you want to be sure that you have a steady source of income. Start your business as a side project, and once it gets going, it will be time to leave that job.

If you are in a circumstance where you have already left your job, try to get a different job while you start your business up. This job doesn't have to be full time. In fact, holding a part time job is a great compromise between earning a steady check and keeping the time you need in order to make your business grow. You may also want to consider doing temporary work and side jobs to keep the money levels up.

Cut Daily Expenses

If you have a spouse or other partner who is supportive of your ideas, then you have a great opportunity to start your business. Try creating a tighter budget for yourselves as you begin your self-employment, and live off of only one salary until steady money begins to come in through your own business. There are always ways that we can cut down our personal spending, and you may be surprised at how far one salary can take you.

Utilize Your Other Funds

Most of us have other sources of income that we can draw on in case of an emergency. Savings accounts, investments, divorce settlements, and investments can all be used to fill in the gaps while your business grows. A good idea here is to create a budget with a realistic idea of how much you need to make in a month in order to make ends meet. Use the money from your other funds to top up any shorts that occur in your profits; remember that your business will incur some expenses in itself, so don't count all the money made there as income.

Use Bank Services

Banks today are much more friendly to small businesses than they used to be. You can secure some extra money from the bank by taking out a second mortgage on your home, by applying for a personal loan, or by taking out a line of credit. Lines of credit are one of the best options available; they are secured against the equity in your home and are only used when you need the cash right away.

It's important that you feel confident in your ability to survive while your business grows. Making sure that you have a financial safety net in place is an essential ingredient for a positive attitude while you grow your small business.