



Are You Spending Enough On Yourself? By The Business Mind Podcast

Matt Henderson:

Hey, everyone. Welcome back to The Business Mind Podcast. This is Matt. Today, I want to ask you the last question. Are you spending enough money on yourselves?

Hey, everyone. Welcome back. So you heard it. Are you spending enough money on yourselves? Probably the most ridiculous question ever, right? Who's ever accused you of not spending enough money on yourself? Well, I'll be honest, I have gotten accused of that a lot over the years because I am so frugal when it comes to spending on myself. It's kind of crazy, but I don't ask because of that, because I have my own problems with spending on myself. I actually ask because it's tax day and no, don't stop the podcast. I'm not going to talk about taxes today because to be honest, I can't stand talking about taxes.

I don't even like doing taxes. I just do them because it's my duty as an American. I wanted to ask you guys, are you spending enough money on yourselves? And it seems like a crazy question, but it's something I had to come to grips with as an entrepreneur over the years. And let me backtrack a little bit and explain why.

When I first got into this entrepreneurial game, back when I was in my early twenties, after my first full year in business as an entrepreneur and working for myself, I went over to my accountant, who was a family friend, a great guy. And he said what do you have for me? And I handed him my everything you would imagine you give to some of your pay stubs. I had purchased a house a few years before that. So I had household expenses, repairs, upgrades, things like that. And other than those things, I had no clue what to give him. I'm a guy in my twenties. I had had taxes done my whole life. But, when I was younger, your parents handled them for you. When you get older, you weren't making any money anyway, so there weren't really any taxes to file other than like what maybe the \$500 you made that year, \$1,000 or whatever it was.

But you know, I went into the accountant's office and he asked me, "So Matt, what do you have for write offs?" And I gave him probably the same blanks there that every 20 something year old clueless tax person looked at their accountant with. And I said, "I have no idea." I thought I just gave you everything I needed. And at that point he told me, "Well, listen, you're going to be in trouble here. You made money, but you don't have anything to offset the money you made." It made zero sense to me. Long story short, at the end of that meeting, he told me I need to start spending more money on myself that had to do with business. And again, I looked at him with this bewildered look because my business at the time, there wasn't much that I felt I could do for education.

Also, I was that young 20 something year old guy who had gotten to college. And when he came out of college, he felt, well, there's definitely no need to educate myself anymore. I just gave myself a gigantic education and left myself with a gigantic bill to pay for the education. So what do I have to go back and educate myself for? I just went to school for this. I have massive tens of thousands of dollars in debt. What exactly would I have to go and learn at this point in order to do the job? And that is an episode for itself, right? It's going over what is up with college and what you come out with? But I digress, we'll do that another day.

So I looked at him and I just said, "Listen." This is to my accountant. I said, "I don't have any money left at the end of the day to spend on myself." I don't have a dollar after paying for a mortgage in my twenties. And just trying to survive and put food on table and keep the electric and the gas and the water turned on. There was nothing left at the end of the day. And he gave me a little bit of hard truth. He said, "Matt, that's not the point. The reason you don't have money left is because you're not educating yourself, because you're not spending what you have in the right places." He said, "I'm not saying that the house wasn't a good investment. I'm not saying that paying your bills isn't a good thing. But you need to start figuring out where you can reinvest back into yourself or purchase things that would help grow and establish your business a little more. And, those things will become your rights offs for the next year."

Now, that was what I left there with. And I'll tell you for the next couple of years, I struggled trying to figure out exactly what the heck to do and how to invest in myself. And what does investing in myself mean when it comes to work? I thought I'd made the greatest investment in myself that I could when I was 18 years old and I went to college. And everybody in my life told me up to that point, you go to college after you finish high school, go to college, go to college. That's how you get a big paying job. And you get to whatever, walk down wall street, and you go in and you're trading stocks. So you're a financial analyst or whatever. My thinking at the time was I went to school to be a financial analyst, but I'm not an accountant.

I hate accounting. I hate all things to do with it. So when people looked at me and said, "Well, what are you going to do now? And what are you going to use for write offs and all that? I said, "I have no clue." I thought I did that already and whatever. So now that we're hitting tax day, I asked you guys the exact same question. Did you spend enough on yourself this year? Now, let me tell you what I do about things. And I may have to turn this into a few episodes because this isn't short, but I'm not a tax person, and like I said before, I'm not giving you any sort of legal or financial advice here. If you want to know exactly what to do with your taxes, I suggest you seek out tax professionals and ask them for assistance in setting things up.

This is just what I've been doing. And it doesn't mean that it's the right thing for you guys to do. Normally we're going to go into specifics. I just want to let you know, you need to educate yourself and you need to spend money on yourself to push you ahead in business. Now, what does that mean? Over those years in my early twenties and being a young entrepreneur, like I said, I felt like I had gone to college and I didn't need any more education. That also left me with income that I brought in, but I didn't have anything to hand to my tax account. Like I told you guys, I couldn't say I spent this money to educate myself further in order to grow my business. So I just want to be paying a significant amount of money to the state and federal government. I spent a lot of money on myself.

And this is where it sounds crazy for those of you who are new to this, or don't necessarily understand taxes. And if you're outside the United States, I can't even begin to speak about what goes on in your country because I have no idea. So I had to spend thousands of dollars paying the government for money that I made for myself. And that sounds fairly crazy, right? I made the money and I had to pay them a large portion of what I made now. Most people in life, when they go to work, they get a check from their boss, their company or whatever. And that check already has their taxes taken out of it. And those taxes go to the state and federal governments to pay for... That's the money that you owe them is taken directly out of your paycheck before you even get it and it's handed to the government.

Now the difference between an entrepreneur and someone who worked for someone else is that an entrepreneur gets paid first. I can't remember if this is a Robert Kiyosaki thing in a book, or I can't remember where I learned this. So I apologize. I'm not trying to steal this, but I didn't come up with this. This is somebody else's explanation. To me it was, as an entrepreneur, you get to pay yourself first. Now that means when I bill a client for say, a marketing plan or a website build or whatever it happens to be and say I bill them for \$10,000. I got a check for \$10,000, not \$10,000 minus my taxes to the government. It seems crazy, right? I mean not crazy. It seems correct to me, but nobody else actually gets that. You guys all get taxed first and then you get your money. So the government gets paid right away.

Now what I'm going to have to do is I'm going to have to pause this episode. Actually, I'm going to turn it into a two part episode and I'm going to bring the rest of this back tomorrow because I have to run in and take care of some stuff, but I will not forget about you guys. I'm going to come back. I'm going to jump back on the rest of this tomorrow or later on today. And I'm going to finish this discussion. We're going to figure out exactly how you guys pay yourselves first and then what you do with that money. All right, everyone. So Matt, from the business line podcast, I'm sorry. I had to jump off real quick, but I'm going to follow right back up.

Hey, everyone. Welcome back to the business, my podcast. This is Matt. And welcome back to the episode. Are you spending enough on yourself?

All right, everyone, welcome back. And I'm excited to get to part two or actually just the continuation of our last episode because I actually had to jump off and run real quick. So I apologize, but we are back to finish the episode. So if you remember, we were talking about how... At the end of the last episode we were discussing how entrepreneurs are a very lucky group. And let me tell you why, for more than one reason, but let me tell you why. When it comes to getting paid, we pay ourselves first. Meaning, when we receive checks from clients or for payment of a good that we sold or whatever it is, we get paid and we get the full amount of the money and then at the end of the year, we're required to pay the government the portion that the government is owed.

So entrepreneurs get their money ahead of time. We do not cut our taxes out of every check and send them over to the government and then live off of whatever we have left. We do exactly the opposite. Excuse me, we actually hold onto our money. We use it. And then when it's time, we then pay the government. It's backwards of what everyone else in the world does. But, when we do that, it gives us the opportunity to pay ourselves first like I said and to utilize the money to actually reduce our taxes and reduce what we owe to the government. So the reason why this episode is called, are you spending enough money on yourself? Or are you paying yourself enough or whatever you want to call this

episode, but are you spending enough money, is because you need to spend the money that you have, that you're not giving to the government till the end of the year.

You can spend that money on educating yourself further, becoming a better business person, maybe in your field, going to an event, going to... Say you're a salesman. You go to sales training events and you learn to be a better salesperson. Well, the end result of that, if you're going to the right things, the end result should be that you're a better seller, you're selling higher items more often and more frequently higher items. Maybe you're just closing higher end deals. And therefore you don't even have to close as many deals. So, those are things that you can get from going to seminars. Or you can go listen to somebody to talk about, if you're in insurance, about getting new more clients in the insurance industry or whatever it is. But when you go and you educate yourself on that, and if it's going and listening to a speaker or it's purchasing a course that you're, you're doing on your own time at home, you can do that.

You can buy books for it. However you get your information, you just need to get it. And then those things that you're learning are fully tax deductible. You have to pay yourself more, meaning you have to educate yourself more throughout the year and get yourself every edge that you can over anybody else and use that money that you have to pay for it if you're an entrepreneur. If you're not an entrepreneur, you're saying, "Well, how do I get that same thing?" Unfortunately for you guys, you may need to just go into a little bit of debt in order to go forward. By actually educating yourself throughout the year. Yes, you're going to spend money on yourself, but you're going to learn, you're going to be a smarter person. You're going to be able to do more. And at the end of the day, you'll be able to demand a higher paycheck, right? Or if you're working for yourself, be able to earn more money for yourself.

So I ask, are you spending enough on yourself? Because most of us, most entrepreneurs very much like me, you try to hold onto every dollar you have and at the end of the day you say you didn't have any money left over and you tell your accountant, you didn't have any money to spend on yourself. And there is no way to pay for further education because it just wasn't there. Well, spend money on yourself. In a given year, if you were to spend \$5,000 on yourself for education and furthering your education, do you think that you could earn back that five grand?

I'm just asking. Because if you can't, then maybe we're trying to learn the wrong things. If you're learning it to use it, if you're using that time and that money to learn a new skill, then you should be able to produce the income from that new skill and therefore offset the cost of whatever you were just doing. So it shouldn't actually matter if you spent \$5,000 on yourself, because in that 12 month period, you should be able to recoup all of that money, and then some. Because at that point, what you've done is now you've given yourself a new skill set. You've raised your level of who you are as a business person or as an employee or whatever you are, right? You've raised the level of who you are. And now you can say, "Listen, I'm worth more money." Be it to my employer or to myself or to my clients.

I'm worth more money now. And then you collect more money. So that \$5,000 comes back. Maybe she's learning a brand new skill and then being able to use that skill to get clients. And that's a very distinct possibility. You get a new skill of whatever it is. Learning to build web websites like I do. You can then go and go out and hunt people down to offer them to build their websites. You don't think you can get \$5,000 back from doing that in the course of 12 months? If you don't think that's the case, then reach out to me, Matt@nesta, digital.com. I'll let you know exactly how this works, because that's how this works. You have to spend money on yourself. You have to become more educated. You have to

raise the level of who you are. Bring yourself to a different level in the business world in order to be paid in that way, in order to stand out from a crowd.

If you want to be different and you want to take things to another level, then you're going to have to do just that. You have to step outside of your comfort zone. We've talked about this many times. You have to go ahead, educate yourself and then be able to say, "All right, if you want me to do the jobs for you, this is what it costs." Don't underestimate your worth. If you don't think you're worth that you're getting paid, well, I guess good for you. You got paid more than your worth. But what you should be doing is focusing on being the person who is getting paid exactly what they're worth or more than your worth.

But if you're getting paid less than what you're worth then is it your skill set isn't there? Did you not spend any money on yourself? Did you not spend the time and the money to educate yourself and to become an exceptional whatever it is, accountant, carpenter, whatever it is. I have guys that are my buddies that are in carpentry and what they did, they leveled up themselves going forward. I had some of them took on jobs, working for free, and these are master carpenters. They went to work for free for another person who was actually highly skilled in something they wanted to be good at. Like it was woodworking or trim work or whatever their thing was. The plumbers or whatever, they went and they actually worked for free or just for a normal laborer salary.

And it was all just to get the skill set so that they could bring that skill back to their business, their job, their next thing. So they leveled up themselves and were able to say to people, 'All right, listen, this is what I can offer to you now. And this is how much somebody gets paid for that.' It increased their salary, it increased their income. It increased who they were seen as in their own industries. And it leveled them up. Now, I know it sounds so simple just go ahead and educate yourself and go forward. But I say pick something, that's you that's you, it's either in your industry and you're bettering yourself in the industry or is it maybe not in your industry, but it's in the industry you want to be in, very possible.

Maybe it's taking you from one position at your job to the next and becoming a higher level employee that can go in and say, "Well, now I took on X, Y, and Z. And for those things, I feel that I actually need to be compensated better." It would give you a way to actually speak to your boss about getting paid more because you're doing more, because you have more to offer. If you can bring more to the table, it was a win. If you can be the Rainmaker for your company, you can make those sales and keep ringing the bell, everybody's going to pay you more. They're going to beg you to come in and work more. They'll offer to pay you more without you asking, all you have to do is make it rain.

But in order to do that, sometimes you have to get educated on it. Maybe you're not the best seller, go out and find that course, go find that speaker that you can listen to their podcasts. Spend your time, dive deep. Stop being a surface level person and be the person who knows everything about the subject, be the person who knows who is the authority on the subject, and then know that you can demand the paycheck that you want. And all you had to do was spend more money on yourself.

Isn't that crazy? All you had to do was spend money on yourself. You know how many times in life I wanted to spend money myself and I didn't? I always make up some nonsense excuse of why I can't do it. "Oh, I don't have it. I didn't have enough [inaudible 00:22:08]." Whatever, you know what? Now I spend about \$20,000 a year just educating myself every year. And I have no doubt that that number will increase as I become a bigger player in the game.

So I wanted to wrap up this podcast for you guys because I know it was a two-parter and I left you hanging at the end of the first one, but if you got any bonus in and we're able to take anything away from this, if you can go and take a screenshot of this podcast, share it around, share it on social media, tell your friends about it, tell your family, fly a banner plane over the beach near you, maybe over, I don't know, over anywhere and just let people know, fly through your neighborhood and say, "Hey, this guy, Matt, he's at The Business Mind Podcast. And I'll tell you he's got a lot to offer."

I'm just trying to bribe you guys here. But if you could, that would be amazing. All right. And if you have any questions or you need some help with your business, feel free to reach out to me. Matt, M-A-T-T@ Nesta, N-E-S-T-A digital.com. And I would love to speak with you guys and see what we can do to work together. All right, everyone have a great day and we'll talk to you again soon.