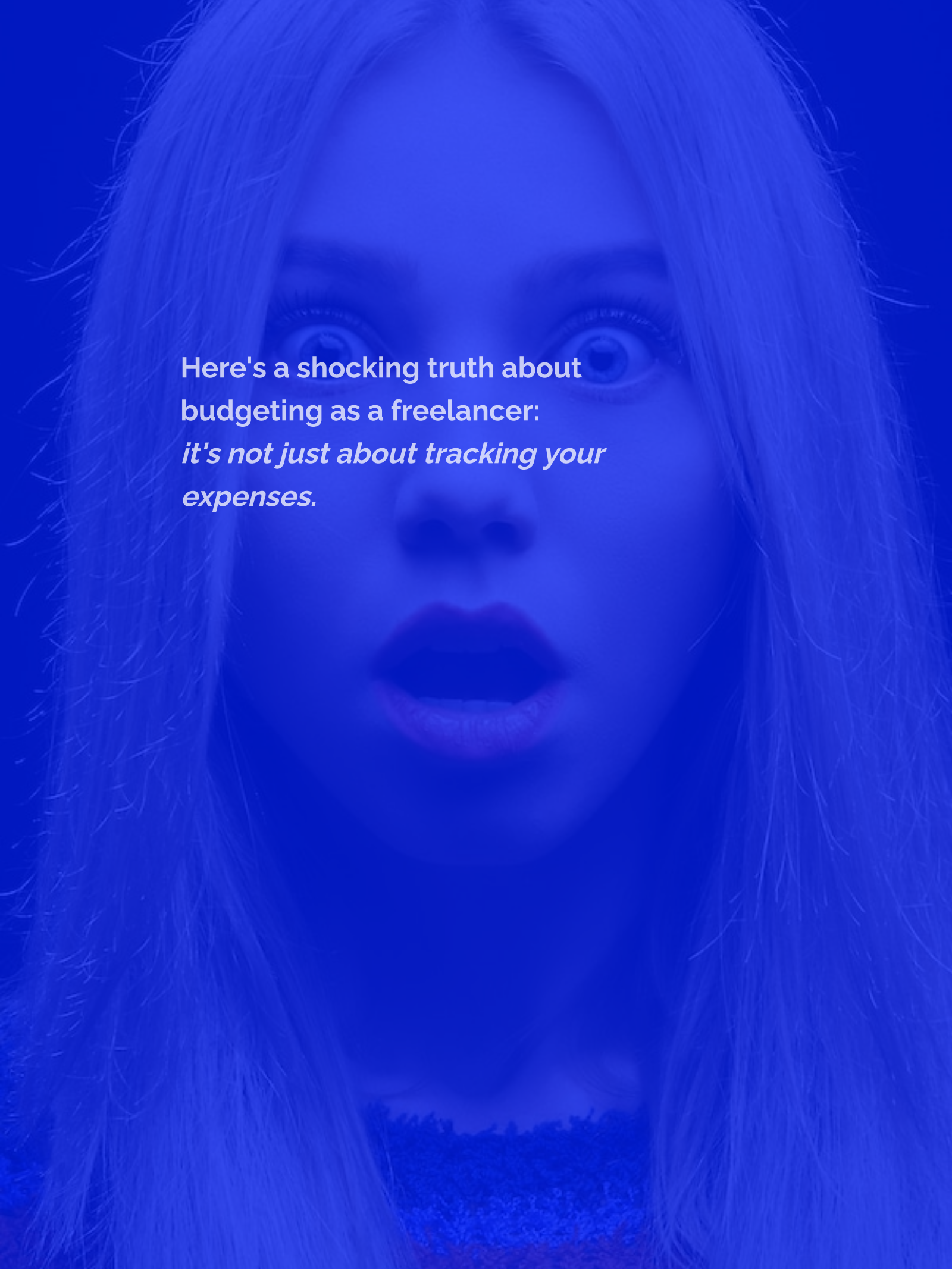


Why Traditional Budgeting Doesn't Work for Freelancers (do this instead)



By Kathy Castro

A close-up photograph of a woman with long, wavy blonde hair. She has a wide-eyed, open-mouthed expression of shock or surprise. The entire image is overlaid with a semi-transparent blue filter. The text is positioned on the left side of her face.

**Here's a shocking truth about
budgeting as a freelancer:
*it's not just about tracking your
expenses.***

Irregular Income

Freelancers often have an irregular income stream, which makes traditional budgeting methods challenging.

Budgeting assumes a consistent income, which makes it difficult for freelancers to predict how much they will make each month. Instead, freelancers can use a flexible spending plan that takes into account their average monthly income and adjusts their spending based on their current income level.



Unpredictable Expenses

Traditional budgeting methods do not account for unexpected expenses, which can make it difficult to stick to a budget.

Freelancers may have unpredictable expenses, such as unexpected equipment repairs, client acquisition costs, or fluctuating utility bills. Instead, freelancers can create an emergency fund that they can draw from when unexpected expenses arise.



Variations in Client Payment

Traditional budgeting methods assume a consistent income stream, which can make it difficult to account for variations in client payment.

Freelancers may have clients who pay at different times or have varying payment terms. Instead, freelancers can use a cash flow forecasting tool that helps them predict when income will come in and when expenses need to be paid.



Here's what you can do instead

A 4 step list on how to budget for success as a freelancer

If you read until the end, I will share about a cool tool to help you implement this on auto-pilot!





Step 1

Determine your target profit %

Your target profit percentage is the percentage of your revenue that you want to set aside as **profit**. This can be done by reviewing your expenses and revenue and deciding on a realistic profit margin.

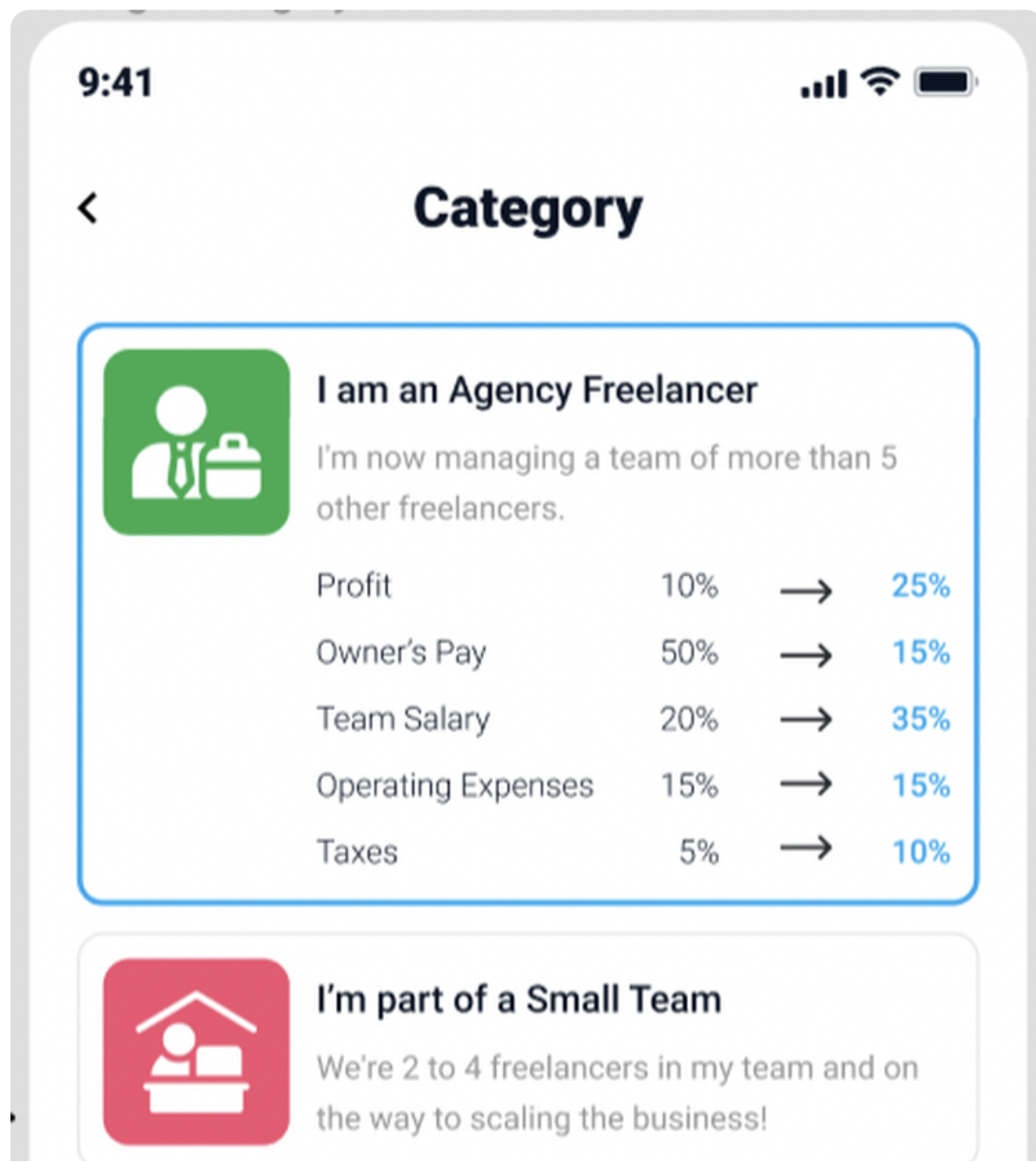
Tip: Income minus profits equals expenses.

Step 2

Set up separate budgets

Next, set up separate budgets for purposes such as profit, taxes, expenses, and revenue to help you keep track of your cash flow. A mobile app like Beppo suggests budgets for you depending on the kind of freelancer you are today.

1. Solo freelancer
2. Freelancer with a small team
3. Freelancer with agency





Step 3

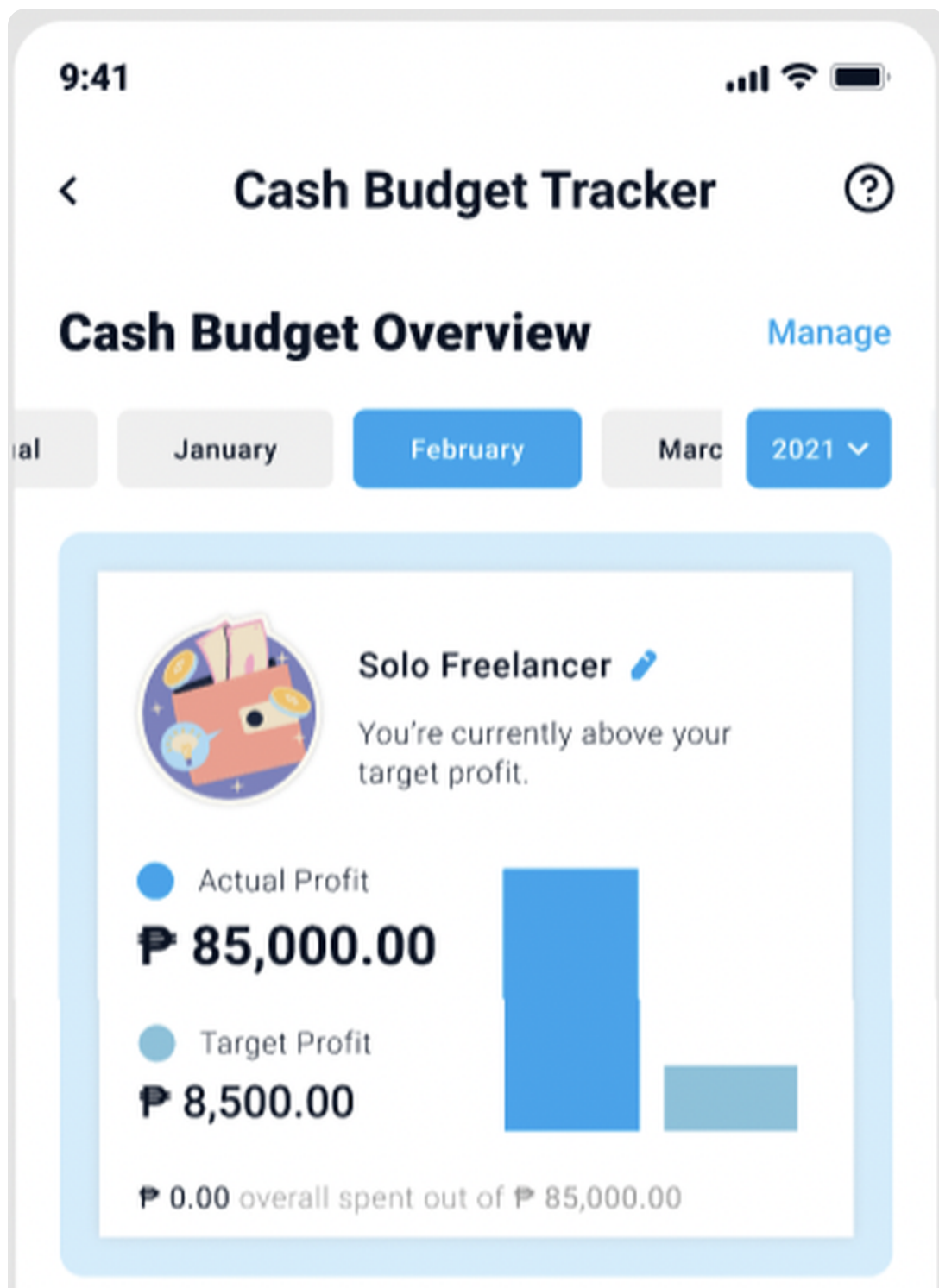
Allocate funds based on your budget in Step 2

Once your budgets are set up, allocate your revenue into different accounts based on the percentages you've determined for profit, taxes, expenses, and revenue. This means that every time you receive payment, you allocate a percentage of that payment to each account.

Step 4

Monitor and adjust

Regularly monitor your cash flow and adjust your allocations as necessary. This will help you stay on track and ensure that you're meeting your profit goals.





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Want to see this budget run on autopilot for you?

Set up your budgets in less than 5 minutes and budget your way to success. **Click the link below to get the budget tracker for FREE.**

>> GET FREE BUDGET TRACKER <<

Attract*

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