



**Business - Satisfying
Your Personal and
Professional Needs -
Earning an
Appropriate Income**

By Dr. Linda Hancock

ABOUT THE AUTHOR

Dr. Hancock has written a regular weekly column entitled “All Psyched Up” for newspapers in two Canadian provinces for more than a dozen years. Over the years, her readers and clients have said that they have benefited from her common-sense solutions, wisdom, and sense of humour. Dr. Linda Hancock, the author of “Life is An Adventure...every step of the way” and “Open for Business Success” is a Registered Psychologist who has a private practice in Medicine Hat. She can be reached at 403-529-6877 or through email office@drlindahancock.com

Published

October 18th, 2009

A person can only invest their time and energy for a certain period of time without receiving an appropriate income that will meet their personal and family needs. Everyone deserves to have a good return on investment but, there are times when you, as a sole professional, will earn less than you might as an employee or during better economic times.

You will need to decide how you will be paid for your work as there are several options:

1. EMPLOYEE - I have an incorporated company and have set myself up as an employee who receives a cheque every second Friday. Mind you, when I was building the business, I did not have as large a salary as I had in the public sector and there were times when I wouldn't cash my cheque for a few days to ensure that there was enough money in the account. Paying yourself as an employee, however, allows you to pay into a pension plan and other benefit programs. The business also contributes to these on your behalf. I also can receive payments for vehicle and other expenses. There are also opportunities to add a couple of extra days to business trips where the major expenses for hotel and flights are paid for by the company.
2. OWNER - Many business owners take "draws" from the business account at regular or flexible times. The amounts may vary or be fixed. You will need to speak with an accountant about this but always remember, you cannot make a draw from the business unless there is money available.
3. COMMISSIONED WORKER - Perhaps you will establish a commission schedule and pay yourself a percentage of the amount you invoice. This may provide an incentive for those who are motivated by plans in which the more you do, the more you earn.
4. SHAREHOLDER - A lawyer and/or accountant can help you to consider how you might be able to receive dividends or shares from the business.
5. RETIREE/FORMER OWNER - Having a plan to sell the business or transfer it into the hands of family members can be created with the help of other professions. In fact, you may not need to take a regular income from the business but build it as an investment for future gain.

You must have a clear plan for how you will be reimbursed for your work or you will quickly lose your enthusiasm and financial well-being for the business. Consider talking with others in your field to learn about the many options that you have.