

127 - Don't Make These 8 Freelancer Money Mistakes

Laura Moore: [00:00:00] In today's episode, we're talking about all the money mistakes we see freelancers making when it comes to managing their business finances.

Laura Davis: This is JFDI with the Two Lauras, the podcast where we discuss all kinds of things related to working in social media. We share tips, advice, ideas, and inspiration to help freelance social media managers with their marketing and their business.

Today on the show, we're talking you through some of the money-related mistakes freelancers make in their business and sharing some tips and advice on how to avoid them. As always, we'd love to carry on the conversation, so head over to our free Facebook community, The Social Media Manager's Hub to ask any questions.

Laura Moore: I think we should start this podcast by ruling out the obvious one on this.

Laura Davis: Yeah.

Laura Moore: Like what we're not going to talk about because I think the obvious mistake that so many freelancers make is not charging enough. But now we've like got that out on the table, can we just move on from that? Because I think we can [00:01:00] talk about that in a, that's a whole podcast on its own.

Laura Davis: Yeah. I agree. So let's park that one. We all acknowledge that is a mistake.

Laura Moore: Totally.

Laura Davis: Okay. So I think one of the first things people don't seem to do, and we make these assessments based on the fact that we have worked with thousands of freelance social media managers now, Um, we've obviously got the free Facebook group, which has got, I think over 8,000, maybe nearly 9,000 freelancers in it.

So we kind of get the gist of what's happening and what people are asking and pitfalls people are kind of falling into. And I definitely don't think that freelancers are risk assessing when it comes to increasing their pricing. So they're kind of saying, right, I want to put my price up or blah blah on Instagram said we need to put our prices up so I'm going to go and put my price up and it's not as easy as that and you shouldn't just [00:02:00] go, oh fuck it, I'm going to put my price up today because there are risks to that.



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So yeah, so doing a proper risk assessment as to whether now is the right time.

Laura Moore: Also on that note, I think it's a massive mistake to never increase your prices because you feel like it's too risky. Like you have to assess the risk and make an informed decision, but you do still have to put those prices up.

You need to have a plan so that whatever you've done, you found out in that risk assessment, you overcome all of those risks and you then go ahead and you put that price up, but you don't put that price up without doing that work and you don't not put your price up.

Laura Davis: Yeah. And you have to, I really strongly believe you have to consider each individual client and you possibly will treat them all differently.

You know, like you would. You have to kind of assess their situation, you know, have you had conversations with them in the past? Have they seemed worried about income [00:03:00] for them, you know, because if that, if that would be alarm bells to me thinking, God, hang on a minute. If I suddenly want my prices up now, then they might just say bugger off.

But likewise, they could have been going, Oh my God, this is amazing. We've never been richer. And then you'd be going, ding, ding, let's go. So, you know, it's, you have to be aware of what's happening around you.

Laura Moore: Yeah. And knowing how to handle each of them as well. Like some of them might need kid gloves when it comes to them.

Others might even not even ever look at their invoice and you'd just be like, by the way, Bob, I'm putting your price up by 10 percent and you'll go, cool. Send it to accounts. You know what I mean? It depends on who you're working with, right?

Laura Davis: And I think it's not a case of, I don't want people sat there thinking, oh, well, hang on a minute, my risk assessment is my, my client has been saying that they're struggling, therefore I'm not going to put my prices up. It's not a case always of, well, you're just not going to do it. It's sometimes how you're going to do it.

Laura Moore: Yeah, definitely.



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Laura Davis: And it's a case of, that's why everyone needs to be treated differently, because as you say, with [00:04:00] some, like my client, I'll say, I'm putting the prices up, he'll go, oh, bloody hell, and that's it, like, he won't ever say no, because he knows that that's just the lay of the land, that that's just, everyone does it, and, you know, I will always then kind of follow up and put it in writing, but at the end of the day, I know that he doesn't look at that.

I just, he'll just pay the invoice. Whereas others I may have to tell them way more in advance, you know, look in, in three months time I will be putting my prices up and yeah, a bit of a softly, softly approach and maybe there has to be some negotiation in that.

Laura Moore: Yeah, when you've assessed that risk, you know what the risks could be and you have a backup plan.

But if you haven't ever assessed the risk, you can't have a backup plan to replace that income if the worst does happen.

Laura Davis: Yeah.

Laura Moore: It's all about that whole process, isn't it?

Laura Davis: Yeah, it's considering your client's situation, but also your situation. So if you've got lots of clients who, when you've risk assessed and you think, no, none of them are going to be overly happy about this, and let's face [00:05:00] it, no client is ever going to be going, woohoo!

Hey, a price increase, but you know, if you, if your gut feeling after that assessment is that you don't think that they are going to necessarily want to continue, then you need to be thinking, okay, let me risk assess my own business here. Do I have warm leads? Do I have a pipeline of businesses ready to replace clients if they get rid of me?

Do I have other sources of income if my client was to drop me? And if your answer is no to all of those. Then you need to kind of think, well, hang on a minute. Then now is not a good time to do a price increase. Let me get my shit sorted. Let me get my business ready to be able to cope in case a client was to get rid of me, which to be honest, you should be doing all the time because clients can get rid of you at the drop of a hat.



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So definitely, yeah, definitely risk assessing. Is it the right time? What's the plan to then deal with it after that risk assessment?

Laura Moore: And if you're wondering how on earth [00:06:00] you actually go about doing this, if you're in the Inner Hub, go and log into your members portal. We've got a whole strategy to help you to risk assess and put your fees up with existing and future clients.

So go and have a look at that in your members hub. Okay. So that's number one, they're not risk assessing. Number two on the big mistakes list is - ?

Laura Davis: I would say if not, which, and this is a bit of a finance term, but not forecasting. So not forward planning, forward thinking. And this is going to be a sweeping statement and this doesn't apply to everybody, but I think there are too many freelancers out there who don't really treat their business like a business.

They're not thinking of those kind of, you know, profit loss revenue. They're forecasting and they really should for a business to grow. You need to sit down and say, right, I'm doing okay, but I need to do better. To enable me to do better, I might need new website, new laptop. I need to do some more training.

I want to join [00:07:00] the Inner Hub, like whatever those things are, those investments in your business, you need to have a plan in place to cover that. And that's kind of forecasting. It's like looking at what are your outgoings going to be over that next 12 months, some people will do it over like three, five, 10 years, but -

Laura Moore: Oh God, that's a bit, that's a bit much for me.

Laura Davis: Yeah, but for us as freelancers. I think kind of going forward, you can think, right, you know what, I really need a new website. So what can I do? And I, you say, I want an-, by this time next year, I want a new website. So you can say, right, a new website is going to cost me say £1200.

I know it doesn't cost that, but this is going to be easy maths. That means I need to increase the income coming into my business over the next 12 months by a hundred pounds per month. And you can get that down, get, you know, write it down, commit to that and think, how do I increase my income by a hundred pounds a month?



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Now it may be, you [00:08:00] need to increase-

Laura Moore: I just want to stop you while you're saying this, because I think some people will be listening to this thinking, well, I'll just take it out of the money I make. But the point of doing this, is that is that it means that you don't have to pay yourself less, isn't it? You still get to keep the money that you're making, still goes into your bank account.

You still make the same amount of money and that website hasn't cost you out of that. So you're not down.

Laura Davis: Yeah, exactly. So any, and when you get into the habit of doing that, because what will happen in 12 months time when that website is done, you're still earning that extra hundred pounds, but you're not going to go to your clients and say, actually, I'll give you that a hundred pounds a month back now.

You'll keep that. So you'll, you'll then have more money spare or more money to save for the next thing that you want to invest in. So it's about thinking about not just looking like my expenses now are my scheduler, my insurance and whatever else you pay out. It's about these are my expenses. These are the actual things that are going out of my bank account.

And then this is [00:09:00] the money that I want to put aside because you've done your forecasting and you've figured out and, and, and also by forecasting, you can kind of make assessments as to what you want to do and when.

So say, for example, you really want to outsource some of your work, you want to bring some, some other freelancers in and to help you to deliver what you're doing, but also next year, you need a new website. And also next year, you know, you're going to need a new computer. And, and that's not to say you can't do all of those things, but it will help you kind of assess that bigger picture rather than getting to the end of the year going, Oh God, I never did earn enough to do that website.

And I never did join that membership I really wanted to join. And you know, I never did get this, that, the other, I never increased my fees so I could outsource some work, you know, and a lot of the reasons people don't do the things that they want to do in their business is



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because of money. So by forecasting, and this is just a habit I've got [00:10:00] into because I'm married to an accountant.

And when I sat down in my previous business and started like planning and pricing, it was him saying, but hang on, what happens if you need to invest in a new kitchen aid? Obviously. You know, where, like, where is that -

Laura Moore: I mean obviously you're going to need a different coloured one, so.

Laura Davis: All the time.

Laura Moore: So that's going to have to go on the list.

Laura Davis: Yeah. Like what happens if your phone broke? Like what happens is what happens that at first I was like, Oh, this is really boring. Like the boring part of the business, but actually I'm so glad I'm, I'm, no, he doesn't listen to this. So he won't get a big head, but I'm so glad that he sat me down and made me think like that because that's how I've always then approached anything with work. It's like a savings, isn't it really?

Laura Moore: Yeah. Yeah, definitely. I think when you were talking about that, though, that kind of brought up another mistake that I think people kind of come up against all the time. And I'm guilty of doing this in the past. And that is [00:11:00] not tracking your, your expenses. You can't forecast unless you already know what your expenses are.

Like that's really important to know what your expenses are. And I am definitely, not anymore, but at the beginning I was definitely one of those people who I would come and do my accounts and I'd be like, Oh, that's what I've spent.

And like, look right, right far back. Whereas you need to track your expenses in, almost in advance, don't you? So you know what you're going to spend. Otherwise you can't set your fees. You don't know how much you need to charge. And so many people don't track those expenses. They don't know how much money is coming out of their bank and they don't keep an eye on it.

Laura Davis: That blows my mind.



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Laura Moore: Yeah. Yeah. It's just crazy. And like, I remember I was listening to a podcast recently. And she said that she had 25 grand's worth of expenses, which it that number just first of all blew my mind. And she was making like six grand a month. I was like, how can, how have you got 25 grand's worth of expenses anyway, but you're only making six grand a month.

No wonder you have debt. Like you need to know what's coming in and out and if you're not tracking your expenses you're going to be screwed. [00:12:00]

Laura Davis: That is insane, like to me that is such an alien concept. Like the spreadsheet that's in The Social Media Managers' Toolkit is the spreadsheet literally that I use and I stare at it daily.

Maybe it's extreme but the, you know, the every month, like at the start of every year I create a new tab on that spreadsheet, like copy everything over and then I make sure, right, my insurance line. The money's in there, my mobile phone. I even put a mobile phone amount. I obviously don't know the exact amount because it's, and this is the forecasting.

It's like, right. My, my, my phone bill is roughly this. So let's put that in. And then obviously I update it once the payment's gone out. Like people I work with me, I put their money going in. I put all the money that I'm hoping to get from all of my clients. And then at the end of each month, I go in and just like colour code them.

That they've been paid, either paid out or paid in. So I know, if someone was to say to me, well how much is going out of your bank account [00:13:00] next March? I know, like I know. And so I've, well obviously it might be different on the actual month, but I could tell you now what I'm forecasting.

Laura Moore: But it's only going to be different by a few like pounds here and there isn't it? If your phone bill's gone up by like a couple of pence.

Laura Davis: Depends if something new's in the Apple shop.

Laura Moore: Well exactly, if you've decided to treat yourself to something. But the baseline is there isn't it?

Laura Davis: Yeah, and every time I buy something, which goes through the business-



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Laura Moore: Which is a lot by the way.

Laura Davis: We'll not through my freelance business to be fair, most goes through our business, but, um, yeah, as soon as I buy anything, I'll go and put it on that spreadsheet.

Like that spreadsheet is on my like top three spreadsheets that I open all the time and I open a lot of spreadsheets.

Laura Moore: And this is why. When it comes to doing your tax return, Laura Davis', is done the day she was meant to do it and the rest of us are like, Oh my god, I've got to do my tax return. So we all need to be more like you.

Laura Davis: Yeah, I do my tax return [00:14:00] in April, it's done. Like, normally I do it on like about the 10th of April. It's just done. Because it's all in that spreadsheet. And because I've ticked it off as it goes, I know it's all accurate, and so I just go and put the numbers in.

Laura Moore: Like, I know what my expenses are, I know, I know all of that stuff, I'm just not as organised in how I track it.

And I think, depends on how your brain works, depends on how you'll do it.

Well you should be using the spreadsheet in the toolkit, Laura.

Well, no, I, I do, but I have to, I have to actually open the spreadsheet and put the numbers in the spreadsheet. That's where I fail. That's why my tax return –

Laura Davis: I like that bit though.

Laura Moore: – isn't great. Yeah, see, I don't.

Laura Davis: I love that bit. And I love it where I've got all my calculations for tax and stuff at the bottom. And like, I see if I earn an extra £500, I'm like, Oh my God. And then I realised that that actually means I've earned an extra, like, 5p –

Laura Moore: 5p.

Laura Davis: – or something after tax. But, um, yeah, no, I love all of that, but then that's how we're different, aren't we? You're words, I'm numbers.



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Laura Moore: Yeah, totally. Totally. [00:15:00] Okay. Moving on.

Laura Davis: Yeah. Well, that was two in one. So we're not forecasting. And we're not tracking our, well, some of us aren't tracking our expenses.

Laura Moore: Yeah.

Laura Davis: I think, and we've talked about this before, um, I don't know whether we've actually talked about it on a podcast, but about our bank zero.

Laura Moore: I'm pretty sure we have talked about this on a podcast, but I think it's definitely worth going into it as well. Because I think this is a tip and a mistake all rolled into one.

Laura Davis: So, it comes along with the fact that, you know, this forecasting, like planning what's, we can plan in our business, can't we?

What we want to spend our money on. We can plan that we want a new laptop or, or what have you. But sometimes there are times in our business where things, shit happens and you suddenly got to pay out money that you don't have. You know, maybe it is that phone broke and you're going to have to buy a new phone or because we all have to have phones in this job or it could be, I can't think -

Laura Moore: A client says to you, I'm not working with you anymore.

Laura Davis: Yeah.

Laura Moore: And I'm not going to pay your 30 days notice.

Laura Davis: [00:16:00] Yeah. So what happens if your bank is at zero? You're fucked, basically, aren't you? You're suddenly going to have to say to a family member, or, I can't pay, or, I've got no money, and that's not, that's not how you run a business.

So you know Laura and I have always, both freelance, but also now in our business, we've always had a new zero. So there is a monetary value that has to be in our bank account.

Laura Moore: Yeah. And if we don't have that, we would class ourselves as being overdrawn.



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Laura Davis: Overdrawn. Yeah.

Laura Moore: Just to kind of explain what we mean by that.

Laura Davis: So for me, when I was freelance, it was £500. Like I don't mind saying like that was my thing. I always thought if I had £500 in the bank, that would suddenly be able to buy tickets if I needed to suddenly go somewhere to a conference. And I really wanted to go and I hadn't. forecasted it because I didn't know it was a thing.

Or if my phone broke, I could probably get a secondhand phone for 500 quid and it would be all fine. And you know, so £500 [00:17:00] was my thing and I would never let my bank account go below that £500. And then as the business got busier and there were more kind of, it's back down to 500, but when I was at the peak, when I had much more money coming into the business and much more outgoings in the business.

I increased that and I had to have that. I think it was like £1500 because that was what I was paying out the freelancers. So I wanted to have that amount in the bank that suddenly, if anything happened, if my clients fucked off, I still had some money in the bank to be able to help like pay towards the freelance and not leave them in the lurch as well. Because I'm nice like that.

Laura Moore: Yeah, mine, mine was similar and, but I, and you might have said this and I might have just totally zoned out as I do, um, but mine would not just cover things so that I had like an insurance, if you like, but it was so that, well, what kind of, this kind of is like an insurance, but it was so that I knew that I could buy anything that I needed to, but also if there was no money coming in next month, I could still pay for it.

My insurance, my [00:18:00] scheduler, all of those things, all of those expenses that I knew were going to come out every month. I still had enough money in the bank to pay that whilst I re-funded my bank. And I feel like so many people, when they work freelance, they think all the money that's going into their bank is their money.

And like on paper, yes, it is your money, apart from what you owe to the tax man, it is your money. But you shouldn't be treating it as though it's your money. You should be treating it as though it's the business's money. And so therefore it doesn't all come out of the



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business's bank account and go into your private bank account every month so you can go and spend it on your mortgage and pay your bills and go and have a jolly.

Some of it needs to stay in the business because it is a business. This isn't a hobby.

Laura Davis: And I think if you're listening to this and you're thinking, well, I can't, I can't afford to do that. Okay. Like, and I get it. Like when I started, I was only making £144 a month. I get it. But it was a case of just a couple, even if it was a couple of quid, like, you know, now with like, um, But [00:19:00] we use Starling, and I know there are other banks that do this, where you have the, it automatically moves things into a space, it rounds up, so if you were to spend £4.50, it would round up the 50p, I think, I can't remember how it works.

Laura Moore: Yeah.

Laura Davis: So it's things like that, there are tools like that available to help you just move small, and you might be thinking, well, 50p is not going to get me very far. It all adds up, and I think, yes, I get it, if you, if you've not got a lot of money, it will benefit you if it's a tenner, you just leave that in the business or 20 quid, whatever you can afford, it will benefit you in the future because then you have less worry.

It kind of takes us like knowing that you've got a few hundred quid in the business bank account. It just gives you that little bit of a buffer on whether it be because you've lost clients or because you, something comes up and you suddenly need to pay for it, whatever those things are, it will just take the pressure off a little bit.

And obviously you'll all, we'll all have our zeros, like the two, our two Lauras, our business, our [00:20:00] zero is a big amount because we've got staff, we've got things we have to pay for. And if the Toolkit and the Inner Hub and everything else vanished tomorrow, we wouldn't, we know that we're okay. And I think, you know, it's just having that mentality to protect yourself moving forward.

And yes, it might take you time to get there, but try to have that mentality because you will thank yourself in the future.

Laura Moore: Yeah, definitely. That roundup thing you were just talking about, I was just looking in our roundup and I hope you don't mind me saying how much is in our roundup,



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but so we've got £728 in our roundup account that neither of us have ever, ever paid any attention to because it just automatically goes in there.

And we've called it bonus so we can treat ourselves at some point with it. But like, we don't notice that coming out of the account. That's been over many years because it's only a very, very small amount that we put in there. But we could increase that if we wanted to.

Laura Davis: Yep. Nice. What are we buying? Where are we [00:21:00] going?

Laura Moore: I don't know.

Laura Davis: Apple?

Laura Moore: I feel like we do need a treat now. If anyone's got any suggestions what we should spend our money on, our £728 split between two.

Laura Davis: I was going to say, there's not even going to get us a little bit of an iPhone is it?

Laura Moore: No, Laura's obsessed with getting the new iPhone. So, um, yeah. Yeah, we need to maybe increase the roundup. Okay, next, next, next problem next mistake.

Laura Davis: Next mistake and we possibly kind of covered this a little bit, but it's not pricing for profit, and I remember – so my previous business to this was a cupcake business.

No, it wasn't. It was a cake business, fucking hell. Um, although when I first started, I just used to do cupcakes and I went for this, I went to this training once, um, like cake decorating very, very early on. And they were talking about pricing cakes for, they was all for weddings. It was people who wanted to do weddings.

And in my mind, I was thinking, well, it's obvious, isn't it? It's just like your ingredients. [00:22:00] So say you, you know, your ingredients divided by the number of cupcakes, if you wanted like a per cupcake price, find you to how long it took you to make it and give yourself an hourly rate and you add it all together and divide by the number of cupcakes and that's your cupcake price.



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So that to me, I wasn't really properly listening in on the conversation because I was thinking this is obvious. And then the person who's doing the training was like, no, you do all of that. But then you double it. So if the price had come for to £1.50 per cupcake based on your ingredients and your time, you double it and you charge £3 for that cupcake.

That £1.50 doubled, that doubled bit is your profit. I was like, Oh my God. And it was so, like now –

Laura Moore: And how many cupcakes had you sold before you had this revelation?

Laura Davis: Oh, well, not many, not many.

Laura Moore: Oh, okay.

Laura Davis: Not many. And I was like, Oh my God, that is brilliant. And because I'd never thought about it like that. In my mind, I'd been price or trying to figure out my [00:23:00] prices based on my outgoing time and like actual spend, I hadn't thought about profit.

And again, it's similar to this kind of, you need profit in your business to like your forecasting. You, you need to pay yourself a bonus at the end of the year. That's how all the big guys are doing. That's how, you know, all the big corporate companies do it. They price for profit, they price to have money at the end of the year that isn't for outgoings. So you've got money left in the bank.

Laura Moore: Yeah. Just because you're a freelancer, it doesn't mean that you're not allowed to make money, you're allowed to make money, like give yourself permission to actually charge properly. So you can make the money that you deserve. You went freelance because you probably wanted like freedom and flexibility and stuff, but you also want money.

Laura Davis: Yeah.

Laura Moore: And it's the money that gives you all that freedom and flexibility. So charge properly.



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Laura Davis: And this is, so it's your outgoings, your time, and then profit. This is not just [00:24:00] about you earning enough to pay yourself. It's earning more. So there's more money in the business to enable you to do more things.

Laura Moore: Yeah. And I would argue that it's your outgoings, your time, your experience and expertise and your profit.

Laura Davis: Yeah. Nice. Like that.

Laura Moore: Yeah, get that on a graphic.

Laura Davis: So just think about, it's just, I think it's about a mindset shift.

Laura Moore: Oh, a hundred percent, yeah.

Laura Davis: It's about thinking all businesses are here to make money. That's what businesses are here to do. And we're not just here to cover our outgoings.

Laura Moore: No. And none of your clients will just be doing that.

Laura Davis: No.

Laura Moore: All of your clients will be pricing for profit. So don't feel bad that you're going to. And if you sell cupcakes, make sure you double the price of them.

Laura Davis: And if you see a price of a cupcake and you think, God, that's expensive, well, it's because they're doing the right thing.

So buy the cupcake and support the small business.

Laura Moore: And enjoy. Enjoy it.

Laura Davis: Yeah. Mmm.

Laura Moore: Nice. Okay. Right. [00:25:00] I've got one. Um, and this is going back to what we were just talking about before about your bank account. So many people don't have a separate bank account for their business.

Laura Davis: Oh yeah.



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Laura Moore: They put everything into like a joint account or their personal account where all of their other money is.

Laura Davis: Joint account? Bloody hell. No chance.

Laura Moore: Funny enough, when I very first started like many moons ago, I mean probably like 2007, I think that is what I did.

Laura Davis: Oh my God, Laura.

Laura Moore: Mostly from laziness, because I couldn't be arsed to set up another account. Wasn't as easy back then.

Laura Davis: No, it wasn't.

Laura Moore: It's very easy to set up a bank account these days. Very easy. Just get your phone, download an app, job's a good 'un.. So there's no excuse.

Laura Davis: My first business bank account, I had to get into the bank. I had to have a meeting. I had to take a business plan. All that shite.

Laura Moore: And then people used to pay you by cheque and you'd have to move your house and go to the bank to pay in the cheque, ugh.

Laura Davis: Showing our age now, Laura.

Laura Moore: Oh my God. We really are ancient, born in the 1900s.

Laura Davis: But I like, again, this is another thing that's completely alien to me because I just couldn't do -, how [00:26:00] my brain works. I could not do that. I couldn't not have a separate bank account to see what money is coming in and what money's going out. I panic that -, what happens if I'd spend the money and then the bill went out?

Laura Moore: And this is also why you find it so easy to do your tax return because you've always done it properly from day one. Whereas it's, it's so difficult to do your tax return if you have a bank account that where everything is linked together with all of your other outgoings and you're not tracking anything, like it's just so hard, so don't do that.



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Laura Davis: Yeah, have a, I don't think there's any excuse really not to have a business bank account. As you say, they're so easy to make. Like I create business bank accounts for us all the time. Right, moving money here. It's easy and I don't leave my sofa. Like it's totally possible to just create a business bank account.

Laura Moore: Definitely.

Laura Davis: So, it's so easy now and it just keeps everything separate. And then at the end of every month you pay yourself. And that's a nice feeling as well. And again, you're not just dipping into it. You're not just going, Oh, I need to buy this. [00:27:00] Because you're not clear, at the end of the month you're going, right, this is how much I want to pay myself this month and I've got it on my spreadsheet and it works and it doesn't leave me below my zero and I'm going to pay myself it.

And that's it then, that's your money to spend on whatever you want to spend it on, that's your personal income. But it's aside, it's taken out of that business bank account so it's just much more clear. Clear cut, neat and tidy.

Laura Moore: Yep. Love it. Okay, should we wrap it up with one more?

Laura Davis: Yeah, go on.

Laura Moore: Okay. I've got a good one.

And this comes down to when you're working with clients who maybe they've overstepped their boundaries and they've added on extra things that they want you to do, or they're asking you, Oh, can you also add on this other platform and blah, blah, blah. And most people will go, yeah, that's fine. It's going to cost £700.

And then the client's like, what? And they get really, really cross and the mistake is not giving context for all of that extra work. And by giving context, what I [00:28:00] mean is, like, when you very first took that client on, you gave the context in the proposal, so therefore they looked at your price, they knew all of the information, and they were like, oh yeah, this works, I'm going to take this person on.

When you're not doing that again, for, you know, additional money they're going to pay you, all they see is the amount.



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Laura Davis: The number, yeah.

Laura Moore: They don't have any context, so it's far easier for them to say no. And you want them to say yes.

Laura Davis: I had this with my builder when I had my work done on the house. It was like whenever I wanted anything extra.

He'd be like, yeah, I'll get it to you. And it would annoy me because I just want him to tell me the number, but then he would email me later that evening with the price and a breakdown of what that included. And I knew like, I know why he's doing it is what he's wanting me to see the long list of what that actually meant.

And that is why it was so fucking expensive. Um, you know, so, they – like build, builders do it and I [00:29:00] think when we're in a relationship with our client and maybe we've been working for them for a long time and then they say, Hey, I want to add TikTok to this and you go, Yeah, okay, fine. Here's, you know, 750 assuming that they'll understand and they don't and often they forget how much they're paying you.

Like my clients wouldn't have a clue how much they – well they actually ring me going. How much do we pay you? We're just doing some planning. How much are we paying you? I haven't got a clue because the accounts deal with it and so to suddenly chuck a number at them might be quite like jarring, might be triggering.

Laura Moore: Yeah and also I think by them saying to you, oh you know, I want you to do TikTok, how much is that going to cost? You're assuming that they're going to agree to your price. You've just, well, they've asked me, so obviously they're gonna, you know, but that's not maybe where their brain is. Their brain is just fact finding at the moment and they want to get the information.

Laura Davis: Yeah.

Laura Moore: So they still need to be convinced that it's a good decision.

Laura Davis: Yeah. Agree. So give context to your prices and don't assume. [00:30:00] Never assume.



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Laura Moore: Yeah.

Laura Davis: So that's it. Can we remember them to do a round up?

Laura Moore: Do a round up? Yes, absolutely. Right. So the first one was, don't forget to risk assess if you're going to pick your prices up.

Laura Davis: Yeah.

Laura Moore: Big mistake if you don't. Not forecasting, planning what you're going to spend in the future. Not having a balance in your account that you class as your zero. So for example, £500, £1000, whatever, and never go below it. Not pricing for profit. Double the price of your cupcake.

Not tracking your expenses. I think we said as well, not having a dedicated bank account. And then we ended on not giving context for any extra work.

Laura Davis: Nice. Love it. I've loved this podcast.

Laura Moore: I'd love to know how many, how many of these mistakes have you made? Like, be honest, own up, we've all made mistakes, and are you going to change your ways to get over it?

Laura Davis: It sounds like you've made most of these mistakes.

Laura Moore: I have made [00:31:00] all of these mistakes, yes. I don't think I ever just charged the basic price for a cupcake, because they used to annoy me so much I'd be like, Oh my god, I need to make more money for these, especially the cleaning up. Um, but yeah, I think I have made most, most of these mistakes. You live and learn.

Laura Davis: There you go, yeah.

Laura Moore: I think you have too, you just don't want to admit it on a podcast.

Laura Davis: No, I definitely haven't, definitely haven't. I have on some, but not all.

Laura Moore: Okay.



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Laura Davis: You know, it's rare to be fair. It's rare to be fair, that I've not, that I've made less mistakes than you, but um, there we go. This is the one.

Laura Moore: And on that note, we will leave it there. We'll be back same time, same place next week. Enjoy! Toodlepip!

Laura Davis: Bye!

