

# SelfInformed

Published by the National Association for the Self-Employed

June 2021

Member Spotlight

**Dr. Lydia  
Hughes-  
Evans**

**Pure Momentum  
Consulting**





# SIZZLING SUMMER SAVINGS FOR YOUR SMALL BUSINESS

*Temperatures are soaring, and the heat is on for small businesses this summer. Looking for ways to cool off and cut costs? Get the most bang for your buck with these money-saving tips from NASE.*

## 1. CUT YOUR TAX BILL

One of the most effective ways of reducing the amount of money flowing out of your small business is by lowering your tax liability.

That means keeping good records of all your business expenses, like keeping track of vehicle mileage and saving receipts. You'll also want to keep records of bills like insurance, office, and other business-related costs. All of these expenses and more can be written off:

- **Business travel** — that includes gas, maintenance, meals while you're traveling for work, and hotels. In some situations, expenses are only partially deductible.
- **Mileage** — keep track of how much you drive for your business. To calculate your write-off in 2021, multiply how many miles you drove by \$0.56 per mile. (The rate changes from year to year, so always check with the IRS.)
- **Food** — for business-provided meals at office parties, the cost is 100 percent deductible.
- **Utilities** — office phone and internet connections are deductible, including in a home office. More on that in a minute.
- **Advertising** — it's true! Did you print brochures or pay for a new logo? What about a website or business event? Outside of political lobbying, the promotion of your business is most likely deductible.

Consult the [IRS website](#) for more about itemized deductions, or [contact the financial and tax experts](#) at NASE if you have questions.

## 2. CLAIM YOUR HOME OFFICE

If you work from home as an independent contractor, freelancer, or otherwise self-employed worker, you may qualify for the [IRS's home office deduction](#). There are two main requirements to qualify for this major deduction:

You have a room or other portion of your home that is used exclusively for business, and your residence is the principal place of business for your work. (That means weekend work on the couch doesn't count as a home office.)

If you meet both of those requirements, you qualify for certain deductible expenses like rent, utilities, insurance, maintenance, and repairs. Those deductions can add up to substantially lower your tax bill.



### 3. MOVE DATA TO THE CLOUD

In-house data storage involves computer and potentially server upkeep, depending on the nature of your small business. Backup, software upgrades, security, and even the electric bills add up when it comes to IT infrastructure.

**Cloud computing** is a form of remote data storage where a third party handles all the physical computer and server maintenance, along with security and backups.

If you're using Google Drive or Dropbox, you're already using cloud storage. **NASE offers tips** to help you take it to the next level by adding security protections like encryption and backup syncing. A small investment in cloud storage now will save money and stress down the road.

It's not just for big operations. Even the smallest businesses can benefit from the cost-savings of moving data to remote storage.

Not only will you reduce the costs associated with tech hardware by moving to the cloud, you'll simplify the work of maintaining an emergency backup and recovery plan for your business and customer data.

Another plus: cloud computing improves mobility and cross-device access and collaboration.

### 4. CUT OUT THE OFFICE SPACE

Rental space is one of the biggest costs for businesses.

It's not for everyone, but many small businesses can dramatically cut operating costs by moving work out of a commercial rental location and into a home office.

Another alternative to the office space is a mobile business model. Rather than having customers come to you, you make deliveries and service visits to customers. Self-employed skilled trades workers — plumbers, electricians, and computer technicians — have been operating this way for a long time. But bookkeeping, accounting, florists and other independent business owners more now make "house calls" as successful mobile companies.

Administrative operations can often be run out of a home office, which saves monthly rent costs as well as the expenses of insurance and utilities including internet and phone services.

If you're considering a home-based business, be sure to check local zoning laws first to make sure your type of business is allowed to operate in your neighborhood.

There are other considerations beyond the legal, like whether your family wants to live in the middle of a business operation.

If you're not ready to take it all home with you, take a look at the IRS's deduction rules for your small business. You may be eligible for a business **rent deduction** as well as a deduction on moving expenses.



## 5. TIME IS MONEY

If you've ever wasted a day picking up supplies because you didn't want to spring for a delivery charge, you know the truth in the old adage "time is money." Efficiency, and cost savings, is really about recognizing the exchange rate between time and money.

How much is your time worth? Calculate your time based on how much product or services you could do in an hour. Is it worth more than making a trip to pick up or deliver supplies?

It might seem counterintuitive, but sometimes efficiency means spending a little more on postage — saving money in the long run by freeing up your time for the money-generating operations of your business.

## 6. AUTOMATE ROUTINE TASKS

Self-employed workers and small business owners juggle a hundred different responsibilities every day. After a while, small and mundane tasks can add up to a big chunk of the day, which means less time engaged in productive activities.

Fortunately, there are technological tools to automate reminders, helping to keep and optimize a schedule. **NASE offers a list of apps and software tools**, along with other easy tricks to simplify small business to-dos.

## 7. CUT CREDIT CARD PROCESSING SERVICE FEES

If it's been a while since you set up credit card and payment processing for your business, it might be time to review the fees tacked on to each swipe. All those charges add up to take a chunk of earnings that could go directly to you.

New processors like **Square** and **Stripe** are geared toward independent sellers and small businesses with app technology in place of physical card processing equipment. Every processor has its own advantages and terms, so shop around and compare for what works best for your needs.



## 8. MARKET SMARTER ONLINE

In a cash crunch, the marketing budget may seem like a prime candidate for a trim. And while there are more expensive forms of advertising — television, radio, traditional print and billboard ads — that you may want to pause, cutting out marketing is not a way out of a sales slump.

Instead, cut costs by exploring innovative online marketing avenues. Low-cost marketing on social media can be an effective alternative to traditional media advertising.

**Raise your profile:** Start with a solid website and business profiles on the social media platforms you're most likely to connect with your potential customers.

How do you know where to advertise? If your business is primarily providing goods and services to other businesses, polish up your B2B LinkedIn and Twitter profiles and start connecting. For business-to-customer sales, consider combining Facebook and Instagram postings: both are owned by Facebook, making cross-platform promotions less duplicative and more consistent. Where you go depends on who your customers are. Remember: Knowing your potential base is knowing your own brand. Research pays off.

**Referrals:** Don't forget your existing customers! Word-of-mouth and referrals are still the most persuasive form of advertising for a business. And it's often free — or as low-cost as offering coupons for your best "brand ambassador" customers.

**Email** is still a solid marketing bet, especially coupled with rewards or discounts. Advertising by email may mean a change of pace from the salesy talk of traditional ads to one of providing value, useful information, and other incentives that promote customer loyalty.

## FINALLY, A WORD TO THE WISE

You can't dig your way out of a hole. We've all seen large corporations try to cut their way to profitability by laying off thousands of employees or gutting their operating expenses — only to enter into the bankruptcy courts a few months later. Digging in a hole leads to a predictable outcome: a deeper hole.

Most of us can find areas to trim, but remember, a business is built through addition, not subtraction. This is as true for large companies as it is for one-man or one-woman shows.

If you find yourself in a hole with low cashflow, explore creative options to broaden your customer base. Seek out information on lowering your tax burden and financial assistance. The **experts at NASE** are here to help.



New!



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# Momentous Self-Employment

Dr. Lydia Hughes-Evans is the Founder & CEO of Pure Momentum Consulting, LLC located in El Cerrito, California. For the past 13 years, Pure Momentum Consulting has provided non-profit management and operations support. PMC's core values are Integrity, Performance, and Results, and that's what unites them as a team and allows them to help other organizations be successful.

### **When and why did you join the NASE?**

I joined NASE in June, 2020 because of the vast variety of benefits, grant opportunities, practical support, and governmental advocacy that NASE provides small business owners.

### **What inspired you to enter the field you are in?**

I've worked in education, nonprofit and business settings, but no matter where I was, what mattered to me most was efficient systems and effective people. When I learned about Organizational Development, it all came together for me! I choose to practice my consulting magic with nonprofits because they're solving big problems with very limited resources, and that is where efficient systems and effective people shine the most.

### **When and why did you start your business?**

I started my business in 2006, and it originally provided academic tutoring to K-12 students, along with small business advising for owners. The original impetus for starting my business was that I wanted to utilize all of my gifts and talents under one roof.



**How do you market your business?**

We primarily use LinkedIn & Facebook to market our business.

**What challenges have you faced in your business?**

One of the biggest challenges has been keeping a constant pipeline of prospective clients. We've historically lacked a consistent, repeatable, and profitable marketing and communications plan, although we've tried a variety of different strategies. This gap became even more evident during COVID. At the beginning of this year, I hired a Marketing & Communication Specialist, and also partnered with a digital marketing specialist through my local Small Business Development Center (SBDC). This has led to a complete overhaul of our value proposition, marketing message, and digital presence and engagement. I'm now confident that we're laying the foundations for a sustainable future, which



will enable us to continue serving nonprofits and positively impacting our communities.

**Do you have any employees?**

Yes, I have a wonderful Team! I have 4 part time employees, who bring a wealth of support and resources to our clients. I couldn't do what I do without them.

**What's your schedule like, what's a typical day for you?**

A typical day for me is meetings in the mornings, and deep diving into client project work in the afternoon, with some business development sprinkled in between. As a business owner, I'm always working both in and on my business, simultaneously!

**What's the best thing about being self-employed?**

The best thing about being self-employed is the freedom to practice all of my passions and talents under one roof! I also love that I'm not tethered to a location, a work schedule, or a set of operating methodologies. I can use the most pertinent strategies and tools at my disposal, to help solve my client's challenges. Lastly, I love the impact that we are making in the community. Helping a nonprofit to keep their doors open, retain their staff, and continue to provide much needed services? That's what it's all about for me.

**What's the best compliment you've ever received from a client?**

"From the moment Dr. Lydia started working with our team, she was able to engage, encourage, and inspire. Her deep knowledge and positive energy won immediate buy-in from staff members, and the result has been that the goals we set together have felt clear and achievable all along the way".

**What's the most important piece of advice you would give to someone starting their own business?**

Be committed to learning: reading, podcasts, webinars, networking events, industry conferences, colleague masterminds, etc. Your business will only grow as much as you do.

# SBA Set to Launch Community Navigator Program



The Small Business Administration (SBA) is set to launch the Community Navigator Program later in June, the program is targeted towards minority-owned businesses and small businesses who found themselves unable to access the other programs offered by the SBA to support businesses during the Covid-19 pandemic. The Community Navigator Pilot Program that will strengthen outreach to underserved businesses by partnering with organizations with deep roots in their communities.

The program which received \$100M in the American Rescue Plan, will aim to partner with states, local governments, SBA resource partners (SCORE, WBCs), and other organizations in targeted outreach for small businesses underserved communities.

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**Katie Vlietstra** is NASE's Vice President for Government Relations and Public Affairs; You can contact her at [kvlietstra@nase.org](mailto:kvlietstra@nase.org).

To learn more about the program, visit:

[www.sba.gov/partners/counselors/community-navigator-pilot-program](https://www.sba.gov/partners/counselors/community-navigator-pilot-program)