

SelfInformed

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Member Spotlight

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Cooks Without Borders





8 SPOOKY FACTS

YOU DID NOT KNOW ABOUT SELF-EMPLOYED/SMALL BUSINESSES

It is a huge accomplishment to take on the challenge of being self-employed and own a small business. Being able to bring your ideas to the world is a fantastic feat to be proud of. However, only about 20% of small businesses survive their first year, and about half make it past five years.

Whether your small business is a brand-new concept or one of several small business ventures you already have, keep in mind these eight spooky facts about being self-employed and having a small business.

8 SPOOKY FACTS YOU DID NOT KNOW ABOUT SELF-EMPLOYED/SMALL BUSINESSES

In relation to the Halloween season, it is vital to highlight the spooky facts many small business owners may not be aware of to ensure their success in the market. It is pertinent to be prepared, diligent, and remain resilient with the unique creation you could bring to life.

High Tax Rates

Gone are the days of receiving money when tax season comes. Instead, self-employed individuals are more likely to pay high tax rates they need to keep track of and pay on time. A self-employed person carries a business as a sole proprietor or as an independent contractor, is in business for themselves, or is a member of a partnership carrying a trade or business.

Those who are self-employed need to pay a self-employment tax and an income tax. The SE tax encompasses Social Security and Medicare taxes. An income tax return is obligatory if net earnings reach over \$400, though an income tax return also needs to be filed if other filing requirements are met. Generally, owners have to file an annual return and pay an estimated tax quarterly.

Lack of Benefits

Many corporations offer health insurance, life insurance, and even a company 401K match. Other benefits can include gym membership coverage and travel reimbursements. In contrast, owning your small business means having to pay for health care plans and pensions out of your pocket for both yourself and your employees.

If you are self-employed, you can lack flexibility due to no guarantee of work. And when days get busy, that could lead to a lack of sick leave or vacation days. Even if you can take time off, you will not receive paid vacation days like you would when working for a huge enterprise. And if an emergency arises, it may be challenging to find someone to run the business if you have to be away for a certain amount of time.

Administrative and Management Concerns

It can often be overwhelming and time-consuming to spend so much money and work on administrative tasks such as bookkeeping, accounting, responding to emails, hiring and managing employees. Training employees can be costly and take up time, especially if retention is high. If the sole business owner is in charge of everything, they will be unable to successfully oversee other workers without other managers in place. Leadership roles need to be passed on to trustworthy employees who can manage other employees, finances, and additional activities. Inventory also needs to be adequately maintained so that there are no inventory surpluses or shortages. Sales patterns should be studied, and a point-of-sale system should accurately track inventory and give insight into the best and worst selling items.

With this method, you can make the most of your goods and focus on products that raise the most profits. This can lead to decisions about discounts, items to eliminate, and what to focus on to generate a higher return on investment. Many small business owners may avoid taking care of their finances, but it should be a priority to be financially literate and business savvy.



Customer Reviews

Many consumers often check reviews or get a recommendation for a place before they even enter a small business store or look up a product online. High-quality customer service is expected, and the pros and cons of a product can quickly spread rapidly online. Communication tools and social media sites such as Yelp, Google, Facebook, and Instagram can apply customer feedback and solicit others to buy or refuse a small business. Keep track of reviews and create a business page.

For instance, set up a business page on Yelp, share your business story, and respond to customers' reviews. Join the conversations going on, answer questions, and upload photos. Show videos of how to use a product, and have customers provide their email addresses so you can send updates via newsletters, customer surveys to gain more information and keep them engaged by sending occasional discounts or fun events to join. Keep your business information current across all platforms, including your website.

Growth Issues

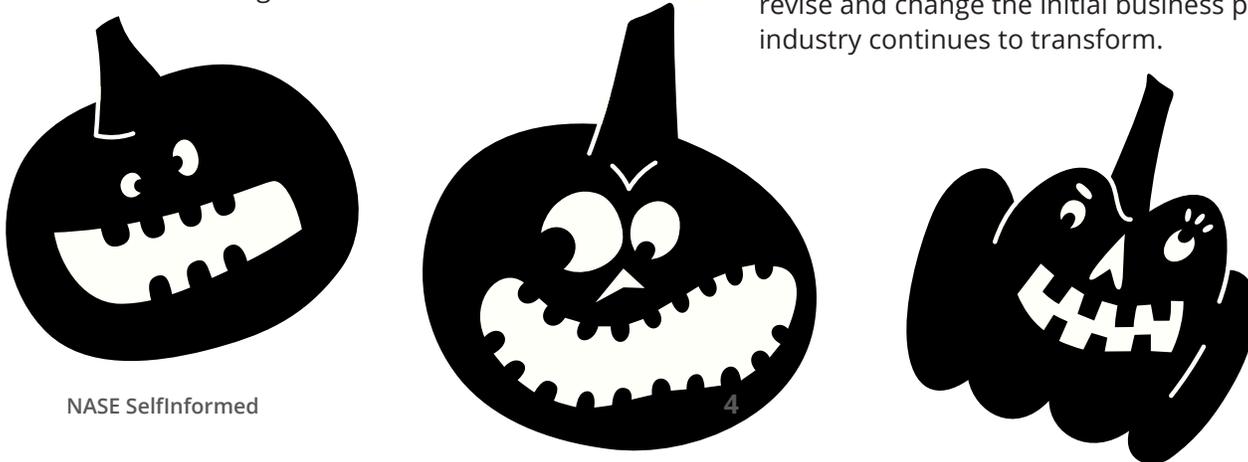
A new business may start strong with a flurry of customers and bulk orders. Therefore, self-employed people may decide to expand too quickly, which can backfire and lead to added loans and higher debts. It can be prudent not to rush and instead handle one business at a time, so working capital and quality do not decline. Think ahead to ensure business loans get paid and do not be tempted to take on more than you can handle. Furthermore, do not rely too much on one customer or large order.

Customers and trends are constantly changing, so it is essential to diversify your consumer base and adapt to the times. Continue to gain new insights, study existing data, and continuously communicate with your sales team. What may be popular one season may be irrelevant the following season, so be open to change. Simultaneously, some products remain classic and unchanged, so be sure to study sales growth and customer spending habits regularly. Moreover, communicate with your consumers about why you are excited about changing products and remind them of what makes your services timeless.

Strategic Planning Mishaps

While it may be easy to open up a storefront or online website physically, there needs to be comprehensive, systematic planning to ensure a company's success. All self-employed individuals need to have a strategic business plan that is realistic, current, and based on accurate information. It is vital to have a company mission statement clearly describing the business, reachable goals, market opportunities, and market initiatives. Workforce needs must be met as potential problems have to be foreseen ahead of time.

All financial statements, including a balance sheet, cash flow, income statement, and capital equipment lists, have to be checked repeatedly. Businesses should also be familiar with their competition and build upon a unique brand through proper marketing and promotional activities. Lastly, budgeting must be prioritized in accordance with managing a small business' company growth. Overall, it is essential to regularly revise and change the initial business plan as the industry continues to transform.





Financial Obstacles

Financial difficulties can arise due to a lack of working capital and funding. To successfully run a day-to-day business, continual cash flow must pay employees, take care of overhead costs, pay for monthly rent charges, keep utilities on, and pay for suppliers and vendors. It is essential to pay all fees on time to avoid extra costs and maintain good faith in various business relationships. Be highly aware of how much revenue is being brought in and understand the best ways to price out services and products. Keep track of production, delivery, and maintenance charges and find ways to be cost-effective yet also produce high-quality products.

It can be a struggle to find angel investors or even a substantial bank loan without a strong growth trajectory, so prioritize growing your working capital and be on top of your sales and expense forecasting.

Branding Mishaps

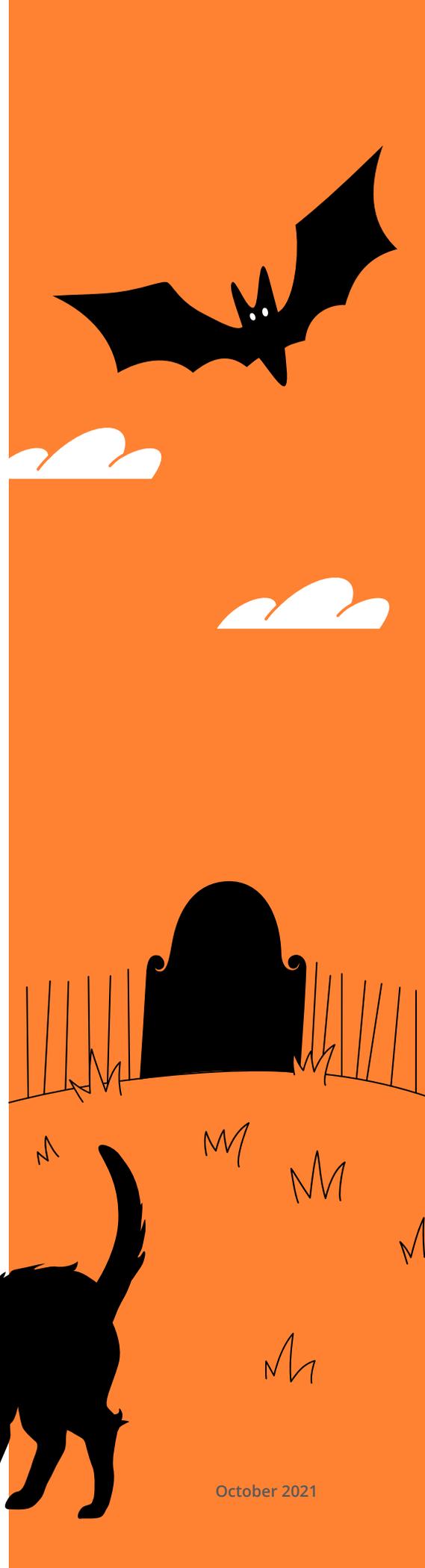
Many small businesses can be hesitant when it comes to investing in marketing and branding. Self-employed individuals may view marketing as a waste of extra money and assume customers will find out about their products organically or through word-of-mouth. There can be a high cost to advertising and publicizing a company's products, but businesses need proper prospect reach and high conversion ratios. Marketing campaigns should thereby be planned strategically, and their high costs cannot be underestimated.

It is pertinent to secure financing and balance capital to cover branding activities such as company events and widespread promotions. Audiences must be targeted wisely so sound decisions can be made to have successful, cost-effective campaigns. Be involved with the community and show your support for important causes. Make a difference by using your small business to reach others, raise awareness, and give back.



How Do I Learn More?

When it comes to being a successful self-employed individual, be sure to look out for small business hurdles to overcome. To learn more about thriving as a self-employed/small business, contact the **experts at NASE**. Our licensed professionals will be happy to answer any questions you have.





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The 2020 **Open Enrollment Period** (*six weeks*) runs from Monday **November 1, 2021** through Saturday, **January 15, 2022**, in most states. Enroll by December 15, 2021 for coverage that starts January 1, 2022.

[Request a Health Insurance Quote Today!](#)



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Your Silver Membership also includes MetLife – \$10,000 Term Life, Assist America, Roadside Reimbursement, Legal Club Business Plan and more.

This membership is NOT available to residents of the following states: Alaska, Florida, Louisiana, Maine, Maryland, Missouri, Montana, New Hampshire, New Mexico, North Carolina, Oregon, Utah, Vermont, Washington, West Virginia.



SMALL BUSINESS GROWTH GRANTS

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Member Spotlight



Photography by Manny Rodriguez

Cooking Up Self-Employment

Leslie Brenner is the Founder and Editor in Chief of **Cooks Without Borders**, a cooking website devoted to the cuisines of the world. Currently residing in the Dallas, Texas area, Leslie is a two-time winner of a James Beard Award. As a cookbook author and former Food Editor of The Los Angeles Times, you can now find Leslie sharing what she cooks in her own kitchen on her website.

When and why did you join the NASE?

I joined the NASE in November 2020 because it offers an array of wonderful resources for self-employed people.

What inspired you to enter the field you are in?

I've always been naturally attracted to cooking, and to food, wine and traveling. I started out as a writer — I studied English at Stanford as an

undergrad, then as a fiction writer did an M.F.A. at Columbia University. I understood pretty quickly after grad school that making a living writing literary fiction would be a challenge, so I branched out to journalism — and as a journalist, wound up writing stories about my passion for food and wine.

When and why did you start your business?

I launched it as a passion project in late 2015, and turned it into a business in late 2019.

How do you market your business?

I'm glad you asked — I love marketing! I write stories for major publications, including *The Washington Post*, *Bon Appétit* and *The Dallas Morning News*, mentioning (and hopefully linking to) Cooks Without Borders. I produce and host live digital events — including a series of Q+A's with fascinating people in the food world, called Cooks Without Borders Makers, Shakers & Mavens (we have a **YouTube channel!**), and I co-produce and co-host a series about the hospitality business called The Communal Table

Talks (also with a [YouTube channel](#)). I try to be a guest on fabulous podcasts, like [Built in Texas](#). I have a Substack newsletter — [The Brenner Report](#) — in which I sometimes mention Cooks Without Borders, and I engage in email marketing to a robust Cooks Without Borders [mailing list](#). I entered Cooks Without Borders for consideration in the Webby Awards earlier this year — and amazingly, we were nominated. I pitched that as a story to various media outlets, and wound up doing a [segment on The Texas Standard](#), which is an awesome public radio show broadcast throughout the state. I publish stories regularly on Apple News, and occasionally on Medium. I market through my [Leslie Brenner Concepts website](#), my portfolio [Leslie Brenner website](#), and of course, I post photos (not nearly frequently enough!) on social media.

What challenges have you faced in your business?

My biggest challenge has been figuring out a workable financial model for Cooks Without Borders — largely because in order to provide the best possible user experience, we have kept the site ad-free. I believe I have finally devised a workable financial model and have been laying the groundwork the last few months. In Q4, we should start reaping the benefits.

Do you have any employees?

While we don't currently have any employees, I would like to be able to hire someone within the next two years or so.

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

My day is divided between my two businesses. Usually I spend the morning doing creative work for Cooks Without Borders — conceiving and writing stories, ideating, editing photos and arranging interviews. In the afternoons I focus on my consulting clients for Leslie Brenner Concepts. Then in the evening, I often test or develop a recipe, cook it, style it, photograph it (I do all the photography for Cooks Without Borders) and enjoy it for dinner with my husband. On some evenings I visit clients' restaurants.

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

I get to work on only projects I'm passionate about.



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

A reader sent me a note last year telling me that Cooks Without Borders was the thing that most helped her get through Covid; she felt like she had traveled around the world through our recipes and it was an amazing escape!

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

There are a ton of resources out there to help entrepreneurs. Find them and take full advantage of them. Meet as many people as you can, offer your services gratis to people who need them, engage in public service, and start to make a name for yourself doing things that genuinely help people.

Which NASE member benefit is most important to you?

I would say maybe the one that's the least tangible: Knowing I belong to a group of like-minded entrepreneurs, and that there are a zillion of us, is very reassuring.



NASE

Washington Update

The U.S. Congress is currently back in session with a full plate of legislative activity to act on before the end of the year. Two key pieces currently being debated in Congress are regarding the *Build Back Better* agenda introduced earlier this year by the White House. As part of that legislative package, the *Infrastructure Investment and Jobs Act*, often referred to as the bipartisan infrastructure bill, focuses primarily on “hard infrastructure” such as roads, bridges and physical infrastructure.

The second major piece of legislation currently being negotiated is the Build Back Better Act, a “soft infrastructure” package which would be a major investment and restructuring of the U.S. tax code to boost spending on a multitude of issues ranging from lowering of prescription drug prices to early childhood education. Together, they represent both a physical and human investment in infrastructure in the United States.



The Infrastructure Investment and Jobs Act

While the U.S. Senate approved the legislation with bipartisan vote at the end of August, the House has not yet brought the measure up for full consideration. The \$1.2 trillion package includes \$550 billion in new federal investments in infrastructure over five years, the largest, new investment in transportation and infrastructure in nearly half a century.

The package includes new funding for roads and bridges, money for transit and rail, broadband upgrade to improve the nation's broadband infrastructure, updating airports, ports and waterways, funding for electric vehicles, improvements in power and water systems, and paves the way for increased environmental remediation.

If approved by the House, it would head to the President's desk for his signature into law.

You can read more about the bill [here](#).

The Build Back Better Act

Both the U.S. Senate and House are discussing the bill but have not yet voted on the package. It contains spending on several programs over 10 years, includes free community college, childcare assistance, Medicare expansion, extended child credit, paid family and medical leave, reduced prescription drugs, and climate change provisions.

The U.S. Senate and House are currently negotiating the cost and scope of the package before they move forward on a floor vote. Negotiations over this package in the House are closely tied to passing both of these bills together.

You can read more about the package [here](#).

Proposed New IRS Reporting Requirements

The IRS recently released new tax information reporting rules that would require every American with a bank account (including those in the small business community) to track and submit information to the IRS on money going in and out of every account above a de minimis threshold of \$600 during the year. While the goal of the new rule is intended to target tax dodgers, it is not only costly, but cumbersome to meet. It would impose unintended consequences on small employers in the operation of their businesses.

The NASE joined a coalition of trade associations in signing a letter of opposition to this proposed new reporting rule sent to Members of Congress. The proposal is costly and unfair for our community, and we strongly oppose this new reporting regime.

You can read the letter to Congress [here](#).

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