Money Management
for a prosperous business

Let's use $2000 retail for our Money Management example:
(you sell & collect $2000+ sales tax)

Your money management will be different depending on your individual situation:

SCENARIO #1
1) You have the benefit of adequate inventory and your Mary Kay loan is paid off.

$2000 60%/40% SPLIT

$1200 + tax BUSINESS REINVESTMENT ACCOUNT
- 50% replaces product sold
- 5% covers sales aids
- 5% covers hostess credit

$800 SPENDABLE ACCOUNT
- $800 to pay yourself

HAVE FUN!

SCENARIO #2
2) You are starting with the benefits of adequate inventory and have an inventory loan to pay but no other debt.

$2000 60%/40% SPLIT

$1200 + tax BUSINESS REINVESTMENT ACCOUNT
- 50% replaces product sold
- 5% covers sales aids
- 5% covers hostess credit

$800 SPENDABLE ACCOUNT
- 50% $400 to pay towards loan for MK business
- 50% $400 to pay yourself Have fun!

*split 50/50

SCENARIO #3
3) Wondering how you can start a business when you are already in debt? Here is how you can start your business and use Mary Kay to pay off ALL your debt! Start with the benefits of adequate inventory and immediately "pay yourself" *(NOTE: even if inventory needs to be purchased on credit remember that this interest is 100% tax deductible as a business expense! Any interest you pay on personal debt is NOT. So the goal would be to pay the smallest amount on your inventory loan and use your Mary Kay income to pay off all your other debt first!)*

$2000 60%/40% SPLIT

$1200 + tax BUSINESS REINVESTMENT ACCOUNT
- 50% replaces product sold
- 5% covers sales aids
- 5% covers hostess credit

$800 SPENDABLE ACCOUNT
- $100 to pay towards loan for MK business
- $350 to pay yourself. Have fun!
- $350 to pay other debt

*pay min. on MK loan, split the rest 50/50

SCENARIO #4
4) You are starting with inadequate inventory *(money management does not yet apply because it is recommended that you take ALL of your profits and reinvest it into inventory until you have enough stock on hand. Delay "paying yourself".)*

$2000 100% REINVESTMENT

$2000 + tax BUSINESS REINVESTMENT ACCOUNT

50% Replaces product sold
$1,000 wholesale
5% covers necessary sales aids
(sales tickets, etc.)
5% covers hostess credit
Remaining 40% gives you $800
wholesale product for your "store"

Adjusting the 60/40 split between Business Reinvestment and Spendable will result in financial failure of your business. However, the splits within these accounts are suggestions only, and can be adjusted to suit your needs.