

# Dealing with Money

By Holly Lisle

The first reality of writing full time is that money is always tricky. You have it in large chunks, then you don't have it at all. You can't count on a check every week, or every month, or even every six months. It comes when it comes, and you have to figure out how to make it last until it comes again, even though you never know when that will be. Here's how you do it.

- **Put aside more money than you could possibly need before you leave.**

Figure out what it takes you to survive for a year, and add about ten to fifteen percent for things that go boom.

Things always go boom, and they do it with a real passion when you don't have a regular paycheck.

- **Brace yourself for the taxes.** They suck.

You pay the regular amount on your income for whatever bracket you're in, plus you pay self-employment tax.

Take a look at your paystub from your last paycheck. Note the amount that's currently going into Social Security or FICA. Double it.

If you maintain the same level of income, that's what you're going to be paying, because you don't have an employer who takes half the bite for you anymore.

Self-employment tax will add several thousand dollars annually to your tax burden even if you only manage a moderate income. Also remember that once you're out on your own, nobody takes the money out of your check for you every week. You do it yourself, quarterly, and I'll tell you right now that you feel it more than you ever

did when it just wasn't in the paycheck in the first place.

- **Set up a checking account *and* a savings account for yourself.**

Figure out how much you have to have per month to get by. Pay yourself weekly or monthly from your savings account into your checking account, and at all other times pretend the money in the savings account isn't there.

Otherwise, when you see that you have \$15,000 dollars in the bank, you will forget that that is your paycheck for six months, and you will go out and do stupid things with the money, and then you won't have six months of paychecks in the bank.

Things won't be too bad in January, but along about May and June, when you're living on spaghetti with tomato sauce breakfast, lunch and supper because it's all you can afford, you'll regret the new TV and the Playstation and the motorbike.

- **Kill the bills before you quit.**

If you have debts, do whatever you have to do to get rid of them.

Pay off all credit cards (and get rid of all but one). Look for places where your bank account bleeds, and stop the leaks.

Don't buy a new car, don't buy a new house, don't take out a second mortgage on the one you have, get yourself as close to no outlay as you possibly can. Get used to paying by cash or check for things instead of by credit card, and if you can't afford to pay by check, get used to doing without.

Don't use the card you keep. Ever.

The only reason you have it is so that if you're seven hundred miles from home and your car breaks down and no one at home can wire you money and without it you'll have to panhandle your way home, you won't *have* to panhandle your way home. If you do have to use it, pay it off immediately—don't let the balance run.

- **Get some sort of health insurance.**

Writing does not come with it. Writing has benefits, but they tend to be of the intangible sort.

Try to find affordable health insurance that has a reasonable deductible, that will let you go to whatever doctor you want, and that doesn't exclude everything you might ever possibly have from its list of covered items.

(Well, you know... TRY I don't think there's anything like this out there anymore. If there is, I haven't found it.)

- **Have your next year or two of work lined up before you quit.**

Which takes us to...

**Having the contracts to quit on >>**