

INFLUENCERS

WHAT YOU NEED TO CONSIDER

Hobby v Business

Is the activity being undertaken for a commercial reason?

- Is your main intention purpose or prospect to make a profit?
- Do you regularly and repeatedly undertake your activity?
- Is your activity planned, organised and carried out in a business like manner?

If you answered yes to most of these questions you're likely to be running a business.

Potential Deductions

Potential tax deductions could include the following, depending on your area of influence;

- Cosmetics
- Fashion
- Fitness gear
- Gym
- Skin care
- Massage
- Hair
- Computer
- Phone
- Home office
- Internet
- Meals
- Travel

Stage 1. Hobby into Business

ACTION: Discipline

Discipline in interest area, discipline in image cultivation. Finance needs the same discipline.

- **Paid promotions** - income structured for taxation, may need ABN, and consider GST.
- **Budget** - focus on accumulating wealth.
- **Structure** - bank accounts for operations, cash and investment.
- **Expenses** - record of your expenses smartly, no shoe boxes...go digital.
- **Life insurance** - at this age with no mortgage, no family, then no life insurance.
- **Car** - new car, best technology around \$15,000, small, 5 year warranty, standard maintenance cost.
- **Finance** - establish a credit history, e.g. borrowing and paying off the car.
- **Superannuation** - effect of compound interest, equities in the long term may be best, consolidate if multiple.
- **Investments** - don't worry too much about where just yet, focus on accumulating capital.

Stage 2. Agency and Own Business

ACTION: Focus

To be best at your career, you focus on your area of influence and know it well. Your finances needs the same focus by people with financial expertise. Things to keep in mind:

- **Agency** - any employment income properly structured for taxation.
- **Private business** - more risk, properly structured for protection, ownership, IP.
- **Family** - dependants e.g. wife/husband/children, needs school and early estate plan.
- **Residence** - mortgage means debt to pay down, with equity allowing for future borrowing.
- **Insurance** - life, income, professional indemnity, may need a broker.
- **Cars** - people movers, new, but roll over at end of warranty period, standard maintenance cost.
- **Superannuation** - you need to be in it, maximise for self and spouse.
- **Investments** - accumulate, diversify, inside and outside of super, may need investment adviser.