

Starting a Micro Business for Teenagers

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Characteristics

- Simple and fast start up
- Only one employee
- Sole proprietorship
- Little start up money
- Purpose to learn and earn
- Usually home based
- Low risk
- Manageable
- Easy to close down

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Advantages

- Learn a lot
 - Business skills
 - Time management
 - Confidence
- Test a Future Career (or not!)
- Make Money!
 - For a goal

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Ideas

Service Businesses

Tutoring	Bookkeeping
Childcare	Event planner
Music lessons	Virtual assistant
Editing papers	Writer/Author/Blogger
Web design	Lawn care
Pet Sitter/Dog Walker	Cleaning

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More Ideas

Product Businesses

Baking
Cake decorating
Crafts (knitting, card making, soap, etc.)
Photography/Scrapbooking
Fine arts (painting, sculpture, etc.)
Sewing/Dressmaker

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Problem With Products

Inventory and storage
Shipping, packaging, returns and back orders
Upfront purchase of inventory
Sales tax

Solutions

Digital products
Drop shipping
Order on demand

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Make a Plan

Business Concept

- The product or service and industry
- How to measure success

Marketing Plan

- Potential customers
- The competition
- How you will stand out

Financial Plan

- Cost
- Price to customers
- Break even analysis

Example

Piano lessons
5 students

Beginning students
Charge half the competition
Advertise on homeschool e-loop & at co-op

Books, rewards \$25/year
Price \$8 per 30 minute lesson
Break even after 11 lessons

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Record keeping

Record all income when you get it!

Even cash

Remind customers who owe you money

Record every expenses as you spend it

Use a spreadsheet

Calculate profit (or loss) every month

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Example

Month of: January								
Date	Check Number	Description	Income	Advertising	Office	Postage	Meals	Mileage
1/09/200X	Debit card	Website fee		20.00				
1/10/200X		Income - Client A	250.00					
1/11/200X	203	Ink		12.00				
1/15/200X	204	Brochures		12.00				
1/15/200X	cash	Lunch - Client B					8.50	
1/30/200X	205	Mileage to meeting						19
1/30/200X		Stamps				55.00		
1/30/200X		Mileage to post office						6
Totals			250.00	32.00	12.00	55.00	8.50	25

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Taxes

Business Profit or Loss reposted on **Schedule C** of Form 1040

Two taxes on Form 1040

1. Federal Income tax

0% up to a profit (net income) of \$5,700 (2010)

10% for profit of \$5,700 to \$8,350 (20108)

2. Self-Employment Tax (Social Security & Medicare)

15.3 % of profit over \$400

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Secrets

Serve Your Customers

Be polite, smile & dress nicely

Keep good records

Monthly record keeping = 79% survival rate

Annual record keeping = 36% survival rate

Watch expenses

Don't spend what you don't have

Don't spend because it's a write-off

Be brave and ask questions

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Resources

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Three ebook series

Starting a Micro Business

Money and Taxes

Running a Micro Business



70 page ebook \$14.95

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