

Cultivating the Entrepreneur Mindset

Creating a Professional Practice

Why are you still here?

- ❖ Personal calling?
- ❖ Personal growth experience?
- ❖ Need a new hobby?
- ❖ Need to pay bills?
- ❖ Want independence of life style?

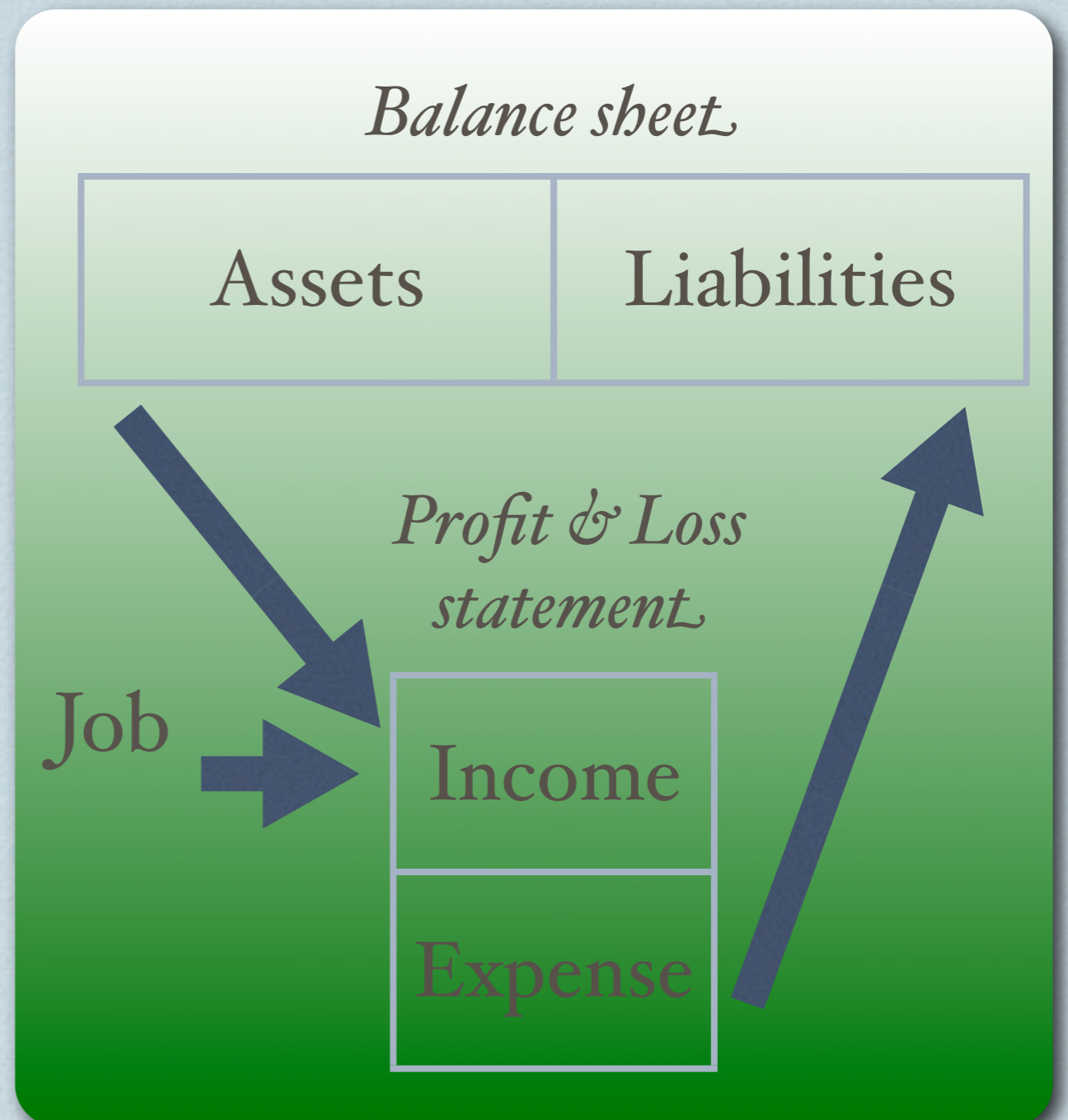
What's next?

Industry statistics

- ❖ 2007 U.S. median household income (U.S. Census Bureau): **\$50,233**
- ❖ 2008 Average salary for massage therapists (U.S. Bureau of Labor Statistics): **\$39,850**
 - ❖ Includes part- and full-time practitioners
 - ❖ Includes employees as well as sole proprietors

Wealth vs. Income

- ❖ Income is taxed disproportionately to wealth
- ❖ Assets & liabilities are *owned*



Definitions

- ❖ Net worth := Assets – Liabilities
- ❖ Entrepreneur := one who organizes, manages, and assumes the risks of a business or enterprise
- ❖ Employee := one used or engaged by another usually for wages or salary and in a position below the executive level
- ❖ Liquidity := capability of being converted into cash

Asset classes

- ❖ Businesses
 - ❖ High degree of cash flow
- ❖ Real Estate
 - ❖ Non-liquid (cap gains from flipping) vs. moderate net cash flow (rental income less mortgage/repairs)
- ❖ Paper/securities
 - ❖ Non-liquid (cap gains from trading) vs. limited cash flow (pensions, bonds, dividends)

Employee mindset

- ❖ Trades time/labor for earnings
- ❖ Seeks “stability” from employer
- ❖ Prefers well-defined tasks/job description
- ❖ Efforts are leveraged by employer to yield profit
- ❖ Hourly worker: paid for time, not production
- ❖ Salaried worker: works hard enough not to get fired
- ❖ **Relatively low accountability/self-discipline**

Entrepreneur mindset

- ❖ Cultivates assets to create passive income
- ❖ Bears own responsibility to create “stability”
- ❖ Accepts challenge of nebulously defined tasks
- ❖ Uses **leverage** to create profit
- ❖ Is paid for **production**, not effort
- ❖ **Very high level of accountability/self-discipline**

Isn't that *risky*?

Education	2007 Avg. Annual Earnings (\$)	Cost (\$)		Time to earn (post H.S)
No H.S. diploma	21,484	—		—
H.S. diploma	31,286	—		—
Bachelor's degree	57,181	36,000	132,000	4 years
Master's + degree	80,977	54,000 - 72,000	198,000 - 264,000	6-8 years
MT/HHP	39,850*	15,000		1.5 years

$\$100/\text{hour} \times 20 \text{ hours/week} \times 52 \text{ weeks/year} = \$104,000$

Which is your best fit?

- ❖ Willingness to learn new skills
- ❖ Need for independence/control of life style
- ❖ Desire to create wealth
- ❖ “Wages will make you a living; profits can make you a fortune.” - Jim Rohn