



## Financial Productivity and Success

Do you consider yourself a productive person? A successful person? Do you think that your success is related to your productivity? Well, of course it is! In fact, success and productivity rely heavily on each other, especially when it comes to your money.

Productivity without a sense of accomplishment isn't very motivating or fulfilling. At the same time, success is never fully realized unless you've worked hard to achieve it. Some people are actually born rich, but most are not. And even if you are wealthy, it doesn't mean you're actually productive or successful. True success comes from honest, hard work and a sense of accomplishment.

### What's Productivity?

Productivity is a key element to meeting your financial goals. Productivity can be called something else—hard work. The Oxford Dictionary states that, "Productivity is the effective-

ness of productive effort." Whether you know it or not, your productivity is a result of your own values and goals. What's important to you?

Being productive means you're proactive, not reactive. When you act in a proactive way, you're making plans, developing goals, being creative, and working. In other words, you are trying to earn money, get out of debt, and save for retirement.

When you're being reactive, you're simply "coasting" along and waiting for things to magically improve. But when it comes to finances, coasting usually carries you farther downhill. Being productive brings more than just financial rewards. It also brings personal fulfillment and satisfaction from hard work and successful effort.

### What is Success?

Do you measure success only by how much money is in someone's

bank account? Or do you think successful people are those who live a balanced, happy and fulfilled life? In this modern era, raising a happy, healthy family can be a challenge. It's even more difficult to keep your life in order if you're struggling financially. Successful people are productive people. They don't sit around worrying about their financial problems ... they take action!

### Dangers of Discouragement

When you're discouraged, you can lose interest in your activities and feel like you have no energy. You often lose your drive and become depressed, stressed, or have a gloomy outlook on the future. Breaking free of discouragement can be very difficult, but it can definitely be done.

When you feel discouraged, unproductive, or unsuccessful, you must remind yourself that success often begins with an act of will. In fact, even the word "discouragement," has "courage" right in the center. So try to find inspiration in your life. Look around you at all the things you can be grateful for. If you can just be proactive, and then find a way to be productive, there is no financial obstacle you can't overcome!

To summarize, productivity and success are important factors in a healthy financial lifestyle. Also, productivity and success go hand in hand. If you aren't being productive, then you probably won't be successful. Likewise, if you aren't successful, then you aren't likely to attain your financial goals. ■

# Looking to Earn Extra Income? Rule Helps You Avoid Bogus Business Opportunity Offers

Maybe you've seen ads for stuffing envelopes or assembling crafts at home. Perhaps a company says it can help you set up a vending business. Before you sign on the dotted line or send money to buy a business opportunity, find out about the Business Opportunity Rule, enforced by the Federal Trade Commission, the nation's consumer protection agency. The Rule puts safeguards in place to make sure you have the information you need to evaluate whether a biz-opp is risky business.

How does the Rule protect people thinking about buying a biz-opp? First, it requires sellers covered by the Rule to give you a one-page disclosure document outlining important facts about the opportunity. Second, if sellers make any claims about how much money you might make, they have to give you a separate paper with more specifics. Third, the Rule makes clear that certain practices are against the law.

### The disclosure document

Under the Rule, sellers have to give you a one-page disclosure document that offers five key pieces of information. Use the information in the disclosure document to fact-check what the seller tells you about the opportunity and what you find out from your own research. The document has to:

- identify the seller;
- tell you about certain lawsuits or other legal actions involving the seller or its key personnel;
- tell you if the seller has a cancellation or refund policy. If so, what are the terms of that policy?

- say whether the seller is making an earnings claim. If so, the seller has to give you another document called an earnings claim statement; and
- give you a list of references.

The Rule says that a seller has to give you the disclosure document at least seven days before you sign a contract or pay them anything. Use that time to check out the information in the disclosure document, including contacting references. Be aware that some questionable biz-opp promoters have been known to name “insiders” who give glowing—but bogus—recommendations. Don't just talk to the few people they suggest. Choose whom to contact. What if what the seller is telling you is different from what's on the disclosure document or what you hear from another buyer? Step on the brake. An inconsistency could be a tell-tale sign of a biz-opp rip-off.

In addition, the disclosure document has to be in the language the seller used to offer you the biz-opp. If you discussed the deal in a language other than English, the document has to be in that language. Also, the seller has to make it clear that if you buy a business opportunity from them, your contact information will be given to prospective buyers in the future.

### The earnings claim statement

What if the seller makes a claim about how much money a person can earn? Under the Rule, they have to give you a separate document that says in big type across the top: **EARNINGS CLAIM STATEMENT REQUIRED BY LAW**. This document has to include:

- the name of the person making the claim and the date;
- the specifics of the claim;
- the start and end date those earnings were achieved;
- the number and percentage of people who got those results or better;
- any information about those people that may differ from you—for example, the part of the country where they live; and
- a statement that you can get written proof of the seller's earning claims if you ask for it.

Since the Rule gives you the right to see written proof for the seller's earnings claims, savvy buyers exercise that right and study those materials carefully. Compare that information to what the seller has told you about how much money people make. If the dollar amounts don't line up, your best bet is to walk away. Like the disclosure document, the earnings claim statement has to be in the same language that the seller used to communicate with you.

### Misleading claims

The revised Business Opportunity Rule spells out that certain practices are against the law. For example:

- It's illegal for biz-opp sellers to say anything that contradicts what's in their disclosure document and earnings statement.
- Under the Rule, sellers can't claim they're offering you a job when they're really promoting a business opportunity.
- The Rule makes it illegal for sellers to misrepresent the nature of the investment—for example, to claim they'll help you line up locations, outlets, accounts, or customers or that you'll have an exclusive territory if it's not true.

The revised Rule puts new protections in place for prospective buyers. But for added protection, take the time to find out what the Rule

requires of sellers. Did they give you the disclosure document with the five key pieces of information? If they made earnings claims, did they give you a separate statement with the specifics? If you spot a seller who isn't complying with the law, it's a red flag: You could be in the cross hairs of a biz-opp scammer.

What else can you do to add an extra layer of protection? Before you buy a business opportunity:

- Study the disclosure document, the earnings claim statement, and the proposed contract.
- Insist on seeing proof in writing for earnings claims, including statements like "Earn up to \$10,000 a month!" Phrases like "up to" aren't a way out for the seller. It's an earning claim and it's your right to demand proof.
- Interview current owners of the seller's business opportunity. Ask the tough questions – like if

the information in the disclosure document matches their experience with the company.

- Listen to sales presentations with a critical ear. They are—of course—trying to sell you something.
- If a seller doesn't give you the information you know they have to provide, walk away.
- Consider getting professional advice. Ask a lawyer, accountant, or business advisor to read the paperwork before you sign.
- Check out the seller with your local consumer protection agency, state Attorney General's Office, and the Better Business Bureau. Do a few internet searches by entering the company's name and "complaint" or "scam." You could get an eyeful. But be wary: No complaints doesn't necessarily mean the company is legitimate. And scammers have been known to post phony testimonials online.

## Report Possible Fraud

If you suspect a biz-opp seller is fraudulent, report it to:

- The state attorney general's office both where you live and where the business opportunity promoter is based.
- Your county or state consumer protection agency. Check the blue pages of the phone book under county and state government.
- The Better Business Bureau in your area and the area where the seller is based.
- The FTC. File a complaint online at [ftc.gov](http://ftc.gov) or call toll-free 1-877-FTC-HELP (1-877-382-4357). ■

*The FTC works to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or get free information on consumer issues, visit [ftc.gov](http://ftc.gov) or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261*

## Follow These 10 Steps for Starting a Business

Starting a business involves planning, making key financial decisions and completing a series of legal activities. These 10 easy steps can help you plan, prepare and manage your business. This information and more is available from the U.S. Small Business Administration, [www.sba.gov](http://www.sba.gov).

**Step 1:** Write a Business Plan. This document outlines your key goals, investment information, and a financial map which you will present to investors or a bank.

**Step 2:** Get Business Assistance and Training. Professional counseling services can help you prepare a business plan, secure financing, or help you expand a business.

**Step 3:** Choose a Business Location. Make sure it is customer friendly and complies with local zoning laws.

**Step 4:** Finance Your Business. There are multiple services to help you pick the best loan programs.

**Step 5:** Determine the Legal Structure of Your Business. Decide which form of ownership is best for you: sole proprietorship, partnership, Limited Liability Company (LLC), corporation, S corporation, nonprofit or cooperative.

**Step 6:** Register a Business Name. This is done through your local state government office.

**Step 7:** Get a Tax Identification Number. This is called an EIN (Employer Identification Number). You will need this to register with both the IRS and your state and/or local tax commission.

**Step 8:** Register for State and Local Taxes. This included workers compensation, unemployment and disability insurance as well as

**Step 9:** Obtain Business Licenses and Permits. This is done through your city, county and/or state agencies.

**Step 10:** Understand Employer Responsibilities. Learn the legal steps you need to take to hire employees.

### Choosing The Right Kind of Business

Have you always dreamed of opening your own business? Are you tired of punching a clock somewhere or climbing the corporate ladder? Maybe you want to start your own business and just do it part-time while you keep working at your current job? You have all of these options and more, but there are some important factors that will determine whether or not you'll be a successful business owner...

If you are thinking about starting your own business, be sure to consider the pros and cons discussed below:

#### Pros

- You get to set your own schedule (more or less) and run the business the way you want.
- You can deduct certain expenses from your taxes.
- You can supplement your income without giving up your conventional job.
- You can finally work in exactly the kind of company you want.

#### Cons

- The hours you put in may be more flexible than a conventional job, but you will put in more hours.
- Having variable and uncertain income will change every aspect of your finances. For instance, qualifying for a mortgage becomes a much more difficult process.
- You must have extraordinary self discipline. At times you'll need it

to continue working, and at times you need it to stop working and be with your family.

- Depending on what kind of a business it is, you may have trouble with commercial zoning laws.

Now, what kind of business will you open?

There are countless types of businesses and opportunities out there, but here are four major classifications to help you move forward in your decision:

1. A business that you created from the beginning, such as a florist shop in the mall or a messenger service. This type of business requires a lot of capital to start up. If you want to create a business from the ground up, especially if "up" includes a locale outside your home, then you need extensive training and business classes. It takes more than just a good idea to make your business survive.

2. A franchise such as a McDonald's or Blockbuster. Although a franchise also requires a lot of start-up capital, the business model is already planned out in great detail, which raises your chance of success.

3. A home-based business that you created from the beginning, such as selling cookies or small-scale landscaping. This scenario allows you to pursue your desires to do what you love while making a profit. Most home-based businesses don't require much capital. If they do, a small business loan from your bank will probably be sufficient.

4. A home-based business using an established company as a medium, such as Avon, or buying and selling on eBay. This is the easiest and least risky alternative. The good news is that you can dedicate a very flexible range of hours to this job, even using it to supplement your conventional job.

Remember: many people miss their "conventional" jobs after starting their own businesses for one major reason—they miss the predictable schedule...and paychecks! There is something to be said for knowing exactly how much, and when your hard-earned money will be direct-deposited into your bank. It helps with financial planning and bill paying as well.

Opening your own business can feel like a risky leap of faith at times, but with the right planning and ambition, it can be very rewarding! Millions of people have done it already, and you can be next! For more information on opening your own business, please visit the Access Education website.



### Business Hours!

Monday-Friday: 7:00 a.m.-7:00 p.m.  
Saturday: 8:00 a.m.-12:00 noon

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