



Money

All of you who read these Manuals and the [Super Premium Blog](#), etc., know that I really try to be honest, but positive, in what I write. This Manual will be no exception, but it's going to be hard to be positive because I want to talk about money issues, and these days, there's not a lot to be happy about.

In case you've been ignoring the news, we are arguably in a recession. The current economic climate, in layman's terms, sucks. Consumers are struggling and when they don't have money to spend, businesses begin to cut budgets to save money and, rather stupidly, often one of the first places these cuts occur is in their marketing budgets. Reduced marketing budgets means fewer new creative projects requiring new photography. That means both corporate and advertising photographers are going to see their businesses slow.

Editorial photographers aren't getting the "free pass" they may have in past recessions. Magazines (and newspapers) are having difficulties of their own as they begin transitioning their revenue streams to reflect the changing desires of readers (i.e., digital advertising to replace the print). They have been, to put it kindly, sluggish in this change and they are now caught with their pants down fiscally. So titles are folding right and left and those that are left are really tight with their money.

Retail photographers (weddings, portraits) will also feel the pinch, especially portraits. Weddings are probably going to weather things best of all the specialties because brides have always had crazy mothers and always will, and even when they don't the brides are often stuck in "I must have my dream wedding at all costs" mode and, well, that means hiring a great photographer. However, I would caution wedding photographers to make sure to get paid before the event and that the checks clear. I would not be at all surprised to hear about photographers (and other wedding vendors) getting stiffed more often in the near future.

So, yeah, overall it's going to be a bumpy few months...or maybe years. Time to gird 'em up.

What can you do to get through these difficult times? Lots of things.

First, cut back on *unnecessary* expenditures now, even if you are way busy. Note the word "unnecessary"--that does not mean you should stop marketing (eek!) but maybe you'll need to take a pass on expanding to print sourcebooks as soon as you hoped. If you have a studio, reduce costs by dropping the temperature (during the cold weather) when you don't have clients in the space (wear a sweater), bringing your lunch with you to work (again, not when clients are there), and reduce the use of electricity, etc. (unplug unused printers, etc.). Sure, these office/studio things are small things, but they will help.

Second, put money in the bank, don't take it out. In other words, don't buy stuff you don't need to (see previous paragraph). For example, you could wait to buy that cool MacBook Air that is

so much more for show than go for a photographer, or to get a new vehicle (unless yours is really dying). Just sock that money away into an easily accessible cash-based account of some sort--nothing that would tie up your money or levy penalties to get at your money. You want to build up as much cash as you can, just in case you need it for the rough months ahead. In fact, you should always do this, I think, but now even more so.

Third, set up a **business** line of credit with your bank, now, when you don't need it. Please, please, please pay attention to this: do **not** use your home as collateral for business loans and that most definitely includes home equity lines of credit (HELOC). Too many people have used HELOCs to finance something for their businesses and now they are losing both their businesses *and* their homes. If you have already done this, used the HELOC this way, open the business line of credit and use it to pay off the HELOC (the business part of it, that is). Your business stuff and your personal stuff *must be kept separate*, especially when times are risky, like now. Remember, if you keep it separate and your business goes under, you can work someplace else to pay your household bills; but if you tie up your home finances with your business finances, you (can) make your family homeless a hell of a lot sooner if it doesn't work out. It's a gamble that is just not worth the risk.

Fourth, make sure you have your licenses in order...I mean the usage licenses you've issued to clients for your images. When clients get smaller purses, relicensing becomes very helpful to them. They know that your image worked before and so they may very well want to re-use it in a new piece. If you know, for example, that Client X's license is about to expire, contact them to ask if they are interested in re-licensing. This is a great help to them and will bring money in. One big warning though: do **not** use this opportunity to hold them over a barrel--be fair in your pricing.

Finally, you can use the slow times to improve your target lists and fine-tune your marketing. Maybe you will end up segmenting and targeting even more precisely, sending medical portraits to pharma targets and guys in ties to biz magazines, etc. You can also work on your vision by shooting as much as you can. Overall, keep in contact with past clients, keep contacting the ones you want, and don't get complacent waiting for things to get better. You can get through these rough times ahead, even if it means getting an extra job to get through the worst bits.

Judy Herrmann says in her presentation at the ASMP SB2 events that if you *really* want to be a photographer and you hit a brick wall, you will find a way over, under, around, or through it. Sometimes that means backing up to get a better run at it (like by getting another job temporarily), but you **will** get to the other side. I think she's completely right. I have faith that those of you who really want it won't let anything stop you from pursuing your business dreams. The lousy economy is just a wall...you will get to the other side.