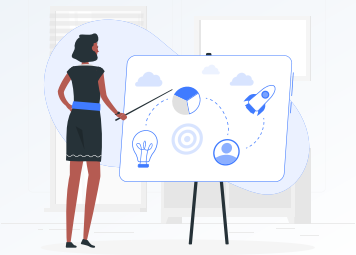
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MODULE 3 · FREELANCER-TO-STARTUP TOOLKIT

Money That Lasts

Financial literacy & financing, read your own money honestly, price with confidence, keep a reserve, and make the big decisions with a rule, not fear.



Steady, not hand-to-mouth

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MODULE THREE

Money That Lasts

03

The topic freelancers worry about most and plan for least. Turn that anxiety into a small set of tools you can actually use.

Most freelancers don't get into trouble because they earn too little for a month. They get into trouble because they **can't see what's coming**, price their work without confidence, or keep nothing back for the lean weeks. The guiding principle is simple: **raise and spend the least you need, price fairly, and keep a reserve**, money that lasts is built mostly by controlling what goes out.



By the end, a participant can

- Tell cash apart from profit, and know their gross margin.
- Build a 12-month cash-flow forecast and see the lean months before they arrive.
- Price from a floor rate, keep a reserve, and decide with a rule, not fear.

~3 hrs facilitated | 3 facilitator-led + 2 self-directed | Localised · PT · LT · SI | Youthpass · Financial literacy

CONCEPTS IN THIS MODULE

1 · Cash is not profit
2 · The few numbers worth knowing
3 · The 12-month cash-flow forecast
4 · A reserve that protects you
5 · Price with confidence
6 · Five money decision rules
7 · Going legit: plan the transition
8 · The funding map
9 · Hiring an accountant

ACTIVITIES & RESOURCES

F1 · Cash-Flow Map, 60 min
F2 · Price With Confidence, 60 min
F3 · Going-Legit Clinic, 60 min
S1 · Know Your Numbers, 30 min
S2 · My Money Plan, 50 min
+ Case study · resources · templates · glossary

KNOW YOUR NUMBERS

Cash is not profit

The most dangerous number in a freelancer's account is the balance, because it lies. It shows cash, money that happens to be sitting there, not profit, the money you've actually earned and get to keep. Confusing the two is how people with plenty in the bank still go broke, and this sub-chapter is about telling them apart.



WHAT IT IS

Cash is money flowing in and out of your account, right now. **Profit** is what remains after every cost, materials, tools, fees, and tax, over a real period. A €2,000 invoice is €2,000 of cash today, but perhaps €800 of profit once costs and tax are removed, and even that isn't spendable if next month is empty. Cash is about *timing*; profit is about *keeping*.

WHY IT MATTERS FOR YOU

Freelancers get paid in lumps and spend in a steady stream, so the account swings between "rich" and "empty" regardless of whether the work was profitable. Steering by the balance means overspending after a good invoice and panicking after a quiet week, both driven by cash, not reality. Profit tells you whether the business actually works; cash tells you whether you can pay the bills this week. Watch both, but never confuse one for the other.

THE COMMON MISTAKE

Treating the account balance as income, spending after a big invoice as if it were all profit, and forgetting the tax you'll owe on it. The classic trap is a great year followed by a tax bill you can't pay, because the money that felt like yours was the government's all along. Separate tax on arrival, always.

✎ Do this now

Open a separate account (or pot) for tax. From your next payment, move a fixed percentage there the day it arrives, before you touch the rest. That one habit prevents most freelancer money disasters.

Facilitator note

Ask who has ever spent money that turned out to be tax. Most hands go up. Use that to make the "split on arrival" habit concrete, have each person name their tax % and where the money will go.

Feeling rich the day an invoice lands is cash. What you keep after costs and tax is profit, steer by that.

KNOW YOUR NUMBERS

Cash is not profit

HOW IT WORKS

For every payment, immediately split it: set aside tax (a fixed % into a separate account, the instant it arrives), account for the costs that job carried, and only treat what's left as yours. Track profit over the month, not the day. And keep a simple eye on cash timing, when money is due in versus when bills are due out, so a profitable business never trips over a badly-timed gap.



A WORKED EXAMPLE

Diogo lands a €3,000 project and books a holiday, it felt like a windfall. But €600 was tax he hadn't set aside and €1,500 went on materials and a subcontractor, and the next two months were quiet. The "€3,000" was really about €900 left, and it had to stretch across those empty weeks. Now he splits every payment on arrival and never confuses the balance for earnings again.

Your balance is cash, not earnings. Split every payment on arrival, set the tax aside, and steer the business by profit, what you actually keep, not by what happens to be in the account today.

THE NUMBERS THAT MATTER

The few numbers worth knowing

Money overwhelms people because they imagine full accountancy. In truth a freelancer needs only a few numbers, watched honestly and regularly, to make good decisions. This sub-chapter is those numbers: not a bookkeeping course, but the small dashboard that tells you whether the business is actually working, and where to steer.



WHAT IT IS

The essential few. **Cost to win a client**: the time and money spent to land one. **Value of a client**: what they pay you over the whole relationship. **Monthly running costs**: everything you must pay to keep going, including a basic wage for yourself. **Break-even**: the revenue that covers those costs. And a healthy **ratio**: a client should return at least three times what it cost to win, within a year.

WHY IT MATTERS FOR YOU

Without these numbers, every decision, whether to take a cheap client, spend on ads, drop a service, is a guess dressed up as intuition. With them, decisions get obvious: a client that costs more to win than they return is a bad deal no matter how busy it makes you feel, and any month below break-even is quietly draining you. A tiny, honest dashboard turns anxiety about money into clear, confident calls.

THE COMMON MISTAKE

Two extremes: tracking nothing (flying blind) or building an elaborate spreadsheet you never actually check. Also ignoring your own time as a cost when working out what a client takes to win, unpaid hours are still a cost. A rough number you review monthly beats a perfect one you look at once a year.

✎ Do this now

Write down four numbers today, even as estimates: cost to win a client, value of a client, monthly running costs, and your break-even. Then diarise a monthly fifteen-minute check to update them.

Facilitator note

Have participants estimate their break-even out loud, most have never named it. The moment someone realises a "busy" month was below break-even is the lesson; make the four numbers a simple, repeatable monthly ritual.

A client should be worth at least 3× what it costs to win, and earn that back within a year.

THE NUMBERS THAT MATTER

The few numbers worth knowing

HOW IT WORKS

Work them out roughly, precision isn't the point. Add up what it really costs to land a client (your time counts). Estimate what a typical client is worth over a year. Total your monthly must-pays, including paying yourself. Find the revenue that covers them, your break-even. Then check the two ratios: is each client worth at least 3× the cost to win, and do they earn it back within a year? Review once a month.

The Few Numbers Worth Knowing

Not management accounts, a handful of numbers, checked once a month.

Number	In plain words	How to work it out
Gross margin	What you keep from a job after its direct costs	**(price − direct cost) ÷ price**
Operating margin	What's left after your running costs too	**(revenue − costs) ÷ revenue**
Cost to win a client	What selling & marketing cost per new client	**spend ÷ new clients (CAC)**
Value of a client	Profit one client brings while they stay	**monthly rev × margin × months (CLV)**

Rule of thumb: a client should be worth at least 3× what it costs to win, and earn that back within a year.

A WORKED EXAMPLE

Cláudia spends about €150 of time to win a client worth €400 a year, roughly 2.7×, and her break-even is €1,800/month. Seeing this, she stops chasing tiny one-off jobs (they cost more to win than they return) and focuses on clients who stay, which lifts both ratios and gets her clear of break-even every month.

You don't need accountancy, you need a small dashboard: cost and value of a client, running costs, and break-even. Watch those few numbers monthly, and money stops being a mystery.

SEE THE YEAR COMING

The 12-month cash-flow forecast

A profitable freelancer can still be sunk by timing, a big bill lands in the exact month the income doesn't. The 12-month cash-flow forecast is the cheap insurance against that: it maps the whole year's ins and outs so you can see the tight months from a distance and act while you still can, instead of discovering them the week they arrive.



WHAT IT IS

A cash-flow forecast is a simple month-by-month table for the year ahead. Each month has three lines: **money in** (expected income, honestly estimated), **money out** (all costs, including tax and paying yourself), and the **running balance** (what's left carrying forward). Read across the year and the shape appears: the strong months, the lean ones, and any point where the balance dips dangerously low, or below zero.

WHY IT MATTERS FOR YOU

Freelance income is lumpy and seasonal, so any single month is misleading, only the year reveals the pattern. Without the forecast you steer by today's balance and get ambushed by the quiet season or a big annual cost. With it, a thin month three months away becomes a problem you can solve calmly now: take on extra work, delay a purchase, lean on your reserve. It converts financial anxiety into foresight.

THE COMMON MISTAKE

Two failures. Optimistic income estimates (assuming every “maybe” pays) that hide the real dips, and building the forecast once and never looking again, so it drifts from reality and becomes useless. A forecast is a steering wheel only if you hold it: conservative on income, thorough on costs, reviewed every single month.

✎ Do this now

Sketch a rough 12-month forecast: money in, money out, running balance. Circle the first month the balance looks tight, and write one action you'll take now to soften it.

Facilitator note

Have participants find their tightest month on a rough forecast, most have never looked a year ahead. The relief of spotting a dip early, with time to act, is the point; set a monthly review habit so the forecast stays alive.

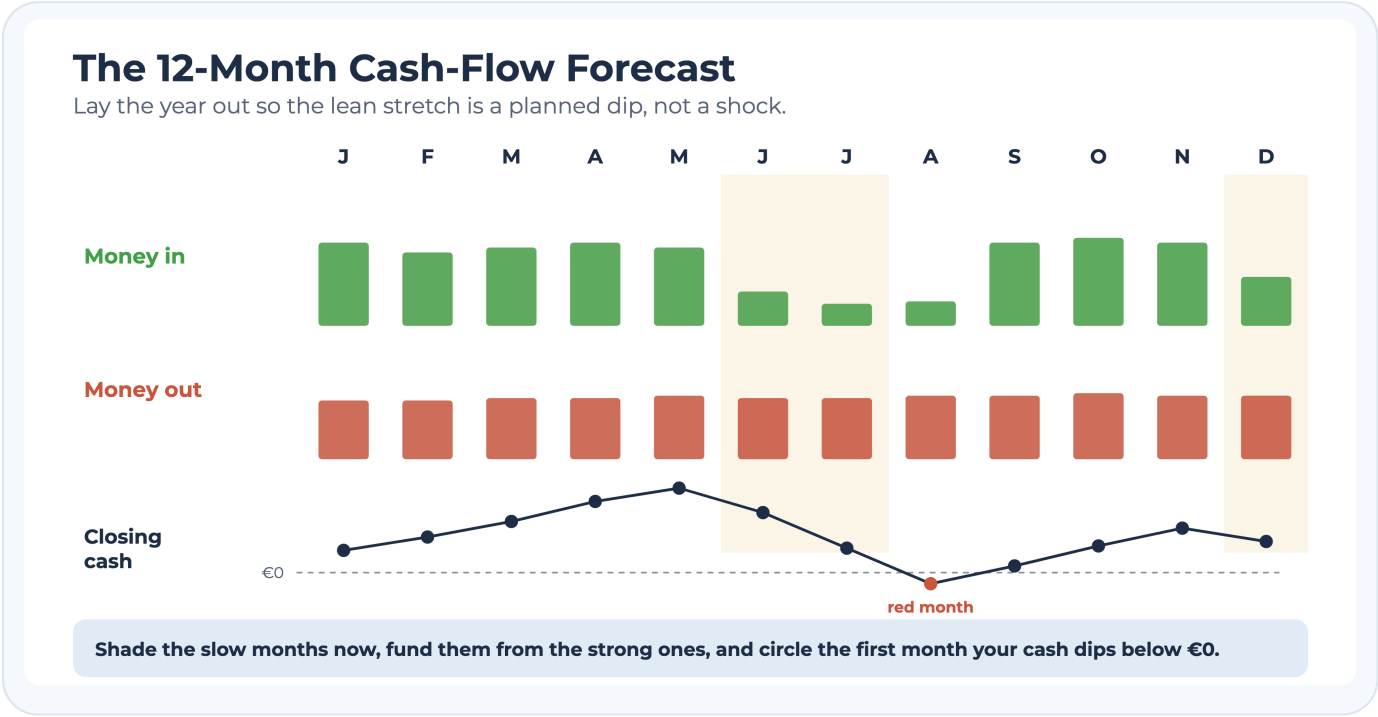
Plan in pencil, review in ink. A budget you never check is a wish; one you review monthly is a steering wheel.

SEE THE YEAR COMING

The 12-month cash-flow forecast

HOW IT WORKS

List the next twelve months. For each, estimate money in (be conservative) and money out (be thorough, include tax, tools, a wage for yourself, and known one-offs). Carry the balance forward month to month. Now scan for trouble: where does the balance dip low or go red? Plan those months now. Then, crucially, review the forecast every month against what actually happened, and adjust, that review is where the value lives.



A WORKED EXAMPLE

Mapping her year, Rita sees August's balance goes red, holiday season, no client work, but the annual software bill still lands. Spotting it in spring, she books two small summer projects and moves the software renewal. August arrives uneventful, a crisis quietly prevented six months in advance.

Money problems are usually timing problems. Forecast the whole year, spot the lean months from far off, and review it monthly, so you steer around the dips instead of hitting them.

BUILD A BUFFER

A reserve that protects you

An employee who gets ill still gets paid; a freelancer who gets ill gets nothing. No sick pay, no paid holiday, no cushion, unless you build one. A cash reserve is that cushion, and it's the difference between a quiet month being a minor dip or a genuine emergency that forces you to take bad work at bad prices just to survive.



WHAT IT IS

A reserve is a pot of easily-reachable cash, held separately, equal to some months of your essential living and business costs. Think of it as a ladder: **one month** covered is bare survival; **three months** is real safety, enough to ride out a slow season or a lost client calmly; **six months** is strength, the freedom to turn down bad work, negotiate hard, or take a risk. You build up the rungs over time, in the good months.

WHY IT MATTERS FOR YOU

Without a reserve, every setback becomes an emergency: a client vanishes, you're ill for a fortnight, a big bill lands, and suddenly you're taking underpriced panic work or borrowing at bad terms. A reserve breaks that cycle. It buys the one thing that protects your prices and standards, the ability to say no. Freelancers with a buffer make better decisions precisely because they're not desperate.

THE COMMON MISTAKE

Waiting for “spare” money to start (it never comes, save a slice first), keeping the reserve in your main account where it quietly gets spent, or dipping into it for non-emergencies. Also stopping at one month and calling it done, one month is survival, not safety. Build toward three, then six, and only touch it for real.

✎ Do this now

Open a separate account today and move one small, fixed amount into it, however little. Set that transfer to repeat automatically each time you get paid, and don't count that money as available to spend.

Facilitator note

Ask what a lost main client would mean this month, for most, a scramble. Use that to make the reserve concrete: have each person name their one-month figure and set up one automatic transfer before they leave the room.

A reserve turns a bad month into a manageable one. Keep it separate, out of sight, out of spend.

BUILD A BUFFER

A reserve that protects you

HOW IT WORKS

Work out your essential monthly cost of living plus business. That's one “rung”. In good months, skim a fixed slice of income into a **separate** account before you can spend it, and let it climb, one month, then three, then six. Don't wait to “have spare money”; treat the reserve as a bill you pay yourself first. Keep it genuinely separate and slightly inconvenient to reach, so it survives everyday temptation.

A Reserve That Protects You

Saved in the good months for the lean ones, the gap between a bad month and a crisis.



STRONG ------> 6× fixed costs, sleep easy

SAFE RECOMMENDED ---> 3× fixed costs, aim for this

SURVIVAL ------> 1× fixed costs, the bare floor

Keep it in a separate account, out of sight, out of spend. It's what lets you say no to an underpriced panic gig.

A WORKED EXAMPLE

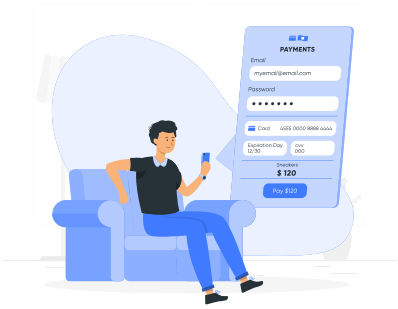
When his main client left, Miguel didn't panic, he had three months of costs saved. Instead of grabbing the first cheap gig, he spent a calm month finding two better clients at his normal rate. The reserve didn't just cover the gap; it stopped him taking work that would have paid less and hurt his positioning.

No one is coming to cover your quiet month, so build the net yourself. Save a slice in the good months, keep it separate and out of reach, and a bad month becomes a manageable one instead of a crisis.

CHARGE WHAT IT'S WORTH

Price with confidence

Most freelancers charge too little, and the reason is almost never bad maths, it's fear: fear of the “no”, of seeming greedy, of not being worth it. Under-pricing feels safe but quietly starves the business and trains clients to undervalue you. Pricing with confidence isn't about being expensive; it's about knowing two numbers and stating them calmly.



WHAT IT IS

Two numbers anchor every price. Your **floor** is the rate below which a job actually loses you money, once costs, tax, unpaid admin time and a fair wage for yourself are all counted, a hard line you never cross. Your **value** is what the outcome is worth to the client, the result they get, not the hours you spend. Good pricing sits above the floor and moves toward the value, delivered as a plain, unapologetic number.

WHY IT MATTERS FOR YOU

Price too low and three things happen: you can't build a reserve or reinvest, you attract clients who haggle and disrespect the work, and you signal that even you don't rate it. Under-pricing is a tax you pay for a moment's comfort. Knowing your floor protects you from loss-making work; pricing toward value lets you earn what the result is worth; and saying the number without flinching is what makes clients believe it. Confidence is part of the price.

THE COMMON MISTAKE

Quoting from fear, undercutting your floor to avoid a “no”, discounting before you're even asked, or pricing by your hours instead of the client's outcome. Also filling the silence after your price with a nervous reduction. The “no” from a client who won't pay your floor is a good outcome, it protects your time for clients who will.

✎ Do this now

Calculate your true floor today, costs, tax, unpaid time, a fair wage, and write it down as a line you won't cross. Then, on your next quote, price toward the client's outcome and say the number without adding an apology.

Facilitator note

Have participants say a price out loud to a partner and stay silent afterwards, the flinch is visible and instructive. Work out floors together; realising how much unpaid time and tax they'd forgotten is often the moment their prices rise.

Know your floor and never quote under it. Then price toward value, and say the number without apology.

CHARGE WHAT IT'S WORTH

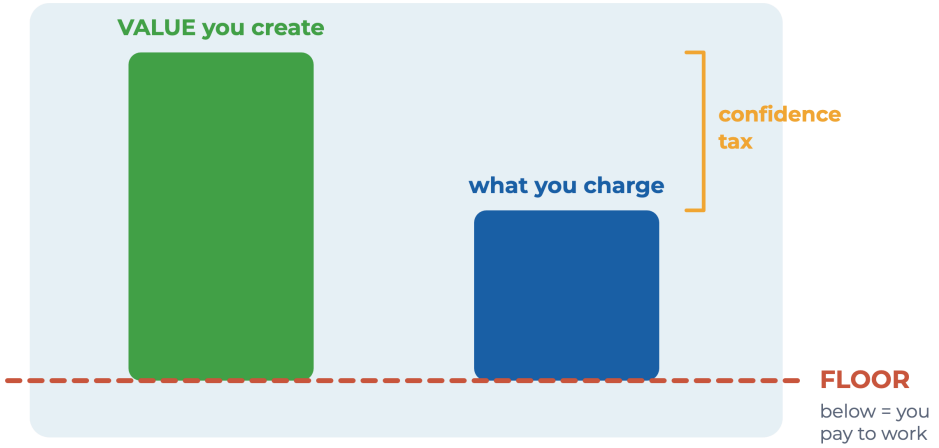
Price with confidence

HOW IT WORKS

First, calculate your floor honestly, costs, tax, unpaid time, a real wage, and commit never to quote under it. Then, for each job, ask what the outcome is worth to the client and price up toward that, not down from your hours. Finally, practise saying the number plainly, no nervous discount, no “but I could do less”. State it, then stay quiet. The silence after a confident price is where deals are made.

Price With Confidence

Never go under your floor, and close the 'confidence tax' gap to the value you create.



Floor = (yearly costs + your wage + tax set-aside + reserve slice) ÷ realistic billable days.
Quote from the floor up, then say the number without apology.

A WORKED EXAMPLE

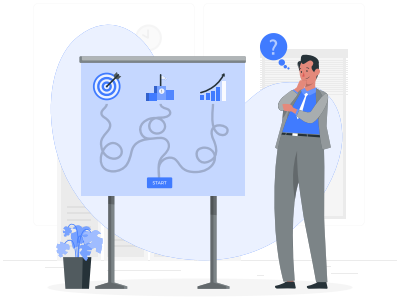
Ana quoted €200 for a logo, terrified of losing the job, and won clients who haggled. She recalculates: her floor is €350, and a logo that anchors a brand is worth far more to the client. She now quotes €600 without flinching. She loses the bargain-hunters and wins clients who value the work, earning triple for the same skill.

Under-pricing is fear, not strategy. Set a floor you never break, price toward the value you create, and state the number plainly, the confidence is part of what the client is buying.

DECIDE WITH A RULE

Five money decision rules

The hardest money decisions always come at the worst time, when you're anxious, tempted, or short of cash, exactly when judgement is poorest. The trick used by disciplined businesses is to move the decision earlier: agree simple rules when you're calm and clear-headed, so that in the stressful moment you don't agonise, you just follow the rule you already trust.



WHAT IT IS

A money rule is a decision made in advance for a recurring situation. A freelancer's core set might be: **only spend what you can afford to lose** on any bet; **sleep on any big or irreversible purchase**; **never touch the tax money**, ever; **keep the reserve for real emergencies only**; and **decide fast on small reversible things, slow on large irreversible ones**. The specific rules matter less than having them, and following them.

WHY IT MATTERS FOR YOU

Willpower and judgement collapse under stress, which is precisely when big money decisions tend to land. Pre-set rules take the decision out of the stressful moment and put it in a calm one, where you think clearly. They also protect you from your own patterns, the panic discount, the impulse upgrade, the “I'll pay the tax back later”, by making the good choice automatic. Rules turn discipline from a daily battle into a one-time decision.

THE COMMON MISTAKE

Making every money decision from scratch, in the moment, under stress, and treating them all the same, agonising over trivial reversible ones while rushing the big irreversible ones. Also breaking your own rules “just this once” (especially raiding the tax or reserve). A rule you override under pressure isn't a rule; the whole point is that it holds when you're tempted.

✎ Do this now

Write three money rules for the situations that catch you out, e.g. a spending threshold you'll always sleep on, and “never touch the tax”. Put them somewhere you'll see them, and commit to following, not re-debating, them.

Facilitator note

Ask for the last money decision someone regrets, then reverse-engineer the rule that would have prevented it. Building a shared shortlist of rules, and the fast/slow split, gives everyone a calm framework to carry into the stressful moment.

Fast on the facts, slow on the irreversible. Set the rule in a calm moment; follow it in a hard one.

DECIDE WITH A RULE

Five money decision rules

HOW IT WORKS

In a calm moment, write down your handful of money rules, especially for the situations that trip you up. Split decisions by reversibility: cheap and easily undone, decide quickly and don't overthink; expensive or hard to reverse, slow down, sleep on it, check it against your rules, forecast and reserve. Then, in the hard moment, don't re-open the debate, follow the rule. Review the rules occasionally when calm, never mid-crisis.

Five Money Decision Rules

Decide fast on the facts, slowly on anything hard to undo.

Scale now or wait?	Wait until the same work repeats predictably; test cheaply before you spend on growth.
Hire or stay solo?	Only when the work is repeatable AND you've saved ~3 months of that person's cost, on top of your buffer.
Invest or keep cash?	Spend against a tested plan; don't let a cash spike inflate your fixed costs.
Cheap gig or hold price?	Hold your floor. A job below the floor costs money to do.
Income unstable, now what?	Cut fixed costs, grow the reserve first, and chase recurring income over one-off spikes.

A WORKED EXAMPLE

Tempted by a shiny €900 tool during a good week, Sofia hits her rule: “sleep on any purchase over €300.” The next morning the urgency is gone and she realises a €40 alternative does the job. The rule didn't make her stingy, it just moved the decision out of the excited moment into a clear one.

Don't decide money in the moment of stress. Set simple rules when you're calm, decide fast on the small reversible things and slow on the big irreversible ones, then, when it's hard, just follow the rule.

GO LEGIT, PLAN IT

Plan the transition, don't fear it

For a young freelancer, especially one relying on a benefit or allowance, going legit can look like a trap: you give up support and take on tax and paperwork, seemingly for nothing. But informality has a hidden bill, no protection, no rights, a ceiling on the clients and funding you can reach. The honest answer isn't to avoid formalising or to rush it, but to plan the transition so you cross the gap safely and come out ahead.



WHAT IT IS

Going legit means moving from informal, cash-in-hand work into the formal system: registering, invoicing, paying tax and contributions. It carries obligations (tax, admin) but also unlocks **rights and access**: social protection like pension and sick cover, the ability to sign enforceable contracts and access credit or grants, and clients, especially bigger or public ones, who legally cannot pay someone unregistered. The "benefits trap" is the real risk that registering costs you an allowance you depend on, which is why *timing* matters.

WHY IT MATTERS FOR YOU

Staying informal feels free but quietly caps you: you can't take the clients or funding that require a registered supplier, you have no legal protection if a client doesn't pay, and you build no pension or safety net. Yet leaping without planning can drop you into a gap, losing a benefit before your income reliably replaces it. Understanding both sides lets you make the move deliberately, capturing the rights and access while stepping over the benefits cliff instead of falling into it.

THE COMMON MISTAKE

Two opposite errors: staying informal out of fear and forfeiting rights, protection and better clients, or leaping without checking the thresholds and losing a benefit before your income can replace it. Also assuming the rules from a friend or another country apply to you, allowances and thresholds are local and change. Check the real figures, then plan the crossing.

✎ Do this now

Find the two numbers that matter for your country: the income point where formalising makes sense, and the threshold where any benefit you receive changes. Then sketch a transition plan, when, and how your reserve bridges any gap.

Facilitator note

Country rules differ and change, have participants look up their own current thresholds rather than trusting hearsay. Frame formalising around the rights and access it unlocks, while taking the benefits cliff seriously and planning the timing.

Formalising trades some support for real rights and room to grow. Plan the transition, don't fear it.

GO LEGIT, PLAN IT

Plan the transition, don't fear it

HOW IT WORKS

First, get the real numbers for your country: at what income does registration become required or worthwhile, and exactly which benefits or allowances change, and at what thresholds? Then time it: plan the move for when your formal income will clear the gap left by any lost support, and use your reserve to bridge any short-term shortfall. Treat it as a planned transition with a date and a buffer, not a scary all-or-nothing jump.



A WORKED EXAMPLE

Tomás relied on a small allowance and feared registering would end it. Instead of guessing, he checked the thresholds: he could register and keep partial support until his income passed a clear line. He timed the switch to a month with two confirmed clients, used his reserve as backup, and crossed the gap without a single lean week.

Informality has a hidden cost: no rights, no protection, a ceiling on your growth. Formalising trades some support for real rights and room to grow, so don't fear it or rush it, check the thresholds and plan the transition.

MATCH MONEY TO STAGE

The funding map

Needing money and reaching for the wrong kind is how young founders quietly hand away control or drown in interest. Financing has a natural order, cheapest and least binding first, and most freelancers never need the expensive end at all. The funding map lays out the ladder so you take the right kind of money for your stage, and don't give away tomorrow to solve today.



WHAT IT IS

A ladder of funding, cheapest to most costly. **Your own revenue**, reinvested profit and low costs: free, and keeps you fully in control. **Grants and youth schemes**: non-repayable public or EU support, especially for young and under-represented entrepreneurs. **Microloans**: small, repayable sums for a tested plan that needs a push, cost interest but not ownership. **Equity / investment**: money for a share of the business, appropriate only for proven, scalable models, and it costs control, permanently.

WHY IT MATTERS FOR YOU

Each rung costs more than the one below, in money, control, or both. Reinvested revenue costs nothing; a grant costs an application; a loan costs interest; equity costs a piece of your business forever. Reaching for an investor or a big loan to fund an unproven idea is both expensive and risky, you take on cost or give away ownership before you even know it works. Starting at the bottom keeps you cheap, in control, and forces you to prove the idea before you fund it heavily.

THE COMMON MISTAKE

Jumping straight to loans or investors for an unproven idea, taking on interest or giving away ownership before the model works, and overlooking grants and youth schemes, which are often available to young entrepreneurs and cost nothing but an application. Also giving away equity far too early and too cheaply. Climb from the bottom; most freelancers never need the top rung.

✎ Do this now

Before seeking any outside money, name the cheapest rung that could fund your next step. Then spend an hour searching for one grant or youth scheme you might qualify for, non-repayable money is worth the search.

Facilitator note

Many participants assume “funding” means an investor. Walk the ladder and dwell on grants and youth schemes relevant to their country, then have each person identify the lowest rung that fits their real stage.

Match the money to your stage, cheapest first. Reinvest, then grants, then microloans, equity last.

MATCH MONEY TO STAGE

The funding map

HOW IT WORKS

Match the money to your stage. Still testing or early? Fund it with reinvested revenue and lean spending, and hunt for grants and youth schemes, non-repayable money is the best money there is. Have a tested plan that needs a modest push? A microloan may fit. Only when the model is proven and genuinely scalable should you consider equity, and understand you're trading permanent ownership for it. Always exhaust the cheaper rung first.



A WORKED EXAMPLE

Léa wanted an investor for her craft business. Instead she climbed the ladder: she reinvested her first profits, won a small youth-entrepreneurship grant that bought her equipment, and later took a tiny microloan for stock. She grew without a single share given away, and kept full control of a business that's now genuinely hers.

Don't reach for the expensive money first. Reinvest, chase grants, use small loans if needed, and keep equity for last, matching the money to your stage keeps you cheap, in control, and honest about whether the idea's proven.

GET HELP AT THE RIGHT TIME

Hiring an accountant

You don't need an accountant on day one, but the moment tax, VAT or contributions get real, a good one pays for themselves in time, stress and avoided mistakes. Know what to ask for, and treat it as buying **peace of mind and hours back**, not a grudge cost.

When it is worth it

- You cross the VAT threshold
- Tax feels confusing or scary
- You spend hours on admin you hate
- You are about to register or hire

What to ask them

- Fixed monthly fee, not surprises
- Experience with sole traders
- Will they explain, not just file?
- Can they set up simple systems?

Do this yourself first

- Keep clean records as you go
- Separate business & personal money
- Set tax aside every time you are paid
- Bring tidy numbers, it costs less

A good accountant is a guide, not a gatekeeper

Ask them to explain each obligation in plain words the first time. If they can't, find one who will, you stay responsible for your own numbers.

Cheaper if you come organised

The tidier your records, the smaller the bill. Clean books all year turn tax season from a panic into a formality.

Bring an accountant in when tax gets real, and come organised. You are buying back time and peace of mind.

FACILITATOR-LED

F1 • Cash-Flow Map

60 min

Exercise & guided planning

BASED ON

Sub-chapter 3 · The 12-month cash-flow forecast & budgeting.

BY THE END, PARTICIPANTS CAN

Build a simple month-by-month forecast and identify the first month their cash would run short.

Step by step

1. **Frame it** · 5 min

   Open with a question, not a definition: "what month do you dread, money-wise?" Write the months named on the board, a pattern always appears.

2. **Build the shared example** · 15 min

   Invent one fictional freelancer and fill in their year together, rough money in/out, then closing cash. Watch one slow month eat the earlier buffer.

3. **Spot the red month** · 10 min

   Find the first month closing cash goes negative. Test the three levers live: save earlier, push spending later, or raise prices.

4. **Your own forecast** · 20 min

   Each learner drafts their own twelve months with real numbers, three or four rows is plenty. Circulate; rough beats blank.

5. **Circle & commit** · 10 min

   Each person circles their first red month and writes the one move that protects it. Volunteers share, never required.

THE FRAMEWORK

Your money has a calendar, a forecast turns the lean stretch into a planned dip.

→ See the full diagram

MATERIALS

One large printed 12-month grid (A1) or a whiteboard; sticky notes; learners' rough income/cost figures (ask them to bring these); calculators or phones.

FACILITATOR PREP

Draw the grid (months across; rows for opening cash, money in, money out, net, closing cash). Prepare one worked example and shade the slow months for your sector.

Facilitator tips

For low-confidence learners or NEETs, start from the shared example and let them copy the structure. Keep numbers small and real. Never make anyone show their figures.

→ What can I do next?

Finish your 12-month forecast at home and set a reminder in the month before your first red month to act.

Reflection & Youthpass

Where is my next lean month, and what is my one move to get through it? **Youthpass:** Entrepreneurship, planning & financial literacy; learning-to-learn.

★ Expert extension

Add a 'paid 30/60 days late' column for one big client and watch how a slow payer alone can create a red month, then plan for it with deposits or staged invoicing.

FACILITATOR-LED

F2 • Price With Confidence

60 min

Role-play & calculation

BASED ON

Sub-chapter 5 · Pricing, the floor rate & value-based thinking.

BY THE END, PARTICIPANTS CAN

Work out a floor day-rate and hold a fair price out loud without apologising.

Step by step

1. **Frame it** · 5 min

   Name the confidence tax: underpricing out of fear is a tax you pay yourself on every invoice. Today we fix the number and the nerve.

2. **Work out your floor** · 15 min

   Each learner fills the floor worksheet: yearly costs + wage + tax set-aside + reserve slice ÷ realistic billable days. Quote under it and you pay to work.

3. **The value flip** · 10 min

   Rewrite one offer from hours to result: "I charge for the result, not the hours." List what the outcome is worth to the client.

4. **Quoting role-play** · 20 min

   In pairs: one states a price and holds it through the silence. Then add 15–20% and say it again. Swap. Confidence is a muscle, rehearse it.

5. **Commit** · 10 min

   Each person writes their floor and the next price they'll quote, and reads the number out loud once, without apology.

THE FRAMEWORK

Never quote under your floor; price toward value, not hours.

→ See the full diagram

MATERIALS

The printed Floor Day-Rate worksheet; calculators or phones; scrap paper for the role-play quotes.

FACILITATOR PREP

Read sub-chapter 5. Work the floor calculation yourself first so you can help. Prepare one relatable "underpriced job" story.

Facilitator tips

Underpricing is usually about self-worth, not maths. Celebrate the higher number. For anxious learners, script the exact sentence and let them read it until it feels normal.

→ What can I do next?

Quote your next real job at or above your floor, and say the number without softening it.

Reflection & Youthpass

What is my floor, and where have I been paying the confidence tax? **Youthpass:** Entrepreneurship, financial literacy; personal initiative & confidence.

FACILITATOR-LED

F3 • Going-Legit Clinic

60 min

Guided clinic & planning

BASED ON

Sub-chapter 7 · Going legit, the benefits trap & tax in plain language.

BY THE END, PARTICIPANTS CAN

Map what changes when they register, using their own national source, and plan the transition.

Step by step

1. **Frame it** · 5 min
   Registering changes two things at once, new tax/contributions, and possible changes to welfare. That's not a reason to avoid it; it's a reason to plan.
2. **The questions, not the numbers** · 10 min
   Hand out the checklist: what tax/contributions will I owe? the VAT threshold? a reduced-rate or start-up period? what welfare changes?
3. **Look it up together** · 20 min
   In pairs or small groups, learners find the answers on the official portal for their own situation. Facilitator circulates; nobody guesses.
4. **Before / after** · 15 min
   Each learner sketches their own before/after of income and entitlements, and names the gains, rights, invoicing, funding access.
5. **Plan the step** · 10 min
   Each writes the one next action (book advice, gather documents, set a date) and who they'll ask for free help.

THE FRAMEWORK

Registering trades some support for real rights, plan it, don't fear it.

→ See the full diagram

MATERIALS

Internet access to the official national portal(s); the registration question checklist; contact details for a free local advice service.

FACILITATOR PREP

Look up your country's official portal and current thresholds beforehand. Line up a trusted local advice contact. Never present invented figures.

Facilitator tips

For migrant and Roma learners especially, address fear of authorities directly and frame registering as gaining protection. Always confirm with the official source and a trusted advisor.

→ What can I do next?

Answer the four registration questions for your own situation using the official portal, and book one free advice session.

Reflection & Youthpass

What do I actually gain by registering, and what is my first concrete step? **Youthpass:** Entrepreneurship + civic competence, knowing your rights and obligations.

★ Expert extension

Compare the cost of staying informal (no rights, no invoices, capped growth) against formalising, the long-run cost of invisibility is usually higher than the tax.

SELF-DIRECTED · ~30 min · Mini-mission

S1 • Know Your Numbers

See clearly before you plan. A few real numbers beat a vague feeling every time.

1. **Take your last job**
   write down the price and the direct costs of doing it.
2. **Work out gross margin**
   (price − direct cost) ÷ price. Is it thin, or healthy?
3. **Trace your last 3 clients**
   where did each come from? That's the start of your cost to win one.
4. **Name one number to improve**
   margin, or where clients come from, pick one to work on.



→ Next

If a job's margin is thin, decide: raise the price, cut the cost, or stop taking that kind of work.

✎ Your workings

Reflection & Youthpass

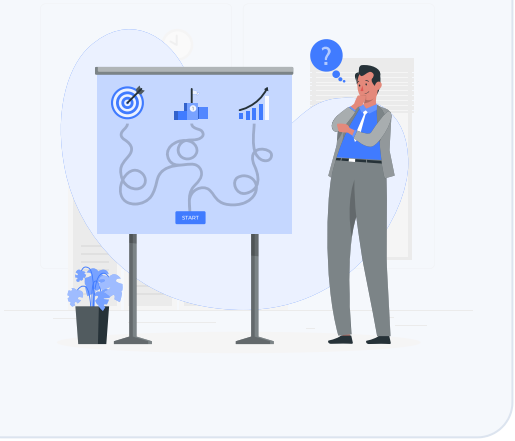
Do I know my floor, my margin and my next red month? Which one will I act on first?

SELF-DIRECTED · ~50 min · Planning exercise

S2 • My Money Plan

Turn the tools into one page you'll actually use, a floor, a reserve target, and a rule.

1. **Set your floor**
   use the Floor worksheet, the rate you never go under.
2. **Pick a reserve target**
   1, 3 or 6 months of fixed costs, and where you'll keep it.
3. **Draft your forecast**
   use the Cash-Flow template and mark the red month.
4. **Write one "if … then …" rule**
   for the next money decision you face, with a date.



→ Next

Pin the one-page plan where you'll see it. Review it monthly, forecast against what actually happened.

✎ Your workings

Reflection & Youthpass

Do I know my floor, my margin and my next red month? Which one will I act on first? **Youthpass:** "I can read my own money honestly, price with confidence, and plan for the lean months."

CASE STUDY

Pieter Levels: profit before funding

Pieter Levels is a Dutch maker who, in 2014, set himself a public challenge: build twelve small internet businesses in twelve months. Most failed. But two, a directory for remote workers and a remote-jobs board, started earning real money, and he kept them **deliberately tiny and profitable**.

What makes him a money case study is what he *didn't* do: he never took investment. He **reinvested his own revenue**, kept costs almost nothing (he ran everything himself), and priced for recurring income rather than one-off spikes. He has been unusually public about the numbers, sharing live revenue dashboards, precisely to show young makers that a one-person business can earn a serious, lasting living without giving away a share of it.

Years later those same small products reportedly earn **millions a year** with essentially a team of one. The lesson isn't "go viral." It's that controlling costs, pricing for repeat income, and reinvesting profit is a slower but far more durable path than chasing funding.

Pieter Levels (levels.io). Publicly shares revenue; author of *MAKE*. Facilitator tip: pair it with a **local** freelancer who grew by reinvesting, not borrowing.



THE MODULE 3 IDEAS IN THIS STORY

- **Bootstrapping over equity (funding map) →**
- **Recurring income beats one-off spikes →**
- **Control what goes out →**
- **Price for value & repeat →**

What you can borrow, at any size

1. **Keep costs near zero early.** The less that goes out, the sooner you're profitable and the freer you are.
2. **Price for repeat income.** A subscription or retainer beats a one-off, because it turns a spike into a floor.
3. **Reinvest your own profit.** Fund the next step from revenue before you ever give away a share.

He didn't raise money, he kept costs tiny, priced for repeat income, and reinvested profit. That's money that lasts.

GO DEEPER

Resource library

Everything to go further with Module 3. The **printable templates are built into this booklet** (next pages) and also at shift.elnlab.eu/resources.

SHIFT printable templates

- Cash-Flow Forecast · F1
- Floor Day-Rate worksheet · F2
- Money glossary · plain-language terms

Reading & further learning

- Profit First, Mike Michalowicz
- Company of One, Paul Jarvis
- The Nomad List revenue dashboards, levels.io
- Your national tax authority's start-up guide

Free money tools

- Invoicing, SumUp / Wave / a simple template
- Set-aside, a separate tax & reserve account
- Bookkeeping, a shared spreadsheet is enough to start
- Payments, Wise / Revolut for cross-border

Funding & advice routes

- Erasmus for Young Entrepreneurs
- The Youth Guarantee (your country)
- Local microfinance / credit unions
- Free business-advice services & chambers

Watch & listen (free)

- Pieter Levels, bootstrapping talks
- Profit First, explained
- Your Europe, business & tax basics

Case study

The "profit before funding" story on the previous page, Pieter Levels, pairs well with a local freelancer who grew by reinvesting, not borrowing.

PRINTABLE TEMPLATE · 1 OF 2

Cash-Flow Forecast

The worksheet for facilitator activity **F1 · Cash-Flow Map**. Fill in rough numbers, foresight, not precision.

Cash-Flow Forecast

SHIFT · print & fill

One row per line, fill in your own rough numbers, month by month.

	J	F	M	A	M	J	J	A	S	O	N	D
Opening cash												
Money in												
Money out												
Net (in − out)												
Closing cash												

▶ **Circle the first month your closing cash turns negative, then plan the one move that protects it.**

1. **Three or four rows is plenty**, money in, money out, closing cash. Rough beats blank.
2. **Shade the slow months** and fund them from the strong ones.
3. **Circle the first red month**, that's the one to plan a move for.

Lay the year out so the lean stretch is a planned dip. Circle the red month, then plan the one move that protects it.

PRINTABLE TEMPLATE · 2 OF 2

Your Floor Day-Rate

The worksheet for facilitator activity **F2 · Price With Confidence**. The rate below which a job costs you money.

Your Floor Day-Rate

SHIFT · print & fill

The rate below which a job costs you money. Fill each line, then add up.

Yearly running costs (software, insurance, etc.)	€
The yearly wage you actually want	€
Tax & contributions set-aside (est.)	€
A slice for your reserve	€
= Total you must cover this year	€
÷ Your realistic billable days (not 365!)	days
= YOUR FLOOR DAY-RATE	€ / day

▶ **Quote from your floor up, never under it. Then practise saying the number without apology.**

1. **Count every real cost**, software, insurance, the wage you actually want, tax and a slice for the reserve.
2. **Use realistic billable days**, not 365, most freelancers bill far fewer days than they think.
3. **Quote from the floor up**, and practise saying the number without apology.

Know the rate below which a job costs you money, and never quote under it.

PLAIN-LANGUAGE TERMS

Money glossary

Every term explained in one line, no accounting background assumed.

Cash
The money actually in your account right now.

Profit
What's left after every real cost and tax are counted.

Gross margin
What you keep from a job after its direct costs: (price − direct cost) ÷ price.

Operating margin
What's left after your running costs (overheads) too.

Overheads
Costs you pay whether or not you have work, software, insurance, rent.

Cash-flow forecast
A month-by-month map of money in and out, so you see the lean months early.

Reserve (buffer)
Savings kept aside to turn a bad month into a manageable one.

Floor rate
The price below which a job actually costs you money.

Value-based pricing
Pricing to the result the client gets, not the hours you spent.

CAC, cost to win a client
What selling and marketing cost you per new client.

CLV, value of a client
The profit one client brings while they stay with you.

Bootstrapping
Funding growth from your own revenue instead of outside money.

Microloan
A small, repayable loan suited to an early, tested plan.

VAT threshold
The sales level above which you must register for and charge VAT.

Every money term here is just plain sense with a label. Learn the word once, and the fear goes with it.