

BDA Tool Four — Preparatory meditation and writing for conference registrants:

Please read BDA Tool Four in the BDA Tools pamphlet, then spend 15-20 minutes meditating on the details below. Are you willing and able to take care of your personal financial needs through your business?

BDA Tool Four: “We pay ourselves a salary including benefits, medical insurance, vacations, and sick days.”

Looking at the tool above, we must set aside medical insurance for this conference. Health plans and the associated costs have simply grown too complex for any sort of summarized discussion. We encourage working with a reputable expert in the benefits field who can help us obtain medical, dental, vision, temporary disability, and life insurance coverage. Once we have found the right coverage and plans for us and our families, we can build up a six-month prudent reserve as soon as possible, specifically for healthcare and related costs. We stay healthy; we stay safe; we take care of ourselves.

We must also set aside other benefits, especially retirement planning. The options are far too numerous to discuss briefly. Our best bet would be to find two BDA members who already use this Tool and ask them about their benefit-related decisions and actions. A PRG can also help with medical insurance. We can then use the next BDA Tool, #5, which suggests that we compare prices (and plans) before making purchases.

Back to the topic of paying ourselves, let’s begin with the idea, from BDA Tool One, in the BDA Tools pamphlet, that we are “stewards of a business that actually belongs to our Higher Power.” What most of us find, in BDA solvency and recovery, is that if we serve our Higher Powers and our clients well, if we are the best guardians we can be of God’s businesses, we get paid well. There will be plenty of money coming into our businesses to pay us, including during our vacations, holidays, and when we’re sick. Faith in our Higher Powers — along with the daily practice and application of our best talents, knowledge, education, and experience — will ensure the success of our businesses, which will in turn ensure our own success and the serenity that comes with solvently, spiritually earning without debting.

Let’s next take a fresh look at the prayer we offered for Step Four on page 54 in these materials:

“Dear God: I really do want to get and stay solvent: to stop incurring new unsecured debt, one day at a time, no matter what. I really do want to bring my spiritual connection into my business and work life. I really do want income generation — for both me and my business — to be a spiritual activity. Please guide and direct me toward your will for me and for my business, and please help me to see the obstacles that have interfered with my solvency and my connection to you in the past. Thank you, God.”

We think this is the proper attitude in service to our Higher Powers and through our businesses. The days of doing business only to generate money and personal income have got to be past. We are ready for a new experience, the experience of reciprocity, of giving and receiving, never seeking just to take anymore. We give our best, and we receive the best our Higher Powers have to offer us. Not only in terms of income and cash flow, but also in terms of business and work experience: of solvency, sanity, serenity, and happiness.

When we were obsessed with “money, property, and prestige” (see Tradition Six), we attracted others with the same obsessions. As we failed or began to fail, financially and otherwise, we lost clients, colleagues, and friendships — or began to hide and separate from them — making our losses and failures even bigger, our isolation ever deeper. Let’s turn this around. If we must be obsessed at work, let’s be obsessed with doing our best, giving our best service, and meeting or exceeding our potential as people first, business owners second. And let’s pay ourselves what we’re worth, generously and consistently, creating the lives we’ve always wanted.

BDA Tool Four — Preparatory meditation and writing for conference registrants — continued:

As for successfully paying ourselves salaries and paid time off (PTO), it will require several actions: planning, funding, saving, practicing discipline, and proper accounting protocols:

1. **Planning:** The first step in planning for our salary is to create our personal spending plan, clearly defining our personal needs and wants. We usually do this with our sponsor or PRG and involve our spouses or partners if our spending plan affects them, which it often will. The amount of income from our personal spending plan is what we seek to pay ourselves through our businesses. If our business revenue and / or profit is higher than planned, we might bonus ourselves. That will also take planning. The amount we pay ourselves may be much more or much less than market rates, depending on the amount of time we work, our skill and education levels, and the point we and our businesses are in terms of business life cycle, for example: startup; growth; stability; exit strategy and retirement, etc.

Next, we'll want to create our paid time off plans, ensuring that our business continues to operate and generate revenue even in our absence. If we have to start over every time we take two or three weeks off, taking time off is more effort than it's worth, and ultimately harmful to us and our businesses. Instead, we ensure that all of our known vacations and holidays go into our annual plan and make room for unexpected time off with pay.

2. **Funding:** Next, we'll need to make sure that our salary and benefits are funded. Once we know what our planned salary, bonuses and / or commissions, payroll taxes, and all related benefits will be for a given plan period, we can begin to fund them in the long term. Again, we suggest six months' prudent reserve to cover our salaries and benefits. (We suggest three months' reserve for all other planned overhead and administrative spending.) We can't pay ourselves first if we don't guarantee funding.
3. **Saving:** In order to fund our prudent reserve, we have to avoid "spending all the money" as it comes in. In our experience, this is not easy in early solvency and recovery. The first step in saving is to create a BDA business plan, see BDA Tool Two, with our sponsor or a PRG, or via a BDA Business Planning Conference (see <https://www.hopefordebtors.org/> for event schedule). Once we have our plan, we use ALL of the rest of the DA and BDA program to live and function with our plan, trusting over time that these plans created with our fellows are an expression of Higher Power's will for us.
4. **Practicing discipline:** Like any other prudent reserve or savings account, we've got to maintain our discipline, and leave money set aside for our salary and benefits untouched except on paydays, remembering that paying ourselves well and first are both BDA principles. As our businesses grow, and we have developed a pattern of paying our taxes, both business and payroll, in full and ontime, we can begin to look at additional payment options to ourselves, like distributions to owner. If this is an unfamiliar term, it might be a perfect topic for a business owner PRG.
5. **Proper accounting protocols:** It is important in our businesses to be consistent and in integrity whenever we are earning and spending money. The one-off, special, urgent payments to ourselves and others are financially deadly, both for the operation of our businesses and for legality and integrity, not to mention our solvency and recovery. We recommend using a payroll service, even if just for ourselves. Companies focused on payroll processing are experts in their field. They can represent and advocate for us with tax and other authorities, and many can help us with benefits planning and activities.