

The Financial Harmony Podcast

Episode 4

Set your 2021 Income Goal

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Hello and welcome to another episode of the Financial Harmony podcast. And as this one will go live at the start of 2021, happy New Year! Now, I am sure that you're probably hoping this year will be a lot better than last year. In fact, let's not talk about 2020 altogether. I want to really get into the New Year and explore options to make this a GREAT year. One with new opportunities, exciting new projects and encouraging goals.

Yes, we are going to focus on setting goals in this episode, BUT we're not going to make typical New Year's resolutions - like "I want to go to the gym more", "I want to save more" or "I want to be better with money". Uuf, these are hard ones really as they require so much self-discipline and motivation. And I am sure it wouldn't be the first time that you'll set yourself some goals with a lot of determination, only to find mid-February that you've once again not followed through.

So, let's do something different this year. I'd like you to NOT set yourself a hard New Year's resolution, which I know might be challenging to live up to. We're going to take a different approach of setting a super exciting new project that isn't about being strict to yourself, but is instead about giving yourself the space and opportunity to do something big for YOU!

Now you might be wondering what I am talking about, so here goes. I want you to start off this new year with new financial opportunities, by setting yourself a clear, exciting, and yes, BIG income goal. And I'll walk you through the process of doing so in 5 simple steps.

Okay, now I can hear you thinking: but there's a recession coming. OR: but I earn what I earn and I know I won't be able to negotiate a raise this year. OR: I don't even have an income at the moment. OR: I am just happy I still have a job...

I hear you, I honestly do. I'll let you in on some of the stuff that has recently happened to me. Up until last year, the infamous 2020, I had three different types of income streams. Not a lot of money, but certainly a solid and diversified way to live a comfortable enough life for what me and my husband wanted. Nothing extravagant, but we were happy.



I had a job in an educational group as a director of language programmes, teacher trainer and course developer. That was my first income stream. I also ran my own business together with my husband: a language school in Southern Spain with its principal focus on organizing school trips for foreign schools coming to Spain, as well as a small English academy. That was my second source of income. And of course my side hustle related to personal finance, which up until now was principally made up of the two books that I'd written. None of that gave me loads of money, but I loved the diversity, the different skills I got to use and learn and the different types of people that I worked with.

Due to the pandemic, I've sadly lost my job as a director of language programmes, and our own language school has seen a dramatic decline in business due to everything that's happened, which altogether meant I lost over 40% of my salary. My books only provide a small income, but at least they've been stable - and I am very grateful for this.

But I've had to rethink my future, I've had to adjust my plans and diversify further. No easy challenge, but I'm trying to see this as an opportunity to explore new avenues and opportunities. And of course this is one of the principal reasons why I am now also doing this podcast, as I now have more time to dive into my passion of personal finance and helping others make their dreams a reality.

So... when I am talking about setting yourself a new goal and you're finding this scary or overwhelming - please trust me when I say that I understand you. I feel the same many days. But I've done it once before in my business - the language school - and I know this can be so exciting too and that it can provide a great motivation and guidance to keep progressing forward. Enough about me, let's look at this exciting task in more detail.

First of all, before we get started, if you're a new listener, you might not know this yet but when I talk about making more money or creating a more solid and healthy personal financial life, to me that always means that your financial life is balanced with both your short term and long term goals and these goals shouldn't all be financial. That means they might have fitness, or family time or spiritual time in there as well. But if you want more time, or have a bigger say in how you spend that time, that often means you need to have a bigger control over your finances too.

And please bear this in mind for this episode as well. When I refer to setting yourself a big income goal, that might mean more money, but it could also mean the same amount of money but less time spent working for it.

Cool, I hope you are excited to get started! If you've been listening to some previous episodes, you might remember that I love putting together a free download for my listeners so if you're serious about making 2021 a great year, head over to ingenataliehol.com/episode4 with the 4 being a numeral, or check the shownotes in the podcast app where you're listening to this show at the moment for the link, and you can get your free worksheet for this episode.



So, as I said earlier on, in this episode I want to encourage you to set this BIG exciting income goal for 2021. And the first thing is the word EXCITING. As said, I am not wanting to focus on resolutions for now - and with that I don't mean to imply you shouldn't have them, I mean I love setting new resolutions and I think that they can be a great way to kickstart the New Year. But I think 2021 needs to be inspiring and uplifting as resolutions can quickly become an "I must" instead of "I really want to". Therefore, for this particular income goal that I'd like you to set for yourself, I recommend you really look inside and allow yourself to find a passion, so that it can be a fabulous motivation for the entire year and not just for the first 4-6 weeks of this year.

I don't know about you, but I feel that there's still quite a bit of a taboo on wanting to make money or wanting to make more money. It's not really something that we talk about so much and most people definitely don't want to express this desire. It seems greedy and arrogant, selfish and maybe also privileged or not considerate to those who have less money. This is especially true for women, it's not always accepted to show an interest in money or a want to make more money or - and here's a sensitive one for those who are in a male / female relationship - to be the main provider of the family. Let me tell you that one of my goals for 2021 is to make more money than my husband. So, I've said it.

Now I find it's not just a case of not wanting to tell others that you want to make more money. It's also something that we are embarrassed to acknowledge or express even to ourselves. It doesn't feel right to admit that you want more money, no? I know lots of people and especially lots of women who would never say this, not even privately to themselves.

But what's wrong with wanting more money? Is it really greedy? I'm taking for granted here that you're wanting to make money in an honest way by working for it, probably working quite hard for it as well if you really want to shape the course of your financial future. What's actually wrong with that? Or, if you feel you should be grateful with what you have because there are so many people out there who are far worse off than you, which is 100% true. But do you think that those people would suddenly be in an even worse situation just because you decide that you want to pursue more money? No. Quite the opposite. If this is an argument that you feel quite strongly about, then all the more reason to earn more, as you know what? It's super easy to make sure that with every increase in income, you set aside 10% or 20% of the increase to donate to a charity of your choice. That means more money for you AND more money for those in need. Whereas, if you decided to do nothing, then your contributions to charity probably wouldn't increase either.

If you still feel a little uncomfortable about wanting more money, let's get started with step 1, where I want you to move away from the money for a moment and focus on what you'd do with it.

So what is exciting? Money in itself isn't so exciting... or it can be, but money just for money's sake isn't really a goal in itself. What IS exciting is what that money lets you do, what doors it opens, what projects it allows you to focus on, what investment it allows you to make in you, in your family, in a cause you believe in, in a passion project... so many opportunities!



And that is the very first step. Get clear on why you want more money. If you achieved your income goal, that we'll set a little later on, what would you do with the money? This can be more than just one thing, but focus on a maximum of 1 - 3 main plans you'd have for that money. Invest in your pension, save for a holiday when it's safe to travel again, a degree, a car. Find your motivation. If you've downloaded the worksheet, you'll find a space to jot down your answer there.

Once you have this clear, let's get started with the process of deciding on your income goal for this new year. Let's start at the beginning which is either your current monthly income, OR if your wage fluctuates each month because you're a freelancer or have a variable income, you can take the average monthly income. OR if you've, like me, seen a cut in your wages recently, you can also take your pre-covid monthly wage to start with, which at the end of the day was something already established and therefore achievable. And as you might have guessed, your 2021 income goal is going to be bigger than what you already had in 2020, even if your pre-pandemic income seems quite far off at the moment.

So, take your let's call it "normal" in inverted commas wage, and I'd like you to write this number down, this is step 2. There are two ways to record your monthly wage, and there is no good or bad way to do this, it very much depends on how you'd like to approach this task. But you can either put down your gross income, which means your pre-tax income, or you can put down your net income, which is the amount left over after you've paid your income tax. Up to you, and it doesn't really matter which one you choose. You just want to make sure that you're consistent and that whichever one you choose to focus on here, you also use in later steps.

The income you write here doesn't need to be accurate to the last cent, but you want to have a clear enough picture of your total income. Another personal decision here is whether you'd like to take certain extra payments into this figure or not. Think about bonuses, an extra payout from your company or overtime. This is a personal decision again and depends a little bit on how you see these extra payments, but in general I recommend that if the extra payment is pretty standard, say you always get a bonus at the end of the year or after a big project, then you might want to include it in your amount here, whereas if the extra payment was more of a one-off or unusual payment or if you don't normally do any overtime, there might be something to be said for leaving it out of your starting wage that you are calculating. But this is completely up to you.

Moving on to the next step, step 3, this is where it's starting to get exciting. As I really want you to work on making more money for you or your family, we're going to start thinking BIG here. Remember there is nothing wrong with wanting more money. You are completely free to want more money, why not? Here's something that I haven't yet mentioned but I'd like to just point it out here. And this is a really helpful way when it comes to thinking about this topic. Money isn't limited. So there isn't a limited amount available that we're all fighting for. If that were true, it would mean that if you made an extra income this month, that I would have a smaller chance of getting extra money too, as you'd already taken some of the money available. Luckily, it doesn't work like that. Thinking that money is limited is also known as a scarcity mindset. This is a big



factor in holding us back from achieving our goals. With a scarcity mindset you see all resources as being limited. The opposite of a scarcity mindset is a mindset of abundance, in which you believe there is plenty for everybody out there. And why wouldn't there be? So just because you make more money that doesn't mean others would make less.

Great, so as I was saying, step three in this 2021 income setting journey is to explore some income options and get some numbers down on paper. Let's start relatively small. Take your starting wage that you determined in your previous step. Now add 10%. Write it down. I am sure that'd be a nice amount of extra money each month, wouldn't it? Maybe to save for a holiday, or fund something else exciting. As I said, this was a small first increase.

Go back to your starting wage and add 25%. Write that down too. Have a closer look at that figure and calculate how much extra that would be each month. I hope you are feeling a bit excited about that, but I'd say you might start to feel a little uncomfortable or nervous too. Great, because that is exactly what I want!

We're not finished. Back to your starting wage, now add 50%. Yes, you heard that right, we're talking about adding an extra 50% to your original wage. Don't worry, I am not saying this is your 2021 goal, I just want you to explore some options and have some numbers on paper just to see what they would look like.

Another one. Double your starting income. In case you're wondering, I've not lost it, I'm still super serious about it. Stay with me, and just please write it down. It's okay, nobody but you will see this, so no harm doing this.

Almost there, I promise. If you're doing all of these things, then you might be getting slightly sweaty hands or feeling a little bit uncomfortable now. I know. It's okay. Perfect, take your wage, your original one, and triple it. Just for fun, I promise! Just write it down. Okay, now maybe at this stage it's becoming a bit much or I might have lost you now in terms of how much money we're talking about or what the heck you would even do with it all. No worries.

Last one. This one is a free one, but just write down a figure, even bigger than the last one, one of those mind blowing ones that are just definitely not you. 10k. Maybe 15k. Just quickly note it down.

That was it. I know this was a lot to ask for, but just for a second take a moment and just imagine how much money you COULD be making. Can you feel a small - or big - tingle of excitement somewhere? I hope you can, and if you do, I hope you don't feel ashamed or embarrassed about it and it would be awesome if you can just foster that feeling for a moment. Think about all that money, wouldn't that be pretty cool? Yes it would! I know it would. Again it doesn't need to be anything extravagant that you do with the money. It might just make your life a little bit simpler. Pay for bills without having to worry. Provide for your family even if there is an expensive part in



your life that makes it hard to set aside and invest in your future. A medical issue, your partner might have lost their job, or flights because your sister or your partner's family live on the other side of the world. Or parents you need to financially support. Life is hard enough as it is, we've all seen this over the last year, so let's allow ourselves to make it a little easier for us and our loved ones as we can, okay?

Moving on to the next step. Oh, if you've listened to some of my previous episodes or read one of my books, you might have realised how I love breaking things down into steps or bullet points and actionable things. I hope it helps you though as sometimes an idea can be so big that it's difficult to get started, which is why I am a little bit obsessed with breaking things down into little lists.

Step 4 is what we're on. You're going to review these numbers that you just wrote down, and at this stage, you are going to decide what your actual income target is for 2021. Let's go back to your starting wage. Now once again, your current income might be below what you made on average in 2020. But remember, we're going to make this a great year. And that means big and that means your income goal will be beyond what your starting point was. Let's explore the 10% that you added. This might be a nice amount of extra money, but if it doesn't sound super exciting and a little scary too, then it's not your goal. Move on to the next one. That was 25% added. How does that feel? Don't worry if this seems like an unlikely goal, and don't listen to that voice that tells you there is no way you'll be able to make that amount. Just think about it and decide: is that an exciting amount, worth working hard for? Or shall we take it one step further still? Now your next one needn't be 50% if that seems like too big a jump. You might want to move to 35%, maybe 40%. I don't know, but do what is right for you.

Explore these numbers, make a quick calculation about how much extra each option would be per month. And find your number that is exciting, BIG and relatively scary. But one that would be so super awesome to achieve. Imagine for a moment making that amount of money. How cool would that be? What would be the first thing you'd do when you hit that monthly amount?

Now decide on your goal. It's a 2021 goal, but that doesn't mean this will be your goal for ALL of 2021. As that would mean you need to already hit your target in less than 30 days. This number is for you to work towards throughout the year. Which is once again why it is such an encouraging way of setting a goal for yourself, more than a resolution, as with a resolution there are usually only 2 options: you succeed at your task or you fail. Then the next day, it starts again. Think about some common examples: going to the gym. So maybe today you went. But then tomorrow you don't go. And that's such a demotivating feeling. The whole day failed because you didn't go to the gym. Or if you're giving up smoking and you lit up a cigarette today, so once again a big red cross on your calendar that reminds you of the fact that you didn't do it today! So depressing and not motivating. See this income goal as the income you want to have by the end of 2021, so every day it's just about taking a small step towards it.



Find your sweet spot of that exciting, big, slightly scary goal. And write it down. You can do that anywhere you want, start with on the worksheet that you hopefully have downloaded. But I also really believe in visual reminders, so see if you can maybe put that amount on a postit to put in your planner or agenda, or put it on the inside of your bathroom mirror or on the dashboard of your car for example. Think of a good place to put this up to remind yourself of this new goal.

There is one more step to complete. You're going to make that income goal a little bit more real and fun, by putting down some actual numbers in terms of what you would do with that money.

Here's what I'd like you to do. Take your new exciting 2021 income goal, then from that, subtract your old starting income. The difference between these numbers is your extra monthly income. Now let's go back to the very first step, where you decided on 1 - 3 projects approximately that you'd spend your extra money on. At this stage if you have any other ones or want to replace some of them, then no problem, but really don't pick more than 3, as then the total amount of money is going to be so fragmented that it'll quickly lose impact. Write down your 1 - 3 projects or funds you would direct any extra money to. And remember this can be anything you want: a specific savings goal, a project, time off, donating money... Then decide how much of that extra monthly amount of money that you will be creating this year you'd want to assign to each one of these projects. Divide however you want. One project might have as much as 60%, another one 30% and the last one just 10%. That's fine, or maybe you want to make equal contributions. Completely up to you. It is your thing!

How does that make you feel? See how it's no longer abstract money, or wanting more, but actually something hopefully really inspiring or thrilling or satisfying...

Okay that was a lot of hard work, but hopefully you feel super eager to make this a great year with lots more money! So let's quickly recap the 5 steps I walked you through in this episode to set your 2021 income goal:

Step 1: Decide why you want more money

Step 2: Determine your starting wage

Step 3: Explore the options of more money

Step 4: Decide on your 2021 income goal

Step 5: Calculate how you would spend your extra money

Now, you might feel that I am kind of missing out a fairly important detail here, which is obviously: now that you have a goal, how are you actually going to make it happen? Yes, I know! And this is for sure important. But you know what, there are so many ways you can make this happen, so it's a little bit outside of the scope of this episode really. But, don't worry, I'm not going to just send you out into the cold and tell you to figure it all out on your own as in next week's episode I'm going to look at 7 different types of income streams, to help you decide how you're going to hit your 2021 income goal. So if you're keen to get started on this all, I really recommend



you listen to next week's episode, so you can put together a solid plan on how to reach your 2021 income.

But if you can't or don't want to wait until next week, then I've got good news too, as I've actually got a whole FREE mini online course that is available on my website, ingenataliehol.com that you can sign up to, remember it's completely free, and it talks all about these 7 income streams and how you can make a plan on how to build a new income stream.

But you can also just tune in again next week and listen to the episode on the 7 different types of income streams to start generating ideas on how to reach your goal!

Now if you haven't already, remember to download the free worksheet that goes with this episode on ingenataliehol.com/episode4 and get started setting yourself up for success! Now take some time to make sure to set down your goal for 2021.

So that was it, the end of this episode of the Financial Harmony Podcast. I hope you enjoyed it, make sure to subscribe and I'll see you next time.

