

# *What Keeps Women Business Owners Up At Night?*

Survey results of women business owners recently conducted by The State Farm Center for Women & Financial Services at The American College has found that the owners fall into one of four major categories:

- **Sleeping Soundly (Balanced & In Control)** - The *Sleeping Soundly* segment makes up 31 percent of the respondents. These women feel that being a business owner has met their expectations. They enjoy a good work/life balance as well as managing the financial aspects of their businesses. They are confident about their present financial stability and feel they have planned well for the future. Their business revenues are the highest of all the groups.
- **Tossing & Turning (Concerned & Overwhelmed)** - 15 percent of the women business owners are extremely stressed by their businesses. They report that being a business owner is not what they expected and worry about almost every aspect of owning a business. They report a lack of work/life balance and overwhelmingly feel their business takes away important time for family and friends.
- **Sleeping With One Eye Open (Living In The Now)** – The *Sleeping With One Eye Open* segment is made up of 16 percent of the women business owners. They are not focused on planning for future events such as retirement or transitioning their business to family members. They have the lowest reported business revenue and fewest employees. Despite this lack of planning, they report a high sense of contentment with their work/life balance and feeling that their business meets their expectations.
- **Dreaming About The Future (Long-Term Focused)** - These women represent 33 percent of the owners. The majority report that their business is in a moderate or stable growth stage. They report a good work/life balance with enough time for family and friends. They are driven by growing their business to maintain financial stability and prepare for eventual retirement. They are comfortable taking risks.

**CHOOSE THE LETTER THAT BEST DESCRIBES YOUR FEELINGS AS A BUSINESS OWNER**

**When it comes to managing the financial duties of my business:**

- A. I get a bit overwhelmed with this part of my business.
- B. I don't mind these duties, but tend to put them off.
- C. I feel this is very important, am confident and enjoy these tasks.
- D. I enjoy managing these duties.

**I would best describe my work life and personal life balance as:**

- A. Very difficult- There is never enough time for either.
- B. Pretty good - However, work often interferes with personal time.
- C. Mostly good- I usually find a happy balance.
- D. Very good- My life is in harmony.

**The experience of being a business owner has been:**

- A. More difficult than I expected.
- B. Only sometimes more difficult than I expected.
- C. Pretty good and mostly as I expected.
- D. Great! Exactly as I imagined it.

**Which statement best describes your feeling about risk?**

- A. I will avoid risks whenever possible.
- B. I avoid risk unless I can just jump into it.
- C. I will take risks if there is a reasonable expectation of a worthy reward.
- D. I am comfortable taking risks, even if the outcome is unsure.

**When it comes to planning for retirement:**

- A. I am worried, but haven't done any planning.
- B. What retirement? I'll think about this when my business is more established.
- C. I have a general idea of what I'll need, but have to do more planning.
- D. I have crunched the numbers and know what I'll need.

**Who do you depend most on for advice?**

- A. I find it difficult to get the advice I need.
- B. I mostly rely on my own instincts and experience.
- C. I use advisors, but take a very active role in my decisions.
- D. I get a lot of help from professional advisors.

**Which of the following is the strongest reason that you went into business?**

- A. I see my business as a means of getting to retirement.
- B. I wanted to be in control of my own schedule.
- C. I wanted to be my own boss.
- D. I see my business as a means to growing wealth.

<b>How do you see the future growth of your business?</b>
A. My business has had to go through some temporary cutbacks.
B. My business fluctuates and I am unsure of its pattern.
C. My business will have stable growth.
D. My business is in a strong growth pattern.
<b>When it comes to putting personal protection planning in place:</b>
A. My main concern is for insurance protection of my business.
B. I worry somewhat about insurance issues, but have put off decisions for now.
C. I feel I have taken care of insurance issues.
D. I worry about having enough insurance for events such as disability and long-term nursing care.
<b>When you retire, what will happen to your business?</b>
A. I would like to use it to fund my retirement but not sure this will happen.
B. I'll probably close operations and it will end.
C. I haven't made a plan yet but will put one in place when the time is right.
D. I have already begun developing a transition plan.

*If you chose mostly:*

**A. You are probably tossing & turning** - You are feeling extremely stressed about your business. You feel that being a business owner is not what you expected and worry about almost every aspect of owning your business. You lack a good work/life balance and your business takes away important time for family and friends.

*Like most entrepreneurs, you probably juggle a variety of business responsibilities. Now is the time to get things under control. Track your activities as well as business and personal expenses for two weeks to determine how you're really spending your precious resources. What are those non-critical expenses and tasks you spend too much money and/or time on? Use this information to develop a model week, along with budgets for your home and business. Your model week should include "must dos" for your business and personal life, including scheduled time for yourself, family and friends. Consider setting up separate business and personal accounts with cash flow aggregators like [mint.com](http://mint.com) that can help you gain control over where the money goes.*

**B. You are often sleeping with one eye open** - You are not focused on planning for future events such as retirement or transitioning your business to family members. Your business is probably smaller and you have few or no employees. Although you are not a planner, you are content with your work/life balance and feel that your business meets your expectations.

*A small investment of time and money now can return huge financial rewards later. Start by focusing on planning for retirement. A good way to think about retirement is true financial independence -- that point in time when work is optional. To get started, think about when you would like to be financially independent, then develop an estimate of how much it will cost to fund your desired lifestyle. Online calculators, like those found on [dinkytown.net](http://dinkytown.net), can be a great place to start. Hiring a trustworthy financial advisor can be invaluable in helping you create a plan, receive tailor-made options to increase your financial security and offer objectivity and accountability.*

**C. You are dreaming about the future** – You enjoy business success as your business continues to grow. You manage to have time for both a good work/life balance and time for family and friends. You are focused on the financial stability of your business and preparation for your eventual retirement. You are comfortable taking risks if you feel the payoff justifies it.

*You have matters well in hand, so it may be time to take your business to the next level. Growing your business may require additional investments in employees and other resources. Now, more than ever, you must assemble a team of trusted advisors to help you manage the financial aspects of your business. Your needs include good cash flow management, retirement planning, personal and business insurance, tax planning and estate planning. Seek help from a competent financial professional with expertise across these areas who will help you develop a holistic plan that brings them all together.*

**D. You are sleeping soundly** - Your business exactly meets your expectations. You enjoy a great work/life balance and managing the financial aspects of your business. You are confident about your present financial stability and feel you have planned well for the future of your business and your personal needs.

*Congratulations! You've reached the balance and success that business owners strive for. However, it's important not to rest on your accomplishments. Studies show that business owners tend towards overconfidence, so check in with your financial advisor on a regular basis to make sure you're staying on track. Ensuring a sound succession plan for the smooth transfer of your business is also critical at this stage so that its value is maximized upon your transition to other pursuits. After all your business accomplishments, now may also be the time to explore personal growth. Give to those causes you care about most, go back to school, spend more time with family and friends--all those "wish I could if I had more time" activities you've been postponing while building a successful enterprise.*