# 💵 Every Dollar Counts: Where Is Your Money Going?

As a business owner, knowing where every dollar you earn is going is crucial to building a sustainable and profitable business. When you understand how your income is allocated, you gain control over your operations, make better decisions, and uncover hidden opportunities for growth.

## Why This Matters

- Helps identify financial leaks and overspending
- Informs strategic decision-making
- Builds confidence in pricing and budgeting
- Supports sustainable growth and planning
- Empowers you to pay yourself consistently

## The Core Formula

To understand where each $1 goes, use this formula:

Percentage = (Expense Category ÷ Total Revenue) × 100

Then convert it to cents per dollar:

Cents per Dollar = (Percentage ÷ 100)

## Step-by-Step Guide

1. Choose a specific time period to analyse (e.g. one month or quarter).

2. Add up your total revenue for that period.

3. List all your expense categories (e.g. wages, rent, subscriptions, insurance, etc.).

4. Total the spending in each category.

5. Apply the formula: (Category Expense ÷ Total Revenue) × 100 to get the percentage.

6. Divide the percentage by 100 to get how many cents of each dollar are spent.

7. Review the breakdown. Are your allocations aligned with your goals?

8. Adjust spending, pricing, or strategy based on what you discover.

## Example

Total Revenue: $10,000
Expenses:
- Wages: $4,000
- Rent: $1,000
- Subscriptions: $500
- Insurance: $500
- Miscellaneous: $1,000
- Profit: $3,000

Breakdown:

* Wages: (4000 ÷ 10000) × 100 = 40% - 40 cents of every dollar
* Rent: (1000 ÷ 10000) × 100 = 10% - 10 cents
* Subscriptions: (500 ÷ 10000) × 100 = 5% - 5 cents
* Insurance: (500 ÷ 10000) × 100 = 5% - 5 cents
* Miscellaneous: (1000 ÷ 10000) × 100 = 10% - 10 cents
* Profit: (3000 ÷ 10000) × 100 = 30% - 30 cents