



CONTINUING EDUCATION THAT MAKES A CHANGE

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When you are done with the course, take the posttest. When you pass the posttest (70% or higher) and pay the course fee (\$10 per unit), you will be issued a CEU Certificate of Completion.

Enjoy!

Course Name: Are Therapists Allowed to Make Real Money?
Course Number: Business 1201
CEU: 1.0
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COURSE OBJECTIVES

1. You will study common myths that hold therapists back from building an effective business.
2. You will learn the difference between running a business and running a hobby.
3. You will study the role of fees in the patient client relationship
4. You will experience the ethical way your patients can thank you for being a good therapist.
5. You will meet a colleague who is languishing emotionally and financially as he tries to build his practice.

SUGGESTED PREREQUISITE COURSES

None

INTRODUCTION

Congratulations! To get to the point that you are reading this you have accomplished much. You survived childhood. You graduated high school. You went to college and got better than average grades. Then you were accepted to graduate school. Which, if you recall, was no walk in the park. You graduated with a Master's degree or a Doctorate degree. That put you in a very small population of individuals that are considered by most to be "well educated."

On top of all that, you did your internship and passed the state written exam. Still that was not enough for you! You also passed the verbal test. You are now a member of a very small minority of individuals. You are a licensed therapist. So, I say it again, congratulations. You deserve a wholehearted pat on the back for a humungous job well done.

All this is well and good, but... All the years I spent in school I had not one single class on practice management. I learned how to diagnose esoteric as well as mundane mental health disorders, but I graduated with no idea about how to run a private practice.

In fact, when the excitement of framing my diploma and license wore off, it dawned on me. "I'm unemployed and seriously in debt." I had \$84 to my name and a student loan that could have left Dr. Freud speechless. (And, as you know, Dr. Freud was seldom short on words.)

Don't despair, this series of courses will teach you how to make money as a therapist.

BUSINESS 1200 SERIES

Many therapists spent 11 years in school learning the art of therapy. That is why I call this Business 1200. It is post doctoral training on running a business in a professional and clinically sound matter.

The truth is, if you do not conduct your practice as a business you will not be around long enough to help your patients. Your private practice or the agency you are working for is a business. Unfortunately, most

therapists want to believe that they are not in business or that it is inappropriate for a therapist to conduct business.

COMMON MYTHS

I have been a therapist for over 20 years. I have taught business management to therapists and other professionals for over 15 years. In my private practice I have heard many inaccurate belief systems that hold patients back. Similarly, as a consultant I have heard inaccurate belief systems that hold clinicians back from making money. The top myths are:

- If I am a great clinician, the money will take care of itself.
- I got into psychology to help, not to make money.
- My patients will think that I do not care about them if I talk to them about fees.
- I'm a professional not a salesperson!
- I'm a professional I don't need to advertise.
- My colleges will think I am not professional if I advertise.
- Marketing one's service is for plumbers.
- My skills are above average, patients will know and come flocking to my practice.
- If I keep doing a good job as a therapist, the referrals will pick up soon.
- Patients want to pay me, they just can't.
- If I push payment on patients they will be harmed by me and they came to me for help.
- Jane Doe, LCSW is half the therapist I am and she has a thriving practice.
- Jane Doe, LCSW is lucky.

PRACTICE BUILDING MYTHS

Therapists have myths about running and building a practice. The common ones I hear are:

- If I hire a good office manager I won't have to deal with the dirty part of my practice—money.
- I run an agency/clinic, not a business.

- I run a private practice, not a business.
- Running a business seems easy enough for me; I have an advanced degree.
- If I get business cards made, and keep a large stash of them on my desk, the patients should show up to pick one up.
- If I practice the words, “I’m sorry, I don’t have a card on me right now,” the patients should show up at my office to pick one up.
- If I put my name in the phone book with the hordes of other therapists, the public will find me and fill my date book.
- If I tell a few close friends that I have opened a private practice, they will bugle my qualities to the masses. This will cause the public to seek me out and fill my calendar.
- If I send out 50 or 100 fliers to other therapists they will become my public relations representatives and motivate the public to storm my office and demand an appointment.
- If I get a fancy office in a high rent district, have an open house and invite fellow professionals, these professionals will be so impressed with my office and my Aunt Mary’s avocado dip that they will need to motivate the public to stampede my office and threaten to lynch me if I can not see them for six weeks.
- If I lecture to the P.T.A. or a local church parents group, 17 of the 20 people that are entranced by my presence will quickly fill my wide-open schedule.
- If I leave my practice brochure at the public library my practice should be filled by next Tuesday.
- If I send a well-crafted letter to the local doctors explaining my skills, they will carefully read my prose and probably start encouraging all their patients to use my services.
- If I were just more social and went to cocktail parties and handed out my cards I’d have a full practice by Monday noon.
- If I join an insurance company’s EAP or PPO board the insurance company will eagerly direct motivated clients into my practice. Even at their reduced fees I will see more patients and make more money.

RUNNING A BUSINESS VERSUS RUNNING A HOBBY

The Internal Revenue Service has a rule that states that if you lose money in a business venture three out of five years you are conducting a

hobby not a business. Expenses for hobbies are not deductible as business expenses.

Irrelevant of the IRS regulations, my belief is that many therapists conduct their business as if it were a hobby. Many tinker around trying to eek out an existence. I don't blame them I am just concerned for them. (I can't help myself. I'm a therapist you know. I take care of people.)

When you let the above-mentioned type of thoughts dictate your behavior you are doomed to running a hobby. This is not bad, it just is. I know one therapist who sees 3 individual clients per week in her living room. She charges on a sliding scale from \$27 to \$50 dollars. Recently, she told me that she "Allowed a patient to skip paying this month, her transmission went out, the poor dear." She is a wonderful clinician with well-practiced clinical skills. She is financially independent and highly involved in her community. She is happily running a hobby. In fact, she is proud that she can help the "poor dears."

When writer Dorothy Parker was asked what were the two most beautiful words in the English language it is said she reply, check enclosed.

On the other hand, Dr. Stevenson is a father of three. His wife is a nurse and the children are heading for collage. Dr. Stevenson doesn't want to be running a hobby but he is.

Dr. Stevenson: I'm really upset with my last patient.

Dr. Phil: How come? (See I told you I was a therapist and I can't help but help.)

Dr. Stevenson: The last two weeks she has called with an excuse for missing her appointment.

Dr. Phil: How do you deal with last minute cancellations?

Dr. Stevenson: It doesn't happen too often. I usually tell them that next time they will have to pay for missed appointments.

Dr. Phil: Will you be charging her?

Dr. Stevenson: No, I can't. She can't afford my fee.

Dr. Stevenson doesn't know it but he is treating his practice as if it is a hobby.

GETTING YOUR MIND AROUND RUNNING A BUSINESS

Please allow me to generalize; **Therapists are terrible at business.** I know many a therapist who could talk you blind about the clinical implications of masturbation or the interpersonal relevancies of the inner self but get all tongue tied when talk turns to money. They can help patients through the loss of a spouse or the emotions of childbirth but they can't organize a clear office policy for missed appointments.

The business of America is business.

Calvin Coolidge

It is not for lack of intelligence. Therapists have skills. Therapists can multitask! The average therapist can keep track of the interpersonal aspects of a session; the clinical relevance of the verbal and nonverbal communications; monitor their own personal issues; manage the clock; and predict the flow of the emotions in the room. All this while making sure the paperwork is signed, the coffee is available, and that their own bladder is trained to only need attention between sessions. Therapists are down right amazing!

But they are seriously lacking when it comes to running a business.

Therapists tend to give away the store. They are so focused on helping others that they tend to give, give, give.

I think I know why, giving feels good! But, you can't pay the rent with "good feelings." The landlord wants legal tender.

But, more importantly, your job is not to feel good, your job is to treat your patients. Running a business allows you the opportunity to treat your patients. Unless you are independently wealthy, you need payment to pay your bills. At the end of the month when you are looking over your bills, it is not good if you find yourself thinking, "How am I going to pay this?" It is even worse if you catch yourself saying, "If so and so would only pay his bill I would be able to pay my bills." Countertransference is a dangerous clinical issue.

Finally, how is your patient supposed to thank you? They can't give you a gift or leave money to you in their will. They can't invite you over for dinner or offer to help you with your problems. Ethically, how can you allow a patient to thank you? You can accept payment for services rendered.

If you do not get payment for services rendered, you are robbing your patient of his ability to act as a mature adult. If your patient went into Denny's to have lunch you would expect her to pay for that lunch. Wouldn't you? Shouldn't these same socially accepted rules occur at your

office? If a patient receives your services it is reasonable for you to expect payment. In fact, I will go one step further. If you do not assist the patient in conducting his relationship with you in an ethical manner, you are not doing your job.

When a patient comes into your practice for assistance in the most general sense you are sharing a relationship with this person. You are helping your patient: to begin a relationship; to grow within a relationship; and to end a relationship. This relationship exists for your patient's benefit. It is a special experience that you create for the benefit of your patient. Any conflicts that occur because of poor business planning on your part should not be permitted.

Remember that time is money. Benjamin Franklin

By running a business you are protecting you and your patient. The demarcations of your clinical relationship are clear. Your personal feelings concerning any individual client or employee are not allowed to influence your clinical or business relationship. Your ethics are kept to the highest order.

It is important that your patient is able to thank you for your services. I have had patients make very powerful statements at the end of treatment:

- You saved my life.
- I couldn't of done it without you.
- I wouldn't have been able to get through the last year without you.

To which I clearly reply, "You chose to get help and you did the work to accomplish your goals...I am just the help."

You are just the help. What makes you someone's therapist is that they decided to let you help. All the skill that is bottled up inside you is useless until someone asks for it.

By running a business well you will be able to share your skills with many families. The money you make as a therapist is for you to use to accomplish your personal needs. I am a true believer that you can't buy happiness but you most definitely can rent it.

GET YOUR MIND AROUND IT

You need to get your mind around the fact that you should be paid for your services. You should be paid well for your services. You have invested a lot of your life into learning how to do your job well. You deserve to get paid.

The myths at the beginning of this course tend to keep one running a hobby. A hobby is a not-for-profit endeavor. It is important that you get your mind around the fact that making money is the goal of running a business.

A fool sees not the same tree
that a wise man sees.
William Blake

MAKING REAL MONEY

This is hard for many therapists that I work with to get their minds around. There are three basic rules to making lots of money as a therapist.

- I. You need to love what you do.
- II. You need to focus on your business.
- III. You need to be completely comfortable with making lots of money.

Rule #1: You need to love what you do

This is the most important thing of all. You need to love what you do. This produces the energy that you will need to motivate yourself to do what it takes to accomplish your job. Running your business is driven by self-motivation.

Rule #2: You need to focus on your business

This is more important than rule number one. If you only focus on what you love you will avoid necessary things that need to get done. I know I said that rule #1 was the most important thing, and it is. I also said

that rule #2 is more important than rule # 1, and it is. Both are true statements. You have to focus on your business so you can do what you love. If you neglect your business you will not be able to do what you love. Likewise if you don't love the job, why run the business?

Rule #3: You need to be completely comfortable with making lots of money

Many therapists are able to make money doing what they care about. I have worked with many therapists who make \$27,000 who want to make \$50,000. I have worked with therapists who make \$43,000 that want to make \$65,000. And I have even worked with relatively skilled business people who make \$68,000 but want to make \$80,000.

However, when I suggest to any of these individuals that an experienced full time therapist can easily make \$100,000 a year, they don't believe me. What I don't tell them is that I know this figure to be very low. I know that an experienced

I'm tired of love: I'm still more tired of Rhyme.

But Money gives me pleasure all the time.

Hilaire Belloc

therapist can make \$100,000 a year part time, working three days a week. A full time therapist can easily make double that. That's only on her therapy income. I haven't even talked about book royalties, speaking engagements, stocks, real estate holdings and teaching honorariums.

This will be covered in other courses. But first, let's look at how these three rules pan out in the real world.

ROBERT BACON, MFT

Robert has been a therapist for 6 years. He worked for the county for the first 4 years of his career and found it frustrating. After 2 years he was assigned to a mid-level supervisory role working with the foster care program. He worked with one therapy group per week and was on call every third day for emergencies. He did a lot of paperwork and played a lot of phone tag. But he admitted, "The county had good benefits."

He started a small private practice out of his home 1 or 2 evenings per week. He reported that he enjoyed flexing his therapeutic muscles and

making a few hundred dollars. He got his clients through word of mouth, mostly through friends who worked in the county mental health system.

After 4 years with the county he was laid off. He used his credit cards to finance his quick move to full time private practice. Now, 6 years into his career, he was deeply in debt, had 7 regular clients and accounts receivables of \$18,000.

He called me out of desperation.

Robert was a seasoned professional with solid skills. He knew the county system well and he understood the group home and residential care system. He told me, “All I want to do is work with teens, but I just can’t seem to catch a break. Even when I get a client the insurance companies won’t pay me or the clients’ parents can’t afford me.

Of the seven regular clients he was working with, he was earning an average of \$32 per session.

Robert’s problem was not lack of clinical skill it was lack of business knowledge. His clinical skills were fine, but his business knowledge was anorexic.

Robert excelled with Rule #1.

Robert was there for the teenagers he worked with. He spoke of how much they needed him. How they called day and night. How he knows he is making a difference.

Robert Failed Rule #2:

Robert was running a hobby. Robert ran his hobby with a stack of business cards and a stack of super bills. He had no billing policies. He looked forward to a session or a phone call so he could “be a therapist.”

When I asked him about his billing process he threw his hands up and exclaimed, “Why bother mailing bills, nobody pays them anyway! Why waste a stamp.”

Robert can’t even see Rule #3:

Robert was so worried about covering each month’s rent he wasn’t able to find the mental energy to dream about wealth.

WHAT'S NEXT

When you can get your mind around the three rules:

- I. You need to love what you do.
- II. You need to focus on your business.
- III. You need to be completely comfortable with making lots of money.

—then you are ready to continue the Business 1200 series. But before that, pick up your CEU certificate.

POSTTEST

When you're ready, take the posttest to obtain your CEU certificate. Your test consists of 5 multiple choice or true/false questions per Continuing Education Unit (3 CEU course = 15 questions).

