

# Answers to Husband's Questions

## **EXACTLY WHAT WILL MY WIFE BE DOING?**

She will be teaching skin care and selling Mary Kay products. She will be self-employed and will own and operate her own business. She will not be a company employee. She will hold skin care classes and facials for small groups of women.

## **WHERE WILL SHE CONDUCT HER BUSINESS?**

Her classes will be held in either her home or the home of a hostess who has invited her. Your wife will have no territories and may build her business anywhere she chooses in the United States.

## **WHAT HOURS WILL MY WIFE BE EXPECTED TO PUT INTO HER BUSINESS?**

As an independent business woman, she will set her own schedule and can conduct business around family and other activities.

We feel it is vital that you both know and agree on her schedule and that she works as planned. The more hours she puts into her business, the higher her income potential.

## **MY WIFE KNOWS VERY LITTLE ABOUT TEACHING SKIN CARE AND SELLING. HOW CAN SHE EXPECT TO BE SUCCESSFUL?**

As in any profession, there is a thorough educational program for all Mary Kay Consultants. She will be trained in skin care and makeup techniques. She will learn all facets of the business, including how to schedule classes, earn profit, manage her income, communicate effectively and track expenses for tax purposes. Although it is not mandatory that she attend, free education is offered weekly and is a key factor to increasing her income.

## **WHAT IS THE \$100 STARTER KIT?**

The starter kit contains the supplies she needs to conduct appointments and is valued at \$300 retail.

## **WHAT IS INVENTORY AND WHY DOES SHE NEED IT?**

Inventory is the product your wife will sell to earn a profit and helps her get her business off to a good start. The Starter Kit is a tool only. She will buy product at wholesale and sell it for retail. The more inventory she has on hand the better prepared she will be to meet customer needs. The wholesale price of a cosmetic order is 50% of the suggested retail price as long as a consultant remains active. An active consultant is one who orders at least \$225 wholesale every third month.

(Please see reverse)

## **HOW MUCH INVENTORY DOES SHE NEED?**

Your wife is eligible for new consultant free product bonuses. After reviewing all of the inventory options, decide the amount of inventory to start her business. Remember that inventory is the source of profit. When she places an order with the company she purchases them at wholesale prices. The products are then sold to customers at retail prices.

## **WHAT IS THE 90% BUY-BACK GUARANTEE?**

The Company will buy back your original and unused Section 1 products purchased from the Company within one year for 90% of the original cost. Please reference the Beauty Consultant Agreement for complete details.

## **IS THIS A “PYRAMID” COMPANY?**

No! Mary Kay is a true direct selling company where there is only one wholesale sale (company to consultant) and one retail sale (consultant to customer) of Mary Kay products. There are no levels of wholesalers between the company and the consumer through which products pass at varying discounts before sales. Everyone recruited as a consultant is recruited to sell products at retail. The entire marketing structure is based on and intended to foster retail sales to ultimate consumers.

## **POTENTIAL TAX DEDUCTIONS FOR YOUR MARY KAY BUSINESS**

As a self-employed independent contractor, you are entitled to certain tax deductions for those expenses incurred in the conduct of your business provided they are supported by adequate records. Some of the more common business expenses are listed below. Since each individual's tax situation will vary, contact your personal tax advisor regarding the specific application of these general guidelines. Some typical tax deductions are:

- Auto Expenses
- Hostess Gifts
- Business Entertainment
- Accounting Fees
- Travel: Lodging and Meals
- Office Supplies
- House and Utilities (a portion for a separate room used as an office)
- Telephone
- Postage
- Childcare
- Depreciation of Office Furniture