



5 tips for setting your 2022 real estate marketing budget

Here are a few things to consider as you plan for next year

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A significant change that has happened because of the pandemic is a greater reliance on technology.

Buyers and sellers have grown accustomed to virtual tours, photography, videos, virtual walk-throughs and open houses. Those real estate professionals who embraced technology during the pandemic thrived. Those who did not saw reduced business and even failure.

Expectations are higher than ever, and clients are not going back to the pre-pandemic ways of doing business.

How will you move forward and budget accordingly? The answer lies within your [business plan](#). Here are five tips for setting your 2022 marketing budget.

1. Start with your business plan

Your [business plan](#) informs all marketing efforts. Why is your business plan essential? If you have a goal without a plan to accomplish that goal, will you reach it? Your business plan drives every aspect of your business operations.

With this plan, you will accomplish your goals and never leave your business to chance.

Create your business plan

Your business plan helps you prepare for upcoming expenses, so the probability of something taking you by surprise will be low.

Have you created a business plan? When you look at your business plan, does your digital marketing reflect [your purpose, vision, mission and values](#)? If not, you will need to rethink your digital marketing strategy.

Determine your direction

Your purpose, vision, mission and values are at the core of your business. They inform every business decision you make. Combined, they form a powerful set of principles that determine your focus in your business and determine your messaging, branding and voice.

As part of your business plan, they allow you to set [SMART long- and short-term goals](#) that reflect what makes you uniquely you and define the tools, systems and strategies to help you meet your goals.

Goals will help you determine how much to spend on marketing initiatives, and conversely, evaluate their ROI (return on investment).

Bottom line: Have a plan and work that plan.

2. Remember that budgeting time is just as vital as budgeting money

When most people think of a budget, they think in terms of dollars. When it comes to a marketing budget, you need to consider both *time and money*.

Figure out what you can delegate

As an independent contractor, your time is money. The thing that keeps small businesses small is the [inability to delegate](#).

Look at your strengths. Look at the activities you have dedicated yourself to doing, and [time-block](#) with a critical eye.

Here are the critical questions to ask yourself:

- How many items are tasks that *only I* can do?
- How many are [direct money-making activities](#)?

Determine complex tasks you need some help with and which ones are under your pay grade because they are repetitive and easily delegated.

Figure out what your time is worth

What do you think your time is worth? Find out by dividing compensation by the hours put into what it took to get paid.

Your compensation should not equal out to minimum wage (*or less*) once you've averaged your time spent on your business.

Be strategic. Be smart about how you spend your time. Are you outsourcing items you can't do on your own? If time is a priority, delegating your marketing automation tasks or graphics and lead management and cultivation may be possible.

If you don't have a lot of money to spend, or maybe you're just getting started, [adding to your team](#) might be worth considering. Connecting with a local college for marketing interns may also be a viable option. Especially when it comes to your digital presence and personal marketing, you can lose so much time to the social aspect of the digital world.

Bottom line: Optimize your time allocation to maximize your earnings.

3. Evaluate always

You need to schedule yearly, quarterly and monthly [evaluations of all marketing initiatives](#) on your calendar. If you don't stop and evaluate your efforts, you will waste time, money *and* momentum. Of course, the benefit to evaluating is modifying and adjusting. You don't have to scrap something completely.

You might find ways to make it better. Evaluation helps you do that. It helps your business grow because you're becoming more effective.

Evaluate your efforts by determining your ROI. That means, for the most part, your initiatives should be quantitative so they can be easy to evaluate.

Does the financial risk or investment outweigh the reward? Asking this will help you determine if you should keep moving forward or if you should change what you are doing for the best return on your time, money and efforts.

Bottom line: Marketing is not a "set it and forget it" discipline.

4. Know you control your income

As an independent contractor, you are the CEO of your own business. That means the only limit to your income is you! If you focus your time on [money-making activities](#), you will see it in your bottom line. That can be both empowering and frightening at the same time.

Each activity serves as an initiative, and in turn, an associated expense. Ultimately your marketing efforts should offset any costs through accrued business and closed transactions, resulting in a profit from your efforts.

That means tracking expenses is critical. There's a good chance that your broker has an expenses spreadsheet or program you can use.

If not, [Breakthrough Broker](#) has a free spreadsheet for real estate professionals. There are also numerous apps for expense tracking, which is part of budgeting.

In addition to tracking expenses, these programs allow you to set up recurring or anticipated expenses throughout the year.

There's nothing sneaky about car registration. It happens every year. Budgeting allows you to prepare. A budget helps you organize and determine the actions you need to take (appointments you need to set, calls you need to make and transactions you need to close) to generate your desired yearly income. You should include your marketing expenses, travel, MLS dues, car maintenance, business licensing, brokerage costs and anything business-related in your budget.

Bottom line: Budgets are the blueprint to your financial goals.

5. Budget for the win

Marketing budgets are living, breathing documents that can provide structure to your efforts, but you must actively use them, or they will quickly become irrelevant.

Just as your marketing efforts have shifted to align with the post-COVID connected consumer, make sure your budget is in alignment with your business goals and activities with regular reviews and adjustments.

A commitment to budgeting, especially when it comes to marketing, is a proven way to set you up for success and have a winning year.

Bonus: 3 financial tips every real estate agent needs

Here are a few additional tips on how to treat your business like a business.

- Hire a tax/accounting professional, and know what you can write off and should be tracking. They will want you to track items like your mileage, keep business receipts and payroll records, document your budget, and stay within your budget.
- Automate payments, and negotiate costs for services to save yourself time and money.
- Have separate bank accounts for your business versus personal funds. Commingling funds can result in legal and tax problems, plus when you commingle, you open your personal finances up to being vulnerable if you get sued.