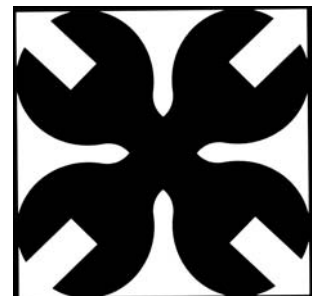




**International Association of
Bridge, Structural, Ornamental
and Reinforcing Iron Workers**

Million Dollar Blue Collar

Student Workbook



Million Dollar Blue Collar Student Workbook

Developed by

**Ironworker Management Progressive Action
Cooperative Trust**

and

**National Ironworkers and Employers
Apprenticeship Training and
Journeyman Upgrading Fund**

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Million Dollar Blue Collar

Student Workbook

Introduction

This student workbook is designed for union training coordinators, directors, and instructors to lead classroom discussions on personal money management. It is designed to illustrate the importance of managing money so that every apprentice and journeyman can learn to create financial security.

Most questions review the material from Mark Breslin's *Million Dollar Blue Collar*. Some questions are open-ended to encourage discussion among students. Many questions involve simple arithmetic to show the importance of "doing the math." This hands-on approach will help students learn how to make informed financial decisions. Both instructors and students should feel free to consult websites for financial calculators such as the ones found on www.bankrate.com. These online tools can quickly break down complicated financial calculations into easy-to-understand information.

Students are encouraged to fill out the worksheets for their personal use. The worksheets are not intended to be shared in the classroom. Students can complete "For Case Study and Discussion" questions individually or work in small groups to discuss possible solutions. In small groups, these discussions should be recorded by one student and presented by another.

The financial background of a fictional apprentice named "Jack" and his wife "Jill" is used throughout this workbook. Students should refer to this chart for questions that require calculations.

Monthly Income (After Taxes)	
<i>Jack</i>	\$2,375
<i>Jill</i>	\$1,800
Total Earned	\$4,175
Monthly Bills	
<i>Rent, utilities, groceries, insurance, etc.</i>	\$2,750
<i>Credit card and loan payments</i>	\$350
Total Spent	\$3,100

Chapter 1: Million Dollar Blue Collar

1. Why is it important to learn how to manage your earnings?



2. Think of someone you know who has the “good life.” What types of qualities does he or she have?



3. What’s the best or worst piece of financial advice you’ve been given? Did you follow it? What were the results?

Chapter 2: The Construction Challenge

1. **Case Study and Discussion:** Create a 12-month financial picture for Jack based on a 10-month earning schedule. Jack estimates he earns about \$19 per hour after taxes and can work 1,500 hours in an average year.



- What is Jack's annual income after taxes? _____
- What is Jack's average monthly income after taxes? _____
- Based on Jack's average monthly income for a full year, how much would he need to save in order to cover two months in a year during which he worked only 10 months? _____



2. **Case Study and Discussion:** Based on Jack's wages, how much would he need to save each month if he wanted to build his reserve or rainy-day fund up in 12 months? How about in 18 months?

- For 12 months: _____
- For 18 months: _____

3. Create a basic monthly budget for yourself based on what you must spend, plan to spend, and would like to buy.

Estimated Income	\$ Amount
Construction work income (monthly)	
Spouse income (monthly and if applicable)	
Other sources of income (monthly)	
Total Monthly Income	
Must Spend	\$ Amount
Mortgage or rent	
Property taxes	
Homeowners or renters insurance	
Non-covered medical or dental insurance	
Car payment	
Car insurance	
Car repairs	
Gas (estimate high)	
Union dues	
Cable and Internet	
Utilities	
Food and groceries	
Entertainment (movies, dinners out, etc.)	
Credit card payments	
Childcare (babysitters, child support payments, etc.)	
Others	
Total Must-Spend Expenses	

Plan to Spend	\$ Amount
Total Plan-to-Spend Expenses	
Wish to Spend	\$ Amount
Total Wish-to-Spend Expenses	

Where do you stand?

Total monthly income: _____

Total must-spend expenses: _____

Money available for plan-to-spend, wish-to-spend,
and savings _____



- Case Study and Discussion:** A new apprentice asks you how he can earn some extra money. How would you advise him to increase his construction income?
- What are some real challenges people employed in construction fields face when they try to create financial security? Name three.

6. Identify three items that you spend money on, on a weekly basis, and calculate how much you end up spending a year. One item is given as an example.

Item	Cost per Day	Cost per Week	Cost per Year
<i>Coffee</i>	<i>\$3.00</i>	<i>\$15</i>	<i>\$780</i>
Total			\$



7. How many months of cash reserve or savings do most financial planners recommend having?

- a) 3 months b) 6 months c) 12 months

Chapter 3: Managing Your Earnings for Work-Life Success

1. Write down three goals for yourself and give them a deadline by when you'd like them to be accomplished. They could be anything: buy a new house; get a job promotion; run your own construction company; send your child for more education; take a family vacation. Dream big.

Goal: _____

Deadline: _____

Goal: _____

Deadline: _____

Goal: _____

Deadline: _____

2. List three advantages to having a bank account.

3. **Case Study and Discussion:** Jack cashes his paycheck at a check-cashing business near his worksite. He thinks it's more convenient to cash it there and likes having a big roll of dough to take home. He can also buy money orders to pay his monthly bills. Each time he goes there, he pays \$20 to cash his check plus \$8 for money orders. Assuming Jack gets 22 paychecks a year, calculate how much he spends to cash his check and pay his bills each year.



4. **Case Study and Discussion:** Jack overheard some of the guys talking about how they just moved their banking accounts online. He's hesitant to do the same. Why should he consider banking online? What are some of the benefits?

5. What are the benefits of having your paycheck directly deposited into your bank account?

Chapter 4: Strategic Buying and Selling

1. **Case Study and Discussion:** Jack is itching to buy a 4x4. He knows he can get \$2,000 for his trade-in. He recently saw an ad for 0% financing or a \$1,500 rebate with a 3.99% rate. Both deals are for a 36-month loan. The truck costs \$20,000. Which offer should Jack take? To answer this question, fill in the missing information in the table below.

Tip: To determine the monthly payment for a loan of 3.99% for a specific amount of money, go to www.bankrate.com. Look for “Auto Calculators” and then the “Auto Loan Payment Calculator.”

	36-Month Car Loan Comparison	
Loan annual percentage rate (APR)	0%	3.99%
Price of vehicle	\$20,000	\$20,000
Less trade-in		
Less rebate		
Amount to finance		
Monthly payment		

2. **Case Study and Discussion:** Jack and Jill want to purchase a new television. How can they conduct their search to make sure they’re getting the best deal?



3. List some reputable sources where you can buy or sell your stuff.

4. Think of the last big-ticket item you purchased. Did you compare prices before buying the item? Why or why not? How did you decide to pay for it (e.g., with cash, credit, layaway, etc.)? What would you do differently the next time you have to make a large purchase?

Chapter 5: Credit = Debit

1. How can you obtain a copy of your credit report?
2. How does a debit card differ from a credit card?
3. List five things you can do to maintain a good credit rating.
4. **True or False:** Your credit score can affect the interest rate a company charges you.
5. If you paid \$20 each month on a \$1,000 credit card balance with an 18% interest rate, it would take you 89 months to pay off the balance. How much total interest would you pay?
6. Fill in the chart below to see how increasing a monthly payment can make a difference in how long it takes to pay off a credit card's balance.



	Monthly payment of \$50	Monthly payment of \$75	Monthly payment of \$100
Balance	\$2,000	\$2,000	\$2,000
Interest Rate (APR)	18%	18%	18%
Number of months to pay off credit card			

Tip: To determine how long it will take to pay off a credit card, go to www.bankrate.com. Look for “Calculators” and then look for “What it will take to pay off your credit card.”

7. **Case Study and Discussion:** Jack and Jill have decided to pay off their two credit cards. What steps could they take to achieve this goal?

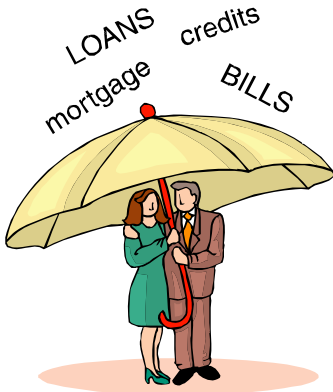
Chapter 6: Taxes, Saving, and Wealth

1. **Case Study and Discussion:** After doing the math, Jack knows he needs to open a bank account and wants to earn the highest rate of interest on his money. What types of accounts could Jack look at in order to earn the most interest?
2. **Case Study and Discussion:** Based on Jack and Jill's monthly budget, they earn \$4,175 and spend \$3,100 each month.
 - How much extra cash does that leave them with each month? _____
 - List three specific ways they could wisely use this money.
3. **Case Study and Discussion:** Jack and Jill want to save 10% of their monthly earnings each month as shown in their financial background statement presented at the beginning of this workbook. If they stick to their plan, how much will they have saved in 12 months?
4. List three ways to lower your taxes.
5. Why should you pay attention to interest rates when applying for a credit card or opening a savings account?



Chapter 7: Protecting Your Ass, Assets, and Future

1. List at least three ways to protect your identity from being stolen.
2. Do you know anyone who has had his or her identity stolen? What were the consequences?



3. **Case Study and Discussion:** Jack's neighbor was injured on the job and out of work for months. He ended up charging groceries and gas to his credit card. Now he's stuck with huge credit card debt. How could Jack be prepared to cover an income gap if he's injured on the job?

4. How does a term-life insurance policy work?
5. List three steps you can take to protect your family from financial hardship if you're unable to work due to injury or death.

Chapter 8: For Spouses Only

1. List at least five key money issues that couples should talk about immediately.
2. **Case Study and Discussion:** Jack's wife Jill learns she's eligible for a 401(k) retirement fund from her job. If she puts 5% of her pay into the fund, her employer will match her contribution dollar for dollar. She's reluctant to enroll because she feels she needs to keep every penny, plus Jack has a pension program anyway. What would you say to her to convince her to enroll?

3. **Case Study and Discussion:** Each fall Jill signs-up for health and welfare benefits through her work. She hasn't changed them since she married Jack. Why should she review her benefits now?

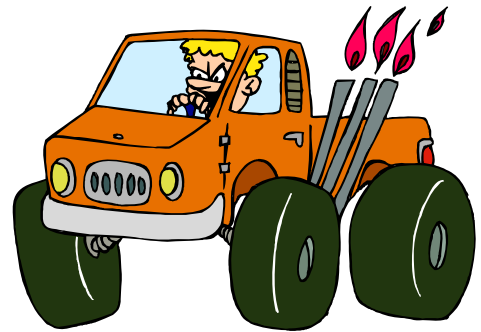


4. When you were growing up, how were financial responsibilities shared in your household? What lessons did you learn? Do you do anything differently now that you have your own household?
5. How can couples avoid arguing about money?

Chapter 9: Very Personal Finances

1. What are the advantages of working with a charity or contributing money to a charity such as United Way, a church, or other nonprofits?
2. **True or False:** Missing child support payments may result in having your wages garnished.

3. **Case Study and Discussion:** A guy on the jobsite has been telling Jack how hard up he's been for cash. He's falling behind on his truck payments, and his creditors have been calling him nonstop at home. What kind of financial advice could Jack give him?



Chapter 10: Financial Troubles

1. **Case Study and Discussion:** Jack's brother tried to buy a new truck but was turned down because of bad credit. He's been hounding Jack to co-sign for a loan and has promised he'll make the payments. What should Jack think about before making a decision?
2. Why is bankruptcy not the easy way out of financial problems?
3. How does chapter 7 bankruptcy work?
4. How does chapter 13 bankruptcy work?



Chapter 11: Union Resources, Union Benefits

1. How does a pension program differ from a 401(k) retirement program?

2. List three things you can do to ensure your pension program is on track.

3. Name two union benefits that most non-union employers do not offer their employees.



4. **Case Study and Discussion:** What advice would you give a new apprentice in order for him or her to get the most financial benefit out a union membership?