

Million Dollar Blue Collar

Managing Your Money for
Work-Life Success



Chapter 1:

Million Dollar Blue Collar



Introduction

This course is designed to help you:

- Maximize your earnings for stability, success, and fun;
- Build a financial foundation of accomplishment and self-esteem;
- Accelerate your journey to the life you want and deserve.



Introduction (continued)

- Every apprentice and journeyman can learn to create financial security.
- Learning basic financial management skills is as important as learning the “three Rs.”
- It’s never too late to learn.



Topics

The following topics will be covered:

- The Construction Challenge
- Managing Your Earnings for Work-Life Success
- Strategic Buying and Selling
- Credit = Debit
- Taxes, Saving, and Wealth



Topics (continued)

- Protecting your Ass, Assets, and Future
- For Spouses Only
- Very Personal Finances
- Financial Troubles
- Union Resources, Union Benefits



Million Dollar Blue Collar

- How you handle and manage money will determine your work and life success more than how much you make, every time.
- Many rich people, star athletes, politicians and movie stars have filed for bankruptcy.
- Good financial habits and decisions don't come automatically from a high income—they come from knowledge, discipline, and plain old common sense.



Questions?



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Managing your Money for Work-Life Success



Chapter 2:

Construction Challenge



Apprentice Success and the 10-12 Challenge

- Managing money can be tough for construction professionals because of lopsided hours and compensation.
- You need to create a financial action plan on the 10-12 challenge: work 10 months, budget for 12.
- People often live large on paychecks when they're busy, and end up in the hole in lean months.



Apprentice Success and the 10-12 Challenge (continued)

Common obstacles include:

- “Cigar box” budgeting: put money in, take money out, and what’s left over is what’s available
- “It’s burning a hole in my pocket”:
spending every penny you’ve got



Journeyman Success and the Construction Cycle

- Roughly every seven to ten years, the construction industry goes through a downturn.
- Construction gets hit by recessions, interest rate changes, and more.
- Downturns are predictable.
- Tip-offs include hearing “recession” or “new housing starts are down” in news reports.



Emergency Funds

- Always have money saved for emergencies.
- Most financial planners recommend having six months in reserve.
- A few thousand bucks saved can make the difference between staying afloat or going under.



Planning for Downtime

- General construction runs hard from roughly March through November.
- Many of you receive some vacation pay— Money that’s deposited on your behalf for every hour you work, but it won’t cover your bills for 2–3 months.
- Vacation Pay can help cover seasonal income gap.
- Don’t “pre-spend” it as take-home pay.



Budgeting for 10-12

- Do you know how much you can afford to spend every day, week, month, and year?
- In order to create a 10-12 financial budget, do a budget analysis first to give you a starting point.



The 10-12 Financial Formula

- Calculate one year's take-home pay
Average 1,500 hours x hourly wage – taxes =
\$_____
- Divide this number by 12
\$_____ / 12 = your monthly income
- Multiply your monthly income by 2
\$_____ x 2 = \$_____ = the reserve amount
you will need every year for two months of living
expenses while you're out of work



The 10-12 Financial Formula

(continued)

- Take the reserve amount and divide it by 10
 $\$ \underline{\hspace{2cm}} / 10 = \$ \underline{\hspace{2cm}}$
- This is how much you need to save each month you work to meet the 10-12 challenge.
- Monthly savings
 $\$ \underline{\hspace{2cm}} \times 10 = \$ \underline{\hspace{2cm}}$ two-month reserve



Basic Budget Calculation and Worksheet

- Create a worksheet based on the following lists:
 - **Must spend:** things that must be paid for every month, such as rent, food, insurance, and child support
 - **Plan to spend:** stuff you need but not necessary right now, such as a new roof, new tires, etc...
 - **Wish list:** stuff you want, such as a new boat, shotgun, HDTV, or vacation next year



Digging a Hole by Playing Pretend

- Roughly 20% of construction workers end up in financial trouble.
- Ignoring money is like walking onto a job site blindfolded—*if you can't see where you are, you can't see where you're going.*



Increasing Construction Income

- The following are simple ways to boost your income on the job:
 - Take all the overtime you can get.
 - Take whatever work is offered.
 - Don't call in sick.
 - Get supplemental upgrade training.
 - Make sure your supervisor and boss know who you are.
 - Shoot for certified or supervisory positions that create premium pay.
 - Stay healthy.
 - Work hard and don't make excuses.



Good Money and a Great Opportunity

- Here's how union construction earnings compare to the rest of the country:
 - In 2006 half the population in the US made less than \$48,200 a year.
 - 47 million people do not have any health insurance.
 - 36.5 million people live below the poverty line (roughly \$20,000 or less for a family of four).
 - Less than 50% of US workers have any retirement plan at all.



Online Resources

- CNNMoney.com—Making a Budget
http://cgi.money.cnn.com/tools/budget_101/budget_101.jsp
- Kiplinger.com—A Budget for Today and Tomorrow
<http://www.kiplinger.com/tools/budget/>



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Chapter 3:

Managing Your Earnings for Work-Life Success



Setting Work-Life Financial Goals

- Research shows that those who write down their goals are more likely to attain them.
- Without goals, people have nothing to work toward.
- Goals help you guide your life instead of letting life guide you.



Getting Organized vs. Piles of Crap

- Designate a place in your home where you'll handle your finances.
- Get the following office supplies:
 - file holder with at least three slots for “bills to pay,” “bills paid,” and “stuff to file”
 - self-sealing envelopes
 - stamps



Getting Organized vs. Piles of Crap (continued)

- More office supplies:
 - a filing cabinet
 - a fireproof box
 - file folders
 - a shredder
 - a wall calendar
 - a waste basket
- Once a month file your important stuff.



Getting Organized vs. Piles of Crap (continued)

- Create a folder for each of the following:
 - union membership and benefits
 - credit card
 - insurance
 - automotive
 - payroll stubs and W-2s (T-4s for Canadians)
 - taxes
 - warranties and instructions
 - will and other personal documents
 - credit files (car payments, utilities, phone, etc.)
 - kids' records, artwork, and school



Hiring Professionals

- Some financial tasks are best left to the pros.
- Below is a list of professionals to consider hiring:
 - insurance agents
 - lawyers
 - realtors and mortgage brokers
 - bookkeepers/accountants
 - tax preparers
 - home improvement contractors



Hiring Professionals (continued)

- Follow these guidelines when you hire a professional:
 - Don't just hire your friends.
 - Check references.
 - Be very clear and detailed about your expectations, contractual terms, and payment terms.
 - Don't hesitate to call people out on performance.
 - Offer to provide a good reference.
 - Don't hesitate to fire someone.



Basic Banking

- Banking is a necessity in the modern world. Without it, you're throwing money away.
- You need both a checking account and a savings account.
- Cashing a check feels great, but it's hard to hang onto the cash.



Checking Accounts

- Checking accounts save time and money.
- Most banks charge a flat monthly fee of around \$10 or less if you keep a minimum amount in the account.
- Without a bank account, you'll pay hundreds of dollars in cash checking fees and buying money orders to pay your bills.



Savings Accounts

- Open a savings account, so you'll have a place to put your rainy-day money.
- This is where you would put your 10-12 buffer money.
- Savings accounts pay interest on your money.



Opening Your Accounts

- Don't be intimidated by banks. Just follow a few easy steps, and you'll have an account open in no time.
- Visit a bank or credit union and bring your ID and Social Security card with you.
- Tell them you want an ATM or debit card linked to your checking account.



Opening Your Accounts (continued)

- It's a good idea to open your account with as much money as you can.
- Banks look at opening deposits when you apply for a loan.
- Also, a large opening deposit can qualify you for lower fees and other advantages.



Online Banking

- Banking online is secure and convenient.
- It takes the guesswork out of balancing your checking account because you can check it 24 hours a day, 7 days a week.



Online Banking (continued)

- It allows you to pay your bills online.
- It eliminates the need for envelopes, stamps, and late fees.
- You can schedule your bill payments.



ATMs

- An ATM is a fast and easy way to get cash from your bank account.
- Use your own bank's ATMs to avoid fees, which typically run from \$1.50 up to \$3.00.
- Keep your receipts to keep track of your transactions.
- Take out the least amount of cash you need.



Direct Deposit

- Reasons to set up direct deposit include:
 - It saves trips to the bank.
 - It encourages people to have a relationship with a bank.
 - It keeps people from cashing checks at bars, stores, and other places where unnecessary spending may occur.



Little Things Add Up

- Identify the little things that take away from your finances.
- By eating breakfast at home, brown bagging your lunch, carpooling, and giving up smoking (or going down to half a pack), you'll save between \$4,000 and \$5,000 a year.
- Saving a little bit of money every couple of days can add up over time.



Online Resources

- About.com—Choosing a Bank

<http://banking.about.com/od/savings/a/chooseabank.htm>



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Chapter 4:

Strategic Buying and Selling



Financing Purchases (*or not*)

- Be aware of “no payments until next year” purchases.
- Often the payments come due sooner than you realize.



Impulse Buying vs. Planned Purchases

- Stores bet on shoppers to be impulse buyers.
- Planning and researching big purchases (anything over \$250–\$500) will pay off in the long run.
- Remember: After the thrill of an impulse purchase is gone, how much you paid for it will remain.



Possession vs. Utilization

- Marketers are constantly trying to convince us we need more stuff.
- Before you purchase any major nonessential item, such as a boat, snowmobile, or RV, ask yourself how much you'll actually use it over three years.
- All of these items require extra expenses, such as gas, insurance, and general maintenance costs.
- Consider renting these items when you have time to use them. It will be smarter and cheaper in the long run.



Basic Negotiation Strategies for Buying and Selling

- Basic strategies include:
 - Don't be afraid to bargain.
 - Don't allow emotions to cloud your judgment.
 - Pay cash at the point of sale.
 - Have good price information.
 - Always leave something on the table.



Buying Decisions: Price vs. Value

- It's important to pay attention to price, but pay more attention to value.
- Decide what items are worth top dollar to you and what items you could spend less on.
- Don't buy things just for status.
- Think of things you can buy discounted or pre-owned for major savings.
- Result will maximize the value of every dollar you spend.



Private Party and Internet Purchases

- Private party purchases are good options to get deep discounts on goods.
- Look at newspapers, *PennySaver*, want ads, and Craigslist.com—a community website where people buy and sell goods.
- Consider making purchases through the Internet in order to save on sales tax.



Buying a Car

- Cons of buying a new car:
 - New cars depreciate 10–20% off the sticker price the instant you drive them off the lot.
 - Plus you're likely to be sold things you don't need or want.



Buying a Car (continued)

Tips for buying a used car:

- Pre-qualify for your loan.
- Consider lease turn backs.
- Use an auto broker.
- Go to Kelley Blue Book online (KBB.com).
- Compare pricing information.
- Check out the car's title and condition at Carfax.com.



Saving on Car Insurance

- Good car insurance can cost between \$500 and \$1,000 per year.
- Check into the following discounts:
 - good driver discount
 - combining homeowners insurance with auto to get 20% off
 - defensive driving school (5–10% off)
 - multiple vehicle discount
 - good student discount
 - high deductible discount



Saving on Car Rental Insurance

- To avoid expensive car rental insurance:
 - Confirm that your primary auto insurance is a “drive anything” plan that covers any vehicle you drive, including rentals.
 - Check with your credit company to see if it includes rental car insurance coverage.



Buying a Home

- A home is a good investment.
- There are significant tax savings.
- Don't saddle yourself with an excessive house payment.
- Your construction skills are a big plus if you buy a fixer-upper.



Home Mortgages

- Do your homework before you sign up for a mortgage.
- Here are a few basic mortgage definitions:
 - **Fixed-rate:** The interest rate stays the same for the length of the mortgage.
 - **Adjustable-rate:** The interest rate will change over the life of the mortgage.
 - **Interest-only:** Monthly payments are lower because you're only paying the interest, not the principal.



Online Resources

- Craigslist.com
<http://www.craigslist.com>
- Kelley Blue Book
<http://www.kbb.com>
- US Department of Housing and Urban Development (HUD)
<http://www.hud.gov/offices/hsg/sfh/buying/glossary.cfm>



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Chapter 5: Credit = Debt



Credit Card Basics

- Credit card companies make it easier for you to spend more than you can afford.
- Most people don't think about how much they've already charged this month when they reach for their credit card.



Credit Cards: By the Numbers

- There are approximately 650 million credit cards in circulation in the US.
- Americans spend more than \$1.5 trillion per year using credit cards.
- The banking industry makes more than \$30 billion dollars per year from the interest it charges people.
- The average American's credit card debt is \$8,562.



Picking a Card: Interest Rates and Rewards

- If you carry a balance, pick a card with the lowest interest rate.
- You can perform a search on the Internet to compare interest rates from credit companies.
- Many credit cards give out airline miles or other redeemable rewards. Choose a reward program that you'll use.
- If you're a member of a credit union, check with it first. It may have the best option for you.



Debit Cards vs. Credit Cards

- Debit cards are a good way to avoid credit card bills.
- Debit cards take the money right out of your checking account.
- Keep track of your debits by entering them in your checkbook.



Minimum Payments: 30 Years in the Hole

- The minimum payment squeezes more money out of you.
- Example:
 - If you owe \$10,000 with a 16–18% interest rate and make the minimum payment (about 2.5% of the balance or \$250), it will take you 382 payments (31.8 years) to pay it off.
 - You'll pay more than \$14,000 in interest.



Paying Down Your Debt

- Paying the minimum is not an effective way to get rid of credit card debt.
- You need to attack debt aggressively by increasing payments.
- Tip: Always pay down the card with the highest interest rate first.
- Be aware that credit card companies can increase your interest rate if you're late paying your bills.



Credit Reports and Ratings

- A credit report is a detailed breakdown of your credit history.
- It includes payment history on loans and credit cards, bankruptcies, and unpaid judgments.
- Your credit rating impacts your ability to get the best credit terms on everything you buy, especially big-ticket items such as cars and houses.
- If your credit rating is poor, you'll pay higher interest rates or you may not be able to get credit at all.



How to Maintain a Decent Credit Rating

- Tips to maintain a decent credit rating:
 - Pay your bills on time.
 - Keep credit card balances as low as possible.
 - Check your credit report for accuracy every year.
 - Pay off debt rather than moving it around.
 - Build a positive credit history.
 - Don't open multiple accounts too quickly.
 - Don't open new credit card accounts if you don't need them.
 - Don't close an account thinking it'll be removed from your record.



Credit Card Consolidation

- If your credit card debt is too large, consider consolidating your payments.
- It will not improve your credit score, but you can often arrange better payment terms and lower payments.
- Contact your bank or credit union to learn more about debt consolidation.



Major Credit Card Debt

- Consider these common sense steps for managing major credit card debt:
 - Stop using your cards.
 - Keep making the minimum payment on time.
 - Lower your interest rate.
 - Pay off your debt by making larger payments each month.



Payday Loans

- The payday loan industry is a \$40 billion enterprise.
- Often the interest rates it charges people are criminal.
- Payday loans require you to pay a fixed amount every week or two weeks (on payday) at interest rates that can exceed 500%.
- Avoid payday loans at all costs.



Online Resources

- Bankrate.com
<http://www.bankrate.com>
- The Motley Fool.com—Calculators
<http://www.fool.com/calcs/calculators.htm>
- Credit Reports
 - Equifax.com—Credit Report
<http://www.equifax.com/>
 - Experian—Credit Report
<http://www.experian.com/>
 - TransUnion—Credit Report
<http://www.transunion.com/>



Online Resources (continued)

- Bankrate.com—How Credit Scores Work

<http://www.bankrate.com/brm/news/credit-scoring/20031104a1.asp>

- The Motley Fool.com—Should I Consolidate My Credit Cards?

<http://partners.leadfusion.com/tools/motleyfool/card08/tool.fcs>



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Chapter 6:

Taxes, Saving, and Wealth



Taxes: Who's Your Daddy? Uncle Sam

- Taxes make a significant impact on your earnings.
- You work from Jan. 1st to roughly April 30th every year just to pay your taxes.
- You work the first week and a half of every month to pay your taxes.
- You work the first two and a half hours on the job each day for Uncle Sam.



Tips for Minimizing Your Taxes

- Buy a house and take the mortgage deduction (US only).
- Make sure you have enough withheld from your paycheck so you don't owe anything extra come April 15th.
- Deduct your charitable donations.



(Lame) Excuses for Failing to Save

- Don't fall for these excuses when it comes to saving:
 - I don't make enough money.
Remember. Saving is a behavior not an amount.
 - I'll start next week.
 - I earned it. I deserve to spend it.
 - I'm making an investment (when buying a "want" instead of a "need").
 - Other people I know don't save.
 - It's too late for me to start.



Wealth

- Consider the following ways to increase the return on your money:
 - Money market funds usually pay higher interest rates.
 - Check your credit union's rates for higher interest rates on accounts.
 - Compare bank rates on Bankrate.com.
 - Ask your bank whether it has certificates of deposit (CDs).



Wealth (continued)

- Once you've committed to a savings plan, you'll see your investment increase due to compound interest.
- Compound interest is the concept of adding accumulated interest back to the principal, so that interest is earned on interest from that moment on.
- For example:
 - If you put \$1,000 in a savings account earning 5% per year and you didn't touch it for 5 years, you would earn \$276.28...just for saving!



Investing Your Money

- If you're in a position to invest your money, then consult professionals who can help you move your savings to the next level.



Online Resources

- Bankrate.com—Checking & Savings Rates
http://www.bankrate.com/gokeyword/rate/chk_sav_home.asp
- The Motley Fool—Investing Basics
<http://www.fool.com/investing/basics/index.aspx>
- Kiplinger.com—Tax Tips
<http://www.kiplinger.com/columns/taxtips/>
- Bankrate.com—Compound Interest Calculator
<http://www.bankrate.com/brm/news/sav/2006savmg/savings-calc.asp>



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Chapter 7:

Protecting Your Ass, Assets, and Future



Protecting Yourself and Your Family

- Life and work responsibility is not just about managing your income and resources.
- It's important to plan for the unexpected.



Disability Insurance: Plugging the Income Gaps

- It's not uncommon to have an extended period of being unable to work due to an injury or illness, especially in the trades.
- Disability insurance provides income when you're too sick or injured to work.
- It's a safety net that ensures you won't be caught without an income if you become injured.
- Depending on the policy, it takes 30, 60, or 90 days before you'll begin receiving payments.



Car Insurance: A Case Study

- Without car insurance, you could be in danger of being totally financially wiped out if you're in an accident.
- Dealing with an injury and a totaled car can cost you upwards of \$10,000.
- Good insurance may not be cheap, but it's a bargain compared to not having enough coverage.



Early Exit: Life Insurance

- Life insurance can protect your family from financial hardship should you die unexpectedly.
- Consider purchasing a “term life” policy.
- Term life policies charge you a relatively low premium for \$100,000–\$300,000 in coverage.
- The coverage is limited for a “term,” e.g., as long as you continue to pay the monthly or annual premium.
- If you die within the term, the policy pays your survivors.



A Will to Live, a Will to Die

- A will can protect your family from having to sort out and deal with financial issues.
- If you have a spouse and/or children, you need a will.
- You can get a basic will kit on the Web.



Medical Power-of-Attorney

- A medical power-of-attorney is a legal document that gives someone the legal power to make medical decisions on your behalf in case you're unable to make them for yourself.
- This is a big responsibility, and you should have an honest and serious conversation with the person you choose who will act on your behalf.



On (Not) Being a Co-Signer

- A co-signer is someone with good credit who essentially promises to make the payments in case the borrower defaults on the loan.
- Being a co-signer means you assume the credit and financial risk for someone else.
- Nationwide, at least 10% of all co-signed loans go into default.



On (Not) Being a Co-Signer

(continued)

- If you do become a co-signer, follow these tips:
 - Make sure your name is on the title of the asset.
 - Make sure you have a set of keys or access to the asset in case you have to take possession.
 - If your co-signee has stopped making payments, contact the lender immediately. The lender may give you a grace period or modify the payment term.
 - Make sure the asset is fully insured. If the co-signee stopped paying the loan, he or she probably stopped paying insurance as well.



Protecting Your ID

- Each year, 10 million people are hit with some form of ID theft or fraud.
- The highest rates of ID theft and fraud are perpetrated against 23–35 year olds.



Protecting Your ID (continued)

- Follow these tips to protect yourself against ID theft:
 - Create “strong” passwords for your online accounts. Use a combination of numbers and upper- and lower-case letters. Don’t use birthdays, kid’s names, pets’ names, etc.
 - Don’t carry your Social Security card or number in your wallet.
 - Don’t write down passwords and keep them near your computer.
 - Never give out your passwords to anyone.



Protecting Your ID (continued)

- More tips to protect yourself against ID theft:
 - Shred all credit card offers that come in the mail.
 - Don't give out personal information to anyone who calls you on the phone or on any unsecured website.
 - Don't respond to unsolicited bank emails telling you there's a problem with your account.
 - Don't give people, stores, or other organizations information they don't need.



Online Resources

- The Motley Fool—Insurance Center
<http://www.fool.com/insurancecenter/disability/disability.htm>
- LawDepot.com—Automated Legal Forms
<http://www.lawdepot.com/contracts/groups/estate/>
- US Social Security—Identity Theft and Your Social Security Number
<http://www.ssa.gov/pubs/10064.html>
- US FTC—Identity Theft Site
<http://www.ftc.gov/bcp/edu/microsites/idtheft/>



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Chapter 8: For Spouses Only



Communication

- Communication can help minimize arguments about money.
- Communicating upfront about your financial game plan is very important.



Questions to Ask Your Spouse

- Who's going to handle paying the bills?
- Are we going to have joint or separate bank accounts?
- Are we going to keep household money in a separate account or combine it with our general funds?
- What is our agreement on spending and using credit cards?



Questions to Ask Your Spouse (continued)

- How are we going to use ATMs?
- How much walking around cash do we need each week?
- What is our savings goal per month, and where does it fit in our priorities?
- Does it matter who makes more when we make decisions?
- When should we review these decisions if we want to change them?



A Team Approach

- People have different strengths and risk tolerances that make managing money a team approach.
- Work together to assign financial responsibilities so they don't all fall to one person.



A Team Approach (continued)

- Examples include:
 - paying monthly bills
 - setting up wills and medical powers-of-attorney
 - checking on union benefits and coverage
 - setting up a household budget
 - making and negotiating major purchases



A Team Approach (continued)

- More examples include:
 - selecting professionals (real estate, bank, insurance, etc.)
 - figuring out college financing
 - dealing with bill collectors, if applicable
 - determining what to do with investments, inheritances, and such
 - making sure you keep each other involved and informed



Spouses Deserve the Big Picture

- Spouses should stay informed about the construction industry.
- Here are some ways to be involved:
 - Read all information sent to your spouse from the union trust funds.
 - Read all union newsletters and bulletins.



Spouses Deserve the Big Picture (continued)

- More ways to be involved:
 - Attend union meetings and events when appropriate.
 - Visit the union website for news.
 - Identify upgrade training and other opportunities available to your spouse during the slow season.



Holding Down the Fort

- Here are a few tips for spouses who need to hold down the fort while their spouses are working out of town or lots of overtime:
 - Before a heavy OT or out-of-town job starts, spend quality time together.
 - Identify a support network you can join.



Holding Down the Fort (continued)

- More tips to hold down the fort:
 - Consider asking your employer to allow you to alter your hours for the duration of the project.
 - Remember that flying solo is only temporary. Hang in there!



Leveraging Spouse Benefits

- Well over 50% of spouses work outside the home.
- Often their employers will offer overlapping, duplicate, or complementary benefits.
- It's a good idea to review benefits annually as a way to increase your savings.



Leveraging Spouse Benefits

(continued)

- Here are a few points to consider:
 - Some companies allow unused health insurance benefits to be converted to extra pay.
 - Many employers offer Health Savings Accounts that can boost tax advantages.
 - Check to see whether your spouse can deduct pre-tax dollars to pay for child care and/or medical expenses.
 - Look into enrolling in a retirement or matching 401(k) plan to maximize saving opportunities.



Spousal Support (the Good Kind)

- Never underestimate the impact of your support and belief in your spouse.
- Constant complaining can discourage your partner by diminishing his or her self-esteem and self-image.
- You are your spouse's best cheerleader.



Online Resources

- *ADD YOUR UNION'S WEBSITE ADDRESS HERE.*



Questions?



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Chapter 9:

Very Personal Finances



Doing for Others

- The US is the largest giving nation in the world.
- Americans contribute more than \$100 billion a year nationwide and around the world.
- Never forget that there are people in the world less fortunate than you are.
- If you're capable of giving to others or doing for others, why not do it?
- Consider donating some money or time to a charity you believe is valuable.



Family and Money

- Here are a few things to keep in mind:
 - Family members sometimes have widely varying and often unrealistic expectations when it comes to borrowing, lending, and payback schedules.
 - Family members may judge, harbor resentment against, and have unrealistic expectations about those doing better or worse than they are.
 - When estates change hands, families can be stressed over disbursements if a strong executor is not in control.



Lending and Borrowing Money

- Lending and/or borrowing money between friends and family can be tricky and difficult.
- Most people will tell you not to do it.



Lending and Borrowing Money

(continued)

- If you find yourself in a position where you are considering lending or borrowing funds, consider using a company, such as Virgin Money, to act as a go-between. For a fee, these companies collect and disburse payments.
- This arrangement makes transactions more professional.



Divorce and Finance

- When faced with a divorce, keep the following in mind:
 - Keep a level head to stay focused on the issues that need to be resolved, not your emotions.
 - Try to compress the legal and financial issues into the shortest possible timeframe.
 - Try to control your legal costs by not dragging out the divorce.
 - Consider using a mediator as an economical and practical alternative to a divorce lawyer.



Obligations: Child Support

- Keep your child support payments current.
- Missing enough payments may result in having your wages garnished.
- Child support is about your children, not your ex.
- You'll have self-worth, pride in parenting, and the love and loyalty of your kids.



Online Resources

- Networkforgood.org
<http://www.networkforgood.org/donate/>
- United Way
<http://www.liveunited.org/>
- VirginMoney
<http://www.virginmoneyus.com/>
- DivorceCenter
<http://www.divorcenter.org/>



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Managing Your Money for Work-Life Success



Chapter 10: Financial Troubles



Are You in Deep?

- Many people put off dealing with their financial problems until they're in over their heads.
- An estimated 10–20% of union construction workers have their wages garnished to pay off their taxes, obligations, or debts.



Getting Help

- Seek help to turn your financial situation around.
- Look into credit counseling.
- When looking for a credit counseling service, make sure its profile includes:
 - a good record with the Better Business Bureau
 - a long-term track record
 - education resources and certified counselors
 - a low-cost, reasonable fee structure



Debt Management

- If you find yourself with no possible way to repay your debt, tell your creditors where you stand.
- Creditors may renegotiate your debt.
- A credit counselor can create a debt management plan to help you map out a timeline and payment schedule based on your income.



Bankruptcy

- Bankruptcy should be considered an absolute last resort to pay off your debt after all other options have been explored.
- It is not an easy way out.
- Bankruptcy stays on your credit report for 10 years.



Bankruptcy (continued)

- There are two forms of bankruptcy you should know about:
- **Chapter 7 bankruptcy** eliminates most debts and relieves you of your responsibility of paying most creditors.
- You still have to pay taxes, child support, alimony, student loans, legal judgments against you, and loans not listed in the filing.



Bankruptcy (continued)

- **Chapter 13 bankruptcy** requires you to pay back all or part of your debt.
- It creates a “new game plan.”
- A repayment plan is based on your resources and can last from 3–5 years.



Online Resources

- National Foundation for Credit Counseling
<http://www.nfcc.org/>
- DebtAdvice.org
<http://www.debtadvice.org/>
- Better Business Bureau
<http://welcome.bbb.org/>



Questions?



Million Dollar Blue Collar

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Chapter 11:

Union Resources, Union Benefits



Union Benefits

- As a union member, you have access to health benefits and pension benefits.
- Healthcare coverage for a family can cost around \$900–\$1,200 a month.
- That's a net benefit to you and your family of more than \$10,000 per year.
- Most non-union employers do not offer these benefits.



Pension Benefits

- Take the time to understand your pension program in order to get the most benefits.
- For a **defined benefit program**: You earn credits each year, with each credit representing a certain amount of money that you'll receive every month after you retire.



Pension Benefits (continued)

- For a **defined contribution program**: You and your employer invest money in regular stocks and mutual funds. The amount you'll receive once you retire depends on how well the investments do over time.



Pension Program

- Follow these tips to keep track of your pension program:
 - Make sure you work enough hours each year to qualify for your pension program credit.
 - If you're not sure where you stand, contact your trust fund office to verify how many credits you have.



Pension Program (continued)

- More tips to keep track of your pension program:
 - Check with your pension program regularly to make sure your hours and credits are correct.
 - Make sure your employer is ethical and up to date with your pension contributions.
 - Check the availability of annuity programs. You might be able to direct some of your income into an annuity that will provide supplemental retirement income.



Saving for Your Retirement

- Key points to consider:
 - When you're a young apprentice, you tend to focus on what you take home each week.
 - Studies show that most people are poorly prepared for retirement.
 - Remember: The sooner you start saving, the longer you'll have to accumulate wealth.



Online Resources

- Employee Benefits Security Administration
<http://www.dol.gov/ebsa/>
- Pension Rights Center
<http://www.pensionrights.org>
- US DOL—What You Should Know About Your Retirement Plan
http://www.dol.gov/ebsa/publications/wyska_pr.html



Questions?

