## If it Ain't About the Money Intro

A real-world guide to a more balanced life.

#### What Is Wealth Inequality

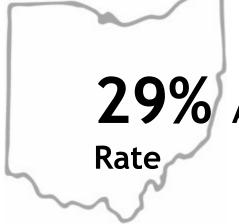
- Video: <u>http://mashable.com/2013/03/02/wealth-inequality/</u>
- Q: What do you think of this information?
- Q: How does it make you feel?
- Q: What do you think the cause of this disparity is?
- What is your money's job for you? (Write your answer)
- What are your frustrations when it comes to work and money

#### The System

- The welfare system is not a system set up for financial growth.
- Minimum wage for the state of Ohio is \$7.85. This is not consider a "living wage."
- Why is this happening??????

#### Working Poor Families in Ohio





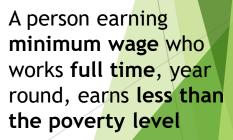
## 10.6% Poverty Rate

#### Asset Poverty

Families do not have savings or other assets to cover basic expenses for 3 months if an emergency leads to loss of income

In Ohio, people are working minimum wage but still relying on public assistance:

- **31.8%** of Ohio families are low income
- 66.6% of low income families in Ohio work
  - **24.9%** of poor Ohio families are receiving cash public assistance



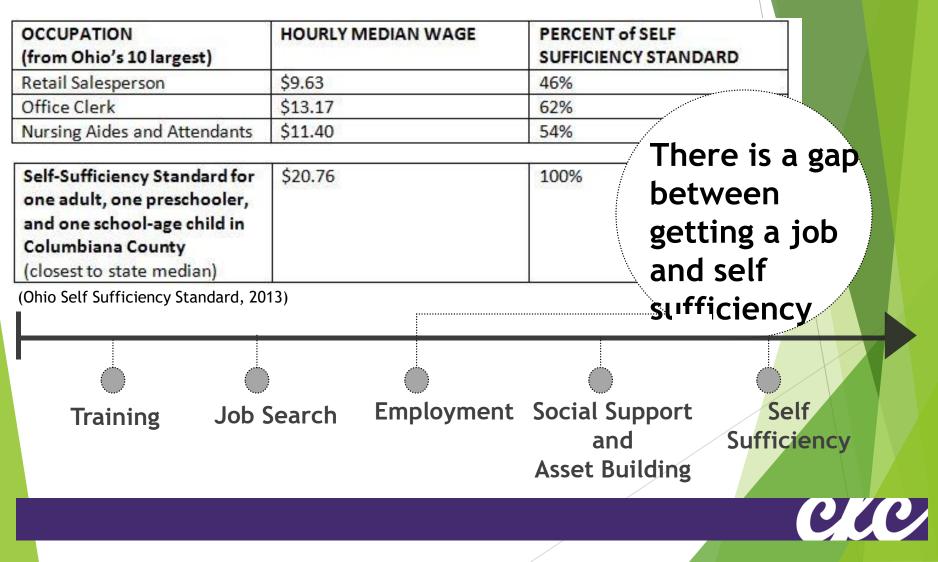
(Center for Community Solutions)



#### **Getting to Self-Sufficiency**



**Self-Sufficiency Standard** measures how much income a family needs to adequately meet basic needs



### **Our Responsibility**

- According to Tope Fajingbesi we all have a money color.
- 1) Green: Always thinking about how your money can make more money.
- 2) Blue: You save, but do not want to invest because of the fear of losing money.
- 3) Yellow: Goes by the motto, "Work Hard, Play Hard." Not necessarily in debt.
- 4) Gray: Never spends money; will rotate through the same 4-5 shirts every week.
- 5) Red: In debt, no delayed gratification mechanism, spends as soon as it's received.

Take a moment to think about what color your money is. What color do you want it to be?

#### Activity

List our top 5 money needs.

Discussion



#### Closing

What have you learned? Has anything been affirmed for you?

As you go through the next week I want you to track your spending for 7 days. Write down EVERYTHING you spend money on no matter how big or how small. It does not matter if it is a need or a want, if you hand money over to ANYONE write it down.

# Discovering the Truth About Your Money

Overview: Needs vs Wants video:

#### Review

- Here's a quick recap of what we talked about.
- How much do you plan to pay yourself this week?

# Maslow's Hierarchy of Needs diagram (MHN)



#### **Basic Needs**

- Food
- Shelter
- Physical Safety
- Health
- Resources
- Achievement
- Respect For Other and For Ourselves

"Maslow noted only 1 in 100 people become fully self-actualized, because our society rewards motivation primarily based on esteem, love, and other social needs."

#### **Building wealth**

Wealth is.....

#### Definition

- wealth
- noun
- an abundance of valuable possessions or money.
- the state of being rich; material prosperity.
- plentiful supplies of a particular resource.

#### Wealth Creation Basics

What are assets?

What are liabilities

#### Homework

- Write out all of your mandatory expenses for a month.
- ONLY MANDATORY!!!
- We will talk about how to include the things that do not come up regularly.

#### How to Stop Living Paycheck to Paycheck

#### Review

Pay yourself first!!!

Keep a record of your monthly expenses!



### \$\$ How Much \$\$

The most surprising thing about how to stop living paycheck to paycheck is to know much money you need each month.

#### Easy Peasy

Add up all of your necessary monthly expenses. This is the amount you need to save in order to stop living pay check to pay check.

# Emergency!!!

How much is enough?

#### What is emergency savings?

An emergency savings fund consists of a small amount of money, usually in a savings account, that you do not have easy access to. Saving for this fund starts with small, regularly scheduled contributions that build up over time.

#### **Emergency expenditures**

- Emergency expenditures can range from the bill for an unexpected car repair to living expenses that are tough to cover because of a layoff.
- What are some emergencies you would like to save for?

#### What are emergencies?

repairing the brakes on your car; buying your child a new pair of needed shoes; replacing a broken window in your house; paying for a visit to the doctor when your child has the flu; covering the dental expense of filling a painful cavity; paying for a parking ticket; or flying to visit a sick parent. -

#### Where to find extra money

- Start with the loose change you accumulate.
- 54 Ways to Save Money

#### This Will Happen!!!!

#### Murphy's Law

"If anything can go wrong, it will"

#### Homework

- Figure out how you will start your emergency fund savings.
- When we have our coaching session not only the plan, but START!!

## Debt be Gone

Working towards being debt free

#### Review

- Changing the way you think about money
- Tracking expenses
- Stop paycheck to paycheck living
- Emergency fund

#### Debt

- Debt is defined as, the state of owing money.
- Why do we get into debt?



#### **Common Types**

- Credit card
- Student Loans
- Payday loans/Cash advances

#### **Basic Steps**

The basic steps are things that we have already talked about. By the time you are ready to tackle your debt you would have already:

- 1. Budgeted and Saved
- 2. Cut Expenses
- 3. Tracking your expenses
- 4. Set some goals

#### Next Steps

- Depending on the amount of debt and the type you may want to pay off the one with the highest interest.
- I like small victories. I personally like the "snowball" plan. Start small and tackle them from smallest to largest.

#### Beware!!

- Avoiding payday lenders and title loans
- Video Watch SPENT: <u>https://www.youtube.com/watch?v=YAxL4TB6pmQ</u>

#### Credit Report

Check your credit report. People often find mistakes that can heavily effect your credit score.

### Discussion on Spending Tracking

- Any surprises?
- Did you find yourself thinking more about what you spent or gave away?
- Was there any thing different about your spending on either of the two days?

#### **Coaching sessions**

- How was your homework assignment?
- What were results?



#### Review

- Week 1: Change the way you see your money. Is there money there that you didn't know??
- Week 2: Spending. Are your spending habits aligned with the way you see your money? Track your spending in order to align your spending with financial goals.
- Week 3: Paycheck 2 Paycheck. Discovering your "magic" number for ending paycheck to paycheck living.

#### Homework Review

How did it go?

Does every \$ have a name?

#### Homework

- What's your emergency fund plan?
- How much is in it?



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