

If it Ain't About the Money

Intro

A real-world guide to a more balanced life.

What Is Wealth Inequality

- ▶ Video: <http://mashable.com/2013/03/02/wealth-inequality/>
- ▶ 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



A person earning **minimum wage** who works **full time**, year round, earns **less than the poverty level**

(Center for Community Solutions)

Getting to Self-Sufficiency

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

OCCUPATION (from Ohio's 10 largest)	HOURLY MEDIAN WAGE	PERCENT of SELF SUFFICIENCY STANDARD
Retail Salesperson	\$9.63	46%
Office Clerk	\$13.17	62%
Nursing Aides and Attendants	\$11.40	54%
Self-Sufficiency Standard for one adult, one preschooler, and one school-age child in Columbiana County (closest to state median)	\$20.76	100%

(Ohio Self Sufficiency Standard, 2013)

There is a gap
between
getting a job
and self
sufficiency

Training

Job Search

Employment

Social Support
and
Asset Building

Self
Sufficiency

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

I Spent What?!?

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.

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.

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the left and right sides of the frame, creating a modern, layered effect. The central area is a plain white space where the text is located.

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.

The background features abstract, overlapping green geometric shapes in various shades, including light lime green, medium green, and dark forest green. These shapes are primarily located on the left and right sides of the frame, creating a modern, dynamic feel. The central area is a plain white space where the text is located.

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:
<https://www.youtube.com/watch?v=YAxL4TB6pmQ>

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?

Attribution, Licensing and ADA Compliance

If you are having challenges using the [SkillsCommons.org](https://skillscommons.org) materials, please contact us at support@skillscommons.org and we will work with you to resolve the accessibility challenges and/or provide an equally effective alternative access using the Equally Effective Access Planning Tool developed by the California State University. SkillsCommons is committed to supporting the progressive standard set by Section 508 of the Rehabilitation Act of 1973.

This workforce solution was funded by a grant awarded by the U.S Department of Labor's Employment and Training Administration. The solution was created by the grantee and does not necessarily reflect the official position of the U.S Department of Labor. The Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership.



This work is licensed under the Creative Commons Attribution 4.0 International License. It is attributed to Ohio TechNet, HHW Ohio and the Center for Energy Workforce Development. To view a copy of this license, visit <http://creativecommons.org/licenses/by/4.0/>.