



April / May 2010

Putting Out Fires

The Simple Dollar (<http://www.thesimpledollar.com/2010/02/10/putting-out-fires/>)

Recently, I had a long conversation with an old friend of mine whose opinions and ideas I value greatly.

He asked me what personal finance mistake I see people asking me about the most often on The Simple Dollar and, after a bit of thought, I told him that the most frequent mistake I see is that people are constantly blindsided by unexpected events. They plan for their lives to go incredibly smoothly, but when something disrupts that smoothness, they're often in panic mode. Even small things, like a car repair issue, can upset all of their plans and send them back into debt.

"Well, how do you solve that?" he asked.

The answer is fairly straightforward. Have a nice cash emergency fund in place. Make sure you have the insurance that you need – life insurance and so on. Keep working on your skills, particularly ones that transfer well from job to job.

When you *don't* do these things, the unexpected events in our lives catch us blindsided and unprepared.

He thought for a bit and then said something quite thought-provoking. "Most people spend an awful lot of their time running around putting out fires in their life. Your argument is that a bit of time spent now to prevent those fires ends up saving a ton of time and money over the long run."

Bingo. Most of the unexpected expense in adult life comes from running to the fire, not putting the fire out.

We *know* that eventually our car is going to break down. We *know* that there's always a chance that we could lose our jobs. We *know* that our appliances are going to fail in our home sometime in the next few years.

Yet many of us never think about it. Instead, we enjoy our lives under the assumption that these bad things will never happen.

And when they do, they hit like an atom bomb. We start living off of credit cards, racking up debt like there's no tomorrow. We finance the repairs and find ourselves giving more money in interest than we give for the actual purchase. We waste time shuffling our money around, robbing Peter to pay Paul.

It's stressful. It's time consuming. It's a guaranteed waste of money. And sometimes it catches up to you and bites you hard.

What's the alternative? Spending less than you earn – even if only by a little bit – and simply socking away the rest. The exact method of “socking it away” can be argued and analyzed until the cow comes home, but the person putting \$5 a week into a 0.5% savings account will always beat the person saving nothing at all.

Many people push back against this because they're already spending everything they bring in and they simply feel there's no room for such savings and planning.

Here's a very simple solution for all of you who are finding that you're putting out way too many fires each day.

Find five simple things to change in your life. Maybe you can skip a morning coffee two days a week. Maybe you can install a programmable thermostat in your home. Maybe you can start a carpool. Maybe you can cook at home one more night a week. Maybe you can switch to a generic product from the name brand.

Find five little routine things to change in your life. Just little things – nothing big or life altering.

Once you've switched, figure out how much each of these things is saving you per week. The coffee routine change saves you \$5 a week. The meal at home saves your family \$12 a week. The generic product saves about \$1 a week. The programmable thermostat saves about \$11 a week.

Total those amounts up. Then open an online savings account and set up a weekly automatic withdrawal for that total amount. Maybe it's \$100. Maybe it's \$11. Whatever it is, have that much transferred out of your checking account each week. Then forget about it. After all, that money is already accounted for.

When the next crisis that you can't possibly solve comes along, check that account. Suddenly, instead of panicking and running around trying to put out the fire, you find that the fire is already taken care of. A few mouse clicks and the bill is paid.

Today's the day to stop putting out fires and start preventing them.

Info to Know:

Wake Tech offers Free Green Jobs Training

Green Jobs training is a program for adults who are unemployed or underemployed. Students taking the Smart Home Technology program will begin with the basics of wire and cable installation and learn how to perform pre-wiring, rough-in, and trim-out operations in both new and existing construction settings. Students who complete this program should be qualified to work for companies who install, maintain, and service smart home technology systems. Upon finishing this program, students will be issued a Certificate of Completion, and can apply what they have learned toward more advanced career programs in Smart Home Technology. The Smart Home Technology program covers the topic of installing lighting, temperature and water heaters, and control systems for effective energy management. It discusses the devices and components used to automate and manage lighting, Heating Ventilation and Air Conditioning (HVAC), and water systems. The course also covers industry standards, rules and regulations as they pertain to system installations. For more information on this program, go to: <http://evening.waketech.edu/index.php?page=greenjobstraining>

Now Hiring

Despite the millions of jobs lost overall, some sectors have actually created a significant number of jobs over the past year.

Health Care: The health care sector created 280,000 jobs since February. This is more job growth than any other industry, mainly due to rapid increase in the elderly population.

Federal Government (excluding the US Postal Service): February employment of federal government workers increased by 15,000, although there was a large decline in Postal Service employment. Jobs growth in recent months is partly the result of temporary workers hired to conduct the 2010 census.

Social Assistance: This sector includes individual and family services, community food and housing, emergency services and vocational rehabilitation services. It generated 82,000 jobs since February 2009. In the current climate of economic uncertainty, social assistance workers will continue to be in demand.

Employment Services: This industry provides human resources services to businesses. While most jobs in this sector are temporary, these are often a stepping-stone to better paying full-time positions. The sector created 44,000 jobs in the last month, and will undoubtedly continue generating more jobs given the high level of unemployment.

Education Services: This sector has generated 179,000 jobs over the past year. With an increasing number of people going back to school to update their skills, job prospects look bright.

Computer Systems Design And Services: Although jobs in this sector require specialized skills, it has added 8,000 jobs over the past year. This industry is expected to be among the 10 fastest-growing areas in the US, with excellent job opportunities for most workers.

Going to Kindergarten?

In the months of April and May, Project Enlightenment will be offering a free once-a-week 5 week workshop series that will help your family get ready for kindergarten! Workshops will be offered at several locations from 12:30-2:30pm. Interested families must have a child, who is not currently in preschool or childcare and will be 5 by August 31st 2010. Lunch will be served at the start of each session. Parents attend a parent workshop while children experience a classroom lesson. Please plan for both parent and child to attend each session. Call 919.856.7774 for an application and more information.

\$ Saving Website

Check out www.billshrink.com to learn ways to save money on bills. The website will also send you information on the cheapest gas in the area.



Home Maintenance

protecting your investment

SPRING Home Maintenance

- Inspect your home's exterior for loose siding.
- Give your siding a wash using a garden hose and a solution of a third of a cup of laundry detergent per gallon of hot water. Work from the bottom up with a soft nylon brush (top down can cause stains).
- Wash and treat (or paint) wood decks to prevent cracking. Cost: about \$50 to \$75 for five gallons of sealer.
- Check for insects.

SPRING Lawn Maintenance

- Raking will be your first task of spring lawn care. A deep raking will remove grass blades that died over the winter .
- Cut down the layer of dead grass. If the thatch is more than half an inch thick, it can hurt your soil and encourage pests.
- If your lawn has bare patches, you may need to apply grass seed to those spots.
- Remove broken or dead tree limbs, branches or debris that can attract insects.
- Pull weeds.



Calendar of Events:

April 2010

Tue., April 1, 8, 15, 22, 29, 10:00am-11:30am, Home Protection Program Info Session, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh 27606). Click on <http://www.tfsnc.org/index.php/programs/financial-security/home-protection-program> to learn more. Call 919-821-1770 or E-mail cccs@tfsnc.org to register

Tue., April 6, “Helping Experience Work” Job Fair, 9:30am-1:00pm, Holiday Inn Brownstone (1707 Hillsborough St., Raleigh). Event is free, but registration is encouraged. Call 1-800-272-3452 or go to www.wiserworker.com/job-fairs for more information

Wed., April 7, Empowerment Zone Class, 10:00am-12:00pm, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh 27606). For more information, go to <http://www.tfsnc.org/index.php/programs/financial-security/consumer-credit-counseling-services/empowerment-classes>. Call (919) 821-1770 to register. Spaces are limited.

Sat., April 10, Homeownership Information Session, 9:30am-11:00am, Habitat Conference Room

Tues., April 13, Homeowner Education: Crime and Fire Prevention, 6:30pm-8:00pm, Habitat Conference Room

Wed., April 14, Empowerment Zone Class, 6:00pm-8:00pm, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh 27606). For more information, go to <http://www.tfsnc.org/index.php/programs/financial-security/consumer-credit-counseling-services/empowerment-classes>. Call (919) 821-1770 to register. Spaces are limited.

Sat., April 17, 9:00am-12:00pm, Homeowner Education: Financial & Credit Workshop – part I, Habitat Conference Room

Tues., April 20, 6:30pm-8:00pm, Homeownership Information Session, Habitat Conference Room

Tues., April 20, 6:00pm-7:30pm, Cars: Here’s the Deal, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh, 27606). Call 919-821-1770 or E-mail cccs@tfsnc.org to register

Wed., April 21, 10:00am-12:00pm, Empowerment Zone Class, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh 27606). For more information, go to <http://www.tfsnc.org/index.php/programs/financial-security/consumer-credit-counseling-services/empowerment-classes>. Call (919) 821-1770 to register. Spaces are limited.

Wed., April 28, 6:00pm-8:00pm, Empowerment Zone Class, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh 27606). For more information, go to <http://www.tfsnc.org/index.php/programs/financial-security/consumer-credit-counseling-services/empowerment-classes>. Call (919) 821-1770 to register. Spaces are limited.

May 2010

Sat., May 1, 9:00am-12:00pm, Homeowner Education: Financial & Credit Workshop – part II, Habitat Conference Room

Wed., May 5, 9:00am-1:00pm, Golden Jubilee Senior Expo (an event of resources for seniors), NC State Fairgrounds (1025 Blue Ridge Road, Raleigh 27607), **FREE**. Check out www.GoldenJubileeExpo.com for more information

Thurs., May 6, 20, 10:00am-11:30am, Home Protection Program Info Session, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh, 27606). Click on <http://www.tfsnc.org/index.php/programs/financial-security/home-protection-program> to learn more. Call 919-821-1770 or E-mail cccs@tfsnc.org to register

Sat., May 8, 9:30am-11:00am, Homeownership Information Session, Habitat Conference Room

Tues., May 11, 6:30pm-8:00pm, Homeowner Education: Neighborhood Conflict Resolution, Habitat Conference Room

Tues., May 18, 6:00pm-8:00pm, Ways to Save, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh, 27606). Call 919-821-1770 or E-mail cccs@tfsnc.org to register

Tues., May 18, 6:30pm-8:00 pm, Homeownership Information Session, Habitat Conference Room

For more information on Habitat events, contact Syretta Hill at 833-1999x247 or Syretta.Hill@habitatwake.org.