

a journey towards

FINANCIAL EMPOWERMENT

by
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can money buy happiness?

do I have enough?

how can I get more?

. . .

FINANCIAL EMPOWERMENT
is about being able to answer
these three deceptively simple
questions. it is important
because happiness is important,
and money and happiness are
intertwined. **financial**
empowerment is about using
money effectively as a tool.

money can buy:

peanut butter
a copy of To Kill a Mockingbird
a saxophone
red paint
Red Sox tickets
Indigo Girls concert tickets
a house
warm clothes
daffodil seeds
dinner by candlelight
health insurance
marijuana
rollercoasters
blank journals

money can't buy:

sunshine
falling in love
a slam dunk
a good cry
perfect a cappella harmony
laughter
your dad's voice when you're lonely
a friend who likes to
build sandcastles
the story only you can tell
saying "i'm sorry"
moms
the thrill of learning
your kid sister's first word
new england fall
trust
your inner child

(fill in the blanks, if you'd like)

what do I want?

are you earning as much as you're spending?

do you have debts?

do you want to own your own home? further your education? travel around the world? raise children? send children to college?

how do you plan to support yourself during retirement? (consider a tax-sheltered retirement plan such as a 401(k) or an IRA)

what would happen if you got laid off? could you support yourself for a few months while you searched for another job? (consider saving up a "nest egg" equivalent to three or four months salary)

what would you do if you lost your belongings in a fire or robbery? (consider renters/homeowners insurance)

what would you do if you needed surgery or a root canal? (consider medical and dental insurance)

what would happen if you contracted HIV or became permanently disabled and couldn't work? (consider disability insurance)

what would happen if you died and left behind a toddler? (consider life insurance)

what do I have?

what are your assets?

what are your liabilities?

do you have a positive net worth?

what is your income?

what are your expenses?

are you earning as much as you're spending?

where are you keeping your money? is it earning either dividends or interest? what is its average rate of return?

what is the impact of inflation?

what is the impact of taxes?

what do I need to get what I want?

are you earning as much
as you're spending?

how much do you need to
earn to match your day-
to-day spending?

how much do you need to
pay off your debts?

how much do you need for
retirement?

how much do you need for
insurance?

how much do you need for
other wants, e.g.
education, down payment
on a house, car, trip to
greece?

what is the impact of
taxes?

what is the impact of
inflation?

can you afford...

to pursue your musical career full-time?
to go back to school?
a futon?
health insurance?
to start a business?
to build a racecar?
dinner at Salamander?
to fly home for Passover?
your rent?
to take a road trip?
a birthday gift for your best friend?
a new pair of mittens?

**is a raise or a better-paying job
worth the extra work involved?**

would you be happier with less money and more time?

**will you be able to achieve your financial goals in
your chosen career?**

**will you be able to live the life you want
with your current financial path?**

some ways to get more money:

- get a job
- get a second job
- get a raise
- rob a bank
- ask your parents
- win the publishers clearinghouse sweepstakes
- see a penny pick it up
- win a scholarship
- win a miss america pageant
- take up prostitution
- collect an inheritance
- sell your material possessions
- deal drugs
- sell your baseball card collection
- rent out your little brother
- find the pot of gold at the end of the rainbow

some ways to get your money to work for you:

- buy a winning lottery ticket
- invest in real estate
- save it rather than spending it
- invest in stocks and bonds
- invest in a tax-deferred retirement plan
- beat your uncle bruce in a high-stakes poker game
- invest in beanie babies
- use your savings to pay off your debts
- pay credit card bills in full each month

some ways to spend less:

- buy less
- wait for sales
- pay yourself first: put 10% of each paycheck into savings
- use generic brands
- don't pay extra for convenience
- practice comparison shopping
- be frugal
- share
- use coupons
- stick to a budget
- cut up your credit cards
- starve yourself
- move to a cheaper apartment
- turn the heat down
- use the library
- move to oklahoma
- find a patron

further reading and resources

a general personal finance book, such as
Beth Kopliner's Get a Financial Life: Personal Finance in
Your Twenties and Thirties
or David Chilton's The Wealthy Barber: Everyone's Commonsense
Guide to Becoming Financially Independent
this is the book you should read cover to cover to learn all the basics.
you can check it out of the library or read it off the bookstore shelf,
but it's worth owning. Kopliner's book was on sale for five bucks at
the Brookline Booksmith last I checked; usually it's twelve bucks.

a comprehensive finance book, such as
Jane Bryant Quinn's Making the Most of Your Money
I doubt anyone reads this 944 page book cover to cover, though I did
try. it's for reference, like when you want to sell stocks and have an
obscure question about capital gains tax. it's also got a great section
in the beginning about documents, what to keep and how to organize, and
details on stuff like making a will, which is barely glossed over in
Kopliner's book. for thirty bucks, it's definitely worth owning.

a general personal finance web site, such as Quicken.com
covers a lot of the same topics as the general finance books, but with
timely articles and funky interactive calculators and worksheets to help
you apply the concepts. check out Quicken.com's Financial Checkup and
Debt Reduction Planner.

**Net Money: Your Guide to the Personal Finance
Revolution on the Information Highway**
an annotated paperback reference to finance-related web sites. for
seven bucks, it's worth owning if you use the web.

computer software, such as Quicken and TurboTax
these can help you with the numbers or make you more confused or both.
worth looking into, but they may or may not be for you

**the personal finance and investments section of your
library, bookstore, and newsstand**

adult education courses

your parents

**anyone you know who is willing to talk to you about
their own finances or financial knowledge**

your own intelligence and common sense