

MEET THE INSTRUCTORS

MONEY MATTERS – PAGES 4-5 & 7

Mary Vasquez, community advocate at Point West Credit Union



Mary's family moved to the U.S. from Mexico in 1997, and, like many Latin American immigrants, they weren't familiar with banking, credit scores and other fundamental financial systems.

"A commitment for me, for Financial Beginnings, is to be out there and help our community understand all about finances and about credit cards," she said. "Like my dad, for example, he never knew what to expect or what to do with his money. And so concentrating a lot on the Latino community is one of my No. 1 goals."

Financial advice Mary gives her friends and family: If you don't need it, don't buy it.

Farhad Dadkho, commercial loan officer at Riverview Community Bank in Vancouver; Financial Beginnings Oregon board member



Farhad immigrated to the U.S. from Iran in 1994 and teaches classes for Financial Beginnings Oregon twice a week.

"I volunteer because I want to make an impact," he said. He prefers teaching at high schools in low-income areas and immigrant and refugee populations, frequently teaching at Immigrant and Refugee Community Organization.

Financial advice Farhad gives his friends and family: The biggest thing is budgeting. You know what Google is? You know how there are a bunch of little dots on the right hand side of the website? If you click one of them, it's called Google Sheets. Click on it and set up your own little budget.

Kevin Moran, community relations officer at Clackamas Federal Credit Union



Kevin is a first-generation American who grew up explaining bills and their due dates to his Mexican parents.

"We have a lot of family friends that are in poverty," Kevin said. "Being able to talk with them and hear their story about how they're still going and facing that financial struggle, it creates more passion for me to go and teach in the classroom."

Kevin's been teaching classes for three years and coordinates instruction for Clackamas County.

Financial advice Kevin gives his friends and family: Create a budget. It doesn't matter if you're low income, middle income, high income – it's so important.

LaShanda Friedrich, research analyst at Oregon Health Authority; Financial Beginnings Oregon board member



LaShanda became passionate about finances when she discovered Dave Ramsey, a financial advice author, and began taking steps to pay down her debts. A self-taught financial aficionado, LaShanda said what she learned made such a difference in her life that she wanted to share it with others.

"My favorite piece is the black empowerment piece. A lot of my people do not get this message, and we've just been so economically disenfranchised," she said.

She tells her students, "Even in this system that we live in, you can still make it."

Financial advice LaShanda gives her friends and family: Have an emergency fund. In your season of plenty, be ready to store.

The dos and don'ts of budgeting

One thing instructors hear from students frequently is "I can't budget. I'm on a fixed income."

"If you have income and you have expenses, that's a budget," LaShanda said.

"A budget is really a plan for your money," said Kate. "It's not really restrictive, or this oppressive thing. It can instead just be building your awareness so you have an idea of where your money can take you."

To create that plan for your money, pick a time period – one month is a good place to start – and then identify all your expenses and your planned income. Enter it into an app, spreadsheet or software program to see where your money is going and to better assess your spending habits. From there, you can set goals and target certain expenditures for elimination.

One of the staples of their curriculum is centered on separating your needs from wants. The needs should go into the expenses listed in your budget, and the wants fall into the category of goods you can buy after your needs are met – needs that include savings for retirement or your emergency fund.

Deciding what to save for is a personal decision, based on what's most important to you. Kevin, for example, has an emergency savings account for his dog. "Because I love him that much," he said.

When creating a budget, the team agreed it's important to be honest with yourself.

Farhad said most people aren't realistic about what they actually earn, choosing to focus on their gross salary before taxes rather than what's actually on their paychecks. He said people need to have realistic goals.

"That's the biggest thing in America that I've seen, people don't want to realize what they actually make," he said. "That's why they overspend on Black Friday and things like that."

He said first, look at what you actually make, then divide it into categories for spending.

He and LaShanda recommend Google Sheets as an easy platform for organizing your budget.

Kevin said he tells people who are new to budgeting to try saving all their receipts for one week.

"It doesn't matter if it's coffee or bills. After that week, analyze the receipts. Then you can see in a week how you're spending your money," he said.

This will give you an idea of where you could be

spending less and saving that money instead.

"If you just track your expenses, you're not looking at where could I be saving more, and where could I be building that emergency fund," Kate said.

She said you need to pay yourself first. Make a goal for savings, whether it's to have that emergency fund, saving for home repairs or starting a college savings account, and put the money toward that goal first.

"You can only spend what you have left," she said.

Farhad said he can usually illustrate how easy it can be to find savings when looking around at any given group he's teaching – someone always has a Starbucks or other premium beverage.

"Why don't you buy a pound of coffee for \$6 that will last you a whole month," he tells them.

LaShanda uses the envelope method for sticking to her budget. While bills come out of her bank account, she's budgeted a \$150-per-week allowance for both her husband and herself. Groceries and other expenditures she'd typically swipe a card for are taken out of this allowance, which she keeps as cash.

"Debit cards are like death by swipes," she said. "Cash holds you more accountable because it's more painful to hand over. If I want to go to Lululemon and buy some \$100 yoga pants, it's painful to hand them five \$20 bills, versus me swiping the American Express."

You also have to think about what's important to you, Mary said. Think about what habits you are willing to change, and don't forget that you still need to reward yourself.

Don't stop drinking lattes if that's something you enjoy. Instead, try limiting yourself to one per week, and use a punch card so you get that freebie once in a while. If you're too strict with your budget, you could end up missing out on the fun things in life.

LaShanda recommends identifying clearly-defined goals: "What do you want for yourself in this life? What are the steps? Come up with an action plan for how you can get there."



There's an app for that

Don't want to spend all day punching numbers into a spreadsheet? There's an array of budgeting apps that can do the work for you.

Instructors at Financial Beginnings Oregon recommend Mint, a free app from the makers of TurboTax and QuickBooks. It will integrate your bank account information so that when you make a purchase, it's automatically entered into your budget.

EveryDollar was also recommended. It will allow you to create a budget within as few as 10 minutes, but it has fewer features than Mint.

Kate recommends Personal Capital, which also ties in your debt and assets, allowing you to get an idea of your net worth and better track long-term goals.

Farhad, on the other hand, steers clear of any app that asks for his bank account information, for security reasons.

"You don't know what kind of systems they're using," he said. "It could be an office of four people running a multimillion-dollar app."

Popular financial apps that were not suggested during our roundtable but are highly rated include Acorn, which rounds up after every expenditure and invests your "change" in an IRA, and YNAB (You Need a Budget), which requires that you manually import your spending at the end of each day. While this takes more legwork than apps like Mint, it can create more intentional spending habits.

Building good credit

First and foremost, you need to get ahold of your credit report and learn how to read it. You can get a free report at annualcreditreport.com.

Your score can range from 850, which is excellent, to 300, which is the lowest. Anything over 700 is considered good.

There are three different credit agencies: Equifax, Experian and TransUnion. Some items, such as outstanding bills and other debts, may show up on one report but not another.

Your credit score is based on a combination of factors: Your payment history accounts for 35 percent of your

CONTINUED ON PAGE 7