

Take
our money
challenge
to save
BIG!

Work & Wealth

THESE SIX WOMEN
SACRIFICED TO REACH
FINANCIAL FREEDOM.
MANY ADDED MORE
THAN \$10,000 TO
THEIR BOTTOM LINE
AND SO CAN YOU

Money Dares

BY CORA DANIELS

Let's face it. When it comes to money management, we can do better. Using more than a decade of government consumer data, a recent study from the University of Chicago found that African-Americans and Latinos spend 35 percent more of their funds on "visible goods," like clothing and cars, than Whites do. It's easy to see that such conspicuous consumption is a poor investment. We found six fiscally smart readers who dared to buck the trend in big, even unthinkable, ways. Whether it is was going on a yearlong shopping strike, selling a car, or even asking for a raise in this economy, all these women have one thing in common: They increased their net worth. If you're ready for a money makeover that will save you thousands over the next year, take a look at how it's done. ▸

Remember, your financial goals come first.



Money Dare #4

"I ASKED FOR A RAISE AND GOT IT"



Marjorie McFarlane Lucas, Staffing Company SVP, New York

HOW SHE DID IT: Four years ago Lucas got a promotion that came with more responsibility, but not more money. Before following up

with the CEO to ask for a raise, she prepared for six months by researching industry pay levels, documenting her contributions, and reading books on negotiation and success. Doing so boosted her confidence at the meeting and made her more convincing.

HOW YOU CAN DO IT TOO:

Look up pay scales. Check industry salaries at payscale.com and salary.com. Lucas also read *Get Paid What You're Worth* by Robin L. Pinkley and Gregory B. Northcraft (St. Martin's Press) and *The Last Word on Power* by Tracy Gross (Broadway Business).

Ask for a specific dollar amount. Often women talk in general terms when it comes to money. Asking for a raise means making a business case of how well you've done your job and how much you contribute to the company's success. Speaking in exact dollar figures shows that you understand the bottom line.

The payoff: Lucas secured a 20 percent raise, very close to what she asked for.

Money Dare #5

"I STOPPED LENDING MONEY"



Charlotte A. Lewis, Corporate Attorney, New York

HOW SHE DID IT: Lewis comes from a family culture of lending money. "That's what we do," she says. "Two hundred dollars here, three hundred dollars there."

While in college, she worked extra hours at her job on campus and raided her savings to help a family member pay a \$400 bill. Once the requests started interfering with her own expenses, she stopped dishing out cash cold turkey. "I realized saying no was the best help I could give," she says.

HOW YOU CAN DO IT TOO:

Be honest. When Lewis talked openly with her family about her student loans and the high cost of living in New York, the requests slowed. Plus, she consistently said no to

everyone, no matter how small the loan.

Tie your money up. It's much easier to say no if you honestly don't have access to the money. Lewis automatically deposits 5 percent of her paycheck into her 401(k) and 30 percent into savings accounts and mutual fund accounts. Start tying up your money by buying multiple CDs with staggered maturities, says financial coach Charlotte Stallings.

Ask for a contract. If you're still having trouble saying no, then say yes with a formal contract. The discomfort of making it official can stall future requests. For a free sample contract, go to biztree.com/templates/loan-agreement.html.

The payoff: Instead of lending, Lewis channeled her altruistic nature into the Charlotte A. Lewis Foundation (calfoundation.org). The two-year-old organization, which provides educational assistance and mentoring, has

Money Dare #6

"I PAID OFF \$17,000 IN DEBT"



Tannia Jackson, Assistant Administrator, Maryland

HOW SHE DID IT: The bulk of Jackson's debt was from bank loans for a failed T-shirt business.

When she turned 38, she decided to get out of debt. She first called all her creditors and set up monthly payment plans. Then she put herself on a strict budget, itemizing everything she spent and sticking with cash.

HOW YOU CAN DO IT TOO:

Make the first call. Negotiate a monthly payment plan with your credit card company before sending the first payment, otherwise you will have no bargaining power, says personal finance expert Harrine Freeman.

Get a written agreement. Ask the card company to remove the delinquency from your report once the debt is paid in full. Request a letter confirming the agreement.

The payoff: Jackson was able to pay off \$17,000 worth of debt in about a year and a half and is now debt-free.

PAY DEBT OVER TIME

It's better to pay a debt in three installments than in one lump sum because the account activity helps increase your credit score.