

Participants:

- Segment 1: Amanda Grega & Andrew Pietrobono
- Segment 2: Chelsey Kirkland
- Segment 3: Ahmed Trussan Brooks
- Segment 4: Rachel Carlson
- Segment 5: Candace Collins

Specialists:

- Segment 1: Anthony Dinello, BMH Champion, Senior Vice President, Consumer Banking Market Leader
- Segment 2: Marcela Gallego, Senior Vice President, Parents Program Manager; Couples and Money Speaker at the Retreat
- Segment 3: Andree Taylor, BMH Champion; Sr. Production Services Manager
- Segment 4: Bruno Figueiredo, BMH Champion, Small Business Consultant Manager
- Segment 5: Courtney L. Prior, Vice President, Young Adult Program Manager Couples and Money Speaker at the Retreat

INTRO

Tonya 0:08

Hi, I'm Tonya Rapley, entrepreneur and financial educator. And I can say in all honesty, I've never seen anything like this.

Rachel 0:17

My income has been disrupted.

Candace 0:18

Okay, my daughter's at home now, all day, every day.

Amanda & Andrew 0:22

We've essentially lost a third of our income... and we don't really know when it's coming back.

Tonya 0:28

Which is why we brought together this digital community. A group from around the country with Bank of America specialists, for a series of open and honest conversations.

Anthony 0:37

How do I make credit work for me?

Marcela 0:40

Don't get overwhelmed by the numbers.

Bruno 0:42

Let me see if I can bring the bill down at a different clip.

Courtney 0:45

We have tools to help you understand contribution levels.

Andree 0:49

If you fall in love with the process itself, then those sacrifices will pay off in the long run.

Tonya 0:55

This is Better Money Habits: Money Talks. Brought to you by Bank of America.

Tonya 1:00

Alright, so this is gonna be a money conversation like you guys probably have never had before. We're gonna pair you with specialists from Bank of America, and I would love to learn more about you... Rachel!

Rachel 1:12

So yeah I've had to take a huge shift. I went from teaching in a classroom to teaching on my computer. I went from working five days a week to my only stable income is once a week now, which is scary. Coronavirus is a lot of people's rainy day and their big emergency.

Rachel 1:30

But for me, I was in a traumatic car accident of January 2019. I was rear ended on the freeway. My car flipped over onto its side. Not only do I have the debt I had before, I have medical debt on top of that and it feels really overwhelming. It's like running a marathon and not knowing where the finish line is.

Ahmed 1:50

Yup!

Tonya 1:51

Been speaking with a lot of people who are dealing with that, it feels like that.

Ahmed 1:54

So we were coming up with a great financial plan, life was looking great and then the pandemic hit.

Ahmed 2:00

My main job as a design engineer, I was asked to take a pay cut, and then I lost my second job as a performer inside the city during nights and we weren't able to do the show, so I lost a second income entirely as a result of it.

Ahmed 2:20

Me and my fiancé were just talking about this last night... weddings are not cheap.

Amanda 2:24

No, no!

Ahmed 2:26

And we don't know if the wedding is gonna happen any time soon. As our income got disrupted, yeah, we definitely have a look at expenses that just come out, that you don't even realize.

Ahmed 2:38

I do want to shout out my fiancé, because she was like, I'm not buying any new clothes for at least a month.

Amanda 2:43

Yep!

Ahmed 2:44

She just started going on thrift sites. Why do I want to pay full price for something when I might be able to get a deal on it and I thought that was like really savvy.

Rachel 2:52

My landlord knows that we're both looking for full time work. And so she's given us a laundry list of things to do. And she says just count your hours I'll pay you \$25 an hour and just take it out of rent. We did \$400 worth of work for her before we even moved in. So, we were able to take that out of just the first month's rent.

Tonya 3:11

That's amazing!

Amanda 3:13

So we decided to plant a garden and we almost halved our groceries spending.

Amanda 3:18

We're both chefs!

Andrew 3:20

We are both chefs.

Amanda 3:23

We like to eat food and make food.

Amanda 3:24

We had just bought our new house and then we lost kind of like a third of the income stream coming in so...

Andrew 3:31

We do all this budgeting beforehand and you can really never budget for the unexpected.

Amanda 3:35

Making spreadsheets!

Amanda 3:36

Really we're just trying to find all the little hacks to save money. We actually learned how to can as well. We have sauces and vegetables and fruit compotes. And one day we will eat them. Right?

Andrew 3:51

We're gonna have to, we have so much of it now.

Candace 3:53

Meal prep and meal planning has been the very thing that I think has changed my budget.

Candace 4:00

So something really cool that has happened for us during COVID is that my daughter and I got to move into our own space together, our own apartment. We have never been able to live on our own because I couldn't do it financially on my own.

Candace 4:14

A year and a half ago, I was living paycheck to paycheck. Like there were times where I had to ask friends for gas money. And here we are now a year later. And I'm really excited to change my family tree and break those generational curses and that is such a fun and exciting thing to look forward to for the future for me and my daughter.

Tonya 4:34

Yes! Kudos. So much good has happened.

Tonya 4:39

I know that Chelsey is a new mom.

Chelsey 4:41

Hi, I'm Chelsey. I live in Northeast Ohio. So I did not have any maternity leave. Nor did I qualify for FMLA. And my husband did not have any paternity leave. Because both of us are working from home, my husband is able to see our son way more than he would if he was at work 8 hours a day.

Chelsey 5:02

This is where we used to eat dinner.

Matt 5:05

And now it's been our workstations.

Chelsey 5:07

Both of our parents are close to us and there have been times where we've asked them to come over and babysit so we could clean our house.

Chelsey 5:18

So just taking advantage of people who want to help and not being afraid to ask for that help.

Tonya 5:27

Each of you have different goals that you're working towards, different things that you'd like a little more insight on how to navigate during this time. And so what we'll be doing is you'll pair up with a bank specialist to answer any questions that you have and really get a plan of action. And then from there, we will reconvene. And so, does that sound good to you?

(5:47 Transition 1:1 breakout pods - Amanda & Andrew)

Tonya 5:51

Amanda and Andrew, you are in for a treat. We have joining us our Bank of America specialist Anthony Dinello. Give Anthony a little run down of what your pressing questions are.

Amanda 6:01

We essentially lost a third of our income and it was right around the time we bought this house. At this point we've kind of normalized and kind of stabilized a little bit but we really had to sit down and think about what the wants vs the needs were.

Anthony 6:17

I think the first, most important thing is what are the monthly expenses that you have? What are the bills that you have that you can count on having to be responsible for every month. That should be your floor.

Anthony 6:29

Now let's see what money we have left over. And what is our budget going to be for the month?

Amanda 6:36

He actually helped me write my first budget in an excel spreadsheet.

Anthony 6:40

Glad there's an excel wizard in the house, that's always helps to have. An honest mistake or two will happen along the way, so it's very important that you set up alerts.

Anthony 6:51

I actually have an alert on my phone for every single time a debit card is swiped I get a text message.

Amanda 6:56

That's a good idea. I like the alert thing so that both of us know that the spending would be happening. Keep the communication open!

Tonya 7:05

You know it really helps establish checks and balances because then you're accountable to someone other than yourself for how you're spending.

Andrew 7:13

I do also have a Bank of America credit card which I love because the system that they have on the backend is really useful for money management. The alerts is something I do have set up

on my end and that's just good to know whenever your card is being used, or whenever your budget is close to being exceeded even if it's 14 dollars under, you know it feels good that you're within your means of what you're trying to do that month.

Anthony 7:37

You're gonna probably going to say okay our goal would be to save this much, this month. I would have two numbers in mind and I would really strive for that stretch goal and really challenge yourselves because I think you would be surprised, what you're capable of.

Amanda 7:52

It's like the Chinese food last night. We are close to our eating out budget for the month but last night I was craving Chinese food and he looked at me and was like we're close to the budget, we can't get it, so we had leftovers.

Tonya 8:06

Yeah you guys are great.

Amanada 8:09

It was good leftovers. I'm glad we did it.

Anthony 8:11

There's a lot of value right, and starting to look at long term, and how much overall you can save when consolidating debt.

Anthony 8:18

What type of debt is it? How much do I owe? How much is your minimum monthly payment? And then, what is your interest rate?

Tonya 8:26

For me it's my favorite spreadsheet, that's when things are getting done.

Andrew 8:30

I think that's a pretty cool idea. I never thought honestly about doing anything like that.

Tonya 8:34

It allows you to see what your most expensive debt is or what's the smallest balance. It allows you to focus your game plan.

Anthony 8:41

Some people say start with the biggest balance first, because the more you can knock that down the better. Personally, I like to start with the smallest ones first. That smaller amount you could pay off quickly. It feels good when you get one paid off.

Anthony 8:56

And then you have that extra money to go towards the other payments that you have.

Andrew 9:01

Until now I didn't really think of it as a bunch of small pieces. I kind of just think of it as this big wall, if we look more at it more of it as like a bunch of bricks on a wall and you're just taking pieces out one at a time. I think it's going to seem manageable.

Anthony 9:14

And it will encourage you to continue to do more and more.

Andrew 9:18

The first thing we're going to do is make a spreadsheet with our debts and interest.

Amanda 9:21

Date night, date night!

Andrew 9:22

That's not a date night!

Amanda 9:23

It is! I need it to be fun

Tonya 9:25

It's a money date!

Andrew 9:27

There's no such thing as a finance date night. I mean at least maybe there is now.

Tonya (VO) 9:33

When trying to stick to a budget stretch goals can be highly motivating.

Tonya (VO) 9:37

Organize all of your debt by balance amount and interest rate to help determine the best debt reduction strategy for you.

(9:44 Transition 1:1 breakout pods - Chelsey)

Tonya 9:49

And so Chelsey I know that you're in good hands. We have our bank specialist, Marcella Gallego, I don't think there's anyone more perfect to assist you with your goals.

Chelsey 9:59

So we may need to look into some childcare, and so wondering some different ways that we can budget for that.

Marcela 10:05

What worked for me best when I was doing this exercise... was I did a decision tree. Writing it down. If I had to go with a nanny, what exactly do I want? If I want to do daycare, what type of daycare? And then budget, and find out how much it will cost you.

Marcela 10:24

And we landed on a hybrid option, we do day care in the mornings, and grandma comes in the afternoon.

Chelsey 10:31

I never thought about that split.

Marcela 10:34

It allows her to be social, and have fun. But in the afternoons she's with grandma which is great, and is a little bit cheaper.

Chelsey 10:41

How do I set up a bank account for my son?

Marcela 10:43

It is a lot simpler than you think. You have a minor account, which will be joined with you, or you can open an account for them. They are the owner but you are the custodial. You just go to the bank with their social security number and open the account. Voila!

Marcela 11:00

Once Daniel is becoming a teenager. Now you can open a checking account with him so you can teach him how to use his money.

Chelsey 11:09

Long term. College is very important to us. While we don't know what the education system is going to look like in 18 years, or even if he gets a full ride and all of the sudden doesn't need that money, so we don't necessarily want to put money into a pocket that we can't ever get out.

Marcela 11:25

34% usually comes from financial aid, and parents are usually responsible for 29 to 30% of the bill. Don't get overwhelmed by the numbers. Time is on your side, in the sense that you have 18 years, and small amounts consistently over that period, make a huge difference.

Marcela 11:45

It sounds to me like you need flexible options, and it might be a combination of things. You can have a savings account and a college plan that perhaps has some tax advantages to it.

Chelsey 12:02

Ok.

Marcela 12:03

So you could do a combination of both. Don't feel that you have to get married with one or the other, because you don't.

Chelsey 12:10

We did buy our house, about three and a half years ago. We've been watching the mortgage rates, just plummet. And even though we got a good rate when we originally signed the paperwork. Does it make sense to refinance?

Marcela 12:21

Refinancing is basically doing a whole new loan for your house, all over again. So when you first purchase your home, there were some closing costs associated with processing that loan. If you are going to save, let's say \$200, but the closing cost associated with refinancing the home at \$5,000. If you are not going to stay for at least 25 months, then you're not saving any money. Divide the closing costs by the savings that you will obtain, and that tells you how long you will have to be in the property for that to be a cost effective decision.

Chelsey 13:00

The easy math problem makes so much sense and makes it a lot more black and white.

Tonya (VO) 13:06

Considering refinancing? Factor closing costs and how long you plan to own your home into the decision.

Tonya (VO) 13:12

A decision tree is a helpful tool for making financial decisions, like selecting childcare options.

(13:18 Transition 1:1 Pod - Ahmed)

Tonya 13:24

And Andree is joining us. Ahmed, Andree is a Better Money Habits Champion. He is one of the Bank of America specialists and so Ahmed, let us know exactly what you hope to glean from these sessions.

Ahmed 13:34

Once Coronavirus hit, my primary job asked us to take a 20% pay cut and then my second job lost that income completely.

Andree 13:44

I did notice that you are an actor, right? So, and you taught before...so is there a possibility that you could maybe do some online acting classes? Maybe supplement some of the lost income there? Because that's just a skill that you already have.

Tonya 13:58

I like how you think Andree.

Ahmed 13:59

Oh yeah, that's a really good idea.

Tonya 14:01

My husband who is in production, he'll hire like voiceover actors, using some of these gig hire websites and so forth and he'll be looking for someone to just do voiceover work. I definitely agree with Andree that that's something to think about is leveraging your understanding of like the voice and voice acting and maybe seeing if you bring in some additional income there.

Ahmed 14:21

Me and my fiance Erica had a lot of tough talks in having to scale down our expectations of having a wedding. Trying to plan for the future and make sure that we're in a good strong, solid financial place for us that's the ultimate goal. Being able to be in a position to make choices rather than sort of make sacrifices.

Andree 14:45

And it's funny, you know, I was probably two or three years younger than you when I was married. We really had to take a hard look at our budget and cutting the cost where we could. And if you and your wife are fine with a smaller invite list, also consider maybe an outside venue, also think about music - have your own music. So, those are just some things to consider to help with these fiances as it relates to this wedding.

Ahmed 15:13

That sounds good, thank you!

Tonya (VO) 15:15

Leverage your skills and experiences to generate supplemental income.

Tonya (VO) 15:20

When budgeting your wedding, look for ways to keep costs at an amount that's comfortable for you.

(15:25 Transition 1:1 Pod - Rachel)

Tonya 15:30

Rachel, we are joined by Burno Figueiredo. So, Bruno is a Better Money Habits Champion with Bank of America. And Rachel, I think that you can do a better job at really painting the picture for Bruno, letting him know how your personal emergency kind of kicked off and where you are today.

Rachel 15:47

Yeah, absolutely, Coronavirus has been traumatic for so many people and kind of exposed, what their rainy day funds look like. My personal emergency, my rainy day, happened in January of 2019. I was rear ended, and it flipped my car over onto its passenger side. So what I'm really looking forward to diving into with you today is just how I can balance, keeping myself healthy, and keeping my bank account healthy too.

Rachel 16:19

My income has been disrupted. I don't have a consistent number coming in and every single month that changes in that inconsistent way, how do we plan for our future?

Bruno 16:31

We have freelancing resources to track time, budget, taxes. And then even moving into a business aspect and understanding the difference between an LLC and a sole proprietor or corporation. I always recommend going back to an accountant and finding out if it is right for you at certain points, and I think what's important to you based on your income is inconsistent, you still have to pay the medical debt.

Rachel 16:54

Yeah, yeah.

Bruno 16:55

A year ago my wife was diagnosed with breast cancer. We think medical debt is a bad thing but it's not. It's a good thing because it's the way we move her health forward.

Rachel 17:05

That's a huge relief, and if I had heard that sentence a year ago, my recovery probably would have been so different, because that was always in the forefront of my recovery.

Tonya 17:18

Even as a financial educator, I have a secret. I'm not debt free, I'm still paying off my student loans. You can have debt and still have good credit scores as long as you're still managing that debt.

Bruno 17:27

You had an emergency, something happened. First and foremost to me was, let me see if I can bring the bill down at a different clip. So, they are asking for \$100, could I call them and say, could we bring this payment down at a different minimum amount and in reality, they could. I just didn't know that.

Tonya 17:42

You're carrying a large balance on your credit card. So maybe you want to take advantage of a sign on account opening bonus but maybe they have zero percent interest for 12 or 18 months, and just transfer a small amount of your credit card balance over to that credit card so that you can pay that aggressively so that you're not paying interest towards it.

Tonya 18:01

You just want to calculate how much is going to cost me to transfer this debt? How much am I going to save in interest if I transfer this debt? Does it make sense for me to do this? So that's something to think about. But you want to be strategic about it because you don't just want to, like, transfer the balance over but end up paying more money and transfer fees than you save in interest.

Bruno 18:19

I have, it's cheesy, but it's a debt calculator. So when I spend, I literally put like a smiley face on the bottom of the day you hit that minimum or you got very close to only 20% or 10%, you're

achieving what you want to do. So I think, leveraging our Better Money Habits website is great. The 8 simple ways to save. Remembering, make it simple, make it realistic, analyze, and it's okay to use your savings when needed.

Rachel 18:47

Thank you for steering me in that direction. I'll definitely check out that Better Money Habits site as soon as we're off this call!

Tonya VO 18:54

Track your time and budget to help manage irregular income as a freelancer.

Tonya VO 19:00

Research 0% interest offers to help pay down a portion of your debt.

Tonya VO 19:05

It is possible to negotiate with creditors to adjust your rate or debt payment plan.

(19:10 Transition 1:1 Pod - Candace and Courtney)

Tonya 19:15

So Candace, this is Courtney. Courtney Pyror is a Senior Vice President over at Bank of America, she is a Young Adult Program Manager.

Courtney 19:25

I too am a mom of a young girl who is just going to be seven, and it's... it's a lot to manage yourself and to manage the well being of another, you know, life.

Candace 19:37

This whole financial journey is so new to me and I would say within the last year and a half is when I really dug in and took it seriously for my daughter. What can I continue to do that sets her up for success.

Courney 19:49

For us we definitely have a savings account that we have established for her, and she knows about it. She feels very important that she has her own bank account. We also have piggy

banks that she puts money into. We started to do a contribution chart. And I also don't call it a chore chart I call it a contribution chart.

Courney 20:11

What do you want to do for the house this week? What do you want to do for yourself this week? Those all are ways that kids really learn by being involved.

Tonya 20:20

I need to give my husband a contribution chart.

Courtney 20:23

Nobody has a toolkit for anything right now, like, it's just all learning as we're going, and I really have found value in some of what Better Money Habits has to offer. We have tools and resources to help you prioritize. Retirement should always be a part of your budget plan. Because when you retire, there's no supplemental way to help your retirement unless you want to get a job in retirement.

Courtney 20:54

Students can take out a student loan. When you retire, that's like your nest egg.

Candace 21:01

So my wheels are already turning because I realize as a parent we think about our kids first, which isn't necessarily a bad thing but we think about our kids first before we think about ourselves.

Courtney 21:09

And kind of like when we fly...put your oxygen tank on first and then help others. It's like that same analogy and it's hard because of the mom you're like, I give everything to my baby but give yourself that gift of security.

Tonya 21:24

Right.

Candace 21:25

Really, the answer is, the more I invest and do things for my future, truly helps her future.

Tonya (VO) 21:32

Contribution Charts and Piggy Banks are great tools for teaching children financial literacy.

Tonya (VO) 21:38

Don't neglect your own retirement savings.

(21:42 transition to next day; whole group reconvenes)

Tonya 21:42

Yay! So, we are here, it's a new day. All you guys have all had your individual one on one sessions, we had some really good conversation. How are you guys feeling about this entire experience together?

Ahmed 21:54

Learning this stuff and being able to use it and apply it and then share with others, is really like making me excited.

Amanda 22:02

And it was nice taking the taboo out of talking about finances not being like "oh, this is a horrible conversation" you know? This is a conversation that's going to help us out in the long run. And it's something we should regularly talk about, and look at.

Tonya 21:14

Yeah!

Andrew 22:15

He advised us to use an Excel sheet for our debts and figure out how much interest is on each and which ones we should pay off first.

Rachel 22:24

I love that too.

Andrew 22:25

We actually put that together last night. She was driving me crazy about it.

Amanda 22:27

He was ready!

Chelsey 22:31

You don't always know what you don't know. And so, I am setting up my son's bank account. I can now articulate what it is that I need.

Candace 22:41

We talked a little bit about the contribution chart and being able to do that with my daughter. That, it's like such a small thing but I know it will have a huge lasting impact on our relationship as a mom and daughter.

Ahmed 22:53

My action item is: look at the skills that you have now, some of your experience in the past and see if you can leverage that to be able to generate some extra income.

Tonya 23:02

One of the things we were talking about for Ahmed in particular was voiceovers, and now listening to him, if I close my eyes, I can so hear him on the radio.

Amanda 23:09

I can see it or... hear it! I can hear it

Rachel 23:13

I need to create a financial team of people who can advocate for me. Bruno is the very first person that I'm going to add to my team. He talked a lot about making personal connections with people and negotiating a rate that's comfortable for me. If my insurance is too much, I need to talk to a person so that I can negotiate that rate down.

Tonya 23:36

You are all so different, but you're also committed and so optimistic. I feel rejuvenated like when I get off of this I'm gonna go put some more money in my retirement account. I'm so amped up for you guys.

Tonya 23:48

Better Money Habits offers a simple way to connect people to relevant tools and guidance to help them take control of their finances. Go to [BetterMoneyHabits.com](https://www.bettermoneyhabits.com) for more tips and resources when planning your financial journey.

Tonya 24:04

The way to navigate financial challenges is to communicate with others about these challenges. When you're ready to talk, go to [bankofamerica.com](https://www.bankofamerica.com) to schedule time to speak with a Bank of America specialist.

Tonya 24:16

Thanks to everyone who participated and thanks for watching Better Money Habits: Money Talks, brought to you by Bank of America.