



Live Well on a YMCA Salary

By Jacqui Cook

When Dick Bennett was just starting out at the Lake County YMCA in Ohio, he got the same strongly worded advice from the CEO he worked for and from his father, a longtime Y professional himself: No matter what happens, guard your retirement fund.

That wasn't the kind of message a newly minted professional in his 20s was expecting to hear, but it's advice that Bennett dutifully and diligently made sure to follow, even with an entry-level salary of \$15,000. Today—25 years later—following that advice is paying off in the security of knowing he and his family can live comfortably even after retirement.

“It was forced savings for me,” he says. “I know the young professionals don’t really talk about it much, but the longer you’re in the Y, the more you start to realize our retirement fund is an outstanding tool for savings and ultimately for retirement. I was highly encouraged to not take that lightly. It may feel like you have to forgo some things you want to have right now, but in the long run it’s really worth it.”

Committing to that long-range view of your financial future is a key factor in building a YMCA career that supports your professional goals and also provides an income to support yourself and your family during your working years and beyond. Although entry-level YMCA salaries tend to be less than those same skills are worth in the for-profit sector, making the right decisions early in your working life can lay the groundwork for a successful career path and retirement.

“It really doesn’t matter what line of work you’re in,” says Bennett, now CEO of the same Y where he began in 1985. “It’s about being real about the salary you’re drawing and what you can and cannot afford to do.”

SETTING UP A PLAN

From the outset, Bennett and other Y executives say participating in the YMCA retirement program is essential, even if it’s just a few dollars per paycheck. Ys that participate in the retirement plan automatically contribute a percentage of an eligible employee’s annual salary to the fund, but employees are strongly encouraged to contribute their own money while they are waiting to become eligible (usually a 2-year waiting period). Once those dollars are set aside, the next task is figuring out how to spend the money you have left – and where to cut some corners to make a dollar stretch farther.

Throughout her 30-year career in the California’s Bay Area, Terri Texeira, senior vice president and chief operating officer of the YMCA of San Francisco, has looked for ways to ensure she could “pay myself first” by having enough money to put aside in savings and retirement. When she was first starting out, for example, she commuted 30 miles each way because it was less expensive to live in an outlying area than to live near the Y.

Like Bennett, she had a mentor early on who advised her about the many options available for savings and retirement. The key, Texeira says, is to establish both long- and short-term financial goals. “It is so important to prioritize,” she says. “You can’t go into work without a long- or short-term strategic plan. You can’t go into life just hoping everything will work out at the end of the day. Hope doesn’t take the place of planning.”

There are many websites and software programs available to help set up a household budget. In addition, YMCAs are often sites for Financial Peace University, financial guru Dave Ramsey’s popular Christian-based program that addresses budgeting, debt reduction, and retirement planning.

“We wouldn’t think about going into our job without a short- and long-range plan, and I think that’s the same thing we have to have in our personal lives,” Texeira says. “Where do you want to be when you hand in your keys for the last time? Do you want to be able to say, ‘I was able to buy all the toys I wanted and now I have to work until 70 or 75?’ Or do you want to enjoy the last part of your life and maybe make some decisions along the way to help you do that?”

PRACTICAL TIPS TO HELP YOU SAVE MONEY

Saving for one’s retirement is important, but you also need to brush up on your personal finance skills so that there’s some money left over each pay period to put aside. Here are some great tips from financial adviser Greg McBride, CFA – some familiar, some new – to help Y professionals at all pay grades achieve financial security:

- ▶▶ **Tip 1—Start an emergency savings account.** The biggest barrier to saving is not being in the habit of saving. The best way to get in the habit is to pay yourself first by having money directly deposited from your paycheck or even your checking account into a dedicated emergency savings account. “This can be done concurrently with other goals such as paying down debt or saving for retirement, not instead of those goals,” says McBride. “You won’t miss what you don’t see, and putting your savings on autopilot is a great way to reinforce the savings habit when unplanned expenses inevitably come along and chew a hole in what you’ve saved.”
- ▶▶ **Tip 2—Get a high-yield savings account.** Maybe these days “high-yield savings account” is a contradiction in terms, but there are three requirements when looking for a place to put your rainy day fund, says McBride. It must be liquid, meaning you can get to the money whenever you need it. It must be free of investment risk. And you must earn a return that preserves your buying power against the erosive effect of inflation.

▶▶ **Tip 3—Find a free checking account.** Having the wrong checking account can take hundreds of hard-earned dollars out of your pocket every year. The average interest-bearing checking account charges a monthly service fee of \$13.04, points out McBride, and requires maintaining a balance of more than \$3,800 at a near-zero rate of interest to avoid fees. Instead, look for one of the many accounts that charge no monthly service fees or per-transaction fees and don't require a minimum balance.

▶▶ **Tip 4—Track your monthly spending.** “People hate to use the ‘B’ word,” says McBride, referring to budgeting. “Call it what you want, but you do need to get a handle on your spending.” Begin by tracking your spending for a two-month period. Then take this information and build a realistic monthly budget (or “spending plan,” if you prefer, offers McBride). Finally, track all of your monthly expenses—everything from the \$1 tip to the grocery store bag boy to the monthly mortgage payment. At month's end, tally up your spending against the plan and see where you did well and where you didn't. If you spent less than planned, move the excess into your high-yield savings account or use it to pay down debt.

▶▶ **Tip 5—Pay down high-interest credit card debt.** For many Y professionals, the best return on their money is to pay down credit card debt. Whether carrying balances at 12 percent or 22 percent, credit card debt is typically the costliest debt you have. Plowing excess cash into repayment of credit card debt is a double-digit, risk-free return because it reduces the outstanding balance and the resulting interest charges. “This is a sound move now as credit card rates are likely to move higher over the next few years,” points out McBride. When prioritizing your debt repayment, start with the highest-rate credit card first and focus on paying off the balances in descending order.

▶▶ **Tip 6—Consider a rewards credit card.** Do you always pay your credit card balance in full? If so, you're the ideal candidate for a rewards credit card. With a rewards credit card, you are compensated in the form of cash back, airline miles, or one of many other methods for everyday purchases you make. Identify what type of reward is most appealing to you and compare credit card offers based on what percentage of your purchases are paid out in rewards. McBride says a 1 percent reward ratio is typical, but many credit cards have higher payouts for certain categories of spending or for spending above a certain threshold. Finding the card that best fits your spending pattern can put hundreds of dollars per year in your pocket for expenses you'd incur anyway. “The keys to success are always paying the balance in full and resisting the urge to overspend just for the sake of the reward,” he warns.



“WE’RE WORKING TO
make a difference
in people’s lives.
You get a lot more out
of it than the money.”

Theresa Wittenberg
Kandiyohi YMCA



TIPS FOR THRIVING ON A YMCA SALARY

▶▶ **Think about retirement from day one.** The years go by much faster than you think they will, so start putting away money as soon as you are eligible—even if it's just \$20 a paycheck.

▶▶ **Seek advice as soon as you need it.** Don't waste time trying to decipher complicated financial information yourself. Talk to your CEO or another trusted executive, or seek advice from a financial planner. Ask your colleagues and friends for a recommendation.

▶▶ **Don't ignore what's in front of you.** Take advantage of whatever free or discounted resources you can as a Y employee. Join the gym. Use the child care facilities. If you're traveling, find out if the YMCA where you're going has facilities you can use.

▶▶ **Get creative. Remember how you could stretch a dollar in college?** Use coupons and watch for lunch or dinner specials. Check your local library for free passes to city attractions. Sign up for coupon websites. If your CEO is receptive, you might even find some treasures in the "lost and found" that you can use to decorate that first apartment.

Stay focused. Keep in mind the reasons you chose this profession. Talk to people who use your facility and ask what they like about it. Stop in a class or day camp and see the benefit it brings to the participants. Remember that you didn't do this for the money.

LIVING WELL

Of course, there are many years between your first job and retirement. And fortunately, there are many ways to move up in the YMCA as well as take advantage of opportunities along the way. If new employees get frustrated, Bennett is quick to remind them that their entry-level salary is just that: the first step.

"Many of the young professionals don't necessarily recognize that if you do this as a career, you can be successful," he says. "I've provided a good living for my family and the financial rewards at this level are very good. While there will always be individuals in the community who earn more than a Y executive, having a good, comfortable life and putting kids through college is certainly within your grasp."

Theresa Wittenberg, CEO of the Kandiyohi County Area Family YMCA in Willmar, Minn., encourages young employees to look at some of the hidden benefits of a Y career, such as free memberships. Wittenberg began in an entry-level position and worked her way through the ranks to become CEO. Along the way, being part of the YMCA meant she could provide her two sons with many experiences that they may not otherwise have been able to afford, regardless of where she worked. For example, they frequently went to Y camps at deeply discounted rates, and she was able to use the child care facilities for free and later enroll her boys in swim lessons.

"My boys are adults now, and they talk about growing up with lumberjack camp, kayaking camp, fishing camp, and regular day camps at many different parks," she says. "A lot of times, you get the benefits of Ys in other areas and get great discounts."

WHAT MOTIVATES YOU?

Even with the excellent retirement plan and the extra perks, if you ask any YMCA employee why they do what they do, it is very likely none of them – at any level – will say it's for the money. The real motivation and reward comes from participating in the life-changing work being done at Ys across the entire United States.

"I can't emphasize enough the word 'vocation,'" Wittenberg says. "You do it for so much more than the money. If you want to make money, the Y is not the career for you. No matter how bad your day might be, all you have to do is take a moment and walk around. See the little kids running and playing. Watch the seniors having fun at what might be their only time out all day. We're working to make a difference in the lives of people at the Y and in our community. I think you get a lot more out of it than the money."

Ultimately, adding financial success to that personal satisfaction is in the hands of every YMCA employee, no matter what level he or she may have achieved.

"As much as I want to be helpful in developing someone's career, the person most responsible is you," Bennett says. "It's still your career, and you still have to be the one to manage it and make the decisions as to when it's time to take on the next set of challenges. There will always be lots of opportunities for people who do a really good job and are purposeful about looking for the next step."

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