

Staying Connected

For the Alumni of the ECCB's Savings and Investments Course



FINANCIAL FITNESS

Gift Ideas

.....That Won't Break The Bank

Do you find yourself every January broke and lamenting about how much money you spent on gifts? If your answer is yes, here are a few personalized gift ideas that won't leave you broke:

Create a booklet of your favorite recipes.

Your friend who loves to cook would appreciate having some new recipes to tantalize the taste buds of her family members.

Offer your friend a year's worth of fitness workouts with you as the coach and partner.

A year of morning or afternoon walks, accompanied by a healthy dose of stimulating conversation and hearty laughter is a gift for the mind, body and soul. Walking can help the body burn fat, gain a faster metabolism, relieve stress and increase energy.

Become Santa's helper for the day and offer to do the Christmas cleaning at your friend's house.

Or offer to cut the lawn, allowing him or her to save time and/ or money.

Make a home video of you and your family, upload it to your computer and hit send.

Not only would it save you the cost of the many cards that you send aboard each year but this will bring you closer to those who can't make it home for the holidays. If you don't have a video camera, use your phone.



I know that this is my first letter to you but I have been nice, not naughty all year, and this is the season for wishes; so after years of getting gifts I do not really need, I'm thinking that maybe you can talk to my friends and family members for me and let them know which gifts I truly wish for.

Forget about the glass and chinaware, perfume, jewelry, clothes and shoes. They make nice gifts but I really don't need them. What I really need are gifts that will make my life less expensive and more enjoyable... I have made a short list for you so that you will know what to tell themso here goes.



I need a lime tree ...I can no longer afford those over-priced juices at the supermarket. Plus, they have more sugar and water than

real juice anyway, not to mention the preservatives and the #5 and #6 food colourings that are not good for anyone.

If I were to receive a gift of a lime tree, that would be an enduring gift, indeed, for I would have real juice for life and a less expensive food bill.

Dear Santa

Editor's Note

Santa, I would even offer you some ice-cold lemonade should you stop by on your way from the beach during your annual vacation in the tropics.

If my friends do not have lime tree slips in their backyards, tell them that I will welcome with open arms any of the following- **cherry tree, papaya tree, banana tree, guava tree, mango tree, coconut tree** ...even herbal plants will make me merry – in particular **lemon grass, rosemary and mint.....**



Encourage my friends to invite me over for lunch or dinner.

I have never mastered the art of baking ham and turkey, but I have a strong craving for those jumbo white meat slices around this time of the year. Plus, if each of my friends invites me out for lunch, can you imagine how much I will be able to save on my December food bill? Of course, I promise to bring a dish or two as my contribution, in the spirit of sharing.



Tell my sister, Viola, to send a fruit cake. I know she will be baking tons of those anyway so one more

will not cause her any less sleep. Also, tell her to save herself the trouble and do not wrap it...because as soon as it gets to my house, half will already be eaten. She could also throw in a bottle of

Dear Santa *Cont'd*

sorrel to wash down the cake...But if you think I'm pushing it by asking for a bottle of sorrel in addition to the cake, well just talk to her about the fruit cake....Maybe you can get my cousin, Nicole to gift me the bottle of sorrel.



Ask my brother, Julian, to e-mail me an mp3 file with his favorite salsa music.

I can do with some new inspiration from my iPod to get me up those hills during my morning run.

Heaven knows I need the inspiration, because those hills are really steep and exercise is really not my thing. But I need to lose fifteen pounds for the New Year to fit into that dress I bought on sale two years ago...It has never been able to get pass my hips.

skype Dear Santa, **have a one-on-one chat with my best friend Karen who lives in Canada and ask her to sign up for Skype** so that we can talk for free for hours this Christmas. I still have not recovered from the overseas telephone bill I received after our marathon chat last Christmas.



And **lastly, convince my other best friend, Sherry, to take my kids off my hands for a day for a kids playdate.** I can't remember the last time I had 24 hours of peace and quiet. And isn't that what Christmas is about, Santa?...**Peace, Love and Joy.**

It's not that my kids are making me lose my mind, it's that they have caused my mind to spin so much that it is gone. Honestly Santa, I no longer have my mind to lose.

Don't get me wrong, I love my little rugrats but after seven years of parting squabbles, answering to "mommy please..." and "mommy I want.." and "mommy can I get....," I will be overjoyed if someone could give me a day of peace and quiet. Call it a "mommy day-off" for Christmas.

Santa, I have written you my letter, and I have placed it in a pretty envelope and sealed it with lots of love and kisses....but Santa, to which address do I send this letter?...to the North Pole or to the beach? SLW



The greatest gift you can give this Christmas is Love. Give it abundantly.



HAVE AN ECCB CHRISTMAS

May your finances be stable and strong.

May you create the perfect holiday that unites your household and friends.

May you use your ordinary talents to accomplish extraordinary things.



Let's Build Something Together

It's high time you own one or two pieces of the rock and have a castle or two to show for your life's work. However, many times the sad stories of persons who have trod that road before is enough to make you turn around and run straight back into your life as a happy renter.

But wait...you don't have to make the same mistakes that others have made in the past. Those horror stories are gifts in disguise. They put you on guard and point out what you should do to ensure that your journey is less stressful.

Approach your building project well prepared, well researched and focused. This is not to give the impression that building is stress free, however, you certainly can avoid many woes by following a few smart tips.

Get at least three estimates (labour and materials) and then don't automatically lean towards the lowest estimate. Some contractors may submit an unrealistic, low estimate just to get the job only to have problems half way through the project.

Compare estimates to see what issues account for the differences and then do some research to see which one is more realistic. Also, remember

that in relation to material estimates, the cost on several items will increase between the time you get the estimates and the period over which the materials are procured during the construction phase. It is therefore important that you budget for an additional 15% to 20% in relation to your material costs.

Seek out references from past clients. Do your own research. Don't just depend on the clients that the contractors identify. It is unlikely that they would share with you the names of clients who have been less than satisfied with their work.

Have a contract. Do not start a project based on an oral discussion with your contractor, even if he is family.

Sure in Utopia, all you would need to get the work done, in a decent manner, at a decent price is common sense, common decency and common consideration from both sides. But this is the real world, so safeguard your money and your sanity by having a well written contract. Do not be lulled into thinking *"well he seems like a nice, upfront guy, I think I can trust him. I don't think I need a contract."* The lesson in finding out *"why you need a contract?"* would be painful and costly.

A standard contract should include the following:


- a. Parties to the Agreement
- b. Description of the Work
- c. Contract Price and Schedule of Payments
- d. Execution and Protection of the Work
- e. Treatment for Extra Work
- f. Owner's Right to Inspection and Supervision of the Work
- g. Correction and Remedy of Improper Work
- h. Default of the Contractor
- i. Extension of Work and Penalties
- j. Other Obligations of the Contractor
- k. Insurance
- l. Final Provisions
- m. Arbitration
- n. Contract Documents


Be thorough in the description of the scope of work. Do not take anything for granted. If you expect the contractor to be responsible for: finishing work - (*painting of walls, varnishing of doors*); disposal of construction debris; external steps; driveways; pathways; and fencing; then make sure that they are explicitly identified in the scope of work. Avoid becoming a victim to a contractor who demands additional compensation because certain works were not explicitly identified in the project scope of work.

Make sure every area of work is explicitly costed so that you have to modify, outsource, or eliminate an area you know precisely what labour costs you need to adjust. Note well that it is important that your contract specifies that you can amend or


Let's Build Something Together *Cont'd*


subtract the scope of work without penalties except where there is a need to make adjustments based on the costs being subtracted and/or modified.

 **Limit the mobilisation fee to no more than 10% of the labour cost.** You would not want to have the contractor disappear with most of your money and you left without a house.


 **Include a retention clause as part of the Schedule of Payments, as insurance against faulty work.**

An amount of \$_____ (10%) of Labour Cost shall be retained from the contract sum. The retained amount shall be due and payable three (3) months after the execution of this agreement, provided that this work has been fully performed in accordance with the agreed specifications.


 **If it is a full service contract, research the quality of the works of the plumber who will be carrying out the job.** Plumbing problems are costly to fix and can leave the home owner with thousands of dollars in repair costs.

 **Even if you have a project manager, carry out weekly inspections**

on the site and meet with your contractor in the presence of your project manager at least every other week to discuss the progress and quality of the work. Be sure to also ask questions about the progress of work relative to the contract end date.

 **Avoid having your contractor sign on your account at the building supplies firm.** This allows you to have control of and be able to track your expenditure on building supplies relative to the stage of work.


Have your contractor give you his list of supplies on the Friday for the upcoming week and on the Tuesday, for items needed for the second half of the week. It also pays to developed a good working relationship with the building supplies dealer and negotiate to be able to fax in signed orders. Of course this is only possible if you established an account with the building supplies firm.


 **B E W A R E , m o s t estimates do not account for transportation costs.**

So you need to consider this when you are estimating your total cost (*transportation cost can range from 0.5% -1% of the total material costs*) as well as when you are choosing which supplier to buy from.

Do not just compare suppliers' base prices on building materials.

You also need to compare transportation costs. You can end up saving \$100.00 on material costs from one supplier but paying \$150.00 more in transportation costs.

 **Unless it is job work, limit your payments to the contractor to 8-11 payment schedules.** This would force the contractor to complete each phase that is linked to the schedule prior to receiving pay. An added benefit is that the smaller the number of loan drawdowns, the less construction interest you would pay. (*Some banks charge a higher interest rate than the agreed mortgage interest rate during the construction phase*). If this is the case, the earlier you are able to complete the project the less construction interest you would also pay.

 **Include a penalty clause for going over the contract end date.** Some contractors are famous for taking on a job, starting it and then leaving it or diverting workmen to focus on a larger job and then coming back months later to finish the first job which is now way behind the scheduled completion date.

So now that you have a heads up, when do you start building??. Completing your project would be a satisfying and empowering experience. So get going. Yes I am talking to you and Yes you can! SLW



**Enjoy Your Holidays. But remember to be prudent with your spending.
How you end this year will determine how you start the new one.**