



Why It Matters

Scaled Finance Welcome Course: Episode 1

Why It Matters: Things Change

Part One: Why

Simon Sinek's TED Talk "How great leaders inspire action" has been watched over 60,000,000 times.

In it (and his [great book](#)), he argues great leaders start with one golden question: Why?

Why do your finances matter?

The first reason is things change:

1. **Job situations change**
2. **Health situations change**

Great Jobs Can Sour in an Instant

1. **Job situations change**

A. "Why would I ever want to leave my job? I love what I do."

I hear that occasionally and it's wonderful!

Unfortunately, that can change in a hurry with a new:

- Supervisor with limited interpersonal skills
- Teammate who creates more work than they complete
- Project with an aggressive timeline requiring nights and weekends
- Reorganization which moves your coworkers but not the work

One day, an older friend and coworker greeted me: "Today's a special day!"
"Happy birthday!" I replied.
"Thank you!" she beamed.

Two hours later, she was laid off.

S&P 500 Companies Last < 20 Years

B. Even big companies don't last long

According to CNBC, the average life of S&P 500 companies – *big* organizations – is just under 20 years.

[That's down from 60 years in the 1950s.](#)

Employees can no longer bank on a 40+ year career with their employer.

Last One Standing

C. My wife's position

1) She liked her hourly job!

She provided business support for a company that cured skin cancer. In addition, she was paid overtime when asked to work more.

2) Her practice was sold, and administrative positions were eliminated.

She was the last one standing for necessary business support.

3) She was offered a "promotion" with a salary and a small base increase.

Her overtime would be eliminated.

Another person in that role whose firm had been acquired by the company confided that she'd had to work 80 hours a week ever since.

We did the math and realized my wife was going to be paid about half the hourly rate she'd been making... and have almost no life!

She declined the company's ultimatum and too was laid off.

4) Declining was possible because she'd saved aggressively for years.

She was so thankful for the peace of mind that cushion bought!

Since then, she spent a few months exploring another opportunity and is now pivoting her healthcare career.

Hourly Pay Cut in Half

Your Turn

Action!

What are the most likely ways your job could worsen?

> 1 in 4 U.S. Adults Live With a Disability

2. Health situations change

A. The statistics on disability are eye-opening:

- 1) According to the Center for Disease Control and Prevention, about 61,000,000 adults in the United States live with a disability.
- 2) > 26% of adults are atypically abled.
- 3) [That number rises to ~40% of adults at least 65 years old.](#)

B. Employer accommodations may not be enough

Accommodations can often be made for many disabilities.

Nonetheless, some disabilities require a change in occupation or leaving the workforce altogether.

May Be (Financially) Worse Than Death

C. Disability may be worse than death for a family's finances:

- Expenses – especially medical – will likely rise
- Family members may need to spend considerable time providing care
- Income may fall significantly
- A life insurance payout is unlikely

D. Odds higher for a family

Family Odds: At Least One Disabled

1. After everyone reaches adulthood, odds are that at least one member in a family of four will have a disability.

The odds are much higher including grandparents.

2. Others' situation could impact your life.

You may need to step away from work to care for a loved one.

Others' May Impact You

I've lost count of how many folks in the financial independence (FI) community have cherished the time they had to care for a parent or child facing medical issues.

As I was editing this section with a friend, he shared this applies to him!

Unrealized Dreams

Less than a month after retiring early, he extended his international Christmas trip a week and a half to care for his mom and grandmother.

They each had surgery while he was there to help care for them.

Finally, you may not be able to do the things you dreamed with friends and family members if disability strikes. That:

- Big hike,
- Week snorkeling, or
- Trip to Europe

Your Turn

Action!

Who in your life is most likely to have a health setback and need your support?

Next Steps

Thank you! I hope you got a lot out of this session.

The other sessions are *much* more positive!

If you know someone who could benefit from this episode, feel free to send them the course link: scaledfinance.com/welcome-course

Thank You, Next!

Keep an eye out for the next episode, which will come out in about a week.

We'll continue this theme of "why" by diving into my favorite reasons personal finance matters.

If you'd prefer to work ahead, navigate to the course link.

See you soon!

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