



## DOLLAR DISCIPLINE

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Now that we have broken our New Years resolutions, it is time to get serious about making things better. I recently read an article by Kris Friewick that covered a major concern for most of us... making ends meet. Here is some advice from that article:

On the day that money was invented, Mr. Frugal suggested that perhaps it might be wise to sock some of it away for a rainy day. His friends moaned and ignored him. Ever since, people's eyes have glazed over at the sound of the word "budget".



Mr. Frugal was right, of course. Today, it's pouring on millions of us. The rate of credit card late payments hit an all time high in July. The savings rate is -0.6 percent (which means we spend more money as a nation than we make), and a reformed

bankruptcy code has slammed shut the window of absolution for many of those in the tightest financial sneakers.

Regardless of the type of budget you chose, the basic principles are the same:

- 1) Stop using credit cards or pay them off every month.
- 2) Save at least 5% of your income.
- 3) Have three to six month's cash on hand for emergencies.
- 4) Max out your 401k contributions.

As a guideline you should not spend more than 25% of your after tax income on housing, 15% on transportation, 10% on food, and 15% on debt service.

Getting there is a different story. Experts warn against complicated formula, software

programs, and other gimmicks that make the budgeting process more cumbersome than it needs to be. Essentially, all those theories and books and software programs boil down to basic approaches: "Tough Love" and "Hiding the Money."

The **Tough Love** budget encourages you to rearrange your brain. By cutting back on the cost of everything you buy, you will discover that you have far more money than you knew you had—money you can apply toward building wealth through investments and savings.

This approach will sound familiar if you have a relative who grew up during the Depression or World War II. Clip coupons, buy in bulk if you can, don't lease when you can buy,



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don't buy new if you can afford a good used version, do energy efficiency audit on your house to reduce utilities, drop the premium cable channels, and downgrade your need for status items, especially cars, today's must have status symbol. Americans spend the largest percentage of their disposable income on transportation – more than they spend on shelter. "People like to drive cars bigger and more expensive than they can afford," says Brian C. Greenberg, A CPA in Marlton, New Jersey. Above all, use cash. When you spend on credit cards, there's no

pain. When the green stuff goes through your fingers, it hurts.

The **Hiding the Money** budgeting plan works on the principle that if you never see the money come in, you don't miss it. Anyone who has ever had a 401k contribution deducted from his salary knows how effective this approach can be. Saving becomes nearly painless, and before you know it, you have a nice little retirement nest egg.

Some budget experts believe this is the best way to achieve your financial goals – tricking yourself into saving. Determine how much

you need to pay your monthly bills, establish a monthly savings and investments goal, and then have the savings and investment money automatically deducted from your paycheck and placed into separate accounts each month so you will never even see it. After you've paid the fixed expenses, you can use the rest on what ever you want.

With either scenario, Tough Love or Hiding the Money, it's still better to spend less than what comes in. The trick is to live below your means. And that is the secret to success.



Written by: Kris Frieswick  
Submitted by: Lionel Henderson

## SAFETY TIPS ~ SLEEP DEPRIVATION

Whether it's due to workloads, working side jobs for more income or after work activities the result is the same – many workers are arriving on the job over-tired or sleep-deprived. Sleep deprivation or fatigue can affect a worker's manual dexterity, reaction time, and alertness. Worker fatigue or lack of sleep can affect judgment and safety. And workers aren't the only ones suffering the consequences of sleepiness on the job it's costing employers money and, in some cases, putting the public's safety at risk.



Studies show that workers are not only getting less sleep than they should; they're getting less than they used to. The real danger arises when workers don't realize they're tired and go to work as if they were fine. Workers who try to function without enough sleep have a reduced ability to recognize or avoid risks. They have a slower reaction time and fail to make appropriate

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responses. Their quality and quantity of work is reduced. They have a poorer safety record and they contribute to higher workers' compensation costs.

Workers should take responsibility for getting enough rest. They should decide how much sleep they need to perform optimally. They should examine their off-work activities to see how they're impacting sleep. If they feel they haven't gotten enough sleep to function well at work, they should take a sick or vacation day to recuperate. During their work shift, they should notice when they lose concentration or start to nod off. When they find their attention wandering, they should get up and stretch or walk around or grab a quick snack. Casual chats may help maintain alertness and improve rather than detract from productivity. Since dehydration increases the effect of fatigue, workers should drink more water during the day.



Although workers' sleep habits are largely out of an employer's control or even influence, employers need to be aware of the effects of worker fatigue and make adjustments so that workers can do their jobs more safely and efficiently. Although there's no solution that will apply to all work situations, there are some simple things that employers or supervisors can do about sleep-deprivation on the job. Employers can educate workers on the effects of inadequate sleep and resulting fatigue. They can evaluate their work force and assign tasks to optimize performance and safety. Requiring work beyond a regular shift, if a worker is too tired, may increase the risk of accidents or injuries.



To insure a good night's sleep, the National Sleep Foundation suggests that individuals should exercise during the day, establish a regular sleep schedule, and relax before bedtime. Before going to sleep, they should avoid heavy meals or caffeine, consume less or avoid alcohol and nicotine, and drink fewer fluids that may disrupt sleep. The Foundation cautions that certain drugs or sleep aids can sometimes interfere with natural sleep.

Worker fatigue due to inadequate rest can affect more than the individual involved. It can have catastrophic safety or financial effects on co-workers, families, businesses, and even, depending on the job, the general public. Workers need to get adequate sleep before going to work. They owe it to themselves and others.

Written By: State Compensation Insurance Fund  
Submitted by: Pamela Call



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The above evaluations and/or recommendations are for general guidance only and should not be relied upon for legal compliance purposes. They are based solely on the information provided to State Compensation Insurance Fund and relate only to those conditions specifically discussed. They do not make any warranty, expressed or implied, that your



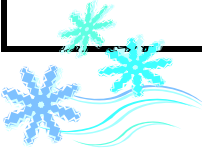
# Employee Improvement Reward Program

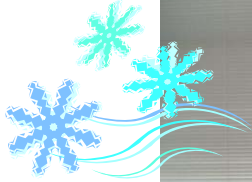
Valerie Hodges, who works on our GSA contract, received a \$25.00 SuperCertificate for the implementation of her suggestion to use Giftcertificate.com for one of our Perfect Attendance Prize vendors.

You are probably asking yourself how can I participate in the Employee Improvement Reward Program. The following is the policy and guidelines to the program:



Policy	This program is designed to recognize and reward LHC employees who have recommended a suggestion or an improvement to company policies and/or procedures and the suggestion or the improvement was implemented.
Eligibility	All LHC active employees
Procedure	Once HR receives a copy of the written recommendation from the employee, HR will review and submit to senior management for approval of implementation.
Award Presentation	HR will provide a SuperCertificate from Giftcertificates.com between the amounts of \$25 to \$250 based on the financial impact of the recommendation.





Jason Blount, Yearly Perfect Attendance Award Recipient, with Ms. Doris Beck, Department of State client, following the award ceremony.

## Quarterly Cash Award

Let's congratulate Angela Dilworth (department 551) for a job well done on her Employee Monthly Progress Report. Her monthly reports for October, November, and December 2005 were the best for the quarter ended December 31, 2005. She will receive a Cash Award for her excellent reports.

## Perfect Attendance Winners!!

Congratulations to all our employees who had perfect attendance during the month of January! Each individual will receive a coupon redeemable for gifts at the company store. They are eligible for a drawing for one of the three \$100 cash awards.

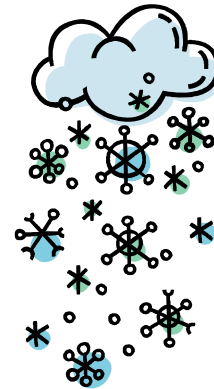
The winners of the January 2006 cash awards are:

**Katrina LaRoche**  
**Jennifer Darrington**  
**Valerie Hodges**

Are your perfect attendance coupons piling high on your desk? We've got the solution for you.

[www.lhenderson.com/prizes.htm](http://www.lhenderson.com/prizes.htm)

Please visit our online brochure to view the many different items to redeem those coupons! *Original* coupons need to be sent with your request for prizes. Don't have any perfect attendance coupons? Ask your supervisor or human resources on how to receive these coupons.



The employee hotline is available 24/7. All matters received on the hotline will be handled in the strictest of confidence.

[employeehotline@lhenderson.com](mailto:employeehotline@lhenderson.com)

