



Everybody Wants a Slice of Your Pie

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When it comes to investing, everybody wants a slice of *your* pie. That's not how investment products are advertised. What you see most of the time is how an investment product, be it a brokerage account, mutual fund, or financial services company, will make your dreams come true and secure your retirement years. True, with the right decisions, that is your goal, but along the way, your money is not just making money for you, it is making money for your money manager, i.e. your financial services company or broker...if it is making any at all.

If you have looked into your financial future recently and talked with more than say two people, you have probably heard that 'you need to be in the market' to be making money. And there is truth in that statement. Since the Great Depression (the real one, with a 'D' in 1929, not the most recent hiccup in 2008) the Standard and Poors 500 (S&P 500) index has returned on average 9.8 percent per year...not bad considering that your basic certificate of deposit (CD) is returning less than one percent. And chances are, your free checking account is returning nothing to you, not even cancelled check any more.

The fact is, that many Americans are already "in the market" if they have a 401k or 403b or any kind of pension at all. Financial service firms know where to sniff out returns, that is their job after all. However, most of us individuals have a problem with a four-letter word...'risk'. We do not want to risk our money on a foolish invest-

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Tip of the Month



Workplace Accommodations, Assistive Technology and the Americans with Disabilities Act

Adapted by Randolph R. Weigel, Professor Emeritus – University of Wyoming Extension

Employers make accommodations for all of their employees. A chair, desk, computer, lighting, and safety equipment could all be considered technology accommodations made for employees. Assistive technology is no different; it is simply any item that can assist an individual with a disability to succeed on the job.

What is Assistive Technology (AT)?

Assistive technology is defined as, "any item, piece of equipment, or product system, whether acquired commercially, modified, or customized, that is used to increase, maintain, or improve functional capabilities of individuals with disabilities." Examples of AT devices include:

- hearing aids
- ramps that help people get in and around buildings more easily
- wheelchairs

- computer modifications to increase accessibility
- electronic devices that make communication possible
- equipment on the job that has been modified or customized
- remote control devices that turn appliances, computers, lights, radio, etc., on an off
- magnifier, talking books, closed circuit television, Braille note taking computer

How can AT assist in the implementation of the Americans with Disabilities Act (ADA)?

The Americans with Disabilities Act (ADA) extends full civil rights and equal opportunities to people with disabilities in both the public and private sectors. Specifically, the law prohibits discrimination on the basis of a physical or mental disability in employment, public services, public accommodations, and telecommunications.

What are some benefits of AT as it relates to the ADA?

AT can play a critical role in complying with reasonable accommodations. The ADA requires employers to provide reasonable accommodations to qualified persons with disabilities that will

enable them to perform the essential functions of a job. Providing a reasonable accommodation to a job applicant or an employee with a disability can include the acquisition or modification of equipment or devices. Some AT accommodation examples are:

- Sally, born with cerebral palsy, uses an augmentative and alternative communication (ACC) device to talk with fellow employees.
- Jason was injured in a fall and uses a wheelchair. He continues to work at his office using equipment that is set on lower worktables.
- Marion, who sustained a head injury from a car accident, uses an electronic notebook to help her complete day-do-day job-related tasks.

Employers may be reluctant to hire a qualified individual with a disability because they have limited understanding or misperception of how the individual can perform the essential functions of the job with the use of AT. New technologies are consistently being developed, many of which include designs to accommodate individuals with disabilities. Therefore, employers need to realize that, like all workplace technology that consistently gets upgraded, so, too, does AT.

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ment. We do not believe that we have the knowledge or experience to ‘get into the market’ and make the hard decisions. And yet, no decision is a decision too. By not taking a more active interest in your financial future, your 401k or 403b may have shunted yourself into the default position. This is usually a money market account currently paying less than one percent...not what you were hoping for to fund that retirement condo. That is a high price for trying to avoid risk altogether. It pays to take a look.

If you are lucky or paid attention and made a few simple choices, your retirement funds may be in an “index fund.” This is a type of mutual fund that tries to track an index, like the Dow Jones Industrial Average (DJIA) or the S&P 500. There is no guarantee of positive returns (or any return at all), but by spreading your money across a number of stocks the theory is that you will (might?) minimize the chance of losing money over the longer term, and by longer term, I mean decades. And if you do lose some money in one year, it is hoped that the next year, you can make up for it. Consider that the S&P 500 returned over 30 percent in 2013. That can make up for a number of down years and many, many years at the default rate.

But let’s get back to my original observation, “Everybody wants a slice of *your* pie.” Let us say that you are on board with doing some investing. However you choose to get into the market to buy some stocks or stock funds, you are going to need a middle man. You can’t just call up Google and say, “gimme a hundred shares” (that would cost you a cool \$65,000 anyway at today’s prices). Stocks are traded on exchanges like the NASDAQ (say “*naz-dack*”) or the New York Stock Exchange (NYSE) and brokered by firms to banks and financial services companies. So you need to go through one of those to get your shares. These companies will also bundle groups of stocks into mutual funds in which you can invest. Chances are, if you are new to investing, you will not want to ‘put all your eggs in one basket’ by buying shares in just one company. You will want to buy into a mutual fund.

Nowadays, the vast majority of mutual funds are what are called “no load” funds. That means that you do not pay a commission or “load” to the fund to own it. However, you will pay a commission to buy and sell shares in the fund to whomever you buy it from.

So how does the fund make money? From your money, of course. When you buy a mutual fund, from say Fidelity or Vanguard, or Oppenheimer (These are the big names. I make no specific recommendations here.) you are basically buying into an investment pool in a specific set of stocks. The fund manager, if there is one (and these are going more and more electronic these days) will buy and sell under a set of management criteria. The profit or loss will be recorded and the fund will take its cut. Yes, let me say that again...The fund will take its cut. This is where you have to be careful, because the amount of this cut varies among funds. The average mutual fund “expense ratio” was



AT can play a vital role in ameliorating unnecessary risks to workers. Under the ADA, employers do not have to hire or employ a person with a disability who poses a direct threat, i.e., “a significant risk to the health or safety of others that cannot be eliminated by a reasonable accommodation.” For example, a store clerk with limited upper body control might use a cart to move heavy supplies rather than carrying them across the store and risk dropping them on other workers. A craftsman with cerebral palsy might use a low-tech vice grip or clamp to secure a variety of tools and equipment as a way of reducing the risk of injury to co-workers.

Furthermore, an employer does not have to provide an accommodation if it can demonstrate that it would impose an “undue hardship” on its business. To make this determination, one examines, among other things, the nature and net cost of the accommodation; the number of employees; type of operations; financial resources of the facility and the larger business entity of which it may be a part; and the impact of the accommodation on the operation of the facility. If making the accommodation would impose an undue burden, the

employer may offer the person with the disability an opportunity to provide his or her own accommodation or may assist that person in finding resources to pay for the accommodation. If employers think of accommodations as “productivity enhancements” similar to others in the workplace, then they become a cost of doing business.

Myths about AT

There are many myths surrounding AT devices and services for individuals with disabilities. These misconceptions may impact attitudes and become invisible barriers to an individual’s independence and productivity. Common misconceptions are:

- An AT device is a luxury. For someone with a disability who relies on AT to perform a critical function or achieve a desired goal in life, AT is very much a necessity. A computer is a necessary piece of equipment for anyone doing data entry even though it could be done with a pencil and paper. Just because a device makes a task easier or more convenient to do, does not make it a luxury.

“For most people technology makes things easier. For people with disabilities, however, technology

makes things possible. In some cases, especially in the workplace, technology becomes the great equalizer and provides the person with a disability a level playing field on which to compete.” (A quote from Mary Pat Radabaugh, a former employee with the IBM Disability Support Center).

- AT is expensive and complicated. The majority of AT solutions are simple, inexpensive low-tech devices such as a hands-free telephone, magnifiers, or wood blocks to raise a desk or workstation. It may also be as simple as rearranging a workspace. According to the Job Accommodation Network (JAN), more than half of all accommodations cost nothing to make, while the rest typically cost around \$600.

Most accommodations would therefore not likely impose an “undue burden” on an employer’s business. With respect to AT, the cost can be shared by the employer, the individual, or third-party payers, such as the employer-supported health insurance for the employee, workers’ compensation, the state’s department of rehabilitation

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1.25 percent (2013, Morningstar). But there can other hidden fees as well. You need to read the fine print before you invest to see how much you are paying for the privilege to have somebody else use your money to make money.

You can find this number in the *prospectus*. A prospectus is a document required by law to be distributed to all investors in the fund. The prospectus gives valuable information about how the fund invests its money, in what type of products, what the costs are and whom, if anyone, is running the show. These used to be full of ‘legalese’, but the rules on them have changed and they have gotten a lot better recently; even if they are a bit tedious to pour over. Still, it is worth your time. After all, it is *your* money.

The profit that the firms take (expense ratio, plus any additional fees) is another reason why many mutual funds do not match the performance (returns) of their benchmark indexes. For example, if you read in the news that the S&P 500 returned 13.69 percent in 2014 and your mutual fund had an expense ratio of 1.25 percent, then your return (not including any other fees) would be 12.44 percent (still not bad). It is therefore important to look at performance of the fund *after fees* to get a sense of what your returns are likely to be. And of course, this information should be in the prospectus.

The fact that funds are taking some profit from the money they make for you should come as no surprise, but how much and how often can raise eyebrows. When you choose to invest with a company, pick a large, national firm with a good reputation. Large firms have more regulatory oversight and because they have to be competitive with other large firms, often have some of the lowest fees around. Again, read the fine print in the prospectus.

I hope I have not scared you off from investing. With a longer term view, I firmly believe that there is money to be made in equities (stocks) and it is probably your best chance for making money at this time. The U.S. stock market is the largest stock market in the world. Companies from all over the planet come to be listed here and investors come to buy and sell shares. If you are still interested in getting started, I can recommend two pieces of information for you to read. One is a short pamphlet called, *If You Can, How Millennials Can Get Rich Slowly* by William J. Bernstein (2014). It will echo a lot of what I have said here. It’s available for download for free from: <http://www.etf.com/docs/IfYouCan.pdf>

The other is the book I use in my class (Introduction to Equity Investing) titled, *The Neatest Little Guide to Stock Market Investing*, by Jason Kelly (2015). I like it because the author helpfully tries to steer the beginner away from high cost investing and toward a longer term approach. It also has helpful advice from people like Warren Buffet who have made more than their share in the market.

Investing for your future probably one of the most important aspects of life in our modern society. Yet too few people take the time to figure out how to best prepare for their financial future. All too often they fall prey to inadequate advice and higher fees, which can erode profits stealthily overtime. Everyone wants a slice of *your* pie. But it’s your money. Make the most of it.



services (also known as vocational rehabilitation), philanthropic organizations, and AT loan programs.

- **The professional often knows best.** Users of AT often have the experience and knowledge that will lead to the best solutions for their individual needs. It is important for consumers and professionals to work together to find the appropriate AT solution.

Steps to take to ensure effective use of AT accommodations

To ensure that the appropriate reasonable accommodation will be provided, the following steps should be followed:

- Form a partnership between the employer (or service provider) and the individual with a disability.
- Focus on ability, not the disability. Focus on what the individual can do. Ask, never assume.
- Individualize solutions. Every individual’s needs are unique; therefore, the solutions must be individualized accordingly.

- Keep it simple. Simplicity minimizes cost, ease of repair, and disruption to the workplace.
- Be holistic. Look at the whole picture when considering an accommodation so that you consider the environment, personal, and social ramifications of the proposed accommodation as well as the functional aspects.

This article was adapted from: *Assistive Technology, Accommodations, and the Americans with Disabilities Act*. Edited by Susanne M. Bruyere, Ph.D., director Employment and Disability Institute, Cornell University School of Industrial and Labor Relations.

