UNITED BROTHERS OF LOS ANGELES

THE LEGACY WORKBOOK

Protect It. Own Something. Pass It On. A Fill-In Workbook for Building Family Wealth

Los Angeles Edition | weareubla.org

We don't teach Black men to survive. We equip them to thrive.

How to Use This Workbook

Most financial advice talks at you. This workbook works with you. It is built on the three moves of UBLA's Financial Literacy pillar: Protect it, Own something, Pass it on. Each part ends with pages you fill in by hand, because a plan that lives in your head is a wish, and a plan on paper is an asset. Block one sitting, about ninety minutes, with a pen and whatever statements you can gather: pay stubs, policy papers, bank and retirement logins. What you cannot finish in the sitting becomes your list for the month. Nothing in here is personalized financial advice. It is a disciplined starting structure, and for the decisions with real money attached, sit with a licensed professional, ideally one who is paid for advice and not for selling you products.

Why it matters, in one breath: only about four in ten Black families own stock, against nearly two-thirds of white families (Federal Reserve, 2022), and most of us say we need life insurance while far fewer actually carry it (LIMRA). The gap is rarely knowledge of what to do. It is the absence of a structure that turns knowing into done. This is the structure.

Read This First: The Words, in Plain English

Finance runs on vocabulary designed to make simple things sound hard. Every term used in this workbook is defined here the way we would explain it across a kitchen table. Read this page first. When a word shows up later, it will already be yours.

401(k). A retirement savings account offered through a job. Money comes out of your paycheck before you see it, grows over the years, and many employers add a matching contribution on top of yours. **Why it is vital:** The match is free money that is part of your pay. Capturing it is the single highest-return move in this entire workbook.

IRA. An Individual Retirement Account. A retirement account you open yourself at a bank or brokerage, not through a job. You choose what goes inside it and contribute on your own schedule. **Why it is vital:** Not every job offers a 401(k), and most brothers change jobs along the way. An IRA is the retirement account that is always yours and always open.

Roth IRA. A type of IRA where you contribute money that has already been taxed, and then qualified withdrawals in retirement come out tax-free. **Why it is vital:** You pay a little tax now so your older self pays none later. For younger brothers in lower tax brackets today, that trade is often a gift to their future.

Index fund. A single fund that owns small pieces of hundreds of companies at once, tracking a whole market index, like the S&P 500, instead of betting on one company. **Why it is vital:** It is the simplest honest way to own the market: instant diversification, very low fees, and no need to pick winners. This is what most of the investing in this workbook means.

Beneficiary. The person you name to receive an account or policy's money when you die. The name on the beneficiary form is who gets paid, full stop. **Why it is vital:** Beneficiary forms override your will. An outdated name sends money to the wrong hands no matter what your documents say, which is why the audit in Part One matters so much.

Term life insurance. Life insurance you buy for a set number of years, the term, at a monthly cost called a premium. If you die during the term, it pays the coverage amount to your beneficiaries. **Why it is vital:** It is the cheapest way to protect a family's income during the years they depend on it most: childhood, a mortgage, the building years.

Disability insurance. Insurance that replaces part of your income if illness or injury keeps you from working. **Why it is vital:** Your income is the engine under every goal in this workbook. Disability protects the engine, and a working-age man is more likely to be disabled for a stretch than to die young.

Umbrella policy. Extra liability coverage that sits on top of your auto and home policies and pays when a claim exceeds their limits. **Why it is vital:** One serious accident can produce a judgment larger than your auto policy. Umbrella coverage is inexpensive precisely because it only wakes up for the catastrophic day, and on that day it saves everything.

Estate. Everything you own and owe at the end of your life: money, property, accounts, and debts, treated as one bundle. **Why it is vital:** Every man has an estate, rich or not. The only question is whether he decided what happens to it, or left the decision to a court.

Will. A legal document stating who should raise your minor children and who receives your estate. **Why it is vital:** Without one, a judge who never met your family decides both. A will is how a father's voice stays in the room.

Trust (living trust). A legal arrangement where a trustee holds and manages your assets for the people you name, under rules you set, while you are alive and after you are gone. You are usually your own first trustee. **Why it is vital:** A trust passes property privately, quickly, and outside of probate. For California homeowners especially, it is how a house moves to the next generation without a courtroom detour.

Probate. The court process that validates a will, pays debts, and transfers what is left. In California it is slow, it charges fees based on the estate's value, and the filings are public record. **Why it is vital:** Probate is the default path when nothing was planned. Knowing the word means knowing what the will, trust, and beneficiary designations in Part Three are designed to avoid.

Transfer on death (TOD). A designation on a bank or investment account naming who receives it directly when you die, outside your will and outside probate. **Why it is vital:** It takes five minutes at the bank and removes an entire asset from the court's line. Small form, large mercy for your family.

Credit score. A three-digit grade of how reliably you have handled borrowed money, used by lenders, landlords, and sometimes employers. **Why it is vital:** It quietly sets the price of everything you finance: the house, the car, the business loan. Brothers building toward ownership cannot afford to leave it unexamined.

Emergency fund. Cash set aside, ideally three to six months of expenses, for the transmission, the layoff, the emergency flight home. **Why it is vital:** It is the wall between a bad month and a debt spiral. Most financial emergencies are only emergencies because this fund does not exist yet.

PART ONE

Protect It

Protection is the floor everything else stands on. One uninsured funeral, one disability with no coverage, one lawsuit with no umbrella, and a decade of building can be wiped out in a season. Protecting it starts with knowing exactly what you have, which for most brothers is a shorter list than they think, and that is fine. You cannot close a gap you have not measured.

Life insurance, in plain English. Term life is the workhorse: you rent a large amount of coverage for a set number of years, cheaply, while your kids are young and your debts are high. Whole and permanent policies cost far more for the same coverage. The question that sizes the policy is simple: if your income stopped tomorrow, how many years of it does your family need to land on their feet? Ten times your annual income is the common starting rule of thumb. Refine it with a professional, but start there.

The other shields. Disability insurance replaces income if injury or illness takes you off work, and statistically that is more likely in your working years than an early death. Renters or homeowners coverage protects the roof and everything under it. Auto liability protects you from the other driver's worst day becoming your debt. An umbrella policy adds a large layer of liability protection for a modest price once the basics are in place.

> **The Beneficiary Audit.** Policies and accounts pay whoever is named as beneficiary, no matter what your will says and no matter how life has changed since you filled in the form. Old jobs, old relationships, outdated names: audit every beneficiary on every policy and account once a year. This one hour has saved more families than any investment tip ever printed.

My Protection Inventory

Life insurance, policy 1: company / amount / term ends

_____

Life insurance, policy 2: company / amount / term ends

_____

Employer coverage: amount / what happens if I leave the job

_____

Disability coverage: none / employer / private, amount

_____

Home or renters policy: company / coverage amount

_____

Auto liability limits _____

Umbrella policy: yes / no, amount _____

My income times ten (my starting coverage target)

_____

The gap I need to close _____

PART TWO

Own Something

Ownership is where wealth actually changes. Wages rent your time. Assets pay you while you sleep, and the first asset most brothers should own is a piece of the market itself. Only 39.2 percent of Black families own stock in any form (Federal Reserve, 2022). The door is not locked. It is just a door most of us were never walked through.

First, the match. If your job offers a 401(k) with a matching contribution, contribute at least enough to capture the full match before anything else in this part. The match is part of your pay. Leaving it unclaimed is volunteering for a pay cut.

Then, the habit. After the match: an IRA or a regular brokerage account, a broad index fund that owns a slice of hundreds of companies at once, and an automatic contribution on payday.

Start where you are: twenty-five dollars a payday, invested consistently, beats five hundred dollars intended someday. Automate it so discipline is not a monthly decision.

Then, the ground. Homeownership remains the most common wealth builder for Black families, and Los Angeles has doors built for first-time buyers: state assistance through CalHFA, city and county programs, and free HUD-certified counselors who will map your specific path. Our website's Financial Literacy resources link them. The sequence that works: credit first, down payment fund second, counselor third, keys fourth.

> **Write Your Numbers.** Ownership gets real when it has figures attached. Fill in the next page honestly, even if the numbers are small. Small and written beats large and imaginary.

My Ownership Page

401(k): am I capturing the full employer match? yes / no

_____

If no, the contribution change I am making this month

_____

IRA or brokerage account: opened where / date _____

My automatic contribution: amount / every payday

_____

My index fund or investments, in one line _____

My credit score today / my target in 12 months _____

My down payment fund: current amount / goal _____

HUD-certified counselor or CalHFA appointment: date

_____

PART THREE

Pass It On

Wealth that dies with you was only ever income. Passing it on is the move that turns one man's discipline into a family's head start, and it is the move most often left undone: nearly two-thirds of Black households have no estate documents at all. The documents are not complicated. The cost of skipping them is.

The will. A will names who raises your children and who receives what you leave. Without one, a court decides both, slowly and publicly. In California, probate is slow, expensive, and a matter of public record, which is why many families pair a will with a trust.

The trust. A living trust holds your assets and passes them to your people privately, outside probate, on your instructions. It is the standard tool for homeowners in California. An estate attorney can draft the pair, will and trust, in a single engagement, and legal aid and community clinics can help at low cost.

The accounts that skip the line. Retirement accounts, life insurance, and many bank and brokerage accounts pass directly to named beneficiaries or transfer-on-death designees, outside the will entirely. Part One's beneficiary audit is what makes this machinery work. Designations beat documents when the two disagree, so keep them in agreement.

Claim what is already theirs. The new federal child investment accounts give an eligible child a $1,000 government seed deposit, claimed through the IRS (Form 4547). It costs a family nothing but a form. If there is a child in your life who qualifies, claiming that seed and adding even small contributions is the literal definition of a head start. Details are in Issue No. 1 of Thrive and on our website.

The Legacy Talk: A 30-Minute Family Meeting

Documents tell your family what happens. A conversation tells them why, and where everything is. Call the meeting. Keep it warm and keep it short: (1) what we have and where it lives, (2) who is named on what, (3) what the will and trust say, (4) where the Legacy Snapshot on the next page is kept, (5) one thing each person will do this month. Families that can talk about money can keep money.

My Legacy Snapshot (keep with your documents; tell your family where)

My will: date signed / where the original lives _____

My trust: date / trustee's name _____

My insurance policies: companies / where the papers live

_____

My accounts: banks and brokerages, names only _____

My debts, in one honest line _____

Digital accounts and passwords: stored where _____

The person who knows all of this besides me _____

Date I last reviewed this page _____

A Closing Word

Protect it, own something, pass it on. Three moves, done in order, reviewed once a year, and a brother has done more for his family's next fifty years than a lifetime of hoping the system softens. Start with the page you can finish today. Then finish the next one.

The Legacy Workbook is a program resource of United Brothers of Los Angeles (UBLA), the Financial Literacy pillar's companion to Civic School and The Health Playbook. It is educational material, not individualized financial, tax, or legal advice.

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