

# Sunday Business



PHOTOS COURTESY OF MODERN BUILDING SYSTEMS

Modern Building Systems constructs 80 percent of their buildings at their facility in Aumsville before shipping them to their destination.

## BUILDING ON A GREEN FOUNDATION

### Firm offers environmentally friendly mobile structure

**BETH CASPER**  
SPECIAL TO THE STATESMAN JOURNAL

Modern Building Systems is a one-stop shop for mobile and modular buildings throughout the Northwest and California. The company's attention to efficiency and workmanship is rivaled only by its attention to the environment.

The business has been EarthWISE certified since 2011. EarthWISE staff members help businesses recycle, save energy, reduce waste and much more. To earn certification, a business meets criteria in six areas. Modern Building Systems is one of more than 150 EarthWISE businesses and organizations in Marion County.

In 2016, it earned the Green Product

of the Year award at the annual Marion County Green Awards for its innovative SMART Classroom, a modular classroom with solar panels, rainwater storage and treatment system, a living wall, a composting toilet, salvaged carpet and chemical-free paints and finishes. It not only serves as a space to teach students, but also as a hands-on laboratory.

In the past two years, Modern Building Systems has sold 12 SMART Classrooms. But even the standard modular classrooms built by Modern exceed energy efficiency standards set by building codes in Oregon, Washington and Northern California.

In fact, in every building it con-

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**“Even in little ways, we are thinking about conservation. ... We are trying to do our part.”**

**RAUL MUNOZ**  
MARKETING COORDINATOR,  
MODERN BUILDING SYSTEMS



A Modern Building Systems craftsman double-checks specifications.

## Use these 9 ways to increase cash flow for your business

### Bill immediately and set due dates



**CHEMEKETA SBDC**  
MARCIA BAGNALL

Cash flow is a wonderful thing, isn't it? Cash is said to be the lifeblood of your business, so how do you increase your cash flow? How do you get

money in faster and sooner?  
1. Compress your accounts receivable time — that is, reduce the time between

the first and second and subsequent billings. Encourage customers to pay you as soon as possible.

2. Try to bill immediately in the field and don't wait to get back to the office to email or mail out an invoice. Have your sales and service people carry the means to bill right on the spot.

3. Establish a minimum order for credit sales and only accept checks or cash for orders under that amount (or charge a service fee for small orders to encourage customers to pay on delivery).

4. Schedule due dates for payment based on completion of service instead of the sent date of an invoice.

5. Review collection and credit policies to find factors that are hindering cash flow (such as continued credit to slow-paying clients or even delinquent customers). Remember that if you've got a client who consistently pays way after the due date and you allow it, you've just created a “new” policy for that customer.

6. Settle any customer disputes immediately. Figure out whatever problems there are and remedy them so that the customer can pay you. Your first contact with a slow-payer should be by phone so that you can determine if their not paying you is due to problems with your products or services.

7. Avoid overbuying of inventory. Excessive inventory costs money to store, and it ties up cash.

8. Liquidate unused or stale inventory in a timely manner.

9. Rent out unused space, unused or little used equipment or vehicles.

Marcia Bagnall is Director of the Chemeketa Small Business Development Center and instructor of Small Business Management Program. The Small-Business Adviser column is produced by the center and appears each Sunday. Questions can be submitted to SBDC@chemeketa.edu. Visit the SBDC at 626 High St. NE in downtown Salem or call 503-399-5088.

## Business briefs

### Alex Rhoten elected president of Salem Fire Foundation

Alex Rhoten, Principal Broker at Coldwell Banker Commercial Mountain West Real Estate, has been elected president of Salem Fire Foundation. Rhoten served previously as the foundation's vice president and was a member of the fundraising team.

Cardiologist Kirk Walker, M.D., FACC, FSCAI was elected Vice President.

Salem Fire Foundation has provided over 100 automatic external defibrillators in Salem Police vehicles and elsewhere in the community in the past two years, according to a news release. The foundation also teaches CPR/AED skills to area eighth-graders.

For information, contact the Salem Fire Foundation at SalemFireFoundation.org.

### Bridgeway Recovery Services promotes two staff members

Bridgeway Recovery Services announced the promotion of two of its staff.

Tina Bialas has been promoted to director of behavioral health services after serving as clinical supervisor of corrections programs. Dora Urbina was promoted from administrative assistant at Bridgeway to office manager of Clear Paths, a recently merged company.

Bridgeway Recovery Services is an integrated health care service provider, offering services including mental health counseling, chemical dependency treatment and primary care, according to a press release.

### Dale's Remodeling adds lead carpenter Troy Fish

Dale's Remodeling has brought on Troy Fish of Salem to be its lead carpenter. Fish began working with Dale's in October.

In his role, Fish will supervise and organize the work of his colleagues and facilitate sub-contractors, suppliers, and materials to meet timelines and expectations set by homeowners. Fish has more than 15 years experience and worked in the San Francisco area prior to joining Dale's.

Dale's Remodeling, 5514 Commercial St. SE, can be reached at 503-370-7609.

### Madrona Hills receives nod from SeniorAdvisor.com

Madrona Hills retirement community was recently included among SeniorAdvisor.com's "Best of 2017 Awards" list. The award came as a result of receiving consistently high ratings from residents and their families in 2016, according to a release.

As an independent living facility, Madrona Hills qualified for the award by maintaining an average overall rating of at least 4.5 stars on SeniorAdvisor.com and receiving three or more new reviews within 2016.

"This award is not something that just happens; it is a direct result of the Holiday Retirement team at Madrona Hills and the associates' hard work and compassion for our residents," said Lilly Donohue, CEO at Holiday Retirement, the company that operates Madrona Hills.

A total of 91 Holiday Retirement facilities were named to the "Best of 2017 Awards" list.

Contact Madrona Hills, at 707 Madrona Ave. SE, at 503-683-7265.

### John Willburn named president of Pioneer Trust Bank

John L. Willburn has been named president of Pioneer Trust Bank, effective Jan. 1. Willburn, who previously served as Senior Vice President and Chief Operations Officer, will remain the bank's COO.

Former president Randolph (Randy) Compton will remain the bank's CEO of Banking Services, and Michael Compton will remain as CEO of Trust and Investment Services.

"Mike and I are very pleased to make this announcement," Randy Compton said in a release. "John is an exceptionally talented individual and we're very pleased to see him take on this new role. This doesn't mean retirement for either Mike or (myself). It's just time for this transition in the bank's leadership team."

For information, go to PioneerTrustBank.com.

— Lee Clarkson

# So you want a new credit card ...

## Competitive market leads to big deals for consumers

GREGORY KARP  
NERDWALLET

Today's competitive credit card market has turned lucrative for consumers, meaning what would have been a good offer just a few years ago no longer measures up.

For example, 1 percent cash back for credit card spending is no longer competitive. Zero-percent interest for a year may sound generous, but today it's lackluster. The best offers include sign-up bonuses, rewards and no-interest deals to manage your debt. Many cards have no annual fee, but if you pay one, you should expect superior rewards.

Here's what a good deal looks like for three basic types of cards, assuming you have good credit.

### Cash rewards cards

Many rewards cards offer 2 to 5 percent cash back on specific categories of spending, such as gas, dining out or trav-

el, while paying just 1 percent on everything else. But some programs can be complicated, especially those with rotating bonus categories. Simpler is a flat-rate cash-back card. You get the same rewards rate regardless of what you're paying for.

Benchmarks to look for:  
» At least 1.5 percent cash back on everything. If you charge \$1,000 a month on your card, you'll get \$60 more cash back per year than you would with a 1 percent card.

» No annual fee. Exceptions: If you want outsized rewards or have only an average credit score, you might have to pay a fee.

### Debt management cards

Many credit cards offer no-interest periods on balance transfers and even new purchases. If you carry a hefty balance and need breathing room to pay down that debt without finance charges, this is the type of card to explore.

Benchmarks to look for:  
» At least 15 months of no interest. Cards that offer a year at zero percent are no longer competitive, with dozens

offering 15, 18 or even 21 months.

» Balance transfer fee of no more than 3 percent of the amount transferred. A few cards don't charge a fee to transfer balances, but most do.

### Travel rewards cards

Travel cards often have annual fees and large sign-up bonuses. Some are hard to evaluate because their rewards programs are complicated and they offer perks that mean more to some people than to others.

Benchmarks to look for:  
» No foreign transaction fee. Paying no surcharge for purchases abroad should be standard for a travel card.

» Sign-up bonus worth at least \$200, after subtracting the annual fee. Miles or points bonuses vary from 20,000 to 100,000. When in doubt, value miles or points at a penny each, though actual values vary depending on what you redeem them for. Currently, the average bonus for a miles card is more than \$425, according to NerdWallet data.

This article was provided to The Associated Press by the personal finance website NerdWallet.



LYNNE SLADKY/AP

People fill out job applications at a job fair in Miami Lakes, Fla.

# December brought 153,000 new jobs

ADP report comes ahead of tally from Labor Dept.

PAUL DAVIDSON  
USA TODAY

Payroll processor ADP said Thursday that businesses added 153,000 jobs in December in a possible sign the government's employment report this week will also show modest gains.

Economists surveyed by Bloomberg expected ADP to record 175,000 job gains. The Labor Department on Friday is expected to tally 180,000 additional jobs in the public and private sectors.

ADP attempts to foreshadow the Labor Department's initial private-sector estimate and tends to reflect similar broad trends but often has differed from it significantly. Historically, the disparity has been more pronounced in December, when some employers served by ADP purge from their payrolls employees no longer with the company, says Jim O'Sullivan, chief economist of High Frequency Economics. Labor, by contrast, doesn't count workers when they stop getting paid.

At the same time, he says, unusually cold weather may have kept some workers at home and suppressed the Labor Department's employment totals. ADP counts such workers as employed long as they're on the payroll.

Labor's average monthly job growth has slowed to about 180,000 in 2016 from 229,000 the previous year. Many economists cite the low, 4.6 percent unemployment rate, which has spelled fewer job candidates and slower hiring.

"Job growth remains strong but is slowing," says Mark Zandi, chief economist of Moody's Analytics.

# Retirees report they spend less with age

## Older adults find different priorities, so costs decline



INSIDE BUSINESS  
SCOTT BURNS

**Question:** You often make note of longevity in your column. Let me offer a comment: The longer you live, the less money you need. For instance, if I need \$1,000 a month and I am going to live 10 months then I need \$10,000. But if I only have five months to live, then I only need \$5,000. I admit I am not taking into account that I may live longer, but take my case.

I am 94 years old. My wife and I are in reasonable health. We no longer travel or do much yard work or anything like that. So we don't need much money. At 94, I can't have much longer to live, so I don't need as much money as if I was 40 years old. How do you like my line of reasoning?

— B.H., by email

**Answer:** Millions of other retirees have had the same experience you and your wife have enjoyed — spending tends to decline as we age. I think of it as a retirement planning "fudge factor."

So your experience isn't a fluke and you're not unbearably tight with a dollar. You're just following the natural — and kind — path of aging.

What you've observed has been confirmed by multiple studies of consumer spending. The studies show that our spending tends to peak in our early 50s.

It then declines until it levels out in our mid-eighties. With the exception of medical spending, our costs decline across the board: shelter, food, autos, clothing, and entertainment — you name it, spending tends to decline as we age.

The decline isn't due to running out of money to spend, either. It's due to changes in what's important to us and to changes in our physical capacities.

One of my favorite examples comes from my wife. She was buying bird food at Tractor Supply, a chain of farm equipment stores. She ran into a friend, a retired CEO of a major Dallas technology company. He was wearing a denim jacket, denim pants and work boots. He joked, "You know you're fully retired when most of your clothes come from Tractor Supply."

It's also interesting to observe the jewelry choices of older women — over the last ten years I've seen fewer older women wearing their engagement rings, favoring a simple gold band over bling. I'm sure readers could contribute a very long list of changes that have brought their spending down while having zero impact on their joy in life. There is a reason advertisers focus on the young.

**Q:** I read a lot of material on longevity. One of the things I have yet to see anywhere is in the ranking of what category one is in based on their current assets, portfolio, etc., excluding their residence. Say, for instance, that one had \$500,000 in financial assets; in what percentile would they be compared to the general US Population? Would they be in the top 20 percent, the top 10 percent, or what?

— G.D., by email

**A:** Data on where you stand in net worth compared to either all Americans, or all Americans of your age, is now readily available online. The website to visit is [dqydj.com/net-worth-by-age-calculator-for-the-united-states](http://dqydj.com/net-worth-by-age-calculator-for-the-united-states).

The "dqydj" stands for "don't quit your day job," evidence that the creators of the site have a sense of humor as well as substantial programming ability. This website will allow you to calculate where you are in the income distribution by age and a net worth by age calculator, among other things. It does not, however, make the calculation for financial assets only.

Here are some examples. If you are in your early forties and have a net worth of \$1 million, you're in the 92nd percentile, meaning that you have a greater net worth than 92 percent of other people your age. But if your net worth is "only" \$1 million by your early fifties, you'll be in the 84th percentile.

Using their income percentile calculator you'd see that an income of, say, \$40,000 put you at the 54th percentile, slightly over the median income.

Attaching income and education levels to longevity is far less developed. But an increasing flow of studies is showing that life expectancy for people at lower income and education levels is declining while expectancy for people at higher income and education levels continues to increase.

Scott Burns is a syndicated columnist and a principal of the investment firm AssetBuilder Inc. Email questions to [scott@scottburns.com](mailto:scott@scottburns.com).

# Buildings

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structs, Modern's attention to the environment is obvious.

All of its materials are purchased in bulk and workers build most of the building at a manufacturing facility in Aumsville, which drastically reduces the number of truck trips between the building site and the materials site.

"We construct about 80 percent of the entire building and then ship it in parts and play Legos at the site to construct it," said Raul Munoz, Modern's marketing coordinator. "Everything is pre-planned and coordinated to save the clients time and money. Our workers are putting together the building at the same time as other workers are laying the foundation and installing the infrastructure."

At the construction site, few materials are wasted; whenever possible, materials are reused. "We remodel a lot of our mobile offices and buildings," Munoz said. "In those cases, we reuse a lot of the sheet rock."

Leftover lumber strips also are recycled, or offered to employees to take home for firewood or home projects.



COURTESY OF MODERN BUILDING SYSTEMS

Modern Building Systems workers lift a building for installation at a client's site.

The tires and motor oil for the 24 vehicles in Modern's fleet are recycled, as well as all of the metal and metal scraps

from building construction.

All told, the company recycles an average of 5.3 cubic yards or 840 pounds of

commingled materials — plastic, paper and cardboard — each quarter.

The company's sustainable purchasing policy outlines how employees are to plan ahead, to avoid having to order materials last minute at an extra cost and extra truck trip, and order all items in bulk. If a last-minute order can't be helped, employees are directed to combine the shipment with others.

Even with energy use, Modern Building Systems has gone above and beyond to conserve energy. In 2012, Modern replaced its light bulbs in its 25-acre warehouse with LEDs. Combined with motion sensors and timers, the switch saved Modern 21,140 kWh annually.

"Modern Building Systems is committed to doing our part to conserve resources and tread lightly on the earth," Munoz said. "Even in little ways, we are thinking about conservation. Every desk in every office has a recycle bin by them so they think to recycle more instead of throwing away. We also offer battery and toner recycling. We are trying to do our part."

For more information about Modern Building Systems, go to [www.modern-buildingsystems.com](http://www.modern-buildingsystems.com). To learn more about the EarthWISE program, go to [www.mcEarthWISE.net](http://www.mcEarthWISE.net) or call 503-365-3188.