



President William McKinley's Guide To Huge Pay Increases.

The biography of President William McKinley includes a fascinating history of his personal finances and salary. Learn how he increased his salary exponentially while overcoming a debt crisis, serious medical bills, and a deep recession.

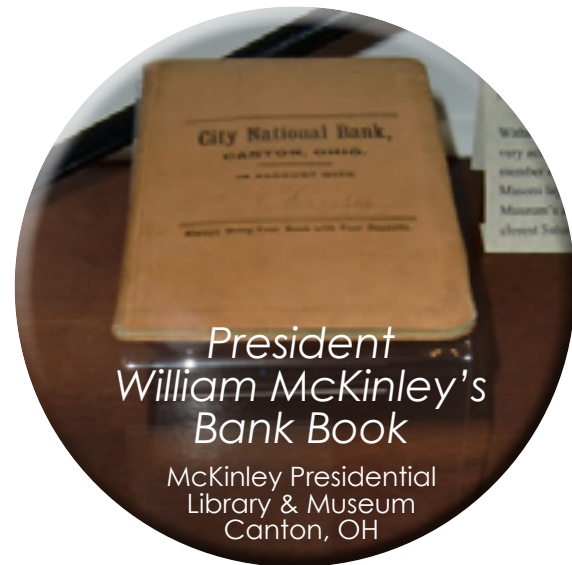
When was the last time you looked at a \$500.00 bill? It is interesting to see the portrait of President William McKinley on such a large sum, considering his own personal finance story. If you look at President McKinley's history with his own money, you will find a historical figure who provides many lessons in personal financial achievement through his common sense approach in living debt free.

Professionally, President McKinley was deeply concerned about the United States' economic prosperity, and devoted a large portion of his energy toward furthering the business and economic interests of our country. Except for a habit of smoking 20 cigars per day, he personally lived a frugal and responsible lifestyle, and for most of his life enjoyed the peace of mind that being debt free brings.

Yes, President William McKinley did make a few financial blunders and faced his share of unexpected monetary challenges, but the solid economic foundation he created for himself allowed faster and less painful recoveries. Perhaps, without knowing the economic impact his particular choices would have on his life, he did several things right: obtaining a college degree while working, adding value and standing out when working for others, becoming self employed, avoiding unmanageable debt, and cultivating his good word (a 1860s term for creditworthiness).

This article provides an overview and timeline of how William McKinley's career started at \$13.00 per month and ended with him earning over \$4,100.00 per month.

As a child he lived an average middle class lifestyle. His father was an entrepreneur, working in the iron industry, and traveled extensively looking for new business. The family had no real debt or assets. There were very few household expenses, as their tastes were simple and McKinley's mother was very frugal.



Lessons in frugality: flower bouquets at the deepest discounts.

Frugality was a trait he learned from his mother. Her frugality showed at McKinley's inauguration when she put together a bouquet of roses to bring to the celebration created from the flowers left on tables in the dining car of the train she was traveling on.

In 1861 McKinley had to drop out of college due to illness and shortage of money. He took a job at the post office and then a job as a teacher making \$25.00 a month. However, he would go back to college after the Civil War and complete a law degree.

In June of 1861 he joined the Army. He was given a \$400.00 signing bonus (over a year's salary for him) and \$13.00 a month as a private.

Adding value at work results in promotions and raises.

Throughout his years in the Army, McKinley was promoted many times, resulting in increasing pay raises. The biography of President William McKinley, face of the \$500.00 bill, includes a fascinating history of his personal finances and salary history.

- When it was noted that McKinley kept the soldiers supplied and fed even during times of extreme fighting and hardship he was promoted to commissary sergeant, which paid \$17.00 per month.
- General Rutherford B Hayes promoted McKinley to lieutenant after he was able to keep fresh supplies coming to the Union soldiers during fierce fighting at Antietam. As an officer, he was now making \$105.50 a month.
- He was again promoted by Hayes to Brigade Quartermaster.
- He was promoted to captain by an order signed by President Abraham Lincoln as a result of his bravery when nearly killed by enemy fire several times while taking crucial information to a regiment that was separated from the brigade. Now, he would be making \$169.00 per month.
- Finally, he was promoted to brevet Major and member of a general's staff due to bravery shown in the Shenandoah Valley Campaign. (however, this promotion did not come with any pay increase)



The value of education.

When he left the Army at the end of the Civil War he borrowed some money to get started again in civilian life and go back to college in order to complete his law degree.

From 1869 to 1871 he was making \$1,000.00 per year as a prosecuting attorney in Canton, Ohio. According to the Census he lived with his parents in 1870; he would move out in 1871 when he married Ida Saxton, who worked as the head teller at her father's bank. McKinley's sister, Anna, who was also living in their parent's house, was making \$600.00 per year as a school principal. After his time as a prosecuting attorney, he worked as a self employed attorney, which included the time during a terrible recession in 1873.

The value of a good reputation.

At the age of 34 in 1877 he was elected to Congress and was paid \$5,000.00 per year. As a congressmen he was often short of cash. He spent a substantial amount of money providing medical treatment for his wife's paralyzing headaches and epileptic seizures. Even so, within two years he repaid a \$2,000.00 bank loan he had taken in order to campaign for Congress.

During a short hiatus from Congress he served as the Chairman of the Ohio Republican Convention. He was quoted as saying "I came to Congress with \$10,000.00 in assets and a law firm worth \$10,000.00. Now I have neither." During this time he turned down several high paying work offers in order to continue his work in politics, something he was passionate about.

The value of a frugal lifestyle.

Even though his wife was said to have expensive tastes inherited from a childhood in a wealthy home, he did not live the same lifestyle as many other congressmen. He rented a sparse two room apartment for himself and his wife, while residing in Washington. They did not go out and socialize much and did not make extravagant purchases. They were occasional guests of President Rutherford Hayes and his wife, who also appreciated quiet, non-extravagant entertainment.



The Original Desk Where President William McKinley Recorded The Family's Finances In His Canton, Ohio Home.

The danger of co-signing loans.

In 1892 he was elected Governor of Ohio, where his salary was increased to \$8,000.00 per year. It was during this time he made his biggest personal financial blunder. He acted as a co-signer for a banker friend, without knowing the true amount that was being borrowed. He assumed it was around \$15,000.00, but when the banker defaulted on his loans, McKinley discovered that the debt was closer to \$130,000.00 and as a co-signer he would be just as responsible for the repayment of the loan.

He vowed to turn over all his property to the bank and go back to civilian life as an attorney in order to earn enough income to pay back the debt. In the end Ida contributed her inherited assets to help pay off the debt, but it was the generosity of wealthy friends that saved the family's home and money. He had learned a valuable lesson about co-signing loans.

In 1897 he was elected President of the United States and was paid a salary of \$50,000.00 a year. He continued to earn \$50,000.00 per year until his second term was ended by assassination. **TQR**

McKinley's Financial Challenges

- Failed to give attention to building personal assets.
- Wife's medical bills – wife's ailments required constant medical attention.
- Co-signed loan for friend without asking questions – the dishonest friend defaulted and McKinley was held equally responsible to pay an enormous debt.

McKinley's Positive Financial Attributes

- Standing out and adding value at work (military service) – when given tough assignments he used the opportunity to shine. His exemplary work was recognized and was rewarded with higher pay levels and rank.
- Finished college – Even though McKinley had to drop out of college early on he went back to school after the war and finished his degree which allowed him.
- Self employment gave him more freedom to do what he loved.
- Maintained a frugal lifestyle.
- Stayed debt free the majority of his life.

"I don't worry about _____ anymore!"

(Fill in the blank: buying Christmas gifts, paying my rent, the economy, losing my job, my car breaking down, etc., etc., etc.....)



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