



EMPLOYEE LAWSUIT: Your Lucky Break in Life?

Some people go through life waiting for that “lucky break” that will “give them the money” they need to live a life of ease, without having to work another day in their life.

Do you know anybody like this? I do. I know a couple of people in fact.

They drive around in their car, hoping to someday be crashed into by some rich little old lady driving a brand-new Mercedes S580, and then ending up with a huge settlement from their lawsuit.

I even know somebody who keeps slipping and falling at work, and they end up with a whopping \$10,000 check here and another \$5000 check there after suing her employer, then moving on to another job somewhere else.

Wow, \$10,000 and \$5,000, that’s like \$15,000...that's a lot of money dude!

Recently this acquaintance fainted at work because of how hot she said it was in her workplace, and again, she filed another lawsuit. We'll see how much money she gets out of that one.

But that's chump change, isn't it?

The lawsuits, employment-related or otherwise, these could be just that “lucky break” some people are looking for to improve their lot in life, or are they?

Some people think an employment-related lawsuit could result in a huge settlement for them. And they believe that some caring, concerned lawyer will be all too willing to bet on their case. They may promise you the case will cost you nothing. They may even take the lawsuit on a contingency basis, but they'll need 33% to 40% of your settlement or recovery as they are betting on a positive outcome.

But the fact is, that's what lawsuits are to lawyers, a bet. Lawsuits are a gamble. And I'm not knocking lawyers. Thank God they're there if we need them.

My City Attorney at City of Imperial Beach had California license plates that read, “SO SUEM”. This guy was a lot of fun, and frankly, I learned a lot about administrative law from him.

Anyway, if you sue your employer, you think you can get the money you need to live a life of ease. A life that means you may not have to work anymore.

Your employment lawsuit could make you daydream about that lucky break you've been waiting for so you can say to your boss what country singer Johnny Paycheck sang in 1977, "Take this job and shove it"!

But after we sing this fun song, let's talk reality.

Although employee lawsuits are all over the board, the truth is that employment related settlements are for amounts much lower than my accident-prone acquaintance has learned from the claims she has filed against her employers.

The EEOC data shows that actual average out-of-pocket settlements for employment related discrimination lawsuits, for example, is about \$40,000.

Of course in rare cases, you could end up with \$1 million settlement. Just don't forget the attorney will surely take a bite (like a \$400,000 bite), leaving you about \$600,000. I'll show below how your job is worth MORE than \$600,000.

So you're most likely to end up with \$40,000!

Does that seem like a lot of money to you? It does to my accident-prone acquaintance that has seen checks of only \$5000 or \$10,000 for her claims.

How about you? What employment related lawsuit settlement would make you feel like you could tell your boss to "take this job and shove it"!

Before you answer, stay with me for a little bit while I do some basic math for you to show you how VALUABLE your job is in "monetary" terms.

Let's say you make today's \$50,000 median salary in the United States (that's \$4,167 per month; or \$24 per hour). Do you know how much money you would need from your cash settlement (after lawyer's fees) to generate the equivalent \$50,000 in annual income that you're making from the job you now hold?

In determining the amount you need, keep in mind you need to put your money in a "safe" investment, for the next 30 years that you plan to live while your Social Security pension hopefully is still available for you.

So I chose the safest investment option I know, the 30-year US Treasury bond, which today yields 2.112%

Here's how to calculate how much YOUR JOB IS WORTH, and your net cash settlement needs to be, to yield the \$50,000 annual income you now earn from your job:
 $\$50,000 / 2.112\% = \$2,367,424.24$.

All you do is take \$50,000 and divide it by the 2.112% annual yield paid by the 30-year US Treasury bond. If you invest \$2,367,424.24 in a 30-year US treasury bond, this will pay you about \$50,000 a year.

So, if you think you can get a settlement of \$2.367 million from your employer, go for it! But I doubt any employer (or their insurance company) is going to “settle” an employment practices lawsuit for that amount.

And keep in mind that in 2021, cash is worth very little! Interest rates are near zero, and may soon become “negative”, which means YOU will have to PAY to have your money stored safely!

This is why even at 2.112%, a job where you make \$50,000 a year is worth \$2.367 million!

If you happen to make \$100,000, then double the amount you need in cash. At \$100,000 annual income requirement, you would need over \$4.7 million in cash to generate enough income to equate what you now earn from your job.

And there is so much other “nonmonetary value” to all of us as individuals from holding down a job. I’m sure you can think of many good reasons to have a job, but that’s only possible if you have a good attitude.

Sadly, most people are unhappy at their jobs, and they think they will be happier at another place.

Note that I’m NOT talking about the workplaces that are toxic or hostile places to work.

I’m talking about the attitudes of complaining, accident-prone employees like my acquaintance, who think their “lucky break” is a big lawsuit as an alternative to working hard and providing the best service to the customer.

So, rather than being so quick to find fault with your boss (or your company or organization), why not change your attitude towards your job?

The problem may be us, not the job or the workplace.

Look at the work, the good work being done by all the people at your place of employment. Look up and look around to see how you can improve operations, to better serve your customers and those who depend on you to do a good job.

As we look at the alternatives, you might conclude that keeping your job, and even better, excelling at your job and learning to love it, this is the lucky break in life!

Winning a lawsuit against an employer that results in a few bucks (that you can't live on anyways), well, I have always seen this to be a losing bet for those who didn't understand the real value of their job.

Reach out to me and let me know how your job is going.

This is John Herrera from MuniTemps, thanking you for joining me for today's CitySpeak blog, podcast, and video.

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See you next time! Bye!