

# **Pillars: Financial**

## **Facilitators Guide 2020**



**Life Learning Center**

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## Revision History

<b>Document Name</b>	<b>Rev. #</b>	<b>Release Date</b>	<b>Description</b>	<b>Reviewers</b>
2020 Pillars - Financial-Facilitators Guide	1	April 2020	Refresh – Add Facilitator Tips, rework PPTs, remove redundancy, improve usability	Denise Govan (LLC) Ashton Van Gordon (LLC) Tom Crutchfield (volunteer) Dan Petronio (volunteer) Blanche Gaynor (volunteer)
	2	May 2020	Virtual Approach recommendations (shown in Red); additional edits on pages: 6, 7, 9, 28, 29, 42, 43, 44, 50, 58, 59, 61, 62, 63, 64, 65, 66	Tom Crutchfield(volunteer) Dan Petronio (volunteer) Blanche Gaynor (volunteer)

# **Pillars Part 1: Financial Management**

## **Facilitators Guide 2020**



**Life Learning Center**

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**Facilitator's Checklist – Part 1**

**VA: More details shown in Guide text**

The facilitator should make sure of the following before beginning Financial Management Part 1 activities.

**Check Supplies**

- Basket to collect cell phones
- Post-It Easel pad with markers (check markers to make sure they have ink)
- Pens, Tape, Crayons, Markers, Scissors, Glue
- Bucket of Tough Questions (**VA – use PDF**)
- Calculator (**VA – candidates use phone most likely**)

**Check Presentation Equipment**

- Power On
- PowerPoint appropriate for sessions
- Virtual Bucket ‘O Questions.pdf (VA)**

**Reference Material During Session**

- Financial Management Life Journal Pages: FM-5 thru FM-28**
- Working for a Better Life Journal Pages: W-25 and W-26**
- Foundations Life Journal Pages: F-57**

**Check *Facilitator Bin* for Supply of Handouts**

- Evaluations

**Candidates Materials**

- Cohort Schedule
- Life Journal

***Facilitator Tip:***

*As this text is used universally, check schedule to incorporate use of such terms as: “this afternoon/evening,” “break/meal.”*

**Welcome**  
10 Minutes

Welcome to the Financials Pillar! My name is \_\_\_\_\_. And I'm a Life Learning Center volunteer faculty member.

Unlike all other materials in the Transformational Permanent Change program, this section on Financial Management has been developed for LLC by our Community Partner, the Center for Greater Neighborhoods of Covington.

PPT—Slide 1

**VA: Share screen  
(typical for all  
ppts)**



Your daily schedule is posted on the classroom door. You can reference it for the following information:

- Scheduled Break/Mealtimes
- Volunteer Faculty
- Lesson Topics & Time Durations
- Assigned Location (i.e., classroom, technology lab, café, etc.)

Everyone has a life and responsibilities outside of Life Learning Center. However, now is the time to shift gears from whatever may be going on at work or at home. Leave it at the door for the next few hours and allow yourself to be present in this moment.

Today's segment is Financial Management. We'll be talking about how to master money management. To do this, we must have the facts of how money moves through our life. We're talking details here, because the specifics can be revealing.

**Welcome (Cont.)** Today's Objectives are:

*Objectives*

PPT—Slide 2

LJ – Page FM-5

**Financial Management Objectives**

- Identify the sources of financial frustration and the underlying reasons for those frustrations
- **Identify personal spending habits**
- Discover practical ways to raise income and lower expenses
- **Explore credit and its benefits & dangers**
- Develop an action plan to enhance your financial well-being

REV. 2 2

We will end with a discussion Social Media and Employment to discover how Social Media can help us or hurt us in securing a job. We will also discuss what to do about areas where changes could increase our chances of landing the job.

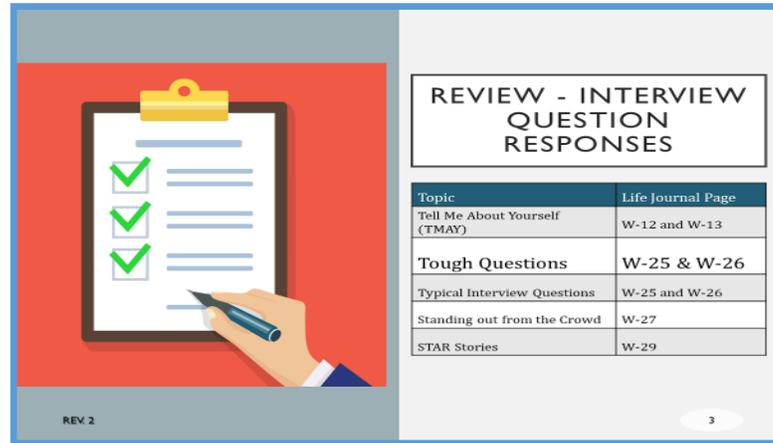
Before we immerse ourselves in Financial Management, let's practice our Tough Questions.

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**Bucket O' Questions**  
10 Minutes

During the Working for a Better Life segment of your Transformational Life Journey, you had the opportunity to practice answering some tough questions you might be asked during an interview. It's time to get a little more practice. If needed, refer to W4BL Guide pages 65 – 68 where candidates were introduced to Tough Questions.

PPT—Slide 3



**VA: Use Virtual Bucket O' Questions.pdf and share screen. Follow same process**

*Hold up the Bucket O' Questions.*

This is the official “bucket o’ questions.” Each of you will have an opportunity to draw a question out of the bucket and ask that question to one of your fellow Candidates. That person will then answer the question as if in an actual interview and the rest of us will provide feedback.

The Candidate who just answered the question will then draw a new question and choose someone else to answer it who hasn't yet had a turn. We'll do this until everyone has had the opportunity to answer a question.

Who would like to get us started?

*Select from volunteers or select a Candidate if there are no volunteers.*

Ok, “Name,” pick a question and choose someone who you'd like to have answer it.

*Hold out the bucket to the Candidate and allow them to draw a question. Ask them to choose someone to answer the question and then ask it. Repeat the question if needed.*

*Prompt the following after the chosen Candidate answers the question:*

Ok “Candidate who asked the question,” what do you think of “Candidate’s” answer?

*Pause for response.*

**Bucket O'  
Questions  
(Cont.)**

What do the rest of you think about “Candidate’s” answer?

*Pause for response. Provide personal feedback to the Candidate, if appropriate. Thank the Candidate for answering the question.*

*Retrieve the question slip and hold it separately to avoid having the same question repeated.*

*Allow the Candidate who just answered to select and ask the next question.*

*Repeat this process until all Candidates have had the opportunity to ask a question and answer a question.*

Thank you all for participating. The more you practice answering questions like these, the better prepared you’ll be for an actual interview.

Each week we’ll practice again using the “bucket o’ questions,” so when you have time, consider how you might best answer questions like these.

---

**Introduction**  
10 Minutes

Let's start off our financial discussion with a little humor, since we have to stretch to find something funny about our finances...or the lack thereof.

A man is praying, and he asks, "God how much is a million years to You?"

And the voice of God responds, "A second."

The man asked, "And how much is a million dollars to You?"

The voice of God responds, "A penny."

"Can I have a million dollars?" the man asked.

To which the voice of God simply replied, "In a second."

Just think: When we are driving, we know where we want to go, and we plot out our route.

When we plan and prepare a meal, we follow a recipe and monitor the food as it cooks.

How much attention do we give to planning our money matters? Taking the time to review our financial situation gives us a chance to re-evaluate what we are doing and where we want to go.

Remember, money matters. Can we all agree that if we learn to manage our money better that we just might reduce some of the stress in our lives?

*Spending Exercise*  
PPT—Slide 4  
LJ – Page FM-5

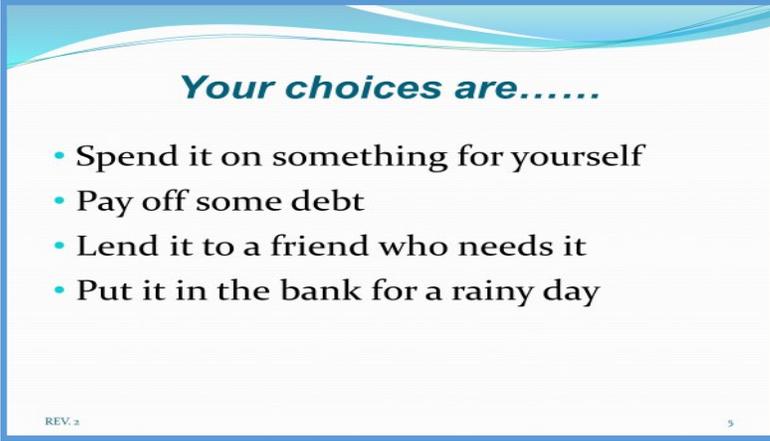
With all of us in agreement, let's find out how we can manage money better. Turn to page FM-5 in your Life Journal. I'd like you to imagine that you just received a \$100 bill. I'm sure there are a variety of things you'd like to spend it on!



However, for this exercise, you'll only have four choices as to how you spend it. The choices are:

**Introduction  
(Cont.)**

PPT—Slide 5



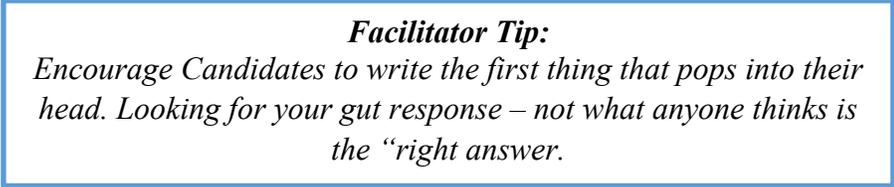
***Your choices are.....***

- Spend it on something for yourself
- Pay off some debt
- Lend it to a friend who needs it
- Put it in the bank for a rainy day

REV. 2 5

Now write down your choice and the reason why on page F-5 in your Life Journal.

*Allow a moment.*



***Facilitator Tip:***  
*Encourage Candidates to write the first thing that pops into their head. Looking for your gut response – not what anyone thinks is the “right answer.”*

PPT—Slide 6



***Now let's talk about your choice to spend the \$100***

REV. 2 6

We'll go around the room so each Candidate can tell us how they are going to spend their money and why.

Isn't it interesting how we make different choices for how we choose to spend money? Keep in mind, it's not our place to judge how others decide to spend their money! It's a choice. But let's all keep an open mind to some new thoughts and ideas about this topic.

Thank you for sharing. Let's discuss Money Value.

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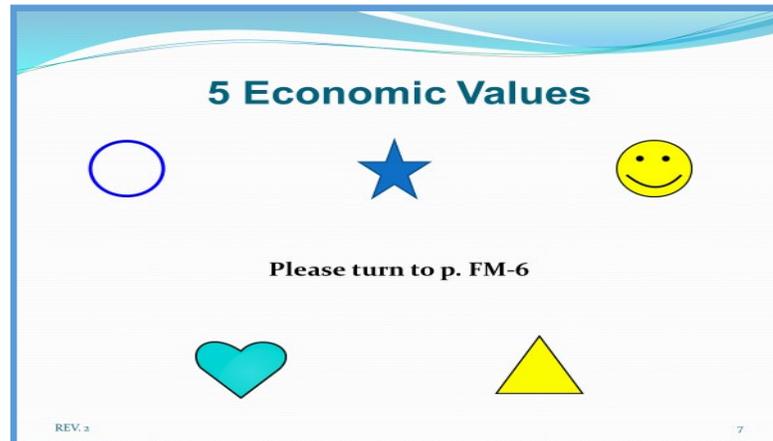
**Money Value**

25 Minutes

Ideally, we will make money each week, and then we have to decide how to spend it. In this segment, we're going to start by considering what we "think" about money.

What we think and value about money is what drives our spending habits. The goal of this exercise is to shed light on some of the underlining factors that cause us to choose how our money is spent.

*5 Economic Values*  
LJ – Page FM-6  
PPT—Slide 7



Please turn to page FM-6 in your Life Journal and take a look at the five symbols on that page:

- Circle
- Star
- Smiley Face
- Heart
- Triangle

*Economic Value Statements*  
LJ – Page FM-7  
and FM-8

Now please look at pages FM-7 and FM-8 which contain 25 statements describing potential outlooks towards money. Each statement is accompanied by one of the symbols on page FM-6. Over the next 10 minutes, read the statements on pages FM-7 and FM-8 and place a checkmark next to the symbol on page FM-6 if you think that statement reflects your belief. For example: I'll read the first statement on page FM-7.

**Statement #1:** No matter how much you have, you want more. Does anyone ever really have enough money or things?

Note this statement is accompanied by a Smiley Face. If you concur with this statement, put a checkmark next to the Smiley Face on page FM-6. If you do not occur, just move on to the next statement. There are no right or wrong answers.

*I'll let you know when you have 2 minutes left.*

## Money Value (Cont.)

Everyone finished with the statements! Take a moment to count up your checkmarks for each of the symbols on page FM-6.

*Allow enough time.*

How many of you have most of your checkmarks next to the circle?

*Get a show of hands.*

Let me read a few of the circle statements. As you listen, tell me which ones you can really relate to and why? Feel free to stop me as I read them.

*Encourage responses.*

For those of you who didn't have one checkmark next to the circle, who will share why?

*Encourage responses. Continue to go through each symbol with participants discussing why they placed checkmarks next to that symbol and why...as well as why others did not.*

*Defining Value  
Symbols  
PPT—Slide 8*

These statements represent five economic values. Can you guess what they might stand for?

### 5 Economic Values

- This person values money for itself as a symbol of **security**.
- ★
• This person is primarily concerned with using money to buy **status** items.
- This person is likely to **be self-indulgent**; their behavior is marked by a great urgency of wants.
- This person sees money itself as unimportant; its importance is related to **how it helps a person fulfill himself of herself** – what contributes to his/her life.
- This person is **not concerned** about money; they feel there is no reason to worry about it.

REV. 2
8

- **Circle** – This person values money for itself as a symbol of *security*.
- **Star** – This person is primarily concerned with using money to buy *status* items.
- **Smiley face** – This person is likely to be *self-indulgent* or selfish; his or her behavior is marked by a great urgency of wants.
- **Heart** – This person sees money itself as unimportant; its importance is related to how it *helps a person fulfill himself or herself* – what it contributes to his or her life.
- **Triangle** – This person is *not concerned* about money; he or she feels there is no reason to worry about it.

## Money Value (Cont.)

PPT—Slide 9

**What's the point?**

- Carefully consider what this exercise reveals about your values.
- What does it tell you about your money habits?
- Our money habits are directly related to our FEARS and INSECURITIES

REV. 2 9

If you really consider what value you fell under, it should give you a clue as to why you do what you do with your money. In other words, it should give you a clue about your money habits. As we discussed in earlier segments, we all know what habits are—patterns of behavior. So, we all follow a pattern for how we spend money.

In fact, consider this: our money habits are directly related to our underlying **fears** and **insecurities** rather than with the money itself.

Let's talk a moment about why our money values are important and think about why we value money the way we do.

Often our values are based on our past or previous situation; they stem from a real-life experience.

*As you move through the examples, ask follow-up questions to drill down to the core fears and insecurities that drive the Candidates' money values.*

For example:

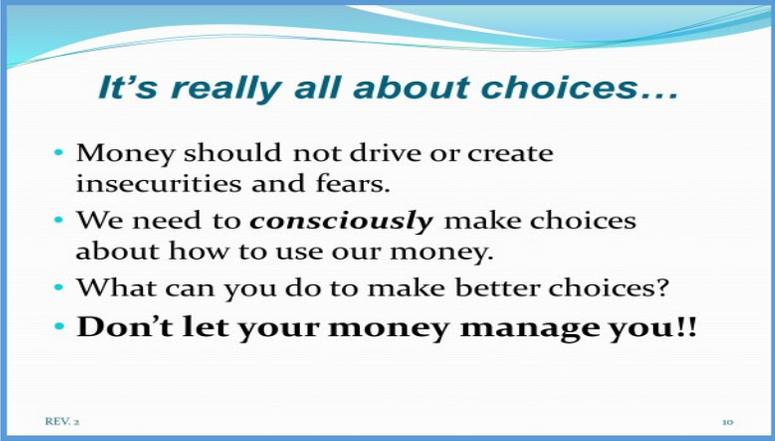
- **Circle** – Why do they need financial security? What are they afraid of? Did they not have money growing up and their electric was often shut off or food at mealtimes was scarce?
- **Star** – Why do they have to buy the most expensive shoes for their kids – using money set aside for their rent – just so their kids “fit in?”

*Address each of the other money values by asking questions that drill down to the core fears and insecurities.*

Think about the circle, who saves every penny for an emergency. Now they have \$5,000 in the bank; however, they need \$35,000 to save their house from foreclosure. Unfortunately, they lose their house. They temporarily move in with family until they get out of the crisis mode. Then they rebuild.

## Money Value (Cont.)

PPT—Slide 10



*It's really all about choices...*

- Money should not drive or create insecurities and fears.
- We need to **consciously** make choices about how to use our money.
- What can you do to make better choices?
- **Don't let your money manage you!!**

REV. 2 10

It is important to realize our values are deeply ingrained and their impact on the ways we spend money are happening at a subconscious level. It is also important to recognize this happening and to make sure you are making your spending decisions at the CONSCIOUS level. Consciously create a spending plan that is consistent with the goals you have set for yourself. It's your money—your personal resource. You need to manage it or it will manage you.

At the end of the day, money should not drive or create our fears and insecurities. Again, it's all about the choices we make. We choose where to spend our money. Do we think that there is room to make better choices?

*Rhetorical—allow for a brief discussion.*

Now let's move on to Banking Credit.

---

## Banking and Credit

35 Minutes

*Financial Best*

*Practices Quiz*

LJ—Page FM-9

PPT—Slide 11

Before we dive into this topic, let's take a short quiz. Turn to page FM-9 in your Life Journal.

### Some Financial Best Practices

1. I pay myself first every month.	T/F
2. I have three months' worth of expenses saved.	T/F
3. I pay my bills on time, every time.	T/F
4. I stick to a monthly spending plan.	T/F
5. I pay off my credit card balance every month.	T/F
6. I record every financial transaction.	T/F

REV. 2
11

When you answer the questions, just go with the first answer that pops in your head. We are looking for your gut response, not what you think the right answer might be.

*Allow time (about 5 minutes.)*

Okay. Let's walk through these statements, which are considered to be financial best practices and something to strive for implementing in your life. They are proven to help people manage their money and their credit well.

Realistically, some of these can be difficult to fully incorporate. The point is to know how important they are and attempt to incorporate them into your money management.

1. Everyone should have a savings account where you are putting money aside to accomplish your goals. But, are you paying yourself first or saving from what's left over? The left-over method does not work well at all.
2. Even if you can't reach 3 months of expenses in your emergency account – you should have an emergency account because something WILL happen. Even \$300 to cover an unexpected car repair or medical bill will save you from borrowing, charging or robbing Peter to pay Paul.
3. Paying bills on time is a habit you must develop. Think of it as keeping your promise. (I used my credit card with the promise to repay the loan. I used my cell phone with the promise to pay for the service). This habit will serve you greatly in building and maintaining a decent credit score.
4. A spending plan implies intentionality. You are following a conscious plan to get where you want to go. Remember, it's your plan. It will need revision regularly.

**Banking and Credit (Cont.)**

5. Paying off your credit card balance every month will help your credit score. However, if you can't pay it off, at least make sure you make the required payment **ON TIME**.
6. The point of #6 is to pay attention to how you are spending your money. Often, we think we are spending less on items than we actually are. Periodically, you may have to actually record every transaction to get a true and accurate picture of how you are spending your money.

Any and all of these can be hard to implement, but they are definitely something to shoot for. However, when you focus on your **GOALS**, it makes it easier to do hard things because you are motivated to achieve the goal!

PPT—Slide 12

**Some Financial Best Practices**

5+ True responses = Fiscally Fit

3-4 True responses = More Exercise

1-2 True responses = Diet

REV. 2 12

So, let's see where you stand. For those with 5 or more True responses, congratulations, you have great Financial practices.

Those with 3-4 True responses nice work, perhaps some of what we cover in this segment will help you to achieve full fiscal fitness.

*Banking Basics*  
PPT—Slide 13  
LJ—Page FM-10

**Some Banking Basics**

- **Savings account**
  - Pay yourself first
  - Emergency fund
- **Checking account**
  - Compare account terms

REV. 2 13

Okay, so let's look at some banking basics. You can take notes on page FM-10 in your Life Journal. What comes to mind when you hear the term "savings"?

**Banking and Credit (Cont.)**

In the quiz, Best Practice number #1 indicated that savings should be seen as “paying ourselves first.” Unfortunately, like so many other things in our life, often taking care of ourselves is not the primary, number 1 thing we do.

However, everyone, regardless of how you value money, should have a savings account. For some of us, it is what we refer to as our “emergency fund,” which refers to Best Practice #2.

Your savings account or emergency fund should ideally have \$500, minimum. That way, if an unforeseen expense comes up, you have the necessary funds to take care of the issue...whether it’s for new brakes on your car, paying a high utility bill because it’s been extra cold, or replacing the hot water heater in your home.

Another “banking” issue is having a checking account. Some people may not be able to get a checking account because of past behavior. However, there are second-chance programs out there that limit freedoms and ability to end up in a financial hole. As people prove themselves, the restrictions start to come off.

*Resource Materials*  
LJ—Appendix 1  
and Appendix 2

There is a lot to consider when setting up and managing your finances. We can’t go into every aspect in this segment. So, we have created an Appendix Section in your Life Journal. Currently, you will find a brochure on Checking and Savings Accounts. There is also an article about Bankruptcy that might prove of interest.

*Credit Scores*

Does anyone know what a Credit Score is? What does this measure?

*Possible responses:*

- *Record of how much money we owe.*
- *Tells if we pay our bills on time.*
- *Tells how many different credit cards we have and how much we owe on each one.*

What about how it is being measured and why it is important to pay attention to it? What is this a measure of and who (that is important to you) is using this number to judge you?

- *How long it takes us to pay off a bill.*
- *If we pay minimum on credit card or pay it off when we receive it.*
- *The banks require a certain rating before they will lend you money.*

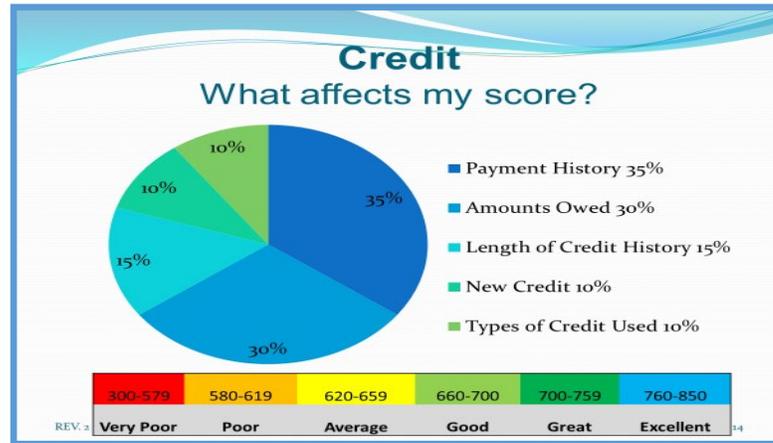
*FICO Credit Score Components*  
LJ—Page FM-11

The data gathered to make up your Credit Score is boiled down to a number that banks and other institutions use to determine whether or not to lend you money or allow you to rent an apartment, furniture or car. The system may not be perfect, and it may seem an unfair way to judge your abilities to pay rent, buy a car, pay insurance; but it is the best system we have just now.

## Banking and Credit (Cont.)

There are actually five areas that affect your Credit Score. Turn to page FM-11 and let's review them. The definitions are actually on pages FM-12 and 13.

PPT—Slide 14



Let's quickly review the areas that affect your credit score:

- Payment History
- Amounts Owed
- Length of Credit History
- New Credit
- Types of Credit Used.

### ***Facilitator Tip:***

*Consider having Candidates take turns reading the explanations presented on FM-12 and FM-13 in the Life Journal.*

A credit report is a comprehensive overview of your financial activity, generally including these features:

- How much money you owe
- Defaulted loans or late payments
- Whether you've filed for bankruptcy

Your credit report is what helps to generate your credit score—which is a number between 300-800, that reflects how much of a “risk” you are to lenders when trying to borrow money or apply for a loan.

Your credit score affects a variety of things including:

- Borrow money/Acceptance for loans
- Insurance
- Cost associated with using credit
- Some jobs will even run your credit before hiring you

When it comes to your credit score, the higher the better.

**Banking and Credit (Cont.)**

A score between 650-800 is the most desirable. If your credit rating is below 650, you may want to look for ways to raise your score.

Your credit can be built by doing the following:

- Make payments on time—late payments lower your credit score
- Steadily maintain the balance of your checking and savings account
- Open a credit card and use it only when you're confident that you can pay off the balance. Do not overuse it and don't apply for too many credit cards, as this will also hurt your score.

You are eligible for a free credit report once every 12 months. Figuring out your credit score will generally cost money, unless you are applying for a loan.

The companies or lending institutions usually check three well-known credit reporting agencies. You may have heard of them.

- Experian
- TransUnion
- Equifax

As a matter of fact, you can find out what these agencies are reporting. Look again at page FM-11 in your Life Journal. You can get one free credit report through the Annual Credit Report from [www.annualcreditreport.com](http://www.annualcreditreport.com) or do additional research by visiting Credit Karma website [www.creditkarma.com](http://www.creditkarma.com).

Each credit reporting agency has a slightly different record of your credit, so each report may have small differences.

For example, one report might not list a small account that you took out five years ago; whereas another one might list the account.

*Experian Sample Report*  
LJ—Pages FM-14 thru FM-17

Let's review a sample credit report together on pages FM-14 thru FM-17 in your Life Journal.

First, a credit report will only show where you have borrowed money or had an account with a company, like a phone bill.

For now, let's quickly look at what you will be able to find on a credit report. Let's look at each number.

**Briefly review each area.**

**Number 1:** Gives your report number to contact Experian online, by phone or by mail.

**Number 2:** Shows the Index, which helps you navigate through the sections of your credit report using links.

**Banking and Credit (Cont.)**

**Number 3:** Is the area where potentially negative items are found. This area includes the creditor's name and address, your account number (shortened for security), account status, type and terms of the account, and any other information reported by creditor. This area also includes any bankruptcy, lien, and judgment information obtained directly from the courts.

In other words, this area contains information about the times you paid late or never paid and it went to a collection agency. No matter what you find here, it is critical that you verify that the information is true. Unfortunately, some of us have found ourselves in situations where someone else may have put our name and information down as a "co-signer" on a loan. You need to be aware of this.

Also, if it is true, you need to determine what you need to do to improve this situation, so you can improve your credit score.

**Number 4:** Gives the status, which indicates the current status of the account. This refers back to Best Practice #3. This is where it is important to pay your bills on time. If you feel the information listed is inaccurate, you can dispute it online.

**Number 5:** Lists the accounts in good standing—which help your credit score. These are accounts that have a positive status and may be viewed favorably by creditors. Some creditors do not report to the credit reporting agencies, so some of your accounts may not be listed.

**Number 6:** Is the account type, which indicates whether your account is a revolving or an installment. A revolving account is like your phone bill. An installment account is a loan, like a car loan.

**Number 7:** Shows the requests for your credit history. This is also called "inquiries." Requests for your credit history are logged on your report whenever anyone reviews your credit information. There are two types of inquiries:

- Inquiries resulting from a transaction initiated by you. These include inquiries from your applications for credit, insurance, housing, or other loans. They also include transfer of an account to a collection agency. Creditors may view these items when evaluating your creditworthiness.
- Inquiries resulting from transactions you may not have initiated, but that are allowed under the FCRA. These include preapproved offers, as well as for employment, investment review, account monitoring by existing creditors, and requests by you for your own report. These items are shown only to you and have no impact on your creditworthiness or risk scores.

## Banking and Credit (Cont.)

**Number 8:** Shows the personal information associated with your history that has been reported by you, your creditors, and other sources. It may include name and Social Security number variations, employers, telephone numbers, etc.

**Number 9:** Lists your current and/or previous address or addresses.

**Number 10:** Is the personal statement where you can add a comment, refute, or argue what is found on your credit report; especially if something is inaccurate. You can submit your comments in writing or call. Regardless, the agency will decide what will remain or be added in the personal statement area.

What comments or questions do you have about banking and credit?

*Annual Credit Report Sample*  
LJ—Page FM-18

Please turn to page FM-18 of your Life Journal. This is a sample report from the reputable reporting firm, Annual Credit Report. Note that it includes the documentation from each of the top three credit score resources: Experian, TransUnion and Equifax.

*Credit Score Resources*  
LJ—Page FM-19

If you turn to page FM-19 in your Life Journal, you will find a list of credit score resources.

Beware of “free” credit reports. You can get a free credit report at [www.annualcreditreport.com](http://www.annualcreditreport.com).

You can also get a free credit report from each of the three reporting agencies mentioned earlier through [www.annualcreditreport.com](http://www.annualcreditreport.com) once per year.

There may be a limit as to how many free reports you can get within one year.

Here’s a tip, if you space the three reporting agencies out over the year, you can check your credit for free every four months – January, May, and September.

You may have seen [www.freecreditreport.com](http://www.freecreditreport.com) advertised as a free place to get your credit report, but it will cost you. So, beware!

One last thing. At the bottom of FM-19 there is a great quote by Jerrold Mundis, an author and inspirational speaker.

*“Debt is a form of poverty and one of its cruelest.  
It gives you the illusion of having more money than you do.”*

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**The Dave Ramsey Way**  
20 Minutes

Has anyone heard of Dave Ramsey?

Great. Can you share with us what you know?

Thank you. Dave Ramsey is famous for his money management system and a unique way of dealing with debt. After going through his own debt problems, including a bankruptcy, Dave Ramsey developed a plan to help others become financially stable. He even has a radio show, The Dave Ramsey Show, and he teaches how to get out and stay out of debt at the Financial Peace University.

*Snowball Strategy*  
LJ – Page FM-20

So, it's time to knock out that debt! Turn to page FM-20 in your Life Journal. We're going to look at a process called the Debt Snowball. Read along with me (*or have Candidates take turns reading it out loud*).

PPT—Slide 15

Let's take a look at what Mr. Ramsey is talking about and look at this next slide.



While conventional wisdom would suggest that you should pay off debts with the highest interest FIRST, this example recognizes that as human beings we need to feel that we are making progress toward long and difficult goals.

Rather than attempting to pay off the loan with the highest interest rate – which makes a great deal of sense, go after the smallest loan in order to see short-term progress towards your long-term goal.

This strategy helps keep you motivated!

Note in the 1<sup>st</sup> paragraph, Ramsey encourages you to not be concerned with interest rates. However, if you find you can't sleep at night because the higher interest debt is accruing interest, go ahead and go after it first.

In this example, you will pay off the first debt in less than 6 months.

**The Dave Ramsey Way (Cont.)**

The second debt will take an additional 10 months after that, but you will have paid off 2 of the 3 loans in under 2 years. If you want, you could go after loan #3 first, which would take you almost 2 years to pay off just one loan.

*Paying Off Debt Worksheet*  
LJ – Page FM-21

On page FM-21 of your Life Journal there is a worksheet to use to list your debts and their associated payments. Take a few minutes now to list your debts in the first column on this sheet. Fill in as much information as you remember right now on each of these debts. Highlight or circle your **smallest** debt. That is the one you will want to pay off first.

Later, on your own, look up your actual debts and adjust the information recorded.

By the way, since you are encouraged to create a new worksheet after every debt you have paid off, extra copies of the worksheet are provided in the Appendix Section of your Journal.

*Allow time.*

*Lump Sum Payment*  
LJ – Page FM-22

Now turn to page FM-22 in your Life Journal to learn about Lump Sum Payments. Candidate, would you read the introductory paragraph for us.

Thank you. I'd like everyone to fill in as much information as you can, off the top of your head. Whatever you don't complete, check your records at home and fill in the blanks.

*Use remaining time of this lesson to complete pages FM-21 and FM-22 in the Life Journal.*

---

## Financial Life Blueprint

20 Minutes

*Motivation*  
PPT—Slide 16

Now we are ready to begin work on our Financial Life Blueprint. Before we do, though, I'd like to talk to you for a moment about the importance of Motivation.

**Motivation**

- **It's not enough to know what you should do (for example, best money management practices)**
- **Goals provide the internal motivation or incentive to pursue or achieve something**
- **Without this internal drive, why would you make sacrifices or deny yourself things that you want NOW!**

REV. 2 16

Really. It's true. It is not enough to know what you should do; i.e., use financial best practices. You need an internal motivator or incentive, a goal, a drive.

*SMART Goals*  
PPT—Slide 17

Also, it is not enough to just have a goal. In Foundations, you learned about planning and that has been reinforced with the creation of your Vision and individual Blueprints. In Finances, you need to get down to the details by creating what is known as a 'SMART Goal.'

**Financial Life Blueprint**

Be specific about what your financial future includes!

- **Specific**
- **Measurable**
- **Attainable (achievable)**
- **Realistic**
- **Time specific**

REV. 2 17

A SMART goal is:

- **Specific:** Clearly name what you want to accomplish, with as many details as possible.
  - “I want to buy a car.” This won't cut it. Instead....
  - “I want a black or blue, 2011 or 2012 Toyota Corolla, automatic, with less than 100,000 miles.”
- **Measurable:** I want to pay \$8,000 or less.

### Financial Life Blueprint (Cont.)

- **Attainable** (I prefer **Actionable**): I am ready to act on/commit to this goal NOW (not sometime in the future).
- **Realistic**: I have spent time determining that this goal is realistic for my current resources. (I know that during the time frame I have identified to accomplish this goal I can afford to save the amount I need to purchase the car with cash, or place a down payment on a loan.)
- **Time specific**: Within 12 months I will purchase this car.

As you develop your SMART goal, you may discover that the car you want costs more than you anticipated. Or the car you identified has poor ratings for gas mileage or reliability.

You can adjust your goal in several ways.

- Buy a different model or an older, less expensive model or save for your goal over a longer period of time (18 months vs. 12 months).
- You may also determine that it is not realistic for you given your current income and expenses and decide to delay this goal into the future.
- You may also determine that after doing your research and identifying all these specifics that you really aren't ready to commit to this goal because you have other priorities.

*Life's Purpose*  
LJ – Page FM-23  
and Foundations  
F-57

Turn to page FM-23 of your Financial Journal. As usual, the first thing we want to do is enter our **Life's Purpose** which is in your Foundations Journal page F-57.

*Pause.*

Now, let's assess our **Current Financial Situation**. Take an honest look at where you stand. Write a few sentences outlining your situation and how you got there. Include the information you just learned about your credit scores.

*Pause.*

Our next step is to have a clear **Future Vision** of what we want our financial domain to resemble. Consider how you portrayed this domain on your vision boards.

Does what you wrote then still fit today? If so, enter the info on your Financial Blueprint. If you need to tweak it or update it, that's fine too. Enter your new thoughts in the space provided.

## Financial Life Blueprint (Cont.)

Be specific about what your Financial Future Vision is. Does it include paying off all of your debts, a new home, car, money for your or someone in your family's education, a vacation, savings, etc. Be specific. You won't know if you've reached your destination if you don't have a clear idea of what it looks like when you get there!

*Pause.*

*Spending Plan  
Case Study – Part 1  
PPT—Slide 18  
LJ – Pages FM-24  
and FM-25*

Let's look at someone who has taken my advice.

**Larry Scenario**

Let's take a look at someone who has taken my advice.

In this scenario Larry has developed a SMART goal and created a spending plan to help him accomplish his goal.

Please read the specifics of Larry's situation. (Do not look at the spending plan at this time.)

REV. 2 18

Turn to page FM-24 in your guide to read about the situation.

*Have Candidates take turns reading the four bullet points out loud.*

Larry intends to use the SMART Goal process. <Candidate's name>, would you please read his goal?

Turn to page FM-24.

According to his spending plan, Larry should have \$200 leftover.

- In reality he only has \$3 left.
- Where did the other \$197 go? (He doesn't know.)

What should he do? (Take time to track all his spending.)

What's missing from his spending plan?

- He has no line item for savings. He is using the leftover method; he is not paying himself first.

Lesson of Larry: Sometimes it's not enough to have a SMART goal and a spending plan if it's not based on accurate information.

Larry needs to get an accurate handle on what he is really spending so he can make adjustments to his spending plan or his goal.

## Financial Life Blueprint (Cont.)

We will continue a review of this Case Study later. At that time, we will also use the Spending Track forms you completed that were given to you at the beginning of the Relationships pillar.

We're now ready to begin the work on our Current Spending Plan. Let's see exactly where our dollars are going.

*Spending Plan  
Tools  
LJ – Page FM-26*

Look at page FM-26 in your Life Journal, where you will find a spending log. Take some time to fill in each of the categories on this sheet with the information that reflects your **Current Personal Monthly Spending**. If you have the Spending Tracking Form that you were given during Relationships, you can use that to help you fill in the estimates.

**VA: Candidates will use their phones (ask them to be careful not to leave the Zoom meeting...) or other calculators if available.**

Calculate your monthly total once you've finished populating all of your expenses.

Calculators are available if you need them. Please get started.

*Allow enough time for participants to finish.*

Remember, if you're struggling with your finances, it may be a good idea to keep an accurate record of your spending for at least one month.

Monitor every bill and cash expenditure. This will tell you exactly how much you spend in a month, and on what.

Once the hard data is in front of you, you will likely know what can be changed. Also, be aware that just recording your expenses will greatly increase your daily awareness and intention around money.

Later, we will work on the income part of the financial equation and on completing the Financial Blueprint.

---

**Recap**  
10 Minutes

*Quickly review what was covered over the past classes and give a quick review of what's ahead, particularly the next class.*

Let's revisit our objectives for the Financial Pillar. So far, we have:

- Identified some of the sources of our financial frustration and the underlying reasons for those frustrations.
- Explored our credit reports.
- And, begun to develop an action plan to enhance your financial well-being through the use of the Financial Blueprint

*Ask for questions or comments.*

I would like to start the wrap up class today by having you consider an idea. Perhaps some of you do not feel that you want to make more money or be wealthy, because others don't have money.

I know, for some of you that sounds ridiculous...but for others, you "get" what I'm saying.

If you're one of these people, consider this...you don't stop breathing so others can breathe air, do you? Air is plentiful. Anyone can have it. Like air, money is plentiful, too. We all earn it and spend it. We don't have to not earn money, so others can have it.

Like everything, it involves a choice. So, for those of you who can "relate" to this example, remember that it's your choice, too. And by choosing prosperity, you're not keeping anyone else from earning it too.

So, how many of us stress about money a lot?

*Get a show of hands.*

We discussed a lot of things that you can begin to do to address your fears and insecurities about money. They seem like a lot of work; however, the truth is that by doing some of these things you are freeing up dollars and lessening your stress because you actually can afford to buy things you want. If you make the tough financial decisions today, you can live the life you want later. Remember, baby steps...one day at a time.

*Part 1 First Step*  
LJ – Page FM-27

Now, let's turn to page FM-27 in your Life Journal. What is the first step you want to take to begin change in the Financial Domain? Please write your answer in the space provided.

*Allow a moment.*

We are now going to set Financial matters aside to discuss Social Media and Employment.

---

**Social Media & Employment**  
40 Minutes

In this day and age, social media has a large presence and most of us possess some form of social media account. This can range from Facebook, Twitter, Instagram, Snapchat, LinkedIn, etc. By a show of hands, how many of you have a social media account?

*Pause.*

What social media websites/apps do you use the most? Call them out.

*Answers may include:*

- *Facebook*
- *Instagram*
- *Twitter*
- *Snapchat*

*Social Media Persona*  
LJ – Page FM-28

Flip to page FM-28 in your Life Journal and circle all the social media platforms that you have an account for.

*Allow a moment.*

You may be thinking, “what does social media have to do with me getting a job?”

You all tell me...how can one’s social media or online presence impact employment?

*Prompt discussion.*

The short answer is employers are going to look at your online presence—including your social media accounts.

Many employers today are resorting to social media sites to screen candidates. In fact, recent studies indicate that 85% of employers and 100% of recruiters will look you up on LinkedIn before calling you.

So, if you are a user of any social networking site, there’s a likely chance that potential employers have scoped you out. You may conduct yourself well during an interview, but how do you appear online?

Even if your profile settings are private, simple things like the profile photo you have on your Facebook page can leave employers with different impressions.

Do you portray an unprofessional image in any way?

You need to be very cautious about what the internet is showing and saying about you.

An employer may search for you online and on social media either before or after an interview. If you do not use privacy settings on your profile, I urge you to think twice about the status and pictures you are posting.

## Social Media & Employment (Cont.)

This is especially true if you are someone who posts updates regarding anything employment related. This can include employment status, opinions about previous employers, scheduled interviews, etc.

Think of the impression the employer will form if they read your status post saying, “*Job interview tomorrow – not really the type of work I want to do, but I know it will pay well,*” or “*Just completed an interview – hated the manager, but loved the team.*”

How do you think a potential employer would react to a post like this? Are you guilty of posting something like this in the past?

*Look for responses.*

These simple updates meant for your personal circle of friends may have just ruined your chances of any opportunity at the employer.

In fact, employees have even been terminated from their jobs due to an inappropriate post that was found by a representative at their company.

Before we move on, complete questions #2-#5 on page FM-28 to assess your online presence. Look up when you’re finished.

*Allow time for everyone to finish.*

After completing those questions, would you be comfortable if your current or future boss could see every status or picture you’ve posted on social media?

*Look for responses.*

If the answer is no, then your online presence may not be as professional as you thought it was.

*Potential Employer’s Perception*  
LJ – Page FM-29  
PPT – Slide 19

Let’s talk about how employers use these websites to screen you and some modifications you may want to consider making to your personal accounts. Follow along on page FM-29 of your Financial Journal.

### Social Media

**How Employers Are Using It:**

- **Google:** Used to access your LinkedIn profile page, Facebook page, Public announcements, photos, blogs
- **LinkedIn:** 85% Employers and 100% Recruiters will look at your LinkedIn
- **Facebook:** To review postings, photos, where you go, how you have fun, what your position is on politics
- **Twitter:** What issues are you tweeting about?

REV. 2 39

**Social Media & Employment (Cont.)**

**Google:** Have you ever Googled yourself? If so, consider what may have shown up in the results. If you have a criminal background, perhaps a mugshot appeared in the image results. This is something you may need to prepare to address during an interview.

Your social media accounts are also likely to be one of the top results that appear on Google. You may want to consider deleting old social media accounts that are unused or changing your privacy settings.

**Facebook:** I'm sure most, if not everyone in this room has a Facebook account. I encourage you to scroll through your profile and view your status updates, photos, shared posts, memes, etc. Does it represent you in a professional manner? If not, dedicate time to delete those posts and/or change your account settings to private.

Most importantly, avoid posting anything trivial such as religious or political opinions! What if a potential employer has a different view or finds your post offensive? This will only give the employer a pre-conceived notion of who you are and potential reasons not to hire you.

**LinkedIn:** If you don't have a LinkedIn account, you will by the end of the day! LinkedIn is a professional networking site and can also be used as a resource to find jobs. You'll want to be strategic in choosing your photo and the information included on your profile. More on that later!

**Twitter:** Similar to Facebook, be aware of what you are tweeting. A lot can be said, even with a 140-character limit. Be sure it is appropriate and change your privacy settings to "protected."

With this discussion in mind, you're going to spend the rest of this segment making any necessary modifications to your social media accounts.

There's a three-step process I'd like you to follow for all your social media accounts, so listen up:

1. Remove all posts/pictures from your profile promoting or displaying the following:
  - Partying
  - Smoking
  - Excessive alcohol—if it's in the photo, make sure it's tasteful!
  - Drugs/Contraband
  - Talking negatively about current/previous employers
  - Cursing/Foul language
  - Political or religious content
2. Ensure your profile picture is appropriate and represents how you'd want to be seen in the eyes of an employer. Even if your account is private, your profile picture can still be seen.

**Social Media &  
Employment  
(Cont.)**

3. Change your social media account settings to private, so that only friends can view your posted content.

You have the remainder of this session. I'll let you know when to stop – about 5 minutes before we end the session.

*If necessary (forgotten password/login info, difficulty navigating computer), smart phones may be used to conduct this exercise. Notify Candidates when five minutes remain. Circle around room throughout remainder of lesson to assist as needed.*

---

**Wrap Up &  
Evaluations**  
10 Minutes

Let's quickly review what you learned during this class with a short discussion.

*Prompt the following discussion points and facilitate 3-5-minute discussion:*

- *What topic or lesson did you find to be the most interesting or enjoyable?*
- *What was learned as a result of the class?*
- *Share an achievement or a moment you were proud of.*
- *Did you experience any struggles or challenges? If so, how did you overcome it?*
- *How could the class have been improved?*

Thank you for sharing!

As usual, evaluation forms are the last item on the class agenda.

By the way, in Financial Part 2, you will be practicing your TMAY, so make sure you also bring your **Working for a Better Life Journal** for reference during that segment.

*Distribute evaluation form to each Candidate and remind them:*

- *Put their name on the evaluation form*
- *Of the importance of completing all parts of the form*
- *Comments are an expectation and should be given*
- *To provide facilitator feedback on back of form*

*Facilitator will collect the evaluations. Ensure all Candidates submit a form and both sides are filled out.*

Submit collected evaluations to LLC Administrative Assistant at the front desk.

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# **Pillars Part 2: Financial Management**

## **Facilitators Guide 2020**



**Life Learning Center**

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## Facilitator's Checklist – Part 2

**VA: More details shown in Guide text**

The facilitator should make sure of the following before beginning Financial Management Part 2 activities.

### Check Supplies

- Basket to collect cell phones
- Post-It Easel pad with markers (check markers to make sure they have ink)
- Pens, Tape, Crayons, Markers, Scissors, Glue
- Calculators **(VA – candidates use phone most likely)**

### Check Presentation Equipment

- Power On
- PowerPoint appropriate for sessions
- Video: High Cost of Payday Loans\*
- Video: Baby Steps\*

\*(run from hyperlink or from classroom laptop)

### Facilitator Material During Session

- Financial – Whiteboard Spend Chart Group Values.docx **(VA-Whiteboard)**
- Financial – Whiteboard Raising Income.docx **(VA-Whiteboard)**
- Financial – Whiteboard Lowering Expenses.docx **(VA – Whiteboard)**
- Zoom Breakout Room **(VA – Virtual Best Practices for Faculty 2020)**

### Reference Material During Session

- Financial Management Life Journal Pages:** FM-23 thru FM51
- Working for a Better Life Journal Pages:** W-13 and W-14

### Check *Facilitator Bin* for Supply of Handouts

- Letter-sized Envelopes **(VA – supplied in advance by LLC)**
- Evaluations

### Candidates Materials

- Cohort Schedule
- Life Journal

#### ***Facilitator Tip:***

*As this text is used universally, check schedule to incorporate use of such terms as: “this afternoon/evening,” “break/meal.”*

**Welcome to  
Financial  
Management**  
5 minutes

PPT—Slide 20

Welcome to Financial Management Pillar Part 2!



As usual, your daily schedule is posted on the classroom door. You can reference it for the following information:

- Scheduled Break/Mealtimes
- Volunteer Faculty
- Lesson Topics & Time Durations
- Assigned Location (i.e., classroom, technology lab, café, etc.)

Everyone has a life and responsibilities outside of Life Learning Center. However, now is the time to shift gears from whatever may be going on at work or at home. Leave it at the door for the next few hours and allow yourself to be present in this moment.

This is the final Financial Management session.

*Financial Blueprint  
Review*  
LJ – Page FM-26

Last time, you worked on your Financial Blueprint and assessed your Current Personal Monthly Spending on page FM-26 in your Life Journal. Please turn there now and let's discuss what you've learned. No need to share any personal financial information—just overall impressions.

Who would like to share an insight you gained from this activity?

*Allow discussion. Comment as appropriate.*

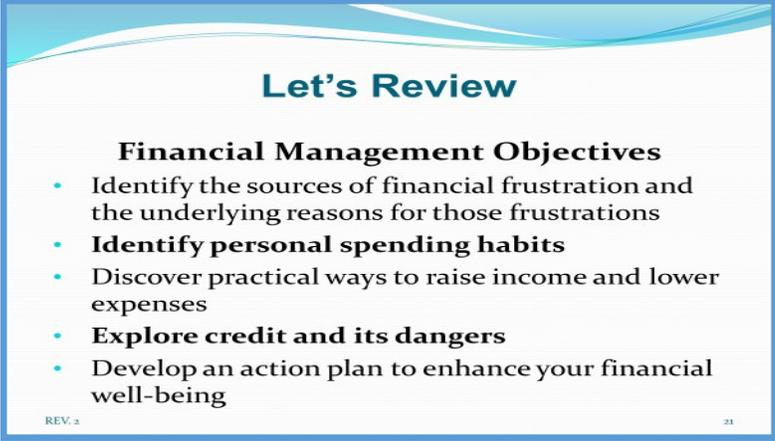
Thanks for sharing. We'll be working on the rest of the Blueprint as we go along.

Let's do a quick review of what we accomplished in the last session:

- Talked about how we “think” about money.
- Documented our personal monthly spending.
- Looked at our spending and strategies for debt reduction.
- Discussed banking and credit.

**Welcome (Cont.)** In this segment, we will:

*Objectives*  
PPT—Slide 21



**Let's Review**

**Financial Management Objectives**

- Identify the sources of financial frustration and the underlying reasons for those frustrations
- **Identify personal spending habits**
- Discover practical ways to raise income and lower expenses
- **Explore credit and its dangers**
- Develop an action plan to enhance your financial well-being

REV. 2 21

Before we tackle the financial management details, let's practice our Tell Me About Yourself.

---

**TMAY 10 Minutes** During the Working for a Better Life segment of your Transformational Life Journey, you learned about how to present yourself. One of the things you developed was your elevator speech, more commonly known as “Tell Me About Yourself.” If needed, refer to W4BL Guide pages 34-36 where candidates were introduced to TMAY.

PPT—Slide 22



**TMAY: TELL ME ABOUT YOURSELF**

1. Complete Experience, Strengths, and Fit sections of formula on Life Journal page W-12.
  - Tip #1: Start by jotting down a few bullet points under each section of the formula.
  - Tip #2: Use your eRecruitFit report to help identify strengths and fit
2. Identify 1-2 points under each section that stand out the most. Circle the ones you will use in your TMAY.
3. Put it all together. Take the most noteworthy points from section of the formula and write full TMAY statement on page W-13.

**W4BL LJ-page W-13**

Refer to your **Working for a Better Life** Journal page W-13.

This practice is so important that the Life Learning Center has decided each week, to include the opportunity to practice your TMAY. The objective is to help you become comfortable with sharing your talent and value at a moment’s notice.

We’re going to go around the room, and each Candidate will give their “Tell Me About Yourself” statement.

Thank you. How many of you were uncomfortable with suddenly having to give your TMAY?

Show of hands.

I can relate. By the end of your Transformational Life Journey, this will be one of those things that should be easier.

Let’s continue with our Financial Management Objectives.

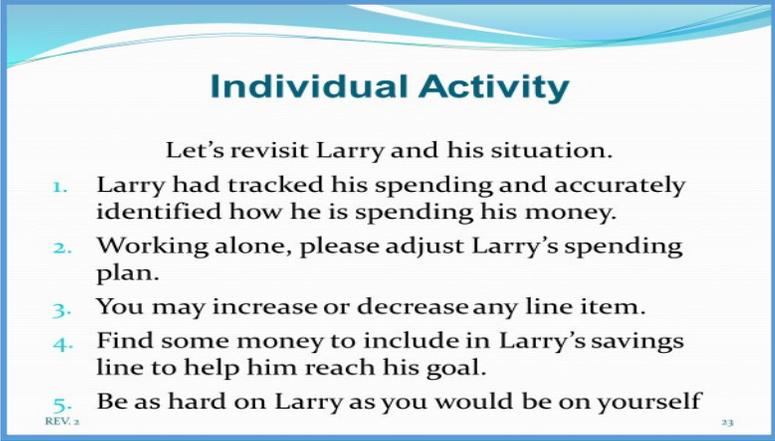
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**Spending Chart  
–Individual**  
15 Minutes

You know how we love quotes—here’s another one for you: “The person who does not know where his next dollar is coming from usually does not know where his last dollar went.”

Well, that is not going to be us!

*Spending Plan  
Individual Activity*  
PPT—Slide 23  
LJ – Page FM-30,  
FM-31, and FM-32

A presentation slide titled "Individual Activity" with a blue header and footer. The main content is centered and includes a list of five numbered points. The footer contains "REV. 2" on the left and "23" on the right.

**Individual Activity**

Let's revisit Larry and his situation.

1. Larry had tracked his spending and accurately identified how he is spending his money.
2. Working alone, please adjust Larry's spending plan.
3. You may increase or decrease any line item.
4. Find some money to include in Larry's savings line to help him reach his goal.
5. Be as hard on Larry as you would be on yourself

REV. 2 23

Let's revisit Larry's Spending Plan Case Study. Turn to page FM-30 in your Life Journal.

In our previous segment we learned that Larry has a job and brings home about \$2,083 each month. He is living in his mother's basement with his two children and wants to save three months' rent and deposit for an apartment large enough for him and his children. He needs to save \$2,800 and he is thinking he can do this by saving for 12 months.

Larry thinks he is spending \$1,883 a month, which means he should have about \$200 left over each month. We also noted that Larry's itemized list did NOT include saving.

Now turn to page FM-32. Larry tracked his spending for a month and came to realize he was actually spending \$2,080.

Take the next few minutes and adjust Larry's budget so he has enough money on his savings line to reach his goal. **Tip: You might want to use pencils.**

*Allow a few minutes.*

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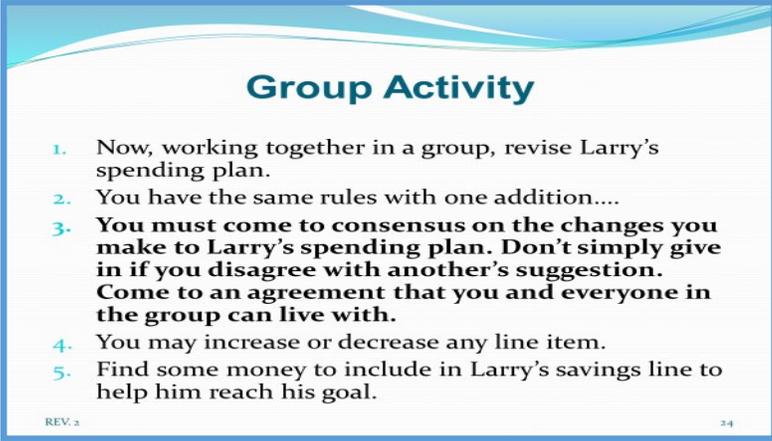
**Spending Chart**  
**–Group**  
 20 Minutes

*Spending Plan*  
*Group Activity*  
 PPT—Slide 24

**VA: Use Breakout Rooms for Small Group Discussions.**

**Select Breakout Rooms. “Automatically” assign candidates to rooms, have candidates join Breakout Rooms.**

Now I want us to break into groups of 3-4.



**Group Activity**

1. Now, working together in a group, revise Larry’s spending plan.
2. You have the same rules with one addition....
3. **You must come to consensus on the changes you make to Larry’s spending plan. Don’t simply give in if you disagree with another’s suggestion. Come to an agreement that you and everyone in the group can live with.**
4. You may increase or decrease any line item.
5. Find some money to include in Larry’s savings line to help him reach his goal.

REV. 2 24

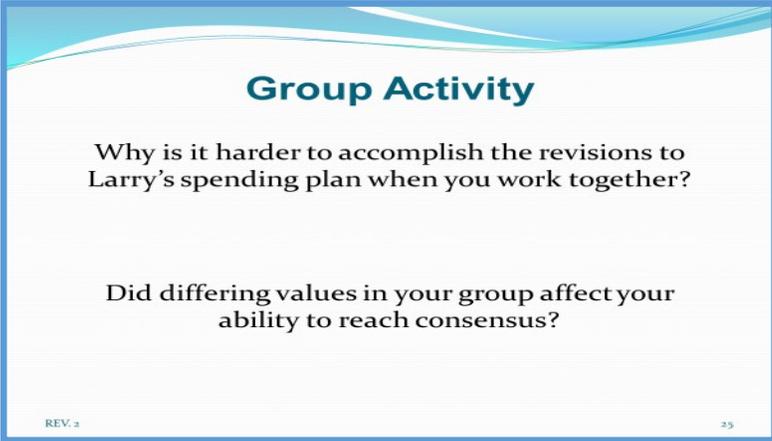
Again, make adjustments to Larry’s Spending Plan However, you must agree as a group to each adjustment. When you live by yourself, you only have yourself to consider. However, when you have a spouse, significant other, or child or children in the household, they need to understand the financial commitments. When everyone in the household is aware of the commitments and has a say in what it takes to make the commitments, then it becomes easier to achieve the ultimate goal.

In this exercise there needs to be a consensus on the change. Consensus requires reasoning with one another – give the “why” of their decision/viewpoint. True, this can lead to arguments, but it is better for building solid relationships when used over time. So, don’t just give in if you disagree with another’s suggestion. Discuss the differences and come to an understanding and an agreement everyone in the group can live with.

You have 10 minutes.

PPT—Slide 25

Okay. How did you work together to reach a consensus? Did it go well?



**Group Activity**

Why is it harder to accomplish the revisions to Larry’s spending plan when you work together?

Did differing values in your group affect your ability to reach consensus?

REV. 2 25

### Spending Chart – Group (Cont.)

*Encourage responses. Determine if anyone felt like they were pressured to agree. Discuss the dynamics of these kinds of situations.*

Where was there agreement?

*Encourage discussion.*

Where was there disagreement?

*Encourage discussion.*

What was something you heard from someone in your group and you thought: “What?!?!? To yourself?”

*Encourage discussion. Most of the comments will be around the different values participants have. Allow this to facilitate more discussion that leads to the Candidates’ core beliefs about money – some that may need to be challenged. Again, drill down to the core fears and insecurities that drive their money values.*

It’s funny, isn’t it...that what seems “normal” to us, seems “crazy” to someone else.

Did any group not get very far on your Monthly Spending Chart?

*Determine how far on the Monthly Spending Chart each group reached and how consensus building worked for their group.*

*Spending Chart  
Group Values  
LJ – Page FM-6*

Let’s see how each member of your group values money. If you’ve forgotten your symbol, you’ll find it on page FM-6 in your Life Journal.

*Write the following on the classroom whiteboard, replacing the “#” with the actual group number.*

**VA: Use *Financial Whiteboard Spend Chart Group Values.docx*, share screen, and add input as candidates share.**

Spending Chart Groups’ Values	
Group #:	
Group #:	
Group #:	

*Ask everyone what their symbol was from the Money Value activity and draw it next to their group number on the whiteboard. In other words, refer Candidates back to the **circle, star, smiley face, heart, and triangle**, and the values they represent.*

**Spending Chart  
– Group (Cont.)**  
PPT—Slide 26

### 5 Economic Values

- • This person values money for itself as a symbol of **security**.
- ★ • This person is primarily concerned with using money to buy **status** items.
- 😊 • This person is likely to **be self-indulgent**; their behavior is marked by a great urgency of wants.
- ♥ • This person sees money itself as unimportant; its importance is related to **how it helps a person fulfill himself of herself** – what contributes to his/her life.
- ▲ • This person is **not concerned** about money; they feel there is no reason to worry about it.

REV. 2 26

*Make the correlation that the groups who had the most trouble reaching a consensus were probably the ones that were represented by Candidates with a variety of values.*

*Discuss whether some people just “shut down” after a while rather than stick up for themselves. Be sure to discuss the implications of this happening in a family.*

Everyone likes to have their opinions listened to, even if the end result does not go in their favor.

Wasn't this good practice for you if you happen to have another person in your household that has input on money decisions?

How did the decisions you made alone compare to the decisions you made together?

*Encourage responses.*

Did any group decide to include savings this time and if so, why?

*Encourage responses.*

What did you learn about yourself by doing this activity?

*Reflections*  
PPT—Slide 27  
LJ – Page FM-32

### Reflection

- Write down any key learning(s) you want to remember about financial management that you learned in these exercises

REV. 2 27

**Spending Chart  
– Group (Cont.)**

On page FM-32, take a moment to consider what you learned about yourself and financial management. There are several questions to help you with this process. You can answer them as presented or note your own observations.

*Allow a few minutes.*

Now that we've looked at how we currently spend our money, let's continue with your Financial Life Blueprint, which will include a spending plan.

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**Income  
Blueprint**  
15 Minutes

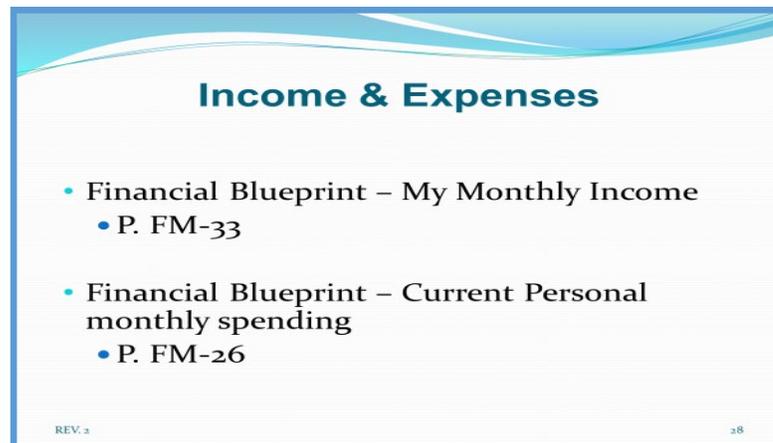
*Income*

PPT—Slide 28

LJ—Page FM-33

**VA: Candidates will use their phones (ask them to be careful not to leave the Zoom meeting...) or other calculators if available.**

Income and Expenses.



Now, I would like you to take a few minutes to record your monthly income. This is also the 3<sup>rd</sup> page of your Financial Blueprint. It's on page FM-33 in your Life Journal.

We recognize that this is confidential information – what someone earns and where they earn it is personal and no one else's business. So, it goes without saying that we will respect each other's privacy in this area.

Anyone who needs a calculator will find one in the Supply Basket.

*Allow time.*

*Putting It Together*  
LJ—Page FM-26  
and 33

After you complete your monthly income sheet, I would like you to “put it all together.” In other words, in the middle of page FM-33, I want you to document your:

- Total Income as noted on page FM-33 in your Life Journal.
- Total Expenses noted on page FM-26 in your Life Journal.

Then, subtract your Total Expenses from your Total Income to determine the Difference.

What questions do you have? If you need help, please don't hesitate to ask.

*Allow time for Candidates to complete independently.*

Everyone finished. Good. Let's examine where we are.

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## Raising Income/Lowering Expenses

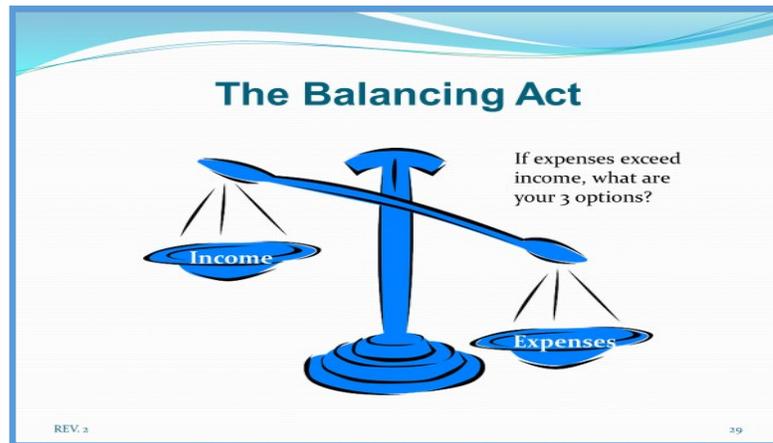
25 Minutes

PPT—Slide 29

Now that we've completed the sometimes-painful exercise of looking at the dollars that come in and out, we see that there are two possible outcomes:

1. We have enough money to cover our expenses.
2. We don't.

It's a balancing act.



If our expenses exceed our income, there are a few ways to get our finances in line. They are to:

- Raise our income.
- Lower our expenses.
- Or, if we really want to get ahead, we can go with a third option: Do both! Raise our income AND lower our expenses!

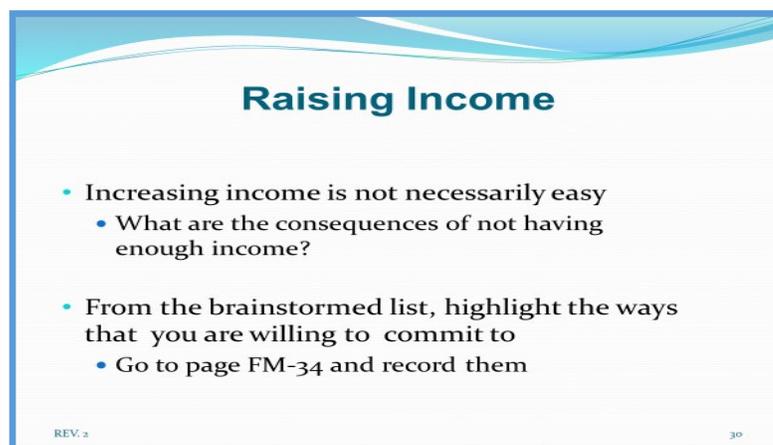
*Raising Income*

PPT—Slide 30

LJ—Page FM-34

**VA: Use *Financial Whiteboard Raising Income.docx*, share screen, and add input as candidates share.**

Let's start with raising our income.



Turn to page FM-34 in your Life Journal. Take notes as we discuss.

What can we do to raise income or increase the amount of money we have to work with?

*Look for responses and jot down ideas for raising income on the classroom whiteboard.*

**Raising  
Income/Lowering  
Expenses (Cont.)**

*Possible answers are:*

- *Pick up a part-time job.*
- *Work overtime when it's offered.*
- *Find side jobs, such as babysitting, cutting grass, and fixing cars.*
- *Go green and recycle.*
- *Catch spending leaks.*
- *Ensure that you're getting your Earned Income Tax Credit.*
- *Get Child Tax Credit.*
- *Barter for services.*
- *Sell old belongings that you no longer use*

The point is, that we all have the ability to add to our income or increase the amount of money coming in by being a little more creative and working a bit harder.

Raising income by working more or taking on additional work may not seem like the easiest or fastest option, but it may be necessary, depending on your current finances.

By opening our minds to different possibilities, we allow ourselves room to make new choices.

Again, it's all about choices, isn't it?

Regardless of whether your income is greater than your expenses, or whether your expenses are greater than your income, all of us want to "find" more money.

Based on what you just heard and your notes, I'd like you to look at the options that were mentioned. Are there any you can see yourself doing? If so, circle or highlight those options.

*Allow a moment.*

*Raising Income  
Options*  
LJ—Page FM-35

Now, I'd like you to turn to page FM-35 in your Life Journal. This is also the fourth page of the Financial Blueprint. Jot down some of the options for raising your income under the first question.

*Types of Expenses*  
LJ—Page FM-36

Another way to align our finances is to lower our expenses.

When we adjusted Larry's spending plan, everyone made decisions about where to cut or eliminate expenses.

Let's look at the changes you made and categorize them into one of these three different types of expenses based on your level of control vs wants or needs:

## Raising Income/Lowering Expenses (Cont.)

- **Monthly Fixed Expenses:** These are necessary from month to month, they have external consequences for not paying, and there is little or no control over the expense.
- **Flexible Monthly Expenses:** These are also necessary expenses, but the individual has some control over the expense.
- **Discretionary Expenses:** These are things you want to spend money on, there are no external consequences, and you have total control over the amount spent.

Let's dive deeper into each of these types of expenses. You can take notes on page FM-36 in your Life Journal.

*Fixed Expenses*  
PPT—Slide 31

The first category is Fixed Expenses

**Fixed Expenses**

- Payments that occur regularly
- They are necessary
- Don't often change
- Are legally required to pay them (there is a consequence if you do not pay)
- You have little or no control over the cost

REV. 2 31

Let's list these fixed expenses. What payments do you have that must be made regularly and rarely change?

*Possible responses:*

- *Rent/House Payment*
- *Utilities/Phone*
- *Health Insurance*
- *Taxes/License Fees*
- *Loan Payments/Credit Cards*

As we go along, we might need to add to this list. But no matter what, these are regular expenses you have no control over. What would happen if you did not pay these expenses on time?

*Possible responses:*

- *Eviction*
- *Electricity/Water turned off*
- *Phone disconnected*
- *Health Insurance cancelled*
- *Repossession/Fines*

**Raising  
Income/Lowering  
Expenses (Cont.)**  
*Flexible Expenses*  
PPT—Slide 32

The next expense type is what we call Flexible Expenses.

**Flexible Expenses**

- Regular expenses
- They may be necessary
- You have **some control** over how much you spend on them

REV. 2 32

Flexible Expenses are also regular and necessary, but they differ from “Fixed,” because you do have some control over how much you spend on them. What kinds of expenses might go in this area? Remember the key is “regular and necessary.”

*Possible Responses:*

- *Food/Clothing*
- *Medicine/Medical Care/Dental/Vision*
- *Transportation*
- *Childcare*
- *Education Fees*

Again, we might need to add to this list. These are “pay as you go.” You either have the money for them or you don’t.

*Discretionary  
Expenses*  
PPT—Slide 33

The third expense type is what is known as “Discretionary Expenses.”

**Discretionary Expenses**

- Money that you **CHOOSE** to spend
- No consequences if you don’t
- Totally under your control

REV. 2 33

Another word for “discretionary” is “optional.” Discretionary Expenses are those you **CHOOSE** to spend your money on, there are no consequences if you don’t, and you are in total control of this type of expense. What kinds of expenses might be discretionary?

## Raising Income/Lowering Expenses (Cont.)

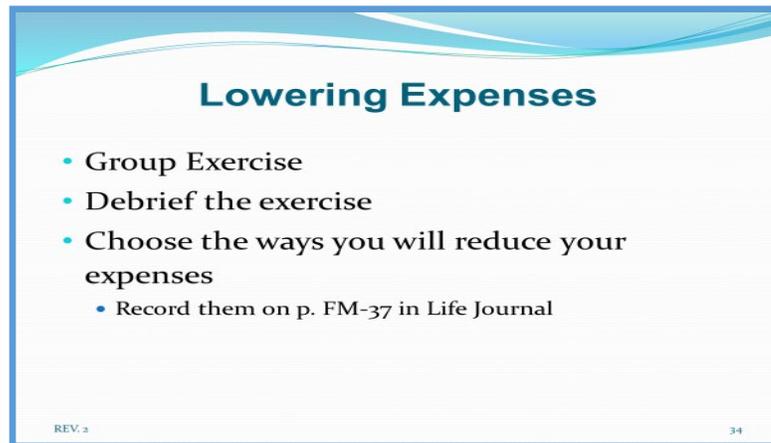
*Possible responses:*

- *Exercise*
- *Gifts*
- *Entertainment and Recreation*
- *Household Furnishings*
- *Household Maintenance*
- *Car Maintenance*
- *Vacation*
- *Miscellaneous*

*Lowering Expenses Exercise*  
PPT—Slide 34  
LJ—Page FM-37

These are just the Types of Expenses. Let's look at the specifics within each of these types.

**VA: Use *Financial Whiteboard Lowering Expenses.docx*, share screen, and add input as candidates share.**



On page FM-37 of your Life Journal there are four headings: Food, Housing, Clothing and Miscellaneous. Let's do this together. I'll write the ideas on the whiteboard, you write them in your Journal.

Under food, what could you do to lower how much you spend on food?

*Possible answers for **Food**:*

- *Use lower priced forms of food items that fit your needs.*
- *Use generic brands.*
- *Evaluate the cost of convenience.*
- *Avoid expensive, calorie-dense snacks.*
- *Store foods promptly and in the appropriate storage places.*
- *Rotate food, using the least fresh first.*
- *Avoid wasting food – use leftovers to make nutritious frozen dinners.*
- *Eat at home.*
- *Brown bag your lunch.*
- *Make full use of your freezer – prepare recipes in quantity and freeze for later use*
- *Check your needs before shopping and stick to your list.*
- *Take advantage of weekly specials.*
- *Use stores' and manufacturers' coupons.*
- *Compare price per unit*

**Raising  
Income/Lowering  
Expenses (Cont.)**

*Possible answers for **Housing** are:*

- *Lower your heating temperature.*
- *Raise your cooling temperature (or do without).*
- *Turn down the thermostat on the water heater.*
- *Don't rent or buy more "house" than you need.*
- *Evaluate living arrangements – downsizing, renting out.*
- *Take care of minor maintenance problems before they become major, expensive disasters.*
- *Do simple home repairs/maintenance yourself.*
- *Negotiate the rental price.*
- *Shop for sales on furnishings and appliances.*
- *Go to second-hand stores, such as Goodwill, Re-Use Centers.*
- *Barter services, such as yard work or car work.*
- *Consider refinancing.*

*Possible answers for **Clothing** are:*

- *Choose clothes that work for multiple seasons.*
- *Recycle clothes, such as hand-me-downs.*
- *Wear old clothes for dirty/rough jobs.*
- *Wash clothes, according to their instructions.*
- *Repair your gently used clothes.*
- *Store clothes properly.*
- *Look for sales for future needs.*
- *Know the store's exchange policy.*
- *Plan purchases – avoid impulse buying.*
- *Visit thrift stores.*

*Possible answers for **Miscellaneous** are:*

- *Use public transportation, ride a bike, walk.*
- *Buy fewer "extra" services for things like cable or the phone.*
- *Use the library: books, magazines, movies and computers.*
- *Practice good driving methods.*
- *Adopt healthy eating habits.*
- *Combine trips.*
- *Use a carpool.*
- *Wash your car at home.*
- *Do routine maintenance yourself, such as checking tire pressure and fluid levels for the oil and antifreeze.*
- *Get adequate rest.*
- *Use multipurpose cleaning supplies.*
- *Use free clinics.*
- *Use Web MD.*
- *Get prescriptions by generic names, not brand names, if possible.*

**Raising  
Income/Lowering  
Expenses (Cont.)**

These are all great suggestions. Now circle or highlight the options that you will commit to doing to lower your expenses. These are the ideas you can transfer to page **FM-35** to answer the second question.

I have a few questions for you.

*Pause after each question to allow discussion. Remind Candidates of Money Values. Are there differing opinions based on Money Values? Discuss ramifications and alternatives.*

- If the family has traditionally gone on vacation every year, and the sole bread winner of that family loses his or her job, should the family still go on vacation this year?  
*Encourage discussion.*
- When you're "strapped for money," should you spend money on Christmas presents? Is it appropriate to give 10 presents to each child versus 2-3?  
*Encourage discussion.*
- Is it appropriate to hold a child's birthday party at Chuck E Cheese when you can go to a park for free?  
*Encourage discussion.*
- Should you spend your tax refund on material items without having a spending plan, or without taking into consideration the bills you must pay?  
*Encourage discussion.*

It is not our place to make these decisions for you, but we encourage you to think, "is this a *want* or a *need*?" You must make a choice about what is most important and what will get you to accomplishing your goal of Transformational Permanent Change.

Remember the part where we said it wouldn't be easy?

**Saving at the Grocery**

10 Minutes

LJ—Page FM-38

Let's take a look at some ways to save money when grocery shopping.

Turn to page FM-38 in your Life Journal. Feel free to check off those tips you want to start using.

*Read through Grocery Saving Tips together:*

- *Don't "crises cook." Plan a weekly menu before shopping.*
  - *Prepare meals ahead of time and freeze them or double the recipe when cooking and freeze the second meal for a hectic day.*
  - *Shop when you are alone. Those little helpers can quickly boost your bill.*
  - *Don't shop when you're hungry or when you are tired. You'll buy more sweets and carbohydrates.*
  - *Buy the markdowns and save as much as 20%.*
  - *The highest markup items on the shelves are at your chest level. Reach up or kneel down to select the cheaper house or generic brands.*
  - *Clip coupons. You can save 10-20% of your bottom line with coupons. Check store entrances, shelves in the store, newspapers, magazines, and online coupons. There's a wealth of national brands coupon-offering services online.*
  - *Buy store brands. Brand names are often no better than generic. Use a store brand in a dish where you can't taste the quality of the individual ingredients.*
  - *Avoid purchasing non-grocery items, such as painkillers, shampoo, etc. at the grocery store. You will usually pay more.*
  - *Check your store for a small section where they discount products that aren't as popular as the manufacture had hoped. This can be a gold mine for bargains.*
  - *Check your receipts. No matter how careful the store staff might be, mistakes happen.*
  - *Always send in the rebate on a purchase, whether it's \$2 or \$50. It all adds up.*
  - *Always get a rain check if a sale item is gone.*
  - *Purchase produce at farmers markets. It's fresher and cheaper.*
  - *Consider shopping at two stores. Each has savings on different items on different weeks.*
-

**Wasting Money**  
15 Minutes

Let's take a look at some money wasters. Please remember that we are not here to judge or be judgmental – we're just covering the facts.

*Identifying Money Wasters*  
LJ—Page FM-39

On page FM-39 in your Life Journal there are several items that have potential to waste your money. Let's walk through each item, then discuss and take notes as we go.

**The Lottery:**

How many of you play the lottery or buy scratch off tickets?

*Encourage responses.*

What are your chances of winning the lottery? It's called the "tax on the poor." Do you agree with that?

**"Supporting" Family Members:**

Are you constantly supporting family members who won't help themselves? Is that your responsibility or something you've taken on in the past and is now expected?

*Rent-to-Own Reality Check*  
LJ—Page FM-40 and FM-41

**Rent-to-Own:**

Turn to page FM-40 in your Life Journal.

*Point out the following items:*

- The ad states that the "item" is only \$99.99 a month (round it up to \$100 for easy math).
- The ad states that the everyday low price is \$1499.99, but if you look for the product at other stores, it really is \$700-\$800. You are paying for \$300 speakers and a \$75 stand, too.
- The ad states that though you pay about \$100 for 24 months, you have really only paid \$1139.75 towards owning the product...but your total cost of ownership is actually \$2639.74...more than double!

Rent-to-Own entities do a great job marketing their products. The idea of instantly getting a big-ticket item, which most of us would have to save for, is now offered at a moderate weekly fee, which is often too hard to resist. We jump into a contract without doing the math...and end up paying for it – in more ways than one!

Let's look at another example of the high cost of Rent-to-Own on page FM-41. It shows that if you paid cash for a Washer, you would only pay \$404. However, if you get it through a "Rent-to-Own" contract, you end up paying over \$1,000, which means you've actually paid \$600 in interest – even more than the washer is worth! Take the time to step back and do the math on Rent-to-Own deals.

**Money Wasters (Cont.)**

*Video: High Cost of Payday Loans*  
 Time: 2:15  
 PPT—Slide 35

**VA: Download video from Faculty Resource Page and run locally to help reduce Internet service bandwidth impacts.**

**Check Cashing/Payday Loans/Credit Card Debt:**

What is the real cost for check cashing? What about pay day loans? Let’s look at a High-Cost Payday Loans video clip.



*Play Video: High-Cost Payday Loans. Ensure projector and volume are turned on. <https://www.youtube.com/watch?v=bcq8KLZeitM>*

**Facilitator Tip:**  
*Run video directly from hyperlink or from file on classroom laptop.*

*Credit Card Debt*  
 PPT—Slide 36  
 LJ—Page FM-42

Oh, and did I mention credit card abuse and debt management?

Consider this...“I hope you like my shirt. It cost me \$742. What?!?!? That’s right...I bought it for \$25 in 1995 on a credit card that I’ve been slowly paying off ever since.”

Credit Cards			
Balance	Interest Rate	Minimum Payment	Expected Payoff Time
\$2,000	18%	\$40	74 months
<b>Total Payments:</b>	<b>\$3,195.57</b>	<b>Interest Paid:</b>	<b>\$1,195.57</b>
Balance	Interest Rate	Minimum Payment	Expected Payoff Time
\$2,000	18%	\$60	47 months
<b>Total Payments</b>	<b>\$2,794</b>	<b>Interest Paid:</b>	<b>\$794</b>

Turn to page FM-42 in your Journal and let’s look at the real cost of credit card debt.

*Take a couple minutes to walk them through the chart.*

## Money Wasters (Cont.)

*Money Wasters  
Summary Chart  
LJ—Page FM-43*

### Instant Income Tax:

What is the real cost for receiving an instant income tax return? If you were to get \$600 from the Internal Revenue Service, is it really worth only getting \$400 rather than wait two weeks for the additional \$200? Finally, turn to page FM-43 in your Life Journal and let's look at the Money Wasters Summary.

*Quickly review the information below.*

Type of Loan	The Problem	Interest Rates	Other Dangers
Rent-to-Own	Attractive, small weekly payments turn into 2½ times the regular cost.	Up to 600%	Missing one payment, even the second-to-last one, can result in the repossession of the product and loss of all monies paid.
Payday Loans	If you don't have the money this paycheck, how will you be able to pay back even more with the next paycheck?	Up to 450%	It can become tempting to go to other payday loan companies to pay back existing payday loans, which creates a vicious cycle and endless debt.
Credit Cards	We are tempted to pay only the minimum payment, which can result in years and years of payments and excessive interest.	Up to 29%, plus fees	Credit cards charge \$39 in late fees for every late payment, plus give you the ability to spend more as soon as you pay a little bit off.
Income Tax Anticipation Loans	Consumers spend hundreds of dollars just to get their "free money" from tax returns 1-2 weeks earlier.	Up to 200%	Why pay the tax preparation fees as well as the interest, when you could get it all prepared for FREE at a local non-profit VITA site?
The Lottery*	A dollar here and three dollars there add up to hundreds, if not thousands, of dollars every year.	N/A	Winning lottery prizes usually results in buying more lottery tickets until all the prize money is gone. People, who win big lotteries, often have more financial problems within 5 years than they did before winning.
"Mooching" Family Members*	Family members who are not willing to work for themselves guilt you into feeling like you don't love them, if you don't share your hard-earned money.	N/A	Once one family member hears that you're giving out money, they come to you and wonder why they're not getting any...until fractured relationships result.

**Money Wasters  
(Cont.)**

*Raising Income and  
Lowering Expenses*  
LJ—Page FM-35

Are there any money wasters in your life that you would like to get rid of? Enter the money wasters you will eliminate to your Financial Blueprint on page FM-35 in your Life Journal.

Unfortunately, many of us want instant gratification. We've been raised that way. We can have a quick meal with fast food, find out information quickly by using the internet, and get from point A to B through a variety of transportation options.

Because of this, we're not used to waiting and are often unwilling to wait. If you asked your parents or grandparents, you'd be astounded by how things have changed over the years to meet someone's immediate needs and reduce the amount of time spent waiting to do so.

However, as you may know firsthand, instant gratification has its downsides too—and those downsides can have long-lasting and devastating effects.

Forget about money for a minute. Fast food, as well as pre-packaged food with little preparation time, in conjunction with many transportation options, have contributed to rising obesity statistics and other health conditions. Too much of a good thing is too much!

Too often we want instant gratification. **But patience is the key.**

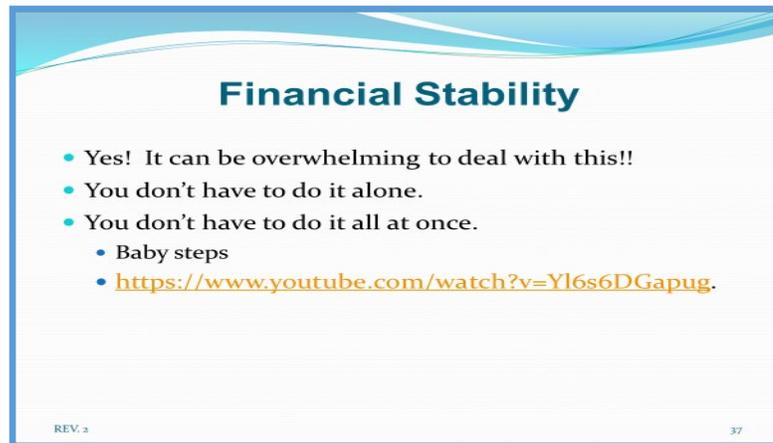
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## Financial Stability

20 Minutes

Our ultimate goal with this segment is to learn how to achieve Financial Stability.

PPT—Slide 37



There are some of us who struggle to make ends meet, and some of us live from crisis-to-crisis with very little support.

You don't have to do this alone. If you need help, there are support systems available locally and through state and government programs. For information about those programs, schedule an appointment with LLC's Director of Care who will be able to give you additional guidance.

*Support Systems*  
LJ—Page FM-44  
thru FM-46

However, you will find the information on some of those programs on pages FM-44 thru FM-46 in your Life Journal.

Financial stability is a great place to be. But, it can be so overwhelming that it seems out of reach! But, let's look at it this way. It's about taking baby steps. There's no better way to make my point, except by taking a look at an excerpt from the movie, *What About Bob*.

*Video: Baby Steps*  
Time: 1:09

*Show Video: Baby Steps. Make sure projector and sound are turned on.*  
<https://www.youtube.com/watch?v=Yl6s6DGapug>.

**VA: Download video from Faculty Resource Page and run locally to help reduce Internet service bandwidth impacts.**

So, what do we mean by taking baby steps toward financial freedom?

### ***Facilitator Tip:***

*Run video directly from hyperlink or from file on classroom laptop.*

*Encourage responses.*

As we've talked about in previous sessions, you can't do everything at once...and we wouldn't want you to. But we can take one step at a time – perhaps even baby steps.

Let's do a visualization together.

**Financial Stability (Cont.)**

Let's visualize what financial stability looks like—being debt free with all the benefits we discussed.

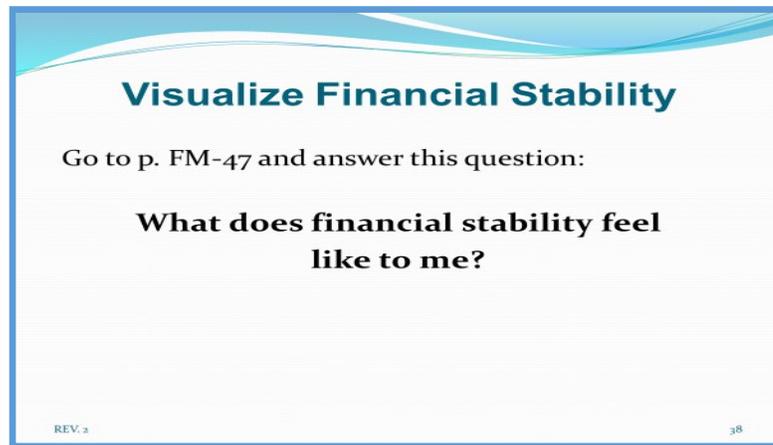
I would like each of you to share out loud whatever comes to mind when you think about having financial freedom.

Possible comments might be:

- *Little financial stress.*
- *Being able to take my family on vacation.*
- *Being able to have the air conditioning/heating at a comfortable temperature.*
- *Allowing my family to watch cable again.*
- *Eating out once a month.*

*Visualizing  
Financial Stability  
PPT—Slide 38  
LJ—Page FM-47*

Answer this question.



One final thought...if a negative, “thumbs down” thought or event creeps into your mind, snap or zap it and replace it with a positive, “thumbs up” declaration, along with positive, uplifting thoughts.

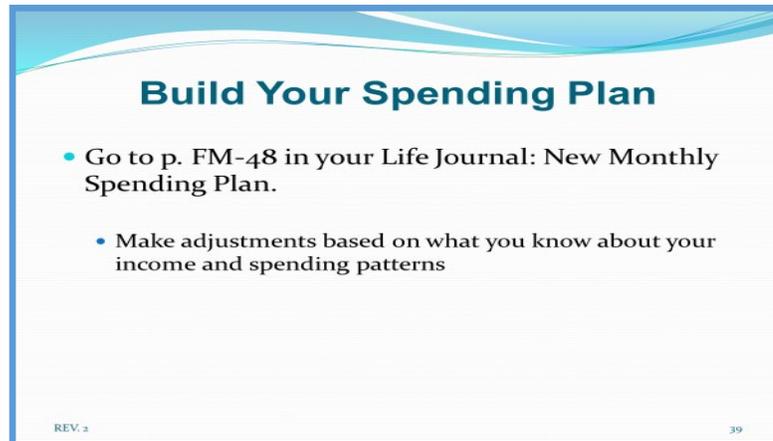
Okay—let's put together all that we've learned:

- Examined our spending patterns and what drives our spending
- Learned where we spend our money through the spending log activity
- Completed the Financial Blueprint
- Assessed how much money we have coming in
- Gained insights on where we can increase income and decrease expenses.

Using all of this information, let's create a Spending Plan!

## Financial Stability (Cont.)

So what is the advantage of creating a Spending Plan?  
*Build a Spending Plan Exercise*  
 PPT—Slide 39



It's a plan or guideline used to spend your money wisely each month as you progress towards financial freedom.

Why would having a Spending Plan be a good thing, or how can it lead to financial freedom?

*Potential Discussion Points:*

- *Keeps you from spending on non-essentials*
- *It ensures that the important bills are paid each month*
- *Highlights where you may need to cut expenses to make sure that expenses don't exceed your income*
- *Prevents impulse buys*
- *Allows for emergencies/savings*
- *Allows for debt reduction and/or elimination*

Let's get to work. Again, a word of clarification here. We do not expect you to have a perfect Spending Plan by the time we finish this segment. In fact, this budget will need tweaking as you work with it in the reality of your bill paying.

*Your New Spending Plan*  
 LJ—Page FM-48  
 and FM-33

**VA: Candidates will use their phones (ask them to be careful not to leave the Zoom meeting...) or other calculators if available.**

Turn to page FM-48 in your Life Journal to see your New Monthly Spending Plan This is where you can make changes in order to come up with a new plan and way of spending to achieve financial stability.

Calculators are available in the supply bin.

Let's look at the Spending Plan and start with the first line for your monthly income. It's listed on page FM-33 in your Life Journal. Enter your income in the box on page FM-48.

This is the amount of money you will have to work with each month.

*Allow time.*

**Financial Stability  
(Cont.)**

Now, let's move on to the expense sections of the budget. Depending on what you found out when working on your Current Personal Monthly spending on page FM-26 in your Life Journal, you either have enough money to pay all your bills, or you don't.

If you don't, you made some notes on what you could do to cut expenses and some money wasters that you could discontinue. You documented that on page FM-35 in your Life Journal.

With those cuts in mind, work on what you will plan to spend in each of the two columns. Come as close as you can, and really check out the actual expenses when you have the information at home in front of you.

The key here is that you end up with your income number and your expense number being the same, or your income number being higher. If your income number is higher, I suggest you add the overage amount to the savings account box so that the income and the total expense lines match.

*Allow time.*

When you are done, you will add up both expense columns and enter the information in the boxes provided.

Now add the two column numbers together and enter that number into the Total Expenses box.

When you are finished, if your expenses are still higher than your income, you'll have to make financial adjustments, so that the two boxes balance.

If you are over on your income, add those extra funds to the savings account space or an emergency fund. You could also apply the extra dollars to paying down your debt.

If expenses are higher than income, what are some ways we can get the numbers to balance again?

- *Raise income*
- *Lower expenses*
- *Do both—raise income and lower expenses*

## Financial Stability (Cont.)

After you leave here, you will still need to work on your spending plan.  
*Completing and Monitoring the Spending Plan*  
 PPT—Slide 40

**Completing and Monitoring the Spending Plan**

1. **Your Spending Plan: Continue working on the Spending Plan.**
  - a) Be sure to get accurate information on income
  - b) Keep tracking expenses if needed
2. **Review your credit report.**
  - a) Go to [www.annualcreditreport.com](http://www.annualcreditreport.com)
  - b) Review for accuracy

**Use your resources:**

- Life coach
- Dan Petronio
- Community resources

REV. 2 40

Compare what you have in this new spending plan to your actual spending habits. You can use the Spending Track form in Financial Life Journal Appendix. Once you get the budget to where you want it, you will need to monitor it each month. Are you sticking to what you said you would?

You will also want to go over your spending plan with any other people in your household—like your spouse or significant other or even your children—if they have some stake in the income and/or expenses.

### *Envelope System Exercise*

An excellent way to help you with balancing your finances is the envelope system.

**VA: Envelopes will be supplied to the candidates by LLC – distributed with the Life Journals.**

*Distribute 10 envelopes to each participant.*

It works like this: You make a list of your bills (use your Monthly Spending Chart and Monthly Spending Plan as a guide). Then you get an envelope for each bill, label it, and include the amount that you have budgeted. You will also have an envelope for Savings and one for Discretionary. Who can tell me what “Discretionary” means?

*Pause.*

Right. These are items you choose to buy AFTER you’ve paid your bills and put money in the savings.

Take the next 5 minutes to label your envelopes and include the amount you have budgeted.

How many of you think this is a hokey idea? Show of hands. How many of you have heard of Alan Alda? Alan Alda is well-known for his role in the TV show M.A.S.H. 4077. In a television interview years ago, he shared a time in his life when he and his wife were desperately poor.

**Financial Stability (Cont.)** They needed a car, so they figured out a spending plan. His wife used the envelope system and it included one entitled “car” and had the amount needed to buy it. Each pay day, they put the allotted amounts in every envelope, including the one marked “car.” She wouldn’t let them take any money out of the “car” envelope to buy other things. It took a while, but they finally saved enough money for the car.

So, you see. The envelope system does work.

Let’s wrap up with a quick reflection and evaluations.

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## Wrap Up & Evaluations

10 Minutes

*Objectives*

*Overview*

LJ—Page FM-5

Go back to page FM-5 in your Life Journal. Let's review the objectives. Did we accomplish everything we said we would during our time in the Financial Pillar?

*Quickly review the objectives and ask for questions or comments:*

- *Identify the sources of financial frustration and the underlying reasons for those frustrations*
- *Identify personal spending habits*
- *Discover practical ways to raise income and lower expenses*
- *Explore credit and its dangers*
- *Develop an action plan to enhance financial well-being*

So, how many of you frequently stress about money?

*Get a show of hands.*

We discussed a lot of things that you can begin to do to address your fears and insecurities about money.

They seem like a lot of work. However, the truth is that by doing these things, you will eventually find yourself with more financial wiggle room, leading to less stress and the ability to afford the things you want.

If you make the tough financial decisions today, you can live the life you want later. Remember, baby steps...one day at a time.

*Financial Stability*

*First Step*

LJ—Page FM-49

Now, let's turn to our Life Journals on page FM-49. What is the first step I will take to financial stability? Write your answer in the space provided.

*Evaluations*

Now it's time for your daily evaluations. Remind Candidates:

- *to put their name on the evaluation form*
- *of the importance of completing all portions of the form*
- *comments are an expectation and should be given*
- *to provide facilitator feedback on back of form*

*Facilitator will collect the Evaluations and return to LLC Administrative Assistant at the front desk.*

**Thank you all for your participation!**

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