***Fresh*** *Start Mentoring*

*Guide to*

**MANAGING FINANCES**

**MANAGING FINANCES - Introduction**

 The following 12 units are designed for one-on-one mentoring; however, classes of students could also be taught these principles of finance. This study is very important for our clients for two reasons. First, financial education is mostly not taught in public schools so that the general population is quite ignorant of this important part of life. Second, if a person has recently escaped from a life of crime or drug use, he could easily slip back into the old life if the finances in the new life fall apart. We want Fresh Start Mentoring to help people rebuild and protect their life far into the futures, not just a few months while on probation.

Financial knowledge is important but let us stress that the emphasis in this program is in the doing, not in parroting back an important concept. Mentors, each unit has a part of doing. Make sure your client comes back the following week with completed assignments. The most tedious part of all might be in the building of a spending plan, a budget. Once done, however, the plan can be quickly tweaked each week as a new concept arises. Therefore, clients must (must!) complete assignments (showing you, not just telling you). A spending plan locks in the lessons learned; no spending plan means a lot of time has been wasted.

Four of us facilitated a two-month course on finances for seven clients going through Drug Court. We felt a program set up for one-on-one mentoring increased the likelihood that all clients could be reached—such is the importance of this topic. Should there be a question about any part of this package, send an email to freshstartreferral@gmail.com. Clients need to know that money isn’t the single most important thing in their lives, but it can make or break a life. An ex-offender who recovered strongly, told me he began to turn his life around when he accepted this truth: life is a pain. But you get to choose which pain: do you want the pain of discipline or the pain of disappointment. Finances need discipline.

**MANAGING FINANCES – UNIT 1**

**Connecting Money and Relationships**

1. How has money affected your relationships with friends? Family?

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2. Describe the top two things you value most in your life. Be specific please.

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3. One reason that money hurts our relationships is because we are not honest with ourselves about the way we spend money. Where is your money going? Write down eight specific purchases that you have made in the last 10 days. Include each item and total cost.

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4. Compare what you’ve recorded to the list of what you value above. Does the way you are currently spending your money reflect your top priorities? Explain why or why not.

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5. Between now and our next meeting together we are going to track our income and expenses. All forms of income and expenses must be included. Save all receipts so you have a correct record.

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**MANAGING FINANCES – UNIT 2**

**Exploring Values and Attitudes**

1. Read the statements below and put a check next to the ones you agree with. Cross out those you don’t believe are true.

-Having a lot of money is a sign of blessing.

-I will get more respect and have better friends if I have money.

-Money can make me secure and happy.

1. Assets are things we have that have value. Assets can be physical (house, car, land, furniture) financial (cash, savings, retirement) and human (education, training, abilities and even relationships). List your physical, financial, and human assets.

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3. Building assets allows us to:

 -provide for the basic needs of our family

 -help others in case of an emergency

 -generate more income

 -cope with an illness or pay for health care

 -pass value down to our children

 -borrow money to buy a home

4. To build assets you must plan to save. To save, you must track every cent you spend. Look at your spending from last week and identify one item you can reduce or cut out. Can you reduce your spending by $10-20? Write down what item you will try to cut out or reduce this next week.

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5. Continue tracking your income and expenses this week. Try to eliminate one expense of $20. All forms of income and expenses must be included. Save all receipts so you have a correct record.

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**MANAGING FINANCES – UNIT 3**

**Overcoming Financial Challenges**

1. What are your financial needs?

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2. What are your financial wants?

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3. List 3 purchases you made this week. Label them as a want or a need. Suggest an alternative you could have chosen that would have been cheaper or saved you money. (Ex. Shoes: $50 – want – could shop for sales, buy cheaper brand)

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4. We all face internal and external obstacles that keep us from using our money wisely. These obstacles may be prior arrests, convictions, illness, low self-esteem, past trauma, lack of transportation, rising housing costs, childcare costs, impulsive spending, etc. Some things we can control, others we cannot. What are some of your obstacles to good financial management?

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5. To work toward overcoming our obstacles, continue tracking your daily income and expenses. All forms of income and expenses must be included. Save all receipts so you have a correct record.

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**MANAGING FINANCES – UNIT 4**

**Setting Savings Goals**

1. In terms of savings goals, it’s best to set a long-term savings goal first, these are usually 1-5 years away. Where do you want to be in five years?

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What are some possible long-term goals you’d like to set? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. Short-term goals are things you want to accomplish in the next six months to one year. Usually, short-term goals are steps toward reaching long-term goals. What are some ideas for short-term goals?

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Savings goals should be **SMART**:

**S**pecific – a precise goal to reach

**M**easurable – set an amount to save per week

**A**ccountable – ask people to check on you weekly

**R**ealistic – start small, easy

**T**ime-bound – set a date to meet your goals

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| **LONG TERM GOAL** **(1-5 years)** | **Total Cost** | **Timeframe (years and months)** | **Monthly Cost** | **Short-term plan to meet the goal** |
| **Want to save money to help my 14-year old with college** | **$3,000** | **4 years****(48 months)** | **$62.50** | **I will completely pay off a credit card debt so I can start saving** |
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| **SHORT-TERM GOAL** **(6 mo-1 year)** | **Total Cost** | **Timeframe (months and weeks)** | **Amount to save weekly** | **Plan to meet this goal** |
| **Need to pay off a credit card** | **$630** | **9 months****(36 weeks)** | **$17.50** | **I will cut down to 2 coffees “out” per week, making the rest of my coffee at home; and I will pack a lunch 4 days a week** |
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1. Since there are about 4 weeks in a month, multiply the amount to save weekly (from short-term chart) by 4. This is how much you should be able to save each month.

Weekly savings of $\_\_\_\_\_\_\_\_\_ x 4 weeks = $\_\_\_\_\_\_\_\_\_\_\_\_Monthly savings

The weekly amount needs to be added to the “Expenses” in your tracking this week. Remember to include all expenses and income as you track on the following page. Save receipts to have an accurate record.

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**MANAGING FINANCES – UNIT 5**

**Creating a Spending Plan**

1. A monthly spending plan is a basic budget for how we use our money each month. Although it may seem limiting, a spending plan really gives you freedom. When we put everything into a plan, we know our limits and can use money without guilt. To create a monthly spending plan, add up all your income from the expense sheets you’ve been keeping, and then add up all your expenses. Afterwards, subtract your total expenses from your total income to see how much you have leftover to save.

Your total income: $ \_\_\_\_\_\_\_\_\_\_\_\_\_ Your total expenses: $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Income \_\_\_\_\_\_\_\_\_\_ - Expenses \_\_\_\_\_\_\_\_\_\_\_\_ = $ \_\_\_\_\_\_\_\_\_\_\_\_\_

1. Think back to the values you listed on the first week. Does the way you spend your money show that these are the things you actually care most about? Look over your weekly spending sheets to see where your money has been going before you answer.

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If not, what changes could you make in your spending to be more in line with what you value?

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1. Using what you’ve learned from your weekly expense reporting, you will now create your own Monthly Spending Plan. For income think about: employment, government assistance, child support, family, social security, disability, food stamps, etc. And for expenses consider: rent, electricity, gas, water/sewer, cell phone, laundry, cable tv/streaming services, groceries, snacks, cigarettes, pet costs, childcare, eating out, credit cards, insurance, clothing, school expenses, etc.
2. I commit to spending at least \_\_\_\_\_ minutes at home this week creating/examining my Monthly Spending Plan.

**Monthly Spending Plan**

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| **TOTAL EXPENSES** |  |
| **Monthly Amount to Save****(Total Income – Total Expenses)** |  |

**MANAGING FINANCES – UNIT 6**

**Managing Debt**

Managing debt must begin with an understanding of how and what we think about money. Answering a few questions may help you understand how to manage debt.

How was money handled in your house growing up? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

What was your first job and how did you spend your first paycheck? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

What was the favorite purchase you’ve ever made and why? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

What is the best money advice you’ve ever received?

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What would you say is your biggest money mistake?

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What is the smartest thing you’ve ever done with your money?

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How might bad debt affect your relationships?

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Is debt ever good? If so, when?\_

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Is debt bad? If so, when/why?

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The first step in managing debt is to list it. Write down all the credit cards you carry, how much you owe **(amount of debt)**, the **annual percentage rate** (the interest rate it charges), the **monthly interest amount** (how much interest you pay per month), and then **rank order** them (see below).

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| **Credit Card Name** | **Amount of Debt** | **Annual Percentage****Rate** | **Monthly Interest Amount** | **Rank Order****\*(see below)** |
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In the **rank order** column, rank your debt in terms of highest interest rate first. (Ex: 19% would be rated “1” as compared to 18.5% rated “2”).

Next, obtain a free credit report. You are entitled, by law, to an annual free credit report and you should call all 3 credit reporting agencies. Experian: (888) 397-3742; Equifax: (800) 685-1111; TransUnion: (800) 888-4213.

When you receive your free credit reports: examine them carefully. Note any errors made by the credit agency. If there are errors, make a copy and send it to the agency with the mistake(s) highlighted.

Contact the creditor, lender, or collection agency to negotiate. Sometimes they will reduce the amount you owe if you commit to paying a lesser sum.

Commit to a strategy in reducing debt. What is your strategy to reduce debt? Think about your long-term and short-term savings goals from Unit 4 to get ideas.

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Continue to work on your Monthly Spending Plan. Make corrections where needed. Make sure all your debt is included as an expense (the monthly amount to pay).

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**MANAGING FINANCES – UNIT 7**

 **Understanding Loans**

Loans are good! Without loans we would not be able to afford a mortgage for a home, a college education, or an automobile.

Loans are bad! When we apply for a loan knowing we can’t pay it back, borrow more than we need, or borrow from the wrong institution or without proper investigation, we can be getting ourselves into big (future) trouble.

Before taking a loan…

|  |  |
| --- | --- |
| **DO** | **DON’T** |
| Check your credit report | Accept the first loan you’re offered |
| Compare the APR | Take out the maximum amount possible  |
| Consider the risks if you have bad credit | Skimp on payments |
| Look closely at the fees |  |
| Get pre-qualified by multiple lenders |  |

**The Cost of Borrowing**

Example: Assuming a $2,000 loan for 5 years

|  |  |  |  |
| --- | --- | --- | --- |
| **Lender** | **Interest Rate** | **Total Interest** | **Total Repayment** |
| University | 4.5% | $273.13 | $2273.13 |
| Local Bank | 6.8% | $364.88 | $2374.88 |
| Credit Card | 23.8% | $1,438.46 | $3,438.46 |

This example above shows a comparison of three loans. Notice the total repayments. The borrower took a loan for $2,000; by subtracting $2,000 from the total repayment you would find the total amount of interest the borrower would have to pay. Be sure to get a couple of different quotes and compare carefully before accepting a loan.

**Personal Loan Dos and Don’ts**

**Explained**

**Do: Check your credit report**

Your credit score and credit history are major determinants in the [interest rate you receive on a personal loan](https://time.com/nextadvisor/loans/personal-loans/how-to-calculate-loan-interest/). Banks use credit as a barometer for risk. If you have made payments in a timely fashion before, then you are more likely to repay your loan. Therefore, the better your credit, the [lower your rate](https://time.com/nextadvisor/loans/personal-loans/rates/). Generally, rates will range between 4 and 36%.

As due diligence, we recommend pulling your credit reports to make sure they’re in tip-top shape. An error (say, missed payments or a credit card fraudulently attached to your name) can wreak havoc on your credit score, so check for accuracy and dispute any information that isn’t [correct](https://time.com/nextadvisor/credit-cards/finding-and-fixing-errors-on-credit-report/).

**Do: Compare the APR**

The difference between a low interest rate and a higher interest can be major. Let’s say you have a $10,000 loan with a 5-year term. Over those five years, the difference in overall cost between a 10% APR and 25% APR would be $4,862.56. We always recommend shopping around before committing to a lender, as each one weighs your application information differently.

**Do: Consider the risks if you have bad credit**

If you have a credit score less than 670 (“good” by FICO standards), you may find it [harder to get a decent interest rate](https://time.com/nextadvisor/loans/personal-loans/can-you-get-a-personal-loan-with-bad-credit/) on a personal loan. Additionally, those who have filed for bankruptcy or have not established a credit history will experience difficulties getting a loan.

People who find themselves in that boat may need to consider a cosigner to improve their odds of getting approved. A cosigner is a secondary borrower who can boost your loan application by offering their (presumably good) credit history. It provides reassurance to the bank that the loan won’t be defaulted upon, because there is a backup person who would be responsible.

Adding a cosigner can grease the wheels on an offer and even merit you a better rate than if you’d applied alone. But the risk is if you miss a payment, then you and your cosigner would experience a credit score decrease.

You may also need to consider a secured loan if your credit isn’t good enough. Most personal loans are unsecured, so putting up collateral (in the form of a house, car, or bank or investment account) gives the bank leverage in a situation where you may not be an attractive candidate. The interest rates on secured loans are often lower, though, of course, you take on significantly more risk if you cannot afford the payments at some point down the line. Defaulting on a secured loan could allow the bank to seize your collateral, meaning you could ultimately lose your house, car, or whatever else you put up for collateral.

**Do: Look closely at the fees**

Take a fine-toothed comb to your loan offer before accepting. You want to make sure you understand everything in the contract; otherwise, you may be forced to pay surprise fees in the future. These are the most important aspects of the personal loan to evaluate:

* **APR:** What is the interest rate? Is it fixed or variable? Is the rate lower than the one on your credit card? If not, then taking out a loan may not be worth it.
* **Repayment period:** How long will you be making monthly payments, and at what point will the loan need to be paid off?
* **Monthly payments:** Can you afford the payments? Do they fit into your budget?
* **Secured or unsecured:** Will you need to put up your bank account, for example, as collateral for the loan? Or does it not require collateral?
* **Origination fee:** Do you have to pay a fee up front for the loan, and if so, what does it cost? Is the lender being transparent? Keep in mind that many lenders that don’t require this fee still charge it anyway. It’s just reflected in your interest rate.
* **Prepayment penalty:** Will you be penalized with a charge if you want to pay the loan off early?

**Do: Get pre-qualified by multiple lenders**

[Pre-qualification](https://time.com/nextadvisor/mortgages/pre-approval-vs-pre-qualification/) is a process where you self-report your financial information and desired loan terms to get an informal estimate of what personal loan you’d be qualified for. This step is different from getting a pre-approval or actually applying for the loan, because it doesn’t require the lender to review and verify your documents and it won’t result in a hard credit inquiry that would decrease your credit score by a few points. And pre-qualification doesn’t mean you’re actually approved; it just tells you whether you’re likely to be approved and what your loan terms might be.

Getting pre-qualified is a quick, often instantaneous process that allows you to see what loan amount, interest rate, and terms you would receive. You can get pre-qualified by an unlimited number of lenders. We recommend getting estimates from at least three lenders so you understand what is available to you, based on your credit profile.

**Don’t: Accept the first loan offered to you**

Always shop around before committing to a loan. It’s not just the obvious banks that are [offering personal loans now](https://time.com/nextadvisor/loans/personal-loans/where-to-get-a-personal-loan/). You can also find them at credit unions, community banks, online banks, and online lenders, many of whom could offer you a better rate than your garden-variety mega-bank.

All lenders evaluate applications differently, with variables like income and credit weighted differently depending on the criteria. So you may find one bank doesn’t like that you were laid off from a job, while another doesn’t care because you have an “excellent” credit history. It all depends on factors outside your control, so make sure to expand your options.

**Don’t: Take out the maximum loan possible**

We don’t recommend taking out a big loan just because you can afford it. A [loan payment](https://time.com/nextadvisor/calculators/loan-calculator/) that seemed manageable upon approval may be a mistake down the line, if you unexpectedly lost your job, for example. [Farnoosh Torabi](https://farnoosh.tv/), finance journalist and host of the “[So Money](https://podcast.farnoosh.tv/)” podcast, recommends people not take out a loan payment that accounts for more than 5 to 10% of their monthly budget. Overborrowing can be just as dangerous as paying for something outright that you can’t afford.

**Don’t: Skimp on payments**

Schedule automatic withdrawals or monthly reminders to pay your personal loan. Payment history accounts for 35% of a [FICO credit score](https://www.myfico.com/credit-education/whats-in-your-credit-score), followed by credit utilization, length of credit history, credit mix, and new credit. Missing payments, or paying late, can hurt that credit score and make it difficult to get approved for loans, credit cards, or even apartment leases in the long term. Set yourself up for success now and put that recurring note on the calendar. You’ll thank yourself in the future.

The most important thing I’ve learned about loans is:

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Continue working on your Monthly Spending Plan. Make adjustments/corrections as needed.

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**MANAGING FINANCES – UNIT 8**

**Getting Banked**

1. Do you have a bank account? Do you have both credit and debit features in this account?

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1. Does your bank offer direct deposit for paychecks? \_\_\_\_\_\_\_\_\_ Do you use this feature?

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* **Credit** is borrowed money that you have to pay back in one month or pay interest

until the borrowed money plus interest is paid back.

1. How often do you check your bank account?

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* Taking a cash advance on your credit card can be very, very expensive.
* **Debit cards** (also called ATM cards or check cards) are connected to your bank

 account or money that you already have, not borrowed money. Not all banks charge

 fees to withdraw money with your ATM card.

1. Here are some questions you need to answer when deciding to open or keep a bank

account:

 a. Are minimum balances required?

 b. What fees does the bank charge? Can I avoid the fees? How?

 c. When I deposit checks, how soon is the money available?

 d. What is the policy on overdraft? Are there charges for overdrafts?

 e. Does the bank have a mobile banking app? Is it free?

* As with all financial decisions, **comparisons** should be made about selecting

 a bank: Is it convenient to use? Are the people serving me helpful? Are the rates

 competitive? Can I get maximum usage of the bank online?

8. I commit to reviewing my banking arrangements or looking into opening a bank account. I will also continue work on my Monthly Spending Plan. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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| **TOTAL EXPENSES** |  |
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**MANAGING FINANCES – UNIT 9**

**Preparing for Emergencies**

1. What is the benefit of establishing a **short-term** emergency fund of $300 - $500?

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1. Why should a **long-term** emergency fund consist of three months’ worth of expenses?

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Look at your last monthly spending plan. How much is one month of income? $\_\_\_\_\_\_\_\_\_\_\_\_\_ Multiply that number times 3 = $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. That’s the long-term emergency amount you need to hold in a savings account. How will you begin to save to reach that amount? (Set a short-term goal. Look back at Unit 4).

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1. What is the difference between a short-term emergency fund and a long-term one? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Paying off debt helps increase income. Getting out of debt really means getting

out of the habit of using debt. To start, establish an emergency fund while paying down debt with only minimum payments. Then, after establishing a fund, pay off bigger chunks of the most expensive debt. Why? If you use all your excess funds up front to pay off debt, when some emergency arises (and it always does) you will be forced to borrow and be back in debt. Savings allows you to get out of the habit of debt usage: start saving now, even small amounts.

Another “help” to consider in terms of emergencies is **insurance**. You pay an insurance company to take out a policy. Usually, you will pay a monthly fee (**premium**) to the insurance company, and if you have an emergency of some kind, the insurance should help you pay for it (after you’ve paid a **deductible** – what you pay out of pocket before the insurance will pay their share). There are different kinds of insurance; some are renter’s, car, and health.

Before buying insurance, find out the premium, the deductible, and the maximum payout of the insurance policy.

Discuss what insurance policies you have, if any, and which you may need and commit this week to investigate and report next week on your findings.

Mark the types of insurance you have with an “H” and those you need with an “N”:

 a. \_\_\_ Car insurance

 b. **\_\_\_** Renter’s insurance

 c. **\_\_\_** Health insurance

There are two main types of **car insurance**—liability and collision. Liability insurance is required by the state to pay for damages to other people and their property. Collision insurance costs more but pays to repair damage to your car and is optional.

**Renter’s insurance** covers your possessions in case of fire or theft as well as any injury if someone is hurt in your apartment. Compared to health or car insurance, renter’s insurance is cheap. Does your apartment have faulty wiring, or do you have any valuables like jewelry or silverware? Do babysitters come to your apartment?

With the high cost of healthcare, **health insurance** can keep you from losing everything. If you have this insurance, you will probably have a deductible amount that you must pay as well as a co-pay. That is, after the deductible is satisfied, the insurance will start to cover each claim, but you will also have some small amount—like $25—to pay each time.

9. Bring your Monthly Spending Plan next week and make any adjustments for insurance you may need, and short and long-term savings funds. Commit to protecting yourself and your family. I will come back with answers \_\_\_\_\_\_\_\_\_.

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**MANAGING FINANCES – UNIT 10**

**Planning for Long-Term Change**

**Net worth** is the financial amount that you have after all your debt is paid off. Net worth provides for the future; helping you: to reach savings goals, to care for yourself and others, and to make the best decisions consistent with your top priorities.

**How to Calculate Net Worth** (remember, assets are items that have value and liabilities are debts)

 **Assets:**

 Cash (on hand and in the bank) $1500

 Savings and Investments $ 150

 Car $ 2500

 Smart phone $ 250

 Sellable furniture $ 600

 **Total assets $ 5000**

 **Liabilities**

 Payday loan $ 450

 Credit Card $ 900

 Medical bills $ 600

 Student loan $ 750

 **Total liabilities $ 2700**

**Net Worth = Assets minus Liabilities $ 2300**

1. This week, calculate your net worth. Use your weekly and monthly spending reports to help you realize all you assets and liabilities. Come next week prepared to share you net worth.

2. Additionally, look at the following list of items we’ve discussed over the past 10 weeks. Which items need action from you? What kind of action is needed? Next to the items that you think need action, write the change you need to make:

 a. Long-term savings \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 b. Short-term emergency fund \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 c. Monthly Spending plan \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 d. Living simply and generously \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 e. Reducing debt \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 f. Protecting assets \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. How is your monthly spending plan impacted by the items above? Consider those as you work on your monthly spending plan this week.

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**MANAGING FINANCES – UNIT 11**

**Giving**

It is often said, and commonly believed, that the only thing we can “give” is either our time, our talent (for example: wisdom, experience) and/or our treasure (for example: talents, gifts, money).

Every human being carries within themselves time, talent and treasure that can be “given” away. With the gift of thinking which we have,

* Are you using your time, talent, and treasure in the best way? ­­­­\_\_\_\_\_\_\_\_\_
* What time do you give for others? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* What talents do you have that could help others? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* What treasures do you have that could help others? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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* In what ways can you be more generous with your time, talent, and/or treasure?

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Read these stories of “giving.”

*I was running through the streets of New York, soaking wet thanks to a sudden storm, when I heard a voice: “Do you need an umbrella?” It was a woman standing in the doorway of a hotel. She grabbed an umbrella and handed it to me, saying, “Now you have at least one more reason to believe there’s humanity in this world.” Continuing on my way, I was now not only protected by an umbrella but also by the kindness that shows up now and then in the world.*

* What did the woman “give?” What lesson can I learn from this? Did you ever “give” something to someone? How did it make you feel?

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*Mother Teresa visited Australia. A new recruit to the monastery in Australia was assigned to be her guide and “gofer” during her stay. The young man was so thrilled and excited at the prospect of being so close to this woman. He dreamed of how much he would learn from her and what they would talk about. But during her visit, he became frustrated. Although he was constantly near her, he never had the opportunity to say one word to Mother Teresa. There were always other people for her to meet. Finally, her tour was over, and she was due to fly to New Guinea. In desperation, the friar had his opportunity to speak to Mother Teresa. He said to her, “If I pay my own fare to New Guinea, can I sit next to you on the plane so I can talk to you and learn from you?” Mother Teresa looked at him. “You have enough money to pay airfare to New Guinea?” she asked. “Oh, yes,” he replied eagerly. “Then give that money to the poor,” she said. “You’ll learn more from that than anything I can tell you.” The problem was the young man wanted to experience a feeling when he needed to simply learn by doing.*

* What did Mother Teresa “give?” What lesson can I learn from this?

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*A man was driving his car when he saw an old lady stranded on the side of the road. He saw that she needed help, so he stopped his car near hers and got out. He smiled as he approached her, but being alone, she was concerned. Moreover, he did not look safe as his appearance was so poor and shabby. He could see how frightened she was so he tried to calm her saying, “I’m here to help you, don‘t worry. My name is Bryan Anderson.”*

*Her tire was flat, so he had to crawl under the car. While changing the tire, he got dirty and his hands were hurt. When the job was done, she asked how much she owed him for his help. Bryan smiled and said, “If you really want to pay me back, the next time you see someone in need of help, give them what they need and think of me.”*

*On her way home, she stopped by a small cafe. She saw a waitress, who was nearly eight months pregnant, wincing as she pressed the small of her back. The waitress had a sweet, friendly smile, although she had spent the whole day on her feet. The lady finished her meal and, even though she didn’t have much, she paid with a one-hundred-dollar bill. When the waitress came back with change, the woman was gone. On the table was left a note which read, “You don’t owe me anything. Somebody once helped me, just like I am now helping you. If you really want to pay me back, do not let this helping chain end with you.”*

*When the waitress got home that night, she was thinking about the woman and the money she had left. How could she have known how much she needed that money? She had a good feeling now that everything would be all right.*

* What was “given” in this story? Have you ever benefited from someone’s “gift” to you?

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Continue working on your monthly spending plan, this time considering any financial giving you might like to add in.

**Monthly Spending Plan**

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| **TOTAL EXPENSES** |  |
| **Monthly Amount to Save****(Total Income – Total Expenses)** |  |

**MANAGING FINANCES – UNIT 12**

 **Living Simply**

1. Examine these Tips for Thrift that give some ideas for simple living. Circle 5 ideas you could use this week/month to save money.

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| **Tips for Thrift** |
| **Food*** Make a shopping list and stick to it
* Use coupons for foods you normally buy
* Avoid buying snacks at the gas station; plan ahead and buy at the grocery store
* Buy foods on sale
 | **Clothing*** Buy at thrift stores, especially for children
* Don’t buy clothes if you don’t need them (even if they’re on sale)
* Avoid trends that will go out of style soon
 |
| **Utilities*** In the summer, set the thermostat a little higher
* Use fans
* Turn the a/c up when you leave the house
* Turn lights off when you’re not in a room
* Get rid of cable channels you don’t use
* Unplug appliances when you’re not using them
* Take shorter showers
 | **Other*** Exercise and eat healthy to avoid medical expenses
* Get generic prescriptions whenever possible
* Use the library for books and movies
* Ask trustworthy friends for help with childcare, carpooling…
* Look for free events for entertainment
* Shop online, like Facebook Marketplace, for deals
 |

1. Small savings can add up. Commit to using some new tips this week/month. If you were to simply do one small thing, like avoid buying snacks at the gas station/convenience store and instead buy at the grocery store, you would save around $1.50 per snack. If you buy 3 snacks per week at the gas station, that’s $4.50 savings per week and $18 savings per month.

With the tips you chose above research how much you might save over the course of a week/month.

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1. Create one last monthly spending plan. Consider any last tweaks to save.

**Monthly Spending Plan**

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| **TOTAL EXPENSES** |  |
| **Monthly Amount to Save****(Total Income – Total Expenses)** |  |