



**FINANCIAL
FITNE\$\$**



encouraging t educating t empowering

Introduction

Jessica and Dave are a young couple with four active children. Both work full time and they struggle to make ends meet. Money discussions are always a hot topic that typically ends in disagreement. Jessica takes care of the finances and wishes that Dave would be more involved in the process. Dave works hard for his family and thinks Jessica is doing fine taking care of things. She's just better at it so why not leave well enough alone? Jessica is a saver and Dave is a spender. Jessica thinks he's way too eager to spend money. Dave thinks she can be quite a tightwad. They barely break even every month and there is nothing left to pay toward their debt. It seems like they will never get ahead and hopefully no emergencies arise. They're tired of the stress and fighting over money.

They decided to take the Financial Fitness course and learned to appreciate each others different money personalities. Dave wasn't just a spender; he was generous and enjoyed giving to others. Jessica wasn't just a saver; she liked to plan ahead and tried to make sure that what they needed would be there. They learned to track their spending, use a payment calendar, create a monthly budget and to get creative and cut out unnecessary expenses. As a result they were able to free up some money to put towards debt and even save a little. They learned how to read a credit report, negotiate with their creditors and to set some achievable goals. They included the whole family in the process and started teaching their children money principles that would benefit them for life. Dave and Jessica learned how to work together with their finances and were able to save and take the first family vacation they had ever had. They finally had hope for a brighter financial future.

Kate is a single mom with three children who has found herself on some hard times. She is living in a homeless shelter. She wants to give her children a different life than she had and is determined to do what it takes to provide stability and a good home for them. She hasn't spent much time thinking about money management and is not sure where to start, she has a job now and would really like to get a place of their own.

Financial Fitness is a practical and easy to understand money management and life skills course designed to provide participants with the tools necessary to build financial stability. Each session builds on the previous session and covers topics like tracking and reducing spending, monthly and yearly budgeting, debt reduction, developing an emergency fund, banking and loans, financial record keeping, setting attainable goals, making decisions, teaching your children about money and understanding your money personality and habits. Financial Fitness reaches beyond the cycle of immediate crisis and encourages the participant to reach toward long-term sustainable solutions.

Financial Fitness is the result of a collaborative effort compiled and written by Jan Carpenter. The financial process is patterned after a system developed by and shared through Love Inc. Hudsonville MI and Michael Oshinski.



Welcome to Financial Fitness!

We're so glad you're here!

A few things to remember:

- Make sure you sign in to get credit for attending
- It is vital that you come on time each week in order to avoid the disruption that is created for the rest of the class and we want to make sure that you don't miss any important Financial Fitness principles
- Full attendance means that you arrive on time, stay for the entire 1.5 hour class and complete each week's homework. Credit will not be given for partial attendance or incomplete homework
- Childcare is available for those attending Financial Fitness
- In case of absence please make sure to call the Love in Action office and leave a message at (616) 846-2701 extension 108. An absence without a call will be entered as a NO CALL/NO SHOW
- Please turn down your cell phone and avoid using it during class out of respect for other class attendees and the class instructor
- Please refrain from leaving class during the session unless there is an emergency
- **DURING INCLEMENT WEATHER CLASS CANCELLATIONS WILL BE POSTED ON WZZM 13**

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Why learn to manage your money?

Lesson Objectives:

- **Why managing your money is necessary**
- **Purpose of a budget**
- **Obstacles to developing a working budget**
- **Tracking spending**

Money is such an important part of our lives. So much of what we do and think about is based on it and we can't live without it. It dictates how we care for our families, where we live and what we can buy. Sometimes there just doesn't seem to be enough to make ends meet.

When there isn't enough it affects us on many levels and causes worry and stress. It can cause us to lose sleep and can strain personal relationships.

This course is created to:

- Provide the tools to help you gain stability in your finances
- Help you find resources and solutions and provide support as you work toward a stable financial plan
- Figure out what works for you and what doesn't
- Divide the process into simple steps

The results:

- Less stress and worry about your finances
- Having money set aside for emergencies
- Paying off your debt
- Saving for your future
- Increasing your credit score



Unmanaged money habits are like an unruly child that does what it wants and creates chaos. The first step to gaining control of your finances is to figure out exactly what you have and where it goes.

Tracking your expenses and a simple budget will:

- Tell you what you need, if there is enough and what is happening to your current income.
- Put you in charge of every hard earned dollar if used consistently. You control it rather than it controlling you.

Lack of a budget can cause you to:

- Spend more than you make
- Be unable to cover your monthly expenses
- Lack funds to cover emergencies
- Rack up debt to cover the shortfall
- Not reach your long term goals
- Spend your energy on worry and anxiety



Changing your financial situation will take work and commitment.

It will require you to:

- Decide what are necessities and what are wants
- Figure out how you can make your current income go farther
- Diligently track your spending
- Commit to the process
- Consistently say “no” to some things so that you can say yes to a brighter financial future
- Be honest about your money habits and mindsets

Bible Truths:

- God created the earth and all that is in it. Everything belongs to Him.

Psalm 24:1-2

1. The earth is the Lord's and everything in it. The world and all its people belong to Him; 2. for He laid the earth's foundation on the seas and built it on the oceans depths.

- He delights in giving us what we need and wants us to put our hope and trust in Him, not to rely on money and our abilities which can be erratic and short-lived. The economy can crash, we can get sick and many other things can happen that are out of our control.

1 Timothy 6: 17-18

17. Command those who are rich in this present world not to be arrogant not to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment. 18. Command them to do good, to be rich in good deeds, and to be generous and willing to share.

- He wants us to do our part in providing for ourselves and managing the resources that He has blessed us with.

Proverbs 14:23:

23. All hard work brings a profit, but mere talk leads only to poverty.

Money is a limited resource, that is why it needs managing.

Money is not the point or goal of life, but it is the medium by which God keeps real life going.

God is interested in your money because He is interested in you.

God is the owner, we are managers; we are not alone in this life.

Financial Lesson

What is a financial budget?

A financial plan for income and spending.

PURPOSE

The purpose of financial budgeting includes the following aspects:

1. Forecast income and expenses
2. A tool for informed financial decision making

GOAL

The goal of financial budgeting includes the following aspects:

1. Planning: Project timing for expected income and expenses
2. Manage spending: Prioritize amounts needed for living expenses.
3. Balance: Meet necessary expenses and develop a savings plan for the future

A financial budget manages resources. According to Dave Ramsey, author of Financial Peace and founder of Financial Peace University, a budget can also be referred to as a “Financial Peace Plan”. This plan can help reduce stress, worry, frustration and anxiety that results from gaps in financial discipline.

Needs vs. Wants

What does it mean **to live within your means**?

Simply put, by living within **your means** your spending is less than or equal to your income.

What are FINANCIAL NEEDS?

Spending for basic living requirements including shelter, food, water, clothing, and medical care

What are FINANCIAL WANTS?

Spending for something we'd like to have. Examples include cable television or mobile phone data packages

Key Behaviors necessary for sticking to an established financial budget:

- Self-Awareness: Before you spend, is it a **want** or a **need**?
- Self-Discipline: Before you spend, does it align with your financial budget and goals?
- Decision making: Before you spend, does it address an unmet need? Is it a priority?
- Sacrifice: Surrender of something for the sake of something else (needs over wants).

What happens when we are not financially responsible?

INDIVIDUAL EXERCISE:
How are we affected by our financial habits?

Can you relate? Be honest with yourself - Check all that apply.

- I put off or don't open my mail if I know it's a bill or past due notice
- I pick and choose which bills to pay each month
- I've lied to my spouse or someone else about my money or spending habits
- I'm afraid to answer my phone for fear of a debt collector
- I'm an impulse buyer or an emotional shopper
- I've had unexpected emergencies arise that have caused me to struggle financially
- I'm consciously aware I need to improve my financial habits
- I've had garnishments directly from a paycheck
- I've had to ask for financial support because of poor financial decision making
- I've assumed loans or cash advances because of poor financial decision making
- I've filed for bankruptcy
- I feel like I have done everything I possibly can to manage my money and there just doesn't seem to be enough to cover the necessities
- I've argued with others because of financial irresponsibility
- I've taken action toward improving my financial decision making and spending habits.

CLASS EXERCISE: You're not alone! Let's talk about it.

- What surprised you the most?
- What do you do well, and why?
- What can you improve, and how?

IMPROVING....one step at a time

HOPE can be restored. It takes a CONSCIOUS CHOICE to identify areas for your self-improvement and take ACTION toward CHANGING unhealthy financial behaviors. It requires SACRIFICE. Remember, one small step at a time!



Getting Started.....

A Simple Financial Budget Tool:

Give it a Try! You can DO it!

Small Pocket
Notebook



Be **CREATIVE!** Track income and spending to help you better UNDERSTAND your own personal habits. **SELF-AWARENESS** is key to **CHANGING** behavior.

- KEEP a small notebook in your pocket or purse.
- Write down financial income or spending **IMMEDIATELY**.
- Be **HONEST** with yourself

<u>Date</u>	<u>Item</u>	<u>Spend</u>	<u>Want or Need?</u>	<u>Any associated thoughts or feelings?</u>
Thursday	Rent	\$350	Need	I was a couple days late, but improved from last month! 😊
Friday	Cable Bill	\$100	Want	I must get rid of cable. Money could be better spent elsewhere, or added to savings account! I will call tomorrow to cancel and apply this amount to our savings account.
Saturday	Groceries	\$50	Need	Stuck to essentials! Great self-discipline! 😊
Saturday	Taco Bell	\$15	Want	Could have eaten at home! I learned my lesson and will be more aware next time!
Monday	Electric Bill	\$65	Need	Paid on-time! Two months in a row! 😊



Homework Assignment:



- Using the **Small Pocket Notebook** provided, between now and next class, record **every** amount spent on **any item**.

Class discussion:

What do you think you might learn about your spending habits and finances by looking at what you have recorded in your pocket notebook?

- Name something that you are hoping to gain by attending this class.
- What are some things that you think you do well in regard to your finances?

Think about and write down:

- What are the barriers that may stand in the way of your making financial progress?
- What steps can you take to begin to overcome those barriers?