

## Basic Budgeting Seminar

This seminar is given to those who are receiving car repair near the beginning of the time when their cars are being repaired. It lasts approximately one hour and 30 minutes and is followed by about 15 minutes of prayer and discussion time. We begin at 8:45 a.m. We also encourage volunteers to attend this the second time that they volunteer so they have a broader understanding of the program.

This should be presented by a person who has at least completed the Crown Biblical Financial Study or the 6 week video version of the Journey to Financial Freedom class. Better yet is someone who has completed the Crown Financial Ministries Money Map Coach Training Course. They should be living these principles and be familiar with the content of each of the handouts. They should also read “Cars given – class first – no exceptions” as part of their training before presenting.

Basic outline - It varies a little each month!! Let the Holy Spirit guide you.

Most of the “students” are either working single parent moms with incomes of less than \$30,000 or MFIP (welfare) recipients who feel like they are tied to the system, have no options and say they “do not need to budget because they only have \$325 a month”. Some may also be senior citizens.

Some will have a belief in God and very few will belong to a community of Christians – a church. Nearly 100% come from a background of serious trauma or poverty. It is important that the instructor understand these terms and the implications involved. The instructor will be helped by comprehending the content of the “**Mentor Involvement**”, “**Why Bible and Church Involvement**” and “**Why It works**” documents.

The **first key point** of this seminar is help them develop a personal relationship with Jesus Christ as their savior. They begin by understanding where they currently are and deciding where they want to get to or what they want to change.

The **second key point** is to help them understand they are stewards – caretakers and not owners.

The **third key point** is to give them basic information to develop a pre-decided spending and saving plan so they are better stewards. They then will make wiser monetary decisions and what they have will be more effectively used. They need to know that some of these techniques will begin to give them immediate help but bigger results will occur over time, with a “budget” beginning to work smoothly about the 11<sup>th</sup> month.

The **fourth key point** is for them to understand the need to save money for maintenance and vehicle replacement and to know basic maintenance

techniques.

These key points come from the basic St. Croix Valley Christians In Action

Objectives: That each would

1. Develop a personal relationship with Jesus Christ, accept Him as Lord and Savior and implement His commandments into their lives.
2. Become involved in a local Christian Church.
3. Become a better steward of the resources they are responsible for through developing a working budget.
4. Have a vehicle that operates reliably, is maintained, and expenses and replacement are planned and saved for.

Process: We use the following process to help illustrate and convey understanding so the above objectives are reached. The vehicle is the least of our objectives, but it is the foundation which builds relationships and trust so that the other objectives may eventually be met.

1. Open with a prayer -- asking for the help of the Holy Spirit to open minds and hearts of all present so God's will be known and that all will be willing to follow it.

2. Next you might say: (Place a single wooden block – can be as small as 1” square- on the table or could be traditional kids wooden blocks.) This block represents you in the world. This can be lonely and hard. Each of us is vulnerable. Many of us have experienced poverty or serious trauma in our lives. We may not know or may have forgotten that we were created in God's image and that he does have a plan for us and does care about us. Do we ever spend time talking to Him? How are we to know His plan without talking to Him?

Put a second block on top of the first and say that you are a son or daughter, the third that you are a neighbor to someone, the fourth that you are a friend to someone, etc. This stack represents some of the many facets of you and your family. (Show that this stack, sitting by itself, is quite wobbly and vulnerable to something knocking it over and restacking, letting some blocks fall off as you restack.) You may be able to relate to this. You might feel like it is “my kids and me against the world” or that you are living in a “rat race”.

3. Often this is how our day may feel. People are in bondage – a form of slavery to the world's ways. I am going to share 4 key points with you this morning which can make positive changes in your life. These are proven methods which result in more inner peace. God has a plan.

(Ask:) 10 minutes after you stop breathing, what will you own? (Get a reply of “nothing”.) You leave everything behind when you die. God owns it all and you are only a caretaker/steward of His things while you are on earth. Are you living the role of a “worried owner” or a “joyous caretaker”? Many try to be the owner and the “world” tells you that you are the owner, but this hasn't worked for

anyone yet. Choose to become the “joyous caretaker”. Put God in charge. It is the only proven way to have more inner peace in our “rat race” world. How do you put God in charge? First, understand that God wants an intimate relationship with us. This takes daily interaction. We can do this by talking with Him –prayer and daily reading of the Bible. Just like the stack of blocks, you must have a solid foundation to stand on. Years ago I was challenged to start each day with a 10 minute commitment, first thing in the morning, of prayer and Bible reading.

(Show them the NIV Bible. The NIV Bible is available for the asking.) This is written at the 5<sup>th</sup> – 6<sup>th</sup> grade reading level which many adults prefer. The NIV is written at the 9<sup>th</sup> grade reading level and the King James at the 12<sup>th</sup> grade reading level. (I just randomly open the Bible and quickly scan the 2 pages and then read a paragraph or two – it seems to always fit in someplace with what I will talk about during the presentation.)

Your prayer time is a time of conversation with God. It includes a few minutes of reading from God’s Word and a few minutes of sitting quietly and listening for God’s direction. Proverbs 16:9: “A man’s mind plans his way, but the Lord directs his steps and makes them sure”. Amplified Bible. It should include thanks, praise, and talking to God about your plans for the day. You may also be asking for the needs of others. This gets your day off to a positive start.

4. Know also that God is perfect and He only has relationship with perfect people. Are you perfect? (pause and watch for head nods or vocal response.) None of us are perfect. We have all sinned and sin is “separation from God”. God has provided the perfect restoration process for that relationship. It is a free gift from Him. (Read Ephesians 2:8-10). We must act on this. If you want to have this relationship with God, then ask Him for it.

Father God, I need You. I invite Jesus to come into my life as my Savior and Lord and make me the person You want me to be. Thank you for forgiving my sins and giving me the gift of eternal life.

Again, this is a daily relationship where we are communicating with God and accomplishing what He has planned for us to do. Many people come from a home where a loving dad was missing or not known as a loving dad. This makes it hard to understand what God, our Heavenly Father, is like when we talk about Him as a loving father. To help put this into perspective, think of a time when some innocent and grateful child did something for you totally out of love and caring. You probably had an overwhelming feeling of love and gratitude for that little child. You would do anything for that child that was in your power because of their right heart attitude. This is how our Heavenly Father loves us when we have our heart in order.

5. Many of you have experienced serious trauma in your life such as serious accidents and illness, divorce, separation and loss, neglect, witnessing violence

and a variety of abuses. To overcome this a person must form new “secure attachment” relationships with others who are intimate, friends and associates. (Draw the circles.) “Personnel” include anyone whose purpose of association with the recipient is to provide a service or help. Personnel may be paid or volunteer and usually are associated through an agency, business, church or organization. All of the volunteers you will come in contact with this morning are in the Personnel category. “Associates” generally are peers and develop through work, school, church and volunteer activities. “Friends” are those you more closely interact with. “Intimate” people know the ‘real you’. They might include spouse, significant other, children, parents and occasionally someone else.

(Hand out “**Why Bible and Church Involvement**”.) You should read this later as well as share it with your future mentor. We will talk more about mentors in a little while. Some of the information in these handouts will not make much sense until you become involved in a class that we will talk about later. Again, these are proven methods to bring about positive change in your life. You can choose to stay where you currently are at or you can choose to work towards a better life.



- 6 With new “secure attachment” relationships you will begin to see positive changes in your sense of security about your world, resiliency to stress, ability to balance your emotions, make sense of your life and create meaningful interpersonal relationships. Where can a person begin finding new “secure attachment” relationships?

(Have a prebuilt structure of Legos or something that is made up of many block like objects which attach together, but which is built so that the center is a hollow “tube” and which the stack of wooden blocks can be fit into/around as they sit on the table. Now restack the blocks and put a “church”- the structure of Legos around them.) When you put the family (stack of blocks) into the community of believers, (ie blocks into the center of the Legos,) the individual family is now less vulnerable to outside calamity. Shake or slide it and show that it can still be very rough in there, but it is better than no protective relationship around you. (This is a visual example of “Secure attachment” beginning to develop.)

This structure represents the:

- Community of Believers = Christian church
- Each member (block) has gifts to give and needs to be met, provided through the Community of Believers
- critical emotional, spiritual and networking resources are available here. These will give you continuing support and information so you remain persistent in making positive life changes. You will find many other resources here as well.
- Here is also a place where you can begin to give -- babysitting, listening ear,

time, talent, and treasure.

- Another example of where you can give is by being a helper at Car Care Saturday. We are all volunteers.

If you aren't already involved with a local church, pick one that is close to your home. Start volunteering at it. That is the way to get to know people there and make it a real part of your life. There is strength/protection/friendship, "secure attachment" etc. in the community of believers (Legos)!

Note: members of a community of believers are human and not perfect...(as you pre-build the Legos structure, use a few cracked Legos, or leave some spaces) The structure built of Legos is not perfect or complete. You help bring about the completeness--In one instance you are a member in need = block--a few seconds later you may be a member helping someone = lego. We (members of the community of believers) are all human and therefore all sinners--we may unintentionally insult someone...please forgive us when we do. Becoming involved in a Christian church near where you live is one of the most important things you can do if serious trauma is a part of your past. Volunteer at that church and you will more quickly make new friends and associates than if you just show up for worship.

7. Besides your relationship with God there may be other relationships in your life which may need adjusting. Sometimes a person may need to break off a relationship with a boy or girl friend or leave non-supportive and negative relationships behind. Some of this will be easier as you develop your relationship with God.

8. Know the rules. It's like driving on a road. Rules make it safer and easier for all. Become aware of the rules and change some of your habits. What are some hidden rules of poverty? 1. High noise levels – TV on all of the time and several people talking at once. 2. Not getting directly to the point, rather talking around the subject and placing higher value on non-verbal rather than verbal information. 3. Placing higher value on a person's ability to entertain, tell stories or sense of humor rather than ability to achieve. 4. Making decisions based on the moment's feelings rather than future ramifications. This "**Mentor Involvement**" document goes into more detail on this. (Pass it out) Read it later.

God has a game plan for us, but it's not much of a game if we don't follow the rules. (Read Jeremiah 29:11) This goes along with Ephesians 2:10 which we read earlier. Following God's rules will result in more peace in your life. 2/3 of the parables Jesus told as well as over 2,000 Bible verses deal with money. Learning and following these basic budgeting rules will greatly reduce stress in your life.

9. Hand out A **Guide to Family Budgeting** (English and Spanish as needed) and use it as the outline for the rules and the remainder of the presentation. (Downloadable at: <http://www.crown.org/pamphlets/pdfs/FamilyBudgeting.pdf>)

This booklet is a condensed version of either a 6 or 10 week class that is offered by many churches. We will tell you more about these classes later. We use a short check list as part of the class to help better understand how the forms relate to the budgeting process. We will use this today also. **“Money Map Coaching Check List”**.

10. 1<sup>st</sup> rule: Transfer Ownership (Page 2) Each has a role to play in God’s plan. We are God’s “account manager”. We are not “owners” but rather responsible stewards or caretakers. This is not what we hear in everyday life, but it is the role given to us by God. Our responsibilities include our time, talent and treasure. We all have excesses of some things and needs for other things. What you have been given “too much” of is what someone else has “too little” of but, put together it equals enough. Give serious consideration to what you have an excess of, ie babysitting, listening ear, time, talents, teaching ability, budget coaching ability, mentoring someone, etc. A critical step for you to take is to begin volunteering at a church near where you live.

The role of mentor is important. Select one now and later you may want to become a mentor for someone who is still where you were at one time. The mentor is one who is a good listener and “sounding board”. They also help a person be more accountable. It is critical that they are not a friend, relative or employer, that they are a Christian who is active in their local church, etc. (Point out the details in the opening paragraph of the **“Mentor Involvement”**. Again, they should read it later and also show it to potential mentors.)

Listen for inner promptings and feeling of peace to know God’s plan for your life. Roles of giving and receiving are both important. Often the role of receiving is harder than giving. Do both with a grateful heart. Each day recall your role as a caretaker/steward and not an owner.

11. 2<sup>nd</sup> rule: Become debt free: Live within God’s plan for your life. Increase inner peace through living God’s plan.

Six steps to becoming free from debt. Begin a 30 day financial diary of spending (**30 Day financial diary handout**). This has been the catalyst for many people to become responsible stewards. Have a piece of paper in your pocket and write down any money transactions as they happen, whether it is to buy gum, pay the light bill or receive income. Through it you begin to know your buying habits/weaknesses and gather data to determine averages for each category in your budget. You will also begin asking yourself if this is a “need” or just a “want”.

Next, begin writing down goals as directed by the **“Goal Setting”** handout. These goals, along with the 30 day financial diary, will help you become much more effective with the use of the money God has given you responsibility of. With the written goals, you will begin to ask if this expenditure is going to help me accomplish a goal or is it only for temporary satisfaction. You will need 1,000 repetitions of this to help your new spending habits become consistent.

Because you will be changing some habits, consistency is critical. If you skip a day, you have to start your 30 or 60 days over. This has been a key for many to finally establish a budget.

If you use a credit card, we suggest that you enter the transaction, as it takes place, into your checkbook ledger just like you would a check. Then you will have the money already subtracted from your checking account and be able to pay the credit card bill in full each month. You also will have an easy way to verify the accuracy of the credit card bill.

You can get a free credit check. Request a free "Credit File Disclosure" at [www.annualcreditreport.com](http://www.annualcreditreport.com) and you will get a report immediately or call 1-877-322-8228 and get a written report via mail in 2-3 weeks. 3 reports are available so every 4 months request a report from a different company

- ~ Equifax
- ~ Experian
- ~ TransUnion

12. 3<sup>rd</sup> rule: Establish the tithe: It is the minimum testimony of God's ownership. The ground work for understanding the tithe is given during the classes. Basically for now, develop a strong, daily relationship with God and ask Him what you are to give from three areas: time, talent, treasure. You should have an "inner peace" about your giving in all three areas. (Read 2 Corinthians 9:7)

Suggest you look at your current stewardship of time, talent and treasure. You can get a good view of what you are prioritizing by looking at your checkbook ledger/receipts, calendar, and use of free time (what you read, do, see, listen to).

13. Continue through the booklet A Guide to Family Budgeting with the understanding that you are responsible to God for establishing a balanced budget and being a good steward. (Have them take out the "**Monthly Income and Expenses – expanded**" form they were to have previously completed and brought to the class). Use the telephone as an example of how to begin making spending decisions. What parts of each of the three categories, base rate, options and long distance do you really need. A telephone answering machine can replace caller ID. Just answer the phone after you recognize who is talking.

Ask them to consider the "need" versus "want" of a cell phone. Most people can cover actual cell phone needs for \$7 - \$8 a month with a prepaid cell phone. Otherwise a basic cell phone plan for \$30 + tax a month if they go to a "needs" level and use the other for debt reduction or saving for car repairs or a house down payment.

Also talk about saving 10 - 12 cents per mile for repairs, 10 cents per mile for replacement and about 20-30 cents per mile for insurance, gas, license, etc. Give them the "**Car Budget**" handout. Emphasize that it costs about 10-12 cents per mile for repairs and 10 cents per mile for replacement. Newer cars cost more than this. They must be putting this aside if they want to have a car that

runs and is replaceable at a later date. Otherwise they will be walking. We only help people with car repair once. They are learning principles today so they can afford to keep their vehicle maintained and eventually replaced. They must begin doing this form of savings today!! It will be their choice to either save or not and to decide how many miles they can afford to drive each month.

Also give them “**Car Maintenance Tips.**” Advise them to ask the volunteers who worked on their car to show them how to check the oil, check belts, etc. when they go over the list of what was done on the vehicle. [www.edmunds.com](http://www.edmunds.com) has good information on which vehicles have less or more repairs on average.

Give them the “**Debt List**” to complete at home. Debt is avoidable and you are a slave as long as you have debt. Explain the “**Debt Snowball**” concept with the handout. Also go over the Monthly Income and Expenses Form – showing them that they are stewards of all they use. The box area contains things that aren’t paid for by them, but that they are stewards of. Explain the concept of “Net Spendable Income” and the percentage guideline numbers. Have them put their numbers from the Monthly Income and Expenses form into the **Spending/Savings Analysis** form.

14. Share several helpful tips; include using an envelope for “eating out and called in food” and then talking to their children about how much and how to use the money in the envelope. Fast food is a common problem in many budgets. At the beginning of the month they should pre-decide how much they “need” to spend on eating out and called in food. Write this number down on a piece of paper and then each time they eat out or order in food, subtract it from the amount and when it reaches \$0 they are done eating out or having called in food for the month. (This is a great example of how a pre-decided budget works.) They can teach their children to look for sale items and coupons. We do this by saying we will only buy cold breakfast cereal which is 10 cents per ounce or less. Kids can easily add a zero to the boxes weight to determine the amount it should cost. They then can begin watching for sales and coupons related to their favorite cold breakfast cereal. With teens you can work together. Make a list of what clothing, shoes and recreation will be needed over the next 3 months. Tell them how you would find sale prices, etc. to reduce the cost and how much total you would expect to pay for these items. Then give them that amount and tell them, “shop wisely” and that they may want to do so in a manner that they will still have some of the money left or may not want to spend it all at one time. Make it very clear that this is the only money they will get for clothing, shoes and recreation during the next 3 months. Even if some unexpected clothing or shoe items come up during the next 3 months, do not give them any more money. This was the plan and they need to know to save additional money for the unexpected and that there are consequences if you don’t. Also they need to learn not to spend everything at once just because they think they have a working plan. These kinds of examples will help a child develop a “planning ahead” and “saving” habit for the rest of their life. Hand out “**Improved Parent Child Relationship**”. This will give them additional ideas on teaching their children.

15. Have them share examples of how God has been working in their lives. If there isn't an example offered immediately, then begin by telling an example that you or a friend has experienced in the past week or two. This has proven to be a powerful part of the time together. Suggest that they should start watching for the small ways God is directly working in their lives each day and then give thanks for this and recount it in their prayer time the following morning.

16. To summarize, review the **Money Map Coaching Check List** and emphasize the following:

1. Daily prayer and Bible reading should be their first goal.
2. The forms: 30 Day Financial Diary, Debt List, Car Budget, and Monthly Income and Expenses will give them the base information of where they are at currently.
3. The Goal Setting will give them direction to where they want to get to. Continue updating the forms and goals and in about 10-11 months they will see significant and positive change. Continue and in about 12 more months they may have most or all of their debt list gone.
4. Get involved with a local Christian Church – begin volunteering and attending there. If you have serious trauma or poverty experiences in your past, you will find great some new answers.
5. Find a mentor at the church you are volunteering at and attending regularly.
6. Complete a class. Show the Journey To Financial Freedom Manual. They should take either the Crown Small Group Study or the 6 week video version of the Journey to Financial Freedom class next time it is offered.

17. Offer of individual budget coaching set up through 651-773-3083. Remind them to start these things now. If they don't, in a couple of days they will be continuing with their present amount of financial stress and lack of inner peace. Begin making these changes now and things can change.

The above should have taken about 1 hour and 30 minutes.

18. To end the time together, since most recipients are women, we have a woman volunteer pray and share with them for about 15 minutes. There is a lot of discussion and support building. They are given a copy of the NIV Bible if they ask for it.

After this is done we share a simple meal – a table with soup and sandwich and drink. Volunteers as well as recipients pick up what they want and eat as they have time.