

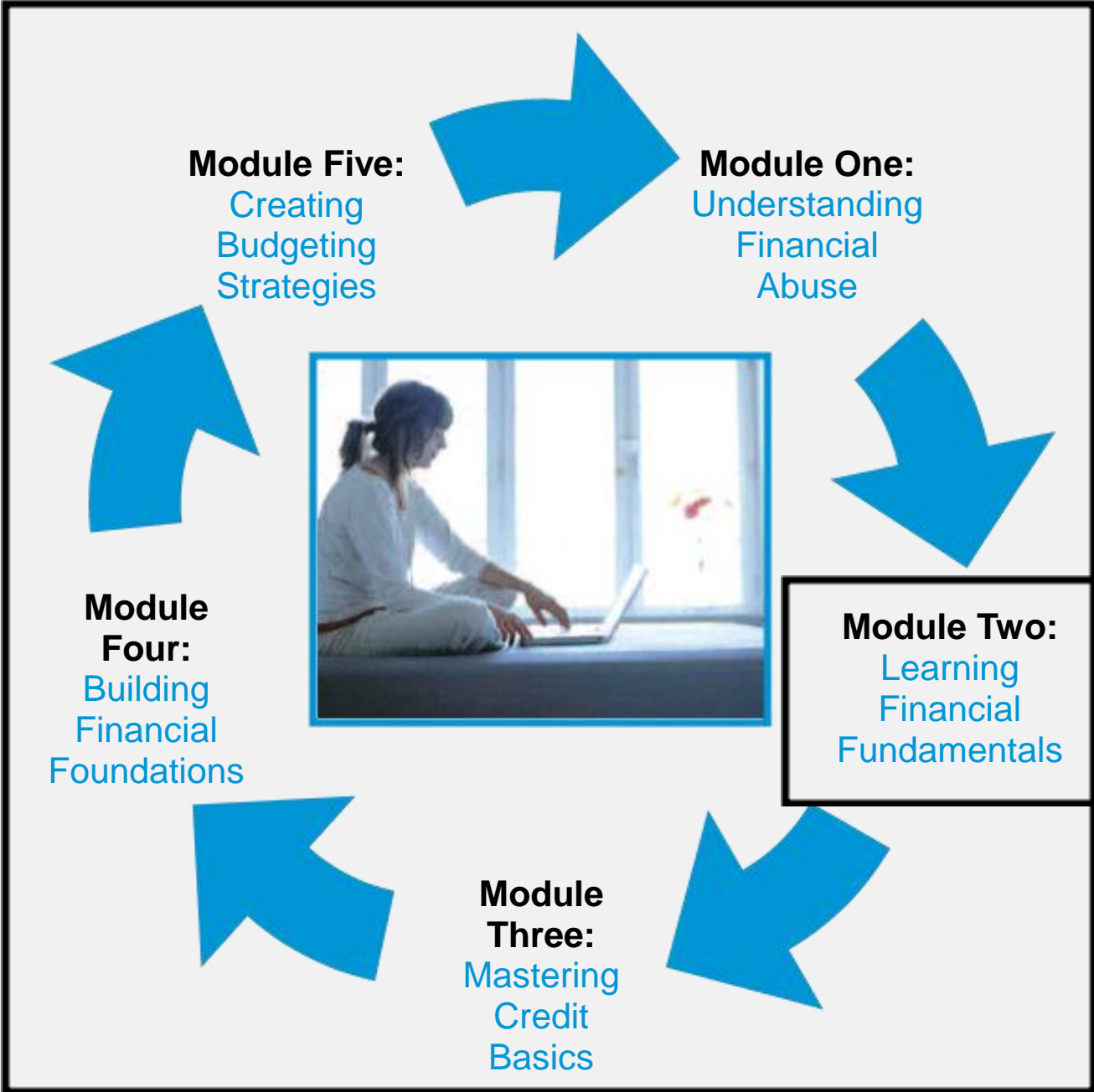
Financial Empowerment Curriculum **Moving Ahead Through Financial Management**



Module Two: **Learning Financial Fundamentals**

Income and Assets Debts
and Liabilities

Financial Empowerment Curriculum





Module Two Objectives

- Explain the basic concepts related to finance management.
- Identify sources of income and uncover your assets.
- Recall how to manage your debt and determine your liabilities.
- Explain the various banking options available.

Module Two Opening Exercise



- Before we begin to discuss basic financial fundamentals, I want you to take a moment to reflect on your personal experience.
- On a scale of 1-10, how comfortable are you with your personal knowledge regarding finances?
- Why would you rate yourself the way you did? What life experiences have provided you the opportunity (or taken away the opportunity) to allow you to understand and manage your money wisely?
- Be prepared to share your ideas and thoughts with the class.
- You have five minutes.

Module Two: Learning Financial Fundamentals

Finance Management

Identifying Income and Assets

Managing Debts and Liabilities

Banking Options

Finance Management



What is finance management?

- Financial management is knowing the difference between a need and a want and making sound financial decisions accordingly
- A “need” is something essential you must have in order to survive and live
- Needs are “must haves” such as like food and shelter
- A “want” is not essential but makes life easier
- Wants are “nice to haves” such as a new pair of shoes

Finance Management



Become knowledgeable and prepared to manage finances.

Become Informed

Talk to friends and co-workers who you trust and ask them for advice on financial planning. Watch money-management television programs and read about personal finances.

Worst-Case Scenarios

Ask yourself “What’s the worst thing that can happen to me in my situation?” Is the worst-case financial scenario something you can handle?

Take Action

Once you’ve gathered sufficient data and information, be decisive and take action.



Finance Management



Family Violence Options (FVO) provides special provisions:

- Domestic violence or abuse screening
- Confidentiality protections for domestic violence survivors and individuals who are victims of family violence
- Information and referrals to domestic violence support and advocacy services
- Waivers for program requirements including time limits, residency requirements, child-support cooperation requirements and family-cap provisions

Finance Management



Contact DHS for public assistance programs.

- Discuss the pros and cons of disclosing domestic violence with your advocate before you share your experience
- Request DV indicator flags to be placed within your personal file
- Federal and statewide public assistance programs have a “welfare-to-work” policy that requires participants in public assistance programs to undergo job training and find work if FVO is not applied
- Once you receive public benefits, you will have regular contact with your caseworker and demonstrate you meet requirements
- Be prepared to answer questions about your finances
- If you are denied, you have the right to appeal the decision

Module Two: Learning Financial Fundamentals

Finance Management

Identifying Income and Assets

Managing Debts and Liabilities

Banking Options

Identifying Income and Assets



First research your partner's assets and personal wealth.

- Are your property and financial assets held in both your names?
- Is your apartment lease or home in both your names?
- Do you have joint bank accounts?
- Has your partner threatened to or made you cash-in any property or financial assets you own so that he can share the proceeds?
- Does your partner have more than one pension or retirement plan from current and previous jobs?
- Do you know what information is required before your partner's pension plan will pay benefits directly to you?

Identifying Income and Assets



If you have the time research the following:

- Does your partner own antiques, tools, artwork or collections whose value could be underestimated?
- Does your partner receive income that has not been reported on tax returns or financial statements?
- Is your partner the co-owner of a custodial account with your children or in your children's names?
- Does your partner own any certificates of deposit?
- Could your partner have asked his employer to delay any bonuses, stock options or raises?
- Does your partner own a business?

Module Two:

Learning Financial Fundamentals

Finance Management

Identifying Income and Assets

Managing Debts and Liabilities

Banking Options

Managing Debts and Liabilities



First research your personal debts and personal liabilities.

Make a list of your outstanding debts.

Figure out how much you owe. Include educational loans, home improvement loans, checking-account overdrafts, personal loans, rent-to-own agreements and other installment purchases.

Prioritize and decide which debts to pay first.

Sort your list by interest rate, putting the account with the highest interest rate at the top.

Find credit cards and loans with the lowest interest rate.

Lower interest rates are available for good customers, but you must request them. Ask your credit card company if they would consider lowering your rate.

Managing Debts and Liabilities



Below is a chart to help you manage and pay off debt.

Creditor (list by interest rate, from highest to lowest)	Balance due	Interest rate	Current monthly payment
1.			
2.			
3.			
4.			
Total debt and monthly payments			

Module Two:

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Banking Options

Banking Options



Familiarize yourself with the various banking options.

Banks

Banks are financial institutions that accept deposits and channel money into lending activities. Traditional banks serve the general public.

Credit Unions

Credit unions are community-based financial cooperatives that offer a wide range of services and serve their members.

Payday Lenders

Payday lenders provide small cash advances using a postdated personal check. Although the loans are short-term, the loan fees are nearly equal to a 400 percent annual percentage rate (APR).

Check Cashing Stores

Check cashing stores are small businesses that cash checks for a fee. In general the fee is four percent.

Banking Options



Determine which banking option is best for your situation.

- Do you have the required minimum amount to open up an account at a bank or credit union?
- If you want to open up your account at a credit union, do you know how to become a member?
- Are the bank's hours of operation and locations convenient with your schedule?

Module Two Review Exercise



- Think about what we have discussed in this module.
- What do you believe was the most important piece of information you learned today?
- What is one action item you will commit doing to improve your current situation?

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**THANK
YOU!**