

Financial Integrity

Transforming Your Relationship
With Money

Group Study Workbook



**FINANCIAL
INTEGRITY**

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The New Road Map Foundation is a 501(c)3 nonprofit organization that supports people in transforming their relationship with money and aligning their financial choices with their values. Tax deductible contributions to support this work can be mailed to:

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The enclosed material is based on the original seminars "Transforming Your Relationship with Money and Achieving Financial Independence," produced by the New Road Map Foundation and performed by Joe Dominguez from 1984-1986. The nine-step program in this curriculum was later also detailed in *Your Money or Your Life* (Penguin Books, 1999) by Joe Dominguez and Vicki Robin. In no way does this document grant use of anything written under the "Your Money or Your Life" title, which is under private copyright with all rights reserved.

The Financial Integrity Group Workbook

How to Use this workbook

Use this workbook to facilitate discussions while using the Financial Integrity Program Guide.

Groups may choose to rotate facilitating responsibilities.

Facilitators will lead the check-in, read the key points and goals, read the questions and lead the discussions, and facilitate the exercises.

Session Structure

Materials: what you need for the session. Always bring the FI Program Guide to each session. Group members should each “Bring” the materials listed. The Facilitator should “Have available” the resources or tools listed.

Goals: what we are trying to achieve, and why it’s important

Check-In: at beginning of the session. Suggested questions for group members to share between-session thoughts and experiences.

Key Points: of the FI Program Guide section

Exercises: the step activity itself, or other exercises to build understanding

Questions: for individual reflection

Discussion: group sharing; build on reflection questions; facilitator reads aloud, or smaller break-out groups if desired

Assignments: build on practice suggestions, homework to be done for next session

Guidelines for Making Your Group a Success

- Attend each meeting

Each session builds on previous sessions, so your presence is important. If you are unable to attend a meeting, inform that session’s facilitator.

- Read the Program Guide chapter for that session before the meeting.

The chapter introduces the subject to be discussed in that session. Reading the chapter before session gives you time to contemplate the material and bring thoughts and questions to the group.

- Do the homework assignments

You will benefit from doing the assignments— and the group will benefit from your full participation. If you cannot complete the assignments before the next session, do what you can, and come to the next group meeting anyway.

- Do the steps

Do the steps as they are presented in the Program Guide. While other methods may work, your purpose here is to learn this method, which has a proven track record for producing significant results. The steps reinforce each other and work best when you do them all.

- If you fall behind, keep coming to the sessions and participating.

The steps are not linear, but are presented in order maximum effectiveness. It's okay to come back to an earlier step when you have time for it.

- Offer each other absolute confidentiality

Money is one of the most intimate and difficult topics to discuss. You may reveal more about your personal relationship with money here than you ever have before. Let nothing that is said in this group go beyond those present. Note: At no point are group members required to reveal any personal financial data.

- Have fun!

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WELCOME!

You've made an important choice: to transform your relationship with money.

This group study workbook will help you start implementing the Financial Integrity Program. Using both this workbook and the Financial Integrity Program Guide, your group sessions will be fast paced, provocative and enjoyable.

What is the Financial Integrity Program?

The Financial Integrity Program is merely—and profoundly—a system for combining ages-old fiscal wisdom with daily personal economic activity. This plan, a whole-systems approach based on simple record-keeping and your own unique life situation, works for anyone who earns or spends money. Singles and couples (with and without children), retirees and students, big earners and those below the poverty line have all been successful in using this program to transform their relationship with money.

Why group study?

This Study Guide harnesses the creative energy and effectiveness of group learning to help you improve your relationship with money. It will guide your group through a process — using exercises, reflection questions, discussion, and homework assignments — that will help you integrate the information in the FI Program Guide and put the 9 steps to work in your life. Most people who have implemented this program have done so on their own. The added support of a group can help you get started, but the real work on the program happens as you continue doing the steps on your own, or with your other household members.

This workbook is based on three decades of personal experience by thousands of people following this 9 step method. A group study guide for the first six steps was first developed by New Road Map Foundation and tested in corporate settings during the late 1990s, for use with the book *Your Money or Your Life*, (Dominguez, Robin 1992). It then was adapted to serve small social groups wishing to support each other in their journey to financial freedom. That guide is still available for purchase at www.simpleliving.net. Finally, this version covering all nine steps in was created for use with the Financial Integrity Program Guide, which is available for free at www.financialintegrity.org.

By following this Study Guide, reading the Financial Integrity Program Guide, and doing the homework assignments, you will begin to implement the nine-step program and anchor these key steps in your life. In the process you will:

- Explore your relationship with money
- Understand better the relationship between money and work
- Begin to discover what is “enough” for you
- Change habits, and possibly begin making major life changes
- Here are two keys to making this system work for you:

1. Start.

2. Keep going.

- The objective of these sessions is not to finish. The objective is to begin.

Guidelines for Facilitators:

Introduce exercises as directed in this Study Guide.

Make sure everyone understands the information presented.

Keep the discussion focused on the topic; if people get off track, gently help the group refocus. (For example, say, “That’s an interesting idea, but it’s taking us off the topic. Perhaps you could talk further with someone about it after the meeting.”)

Make sure everyone has a chance to participate — as a speaker and as a listener. Conduct group discussions by going around the circle, giving each participant the option to speak or pass. Or simply open the floor to whoever wishes to speak; as conversation winds down ask if anyone else wishes to speak.

Keep track of time, letting everyone know when there is only one minute left for a given exercise.

Step out of your facilitator role when it’s your turn to respond to a discussion question.

CONVENING SESSION

Materials

Bring: The Financial Integrity Program Guide

Goal

Decide how this group will function.

Check-In

Go around the group giving your name, how you found out about this group, and reasons for being here.

Discussion

Decide when, how often, and how long you will meet. Options: meet weekly, biweekly, or monthly (with sessions lasting one to three hours).

Decide where you will meet. Keep in mind that money is a very personal topic and your group should hold meetings where people feel comfortable discussing sensitive issues.

Set ground rules. Suggestion topics include: confidentiality, dialog method (e.g. passing a “talking stick”), no cross-dialog, refrain from commenting on each others personal statements. Decide if you will do assignments individually or use longer sessions to allow work to be done during the session.

If your group does not have a facilitator, assign facilitation duties for each session at this time. Review the sessions and gain agreement from each member of the group.

If your group has more than twenty people, decide whether to split up the group. Groups of eight or more may decide to split up just during discussion portions of each session.

Exercise

Our Relationship with Money

Go around the group giving your name again. Give one word that describes your relationship with money. What do you want to gain or change by joining this study group and following the steps in YMOYL? (set your sights high and be specific about your goals)

Assignment

Read the FI Program Guide “Welcome!” and “Introduction” sections.

INTRODUCTORY SESSION

Materials

Bring: FI Program Guide.

Have Available: Extra Inventory Exercise worksheets

Goals

Prepare for working on money issues – get accustomed to talking about money.

Get acquainted with other group members.

Check-In

Facilitator reads the following question aloud; go around the circle until everyone has had a chance to respond (participants should avoid commenting on what others say during each session's opening check-in):

Did reading the first parts of the FI Program Guide change your goals for this program from what you stated in the convening session? If so, how?

Key Points

Spending more money does not necessarily equal more fulfillment.

“Enough” is appreciating and fully enjoying what money brings into our lives

Discussion

Go around the room multiple times sharing your responses to this question:

When I spend money on... I feel...

Exercise

Survival or Clutter? (Individual and Group)

Individual: First, in the chart below, write down some of your possessions and evaluate them according to the following categories: survival, comfort, luxury, or clutter (refer to the FI Program Guide for a review of the fulfillment curve).

Group: Have each group member pick one of their possessions on their list and write it and his or her categorization of it on a common worksheet. After each member has added to the list, have each person in the group make check marks categorizing each item according to their own preferences.

| Inventory Exercise | | | | |
|--------------------|----------|---------|--------|---------|
| Item | Survival | Comfort | Luxury | Clutter |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
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Discussion

What led you to categorize in the way you did? (e.g. "I categorized bicycle under 'survival' because I have chosen that as my main transportation method." Or "I categorized bicycle under 'clutter' because I never ride mine and it just takes up space.)

Take time for personal reflection. How much did the categorization vary within the group? What impact did this exercise have on you?

Question

Does your relationship with money help you feel content, or does it seem to get in the way?

Assignments

Get your Lifetime Earnings report from Social Security to find out how much reported income you've made in your lifetime. The importance of this number will be discussed in the next session.

Work on locating records of assets and liabilities:

- Records of assets – property assessments, checking, savings, and retirement accounts, brokerage statements, whole life insurance and annuity policies, appraisal records for hard assets such as jewelry
- Records of liabilities –mortgage balances, credit card statements, car loan and student loan statements, home equity loans, records of any financed hard assets such as furniture

Read Step 1 in the FI Program Guide.

STEP 1 SESSION

HOW MUCH MONEY HAS COME INTO YOUR LIFE?
AND WHAT DO YOU HAVE TO SHOW FOR IT?

Materials

Bring:

Social Security Administration earnings statement and records of income not reported on your taxes

Records of assets – property assessments, checking, savings, and retirement accounts, brokerage statements, whole life insurance and annuity policies, appraisal records for hard assets such as jewelry

Records of liabilities –mortgage balances, credit card statements, car loan and student loan statements, home equity loans, records of any financed hard assets such as furniture

Have available: Calculators, web connection if possible, stamps, paper, envelopes for contacting SSA

Goals

Take stock of your financial situation by observing and reflecting on your lifetime income to date, your possessions and your debts.

Check-In

How have you been thinking about money and your relationship to it since the past session?

Key Points

A snapshot of current financial reality will help you get clear about the past and create your new future

Debts decrease your net worth

You have intangible assets that are not shown in your net worth

Exercise

Calculate your lifetime income (individual)

Use the space below to begin listing past employment that would not have been reported to Social Security, such as jobs you had as a youth (eg, delivering newspapers, babysitting, bagging groceries) or jobs overseas.

If you have not already done so, write a letter or use the internet to request your lifetime earnings statement from Social Security.

Write down how much money, total, you think you have earned in your life.

| Lifetime Income Worksheet | |
|-----------------------------------------|--------|
| Financial Sources: | Amount |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| Total Lifetime Income (Estimate) | \$ |

Group Discussion

What other income has flowed into your life besides what is included on your Social Security Administration statement?

How do you feel about your Lifetime Income Estimate? What do you think it says about you?

Calculate your net worth

Start to fill out your Personal Balance Sheet, estimating for those items that you do not have detailed information. Use the space below to begin listing your assets and liabilities. Take a mental walk through your house and estimate the re-sale value of “stuff” categories (e.g. appliances, cars, electronics.) Estimate your net worth.

| Personal Balance Sheet | | | |
|--------------------------------------------------------------------------------|----------------|--------------------|----------------|
| OWN | | OWE | |
| <u>Liquid Assets (\$)</u> | (+) Cash Value | <u>Liabilities</u> | (-) Cash Value |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| <u>Hard Assets (stuff)</u> | (+) Cash Value | | (-) Cash Value |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| Total Own | \$ _____ | Total Owe | \$ _____ |
| Personal Financial Net Worth: Assets – Liabilities = \$ _____ | | | |

Group Discussion

What categories did you come up with to inventory your assets? What images or thoughts came to mind as you “walked” through your house?

Discussion

How did it feel to see how much money you've earned, and then to look at your net worth?
What decisions have you made in the past that led to this result?

What do you hope this program will do to affect your balance sheet in the future?

Assignments

If the group desires, members can take responsibility for finding the value of common material possessions such as books, appliances, and furniture. Members can share these figures to help each other figure their worth of material assets.

Look up stories, tools and examples, and resources related to Step 1 at www.financialintegrity.org

If you haven't already, write to Social Security for your earnings record statement. When you have all the relevant information, update your lifetime earnings estimate.

If you haven't already, begin your inventory. When you have completed your inventory, be sure to update your material assets estimate.

Find data that you will use in the next session – records of all forms of compensation from your current job, including health insurance, company cars, matching retirement plans, etc.

Read Step 2 in the FI Program Guide before the next session.

STEP 2

BEING IN THE PRESENT: TRACKING YOUR LIFE ENERGY

Materials

Bring:

Paycheck stub or other record of income for the last week, month, or year

Records of other income including health insurance reimbursements, company cars, and other work compensation, payments from trusts or government programs

Have available:

Cost of driving per mile as estimated by the Internal Revenue Service or American Automobile Association.

Estimated costs of common work-related expenses such as dry cleaning and meals away from home.

Goals

Calculate your Real Hourly Wage (RHW) and convert it to Life Energy

Create a method for tracking your daily flow of money.

Check-In

Do you feel any differently about money after completing the exercises in Step 1?

When doing the “lifetime earnings” work in step 1, how much of it was from paid employment vs. other revenue streams?

Key Points

You exchange your time (life energy) for money, and when you spend money, you are trading your life energy.

Employment (having a job) has both benefits and costs.

Tracking your spending will help you become aware of how you're spending your money (your life energy).

Question (individual exercise)

Check the following statements that you feel are true about money or have felt or said at some point.

| | | | |
|--------------------------------------------------------|--|------------------------------------|--|
| The root of all evil | | Scarce | |
| A measure of one's worth in the world | | Abundant | |
| A way of impressing others | | The cause of divorce | |
| A measure of one's feeling of self worth | | Slippery stuff | |
| Not a nice subject to talk about | | A means of security | |
| A means of proving myself to others | | Happiness | |
| A tool of political oppression | | Very difficult to get | |
| A means of buying freedom | | Very difficult to keep | |
| A cause of pain and suffering | | Hard to manage | |
| Always there when I really need it | | A means to an end | |
| A way of feeling superior to others | | An end in itself | |
| A way of keeping me separate and different than others | | Fun to spend | |
| A tool to solve my problems | | Something I don't deserve | |
| A reward for good behavior | | A means of exchange | |
| For buying the necessities of life | | Something I try not to think about | |
| Something I have to earn for it to be of value. | | Something I feel guilty having | |
| Something I feel guilty spending | | Something I try to do without | |
| A measure of social rank | | Insurance for the future | |
| Something I enjoy giving away | | Hot stuff - burns holes in pockets | |
| Not important | | A means of buying love | |
| Dirty | | For having fun with | |

Discussion

Think about the role models from your childhood. What were their different ideas about money? Which one did you tend to pattern yourself after? Which one did you rebel against?

What does money mean to you? What are some of your personal beliefs about money?

What does our culture tell us about how and why to spend money?

Exercise

Calculate your Real Hourly Wage (individual exercise)

Using the chart below, calculate your Real Hourly Wage. Decide whether your math will be based on a weekly, monthly, or annual basis. Be sure to include the tangible information from your list of benefits and expenses.

| Real Hourly Wage Worksheet | | |
|----------------------------------------------------------------------|----------------------------------|-----------------|
| Calculated on an _____ Basis | | \$/_____ |
| Income | Gross pay (nominally \$_____/hr) | \$ |
| Work-related benefits (value, if purchased privately) | | |
| | | + \$ |
| | | + \$ |
| | | + \$ |
| | | + \$ |
| | | + \$ |
| Work-related expenses (e.g. Income & Payroll Taxes) | | - \$ |
| | | - \$ |
| | | - \$ |
| | | - \$ |
| | | - \$ |
| | | - \$ |
| | | - \$ |
| | | - \$ |
| | | - \$ |
| Adjusted Income: | | \$ |
| Work hours nominally, per (year, month, or week) | | _____ |
| Time benefits (e.g. paid time off) | | |
| | | - |
| | | - |
| Additional work-related time expended (e.g. unpaid overtime) | | |
| | | + |
| | | + |
| | | + |
| | | + |
| | | + |
| | | + |
| Adjusted Time: | | |
| | (Adj. Income ÷ Adj. time) | |
| Real Hourly Wage | \$_____ ÷ _____ hours = | \$ |
| Every \$_____ spent represents one hour of life energy spent. | | |

Discussion

When you calculated your real hourly wage, what was your biggest insight?

How do you feel about the list of benefits versus the list of expenses associated with your job?

As you become aware of hidden job-related costs, can you see areas where you could reduce or even eliminate expenses immediately?

How does the idea of a REAL hourly wage impact your thinking about your current employment? Future employment?

Questions (Individual Reflection)

How do you think keeping track of your expenses might affect your buying habits?

There are many ways to track your money inflows and outflows. Depending on your personality one may be easier than another. Considering your personality, what method do you think would work best, what would be more difficult?

What sort of expenses do you pay with your credit card? How do you (will you) track credit card purchases?

Exercise

Prepare for life energy tracking

Write down items you usually buy. Beside each item write how you normally pay for it and how you intend to keep track of it (eg, check register, pocket or purse notebook, collect receipts).

| Tracking Plan | | |
|---------------|------------|------------------------|
| Expense Item | Usual Amt. | How I Plan to Track It |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |

Discussion

What does money = life energy mean to you? How is this awareness useful to you?

How do you think most people in your social or family group make financial decisions? What would it feel to act differently than the “normal” way people deal with money?

Assignments

You may want to track time you spend on work-related activities for a short period of time, and then revisit your Real Hourly Wage calculation.

The group may want to divvy up different tracking methods for a group experiment on how different methods work.

Look up stories, tools and examples, and resources related to Step 2 at www.financialintegrity.org

If you haven't already, begin tracking your spending.

Read step 3 in the FI Program Guide before the next session.

STEP 3

WHERE IS IT ALL GOING? MONTHLY TABULATION

Materials

Bring: Your tracking records. Whatever tools you'll use to create your monthly tabulation – laptops, accounting or spreadsheet software, graph paper, notebooks, etc.

Have available: Graph paper, computer(s) w/spreadsheet software, calculators

Goals

Create categories to summarize monthly financial activity

Translate this spending into life energy using your real hourly wage

Check-In

If you completed or updated your RHW calculation since the last session, how do you feel about the results?

What has worked well for you this past week in tracking your spending? Where have you had difficulty?

What was most exciting or eye-opening for you in tracking your expenses? If, in tracking your expenses, you discovered a gazingus pin, tell the group about it.

Key Points

Your money flow represents what you do with your life energy.

Monthly income and expense categories should reflect what you want to pay attention to in your financial life.

Tracking your spending is not about deprivation. As opposed to budgeting, it's about increasing awareness of your real needs and patterns, which will naturally re-align your money with your financial goals and personal values.

Question

In what areas would you feel better spending more money? Less money?

Discussion

Have you ever made a budget? If so, have you kept to it? If you have used a budget in the past, how has tracking your expenses compared?

How much time do you spend monthly on managing your personal finances? Include trips to the bank, online banking, prioritizing and paying bills, meetings with a financial advisor or tax accountant, and so on.

Exercises

Create your monthly tabulation (individual)

Create categories that represent your spending and group your expenses in meaningful ways.

Assign each expense to a category and sum the totals for each category.

Translate categories to life energy by dividing the category total by your real hourly wage from step 2.

There are examples of monthly tabulations in the FI Program Guide and online to help you create your own categories. Group members can help each other categorize and set up tables or spreadsheets. There is no “right” way to set up your monthly tabulation – just do what is easiest and makes the most sense to you.

Be sure you break up lumped transactions – for example, each item included in a credit card payment should be assigned to its appropriate category, and finance charges put in a separate category from those things purchased with the card.

Discussion

Share any insights you had while designing your Monthly Tabulation form.

Did you have any difficulties or questions deciding which expenses fit into which categories?

Did your total in any expense category surprise you? What category? Was the total higher or lower than you expected?

What are some of the gazingus pins in your life?

Assignments

Continue tracking your spending.

Look up stories, tools and examples, and resources related to Step 3 at www.financialintegrity.org

Create meaningful categories and finish creating and updating your monthly tabulation.

Read Step 4 in the FI Program Guide before the next session.

STEP 4

THREE QUESTIONS THAT WILL TRANSFORM YOUR LIFE

Materials

Bring: Your monthly tabulation and RHW figure.

Have available: Graph paper, computer(s) w/spreadsheet software, calculators

Goals

Add the three questions to your monthly tabulation.

Check-In

How is tracking going?

Did you have trouble completing categories? Have you had any insights since completing the monthly tabulation?

Key Points

All activity happens for a purpose – it reflects some value and/or achieves some goal. Aligning actions with purpose in a conscious way increases the chances for success and fulfillment.

Tracking and evaluating your financial activity leads to more awareness and knowledge, thus increasing your options. This results in more satisfying choices – not deprivation.

Jobs can cost us more than just our time. It's reasonable to evaluate how effective they are in improving your financial situation.

Questions

What questions do you ask yourself before deciding to purchase something?

If you didn't have debt, how would this affect your monthly tabulation?

Discussion

Imagine not having to work for an income. What would your life be like?

What do you think having a "life purpose" means? Does that term apply to your life?

Exercise

Practice asking the three questions (individual)

Write down two items you bought this month, and calculate how much life energy you spent for each. Apply the three questions to each item.

- Q1. Did I receive fulfillment and satisfaction in proportion to the life energy spent?
- Q2. Is this expenditure of life energy in alignment with my values, goals and life purpose?
- Q3. How might this expenditure change if I didn't have to work for a living?

Share your findings with group.

Exercise

Add the three questions to your tabulation

For each category in your tabulation, fill out your answers to the three questions for that category.

Discuss any insights you have with the group.

Discussion

In your experience, how do the three questions relate to each other?

In what ways have we let our financial lives define who we are?

How would you define financial independence for yourself?

Assignments

Continue to track your expenses and evaluate your categories with the Three Questions.

Make a conscious effort to ask the 3 Questions before purchases and note your reactions.

Look up stories, tools and examples, and resources related to Step 4 at www.financialintegrity.org

Read Step 5 in the FI Program Guide.

STEP 5

MAKING YOUR LIFE ENERGY VISIBLE: YOUR WALL CHART

Materials

Bring: Monthly tabulation, tools you'll use to create wall chart

Have available: Graph paper & pens, spreadsheet software

Goals

Create a wall chart to graph your financial progress over the long term.

Check-In

Have you stopped yourself on the verge of buying something this week, and realized it wouldn't meet your new criteria?

Key Points

Your wall chart will be a great reminder of your progress and a motivator to keep tracking your everyday expenses.

Plotting and posting your Wall Chart where you will see it every day will help you focus on your overall progress.

Questions

If you were to create a picture explaining your financial life, what would it be like?

How would you feel about hanging your chart in your living room? In your bedroom? At your workplace?

Discussion

What are your financial goals and how do you get feedback about your progress?

Exercise

Create a wall chart

Get large graph paper and make your wall chart. Enter your first month's income and expenses (include debt or make a separate chart for it). Bring laptops, discs, etc.

Follow-up Questions:

How do you feel about having your financial life portrayed visibly?

What are you looking forward to in the years to come from this program?

Exercise

Values clarification

Take one item from the Survival – Clutter exercise from the introductory session and share with the group what value that item and its categorization speaks to for you. For example, one person may see fishing gear as clutter, while another person may see that fishing gear as representing their value of spending time outdoors.

Discussion

How does asking yourself Question 1 (fulfillment in proportion to life energy) affect your spending?

How does asking yourself Question 2 (alignment with values and goals) affect your spending and earning?

How does asking yourself Question 3 (financial independence) affect the way you think about your current work situation?

Assignments

Keep evaluating your financial activity with the Three Questions. Note the impact on your spending.

Watch the flow of your life energy by updating your wall chart each month.

Look up stories, tools and examples, and resources related to Step 5 at www.financialintegrity.org

Read Step 6 in the FI Program Guide before the next session. Group members may wish to bring resources on reducing expenses to the next session.

STEP 6

RESPECTING YOUR LIFE ENERGY: MINIMIZING SPENDING

Materials

Bring: Monthly tabulation. Resources on reducing expenses.

Goals

Apply creative thinking to reduce expenses.

Get maximum value for any life energy you do expend.

Check-In

Did you have any troubles setting up your wall chart? What have your reactions been to seeing your wall chart since the past session?

Key Points

Minimizing spending is not about deprivation. It is about getting the most value from your life energy, and getting greater fulfillment and satisfaction in alignment with your values and goals.

You can decrease spending through conscious elimination of unnecessary expenses and conscious consuming of necessary expenses.

There are many non-monetary ways you can get your needs met and create fulfillment.

Questions

What's the last item you used something until it actually wore out?

Discussion

In what ways might you decrease your spending and simultaneously increase your fulfillment in relation to these aspects of your life:

- your home
- your body
- your family or community

Exercises

List specific ways you could change your spending to

Consciously eliminate expenses:

Get highest value from your money:

(Don't forget to include ways you can increase your RHW by minimizing work-related expenses.)

Imagine not buying anything in a way that adds debt expenses (interest, finance charges) to your tabulation. How would your buying patterns have to change?

Discussion

When you think about decreasing your expenses, are there expectations or "rights" that feel threatened?

Name two areas/categories in your monthly tabulation columnsthat are marked with dissatisfied symbols. Ask the group to help you strategize a change of approach for each.

Assignments

Keep looking for opportunities to save, whether it is eliminating an expense or spending more wisely.

Observe how this affects your attitudes, your behavior, and your fulfillment. Observe how this affects your monthly tabulation and wall chart.

Look up stories, tools and examples, and resources related to Step 6 at www.financialintegrity.org

Read Step 7 in the FI Program Guide before next session. Group members may wish to bring resources on careers, job hunting, and salary setting to the next session.

STEP 7

RESPECTING YOUR LIFE ENERGY: MAXIMIZING INCOME

Materials

Bring:

Spending record and monthly tabulation

Resources on careers, job hunting, and salary setting.

Goals

Begin to think about your paid employment in terms of maximizing your income.

Start thinking about maximizing your fulfillment by integrating your life energy, values, and purpose with your work.

Check-In

Did you change your spending or earning habits since the last session? If so, how?

Key Points

The hours left in your life are a finite resource, not infinite. Maximizing your income is a way to respect your life energy.

You can maximize your fulfillment by integrating your life energy, values and purpose with your work.

You will be working for a finite period of time.

Questions

How big is yours? How would you feel if someone asked you that about your paycheck?

What is your evaluation of what you are putting into your job?

- My absolute best – total integrity
- I only do what I have to do to keep my job
- I take as much as I can and give as little as I can.

Discussion

Which of the following statements most closely describes to you the primary purpose of paid employment? Share your thoughts with the group.

| |
|-------------------------------------------------------------------------------------|
| For prestige, status, power and respect |
| To express my creativity |
| To be successful in the world |
| Because of duty or public service |
| For enjoyment, stimulation and learning |
| Because of social or family expectations |
| Because it's my role/identity |
| To interact with others, to have social connection and a sense of cooperation |
| To give me a sense of purpose and contribution |
| So I don't have to stay home and take care of the kids |
| To have something to do, to structure my time |
| For the benefits (e.g., health insurance) |
| To earn money (to pay creditors, save for the future, sustain my current lifestyle) |

Exercise

Paid Employment

Estimate how many hours you have left until you are “retirement age.” Estimate how many of those hours you expect to spend on paid employment.

Check whether your paid employment supports or hinders you in the following areas of your life:

Helps Hinders

personal relationships (family, friends, neighbors),

personal growth (emotional, intellectual),

inner peace (spiritual),

health (physical),

contribution to society (community, planet).

Discussion

What did you think or feel after estimating the amount of hours you have left in your life and how many you would spend on paid employment?

How attached are you to your job? Is your job your identity? If you didn't have a job, how would you describe yourself? If you didn't need a paycheck, what would you be doing?

Exercise

Your Income Alignment

Besides income from work, what other sources are providing you income? To create an accurate tabulation of your income, be sure to include all sources.

What is your evaluation of your current real hourly wage in relation to your income goals for your retirement date?

- Not “enough”
- OK but could be better
- Just the right amount
- More than I need – I can “retire” earlier.

What is your evaluation of the current level of effort you're putting into your job?

- My absolute best – total integrity and value
- It's a job – I just do what I have to
- I take as much as I can - give as little as I can

What kinds of obstacles have you run into that keep you from maximizing your income?

List some specific ways you can consciously maximize your income, in alignment with your health and values.

Discussion

You can choose how long you work for pay. Does knowing that paid employment is only for a finite period of time make you feel different? How?

How would it feel to go to work keeping in mind the sole purpose of paid employment is to get paid? How might that change your work day?

How would people – your boss, your customers, your employees – react to you if they knew you were there purely for the love of it because you didn't need the income?

Assignments

Keep looking for opportunities to maximize your income in alignment with your health and values, whether through raises, additional employment, or a change in employment.

Observe how this affects your monthly tabulation and wall chart.

Observe how this affects your attitudes, your behavior, and your fulfillment.

Look up stories, tools and examples, and resources related to Step 7 at www.financialintegrity.org

Read Step 8 in the FI Program Guide before the next session. Group members may wish to bring resources on investing to the next session.

STEP 8

CAPITAL AND THE CROSSOVER POINT

Materials

Bring:

Wall chart, monthly tabulations

Resources on investing.

Have available: latest Consumer Price Index, inflation rate figures, and definitions.

Goals

Understand the crossover point and begin to think about savings and investments.

Begin to understand the concept of inflation and learn how to calculate a personal inflation rate.

Check-In

Have you had any further thoughts on maximizing your income or integrating your life energy, values and purpose with your work?

Have you approached work differently since last session?

Key Points

By using your savings as investment capital, you can earn income separate from employment status.

Once you have enough predictable, dependable income from your investments to cover your expenses for the foreseeable future, you do not have to work. You are financially independent.

Inflation is a generalized concept that does not necessarily define specific experience. Personal spending trends trump national inflation rates.

Questions

Describe what financial independence would be like for you in terms of your “work” and your lifestyle. What shifts would you make in expenditures of money and time?

Exercises

Charting Investment Income

Add your investment income to your wall chart. To do this, you must know the amount of capital you have invested and the rate of return (interest rate) on your investment. (If you do not currently have any capital and return, do this exercise anyway on a practice sheet, using the savings/capital balance that you hope to have within the next year.)

Use this formula: $\text{Capital} \times \text{current rate of return} / 12 \text{ months} = \text{first month investment income}$.

For example, \$1,000 in a savings account paying 4% interest will give you \$3.33 the first month ($1000 \times 0.04/12$).

Compound Interest

Now calculate what that investment income will become over time. A spreadsheet or calculator with financial functions may be useful for this step. Several web sites also calculate compounding interest given an initial balance and interest rate.

Projecting out just two steps is enough to get the hang of the process. Step one was to project the first month's income as explained above. Now take that income, add it to your capital, and project your compounded interest income:

$(\text{Capital} + \text{previous month investment income}) \times \text{current rate of return} / 12 \text{ months} = \text{investment income}$

For example, that \$1,000 savings account will give you an extra penny the second month you have it invested. $(1000 + 3.33) \times 0.04/12 = 3.34$.

Increasing Your Capital

Don't forget that every month you are working you will likely add to your capital by decreasing your expenses and maximizing your income, resulting in more savings to invest! You can add that projected savings into the formula this way:

$(\text{Capital} + \text{previous month investment income} + \text{previous month savings}) \times \text{current rate of return} / 12 \text{ months} = \text{investment income}$

Projecting Your "Independence Income"

Repeat the calculation above until the capital equals your monthly expenses. This is probably best done with a spreadsheet using formulas, a financial calculator, or a website that calculates compounding interest over a period of years. If you are currently in debt, you may want to extend the calculation until you reach your current amount of debt instead (balance pay off).

Pencil in Your Projected "Independence Income" and Projected Monthly Expenses

You can see that with both the power of compound interest and increased savings through implementing steps 6 and 7, your investment income line can rise noticeably on your wall chart into the future, until it **crosses over** your expense line.

Question

Other Factors

As you update your monthly tabulations over time, you will be able to calculate your *personal* inflation (or deflation) rate, and project out trends based on present reality and expected life circumstances. How might your family structure and responsibilities change over the course of the rest of your life? Economic impact of those changes?

Revisit your Real Hourly Wage calculation – how might not working affect your finances?

Discussion

Describe how your thinking is different now than before learning this step, regarding savings, capital investment, and financial independence?

How would you think your personal inflation rate compares to the General Inflation Rate?

How does it feel to know you can reliably estimate a date when you'll be financially independent?

Assignments

Calculate how much you would need to set aside to cover six months worth of expenses if you didn't have employment income.

Assign persons to present next session any basic information on "fixed income" investment vehicles which they are able to gather.

Look up stories, tools and examples, and resources related to Step 8 at www.financialintegrity.org

Read Step 9 in the FI Program Guide before the next session.

STEP 9

SECURING YOUR FINANCIAL INDEPENDENCE

Materials

Bring:

Wall chart, monthly tabulations

Resources on investing.

Have available: current issue of the Wall Street Journal

Goals

Begin to choose your personal criteria for investing

Begin to learn about investment vehicles

Check-In

Has your attitude toward work, savings, or investing changed since learning about the crossover point?

Key Points

Anyone from any walk of life can achieve financial independence.

The foundation of financial independence is investing capital for the long term in secure investment opportunities.

Disintermediation means taking responsibility for your own investment decisions and activity.

Questions

How much money do you currently have saved “for a rainy day” (easily accessible without penalties)?

How many months of expenses do you feel YOU need to have a comfortable cushion?

Did you consider financial independence a possibility when you started the program? Do you feel any differently about that as a goal now?

Exercise

Find the Rate of Return

Using the Wall Street Journal, find the current rate of return for different investment vehicles (T bills, I bonds, local municipal bonds, securitized loans.)

Have persons present the information on fixed income vehicles which they have gathered in the past two weeks to the group. Allow time for some discussion (Mutual funds, annuities, international bonds, etc.)

Exercise

Investing Your Capital

There are literally new opportunities for investment being invented every day. Remember that the goal of Step 9 is to become knowledgeable only about those vehicles that are appropriate for you. While there are few investment vehicles that rate high for all criteria, ranking your criteria will help organize your thinking, so you can eliminate those vehicles that clearly do not meet your personal priorities.

Weight your investment criteria according to how important each characteristic is for you. Are there any other criteria you would use? Add those criteria to your list.

| Investment Plan Criteria Weighting | |
|------------------------------------------------------|------------------------------------------------------|
| 9 Step Criteria | Importance (5=very important, 1=not as important) |
| Alignment with personal values, goals & life purpose | |
| Safety of capital invested | |
| Guaranteed stable income | |
| Liquidity without penalty | |
| Minimal financial costs (fees, "load") | |
| Minimal management time | |
| Long term capacity | |
| Other: | |
| | |
| | |

Exercise

Make a list of specific ways to invest your capital that interest you. Evaluate these investments based on the criteria given in step 9 of the FI Program Guide, and of course, with the fulfillment criteria you are now applying to all your financial activity.

| Applying the Criteria | | | | | | | |
|-----------------------|------------------|--------|---------------|--------|-----------|-----------------|-------------------|
| Investment Vehicle | Aligns w/ values | Safety | Stable Income | Liquid | Long Term | Min. Costs (\$) | Min. Costs (time) |
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Discussion

How do you feel about the idea of being responsible for your own capital and investment decisions? Does it make it less daunting knowing that you only need to become knowledgeable about vehicles that meet your criteria?

What do you plan to do next week to get started?

Assignments

Become knowledgeable, adept, and sophisticated about investment opportunities.

Look for investments that are in alignment with your values, goals and other criteria.

Put each and every Step into action and make them a part of your daily life. Periodically, review the whole program.

FINAL SESSION

CELEBRATING YOUR ACHIEVEMENTS

Materials

Have available: Feedback forms

Goals

Make commitments for changes in behavior

Recognize and celebrate your achievements

Discussion

What have you learned in this course?

Have you already changed how you handle your money?

What changes do you want to make in how you handle your money? What will your challenges be? What strengths can assist you?

Celebrate!

If you wish to share this knowledge with others

There are many ways you can participate in the ever expanding network of “Fiers”. Please check the Financial Integrity wiki at www.financialintegrity.org. There are many ways to spread the word including leading another group, answering questions on the wiki, helping administrators maintain the wiki, or numerous other tasks. Email us at info@financialintegrity.org if you’d like to get involved. Thank you!

FEEDBACK FORM

We are continually refining, adapting, and adding to the materials we provide for free use on our website www.financialintegrity.org. Your feedback will help us in that process and will benefit the others who follow in your footsteps.

1. How did your group form? Check all that apply:

Book club Follow-up to a public talk In the workplace Adult education class

Religious or spiritual group Informal group of friends Family members

Follow-up to another group or class. What group/class?

Other:

2. Check here if you used this Group Study Workbook as an individual working alone.

3. What format did your group use? Twelve one-hour sessions every week, twelve two-hour sessions with time to complete the assignments, or some other format?

4. How many people were in your group at the beginning? How many at the end?

5. If your group formed at work:

- What business or organization do you work for?
- Did your employer sponsor the group?
- Did your employer donate time? space? materials?
- How was the group initiated? (e.g., Human Resources, Employee Assistance, Work/Family Life, Continuing Education, department head, employee)
- Did any problems arise related to meeting in the workplace? If yes, what? How did you deal with them?

6. How valuable was the group study process to you? Very Somewhat Not at all

7. Please rate the Group Study Workbook overall: Great Good Fair Poor

- Best features:
- Features that need improvement:

8. Were the homework assignments clear? Always Usually Sometimes Never

Explain:

9. Please rate the value of the Introductory Session: Great Good Fair Poor

- Did you have enough time? Too much?
- Did it get people engaged in the process?
- Suggestions for improvement:

10. When/if you facilitated a session, were the guidelines and instructions adequate? Yes No

Suggestions for improvement:

11. Please note any particular exercises or discussions where you ran short of time:

12. Were you able to complete the homework assignments? Yes No

If no, what problems arose?

13. What is the greatest value to you of the nine-step Financial Integrity program?

14. Are you motivated to continue working with this program? Yes No
Why or why not?

15. Other comments about your experience with the study group and/or Group Discussion Guide:

Optional: Name

Address

Phone

Email

Date

Send to: New Road Map, P.O. Box 1363, Langley, WA 98260 or info@financialintegrity.org

You may send this individually or your group may send all of its forms together. Thank You!