

FINANCIAL WELL-BEING

LESSON TWENTY

Follow-up (As a family discuss the assignment for the lesson Social Well-being.)

1. What are we doing to know our neighbors and extended family members better?
2. What acts of kindness and service have we performed since our last lesson?

Concept

Ideally, families should live in such a way that money doesn't become a source of conflict. Usually our financial problems aren't money problems, they're attitude and behavior problems.

What are some things we can do to meet our basic needs and reach our financial goals?

We can:

- **Learn.** Do our best to get a good education, and continue learning.
- **Work diligently.** There is no substitute for simply working hard to get what we want in life.
- **Job development.** Continue looking for educational and job opportunities which will qualify us for better employment or improve our life.
- **Plan.** Make a plan for how we'll spend our income.
- **Commit.** Commit to our plan of how we'll spend our income. For example, we must realize that there will be times when we have to wait for something we want until there is money for it. Sometimes we can live *without* things we "want" but don't really "need."
- **Live the plan.** There will sometimes be unexpected bills, but as a rule, we should live by a plan that will keep us as debt-free as possible. If we really want to be out of debt we should decide that there will be no more charging or borrowing money. Nothing will be purchased until there is enough money to pay for it.
- **Save for the future.** We should try to save some of our money each month for our future needs and for unexpected bills.

When families make wise financial decisions and live within their means, they experience less stress, fewer problems, and they can enjoy financial well-being.

Family Survey Review

Statement #20. **Our family makes wise financial decisions.**

- What good decisions do we make with our money?
- How can we stay out of debt?
- What should we do to save money?

Story

An old fable tells about an ant and a grasshopper. All summer long the ant busily worked, preparing for the cold winter ahead. The grasshopper watched the ant and laughed at her. “Stop working....come and play!” the grasshopper said. “Don’t worry about winter. The sun is shining and we are young!” Nevertheless, the ant continued to put away food, preparing for the months ahead. The grasshopper kept playing. Before too long, the snow fell and their world became a white, frozen land. The ant was snug and warm, with plenty of food in her little home. The grasshopper, you might guess, was miserably cold and hungry.

Discussion

1. What can we learn from the ant?
2. What do we learn from the grasshopper?
3. Is our family like the ant or the grasshopper? How?

Activity

Running our home costs money. We need a budget to help us stay out of debt. It’s easier to live debt-free when we understand how much money we have to work with, and what our family expenses are. This activity can help us look at our monthly expenses and see where the money is spent. First, let’s guess the answers to these questions:

1. What is the price of a gallon of milk?
2. What is the price of a loaf of bread?
3. What does our family spend each month on food?
4. How much does it cost to fill the car with gas?
5. What do we pay each month for rent (or the mortgage payment)?
6. What was last month’s telephone bill?
7. How much did we pay last month for gas and electricity?
8. How much does it cost to have the dentist fill a cavity?
9. What does it cost to replace a light bulb?
10. How much does it cost to go to college?

Let’s play the MONEY GAME. In preparation for this game, a parent will need to have real

or pretend money in the amount of your monthly paycheck or the amount you use for paying bills. On the table display all of the money. Ask: "Family, how much of this money does it take to pay the rent (mortgage) for one month?" Take that amount away and put it in an envelope.

Ask: "How much money does it take to buy the food for one month?" Put that amount in an envelope.

Ask: "How much money does it take to pay the utilities bill?" Put that amount in an envelope.

Do this until all of your bills are "paid."

Ask: "Family, how much money does our family have left each month for extra purchases? How much money do we have to save? What should we do about this?"

Assignment

1. Decide as a family on a budget. First, list all of your bills and expenses. Decide how much money you have to spend on your "needs." Now talk about your "wants" and how much money you should spend on those. Last, discuss how much money your family should save each month and how you will do that.
2. For one week, each family member should keep a record of every purchase. Then meet again and discuss how well you're staying within your budget.
3. Each day try to make choices that will help you be debt-free and save for the future.
4. Read the Ten Financial Principles on the following page.

ADDITIONAL SOLUTION FOR SUCCESS

TEN FINANCIAL PRINCIPLES

- Principle 1:* Financial problems are usually behavior problems rather than money problems.
- Principle 2:* If you continue doing what you have been doing, you'll continue getting what you have been getting.
- Principle 3:* Nothing (no thing) is worth risking the loss of a relationship.
- Principle 4:* Money spent on things you value usually leads to a feeling of satisfaction and accomplishment. Money spent on things you don't value usually leads to a feeling of frustration and futility.
- Principle 5:* We know the price of everything and the value of nothing.
- Principle 6:* You can never get enough of what you don't need, because what you don't need can never satisfy you.
- Principle 7:* Financial freedom is more often the result of decreased spending than of increased income.
- Principle 8:* Be grateful for what you have.
- Principle 9:* The best things in life are free.

Principle 10: The value of an individual should never be equated with the worth of an individual.