Choose to Prosper:

Demystifying Budgeting, Investing, and Financial Life Planning

Presented by Nichole Harrison



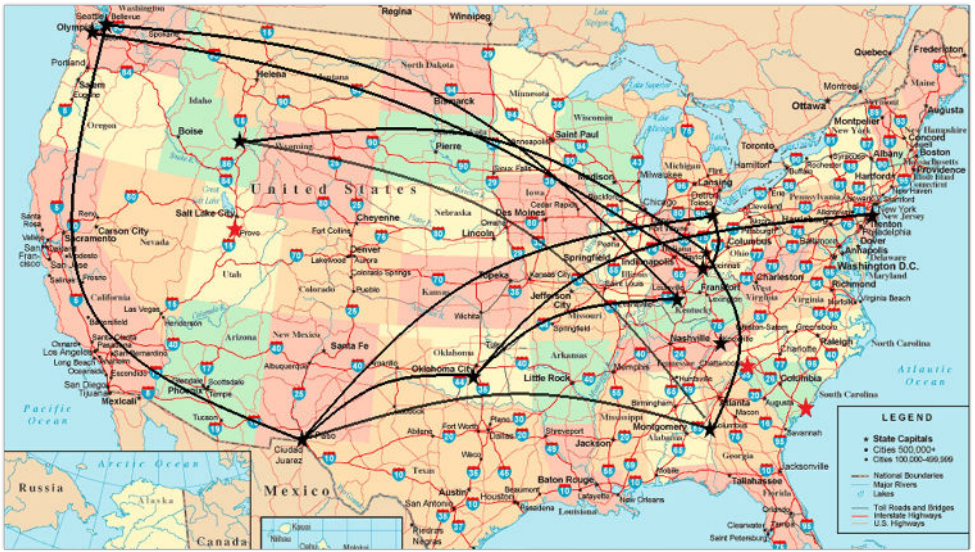
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78LPE

Outline

1. Define Prosperity
2. What gets in the way of me feeling prosperous?
   - Introduce the 3 Lies of Scarcity
3. Money Messaging
4. Practice - Q&A
   - Budgeting
   - Saving Retirement
   - Investing
5. Review

Prosperity = Pro+Spere

Latin translation of the word prosperity. Prosperity has two root words.

The root word 'pro' means "to go forward."

The root word 'spere' means "with hope".

Therefore, the word prosperity literally means, “to go forward with hope".

Prosperity

One of the most common promises throughout the Book of Mormon is

"If you keep my commandments you shall prosper in the land."

Many times this promise is given to the people in the midst of great conflict, during times of war, during times of trial and unrest. Can you see what an incredible promise this is from God?

It is one of the greatest blessings the Lord could bestow upon us! **To go forward with hope!** And what do we need to do to feel more prosperous? And to feel we are moving forward with hope? Keep His commandments.

Sin = Latin sine
“to be without”

To sin is to be without God in the world, to create separation.

Prosperity is to go forward with hope.

Therefore the opposite of prosperity would be to go backward, or perhaps even "to be stuck" with despair...No hope.

When we live without prosperity, we live without hope. Without God.



Sufficiency comes from God.

SUFFICIENCY

This principle of sufficiency is not actually about an amount of anything.

This distinction of enough is not halfway between more than we need and less than we need.

It is a paradigm for which we see a different way to interact with the world is possible.

Prosperity is "...not so much a condition in life as it is an attitude toward life."

ENOUGH

Experience of enough is eclipsed or hidden by the effort to get more.

In a mindset of scarcity - abundance is really way way way more than you need.

SCARCITY

As a circumstance it moves you. As a thought or belief it can be paralyzing.

3 Lies of Scarcity

These are an unconscious, unexamined set of assumptions, a paradigm in which we live that has us look out in the world in these ways, even before we think.

1. There is not enough.
2. More is better
3. That's just the way that it is and there is nothing I can do about it.

What makes a lie sticky?

1. Finding evidence for it
2. Contains a partial truth
3. Cut off from the whole picture - missing context - need more information.
4. Too broad - generalization or absolutes
5. Desire to trust authority
6. What else?

Experiencing what it is not...

Identify a lie

- A lie will limit Agency or Free Will
- A lie depletes energy
- A lie will divide rather than connect; acknowledge not all division is false
- A lie promotes hierarchy - one-up/one-down
- A lie will position you between two opposites - “Put down the rope”
- A lie will leave you in a space of “I don’t know” and overwhelm
- What else?

Experiencing what it is...

Identify truth

- Truth is energizing
- Truth brings clarity
- Truth is loving
- Truth is sufficiency
- Truth is generous
- Truth is peaceful
- Truth deepens joy

Like water...

When money flows

It can nourish

It can cleanse

It can purify

It can make things grow

But just like water when it gets held

And stagnant

And hoarded

It does turn poisonous

It becomes toxic to those of us holding it



When we hold it from greed and from fear the money doesn't serve us any longer.

Money Messaging:

Do any of the following apply? Can you list other money beliefs?

“I’m a saver.”

“I’m a spender”

“I’ll never have enough money”

“Riches will ruin you”

“I’ll never get ahead.”

“There will always be money.”

“I’d better enjoy it now because I may not be here tomorrow.”

Family Values:

Reflect on the following questions to determine what values you may have inherited.

In your home was there an atmosphere of scarcity, plenty, or moderation?

How did your parents and their parents handle money?

Was money a source of conflict within your home?

Was money a taboo topic or dealt with in family discussions?

Did your parents try to teach you specific lessons regarding money management? What were those lessons?

Formation of your own Values:

Reflect on the following questions to see how your experience has informed your financial values and beliefs.

Did you work when you were young?

How old were you when you had to take financial responsibility for yourself?

What was your first experience with debt? How did you handle that situation?

What was the financial status of your closest friends growing up?

How did you feel about people who had a lot of money?

When did you start saving money? Why did you start saving?

Have you ever felt rejection or inferiority because of your financial status?

Has money been a comfortable or stressful topic in your intimate relationships?

Have you used money to control others or have you had others try to control you with money?

How does money contribute to your happiness?

How does money produce tension or stress?

PRACTICE

PRACTICE

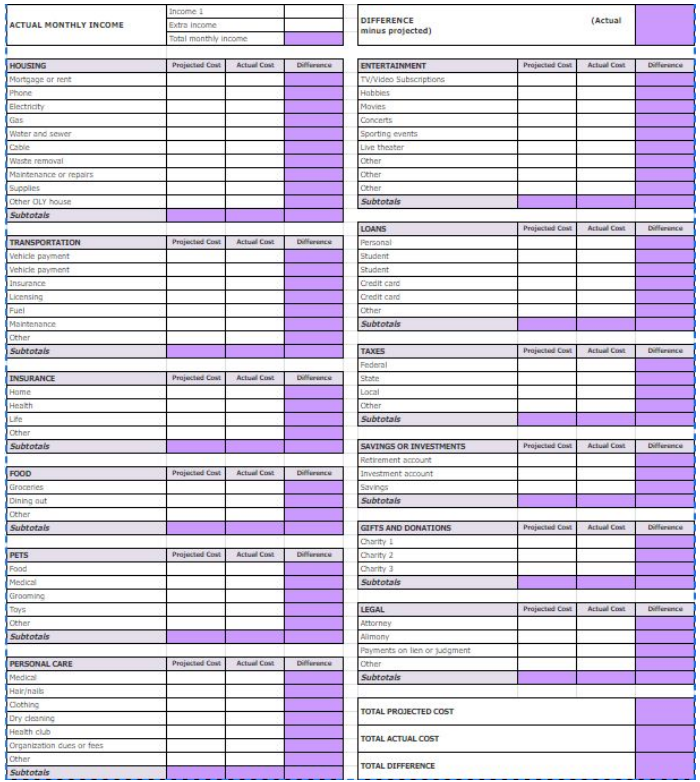
With money comes choices. With choices comes practice.

1. SPEND
2. SAVE
3. GIVE
4. DEBT
5. TAXES



Finance Template

Budget Exercise



ACTUAL MONTHLY INCOME		
	Income 1	
	Extra income	
	Total monthly income	

DIFFERENCE minus projected)	(Actual	

HOUSING	Projected Cost	Actual Cost	Difference
Mortgage or rent			
Phone			
Electricity			
Gas			
Water and sewer			
Cable			
Waste removal			
Maintenance or repairs			
Supplies			
Other OLY house			
Subtotals			

TRANSPORTATION	Projected Cost	Actual Cost	Difference
Vehicle payment			
Vehicle payment			
Insurance			
Licensing			
Fuel			
Maintenance			
Other			
Subtotals			

INSURANCE	Projected Cost	Actual Cost	Difference
Home			
Health			
Life			
Other			
Subtotals			

FOOD	Projected Cost	Actual Cost	Difference
Groceries			
Dining out			
Other			
Subtotals			

PETS	Projected Cost	Actual Cost	Difference
Food			
Medical			
Grooming			
Toys			
Other			
Subtotals			

PERSONAL CARE	Projected Cost	Actual Cost	Difference
Medical			
Hair/nails			
Clothing			
Dry cleaning			
Health club			
Organization dues or fees			
Other			
Subtotals			

ENTERTAINMENT	Projected Cost	Actual Cost	Difference
TV/Video Subscriptions			
Hobbies			
Movies			
Concerts			
Sporting events			
Live theater			
Other			
Other			
Other			
Subtotals			

LOANS	Projected Cost	Actual Cost	Difference
Personal			
Student			
Student			
Credit card			
Credit card			
Other			
Subtotals			

TAXES	Projected Cost	Actual Cost	Difference
Federal			
State			
Local			
Other			
Subtotals			

SAVINGS OR INVESTMENTS	Projected Cost	Actual Cost	Difference
Retirement account			
Investment account			
Savings			
Subtotals			

GIFTS AND DONATIONS	Projected Cost	Actual Cost	Difference
Charity 1			
Charity 2			
Charity 3			
Subtotals			

LEGAL	Projected Cost	Actual Cost	Difference
Attorney			
Alimony			
Payments on lien or judgment			
Other			
Subtotals			

TOTAL PROJECTED COST	
TOTAL ACTUAL COST	
TOTAL DIFFERENCE	

1. Total Cash Inflows - Add up income from all sources.
2. List all monthly expenses. If you pay some bills irregularly, divide the annual amount by 12.
3. Add up all cash flows
4. Determine if you expect to have a cash surplus or deficit.
5. Use the past 3 months bank and credit card statements to compare your projected plan with reality.
6. Identify categories that do not match your expectation. Target this first by increasing your expectations or restricting spending.

Finance Template HERE

Reframing my budget

1. Retrieve monthly Category (ex. food) money spent for the previous 6 months.
2. Find the sum over six months and divide by 6 to find the monthly average.
3. Divide by 30 to find the daily average.
4. Divide by 3 to determine the meal budget.
5. Divide by the number of persons in the household.
6. The Answer determines how much you are spending per person. per meal, per day.

$1,065 + 1,095 + 1,313 + 936 + 1,430 + 1,209

= $7,048

$7,048 / 6 = $1,175 average monthly grocery budget

$1,175 / 30 = $39 per day

$39 / 3 = $13 per meal

$13 / 6 = $2.17

spent per person / per meal / per day

Reframing retirement savings

SAVE 10% of $200k salary in 401k starting at AGE 40
Retire at AGE 65
Life expectancy AGE 90.

$20,000/year x 25 years

So you saved $500,000

Napkin math Retirement Needs:

Age 65-90 = 25 years
$200k-20k savings = $180k
$180k x 25 = $4,500,000 (no inflation)

- Social Security
- A pension, if you are one of the few lucky ones
- Investment return
- decreased spending in retirement

$500,000 savings does not equal $4,500,000 retirement need, yet.

What does Scarcity feel like?



Take a minute to reflect on how it feels to think the thought, “I don’t have enough.”

- What comes up?
- Does it feel like a steep climb?
- Do you feel up to the task?
- Or do you feel small?

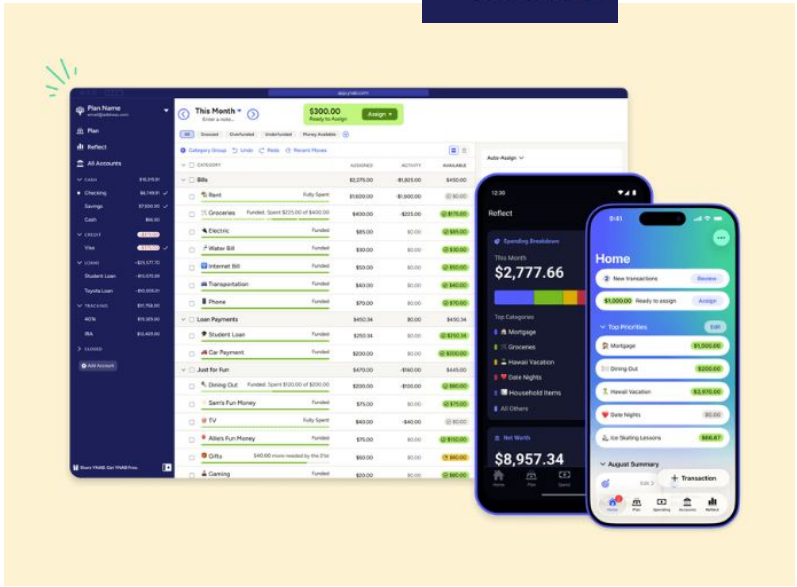
What does financial Success really look like?



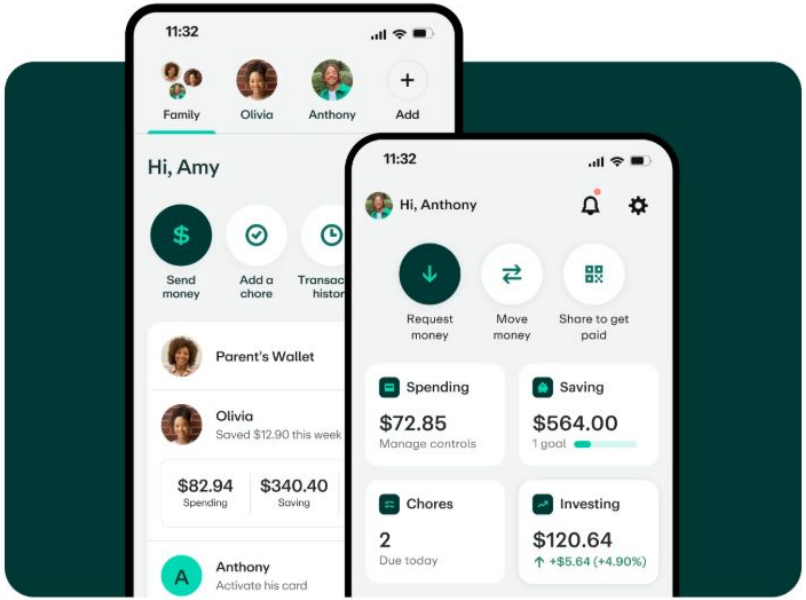
REVIEW

Resources

YNAB.



Kahoot!



GreenLight



Can you make it as an Uber driver with two kids to support and a mortgage payment due in a week?

15 MIN.



See the consequences of 20 years of investing decisions in just 20 minutes.

20 MIN.



Can you make it through the month? Living paycheck to paycheck is stressful.

15 MIN.

EXAMPLE ONLY - Be Sure to Customize Yours

Clip Coupons	Put back impulse buy	Make a Christmas gift	At home pedicure	Make homemade birthday banner
Make Coffee at Home	Don't order on Amazon for 1 Week	Watch a free movie rather than rent new	Eat dinner at home	Don't buy a treat at the grocery
Use Reusable Water bottle	Don't buy anything not on your list	$ FREE	Buy cheaper TP	Make dryer balls to replace sheets
Make Dinner for $15 or Less	Split a meal when eating out	Make your own Laundry detergent	Use Cloth Paper Towels	Sell something old you don't use
Pack Lunch	Cut your own hair	Cancel Netflix for 1 month	unplug electronics at night	Eat Leftovers for dinner

B	I	N	G	O
$2	$4	$10	$25	$4
$4	$20	$3	$25	$4
$1	$5	FREE	$4	$4
$5	$10	$6	$13	$10
$3	$20	$14	$2	$20

Financial Literacy Packet