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DEBT EDUCATION AND CERTIFICATION FOUNDATION

Pre-Discharge Debtor Education Material

This workbook has been designed as a companion to the Pre-Discharge Financial Education Course offered by Debt Education and Certification Foundation. As you participate in the telephone course, follow along using this workbook by completing exercises and taking notes.

Section 2 - Personality, Attitude and Money

- **Financial Awareness**

Notes:

- **Emotions and Decision Making**

Notes:

- **Family Communication**

Notes:

- **Purpose and Value of Money**

Notes:

- **Planning for the Future**

Notes:

- **Steps in a Financial Plan**

Notes:

Section 3 - Assess Your Financial Situation

Financial Practices:

Put an "X" in the box that best describes how you manage each Financial Practice.

Financial Practice		Do not plan to do	Plan to do in the next month	Plan to do in the next 2-6 months	Have been doing for 1-6 Months	Have been doing for more than 6 months
1)	Write down short and long term financial goals					
2)	Save money regularly					
3)	Use a spending plan to track income and expenses					
4)	Reduce impulse spending and focus on needs rather than wants					
5)	Maintain sufficient income to meet monthly living expenses and debt payments					
6)	Pay bill on time each month					
7)	Review bills each month for accuracy					
8)	Compare prices before making purchases					
9)	Learn how to reestablish credit					
10)	Search for more favorable credit terms as standing improves					

Self Assessment:

Complete the following self assessment by reading the question and circling the number in the column that best describes your current practice. Then write the number circled in the Total column and once finished with all questions add the numbers and write the grand total in the Grand Total box.

	Always	Sometimes	Never	Total
1) Pay the rent/mortgage payment and utility bills on time?	2	1	0	
2) Save 10 percent of your net income?	2	1	0	
3) Try to keep three months of your net income in reserve for emergencies?	2	1	0	
4) Plan ahead for large expenses such as taxes and insurance?	2	1	0	
5) Set goals and keep a budget for your net income?	2	1	0	
6) Spend no more than 20 percent of your net income for credit payments, excluding home mortgage?	2	1	0	
7) Comparison shop for the purchases of most items?	2	1	0	
8) Use credit only for expensive purchases or when you have the money in the bank to cover the charge?	2	1	0	
9) Balance your checkbook every month	2	1	0	
10) Keep yourself financially updated by reading consumer articles?	2	1	0	
11) Balancing your checkbook and recording debit card purchases that are critical to financial record keeping?	2	1	0	
			Grand Total	

0-10 Points: indicates a need to take control of your finances. Develop and practice Better money management skills.

11-15 Points: reflects a good effort to manage your money effectively. Determine what changes can be made to improve your financial well-being.

16-22 Points: Demonstrates ability to manage your finances successfully. Continue to make money management a priority in your household.

Calculate Net Worth:

Net Worth is calculated by Adding up everything your own (Assets) and subtracting everything you owe (Liabilities); in the following table to calculate your Net Worth:

ASSETS

Cash:	\$ _____
Checking/Savings Account:	\$ _____
Cash Value: Life Insurance and Annuities:	\$ _____
Other:	\$ _____
Real Estate:	\$ _____
Car:	\$ _____
Personal Property:	\$ _____
Investments	\$ _____
Certificates of Deposit:	\$ _____
Bonds:	\$ _____
Mutual Funds:	\$ _____
Stocks:	\$ _____
Other:	\$ _____
IRA:	\$ _____
Pension Fund:	\$ _____
Other:	\$ _____
Other (eg. business interests):	\$ _____

TOTAL ASSETS \$ _____

LIABILITIES

Mortgage (principal only)	\$ _____
Car Loans:	\$ _____
Home Improvement Loans:	\$ _____
Student Loans:	\$ _____
Other Loans:	\$ _____
Credit Card:	\$ _____
Other Debt:	\$ _____
Taxes Owed	\$ _____
Federal:	\$ _____
State and Local:	\$ _____
Contractual Obligations	\$ _____
eg., leases, tuition:	\$ _____

TOTAL LIABILITIES \$ _____

NET WORTH (TOTAL ASSETS - TOTAL LIABILITIES)

Section 4 - Setting Financial Goals

In the worksheet below list your financial goals in groups of Short-Term, Mid-Term and Long Term. You can use this as a guide for your progress toward financial health.

Short-term goals

Financial priorities that can be accomplished within two years.

Goal	Target Date	Cost Estimate	Amt Already Saved/Paid	Amt Needed Per Month
1)	/ /	\$	\$	\$
2)	/ /	\$	\$	\$
3)	/ /	\$	\$	\$
4)	/ /	\$	\$	\$

Mid-term goals

Financial priorities that can be accomplished within two to five years.

Goal	Target Date	Cost Estimate	Amt Already Saved/Paid	Amt Needed Per Month
1)	/ /	\$	\$	\$
2)	/ /	\$	\$	\$
3)	/ /	\$	\$	\$
4)	/ /	\$	\$	\$

Long-term goals

Financial priorities that may take five years or more to accomplish.

Goal	Target Date	Cost Estimate	Amt Already Saved/Paid	Amt Needed Per Month
1)	/ /	\$	\$	\$
2)	/ /	\$	\$	\$
3)	/ /	\$	\$	\$
4)	/ /	\$	\$	\$

Section 5 – Create a budget

In the worksheet below please fill out each line as it applies to you; be sure to adjust your monthly expenses if they are more than your income allows.

Income

Current monthly gross wages, salary and commissions	\$ _____
Estimated monthly overtime	\$ _____
Payroll Deductions	\$ _____
Payroll Taxes:	\$ _____
Social Security:	\$ _____
Medicare:	\$ _____
Insurance:	\$ _____
Union Dues:	\$ _____
Retirement:	\$ _____
Other:	\$ _____
Income from real property	\$ _____
Social Security Benefits	\$ _____
Pension/Retirement	\$ _____
Other monthly income	\$ _____
Total Monthly Income	\$ _____

Expenses

Rent/Mortgage:	\$ _____
Electricity & heat:	\$ _____
Water & sewer:	\$ _____
Telephone:	\$ _____
Other:	\$ _____
Home Maintenance:	\$ _____
Food:	\$ _____
Clothing:	\$ _____
Laundry/Dry Cleaning:	\$ _____
Medical Expenses:	\$ _____
Transportation:	\$ _____
Recreation/Entertainment:	\$ _____
Charitable Contributions:	\$ _____
Business Expenses:	\$ _____
(Insurance) Home:	\$ _____
(Insurance) Life:	\$ _____
(Insurance) Health:	\$ _____
(Insurance) Auto:	\$ _____
Other:	\$ _____
Other Taxes not included above	\$ _____
Child support	\$ _____
Alimony/support paid to others	\$ _____
TOTAL MONTHLY EXPENSE	\$ _____

Section 6 – Insurance and Your Budget

- Types of Insurance and each types importance:

Notes:

Property:

Auto:

Homeowner's:

Health and Life:

Section 7 – Credit and Your Budget

Notes:

Cost of Credit:

Types of Credit:

Credit Reports:

Consumer Responsibilities with Credit:

Section 8 – Commit To A Savings Plan

Notes:
