



# 9

## MANAGING FINANCIAL CRISES

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### MY FOUNDATION PRINCIPLE

- Communicate: Petition and Listen

### FINANCIAL PRINCIPLES AND SKILLS

1. Learn to Manage Financial Crises
2. Increase Your Emergency Preparations



# REPORT—Maximum Time: 25 Minutes

## LAST WEEK'S COMMITMENTS:

- Ⓐ Practice and share last week's My Foundation principle.
- Ⓑ Create a plan to begin eliminating debt.
- Ⓒ Discuss my debt elimination plan during family council.
- Ⓓ Contact and support my action partner.

### STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the "Evaluating My Efforts" chart at the beginning of this workbook. Share your evaluation with your partner and discuss with him or her the question below. He or she will then initial where indicated.

**Discuss:** What challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS					
INSTRUCTIONS: Evaluate your effort to keep the commitments you made each week. Share your evaluation with your action partner. Ponder ways you can continue to improve as you practice forming these important habits.					
KEY: ● Minimal Effort ● Moderate Effort ● Significant Effort					
Practice and share the My Foundation principle	Plan and Manage My Finances	Hold a Family Council	Contact and Support My Action Partner	Action Partner's Initials	
<b>Example</b> Be obedient ● ● ●	Track expenses ● ● ●	Counsel about obedience ● ● ●	● ● ●	JW	
<b>Week 1</b> Self reliance is a principle of salvation ● ● ●	Track expenses ● ● ●	Counsel with the Lord ● ● ●	● ● ●	_____	
<b>Week 2</b> Exercise faith in Jesus Christ ● ● ●	Track expenses ● ● ●	Counsel about income and expenses ● ● ●	● ● ●	_____	
<b>Week 3</b> Repent and be obedient ● ● ●	Track expenses ● ● ●	Counsel about tithes and offerings ● ● ●	● ● ●	_____	
<b>Week 4</b> Live a balanced life ● ● ●	Build a budget ● ● ●	Counsel about budgeting ● ● ●	● ● ●	_____	
<b>Week 5</b> Solve problems ● ● ●	Choose a budgeting system ● ● ●	Counsel about budgeting ● ● ●	● ● ●	_____	
<b>Week 6</b> Use time wisely ● ● ●	Put money toward financial priority ● ● ●	Counsel about emergency fund, insurance ● ● ●	● ● ●	_____	
<b>Week 7</b> Show integrity ● ● ●	Put money toward financial priority ● ● ●	Counsel about debt ● ● ●	● ● ●	_____	
<b>Week 8</b> Work, take responsibility and give ● ● ●	Put money toward financial priority ● ● ●	Counsel about debt ● ● ●	● ● ●	_____	
<b>Week 9</b> Communicate, partner and listen ● ● ●	Put money toward financial priority ● ● ●	Counsel about crisis management ● ● ●	● ● ●	_____	
<b>Week 10</b> Seek learning: resolve where you are going and how to get there ● ● ●	Put money toward financial priority ● ● ●	Counsel about saving, home ownership, education ● ● ●	● ● ●	_____	
<b>Week 11</b> Become one, serve together ● ● ●	Put money toward financial priority ● ● ●	Counsel about retirement planning ● ● ●	● ● ●	_____	

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**STEP 2: REPORT TO THE GROUP (8 minutes)**

After evaluating your efforts, come back together and report your results. Go around the group and each state whether you rated yourself “red,” “yellow,” or “green” for each of last week’s commitments.

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**STEP 3: SHARE YOUR EXPERIENCES (10 minutes)**

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have practicing or sharing the My Foundation principle?
  - What did you learn from creating a debt elimination plan?
  - What are you now doing differently to eliminate debt in your family?

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**STEP 4: CHOOSE ACTION PARTNERS (2 minutes)**

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

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*Action partner’s name*

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*Contact information*

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



# MY FOUNDATION: COMMUNICATE

—Maximum Time: 20 Minutes

**Ponder:** When has Heavenly Father answered my prayers?

**Watch:** “Creating Lift,” available at [srs.lds.org/videos](http://srs.lds.org/videos). (No video? Read page 145.)

**Discuss:** How can we recognize answers to our prayers? Why is listening an essential part of prayer?

**Read:** Doctrine and Covenants 8:2 and the quote by President Russell M. Nelson (on the right)

**Discuss:** Why is listening an essential skill? How can careful listening help us in our work?

*“I will tell you in your mind and in your heart, by the Holy Ghost, which shall come upon you and which shall dwell in your heart.”*

## DOCTRINE AND COVENANTS 8:2

*“Your soul will be blessed as you learn to listen, then listen to learn from children, parents, partners, neighbors, and Church leaders, all of which will heighten capacity to hear counsel from on high.”*

**RUSSELL M. NELSON,**  
**“Listen to Learn,”**  
*Ensign, May 1991, 24*

## ACTIVITY

**Step 1:** As a group, read the steps below and briefly discuss them.

**Step 2:** Ask one or two members of the group to tell the others about a challenge or question they have. Everyone else should try to listen, following these steps.

**Step 3:** When finished, ask the group members who spoke how they felt when the group really tried to listen.



**Read:** Quotes by President Henry B. Eyring and Elder Robert D. Hales (on the right)

**Commit:** Commit to do the following actions during the week. Check the box when you complete each action.

- Pray individually and as a family each morning and night. Spend time after each prayer reverently listening for guidance.
- Share what you've learned today about communication with your family or friends.

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## CREATING LIFT

If you are unable to watch the video, read this script.



**PRESIDENT DIETER F. UCHTDORF:**

In order to get an airplane off the ground, you must create lift. In aerodynamics, lift happens when air passes over the wings of an airplane in such a way that the pressure underneath the wing is greater than the pressure above the wing. When the upward lift exceeds the downward pull of gravity, the plane rises from the ground and achieves flight.

In a similar way, we can create lift in our spiritual life. When the force that is pushing us heavenward is greater than the temptations and distress that drag us downward, we can ascend and soar into the realm of the Spirit.

Though there are many gospel principles that help us to achieve lift, I would like to focus on one in particular.

Prayer!

Prayer is one of the principles of the gospel that provides lift. Prayer has the power to elevate us from our worldly cares. Prayer can lift us up through clouds of despair or darkness into a bright and clear horizon.

One of the greatest blessings and privileges and opportunities we have as children of our Heavenly Father is that we can communicate with Him through prayer. We can speak to Him of our life experiences, trials, and blessings. We can listen for and receive celestial guidance from the Holy Spirit at any time and at any place.

(See Dieter F. Uchtdorf, "Prayer and the Blue Horizon," *Ensign or Liahona*, June 2009, 5–6)

*"Our Heavenly Father hears the prayers of His children across the earth pleading for food to eat, for clothes to cover their bodies, and for the dignity that would come from being able to provide for themselves."*

**HENRY B. EYRING,**  
**"Opportunities to Do Good," *Ensign or Liahona*, May 2011, 22**

*"We must ask for help from our Heavenly Father and seek strength through the Atonement of His Son, Jesus Christ. In both temporal and spiritual things, [this] enables us to become provident providers for ourselves and others."*

**ROBERT D. HALES,**  
**"Becoming Provident Providers Temporally and Spiritually," *Ensign or Liahona*, May 2009, 7–8**

**Back to page 144.**



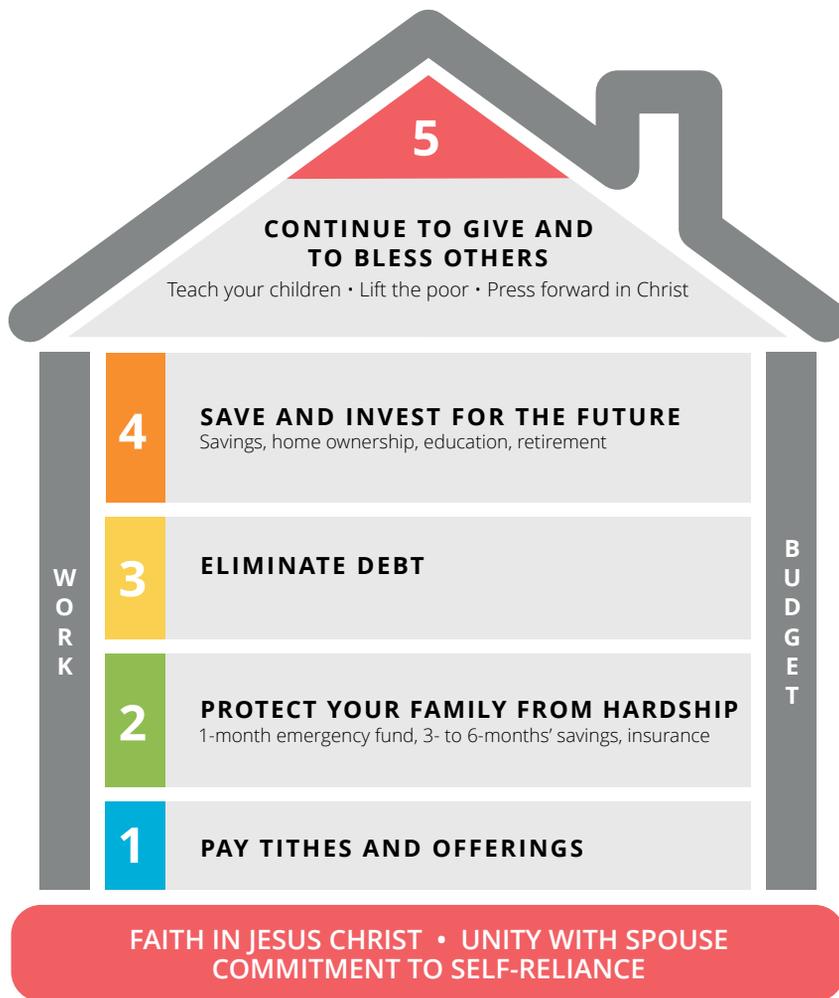
**LEARN**—Maximum Time: 45 Minutes

**TODAY'S DISCUSSION:**



**2**

**PROTECT YOUR FAMILY FROM  
HARDSHIP**



**FINANCIAL STEWARDSHIP SUCCESS MAP**

## BUDGET AND SPENDING CHECKPOINT

**Read:** Review and update your budget. What is working well? What categories do you need to adjust, if any? Can you spend less in some categories to more quickly save up for your emergency fund, become debt free, or save for the future? One of your commitments this week will be to discuss the following activity during family council.

### ACTIVITY (5 minutes)

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Consider each of the categories below, and answer honestly.

HOW DO I FEEL ABOUT MY SPENDING?	I spend too little	I feel good about my spending	I spend too much
Eating out at restaurants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groceries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Snacks and beverages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Entertainment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rent or mortgage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Utilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clothing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Household items	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cell phone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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**Ponder:** What will you do if you encounter a financial crisis? What financial crises have you experienced in the past?

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**Read:** In the Old Testament, Joseph forewarned Pharaoh of seven years of plenty, followed by seven years of famine. Immediately, Pharaoh appointed officers to set aside extra from the good years to prepare for the bad (see Genesis 41:1–37). While we may not always have a clear prophecy of when the good and bad times will come, prophets today have encouraged us to prepare for crises, especially when things are going well.

In this chapter, we will learn what to do when we face a financial crisis and how to prepare for crises before they occur.

**Discuss:** What types of financial crises might you encounter? Write down the group's ideas below.

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**THERE IS ALWAYS A WAY**

When we started learning about building an emergency fund, my husband and I didn't think we could actually come up with enough money. We prayed for guidance, and our answer was to sell one of our cars. Now my husband takes the bus to work, and we have a full emergency fund.

## 1. LEARN TO MANAGE FINANCIAL CRISES

**Read:** Like an emergency or fire escape plan, in the event of a financial crisis you should have a course of action that is simple to follow. About managing trials, Elder Marvin J. Ashton asked, “Can you quietly sit down, review the facts, and list all the possible courses of action? Can you identify causes and determine remedies? Quiet contemplation can solve problems more quickly than frantic force” (“Give with Wisdom That They May Receive with Dignity,” *Ensign*, Nov. 1981, 88). Determining how to handle financial crises beforehand will allow you to be emotionally and financially prepared when hardship strikes and can help you prevent some crises in the future. Managing a financial crisis requires two steps: assess the situation, and take appropriate action.

**Discuss:** Why is it important to decide now how to manage a financial crisis? How has the Spirit helped you handle crises in the past?

### Assess the Situation

**Read:** To assess a potential financial crisis, you may want to ask the following questions:

- Are you faithful in paying your tithing and offerings? Are you living your life in such a way that you are worthy of God’s blessings?
- What emergency precautions have you already put in place that will help you face the current challenge? Do you have food and water storage? an emergency fund? proper insurance?
- Where do your emergency preparations fall short?
- What insurance policies do you have that may cover some or all of this challenge?
- How long will you be able to stretch out your emergency fund?
- Is there room in your budget and debt elimination plan for temporary adjustments, if needed?

**Discuss:** Why is it important to thoroughly assess a situation before you take action?

### Take Action

**Read:** Depending on the type and severity of your financial crisis, there are different actions you might be able to take to help you overcome your financial challenges. While these actions may not make sense for all situations, the following steps should give you an idea of what can be done in the event of a financial crisis.

### *Call Your Insurance Company*

**Read:** Some financial crises may involve a health emergency, an automobile accident, home repairs, or job loss. For such situations, before you panic or take other actions, call your insurance provider to check coverage. Asking them about coverage doesn't mean you are filing a claim. But if your situation is covered, you should be able to get a sense of what your personal expenses are going to be.

**Discuss:** What financial crises merit a call to your insurance company?

### *Use Your Emergency Fund*

**Read:** The purpose of your emergency fund is to help you get through financial crises. Do not feel guilty for using it for these situations. You can use your emergency fund for whatever you need—from living expenses to insurance deductibles. Be wise about using it for the right things at the right times. Replenish your emergency fund as fast as possible if you have to use money from it.

### *Pay Your Most Important Expenses and Bills First*

**Read:** Closely examine all of your expenses and bills and determine which must be taken care of immediately and which could be delayed for a short period without great penalty. It may be necessary to call your billers to see if they have temporary hardship grace periods, interest-free payment plan options, or due-date extensions. Be wise about which expenses you take care of first, and research the adverse effects of deferring the payment of other bills before doing so. You may need to cut unnecessary expenses for a time, if possible. Focus on food, shelter, utilities, and necessary transportation before paying other expenses.

**Discuss:** Why would it be most important to pay the expenses just listed first?

### **Call Your Creditors**

**Read:** In extreme circumstances, it may be wise to call your creditors and explain your current situation. Depending on the crisis, you may want to ask them to:

- Temporarily delay or reduce payments.
- Extend or permanently modify the terms of the loan.

While this may be the only viable option in extreme cases, beware that delaying payments or modifying the terms of your loan can trigger additional fees and make the loan more expensive in the long run.

### **Identify Other Resources That Can Help**

**Read:** Our responsibility is to provide for ourselves and our families. However, there may be times when we must temporarily rely on others. As you seek other resources, be cautious of becoming dependent on assistance long-term—such dependence will stunt your spiritual and temporal progress. As we read in chapter 2, President Spencer W. Kimball taught that there are four tiers of temporal help we can turn to:



1. **Self:** You should first do all that you can yourself to provide for your family and alleviate immediate threat.
2. **Family:** If you are unable to meet basic financial needs yourself after doing all that you personally can, you should reach out to close or extended family if needed for temporary financial assistance, whether for housing, food, or other needs.

- 3. **Church:** After doing all you can yourself and then seeking assistance from family, you may need to meet with your Church leaders (bishop, branch president, or Relief Society president) to explore additional options. Remember that your Church leaders are wisely instructed to help people sustain life when necessary, not lifestyle.
- 4. **Community:** Various community or government support programs may be available to you that may offer aid in the form of financial or employment counseling, housing assistance, nutritional support for newborn and maternal health, and so forth. Remember that these programs are designed to provide short-term assistance. Do not rely on them long term.

**Discuss:** Why should we seek help from our family before seeking help from the Church and community? What resources that your group has identified are available in your area to help cope with crises?

**ACTIVITY (10 minutes)**

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**Step 1:** Answer the questions below individually, and consider what you would do to manage a financial crisis.

If I were to lose my source of income, how long could I currently live on my savings? (How many days, weeks, or months?)

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Who are my creditors that I would need to call to explain my situation?

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Which family members or friends could I look to if I needed help?

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**Step 2:** Pair up with your action partner (or your spouse if present) and discuss your answers. Discuss ways that you could better prepare now for difficult times ahead. Record your ideas, and make plans to follow through.

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## 2. INCREASE YOUR EMERGENCY PREPARATIONS

**Read:** You should have or should be working on building a one-month emergency fund. Your preparations should not end there! Work to become free from consumer debt and to then build a three- to six-month emergency fund and acquire insurance to protect your income.

### Build a Three- to Six-Month Emergency Fund

**Read:** After you have paid off all of your consumer debt, the next step is to grow your one-month emergency fund into a three- to six-month emergency fund. Remember to keep the money for your emergency fund in a safe place that you can access without penalty. Grow this fund as quickly as you can so that you are better prepared for financial crises. One of your commitments this week will be to evaluate your emergency fund and to continue to pay off your consumer debts.

### Acquire Appropriate Income Insurance

*Note:* This information may not apply to your region or area.

**Read:** One of your most important assets is your income. Research reputable disability and life insurance policies in your area, and obtain adequate coverage as quickly as possible.

## DISCUSS PREPARING FOR FINANCIAL CRISES IN YOUR FAMILY COUNCIL

**Read:** One of your commitments this week will be to discuss your responses to “Budget and Spending Checkpoint” (see page 147) and your preparations for financial crises. Discuss emergencies that may occur in your family, how you can prepare for them, what insurance you may need to obtain to help protect yourself, and plans to call billers and creditors should the need arise. You may want to use the “Sample Family Council Discussion” outline below. Remember, if you are not married, your family council might include a roommate, friend, family member, or mentor.

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### SAMPLE FAMILY COUNCIL DISCUSSION

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*Be sure to begin and end with a prayer to invite the Spirit.*

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#### **Part 1: Review**

- How are you doing on your budget? (Review answers to the “Budget and Spending Checkpoint” activity on page 147.)
  - How are you doing on your one-month emergency fund?
  - Are you living life righteously enough to be eligible for God’s help during a crisis? What can you improve?
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#### **Part 2: Plan**

- What financial crises may occur in your family?
- How much do you need for a three- to six-month emergency fund? What can you do to save up for it?
- What does and does not merit the use of your emergency fund?
- What more can you do to be prepared for these crises?
- What insurance do you need to obtain to protect your income, health, and belongings?
- What can you do to improve or adjust your budget?



## PONDER—Maximum Time: 5 Minutes

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*Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture or quote below and write responses to the questions.*

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“Be thou prepared, and prepare for thyself, thou, and all thy company that are assembled unto thee, and be thou a guard unto them” (Ezekiel 38:7).

What are the most meaningful things I learned today?

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What will I do as a result of what I learned today?

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## COMMIT—Maximum Time: 10 Minutes

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*Read each commitment aloud to your action partner. Promise to keep your commitments and then sign below.*

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### MY COMMITMENTS

- Ⓐ I will practice and share this week's My Foundation principle.

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- Ⓑ I will continue to put money toward my emergency fund or unnecessary debt.

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- Ⓒ I will discuss both my "Budget and Spending Checkpoint" (see page 147) and preparing for financial crises in my family council.

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- Ⓓ I will contact and support my action partner.

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*My signature*

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*Action partner's signature*



