Personal Finance Essentials: 8 Financial Priorities				
III MoneyWise Workshop Understanding Financial Principles: Setting Priorities Module 1				
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## III MoneyWise Workshop

# Seminar Introduction: The Provident Living Advocates Network (sponsored by the Marriott School)

- Unpaid Credentialed Professionals (PhDs, CFPs, CPAs, CFAs, and others)
- Nothing for sale—it is all free!
- Our mission is to help individuals and families become spiritually and temporally self-reliant through faith in Jesus Christ and through unified and consecrated stewardship of resources

To help others become financially self-reliant so they can help others"

# III MoneyWise Workshop

# Seminar Introduction: All We Ask of You

- Give us your next 3 Thursday nights
   Try not to miss a single night
   You can watch the video if you missed something
- Attend each night and ask questions
   Determine your take aways from each presentation
   Mentors are available each night to help
- Fill out the "Eight Financial Priorities" sheet
   They will help you set goals in key areas
   Bring this with you to each of the presentations
- Share what you learn with others
   Provide us with suggestions for improvement

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# Seminar Introduction: Topics

- Our self reliance building plan:
  - Day 1

Understanding Financial Principles: Setting Priorities
 Financial Freedom: Living Beneath your Means

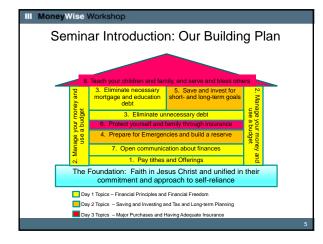
- Day 2

3. Saving and Investing: The Road to Financial Independence

4. Tax and Long-term Planning: Key Issues

## Day 3

 Making Major Purchases: the Home and Auto Decision
 Having Adequate Insurance: Protecting you and your Loved Ones





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- 1. Perspective: Doctrine (the Whys)
  - We all have lists of what we could and should do in our [priesthood] responsibilities. The what is important in our work, and we need to attend to it. But it is in the why of [priesthood service] that we discover the fire, passion, and power. The what of [priesthood service] teaches us what to do. The why inspires our souls. The what informs, but the why transforms (italics, color and brackets added, Dieter Uchtdorf, "The Why of Priesthood Service", Ensign, May 2012).

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## Perspective: Doctrine (the Whys)

We all have lists of what we could and should do in our [personal finance] responsibilities. The what is important in our work, and we need to attend to it. But it is in the why of [personal finance] that we discover the fire, passion, and power. The what of [personal finance] teaches us what to do. The why inspires our souls. The what informs, but the why transforms (italics, color and brackets added, Dieter Uchtdorf, "The Why of Priesthood Service", Ensign, May 2012).

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# Perspective: The Whys

- What are the "whys" of personal finance?
  - □ I believe God wants us to learn personal finance to:
    - 1. Bring us to Christ
    - "This is my work and my glory" (Moses 1:39)

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- 2. Help us accomplish our divine missions
   "Our divine nature and destiny" (Family Proclamation)
- 3. Help us return with our families to His presence
   "Families to be united eternally" (Family Proclamation)
- 4. Become wiser stewards over His resources
- □ "Thou shalt stand in the place of thy stewardship" (D&C 42:53)

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# Perspective: Principles (the whats)

- Ownership: Everything we have is the Lord's
   The earth is the Lord's, and the fullness thereof; the world, and they that dwell therein (Psalms 24:1).
- 2. Stewardship: We are stewards what the Lord has given us
   It is expedient that I, the Lord, should make every man accountable, as a steward over earthly blessings, which I have made and prepared... (D&C 104:13).
- 3. Agency: Agency is among God's greatest gifts

Perspective • Pr

- 4. Accountability: We are accountable for our choices!
  - □ We control the disposition of our means and resources, but we account to God for this stewardship (Elder Christoffersen, "Come to Zion", Ensign, November 2008).





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1. Pay the Lord first

# Goals: The Hows—Eight Financial Priorities

We want you to set at least one goal in each of these 8 areas:



- 2. Manage your money and use a budget
- 3. Avoid and pay off debt
- 4. Prepare for emergencies and build a reserve
- 5. Save and invest for short- and long-term goals
- 6. Protect yourself and family through adequate insurance
- 7. Open communication about finances
- 8. Teach your children and family

#### Perspective • Priorities • Communication • Budgeting



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## Goals: What bishops want you to know!

- Learn how to live on a budget!
- Don't expect to have everything right now.
- Don't blow through large amounts of cash coming (e.g., grants and scholarships) and going (e.g., tuition and rent).
- Use government help only when appropriate.
- Don't automatically turn to your parents to "bail you out." You need to learn the that there are consequences to irresponsible spending.
- Learn to manage credit cards and insure yourself to avoid debt.
- Don't bring lots of debt into a marriage.

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- Don't take on debt without considering your future earning capacity.
- Don't be afraid to work part-time. Most recruiters prefer a working B+ student to a non-working A student.

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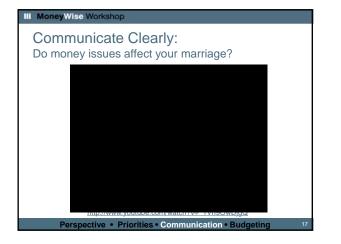
- 3. Communicate Clearly: A skill
  In a recent survey conducted by *Worth* magazine:

  Couples admitted to fighting about money more than anything else
  - Most couples agree "In every marriage, money eventually becomes the most important concern"



Why do you think this is the case?

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# Communicate: Weekly Stewardship Meeting

- Discuss finances early and often
   Set a time to discuss at least weekly
- Resolve misunderstandings before they escalate
- Set lifetime financial goals <u>together</u>
- Implement processes that promote trust and mutual discussion
  - Budgeting and planning together are the best ways to communicate regularly about finances!

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## Communicate:

Family Baggage and Financial Personality Types

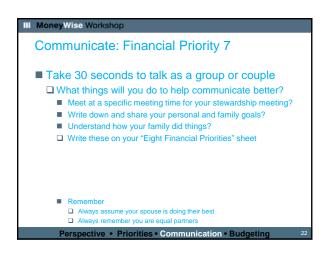
What family rules (implicit or explicit) shaped your attitudes and beliefs about finances?



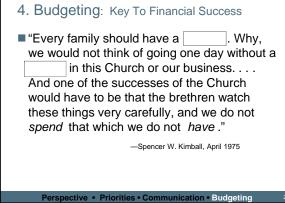
Perspective • Priorities • Communication • Budgeting

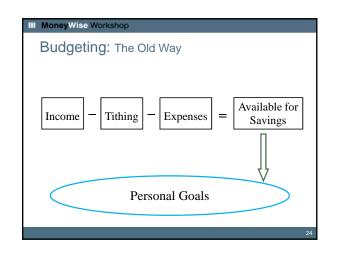
# Communicate: Extreme financial personalities Miser Dad paid cash for everything Mom paid the bills and kept the books We never talked about money Spender Somehow things will work out If the shoe fits, buy it in every color! Sleeper 'Disasters and crisis only happen to others...and you'll probably

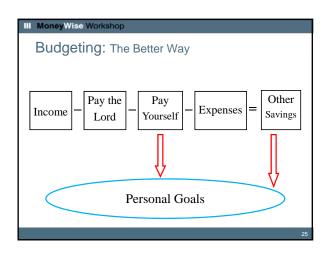
- basisers and drais only happen to outers...and you in probability have advanced warning if they are about to happen to you."
   "Paying tithing is like paying a guaranteed income insurance
- Paying truining is the paying a guaranteed income insurance premium."
- "We are good people, so only good things will happen to us." Perspective • Priorities • Communication • Budgeting

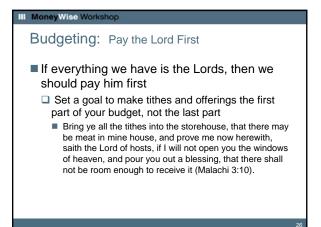


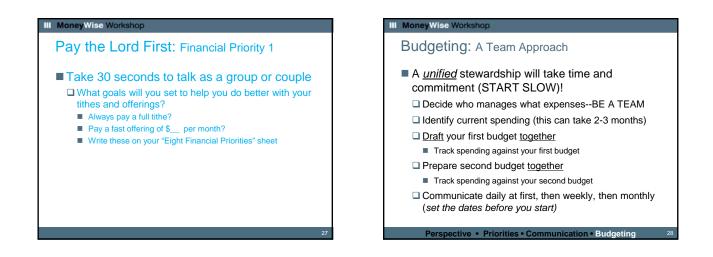
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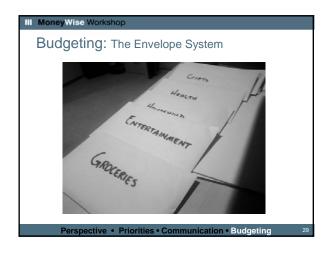




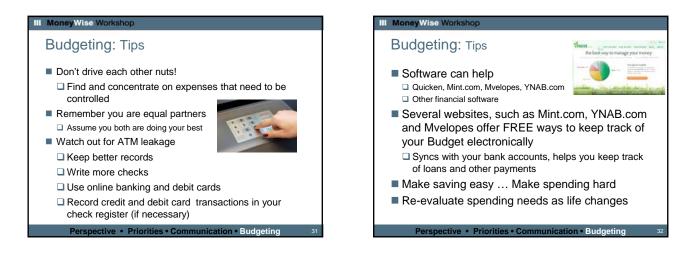












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## Budgeting: Financial Priority 2

- Take 30 seconds to talk as a group or couple
  - What goals will you set to help you do better with your budget?
    - □ Will you/we live on a budget?
    - □ Will we write down all expenses each day?
    - □ Will we/you use a budgeting program?
    - U Write these on your "Eight Financial Priorities" sheet

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# Setting Priorities: Take Aways

- 1. Perspective: Whys and whats
- 2. Set Goals: What do you want out of life
- 3. Communicate Clearly: A critical skill
- 4. Budgeting: Key to financial success

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# **FHE Suggestions**

- Work together to develop individual and family goals
  - Write them down and review them often
- Discuss ideas on how you can improve your budget
- Decide what your immediate financial priority will be (e.g., emergency fund, debt elimination, down payment, 401(k) or Roth IRA)
- Discuss how much money you would like to save each month after school

# MoneyWise Workshop

## Resources

\*\*\*\*All Resources are Online at http://personalfinance.byu.edu (Tools and Resources, MoneyWise Workshops)

## Readings

- Reading 1.1. Richard B. Miller, For Newlyweds and Their Parents, Ensign, Jan. 2006, pp. 26-31.
- Reading 1.2 Sudweeks and Hill, "The Why's What's and How's of Personal Finance, unpublished manuscript 2015.
- MoneyWise Reference Manual 2015-2016, 8th Edition (online)
   Chapter 1: Another Perspective on Wealth
   Chapter 2: Creating Your Personal Financial Plan and Setting Goals
  - Chapter 3: Budgeting and Measuring Your Financial Health

#### Tools

- Exhibit 1.1 Eight Financial Priorities and Goal Setting Worksheet
- Exhibit 1.2 Key Questions on Money and Family
- Websites
- BYU Personal Finance Website: <u>http://personalfinance.byu.edu</u>

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	Module 1			
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