

Financial Empowerment Curriculum

Moving Ahead Through Financial Management

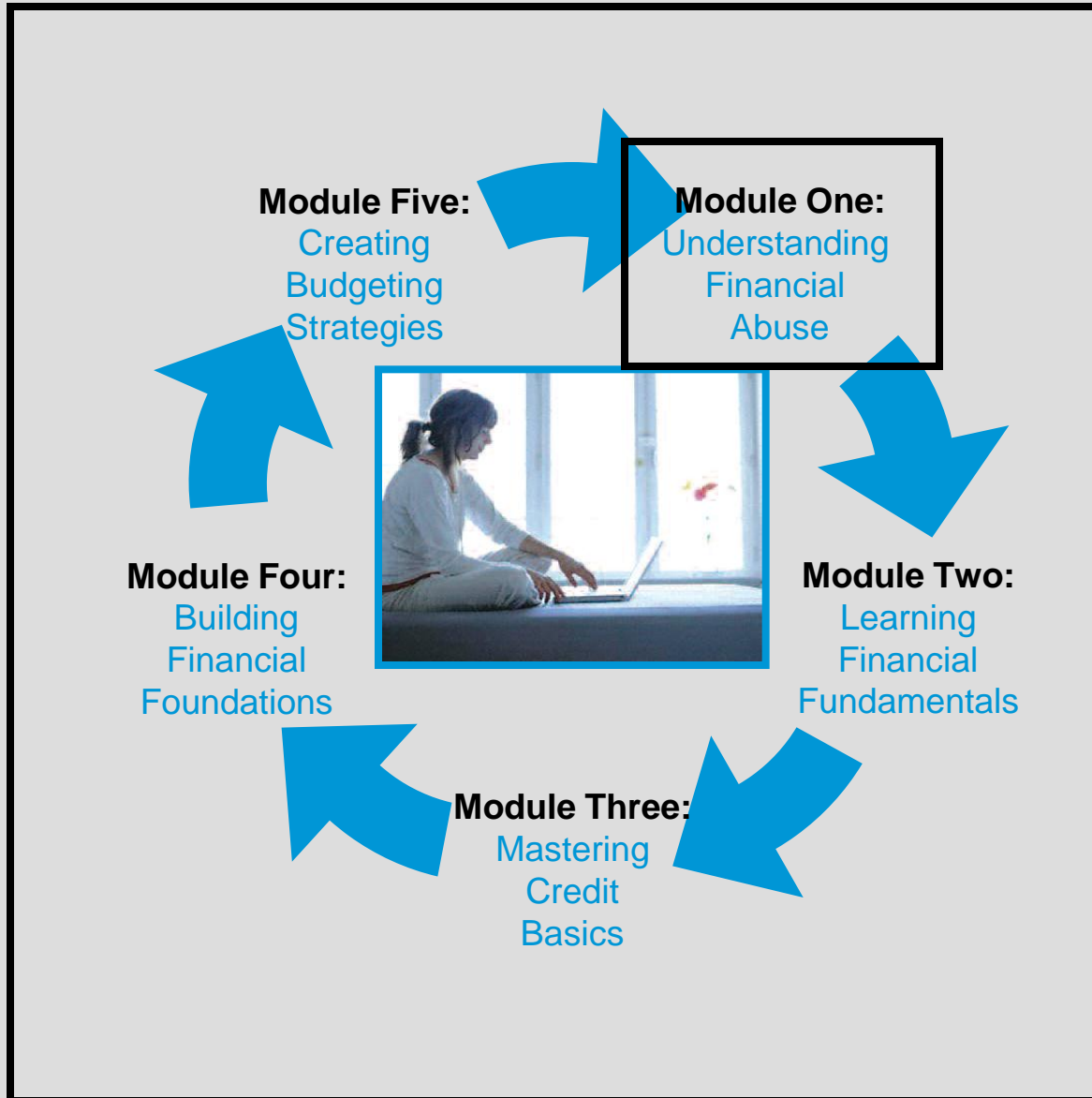


Module One:

Understanding Financial Abuse

Keeping Safe and Starting Over

Financial Empowerment Curriculum





Module One Objectives

- Recognize the signs of a financially abusive relationship.
- Recall how to keep safe after ending a financially abusive relationship.
- Explore the financial impact of separation, divorce and child support.
- Describe some of the consequences of disclosing abuse.
- Explain the challenges to maintaining your privacy and changing your identity in regard to financial abuse.

Module One Opening Exercise



- Before we begin discussing financially abusive relationships, take a moment to reflect on your personal beliefs and ideas.
- What messages were you given about money growing up?
- How has that impacted you today?
- What messages about money do battered women get in abusive relationships?

Module One:

Understanding Financial Abuse

Financially Abusive Relationships

Safety Planning

Separation, Divorce and Child Support

Disclosing Abuse

Privacy Challenges and Identity Change

Financially Abusive Relationships



What does a healthy financial relationship look like?

- Both partners have access to financial statements although one partner might manage bill paying
- Couples identify when they have different values about money and negotiate financial goals
- Both recognize and respect that decision-making is equal regardless of who earns more income
- Each partner has access to money on their own
- Both are knowledgeable how money is spent

Financially Abusive Relationships



What is financial abuse?

- Financial abuse often begins subtly and progresses over time
- The aim of financial abuse is to gain power and control in a relationship
- Every type of abuse is aimed at attaining and maintaining control over another person
- Abuse traps a person in a relationship

Financially Abusive Relationships



What does financial abuse look like?

- Controlling how money is spent
- Withholding money or “giving an allowance”
- Withholding basic living resources, medication or food
- Not allowing her to work or earn money
- Forcing her to work
- Stealing money from her or her family
- Stealing identity, money, credit or property

Financially Abusive Relationships



A partner may be abusive if he:

- Makes financial decisions without consulting her
- Forbids her from working or attending school
- Overuses credit cards or refuses to pay the bills
- Forces her to file fraudulent tax claims or other legal documents
- Prevents her from owning or using credit cards
- Harasses her at her workplace
- Reports she “cheats” on her public benefits so they are cut
- Forces her to sign over assets and power-of-attorney

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Safety Planning



Gaining access to assets:

Strategies to explore while in the relationship

- Save change from grocery receipts
- Put aside money from bonuses or increases
- Earn additional income from recycling, sale of assets, crafts, etc.
- Put extra income in private separate account, safe deposit box or in safe keeping with trusted family or friend

Safety Planning



Gaining access to assets:

Strategies when leaving a relationships

- Consider taking at least half the joint funds immediately upon leaving (75% if she has children); this is to protect herself and her children
 - She can always give it back later if she changes her mind
- Immediately open a separate bank account or safe deposit box. Change all direct deposits to a new account
- Change pin numbers

Safety Planning



Disclosing Abuse:

- Assist the survivor in understanding the pros and cons of disclosing abuse.
- Sometimes it's best not to disclose current or past abuse because it can have a negative impact
- Some people may respond insensitively and or blame the survivor for involvement in the situation
- The survivor may experience discrimination in employment, housing and access to services

Safety Planning



How can an order of protection help secure finances?

- It can remove a batterer from the home
- It can prohibit an abuser from going to the survivor's home or work
- Order of protection can be a tool for accessing economic relief
 - Examples: temporary child support, spousal support, mortgage and rent payment, etc.
- However, policy and practice might differ

Safety Planning



Housing search:

- If a potential landlord checks the survivor's credit report, the abuser can discover her new address
- Limit housing search to private property owners rather than larger property-management firms

Private property owners may use proof of credit history that a survivor provides rather than checking with a credit bureau

A survivor might have an option to supply a copy of her credit report for housing applications

- A roommate who will agree to have the utilities listed in their name may be an option

Safety Planning



Computer safety:

- Find out how much information is on the Internet by searching for name, phone number and address
- Be cautious about completing applications online or using the Internet to e-mail a landlord or mortgage company
- Information sent over the Internet can be intercepted or monitored
- To protect privacy, fax the information or send it by mail
- If available, utilize state address confidentiality programs

Safety Planning



How do you stay safe at your workplace?

- If safe to disclose, provide a photograph of the abuser
- If possible the survivor might make arrangements to be escorted to and from the parking lot
- Have telephone calls screened
- Change work schedule and travel route to and from work
- Save threatening e-mails, voice mails, letters and gifts
- Request that workspace be relocated to a more secure area
- Get a donated cell phone from a local domestic violence shelter

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Separation, Divorce and Child Support



Do the following prior meeting with an attorney:

- Take an inventory of possessions and list these in three categories: items that are hers, items that are her partners, and items they own together
- Determine living expenses, including expenses related to the children
- Research current insurance coverage
 - Auto, Home/Renters, Health, Life
 - Who carries it, who pays it, when is it due?
- Remember that time saved with an attorney is money saved

Separation, Divorce and Child Support



Important documents to take:

- Past income tax returns
- Paycheck stubs
- Copies of employee-benefit statement
- Wish list of assets she would like to retain

Separation, Divorce and Child Support



What about child support?

- She may be able to collect child support if there is at least one child who is under eighteen
- She can pursue child support enforcement in several ways by working with local child support enforcement agency or going to court
- People who have received assistance under TANF, Medicaid and federally-assisted foster care programs are automatically referred for child-support enforcement services

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Disclosing Abuse



Points to consider in disclosing abuse:

- Analyze policies to determine the short- and long-term implications of disclosure to courts, TANF and/or employers
- Research employer's confidentiality program and employee-assistance program
- Learn about legal rights to take time off, such as extended-leave or vacation-time policies

Disclosing Abuse



Contact DHS for public assistance programs:

- Discuss the pros and cons of disclosing domestic violence
- Request DV indicator flags to be placed on their file
- Once she receives public benefits, she will likely have regular contact with a caseworker. Be prepared to answer questions about your finances
- If denied, she has the right to appeal the decision
- Federal and statewide public assistance programs have a “welfare-to-work” policy that requires participants in public assistance programs to undergo job training and find work if FVO is not applied

Disclosing Abuse



Family Violence Options (FVO) provides special provisions:

- Passed as part of the Personal Responsibility & Work Opportunity Reconciliation Act of 1996 (Welfare Reforms)
 - Safety net for victims of domestic violence
- Option gives states flexibility to address specific problems facing poor women who survive domestic violence
- States that adopt FVO must:
 - Conduct individualized client assessment by a person trained in domestic violence
 - Provide a waiver from TANF and child support requirements, accompanied by a service plan developed by someone trained in domestic violence
 - Can include extending the time limit and family cap provisions

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Privacy Challenges and Identity Change

Privacy Challenges and Identity Change



Consider the following before a change of identity:

- Check if your state has an address confidentiality program
- Consider getting a PO Box
- Contact banks, utilities, credit cards, phone companies, etc.
- Place a new or extra password on account
- Reduce the number of accounts in survivor's name
- Find housing that includes utilities in the monthly rent

Privacy Challenges and Identity Change



As you consider change, beware of identity theft:

- “Account take-over” occurs when someone acquires your existing credit account information and purchases products and services using the actual credit card or the account number and expiration date
- “Application fraud,” also called “true-name fraud,” occurs when someone uses your Social Security Number and other identifying information to open new accounts in your name

Privacy Challenges and Identity Change



How can someone locate personal information?

- Digging through trash bins for credit card applications and documents containing your date of birth or SSN
- Stealing mail from the mailbox to obtain newly issued credit cards, bank and credit card statements, etc.
- Accessing a credit report fraudulently (e.g., pose as an employer, loan officer or landlord to obtain information)
- Using the Internet to track personal information or pay an information broker for a background check report

Privacy Challenges and Identity Change



Know what information is publically available:

- Learn How Your Financial Institution Manages Data
- Read Privacy Notices
- Shred Everything
- Understand Opt-Out Choices
- Beware of Requests for Personal Information
- Change Passwords and PINs
- Practice Computer Safety
- Purchase Identity Theft Insurance

Module One Review Exercise



- Think about what we have discussed during the past hour.
- What do you believe was the most important piece of information you learned today?
- What is one action item you will commit doing to improve your current situation?
- Be prepared to share your ideas and thoughts with the class.
- You have five minutes.

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**THANK
YOU!**

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Moving Ahead Through Financial Management

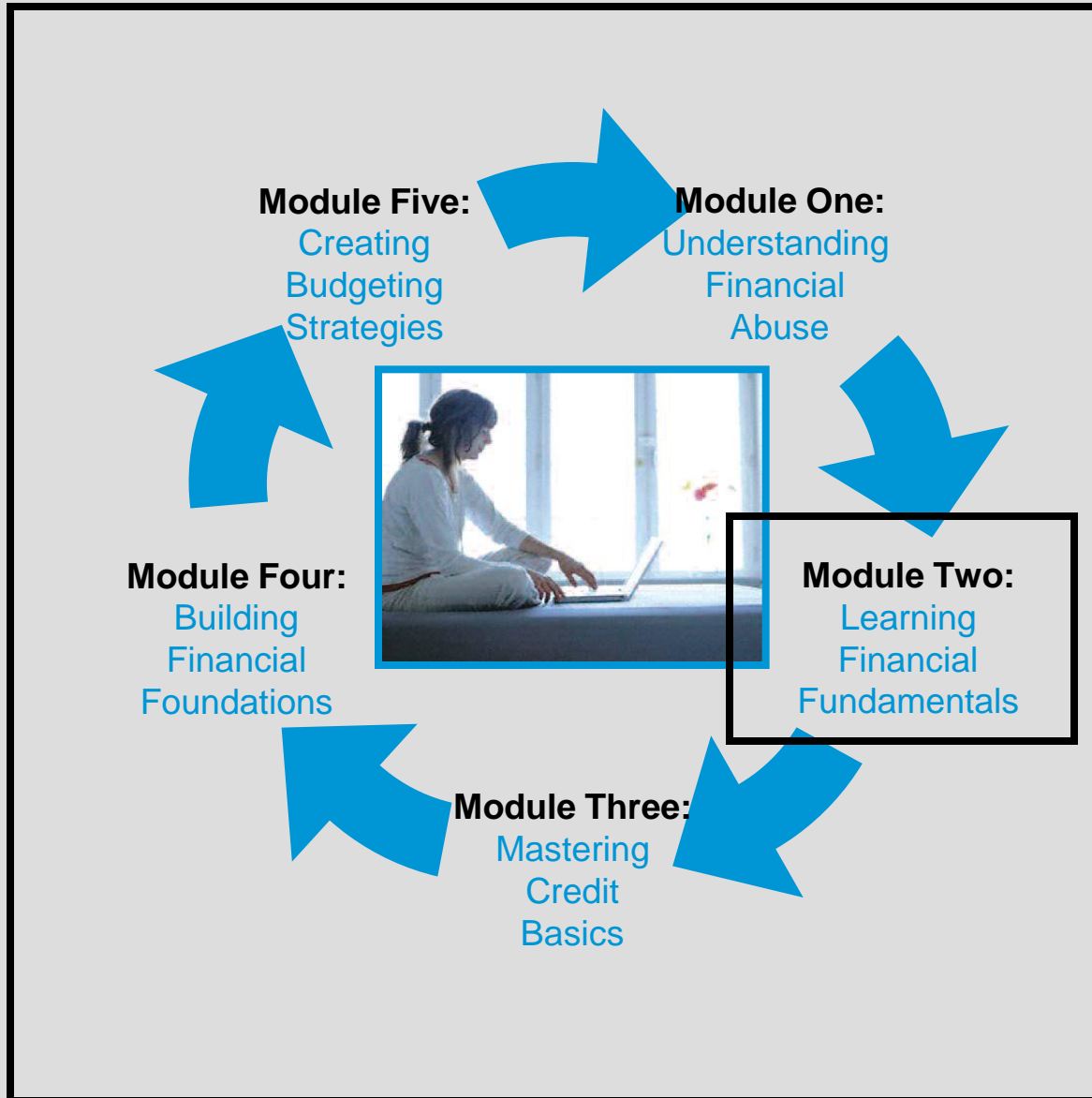


Module Two:

Learning Financial Fundamentals

Income and Assets
Debts and Liabilities

Financial Empowerment Curriculum





Module Two Objectives

- Explain the basic concepts related to finance management.
- Evaluate possible financial resources and assistance.
- Review budgeting basics and saving strategies.
- Identify sources of income and uncover your assets.
- Recall how to manage your debt and determine your liabilities.
- Explain the various banking options available to you.

Module Two Opening Exercise



- Before we begin to discuss basic financial fundamentals, I want you to take a moment to reflect on your personal experience.
- On a scale of 1-10, how comfortable are you with your personal finances?
- Do you regularly budget?
- Be prepared to share your ideas and thoughts with the class.
- You have five minutes.

Module Two:

Learning Financial Fundamentals

Finance Management

Budgeting and Saving

Assets and Liabilities

Banking Options

Finance Management



Prioritizing needs:

- It is important to differentiate between a “need” and a “want” when making financial decisions
- A “need” is something essential you must have in order to survive and live
- Needs are “must haves” such as like food and shelter
- A “want” is not essential but makes life easier
- However, battered women must identify “wants” and “needs” for themselves

Finance Management



Getting started:

Become Informed

Talk to friends and co-workers who you trust and ask them for advice on financial planning. Watch money-management television programs and read about personal finances.

Worst-Case Scenarios

Ask yourself “What’s the worst thing that could happen to me in my situation?”
Is the worst-case financial scenario something you can handle?

Take Action

Once you’ve gathered sufficient data and information, be decisive and take action.

Module Two:

Learning Financial Fundamentals

Finance Management

Budgeting and Saving

Assets and Liabilities

Banking Options

Budgeting and Saving



What is a budget?

- A budget is a tool that will help you make critical spending decisions.
- A good budget can help keep spending on track and uncover hidden cash flow problems that might free up more money.
 - Freeing up additional money can help move an individual closer to achieving other goals.
 - Freeing up money can help a survivor minimize financial strain and pay down debt.
- Debt is common in the United States, and there are many resources to help you manage it.

Budgeting and Saving



Complete the following steps to create a personalized budget:

- **Step 1: Identify your net monthly income**

This is the money that comes into your household, after deducting taxes, Social Security insurance, etc.

- **Step 2: Identify your monthly expenses**

Monthly expenses include rent and phone bills, as well as those that occur periodically, like car insurance and medical expenses.

- **Step 3: Subtract your monthly expenses from your income**

The difference between your income and expenses indicates whether or not you have any money to spare. Can you reduce expenses or earn more money to cover shortages?

Budgeting and Saving



Below is the first half of a budgeting worksheet to review.

Monthly Income (checks or cash):	
Monthly Fixed Expenses:	
Rent/mortgage (principal, tax, insurance)	_____
Life insurance	_____
Medical/health insurance	_____
Vehicle insurance	_____
Disability insurance	_____
Household insurance	_____
Car payments	_____
Other loan payments	_____
Savings	_____
Emergency savings	_____
Other (list)	_____

Budgeting and Saving



Below is the second half of a budgeting worksheet to review.

Monthly Flexible Expenses:	
Utilities (electric, gas, water, phone, fuel oil, etc.)	_____
Credit card payments	_____
Auto upkeep (gasoline, oil, maintenance)	_____
Food (at home and away from home)	_____
Clothing	_____
Household supplies	_____
Medical/dental costs	_____
Recreation/entertainment	_____
Church donation/other charities	_____
Childcare	_____
Education	_____
Personal allowances	_____
Other (list)	_____
Total Monthly Expenses:	_____
Total Income Minus Total Expenses:	_____

Budgeting and Saving



What is the correlation between financial goals and emotions?

- For many of us, emotions and money are closely tied to spending
- After a divorce or separation, many women finally feel free since their partner typically controlled all the spending
- Women often feel like they deserve to buy new things and enjoy their new freedom after leaving an abusive relationship
- Shopping can become an outlet or avenue for relief

Budgeting and Saving



What are ways to treat yourself without breaking the bank?

Treating yourself:

- Give yourself a manicure
- Enjoy your favorite dessert
- Read a good book
- Spend time with a good friend
- Go for a walk

Treating your children:

- Bake them a cake
- Read them a story
- Rent a video or borrow one from the library
- Play their favorite game with them
- Invite their friends for a sleep-over

Budgeting and Saving



Why is saving money so important?

- An emergency savings fund goal should be to have enough money to pay three months of living expenses.
- It's important to put money away consistently.
- It's better to save \$10 every month than to save \$25 only occasionally. Put money aside by making a deposit to your account as though you were paying a monthly bill.
- The secret to saving money is the miracle of compound interest.
- Example, if a 20-year-old makes a one-time \$5,000 contribution to her retirement account with eight percent return, it will grow to \$160,000 by the time she retires at age 65.
- But if she waits until she's 39, that \$5,000 would only grow to \$40,000.

Budgeting and Saving



Below is a summary of the typical types of savings accounts:

- **Interest-Earning Savings Accounts:** You'll earn about two percent interest on your savings and receive a monthly statement in the mail. Funds can be withdrawn at any time.
- **Money Market Accounts:** These pay about one-half percent higher interest than savings accounts, but may require a higher minimum balance. You can usually make as many deposits as you like for free, but you can only write three checks each month.
- **Certificates of Deposit:** If you have money that can be tied up for three months to six years, certificates of deposit will offer the highest interest rates, depending on the term you choose. There are stiff penalties for early withdrawals, so choose a term you can live with.

Module Two:

Learning Financial Fundamentals

Finance Management

Budgeting and Saving

Assets and Liabilities

Banking Options

Assets and Liabilities



First research your partner's assets and personal wealth:

- Are your property and financial assets held in both your names?
- Is the home or other property in both names?
- Do they have joint bank accounts?
- Is there a pension or retirement plan from current and previous jobs?
- Can you find out what information is required before a pension plan will pay benefits directly to the survivor?

Assets and Liabilities



If you have the time research the following:

- Are there antiques, tools, artwork or collections whose value could be underestimated?
- Is there income that has not been reported on tax returns or financial statements?
- Are there any certificates of deposit?
- Is there a business?

Assets and Liabilities



First research your personal debts and personal liabilities.

Make a list of your outstanding debts.

Figure out how much you owe. Include educational loans, home improvement loans, checking-account overdrafts, personal loans, rent-to-own agreements and other installment purchases.

Prioritize and decide which debts to pay first.

Sort your list by interest rate, putting the account with the highest interest rate at the top.

Find credit cards and loans with the lowest interest rate.

Lower interest rates are available for good customers, but you must request them. Ask your credit card company if they would consider lowering your rate.

Assets and Liabilities



Below is a chart to help you manage and pay off debt”

Creditor (list by interest rate, from highest to lowest)	Balance due	Interest rate	Current monthly payment
1.			
2.			
3.			
4.			
Total debt and monthly payments			

Module Two:

Learning Financial Fundamentals

Finance Management
Budgeting and Saving
Assets and Liabilities

Banking Options

Banking Options



Familiarize yourself with the various banking options:

Banks

Banks are financial institutions that accept deposits and channel money into lending activities. Traditional banks serve the general public.

Credit Unions

Credit unions are community-based financial cooperatives that offer a wide range of services and serve their members.

Payday Lenders & Car Title Loans

Payday lenders provide small cash advances using a postdated personal check. Although the loans are short-term, the loan fees are nearly equal to a 400 percent annual percentage rate (APR).

Check Cashing Stores

Check cashing stores are small businesses that cash checks for a fee. In general the fee is four percent.



Banking Options



Determine which banking option is best for your situation:

- Do you have the required minimum amount to open up an account at a bank or credit union?
- If you want to open up your account at a credit union, do you know how to become a member?
- Are the bank's hours of operation and locations convenient with your schedule?

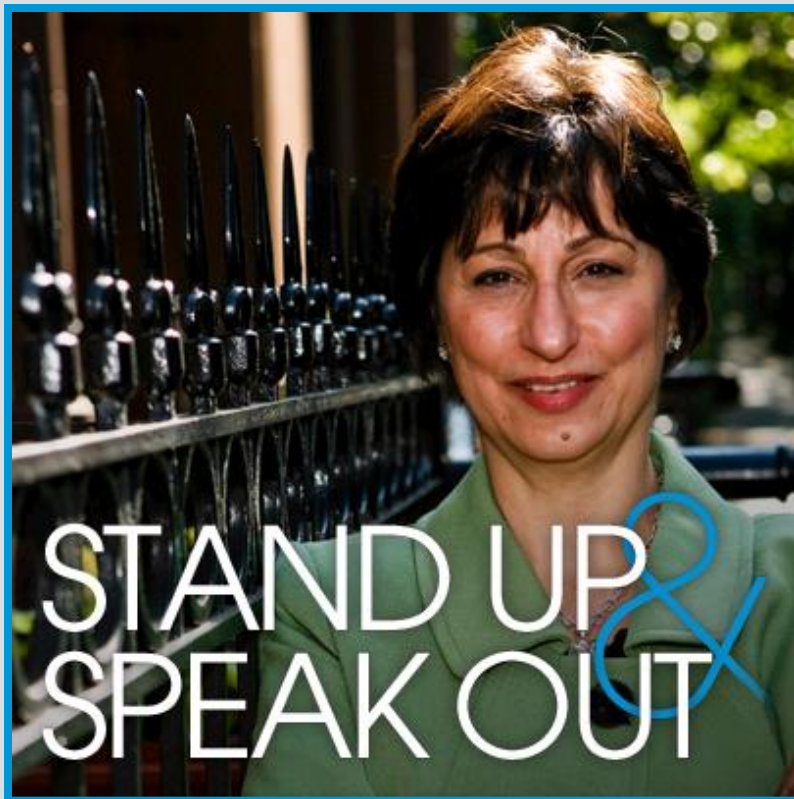
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