

YOUR **d**free[®] ROADMAP

COMPANION GUIDE

THE **SAY YES TO NO DEBT: 12 STEPS TO
FINANCIAL FREEDOM** COMPANION GUIDE



DeForest B. Soaries, Jr.



dfree[®]

billion dollar

C H A L L E N G E

The Billion Dollar Challenge was created to help tackle debt and savings with our online tracking tool. It's fun and easy. You can do it with a group too!

HOW TO GET STARTED

1

SIGN UP

On billiondollarpaydown.com by clicking the **'JOIN NOW'** button

2

FOLLOW

Prompts on the screen to personalize your dashboard and plan (also available under the tutorial tab in the menu)

3

JOIN

A group by searching for a group under the group tab in the menu

To learn more, visit billiondollarpaydown.com

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THE **SAY YES TO NO DEBT: 12 STEPS TO
FINANCIAL FREEDOM** COMPANION GUIDE

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Note to Facilitator or Host

This companion guide is a tool and a guide. It is not intended to be notes for a lecture. When using, please be flexible and open to creative, interactive approaches that allow people to make it their own. The companion guide should be used as the basis for self-discovery and interaction among people who want to achieve financial freedom. Please make sure the video introduction for each lesson is viewed prior to using the lesson materials. Thank you for your help.

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A Note from DeForest B. Soaries, Jr.

Welcome to the dfree® Lifestyle! I am thrilled that you have decided to join me in a journey to financial freedom. The 12 steps that I describe in this companion guide represent the same 12 steps that I took many years ago to address my personal financial situations. It is an honor to share my story and my strategy with you.

Because we live in a consumer driven culture, it is imperative that consumers have the knowledge and support needed to be healthy and successful consumers. Fortunately, you recognize that you could use some help in those areas. It is my honor to share this journey with you and it is in that spirit that I created this tool.

And that is what this companion guide is – a tool. My goal is that you will learn more about yourself than you do about money. By the time you complete this experience, you will be able to accomplish your goals and help others do the same.

I started using the term “dfree™” in 2005 when I began helping people address and conquer the greatest barrier to creating wealth – debt. The principles that dfree® represents are very simple:

Pay as we go – use cash and debit cards rather than credit cards. Live without debt.

Pay bills on time – avoid late payments and their fees.

Live below our means – spend less than we earn.

These three principles translate into financial wellness and wealth creation that actually surprises the people that begin practicing them. I have seen thousands of people change their lives and their family’s futures by embracing the dfree® lifestyle.

The dfree® lifestyle is easier said than done. It has less to do with information and more to do with values, habits, goals, relationships, attitudes, perspectives and relationships.

So, here we go from: debt, delinquencies and deficits to making deposits, owning deeds and earning dividends! Thank you for allowing me to join you in your journey.

DeForest B. Soaries, Jr.

UNDERSTANDING YOUR **COMPANION GUIDE**

This is a brief introduction to the contents of your companion guide. Each lesson has the following elements:

AFFIRMATION: This is a brief statement that affirms one principle associated with the dfree® lifestyle and the next leg of the journey. It is designed to create the mindset that enhances the content that follows.

ASSUMPTIONS: Three beliefs that you are invited to consider before plunging into the lesson. They should be considered carefully before proceeding and explored if their meaning is not obvious.

GOAL: The intended outcome of each lesson.

MESSAGE FROM DEFOREST B. SOARIES, JR.: This narrative is my message to you that builds upon the points made during the introductory video. It is designed to motivate you to continue to make progress towards your goal.

DISCOVERY: This is where you pause to identify and document new discoveries that have occurred as a result of the dfree® lifestyle experience.

COMMITMENTS: This section invites you to make specific commitments to do specific tasks prior to your next session. This is where the action and the change take place.

BENEFITS: This is where you identify, in advance of your action, the benefits of doing what you have committed to do. If you ever get discouraged and begin to wonder why you are doing a task, this section will remind you by describing what you said you would get from having completed the commitment.

KEY TERMS: These are terms from the lesson that you will want to know much more about.

STATISTICS: These are interesting facts and figures that describe the topics of the lessons.

RESOURCES: These are websites that will provide additional information on the lesson.

dfree® SUCCESS STORY: These are motivational stories from people who have benefited from dfree®.

ADDITIONAL DFREE® GLOBAL FOUNDATION PUBLICATIONS

Your dfree®: For Seasoned Citizens
Your dfree®: For Entrepreneurs
Your dfree®: For Veterans
Your dfree®: For Youth
Your dfree®: For Women
Your dfree®: For Men
Your dfree®: For Couples
Your dfree®: For Immigrants
Your dfree®: For Re-Entry
Your dfree®: For Young Adults
Your dfree®: For Community

Books by our Founder & CEO, Dr. DeForest B. Soaries, Jr.

dfree®: Breaking Free From Financial Slavery
Say Yes to No Debt: 12 Steps to Financial Freedom
dfree® Lifestyle: Say Yes to No Debt Workbook
Meditations for Financial Freedom Vol 1
Meditations for Financial Freedom Vol 2
Meditations for Financial Freedom Vol 3

LEVEL ONE GET STARTED

STEP ONE: ADMIT THE PROBLEM

AFFIRMATION: I am taking an honest look at my financial behavior and I am ready to see what I have never seen before.

ASSUMPTIONS: **1.** There is room for improvement with the way I handle my finances. **2.** There are resources available that can guide me to a better life. **3.** I will have to change the way I think, if I am going to change the way I live.

GOAL: To discover the barriers that must to be removed in order to reach my financial goals.

MESSAGE FROM DEFOREST B. SOARIES, JR.:

When I graduated from high school, my family bought me a used car that I planned to take to college. At first, I would drive all week after having bought only one dollar worth of gas! Then, I received a gas credit card in the mail. I started filling my tank every time I went to the gas station. My income had not increased (I had no income) but the card gave me more buying power. After one month, my gas credit card bill was \$200. I made the minimum payment of \$10 and that began a fifteen-year struggle with overspending, credit cards and debt.

My story is similar to many Americans who are dealing with financial stress on a daily basis. The presence of overwhelming debt exists and is growing in every sector of American life. Not only is our nation drowning in debt, but American citizens have also become addicted to the use of credit cards, high interest loans and borrowing as a lifestyle. This has become a national problem that seems to have no boundaries. We will never own businesses, be prepared for emergencies, or leave a legacy for the future, if we are drowning in debt today. Getting out of debt is the first step toward financial freedom.

DISCOVERY: I have discovered that the following barriers are preventing me from achieving financial freedom: (Check off all that apply).

- | | |
|---|--|
| <input type="checkbox"/> Credit cards | <input type="checkbox"/> Lottery tickets |
| <input type="checkbox"/> Payday loans | <input type="checkbox"/> Car loans |
| <input type="checkbox"/> Auto title loans | <input type="checkbox"/> Borrowing from family/friends |
| <input type="checkbox"/> Gambling | <input type="checkbox"/> Other _____ |

COMMITMENTS: As a result of my discovery, I commit to the following actions:

COMMITMENT #1: I will open an account that I do not currently have:

1. Bank or Credit Union Checking Account
2. Bank or Credit Union Savings Account
3. Investment Account
4. Retirement Account
5. College Savings Account

COMMITMENT #2: I will list 3 to 5 challenges I have had in the area of finances:

1. _____
2. _____
3. _____
4. _____
5. _____

COMMITMENT #3: I will name at least 3 financial goals that I have:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

COMMITMENT #4: I am proud of these financial actions I have taken:

1. _____
2. _____
3. _____
4. _____
5. _____

COMMITMENT #5: I will identify and invite someone to join me in my dfree® journey.

COMMITMENT #6: I will join the dfree® Billion Dollar Challenge (www.billiondollarpaydown.com) and set my personal debt reduction goals.

Date joined: _____

COMMITMENT #7: I will attend the next dfree® session on _____ at _____.

BENEFITS: As a result of keeping my commitments, my life will be better in the following ways:

1. _____
2. _____
3. _____

KEY TERM: Debt

STATISTIC:

✓ Americans have \$2.4 trillion dollars in consumer debt. This does not include mortgages. The amount equals \$7,800 for every man, woman and child. (2010 Census)

✓ Most U.S. adults have not reviewed their credit score (63%) or credit report (65%) in the past 12 months. (National Foundation for Credit Counseling)

RESOURCES:

Bankrate.com Mymoney.com Federalresrve.gov Fdic.gov

dfree® SUCCESS STORY:

“Just a quick note to tell you how much I appreciate your guidance over the past 3^{1/2} years. It has changed my focus. I live within my means. I don’t desire to purchase ‘just because.’ I pay myself first. I give to church monthly and donate to help others. I have a will, disability insurance, and adequate life insurance. My goals continue to concentrate on healthy mind, body, and living without debit, deficit, or delinquency. I use credit cards and pay them in full monthly (no late fees, no annual fees, and no finance charges). My taxes are current. My most recent credit score (which I will frame) is 733 (after credit fraud which had me at 340. I stayed focused and reaped the result without [the help of] (an agency). These are just a few of my successes in the past 3 years. I’m so grateful at how I’ve been blessed in the midst of my adversity.”

- B.C.

LEVEL ONE

GET STARTED

STEP TWO: ADDRESS THE MESS

AFFIRMATION: If it is to be, it is up to me.

ASSUMPTIONS: **1.** I can improve the way I am handling my personal business. **2.** It helps to be challenged to take action. **3.** I need to stop thinking about change and actually do something.

GOAL: To get my financial affairs organized.

MESSAGE FROM DEFOREST B. SOARIES, JR.:

Let's go back to the barriers that are preventing us from achieving financial freedom. How do we identify them? The key word is consumption.

There are three types of consumption that seem to dominate the manner in which we are handling money.

There is what we call compensatory consumption. Compensatory spending seeks to compensate for a sense of unworthiness and thereby seeks to gain significance. We sometimes shop just to feel better. We call this "retail therapy." We live in a tough, competitive world. Everyday life has a way of making us feel insignificant. And so subconsciously, we often will spend money to gain the feeling of significance that we fail to have in our many relationships.

Furthermore, there is the type of spending coined as conspicuous consumption. This is when we spend money to gain status. I love to buy button down collar shirts for \$19.99. But there was a time when those shirts would all have a picture of a man on a horse holding a stick visibly positioned on the front - and the shirt would cost \$59.99 instead of \$19.99. Everything else about the shirt was the same, except the picture. We call the picture a logo. One day, I decided that it did not make sense to spend \$40.00 more on a shirt just to have a picture of a man on a horse holding a stick playing a game that I don't even understand. I have never been to a polo match in my life!

Too many of us have been convinced that our social status is achieved by spending money on things that cost more than they should. We will spend \$50.00, \$100.00 or more for the famous logo because that image says I am up-to-date in my wardrobe. That picture sends the message that I am in the know and that I have enough money to buy the shirt with the logo on it. That image gives me a certain status and then I associate and socialize with other people that I perceive have a status equal to mine. This behavior does not stop with shirts. Spending for status costs some people millions of dollars on items like houses, boats, cars, and jets.

Finally, there is what I call confused spending, purchases that we make without stopping to think, analyze or assess the cost or cost benefit of what we are actually getting for our money. Why would a whole nation of people become addicted to a cup of coffee that costs \$4.50? Are we that devoted to the coffee and its exotic names and flavors? Do we really feel better knowing we're drinking coffee that comes from Guatemala, Ethiopia, or anyplace else? When we were growing up, Chock Full o' Nuts coffee was popular. It was known as the "heavenly coffee," but we weren't paying \$4.50 to go to heaven on a cup of coffee!. Imagine what \$4.50 a day times five days a week for fifty-two weeks represents! \$1,125.00. Yes - that's one thousand one hundred twenty five dollars.

If our status is sought through external things, it's no wonder that we will spend money we don't have because we have to keep up with our own status. Some years ago, someone coined the phrase keeping up with the Joneses. Many of us aren't even trying to keep up with the Joneses. We're trying to keep up with ourselves. We see images of other people and we have this picture in our heads that becomes a substitute for developing our own character.

COMMITMENT #3: I will conduct a Financial Snapshot.

I will gather and read as many of my financial documents as I can while using the checklist below.

Getting organized will help me understand my current financial standing. Once gathered and read, I will identify any important issues and start a filing system to keep my financial documents organized and accessible.

- Pay stubs for the past month
- Annual income taxes withheld (W2s) and property taxes paid
- Public benefits paperwork
- Savings and investment account statements
- Retirement account statements – IRAs, 401(k), 403(b), Pensions, etc.
- Monthly contribution amounts to savings/investment accounts
- Insurance premiums for auto, home, health, group plans, life
- Insurance policies, benefits, and distributions and/or recent statements
- Loan statements – home mortgage, installment loans, credit cards, etc.
- Company benefits statements
- General household expense information – food expenses, utilities, maintenance, etc.

COMMITMENT #4: I will obtain a free copy of my credit report from one credit agency (Transunion, Experian or Equifax) at www.annualcreditreport.com. (This will not include your credit score).

COMMITMENT #5: I will make a list of all of my sources of income:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

COMMITMENT #6: I will make a list of all of my debts and ongoing bills:

Debt

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Ongoing Bills

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

COMMITMENT #7: I will attend the next dfree® session on _____ at _____.

BENEFITS: As a result of keeping my commitments, my life will be better in the following ways:

1. _____
2. _____
3. _____

KEY TERMS: Credit report, Credit score, Compensatory Spending, Conspicuous Spending, Confused Spending

STATISTIC:

- ✓ 51% of the population has at least two credit cards. (creditcard.com)
- ✓ People spend 12% - 18% more when using credit cards than when using cash. (Dunn and Bradstreet)

RESOURCES:

Ownthedollar.com Federalreserve.gov/creditcard

dfree® SUCCESS STORY:

“My wife and I are both college educated, with good jobs, two cars, and a nice home. With four kids, two older and two younger, we have always used our credit cards to get by when something comes up. While we’ve known a lot of the basic financial information before, it didn’t hit home until I lost my job due to a corporate downsizing. I began to panic when I realized just how deep in consumer debt we had fallen. It felt like the weight of the world had fallen on my shoulders, all at once.

A lot of the reasons that we have become so dependent on credit cards has nothing to do with money. We were trying to keep up with a standard of living that doesn’t reflect our values or who we really are. I was fortunate to find another job fairly fast, and it even paid a little better than the one I lost. However, how we approached our finances changed for good.

I’m happy to say that we’re now on the road to being debt-free, thanks to the principles of dfree. For the first time in years, I don’t dread paying the bills each month. The hardest part was getting started, but once you take the first step, then you can take another, and another, and soon you’re on your way to a debt-free life.”

- Doug S.

LEVEL ONE

GET STARTED

STEP THREE: ADJUST THE ATTITUDE

AFFIRMATION: My attitude is more important than my aptitude in determining my success.

ASSUMPTIONS: **1.** I can change the way I think about my wants and my needs. **2.** There is power in waiting for what I want. **3.** It is not too late for me to get started with improving my financial status.

GOAL: To clarify the difference between things I want and things I need.

MESSAGE FROM DEFOREST B. SOARIES, JR.:

There is a story about a young man who demanded his inheritance from his father before his father died. There are three things that are important to know about this young man:

1. He was impatient and could not wait until his father died to get his inheritance.
2. When he got his inheritance, he took all of his money with him to a distant location.
3. When he got to his destination, he spent all of his money on extravagant living.

When he found himself having to get a menial job, his life was miserable. After he hit rock bottom, he decided to go back to his father to ask for help. Fortunately, his father welcomed him home with open arms. This story has a wonderful ending that shows a parent's unconditional love for his child. However, this story also teaches us a lesson about our finances. The son's problem was that he mismanaged all of the money that he had been in such a hurry to get.

I used to live just like this young man. I did not inherit a lot of money but I did spend all of the money I earned as soon as I got paid. I used to tell my dad, "I don't know where my money goes." It was as if my money left my house after I went to sleep at night! I thought the solution was to make more money. But having more money would have simply meant that I would be spending more money. I had to change my attitude about money and how to spend it. Once I did that, I began living completely different in order for me to have a productive life. My recovery started with determining the difference between things that I wanted and things that I needed.

DISCOVERY: I discovered that I have the following problems due to impatience:

1. _____
2. _____
3. _____

COMMITMENTS: As a result of my discovery, I commit to the following actions:

COMMITMENT #1: I will list at least ten personal needs and wants below.

Needs	Wants
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.

COMMITMENT #2: I will analyze my list of wants and needs and make sure each item is in the correct category.

COMMITMENT #3: I will estimate the annual cost of my needs and write the amount next to the item.

COMMITMENT #4: I will estimate the annual cost of my wants and write the amount next to the item.

COMMITMENT #5: I will circle the items on my needs list that can wait.

COMMITMENT #6: I will attend the next dfree® session on _____ at _____.

BENEFITS: As a result of keeping my commitments, my life will be better in the following ways:

1. _____
2. _____
3. _____

KEY TERMS: Patience, Needs, Wants

STATISTIC:

✓ Americans have 1.5 billion credit cards. 14% of the population has more than 10 credit cards. (creditcard.com)

✓ The average person seeking financial counseling is \$43,000 in debt. (Economy Watch.com)

RESOURCES:

Kiplinger.com Financiallit.org Consumerjungle.org Money.strands.com

dfree® SUCCESS STORY:

“I am grateful for dfree® because it helped me to be more aware of my spending habits. I realized I was buying items I didn’t need. I learned to stay focused on eliminating debt, and not acquiring new debt. Now, I have a realistic plan for retirement.”

- Donna

LEVEL TWO

GET CONTROL

STEP FOUR: START THE PLAN

AFFIRMATION: I will never arrive at my destination, if I never begin my journey. A journey of a thousand miles begins with one step.

ASSUMPTIONS: **1.** My goals are more likely to be achieved when they are written. **2.** There is someone in my life that I can trust. **3.** There are some things I want to achieve that I am determined to achieve.

GOAL: To create and launch a new plan for spending money.

MESSAGE FROM DEFOREST B. SOARIES, JR.:

Both of my grandmothers always had money. My father's mother was a seamstress whose husband suffered a stroke and was confined to a wheel chair after she had her sixth child. Although she faced extreme hardships - discrimination and financial limitations - when she died at 80 years old, she owned three houses that were completely free of mortgage debt.

My mother's mother was a domestic worker - she did housework for wealthy families. Her husband was an alcoholic and did not work. She raised eight children almost as a single parent. But she too owned her own house. Whenever one of my cousins or I needed money, my grandmother always had cash to assist us. There were no ATM machines in those days. If we asked grandma for a few dollars, she would unbutton the top of her dress, dig into her bosom and from a white handkerchief that she kept in her bra she would pull out \$2.00 or \$3.00 and hand them to one of us. If we needed \$15.00 or \$20.00, grandma would turn around, lift her dress and pull the cash from the top of her stocking. This is where she kept the large bills!

As I got older, it was amazing to me that both of my grandmothers did so much with such little income. They really knew how to handle money. What later became clear was that neither of my grandmothers felt the need to buy new clothes every time the style changed; they did not buy things at the supermarket that they did not need; and neither of them had credit cards. They both gave money in church regularly and they owned their own homes.

I decided that if my grandmothers could accomplish what they did with the challenges they experienced, shame on me if I cannot do at least as well as they did.

DISCOVERY: I have discovered that I have some changes to make concerning what I do with money:

1. _____
2. _____
3. _____

COMMITMENTS: As a result of my discovery, I commit to the following actions:

COMMITMENT #1: I will list my short-term financial goals – things I would like to achieve within the next 12 months. Example: Create an Emergency Savings – Goal: At least \$3000.00.

1. _____
2. _____
3. _____
4. _____
5. _____

COMMITMENT #2: I will locate my spending leaks, using the exercise below.

Spending Leaks

Many people think they cannot afford to cut anything from their regular expenses. Yet, upon close analysis, people discover they have “spending leaks,” or expenses that zap money from their budgets without them noticing or without adding a value to their lives. They are often incidental items that seem small in the moment but that can add up over time.

Potential Spending Leaks

A. Item	B. Cost of Item	C. Items Purchased Per Month	D. Cost Per Month (BxC)	E. Cost Per Year (Dx12)
<i>Ex: Coffee out</i>	\$1.75	16	$\$1.75 \times 16 = \28	$\$28 \times 12 = \336
Eating Dinner Out				
Take-Out				
Premium Cable TV Package				
Movies				
Parking Tickets				
Show Tickets				
Magazine Subscriptions				
Drinks/Night Out with Friends				

Buying Lunch at Work				
Lottery Tickets				
Bank Fees				
Coffee Out				
Late Fees on Bills				
Impulse Buys at Grocery Store				
Gifts				
Cell Phone Plan				
New Clothes				
Bottled Water				
Other				
Other				
Other				

If I weren't spending my money on _____, I could use it to help accomplish the following short-term or long-term goals? (If renting, please consider making home ownership a goal. See www.hud.gov).

1. _____
2. _____
3. _____
4. _____
5. _____

COMMITMENT #3: I will transfer my list of income and expenses from Lesson 2 to this chart.

	Current
Total Monthly Income	
Expense	
Basics	
Housing (Rent, Mortgage)	
Property Insurance	
Home Maintenance	
Groceries	
Work/School Lunches	
Cleaning Supplies	
Grooming (Toiletries, Hair, Nails)	
Child Care	
Child Support/Alimony	
Clothing	
Dry Cleaning/Laundry	
Tuition/School-Related Fees	
Other	
Utilities	
Electric/Gas/Oil	
Water/Sewer	
Garbage	
Home Phone	
Cell Phone (All Features)	
Internet	
Cable	
Other	
Transportation	

Car Loan/Lease	
Car Insurance	
Gas/Maintenance	
Parking	
Registration/Inspection	
Public Transportation	
Other	
Health	
Medical/Dental	
Prescriptions	
Vision/Contact Lense	
Health Insurance	
Doctor Co-pays	
Life Insurance	
Disability Insurance	
Other	
Consumer Debt	
Credit Cards (Minimum Payments)	
Loan Repayments	
Medical Bills	
Past Due Bills	
Other	
Personal	
Leisure/Entertainment (Movies, Activities, Eating Out)	
Hobbies	
Travel/Vacation	
Gifts	
Pets	
Spending Money	

Charitable Donations	
Other	
Savings	
Emergency Savings	
Savings for Financial Goals	
Other	
Total Monthly Expenses	

COMMITMENT #4: I will develop a cash flow strategy using the exercise below.

What's my cash flow bottom line right now?

Income vs. Expenses	Monthly	Annual
Total Income		
Total Expenses		
Cash Flow Surplus or Shortfall		

To start including savings for my financial goal in my spending plan, there are only three options:

1. Cut back on spending
2. Increase income
3. Do both

Circle the options that make the most sense.

COMMITMENT #5: I will revise my spending plan to better reflect my needs and wants.

	Current	Revised
Total Monthly Income		
Expense		
Basics		
Housing (Rent, Mortgage)		
Property Insurance		
Home Maintenance		
Groceries		
Work/School Lunches		
Cleaning Supplies		
Grooming (Toiletries, Hair, Nails)		
Child Care		
Child Support/Alimony		
Clothing		
Dry Cleaning/Laundry		
Tuition/School-Related Fees		
Other		
Utilities		
Electric/Gas/Oil		
Water/Sewer		
Garbage		
Home Phone		
Cell Phone (All Features)		
Internet		
Cable		
Other		

Transportation	Current	Revised
Car Loan/Lease		
Car Insurance		
Gas/Maintenance		
Parking		
Registration/Inspection		
Public Transportation		
Other		
Health		
Medical/Dental		
Prescriptions		
Vision/Contact Lense		
Health Insurance		
Doctor Co-pays		
Life Insurance		
Disability Insurance		
Other		
Consumer Debt		
Credit Cards (Minimum Payments)		
Loan Repayments		
Medical Bills		
Past Due Bills		
Other		
Personal		
Leisure/Entertainment (Movies, Activities, Eating Out)		
Hobbies		
Travel/Vacation		
Gifts		
Pets		

	Current	Revised
Spending Money		
Charitable Donations		
Other		
Savings		
Emergency Savings		
Savings for Financial Goals		
Other		
Total Monthly Expenses		
Income vs. Expenses		
Total Income		
Total Expenses		
Cash Flow Surplus or Shortfall		

COMMITMENT #6: I will not try this alone.

Support is about getting the resources and encouragement to help you reach your financial goals.

Accountability is about having regular check-ins to monitor your progress, boost motivation, and reinforce commitment to your goals.

I will ask three friends, family members, or dfree® participants to support me:

1. _____
2. _____
3. _____

Three resources that I will use: (books, blogs, websites, and media) for additional support:

1. _____
2. _____
3. _____

How do I want to be held accountable for reaching my goals?

1. _____
2. _____
3. _____

COMMITMENT #7: I will attend the next dfree® session on _____ at _____.

BENEFITS: As a result of keeping my commitments, my life will be better in the following ways:

1. _____
2. _____
3. _____

KEY TERMS: Spending Leaks, Cash Flow, Accountability, Support

STATISTICS:

- ✓ 40% of American households spend more than they earn (Federal Reserve Bank)
- ✓ 57% of American households do not have a budget (Harris Interactive)
- ✓ 61% of American households live paycheck to paycheck (CareerBuilder)

RESOURCES:

Youneedabudget.com Mymoney.com Mint.com practicalmoneyskills.com
hud.gov

dfree® Success Story:

“My husband is a very proficient saver and I’m a very proficient spender. I wanted to be better with my finances and be on the same page with him. A lot of the lessons I learned about saving has helped us to move forward to purchase a new home and we’re very excited about that.”

- Debra

LEVEL TWO

GET CONTROL

STEP FIVE: STEER THE POWER

AFFIRMATION: If I use the power that I have, I can reach the goals that I have set for my future.

ASSUMPTIONS: **1.** I will have to sacrifice something to get ahead. **2.** I must set my own priorities. **3.** I believe that the future is now.

GOAL: To begin really taking control of my financial future.

MESSAGE FROM DEFOREST B. SOARIES, JR.:

When I consider the way I used to think and live, I often think that I was suffering from a form of mental deficiency. The truth is that I was addicted to a lifestyle that I picked up from the culture. For instance, I really thought that it was appropriate and acceptable to spend more money than I earned and to live above my means. What is so sad is that I was actually leading other people both in the church and in the community.

When I first started as a minister, I decided that I needed to look like a preacher. So, instead of buying a small, used, affordable car, I drove Cadillacs and Lincoln Continentals. A car salesman stopped me one day when I was driving my Chevrolet and told me that it was wrong for me to be driving anything less than a Cadillac and I believed him. He arranged for me to buy a Cadillac within two days. The payments took a big chunk out of my income. I never even asked how much the interest rate was that I was paying. It did not matter. I looked good – and unfortunately I felt good too!

It would be years before I would realize that it made better sense to own a small, used car than it did to finance a large new car with high interest rate financing. After 15 years of living this way, I broke free and started enjoying the benefits of debt free living. It began when I did what you are doing and I started my “power strategy.” That simply means that I used as much patience as I could muster to make the largest payments that I could afford to reduce my debt as quickly as possible. I called these my “power” payments – paying as much of the principal (actual balance due) as I could as often as I could.

I also had to develop the power to tell myself NO when I felt like buying things that I liked. It can seem impossible. There is a saying that the way to eat an elephant is one bite at a time. Likewise, the way to win the money battle is one victory, one bill, and one goal at a time.

DISCOVERY: I have discovered that I have some changes to make concerning what I do with money:

- 1.** I have discovered I can do without _____.
- 2.** I have discovered I can eliminate this debt by _____.
- 3.** I have discovered that _____ is really helping me break free.

COMMITMENTS: As a result of my discovery, I commit to the following actions:

COMMITMENT #1: I will register for the free resource and tool at www.smartteys.com.

COMMITMENT #2: I will complete the debt snowball and reduction activity below.

Note: Snowball Payoff Method

The basic steps in the debt snowball method are as follows:

1. List all debts in ascending order from smallest balance to largest. This is the method's most distinctive feature: the order is determined by amount owed, not the rate of interest charged. However, if two debts are very close in amount owed, the debt with the higher interest rate would be moved toward the higher amounts in the list.
2. Commit to pay the minimum payment on every debt except the smallest.
3. Determine how much extra can be applied toward the payment on smallest debt.
4. Pay the minimum payment plus the extra amount toward that smallest debt until it is paid off. Note that some lenders (mortgage lenders, car companies) will apply extra amounts toward the next payment; in order for the method to work, the lenders need to be contacted and told that extra payments are to go directly toward principal reduction. Credit card companies usually apply the whole payment to the current cycle.
5. Once a debt is paid in full, add the old minimum payment (plus any extra amount available) from the first debt to the minimum payment on the second-smallest debt, and apply the new sum to repaying the second-smallest debt.
6. Repeat until all debts are paid in full.

Debt Snowball and Reduction Worksheet

Paid-Off Debts

Debt	Starting Balance	Debt Paid Off	Celebration Activity
<i>Macy's</i>	<i>\$485</i>	<i>March 15, 2012</i>	<i>Had a clothing/accessory swap meet</i>

Actively Working Toward Paying Off

Debt	Total Payoff	Min. Payment	Extra Monthly Payment	Payments Remaining	Planned Celebration Activity
JCPenney	\$865	\$35	\$50	11	Cut up the card and never use it again!

Next Debt to Payoff

Debt	Total Payoff	Min. Payment	Payoff Motivation	Payments Remaining	Planned Celebration Activity
Sears	\$2,100	\$45	Extra money to put toward goal	23	One extra latte for the week!

Remaining Debts

Debt	Total Payoff	Min. Payment	Payoff Motivation	Payments Remaining	Planned Celebration Activity
Visa	\$3,568	\$55	increased credit score	65	Potluck dinner with family and friends

COMMITMENT #3: I will calculate the cost I am actually paying on my debts using the chart below.

Creditor	Amount Owed	Interest Rate	Annual Interest Rate Paid (Amount Owed x Rate)
1. Ex. Visa	\$2,000.00	17%	$\$2,000 \times .17(17\%) = \340
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
TOTAL			

COMMITMENT #4: As I make payments on my debt, I will log them on the Billion Dollar Challenge. (www.billiondollarpaydown.com)

COMMITMENT #5: I will identify something I can do to increase my income and use the income to make power payments on debt.

1. _____
2. _____
3. _____

COMMITMENT #6: I will reduce my spending in these areas:

1. _____
2. _____
3. _____

COMMITMENT #7: I will attend the next dfree® session on _____ at _____.

BENEFITS: As a result of keeping my commitments, my life will be better in the following ways:

1. _____
2. _____
3. _____

KEY TERMS: Interest, Principal

STATISTICS:

✓ A person can save \$112,000.00 over a lifetime by bringing their lunch to work. (ownthedollar.com)

RESOURCES:

Powerpay.org Moneysmart.com

dfree® Success Story:

“I am a 48 year old single mother, with an annual income of \$52,000.00. My accumulated debt resulted from not receiving child support and having to pay rent, daycare expenses, car note, food, clothes, and other day-to-day expenses. When I was able to buy my home, it required maintenance so I took out a second mortgage. My current relationship recently fell apart and all that we spent and planned on paying together is now mine to resolve.

When I first contacted people involved with dfree®, I was at the point where I could not sleep or eat. My thoughts were on which creditor would be calling me tomorrow and how I would keep my promises to pay.

Since I took that first class, I learned what I was doing wrong. I was paying on the creditors’ schedule and not mine. I was paying their amounts and not what was suitable for me to maintain my household. I then contacted them with more authority in my way of speaking and with knowledge of my debts and income. Instead of speaking with the representative who answered, I requested to speak with someone with authority to make changes. I was able to change my payment due dates to meet my schedule. I then obtained a second job, working five evenings a week not far from my primary job. This was nice since I was burning the same amount of gas traveling from home and to and from work.

My credit card debt has now decreased from \$35,000.00 to \$28,000.00, and my total debt including my second mortgage is below \$100,000.00. Although I am not in the clear, I have the confidence that I will break free from my debt.”

- Anita

LEVEL TWO

GET CONTROL

STEP FIVE: SET THE TIMER

AFFIRMATION: Understanding the relationship between time and money is crucial if I am to break free from debt and experience financial freedom.

ASSUMPTIONS: **1.** A goal without a deadline is just a dream. **2.** Time is the most valuable asset that I have. **3.** I can accomplish more than I ever imagined if I use the right system.

GOAL: To establish a timetable for my financial goals.

MESSAGE FROM DEFOREST B. SOARIES, JR.:

I have been honored to visit the campus of Shaw University in Raleigh, North Carolina annually, for many years. When I visit Shaw, I always speak in the University's chapel. This is what the University website says about its Chapel.

"The History of the Thomas J. Boyd Chapel"

The Boyd Chapel at Shaw University was first dedicated on June 15, 1948. After World War II, the United States Military had a surplus of wood framed "temporary" chapel buildings which were being made available to the civilian sector. Shaw University applied for one of these chapels and one was so designated. It came from Camp Sutton.

In 1993, The Boyd Chapel was completely renovated. The renovation was made possible because of funds donated by Rev. Thomas J. Boyd for whom the Chapel was subsequently named. The rededication of the Chapel took place at a ceremony held in the chapel on November 21, 1993.

What the website did not describe was how Rev. Boyd was able to donate \$500,000.00 to his alma mater for the renovation of this beautiful chapel. Rev. Boyd served as pastor of a baptist church in Brooklyn, New York for many years. Rev. Boyd told me that every time he performed a wedding, presided at a funeral or did some other special service, he would receive a gift from the parishioner for whom he had performed the service. When he received these gifts, Rev. Boyd would put them into a special account that became an investment account that grew over the years. As the funds grew, Rev. Boyd realized that he had accumulated a substantial amount of money. He felt that he owed most of his success to what he had learned as a student at Shaw University. As a result, he gave his school \$500,000.00 to insure that religious life at Shaw would always have a nice place to be housed. Rev. Boyd recently added to his previous gift an endowed lecture series, named after his wife, to occur in the Boyd Chapel every year. I was honored to give the inaugural lectures of that endowed series.

Rev. Boyd says that he never had a large salary. But, he invested all of his extra income and allowed time to grow it into a great sum of money. Now, his legacy lives as long as there is a Shaw University, a time.

DISCOVERY:

1. I have discovered that I can save _____ by _____.
2. I have discovered that time effects the _____ of money.
3. I have discovered that it is possible to _____.

Time and Money Exercise

This chart illustrates monetary accumulation for two types of savers who want to retire by age 65.

RED started saving \$1,200.00 per year into a tax-deferred account (no taxes paid on interest) that paid 12% per year (compounded yearly) at the age of 18, for only 10 years.

BLUE started saving \$1,200.00 per year into a tax-deferred account that paid 12% per year (compounded yearly) but started at the age of 28, for 37 years (until he reached 65).

RED contributed a total of \$12,000.

BLUE contributed a total of \$45,600.

Who accumulated more money?

Age	Deposit	Accumulated Balance	Age	Deposit	Accumulated Balance
18	\$1,200.00	\$1,200.00	18	\$0.00	\$0.00
19	\$1,200.00	\$2,544.00	19	\$0.00	\$0.00
20	\$1,200.00	\$4,049.28	20	\$0.00	\$0.00
21	\$1,200.00	\$5,735.19	21	\$0.00	\$0.00
22	\$1,200.00	\$7,623.42	22	\$0.00	\$0.00
23	\$1,200.00	\$9,738.23	23	\$0.00	\$0.00
24	\$1,200.00	\$12,106.81	24	\$0.00	\$0.00
25	\$1,200.00	\$14,759.63	25	\$0.00	\$0.00
26	\$1,200.00	\$17,730.79	26	\$0.00	\$0.00
27	\$1,200.00	\$21,058.48	27	\$0.00	\$0.00
28	\$0.00	\$23,585.50	28	\$1,200.00	\$1,200.00
29	\$0.00	\$26,415.76	29	\$1,200.00	\$2,544.00
30	\$0.00	\$29,585.65	30	\$1,200.00	\$4,049.28
35	\$0.00	\$52,140.03	35	\$1,200.00	\$14,759.63
40	\$0.00	\$91,888.54	40	\$1,200.00	\$33,634.93
45	\$0.00	\$161,939.01	45	\$1,200.00	\$66,899.66
50	\$0.00	\$285,391.86	50	\$1,200.00	\$125,523.47
55	\$0.00	\$502,957.97	55	\$1,200.00	\$228,838.66
60	\$0.00	\$886,383.80	60	\$1,200.00	\$410,915.33
65	\$0.00	\$1,562,111.12	65	\$1,200.00	\$731,796.64

RED accumulated **\$830,314.48** more than **BLUE!**

The earlier you can start saving, the more time you'll have to take advantage of the power of compounding interest. Even though BLUE put away almost 4 times more money than RED, RED had the advantage of time.

COMMITMENTS: As a result of my discovery, I commit to the following actions:

COMMITMENT #1: I will make a list of my 3 year goals and place dates next to each.

- Personal Goals
- Professional Goals
- Intellectual Goals
- Financial Goals

COMMITMENT #2: I will calculate my retirement financial needs using the exercise below and create a plan for meeting them.

How much money will I need for retirement?

A. How long do I think I'll live? (age)	
B. Age I want to retire?	
C. Years in retirement? (a-b)	
D. What is my net monthly income now?	
E. What is my annual income? (d x 12 months)	
F. Any extra annual events/activities? (activity x 3)	
G. Estimated retirement income needed (c x e + 6)	

COMMITMENT #3: I will open or add to my investment account for long-term financial goals.

COMMITMENT #4: I will review my spending plan to make sure it is accurate.

COMMITMENT #5: I will sell the following assets/items and use the proceeds to pay off debts:

1. _____
2. _____
3. _____

4. _____

5. _____

6. _____

COMMITMENT #6: I will read one article or book about personal finance.

COMMITMENT #7: I will attend the next dfree® session on _____ at _____.

BENEFITS: As a result of keeping my commitments, my life will be better in the following ways:

1. _____

2. _____

3. _____

KEY TERMS: Compound Interest, Retirement

STATISTICS:

✓ 56% of Americans have less than \$25,000.00 in savings or retirement (Employee Benefit Research Institute)

RESOURCES:

Smarteys.com Bankrate.com

dfree® Success Story:

“We’re grateful for dfree® because it helped us to be on one accord as a couple. It took us beyond lip service to action with a specific financial strategy. For example, with the snowball strategy, we decided which credit cards to pay and when. When we needed another car, we agreed that a used car would be better for us that we could buy outright, rather a new one that we had to finance. Now we have one vision, one strategy, and one goal.”

- Arthur

LEVEL THREE

GET AHEAD

STEP SEVEN: MAXIMIZE THE MARGIN

AFFIRMATION: I realize that if I want something I have never had, I must do something I have never done.

ASSUMPTIONS: **1.** There is nothing wrong with attaining wealth. **2.** Money can be used for some very good purposes. **3.** Financial health is almost as important as physical health.

GOAL: To accelerate the process of getting out of debt and securing my financial future.

MESSAGE FROM DEFOREST B. SOARIES, JR.:

When I was drowning in debt, I could not even imagine ever becoming debt free much less wealthy. But, 4 years after I made the commitment to get out of debt, I was able to meet with a realtor about buying a home and tell her that my wife and I had no debts. She was shocked. She said that she had never met anyone that had no debts at all.

And it was a good thing that was true. We were able to qualify for a mortgage and close on the purchase of our new house within four weeks. And we were able to get the lowest interest rate the bank offered. This was the first time I had ever had debt that could be considered good debt. Although debt free living strives to be free of ALL debt, borrowing at reasonable interest rates to purchase an asset that grows in value (like most real estate) can be considered “good” debt.

The way we got there was by taking small steps and making debt free living our priority. The benefits were too many to mention. But the key was to believe it was possible and to believe that nothing else was more important.

That is what I respect about so many of my friends who have migrated to America. They came here believing that America was indeed a land of opportunity and they made it a priority to make good things happen for themselves and their families. They didn’t mind sacrificing to attain their goals.

One young immigrant who bought prime real estate in my community made tremendous sacrifices to get where he was. By the time he was 24 years old, he purchased prime urban property and he owned the two businesses that were on that property. When I was 24 years old, I did not own anything and had no plans to own anything. I didn’t even want to own a house because I did not feel like cutting grass. When I was a kid cutting the grass at our home, I promised myself that when I grew up, I would never cut grass. And by owning nothing I was keeping my promise to myself! I completely ignored the value of real estate, the significance of ownership and the wealth that could accrue if I had bought a house at 24 years old. I was “cool,” but I was broke and had no assets.

Now that I live committed to a debt free lifestyle, I still need encouragement and support to sustain the progress I have made. It is easy to start something but it can be difficult to continue what we start. There are temptations all around us that seek to lure us back into the habits we have recently broken. The same willpower and support that helped us out of financial hardship can keep us out!

DISCOVERY: I have discovered that I can achieve financial freedom faster if I do these three things:

1. _____

2. _____

3. _____

COMMITMENTS: As a result of my discovery, I commit to the following actions:

COMMITMENT #1: I will identify financial professionals to advise me as I pursue my goals.

1) Insurance Professional: _____

2) Financial Advisor/Planner: _____

3) Tax Advisor: _____

COMMITMENT #2: I will track my spending; again, to make sure I am still on track.

COMMITMENT #3: Now that I have professional advisors, I will ask for help with the issue(s) that make me feel like I am stuck and will never reach my financial goals.

COMMITMENT #4: The greatest obstacles that I face in my financial journey are:

1. _____

2. _____

3. _____

COMMITMENT #5: I will determine if I can lower debt payments by re-financing one or more items:

1. _____

2. _____

3. _____

COMMITMENT #6: If I were wealthy, I would:

1. _____

2. _____

3. _____

COMMITMENT #7: I will attend the next dfree® session on _____ at _____.

BENEFITS: As a result of keeping my commitments, my life will be better in the following ways:

1. _____
2. _____
3. _____

KEY TERMS: Wealth, Financial Advisor, Financial Planner, Insurance Professional, Tax Advisor

STATISTICS:

✓ \$51 billion dollars worth of fast food is charged every year on credit cards. (Economywatch.com)

✓ 50% of Americans have less than one month's income saved for a rainy day. (National Foundation for Credit Counseling)

RESOURCES:

Jumpstart.org Mymoney.gov Napfa.org Smartmoney.com Cfp.net
Mydfree.org

dfree® Success Story:

“Several years ago, we bought into the concepts of dfree® and began implementing them in our lives. We were holding our own and didn’t consider ourselves in financial hardship, until we looked ahead and realized we hadn’t really planned very far in advance for emergencies, retirement, or anything. Upon recently finding out that both of our current jobs would be ending December 31st of this year, my wife and I are in a far better position financially to deal with an unforeseeable future as it relates to our career futures.

The notion of being dfree® -- no debt, no delinquencies, no deficiencies -- is even more real when one’s immediate future holds the prospect of being without a job. We haven’t panicked and know that we will weather this season of our lives with the help of the dfree® principles we’ve learned and continue to practice.”

- David and Carrie T.

LEVEL THREE

GET AHEAD

STEP EIGHT: MINIMIZE THE STRESS

AFFIRMATION: I feel better about myself when I take steps to protect myself and those I love.

ASSUMPTIONS: **1.** The unexpected will happen. **2.** It pays to be prepared. **3.** If we fail to plan, we plan to fail.

GOAL: To prepare financially for the unexpected.

MESSAGE FROM DEFOREST B. SOARIES, JR.:

Martin Luther King, Jr. was assassinated when he was 39 years old. Just weeks before his death, Dr. King signed his insurance documents that he had been avoiding for years. As a result of the policy that he had, his widow, Coretta Scott King, received a check every month from his insurer until the day that she died 38 years later.

We experience stress when circumstances in our lives change or when traumatic events occur. When we prepare properly for life's possibilities, we are better able to manage the stress that accompanies disruptive events when they happen.

I have a friend who could not continue working due to illness and he was too young to retire. When I asked his wife if he had disability insurance, she was completely silent. I knew that her silence meant that he had not made provisions to replace the income he could no longer earn.

One of my most painful professional encounters was when I had to tell 4 grown siblings that our church would not pay for their mother's funeral. They all had jobs, they all had gone on vacations and none of them had any money to pay for the funeral. Their mother had no insurance. I explained to them that our church would go out of business if we began paying for members' funerals. They were extremely upset. I thought they should have been embarrassed.

Smartmoney Magazine reported that "the reality is one third of all Americans between the ages 35 and 65 will become disabled for more than 90 days, according to the American Council of Life Insurers. In addition, 1 out of 7 workers will be disabled for more than 5 years. And while many people think that disabilities are typically caused by freak accidents, the majority of long-term absences are actually due to illnesses, such as cancer and heart disease. The loss of income can be so devastating that it forces some people to foreclose on their home or even declare bankruptcy."

No one should assume that Worker's Compensation insurance will cover them for a potential disability. According to the Council for Disability Awareness, "less than 5% of disabling accidents and illnesses are work related. The other 95% are not, meaning Workers' Compensation doesn't cover them."

Furthermore, workers shouldn't count on Social Security Disability benefits (SSDI). Although some disabled workers may qualify for Social Security Disability Insurance, such benefits only apply to workers disabled for one year or more. Even for disabilities of a year or more, filing for Social Security Disability Insurance benefits can take time and effort, and qualifying for benefits is not guaranteed. Only 35% of SSDI claims applications generally receive approval each year. Winning an appeal if your application is denied can take even longer.

We are vulnerable to stress and we are also gambling with our futures when we fail to prepare for life's possibilities. Nothing exempts us from having to be prepared.

Issues of Importance

Disability Insurance

What is Long-Term Disability Insurance?

Long-term Disability Insurance replaces a pre-determined portion of an employee's income if a qualifying disability involving a non-occupational injury or illness lasts at least 3 to 6 months—depending on the policy. Some employers provide employees with a basic level of group coverage, typically paying an insured worker approximately 60% of his/her salary for a qualifying Long-Term Disability. These benefits packages can also offer employees the option to purchase supplementary coverage.

What is Short-Term Disability Insurance?

Depending on the contract of a Short Term Disability policy, a Short Term Disability may be defined as one lasting 3 months or less. Experiencing a Short Term Disability is statistically more likely than a Long Term Disability. An individual has roughly a 3 in 10 probability of experiencing a disability of 3 months or more.

Know What Your Employer Provides

Determine if your employer provides you Long-Term Disability coverage. If so, find out the basics of the contract:

- What percentage of your income would the coverage replace in case of a Long-Term Disability?
- When would you start receiving the benefit after experiencing a disability
 - after 3 months? After 6 months?
- Whether you would qualify for disability benefits only if you can't perform your current job, or if you can't perform any job at all.

Purchasing Group Disability Insurance

Though some employers provide Long Term Disability insurance to full-time employees, others offer group voluntary coverage, which provides employees the option to purchase group long-term disability insurance at their own expense. Though workers pay the full cost, voluntary group insurance allows workers to:

- Pay group insurance premium rates, which are often more favorable than individual insurance rates;
- More easily obtain coverage at a competitive premium rate, since buying individual insurance often requires underwriting tests and more stringent qualification limitations.

Renters Insurance

When renting a house, condo or apartment, the landlord carries insurance only on the building. It's up to you to insure anything inside by purchasing renter's insurance.

Condo Insurance

Sometimes a Condo Association Master Insurance policy will provide dwelling coverage. Personal property and personal liability, however, can only be covered under a personal condo insurance policy. It's important to remember that even if

your Condo Association's Master Insurance Policy covers your condo for fire and other covered losses, it still does not protect your personal property or provide personal liability. You will be taking a huge financial risk if you don't have condo insurance.

Auto Insurance

A few filters need consideration in order to make that educated decision. First, what is the state required minimum coverage where you live? Second, what does the minimum cover? Third, what other coverage is available and can you afford it? Fourth, what are you protecting?

Estate Planning - Will

Estate planning is the process of anticipating and arranging for the disposal of an estate.

A **Will** is a legal document that defines who will receive your assets, who is named the executor (the person in charge of handling the estate), how the assets are distributed, and numerous other issues. Having a Will allows you to determine who will benefit from your estate and assets after your death.

Why you need one:

- You can determine who will benefit from your estate and assets after your death.
- Your spouse or children may not get what you intended without one.
- Your estate will be divided by the government without one.
- You can avoid probate.

How to get started:

1. Letter of Instruction - outlines specific requests you'd like carried out, such as funeral, burial and cremation arrangements, etc. It also lists meaningful possessions you'd like to give to loved ones and important contacts such as your employer or insurance agent. Overall, it helps to clarify your intentions and prepare the will.

2. Other important legal documents:

- **Living Will** - expresses medical treatments you want or refuse.
- **Health Care Proxy/Power of Attorney** - delegates someone to make health care decisions for you if you are unable to do so.
- **Durable Power of Attorney** - delegates someone to handle financial matters.
- **Guardianship** documents for children under 18.

3. Meet with an attorney to draw up and finalize the above documents. Contact the American Bar Association for a list of free or low-cost legal services in your state. Also check with your employer, union or trade association about possible resources. Ask colleagues, friends and family for referrals.

4. After documents are completed:

- Sit down with your family to discuss all matters.
- Keep documents in a safe, easily accessible place.
- Review all documents every few years.
 - o Make changes as family situation changes (for example, the birth of children or grandchildren, or a divorce).

Identity Protection

Ten Things You Can Do in Ten Minutes or Less

Much like saving is about finding spending leaks, protecting your identity is about finding information leaks. The more information that is out there about you, the easier it is to be taken advantage of.

Information Leaks

1. Opt-out from prescreened credit card offers: www.optoutprescreen.com
2. Opt-out from most junk mail: www.dmchoice.org
3. Stop your paper bank statements and switch to email statements (if you have online banking).
4. Put a lock-password on your computer and phone.
5. Go through your email inbox and de-register or unsubscribe from mass email lists.

Setting up Safeguards

6. Arrange to receive texts or emails when your bank account has transactions above a certain limit.
7. Take your Social Security card out of your wallet.
8. Sign the back or put “SEE ID” on the back of your credit or debit card.
9. Photocopy everything that you have in your wallet.
10. Pull your credit report at least once a year and check for any unusual activity.

DISCOVERY: I will complete the personal financial risk assessments below to uncover the areas where I am lacking protection.

Personal Risk Assessment

1. I am satisfied with my current financial strategy.	Yes	No
2. I know how much I will need to retire and how much I can safely withdraw from my assets in retirement.	Yes	No
3. I have a six-month to one-year cash emergency fund.	Yes	No
4. I have health insurance for me and my family.	Yes	No
5. I have adequate life insurance to provide for my family.	Yes	No
6. I have disability insurance.	Yes	No
7. I have personal liability insurance.	Yes	No
8. I have a Will, Power of Attorney, Living Will and Healthcare Proxy.	Yes	No
9. My beneficiary designations for my life insurance and retirement accounts match those in my Estate Plan or Will.	Yes	No
10. I review my financial situation on an annual basis with a certified financial planner.	Yes	No

If I answered "No"

0-3 times Low risk

2-3 times Moderate risk

4 times or more High risk

DISCOVERY: I will complete the following exercise to determine how much personal insurance I need.

Personal Insurance

Disability Insurance

If I become sick or disabled, either temporarily or permanently, would I be able to support myself and my family? Yes _____ No _____

How much income would I need? _____

Additional needs? _____

What are my options to cover this need?

- Spouse/partner income?

- Savings?

- Disability Income from insurance or employer?

o What long term disability insurance typically pays: slightly over half of current income (current income x 60%).

Life Insurance

If I were to die suddenly, would there be dependents left without basic support?

Yes _____ No _____

Would my burial costs impose undue hardship on others? Yes _____ No _____

How much life insurance do I need?

Burial costs: _____

Ten times my annual salary: _____

D.I.M.E. method: Debt+ Income+ Mortgage + Education: _____

DISCOVERY: I have discovered that I am unprepared and vulnerable in the following areas:

1. _____

2. _____

3. _____

4. _____

COMMITMENTS: As a result of my discovery, I commit to the following actions:

COMMITMENT #1: I will calculate how much life insurance I need and set a date to establish the insurance coverage that I need.

COMMITMENT #2: I will consider my options for Disability Insurance and set a date to establish the insurance coverage that I need.

COMMITMENT #3: I will make sure I have sufficient insurance coverage on my house or my apartment.

COMMITMENT #4: I will make sure I have sufficient health insurance for my entire family and will ask someone for suggestions about improving my coverage.

COMMITMENT #5: I will set a date to complete my Will and my Health Care Directive (Living Will).

COMMITMENT #6: I will designate a certified financial planner to meet with at least once a year.

COMMITMENT #7: I will attend the next dfree® session on _____ at _____.

BENEFITS: As a result of keeping my commitments, my life will be better in the following ways:

1. _____
2. _____
3. _____

KEY TERMS: Insurance, Will, Estate, Probate

STATISTICS:

✓ Medical problems contribute to roughly half of all U.S. personal bankruptcies and home foreclosures each year. (The American Journal of Medicine, Health Matrix, June 4, 2009, Journal of Law-Medicine, August 8, 2008.)

✓ During their professional careers, 2 out of 10 people will experience a disability lasting one year or more. The chance of someone having a 1 year disability up to age 65 is nearly 3 times as likely as dying. (Sun Life Financial estimates the probability of an individual worker suffering a disability lasting one year or more during a professional lifetime at roughly 15% to 20% (depending on age), which averages slightly under 2 in 10. Sun Life Financial projections are based on information from the Society of Actuaries, Group Long-Term Disability Actuarial Tables, 1987, latest available data as of February 2012. The data represent approximations of actuarial odds and assume a mix of health ranges, smokers, and nonsmokers).

- ✓ Without long-term disability insurance, which would replace a portion of lost income due to a qualifying disability, a worker earning \$50,000.00 who experiences a one-year disability will lose \$50,000.00 in income.
- ✓ Just over 1 in 4 of today's 20 year-olds will become disabled before they retire. (Social Security Administration, Fact Sheet March 18, 2011)

RESOURCES:

Agingwithdignity.org/family-individual.php AnnualCreditReport.com
Insurancecalculator.com Estateplanning.com Disabilitycanhappen.org
Sunlife Video (<http://viewdc.com/18997nom>)

dfree® Success Story:

“When I heard your message, I realized that I was not prepared for any illness that may happen to me. Being a small business owner if I had a major illness my business would be in jeopardy. I recently took steps to purchase disability insurance that will provide a set amount of monies to cover any expenses for my business and personal life for a period of two years. I want to thank you for delivering that timely message and I now feel at ease knowing that if anything happens that my business will survive until I get back on my feet.”

LEVEL THREE

GET AHEAD

STEP NINE: MAINTAIN THE FOCUS

AFFIRMATION: I will keep my eyes on the prize.

ASSUMPTIONS: **1.** I am bombarded with messages that are designed to help me behave against my self-interest. **2.** If I make mistakes, I can recover. **3.** I have made financial progress already.

GOAL: To take meaningful steps towards my financial goals

MESSAGE FROM DEFOREST B. SOARIES, JR.:

I receive an invitation to borrow money almost every day. And many of them are quite tempting. They appeal to my ego. They appeal to my appetites. The letters that the credit card companies write are so impressive. They compliment me and make me feel important. Despite the fact that millions of other people have gotten the same letter, they make it sound as if I am the only person in the world receiving their message. And then there is the pre-qualification for the right to use their card and pay their high interest rates. Everything from special colors and logos to a supposed zero interest rate that they offer makes every letter somewhat appealing. I have learned that the best way to resist these offers is to not open the envelope at all.

Then, there is the email offer to lend me \$1,500.00 with no credit check - all within an hour. What they don't tell me is that I will have to pay the money back at an interest rate of 400% - 600% and that I will probably end up in a debt trap that will take months and more loans to escape. It can be hard to avoid the traps that are set and designed to take our money.

Then, there are the attractive store sales. A store near me sells three suits for the price of one, a few times a year. When I was younger, I would buy the suits just because of the price. But I have grown up and realized that unless I need a new suit, there is no price that makes sense to pay for a new suit.

But advertising and marketing strategies abound and in this age of endless media, we are encouraged to part with our money all the time - 24/7. That makes it imperative that we have a strategy to remain focused so that we can remain faithful to our dfree® commitments.

That commitment includes increasing our incomes. No one wants to struggle and juggle for the rest of their lives. One solution for increasingly higher costs of living is higher income. I know - that sounds difficult or even impossible. But everyone does something well enough to get someone to pay them to do it. That is the key to earning more money. It starts by looking squarely at you - very carefully - and answering the question "What do I do so well that someone will pay me to do it?" Don't be humble about it - make a list of your most outstanding attributes and talents - and then figure out who will pay you how much to do it for them.

The other way to figure out a strategy for increasing income is to identify something that you love to do and you love it so much that you would almost feel guilty taking money for doing it. Everyone has an answer to that question. Even shoppers!

Did you know that companies compensate people to visit their stores as mystery shoppers in their

stores? Other companies pay people to call their customers and prospective customers on the phone. Families pay people to water their plants while they are on vacation or away on business. Babysitting is one of the oldest businesses that even teens can do.

I have a friend who has a challenged background and therefore has a hard time getting a job. But he is a husband and a father and is committed to providing for his family. And he loves to clean cars. He has started a mobile car wash - equipped with water and all of the tools that he needs to wash, detail and make a car look brand new. He will bring his truck to your car wherever you may be. He can earn hundreds of dollars a day cleaning cars. And when he adds a few more trucks he will be able to train young men to do what he does and earn a thousand dollars a day cleaning cars!

I also read about a woman who saved her house from foreclosure by baking cakes and selling them to her neighbors and friends. This effort turned into a full- fledged business and now she sells to people all over the country.

The key is to remain focused on our financial health and to settle for nothing less than financial success.

DISCOVERY:

1. I have discovered that I have a weakness for _____.
2. I have discovered that I can potentially increase my income by _____.
3. I have discovered that _____ is a very helpful person to hold me accountable to my new lifestyle.

COMMITMENTS: As a result of my discovery, I commit to the following actions:

COMMITMENT #1: My goal is to increase my income by \$_____ per month.

COMMITMENT #2: I will make a list of things that I love to do or do well enough to get people to pay me to do them:

1. _____
2. _____
3. _____
4. _____
5. _____

COMMITMENT #3: With my new income, I am committed to increasing my savings or debt reduction by \$_____.

COMMITMENT #4: I will log-on to the Billion Dollar Challenge (www.billiiondollarpaydown.com) and increase my debt reduction goals.

COMMITMENT #5: I will update my personal financial statement using the chart below.

What is my net worth now?

As I continue my journey to becoming debt free and paying off my debts, my net worth should be increasing. Periodically calculating my net worth is one way to measure and track my financial status.

Assets (What You Own)	Value	Liabilities (What You Owe)	Value
Personal Possessions		Personal Debts	
Home Value		Home loan	
2nd Home Value		2nd home loan	
Car		Home Equity Loan	
Art, Collectibles, Jewelry, Furniture		Car Loan	
Other		Student Loan	
Savings and Investments		Credit Cards & Personal Loans	
Cash on Hand		Visa	
Bank Accounts		Master Card	
CD's		American Express	
Annuities		Other Credit Card	
Life Insurance Cash Value		Personal Loans	
Stocks		Unpaid Bills	
Bonds		Income Tax Owed	
Mutual Funds		Other Debt	

Assets (What You Own)	Value	Liabilities (What You Owe)	Value
Real Estate		Investment Debt	
		Student Loan	
Retirement Savings		Business Loan	
Pension Plan		Investment Loan	
401(k)s		401(k) Loan	
IRAs		Life Insurance Loan	
SEPs		Other Investment Loans	
Other			
		Total Liabilities	
Total Assets			
		Total Assets	
		- Total Liabilities	
		NET WORTH (Assets - Liabilities)	

Remember: My net worth ≠ My self-worth!

COMMITMENT #6: I will spend at least seven minutes every day working on a personal financial matter.

COMMITMENT #7: I will attend the next dfree® session on _____ at _____.

BENEFITS: As a result of keeping my commitments, my life will be better in the following ways:

1. _____
2. _____
3. _____

KEY TERMS: Predatory Lending, Payday Loans, Net Worth

STATISTICS:

✓ There are an estimated 10 million “shopaholics” in the United States who can’t resist the temptation of credit cards. (American Journal of Psychiatry)

RESOURCES:

Paydayloaninfo.org Responsiblelending.org

dfree® SUCCESS STORY:

“I wish I had known that I should not co-sign for someone’s loan. I will never do it again.”

- D.V.

LEVEL FOUR

GIVE BACK

STEP TEN: INVEST IN OTHERS

AFFIRMATION: Others have helped me with my financial journey. Now, it is time for me to help someone else with theirs.

ASSUMPTIONS: **1.** I can help someone else who is struggling with their finances. **2.** I don't have to be a financial expert to help someone become dfree®. **3.** The best way to sustain my own progress is to help someone learn what I have learned and experience what I have experienced.

GOAL: To identify people that I can help achieve financial freedom.

MESSAGE FROM DEFOREST B. SOARIES, JR.:

Harriet Tubman was born a slave in 1820. After escaping from slavery, she made thirteen missions to rescue more than 70 slaves using the network of antislavery activists and safe houses known as the Underground Railroad. In 1849, Tubman escaped to Philadelphia then immediately returned to Maryland to rescue her family. Slowly, one group at a time, she brought relatives out of the state, and eventually guided dozens of other slaves to freedom. Traveling by night, Tubman (or "Moses", as she was called) "never lost a passenger". Large rewards were offered for the return of many of the fugitive slaves, but no one then knew that Tubman was the one helping them. When the federal government passed laws that required law officials in free states to aid efforts to recapture slaves, Tubman helped guide freed slaves farther north into Canada, where slavery was prohibited.

Harriet Tubman was such a role model for people who managed to break free. Her actions suggest that one is not truly free until one has helped someone else to become free.

This does not always require a huge act. What may seem like a very a small contribution could have a life changing impact on another. I remember helping an elderly farmer in Jamaica buy a mule so he could expand his 1 -acre yam farm. He was saving to enable his grandson to have \$175.00 Jamaican Dollars to buy a mule. With that mule, he could double his harvest and increase his annual income from \$700.00 Jamaican Dollars to \$1,400.00 Jamaican Dollars. However, it would take years for him and his son to save \$175.00 Jamaican Dollars given the limitations of his \$700.00 Jamaican Dollar annual income. I traveled to Jamaica with 4 friends and the exchange rate for Jamaica to US dollars was \$5.00 Jamaican Dollars to \$1 USD. That meant that if we gave the farmer \$7.00 USD each, he could buy his mule immediately and not wait the 30 or 40 years that he had planned to save. And that is exactly what we did. We gave the man \$35.00 USD - \$7.00 USD each - and he had \$175.00 Jamaican Dollars to use to buy his mule. We never missed the \$7.00 USD that we gave. But the farmer's life was changed - forever.

Research has revealed that we are actually happier when we give to others. Therefore, giving is good for our health! Giving is a joy. That includes giving at least 10% of our income to our favorite religious, educational or civic organization.

DISCOVERY: I have discovered that I can invest in others in the following ways:

1. _____
2. _____
3. _____

COMMITMENTS: As a result of my discovery, I commit to the following actions:

COMMITMENT #1: I will share what I have learned and accomplished with the following people:

1. _____
2. _____
3. _____
4. _____
5. _____

COMMITMENT #2: I will invite the following friends/family members to join the dfree® Billion Dollar Challenge www.billiondollarpaydown.com to set and track their debt reduction goals and progress.

1. _____
2. _____
3. _____
4. _____
5. _____

COMMITMENT #3: I will support _____ with a minimum of _____% of my income.

COMMITMENT #4: I will give the following people some type of assistance or gift that will help them reach their financial goals.

1. _____
2. _____
3. _____
4. _____

COMMITMENT #5: I will make a daily appointment with myself to continue keeping my dfree® commitments for my own financial freedom. ____:____ am/pm

COMMITMENT #6: I will contact _____ when I begin to stray from my previous dfree® commitments.

COMMITMENT #7: I will attend the next dfree® session on ____ at _____.

BENEFITS: As a result of keeping my commitments, my life will be better in the following ways:

1. _____
2. _____
3. _____

KEY TERM: Give Back

STATISTICS:

✓ In 2011, Americans gave more than \$298.42 billion to their favorite charities. (Giving USA 2012, American Association of Fundraising Counsel)

RESOURCES:

Mydfree.org Idealist.org

dfree® SUCCESS STORY:

“dfree® taught me how to give and how to spend wisely. The best way to be able to give is when you’re financially free. Someone asked me one time, “Well, you’re already debt free, why would you want to go take a class?” I know there is so much more I can learn and I can give back and show others how to become dfree®.”

- Patricia

LEVEL **FOUR**

GIVE BACK

STEP ELEVEN: IGNITE dfree® LIVING

AFFIRMATION: Each one, teach one.

ASSUMPTIONS: **1.** Someone that I may not even know looks at me with admiration. **2.** I have more influence on others than I realize. **3.** Someone will really benefit from the help I have to offer.

GOAL: To use my influence to help someone start their journey towards financial freedom.

MESSAGE FROM DEFOREST B. SOARIES, JR.:

Start a Movement!

Movements are started by ordinary people. People like Martin Luther King, Jr. possess unusual gifts that cause them to stand out from the crowd. King's ability to speak was unique. But, the civil rights movement did not start with Dr. King's speeches. King became known as a great speaker, because an ordinary woman named Rosa Parks refused to move when a bus driver tried to get her to give up her seat to a white passenger. Mrs. Parks was an ordinary, quiet woman – she was a seamstress, a church organist and a devoted wife. But, her action became the spark of a movement that changed America forever.

The commitment to helping people resist the forces of consumerism and to take care of their financial health is as urgent a need today as the need to achieve civil rights was in the 1960's. The only way to reach the amount of people that we need to reach is for ordinary people to become committed to this as a movement. Most people cannot speak like Dr. King – but everyone can take a stand like Mrs. Parks. She proved that one ordinary person's action can inspire others to take extraordinary action.

DISCOVERY:

1. I have discovered that I would not be where I am today were it not for

2. I am so grateful for the help I have received, I plan to

3. This dfree® experience has been particularly helpful to me in the area of

COMMITMENTS: As a result of my discovery, I commit to the following actions:

COMMITMENT #1: I will contact the following organizations or groups and encourage them to include dfree® in their activities:

1. _____

2. _____

3. _____

COMMITMENT #2: I believe the following members of my family could benefit from dfree® instruction.

1. _____

2. _____

3. _____

COMMITMENT #3: I will spend _____ hours a week helping someone reach their dfree® goals.

COMMITMENT #4: I will promote dfree® in the following ways:

1. _____

2. _____

3. _____

4. _____

5. _____

COMMITMENT #5: I will form a group in the Billion Dollar Challenge (billiondollarpaydown.com) and lead them to a dfree® lifestyle.

Date formed: _____

COMMITMENT #6: I will promote dfree® living through the following social media:

1. _____

2. _____

3. _____

4. _____

COMMITMENT #7: I will attend the next dfree® session on _____ at _____.

BENEFITS: As a result of keeping my commitments, my life will be better in the following ways:

1. _____
2. _____
3. _____

KEY TERM: Movement

STATISTICS:

✓ About 63.4 million Americans, or 26.3% of the adult population, gave 8.1 billion hours of volunteer service worth \$173 billion in 2010. (Corporation for National and Community Service)

RESOURCES:

Mydfree.org

dfree® SUCCESS STORY:

“Clearly, DeForest B. Soaries, Jr. is onto something with the dfree® movement. I heard him speak at a training conference and it astonished me how much sense he made as he used statistics to reveal the bad habits that we often refuse to admit. The whole time, I’m sitting there thinking about how we can incorporate dfree® into our organization. I will recommend having DeForest B. Soaries, Jr. come in and train a core leadership group. Then, we hit it hard with putting on these type of no-nonsense training seminars around the communities.

We can explain what it means to be constrained by debt and how we’re weighed down by all those other bad financial, bad habits we cling to, such as: using those checking cashing places, not having checking or saving accounts, carrying balances on multiple credit cards, not having life insurance, not monitoring our credit reports, and not making payments on time. The list goes on and on...I see a vision here for a new way of life that can set so many people free to really live for the first time in their adult lives.”

- Thomas K.

LEVEL **FOUR**

GIVE BACK

STEP TWELVE: IMPACT THE CULTURE

AFFIRMATION: If it is to be, it is up to me.

ASSUMPTIONS: **1.** The best way to celebrate my personal victory is to serve others that need help. **2.** People achieve better results when they receive help from someone who have had their experience. **3.** One person can make a difference that changes the culture.

GOAL: To understand what dfree® activism looks like.

MESSAGE FROM DEFOREST B. SOARIES, JR.:

We live in the fastest changing period of human history. Something significant in our culture changes every 18 months! Everyone can identify something that is different now than it was 2 years ago. We are moving at lightning speed.

The culture of debt, the lack of savings, and self-imposed poverty is a relatively new societal challenge being characteristic of our society for less than 50 years. However, this culture did not create itself or grow in a vacuum. The culture of debt is actually the offspring of 7 other cultures whose interactions and inter-activities produced the culture of debt. Our efforts to sustain and spread the dfree® lifestyle will involve addressing all of these other cultures:

1. The Culture of Greed

During the 1990s and thereafter it was greed that caused banks to offer high interest rate credit cards and mortgages to people who were not able to afford them. It is greed that allows corporations to dole out huge bonuses to executives while freezing wages and cutting jobs for low-wage workers. It is greed that motivates clothing designers to charge exorbitant prices for apparel made overseas in sweatshops and assign higher prices simply due to the presence of a logo. It is greed that causes payday lenders to prey upon people of meager means, offering them access to credit that can result in repayment interest rates of 500% to 600%. And not all of this culture of greed resides in corporate suites.

It is also the culture of greed that causes people to abandon family responsibilities to work more hours and earn more money to buy more things. It is greed that is at work when we buy more clothes than we can wear, store them in basements and attics, and then rent storage units for things we may never use again in our lives. We have replaced the cultures of modesty, sufficiency and frugality with the culture of greed. And when this culture interacts with one of the other cultures detailed here, it produces the culture of debt.

2. The Culture of Impatience

No longer do we have a culture of delayed gratification where we are willing to wait for an item we want until we can pay for it. We have become a plastic society that has reversed the process. We used to make payments for a purchase before we obtained it. Now we obtain the item and then we make the payments over time. In my mother's time, there were no interest charges with layaway. But

when we “charge it” we pay high interest rates that diminish our buying power. This inability to wait has not only afflicted our finances, it has permeated our entire existence. We cannot wait for our food so we want fast food. We cannot wait at traffic signals and we have road rage. We cannot even wait to discover the gender of our children. We are addicted to fast and cannot tolerate any type of delays—especially with those things that we think make us happy or bring us joy. And since our greatest happiness is perceived to be in our possessions, we cannot wait until we can afford them. We will pay 29% interest rates to have what we want right away.

3. The Culture of Ignorance

In the U.S., we seem to be comfortable with a culture of ignorance as if ignorance really is bliss. We have been completely distracted by frivolity and foolish things that just don't matter at all. And, in some cases we have no grasp or interest in matters related to our own welfare. In the dfree® program, we discovered that many people did not know the interest rates they were paying on their car loans. Most of the people that we asked admitted that they had only been interested in the amounts of their monthly payments and never thought about their interest rates. There is an old expression “what you don't know won't hurt you.” The truth is that what we don't know can kill us. But it has become acceptable to know more about celebrities' lives than our own lives. State-sponsored lotteries are the worst of example of government capitalizing on the cultures of greed, impatience and ignorance. The odds of becoming rich by winning a lottery are beyond anything reasonable. Yet Americans spend \$60 billion a year on state-sponsored lottery tickets. A family with yearly earnings of \$13,000.00 spends an average of \$645.00 a year or \$53.75 per month on lottery tickets. That monthly expenditure is 9% of their annual income! A monthly deposit of \$53.75 in an account that yields 5% interest will result in their having \$22,238.86 in 20 years!

4. The Culture of Fantasy

This celebrity worship depicts a culture of fantasy that has allowed make-believe to become our reality. Professor Juliet B. Schor has analyzed this in a marvelous way in her book *The Overspent American*. She asserts that in the past striving for improved lifestyles was not totally negative because the Joneses lived next door to us and were probably in the same income bracket and had similar lifestyles. Today, we don't even know the Joneses that we are trying to keep up with. All too often we are idolizing film and television characters that make a lot more money than we earn and even worse, they don't exist.

This fantasy-based culture offers emotional and psychological support to misplaced priorities and processes. Like millions of kids who really believe that they will play professional basketball and therefore do not need an education, millions of families believe that some miracle will occur that will enable them to pay bills for which they lack money. Their purchases make them feel like they are a part of the world that they can imagine, and thus their debt is facilitating their fantasy.

5. The Culture of Denial

We are living in a constant state of denial about so many things that one wonders if there is not really an epidemic of undiagnosed mental illness spreading. We are in denial about our children and their behavior. We are in denial about our health and what is required of us to be healthy. And we are in complete denial about our finances and how to be financially healthy.

6. The Culture of Victimhood

If we are not careful everyone will be able to identify some way in which we are victims of someone else's actions. Granted, there is no limit to the number of schemes that are designed to take advantage and even hurt people. Many homeowners who signed mortgage notes that were ill advised were either poorly represented or fraudulently represented. Many companies that purported to help struggling homeowners were actually criminal enterprises. That is why we must dedicate ourselves to understanding what we sign, securing professional advice and asking questions when we don't know what we are doing. We cannot be too careful about protecting ourselves, our families and our assets from rip-offs.

However, not everything is a rip-off. Some of our problems are self-imposed and we must learn to take responsibility for what we do to ourselves. The culture of victimhood removes all personal responsibility and it assigns blame for all of our problems on external sources.

If we do not open our mail and respond to letters that we get from lenders, when they repossess our cars or foreclose our homes, we are at fault. If we misrepresent the truth on applications and face consequences for that, we are responsible. If we spend money on things that we do not need and are unable to handle our regular responsibilities, we are responsible.

7. The Culture of Prosperity

There was a time when purpose, significance and service were celebrated as virtues worth pursuing and possessing. Instead, we have evolved into the culture of prosperity. We not only admire the “Lifestyles of the Rich and the Famous” we hold them up as the standard for significance and success. We believe, too, that we’re entitled to this standard to such a degree that we’ll lie, cheat and refuse self-accountability just so we can claim prosperity as ours. Prosperity is often mistakenly and very narrowly defined as simply having money and possessions.

Prosperity is certainly not evil. But a culture of prosperity results in social classifications being created based on possessions.

DISCOVERY: I have discovered that I feel a need to help combat the culture of _____ by _____.

COMMITMENTS: As a result of my discovery, I commit to the following actions:

COMMITMENT #1: I will participate in an activity that helps people with:

1. _____
2. _____
3. _____

COMMITMENT #2: I will encourage people to avoid alternative financial services.

1. Payday Loans
2. Title Loan Store
3. Pawn Shops
4. Check Cashing Stores
5. Tax Refund Anticipation Loans
6. Overdraft Protection Loans
7. _____

COMMITMENT #3: I will support an organization that promotes financial literacy.

COMMITMENT #4: I will subscribe to a resource that provides ongoing financial information.

COMMITMENT #5: I will celebrate someone else’s progress with their dfree® lifestyle.

COMMITMENT #6: I will develop a strategy to maintain my dfree® commitments after the dfree® sessions end.

COMMITMENT #7: I will identify the next book that I will read to expand my knowledge of personal finance. _____

BENEFITS: As a result of keeping my commitments, my life will be better in the following ways:

1. _____

2. _____

3. _____

KEY TERMS: Culture of Greed, Culture of Impatience, Culture of Ignorance, Culture of Fantasy, Culture of Denial, Culture of Victimhood, Culture of Prosperity

STATISTICS:

✓ 41% of U.S. adults, or more than 92 million people living in America, gave themselves a grade of C, D, or F on their knowledge of personal finance, suggesting there is considerable room for improvement. This number is highest among Gen Y adults at 47%. Furthermore, 80% of adults agree that they would benefit from advice and answers to everyday financial questions from a professional, and more than 1/3 (35%) strongly agree. (National Foundation for Credit Counseling)

RESOURCES:

Mydfree.org

dfree® SUCCESS STORY:

“I have just received an email after spending over an hour with a young lady who heard your dfree® telephone presentation on insurance. She is so thankful that you took the time to share your knowledge and can’t thank us enough for pointing out that she is not insured correctly on her condo. Her current policy was only providing \$20,000.00 in coverage, which means she had an \$80,000.00 shortage in the event of a loss. As a result of you volunteering your time and sharing what you know, she will be making the appropriate changes to her current policy and will be receiving quotes from [insurance] carriers to see where she can get the best coverage.”

- Employee email to her supervisor at an insurance agency

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