



Financial empowerment does not only come from earning your own money but also from understanding how to manage what you do with that money so that you can feel financially secure. To step towards taking control of your money, it is important to understand your money history and personal values, determine your priorities, and set financial goals.

Your Relationship with Money

By stepping back and looking at what money was like growing up and what it looks like now, you can have a better understanding of your relationship with money and money habits. While your past can't be changed, it can influence your current money behaviors. However, you are empowered to decide what you want your relationship with money to be moving forward.

The following activity will help you reflect on your history with money, understand where you are today, and begin to think about how you want your money future to look.

Activity 1: My Money Story

Think about how money was used in your family when you were growing up. What messages did you receive about money? Fill in the blank with whatever word or words comes to mind!

When I was growing up, money was _____ to me.

Now in the box below, draw and/or describe a memory you have about money from when you were growing up.

Questions to consider: Who was your financial role model? Why? What did that look like?; Where did money come from?; Who made the decisions around money in your family?; How much were you involved with money in your family?

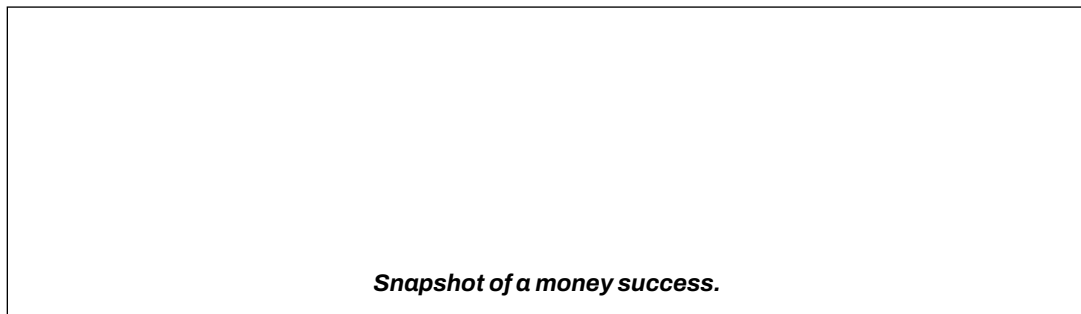
Snapshot of a money memory.

Now that you have looked at your past, take a look at your present! Think about what money means to you now– again, it can be anything!

Now, money is _____ to me.

Think about a success you’ve had with money recently, big or small. Draw and/or describe that in the box below.

To consider: What made this success possible?; How did this success make you feel?; Why was this important to you?; Explain what you learned from this.; How would you use what you learned in your future?



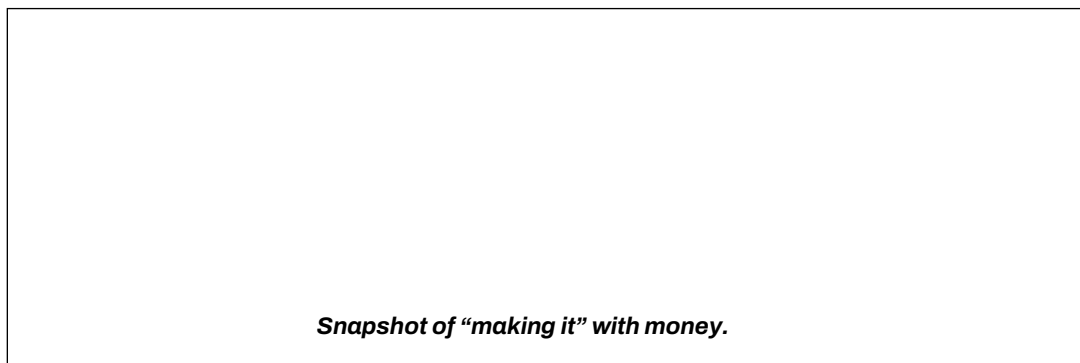
Snapshot of a money success.

Now that you have looked at your past and present, look forward at your future! Think about what you hope money will be for you in the future, and write it down.

In the future, money will be _____ to me.

What will your life look like when you’ve “made it”? Draw and/or describe what financial success in your future looks like.

Questions to consider: How will you feel?; What are your material and non-material goals?; How will you be getting money?; How will you spend your time?; What will you spend your money on?; Will you be saving money?; How will your family feel?; Why is this important to you?; What will make this achievable?



Snapshot of “making it” with money.

MORAL OF THE STORY

Write down three things that are going well for you around money.

Questions to consider: How did you accomplish the financial success in the now piece of your story?; How does your support network help you?; How do you organize your money now?; How do you make decisions about money?; What are you proud of right now?; What motivates you?

Here's what's going well:

- 1) _____
- 2) _____
- 3) _____

What do you need to change to make your future money goals reality? Write down three things you want/ need to change to make this happen.

To consider: Look back at the future you described. How do you get there?; What gets in the way of making money? How can you change that?; Why are these goals important to you?

Here's what I want to change:

- 1) _____
- 2) _____
- 3) _____

Your Personal Values

Values describe what's important to you. When you create goals to make a change in your life, it is helpful to first think about your values. When your goals match up with the values that are important to you and your family, you are more likely to prioritize achieving them. And if you can focus on one or two priorities that align with your values, you'll have a better chance of reaching your goal. Below are examples of values:

Family / Friends

Health

Self-respect

Freedom

Independence

Spirituality

Happiness

Reputation

Status



For more information about your personal values and determining what is most important to you, read the **VWW Guide: Identifying Personal and Professional Values** and complete **Activity 1**.

Financial Balance

When becoming more financially empowered, creating balance is critical to your success. Maintaining the balance between different financial areas of your life helps ensure that every aspect of your finances gets the attention it needs. As a result, you can avoid problems with debt and make headway to reach your financial goals.

The Financial Wheel of Life is a helpful tool to help you assess how satisfied you are with the areas of your financial life and create actionable goals for the areas you would like to improve. Your personal values play a large role in your level of satisfaction.

The areas to consider are:

Income: How well does your income meet your needs? What income do you need to make ends meet? How well does your current income align with your goals?

Budget: Do you have budget? How well are you able to follow your budget?

Insurance: What would happen if you suddenly needed medical or dental services? How prepared are you if your car was totaled? If you own your home or rent, how would you recover losses if you were burglarized and you lost expensive items?

Retirement: What strategy or plan do you have for supporting yourself financially during retirement? What money will you be able to draw upon to meet your monthly needs?

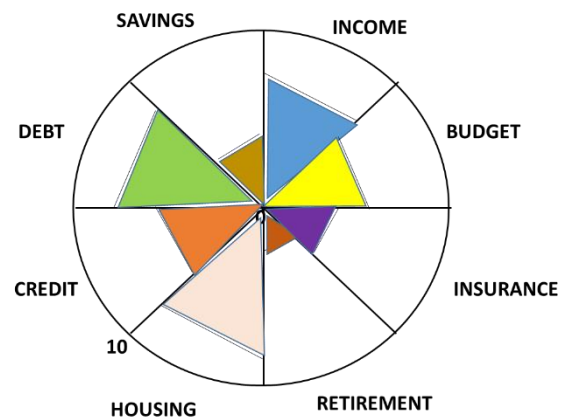
Housing: What are your housing goals? How close are you in meeting them?

Credit: How satisfied are you with your credit rating/score? How much credit have you been able to establish?

Debt: What is your level of debt? How well are you able to meet your payment obligations towards your debt?

Savings: How well will your savings be able to help you in emergencies? How well are you able to pay for the things or activities you enjoy?

While you may never have equal satisfaction around the entire wheel at any one time, you can work towards having a higher satisfaction level in all areas, focusing on one or two areas at a time. For example, if you want to buy a home but do not currently qualify for a mortgage, you may focus your attention on your debt and credit score by setting some goals in these areas. Once you have improved satisfaction in those areas, you may focus on the goal of buying a house.



Activity 2: Financial Wheel of Life

Directions:

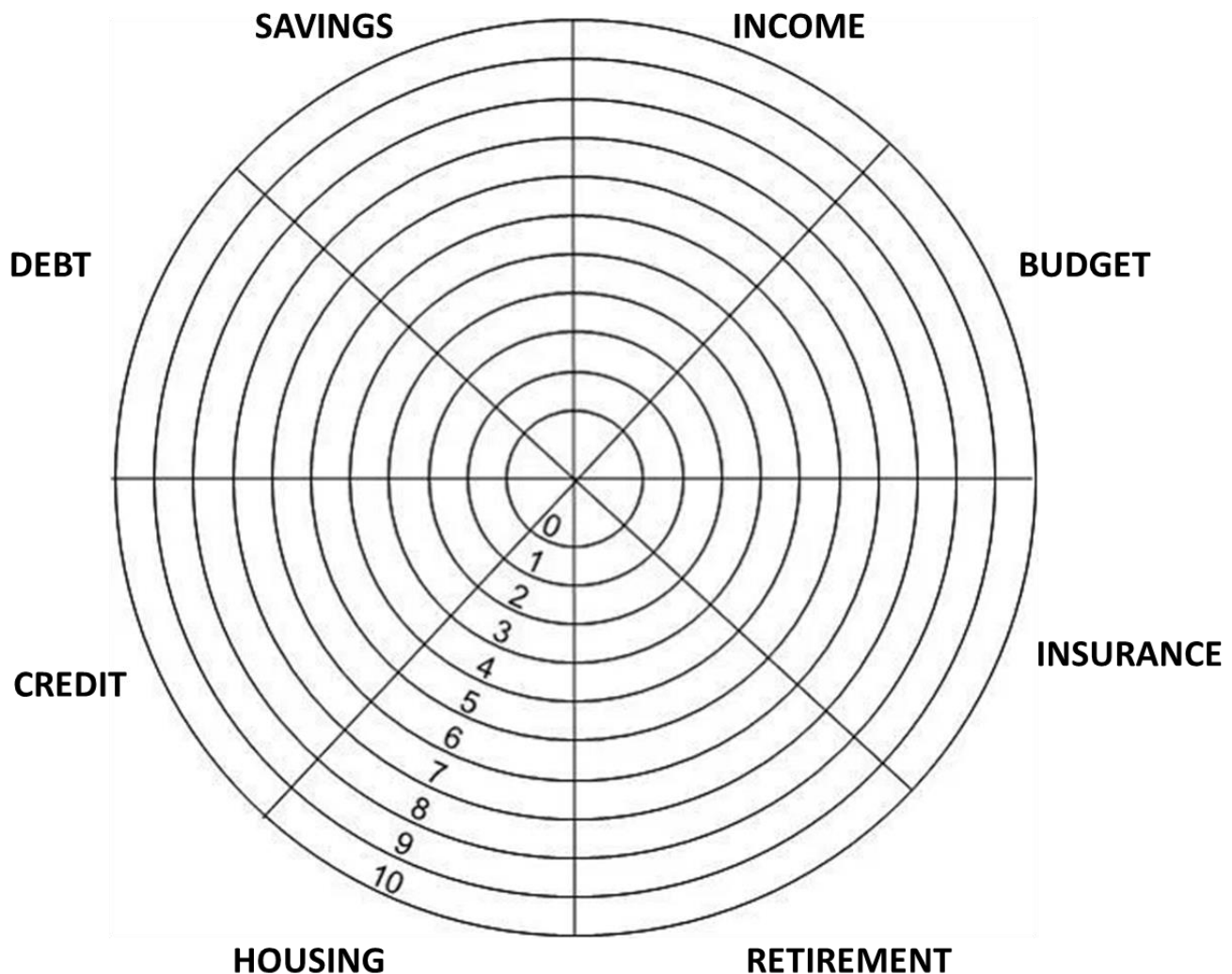
The eight (8) sections of the Wheel represent financial balance.

Seeing the center of the wheel as “0” and the outer edge as “10,” rate your level of satisfaction with each area by shading in from the middle to the “edge” of your level of satisfaction.

- 0 = very dissatisfied
- 10 = extremely satisfied



The new perimeter represents your personal Financial Wheel. You may chose to focus goal setting and actions on areas of lower satisfaction.



Creating SMART Money Goals

Once you have identified your personal values and determined which financial areas you want to prioritize your efforts, you can begin to create goals. When creating your SMART money goal(s), you will ask yourself:

Specific: What will I achieve? Who will benefit from the goal? What specific thing will I accomplish?

Measurable: How much? How many? How will I know when it's done?

Achievable: Is this goal something that I can actually reach? Do I have the tools and support I need to accomplish this?

Relevant: Is this something that I really want? Is now the right time to do this? Why is this goal important?

Time-bound: When will I reach this goal? Is the time frame reasonable?



For more information about writing SMART goals, read the **VWW Guide: Setting Smart Goals**.

Staying Focused on Your Money Goals

Achieving your goals is often about sticking to your plan. However, between social influencers, constant online advertising, easy “click of the button” purchasing, and our consumer culture of “more is better,” we are often challenged to scale back spending, putting far too many people into an unnecessary cycle of living paycheck to paycheck. Additionally, with the reduced usage of checkbooks and checkbook registers in favor of digital and online banking, we are no longer forced to manually record and be mindful of every expense. Without conscious and deliberate oversight of our spending habits, we can suddenly find ourselves in overdraft and straying from our goals.

So, how can you stay on track? A few strategies include:

- **Revisit your SMART money goal(s) daily.** Carry a picture of your goal(s) on your phone. Before making a purchase, ask yourself “how does this purchase fit in with my values and money goals?”
- **Check your bank account(s) daily.** “Out-of-sight, out-of-mind” is a non-productive mindset for achieving your money goals. Stay “close” to your money. Always know what you spent, when you spent it and why you spent it. Consider using a money tracking app on your phone.

- **Pause before you buy.** Online shopping can contribute to compulsive buying since you can get what you want on the click of a button without further thought. Consider putting items in the “shopping cart,” and waiting a day or two, or even a week before you complete the transaction. You may find the item(s) in the shopping cart is no longer that important to you.
- **Pay attention to what influences your spending.** Are you attracted to pop-up ads? Do the random ads on Facebook attract your attention and get you to buy things you don’t really need? If so, then it’s working! Getting consumers to become curious and click on the links (which often leads to even more advertising and more spending) is the goal. You can beat it! Try looking past the ads knowing that their ONLY goal is to make you spend so they can increase their profits.
- **Calculate the worth of the item in terms of your time and effort.** As you consider purchasing an item, ask yourself how many hours you will have to work to pay for the item, and if it is worth this amount of your time and effort.
- **Have a spending plan.** Create a spending plan that includes savings and fun money. Setting aside money for fun can take away potential feelings of deprivation which can help improve over-spending habits.



For more information about creating a spending plan, read the **VWW Guide: Cash Flows and Spending Plans**.

Conclusion and Reflection

Understanding your values and priorities about money, visualizing your future story, taking control of and reinforcing positive spending habits and decisions, and setting SMART goals are all tools that can help you on your way towards becoming more financially empowered.



Reflection Questions: What are your long- and short-term financial goals? Why is this important to you? What would it mean if you were able to achieve these goals? How would it change your life?