

FIND BREATHING ROOM WITH YOUR \$

#adulting



Journeyer's Workbook

Session 5



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Home Is Where Alexa Is

#callhome

Alexa, can you set up our finances so that we're spending the exact right amount of money on our home every month...Alexa?...Hello? Unfortunately, a voice-controlled home assistant can't automatically find Breathing Room for you. Not yet anyway. You're gonna have to do this one on your own. But Alexa can certainly pitch in – Alex, play our “\$ave Dat Money” playlist.

SECTION 1: GETTING STARTED (20 MINUTES)

GROUP DISCUSSION | INDIVIDUAL ASSESSMENT | DIGITAL

Section Description: As we transition from creating breathing room to applying breathing room, let's check in with the group on how the creation process went, and ground ourselves in a few things to help unpack 'home'.

Throughout this process, our goal is to equip you with the tools you need to you live your best financial life. Financial FOMO is real, and avoidable. We believe everyone can achieve financial health. We also acknowledge that the financial journey looks different for everyone, but in the end we can all experience JOFO – the joy of financial optimism.

Work From Home Check-In

Speaking of optimism, quick room check – has anyone started a side hustle yet? Who's done some homework to pursue an alternate revenue stream? Holla at ya boys, and girls.

Back to the topic at hand. Today we're going to talk about savings and how it's a critical step toward financial health. Did you know that nearly half of Americans couldn't cover an emergency expense of \$400? And 60% of Americans aged 18-44 have no savings at all? Yikes.

We don't love statistics that remove the human element. There are thousands of reasons why folks are where they are. Maybe this is your story, and that's okay. We're not here to savings shame. This whole experience is designed to get you started, to help you take practical steps to creating a savings account that Grandmother would be proud of.

Everyone starts somewhere and for you that somewhere is right here, right now. One day you'll write a book about this moment. Let's talk about some big decisions that will impact your future in a meaningful way. The two we have in mind are 1) place of residence and 2) transportation. In other words, where you live and how you commute.

Before we go major, let's do a quick assessment and get some insights from the group. Pull out your phones and type in the URL below or scan the QR code. Yes, QR codes are still a thing.

Assessment Link: <http://bit.ly/br-twelve>



Write down what you got: _____

Great Work! Now let's get chatty.

Ice-Ice Breaker:

What do you like about where you live? Why are you grateful for it?

What is your ideal home setting that feels within reach?

What does home mean to you?

Scripture Discussion:

Proverbs 24: 3-6

³ By wisdom a house is built, and through understanding it is established;

⁴ through knowledge its rooms are filled with rare and beautiful treasures.

⁵ The wise prevail through great power, and those who have knowledge muster their strength.

⁶ Surely you need guidance to wage war, and victory is won through many advisors.

Discussion Questions:

1. What wisdom have you leaned on to help you make the right decisions about where you live?
2. What advisors do you trust in the decision process?

God's Money Story

God's Money story is simple. Everything is a gift from God and Christians are called to be good stewards of those gifts. We'll continue to reflect on "What does this mean for me?"

SECTION 2: WHAT IS A HOUSEHOLD? (15 MINUTES)

GROUP VIDEO LESSON | GROUP DISCUSSION

Section Description: The words ‘home’ and ‘house’ conjure images of your childhood bedroom, backyards, and drywall that you can nail into with reckless abandon. But also ‘For Sale’ signs, weekends of yard work, equity, realtors, and mortgages. Woof. Let’s put that aside for now to focus on ‘home’ in a simple way.

Video: <https://bit.ly/br-thirteen>



Discussion Questions

1. What does it mean to be a steward of your home?
2. Who in your life has set an example of this?
3. How do you “steward” your money to create a home environment in line with your values and priorities?

SECTION 3: LIKE IT, LOVE IT, GOTTA HAVE IT (15 MINS)

COUPLE BREAKOUT | ACTIVITY | DISCUSSION

Section Description: In sports, leagues use brackets to include as many teams possible in winner-take-all tournaments. Each round narrows down the field, producing results that are better and more valuable than the previous round. Let’s use this same process to discover your priorities in a home.

In order to be a good steward of your money, you have to know what you actually want. This requires sitting down and sorting through the things that matter most. Much like the college basketball bracket that rolls around each March.

Nobody’s story is the same. Some of us already have home payments, while some of us are looking for our next apartment. It’s always worth it to step back and reflect on your values and remind yourselves what’s most important to you. Let’s take a moment to prioritize the things that are most important about where

you live and what you can possibly cut, adjust, or negotiate when it comes to your home. Whatever your situation, it's not too late to create a home environment that works best for you. Isn't this kind of exciting? You're like a tournament selection committee, choosing your favorite home attributes and pitting them against each other in a ruthless, no-holds-barred survival of the wholesome.

Now let's play ball. Debate each matchup with your spouse to determine which ones you value most for your home. Advance the winners to the next round. Stop at the final four and re-rank your remaining 'butes from 1 to 4. Then debate your way to a champion.

WWMJ MONEY MADNESS

| | | | |
|----------------------------|--|--|----------------------|
| <u>Relaxing</u> | | | <u>Fixer upper</u> |
| <u>Character</u> | | | <u>Walkability</u> |
| <u>Investment upside</u> | | | <u>Kid friendly</u> |
| <u>Room to entertain</u> | | | <u>Affordability</u> |
| <u>Flexibility to move</u> | | | <u>Backyard</u> |
| <u>Updated/turn-key</u> | | | <u>Pet friendly</u> |
| <u>Good fit long term</u> | | | <u>Commute</u> |
| | | | |
| | | | |

4

Discussion Questions

1. What did you find difficult about that exercise?
2. Did you find that you and your spouse had similar feelings? Were there any unexpected Cinderella 'butes?
3. Did you find yourself feeling you had to sacrifice too much?

Your Money Story

Look within to align your values and spending needs with God's Money Story. That way you can create your own money story informed by your faith, heart, and habits.

SECTION 4: ANCHOR STRONG (15 MINS)

GROUP VIDEO LESSON | GROUP DISCUSSION

Section Description: One of the hardest things about finances is trying to piece together a full puzzle, with each piece appropriately accounted for. What is too much to spend on a home? What amount will help the other pieces fall into place?

<http://bit.ly/br-fourteen>



Discussion Questions

1. The video suggests 20-30% of take-home pay should go toward housing. Have you ever had a model for housing expenses before? If so, what was it?
2. Where did you pick up that model along the way? Who were your stewards of wisdom?

Additional Questions (as needed)

1. How have you thought about prioritizing in your life?
2. What have you sacrificed to be living where you are?
3. How much Breathing Room would you have if you spent 20-25% on your housing? And how much Breathing Room would you have if you spent 35-40% on your housing?

SECTION 5: THIS IS US (15 MINS)

COUPLE BREAKOUT | ACTIVITY | DISCUSSION

Section Description: We're going to take a look at where you are with your housing expense. Don't stress, it's good information to know, even if you're not currently in an ideal spot.

Okay, let's get down to brass tacks. They're small and brass-y. Now that that's settled, we're going to do some work to get within that 20%-30% housing-expense range. Let's dig into some financials. This

means getting out your No. 2 pencils. If you ignored the pencil memo, just open up the calculator on your smartphone.

Ultimately, our objective in this exercise is to move closer toward 20%. That's 20% of your take-home pay going toward your home. When you think about home costs, think in terms of monthly payments:

| | |
|------------------------|----|
| Rent/Mortgage | \$ |
| Renters/Home Insurance | \$ |
| Utilities | \$ |
| HOA Fees | \$ |
| _____ | \$ |
| Total | \$ |

Not to get ahead of ourselves, but if you can navigate toward 20% for your home, you can reallocate the additional money from the above. Invest some of it in a metro pass or an oil change, treat yo' self to a staycation next month, or buy a coffee maker that automatically brews a fresh pot when your BCC (blood-coffee concentration) drops below 90%.

But in reality, life happens. We'd strongly consider shoring up your savings with most of your extra money. The ability to expand your savings number will offer myriad options in the future. Keep in mind, the cost of a home is more than just the mortgage. There's upkeep, fees, furniture, and re-modeling when your in-laws inevitably move in. The cost of moving from one rental property to another is sneaky price-y too. Security deposits, pet fees, parking, and moving costs are often forgotten. Think about emergency savings, your ability to save for short-term opportunities, and even exploring new visions for retirement. More is more. The more money you save, the more opportunities you'll have in the future. Your future selves will be grateful, which we can prove with this conversation:

Present You: We're going to commit extra money to our savings.

Future You: Thank you, past selves! We are grateful.

On to the actual math part.

GETTING TO 25

1. HOW MUCH YOU MAKE ANNUALLY

Annual Take Home Pay _____ +

Annual Take Home Pay _____ +

Annual Take Home Pay _____ =

2. ANNUAL MONEY EARNED _____ (in trillions. jk)

3. YOUR 30 NUMBER _____

Cheat Sheet: Annual Money Earned x .3

4. YOUR 20 NUMBER _____

Cheat Sheet: Annual Money Earned x .2

5. YOUR CURRENT ANNUAL HOUSING PAYMENT _____

6. ANNUAL SAVINGS @ 20% _____

Cheat Sheet: Current House Payment - 20% Number

7. MONTHLY SAVINGS @ 20% _____

Cheat Sheet: Your Annual Savingses ÷12

8. WHAT CAN YOU DO TO GET CLOSER TO THAT NUMBER

Write down some thoughts on how you can drive towards 20% in your life. Possible sacrifice ideas: goats, other small animals, carpool, relocation, downsizing, rightsizing, bitesizing, rent and invest, refinance, starting airbnb, etc. Possible Income Increasers: Ubers, dogsit, starting an online business.

9. NOW YOU'VE GOT SOME EXTRA CASH FLOW. JOT DOWN SOME IDEAS ON HOW YOU WOULD LIKE TO REALLOCATE THOSE BILLS.

10. IS YOUR SAVINGS NUMBER STILL AT 20%? HAVE YOU DECIDED TO INCREASE IT? IF SO, IN WHAT WAY?

SECTION 6: LOOK MA, A SCOREBOARD! (5 MIN)

COUPLE BREAKOUT | SCOREBOARD

Section Description: Tracking progress is key to continuing forward. Take a few minutes to capture your commitments to on your personal scoreboard. Don't be afraid to write down what's true right now. The scoreboard shows up each week, so you can continue to improve your numbers and record the latest progress.

Yup, the sports metaphors continue. We're keeping score. Well, technically you're keeping score. After every session, you're going to tally up the day's work. A quick 'n' easy way to track the work you've done and the commitments you've made.


We know it's not that easy. Reaching these numbers will take some serious effort and

renegotiation of big parts of your lives. No pressure, no diamonds. It'll be good to consistently track where you've been, where you're going, and what you and your spouse have aligned on as valuable and important in your lives. Today you'll begin by filling out the Basics and Housing Allotment sections.

In Session 1, Housing Allotment box, you're going to take your number from line 7 in the last exercise you did. Write it in. That's your monthly monetary gain from adjusting to a 20% of income housing allotment.

Go ahead, get it.

| Basics | | |
|-----------------|---------------------|----------------------|
| Take Home Pay | Your Breathing Room | Your 20% Invest/Save |
| \$ _____ /month | \$ _____ /month | % _____ |

| | | |
|---|-------------------|-----------------|
|  | Session 5 | Gap \$ / month |
| | Housing Allotment | \$ _____ /month |

| Savings | |
|------------------------------|-----------------|
| Session 6 Flex Fund | \$ _____ /month |
| Session 7 Short-Term Goal | \$ _____ /month |
| Session 8 Long-Term Goal | \$ _____ /month |

| | |
|--------------|-------------------------------------|
| TOTAL | Current \$ going to Savings / month |
| | \$ _____ /month |
| | Current % going to Savings |
| | % _____ |

SECTION 7: GOING HOME GRATEFUL (5 MIN)

GROUP DISCUSSION | GOODBYE

Section Description: Hey, this is hard stuff to work through. If you're feeling a little bogged down, it always helps to step back and be grateful for you what have. Always.

Getting to 20% is different for everyone. For some, that might mean Breathing Room to spend on a place to live. For others, it means serious decision making. But remember, the good thing is, you don't have to go it alone. There's someone else in this very room who cares about you and is 100% committed to this journey. Plus your spouse is here too. Aww.

Don't mind us. Just a little guide humor there. We do in fact care about you and are committed to your journey, but your spouse is your #1 co-pilot. Share with the group one amazing trait your partner has. One that you were reminded of in this session, and that you're grateful for when it comes to navigating life's biggest – and smallest – decisions.

NOTES



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Session 5 **M.A.S.H.O**

Work From Home Materials

WORK FROM HOME

Keep the convo going at home. Finish anything you didn't complete during the session. If you got all the activities done, eat a cookie. Then have a chat about your next steps. You and your partner's definition of home is unique. It's a genuine reflection of your values, dreams, and goals. For the present and future. And the past if your last name happens to be McFly. Be intentional. Make time for this and enjoy the conversation.

Coach Tip: Components of a Home Mortgage

<http://bit.ly/wfh-home-mortgage>



If you have questions after a session or during your work from home, we have a team of coaches - advocates for you and your journey - who can answer questions via phone or email. Please don't hesitate. We know that in this journey we all can get snagged on little things. If we just had a coach we could reach out to, we could push past.

Call: 888-834-7431

Email: Welcome@Thrivent.com

Recommended questions for a coach

- When do you have enough money saved up to start looking into buying a house?
- What's the best first home to buy?
- What does the first meeting with a realtor look like?

EXTRA CREDIT

Attention, overachievers: if you want to take it to the next level, try your hand at the extra credit material. It's not mandatory, but it's not not mandatory, you know what we mean? Jk. There's actually a lot of great stuff in here. We just didn't have time to cover it in our session. Try one of the options below. Or all of them. Go

at your own pace. No need to have it finished by next week.

1. The Ultimate Home Buyers Guide



- Go to <http://bit.ly/wfh-five-home-guide>
- Read through the material.
- Set a goal to read at least one chapter per day, or every few days. Have a conversation about it with your spouse. There's a lot to digest, so take your time.
- Continue the housing conversation with this new information in mind. You have everything it takes to make a wise home-buying decision. Promise.
 - Come to the next session ready to discuss your thoughts.

2. More Resources to Investigate Renting versus Buying?

Zillow article about renting vs. buying: <http://bit.ly/wfh-five-zillow>



NerdWallet article about reasons to rent instead of buy: <http://bit.ly/wfh-five-nerdwall>



Forbes article about why renting may beat buying: <http://bit.ly/wfh-five-forbes>



3. Ways to Save Time and Money on Your Commute

<http://bit.ly/wfh-five-commute>



Maybe you've got a list of potential housing options. Maybe you've thought about work and your family's schedule. So now, uh, start your engines? It's time to talk transportation.

New vs. used

Mmm, new car smell. So rare, so enticing, so...not all that rare. Wait, is that a Gogurt squirted all over the back window? Juicebox did what? Oy. Yeah, for more than a few reasons, we advise going with a used car. You'll avoid higher prices and interest rates, and still have a quality car (with the inspection to back it up). With online search capabilities, it's easier than ever to find a variety of pre-owned cars. Used car megastores also offer no-haggle shopping while perusing their huge inventories. The kicker? If you opt for a three-year-old model instead of a new one, you could save as much as 30% to 40%.

Buy vs. lease

Buy. If you drive a lot and/or have kids of an interior-damaging age, buy a car. It typically makes more financial sense. Plus, you'll own something rather than paying to drive a car that you'll still have to purchase one day. Compare these two major finance choices further at [Consumer Reports.org](http://ConsumerReports.org).

Public transportation or car sharing or scooters (that Lime life)

According to a study by the American Public Transportation Association, the average public transportation rider can save \$9,242 a year.³ How? You avoid the cost maintenance on your car, as well as insurance, parking, and, yup, parking tickets. We realize many cities/regions don't offer legit mass transportation. Like subways, light rail, and wide-ranging bus routes. Use Google Maps Transit to enter your travel route (to and from), and see what public transportation options pop up. If your options are limited, you should look into [car-sharing programs](#). They're relatively new, but accessible in over a thousand cities throughout the US. Programs like Zipcar and Getaround are especially helpful if you need a car for short spurts (like an hour

or two). They usually provide state minimum liability insurance, and – bonus for introverts – reservation, pickup, and return are all self-service.⁴

Decision points—getting from Point A to Point B

No matter what you decide, transportation is a key component to your overall money-making strategy. Because there are so many associated costs. One day you may have to buy a bigger car, pay for repairs, handle increases in insurance premiums, or deal with mass transit fare changes. You never really know.

Don't let any new expenses impact your ability to get to work on time. Or pick up the kids. Or push you into decision you don't want to make.

Plan ahead. Contribute to a savings account. That way you'll have a safety net. Plus you'll teach your kids how to be disciplined in their savings and use preparation to meet their needs and accomplish what they desire.

It's also good to have savings to provide for your changing selves. Your financial needs and the places you need to be will evolve. A crushed-velvet cushion of savings allows for a wide variety of choices.