

# **ABLE CONFERENCE**

## **One on One Financial Help: Established and Emerging Models**

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# Approach and Best Practices

One on One Financial help is most effective when:

- Participants previously participated in a Money Skills training
- Mentor uses an experiential approach (both financial and behavioural) geared to help participants:
  - Understand and decide where the money goes (Budget)
  - Identify their overall financial position (Balance Sheet)
  - Empower them to build or regain control over their money
  - Identify spending habits and styles of managing money
  - Develop insight to change behaviours that lead towards debt

# Recommended Tools

- Financial:
  - Use of a Budget and a Balance sheet to:
    - Identify and decide where the money goes (empowerment)
    - Get the “big picture” of the overall financial position (Bal. Sheet)
    - Empower clients to see possibilities and transition from a position of debt, towards asset building capabilities.
- Behavioural:
  - Use of a Money Management Styles Assessment tool to:
    - Identify beliefs, habits and styles of managing money
    - Gain awareness around those beliefs that drives their financial behaviour
    - Envision possibilities to change negative beliefs that affect them

# Mentoring Approach (Financial)

- Engage participants in a budgeting and balance sheet completion exercise that:
  - Reflects the participants' economic reality
  - Demonstrates a process easy to follow without spending too much time doing it
  - Shows the possibility to plan and save money, even while earning a limited income
  - Provides an overall perspective of clients' financial position
  - Helps to make financial decisions based on factual interests paid (debt) compared to interests earned (investments)
  - Dispels the myths and beliefs created around money management

# Monthly Budget

## Monthly Budget

-	Budget	Actual	Difference
<b><u>Income</u></b>			
Salary	2,240	2,240	0
Self Employment	400	300	-100
Tax Benefits	200	200	0
<b>Total Inflows</b>	<b>2,840</b>	<b>2,740</b>	<b>-100</b>
<b><u>Expenses</u></b>			
<b><u>a) Fixed</u></b>			
Rent / Mortgage	1,000	1,000	0
Insurance	150	150	0
Medicare Plan	110	110	0
Car Loan / Leasing			0
Utilities (Fixed)	100	100	0

## Monthly Budget

-	Budget	Actual	Difference
<b><u>b) Variables</u></b>			
Food / Groceries	500	550	50
Child care	100	100	0
Utilities (Variable)	100	100	0
Health Care	120	140	20
Clothes	25	25	0
Household and Maintenance	50	50	0
Transportation (Gas and Maint.)	200	250	50
Reserve for I Tax ,GST, CPP & EI	20	0	-20
Presents	15	10	-5
Entertainment	50	70	20
Restaurants and Bars	50	50	0
Sports	50	50	0
Travel	50	50	0
Miscellaneous	50	50	0
Credit Cards	0	0	0
Savings	100	0	-100
Contingency Fund			0
			0
<b>Total Outflows (Expenses)</b>	<b>2,840</b>	<b>2,855</b>	<b>15</b>
<b>Net Result (Cash Flow)</b>	<b>0</b>	<b>-115</b>	<b>-115</b>

## Balance Sheet as of December 31, 20XX

(CAD)

### Assets

#### Current Assets

Cash in CAD (Checking)	300
Cash in CAD (Savings)	500
Cash in other Curr.	0
Long term investments (RRSP)*	2,000
Accounts Receivable	0
Temporary Loans	0
Cash in Business	0

Subtotal Current 2,800

#### Fixed Assets

Property	300,000
Transportation Equipment	6,000
Fixtures and Equipment	1,000

Subtotal Fixed 307,000

**Total Assets** 309,800

### Liabilities

#### Current Liabilities

Revolving Line of Credit	5,000
Secured Line of Credit	0
Collateral	0
Transportation Equipment	0
RRSP Loan	0
Credit Cards	2,500

Subtotal Current 7,500

#### Long Term Liabilities

Mortgage	250,000
Subtotal Long Term	0

**Total Liabilities** 257,500

#### Equity

Accumulated 52,300

**Total Liabilities and Equity** 309,800

# Mentoring Approach (Behavioural)

Use a Money Management styles' assessment tool that:

- Shows participants the different styles of managing money
- Helps them to identify the strengths and risks of their predominant styles
- Develops awareness around unnoticed financial tendencies
- Empowers clients to change negative aspects of their styles

# Styles when Managing Money

Behaviour	Style	Emotions Behind the Scenes	Thoughts that drive the Show
Protect it? Rely entirely on it...	<b>Guardian</b>	Fear, doubt, pessimism...	Life, others and the world are unpredictable...
Spend it? Enjoy it...	<b>Pleasure Seeker</b>	Deprivation or pain shielding; Defiance...	Who knows what happen tomorrow, now or never!
Despise it? Blame it...	<b>Idealist</b>	Resentment, detachment, blame...	The world and life are unfair, I shall advocate for fairness...
Keep it? Don't spend It !	<b>Saver</b>	Insecurity, anxiety, fear towards loss...	There is not enough; then the more the better...
Show it...	<b>Star</b>	Need of attention or love, self esteem...	To be loved and respected I must be outstanding!
Neglect it?	<b>Innocent</b>	Powerlessness, discouragement...	Universe make things work; others can take care of us...
Use it to protect? ... control?	<b>Caretaker</b>	Need of feel needed, martyrdom, power...	I shall take care; without me they can't make it...
Capitalize it! Pile it up...	<b>Empire Builder</b>	Need of growth, fear of abuse...	To survive and be respected I must be at the top...

# Self-Reflection Queries

- Identify the top three styles that relate the most to you
- What are the thoughts and beliefs that drive them?
- What is your biggest fear regarding money?
- Why?

# Program Outcomes

- Over 12,000 participants trained during 12 years
- An average of 90 Money Skills workshops delivered per year
- An average of 250 One on One Money Coaching sessions per year

# Further Questions?

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