

MANAGING FAMILY FINANCES

LESSON 8

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| Purpose | To help participants practice sound principles of financial management in their homes. |
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| Preparation | <ol style="list-style-type: none">1. Consider ways you can apply the principles under “Your Responsibilities as a Teacher” (pages ix–xi in this manual).2. Read this lesson’s bold headings. These headings give an overview of the doctrines and principles in the lesson. In addition, carefully study the article “Constancy amid Change,” by President N. Eldon Tanner, on pages 28–31 in the <i>Marriage and Family Relations Participant’s Study Guide</i>. The principles in this article are the primary focus of the lesson. As part of your preparation, ponder these principles throughout the week. Seek the guidance of the Spirit in deciding what you should emphasize to meet participants’ needs.3. Remind participants to bring their copies of the <i>Marriage and Family Relations Participant’s Study Guide</i> to class. They will need to refer to President Tanner’s article during the lesson.4. If the pamphlet <i>One for the Money: Guide to Family Finance</i> (33293) is available, review it. Consider using it as part of the lesson.5. If you use the additional resource material found on pages 39–40, bring to class a piece of paper and a pen or pencil for each participant. |
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Suggested Lesson Development

Proper financial management is essential for a happy marriage.

Invite a married couple to come to the front of the class (be sensitive about whom you invite). Explain that you are going to show how a little thing can either strengthen a marriage or cause serious marital problems. Then hold up a piece of money.

Give the piece of money to one of the people you have called to the front of the class.

- How is a marriage relationship affected when only the husband or wife controls family finances?

After participants have discussed this question, take the piece of money back.

- How is a marriage relationship affected when no one controls family finances or when interest-bearing debt controls the finances?

After discussing this question, give the piece of money back. Have the husband hold it in his hand, and ask his wife to place her hand over his. Explain that money management is not the most important key to a loving marriage relationship. However, when a husband and wife work together to manage their finances,

they become unified in an important effort to set their home in order. They also prevent difficult challenges. Some of the most serious problems in marriage arise when financial resources are not managed carefully and in the best interest of the family.

- In what ways is a marriage strengthened when the husband and wife work together to manage their finances?

Husbands and wives should work together to follow basic principles of money management.

Ask participants to turn to pages 28–31 in the *Marriage and Family Relations Participant's Study Guide*. Have them scan the article titled “Constancy amid Change” and look for President N. Eldon Tanner’s “five principles of economic constancy.” When participants find the principles, list them on the chalkboard:

Pay an honest tithing.
Live on less than you earn.
Learn to distinguish between needs and wants.
Develop and live within a budget.
Be honest in all your financial affairs.

When you have listed all five principles on the chalkboard, use the following material to conduct a discussion about them:

Pay an honest tithing.

Invite a participant to read the following statement by President Tanner (page 29 in the *Marriage and Family Relations Participant's Study Guide*):

“The payment of tithing is a commandment, a commandment with a promise. If we obey this commandment, we are promised that we will ‘prosper in the land.’ This prosperity consists of more than material goods—it may include enjoying good health and vigor of mind. It includes family solidarity and spiritual increase. I hope those of you not presently paying your full tithe will seek the faith and strength to do so. As you discharge this obligation to your Maker, you will find great, great happiness, the like of which is known only by those who are faithful to this commandment” (in Conference Report, Oct. 1979, 119; or *Ensign*, Nov. 1979, 81).

- How has the payment of tithing brought blessings to your family or to others you know?

Live on less than you earn.

Ask a participant to read the following statement by President Tanner (page 29 in the *Marriage and Family Relations Participant's Study Guide*):

“I have discovered that there is no way that you can ever earn *more* than you can spend. I am convinced that it is not the amount of money an individual earns that brings peace of mind as much as it is having *control* of his money. Money can be an obedient servant but a harsh taskmaster. Those who structure their standard of living to allow a little surplus, control their circumstances. Those who spend a little more than they earn are controlled by their circumstances. They are in bondage. President Heber J. Grant once said: ‘If there is any one thing that will bring peace and contentment into the human heart, and into the family, it is to live within our means. And if there is any one thing that is grinding and discouraging and disheartening, it is to have debts and obligations that one cannot meet’ (*Gospel Standards*, sel. G. Homer Durham [1941], 111).

“The key to spending less than we earn is simple—it is called discipline. Whether early in life or late, we must all eventually learn to discipline ourselves, our appetites, and our economic desires. How blessed is he who learns to spend less than he earns and puts something away for a rainy day” (see Conference Report, Oct. 1979, 119; or *Ensign*, Nov. 1979, 81).

Consider sharing the following statement by President Gordon B. Hinckley, the 15th President of the Church:

“The time has come to get our houses in order.

“So many of our people are living on the very edge of their incomes. In fact, some are living on borrowings. . . .

“I am troubled by the huge consumer installment debt which hangs over the people of the nation, including our own people. . . .

“I urge you . . . to look to the condition of your finances. I urge you to be modest in your expenditures; discipline yourselves in your purchases to avoid debt to the extent possible. Pay off debt as quickly as you can, and free yourselves from bondage” (in Conference Report, Oct. 1998; 70, 72; or *Ensign*, Nov. 1998, 53–54).

- In what ways is debt a bondage?
- What practices have helped you get out of debt or avoid getting into debt? What have you done to be able to save a little of your income?

Learn to distinguish between needs and wants.

Have a participant read the following statement by President Tanner (page 30 in the *Marriage and Family Relations Participant's Study Guide*):

“Overindulgence and poor money management place a heavy strain on marriage relationships. Most marital problems, it seems, originate from economic roots—either insufficient income to sustain the family or mismanagement of the income as earned” (in Conference Report, Oct. 1979, 119–20; or *Ensign*, Nov. 1979, 81).

- What can we do to distinguish between needs and wants? Why is it essential for husbands and wives to do this together?

Develop and live within a budget.

Explain that no matter what their resources are, each married couple should work together to develop a family budget. A budget is an outline of planned income and expenses for a certain amount of time. It helps families ensure that

their expenses do not exceed their income. Married couples should discuss their budget as they determine their needs, wants, and financial goals. For example, after estimating their income for the next two weeks, a married couple may determine how much money they will use in different categories, such as tithing and other Church donations, savings, food, and mortgage or rent. During the two-week period, they record all their income and expenses. They counsel together before making large purchases or doing other things that affect the budget they have established. After the two-week period they can compare their actual income and expenses with their initial plan.

To help participants understand how to develop a budget, have them turn to the following sample budget, which is also found on page 32 in the *Marriage and Family Relations Participant's Study Guide*.

| | | |
|--|---------|--------|
| Budget from _____ to _____ | | |
| | date | date |
| INCOME | PLANNED | ACTUAL |
| Wages or salary after taxes | | |
| Other income | | |
| Total income | | |
| EXPENDITURES | PLANNED | ACTUAL |
| Tithing | | |
| Other Church donations | | |
| Long-term savings | | |
| Savings for emergencies | | |
| Food | | |
| Mortgage or rent | | |
| Utilities | | |
| Transportation | | |
| Debt payments | | |
| Insurance | | |
| Medical expenses | | |
| Clothing | | |
| Other | | |
| Other | | |
| Other | | |
| Total expenditures | | |

Invite a participant to read the following statement by President Tanner (page 31 in the *Marriage and Family Relations Participant's Study Guide*):

“It has been my observation in interviewing many people through the years that far too many people do not have a workable budget and have not disciplined themselves to abide by its provisions. Many people think a budget robs them of their freedom. On the contrary, successful people have learned that a budget makes real economic freedom possible” (in Conference Report, Oct. 1979, 121; or *Ensign*, Nov. 1979, 82).

Be honest in all your financial affairs.

Ask a participant to read the following statement by President Tanner (page 31 in the *Marriage and Family Relations Participant's Study Guide*):

“The ideal of integrity will never go out of style. It applies to all we do. As leaders and members of the Church, we should be the epitome of integrity” (in Conference Report, Oct. 1979, 121; or *Ensign*, Nov. 1979, 82).

- Why is honesty an important part of all our financial dealings? Why is honesty between spouses essential in family finances?

Conclusion

Emphasize that husbands and wives must work together to manage their finances. Ask participants to consider how well they follow the principles discussed during the lesson. Invite them to make plans to improve their money management.

As prompted by the Spirit, testify of the truths discussed during the lesson.

Refer to pages 28–32 in the *Marriage and Family Relations Participant's Study Guide*. Encourage participants to review the doctrines and principles in this lesson by (1) following at least one of the suggestions in “Ideas for Application” and (2) reading the article “Constancy amid Change,” by President N. Eldon Tanner. Point out that married couples can receive great benefits from reading and discussing the articles in the study guide together.

Additional Resource Material

Review of the lessons in part A of the Marriage and Family Relations course

This lesson concludes part A of the Marriage and Family Relations course. If you are teaching the entire course, consider using the following exercise:

Give each participant a piece of paper and a pen or pencil. Ask participants to spend three minutes listing the doctrines and principles they remember from the first eight lessons of this course. Have them underline the doctrines or principles that have been most meaningful to them. Encourage them to be prepared to talk about some of the items they underline. If they need help, use the table of contents on pages v–vii in this manual or the overview of the course on pages vii–viii in the *Marriage and Family Relations Participant's Study Guide*.

After three minutes, ask each participant to read one item from his or her list and explain why it is particularly meaningful. Summarize participants' insights

on the chalkboard, and acknowledge the importance of each comment. Then share an insight of your own. As time permits, repeat this exercise.

Thank those you teach for participating in the first part of this course. Explain that the second part of the course consists of eight lessons about how parents can strengthen their families and find joy in their responsibilities. Welcome all participants to continue attending the class.