



THIS BOOK BELONGS TO

A large, empty rectangular box with a thin orange border, intended for writing the name of the owner.



**YOU
ARE**

**ABOUT
TO**

Change
LIVES



As a coordinator, you're not just leading a money course.

You're helping change lives! You're joining us on our mission to bring hope to people in every walk of life, no matter where they are on their financial journey.

You'll meet a single mom just trying to get by. You'll get to know a businessman who drives a car he can't afford to a job he doesn't like to earn a paycheck he sends to someone else. You'll connect with a young couple drowning in student loans and an older couple worried that they won't be able to retire with dignity.

You're about to intersect their lives and share hope like they've never felt before. Thank you!

You may be feeling a little nervous, but don't worry. You don't have to be a financial expert. Rachel, George, John and I will handle all the teaching! Your job is to guide, encourage and support the members of your class. You'll walk them through discussions and activities, hear their stories, feel their hurts, challenge their bad habits, and inspire them to change their lives!

Nearly 10 million people across three decades have proven that anyone can win with money! Get ready, because everyone in your class will come away changed forever—and that includes you.

I'm so proud of you. Thank you again for helping us change lives, and welcome to the *Financial Peace University* team!

It's game on!



Dave Ramsey

LET'S DO THIS!

SOMEONE'S LIFE WILL CHANGE
BECAUSE OF YOU. IT STARTS HERE.

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THE **7** BABY STEPS

OUR *Proven* PLAN

If you want to win with money, you can't do what you've always done. You need a plan that works. That's why Dave created the 7 Baby Steps. It's a clear path to know where you are and where you're headed next. This isn't a get-rich-quick scheme, and you haven't won the lottery. But if you follow each step—in order and with great focus and intentionality—you will change your life.



BABY STEP 1

Save \$1,000 for Your Starter Emergency Fund



BABY STEP 2

Pay Off All Debt (Except the House) Using the Debt Snowball



BABY STEP 3

Save 3–6 Months of Expenses in a Fully Funded Emergency Fund



BABY STEP 4

Invest 15% of Your Household Income in Retirement



BABY STEP 5

Save for Your Children's College Fund



BABY STEP 6

Pay Off Your Home Early



BABY STEP 7

Build Wealth and Give

COURSE OVERVIEW

You've learned the Baby Steps, but that's not the whole course! You've got nine video lessons ahead of you. The first four will walk you through our proven plan, the 7 Baby Steps. And the last five lessons will teach you how to tackle life on the plan. Let's break it down.



Lessons 1–4 walk you through the 7 Baby Steps. This is your proven plan to win with money. In these lessons, you'll learn how to do more than just treat the symptoms of your money problem. You'll get to the root of the problem: your behavior!

WISE SPENDING

BUILDING WEALTH

OUTRAGEOUS GENEROSITY

LESSON
05

LESSON
06

LESSON
07

LESSON
08

LESSON
09

**UNDERSTANDING
INSURANCE**

**BUYING & SELLING
YOUR HOME**



Lessons 5–9 keep you on track with the Baby Steps. Learn to navigate spending, insurance, real estate and investing so you don't ruin your progress! And protect yourself and your money so you can start fighting for the things you want.

MEET THE

Team

Whether you've done stupid with zeros on the end or you're just trying to do a little better, we know that money is a big deal in your life. You may feel ashamed. You may feel stressed. Or you might be a little unsure of what to do with your money.

That's why we have a team who's been where you are right now. They know how to win with money, and they'll help you get there too.

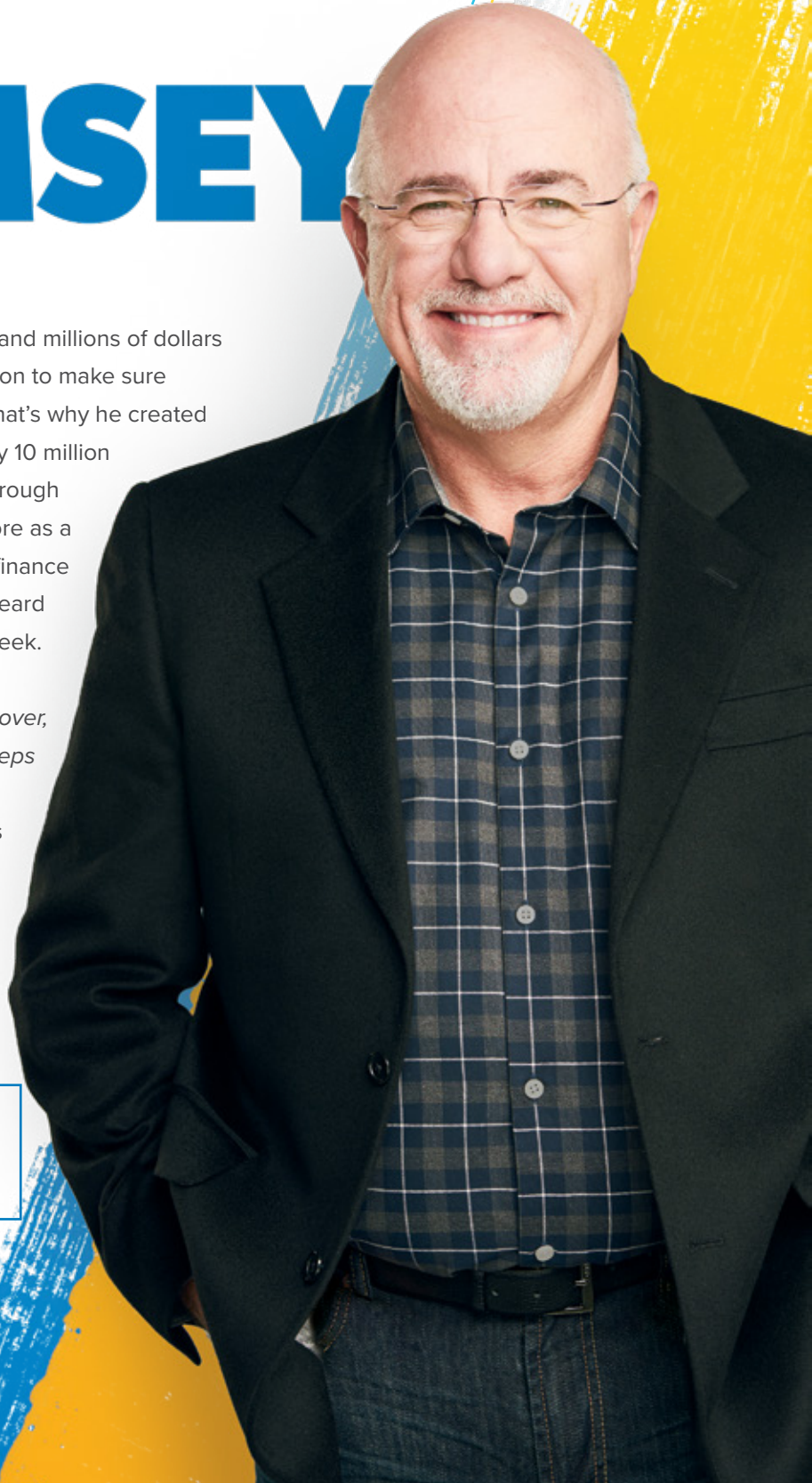
Dave Ramsey, Rachel Cruze, George Kamel and Dr. John Delony are all Ramsey Personalities and America's trusted authorities on the most important areas of your life, including money! Their #1 bestselling books, podcasts and shows have helped change the lives of millions of people. And starting today, they're going to help you change yours.



Dave RAMSEY

After battling his way out of bankruptcy and millions of dollars in debt, Dave Ramsey started on a mission to make sure other people discovered the way out. That's why he created *Financial Peace University*. Today, nearly 10 million people have experienced life-change through this course. And he's helped millions more as a #1 national bestselling author, personal finance expert and host of *The Ramsey Show*, heard by more than 18 million listeners each week. He's authored eight national bestselling books, including *The Total Money Makeover*, *EntreLeadership*, and his latest, *Baby Steps Millionaires*. He also serves as CEO for Ramsey Solutions. Since 1992, Dave has helped people regain control of their money, build wealth, and enhance their lives. His biblical, commonsense advice is for anyone ready to win with money.

“Live like no one else so later you can live and **GIVE** like no one else.”



John DELONY

Dr. John Delony is a national bestselling author, mental health and wellness expert, host of *The Dr. John Delony Show* and co-host of *The Ramsey Show*. He holds two PhDs—one in counseling and the other in higher education. Before joining Ramsey Solutions, John spent nearly two decades working as a senior leader at multiple universities, a professor and researcher, and a crisis responder. Now, as a Ramsey Personality, he teaches people how to reclaim their lives from the madness of the modern world. He's authored two books, including his latest, *Own Your Past, Change Your Future: A Not-So-Complicated Approach to Relationships, Mental Health, and Wellness*. John's goal is to help you navigate tough decisions, improve your relationships, and believe you're worthy of being well.

FRIENDS are your
emergency fund
for life.

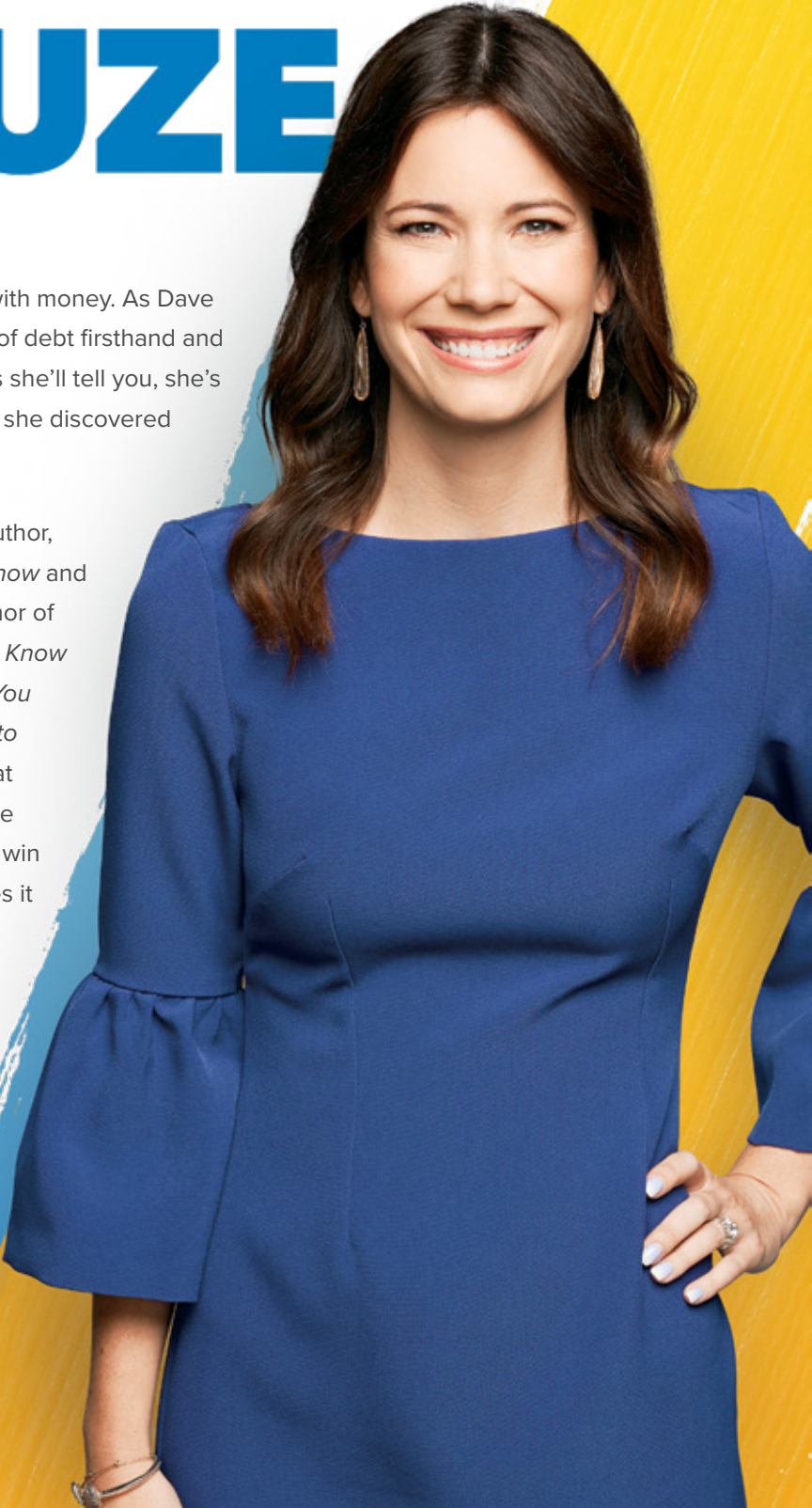


Rachel CRUZE

Rachel Cruze grew up learning how to win with money. As Dave Ramsey's daughter, she's seen the dangers of debt firsthand and understands the power of budgeting. But, as she'll tell you, she's a natural spender and hated budgeting until she discovered what a budget can really do!

Rachel is a #1 *New York Times* bestselling author, financial expert, host of *The Rachel Cruze Show* and co-host of *The Ramsey Show*. She's the author of three bestselling books, including her latest, *Know Yourself, Know Your Money: Discover WHY You Handle Money the Way You Do, and WHAT to Do About It!* Since 2010, Rachel has served at Ramsey Solutions, where she teaches people how to avoid debt, save money, budget and win with money at any stage of life. And she does it all with a dose of fun! Rachel is an energetic and thought-provoking speaker who travels the country teaching thousands of people how to live a life they love.

A budget doesn't LIMIT your freedom. A budget gives you freedom."



George KAMEL

George Kamel is a personal finance expert with a countercultural approach to money. Since 2013, George has served at Ramsey Solutions and has faithfully walked the Baby Steps—climbing from \$40,000 in consumer debt to Baby Step 7 in eight years. Today, as a Ramsey Personality, George is the host of *The Fine Print*, a co-host of *The Ramsey Show*, a speaker and the friend who has your back. His mission is to help people spend less, save more, avoid consumer traps, and have some good laughs along the way.

“ If you follow
the **TRENDS**,
you will fall for
the traps.”



GETTING Started

Thank you for coordinating **FINANCIAL PEACE UNIVERSITY!**

Because of you, people in your class will take control of their money and change their lives. **You are the heartbeat of this movement.** We couldn't help the millions of people who've been through this course without you! Whether this is your first time or 20th time, we're excited to help you lead your class. The next pages will be your tool and your guide.

As a coordinator, you'll meet with your class once a week for nine weeks to work through each lesson together. Each meeting takes about 90 minutes to two hours—you'll watch the video lesson together, complete the Activity, answer the discussion questions, and review the Action Steps for you and your members to complete before the next class meeting.

YOUR **ROLE** AS A COORDINATOR

Like Dave said, our Ramsey Personalities will handle all of the teaching—you just need to:

Guide

Lead your members through each lesson in this nine-week class.

Encourage

Support your class as they make big changes in their lives.

Model

Apply the same principles we teach your members in your own life.

Wherever you are on your journey, we have the same desire for you that we have for your members: that you find hope in your life and that you discover peace in your finances.

That's why we give you one year of **Ramsey+** for *free*—so you have all of the education, tools, coaching and guidance you need to pay off debt fast, save money, invest with confidence, and give generously.

YOUR RAMSEY+ Membership

ON-DEMAND EDUCATION

Learn the basics, get quick answers to your questions, and go deeper on topics you love with on-demand education. Watch or listen anytime with the FinancialPeace app.



Download the
FinancialPeace and
EveryDollar apps!

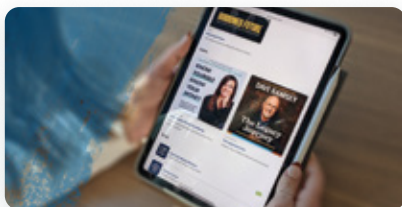
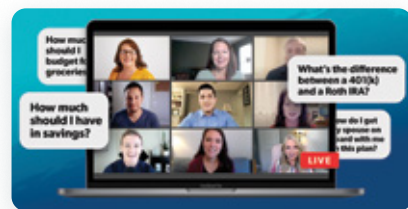


PREMIUM BUDGETING

Budget on the go with the EveryDollar app. Plan where your money goes, easily track transactions, and see how much progress you're making with premium budgeting.

FINANCIAL COACHING

Talk to a Ramsey financial coach to get your personal money questions answered by an expert, or simply join a group call and learn all about budgeting or investing *live*.



EXCLUSIVE BENEFITS

Get free audiobooks, assessments and livestream events, plus discounts on Ramsey products and services—exclusive to Ramsey+ members!

YOUR COORDINATOR GUIDE



As both your Coordinator Guide and your Member Workbook, this is the only book you'll need to lead this course every week!

In each lesson, you'll see exactly what your members see, plus pages just for you. If the page has a yellow header (like the one up above), it's a coordinator-only page. That's where you'll find step-by-step instructions about what to do and what to say in order to lead your class through each lesson.

You'll also notice different icons that quickly indicate what action you should take—whether that's to say specific instructions, start the video, read the discussion questions, or simply wait on your members to finish an Activity.

Don't worry, we'll cover all of this in the next several pages!

YOUR COORDINATOR DASHBOARD

In addition to this guide, make sure to use your Coordinator Dashboard. Everything you need to lead a class is in your dashboard, including a digital version of this guide.

You'll see references to your dashboard in this guide for things like:

- Taking attendance
- Messaging your class
- Recording your class's Financial Snapshot figures (so you can see the incredible impact you've had on your class, including the total debt paid off and money saved)
- Starting your next class!

Your dashboard is the best place to communicate with and keep up with your members. Plus, you can access your own Ramsey+ membership there and join our online community of coordinators across the country.

YOUR SUPPORT *Team*

No matter what questions you or your members have, our team is available to help you get the answers and solutions you need to lead your class with confidence!

YOUR CLASS EXPERIENCE **ADVISOR**

Your dedicated class experience advisor is your primary trusted contact for any questions or concerns related to your class—from promotion to leading each lesson. They're also here if you just want to share an amazing story of life-change from your class! You can find their contact information in your Coordinator Dashboard.

THE CUSTOMER SUCCESS **TEAM**

You also have access to our Customer Success Team—these are our digital product experts. They're here to help you or your members navigate and troubleshoot your Ramsey+ memberships or your Coordinator Dashboard. If you need help, check out our up-to-date, extensive Help Center (help.ramseyplus.com).

**YOU
ARE THE**
Heartbeat
**OF THIS
MOVEMENT!**

4 PARTS TO *Leading* A CLASS

Now, let's look at what coordinating *Financial Peace University* actually looks like! Leading a class is broken down into four easy-to-follow parts. We've given you a quick description below, but we'll break it all down and tell you everything you need to know in the next few pages.

1 PROMOTE & PREP

Before you can lead a class, you need a class to lead! Spread the word about your class in order to get as many member sign-ups as possible. After you have your class ready, we'll help you prepare for your very first meeting.

2 BEFORE EACH LESSON

There are a few simple steps you'll follow before you meet each week. We'll walk you through how to prepare for the upcoming lesson and how to set up the meeting room for your class.

3 DURING EACH LESSON

Each lesson follows the same format: Introduction, Video, Activity, Discussion, Action Steps and a Deep Dive. Remember, we'll give you specific instructions that will walk you through what to say and what to do.

4 AFTER EACH LESSON

There are specific steps you'll need to take after you've dismissed your class and before the next lesson—things like updating attendance and messaging your class.

1 PROMOTE & PREP

Promote

Promotion is just a personal invitation from you to someone who may need *Financial Peace University*. The more people you invite to join your class, the more lives you'll help change!

And we'll give you one piece of advice right now: **It's not so much *how* you promote, but how *often* you promote.**

In your Coordinator Dashboard, you'll find promotion resources (like posters, videos and social media images and sample text), plus the most important tool you have: **your class registration link**. From this page, people can purchase memberships, sign up for your class, or ask you questions about your class. Be sure to include this link on *all* of your promotion materials!

Take a minute to find the link in your dashboard and write it below:

YOUR CLASS REGISTRATION LINK

Prep: Leading a Large Class

If you have a lot of people sign up for your class, that's awesome! And you might want to find a **co-coordinator** to help you lead, especially for the Discussion portion of the class. When you break up a large class into smaller groups, it ensures that everyone feels comfortable and gets a chance to talk.

A co-coordinator can lead the Discussion for one of the smaller groups and can also help check that each member completed the lesson's Action Steps. If your co-coordinator needs access to any class management tools, your class experience advisor can help you get that set up.

To avoid confusion and potential conflicts, we ask that any communication to your advisor come through the lead coordinator.

Prep: One Week Before

Your first class sets the tone for the entire course. It's a big deal! Spend some extra time preparing for your first class.

- Contact volunteers.**
Reach out to any volunteers, childcare helpers and co-coordinators to make sure they'll be ready for your first class.
- Watch Lesson 1 and work through the Activity.**
- Post last-call promotions!**
Post one more time on social media for final group sign-ups. Don't forget to include your class registration link!
- Message registered class members.**
Using the message feature in your Coordinator Dashboard, send a message to all registered members. Introduce yourself and remind them of your class details (time, start date and location).

2 BEFORE EACH LESSON

Come back to these checklists and mark off each box before every lesson. If a lesson requires anything beyond what is listed here, we'll let you know in the Lesson Prep section at the beginning of that lesson.

Before Your Class Meets

- Watch each lesson video.**
You can watch lesson videos in Ramsey+ or from your DVDs.
- Complete each lesson Activity and review the discussion questions.**
Review the lesson before your class members so you can help answer questions that might come up. But remember, "I don't know" is a totally acceptable answer! You can always direct members to use their Ramsey+ membership to speak with one of our Ramsey financial coaches or you can team up with your advisor later to get answers to any questions you can't answer.
- Pray for a great lesson!**
God is at the center of this course, and ultimately, He's the one who will reshape the hearts and minds of everyone in your class! Pray for a great class and for each of your members by name.

At Your Meeting Space

- Unlock the doors** and hang any signs needed to direct people to the meeting location.
- Bring this guide, extra pens and pencils,** and any additional items as noted in the Lesson Prep section at the beginning of each lesson.
- Check the audio and visual equipment,** including volume levels. If you plan to stream the videos from Ramsey+, test the streaming ahead of time. You also have DVDs you can use if you need them.
- Arrange the tables and chairs** for video viewing and class discussion.
- Welcome everyone** as they arrive. Try to greet them by name!

3 DURING EACH LESSON

Each lesson follows the same format. Look for your yellow coordinator-only pages throughout the lesson. These will tell you exactly what to do and what to say to your members.



Any time you see the yellow header, it's a coordinator page!

BEFORE THE VIDEO STARTS

START THE LESSON

After you welcome members to your meeting space, you're ready to start leading your class through the beginning of the lesson before you play the video.

AFTER THE VIDEO STARTS

TAKE ATTENDANCE

Once you play the video, you'll take class attendance. You can do this right in your Coordinator Dashboard. Or you can print out an attendance sheet ahead of time and keep track with good ol' pen and paper—just make sure to transfer the information to your dashboard after each lesson.

ATTENDANCE		Download Attendance PDF					
Name ▼	Lesson 1	Lesson 2	Lesson 3	Lesson 4	Lesson 5	Lesson 6	
Select All	<input type="radio"/>	<input type="radio"/>	<input checked="" type="checkbox"/>	<input type="radio"/>	<input checked="" type="checkbox"/>	<input type="radio"/>	
Chip Reid	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="radio"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Zack Milton	<input type="radio"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="radio"/>	
Niki Jackson	<input checked="" type="checkbox"/>	<input type="radio"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	



AS THE VIDEO PLAYS **FOLLOW ALONG**

Look for your yellow coordinator cue near the One-Minute Takeaway at the end of the fill-in-the-blank section. This is your reminder to transition to the Activity.

WHEN THE VIDEO ENDS **ACTIVITY**

Each lesson has at least one Activity that you'll go through as a class after the video ends. Remember, your yellow coordinator-only page will walk you step by step through leading the Activity.



Do these right after the video!



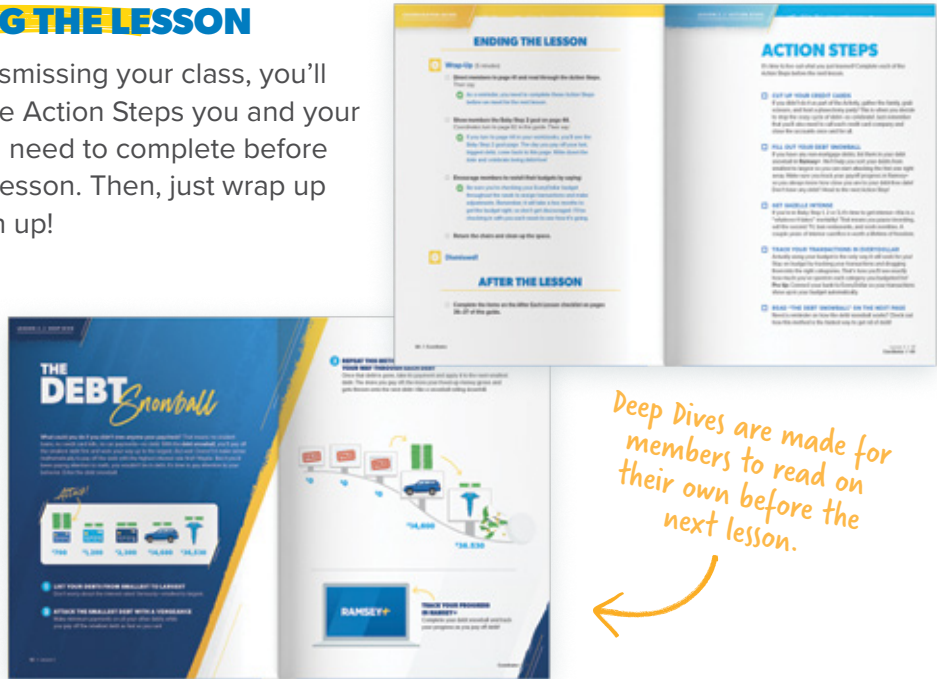
DISCUSSION

After the Activity, you'll move on to the discussion questions. These are specific to each lesson! Make sure to allow time for your class to talk about each question.

This page is what your class sees!

ENDING THE LESSON

Before dismissing your class, you'll review the Action Steps you and your members need to complete before the next lesson. Then, just wrap up and clean up!



COORDINATOR CUES

On each of your yellow coordinator-only pages, look out for these icons to quickly see what to say and what to do. Yep, it's that easy.



Say this out loud to your class.



Complete a task or take an action.



Lead your class through the Activity.



Lead your class through the Discussion.

20 // Lesson 1
40 // Coordinator



On some pages, you will see two page numbers: your Coordinator Guide page number and the corresponding page number in the Member Workbook.

4 AFTER EACH LESSON

After you've dismissed your class, complete the following checklist to stay connected with your class members and to prepare for the next lesson.

What to Do After Each Lesson

Update class attendance.

You'll keep track of weekly attendance right in your Coordinator Dashboard. If you used an attendance sheet during the lesson video, make sure to transfer the attendance information to your dashboard after each lesson.

Message your class.

The messaging feature in your dashboard allows you to message your class members—both attendees and absentees. Use the templates with suggested messages after each lesson to make this step quick and easy! But read over each one and add some personality to make it your own.

(check out the message templates.)

MESSAGE Week 1: One Day Before First Gr...

Hello, FPU Members!

I'm so excited to meet you all tomorrow! I understand that everyone has a unique financial story. Some people are just starting out, while others wish they could start over. Regardless of where you are, my mission is to give you hope for the future!

If you're not familiar with how *Financial Peace University* began, Dave Ramsey shares his story in [this video](#). I think it's pretty powerful.

See you tomorrow!

Jenny (coordinator@fpu.com)

Select Recipients

Pray for each of your class members.

If you haven't noticed, we want to make sure God is at the center of this whole course! If you're comfortable, take time before and after each lesson to pray for every single member of your class.

Complete the Action Steps.

Whatever your class members do, you should do as well! To best help them, we want you to understand every single lesson. Plus, these Action Steps will help you on your *own* Baby Steps journey.

Ready?

**IT'S
GAME
ON!**

BABY STEP 1 & BUDGETING

LESSON PREP

- People will attend your class for a lot of different reasons. In fact, many people carry a strong sense of guilt, shame or fear about their personal financial situation. Create a welcoming place for them to open up and tackle their problems head on. One of the best ways to do that is by sharing your own stories of messing up with money and how *Financial Peace University* has helped you.
- Budgeting is a foundation of this course and critical to your class members' success with money! So, if they ask you a question and you don't know the answer, don't panic. Just have them connect with a financial coach in Ramsey+.
- Make sure you've set up your own Ramsey+ membership and downloaded the EveryDollar and FinancialPeace apps so you're familiar with what's available to you and your class members. They will need to use their Ramsey+ membership as part of their Action Steps.


START THE LESSON





Welcome (10 minutes)

- Introduce yourself and your co-coordinator (if you have one).**

Describe your experience with FPU, talk about classes you've led (if any), and share your excitement about coordinating this class. Then say:

 -  Welcome to *Financial Peace University*! I'm so excited that you decided to join this class. This nine-lesson course will help you change the way you think about and handle money. Each lesson will follow the same format. We'll watch a video and complete an Activity. Then, after some Discussion, we'll review the Action Steps you'll need to complete before we meet for the next lesson.

- Ask members to introduce themselves.**
 -  Everyone take about 30 seconds to introduce yourself. Tell us your name and why you decided to attend *Financial Peace University*.

- Encourage members to attend each lesson by saying:**
 -  The reason we go through the lessons together is so we can encourage and learn from each other. In order to graduate from this course, you'll need to attend at least eight lessons! But if you do miss one, just make sure you work through that lesson in your Ramsey+ membership.

- Take care of housekeeping.**

Make sure to point out where the restrooms are located, explain any changes in meeting dates, and ask that members silence their cell phones.



Get Ready for the Video

- Instruct everyone to turn to page 15 in their Member Workbook.**
- Introduce the video by saying:**



As we watch the video, you'll see keywords at the bottom of the screen. Write those words in the blanks in your workbook. Before I start the video, think about this: What would you do if you had a \$1,000 emergency tomorrow?



Start the Video



As the Video Plays

- Take attendance and watch the video.**
Take attendance on your Coordinator Dashboard or pass around the FPU Attendance Sheet and then update it online after the lesson. The next pages match the Member Workbook so you can follow along with the video.
- Look for your coordinator cue before the One-Minute Takeaway to get ready for the Activity.**



“

A budget gives you
PERMISSION to spend.

— RACHEL CRUZE

”

LESSON 1

BABY STEP 1 & BUDGETING

KEY POINTS

- ✓ The 7 Baby Steps focus on changing your behavior toward money through a proven, step-by-step plan.
- ✓ Baby Step 1 is saving \$1,000 for your starter emergency fund.
- ✓ A zero-based budget is the tool that helps you take control of your money.

BABY STEP



Save \$1,000 for Your Starter Emergency Fund

Your first goal is to save \$1,000 for your starter emergency fund as fast as you possibly can. You have to make saving a priority. Focus all of your energy on getting this Baby Step done—fast! An emergency is going to happen, so you have to be ready when it hits. We're talking no credit cards, but real cash in the bank to cover it.

LESSON 1 //
BABY STEP 1



GUIDE
Dave Ramsey



GUIDE
Rachel Cruze

BABY STEP 1

Save \$1,000 for your starter emergency fund.

If you will live like no one else now, later you can live and GIVE like no one else.



No *discipline* seems pleasant at the time, but painful. Later on, however, it produces a *harvest* of righteousness and peace for those who have been trained by it.

— HEBREWS 12:11 (NIV)

BUDGETING

A budget is simply a PLAN for your money.

A zero-based budget means that your income minus your expenses equals ZERO.

The FREE SPIRIT feels controlled by the budget.

The NERD enjoys doing the budget.

ANSWER KEY

\$1,000
Give
Plan
Zero
Free Spirit
Nerd

LESSON 1 //
BUDGETING

In the Budget Committee MEETING, you'll meet with your spouse to review next month's budget.

The budget gives you CONTROL you never knew you had.



Suppose one of you wants to build a tower. Won't you first sit down and estimate the *cost* to see if you have enough money to *complete* it?

— LUKE 14:28 (NIV)

NOTES

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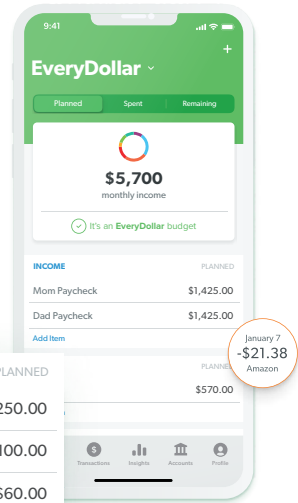
ANSWER KEY

Meeting
Control

LESSON 1 // BUDGETING

BUDGET WITH EVERYDOLLAR

Ready to take control of your money and start making progress toward your Baby Step goal? In the Action Steps, you'll create your own zero-based budget with the premium version of EveryDollar! Great news—you get this free as part of your Ramsey+ membership!



HOUSING	PLANNED
Mortgage/Rent	\$1,250.00
Electric	\$100.00
Water	\$60.00
Natural Gas	\$30.00
Add Item	

Psst...

When the One-Minute Takeaway appears on the video, that's your cue to move toward the front of the room and kick off this lesson's Activity. Turn the page to prepare for what happens next.


One-Minute TAKEAWAY

ACTIVITIES



When the Video Ends


- **After the One-Minute Takeaway, say:**

 We just heard a lot of information. That was a lot to take in! So, now we're going to do some activities that will help you create your first budget.




Activity: Nerd & Free Spirit Quiz (4 minutes)


- **Introduce the Nerd & Free Spirit Quiz on page 20 by saying:**

 For the first Activity, let's turn to page 20 in your workbooks. Can I get a volunteer to read "What to Do" for the Nerd & Free Spirit Quiz?

- **Wait for the volunteer to finish reading, then say:**

 This quiz isn't an exact science—it's meant to be fun! If your spouse is with you, make sure you take the quiz together on the same sheet. Spend a few minutes working through the quiz now.

- **Allow time for members to complete the Activity, then say:**

 If you're a Nerd, raise your hand. If you're a Free Spirit, raise your hand. Some of you may be a little of both, but generally, you'll lean one way or the other.

What surprised you about the results of your quiz?

Now that you know your personality, you can see what your role is in the Budget Committee Meeting.



Activity: Budget Committee Rules (1 minute)

- Introduce the Budget Committee Meeting rules by saying:

“ In the video, Rachel covered three main rules for a Budget Committee Meeting to work. Let’s take a look at those now. Can I get a Nerd to read the Free Spirit rules out loud? And will a Free Spirit read the Nerd rules?



Activity: Quick-Start Budget (7 minutes)

- Introduce the Quick-Start Budget on page 22 by saying:

“ Now that you know your money personality and understand the rules of the Budget Committee Meeting, it’s time to do your Quick-Start Budget.

This is just a warm-up for the EveryDollar budget you’ll do later. It won’t be super detailed. The idea is to start seeing how you’re spending your money. Now, turn to page 22 and take a few minutes to fill out your Quick-Start Budget.

- Allow time for members to complete the Activity, then say:

“ Keep in mind, these activities will help you build an EveryDollar budget that will allow you to plan for every single dollar you bring in for the month. If you need help budgeting for an irregular income or week by week, there are example forms on pages 143–153 of your workbook.

Note: If you’re comfortable, you’re welcome to offer extra budgeting guidance before you dismiss your class.



When the Activity Ends

- Turn to page 44 of this guide for instructions on how to lead your class through the discussion questions.

WHAT TO DO:

Take this fun quiz to figure out if you're more of a Nerd or a Free Spirit! If you're married, this will help you identify your role in the Budget Committee Meeting. If you're single, this will help you determine your strengths in creating your budget, and where you'll need some accountability.

NERD & *Free Spirit* QUIZ

PERSON 1

A B

PICK THE ONE THAT SOUNDS MOST LIKE YOU

PERSON 2

A B

A: You're prepared for Tax Day months in advance.
B: Tax Day? That's in October, right?

A: Rules are important and should always be followed.
B: Rules are more like suggestions.

A: You are always on time. Always.
B: You show up "on time," give or take 15 minutes.

A: You make a plan for each day of your vacation.
B: Vacations are more fun with no schedule.

A: You read the introductions of books.
They're in there for a reason!
B: You skip introductions—only chapters count.

A: Your life's motto: "A place for everything and everything in its place."
B: You live by the phrase, "It'll all work out!"

A: You organize your shirts by color. Doesn't everyone?
B: You're doing good just to get your shirts off the floor.

A: You can't wait to create your EveryDollar budget!
B: You're considering faking an illness for the Budget Committee Meeting.

A B

TOTAL YOUR SCORES AND CIRCLE THE HIGHEST ONE

A B

IF YOU HAD A HIGH SCORE OF: **A**

SCORE

4–5: NERD-ISH

You have a pretty good idea of how much money is in your account.

6–7: NERD

Budgets are for awesome people.

8: ULTRA NERD

You canceled your plans with friends so you could start drafting next month's budget.

IF YOU HAD A HIGH SCORE OF: **B**

SCORE

4–5: FREE SPIRIT-ISH

You've got a budget somewhere. You could find it if you needed to.

6–7: FREE SPIRIT

Budgets are for boring people.

8: ULTRA FREE SPIRIT

Budgets are like putting on a straitjacket. Why would you ever do that to yourself?

OFFICIAL RULES OF THE BUDGET COMMITTEE MEETING



FOR THE NERD

1. Create the budget.
2. Thank the Free Spirit for being there!
3. Show the budget to the Free Spirit. Then be quiet.



FOR THE FREE SPIRIT

1. Come to the Budget Committee Meeting.
2. Be realistic and don't use the phrase "whatever you want."
3. Have an opinion and change something.

WHAT TO DO:

Fill out your estimated monthly expenses for the following categories. Then add up the total for all categories.

SEE WHAT YOU'RE *Spending*

Now that you know whether you're more of a Nerd or a Free Spirit, it's time to take the first step into budgeting. Don't panic—this first step is simple!

THE BUDGET IS YOUR MAP FOR THE MONTH

Rachel taught you how to create a zero-based budget with EveryDollar. But to get to where you want to go, you have to know where you are.

It's just like driving: If you don't know your starting point, it's impossible to get to your destination! That's why you do a **Quick-Start Budget**.

IT'S TIME TO FILL OUT THE QUICK-START BUDGET

This activity is a simple way to put pen to paper and get you thinking about how much you're currently spending in each category, each month. You'll notice there are a few categories missing, like income and debt. That's okay! Remember, this is just your starting point.

Free Spirits,

make sure there's fun in the budget!

□ STEP 1

Write down what you're spending for the month in each item of each category. If you don't know exact numbers, just make your best guess!

Needs,

this is where you get to work with numbers!

□ STEP 2

Add up each item in each category and write the TOTAL at the bottom.

□ STEP 3

Add up the numbers in all of the TOTAL boxes and write that number in the TOTAL FOR ALL CATEGORIES box.

YOUR QUICK-START BUDGET

Follow Steps 1–3 on the previous page to list and add up your monthly expenses.

♥ GIVING	Planned
Church	\$
Charity	\$
TOTAL	\$

🚗 TRANSPORTATION	Planned
Auto Insurance	\$
Gas	\$
Maintenance	\$
TOTAL	\$

🍴 FOOD	Planned
Groceries	\$
Restaurants	\$
TOTAL	\$

🏠 HOUSING	Planned
Mortgage/Rent	\$
Utilities	\$
TOTAL	\$

👕 PERSONAL	Planned
Clothing	\$
Phone	\$
Fun Money	\$
Gifts	\$
TOTAL	\$

TOTAL FOR ALL CATEGORIES	\$
---------------------------------	----

Remember, this total does not include every category that will be in your monthly budget—just a few of the big ones!

Great Start!

You've taken the first step to creating your monthly budget. In the Action Steps, you'll **create a zero-based budget with EveryDollar—just like Rachel showed you!**

DISCUSSION



Discussion (8 minutes)

Introduce the Discussion by saying:



In every lesson, we'll go through a list of questions that will allow us to dig deeper into the principles we learned in the video. We're going to read a question together and then take some time to discuss before we move on to the next question. Let's turn to page 24 in your workbooks. Can I get a volunteer to read the first question?

Get them engaged!

Give members a chance to share their responses. Then continue through the list of questions, letting a different member read each question.

Create Interaction and Don't Fear Silence

Get the discussion started and then let the members take over. There might be silence after you ask a question—that's okay! Give it a few moments. Silence is a powerful motivator. If you need to initiate the discussion, try answering the question and then calling on members by name.

DISCUSSION

This is where change happens—in a safe space where you can talk about real life. This is where you *start* connecting with other people and *stop* believing you're in this alone. Whether you're taking this class online or in person, be honest with your answers and remember to encourage one another!



Think about a time when an emergency stressed you out. How would a starter emergency fund have made that a *stress-free* emergency?



What are some categories that you think might bust your budget? What can you do to keep those categories under control?



Cashing out your budget can help you stay ahead of problem categories. Which categories could you use cash for to help you stick to your budget?






Based on your results from the Nerd & Free Spirit Quiz, what strengths can you bring to the Budget Committee Meeting?

ENDING THE LESSON



Wrap-Up (5 minutes)

- Introduce and read through the Action Steps by saying:**
 -  Let's move on to the Action Steps on page 25. You'll need to complete these before we meet for the next lesson. Let's read through them now.
- Ask for a volunteer to read the Baby Step 1 goal on page 28.**
Coordinator, turn to page 50 in this guide!
- Encourage them to bring their budget to the next lesson by saying:**
 -  Make sure you bring your EveryDollar budget with you to the next lesson—this can be on your phone or a printout. No one will look at the exact numbers, but one of my jobs every week is to do a budget checkup.
- Highlight the Ramsey+ membership benefits by saying:**
 -  There are a ton of tools and resources you'll need to use throughout this course in your Ramsey+ membership, so make sure you knock out that first Action Step before you do anything else.
- Verify that everyone is registered for your class.**
Make sure that every family who attended today's lesson is registered for your class. You can see who's registered in the Class Roster in your Dashboard. For anyone who isn't registered, send them your class registration link so they can register before the next lesson!
- Reset the room.**
Return the chairs and clean up the space.



Dismissed

AFTER THE LESSON

- Complete the items on the After Each Lesson checklist on page 27 of this guide.**

ACTION STEPS

Personal finance is 80% behavior. It's only 20% head knowledge. So, it's time to live out what you just learned! Complete each of the Action Steps before the next lesson. (If you're married, do this with your spouse.) You got this!

□ SET UP YOUR RAMSEY+ MEMBERSHIP

Your **Ramsey+** membership is the one-stop shop for everything you need to win with money—tools, education, custom recommendations, financial coaching and more! Be sure to answer every question that pops up in your membership—your answers help us personalize your plan and give you a great picture of where you stand today.

□ CREATE A BUDGET WITH EVERYDOLLAR

Your Quick-Start Budget was a great way to get the hang of budgeting. Now you'll create a zero-based budget with **EveryDollar**. Married couples, don't forget the Budget Committee Meeting. And singles, show your budget to your accountability partner. If you need extra guidance, watch the budgeting videos in your membership!

□ SAVE MONEY IN BABY STEP 1

It's time to draw a line in the sand! If you're on Baby Step 1, see how much money you can save in just one week and then track your savings progress in **Ramsey+**. If you've already got your \$1,000, well done! Move on to the next Action Step.

□ COMPLETE YOUR FINANCIAL SNAPSHOT

If you're in a class, fill out the Financial Snapshot card found in this lesson and turn it in to your coordinator at the start of Lesson 2.

□ READ "THE POWERFUL ZERO-BASED BUDGET" ON THE NEXT PAGE

Want a quick refresher on how to easily make a zero-based budget with **EveryDollar**? Read on!

THE *Powerful* ZERO-BASED BUDGET

Whether you're on Baby Step 1 or 7, you need a budget. It's your map for every month. And it puts you in control of your money.

Want to pay off debt? *You need a budget.* Want to build your emergency fund? *You need a budget.* Already investing? You're not off the hook—you *still need a budget.* And not just any budget—that's right, a zero-based budget.

A zero-based budget simply means your income minus your expenses equals zero. One more time: Your income minus *everything else* equals zero. That means you give every dollar a job to do—every month. *Hint: That's why we named our tool EveryDollar.* Make a plan on purpose for every dollar, every month!

- 1 START WITH YOUR INCOME**
- 2 LIST ALL YOUR EXPENSES**
- 3 SUBTRACT EXPENSES FROM INCOME**
- 4 TRACK YOUR EXPENSES**
- 5 BE FLEXIBLE!**

HOW TO DO A MONTHLY BUDGET

1 START WITH YOUR INCOME

Write down all the income you expect for the month.

INCOME

Paycheck \$3,500

2 LIST ALL YOUR EXPENSES

This is *everything* going out this month, from giving to groceries to miscellaneous!

EXPENSES

Giving	\$350
Saving	\$450
Rent	\$875
Utilities	\$350
Groceries/Restaurants	\$525
Transportation	\$350
Insurance	\$500
Miscellaneous	\$100

3 SUBTRACT EXPENSES FROM INCOME

If your income minus your expenses equals zero, you did it! You've just made a zero-based budget. If it doesn't, you've got some work to do! Adjust some categories and get to zero.

INCOME

–  EXPENSES

= \$0

4 TRACK YOUR EXPENSES

Track your expenses every day during the month to make sure you're sticking to your budget. If you're overspending, make adjustments in your categories and then learn to say no!

5 BE FLEXIBLE!

Planning for payments shows you just how much debt steals your income! Let's say you have a car payment of \$325 and a student loan payment of \$150. You need to include those debts in your budget and adjust other categories to account for those expenses. Remember, your income minus *everything else* has to equal zero.

DEBTS

Car Payment	\$325
Student Loan	\$150

EXPENSES

Saving	\$200
Groceries/Restaurants	\$300

Updated Totals



BABY STEP 1

As soon as you get \$1,000 in the bank, come back to this page and mark the date you officially knocked out Baby Step 1!

 **GOAL**

\$1,000

 **DATE COMPLETED**

____ / ____ / ____
MONTH DAY YEAR

This is the
EASIEST
and the
HARDEST
STEP

BABY STEP 2

LESSON PREP

- Some members may forget their Financial Snapshot card. Print extra copies of the card from your Coordinator Dashboard to bring with you.
- Some members will have questions about their budgets. If you're comfortable, help them out as much as you can. If not, you can always direct them to speak with one of our financial coaches in Ramsey+.
- This is a challenging lesson for most people. Living without debt is countercultural and can be difficult for people to accept. Remind members that debt is a thief. It steals their joy and their paychecks!
- You'll need to bring scissors for members to cut up their credit cards in this lesson's Activity. Be encouraging and celebrate every plasectomy!

START THE LESSON



Welcome and Review (8 minutes)

- Welcome class members and anyone here for the first time.**
Show how excited you are about this lesson!
- Review the Action Steps from the previous lesson.**
Check to make sure class members completed the Action Steps from Lesson 1. Address any questions or concerns they may have.
- Collect the Financial Snapshot cards.**
If members forgot their cards, give them one of the copies you brought with you. You'll add up the information from all the cards during the video.

Have a budget checkup!

Tell everyone to take out the budget they created—either in EveryDollar or on paper. (Note: If you have a larger class with co-coordinators, save the budget check for the small-group discussion time.) Then say:

“By a show of hands, who did their budget? If you haven’t done your budget yet, you need to do it before the next lesson. How many of you were able to make a zero-based budget? If you weren’t able to or if you have questions, come see me after today’s lesson. I’m happy to help.

“Starting with the next lesson, we’ll be doing budget checkups each week with different questions to help perfect your budgets. So make sure you’re tracking your expenses and making any adjustments to your categories!



Get Ready for the Video

Introduce the video by saying:

“Telling people to cut up their credit cards and get out of debt is one of the things Dave is known for—and it’s one of his favorite lessons. Turn to page 31 as I get ready to start the video and think about this: Culture has made buying things on credit a normal part of life. When did you get your first credit card—and why?”



Start the Video



As the Video Plays

Update your class’s Financial Snapshot.

Add up the information from the Financial Snapshot cards and enter it into your Coordinator Dashboard. You’ll share this information with your class when the video ends.

Take attendance and watch the video.

Take attendance in your Coordinator Dashboard or pass around the attendance sheet. Then, follow along with your members in your Coordinator Guide.



“

Your income is your
most **POWERFUL**
wealth-building **TOOL.**

— DAVE RAMSEY

”

LESSON 2

BABY STEP



KEY POINTS

- ✓ Baby Step 2 is paying off all debt (except the house) using the debt snowball.
- ✓ Debt is not a tool used to build wealth, and payments don't have to be a way of life.
- ✓ It takes gazelle intensity to get out of debt.

BABY STEP

2

Pay Off All Debt (Except the House) Using the Debt Snowball

You've got \$1,000 in the bank, and you're ready for Baby Step 2: paying off all your debt except your house using the debt snowball! Attack the smallest debt first while making minimum payments on the others. Once you pay off the first one, you'll move to the next smallest debt, taking your freed-up money, newfound motivation and momentum with you—until you pay off the last, largest debt!

**THE
7
BABY
STEPS**

LESSON 2 //
BABY STEP 2



GUIDE
Dave Ramsey

BABY STEP 2

Pay off all DEBT (except the house) using the debt snowball.



The rich *rule* over the poor, and the borrower is *slave* to the lender.

— PROVERBS 22:7 (NIV)

MYTHS & TRUTHS

MYTH: I need a credit card to rent a car and make purchases online.

TRUTH: You can do both of these things with a DEBIT card.

MYTH: Car payments are a way of life. You can't live without a car payment.

TRUTH: You can stay away from car payments by paying cash for reliable used cars.

MYTH: I need to take out a credit card to build up my credit score.

TRUTH: The FICO score is an "I love DEBT" score.

ANSWER KEY

Debt
Debit
Debt

LESSON 2 //
MYTHS & TRUTHS

MYTH: I pay my credit card off every month. And I can earn points and airline miles.

TRUTH: When you use a credit card instead of cash, you actually spend **MORE** because you don't feel it.

.....

MYTH: A credit card is more secure than a debit card.

TRUTH: Debit cards and credit cards have the **SAME** amount of protection.

.....

MYTH: My teenager needs a credit card to learn how to be responsible with money.

TRUTH: More students drop out of school because of **FINANCIAL** trouble than for academic failure.

.....

MYTH: Leasing a car is smart. You should always lease things that go down in value. There are tax advantages.

TRUTH: Consumer Reports and a good calculator will tell you that a car **LEASE** is the most expensive way to operate and finance a vehicle.

.....

MYTH: I can get a good deal on a new car.

TRUTH: A new car loses **60** % of its value in the first five years.

ANSWER KEY

- More
- Same
- Financial
- Lease
- 60

LESSON 2 //
MYTHS & TRUTHS

MYTH: A home equity loan is a good option for consolidation and a great substitute for an emergency fund.

TRUTH: You don't go into debt when you're in the middle of an emergency. You'll make the emergency a CRISIS.

.....

MYTH: Debt consolidation is smart. It saves interest and gets you a smaller payment.

TRUTH: Debt consolidation does nothing to change the BEHAVIOR that got you into debt. So, many who do it actually end up with more debt.

.....

MYTH: Cosigning a loan is okay if I'm helping a friend or relative.

TRUTH: The bank requires a cosigner because the person isn't likely to REPAY.

.....

MYTH: You can't go to college without taking out student loans.

TRUTH: 68 % of millionaires with a college degree never took out student loans.

ANSWER KEY

Crisis
Behavior
Repay
68

LESSON 2 //
MYTHS & TRUTHS

BIGGEST MYTH OF ALL

MYTH: Debt is a tool and should be used to create prosperity.

TRUTH: Debt is proof that the borrower is SLAVE to the lender.



Give *no sleep* to your eyes, nor slumber to your eyelids. Deliver yourself *like a gazelle* from the hand of the hunter, and like a bird from the hand of the fowler.

— PROVERBS 6:4-5 (NKJV)

NOTES

Handwritten notes area with horizontal lines and a yellow brushstroke at the bottom right.

ANSWER KEY

Slave

LESSON 2 //
DEBT SNOWBALL

HOW TO GET OUT OF DEBT

- Quit borrowing more _____ **MONEY** _____ !
- You must _____ **SAVE** _____ money.
- _____ **SELL** _____ something.
- Take a part-time _____ **JOB** _____.
- _____ **PRAYER** _____ really works.

DEBT SNOWBALL

List your debts smallest to largest. Make minimum payments on all of them and attack the smallest one with a vengeance.



Psst . . .

When the One-Minute Takeaway appears on the video, that's your cue to move toward the front of the room and kick off this lesson's Activity. Turn the page to prepare for what happens next.



ANSWER KEY

- Money
- Save
- Sell
- Job
- Prayer

ACTIVITY



When the Video Ends

- **After the One-Minute Takeaway, say:**



As you can tell, getting out of debt is a really big deal! And no matter how much debt you have, you can become debt-free! While we were watching the video, I added up the information from all of our Financial Snapshot cards. Let's take a look at where we stand as a class. And then, we're going to have our very first plasectomy party!



Activity: Financial Snapshot (2 minutes)

- **Share your class's Financial Snapshot figures.**

Note: It is not unusual for the total debt to be surprisingly high, even in smaller classes. Members may feel overwhelmed with the state of their finances. Be overly encouraging and reassuring. Then say:



The biggest takeaway from this information should be that you're not alone. Millions of people who started exactly where you are right now are winning with money!

This information gives you a great picture of where you're starting from, and we can also see where we stand as a class. We'll do this Activity again at the beginning of Lesson 9 so we can see how far we've come.



Activity: It's Time for a Plasectomy (10 minutes)

Get excited for this Activity—even if someone chooses not to cut up their credit cards right now. For those who are cutting them up, applaud and celebrate every single card that is destroyed. This is a big step and a major accomplishment toward becoming debt-free.

Direct attention to the Activity on page 38 by saying:

You watched Dave cut up some credit cards on stage. Now it's time for *us* to draw a line in the sand and see if we're up for the challenge. Turn to page 38. Read and complete the Activity to see if it's time for *your* plasectomy!

Pick up your scissors and say:

I'll have scissors with me every lesson, so any time you're ready to cut up your cards, the whole class will encourage you and celebrate with you. Who wants to go first?

If you're not feeling ready, would you be willing to share with the class what's holding you back?

Pass the scissors around.

After everyone who wants to has cut up their credit cards, say:

Congratulations to everyone who took this *big* step toward becoming debt-free. You're choosing to live differently, and it's going to change your life. I'm so proud of you!



When the Activity Ends

- Turn to page 66 of this guide for instructions on how to lead your class through the discussion questions.

IT'S TIME FOR A PLASECTOMY



Remember, your situation will never change until you do! So, grab the scissors and slash your lifeline to stupid. You're done with debt and you're never going back, which means you're done with credit cards. That's right. It's time for a plasectomy.

We get it. This step is hard. But debt has taken too much from you already. And it's the biggest thief of your financial future. So, get the cards out of your life and start attacking debt with a vengeance! Goodbye, credit cards. Hello, freedom.

Whether you cut them up in your class or at home on your own, **write down the card information first!** Once you pay them off, you'll have to call and cancel each account.

CREDIT CARD NAME

PLASECTOMY DATE

CANCEL DATE



	CREDIT CARD NAME	PLASECTOMY DATE	CANCEL DATE
1	<input type="text"/>	<input type="text"/>	<input type="text"/>
2	<input type="text"/>	<input type="text"/>	<input type="text"/>
3	<input type="text"/>	<input type="text"/>	<input type="text"/>
4	<input type="text"/>	<input type="text"/>	<input type="text"/>
5	<input type="text"/>	<input type="text"/>	<input type="text"/>
6	<input type="text"/>	<input type="text"/>	<input type="text"/>
7	<input type="text"/>	<input type="text"/>	<input type="text"/>

HOW TO CLOSE OUT YOUR CREDIT CARDS

The plasectomy is a mental and physical sign that you're done with debt—forever. *No more. No way. No how.* But there are **three steps** to breaking up with your credit cards for good!



1 PAY OFF THE BALANCE

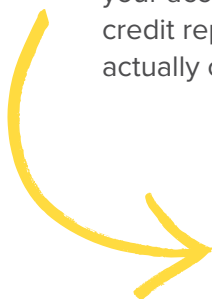
Go ahead and cut up the cards. But before you can cancel the accounts, you'll need to pay off the balance. No matter how much you have to pay off, just list the payments in your debt snowball and attack them with gazelle intensity one by one!

2 CALL THE CREDIT CARD COMPANY

Once you pay off the balance, call the credit card company and say, "I'm calling to close my account." Spoiler alert: They're going to say whatever they can think of to keep you from leaving. Don't fall for their gimmicks or counteroffers. Just repeat, "I'm calling to close my account." Be firm, and remember, you're *done* with debt.

3 GET IT IN WRITING

When you call to cancel your account, keep a record of the conversation's details. You'll want written proof from the company that your account is clear and closed. It's also a good idea to check your credit report later in the year to verify that these accounts are actually closed.



DISCUSSION



Discussion (10 minutes)

- Review the discussion questions.**
Ask for a volunteer to read the first discussion question on page 40 in the Member Workbook.

- Get them engaged!**
Give members a chance to share their responses. Then, continue through the list of questions, letting a different member read each question.

Create Interaction and Don't Fear Silence

Get the discussion started and then let the members take over. There might be silence after you ask a question—that's okay! Give it a few moments. Silence is a powerful motivator. If you need to initiate the discussion, try answering the question and then calling on members by name.

DISCUSSION

Whether you're in a class or online, be honest with your answers and remember to encourage one another!



Look over the list of myths and truths Dave covered in the video. Which myths have fooled you in the past? How can you make sure you don't get duped again?



What fears or concerns do you have about living without credit cards?



Proverbs 22:7 says that “the borrower is slave to the lender” (NIV). What would your life look like if you were totally debt-free? What could you do that you can't afford to do now?



Dave says, “You can wander into debt, but you can't wander out.” You'll have to make some tough decisions and sacrifices moving forward. What's one area you can cut back—or cut out—to reach your money goals?



You need serious passion and motivation to get out of debt. What's one thing you can do to kick-start and keep up your gazelle intensity?

ENDING THE LESSON



Wrap-Up (5 minutes)

- Direct members to page 41 and read through the Action Steps.**

Then say:

“As a reminder, you need to complete these Action Steps before we meet for the next lesson.”

- Show members the Baby Step 2 goal on page 44.**

Coordinator, turn to page 72 in this guide. Then say:

“If you turn to page 44 in your workbooks, you’ll see the Baby Step 2 goal page. The day you pay off your last, biggest debt, come back to this page. Write down the date and celebrate being debt-free!”

- Encourage members to revisit their budgets by saying:**

“Be sure you’re checking your EveryDollar budget throughout the week to assign transactions and make adjustments. Remember, it will take a few months to get the budget right, so don’t get discouraged. I’ll be checking in with you each week to see how it’s going.”

- Reset the room.**

Return the chairs and clean up the space.



Dismissed

AFTER THE LESSON

- Complete the items on the After Each Lesson checklist on page 27 of this guide.**

ACTION STEPS

It's time to live out what you just learned! Complete each of the Action Steps before the next lesson.

□ CUT UP YOUR CREDIT CARDS

If you didn't do it as part of the Activity, gather the family, grab scissors, and host a plasectomy party! This is when you decide to stop the crazy cycle of debt—so celebrate! Just remember that you'll also need to call each credit card company and close the accounts once and for all.

□ FILL OUT YOUR DEBT SNOWBALL

If you have any non-mortgage debts, list them in your debt snowball in **Ramsey+**. We'll help you sort your debts from smallest to largest so you can start attacking the first one right away. Make sure you track your payoff progress in **Ramsey+** so you always know how close you are to your debt-free date! Don't have any debt? Head to the next Action Step!

□ GET GAZELLE INTENSE

If you're in Baby Step 1, 2 or 3, it's time to get intense—this is a “whatever it takes” mentality! That means you pause investing, sell the second TV, ban restaurants, and work overtime. A couple years of intense sacrifice is worth a lifetime of freedom.

□ TRACK YOUR TRANSACTIONS IN EVERYDOLLAR

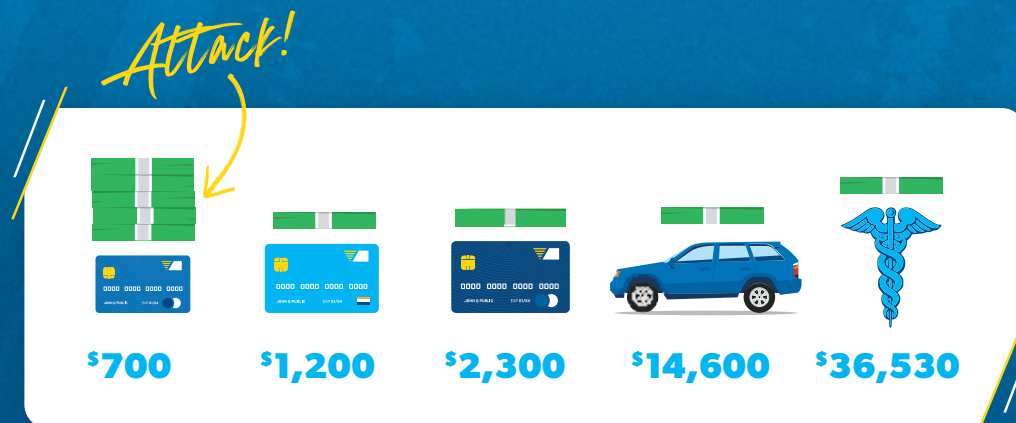
Actually using your budget is the only way it will work for you! Stay on budget by tracking your transactions and dragging them into the right categories. That's how you'll see exactly how much you've spent in each category you budgeted for! **Pro tip:** Connect your bank to **EveryDollar** so your transactions show up in your budget automatically.

□ READ “THE DEBT SNOWBALL” ON THE NEXT PAGE

Need a reminder on how the debt snowball works? Check out how this method is the fastest way to get rid of debt!

THE DEBT Snowball

What could you do if you didn't owe anyone your paycheck? That means no student loans, no credit card bills, no car payments—no debt. With the **debt snowball**, you'll pay off the smallest debt first and work your way up to the largest. *But wait.* Doesn't it make sense mathematically to pay off the debt with the highest interest rate first? Maybe. But if you'd been paying attention to math, you wouldn't be in debt. It's time to pay attention to your behavior. Enter the debt snowball.



1 LIST YOUR DEBTS FROM SMALLEST TO LARGEST

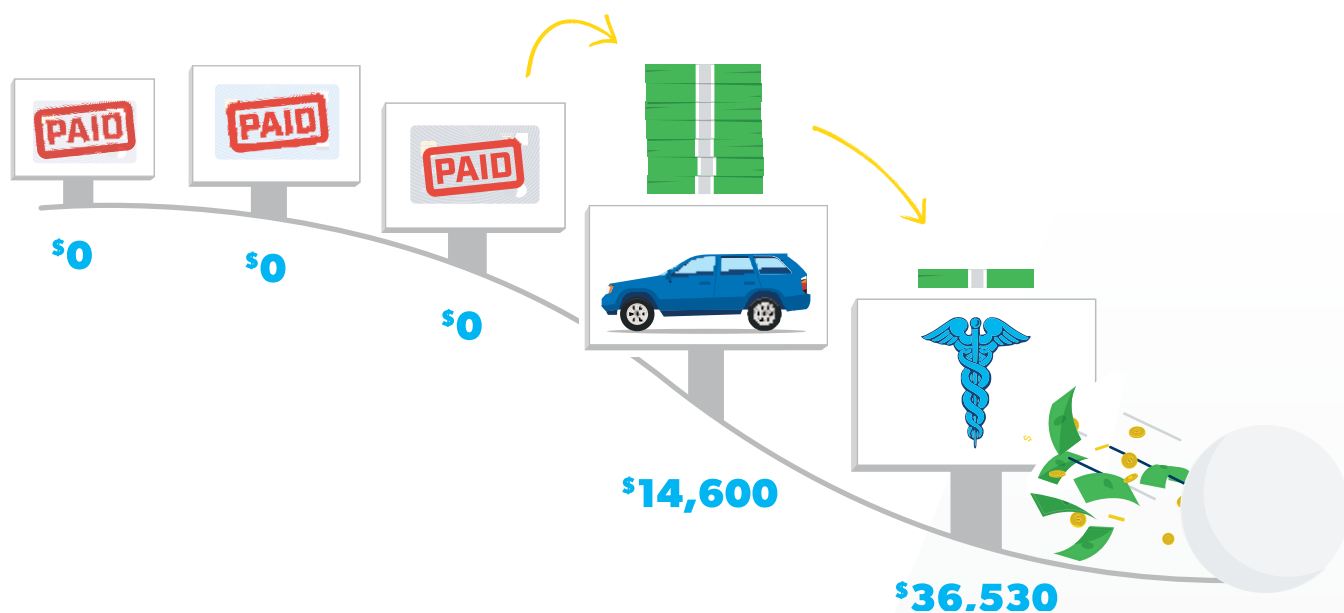
Don't worry about the interest rates! Seriously—smallest to largest.

2 ATTACK THE SMALLEST DEBT WITH A VENGEANCE

Make minimum payments on all your other debts while you pay off the smallest debt as fast as you can!

3 REPEAT THIS METHOD AS YOU PLOW YOUR WAY THROUGH EACH DEBT

Once that debt is gone, take its payment and apply it to the next-smallest debt. The more you pay off, the more your freed-up money grows and gets thrown onto the next debt—like a snowball rolling downhill.



TRACK YOUR PROGRESS IN RAMSEY+

Complete your debt snowball and track your progress as you pay off debt!

BABY STEP 2

Take the total number from your debt snowball and write it below. Then, once you pay off that very last debt, celebrate and come back to this page to mark the day you became debt-free.

 **GOAL**

\$

 **DATE COMPLETED**

____ / ____ / ____
MONTH DAY YEAR

YOU CAN
Wander **INTO**
DEBT
BUT YOU *Can't*
WANDER
OUT

BABY STEP 3

LESSON PREP

- While you may see fewer people in your class this week, don't get discouraged! The truth about debt is polarizing and can take members a little while to accept. Encourage them to stick with the course. It *will* be worth it!
- This lesson will show members the step in the plan when they can stop paying someone else and start paying themselves. If they are still on Baby Step 1 or 2, members might be tempted to jump ahead. But remind them that it's important to do the Baby Steps in order.
- From this point on, plan to bring scissors to every lesson and encourage members to cut up their credit cards whenever they're ready.

START THE LESSON



Welcome and Review (5 minutes)

- Welcome class members back.**
Show how excited you are about this lesson.
- Celebrate plasectomies!**
Call for a show of hands of class members who cut up any credit cards since the last lesson. Celebrate each of those members. Remind your class that you have scissors for anyone who's ready to cut up their credit cards today!


- Have a budget checkup! Say:**

 How are you adjusting to living on a budget?

What are some categories that you forgot to include when you made your budget originally? How did you adjust for those categories?

- Review the Action Steps from the previous lesson.**


Check to make sure class members completed the Action Steps from Lesson 2. Address any questions or concerns from class members, then say:

 Who got gazelle intense and put money toward the Baby Step you're on?



Get Ready for the Video

- Introduce the video by saying:**

 In this lesson, you'll learn about Baby Step 3, your fully funded emergency fund. Turn to page 47 as I get ready to start the video and think about this: If something came up that required you to be away from work for three or four months without pay, what would you do?



Start the Video



As the Video Plays

- Take attendance and watch the video.**

Take attendance in your Coordinator Dashboard or pass around the attendance sheet. Then, follow along with your members in your Coordinator Guide.



“

An **EMERGENCY FUND**
takes the drama out of life.

— GEORGE KAMEL

”

LESSON 3

BABY STEP 3

KEY POINTS

- ✓ Baby Step 3 is saving 3–6 months of expenses in a fully funded emergency fund.
- ✓ The emergency fund is Murphy repellent. It keeps you from living in fear of the next emergency.
- ✓ Your emergency fund is insurance, not an investment! It prevents you from going back into debt.

BABY STEP

3

Save 3–6 Months of Expenses in a Fully Funded Emergency Fund

Baby Step 3 is all about building your full emergency fund with 3–6 months of expenses. After the momentum and intensity of Baby Step 2, it's easy to let your foot off the gas. Don't let that happen! Keep your intensity through Baby Step 3. In the same way your \$1,000 starter emergency fund kept you from going into debt because of emergency expenses, your fully funded emergency fund will protect you when life's bigger surprises hit.

THE
7
BABY
STEPS

LESSON 3 //
SAVING

SAVING



GUIDE
Rachel Cruze

“Debt *steals* your future.
Saving *secures* it.”

— RACHEL CRUZE

Nearly 80% of Americans live paycheck to paycheck. They use DEBT to cover emergencies.

The emergency fund gives you CASH to cover emergencies so you stay out of debt.

You can save money if it's your PRIORITY.



The wise man *saves* for the
future, but the foolish man
spends whatever he gets.

— PROVERBS 21:20 (TLB)

ANSWER KEY

Debt
Cash
Priority
Cure
Gratitude

The CURE for comparison is contentment.

GRATITUDE will lead you to contentment.

LESSON 3 //
SAVING



GUIDE
George Kamel



**I am not saying this because I am
in need, for I have *learned*
to be *content* whatever
the circumstances.**

— PHILIPPIANS 4:11 (NIV)

BABY STEP 3

Save 3-6 months of expenses in a fully funded emergency fund.

Murphy's Law states: Anything that can go wrong WILL go wrong.

Save SIX months of expenses if you fall into any of these categories:

- You're married but have a single-income household.
- You're a single parent.
- You or your spouse is self-employed, work on commission, or have a highly irregular income.
- Your job is seasonal.
- You or someone in your household is chronically ill.

ANSWER KEY

3-6
Will
Six

LESSON 3 //
BABY STEP 3



For *wisdom* provides protection,
just as *money* provides protection.

— ECCLESIASTES 7:12 (NET)

Save at least THREE months of expenses if you fall into either of these categories:

- You're single with no dependents and a stable income.
- You're married and have two incomes, both of which are stable.

An emergency fund is INSURANCE. It's not an investment.

When you use your emergency fund, BUILD it back up.



Psst . . .

When the One-Minute Takeaway appears on the video, that's your cue to move toward the front of the room and kick off this lesson's Activity. Turn the page to prepare for what happens next.



ANSWER KEY

Three
Insurance
Build

ACTIVITY



When the Video Ends

- **After the One-Minute Takeaway, say:**



So, you heard about contentment from Rachel, and you learned about the importance of having an emergency fund from George. This will protect you from going back into debt when Murphy shows up. That's why it's so important to stay gazelle intense through Baby Step 3. Let's do a case study that shows us how to do that.



Activity: Stay Gazelle Intense (8 minutes)

- **Introduce the case study on page 52 by saying:**



Turn to page 52, and let's look at the case study about two couples who are saving for Baby Step 3. Work through the case study. Then we'll discuss the answers, as well as how you can stay focused even after you're debt-free.

- **After a few minutes, ask for the results of the case study.**

See below for answers.

Answer: Because both couples have already saved \$1,000 from Baby Step 1, they need \$11,000 to finish their emergency fund.

It will take Brian and Heather nearly 37 months. The math for that is \$11,000 divided by \$300.

Because Ashton and Kelsey were gazelle intense, it will take them just 11 months. The math for that is \$11,000 divided by \$1,000.

- **Discuss the two follow-up questions as a class.**



Activity: It's Time for a Plasectomy (5 minutes)

- Introduce another opportunity for a plasectomy by saying:**

Getting out of debt is a *big* deal! You should absolutely celebrate that when the time comes, but as we saw in the Activity, you do not want to let off the gas! The faster you can get through the first three Baby Steps, the sooner you get to build wealth and give.

Baby Step 3 is all about using cash instead of credit cards to cover emergencies. You don't want to go back into debt! So, who's ready to cut up their credit cards?

- Pass the scissors around.**
After everyone who wants to has cut up their credit cards, celebrate them!



When the Activity Ends

- Turn to page 86 of this guide for instructions on how to lead your class through the discussion questions.**

Stay GAZELLE INTENSE

Let's look at two couples. We'll call them Brian & Heather and Ashton & Kelsey.

Both couples were gazelle intense and made extreme sacrifices to pay off their debt. They're finally debt-free! Baby Step 2—check! They take a few weeks to breathe and celebrate before they dive into Baby Step 3.

But now, they're ready to get their **fully funded emergency fund** up and running! They look at their current savings and expenses and decide on their emergency fund goal.

HERE ARE THEIR

Numbers

\$1,000



**CURRENT
EMERGENCY FUND**

\$2,000



**CURRENT
MONTHLY EXPENSES**

\$12,000



**FULLY FUNDED
EMERGENCY FUND
GOAL**

Both couples are single-income households and need a six-month emergency fund!

HOW TO SAVE FOR BABY STEP 3

With \$1,000 already in the bank from Baby Step 1, how many months will it take each couple to reach their \$12,000 goal?

BRIAN & HEATHER



Brian & Heather continue celebrating and let off the gas. They only put **\$300 per month** into their emergency fund.

37

MONTHS

ASHTON & KELSEY



Ashton & Kelsey stay gazelle intense and put the **\$1,000 per month** that was going toward debt right into their emergency fund.

11

MONTHS

Moral of the story? **Don't let off the gas!** Take what you were throwing at debt and save it in your fully funded emergency fund. Keep up your gazelle intensity through Baby Step 3!

Respond to the following questions:

- 1 Remember to stay gazelle intense in Baby Step 3. But what's the one way you'll celebrate being debt-free before you kick it back into high gear?
- 2 If these couples asked you about investing or paying off their mortgage before completing Baby Step 3, what advice would you give them? Why?

DISCUSSION



Discussion (10 minutes)

- Review the discussion questions.**
Ask for a volunteer to read the first discussion question on page 54.
- Get them engaged!**
Give members a chance to share their responses. Then continue through the list of questions, letting a different member read each question.

Create Interaction and Don't Fear Silence

Get the discussion started and then let the members take over. There might be silence after you ask a question—that's okay! Give it a few moments. Silence is a powerful motivator. If you need to initiate the discussion, try answering the question and then calling on members by name.

DISCUSSION

Whether you're taking this class online or in person, be honest with your answers and remember to encourage one another!



By now, you've seen and experienced the power of the debt snowball. How can its momentum help you knock out your emergency fund? Why is that important to know?



When have you wished you had Murphy repellent in your life? How would a fully funded emergency fund have turned that crisis into a simple inconvenience?



In building your emergency fund, consider the suggested savings range of 3–6 months of expenses. Which amount makes the most sense for your life and gives you the most peace?



Once you're debt-free, it can be tempting to let your foot off the gas and taper off the intensity. But we want you to move through the first three Baby Steps as fast as you can! What are some practical things you can do to maintain your gazelle intensity in Baby Step 3?


ENDING THE LESSON



Wrap-Up (5 minutes)


- Direct members to page 55 and read through the Action Steps.**

Then say:


 As a reminder, you need to complete these Action Steps before we meet for the next lesson.

- Show members the Baby Step 3 goal on page 58.**

Coordinator, turn to page 92 in this guide. Then say:

 Turn to page 58. When you're ready for Baby Step 3, figure out what amount your fully funded emergency fund needs to be. Come to this page and write that number down. When you reach your goal, come back to this page and mark the date you finished Baby Step 3!

- Remind members to keep working their budget. Say:**

 Budgeting isn't a one-and-done thing. Make sure you're getting into the habit of assigning transactions in EveryDollar and adjusting any categories throughout the week to stay on track!

- Reset the room.**

Return the chairs and clean up the space.



Dismissed

AFTER THE LESSON

- Complete the items on the After Each Lesson checklist on page 27 of this guide.**

ACTION STEPS

It's time to live out what you just learned! Complete each of the Action Steps before the next lesson.

□ CALCULATE YOUR BABY STEP 3 GOAL

It's time to protect yourself from Murphy! Before you can save 3–6 months of expenses, you need to figure out how much you need to save. First, determine if you need three or six months of expenses saved. (Look back at the lesson for a quick reminder.) Second, multiply that number by how much you spend on essential expenses each month. And just like that, you've got your Baby Step 3 goal.

□ OPEN A SEPARATE ACCOUNT

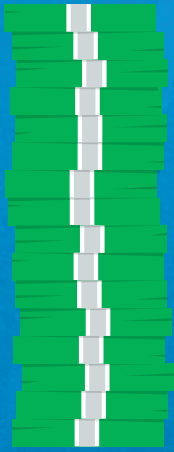
No matter which Baby Step you're on, make sure your emergency fund is in a separate account from your checking account! It needs to be easy for you to get to, but not too easy to spend from. Here are some options: a savings account connected to your checking account, a money market account that comes with a debit card or check-writing privileges, or an online bank where you can transfer money quickly and directly to your checking account.

□ TRACK YOUR TRANSACTIONS IN EVERYDOLLAR

Make sure you're sticking to the budget you set by tracking your transactions. If you connected your bank to **EveryDollar**, this takes minutes—just drag and drop the transactions into the right budget lines, and you're done. **Pro tip:** This is also a great time to make any edits to your budget lines and see where you're accidentally overspending.

□ READ “EXACTLY HOW MUCH DO YOU SAVE FOR BABY STEP 3?” ON THE NEXT PAGE

Want to see a real example of how to calculate your Baby Step 3 goal? Check out the next page!



EXACTLY HOW MUCH DO YOU SAVE FOR BABY STEP **3**?

Remember the budget Rachel created in Lesson 1? Our example couple was budgeting for the very first time so they could cut expenses and save \$1,000 ASAP. Well, guess what? It's been two years, and they just made their final debt payment (cue the confetti!). Now, they're ready to start saving their fully funded emergency fund in Baby Step 3!

How will they figure out the exact number they need to save? With the same three easy steps you'll follow:

- 1 DETERMINE** if you (and your spouse, if you're married) need three or six months of expenses saved.
- 2 GET YOUR BUDGET OUT** and add up how much you're spending on giving and essential expenses each month. (FYI, EveryDollar totals this for you!)
- 3 MULTIPLY** your answer for #1 by your total for #2.

THAT'S YOUR BABY STEP 3


Savings Goal!

INCOME

Paychecks	\$5,700
Side Hustle	\$600

EXPENSES

Giving	\$630
Mortgage/Rent	\$1,250
Electric	\$100
Water	\$60
Natural Gas	\$30
Transportation	\$250
Groceries	\$600
Miscellaneous	\$201
Mom Fun Money	\$50
Dad Fun Money	\$50
Haircuts	\$40
Christmas	\$25
Birthdays	\$25
Childcare	\$700
Cell Phones	\$70
Internet	\$60
Clothing	\$50
Ramsey+ Membership	\$11
Media/Music	\$35
Doctor Visits	\$40
Insurance	\$100
Student Loan	\$1,923


\$4,377
Spent

They're done
with debt!

Let's follow along with our example couple to see how they walk through each step.

- 1 Both Mom and Dad have stable jobs, so according to George, they should save **three months** of expenses.
- 2 They take out their EveryDollar budget and see that last month, they spent \$4,377. (Remember, debt will no longer come out of their paychecks, so they don't need to plan for it in their expenses.) Then, they talk through items they won't need every month, like haircuts and new clothes. So, they look at what they spent on average over the last three months and land on **\$4,200**.
- 3 Finally, they get out their calculator and punch in $3 \times 4,200 =$ **\$12,600**.

**THEIR BABY STEP 3
SAVINGS GOAL IS**
\$11,600

Since they already have \$1,000 in their emergency fund from Baby Step 1, they need to save **\$11,600** to get it fully funded.

Now they ask, "How fast can we save \$11,600 to finish Baby Step 3?"

Great news! Since they got gazelle intense in Baby Step 2 by living on a budget and working a side hustle, they were able to pay **\$1,923** toward debt last month.

If they keep up their intensity, they can save \$1,923 per month (since they aren't sending it to Sallie Mae anymore), and they'll be done with Baby Step 3 in **six months**. (P.S. The math on that is: $\$11,600 \text{ savings goal} \div \$1,923 \text{ payment} = 6 \text{ months!}$)

BABY STEP

Write your Baby Step 3 goal below and bookmark this page.
On the day you save your last dollar in Baby Step 3, you'll see
how all your hard work paid off!

 **GOAL**

\$

 **DATE COMPLETED**

MONTH

DAY

YEAR

AN *Emergency*
FUND **TURNS**
A **CRISIS**
INTO AN
Inconvenience

BABY STEPS



LESSON PREP

- Most class members will still have some questions related to budgeting and how to work the debt snowball. If you're comfortable, answer any questions you can or direct them to speak with a Ramsey financial coach in Ramsey+.
- This lesson covers Baby Steps 4–7. That's a lot of information shared in a short amount of time, so members may have more questions than usual. Most of their questions will be answered in the next five lessons, so encourage them to keep attending every single lesson.
- While most of your class will be on Baby Steps 1 and 2, emphasize the importance of this lesson. It will help them start dreaming for their future and show them that no matter where they are in the Baby Steps, there is a clear path to financial peace.


START THE LESSON




Welcome and Review (5 minutes)

- Welcome class members back.**

Take a couple of minutes to address any questions class members may have at this point, specifically related to Baby Steps 1–3. Remember, “I don't know” is a totally acceptable answer! Say this:

-  **We've covered a lot of information in the last few lessons. What questions do you have about Baby Steps 1, 2 or 3?**

- Have a budget checkup! Say:**

 It's time for our budget checkup. What categories do you need to adjust or add?

Which category has been or will be a budget buster?
What can you do to make that less of a danger?

Note: If members need help answering the last question, remind them that cashing out categories can help them avoid overspending.


- Review the Action Steps from the previous lesson.**

Check to make sure members determined what a fully funded emergency fund would look like for them (don't ask for their specific amounts).



Get Ready for the Video

- Introduce the video by saying:**

 In this lesson, you'll learn about Baby Steps 4–7. Even though most of you are probably on Baby Step 1 or 2, stay engaged in this video and don't let any of the information overwhelm you—let it motivate you to keep making progress on this plan and paint a picture of where you're headed.

As I get ready to start the video, turn to page 61 in your workbook and consider this: What do you want your life to look like 20 years, or even 40 years, from now? How are you going to get there?



Start the Video



As the Video Plays

- Take attendance and watch the video.**

Take attendance in your Coordinator Dashboard or pass around the attendance sheet. Then, follow along with your members in your Coordinator Guide.



“

This is a
WEALTH-BUILDING
plan, not just a get-out-
of-debt plan.

— DAVE RAMSEY

”

LESSON 4

**BABY
STEPS** **KEY POINTS**

- ✓ Baby Step 4 is to invest 15% of your household income in retirement.
- ✓ Baby Step 5 is to save for your children's college fund.
- ✓ Baby Step 6 is to pay off your home early.
- ✓ Baby Step 7 is to build wealth and give.
- ✓ You'll do Baby Steps 4–6 in order, but at the same time. Then, Baby Step 7 is where you'll have the most fun!

BABY STEP

4

Invest 15% of Your Household Income in Retirement

You've finished paying for the past—now it's time to start paying for your future! On Baby Step 4, you'll invest 15% of your household income into tax-advantaged accounts for retirement. There is no quick-fix, snap-your-fingers way to build wealth, but you *can* become a Baby Steps Millionaire. The key is to start investing early and consistently, letting compound interest work its magic!

THE BABY
7 STEPS

LESSON 4 //
BABY STEP 4



GUIDE
Dave Ramsey

When you follow the Baby Steps over time, you WILL become a Baby Steps Millionaire.

MILLIONAIRE MYTHS & TRUTHS

MYTH: Millionaires inherit their wealth.

TRUTH: 89% of millionaires are not millionaires because of inheritance. In fact, 79% received ZERO inheritance.

MYTH: Millionaires have high salaries.

TRUTH: 33% of millionaires NEVER earned more than \$100,000 in any single working year of their career.



A faithful man will abound with blessings, but he who hastens to be rich will not go unpunished.

— PROVERBS 28:20 (NKJV)

MYTH: Millionaires follow a get-rich-quick method.

TRUTH: 79% of millionaires attribute regular, consistent investing in retirement plans over a long period of time as a reason for their success.

ANSWER KEY

Will
Zero
Never
79

LESSON 4 //
BABY STEP 4

MYTH: Millionaires take risks when investing and play the stock market.

TRUTH: 80 % of millionaires reached millionaire status through their employer-sponsored retirement plan.



**Wealth gained *hastily* will
dwindle, but whoever gathers
little by little will increase it.**

— PROVERBS 13:11 (ESV)

MYTH: Millionaires get the best rate of return on their investments.

TRUTH: Rates of return, asset allocation and expense ratios on investments only account for 20 % or less of a millionaire's success.

NOTES

ANSWER KEY

80
20

LESSON 4 //
BABY STEP 4

BABY STEP 4

Baby Step 4 is to invest 15% of your household income in retirement.

Investing \$ 150 every month from age 25 to age 65 (at an 11% rate of return) gets you to \$1.3 million.

Have a DREAM meeting with your spouse. If you're single, talk with your accountability partner.

The secret to becoming a Baby Steps Millionaire is BELIEVING you can do it.

Numbers change when PEOPLE do.

ANSWER KEY

- 15
- 150
- Dream
- Believing
- People

NOTES

The Story of JACK & BLAKE

AND THE POWER OF COMPOUND GROWTH



JACK

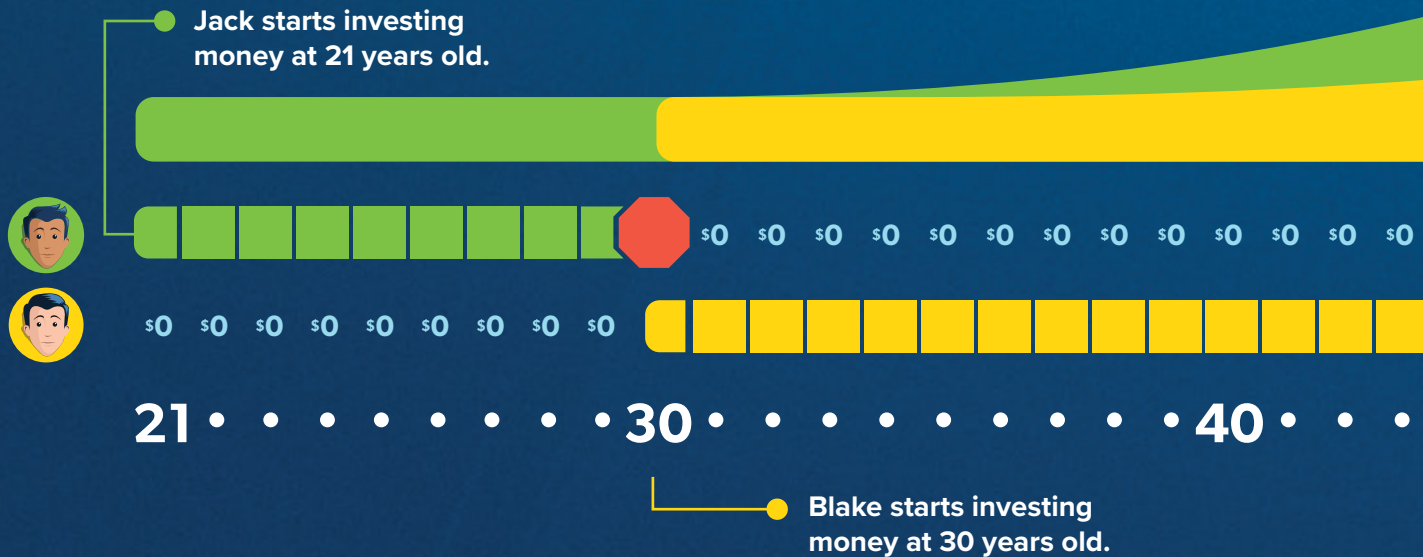
At age 21, Jack decided to invest \$2,400 every year (\$200 per month) for nine years. Then, at age 30, Jack stopped putting money into his investments. So all together, he put a total of \$21,600 into his investment funds, then left them alone.



BLAKE

Blake didn't start investing until age 30—nine years after Jack got started. And just like Jack, Blake put \$2,400 into his investment funds every year—but he invested 29 more years than Jack. Blake invested a total of \$91,200 over 38 years.

At age 67, Jack and Blake decided to compare their investment accounts. Who do you think had more? Jack, with his total of \$21,600 invested over nine years, or Blake, who invested \$91,200 over 38 years? Check this out:





JACK

Total invested over 9 years:
\$21,600

Return:
\$2,547,150

He never caught up!



BLAKE

Total invested over 38 years:
\$91,200

Return:
\$1,483,033

\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0



• • • • • **50** • • • • • **60** • • • • • **67**

Blake invests \$2,400 a year through age 67—almost his entire life.

THE MORAL OF THE STORY IS **START EARLY!**

BABY STEP

5

Save for Your Children's College Fund

By this step, you've paid off all your debt except the house and you've started saving for retirement. Now it's time to save for your children's college expenses using an Education Savings Account (ESA) or a 529 plan. Help your children go to college the right way—without debt. It *can* be done!

THE **7** **BABY**
STEPS

LESSON 4 //
BABY STEP 5



GUIDE
Rachel Cruze

BABY STEP 5

Save for your children's _____ **COLLEGE** _____ fund.

You have two options for college savings—an _____ **ESA** _____
and a _____ **529** _____ plan.



**Train up a *child* in the way he
should go, and when he is old
he will not *depart* from it.**

— PROVERBS 22:6 (NKJV)

Three ways to go to college debt-free:

1. Select an _____ **AFFORDABLE** _____ school.
2. _____ **APPLY** _____ for things like scholarships, grants
and work study.
3. Get a _____ **JOB** _____.

**“College is a blessing, not
an *entitlement*.”**

— RACHEL CRUZE

ANSWER KEY

College
ESA
529
Affordable
Apply
Job

BABY STEP

6

Pay Off Your Home Early

Baby Step 6 is the big one! There's only one more thing standing in the way of your complete freedom from debt—your mortgage. This part of paying off debt is a little more like a marathon. But any extra money you can put toward your mortgage will help save you tens of thousands of dollars in interest. And the grass will truly feel different under your feet once it's *yours*.

THE
7
BABY
STEPS

LESSON 4 //
BABY STEP 6



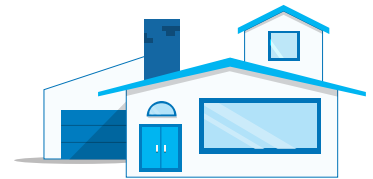
GUIDE
Dave Ramsey

BABY STEP 6

Pay off your home EARLY.

100% of foreclosures occur on a home with
a MORTGAGE.

Should you **PAY OFF
YOUR HOME EARLY?**



INTEREST vs. TAXES

The interest you pay on your mortgage is deductible on your taxes. Are you saving more money by taking this deduction or should you just pay the taxes? Let's take a look.

MORTGAGE INTEREST

$$\mathbf{\$200K} \times \mathbf{5\%} = \mathbf{\$10,000}$$

MORTGAGE AMOUNT

INTEREST RATE

ANNUAL INTEREST PAID

TAXES WITH PAID HOME

$$\mathbf{\$10K} \times \mathbf{22\%} = \mathbf{\$2,200}$$

TAXABLE AMOUNT

TAX BRACKET

TAXES PAID

SO, WHAT MAKES MORE SENSE . . .

**PAYING \$10,000 TO A BANK OR
PAYING \$2,200 TO THE IRS?**

ANSWER KEY

Early
Mortgage

BABY STEP



Build Wealth and Give

You know what people with no debt and no payments can do? Anything they want! Now you can truly live and give like no one else by building wealth, becoming insanely generous, and changing your family tree. Your focus and sacrifice got you here. You made it. You lived like no one else, and now you get to *live* and *give* like no one else!

LESSON 4 //
BABY STEP 7



GUIDE
Dave Ramsey

BABY STEP 7

Build wealth and be outrageously **GENEROUS** !

Giving is possibly the most **FUN** you will ever have with money.



Each of you should *give* what you have decided in your heart to give, not reluctantly or under compulsion, for God loves a *cheerful giver*.

— 2 CORINTHIANS 9:7 (NIV)



Psst...

When the One-Minute Takeaway appears on the video, that's your cue to move toward the front of the room and kick off this lesson's Activity. Turn the page to prepare for what happens next.



ANSWER KEY


Generous
Fun

ACTIVITY



When the Video Ends

- After the One-Minute Takeaway, say:**

 I know that was a lot of information to take in, but don't worry. We'll dive deeper into most of those topics in the next five lessons, so make sure you don't miss any of them. For now, let's do a quick review of Baby Steps 4–7.


What is Baby Step 4?

What is Baby Step 5?

What is Baby Step 6?

And lastly, what is Baby Step 7?

- Wait for the class to respond, then say:**

 Depending on which Baby Step you're on right now, even thinking about Baby Steps 4–7 may seem like a long way off. But it's important to see how this whole plan works together and start dreaming about what your future could look like. This Activity will help you get specific about what those dreams could be.



Activity: Dream for Your Future (10 minutes)

- Introduce the Activity on page 74 by saying:**
 - Let's turn to page 74, and we'll take a few minutes to work through the Activity.

- Allow time for members to complete the Activity.**

Before you ask the first question, take a few minutes to kick off the Activity discussion by sharing *your* dream retirement. Then ask:

 - Does anyone want to share their dream retirement?
 - How will some of you have fun spending your money?
 - How will some of you have fun giving your money?

- Allow different people to give answers and be encouraging.**

Dreaming about the future should be exciting, even if members are still a long way off from Baby Step 4. Encourage them to let this Activity be motivating!



When the Activity Ends

- Turn to page 114 of this guide for instructions on how to lead your class through the discussion questions.

Dream FOR YOUR FUTURE

You wake up to silence and sun. There's no alarm clock ringing in your ear. In fact, there's no clock in your bedroom at all. You reach for your phone out of habit and put it back on your nightstand before rolling over in bed. **There's a lot you used to do that you don't have to do anymore.**

You don't check your **inbox**—you couldn't, even if you wanted to. You retired years ago, long before your coworkers.

You don't check **social media** when you first wake up. You quit the comparison game back when you learned the power of contentment. Plus, you're living your dream. You don't want someone else's life—you love yours.

You don't check your **bank account**. You know how much you have . . . you even know your net worth. You hit seven figures when you became a Baby Steps Millionaire.

You don't check a list of what you must do. You get to list what you want to do. **So, what do you want to do?**



WHAT'S YOUR DREAM RETIREMENT?

Get specific! Want to travel? Write where you want to go. Want to live closer to your kids? Jot down what your dream home looks like. Want to start a business? Put it on paper!



IT'S TIME TO LIVE AND GIVE LIKE NO ONE ELSE

Picture this: You're living your dream retirement! You're traveling the way you always wanted. You're spending more time with your kids—and maybe even your grandkids. You own your home. And it's not just any house on the block. It's your dream home.

You've worked hard for years and years to get to where you are today. And it was all worth it.

YOU'RE ON BABY STEP 7!

Now you get to have some serious fun with money.



You just heard Dave tell the story of his friend who took his entire family on a cruise. **How will you have fun spending your money?**



You also heard Dave tell the story of this same friend taking his entire family to give bikes away to kids in need. **How will you have fun giving your money?**

DISCUSSION



Discussion (8 minutes)

- Review the discussion questions.**
Ask for a volunteer to read the first discussion question on page 76.
- Get them engaged!**
Give members a chance to share their responses. Then continue through the list of questions, letting a different member read each question.

Create Interaction and Don't Fear Silence

Get the discussion started and then let the members take over. There might be silence after you ask a question—that's okay! Give it a few moments. Silence is a powerful motivator. If you need to initiate the discussion, try answering the question and then calling on members by name.

DISCUSSION

Whether you're in a class or online, be honest with your answers and remember to encourage one another!



Before this lesson, did you believe it was possible for you to become a millionaire? How has this lesson changed the way you think about building wealth and dreaming about your future?



If you're a parent, how do you feel about investing for retirement before saving for your children's college fund? Based on the ages of your kids, what is your plan to send them to college debt-free?



If you're currently paying a mortgage each month, how would paying off your home early change your life? What would you be able to do that you can't do now?




When is a time that generosity has impacted your life? Were you the giver or the receiver?

ENDING THE LESSON




Wrap-Up (3 minutes)

- Direct members to page 77 and read through the Action Steps.**
Then say:

 One of the Action Steps in this lesson only applies to people on Baby Steps 4, 5 or 6, but the rest apply to everyone! Let's read through the whole list to see what each of you need to do before the next lesson.

- Offer budget form guidance by saying:**

 As you get ready for your next Budget Committee Meeting, take note of all the changes you've made to your EveryDollar budget over the last few weeks and make sure they make it into your next budget.

I also want to remind you about the forms in the back of your workbook for those of you with irregular incomes or for those of you who want to budget based on when you get paid. As always, let me know how I can help with any budget questions.

- Reset the room.**
Return the chairs and clean up the space.



Dismissed

AFTER THE LESSON

- Complete the items on the After Each Lesson checklist on page 27 of this guide.**

ACTION STEPS

It's time to live out what you just learned! Complete each of the Action Steps before the next lesson.

SCHEDULE A BUDGET COMMITTEE MEETING

You're coming up on your next budgeting cycle! Remember, it takes three months to get the budget right, so stick with it. If you're married, schedule your next Budget Committee Meeting. Singles, don't forget to review your budget with your accountability partner. And keep tracking your transactions!

MAKE SURE GIVING IS AT THE TOP OF YOUR BUDGET

When you hold money with an open hand—not a clenched fist—you're able to give generously *and* receive graciously. No matter which Baby Step you're on, giving is your priority, whether that's a tithe to your church or contributions to charity.

KNOW YOUR NET WORTH

Your net worth is what you own (assets) minus what you owe (liabilities). It's an overall measure of wealth. Use the Net Worth Calculator in **Ramsey+** to see where you stand today!

CONTACT A SMARTVESTOR PRO

If you're done with Baby Step 3, check out our list of SmartVestor Pros near you in **Ramsey+**. These investing professionals will help you invest the right way for you and learn how to save for your kids' college.

READ "IN ORDER, BUT AT THE SAME TIME" ON THE NEXT PAGE

The Baby Steps work when you do them in order. But Baby Steps 4–6 are done at the same time! We know that sounds confusing, but this Deep Dive tells you exactly what we mean.

BABY STEPS



IN ORDER, BUT AT THE SAME TIME

You do Baby Steps 1, 2 and 3 one at a time. Check. You do Baby Steps 4, 5 and 6 at the same time. *What?*

Baby Steps 1, 2 and 3 require laser focus and gazelle intensity—and they each have a specific dollar goal. After Baby Step 3, however, the plan changes gears. You'll do Baby Steps 4, 5 and 6 in order, but at the same time.

Here's what we mean:

Meet the Campbells.

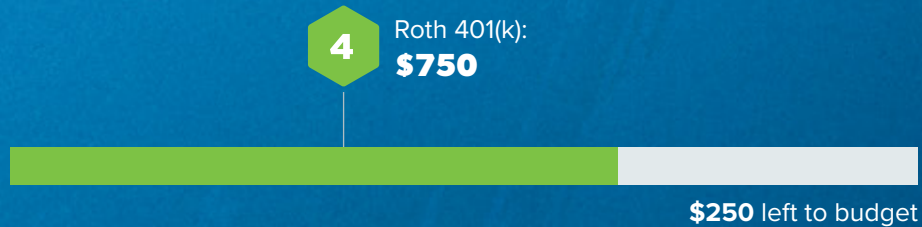
This average American family has a household income of \$5,000 per month. They used the debt snowball to put \$1,500 a month toward paying off all their debt. Then they used the *same* gazelle intensity and saved \$1,500 a month to finish their emergency fund.

The Campbells celebrate! They get to ease up on their intensity some, but they're ready to attack **Baby Steps 4, 5 and 6—in order, but at the same time.**

IF THEY SET ASIDE \$1,000 FOR THESE BABY STEPS, WATCH WHAT WOULD HAPPEN:

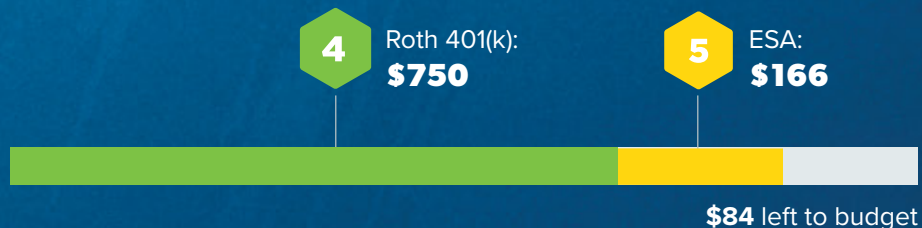
1 START BABY STEP 4

The Campbells save 15% of their gross income in retirement. So, they open a Roth 401(k) and start investing \$750 every month.



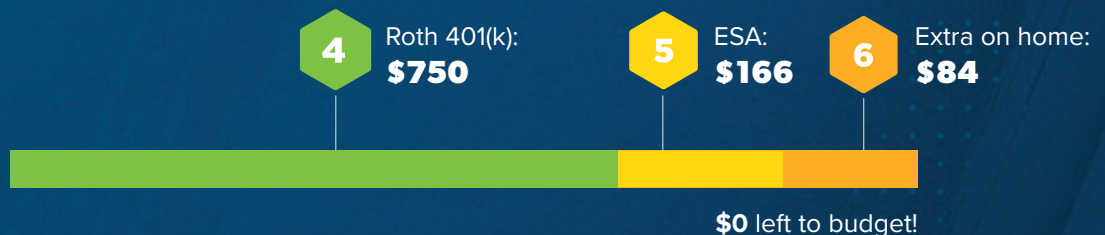
2 START BABY STEP 5

They open an ESA for their 3-year-old and contribute \$166 per month. (That's the ESA contribution limit as of 2022.)



3 START BABY STEP 6

The Campbells still have \$84! They go ahead and add it to their mortgage payment knowing they could find more money in the budget to throw at their home if they wanted to.



There you have it. Baby Steps 4, 5 and 6—**IN ORDER, BUT AT THE SAME TIME.**

WISE SPENDING

LESSON PREP


- These next five lessons will look different from the first four—Lesson 5 is where we start to help class members understand what living on the plan looks like. (Refer to pages 8–9 for the Course Overview.)
- After hearing all 7 Baby Steps, some members may feel overwhelmed by their debt and the amount of money they need to save. Reassure them that others have been where they are and have *won* with their money!
- Since these lessons aren't tied to specific Baby Steps, some members might be confused about where they fit in the plan. Remind them that some principles (like the *Wise Spending* and *Understanding Insurance* lessons) are important no matter where they are in the Baby Steps.

START THE LESSON



Welcome and Review (5 minutes)

- Welcome class members back by saying:**

 Welcome to Lesson 5! We're halfway through the course! The next five lessons are all about life on the plan. Everything we learn next is to help you move forward in the Baby Steps and make sure you don't lose your momentum or throw off any progress you've made.

- Review the Baby Steps and the Course Overview.**

This is a good time to review the 7 Baby Steps. Encourage class members to try to share them from memory. They are found on pages 6–9 of your Coordinator Guide and pages 4–7 of the Member Workbook.

Have a budget checkup!

At this point, class members will be in their second month of budgeting. Discuss the following questions:

 **How has budgeting impacted the way you save and spend?**

If you're married, how has budgeting with your spouse helped you talk about money?


Review the Action Steps from the previous lesson.

Check to make sure class members completed the Action Steps from Lesson 4. Address any questions or concerns they may have.



Get Ready for the Video

Introduce the video by saying:

 **As I get ready to start the video, turn to page 81 in your workbook and think about this: In the past month, how often have impulse purchases (things you didn't plan on buying) impacted your budget?**



Start the Video



As the Video Plays

Take attendance and watch the video.

Take attendance in your Coordinator Dashboard or pass around the attendance sheet. Then, follow along with your members in your Coordinator Guide.

A blue double quote icon consisting of two stylized, blocky characters.

Make sure what you **BUY**
aligns with the person
you **WANT** to be.

— GEORGE KAMEL

A blue double quote icon consisting of two stylized, blocky characters, mirroring the one above.

LESSON 5

WISE SPENDING

KEY POINTS

- ✓ There are a million marketing tactics trying to go after your money and bust your budget.
- ✓ When you spend wisely, you can have power over purchases.
- ✓ More stuff won't make you more complete.

LESSON 5 //
WISE SPENDING



GUIDE
Dr. John Delony

When faced with a threat, our brain generally responds in one of three ways: fight, flight or **FREEZE**.

Our brains are constantly asking **THREE** questions:

1. Am I safe?
2. Do I belong?
3. Does it feel good?

Marketers and neuroscientists know you better than **YOU** do.

You're more likely to buy something when you're **AFRAID**.

You can take your **POWER** back.

NOTES

ANSWER KEY

Freeze
Three
You
Afraid
Power

LESSON 5 //
WISE SPENDING



GUIDE
George Kamel

6 WAYS COMPANIES GO AFTER OUR MONEY

- 1. Personal Selling**
Salespeople are trained to convince you to BUY.
- 2. Product Placement**
Companies PAY to have their products placed strategically.
- 3. Brand Association**
The products you buy tell a STORY about you.
- 4. Sales and Promotions**
Never spend just to SAVE.
- 5. Convenient Payment Methods**
Making a purchase has become so easy that spending money is PAINLESS.
- 6. Financing**
When you FINANCE, you're asking, "How much down? How much a month?" Wise spenders ask, "How much?"

ANSWER KEY

Buy
Pay
Story
Save
Painless
Finance

**“Don't let discounts
drive *decisions*.”**

— GEORGE KAMEL

LESSON 5 //
WISE SPENDING

GEORGE'S SMART SPENDER GUIDE

Self-Awareness

Will this add VALUE to my life?

Motive

Am I buying this for the RIGHT reason?

Affordability

Is this in my BUDGET?

Research

Is this the BEST option, retailer and price?

Timing

Is NOW the time to buy it?

You can't SPEND your way into a meaningful life.



Psst ...

When the One-Minute Takeaway appears on the video, that's your cue to move toward the front of the room and kick off this lesson's Activity. See the next page to prepare for what happens next.

ANSWER KEY

- Value
- Right
- Budget
- Best
- Now
- Spend




Handwriting practice area with six horizontal lines for notes.

ACTIVITY



When the Video Ends

- After the One-Minute Takeaway, say:**
 -  Most of us know we're the target of marketing, but we don't realize just *how much* we're marketed to. And all these different companies have one thing in mind—getting us to spend our money. That makes living on a budget even more important. Let's begin to apply the principles we learned from this lesson with our Activity.

- Turn the page for instructions on leading your class through the Activity.**

ACTIVITY



Activity: Time to Get Honest With Yourself (8 minutes)

- Introduce the Activity on page 85 by saying:
 - On page 85 of your workbook, you'll find an activity to help you think about the different ways marketing has personally affected your spending. Think carefully through each item on the list and be honest with yourself!

- After the Activity, discuss the follow-up question as a class.



When the Activity Ends

- Turn to page 130 of this guide for instructions on how to lead your class through the discussion questions.

TIME TO GET HONEST WITH Yourself

We've all bought something we didn't need with money we didn't plan to spend—or worse, with money we didn't have. In this Activity, we've listed the six common ways companies go after our money. It's time to get honest with yourself: Think about a time when these methods have influenced you to make a purchase, and fill out the chart. If you're married, share your answers with your spouse.

Marketing Method	Have these methods influenced you to make a purchase? Yes or no? Explain your answer.
Personal Selling	<input type="radio"/> Y <input type="radio"/> N _____ _____ _____
Product Placement	<input type="radio"/> Y <input type="radio"/> N _____ _____ _____
Brand Association	<input type="radio"/> Y <input type="radio"/> N _____ _____ _____
Sales and Promotions	<input type="radio"/> Y <input type="radio"/> N _____ _____ _____
Convenient Payment Methods	<input type="radio"/> Y <input type="radio"/> N _____ _____ _____
Financing	<input type="radio"/> Y <input type="radio"/> N _____ _____ _____

Respond to the following question:



Marketing isn't evil (except financing—that's always a bad idea), but to be a wise spender, you need to see when it's happening and think before you spend! What did this Activity reveal about your spending habits?

DISCUSSION



Discussion (10 minutes)

- Introduce the Discussion on page 86 by saying:**



All of us spend money on things we don't really need. And that's okay if you've prioritized your budget and it's a planned expense! But it's not okay to bust your budget buying stuff you don't really need and can't afford. You've got to stick to your budget and stay gazelle intense.

Let's dive into this more in our Discussion on page 86.

- Review the discussion questions.**

Ask for a volunteer to read the first discussion question. Take time to discuss and then move to the next question.

Create Interaction and Don't Fear Silence

Get the discussion started and then let the members take over. There might be silence after you ask a question—that's okay! Give it a few moments. Silence is a powerful motivator. If you need to initiate the discussion, try answering the question and then calling on members by name.

DISCUSSION

Whether you're taking the class online or in person, be honest with your answers and remember to encourage one another!



When was the last time you made an emotional purchase (from stress, fear, sadness, distraction, etc.)? What was it (tacos, shoes, concert tickets, matching sweaters for you and your dog, etc.)?



What's a moment when comparison crept in and affected your spending?



What's the worst impulse purchase you've ever made? Why was it so bad? How would you do things differently next time?



Can you think of the last targeted ad you got? What was it for? Did it influence you to make a purchase?




How can you get into the habit of walking through George's SMART Spender method rather than making an emotional or impulse purchase?

ENDING THE LESSON



Wrap-Up (3 minutes)

- Direct members to page 87, then read through the Action Steps.**
- Discuss the importance of the next lesson by saying:**
 -  The next lesson is one of the most important—and practical—lessons of the entire course. It will help you make the right choices when it comes to insurance. One mistake in insurance coverage can destroy your entire financial plan. You don't want to miss this lesson!
- Reset the room.**

Return the chairs and clean up the space.



Dismissed

AFTER THE LESSON

- Complete the items on the After Each Lesson checklist on page 27 of this guide.**

ACTION STEPS

It's time to live out what you just learned! Complete each of the Action Steps before the next lesson.

CREATE YOUR SECOND BUDGET WITH EVERYDOLLAR

You wrapped up your first month of budgeting—that's a huge accomplishment! Don't get hung up on how many mistakes you made or if you feel like your first budget didn't work. It usually takes three months of budgeting for things to really click. So, learn from your first budget and go create your second budget with EveryDollar.

TRACK YOUR TRANSACTIONS IN EVERYDOLLAR

Stick to the budget you create by tracking your transactions every week. Remember, when your bank is connected to EveryDollar, this is a super simple process—just drag and drop your transactions into the right categories and you're done!

COMMIT TO CASH

Use George's SMART Spender guide, follow your budget, and commit to cash so you aren't racking up payments every time you want to buy something. Bottom line? Don't buy anything you can't afford. Don't Afterpay for it—actually pay for it. This week, commit to ditching credit cards and payment plans!

READ “HOW TO BE A SMART SPENDER” ON THE NEXT PAGE

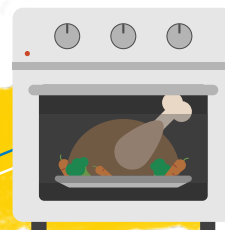
Overspending, impulse spending and unwise spending are some of the biggest traps for buyers! Now that you've learned about George's SMART Spender guide, it's time to see how you'd use this guide in action.

HOW TO BE A *Smart* SPENDER

It's **Saturday**, and for Jordan, that means no work and no big to-dos! She's up for a little shopping and has her eye on an air fryer and a new smartphone.

Jordan's ready to snag a deal (or two), but she also learned from George and wants to be a wise spender—there's no reason to bust her budget or derail her plan for items she wants but doesn't need. So, she does a quick online search for the two items she wants and walks herself through the **SMART Spender questions** from this lesson.

Let's step into her thinking and see if she decides it's wise to buy either of these two items!



AIR FRYER

S SELF-AWARENESS

Will this add value to my life?

Yes. I'm trying to cook more at home to save money, and this will help me meal prep faster, with less mess and stress.

M MOTIVE

Am I buying this for the right reason?

Hm. I did think about getting one because several friends at work mentioned how great air fryers are. But I'm not trying to be like them. I really want this time-saving, money-saving tool for what it is!

A AFFORDABILITY

Is this in my budget?

Yes! I've been saving for more kitchen appliances, and I've got enough to pay in full!

R RESEARCH

Is this the best option, retailer and price?

It is. I narrowed down which kind I wanted, and after a quick search of other sales today, I discovered that this one is the best price.

T TIMING

Is now the time to buy it?

Yup. I've been watching prices for about a month, and this is the best deal I've seen.

Decision: Jordan clicks Add to Cart. And she's guilt-free in her purchase and excited to start making crispy chicken nuggets.

Next up, Jordan pulls up the page for the new smartphone she's been eyeing. Let's see if this is a wise purchase.



NEW SMARTPHONE

S SELF-AWARENESS

Will this add value to my life?

Well, yeah. Sort of. I'd get a better camera and faster internet! Plus, they brought back my favorite color.

Jordan could probably stop here and decide this is not the wisest purchase for her right now, but she asks every question just to be sure!

M MOTIVE

Am I buying this for the right reason?

To be honest, probably not. My phone works well. The battery is good. I just want the new one because there is a new one. And my friends all got this one.

A AFFORDABILITY

Is this in my budget?

It would be a stretch. Maybe I could cut back on my Miscellaneous category or groceries, but that feels risky. I could say no to the air fryer, but I'd still be short and things would be tight.

If Jordan hadn't already said no to this purchase, she definitely should now! Never prioritize a want over a need, like groceries! But let's keep going and see what happens.

R RESEARCH

Is this the best option, retailer and price?

Yes. It's a great price for this version of the phone.

T TIMING

Is now the time to buy it?

It's on sale, but I don't need one right now. I have a perfectly good smartphone.

Decision: Jordan doesn't buy the smartphone. She's a little disappointed at first. But she didn't budget for it, and she realizes it doesn't matter what her friends do with their money. She's doing what's best for her, and she's proud of her wise spending. Jordan's a SMART spender!

UNDERSTANDING INSURANCE

LESSON PREP

- Grab a box of tissues—seriously, you may want to bring tissues for your members this week. If you’ve already watched the video, you know that parts of this lesson are very powerful. It’s not uncommon for some class members to get emotional.
- The topics of life insurance and wills often make people uncomfortable. While they’re not the most fun things to talk about, both are essential to a solid financial plan. Remind everyone 18 or older that they need a will!
- It’s natural for people to have a lot of tactical questions coming out of this lesson. As part of the Action Steps, they’ll get their current insurance plan reviewed in Ramsey+ to learn what they need (and don’t need), how they’re at risk, and where to get the best coverage.

START THE LESSON



Welcome and Review (3 minutes)

Welcome class members back.

Have a budget checkup!

Discuss the following questions:

 **What impulse purchases did you make (or avoid) since the last lesson?**

Which categories are still giving you trouble in your budgets?

- Review the Action Steps from the previous lesson.**
Check to make sure class members completed the Action Steps from Lesson 5. Address any questions or concerns they may have.



Get Ready for the Video

- Introduce the video by saying:**
 - Most of us avoid talking about insurance. It's boring, it seems expensive, it feels complicated, and honestly, some people think it's a waste of money. That's why this lesson is so great—you'll leave here with a clear game plan. You'll learn what you need, what you don't need, and how to get it. But since insurance needs change from person to person, make sure to write down any questions you have as you watch the video.

Turn to page 91 and think about this: Why do so many people have negative feelings about insurance?



Start the Video



As the Video Plays

- Take attendance and watch the video.**
Take attendance in your Coordinator Dashboard or pass around the attendance sheet. Then, follow along with your members in your Coordinator Guide.



“

Insurance **PROTECTS**
the things that will
make you wealthy.

— DAVE RAMSEY

”

LESSON 6

UNDERSTANDING INSURANCE

KEY POINTS

- ✓ The purpose of insurance is simply to transfer risk—this is your defensive game plan.
- ✓ There are eight types of insurance you actually need.
- ✓ No exceptions and no excuses—everyone 18 or older needs a written will.

LESSON 6 //

UNDERSTANDING INSURANCE



GUIDE
Dave Ramsey

THE ROLE OF INSURANCE

The purpose of insurance is to transfer RISK that we can't handle ourselves.

INSURANCES TO AVOID

- Credit life insurance and credit disability insurance on debt you owe
- Mortgage life insurance
- Double indemnity for accidental death
- Cancer insurance
- Prepaid burial insurance
- Return of premium
- Waiver of premium
- Dental and vision insurance

AUTO INSURANCE

If you have a full emergency fund in place, think HIGH deductibles.

For FULL coverage on your auto insurance, you want three things: collision, comprehensive and liability.

ANSWER KEY

Risk
High
Full

LESSON 6 //
UNDERSTANDING
INSURANCE

HOMEOWNERS AND RENTERS INSURANCE

You want enough HOMEOWNERS insurance to:

- Rebuild your home (extended dwelling coverage)
- Replace your stuff (personal property)
- Cover injuries and damages that happen on your property (liability)
- Reimburse your living expenses after the loss of an insured home (additional living expenses)

If you're renting, ALWAYS get renters insurance.

NOTES

ANSWER KEY

Homeowners
Always

LESSON 6 //
UNDERSTANDING
INSURANCE

UMBRELLA POLICY

You need an UMBRELLA policy if you have a net worth of at least half a million dollars.

HEALTH INSURANCE

With a traditional health insurance plan, RAISE your deductible and/or coinsurance amount to bring your premiums down.

A Health Savings Account (HSA) works with a high-deductible health plan, and you can pay for medical expenses TAX - FREE.

LONG-TERM DISABILITY INSURANCE

Long-term disability insurance COVERS lost income if you're unable to work for a long period of time due to an illness or injury.

Find a policy that covers 60–70% of your annual INCOME.

“People who win with money have a good *offense* and a good *defense*.”

— DAVE RAMSEY

ANSWER KEY

Umbrella
Raise
Tax-free
Covers
Income

LESSON 6 //
UNDERSTANDING
INSURANCE

LONG-TERM CARE INSURANCE

LONG - TERM care insurance covers assisted living care, in-home care and nursing home care.

Long-term care insurance is an absolute must if you are 60 years old or older.

IDENTITY THEFT PROTECTION

Good ID theft protection includes RESTORATION services that assign a counselor to clean up the mess.

WILLS

Everyone 18 or older needs a WILL.

ANSWER KEY

Long-term
60
Restoration
Will

NOTES

LESSON 6 //
UNDERSTANDING
INSURANCE

LIFE INSURANCE

Life insurance replaces income that's lost due to DEATH.

TERM life insurance is the only life insurance you should buy.

**“Cash value life insurance is the
payday lender of the middle class.”**

— DAVE RAMSEY

NEVER use life insurance as an investment.

Insurance is not a Baby Step. It's part of your BUDGET.



Psst . . .

When the One-Minute Takeaway appears on the video, that's your cue to move toward the front of the room and kick off this lesson's Activity. Turn the page to prepare for what happens next.



ANSWER KEY

- Death
- Term
- Never
- Budget

LESSON 6 //
UNDERSTANDING
INSURANCE

WHOLE vs. TERM

Life Insurance

Here's an example:
 Joe is 30 years old and has \$180 budgeted per month to spend on life insurance.


	BAD	BETTER	BEST
	WHOLE LIFE	20-YEAR TERM	20-YEAR TERM
COVERAGE	\$250,000	\$250,000	\$500,000
PREMIUM	\$180/MO	\$13/MO	\$20/MO
INVESTMENTS	?	\$167/MO	\$160/MO
INVESTMENT VALUES			
AT AGE 50	\$24,000	\$144,561	\$138,501
AT AGE 70	\$65,000	\$1,436,222	\$1,376,019


Always buy a policy that covers 10–12 times your annual income before taxes!

ACTIVITY




When the Video Ends

- After the One-Minute Takeaway, say:**
 -  That story is so powerful. How does that story make you think differently about life insurance?

- Wait for the class to respond, then say:**
 -  The key takeaway from this lesson is that insurance transfers risk you can't afford to cover on your own. When you understand that, it changes how you look at insurance. Let's work through a case study on auto insurance to help us understand why it's so important to have the right coverage.



Activity: Buy the Right Coverage (5 minutes)

- Break members into small groups and introduce the case study on page 98 by saying:**
 -  Have one person in your group read the Activity on page 98 out loud. Then, take a few minutes to complete the Activity together. I'll be walking around the room if you need help.

- **After a few minutes, ask for the results of the case study.**


Answer: In the top scenario with the 25/50/15 policy, Luke will have to pay \$90,000 after insurance covers their part. With this policy, the insurance company only pays up to \$25,000 per injured person, up to \$50,000 per accident, and up to \$15,000 for property damage. That means Luke is responsible for \$5,000 for the driver, \$50,000 for the passenger, and \$35,000 for the other driver's car.

In the next scenario, the second line reflects what the insurance company would pay under a 100/300/100 policy. With this policy, the insurance company pays up to \$100,000 per injured person, with a maximum of \$300,000 per accident, and up to \$100,000 for property damage. That means insurance covers all costs! With the 100/300/100 policy, Luke would pay nothing on the third line.

- **Instruct a volunteer to read the question at the end of the case study.**

Discuss whether the cheaper policy was better for Luke or not.

- **Encourage members to check their policies by saying:**

 Based on this case study, raise your hand if you're going to check your auto insurance coverage when you get home. I would if I were you! And I'd check all my other policies as well. In fact, to help you, you'll get your coverage reviewed in Ramsey+ as part of your Action Steps for this lesson.



When the Activity Ends

- **Turn to page 150 of this guide for instructions on how to lead your class through the discussion questions.**

BUY THE RIGHT Coverage

Whether you drive a nice car or a beater, you want to make sure you're covered in case life decides to hit you . . . or your car. This is not the time to go cheap on your insurance policy! Work through Luke's scenario to find out why.

ON HIS WAY TO WORK, LUKE HITS A CAR.

The driver of the other car experiences **\$30,000** in injury costs and the passenger experiences **\$75,000** in injury costs. Luke totals his car and the **\$50,000** car of the other driver. For each of the coverage options below, determine how much Luke will have to pay *after* his insurance pays their portion.

COVERAGE OPTION #1

To save some money up front, Luke *skimps* on insurance (bad idea, Luke!) and gets the state minimum 25/50/15 liability policy.

STATE MINIMUM COVERAGE LIMITS



25/50/15	DRIVER	PASSENGER	DRIVER'S CAR
TOTAL COST OF ACCIDENT	\$ 30,000	\$ 75,000	\$ 50,000
25/50/15 INSURANCE PAYS	-\$ 25,000	-\$ 25,000	-\$ 15,000
LUKE PAYS =	\$ 5,000	= \$ 50,000	= \$ 35,000
LUKE HAS TO PAY:			\$ 90,000

And this doesn't even include the cost to replace his own car!

COVERAGE OPTION #2

Luke watched *Financial Peace University* and knows so much more about auto insurance than he did before. Then he met with a RamseyTrusted provider to learn about the best coverage option for him. Here's what he decided on:

GOOD COVERAGE LIMITS FOR LUKE



Covers Injuries to Individuals

The maximum amount (in thousands of dollars) **per person** that will be covered

Covers the Total of All Injuries to People

The maximum amount (in thousands of dollars) **per accident** that will be covered

Covers Damage to Property

The maximum amount (in thousands of dollars) **per accident** that will be covered

Now, work the same scenario, but this time, Luke has a good **100/300/100** insurance policy.

100/300/100	DRIVER	PASSENGER	DRIVER'S CAR
TOTAL COST OF ACCIDENT	\$ 30,000	\$ 75,000	\$ 50,000
100/300/100 INSURANCE PAYS	-\$ 30,000	-\$ 75,000	-\$ 50,000
LUKE PAYS	= \$ 0	= \$ 0	= \$ 0
LUKE HAS TO PAY:			\$ 0

Maxes at \$300K

(of course, he still has to replace his own car.)

Respond to the following question:



How did this Activity help you understand the importance of getting the right coverage?

DISCUSSION



Discussion (8 minutes)

- Review the discussion questions.**
Ask for a volunteer to read the first discussion question on page 100.
- Get them engaged!**
Give members a chance to share their responses. Then continue through the list of questions, letting a different member read each question.

Create Interaction and Don't Fear Silence

Get the discussion started and then let the members take over. There might be silence after you ask a question—that's okay! Give it a few moments. Silence is a powerful motivator. If you need to initiate the discussion, try answering the question and then calling on members by name.

DISCUSSION

Whether you're taking the class online or in person, be honest with your answers and remember to encourage one another!



When have you let the *cost* of insurance dictate how *much* insurance you get in a certain policy? How does this lesson challenge you to think differently?



How do you see your fully funded emergency fund fitting into your insurance plan? How can you make sure you have the right balance between the two?



Everyone 18 or older needs a written will. Do you have a will? If not, what has been holding you back from getting one?





Can you imagine building wealth to the point where you can self-insure? Why or why not? How have the Baby Steps moved you closer to making that a reality?


ENDING THE LESSON



Wrap-Up (3 minutes)

- Direct members to page 101 and read through the Action Steps.**
Then say:
 -  No matter which Baby Step you're on, *everyone* can do these Action Steps before the next lesson!

- Remind class members of the value of their membership by saying:**
 -  Don't forget that with your Ramsey+ membership, you can get your coverage reviewed and find a RamseyTrusted provider who could potentially save you hundreds of dollars on insurance each year.

- Stress the importance of the next lesson on investing by saying:**
 -  The next lesson is all about investing and building wealth. Even if you're not ready for Baby Step 4, don't skip this lesson! The information will help you make sure you're ready when the time comes. Plus, it will keep you motivated to get through the first three Baby Steps as fast as you can!

- Reset the room.**
Return the chairs and clean up the space.



Dismissed

AFTER THE LESSON

- Complete the items on the After Each Lesson checklist on page 27 of this guide.**

ACTION STEPS

It's time to live out what you just learned! Complete each of the Action Steps before the next lesson.

REVIEW ALL OF YOUR COVERAGE

Take our Coverage Checkup in **Ramsey+** to see where you need to make adjustments to your insurance plan. We'll give you a prioritized list of what to add, drop or change. This includes your will! Then we'll connect you with the service providers we recommend to knock out each item on the list!

CONNECT WITH A RAMSEYTRUSTED PROVIDER

After working through this lesson, if you already know you're missing insurance items or you're ready to get quotes for the best rates and coverage for you, then connect with one of our RamseyTrusted providers in **Ramsey+**.

TRACK YOUR TRANSACTIONS IN EVERYDOLLAR

Are you sensing a pattern? That's right, you need to be tracking your transactions every single week. This is the best way to make sure you're spending and saving according to the budget you created.

READ "TERM LIFE INSURANCE—THE WAY TO GO" ON THE NEXT PAGE

We're not too big on whole life insurance. In fact, we hate it. But you should get term life insurance ASAP. Read on to learn what kind of coverage you need, and get it in place today!

Term Life INSURANCE

THE WAY TO GO

Life insurance provides security, protection and peace of mind for your family should the unthinkable happen.

So, if someone depends on your income, you need life insurance. Plain and simple. And don't wait to get this done—do it today.

WHOLE LIFE *vs.* TERM LIFE INSURANCE

Your two main options for life insurance are whole life coverage and term life. But which is better? The first is a total rip-off. The second is an inexpensive, safe plan to protect your family.

- 1 Whole life insurance** is more expensive and includes a “savings” plan with a terrible return. Basically, it tries to double up as an investment account and does a lousy job of it. With term life, you'll pay a fraction of the price. Then you can simply invest the difference you would have paid for whole life insurance—like Dave explained.
- 2 Term life insurance** is the easiest and least expensive way to protect your family after you're gone. Simply put, here's how it works: If you (or your spouse) die at any time during this term, your beneficiaries will receive a payout from the policy.

HOW LONG DO I NEED COVERAGE?

Dave's general rule is to buy based on when your kids will be heading off to college and living on their own. Typical terms are 10, 15, 20 or 30 years.

We recommend a 15- or 20-year term.

For example, if you have a newborn in the house, then pick up a 20-year plan. If you have a 10-year-old, a 15-year plan would be a better option for you.

HOW MUCH COVERAGE DO I NEED?

If you're getting a policy through work, we can almost guarantee it's not offering you enough coverage.

Always have a policy that covers 10–12 times your annual pretax income.

Say you're making \$50,000 a year. That means you need at least \$500,000 in coverage. That replaces your salary for your family if something happens to you.

And one quick note: Don't forget to get term life insurance for both spouses, even if one of you stays at home with the kids. Why? Because if the stay-at-home parent was gone, replacing that childcare and home upkeep would be expensive!

Get the Right Coverage Today!

Look, this stuff isn't easy to think about. But life is precious!

And the cost of not having a plan in place for the unthinkable is much higher than the cost of term life insurance. You need to keep your loved ones protected.

Let us help!

The ideal time to buy life insurance is now—before you need it. If you're ready to take the next step, connect with one of our **RamseyTrusted providers in Ramsey+** today!

BUILDING WEALTH

LESSON PREP


- Most members won't be ready to start investing yet. Encourage them to use this long-term goal as motivation to keep up their gazelle intensity and move through Baby Steps 1–3 as fast as they can! Remind them that they can rewatch this lesson later as part of their membership.
- The Activity in this lesson requires some calculations, so bring a calculator or two if you have them. Otherwise, members can use their smartphones.

START THE LESSON




Welcome and Review (5 minutes)

- Welcome class members back by saying:**

 Welcome to Lesson 7! In Lesson 4, we learned about the power of compound interest with Jack and Blake. In this lesson, we'll take a deep dive into investing so you're ready when the time comes for *you* to start investing. I know you all want to start investing right away, but remember to work the Baby Steps in order. You'll be on Baby Step 4 in no time.

- Have a budget checkup!**

Discuss the following question:

 Everyone should have a fun money line item in their budget each month. This is money to use however *you* want. How has this helped you stick to your budget?


- Review the Action Steps from the previous lesson.**

Check to make sure class members completed the Action Steps from Lesson 6. Address any questions or concerns they may have.



Get Ready for the Video

- Introduce the video by saying:**

 For most of us, investing can feel really intimidating. In this lesson, Dave will help you understand the basics of investing and how to start investing the right way. As I get ready to start the video, turn to page 105 and think about this: What do the terms *401(k)* and *Roth IRA* mean to you?



Start the Video



As the Video Plays

- Take attendance and watch the video.**

Take attendance in your Coordinator Dashboard or pass around the attendance sheet. Then, follow along with your members in your Coordinator Guide.



Slow and **STEADY**
wins the race.

— DAVE RAMSEY



LESSON 7

BUILDING WEALTH

KEY POINTS

- ✓ When you follow the Baby Steps and invest 15% of your income over time, you will become a Baby Steps Millionaire!
- ✓ Lower your risk by diversifying your investments across four types of mutual funds.
- ✓ Keep it simple and never invest in things you don't understand.

LESSON 7 //
BUILDING WEALTH



GUIDE
Dave Ramsey

God gave YOU the ability to build wealth.

Baby Step 4 is to invest 15 % of your household income in retirement.

The 401(k), IRA, 403(b) and 457 are tax- DEFERRED plans.

The Roth 401(k), Roth IRA, Roth 403(b) and Roth 457 are after-tax plans and grow tax- FREE.



But *remember* **the LORD your God, for it is he who gives you the ability to** *produce wealth.*

— DEUTERONOMY 8:18 (NIV)

...

NOTES

Four horizontal lines for taking notes, with a yellow brushstroke graphic on the right side.

ANSWER KEY

You
15
Deferred
Free

LESSON 7 //
BUILDING WEALTH

 MATCH beats Roth. Roth beats traditional.

 MUTUAL funds allow investors to pool their money together to invest.

Your return comes when the **VALUE** of the fund increases.

A COUPLE IN THEIR 30s READY TO
Invest 15%

HERE'S THE SCENARIO:

\$60K Household Income	\$750 Per Month (\$9,000/Year)	30 YEARS From Age 35-65	11% Growth Rate
-------------------------------------	---------------------------------------------	--------------------------------------	------------------------------

	BEST	BETTER	GOOD
	ROTH 401(k) WITH MATCH	ROTH IRA	TRADITIONAL 401(k)
3% MATCH	\$421,000	\$0	\$0
CONTRIBUTION & GROWTH	\$2,103,000	\$2,103,000	\$2,103,000
TOTAL AT 65	\$2,524,000	\$2,103,000	\$2,103,000
TOTAL TAXES PAID	\$105,000	\$0	\$526,000
TOTAL NET	\$2,419,000	\$2,103,000	\$1,577,000

ANSWER KEY

Match
Mutual
Value

HOW TO INVEST
15% OF YOUR INCOME

If your company offers a Roth 401(k) with a match and good mutual fund options:

- Invest the entire 15% in that plan.

If your company offers a traditional 401(k) with a match:

- Invest an amount equal to the match.
- Next, invest up to the limit in a Roth IRA.
- If you have a higher income and hit the Roth IRA limit before you've invested 15% of your income, go back to the 401(k) and finish your investing there.

NOTES

LESSON 7 //
BUILDING WEALTH

Diversification lowers **RISK** .

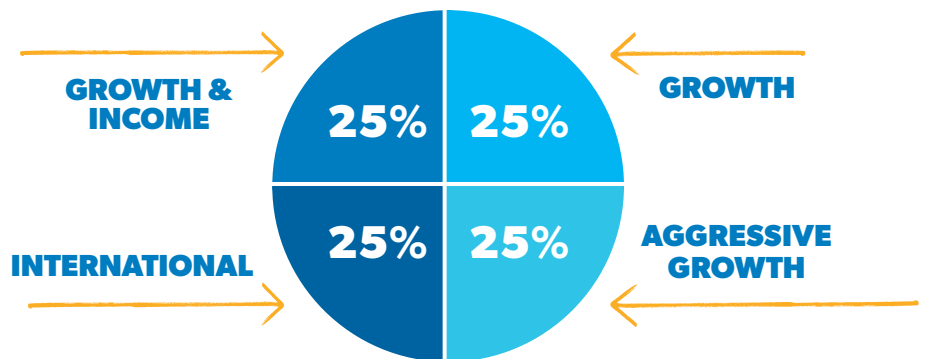
Diversify across **FOUR** types of mutual funds:
growth and income, growth, aggressive growth and
international.



Give portions to seven, yes to
eight, for you do not know what
disaster may come upon the land.

— ECCLESIASTES 11:2 (NIV84)

DIVERSIFY ACROSS
4 types **OF MUTUAL FUNDS**



ANSWER KEY

Risk
Four

LESSON 7 //
BUILDING WEALTH

Never **BORROW** on your retirement plan.

Never **INVEST** in something you don't understand.



**Lazy hands make for poverty, but
diligent hands *bring wealth.***

— PROVERBS 10:4 (NIV)



Psst ...

When the One-Minute Takeaway appears on the video, that's your cue to move toward the front of the room and kick off this lesson's Activity. See the next page to prepare for what happens next.




ANSWER KEY

Borrow
Invest

ACTIVITY



When the Video Ends

- After the One-Minute Takeaway, say:**
 -  Until now, we've been looking at other people's numbers during our activities. In today's Activity, you'll be using your own numbers to see what investing early can do for your retirement. If you have a calculator on your phone, you may need it.

- Turn the page for instructions on leading your class through the Activity.**

ACTIVITY



Activity: What Could Your Money Turn Into? (8 minutes)

- Introduce the Activity on page 111 by saying:



Everyone turn to page 111 and take a few minutes to work through the Activity. Married couples, work on this together. I'll be walking around the room if you need help.

- After a few minutes, check that members completed the Activity. See below for answers.

Answer: Your monthly gross income is what you make before taxes each month. If you're a two-income family, include both incomes in this Activity.

Multiply your monthly income by 15%, which is .15 on your calculator. That will tell you how much you should be investing each month if you were on Baby Step 4 right now. For example, if your monthly gross income is \$5,000 (\$60,000 per year), 15% would be a \$750 monthly contribution.

You can compare that number to the Monthly Contribution chart to see where you could be in 20, 30 or 40 years.

- After the Activity, discuss the two follow-up questions as a class.



When the Activity Ends

- Turn to page 168 of this guide for instructions on how to lead your class through the discussion questions.

WHAT COULD YOUR MONEY Turn Into?

Your most powerful wealth-building tool is your income—until your investments start earning more than you do. That’s why you want to get to **Baby Step 4** as fast as you can!

Take your current monthly gross income (what you make before taxes) and calculate how much you would invest if you were on Baby Step 4 right now.

ON BABY STEP 4, I WOULD NEED TO INVEST:


$$\begin{array}{ccccccc}
 \$ & \boxed{} & \times & \boxed{.15} & = & \boxed{} & \\
 \text{MONTHLY GROSS INCOME} & & & \text{15\%} & & \text{MONTHLY CONTRIBUTION} &
 \end{array}$$


Before the next lesson, you’ll go to **Ramsey+** to see exactly what your monthly investment could look like in **20, 30 and 40 years** at an 11% rate of return!

For now, check out the table below to get ballpark numbers.

MONTHLY CONTRIBUTION	20 YEARS	30 YEARS	40 YEARS
\$700	\$605,946	\$1,963,163	\$6,020,088
\$800	\$692,510	\$2,243,615	\$6,880,101
\$900	\$779,074	\$2,524,068	\$7,740,116

Respond to the following questions:

 1 What comes to mind when you see what your monthly investment could turn into?

 2 How do you feel knowing that if your income increases, you’ll get to invest even *more* each month?

DISCUSSION



Discussion (8 minutes)

Review the discussion questions.

Ask a volunteer to read the first question on page 112 in the Member Workbook. Take time to discuss, then move to the next question.

Create Interaction and Don't Fear Silence

Get the discussion started and then let the members take over. There might be silence after you ask a question—that's okay! Give it a few moments. Silence is a powerful motivator. If you need to initiate the discussion, try answering the question and then calling on members by name.

DISCUSSION

Whether you're taking this class online or in person, be honest with your answers and remember to encourage one another!



Are you on track or off track to reach your retirement goals? How has this lesson helped you feel more confident in your future?



Which tax-advantaged plans are available to you today? What's the first step you're going to take to figure out where and how you need to invest?



Building wealth is the key to creating a legacy that will outlive you. What comes to mind when you think about the kind of legacy you want to leave?




After watching this lesson, do you believe that investing in mutual funds over a long period of time is the best way to build wealth?

ENDING THE LESSON



Wrap-Up (3 minutes)

- Direct members to page 113 and read through the Action Steps.**
- Stress the importance of the next lesson by saying:**
 -  Can you imagine what it would feel like to not have any debt, including your mortgage? In the next lesson, you'll learn everything you need to know about buying and selling your home. Don't miss it!
- Reset the room.**

Return the chairs and clean up the space.



Dismissed

AFTER THE LESSON

- Complete the items on the After Each Lesson checklist on page 27 of this guide.**
- Start thinking about your final lesson!**

Many coordinators plan a celebration for the final lesson. It's time to think about what you want to do so you can announce it in your next lesson. Check your Coordinator Dashboard for a list of celebration ideas!

ACTION STEPS

It's time to live out what you just learned! Complete each of the Action Steps before the next lesson.

□ SEE WHAT YOUR INVESTMENT WILL BECOME

In the Activity, you calculated 15% of your monthly gross income that will go into retirement savings. Ready to see what that number could become in 20, 30 and 40 years? Use **Ramsey+** to find out!

□ IF YOU'RE IN BABY STEPS 1–3 . . .

Focus all your energy and extra money on saving an emergency fund or paying off debt—remember, you're not investing while you're gazelle intense! But if you have any retirement investments with a former employer, connect with a SmartVestor Pro in **Ramsey+** to learn how to do a rollover.

□ IF YOU'RE IN BABY STEPS 4–7 . . .

You just learned the ins and outs of investing—you want to keep your risk low and your reward high! If you're in Baby Steps 4–7, go to **Ramsey+** to connect with a SmartVestor Pro in your area and start investing the right way.

□ TRACK YOUR TRANSACTIONS IN EVERYDOLLAR

You know what to do. Get your budget up to date by tracking your transactions! This is also a great time to adjust any categories you need to.

□ READ “WHAT’S THE DEAL WITH CRYPTOCURRENCY?” ON THE NEXT PAGE

Investing isn't one-size-fits-all, but there are definitely some things everyone should avoid as part of their strategy. Read on for a crash course on the latest trend: cryptocurrency.

WHAT'S THE *Deal* WITH CRYPTOCURRENCY?

IT'S ALL THE RAGE, but that doesn't make cryptocurrency a good investment strategy. In fact, get-rich-quick schemes never are! Remember the story of the tortoise and the hare? When it comes to a solid wealth-building strategy, slow and

steady *always* wins the race. But what exactly is cryptocurrency, and how does it work? In this Deep Dive, we'll help you get a better understanding of crypto and take a look at three of the latest harebrained digital money schemes out there.

CRYPTOCURRENCIES are digital assets people use for investing and making online purchases. You exchange real currency, like dollars, to buy "coins" or "tokens" of a certain kind of cryptocurrency.

And they're decentralized, meaning no government or bank controls how they're made, exchanged or what their value is. So, they're super unstable. On any given day, their value may swing way up, only to come plunging back down. Plus, cryptocurrencies have an unproven rate of return (aka they lack data and credibility), making them a pretty lousy long-term investment plan.

BITCOIN WHAT ?

Started in 2009, Bitcoin is now one of the most popular cryptocurrencies. Bitcoin users exchange their digital "coins" for goods and services or trade them for cash.

RISKS ▲

Can you say "volatile"? Like gold, bitcoins are only worth what people are willing to pay or exchange for them. So, there's no basis for a bitcoin's value—it's completely unregulated! And the lack of a consistent pricing tool is one of the major reasons we see huge swings in a bitcoin's worth. Sure, it sounds great to have your money grow by 300% in a year, but how will you feel when the bottom drops out? And based on past performance and volatility, it most likely will.

Also, there's just too much mystery here. Transactions are anonymous and the creator has an alias with no known identity. (Is it a person? A company? No one knows.)

DOGECOIN WHAT ?

Dogecoin (pronounced "dohj-coin") is a kind of digital money that started

out in 2013 as a joke based off of a meme of a Shiba Inu dog. Oh, we're serious. You can't make this up.

RISKS ⚠️

First of all, we're talking about investing your hard-earned money in something inspired by a dog meme . . . a dog meme.

Secondly, if Bitcoin is unreliable, Dogecoin is worse. It's unstable and unpredictable. At one point, Dogecoin hit \$0.4252, but by the next morning, it was down 22% at \$0.3248. So, a lot can change in one day—especially if investors decide to get out while the gettin's good. And yeah, Elon Musk said this was his favorite type of cryptocurrency, but he's got money to burn. Unless you do too, skip it.

NFTs WHAT?

An NFT is basically a digital collector's item, and it stands for *non-fungible token*, which

is one of the weirdest terms we've ever heard. So, what's it mean? Well, a dollar bill is fungible—meaning a \$1 bill holds the same value as another \$1 bill. It's a one-for-one trade. But if something is non-fungible, it's unique all on its own—like a baseball card, Pokémon cards or a piece of artwork. Speaking of . . . NFT art is one of the most common ways to collect NFTs.

RISKS ⚠️

NFT art is digital artwork that only exists in a digital world on the *blockchain* (which is like a digital ledger where ownership is recorded). So, even though anyone can copy anything on the internet a million times over, there's only one true digital owner of it (whatever *it* is), and the NFT proves that.

Here's the craziest part: Unlike Pokémon cards or a literal piece of art, NFTs don't exist in real life! They're all digital. So, even though you pay for something, all you get to show for it is your one-of-a-kind digital token called an NFT. But hey, you have digital ownership and bragging rights (but no copyrights) to some obscure artwork on the internet! Congratulations?

IT COMES DOWN TO THIS:

If you're on Baby Step 4 and have 15% of your income invested in mutual funds with a history of strong performance *and* you want to spend some of your budgeted fun money playing with cryptocurrency—go for it. But the key word here is *playing* . . . or maybe *gambling*. Because you need to be ready and willing to lose it. Yes, some people have gotten rich with cryptocurrency. Just like some people have gotten rich at

the blackjack table. That doesn't mean you should risk your retirement and your future security on a gamble.

Long story short? Don't invest in crypto. These are high-risk gambles, not sound investment strategies.

Instead, connect with a **SmartVestor Pro in Ramsey+** and start investing the right way for the long haul—slow and steady.

BUYING & SELLING YOUR HOME

LESSON PREP


- In this lesson, Dave recommends a 15-year fixed-rate mortgage (if you can't put 100% down on a home). Keep in mind that most of your class will already have a 30-year mortgage if they own a home.
- After this lesson, some members may be ready to buy a home. Direct them to their Ramsey+ membership to connect with a real estate agent who is RamseyTrusted. (This is part of their Action Steps!)
- Be ready to discuss the details of the celebration you have planned for Lesson 9.

START THE LESSON



Welcome and Review (5 minutes)

- Welcome class members back by saying:**


 Welcome back, everyone! We're eight lessons in, so let's take a minute and celebrate some wins:

Has anyone moved forward in the Baby Steps since Lesson 1?

If anyone raises their hand, ask which Baby Step they started on and which Baby Step they're on now. Celebrate with them!

Have a budget checkup!

Discuss the following questions:

-  How has living on a budget been going this week compared to the very first week you started?

Is budgeting becoming more of a habit for you? How so?

Note: If members are discouraged, remind them that it takes a few months to get the hang of it!


Review the Action Steps from the previous lesson.

Check to make sure class members completed the Action Steps from Lesson 7. Address any questions or concerns they may have.



Get Ready for the Video

Introduce the video by saying:

-  In this lesson, Dave will share from over 30 years of personal experience in real estate to help you know when and how to rent, buy and sell a house. As I get ready to start the video, turn to page 117 in your workbooks and think about this: How would it feel to own a completely paid-for home?



Start the Video



As the Video Plays

Take attendance and watch the video.

Take attendance in your Coordinator Dashboard or pass around the attendance sheet. Then, follow along with your members in your Coordinator Guide.



“

The grass at your house
feels **DIFFERENT** when
you own it.

— DAVE RAMSEY

”

LESSON 8

BUYING & SELLING YOUR HOME

KEY POINTS

- ✓ A house is the largest financial investment you will ever make.
- ✓ Here's your home-buying plan: a 15-year fixed-rate mortgage with at least a 10% down payment and monthly payments that are no more than 25% of your take-home pay.
- ✓ When you pay off your home, you're 100% debt-free!

LESSON 8 //
BUYING & SELLING
YOUR HOME



GUIDE
Dave Ramsey

BENEFITS OF HOMEOWNERSHIP

It's a steady GROWTH plan.

Your home grows virtually TAX - FREE.

The National Study of Millionaires reveals that one of the two most important milestones for the typical millionaire is that their home is paid off EARLY.

SAVE YOUR DOWN PAYMENT

If you get a mortgage, get a 15-year fixed-rate loan.

GET PREAPPROVED FOR A MORTGAGE

Your mortgage payments, including HOA fees, insurance and taxes, should be no more than 25% of your take-home pay.

AVOID any of these mortgage options:

- Adjustable-rate mortgage (ARM)
- Interest-only mortgage
- Reverse mortgage
- Subprime mortgage
- Balloon mortgage
- United States Department of Agriculture/Rural Housing Service (USDA/RHS) mortgage
- Accelerated or biweekly payoff programs
- Any mortgage with a prepayment penalty

ANSWER KEY

Growth
Tax-free
Early
15
25
Avoid

LESSON 8 //
BUYING & SELLING
YOUR HOME

Overall, a conventional loan is the **BEST** way to finance your home. These are typically Fannie Mae (FNMA) and are privately insured against default.

An FHA loan is backed by the Federal Housing Association and is often for first-time home buyers. It's insured by the U.S. Department of Housing and Urban Development (HUD) and is more expensive than a conventional loan.

A VA loan is backed by the Department of Veterans Affairs and allows veterans to buy a home with virtually no down payment. These loans have a high funding fee and are also more expensive than a conventional loan.

FIND A REAL ESTATE AGENT

Make sure you **INTERVIEW** at least three real estate agents.

NOTES

ANSWER KEY

Best
Interview

LESSON 8 //
BUYING & SELLING
YOUR HOME

GO HOUSE HUNTING

Buy in the BOTTOM price range of the neighborhood.

Homes appreciate in good neighborhoods and are PRICED based on three things: location, location, location.

Buy bargains by overlooking things that can be FIXED, like bad landscaping and ugly carpet or wallpaper.

Always buy a home that is or can be attractive from the street and has a good FLOOR plan.



As for me and my house,
we will *serve the LORD.*

— JOSHUA 24:15 (ESV)



ANSWER KEY

Bottom
Priced
Fixed
Floor

NOTES

Three horizontal lines for writing notes.

LESSON 8 //
BUYING & SELLING
YOUR HOME

NOTES

SUBMIT AN OFFER

You'll make an offer and make an earnest money deposit—this is 1–3% of the offer amount.

MEET CONTINGENCIES UNDER CONTRACT

When you buy property that's not a subdivision lot, always get a LAND survey.

Always have a professional home INSPECTION.

TITLE insurance insures you against an unclear title when your property ownership is called into question.

ANSWER KEY

Land
Inspection
Title

CLOSE ON YOUR HOME

On average, you'll pay 3–4% of the purchase price of your home in closing fees.

LESSON 8 //
BUYING & SELLING
YOUR HOME

SELLING YOUR HOME

Have your agent do a detailed comparative **MARKET** analysis (CMA) to accurately price your home.

Think like a **RETAILER** and make over your home like a model home.

“100% of foreclosures happen on homes with a mortgage.”

— DAVE RAMSEY



Psst . . .

When the One-Minute Takeaway appears on the video, that's your cue to move toward the front of the room and kick off this lesson's Activity. See the next page to prepare for what happens next.




ANSWER KEY

Market
Retailer

ACTIVITY



When the Video Ends

- After the One-Minute Takeaway, say:**
 -  You may have learned some things you've never heard before—and some things you wish you knew years ago. Let's dig into a case study to see what kind of impact the right mortgage can have on your finances long term.

- Turn the page for instructions on leading your class through the Activity.**

ACTIVITY



Activity: Buy a Home the Right Way (7 minutes)

- Introduce the case study on page 123 by saying:



Let's turn to page 123 and take a few minutes to read and work through the case study. This is a basic example to help demonstrate how different mortgage options can impact your finances.

- After a few minutes, ask for the results of the case study.

Answer: Drew & Amy will pay \$69,706 more than Charles & Misty.

- Ask a volunteer to read the first question at the end of the case study.

Answer: Charles & Misty. By picking a 15-year fixed-rate mortgage, they end up paying almost \$70,000 less for their home. Not to mention, they'll have a 15-year head start on Baby Step 7 that Drew & Amy won't have.

- Ask a volunteer to read the second question at the end of the case study.






When the Activity Ends

- Turn to page 186 of this guide for instructions on how to lead your class through the discussion questions.

Buy a HOME THE RIGHT WAY

Drew & Amy and Charles & Misty each put **20%** down on a **\$225,000** home at a **4%** annual interest rate.

\$225,000 HOME	DREW & AMY	CHARLES & MISTY
		
MORTGAGE (FIXED)	30-YEAR	15-YEAR
PAYMENT (MONTHLY)	\$859	\$1,331
TOTAL	\$309,364 AFTER 30 YEARS	\$239,658 AFTER 15 YEARS

WHILE DREW & AMY PAY LESS IN THE SHORT TERM, HOW MUCH MORE DO THEY PAY OVERALL?

\$ **\$69,706**
(Hint: \$309,364 - \$239,658)

Respond to the following questions:

- Based on this example, would you rather be Drew & Amy or Charles & Misty? Why?
- Charles & Misty will save more money than Drew & Amy, and they'll pay off their home 15 years sooner! How does this make you feel about your current or future mortgage situation?

DISCUSSION



Discussion (8 minutes)

Review the discussion questions.

Ask a volunteer to read the first question on page 124 in the Member Workbook. Take time to discuss, then move to the next question.

Create Interaction and Don't Fear Silence

Get the discussion started and then let the members take over. There might be silence after you ask a question—that's okay! Give it a few moments. Silence is a powerful motivator. If you need to initiate the discussion, try answering the question and then calling on members by name.

DISCUSSION

Whether you're taking the class online or in person, be honest with your answers and remember to encourage one another!



When you picture your dream home, what do you see? What parts of your home stand out, and why are they important to you?



Based on what you've learned from Dave, how do you know if you have too much house?



Based on your answer to the last question, do you need to make any adjustments to your housing situation? If so, what? Refinance? Downsize? Throw more money at your mortgage?




If you're a homeowner, think about life without a mortgage. What could you do with the extra money that's currently going toward payments? If you're renting, how do you feel about owning a home someday? How could you save up for one?

ENDING THE LESSON



Wrap-Up (5 minutes)

- Direct members to page 125, then read through the Action Steps.**
- Challenge class members to finish strong by saying:**
 -  The next lesson is our very last lesson together! In Lesson 9, you'll learn how to truly live and give like no one else. In fact, you'll learn the key to financial peace. It's an incredible lesson that shows us what this whole course is really about. You don't want to miss it!
- Remind class members to complete their last Financial Snapshot.**
- Share the details of your Lesson 9 celebration plans with your class!**
- Reset the room.**
Return the chairs and clean up the space.



Dismissed

AFTER THE LESSON

- Complete the items on the After Each Lesson checklist on page 27 of this guide.**
- Get ready for your final lesson!**

ACTION STEPS

It's time to live out what you just learned! Complete each of the Action Steps before the next lesson.

SEE HOW FAST YOU CAN PAY OFF A HOUSE

Whether or not you're currently a homeowner, head over to **Ramsey+** to discover how quickly you could pay off a home (maybe the one you're in right now!) in Baby Step 6 by making extra payments on your mortgage.

IF YOU'RE IN BABY STEP 3B . . .

First, discover how much house you can afford in **Ramsey+**. Then, as you save more and more toward your down payment goal, track your progress in your membership. Finally, when you're ready to buy a home, connect with a local real estate agent who is RamseyTrusted.

SCHEDULE A BUDGET COMMITTEE MEETING

You're coming up on your next budgeting cycle, so it's time for another Budget Committee Meeting. For your next budget, pay close attention to how much you're paying toward housing each month. Do you have too much house? And don't forget to track your transactions in **EveryDollar**.

COMPLETE YOUR FINANCIAL SNAPSHOT

If you're in a class, fill out your second Financial Snapshot card in this lesson and turn it in to your coordinator at the start of Lesson 9. Then celebrate your progress!

READ "PMI: NECESSARY OR NOT?" ON THE NEXT PAGE

This Deep Dive shares a little more about why you should avoid private mortgage insurance and how to get rid of it once and for all.

PMI: NECESSARY *or Not?*

We're going to save you \$10,000 before this article ends. Ready?

You've worked the Baby Steps, done your research, and kept an eye on the housing market. You're ready to buy a home. If you can't put 100% down, you'll move through a mortgage approval process where you may encounter **private mortgage insurance (PMI)**.

Hold on a second. You might be asking yourself, *Was this on the list of the eight insurances I need to have?* We're glad you asked. The answer is no. And here's why.

AT A GLANCE

PMI = PRIVATE MORTGAGE INSURANCE

IF YOU PUT 20% DOWN, YOU AVOID IT

RATES RANGE FROM 0.5–1.5% OF HOME LOAN AMOUNTS



WHAT IS PMI?

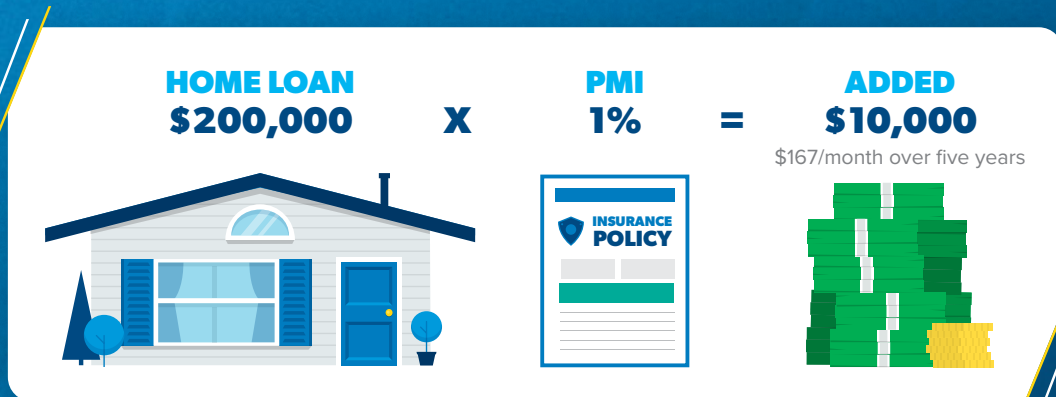
PMI protects the lender. You're about to borrow a lot of money, and your lender wants to make sure they get their money back if you can't make the payments and end up in foreclosure. Every year, there are between 500,000 and 1.5 million home foreclosures, so you can understand why lenders want insurance. **PMI protects their investment.**

But here's the catch: You're the one who will be paying the insurance premiums—*not* them.

HOW MUCH DOES PMI COST?

PMI rates can range anywhere from 0.5–1.5% or more of your loan amount. For this example, let's use a 1% PMI rate and a \$200,000 home loan amount.

At 1%, your PMI would be \$2,000 per year—that's an extra \$166.67 per month added to your mortgage payment. After five years, PMI has added **\$10,000** to the cost of your home. (There's that \$10,000 you can save yourself.)



HOW CAN I AVOID PMI?

The easiest way to avoid PMI is to put at least **20% down** on your home. That completely eliminates PMI. If you *don't* put 20% down, PMI will be added to your loan automatically! You won't be able to get rid of it until you've paid down your loan enough to have 20–25% equity in your home. Basically, your loan-to-value amount has to be less than 80%.

HAVE A PLAN AND USE A PROFESSIONAL

If you're going to buy a home and get a mortgage, stick to this plan: Find a real estate agent you trust and get a 15-year fixed-rate mortgage with at least 10% down (though 20% is best), and make sure the total payments (including PMI) are no more than 25% of your take-home pay.

Let us help!

Ready to find a real estate agent you trust?

Go to **Ramsey+** to find a real estate agent who is RamseyTrusted. They'll help walk you through the home-buying process.

OUTRAGEOUS GENEROSITY


LESSON PREP

- Members who have attended at least eight of the nine lessons will be excited to get their graduation certificates. Be sure to print them from your Coordinator Dashboard and bring them with you.
- Some members may forget to bring their Financial Snapshot card. Print extra copies of the card from your Coordinator Dashboard for them.
- Ready to have some serious fun? It's your final lesson! That means it's time to celebrate. If you planned a party, don't forget any food or decorations you'll need.

START THE LESSON




Welcome and Review (5 minutes)

- Express appreciation!**
Let your members know how much you've enjoyed getting to know them. Remind them that even though this is the last lesson, it is *not* the end of their journey or their membership. They will continue to have access to everything in Ramsey+ with their active membership.
- Collect the Financial Snapshot cards.**
If anyone forgot their Financial Snapshot card, give them one of the extras you printed. You'll tally up the numbers during the video to share before the Activity.
- Have a budget checkup!**
 **Why is it important to make sure you budget every month for the rest of your life?**

- Review the Action Steps from the previous lesson.**
Check to make sure class members completed the Action Steps from Lesson 8. Address any questions or concerns they may have.



Get Ready for the Video

- Introduce the video by saying:**
 -  In this lesson, Dave reveals the truth to winning in life and with money. As I get ready to start the video, turn to page 129 and think about this: What do you want your money to say about your life?



Start the Video



As the Video Plays

- Update your class's Financial Snapshot.**
Add up the information from the Financial Snapshot cards and enter it into your Coordinator Dashboard. You'll share this information with your class when the video ends.
- Take attendance and watch the video.**
Take attendance in your Coordinator Dashboard or pass around the attendance sheet. Then, follow along with your members in your Coordinator Guide.



“

When you **LIVE** like no one else, later you can live and **GIVE** like no one else.

— DAVE RAMSEY

”

LESSON 9

OUTRAGEOUS GENEROSITY

KEY POINTS

- ✓ If we all became outrageously generous, we could completely change the landscape of America.
- ✓ God is a giver, and because we're made in His image, we are designed to be generous!
- ✓ God owns it all. We are just managers of His money.

LESSON 9 //

OUTRAGEOUS GENEROSITY



GUIDE
Dave Ramsey

TRUE FINANCIAL PEACE

The PEACE in financial peace comes from outrageous generosity.

“You cannot *shake hands*
with a clenched fist.”

— INDIRA GANDHI

GIVING CHANGES YOU

We are happiest and most fulfilled when serving and GIVING.



A generous person will
prosper; whoever refreshes
others will be *refreshed.*

— PROVERBS 11:25 (NIV)

GENEROSITY COULD CHANGE AMERICA

If “we the people” increased our giving a FEW percentage points, we could do things like eradicate domestic hunger, fund adoption from foster care, and build hospitals.

ANSWER KEY

Peace
Giving
Few

LESSON 9 //

**OUTRAGEOUS
GENEROSITY**

WHY GOD TELLS US TO GIVE

The more generous you become, the more you're becoming who God MADE you to be.



**You shall truly *tithe* all the
increase of your grain that the
field produces *year by year*.**

— DEUTERONOMY 14:22 (NKJV)

NOTES

Notes area with horizontal lines for writing.

ANSWER KEY

Made

LESSON 9 //

OUTRAGEOUS
GENEROSITY

TITHES AND OFFERINGS

The tithe is a TENTH of your increase.

The Bible says to give your tithe off the TOP (firstfruits).

The tithe goes to your local CHURCH.

Offerings are above the tithe and are freely given from SURPLUS.

OWNERS AND MANAGERS

God owns it all. We are just asset MANAGERS for the Lord.



The *earth* is the LORD's, and
the *fulness* thereof.

— PSALM 24:1 (KJV)

NOTES

ANSWER KEY

Tenth
Top
Church
Surplus
Managers

LESSON 9 //
OUTRAGEOUS
GENEROSITY

DEBT FREEDOM

The Bible calls sin “debt,” but Jesus already paid that debt. The only thing you have to do to become debt-free is accept the gift.



For God so *loved* the world that He gave His only begotten Son, that whoever *believes* in Him should not perish but have *everlasting life*.

— JOHN 3:16 (NKJV)



Psst...

When the One-Minute Takeaway appears on the video, that’s your cue to move toward the front of the room and kick off this lesson’s Activity. Turn the page to prepare for what happens next.



One-Minute
TAKEAWAY

Handwriting practice lines consisting of ten horizontal lines for writing.

ACTIVITY



When the Video Ends

- **After the One-Minute Takeaway, say:**

“ As Dave said, the *peace* in financial peace comes from outrageous generosity. Plus, giving is the most fun you can have with money! In today’s Activity, you’ll get a chance to write down different ways you can start giving. Then we’ll look at our class’s Financial Snapshot to see the progress we’ve made since the first lesson.



Activity: Give to Look More Like God (8 minutes)

- **Introduce the Activity on page 134 by saying:**

“ Take a few minutes to work through the Activity on page 134 of your workbook. There are already a couple of examples in each category. Then, write down other ways you want to give.

- **Allow time for members to complete the Activity, then ask:**

“ What are some of the ideas you all wrote down?

Which of these ideas can you do this week?



Activity: Financial Snapshot (2 minutes)

- Share your class's Financial Snapshot figures. Then say:**

Can you believe how much you accomplished in just nine lessons? Think of what you'll accomplish in nine months or nine years! And we're just one small class. What would happen if the whole community or even our nation started handling money God's ways? Imagine what we'd be able to do. How much do you think we'd be able to give?



When the Activity Ends

- Turn to page 204 of this guide for instructions on how to lead your class through the discussion questions.

Give to look more **LIKE GOD**

Giving changes you. We're not trying to be mushy or corny—it's a fact. You see, God is the ultimate giver. And when we give, we start to look more like Him.

1 Chronicles 29:14 (NIV) says, "Everything comes from you, and we have given you only what comes from your hand."

Everything we have comes from God. He owns it all! When He asks us to give, it's not because He needs our money. **His goal is not to reshape economics. His goal is to reshape our hearts.**

When you give your money, your time and your talents to help and love other people, it doesn't change them as much as it changes you! And God's all about changing *you*. That's what this whole journey toward financial peace is about—changing you.

Remember, the *peace* in financial peace comes from outrageous generosity!

YOU SHOULD *always* BE A GIVER

BABY STEPS 1 2 3

In Baby Steps 1–3, you might only be giving a tithe to your local church.

BABY STEPS 4 5 6

In Baby Steps 4–6, you may have a little room in your budget to start giving offerings.

BABY STEP 7

By the time you hit Baby Step 7, you're giving from your surplus with outrageous generosity!

WAYS YOU CAN START GIVING

Jot down ideas about how you can start giving your money, time and talents today—no matter which Baby Step you're on!



MONEY

Budget a tithe (10% of your income off the top) to your local church.

Give a 100% (or more!) tip at a restaurant.



TIME

Volunteer to mentor a child in your community.

Sign up to serve at a local nonprofit or ministry you're passionate about.



TALENTS

Lend your skills and volunteer to help build a home.

Put your mechanical talents to work and help fix your neighbor's car.

DISCUSSION



Discussion (8 minutes)

Review the discussion questions.

Ask a volunteer to read the first question on page 136 in the Member Workbook. Take time to discuss, then move to the next question.

Create Interaction and Don't Fear Silence

Get the discussion started and then let the members take over. There might be silence after you ask a question—that's okay! Give it a few moments. Silence is a powerful motivator. If you need to initiate the discussion, try answering the question and then calling on members by name.

DISCUSSION

Whether you're taking this class online or in person, be honest with your answers and remember to encourage one another!



Remember, no matter where you are in the Baby Steps, giving should be the priority in your budget! How has this lesson helped you better understand the reason this is so important?



Giving is the most fun you can have with money! How have you had fun with giving in the past? What's one way you want to be outrageously generous in the future?



What keeps you from giving as much as you'd like to give? How does this lesson help you work through that hang-up?




Whether you have a little or a lot, God owns it all! How does His ownership of everything affect the way you think about what He's given you to manage?

ENDING THE LESSON



Wrap-Up (15 minutes)

- Direct members to page 137 and read through the Action Steps.**
Remind members how important it is to complete the Action Steps after this lesson, even though you won't be meeting again as a class.
- Offer a final plasectomy opportunity by saying:**
 -  It's the last lesson, and we're wrapping up. I've got my scissors here with me! Who wants to start our celebration off right by cutting up their credit cards once and for all?
- Celebrate together and hand out graduation certificates!**
Share your appreciation for your class. Acknowledge how hard they've worked, and encourage them to keep going—because it will be worth it!
- Reset the room.**
Return the chairs and clean up the space.



Dismissed

AFTER THE LESSON

- Complete the items on the After Each Lesson checklist on page 27 of this guide.**
- Make sure all of your records are complete for this course.**
Check that your attendance and Financial Snapshot figures are up to date.
- Encourage class members to become coordinators!**
Most volunteer coordinators are former FPU members who want to spread the message of financial peace and help others change their lives. Direct any members who are interested to page 141 in their Member Workbook.

ACTION STEPS

It's time to live out what you just learned! Complete each of the Action Steps below.

□ GRATITUDE LEADS YOU TO CONTENTMENT

Whether you're on Baby Step 1 or 7, God has given you something to manage. Instead of chasing what's next, stop to practice **contentment** and thank God for what He's given you. In the space below, write three things you're thankful for!

1. _____
2. _____
3. _____

□ LOOK BACK AND THEN CHARGE AHEAD

No matter where you are in the Baby Steps, your life should already look different than it did before you started. In the space below, list the top three things you've learned and then list your *why*—**the reason you refuse to quit**. This is why you won't give up when things get tough and why you'll live like no one else so later you can live and *give* like no one else.

1. _____
2. _____
3. _____

I will NOT give up, because _____

□ STAY PLUGGED IN TO YOUR RAMSEY+ MEMBERSHIP

Want to stay on track with your goals? Every week, track transactions in **EveryDollar**, use the other tools available to you, watch videos, connect with a coach, and more!

The background consists of several overlapping, expressive brushstrokes in shades of bright yellow and orange. The strokes are thick and textured, creating a sense of movement and energy. The colors transition from a deep orange in the center to a bright yellow at the edges.

**WELL
DONE!**



THANKS FOR *Changing* LIVES!

Congratulations on leading a successful class!

You've forever changed the lives of people right in your community. They will never be the same—all because you made the decision to live and give like no one else! Thank you.

When Dave started teaching these principles, he set out on a mission to share the life-change he experienced with as many people as he could. Since then, we've grown so much and helped nearly 10 million people. We're honored that *you* chose to join us.

Thank you for giving your time for other people—people you may not have known nine weeks ago! We're so proud of you.

You've helped change family trees! Think about that single mom in your class. When you helped her learn how to budget for the first time, you changed her life and the lives of her kids. Think about the young married couple you watched grow together. Because of your influence, they will never have to worry about money fights! Or what about the couple nearing the end of their careers? Your encouragement gave them hope that they'll be able to retire with dignity.

Thank you for joining us in this movement to change lives across the nation . . . one class at a time.

STAY MOTIVATED ON *Your Journey*

Build wealth, strengthen your relationships, and reach your goals with more from our Ramsey Team.



SHOWS

Subscribe to the Ramsey Network and follow our shows on radio, podcast and YouTube.

ramseysolutions.com/shows



EVENTS

Hear from our Ramsey Team in person! Reserve your seat at one of our upcoming live events.

ramseysolutions.com/events



BOOKS

Dive deeper with one (or all) of our bestselling books about money, mental health and work that matters.

ramseysolutions.com/store/books



Schedule YOUR NEXT CLASS!

We can't host *Financial Peace University* classes without coordinators just like you.

At any given time, classes are offered in churches, community centers and homes across the country. And we're always looking for *more* classes in *more* places to reach even *more* people. That means finding volunteers to become coordinators and asking coordinators like you to lead again!

We know life gets busy, but people in your community are looking for help in their finances—and *you* can help them. We've made it easy for you to schedule your next class from your Coordinator Dashboard! (Or you can reach out to your advisor.)



YOU PICK THE TIME

Now that you know what to expect, pick the time of day that works best for your schedule.



YOU PICK THE DATE

Classes can meet year-round. Look at your schedule and set a date that's convenient for you.



YOU PICK THE PLACE

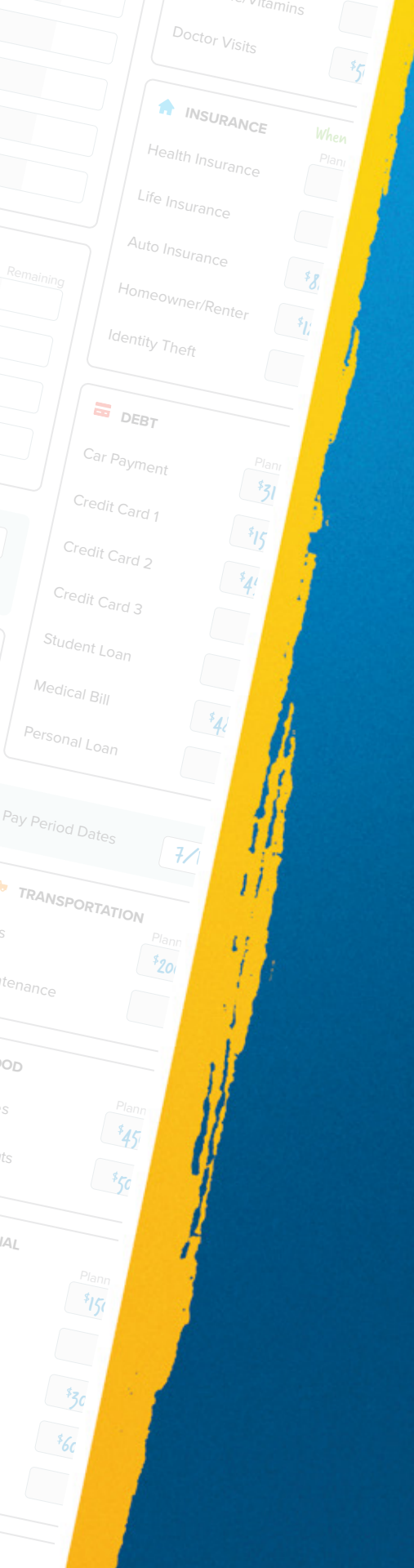
Remember, your next class can meet at a church, a local community center or even at your home.

Change
MORE LIVES!

Go to your **Coordinator Dashboard** to schedule your next class. Have questions? Don't hesitate to call your advisor!

BUDGET FORMS & KEY TERMS

(More fun stuff!)



BUDGETING FORMS

Building new budgeting habits is a lot easier with the right tools. That's why we created **EveryDollar**—so you can easily make a plan for your money every month.

If you need a little extra guidance for budgeting weekly or budgeting for irregular income, the following forms will help you out! Read through the step-by-step instructions on these example forms, then go to **Ramsey+** to print out blank versions of these forms to fill out yourself.

Hey, Nerds!

If you love pen-and-paper planning, you can find more forms—including extra budgeting forms—in **Ramsey+**.

How to Set Up Your Quick-Start Budget

Getting everything on paper first is super helpful. Then, we suggest downloading EveryDollar to help you keep up with your budget all month.

Pro tip: Before you start, open up your online bank account or grab your bank statements to help as you start filling out these numbers.

1 List your income.

In the Planned column for income, list out each paycheck (and any side hustles) coming in this month. Add that up. This is how much money you have to work with this month!

INCOME	PLANNED
Paycheck 1	\$2,150
Paycheck 2	\$2,150
TOTAL	\$4,300

2 List your expenses.

Plan for everything you're spending money on this month.

You'll see lots of common budget categories and lines. Skip any you don't need. As you go, add the planned amounts inside each box.

HOUSING	PLANNED
Rent/Mortgage	
HOA Fees	
TOTAL	

FOOD	PLANNED
Groceries	\$600
Restaurants	\$50
	\$650

TRANSPORTATION/GAS	PLANNED
TOTAL	\$430

3 Subtract your expenses from your income.

This should equal zero. If you've got money left over, put it toward your debt or other money goals. If you've got a negative number, lower your planned totals or cut extras until you get zero.

4 Track your expenses (all month long).

How do you stay on top of your spending? Track. Your. Transactions. That means you're tracking everything that happens with your money all month long.

5 Make a new budget (before the month begins).

Your budget won't change too much from month to month, but no two months are exactly the same. So, create a new budget every single month! Don't forget month-specific expenses (like holidays or seasonal purchases).

Quick-Start Budget

INCOME	PLANNED
Paycheck 1	\$ _____
Paycheck 2	\$ _____
TOTAL	\$ _____

GIVING	PLANNED
TOTAL	\$ _____

SAVING	PLANNED
TOTAL	\$ _____

FOOD	PLANNED
Groceries	\$ _____
Restaurants	\$ _____
TOTAL	\$ _____

UTILITIES	PLANNED
Water	\$ _____
Electricity	\$ _____
TOTAL	\$ _____

HOUSING	PLANNED
Rent/Mortgage	\$ _____
HOA Fees	\$ _____
TOTAL	\$ _____

TRANSPORTATION/GAS	PLANNED
TOTAL	\$ _____

INSURANCE	PLANNED
Health	\$ _____
Auto	\$ _____
Renters	\$ _____
Term Life	\$ _____
TOTAL	\$ _____

DEBT	PLANNED
Credit Cards	\$ _____
Student Loans	\$ _____
Car Payments	\$ _____
Medical	\$ _____
TOTAL	\$ _____

FUN MONEY	PLANNED
TOTAL	\$ _____

MISCELLANEOUS	PLANNED
TOTAL	\$ _____

TOTAL INCOME	\$ _____
TOTAL EXPENSES	\$ _____
Your Goal Every Month:	
Total Income - Total Expenses = \$0	

Need a blank form?

Download EveryDollar, plug in your numbers, and make budgeting way easier month to month.



DIRECTIONS FOR

Allocated Spending Planning

If you want to budget based on your pay period rather than the month, this form is for you! The four columns on this form represent the four weeks in a given month. If you're married, combine both of your incomes and then follow the steps below to allocate your spending.

1 Fill out your pay period dates and list your income.

Your **pay period dates** are how long you go between paychecks. (For example, if you get paid on the 1st and 15th, your pay periods for July would be 7/1 to 7/14 and 7/15 to 7/29.)

Pay Period Dates

Pay Period Income

Your **pay period income** is how much you make during that time. (So, if you take home \$5,000 a month, but half of that each pay period, your pay period income is \$2,500.)

2 List your expenses—thinking about due dates as you go.

Use your online bank account or copies of your bills to list your expenses in the Planned columns based on when they're due.

Start with essentials, then extras. As you go, keep a running total of how much of your income is left in the Remaining column.

This is the trickiest step. Make sure you're covering the bills that are due during each pay period and dividing up other expenses, like groceries and gasoline, across pay periods.

🏠 HOUSING	Planned	Remaining
Mortgage/Rent	<input type="text" value="\$1,000"/>	<input type="text" value="\$1,250"/>
Water	<input type="text" value="\$50"/>	<input type="text" value="\$1,200"/>

3 Plan for each category on the list until you hit zero.

Plan for each category on the list until the Remaining column hits **zero**. When that happens, you're done budgeting for that pay period!

4 Track your expenses (all month long).

If you've planned for every category and still have money left over in the Remaining column, **go back and adjust an area**, such as savings or giving, so that you spend every single dollar. **Every dollar needs a job to do!**

5 Make a new budget (before the month begins).

And don't forget month-specific expenses (like holidays or seasonal purchases).

Allocated Spending

Pro tip: Keep an extra \$100-300 in your checking account as a buffer.

Pay Period Dates	7/1 TO 7/14	7/15 TO 7/29	TO	TO
Pay Period Income	\$2,500	\$2,500		

♥ GIVING

Income - Church = Remaining Income to budget this pay period

	Planned	Remaining	Planned	Remaining	Planned	Remaining	Planned	Remaining
Church	\$250	\$2,250	\$250	\$2,250				
Charity								

Subtract the next Planned amount to get your next Remaining balance.

💰 SAVINGS

	Planned	Remaining	Planned	Remaining	Planned	Remaining	Planned	Remaining
Emergency Fund								

🏠 HOUSING

	Planned	Remaining	Planned	Remaining	Planned	Remaining	Planned	Remaining
Mortgage/Rent	\$1,000	\$1,250						
Water	\$50	\$1,200						
Natural Gas			\$35	\$2,215				
Electricity			\$100	\$2,115				
Cable/Internet			\$40	\$2,075				
Trash								

Need a blank form?

We've provided an example form on the next couple pages to help! **To get a blank form, use the QR code.**



Pay Period Dates

7/1 TO 7/14

7/15 TO 7/29

TO

TO

TRANSPORTATION

	Planned	Remaining	Planned	Remaining	Planned	Remaining	Planned	Remaining
Gas	\$100	\$1,100	\$100	\$1,975				
Maintenance								

FOOD

	Planned	Remaining	Planned	Remaining	Planned	Remaining	Planned	Remaining
Groceries	\$320	\$780	\$320	\$1,655				
Restaurants								

PERSONAL

	Planned	Remaining	Planned	Remaining	Planned	Remaining	Planned	Remaining
Clothing			\$100	\$1,555				
Phone			\$150	\$1,405				
Fun Money	\$30	\$750	\$40	\$1,365				
Hair/Cosmetics	\$60	\$690						
Subscriptions			\$10	\$1,355				

LIFESTYLE

	Planned	Remaining	Planned	Remaining	Planned	Remaining	Planned	Remaining
Pet Care			\$40	\$1,315				
Childcare								
Entertainment								
Miscellaneous	\$50	\$640	\$150	\$1,165				

Pay Period Dates

7/1 TO 7/14

7/15 TO 7/29

TO

TO

HEALTH

	Planned	Remaining	Planned	Remaining	Planned	Remaining	Planned	Remaining
Gym								
Medicine/Vitamins			\$50	\$1,115				
Doctor Visits	\$50	\$590						

INSURANCE

	Planned	Remaining	Planned	Remaining	Planned	Remaining	Planned	Remaining
Health Insurance			\$400	\$715				
Life Insurance			\$40	\$675				
Auto Insurance	\$90	\$500						
Homeowners/Renters	\$20	\$480						
Identity Theft								

DEBT

When Remaining equals zero, you're done budgeting for this pay period!

	Planned	Remaining	Planned	Remaining	Planned	Remaining	Planned	Remaining
Car Payment	\$480	\$0						
Credit Card 1			\$150	\$525				
Credit Card 2			\$60	\$465				
Credit Card 3								
Student Loan			\$400	\$65				
Medical Bill			\$65	\$0				
Personal Loan								

Irregular Income Budget Planning

If you've got an irregular income, plan low. What's the lowest irregular paycheck you've gotten in the last few months?

\$ _____

Use that when planning your income. You can adjust later if you make more or less! Also, always cover needs before the extras.

You. Got. This.

1 List your planned income.

In the Planned column for income, list out each paycheck coming in this month. For the irregular paychecks, go with that lowest amount you wrote above.

INCOME	PLANNED
Paycheck 1	\$2,150
Paycheck 2	\$2,150
TOTAL	\$4,300

2 List your planned expenses.

Use your online bank account or statements to plan what you're paying for this month.

You'll see lots of common budget categories and lines. Fill in only the ones you use, or rename lines if needed.

Note: You might have to skip some extras (or plan low) for now. If you make more than planned, see step 5.

HOUSING PLANNED

Rent/Mortgage	\$1,075
HOA Fees	\$50

TOTAL FOOD PLANNED

Groceries	\$600
Restaurants	\$50

TRANSPORTATION/GAS PLANNED

TOTAL	\$430
--------------	--------------

3 Subtract expenses from your income.

This should equal zero. If you've got money left over, put it toward your debt or other money goals. If you've got a negative number, lower your planned totals or cut extras until you get zero.

+	INCOME
-	EXPENSES
=	\$0

4 Track your expenses (all month long).

Track (and subtract) every expense you make in the Spent column so you don't overspend.

5 Make adjustments on payday.

When your paychecks come in, put the amount under the Actual column.

If you made more than planned, go to the Adjustments column and add that money to lines you skipped or planned low. If you make less than planned, subtract money from a nonessential line.

INCOME	PLANNED	ADJUSTMENTS ±
Paycheck 1	\$2,150	\$
Paycheck 2	\$2,150	-\$50

FOOD	PLANNED	ADJUSTMENTS ±
Groceries	\$600	-\$50
Restaurants	\$50	\$
TOTAL	\$650	\$600

6 Make a new budget (before the month begins).

And don't forget month-specific expenses (like holidays or seasonal purchases).

Irregular Income Budget

INCOME	PLANNED	ADJUSTMENTS ±	ACTUAL
Paycheck 1	\$	\$	\$
Paycheck 2	\$	\$	\$
Paycheck 3	\$	\$	\$
Paycheck 4	\$	\$	\$
TOTAL	\$	\$	\$

GIVING	PLANNED	ADJUSTMENTS ±	SPENT
TOTAL	\$	\$	\$

SAVING	PLANNED	ADJUSTMENTS ±	SPENT
TOTAL	\$	\$	\$

FOOD	PLANNED	ADJUSTMENTS ±	SPENT
Groceries	\$	\$	\$
Restaurants	\$	\$	\$
TOTAL	\$	\$	\$

UTILITIES	PLANNED	ADJUSTMENTS ±	SPENT
Water	\$	\$	\$
Electricity	\$	\$	\$
TOTAL	\$	\$	\$

HOUSING	PLANNED	ADJUSTMENTS ±	SPENT
Rent/Mortgage	\$	\$	\$
HOA Fees	\$	\$	\$
TOTAL	\$	\$	\$

TRANSPORTATION/GAS	PLANNED	ADJUSTMENTS ±	SPENT
TOTAL	\$	\$	\$

INSURANCE	PLANNED	ADJUSTMENTS ±	SPENT
Health	\$	\$	\$
Auto	\$	\$	\$
Homeowners/Renters	\$	\$	\$
Term Life	\$	\$	\$
TOTAL	\$	\$	\$

DEBT	PLANNED	ADJUSTMENTS ±	SPENT
Credit Cards	\$	\$	\$
Student Loans	\$	\$	\$
Car Payments	\$	\$	\$
Medical	\$	\$	\$
TOTAL	\$	\$	\$

FUN MONEY	PLANNED	ADJUSTMENTS ±	SPENT
TOTAL	\$	\$	\$

MISCELLANEOUS	PLANNED	ADJUSTMENTS ±	SPENT
TOTAL	\$	\$	\$

What's Next?

Download EveryDollar, plug in your numbers, and make budgeting way easier month to month.



TOTAL INCOME:

TOTAL EXPENSES:

Your Goal Every Month:
Total Income - Total Expenses = \$0

Key Terms

Money shouldn't be complicated. **We make it simple.** Here's a breakdown of the words and phrases used in the last nine lessons in a way that's easy to understand.

SAVING & BUDGETING

Baby Steps: Dave Ramsey's proven seven-step path for winning with money.

Budget: A monthly plan, either on paper or digital, that puts every dollar you make into a specific category.

Four Walls: The most basic expenses you need to cover to keep your family going: your food, your utilities, your shelter and your transportation.

Money Market Mutual Fund: Basically, a savings account you can open with a mutual fund company instead of a bank; it usually earns a little more interest than a bank savings account thanks to short-term mutual fund investments.

Sinking Fund: Setting aside money over time so you can buy something with cash—for example, saving \$400 a month for 10 months to buy a \$4,000 car.

Zero-Based Budget: A monthly budget that puts every dollar you earn into specific categories—so when your income is subtracted from your expenses, you come up with zero.

DEBT

Annual Percentage Rate (APR): The amount that borrowed money costs you each year; the APR includes your interest rate and other related fees you have to pay on a loan.

Debt Snowball: A list of all debts (except your house) from smallest to largest. You'll make minimum payments on all of them while you attack the smallest debt with a vengeance. Once that debt is gone, take that payment and apply it to the second-smallest debt. Keep this going until you've paid off the last, largest debt.

FICO Score: A number used to evaluate your "credit worthiness"; it's really an "I love debt" score that's based on your debt history, how much debt you currently have, how long you've been in debt, new debt, and the kind of debt you have.

Interest Rate: An extra percentage you pay to a lender for money you borrow.

Introductory Rate: A marketing tool that offers a lower-than-normal interest rate during the early stages of a loan; it's a rate designed to attract new customers, and it almost always goes up over time.

Navient: A student loan service that split off from Sallie Mae in 2013.

Sallie Mae: Originally a government program known as the Student Loan Marketing Association (SLMA), it's still the largest private student loan lender in the country.

SPENDING

Brand Recognition: A marketing term that measures just how aware customers are of particular brands.

Buyer's Remorse: Feeling of doubt or regret about a purchase soon after making it.

Financing: Using debt to buy something; it can also refer to the attractive terms and conditions companies use to market what they want you to buy with debt.

Impulse Purchase: Buying something without thinking about the bigger picture.

INSURANCE

Cash Value Life Insurance: Basically, a permanent life insurance policy (as opposed to a term policy) that charges high premiums and puts money in a savings account with low return rates; also referred to as whole life, universal life and variable life. Never buy this kind of life insurance.

Claim: The paperwork you send to an insurance company when you want them to cover a loss.

Coverage: The amount of protection you get from an insurance company when you suffer a loss.

Deductible: The money you pay out of pocket before insurance benefits kick in.

Health Savings Account (HSA): A tax-free savings account that sets aside money for medical expenses.

Liability: The amount of your financial obligation when you're found at fault in an accident.

Policy: In insurance, a contract that explains what is covered and what is not.

Premium: The regular payment you make to an insurance company to ensure coverage; it can be a monthly, quarterly or annual payment.

Stop Loss: For insurance, the maximum amount of out-of-pocket expenses you pay each year.

Term Life Insurance: Life insurance that remains in force for a certain period (a term); if someone depends on your income, you need term life insurance.

INVESTING

401(k): A retirement savings plan through a business where employees set aside tax-deferred income from each paycheck.

401(k) Match: A company benefit where an employer “matches” a percentage of what an employee sets aside for retirement.

403(b): A tax-favored retirement plan for public school and nonprofit employees.

Compound Interest: Interest that gets paid on both the money you put in (your principal) and on the interest you’ve already earned.

Direct Transfer: Moving the money from one tax-deferred retirement plan into another approved plan; because none of the money goes to you, there are no immediate tax liabilities or penalties. Also known as a *rollover*. Often used when moving from one company to another.

Diversification: Spreading money across different kinds of investments to minimize risk.

Individual Retirement Arrangement (IRA): A tax-deferred plan where workers can save some of their income for retirement; as the plan’s value grows, the money isn’t taxed until it’s taken out.

Liquidity: A measure of how easy it is to get to your money from an account; the easier the access, the more liquid it is.

Mutual Fund: An investing tool where a group of people combine their money to create a fund of several different stocks.

Risk: The level of uncertainty about the potential returns on an investment.

Rollover: See Direct Transfer.

Roth 401(k): An employer-sponsored retirement plan funded with after-tax money; since taxes have already been paid, the account grows tax-free.

Roth IRA: A personal retirement account that grows tax-free because it’s funded with after-tax dollars.

Share: How much an individual investor owns in a publicly traded company.

MORTGAGE

Adjustable-Rate Mortgage (ARM): A mortgage where the interest rate changes—usually going up—periodically; this allows banks to transfer risk to consumers through higher interest rates.

Comparative Market Analysis (CMA): The estimated value of property based on what similar properties in the area have sold for.

Curb Appeal: How nice a house looks to someone passing by.

Equity: How much of your property you own compared to how much you still owe on it; usually seen in terms of how much of a mortgage amount you've actually paid.

Fannie Mae (FNMA): The Federal National Mortgage Association; a privately owned company that deals in mortgages.

Fixed Rate: An interest rate that never changes over time; considered a much better option than an adjustable rate.

Inflation Hedge: An asset that increases in value over time and counters a rising inflation rate.

Mortgage: A loan arrangement made for buying real estate; the property serves as collateral for the loan.

Multiple Listing Service (MLS): A computer program used by real estate agents to search updated property listings.

Principal: For investments, the original amount of money put in the investment; for loans, the actual payoff amount of a loan, not including interest or other fees.

Private Mortgage Insurance (PMI): Insurance that protects a lender from a borrower who defaults on a mortgage; usually required when the borrower has paid less than 20% of the mortgage value.

GIVING

Firstfruits: The first produce gathered during a harvest, typically given as an offering to God in the Bible.

Great Misunderstanding: The mistaken belief that you get more by holding tightly to what you have instead of keeping an open hand.

Offering: A gift given above and beyond the tithe; freewill gifts given without a sense of obligation or expectation.

Stewardship: The act of managing the resources God has given each of us for His glory.

Tithe: A gift of the first 10% of one's income given to the local church.



“

There is ultimately only one
way to *FINANCIAL PEACE*,
and that is to walk daily
with the *PRINCE OF PEACE*,
CHRIST JESUS.

”

— DAVE RAMSEY



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