FINANCIAL LITERACY

Tools to be used by coaches and peers to aid participants
in developing healthy financial coping strategies

Facilitator Guide

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August 2026

Table of Contents

Introduction

Welcome to the facilitator guide for Financial Literacy: Tools to be Used by Coaches and Peers to Aid Participants in Developing Healthy Financial Coping Strategies. This guide and the associated training will provide you with a structured approach to conducting an effective presentation for peer support specialists on the importance of practicing money management and financial literacy.

Developed in collaboration with the Kentucky Injury Prevention and Research Center (KIPRC) and Voices of Hope, a recovery community organization in Lexington, Kentucky, this guide is supported by the Centers for Disease Control and Prevention (CDC) of the U.S. Department of Health and Human Services (HHS) as part of cooperative agreement 1 NU17CE010186 totaling $16,222,256 with 0% financed with nongovernmental sources. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement by, CDC, HHS, or the U.S. government. For more information, please visit CDC.gov.

Learning Objectives

- Explain core financial literacy concepts: income, budget, debt management, and banking access.
- Explain three different types of budgeting frameworks.
- Provide participants with “second chance” and online banking options for money management.
- Develop a basic understanding of the “benefits cliff” that participants may face.
- Assist participants in setting financial goals for themselves based on their own values and experiences.

Recommendations for In-Person Sessions

Prior to training

- Save the PowerPoint presentation to a flash drive in case you are unable to access the internet/shared drive at the training location.
- Print copies of the financial literacy worksheet, one-pagers, evaluations, and/or any relevant materials for everyone in the session. If it is not feasible to print materials, send electronic copies of the materials to the coordinator/host for distribution.
- Arrive early to test the equipment and PowerPoint.

Small group (approximately 12 people or less)

- Establish the "front" of the room. If possible, arrange the seats into a U shape so everyone can face each other.
- Participation with smaller groups tends to occupy the extremes—discussion may be generous with a lot of depth or discussion may be nonexistent. Sate that you will be available after the training to address any additional questions or concerns.

Large group (approximately 12-50 people)

- There are no guarantees for participation, but discussion tends to be consistent with this group size. Be aware of the time if there are a lot of attendees who are willing to share and encourage the group to move forward as needed.
- State that you will be available after the training to address any additional questions or concerns.
- Ask for volunteers to help you hand out materials to preserve time.

Extra large group (50+)

- Groups of this size typically do not lend themselves to audience participation. For the financial self-reflection questions, share from your own experience instead of relying on audience feedback.

Beginning of the training

State that you will be available at the end if anyone has questions they did not have the opportunity to ask during the training. Attendees may feel more comfortable asking questions or discussing a concern in a one-on-one or smaller setting.

Throughout the training

Lead with compassion when someone is honest about their fear, guilt, or shame. Most of us can relate to deprioritizing or not being knowledgeable about financial matters—share your personal experience as appropriate and to your comfort level.

End of the training

Remind attendees that you will stay behind for a few minutes if anyone has any questions. Ask attendees to complete the evaluation form using a paper copy, QR code, or email a link.

Recommendations for a Virtual Session

Prior to training

- Ask the coordinator or platform host to enable the chat function so all attendees may give feedback throughout the training.
- Confirm the format and time limit of the training to assess the opportunity for discussion at the end.
- If possible, email copies of the financial literacy worksheet, one-pagers, and/or any relevant materials to the coordinator/host to send to the attendees.
- Join the virtual meeting room early to test the equipment and ensure that the PowerPoint presentation is operational.
- Provide the coordinator/host with the evaluation link to share with attendees and/or display the QR code on the final slide of the presentation.
- Consider providing your contact information at the end of the session if anyone has additional questions.
- If attendees can unmute themselves, ask the platform host to help monitor people who accidentally unmute to limit disruptions.

Chat function

Ask attendees to answer discussion questions in the chat. Depending on the number of people in attendance, the chat could be flooded with responses. As you scan the chat, be sure **to read responses aloud** so the attendees can follow your thinking and to **create a better experience for someone watching a recording** (if the presentation is recorded).

Consider the format

- **Webinar**: A webinar that limits audience interaction is not conducive to being available after the session for further discussion. If possible, have support staff attend the webinar to help monitor the chat and acknowledge anyone who shares something vulnerable. If time allows and the host is able, ask attendees to raise their hand to be unmuted for sharing.
- **Teams/Zoom meeting:** A virtual meeting where attendees are visible to the presenter (not a webinar) may allow for attendees to ask questions or express concerns at the end, depending on the time limit and format. If you can take questions at the end, announce to the attendees that you will be available after the training.

Throughout the training

Lead with compassion when someone is honest about their fear, guilt, or shame. Most of us can relate to deprioritizing or not being knowledgeable about financial matters—share your personal experience as appropriate and to your comfort level.

Slide 1 – Title Slide

Purpose: Welcome participants and introduce the training.

Facilitator Notes:

- Introduce yourself and your role.
- Thank participants for attending.
- Briefly explain that financial stability can be an important component of long-term recovery and overall wellness.
- Review housekeeping items (breaks, restroom locations, participation expectations, etc.).

Estimated Time: 2–3 minutes

Slide 2 – Funding Statement

Purpose: Acknowledge grant and funding requirements.

Facilitator Notes:

- Read or summarize the funding statement as required by KIPRC.
- Explain that the views presented are those of the authors and do not necessarily represent those of the CDC, HHS, or the U.S. Government.
- Transition into the learning objectives.

Estimated Time: 1 minute

Slide 3 – Learning Objectives

Purpose: Introduce the goals of the training and establish participant expectations.

Facilitator Notes:
Review the learning objectives with participants. Explain that financial literacy is not about becoming wealthy overnight or achieving perfection. Instead, this training is intended to provide practical tools and information that can support financial stability and informed decision-making.

Emphasize that participants may be at different places in their financial journey and that each objective is designed to provide useful information regardless of income level or current financial circumstances.

Key Learning Points:

- Core financial literacy concepts including income, budgeting, debt management, and banking access.
- Three budgeting frameworks participants can use in daily life.

- Banking options, including second-chance banking opportunities.
- Understanding the benefits cliff and how it may affect financial decisions.
- Developing personal financial goals based on individual values and experiences.

Estimated Time: 3–5 minutes

Transition:
"Before we begin discussing specific financial tools and strategies, let's talk about how we will approach this conversation."

Slide 4 – How We're Approaching This

Purpose:
Establish the training environment and create a participant-centered, trauma-informed framework for discussion.

Facilitator Notes:
Explain that conversations about money can be emotional and are often connected to life experiences, family history, trauma, recovery, housing, employment, and access to resources.

Review each principle:

Participant-Centered: Participants are the experts on their own lives. Encourage participants to evaluate information based on their own circumstances and goals.

Trauma-Informed: Financial decisions are often influenced by experiences of scarcity, instability, crisis, and trauma. Recognize these influences without judgment.

Without Shame: Many people have experienced financial setbacks, debt, overdrafts, collections, or other challenges. This training is intended to provide information and support rather than criticism.

Based in Reality: Encourage practical goal setting and realistic financial planning. Acknowledge that financial circumstances vary widely and that progress often occurs incrementally.

Key Learning Points:
- Participants lead their own process.
- Trauma can influence financial behaviors and decision-making.
- Shame can create barriers to learning and change.
- Financial growth is a process rather than a single event.
- Everyone brings valuable experience and knowledge to the discussion.

Estimated Time: 3–4 minutes

Discussion Prompt:
"What are some things that make conversations about money difficult for people?"

Slides 5–6 – The Problem

Purpose:
Explain the relationship between recovery, substance use disorders, and financial stability. Establish why financial literacy is an important recovery support rather than simply a life-skills topic.

Facilitator Notes:
Many participants enter recovery with significant financial challenges. These challenges may include debt, limited banking access, unstable employment histories, legal obligations, housing instability, or a history of operating primarily in a cash-based or informal economy.

Research suggests that financial literacy and money management are important recovery supports. Participants often identify financial stability as a meaningful goal in their recovery journey.

Substance use disorders also can affect decision-making, risk assessment, impulse control, and long-term planning. Because of this, rebuilding a healthy relationship with money may require learning new skills and developing new habits over time.

It is important to approach these conversations without judgment. The goal is not to focus on past mistakes but to provide practical tools that support future success.

Facilitator Reminder:
Many peer support professionals may experience feelings of imposter syndrome when discussing finances. Remind participants that they do not need to be financial experts. Their role is to support exploration, goal setting, resource connection, and informed decision-making.

Key Learning Points:

- Many individuals enter recovery with limited financial stability.
- Substance use disorders can influence financial decision-making and risk-taking behaviors.
- Financial literacy is often identified as an important recovery support.
- Participants benefit from financial goals, resources, and money management education.
- Coaches do not need to be financial experts to support participants in this area.

Estimated Time: 5–7 minutes

Discussion Questions:

- Why might financial stability be important to long-term recovery?
- What financial challenges do people commonly face when entering recovery?
- What concerns might peer support professionals have when discussing money with participants?

Transition:
"Now that we've discussed why financial literacy matters in recovery, let's begin to look at the financial concepts participants are most likely to encounter."

Slide 7 – But Remember...

Purpose:
Provide guidance for coaches on how to introduce and discuss financial topics with participants in a recovery-oriented, person-centered manner.

Facilitator Notes:
Financial conversations require trust and relationship-building. This is generally not a topic to introduce during an initial participant meeting. Coaches should focus on establishing rapport and understanding participant priorities before engaging in detailed financial discussions.

Review each principle:

Trust Matters: Participants are more likely to engage in financial discussions after trust has been established. Whenever possible, allow the participant to identify financial concerns as an area of interest.

Language Matters: Avoid overly clinical or technical language. Terms such as "money management," "financial goals," or "personal finances" may feel more approachable than "financial literacy."

Staff Participation Matters: Coaches play an important role in supporting participants as they identify goals, access resources, and follow through on action steps.

Community Partners Matter: Developing relationships with local financial institutions, credit unions, workforce agencies, and community organizations can increase participant access to valuable resources, including second-chance banking opportunities.

Key Learning Points:
- Trust should be established before discussing finances.
- Use participant-centered language.
- Follow-up and accountability support progress.
- Community partnerships expand available resources.

Estimated Time: 3–4 minutes

Discussion Question:
"What approaches have you found helpful when discussing sensitive topics with participants?"

Slide 8 – Regina

Purpose:

Introduce a realistic participant scenario that will be referenced throughout the training and encourage application of financial literacy concepts.

Facilitator Notes:
Read the scenario aloud or allow participants time to read it independently.

Explain that Regina represents a common situation encountered in recovery services. She has successfully obtained employment but is struggling to understand payroll deductions and the difference between expected earnings and actual take-home pay.

Emphasize that her reaction is not unusual. Individuals transitioning from informal, cash-based, or illicit income sources may have little experience with taxes, payroll deductions, employee benefits, or other aspects of traditional employment.

Encourage participants to consider the situation from a coaching perspective rather than attempting to solve the problem immediately.

Discussion Questions:
- What emotions might Regina be experiencing?
- What assumptions may have contributed to her frustration?
- What strengths does Regina demonstrate in this scenario?
- How could a coach support Regina without giving direct financial advice?
- What resources or information might be helpful?

Key Learning Points:
- Financial confusion can become a recovery risk factor.
- Employment transitions often involve unexpected financial challenges.
- Coaching focuses on support, education, and resource connection.
- Understanding the participant's perspective is critical.

Estimated Time: 5–7 minutes

Transition:
"Throughout this training, we will return to Regina's situation and apply the concepts we learn to real-world recovery coaching scenarios."

Slide 9 – Finances: Income, Gross Income, and Net Income

Purpose:
Introduce foundational financial terminology that participants will encounter when budgeting, reviewing paychecks, and discussing financial goals.

Facilitator Notes:
Before participants can successfully create a budget or manage expenses, they must understand the basic language of personal finance.

Review each term:

Income: The total amount of money entering the household from all sources. This may include wages, benefits, child support, disability income, or other legitimate sources of income.

Gross Income: The total amount earned before taxes, insurance premiums, retirement contributions, and other deductions are removed.

Net Income: Often referred to as "take-home pay," this is the amount actually available to spend after deductions have been taken from a paycheck.

Emphasize that many people unintentionally build budgets using gross income instead of net income, which can create financial stress when actual take-home pay is lower than expected.

Connect this concept back to Regina's scenario and her reaction to receiving her first paycheck.

Key Learning Points:

- Income includes all money entering the household.
- Gross income is earnings before deductions.
- Net income is the amount available after deductions.
- Budgeting should generally be based on net income rather than gross income.

Estimated Time: 3–5 minutes

Discussion Question:
"Why do you think people sometimes become frustrated when they receive their first paycheck from a new job?"

Slide 10 – Reading a Check Stub

Purpose:
Help participants understand common paycheck terminology and identify important information on a pay stub.

Facilitator Notes:
Explain that understanding a pay stub is an important financial literacy skill. Many participants may never have received formal instruction on how to interpret paycheck information.

Review each section:

Pay Period: The period of time covered by the paycheck.

Gross Income: Total wages earned during the pay period before deductions.

Year-to-Date: A cumulative total of earnings and deductions since the beginning of the calendar year.

Federal Income Tax: Money withheld to support federal government programs and services.

FICA Social Security Tax: Contributions to the Social Security system.

FICA Medicare Tax: Contributions to the Medicare system.

State Income Tax: Money withheld to support state government programs and services.

Deductions: Items such as health insurance, retirement contributions, union dues, or other authorized withholdings.

Net Income: The amount remaining after all deductions have been subtracted; also known as take-home pay.

Facilitator Reminder:
Avoid turning this into a tax lesson. The goal is basic paycheck literacy and helping participants understand where their earnings are going.

Key Points:
- Pay stubs provide important information beyond take-home pay.
- Taxes and deductions affect actual income available for spending.
- Understanding deductions can reduce confusion and frustration.
- Paycheck literacy supports realistic budgeting.

Estimated Time: 5–7 minutes

Activity Option:
Ask participants to identify gross income, deductions, and net income on the sample pay stub before reviewing the answers as a group.

Transition:
"Now that we understand where income comes from and how to interpret a paycheck, we can begin discussing how to manage that income through budgeting."

Slide 11 – Budgeting Tools for Participants

Purpose:
Introduce participants to multiple budgeting approaches and reinforce that there is no single "correct" budgeting system.

Facilitator Notes:
Explain that budgeting is a tool for intentional money management, not a punishment or restriction. Different people may benefit from different budgeting methods depending on their goals, learning style, income stability, and personal preferences.

Review each method:

50/30/20 Method: A budgeting framework that allocates approximately 50% of income to needs, 30% to wants, and 20% to savings and/or debt repayment.

Discuss how these percentages may need to be adjusted depending on housing costs, family size, income level, and local cost of living.

Zero-Based Budget: Every dollar of income is assigned a purpose before it is spent. Categories such as rent, food, transportation, savings, and debt repayment are allocated until the available income equals zero.

Clarify that "zero" does not mean spending everything; it means every dollar has a planned purpose.

Envelope System: A cash-based budgeting strategy where money is divided into categories and placed into labeled envelopes. When the money in a category is gone, spending in that category stops until the next budgeting period.

This method may be especially useful for participants who struggle with impulse spending.

Key Learning Points:

- Multiple budgeting systems can be effective.
- Budgeting should be individualized.
- Every method increases awareness of spending habits.
- Consistency is often more important than choosing the "perfect" budgeting system.

Estimated Time: 5–7 minutes

Discussion Question:
"Which budgeting method seems most realistic for Regina? Why?"

Slide 12 – Basic Budgeting

Purpose:
Provide participants with practical tools for developing a personal budget.

Facilitator Notes:
Introduce the sample budget worksheet and explain that budgeting begins by understanding both income and expenses.

Review the major categories included on the worksheet, including housing, utilities, food, transportation, insurance, debt payments, savings, and discretionary spending.

Encourage participants to estimate expenses if exact amounts are unavailable. The purpose is to create awareness and establish a starting point for future planning.

Explain that budgeting is not a one-time event. Budgets should be reviewed and adjusted regularly as circumstances change.

Facilitator Reminder:
Many participants may initially discover that expenses exceed income. If this occurs, focus on problem-solving rather than judgment. The goal is awareness and planning.

Key Learning Points:
- Budgets help participants understand where money is going.
- Budgeting supports informed decision-making.
- Financial plans can be adjusted over time.
- Progress is more important than perfection.

Materials Needed:
- FTC sample budget worksheet
- VOH budgeting worksheet handout
- Calculator (optional)

Estimated Time: 5–10 minutes

Activity Option:
Provide participants with the budgeting worksheet and ask them to identify common expense categories they would include in a monthly budget.

Transition:
"Once we understand income, expenses, and budgeting tools, we can begin looking at how debt and financial obligations affect financial stability."

Normalize imperfect finances.
Because the moment people start budgeting, they usually discover one of three things:

1. They spend more than they thought.
2. They owe more than they thought.
3. Their paycheck is smaller than they thought.

Which is basically Regina's entire origin story.

Slide 13 – Impulsivity

Purpose:
Help participants understand how substance use disorders and trauma can affect financial decision-making and spending behaviors.

Facilitator Notes:
Discuss how impulsivity can affect financial choices, particularly during early recovery. Explain that impulsive spending is not necessarily a sign of irresponsibility or lack of motivation. It can be influenced by substance use, trauma history, emotional distress, stress responses, and learned survival behaviors.

Review the key concepts:
Substance Use Disorders and Impulsivity*:* SUD can affect impulse control, decision-making, and risk assessment. This may increase the likelihood of unplanned spending, high-risk purchases, or prioritizing immediate relief over long-term goals.

Trauma and Spending*:* Experiences of trauma can contribute to emotional spending, avoidance behaviors, scarcity thinking, and difficulty delaying gratification.

Role of the Coach*:* Coaches can support participants by helping them identify spending triggers, develop coping skills, strengthen emotional regulation, and create practical spending plans.

Facilitator Reminder:
Avoid framing impulsive spending as a character flaw. Emphasize that participants can learn skills that improve financial decision-making over time.

Key Learning Points:
- SUD and trauma can influence financial choices.
- Risk may feel less important in emotionally charged moments.
- Financial habits often improve as emotional regulation improves.
- Coaches can support awareness, planning, and skill development.

Estimated Time: 4–6 minutes

Discussion Question:
“What situations or emotions might make it harder for someone to stick to a financial plan?”

Slide 14 – Ricky and the Tax Refund

Purpose:
Help participants explore the relationship between recovery, emotional decision-making, financial obligations, and long-term financial stability.

Scenario Summary:
Ricky has maintained six months of recovery, secured employment, and is expecting an income tax refund. He plans to use the refund as a down payment on a new truck despite existing financial obligations, including court fines, credit card debt, and difficulty meeting monthly expenses.

Facilitator Notes:
Allow participants time to read the scenario before beginning discussion.

Avoid framing Ricky's decision as right or wrong. Instead, encourage participants to explore the motivations, emotions, risks, and potential benefits involved.

Points for Exploration:

- Why might the truck feel important to Ricky?
- How might his history of trauma influence this decision?
- What emotional needs may be connected to the purchase?
- What financial risks should be considered?
- What financial benefits might Ricky believe he will gain?
- How can a coach support Ricky without taking over the decision-making process?

Discussion Questions:

1. What is Ricky hoping the truck will represent?
2. What concerns might you have about this plan?
3. How could a coach help Ricky evaluate the decision?
4. What additional information would you want before making recommendations?
5. Are there alternatives Ricky might consider?

Facilitator Reminder:
Participants may identify strongly with Ricky's desire for a visible sign of progress. Acknowledge that major purchases can carry emotional meaning and symbolize recovery, independence, success, or self-worth.

The goal is not to prevent purchases but to help participants make informed decisions that align with their broader financial goals.

Key Learning Points:

- Financial decisions often have emotional components.
- Recovery progress does not eliminate impulsive decision-making.
- Coaches support exploration rather than directing choices.
- Long-term stability may require balancing immediate desires with future needs.

Estimated Time: 8–10 minutes

Transition:
"Financial decisions are rarely about numbers alone. Next, we'll continue exploring how emotions, goals, and financial obligations interact in real-world situations."

Slide 15 – Savings

Purpose:
Introduce the concept of savings and encourage participants to establish realistic financial goals.

Facilitator Notes:
Explain that savings can serve many different purposes, including emergency preparedness, planned purchases, housing goals, transportation needs, education, or long-term financial stability.

Review the three-step process:

<u>Step 1: Set a Goal</u>

Encourage participants to identify a savings goal that is personally meaningful and achievable. Examples may include an emergency fund, vehicle repair fund, housing deposit, vacation, or other future purchase.

<u>Step 2: Create a Rule</u>

Develop a consistent savings strategy, such as saving a specific amount from each paycheck or setting aside a percentage of income.

<u>Step 3: Take Action</u>

Emphasize that consistency is often more important than the amount saved. Small contributions can accumulate over time.

Facilitator Reminder:
Savings recommendations should be individualized. Some participants may be focused on stabilizing housing, managing debt, addressing legal obligations, or meeting basic needs. Avoid creating shame if saving is not immediately possible.

Use the savings guidance as an ideal framework rather than a requirement.

Key Learning Points:

- Savings goals should be realistic and personally meaningful.
- Consistency is often more important than the amount saved.
- Financial priorities vary among participants.
- Savings is a long-term habit that develops over time.

Estimated Time: 4–6 minutes

Discussion Questions:

- What are some common barriers to saving money?
- What types of savings goals might motivate participants?

Transition:
“Even when participants create budgets and savings goals, debt can still have a significant impact on financial stability. Next, we’ll look at common debt-related challenges.”

Slide 16 – Savings Options

Purpose:
Introduce participants to practical and realistic ways to begin saving money, recognizing that traditional banking may not be accessible or feel safe for everyone.

Facilitator Notes:
Acknowledge that saving money can feel impossible when someone is focused on meeting basic needs such as housing, food, transportation, or recovery. Emphasize that even very small amounts saved consistently can create a greater sense of stability over time.

Explain that there is no single "right" way to save money. Traditional savings accounts work well for some people, while others may need alternatives because of limited banking access, previous banking challenges, concerns about overdraft fees, or simply because keeping savings separate makes it easier to avoid spending.

Review each option:

Coffee Can (or similar container): If a participant has stable housing and a private place to store money, keeping cash in a designated container at home may be an effective short-term strategy. Encourage participants to choose a secure, discreet location.

Backpack or Purse: Some individuals prefer keeping emergency savings in a zippered pocket or hidden compartment of a backpack, purse, or other personal item. Discuss the importance of considering theft or loss and only using this method when it feels reasonably secure.

Trusted Friend or Family Member: Some people may choose to have a trusted individual hold savings for them, particularly if they are concerned about spending the money impulsively. Stress that this option requires a high level of trust and should only be considered when the relationship is healthy, stable, and mutually understood.

Prepaid Debit Card: A reloadable prepaid debit card can provide a way to separate savings from spending without requiring a traditional bank account. Participants can add money in small amounts, creating a psychological "separate bucket" while reducing the temptation to spend funds intended for emergencies.

Discussion Questions:
- What has helped you successfully save money in the past?
- What obstacles make saving difficult?
- Which of these strategies might fit your current situation?
- What is one small savings goal you could realistically begin this month?

Slide 17 – Debt Management Options

Purpose:
Introduce participants to common strategies and resources that may assist individuals experiencing debt-related challenges.

Facilitator Notes:
Explain that debt can feel overwhelming, particularly for individuals working to stabilize employment, housing, transportation, and recovery. Many participants may believe debt problems have only one solution. This slide introduces several possible options.

Clarify that coaches should not provide legal, financial, or bankruptcy advice. Instead, coaches can help participants understand available resources and encourage informed decision-making.

Review each option:

<u>Credit Counseling</u>: Typically offered through nonprofit organizations. Credit counselors help individuals review budgets, evaluate debt, and develop repayment plans.

<u>Debt Settlement</u>: A process where creditors may agree to accept less than the full balance owed. Participants should be encouraged to research companies carefully, as fees and outcomes vary.

<u>Debt Consolidation</u>: Combines multiple debts into a single payment, often with the goal of simplifying repayment or reducing interest rates.

<u>Credit Repair</u>: Focuses on correcting inaccurate information on credit reports and improving credit practices over time.

<u>Bankruptcy</u>: A legal process that may provide relief from certain debts. Participants considering bankruptcy should consult qualified legal professionals.

Facilitator Reminder:
Debt often carries significant shame, embarrassment, and fear. Focus discussions on options, education, and problem-solving rather than blame.

Many participants may have never been exposed to these concepts and may not realize resources exist.

Key Learning Points:
- Debt challenges are common and can often be addressed through multiple strategies.
- Different situations require different solutions.
- Coaches provide support and referrals rather than financial advice.
- Understanding available options can reduce anxiety and increase hope.

Estimated Time: 5–7 minutes

Discussion Questions:
- Which of these options have participants heard of before?

- What misconceptions do people commonly have about debt?
- Why might someone avoid seeking help for debt problems?

Transition:
"Understanding debt management options can help participants make informed choices. Next, we'll explore how debt impacts everyday financial decision-making and long-term stability."

Slide 18 – Debt Management: Credit Counseling

Purpose:
Introduce credit counseling as a structured, nonprofit-focused option for individuals seeking assistance managing debt.

Facilitator Notes:
Explain that credit counseling organizations often work with individuals to review finances, create budgets, and develop manageable repayment plans.

Many credit counseling agencies are nonprofit organizations that focus on education and financial stabilization rather than debt elimination.

Review the process:
- A counselor reviews the participant's financial situation.
- A repayment plan may be developed.
- Participants often make a single monthly payment to the counseling agency.
- The agency distributes payments to participating creditors.
- Monthly payments may become more manageable through negotiated arrangements.

Facilitator Reminder:
Credit counseling is often most effective for participants who have stable income but need structure and support to manage multiple debts.

Key Learning Points:
- Often nonprofit-based.
- Focuses on repayment rather than debt elimination.
- Can simplify debt management.
- May reduce financial stress through structured planning.

Estimated Time: 3–4 minutes

Slide 19 – Debt Management: Debt Settlement

What It Is:
Debt settlement involves negotiating with creditors to accept less than the full balance owed. Settlement companies are often for-profit businesses and usually charge fees for their services. Participants should carefully research any company they consider using and fully understand:

- How the company gets paid.
- Whether fees reduce the money available to settle debts.
- The possible impact on credit.

Debt settlement isn't right for everyone and carries potential risks.

Estimated Time: 3-4 minutes

Slide 20 – Debt Management: Debt Consolidation Lender

Purpose:
Introduce participants to debt consolidation as one possible strategy for simplifying debt repayment. Emphasize that consolidation is not a solution for everyone, but it can make repayment more manageable when used carefully.

Facilitator Notes:
Debt consolidation does not eliminate debt. It combines multiple debts into a single loan with one monthly payment. The debt still must be repaid, and participants should compare the total cost of the new loan before deciding if consolidation is the right option.

Discuss that debt consolidation loans may be available through banks, credit unions, or other lenders. The goal is often to simplify repayment and, in some cases, reduce the overall interest rate or monthly payment.

Emphasize that approval and interest rates depend on factors such as credit history, income, and overall financial situation. Consolidation does not erase debt, it simply restructures how it is repaid.

Encourage participants to compare loan terms carefully before accepting any offer. A lower monthly payment may extend the repayment period and increase the total amount of interest paid over time.

Remind participants to be cautious of companies that promise to "eliminate" debt or require large upfront fees. Encourage them to seek reputable lenders or nonprofit financial counseling if they are considering consolidation.

Discussion Questions:

- What might be the benefits of making only one monthly payment?

- When might debt consolidation be helpful?
- What questions should someone ask before taking out a consolidation loan?
- How could extending the repayment period affect the total cost of borrowing?

Estimated Time: 3-4 minutes

Slide 21 – Debt Management: Credit Repair

Purpose:
Introduce participants to credit repair as a strategy for addressing inaccurate or outdated information on a person's credit record. Credit repair focuses on correcting errors, not removing accurate but negative information or creating an instant credit score increase.

Facilitator Notes:
Explain that many of the steps advertised by credit repair companies such as reviewing credit reports, disputing inaccurate information, and monitoring credit can often be done by individuals at little or no cost.

Discuss that credit repair companies typically work by disputing information with the three major credit bureaus. If information is inaccurate, incomplete, or cannot be verified, it may be corrected or removed. Accurate information, however, generally remains on a credit report for the time allowed by law.

Emphasize that credit repair is not a quick fix for poor credit. Building a strong credit history takes time and is best supported by making payments on time, reducing debt, and using credit responsibly.

Remind participants to be cautious of companies that promise to "erase" bad credit, guarantee dramatic score increases, or request large upfront fees. Encourage them to research companies carefully and understand their rights before paying for credit repair services.

Discussion Questions:
- What are some steps a person can take to improve their credit without paying a company?
- When might a credit repair company be helpful?
- How can someone tell the difference between a legitimate credit repair service and a scam?
- Why does building good credit usually take time rather than happen overnight?

Estimated Time: 4-5 minutes

Slide 22 – Debt Management: Bankruptcy

Purpose:
Introduce bankruptcy as a legal option that may provide relief from overwhelming debt. Emphasize that bankruptcy can provide a fresh financial start for some individuals, but it has significant legal, financial, and credit consequences that should be carefully considered with qualified legal advice.

Facilitator Notes:
Explain that bankruptcy is a legal process handled through the court system. Depending on the type of bankruptcy filed, some debts may be discharged (eliminated), while others may be reorganized into a repayment plan.

Discuss that bankruptcy can provide relief from overwhelming debt, but it is generally considered a last resort after other options have been explored.

Emphasize that a bankruptcy filing can remain on a person's credit report for 7 to 10 years, making it more difficult to obtain credit, rent housing, or qualify for certain loans. Over time, however, responsible financial habits can help rebuild credit.

Remind participants that bankruptcy should not be viewed as a punishment but as a legal financial tool designed to help individuals who truly cannot repay their debts.

Discussion Questions:
- When might bankruptcy be an appropriate option?
- What are some of the long-term consequences of filing bankruptcy?
- Why should someone seek legal advice before filing?
- How can a person begin rebuilding their credit after bankruptcy?

Estimated Time: 5-7 minutes

Slide 23 – Debt Management: Debts That May and May Not Be Discharged

Purpose:
Help participants understand that bankruptcy does **not** eliminate every type of debt. Review common debts that may qualify for discharge and those that generally remain the individual's responsibility.

Facilitator Notes:
Explain that many unsecured debts—such as credit cards, medical bills, collection accounts, certain personal loans, and past-due utility bills—may be discharged depending on the type of bankruptcy and individual circumstances.

Discuss that some secured debts, such as mortgages or vehicle loans, may be handled differently. While bankruptcy may affect repayment terms, the lender's lien on the property often remains unless other legal requirements are met.

Emphasize that many obligations are generally **not dischargeable**, including most recent tax debt, child support, alimony, most student loans, many government fines or penalties, and debts that were not properly disclosed during the bankruptcy process.

Remind participants that bankruptcy laws are complex, and the outcome depends on the individual's situation. A bankruptcy attorney can explain which debts may qualify for discharge.

Discussion Questions:

- Why aren't all debts eliminated through bankruptcy?
- What types of debt are most commonly discharged?
- Why is it important to disclose every debt during the bankruptcy process?
- What questions should someone ask an attorney before filing?

Estimated Time: 3-5 minutes

Slide 24 – Debt Management: Finding Bankruptcy Assistance

Purpose:
Show participants how to locate qualified bankruptcy attorneys and other legal resources if they believe bankruptcy may be an appropriate option.

Facilitator Notes:
Demonstrate how to use the **Kentucky Bar Association's Lawyer Referral Service** to locate attorneys who practice bankruptcy law.

Walk participants through selecting **"For the Public,"** locating the attorney directory, and searching by county and practice area.

Explain that participants may also ask trusted professionals, nonprofit financial counselors, or community organizations for attorney referrals.

Clarify the difference between **legal aid organizations** and private bankruptcy attorneys. While legal aid may provide advice or referrals for qualifying individuals, legal aid organizations generally do **not** file bankruptcy cases on behalf of clients.

Encourage participants to schedule a consultation before deciding whether bankruptcy is the best option for their circumstances.

Discussion Questions:

- Where can someone find a qualified bankruptcy attorney?
- Why is it important to work with someone experienced in bankruptcy law?

- What questions should someone ask during an initial consultation?
- What other financial options might be worth discussing before deciding to file?

Estimated Time: 3-5 minutes

Slide 25 – Scenario: Michael

Purpose:
Give participants an opportunity to apply the debt management strategies covered in this section. Encourage discussion about meeting participants where they are, exploring options without judgment, and recognizing that financial recovery often happens one step at a time.

Facilitator Notes:

Remind participants that Michael's biggest challenge may not be his debt—it may be the hopelessness and shame he feels about his financial situation. Encourage participants to think about how they would support someone emotionally while also helping them identify realistic next steps.

Guide the discussion toward gathering additional information before recommending any specific debt management strategy. Helpful questions might include:

- What types of debt does Michael owe?
- Is he current on any of his payments?
- Does he have secured debts, such as a mortgage or vehicle loan?
- Has he created a monthly budget?
- What is his current income and essential living expenses?
- Has he already spoken with a nonprofit credit counselor or bankruptcy attorney?

Estimated Time: 8-10 minutes

Slide 26-27 – Benefits Cliff

Purpose:
Introduce participants to the concept of the **benefits cliff** and explain how increases in income may affect eligibility for public assistance programs. Emphasize that changes in benefits often occur gradually and should be planned for when possible.

Facilitator Notes:
Explain that a **benefits cliff** occurs when an increase in income results in the reduction or loss of one or more public assistance benefits. While earning more money is generally a positive step, the transition can create temporary financial challenges if lost benefits exceed the increase in income.

Discuss that the term “benefits cliff” can be misleading. In many situations, benefits are reduced gradually rather than ending all at once. The timing and amount of benefit reductions vary depending on the specific program and state eligibility requirements.

Acknowledge that some people worry about accepting raises, promotions, or additional work because they fear losing essential supports such as food assistance, housing assistance, childcare, or Medicaid. Encourage participants to work with their case manager, benefits counselor, or service provider before making employment decisions so they understand how changes in income may affect their benefits.

Emphasize that planning ahead can help participants navigate benefit changes while continuing to work toward greater financial independence.

Discuss that many individuals receiving public benefits are working toward greater financial independence, but complex eligibility rules can create uncertainty.

Explain that some benefit programs have income or asset limits. Depending on the specific program and individual circumstances, even relatively small changes in income or savings may affect eligibility or benefit amounts. The rules vary by program and state.

Emphasize that confusion about benefit rules can sometimes discourage people from pursuing employment opportunities—even when they may not actually lose benefits

Explain that some benefit programs have income or asset limits. Depending on the specific program and individual circumstances, even relatively small changes in income or savings may affect eligibility or benefit amounts. The rules vary by program and state.

Emphasize that confusion about benefit rules can sometimes discourage people from pursuing employment opportunities—even when they may not actually lose benefits.
Reinforce that understanding the rules allows participants to make informed decisions rather than decisions based on fear or misinformation.

Discussion Questions:

- Why might someone hesitate to accept a raise or promotion?
- What types of public benefits could be affected by increased income?
- Why is it important to speak with a case manager before making employment decisions based on benefits?
- How can planning ahead reduce the impact of a benefits cliff?
- How can confusing eligibility rules affect employment decisions?
- Why is it important to verify benefit rules before making financial decisions?
- Who can help someone understand how changes in income may affect their benefits?

Estimated Time: 6-7 minutes

Slide 28 – Scenario: Maria

Purpose:
Provide participants with an opportunity to apply the concept of the **benefits cliff** to a real-world coaching situation. Encourage discussion about balancing empathy with problem-solving and connecting participants to appropriate resources before major financial decisions are made.

Facilitator Notes:
Begin by acknowledging Maria's frustration. Although she accepted a raise to improve her family's financial situation, the unexpected loss of childcare assistance has left her financially worse off in the short term. Validate that this experience is real and can feel discouraging.

Encourage participants to avoid immediately suggesting that Maria decline future raises or promotions. Instead, discuss the importance of gathering additional information and connecting her with resources that can help her understand her options.

Guide the conversation toward exploring questions such as:

- Has Maria spoken with her case manager or benefits counselor?
- Are there other childcare assistance programs or community resources available?
- Is the loss of benefits temporary or based on current income calculations?
- Could future wage increases eventually offset the loss of benefits?
- What other financial resources or budgeting strategies might help during this transition?

Remind participants that the coach's role is not to determine benefit eligibility but to help participants navigate difficult situations, identify resources, and continue working toward long-term financial stability.

Discussion Questions:

- What emotions is Maria expressing?
- Why does Maria feel that accepting the raise may have been a mistake?
- What additional information would you want before offering suggestions?
- Who could Maria contact to better understand her benefits?
- How would you respond to Maria's statement, "Doing the right thing just doesn't pay"?
- What strengths does Maria demonstrate despite this difficult situation?

Estimated Time: 8-10 minutes

Slide 29 – Traditional Banking: Second Chance Banking

Purpose:
Introduce participants to **Second Chance Banking** programs and explain how these accounts can help individuals re-establish access to banking services after previous account problems.

Facilitator Notes:
Explain that some banks and credit unions offer **second chance banking** accounts for individuals who have been unable to open a traditional checking or savings account due to prior banking issues, such as unpaid overdraft fees, account closures, or a negative banking history.

Discuss that these accounts allow participants to safely manage their money, receive direct deposit, pay bills electronically, and begin rebuilding a positive banking relationship. Some accounts may have restrictions, monthly fees, or additional requirements while participants demonstrate responsible account management.

Emphasize that not every financial institution offers second chance banking. Encourage participants to contact local banks and credit unions to ask whether they provide these accounts and to compare available features, fees, and requirements.

Remind participants that establishing a positive banking history can be an important step toward long-term financial stability.

Discussion Questions:

- What situations might prevent someone from opening a traditional bank account?
- How could a second chance banking account support someone's financial recovery?
- What questions should someone ask before opening one of these accounts?
- Why might comparing different banks and credit unions be beneficial?

Estimated Time: 5-7 minutes

Slide 30 – Community Reinvestment Act of 1977

Purpose:
Introduce participants to the **Community Reinvestment Act (CRA)** and explain how it encourages banks to help meet the financial needs of the communities they serve, particularly low- and moderate-income neighborhoods.

Facilitator Notes:
Explain that the CRA was enacted in 1977 to encourage banks and other financial institutions to meet the credit and financial service needs of the communities where they operate, including low- and moderate-income areas.

Discuss that financial institutions may fulfill their CRA responsibilities in a variety of ways, such as offering affordable banking products, supporting financial education, partnering with community organizations, or providing lending opportunities that expand access to credit.

Encourage participants to become familiar with local banks and credit unions and ask about financial education classes, first-time homebuyer programs, small-dollar loans, matched savings programs, and other community resources that may be available.

Emphasize that building relationships with local financial institutions can connect participants with services that support long-term financial stability and financial inclusion.

Discussion Questions:

- What is the purpose of the Community Reinvestment Act?
- How might local banks support individuals beyond traditional checking and savings accounts?
- Why is it helpful to build a relationship with a local financial institution?
- What community resources might participants ask about when visiting a bank or credit union?

Estimated Time: 3-5 minutes

Slide 31 – Financial Literacy Resource: Banzai

Purpose:
Introduce participants to the **Banzai Financial Literacy** website as an additional resource for building financial knowledge and developing practical money management skills outside of coaching sessions.

Facilitator Notes:
Explain that participants have received a handout with the Voices of Hope/Central Bank Banzai website address. This online resource provides free financial education materials designed to help individuals strengthen money management skills at their own pace.

Demonstrate the website, if possible, and point out the available topics, including budgeting, saving, credit, debt management, banking, identity protection, and financial goal setting. Many lessons are presented through short articles, interactive activities, and brief videos that are easy to complete in just a few minutes.

Encourage participants to use the website between coaching sessions to reinforce concepts discussed during training. Recovery coaches can also use specific lessons or activities from the website as discussion tools during individual coaching sessions.

Remind participants that improving financial literacy is an ongoing process. Small, consistent learning opportunities can help build confidence and support long-term financial wellness.

Discussion Questions:

- What financial topic would be most helpful for you to learn more about?
- How could online financial education support your personal financial goals?

- Which Banzai resources might you use between coaching sessions?
- How can short learning activities help someone build confidence with money management?

Estimated time: 2-3 minutes

Slide 32 – Alternative Banking

Purpose:
Introduce participants to alternative banking and financial technology (fintech) companies as additional options for managing money. Discuss the advantages, limitations, and factors participants should consider before choosing these services.

Facilitator Notes:
Explain that financial technology companies, such as Cash App, SoFi, and Chime, provide banking-related services through mobile apps and online platforms. While many offer checking accounts, savings accounts, debit cards, direct deposit, and small-dollar loans, they are not traditional banks.

Discuss that these services often appeal to individuals because they may have low or no monthly maintenance fees, no minimum balance requirements, and convenient mobile banking features. Some providers also offer early direct deposit, high-yield savings accounts, or credit-building products.

Emphasize that features vary by company. Encourage participants to compare fees, ATM access, customer service options, overdraft policies, loan terms, and account protections before opening an account.

Remind participants that many fintech companies partner with FDIC-insured banks to provide deposit insurance. Encourage participants to verify that their deposits are FDIC-insured through the partner bank and to understand any eligibility requirements for specific products or benefits.

Discussion Questions:
- What advantages do online banking services offer?
- What are some potential disadvantages of not having a local branch?
- What questions should someone ask before opening an account with a fintech company?
- How can someone verify that their deposits are FDIC-insured?

Estimated Time: 3-5 minutes

Slide 33 – Scenario: Michelle

Purpose:

Provide participants with an opportunity to apply the concepts of **second chance banking** and alternative banking options. Encourage discussion about helping participants identify practical solutions that support employment and financial stability.

Facilitator Notes:
Begin by recognizing Michelle's anxiety. She has secured stable employment, but her banking history is creating a barrier to maintaining that opportunity. Emphasize that situations like Michelle's are common and that there may be multiple solutions available.

Guide participants toward gathering additional information before making recommendations. Helpful questions might include:

- Has Michelle contacted the bank where she owes the outstanding balance?
- Has she explored a repayment plan that could help resolve the debt?
- Has she contacted other banks or credit unions that offer second chance banking?
- Would an alternative banking service that accepts direct deposit meet her employer's requirements?
- Has she reviewed her ChexSystems report for accuracy?

Discuss the importance of helping participants identify immediate solutions that allow them to keep their employment while also developing a long-term plan to resolve outstanding banking issues.

Remind participants that recovery coaching focuses on connecting individuals with resources, identifying realistic options, and reducing barriers—not solving the problem for them.

Discussion Questions:

- What is Michelle's most immediate concern?
- What additional information would you gather before suggesting a solution?
- What banking options discussed today might help Michelle?
- What long-term steps could Michelle take to rebuild her banking history?
- How would you help Michelle balance the immediate need to receive direct deposit with resolving her outstanding debt?

Estimated Time: 8-10 minutes

Slide 34 – Goal Setting

Purpose:
Introduce stability-based goal setting as an approach that promotes confidence, consistency, and long-term success. Emphasize that small, achievable goals often create greater progress than overly ambitious goals, particularly for individuals in early recovery or experiencing significant life stress.

Facilitator Notes:
Explain that recovery and financial stability are built through consistent, repeatable actions rather than dramatic changes. Encourage participants to focus on goals that are realistic, flexible, and aligned with their personal values.

Discuss why traditional SMART goals may not always be the best approach for individuals in early recovery or those experiencing cognitive overload, unstable living situations, or active substance use. Highly specific, time-sensitive goals can sometimes increase feelings of failure if circumstances change unexpectedly.

Instead, encourage participants to identify small, manageable actions that can be repeated consistently. Examples might include reviewing a budget once each week, making one bill payment on time each month, or setting aside a small amount of money whenever possible.

Emphasize that goals should be reviewed regularly and adjusted without judgment. Progress is measured by continued engagement and learning—not perfection.

Discussion Questions:

- Why can small, repeatable goals be more effective than large goals?
- What are examples of stability-based financial goals?
- How might feelings of shame affect someone's willingness to continue after missing a goal?
- How can recovery coaches help participants celebrate small successes?

Estimated Time: 5-7 minutes

Slide 35 – Questions and Discussion

Purpose:
Provide participants with an opportunity to reflect on the material, identify key takeaways, and discuss practical next steps. Encourage conversation that focuses on growth, confidence, and applying financial concepts to everyday life.

Facilitator Notes:
Use this slide to facilitate an open discussion rather than provide additional instruction. Encourage participants to share what stood out to them during today's training and invite them to reflect on how the information relates to their own experiences.

Allow participants to identify topics that felt confusing or overwhelming. Normalize that financial concepts can be complex and remind them that learning happens over time through practice and continued discussion.

Help participants shift from information to action by asking them to identify one small, realistic step they feel confident taking after today's session. Reinforce that consistent, manageable actions often lead to meaningful long-term progress.

Close the discussion by reminding participants that financial recovery, like personal recovery, is a process. Encourage them to continue using available resources, ask questions, and seek support when needed.

Discussion Questions:

- What was your biggest takeaway from today's training?
- What concept would you like to learn more about?
- What is one financial goal or action you plan to take after today's session?
- What resources or support would help you continue making progress?
- What questions do you still have before we conclude today's training?

Estimated Time: 10-15 minutes

Slide 36 – Bibliography

Purpose:
Provide participants and facilitators with the sources used to develop this training. Encourage continued learning by demonstrating that the information presented is grounded in reputable research, government guidance, and evidence-based financial education resources.

Facilitator Notes:
Explain that the resources listed in the bibliography were used to develop the financial literacy curriculum and reflect current research, government publications, and educational materials related to personal finance, banking, debt management, financial recovery, and behavioral health.

Encourage participants to explore these resources if they would like additional information or wish to learn more about specific topics discussed during the training. Recovery coaches may also use these references to expand their knowledge and locate additional tools for supporting participants.

Remind participants that financial products, regulations, and public benefit programs can change over time. Encourage them to verify current information through trusted government agencies, financial institutions, and nonprofit organizations when making financial decisions.

Thank participants for their engagement and encourage them to continue building financial knowledge one step at a time.