

Money Sense

Habitat Homeowners Find a New Plan for a New Life

Laura Blanton

"I'm not a big fan of fantastic plastic," said Habitat homeowner Edith Birgs, referring to the financial quicksand of a credit card. "I don't even want one." This was one of the most impressionable financial lessons that Birgs learned during Dave Ramsey's *Financial Peace University*, a program that Habitat is now requiring homeowners to complete before moving into their houses. The program operates on 13 tenets, from lessons on understanding insurance and investments to ridding yourself of debt and planning for the future. Starting last year, Habitat started incorporating *FPU* as a way to educate new homeowners and ensure their financial success once they received their house.

Although the program teaches the same skills and information to all participants, each student finds that certain particular lessons stand out to them. For Birgs, it was learning how to make sacrifices to get rid of debt. "You realize your name is a valuable thing—once your credit is tarnished, your name is tarnished," she said. "If you know of something that you want to do, pay off one bill before you try to take something else on." Birgs was able to pay off her car note last August and add cable to her television a few months later with the extra money. In the same give-and-take fashion, she learned how to prioritize her spending habits on a daily basis. "When you'd normally go shopping, you just don't really need to," she said. "Just go on and pay your light bill, because you know you need your light!"

Darrekia Ward also paid off her car note while she was learning about debt management in *FPU*. "Take that extra money that you have and put it towards savings in case you have an emergency," she said. Her paycheck now gets deposited directly into a savings account, so that money leftover after bills is already stored away. "Whatever I have left is there just in case anything goes wrong with my kids or my car or my house," she said. Ward plans to teach her children, who are one and three years old, the aspects of the program once they are old enough to understand it. Until then, she's figured out the best way to prepare for their future: "Now the only thing I have to do is save!"

LePaula White, also among the program's first graduates, realized from *FPU* that she was retaining unnecessary expenses. "I had too much insurance and was just giving away money," she said. She also learned about long-term investments for her teenage children and opened two Roth IRAs for them because she said in 30 years the interest alone will have accumulated to a substantial amount. With an emergency account as well, White is now prepared for any unforeseen financial disasters. "I know things may happen down the road, and I'll have something to go into just in case something does happen," she said. White learned how simple it could be to make some major changes in her financial life without having to make major lifestyle changes; she simply restructured the way she saves and spends money.

All three women have met short-term financial goals since enrolling in *FPU* and have set long-term goals for themselves and their families. Because the program teaches about many different financial strategies, students are reaping the benefits of what they learned as time goes by. "The *Financial Peace* was a lot of great help, and I believe that now, the more I'm in my house with the bills coming," Birgs said. With as much as they

learned and as complicated as finances can get—especially for homeowners—Ward discovered that a huge step to financial success is actually pretty simple. “Every time I used to get money, I’d spend it on any and everything,” she said. “Now, I just spend my money on what I need.”