
Financial and Non-Financial Resources

Financial Resources

It is important to be intimate with your financial condition. When you know where you stand, you're better prepared to take advantage of the opportunities that present themselves to you. What is the value of what you own? What do you owe? The difference is your net worth. How much does it cost you to live each month? Divide your net worth by your monthly budget and you get a rough estimate of what we can call "financial security." How many months could you live without working? How does that feel? Is it enough? Or do you need to include savings in your overall plan to find meaningful work?

Sometimes it's necessary to "finance" your move from one kind of work to another or from one level of financial condition to a different one. It is difficult to feel safe about a change if you have no idea whether you can afford to make the move. So, find out.

In calculating your monthly budget, avoid putting yourself in a state of deprivation. Many people are tempted to put themselves on a very low budget by cutting out everything that isn't absolutely necessary. They make these cuts in a moment of enthusiasm about the future. Then when the demands of day-to-day living cause their enthusiasm to wane, they begin to feel deprived. They become resentful and find themselves with an uncontrollable urge to splurge in order to feel better. Afterwards they feel contrite and guilty and return to an even more severe budget in the hope of making up for their mistake. This is akin to the "binge/purge" cycle that many people experience around dieting.

It is better to calculate the level of austerity or frugality you think you can tolerate, then give yourself a small amount more than that. For example, if you've been taking your clothes to the laundry, don't cut the laundry out entirely. Just cut it by half or two thirds. The same goes for life's little luxuries, such as massages or special desserts, the things that you think you should do without. You cannot embrace abundance if you always feel deprived.

INVENTORY YOUR FINANCIAL RESOURCES

Use the following forms to begin organizing your thinking about the financial resources you have to work with right now in your life. These items are meant to be suggestive only, although they are a pretty complete list of what most people find helpful. Use the ones that have meaning for you and add others of your own. Use more paper if necessary.

Calculate Your Net Worth

Use the worksheet on page 3 to calculate the totals to be entered into the box below.

BALANCE SHEET SUMMARY	
What I OWN	
Less what I OWE	
Equals my NET WORTH	

Create a Realistic Budget

Use the worksheets on pages 4 and 5 to calculate the totals for the box below:

REALISTIC BUDGET SUMMARY	
Total Regular Monthly Payments	
Total Food expense	
Total Household Operating Expense	
Total Personal expense.....	
Total Tax expense	
MONTHLY TOTAL for Realistic Budget	

Calculate your Financial Security

One way to measure your financial security is to calculate how long you can go without any income. You now have the numbers, from above, to make that calculation. Divide your **NET WORTH** by your **MONTHLY TOTAL for Realistic Budget** and that number is the number of months you can survive if you sell everything you own and pay off everything you owe.

Note a pleasant scenario, to say the least. But just a realistic index of security. How does it feel? What do you want to do about it?

I OWN	
Cash	
Checking.....	
Savings and money markets	
Securities – quick sale value	
Real Estate – quick sale value	
Furniture – quick sale value	
Car – quick sale value	
Cash value of Life Insurance.....	
Savings Bonds	
KEOGHs & IRAs.....	
Other Assets	
Receivables.....	
TOTAL (What I OWN)	
I OWE	
Current household bills due.....	
Balance due on installment contracts	
Car	
Appliances.....	
Personal loans.....	
Other.....	
Real Estate Mortgage (Describe)	
Other loans (Describe)	
Balance due on Credit cards.....	
Insurance premiums due for balance of year.....	
Taxes due for balance of year	
Other debts (Describe)	
TOTAL (What I OWE)	

REGULAR MONTHLY PAYMENTS	
House payments (including taxes) or rent.....	
Car payments (including insurance).....	
Appliance-TV payments.....	
Personal loan payments.....	
Credit card payments.....	
Health plan payments.....	
Life insurance payments.....	
Other insurance payments.....	
Miscellaneous payments.....	
TOTAL Regular Monthly Payments.....	

FOOD EXPENSE	
Food, at home.....	
Food, away from home.....	
TOTAL Food Expense.....	

HOUSEHOLD OPERATING EXPENSE	
Telephone.....	
Gas and electricity.....	
Water.....	
Garbage.....	
Other household expenses, repairs, maintenance.....	
TOTAL Household Operating Expense.....	

PERSONAL EXPENSE	
Clothing, cleaning, laundry	
Drugs, cosmetics, sundries	
Doctors and dentists	
Dues and education	
Gifts and contributions	
Travel	
Newspapers, magazines, books	
Auto upkeep and gas	
Spending money and allowances	
TOTAL Personal Expense	

TAX EXPENSE	
Federal and State Income Taxes	
Other taxes	
TOTAL Tax Expense	

Non-Financial Resources

INVENTORY YOUR NON-FINANCIAL RESOURCES

Exercise: Circles of Intimacy

A good way to focus on the people resources in our life is in terms of circles of intimacy. Take a piece of paper and draw a small circle in the middle of it. Write your own name inside that circle. Now draw a slightly larger circle around that one.

Inside the second circle write the names of the one or two or three people to whom you feel the closest. These are people who understand you and whom you understand.

You enjoy sharing with these people and you can always count on each other for support. These are your closest friends, your *confidants*.

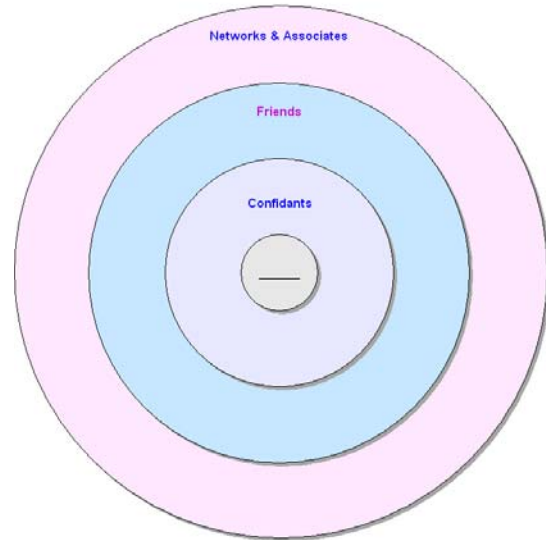
Now draw a third circle around the second. Inside this circle write the names

of people with whom you are not quite as intimate, but whom you can count on most of the time and whom you would be willing to help most of the time if asked. These are your *friends*.

Finally, draw a fourth circle around the third and write the names of groups that you are a part of: clubs, community groups, churches, schools, your job, your professional contacts and so forth. These are your *networks and associates*.

The people within all of these circles are your personal “community.” They will be the resource pool from which you will build all the support you need to find and maintain your entrepreneurial spirit. They will provide you with role models, mentors, and guides. They can give you friendship and nurturance, help in times of crisis, referrals to others who can help, and encouragement along the way. They will also be the primary source of most of your referrals to jobs, customers, or clients.

Circles of Intimacy:
Your Personal Community of Support



1. See appendix for full-page worksheet.

Exercise: Inventory Your Talents and Abilities

Use this form to begin thinking about what you are good at and what you like to do. The items listed are meant to be suggestive only. Use the ones that have meaning for you and add others of your own. Use more paper if necessary.

WHAT I AM GOOD AT		
Good	Examples:	Need to improve
	<i>Skills with things</i>	
	Using my hands	
	Using my body	
	Agility, speed, strength, stamina	
	Crafting, sewing, weaving, hammering	
	Handling or expediting	
	Making, producing, manufacturing (cooking)	
	Operating, controlling, driving, etc.	
	<i>Skills with people</i>	
	Taking instructions, serving, helping	
	Communicating in person or on the phone	
	Instructing, tutoring, teaching, training	
	Referring people or helping two people to link up	
	Diagnosing, treating, or healing	
	Performing, entertaining, amusing, inspiring	
	Facilitating, guiding a group discussion	
	<i>Skills with information</i>	
	Compiling, searching, researching	
	Interviewing or observing people	
	Studying or observing things	
	Imagining, inventing, creating, designing new ideas	
	Computing, working with numbers, doing accounting	
	Visualizing, drawing, painting, dramatizing, creating videos or software	

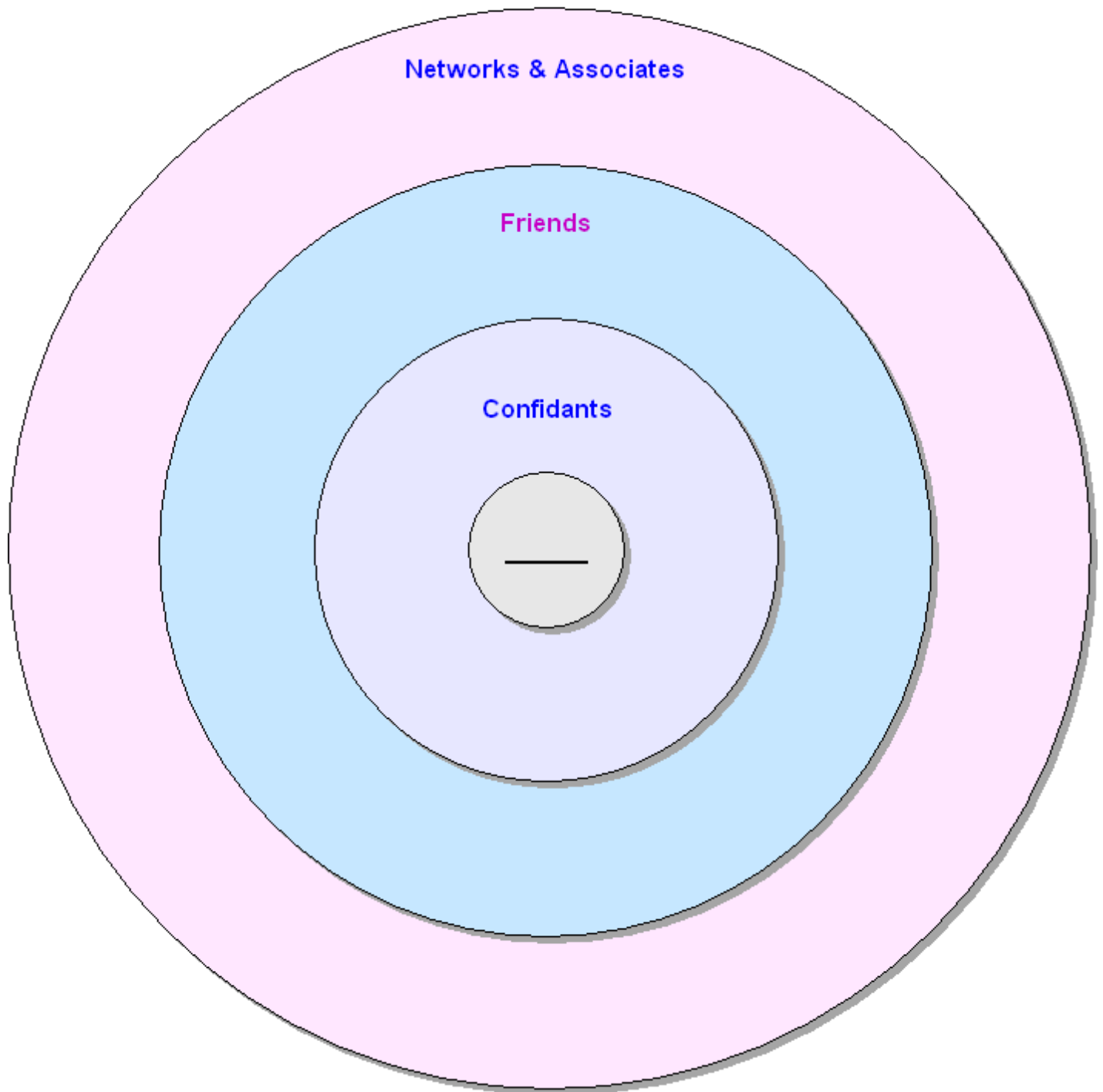
DEVELOP A NONFINANCIAL BALANCE SHEET

Use the following forms to begin thinking about the nonfinancial resources you have to work with right now in your life. These items are meant to be suggestive only. Use the ones that have meaning for you and add others of your own. Use more paper if necessary.

WHAT I HAVE		
Resources	Examples:	Liabilities
	Health/Illness	
	Education/Lack of education	
	Relationships/Lack of relationships	
	Friends/Enemies	
	Contacts/Lack of Contacts	
	Talents/Undeveloped capabilities	
	Hobbies/No outside interests	

HOW I AM		
Resources	Examples:	Liabilities
	Disposition: Cheerful/Gloomy	
	My age: Positive factor/Negative Factor	
	My behavior: Flexible/Rigid	
	My interests: Broad/Narrow	
	My attitude: Accepting/Judgmental	

Circles of Intimacy: Your Personal Community of Support



Parts of the preceding exercises were derived from material contained in:

Bolles, Richard Nelson. *What Color is Your Parachute? A practical manual for job-hunters and career changers*. Berkeley: Ten Speed Press, Updated annually.

Hwoschinsky, Paul. *True Wealth: An innovative guide to dealing with money in our lives*. Berkeley: Ten Speed Press, 1990.

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