

# Money mentoring: A resource pack

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## Introduction

These resources were developed by Thrive Teesside as part of the *Debt on Teesside* action research project in partnership with Durham University's Centre for Social Justice and Community Action during 2011-13. They are designed to be used with low-income households as part of a money mentoring scheme of about 10 sessions, but can be modified as required.

This resource pack provides:

- A framework for a 10-session mentoring relationship, with details of what might be covered in each session;
- Worksheets that can be used during mentoring sessions.

*For background information on how to set up a community-based mentoring scheme see:*

Centre for Social Justice and Community Action (2013) *Community mentoring toolkit: Working with socially excluded households*,  
[www.durham.ac.uk/beacon/socialjustice/researchprojects/debt\\_on\\_teesside](http://www.durham.ac.uk/beacon/socialjustice/researchprojects/debt_on_teesside)

*For details of money mentoring, see:*

Centre for Social Justice and Community Action (2014) *Money mentoring: Working with low-income households experiencing problematic debt, Practice briefing*,  
[www.durham.ac.uk/beacon/socialjustice/researchprojects/debt\\_on\\_teesside](http://www.durham.ac.uk/beacon/socialjustice/researchprojects/debt_on_teesside)

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## Acknowledgements

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## **What is money mentoring?**

Money mentoring is a system for supporting individuals and families to develop an understanding of their finances. It goes beyond advice giving, providing an opportunity to encourage and enable mentees to: look at some of the reasons behind their financial difficulties, to think about some of the decisions they make in relation to money management, help them develop self-awareness/self-worth and guide them through taking the steps needed to achieve their goals.

It is good practice to offer a personalised, tailor-made, mentor support programme to all mentees, bearing in mind that financial difficulties may be only one concern they face amongst a range of other issues impacting on their lives. Seeing the 'whole' person and ensuring support is available to cover the full impact of debt, particularly social and emotional support, is a key recommendation to improve outcomes for participants in mentor projects.

However, while supporting people to improve money management skills build confidence and work towards goals is helpful, it must be noted that the root cause of problems for people on low incomes is poverty. Many causes of debt are outside people's control, including: rising costs of living; insecure job markets; and welfare reforms.

The session guidelines included here offer a framework on which to build a mentoring project and can be adapted to meet the needs of project participants (mentees). A variety of worksheets have been collated to provide a useful resource for organisations that are delivering, or thinking about delivering, a money mentoring project in their community.

Worksheets can be a useful aid to gather information and promote discussion and thinking. They can also be used as visual prompts (reminders). Households may not be comfortable with completing 'paperwork', so it may be that the mentor completes the worksheets or that the worksheets are merely used as a prompt to guide the session. Some of the worksheets have been adapted from the Credit Action and Co-operative bank: Good with Money Student Workbook.

## A structured framework of mentoring sessions

### Session 1

Preliminary interviews with project participants will have generally been carried out prior to the mentoring sessions commencing.

*Aims of session:* Developing the mentor–mentee relationship and getting to know each other; assessing motivation, including establishing reasons to participate and identifying potential barriers to full participation and setting goals. This session will also provide an opportunity to agree session dates and times. It is a good idea to set some ‘ground rules’, determining the boundaries of the mentors’ and mentees’ roles and responsibilities, agreeing clear expectations from both parties.

A mentor functions as a ‘resource’ and a ‘support’, enabling the mentee to move towards their defined and agreed aspirations. Building a rapport and getting to know each other are important if trust is to be established. Specific skills of a mentor that support the building of a relationship include: active listening; motivating another person without putting pressure on them; having an ability to break down barriers; not being judgemental and evidencing an ability to see a situation from someone else’s point of view. Worksheets 1 and 2 can be used in this first session as shown below.

Worksheet	How to use worksheet
<p><b>1. Goals sheet</b></p>	<p>A summary of the findings from the initial interview will have been collated and inserted in the first house shown on the worksheet: <i>Where I am</i>. Mentees will be encouraged to comment on these findings and asked <i>how they see themselves at this particular time</i>. (work, family situation, caring responsibilities, money and finances, links to the community..). It is also important to capture mentees’ thoughts and feelings (are they happy, do they feel like they are coping, what is good about their life, what is their most pressing concern...)  <i>Where I want to be</i> (second house) is to be completed by the mentees. Covering the areas already discussed (work, family situation...), mentees are given the time to think about how they see themselves in 10 years’ time. This will inform the setting of short, medium and long term goals. Ideally goals should be realistic and achievable. Don’t worry if they are not at this stage of the mentoring, as goal-setting is revisited throughout the mentor–mentee relationship.</p>
<p><b>2. Income and expenditure exercise</b></p>	<p>Complete total household income and expenditure in as much detail as you can. This information may be a little incomplete at the introductory session, but will provide an initial framework to begin looking at mentees’ financial situations. It may become apparent that mentees are not accessing their full benefit entitlements or are paying too much to certain energy providers. With the development of a relationship, mentees generally become more forthcoming about their financial situation (how much debt they have, what money is or isn’t allocated to specific outgoings...). Also, it is sometimes not until mentees start using a spending diary that their spending habits are fully realised.</p>

## Sessions 2 – 5

*Aims of sessions:* continue building the mentor–mentee relationship; provide opportunities for the mentee to start thinking about how they manage their finances; to assess mentee’s level and type of debt (looking at both the impact of this and any strategies in place to deal with problem debt) and how/if they are ‘making ends meet’. The mentor will guide discussions and encourage the mentee to spend some time consciously thinking about spending habits, keeping track of finances, identifying potential situations that place additional pressure on their ability to manage their money and guiding mentees to develop an action plan.

When assessing level and type of debt, it is important to bear in mind the mentee’s perception of the situation. Traditional models of debt advice/support often focus on priority debts (those that have legal implications). However, research has highlighted that non-priority debts have a significant impact on people’s mental health and wellbeing and may be as important to the mentee and therefore also need to be addressed. It is of particular importance to look at debt and financial difficulties from the point of view of the mentee. As Salter (2014)<sup>1</sup> comments:

*People’s reaction to debt – their perception of their situation, the stigma they might feel, their emotional resilience...make a significant difference to the way in which people manage their situation and how it impacts on their mental and physical health, relationships and wider wellbeing. It also affects whether people seek help earlier or later.*

Worksheet	How to use worksheet
<p><b>3. Dealing with debts</b></p>	<p>Encourage mentees to list <i>all</i> debts, that is, all the money owed (including any that may be owed to family and friend and any arrears). Next to each debt, the mentees then have to identify whether it is a priority or non-priority debt. Mentors should lead the discussion around the legal implications of some debts, what are the consequences of non-payment and how much the debt causes the mentees to worry on a daily basis. For the purpose of this exercise, priority debts will be listed as a result of the legal consequences of non-payment as well as the high levels of stress caused by owing some form of debt. It is important that some key steps are identified in order to address debt problems (q3). These steps can be incorporated into mentees’ action plans during a later session.</p>
<p><b>4. Spending diary (1)</b></p>	<p>Mentees will be asked to keep a record of their spending habits (initially over a one week period). The value of this exercise is dependent upon whether or not mentees record every penny spent. It is important that mentors encourage mentees to be open and honest about their spending on a daily basis (noting what they bought, where they purchased goods, how much was spent...). On completion of the spending diary, mentors will lead a discussion to elicit information around mentees’ thoughts about their spending habits and whether or not there are any presenting opportunities to make any savings. This will also be an opportunity to formulate a budget plan.</p>

<sup>1</sup> Salter, J. (2014) *The Borrowers*, London, Demos, [www.demos.co.uk/publications/borrowers](http://www.demos.co.uk/publications/borrowers)

<p><b>5. Reducing spending</b></p>	<p>Following completion of the spending diary, mentees are to attach a monetary value to each of the areas depicted in the worksheet. Mentors will guide a mentees to think about if there are possibilities to make savings in any of the areas/if there are any opportunities to cut back or are there cheaper alternatives (e.g. food shopping, energy suppliers, phone contracts...).</p>
<p><b>6. Parents and pressures</b></p>	<p>Being a parent and only having a limited amount of money can be quite difficult. Mentors will encourage mentees to think about specific situations/events that parents find quite difficult to pay for on their budget. Part of this exercise is to start planning for such events (e.g. birthdays, Christmas) from a monetary point of view, but another aspect of the discussion is to focus on 'how else can you meet the needs of your children?' exploring (to some extent) the role of parents, what participants feel 'makes a good parent' and what other ways parents can overcome the pressures from their children.</p>
<p><b>7. Money and pressures</b></p>	<p>Mentors will encourage mentees to identify at least one other situation/pressure to spend money and guide mentees to think about the consequences of overspending (both in the short term and longer term). Through discussion, mentors will provide an opportunity for the mentees to think about ways of dealing with such pressures. This could be through budgeting income, planning ahead, saving, and avoiding 'risky' situations/people. It is for mentees to agree possible ways to effectively deal with the pressure(s) as it has to be something that would 'work for them'.</p>
<p><b>8. Action plan</b></p>	<p>A summary of the key points from previous exercises are to be listed by mentors in the boxes provided: total income and expenditure; priority debts and agreed actions to take; and 'plans' for dealing with 'pressures'. Mentors will also insert the goals agreed during the introductory session. This will be an opportunity for mentees to review the findings to date, look at whether or not the goals set are still relevant and enable mentees to deal with presenting issues. Mentees will then be asked to confirm existing goals or re-set goals</p>
<p><b>9. Ladder exercise</b></p>	<p>At the top of the ladder, mentees will insert their goal. It is then for mentors to guide a discussion around 'what steps are needed to be taken to achieve the goal?' Mentors are to encourage mentees to think about potential obstacles that may affect the ability to take steps and promote thinking about how to overcome such obstacles. This might include building emotional resilience and confidence, reaffirming positive steps/actions taken, as these may be personal barriers preventing people from realising their potential or achieving goals. Mentors can be a useful resource in supporting the mentee to generate alternatives and options, thus reducing the risk of giving up on goals if things don't go to plan.</p>

## Sessions 6 – 9

*Aim of sessions:* Building on the mentees’ agreed action plan, mentoring sessions will incorporate worksheets and discussions that aim to enable mentees to plan ahead, reduce outgoings (if possible) and further develop money management skills.

These sessions will also provide an opportunity to reflect upon and review progress to date. Mentees will spend some time with their mentor evaluating their ‘journey travelled’ and assessing whether or not they are taking the steps to achieve their goals. Sessions will allow time to revisit some of the worksheets or discussion that have taken place in earlier sessions and noting mentees perceptions of how they are: taking on board skills; making decisions and dealing with their initially presented financial difficulties.

Worksheet	How to use worksheet
4. <b>Spending diary (2)</b>	Complete a spending diary for a second time – the discussion will benefit from focussing on any differences in relation to spending habits and the consequences of this.
10. <b>Savings goal</b>	With regards planning ahead, this worksheet is useful for mentees to identify a savings goal, work out the exact cost and agree a realistic plan. Mentors can promote a discussion about the feasibility of this plan and signpost to possible options for savings and affordable credit (e.g. credit unions, community development finance institutions). If the savings plan does not appear realistic within household budgets and the stated timeframe, mentors may wish to guide a discussion around how else mentees can achieve their goal (have a holiday, purchase goods, enjoy Christmas ...).

## Sessions 10 onwards

*Aim of sessions:* to prepare mentees for the ending of the mentor-mentee relationships. Establishing links and contacts within their communities, consolidating skills learnt and affirming progress made will help sustain learning beyond the lifetime of the mentoring project.

### Resources

Credit Action and the Co-operative Bank, Good with Money: ‘Better Thinking about money: student workbook’

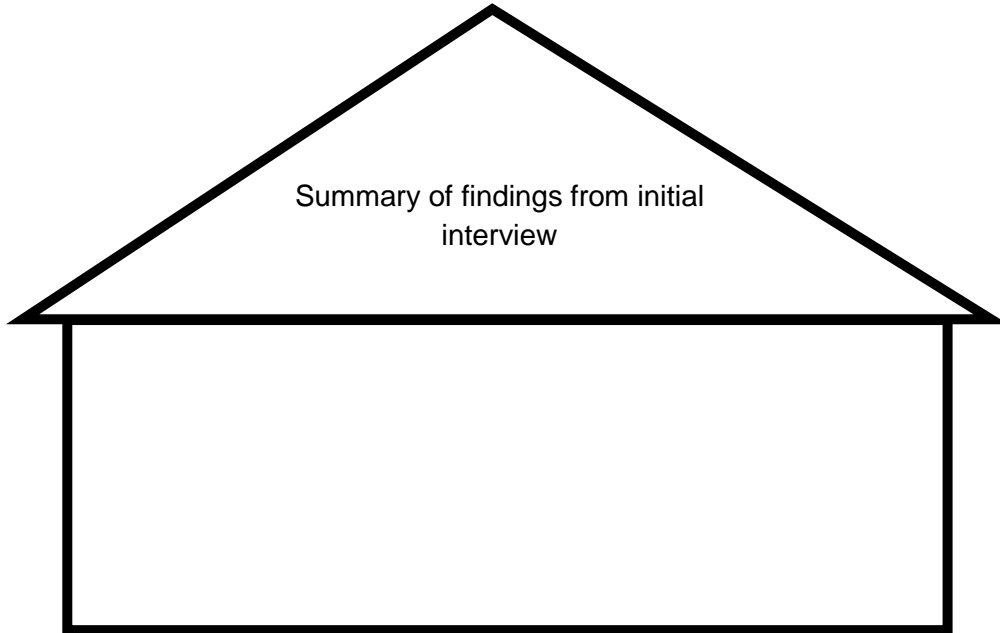
Centre for Social Justice and Community Action (2013) *Community mentoring toolkit: Working with socially excluded households*,

[www.durham.ac.uk/beacon/socialjustice/researchprojects/debt\\_on\\_teesside](http://www.durham.ac.uk/beacon/socialjustice/researchprojects/debt_on_teesside)



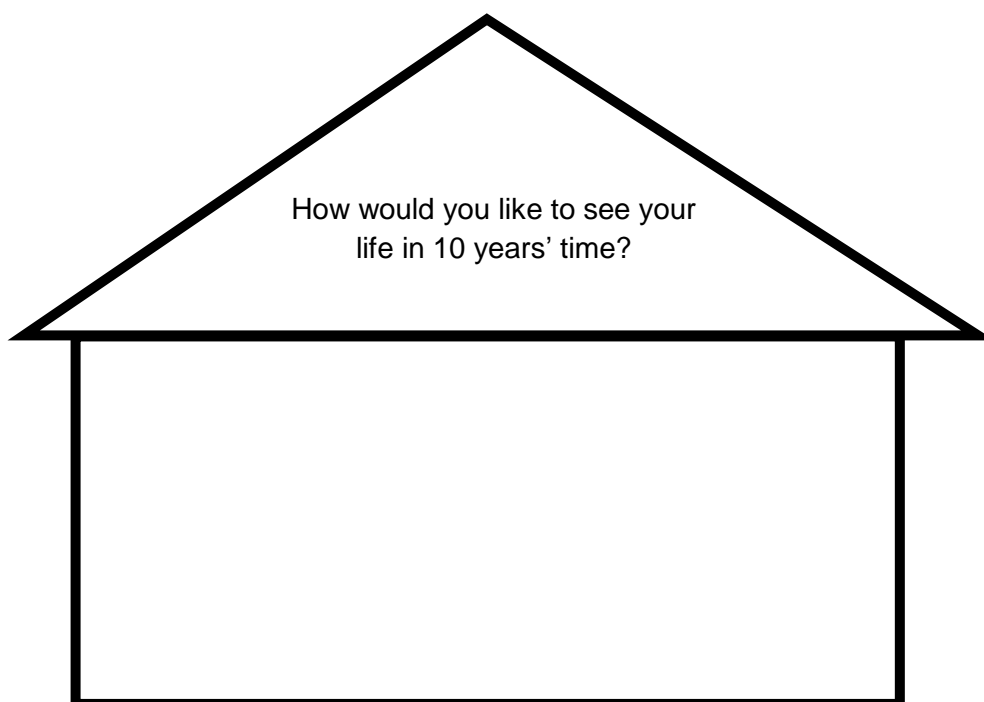
## Worksheet 1: Goals

### Where I am



Summary of findings from initial interview

### Where I want to be



How would you like to see your life in 10 years' time?

Short term goal .....

Medium term goal .....

Long term goal .....

## Worksheet 2: Income and expenditure

Please list all money coming into the household and money that is paid out.

<b>INCOME</b> (list whether weekly or monthly)	<b>EXPENDITURE</b>
Wages: ..... ..... .....	<b>Housing</b> Rent/mortgage ..... Council tax ..... Water ..... Insurance ..... Gas ..... Electric ..... Other .....
Benefits: ..... ..... .....	<b>Housekeeping</b> Food ..... Non Food (drink.cigs) ..... Clothes ..... TV licence ..... Rental (TV/Washer etc) ..... Internet ..... Pet costs ..... Other .....
Tax credits: ..... .....	<b>Child costs</b> Child care ..... Nappies ..... School meals ..... Clothes and shoes ..... Pocket money/activities ..... Other .....
Pension: .....	<b>Travel</b> Transport: bus/train ..... Taxi ..... Petrol ..... Car costs ..... Other .....
Child support .....	<b>Debts</b> ..... ..... ..... ..... .....
Other income ..... .....	<b>Other</b> Mobile phone ..... Hobbies ..... Socialising ..... Lottery ..... Presents ..... Other .....
<b>TOTAL</b>	<b>TOTAL</b>

## Worksheet 3: Dealing with debts

### 1. Please list your debts

<b>DEBT (to pay for..., amount owed and when it is expected to be paid )</b>	<b>PRIORITY/ NON PRIORITY</b>	<b>Consequences of not paying</b>	<b>Does the debt cause WORRY or STRESS (1 not at all, 10 extremely)</b>

### 2. List your debts in order of priority and think about how you could take some steps to help deal with them

<b>Debt (<i>in order of priority</i>)</b>	<b>What I will do/who I will speak to</b>
<b>1.</b>	
<b>2.</b>	
<b>3.</b>	
<b>4.</b>	
<b>5.</b>	

## Worksheet 4: Spending diary



Worksheet 4, continued

**What I have spent this week .....**

Day	What I have paid for	How much it cost
Mon		
Tues		
Wed		

Worksheet 4, continued

Thurs		
Friday		

**What I think about my spending habits**

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## Worksheet 5: Reducing spending

	How much I spend each week	How could I cut back?	What will I save?
<b>Rent / mortgage/ household bills</b> 			
<b>Takeaways/eating out/packed lunches</b> 			
<b>Shopping</b> 			
<b>Travel Expenses</b> 			
<b>Clothes</b> 			
<b>Phone / internet</b> 			
<b>Total saved</b>			

## Worksheet 6: Parents and pressures

Being a parent and only having a limited amount of money can be quite difficult. Parents face a lot of pressure from their children asking them to buy things/take them places or keep them entertained.

Over the next year, can you think of three situations/events that you will find difficult to pay for on your budget?

1. ....
2. ....
3. ....

Can you think of ways that would help you plan for the above situations?

1. ....
2. ....
3. ....
4. ....

Think of each situation/event and start to plan out how you may be able to achieve what you would like to do? *(Note: if lack of money/ability to save continues to be a problem, how else can you overcome the pressures from your children?)*

Event/occasion	Date	Planning for it - What will you do?



## Worksheet 7: Money and pressures



**Describe one situation, pressure to spend money (either from the above cartoons or your own experience)**

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.....  
.....

**If you give in to the pressure and overspend, what will be the consequences?**

.....  
.....  
.....

**Can you think of a way to deal with the pressure?**

.....  
.....  
.....

## Worksheet 8: Action plan

Summary of key points from previous session exercises to be listed by mentor

<b>Income &amp; expenditure findings</b>	
<b>Dealing with debts outcomes</b>	
<b>Parents &amp; money pressure(s)</b>	

**My goals were:**

- (1).....
- (2).....
- (3).....

**My goals are now:**

- (1).....
- (2).....
- (3).....

**My action plan is to:**

.....

.....

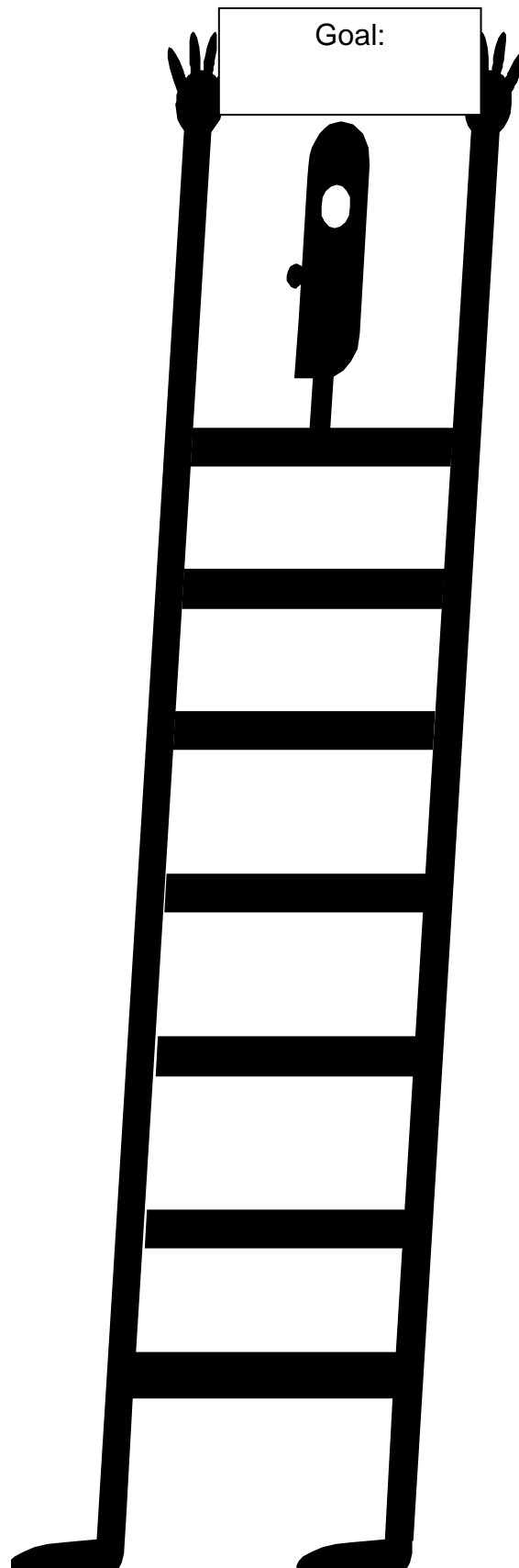
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## Worksheet 9: Ladder exercise

### Steps to achieve goals



## Worksheet 10: Savings goals



Think of your own savings goal

My goal is: .....

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It will cost: .....

My plan will be: .....

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