

# Financially Empowered Empty Nesters

## *Financial Lessons for Parents with no More Children at Home*

### **Student Handout**

Series: Financially Empowered (Part 3)  
Webinar & Materials available at:

[www.DebtReductionServices.org/Education/Webinars](http://www.DebtReductionServices.org/Education/Webinars)



*Financially Empowered Empty Nesters Workbook*

by Debt Reduction Services Inc

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# **Financially Empowered Empty Nesters**

## Financial Lessons for Parents with no More Children at Home

**Y**our young one has flown the coop, leaving you among the Empty Nester crowd. Yes, you raised them, and you are proud that they survived, but you survived as well. We, at Debt Reduction Services, Inc., hope that the future you make for yourself continues to be enjoyable and satisfying.

Unfortunately, we all make mistakes, and financial mistakes can seem among the most frustrating and dire of all. The good news is that there are resources we can all access for help, even if it is just you or you and a spouse. The bad news is that, if ignored and not corrected, these missteps might transform themselves into habits and patterns of behavior that can drag you down an entirely different financial path in life.

The following information and activities form a part of our Financially Empowered series of programs for our credit counseling and debt management clients at specific periods in their lives. That said, this information can and should be shared with anyone going through similar challenges, as it can help smooth out the rocky path of financial lapses. In addition to these handouts, there is a companion pre-recorded webinar (approx. 30 minutes) and even a quiz – for credit toward a certificate of completion – available on the webinars page of our education site at [www.DebtReductionServices.org](http://www.DebtReductionServices.org).

### Signs of Financial Trouble

**T**he following is an abbreviated list of signs or indications that we are, or may soon be, in financial trouble. If you recognize any of these signs in your own life, now is the time to pay more attention to your finances or even to seek out a competent and trusted, third-party professional.

#### **Debt**

- You have taken out a student loan for a child.
- You have co-signed a loan for a child.
- You have purchased another car on credit so that your child has transportation
- You are borrowing or, worse, spending from your retirement account to pay for your child's education.
- Your credit card balances have gone up since your last child left home.
- You have opened a loan or a line of credit against the equity in home in order to finance your child's education or business ventures.

#### **Budgeting, Saving and Spending**

- You are not regularly reviewing your household budget.
- You continue to subsidize your child's lifestyle at the same level they had while living at home (vehicle, electronics, activities, furnishings, etc.)
- You have used money from your savings to pay for your child's education, transportation, bills, or other expenses.
- You overspend on groceries while you adjust to feeding/cooking for fewer household members.
- You feel freer to dine out and enjoy greater recreation, so you spend more on these activities.

#### **Other**

- You feel like you must work a second job or overtime to pay your child's expenses.
- You lose sleep due to financial worries.

## Keeping It in the Family

Circle the items of a family loan promissory note (“contract”) that you feel would be important to include in an intra family loan.

### Possible Contract Items

Example: Full Names of Borrower(s) and Lender(s)

Change in Interest Rate if Borrower(s) Fail to Make a Payment

County Sheriff’s Office Address

Credit Score(s) of Borrower(s)

Date First Payment Is Due

Date the Note Is Signed

Email address(es) of Lender(s)

Interest compounding term (monthly, semi-annually, annually)

Interest rate (%)

Late Fee Amount

List of Valuable Assets Belonging to Borrower(s) for Collateral

Mailing Address of Borrower(s) and Lender(s)

Monthly Income of Borrower(s)

Monthly Payment Amount (\$)

Monthly Payment Due Date

Number of Dependents of Borrower(s)

Number of Monthly Payments

Other Debt(s) Owed by Borrower(s)

Phone Number(s) of Borrower(s)

Prepayment Option

Principal Amount Borrowed (\$)

Repayment Schedule

Signature of Borrower(s)

Signature of Lender(s)

Social Security Number(s) of Borrower(s)

Space for Notary Stamp

State whose Laws Govern the Note

Title: “Promissory Note”

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Sample Notes available online: Search “Sample Intra Family Promissory Note”

## Education Funds Prioritizer

1. List the pros and cons of the two education funding options under their corresponding box.
2. Consider how important each pro and con is in the short- and long-term before deciding how to proceed.

List the Pros of Paying for Your Child's Education with Your Retirement Funds
1. _____
2. _____
3. _____
4. _____
5. _____

List the Pros of Forcing Your Child to Fund His or Her Own Education
1. _____
2. _____
3. _____
4. _____
5. _____

List the Cons of Paying for Your Child's Education with Your Retirement Funds
1. _____
2. _____
3. _____
4. _____
5. _____

List the Cons of Forcing Your Child to Fund His or Her Own Education
1. _____
2. _____
3. _____
4. _____
5. _____







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