

About the Presenter



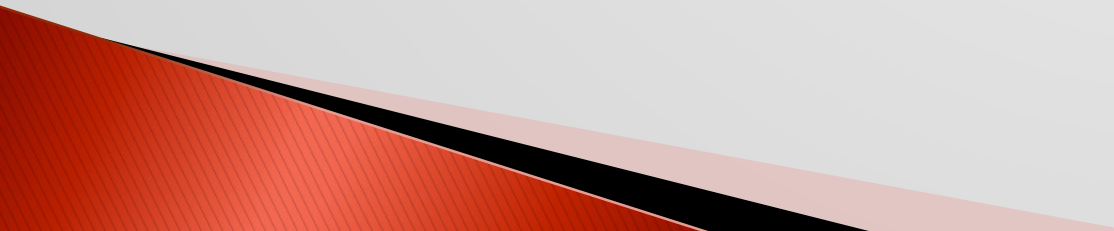
Jerry Bauerkemper, BS, CCGC Consultant Iowa Department of Public Health

Jerry Bauerkemper, BS, CCGC Retired Executive Director of the Nebraska Council on Compulsive Gambling Mr. Bauerkemper was the first director of problem gambling for the state of Nebraska. He is an internationally recognized trainer on Problem Gambling. Currently, he is a consultant for the Iowa gambling program helping agencies increase gambling utilization after Covid!

Financial day 1: If I Can't Balance My Checkbook, How Can I Help You Balance Yours?

Jerry Bauerkemper, BS, CDGC
Consultant IDPH
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Day one goals

- ▶ Introduction to why we need to provide budgeting to recovering gamblers and their families
 - ▶ Understanding of emotional ties to money through an exercise
 - ▶ Understanding wanting money verses action as ongoing relapse issue
- 

GAMBLE:

To play for money; to risk, especially by financial speculation; to lose or squander in speculative ventures; a risking undertaking, a reckless speculation.

–Webster’s Dictionary



Definition of Gambling

“Any betting or wagering, for self or others, whether for money or not, no matter how slight or insignificant, where the outcome is uncertain or depends upon chance or ‘skill,’ constitutes gambling.”

–Gamblers Anonymous

You Just Won the Lottery

\$236 million Dollars(Powerball)

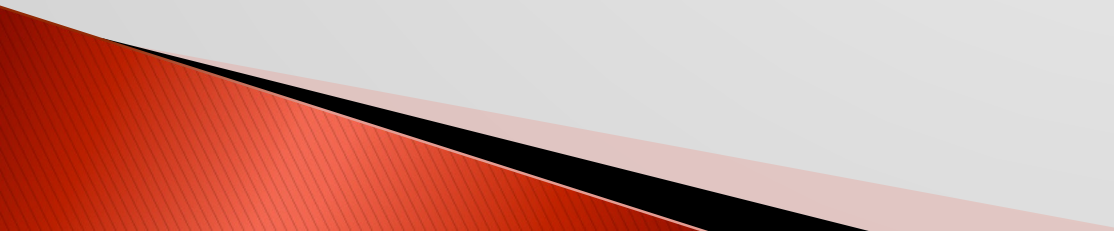
Paper and pen/pencil please!




Write down the following:

- ▶ How would you spend the lottery money?
- ▶ Write down how much on each item you write down.
- ▶ Be general but specific enough to get a total spent
- ▶ Recovering gamblers please do not participate in this exercise if it could trigger you to have thoughts of gambling

How did it feel to win the lottery?

- ▶ Write down your emotions when thinking about your list and winning the lottery
 - ▶ Were these positive emotions?
 - ▶ Were these negative emotions?
- 

- ▶ Welcome to the world of the gambler!
 - ▶ Social gamblers feel the same emotions as the disordered gambler
 - ▶ Social gamblers have similar beliefs and disbeliefs as the disordered gambler
 - ▶ Social gamblers feel the losses and the wins!
 - ▶ Social gamblers have brakes both emotionally and physically... Disordered gamblers Do Not!
- 

Compulsive/Pathological Gambling (now called Disordered Gambling):

...a progressive disorder characterized by a continuous or periodic loss of control over gambling; a preoccupation with gambling and with obtaining money with which to gamble; irrational thinking; and a continuation of the behavior despite the adverse consequences.

(Source: Dr. Richard Rosenthal, Psychiatric Annals, February 1992)

Problem Gambling

...a level of gambling that brings problems and/or pain to the gambler and/or his/her family.

(Source: Texas Council on Problem and Compulsive Gambling, 1992)



Money vs Action

Gamblers Never Lose

Time + Money = Opportunity to Gamble

Gamblers Never Lose... until they stop gambling!

Money and Problem Gambling May Lead to Criminal Activity



+



=

**Opportunity to gamble, which
may lead to Criminal Activity**

What's money got to do with it?

EVERYTHING



The reason we should talk about money.

- ▶ 73% of Americans report that money issues are their #1 stressor ahead of work, physical health, and children.
 - ▶ American Psychological Association Survey, March 31, 2004

A Brief Money Exercise

- ▶ 1. People with money are...
- ▶ 2. When I have money, I usually...
- ▶ 3. My Dad thought money was...
- ▶ 4. My Mom thought money was...
- ▶ 5. If I could afford it, I would....
- ▶ 6. Money makes people...
- ▶ 7. To have more money, I need to....
- ▶ 8. In my family, money always caused...

A Brief Money Exercise

- ▶ 9. If I had more money, I'm afraid I would...
- ▶ 10. Money is...

What else do you know about money as a result of the life you have lived so far?

--Open for discussion

www.1800betsoff.org Tool Chest Brian H. Farr,
LPC

What does money mean
to the problem gambler and/or
family member?

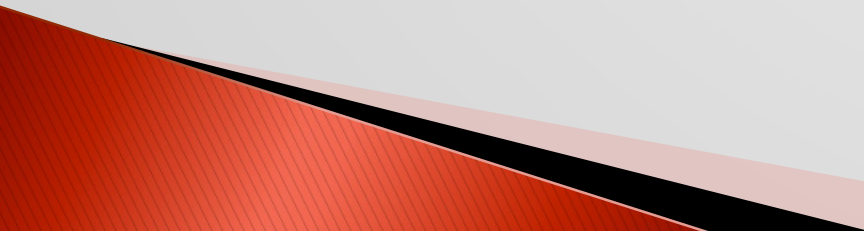
Have the client define:

Money

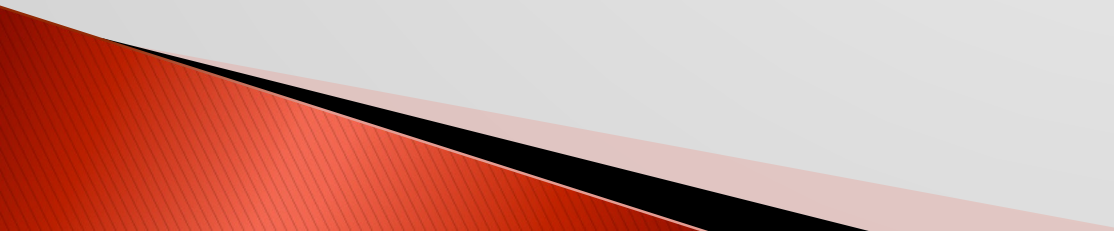
Values

Beliefs

Results from Gambler's Focus Groups

- ▶ Gamblers wanted to talk about money the first session
 - ▶ Gamblers and family members were very concerned about referrals/support group confidentiality
 - ▶ Counselors need an understanding and a willingness to work on debt
- 

Counselors and money

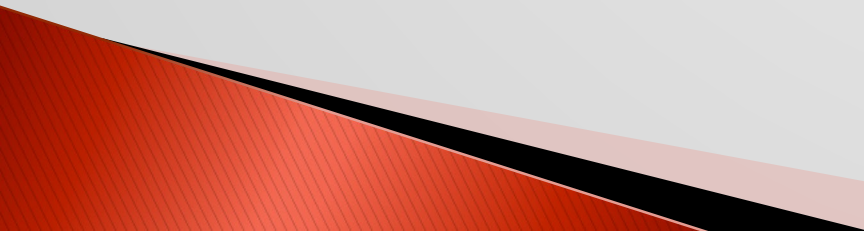
- ▶ Question: What comes first to your mind when you think about asking clients about money?
 - ▶ How much money do you make?
 - ▶ Tell me how you spend your money?
- 

DSM 5

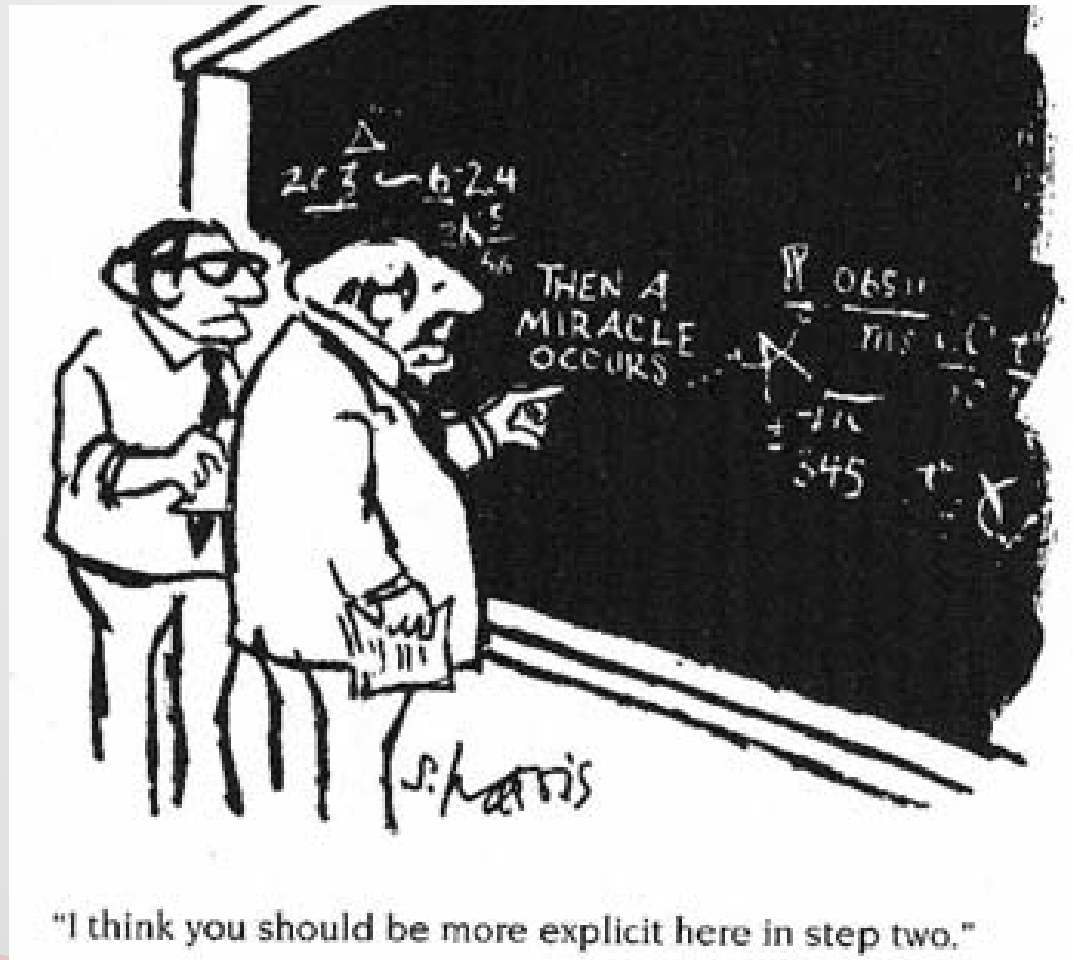
How many of the criteria have
to do with money and
finances?

Diagnostic Criteria DSM 5

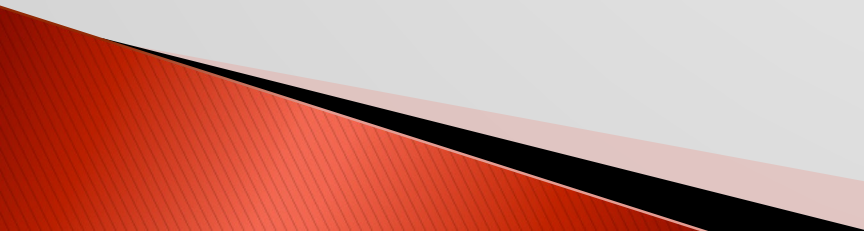
- ▶ A. Persistent and recurrent problematic gambling behavior leading to clinically significant impairment or distress, as indicated by the individual exhibiting four (or more) of the following in a 12month period:
 - ▶ a. Needs to gamble with increasing amounts of money in order to achieve the desired excitement.
 - ▶ b. Is restless or irritable when attempting to cut down or stop gambling.
 - ▶ c. Has made repeated unsuccessful efforts to control, cut back, or stop gambling.
 - ▶ d. Is often preoccupied with gambling (e.g., having persistent thoughts of reliving past gambling experiences, handicapping or planning the next venture, thinking of ways to get money with which to gamble).

- ▶ e. Often gambles when feeling distressed (e.g., helpless, guilty, anxious, depressed).
 - ▶ f. After losing money gambling, often returns another day to get even (“chasing” one’s losses).
 - ▶ g. Lies to conceal the extent of involvement with gambling.
 - ▶ h. Has jeopardized or lost a significant relationship, job, or educational or career opportunity because of gambling.
 - ▶ i. Relies on others to provide money to relieve desperate financial situations caused by gambling.
- 

How can gamblers recover?



Goals Day 2

- ▶ Begin to understand therapist role in budgeting
 - ▶ Work on budgeting “snapshot” form
 - ▶ Begin to understand family role in addiction and recovery through budgeting
- 

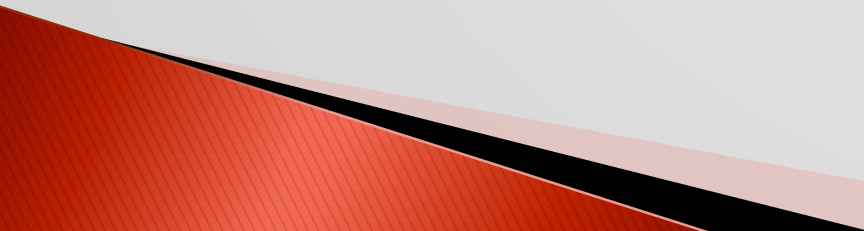
I don't want to be a Financial Counselor

- ▶ Majority of work done by client
- ▶ Do this in steps not all at once
- ▶ Homework is best
- ▶ Spend 15–20 minutes per session for 5 weeks
- ▶ Spend 5 minutes per week after the budget made
- ▶ Family recovery based on family buy in

I don't want to be a Financial Counselor

- ▶ Week 1: send home Assets and liabilities form
- ▶ Week 2: send home snapshot form
- ▶ Week 3: Send home budget planning form
- ▶ Week 4: review budget plan
- ▶ Week 5: Concentrate on bills you can help reduce or eliminate based on priorities

Exercise

- ▶ Take 5 minutes and write down your expenses and your assets per month
 - ▶ Guess on items that fluctuate weekly or monthly
 - ▶ Spend some time investigating your thoughts and feelings while you complete this exercise
- 

SNAPSHOT:

Monthly Income & Expenses Date: _____

EXPENSES Monthly Averages

Rent/Mortgage/Property Tax/Home Insurance \$_____ Home

Repairs and Maintenance (Monthly Average) \$_____ Auto Loan

Payments and Auto Insurance \$_____ Auto Repairs and Maintenance

(Monthly Average) \$_____ Gasoline/Parking/Public Transportation

\$_____ >

Total Utilities \$_____

Groceries and Household Supplies (Average) \$_____

Meals Out/Snacks/Coffee (Average) \$_____

Tobacco/Alcohol (Average) \$_____

Self Care (Haircut, Massage, Manicure, Cosmetics, Etc) \$_____

Entertainment/Recreation/Hobbies/Sporting Activities \$_____

Clothing Purchases and Dry Cleaning (Monthly Average) \$_____

Dependent Care (Expenditures for Children and/or Pets) \$_____

Medical/Dental/Therapy/Prescriptions (Monthly Average) \$_____

Insurance Premiums (Medical, Disability, Life) \$_____

Vacations/Travel (Monthly Average) \$_____ Gifts to Others/Charity

(Monthly Average) \$_____

What else? _____ \$_____

What else? _____ \$_____

Total Living Expenses \$_____

SNAPSHOT – PAGE TWO INCOME

Monthly Averages #1 Take-Home Salary After Taxes and Deductions \$ _____

#2 Take-Home Salary After Taxes and Deductions \$ _____

Health Savings, Childcare and Other 'Pass Through' Dollars \$ _____

Commissions/Tips (Monthly Average) \$ _____

Investments/Trusts (Dividends, Interest, Rent, etc) \$ _____

Pension/Retirement/Social Security \$ _____

Child Support/Alimony \$ _____

What else? _____
\$ _____

What else? _____
\$ _____

TOTAL MONTHLY INCOME \$ _____

COMPARE YOUR INCOME & EXPENSES Monthly Income \$ _____
_____ (Subtract)

Monthly Expenses \$(_____) NET \$ _____

Monthly Debt Payments –
from Personal Debt Worksheet

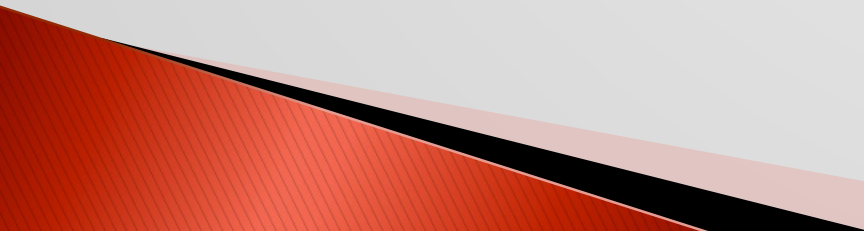
Total Credit Cards \$ _____

Total Other Debts \$ _____ Total Debt Payments \$

TOTAL MONTHLY EXPENSES \$ _____

(Living Expenses + Debt Payments)

If your income is less than your expenses ... you have two choices:

1. Reduce your expenses
 2. Earn additional income
- If your income is greater than your expenses ... you have many choices:
3. Freedom from financial insecurity
 4. Increased expenditures for yourself or others
 5. Savings for the near-term and long-term future
- 

BARRIERS AGAINST MONEY TRIGGERS Limit Access to Cash, Credit or Debit Cards, and Checking Accountants

Money is said to be the primary cause of gambling relapses. Most people find if they have cash or a credit/debit card in their pocket, they are more likely to gamble.


Many people who successfully stop gambling say that developing an entirely new relationship with money is critical.

Listed below are strategies for creating safety with your money. Some may seem extreme or difficult. You might choose only one or two at this time, or you might be ready to use all of them to help you reduce or eliminate gambling from your life.

Check off the strategies you believe might be effective for you:

- Get money off your body. Only carry the amount of cash you will need for one day's expenses. You can ask for support with this by enlisting a trusted person to help you with your cash.

 - Cut up your credit and debit cards, or give them to a friend or family member for safekeeping.

 - Deposit paychecks automatically into your bank account, or collect your wages with spouse, partner or trusted friend.
 - Create a spending plan and a restitution plan.
 - Limit the amount of money you can withdraw in one day (talk with your bank).
- 

- Ask family and friends not to lend you money (or to invite you gambling).
- Eliminate all other sources you might have for gambling money.
- Tackle your financial difficulties without hesitation. Do not let financial uncertainty immobilize you. If necessary, seek financial counseling to start the process of financial recovery.

Learn about the ‘money patterns’ in your family of origin (styles of earning, spending and saving).

Explore your own relationship with money, beginning with your childhood.

Talk with counselors and read books.

Become educated and conscious about how money is operating in your life. People who are most successful with relapse prevention accept the fact that money can be a trigger for gambling. They know how to protect themselves from unsafe access to money.

Successful people have developed spending and restitution plans. They have insight into their personal habits with money, including their relationships with others.

People who successfully stop gambling have a realistic awareness of the damage caused by problem gambling, and a healthy respect for the danger of relapse.

Adapted from *Becoming a Winner: Defeating Problem Gambling*, by David C. Hodgins, PhD Brian H. Farr, MA, NCGC-II Portland, Oregon www.bhfarr.com

SELF TEST FOR FINANCIAL TROUBLES The following is a list of financial situations that people might encounter during their lifetime. Check the 'yes' or 'no' boxes that reflect your current situation. YES NO

1) I am behind on my rent or mortgage.

2) I am behind on my utility payments.

3) I am behind on payments for a secured loan (e.g., a loan that is co-signed, or has a car or furniture for security).

4) A creditor is taking legal action against me.

5) I am involved in tax evasion, tax fraud, embezzlement or have legal difficulties because of a criminal charge.

- ▶ 6) In order to pay my rent, utility bills or grocery bills, I have had to skip installment payments or take out a loan.
- ▶
- ▶ 7) I am receiving past-due notices on bills or credit cards.
- ▶
- ▶ 8) I have received a verbal threat of legal action from one or more of my creditors, or calls from a collection agency.
- ▶
- ▶ 9) I have had to take out a new loan to pay an old one.
- ▶ 10) I have been turned down for a loan or other credit.

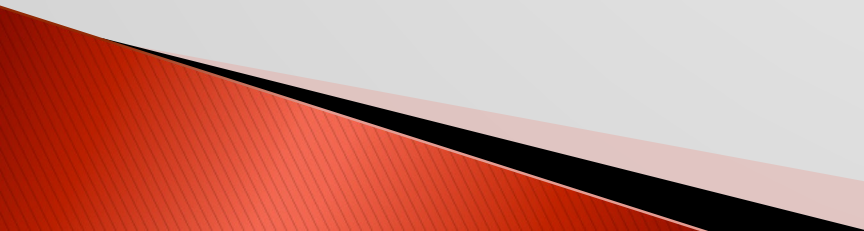
11) I have 'maxed out' one or more of my credit cards.

12) I am paying only the minimum amount due each month on one or more of my credit cards.

13) I frequently rely on the automatic overdraft protection for my checking account.

14) I have borrowed money from family or friends and have not paid the money back.

15) I have borrowed against or cashed out an insurance policy or a retirement account to pay debts.

- ▶ If you answered 'yes' to any of the first five questions, you should take immediate action to address the problems. These are serious financial and legal situations.
 - ▶ If you answered 'yes' to just one of the questions from six to fifteen, this is a warning sign of financial trouble. Answering 'yes' to two or more questions indicates a pattern of more serious problems.
 - ▶ Do not delay in addressing these problems. Without attention, they will probably get worse. Re-establishing financial security requires honesty and effort: identify problems, explore potential solutions, establish and follow an effective plan of action.
- 

Family and/or Support System

Without a support system, every aspect of treatment can seem like an insurmountable task for the problem gambler.

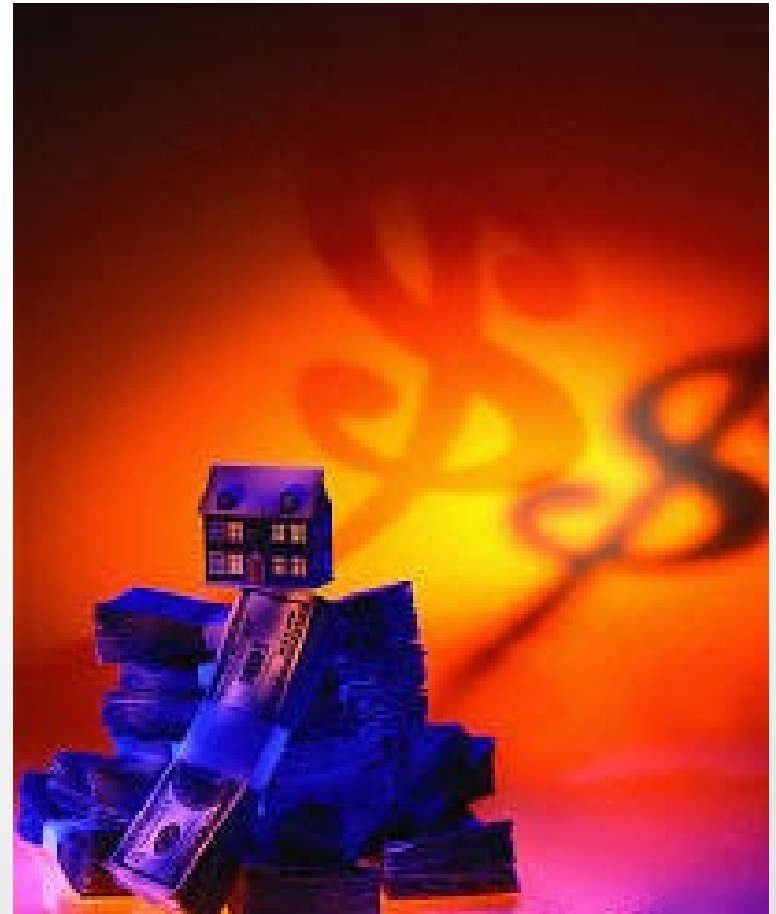


Do You Love Someone With A Gambling Problem?

1. Do you find yourself constantly bothered by bill collectors?
2. Is the person in question often away from home for long, unexplained periods of time?
3. Does the person ever lose time from work due to gambling?
4. Do you feel that this person cannot be trusted with money?
5. Does the person in question faithfully promise that he or she will stop gambling; beg, plead for another chance, yet gamble again and again?
6. Does the person ever gamble longer than he or she intended to until the last dollar is gone?
7. Does this person immediately return to gambling to try to recover losses, or to win more?
8. Does this person ever gamble to get money to solve financial difficulties, or have the unrealistic expectations that gambling will bring the family material comfort and wealth?
9. Does this person borrow money to gamble with or to pay gambling debts?
10. Has this person's reputation ever suffered due to gambling, even to the extent of committing illegal acts to finance gambling?
11. Have you come to the point of hiding money needed for living expenses, knowing that you and the rest of the family may go without food and clothing if you do not?

Warning Signs at Home

- ▶ There are overdue or unpaid household bills, or the suspected gambler suddenly wants to take over paying the bills.
- ▶ The gambler's loved one reports finding numerous and unaccounted-for cash advances from credit cards, or an increase in the number of active credit cards.
- ▶ The suspected gambler is only able to afford minimum payments on credit card bills. He/she is always short of money, despite adequate income.
- ▶ The individual is secretive about money.
- ▶ There are unexplained loans, the use of payday loans, or loans from friends or relatives.



Warning Signs at Home

- ▶ The gambler's loved one finds high cell phone/pager bills.
- ▶ The gambler has large amounts of unexplained cash, especially if household bills are going unpaid.
- ▶ The suspected gambler's spouse reports the disappearance of cash (stealing from a child's money jar or a spouse's wallet, for example).
- ▶ The gambler is involved in extremely high-risk investing or frequent trading.
- ▶ Money is pulled from savings, investment, or retirement accounts for no apparent reason.



Warning Signs at Home

- ▶ The bank reports frequent bouncing of checks or postdating of checks.
- ▶ Bill collectors are calling, or property is being reprocessed.
- ▶ The suspected gambler is denied credit.
- ▶ Needed household items are being sold or pawned for cash.



Day 3 goals

Look at investments as part of gambling and budgeting

Begin to zero in on questions to ask when developing a budget for gambling families

How do I get their credit history?

Forms for budgeting

- ▶ www.1800betsoff.org
- ▶ <https://idph.iowa.gov/igtp/treatment>

Working with gamblers to gather information

- ▶ Act as if it is part of the recovery process and everyone does the financial assessment
- ▶ Use the forms as your guide
- ▶ Be prepared to ask additional (the next question) so the gambler knows you know what you are doing
- ▶ Have or create a list of lawyers, food banks, and other referrals so you can help them to see the correct path for financial recovery

Warning Signs at Work: Ask these types of questions to get work impact!



- ▶ The suspected gambler is missing work, coming in late, or leaving early.
- ▶ He/she is taking long lunches and breaks.
- ▶ The suspected gambler fails to finish projects properly or on time.
- ▶ He/she is organizing or taking an excessive interest in office pools.
- ▶ The individual is borrowing money from co-workers.
- ▶ The office manager notes heavy telephone use not related to work. The gambler is using sick days when not sick.
- ▶ He/she is overheard making or taking gambling calls while at work.
- ▶ The company notes use of the computer at work to gamble.
- ▶ The gambler frequently asks for advances in pay.
- ▶ He/she is caught stealing or embezzling at work.
- ▶ He/she begins taking cash advances with the company credit card.

Warning Signs of Investment Gambling Problem: ask about stock/commodities involvement!

It has become easier to gamble with stocks, bonds, commodities, and other securities

1. High volume trading in which “action” has become more compelling than objective of the trade.
2. Preoccupation with one’s investments.
3. Needing to increase the amount of money in the market or the “leverage” of one’s investments.



Investment Gambling (cont.)



4. Repeated unsuccessful efforts to stop or to control one's market activity.
5. Restlessness or irritability when attempting to cut down or stop market activity or when cash is accruing in one's account.
6. Involvement in market activity to escape problems, relieve depression or distract oneself from painful emotions.

Investment Gambling (cont.)

7. After taking losses in the market, continuing to take positions or increasing one's position as a way of getting even.
8. Lying to family members/friends to conceal the extent of involvement in the market.
9. Committing illegal acts, such as forgery, fraud, theft, or embezzlement to finance market activity.
10. Jeopardizing significant relationships, job or educational or career opportunities because of excessive involvement in market.
11. Relying on others to provide money (bailout) to relieve a desperate financial situation caused by gambling in markets.

Monitoring by a Loved One: Information for families

Investments, Tax Returns

- ▶ Advise the gambler's spouse or other loved one to review bank and brokerage statements for assets or more funds that the gambler has revealed.
- ▶ The loved one also should review recent tax returns. They may reveal income that the gambler may not have revealed.
- ▶ The returns may show undisclosed tax refunds or refunds for an amount that was different than what the non-gambler was told.



Large Sums Of Money: alternative “big wins”

A gambler can “win big” by wiping out his/her retirement nest egg or a college education fund.

- ▶ “Winning” large amounts of money is often very bad for a problem gambler
- ▶ Money is seen as a quick way to pay off gambling debts or feed additional gambling
- ▶ Gambler can “win big” by wiping out retirement or college fund, siphoning off cash value accounts of life insurance policies, raiding business accounts, taking out a home equity loan, or squandering inheritance

Possible Immediate Financial Actions

- ▶ The loved ones may have been “bailing out” the gambler on occasion by loaning him/her money to satisfy gambling debts.
- ▶ Refusing bailouts not only slows or stops the financial bleeding, but may force the problem gambler to finally confront his/her addiction.

Important Questions (cont.)

- ▶ **Outstanding Debt**

- Mortgages, 1st, 2nd, 3rd

- Life Insurance

- Credit Card Debt

- Utilities

- Car Payments

- Child Support

- Business Loan

Investments, Tax Returns

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- ▶ The returns may show undisclosed tax refunds or refunds for an amount that was different than what the non-gambler was told.



Internet Gambling, Credit Reports



- ▶ Is there a computer in the house that's hooked up to the Internet? Web browsers, the software that allows the user to navigate the Web, contain a record of what Web sites were recently visited. A check of Web browsers might reveal on-line gambling.
- ▶ Credit reports can be obtained from one of three credit bureaus:
 - ▶ Equifax (800) 685-1111
 - ▶ Experian (888) 397-3742
 - ▶ Trans Union (800) 645-1933
 - ▶ <http://www.ftc.gov/freereports>
 - ▶ <https://www.annualcreditreport.com/cra/index.jsp>

How to reduce credit card offers

- ▶ Call 1-888-567-8688 and ask for your name to be removed from the mailing list.

Snapshot of credit

- ▶ Download credit Karma
<https://www.creditkarma.com/>
- ▶ Answer questions and:
- ▶ Your credit history and credit score will come up.
- ▶ You are Interested in the history not the number

Possible Immediate Financial Actions

Working With the Loved One

1. Provide an overview of the strategies problem gamblers might take.
2. Explain the possible financial consequences of continuing to gamble.
3. Ask the gambler to list his/her creditors and how much they are owed.
4. Have the non-gambler hide, cut up or cancel credit cards.
5. Have the non-gambler change the personal identification numbers.
6. Store valuables in a safe-deposit box.
7. Recommend that someone other than the gambler take over paying household bills.

Personal Financial Strategies for Loved ones: **SAMHSA's National Clearinghouse** for ALCOHOL and DRUG INFORMATION P.O. Box 2345 Pueblo, CO 81009 (800) 333-4636

How to Work Financially with the Problem Gambler

At a minimum, there are financial issues you should be familiar with in order to help the gambler recover.

These actions include:

- ▶ *Identifying income and assets the gambler can use to feed his/her habit*
- ▶ *Establishing a spending plan*
- ▶ *Shifting control of the finances to the non-gambler*
- ▶ *Setting up a repayment plan for gambling and non-gambling debts*
- ▶ *Avoiding bankruptcy*
- ▶ *Deciding whether to have an investment program*

Possible Immediate Financial Actions

- ▶ The loved ones may have been “bailing out” the gambler on occasion by loaning him/her money to satisfy gambling debts.
- ▶ Refusing bailouts not only slows or stops the financial bleeding, but may force the problem gambler to finally confront his/her addiction.

Day 4 goals

- ▶ Identify Gamblers “stash” and its’ importance
- ▶ Continue to look at how to develop and implement a budget that works in recovery
- ▶ How to deal with inheritance, bonuses and gambling winnings

Creating a Realistic Spending Plan

- ▶ Write out a plan
- ▶ List monthly sources of income
- ▶ List extra sources of income
 - ▶ List basic monthly household expenses



Identifying Assets and Sources of Income

Obvious Sources of Income

- ▶ Paychecks
- ▶ Social Security
- ▶ Pension Benefits
- ▶ Unemployment Income
- ▶ Trust Income
- ▶ Cash Advances from Credit Cards
 - ▶ Tips
 - ▶ Bonuses
 - ▶ Commissions

Identifying Assets and Sources of Income

Items missing from the house

- ▶ Furniture
- ▶ Appliances
- ▶ Other valuables that could have been sold for cash
 - ▶ A check from an insurance company to pay for property damage (such as roof or car)
 - ▶ Ignoring financial obligations, such as quarterly estimated tax payments
 - ▶ Is there a chance the gambler may try to sell personal assets through an on-line auction?

Identifying Assets and Sources of Income

- ▶ Real estate
- ▶ Cash value in life insurance policies
- ▶ Trust funds
- ▶ Items to be sold/pawned
- ▶ Have the gambler or loved one document all personal assets such as cars, a boat, jewelry, antiques, artwork, furnishings, a stamp collection and appliances



The Gambler's Stash



- ▶ A “stash” is any source for cash that the problem gambler does not disclose to a spouse, partner, treatment professional, financial advisor, or others attempting to help the gambler’s recovery. It might be cash stuffed in an unknown safe deposit box, an unreported credit card, pawned jewelry, unreported pay from work, a secret bank account, or individuals such as a loan shark. Income from a business the gambler owns, especially a business that deals a lot in cash can be easy to hide.

Spending Plan–Step 1

Identify Income Sources

- ▶ Wages after taxes (Gambler)
- ▶ Tips/Commissions (Average each month)
- ▶ Pension/Retirement plan benefits
- ▶ Unemployment benefits
- ▶ Food stamps
- ▶ Trust fund
- ▶ Wages after taxes (Others)
- ▶ Investment income (dividends, interest, etc.)
- ▶ Social security
- ▶ Welfare payments
- ▶ Child support/alimony payments
- ▶ Other

www.1800betsoff.org Tool Chest

<http://www.fool.com/personal-finance/general/2007/08/28/budgeting-101.aspx>

Motley Fool website

Spending Plan–Step 2

List Expenses

Rent/mortgage payment, groceries (average), utilities (average), telephone, home maintenance/repair (average), savings, clothing (average), car payment, car insurance/gas/repairs (average), other transportation, life/medical insurance premiums (average), homeowners/renters insurance, medical bills (average), child care, gambler's allowance, loans/credit card payments, taxes, entertainment (average), cable TV, meals out (average), sports activities/events (average), charitable contributions, gifts (average), cigarettes/alcohol (average), long distance telephone (average), travel/vacations (average), gambling debts (this guide will explain later why this should be a low priority), other

Total Expenses \$ _____

Determine the Amount of Debt and List Creditors

- ▶ Car loans
- ▶ Credit Cards
- ▶ Home equity loans or second mortgages
- ▶ Furniture loans
- ▶ Department stores
- ▶ Payday loans
- ▶ Bank loans
- ▶ Medical bills
- ▶ Utility bills
- ▶ Back taxes
- ▶ Child support
- ▶ Education loans

Spending Plan–Step 3

Compare Income/Expenses

- ▶ Total Income from Step 1 \$ _____
- ▶ Total Income from Step 2 \$ _____
- ▶ Subtract expenses from Income
\$ _____

Spending Plan–Step 4

Make Adjustments

If there is not enough income to cover expenses, you have three choices:

- ▶ Earn additional income, such as through a second job or a better paying job
- ▶ Reduce expenses
- ▶ Reduce expenses and boost income

Income and expenses change over time.
Review the spending plan every few months and make adjustments if necessary

Pay Your Monthly Bills Simply

The Envelope Method

- ▶ Manage your monthly payments with a simple system that keeps everything you need in one place. After you establish the system, you will find that paying your bills becomes more streamlined and less of a struggle.
- ▶ **Bill-Paying Kit** (to keep everything you need in one place)
 - ▶ Some large manila envelopes labeled:
 - ▶ ■ “Bills to be paid by the 10th”
 - ▶ ■ “Bills to be paid by the 25th”
 - ▶ ■ “Charge card receipts”
 - ▶ ■ “Paid” – you’ll need a new “Paid” envelope for each month (or quarter).
 - ▶ Stamps
 - ▶ Blank envelopes and return address labels
 - ▶ Small calculator, pens, pencils, markers
 - ▶ Zip-Loc bag for keeping smaller items together
 - ▶ Basket, bag or folder that is large enough to hold all the items in your Kit
- ▶ <http://www.betterbudgeting.com/articles/money/budgetbuilding101.htm>
- ▶ http://financialsoft.about.com/od/glossaryindexe/f/Envelope_Budget.htm

Pay Your Monthly Bills Simply

The Envelope Method

- ▶ **Bill-Paying System**
- ▶ On your calendar, write yourself reminders on the 10th and the 25th of each month: “Pay Bills”.
- ▶ *When you receive a bill or statement, open the envelope on the same day it arrives.* Keep only the bill and the return envelope. Toss any offers, notices or other loose papers. Put the bill into the manila envelope labeled “Bills to be paid by the 10th” or “Bills to be paid by the 25th”.
- ▶ On the 10th of the month and the 25th of the month, take out your Bill-Paying Kit.
- ▶ 1. Before you write this month’s check, look at the balance on the current bill or statement to verify that last month’s payment was credited to your account.
- ▶ 2. Write the check, and write your account number on the face of the check to ensure that your payment will be properly credited.

Declaring Bankruptcy – A Last Resort

- ▶ Chapter 13 Payment repay
- ▶ Chapter 7 Liquidation
- ▶ Chapter 11 Corporation/Partnership



Tips On Cutting Expenses

- ▶ Sticking to a shopping list
- ▶ Shopping for bargains and sales
- ▶ Comparing prices
- ▶ Using coupons
- ▶ Eating out less often
- ▶ <http://www.bellaonline.com/articles/art34742.asp>



Budgeting Monies For Gambling Treatment

The treatment of a gambling addiction can be difficult, time-consuming, and costly. Most medical insurance policies and managed care providers don't pay for the treatment. Some health plan carriers pay for treatment only if the patient suffers from additional disorders such as alcoholism, drug addiction, or depression. Consequently, the gambler may need to pay for treatment out of his or her pocket and this must be factored into the budget.

Gambling clients may ask you to reduce fees because of financial problems. Experts commonly recommend that therapists not reduce fees as this is seen as another form of bailout.

Additional Budgeting Tips

- ▶ Recommend breaking larger periodic bills (i.e. auto insurance) into smaller monthly bills
- ▶ Have a non-gambling significant other put that amount each month into savings account or cash in envelope
- ▶ If an envelope is used, it should be hidden from the gambler
- ▶ Advise gambler to use small notebook for tracking miscellaneous cash expenses (coffee, movie, etc.). Incorporate into spending plan
- ▶ Have gambler mark on calendar when bills are due. Bills paid on time improve individual's credit rating and eliminate the expense of late payment charges



Limiting Gambler's Access To Money



- ▶ Have a spouse, partner, parents, a trusted friend or relative, or a third party serve as a “roadblock” to the gambler’s money
- ▶ Can be as simple as putting the problem gambler on an allowance or as extensive as transferring legal control of all assets into the sole name of the trusted individual
- ▶ Before taking drastic financial steps, encourage the family to seek professional financial, tax, and/or legal advise

Establish Controls For Paying Household Bills

- ▶ Non-gambler assume management of daily household finances (includes payment of all bills). Gambler may assist, but only under supervision
- ▶ Pay as many bills possible automatically through bank or credit union
- ▶ Paychecks, social security, pension payments, etc. should be automatically deposited whenever possible
- ▶ For checks that cannot be deposited automatically, the gambler should be encouraged to hand over the checks to a non-gambler to deposit into the appropriate accounts

Legal Transfer Of Assets

Encourage the gambler to talk over the following strategies with a lawyer or financial planner before taking action.

- ▶ Close all joint checking, savings, and investment accounts and reopen them in sole name of the non-gambler (include accounts that currently require dual signatures)
- ▶ All paychecks, pension payments, and other income automatically deposited in accounts whenever possible
- ▶ Transfers of ownership are treated as gifts under tax law and may be subject to tax
- ▶ Ownership of gambler's retirement accounts and IRA's cannot be transferred to another person

The Use Of Trusts

- Trusts are legal entities for controlling property. A spouse, partner, trusted friend, or relative might serve as trustee. A third party trustee could also be used (i.e. bank trust department, attorney, or financial planner).
- ▶ The trustee would manage assets for benefit of the trust's beneficiary

Retirement Accounts

- ▶ Gambler who raids retirement accounts for gambling funds subjects those withdrawals to income and penalty taxes
- ▶ The money taken out can no longer grow tax deferred
- ▶ Gambler may have to face the possibility that he/she can never afford to retire



Mortgage Refinancing or Home Equity Loans

- ▶ If gambler fails to repay the loan, he/she could lose the family's home
- ▶ One way to reduce the risk is for the gambler to transfer ownership of the home so he/she doesn't have access to loan monies

Traditional Pension Plan

- ▶ When leaving job or retiring, workers with traditional company paid pension plan may have the choice of taking the money in a single lump sum, in annuitized monthly payments, or rolling it over into another pension plan or IRA
- ▶ For households with problem gambler, monthly annuity payments are usually the better option if the individual is retiring
- ▶ Only one monthly payment at a time is put at risk, not the entire lump sum

Inheritance

Several options are available and the gambler should consult a lawyer.

- ▶ Inheritance should be put into a trust and managed by a trustee
- ▶ Another beneficiary instead of the gambler
- ▶ Gambler could “disclaim” an inheritance and then the money would go to another heir, such as the gambler’s children



Gambling Winnings

- ▶ The problem gambler should no longer be “in action,” so there should be no large gambling winnings

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Court Procedures and the 5 R's

- ▶ Remorse
- ▶ Repentance
- ▶ Restitution
- ▶ Rehabilitation
- ▶ Recovery



Civil Settlements

- ▶ Lawsuit judgments for such things as injuries or death in a car accident, workman's compensation, or product claims may be paid out in a lump sum or in periodic payments known as a structured settlement. Structured settlements are generally preferred for problem gamblers, unless a trust will be used.

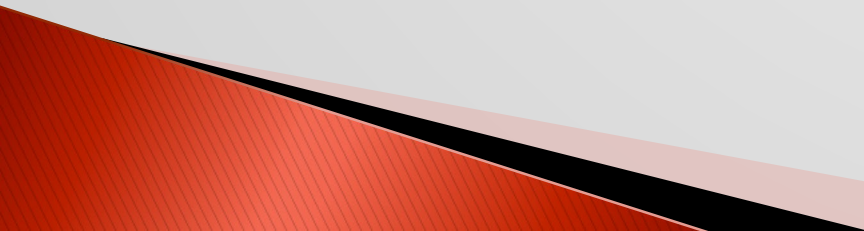


Therapist Roles

Treatment of Problem Gamblers

1. Connect the gambler with Gamblers Anonymous and the concerned person with Gamanon—suggestions and roadblocks.
2. Communicate an understanding of their gambling problem—teach what gambling does for them and to them and acknowledge their ambivalence.
3. Provide non-shaming discrimination and a safe environment.
4. Remain active and directive throughout treatment experience.
5. Encourage creative problem solving.
6. Focus your counseling on changing the way they see themselves.

Therapist Roles (cont.)

7. Interpret the gamblers defenses with them.
 8. Encourage/enhance the process of their connecting with others.
 9. Utilize small steps to help them overcome tendency to procrastinate.
 10. Utilize your referral sources.
 11. Consult with lawyers, credit counselors, mediators, mental health facilities, substance abuse facilities, judges/judicial system, casinos (human relations), suicide hotlines, schools and other professionals.
 12. Know your limitations.
- 

Alert to Life Events

- ▶ *Death of spouse*
- ▶ *Divorce*
- ▶ *Marital separation*
- ▶ *Jail term*
- ▶ *Death of a close family member*

Alert to Life Events (cont.)

- ▶ *Personal injury or illness*
- ▶ *Marriage*
- ▶ *Fired from work*
- ▶ *Marital reconciliation*
- ▶ *Retirement*

Gamblers come to you with multiple needs treat them individually!



DSM IV

How many of the criteria have
to do with money and
finances?

Diagnostic Criteria DSM IV

A. Persistent and Recurrent Maladaptive Gambling

1. Preoccupied with gambling—past experiences, handicapping, planning next venture, planning ways to get money to gamble.
2. Needs to gamble with increasing amounts of money in order to achieve desired excitement.
3. Has repeated **unsuccessful** efforts to control, cut back or stop gambling.
4. Is **restless or irritable** when trying to cut down or stop gambling.
5. Gambles as a way to **escape** problems or relieve dysphoric mood e.g., guilt, helplessness, anxiety, depression.

Diagnostic Criteria DSM IV

6. After losing money returns to get even or “Chasing” one’s losses.
7. Lies to family, therapist or others to conceal the extent of involvement with gambling.
8. Committed illegal acts such as fraud, forgery, theft or embezzlement to finance gambling.
9. Jeopardized or lost a significant relationship, job, or educational or career opportunity because of gambling.
10. Relies on others to provide money to relieve a desperate financial situation caused by gambling (Bailout).

B. Gambling is not better accounted for by a Manic Episode.