

### **Teaching:**

Write down the following list of additional options for paying off debt on the whiteboard: debt consolidation, getting a second loan, credit counseling, debt settlement, and bankruptcy. Go over each of these additional options for getting out of debt in detail. Explain pros and cons of each, saving bankruptcy for the end. Encourage participants to offer their own pros and cons and any comments, questions, or personal experiences they feel comfortable sharing.

Next, go over what bankruptcy is and its pros and cons, emphasizing that bankruptcy is a last resort option and can affect a person's finances for years to come. Emphasize that a person should try all other options before filing for bankruptcy.

Note: There is an option for facilitators to do research on bankruptcy laws in your state before the start of class. If you do so, share that information here. If this is something you do not have the time to do or do not think the participants will benefit from, you can stick to discussing the information on bankruptcy in the Student Guide and the definitions in the Glossary for Bankruptcy Chapters 7, 11, and 13.

### **Creating a PDP for Getting Out of Debt**

#### **Facilitator:**

**Suggested Time:** 20 minutes

**Materials:** PowerPoint slides; Student Guide p. 128-129 ; whiteboard; Workshop 7 worksheets

#### **Activity:**

Ask the participants to pull up their Financial Person Directed Plans from Workshop 2 to use as a reference for this exercise. Ask the participants to complete the Debt PDP Worksheet individually or in pairs. You can form small groups/pairs in the classroom or in Breakout Rooms. Have each group work on the Debt PDP Worksheet/Action Plan in the Student Guide, helping their partners. Allow 10 minutes per person. Ask the participants to save their Debt PDPs and use them as a workable action plan to get out of debt.

#### **Discussion:**

When everyone is done with their Debt PDP worksheets, come back together as a class to share any feelings or thoughts that came up while doing that activity. Center these conversations around hope and the progress participants have already made.