Breakout 13 — Financial Recovery & Credit Rebuilding — Freedom Built One Step at a Time

One sentence for the board: Debt is a math problem with a plan attached — this group maps the debts, the credit file, and the next steps, without shame and without advice about any one person's money.

Purpose	Teach, as recovery education, the practical steps beyond basic budgeting: mapping debts honestly, working a payoff order, reading and correcting a credit report, building credit slowly and safely, and creating the small buffer and systems that protect financial independence. Basic budgeting stays in Life Skills; this outline goes deeper into debt, credit, and independence.
Who chooses this group	Curriculum groups meet separately for men and for women. Breakout groups are coed unless otherwise specified. Placement for participants who do not fit a men/women split follows the participant's stated preference, confirmed with staff for safety and privacy. Nothing about a participant's placement is disclosed to the group. Any participant who carries debt, has a thin or damaged credit file, or wants a steadier financial footing after treatment. No participant is asked to state any amount, account, or personal financial detail in group, and no personal financial document is reviewed in the room. The stated preference stands unless a stated safety reason requires a private conversation. Safety and privacy are the only criteria.
Length	60 minutes
Materials	Paper and pens for every client, whiteboard or flip chart and markers, and the topic resources named in this outline

Time	Segment	What happens
0–5 min	Welcome	Ground rules, confidentiality limits, right to pass. State plainly at the start: this group is education only, no personal figures are shared aloud, and nothing here is advice about any one person's money.
5–30 min	Teaching	The teaching points below, in order, on the board: the true picture, essentials first, talking to creditors, reading a credit report, building credit slowly, a buffer, independence as systems, and qualified help.
30–45 min	Discussion	Prompts below. General answers are always complete answers — no one states amounts, accounts, or personal financial details.
45–55 min	Practice — my money map	Clients privately map their debts, choose a payoff order, draft one creditor contact, and plan one credit-report step. Writing stays with the client, and no figures are shared aloud.
55–60 min	Close	Takeaways, the referral path to qualified help restated, and one money step each client will actually take this week.

Teaching points

- **Start with the true picture.** Financial recovery starts with a complete, private inventory: every debt listed from statements, not from memory — who is owed, how much, what it costs to carry, the minimum payment, and the due date. Add the accounts that are in collections and the ones being ignored, because an ignored debt still grows. Writing it down is not a confession and not a verdict. It is a map. Until the whole picture is on one page, every plan is guesswork; once it is there, the next step can be chosen on purpose.
- **Essentials first, then a plan for the rest.** Order matters. Essentials come first — housing, food, utilities, transport to work and care, and any court or program obligation with a deadline. Then pay at least the minimum on every debt, on time, every time, because on-time payment is the foundation everything else builds on. Any extra money then goes to one debt at a time, in an order the client chooses with qualified help: the highest-cost debt first, which

saves the most over time, or the smallest balance first, which clears whole debts fastest and builds momentum. Both are sound methods. The wrong choice is no order at all.

- **Talk to the creditor before the collector talks to you.** Creditors and collectors are easier to deal with before an account is far behind than after. Clients are taught to contact creditors early, ask about hardship programs, payment plans, and reduced payments, and to get any agreement in writing before paying on it. Keep copies of every letter, every payment, and every agreement. Debt collectors must follow the law: a client may ask for written validation of a debt, may dispute what is wrong, and may tell a collector to stop contacting them in certain ways. This group teaches those general rights and routes individual situations to qualified help through staff.
- **What a credit report is — and how to read yours.** A credit report is the record lenders, landlords, and sometimes employers consult: identity information, accounts, payment history, balances, and public records, held by the three nationwide credit reporting companies. Every person may request their reports free from AnnualCreditReport.com, the federally authorized source. Read each report line by line: names, addresses, accounts you do not recognize, balances that look wrong, and negative items that should no longer be reported. Errors are disputed in writing, at no cost, with both the credit reporting company and the company that supplied the information, keeping copies of everything sent. No one in this group is promised a particular score or a particular result, and no company that promises to erase accurate history for a fee is to be trusted.
- **What builds credit, slowly.** Credit is built the same way trust is built: steadily, in public, over time. The habits that build it are unglamorous — pay on time, keep balances low compared with credit limits, keep older accounts open where it costs nothing to do so, and open new credit sparingly and only when there is a real need. A secured card or a small credit-builder account, used for one regular purchase and paid in full, is one common route clients discuss with qualified counselors; this group names the route and refers the decision. Accurate negative history cannot be wished or paid away, and rebuilding takes time. Anyone who promises a fast score is selling something, not helping.
- **A buffer before a breakthrough.** The difference between a setback and a new debt is usually a small amount of money set aside. Clients build a starter buffer — a modest sum in a separate account, added to automatically in small amounts — before attacking the largest debt with everything they have. One car repair, one medical bill, or one missed shift then bends the plan instead of breaking it. The buffer is not savings for a goal and not spending money in disguise. It is the wall between an ordinary emergency and a return to borrowing.
- **Independence is systems, not willpower.** Financial independence is not a personality trait. It is a set of systems that run whether motivation is high or not: paydays mapped to due dates, minimum payments automated, a calendar that shows every bill, documents and passwords kept safe, and a rule against co-signing or lending money on impulse. Protect personal information fiercely: never share account numbers, Social Security numbers, or passwords by phone, text, or email with anyone who called you first. People in recovery are targeted by scams precisely because a fresh start is being built. When an offer sounds urgent, secret, or too good to be true, the plan is to stop, check with staff or a qualified counselor, and decide later.
- **Help exists — use qualified help.** No one has to untangle debt and credit alone, and no one in this room has to become their own expert. Nonprofit credit counselors help people build

budgets, negotiate with creditors, and set up structured repayment plans; program staff can connect any client to qualified, nonprofit help and to the free public guidance published by the Consumer Financial Protection Bureau and the Federal Trade Commission. Bring statements and questions to that appointment, and bring a support person if it helps. A counselor's job is to look at the whole picture without judgment and to help choose the next step. Asking for that help is financial recovery, not failure.

- **The warrior's reading.** So the warrior's reading, said plainly: debt is not who you are. It is a number, a list, and a plan — and numbers move when a plan is worked, one payment, one letter, one on-time month at a time. Map it, order it, work it, protect it. Freedom is not bought in a day. It is built, step by step, until the debts are smaller than the life being built around them.

Discussion prompts

- "What keeps people from looking at the full debt picture — and what makes the first look easier?"
- "Between paying the highest-cost debt first and clearing the smallest balance first, what would matter most to you, and why?"
- "What is one scam, fee, or 'quick fix' offer to watch for — and how can a person check whether help is legitimate?"
- "What is one system — a calendar, an automatic payment, a separate buffer account — that would protect your plan on a hard week?"

Practice — my money map (10 minutes, your page stays with you)

1. On your own paper, list every debt you carry, from statements where you have them: who is owed, the balance, the minimum, and the due date. No figures are shared aloud, and no one sees this page but you.
2. Choose your payoff order: the highest-cost debt first, or the smallest balance first. Write the order and the first extra payment you will make, with the date.
3. Draft one creditor contact for this week: who you will call or write, what you will ask for, and what written agreement you will request before paying. Do not send anything from group; check the draft with staff or a qualified counselor first.
4. Choose one credit-report step: request your free reports from AnnualCreditReport.com, review one report line by line, or draft a written dispute for one error you can evidence. Write the step and the day you will do it.
5. Choose one buffer step: the amount you will set aside, where it will sit, and the day the first transfer happens. Keep your page. It is yours.

Facilitator boundaries — Financial Recovery & Credit Rebuilding

- **Education only — never personal financial advice.** This group teaches general information about debt, credit, and financial systems. Facilitators do not review any client's debts, accounts, benefits, taxes, or legal documents, and do not recommend any specific financial product, creditor action, or legal decision for any individual. Every personal decision is referred to qualified help through program staff.
- **No personal figures in the room.** Clients are never asked to state amounts, account details, or personal financial information aloud, and facilitators never repeat anything a client volunteers. The practice writing stays with the client, and no document is collected, copied, or kept.
- **No promises about scores or debts.** Never promise a credit score, a debt outcome, a settlement, or a timeline. Do not present any method, product, or service as guaranteed to improve a score or erase a debt. Clients who are contacted by collectors, sued over a debt, or facing garnishment are connected to staff and qualified legal or financial help the same day.
- **Warn against scams, plainly.** Name the warning signs: fees paid in advance for credit repair, promises to erase accurate history, pressure to act immediately, and requests for account or Social Security numbers. A client who may have shared sensitive information or paid a fee is connected to staff the same day for help and reporting guidance.
- **Warrior close:** Close with the plan in hand: “You have a map, an order, and one step dated this week. Debt shrinks the same way it grew — one decision at a time, in the open, with help. Work the map. That is how warriors buy back their freedom.”

Sources & Evidence

Clinical evidence: Substance Abuse and Mental Health Services Administration. SAMHSA's working definition of recovery and its four major dimensions — health, home, purpose, and community — which frame financial stability, housing, and purposeful work as conditions that sustain recovery. This outline applies that framework as group education; it makes no outcome claim and gives no personal financial advice.

Recovery-support evidence: Consumer Financial Protection Bureau. Your Money, Your Goals — a financial empowerment toolkit for frontline staff and the people they serve, covering setting goals, managing money, managing debt, understanding credit, choosing financial products, and protecting money from scams. Federal Trade Commission — consumer guidance on free credit reports through AnnualCreditReport.com and on disputing errors on credit reports in writing, at no cost, with the credit reporting company and the company that supplied the information. No outcome is promised for this group.

Note: No outcome is promised for any group in this packet.