

Armut als Problem und Armut als Weg
Poverty as Problem and Poverty as Path

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Budget Circles and the Lift-your-life Method:
a Sustainable Lifestyle Perspective on Pathways out of Poverty



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Budget Circles and the Lift-your-life Method: a Sustainable Lifestyle Perspective on Pathways out of Poverty

Jeanine Schreurs

1 Introduction

In 2011, the first Budget Circles of the lift-your-life program started in the Netherlands. It is a self-help method for lifestyle changes and financial competences, based on the dissertation *Living with Less: Prospects for Sustainability*.¹ The program is acknowledged as an important social innovation and has been rewarded for its potential for poverty alleviation and sustainable living. Thanks to a large subsidy of the *Oranje Fonds Foundation*, today Budget Circles are active in seventeen municipalities in the Netherlands. Cities such as The Hague, Rotterdam and Amsterdam, but also smaller towns and villages organize Budget Circles to tackle the increasing financial issues among their citizens. What makes Budget Circles so special? And could they indeed offer a pathway out of poverty? If so, under what conditions?

This paper discusses assumptions and characteristics of the Budget Circles and their lift-your-life methodology within the academic framework of the Living with Less study and in the light of the conference theme: pathways out of poverty.

The structure of the article is as follows. First, four results of the Living with Less study will be presented, which became the building blocks for the Budget Circles, in particular: a) The conceptualization of sustainable living versus poverty; b) The outcome of the explorations of the dual nature of frugality; c) The Transformation Model Living with Less; d) The positive and negative experiences of living with less. Then I will elaborate on the findings of the Living with Less study that formed the foundation for the Budget Circles and the lift-your-life methodology, and highlight dominant characteristics. The paper concludes with a discussion of results and experiences, in particular with regard to poverty alleviation.

2 Results and findings of the Living with Less study

The Living with Less study is a theoretical, empirical study of voluntary and involuntary downshifting (meaning spending less money), which was successfully defended as a dissertation in 2010. The original aim of the study was to shed new light on the

¹ SCHREURS Jeanine: *Living with Less: Prospects for Sustainability*. Maastricht 2010.

issue of limited consumption, in order to contribute to a better understanding of how reduced means impact consumer behavior within the context of consumerism and consumption society. Another intention of the Living with Less study was to identify new prospects for sustainable living. Because living with less was defined as spending less money, the findings also appear to be useful for a better understanding of financial behavior per se, and although the focus of the study is broader, i.e. on sustainable living, some results also may shed new light on poverty. This holds, in particular, for the four parts of the study that provided the building blocks of the Budget Circles and the lift-your-life methodology.

2.1 Conceptualization of sustainable lifestyle and related thoughts about poverty

The Living with Less study, both in the Netherlands and in Japan,² affirms that we should broaden our perspective from a financial towards a sustainable perspective. Living with less has strong negative connotations and is generally associated with a social, political, environmental or cultural problem, such as deprivation, impoverishment, pollution, excessive consumption, or abnormal behavior. International studies of voluntary and involuntary downshiffters, however, show a different perspective.³

Living with less can be an enriching experience and an attractive way of life for people across social strata. Therefore, the word 'poverty' is absent in my studies and work. In making this choice, I don't deny that people may suffer because of bad financial situations. And it does not mean that I do not acknowledge that living on a tight budget or in debt could cause lots of stress and problems. I believe that the amount of money, however small or large, is a bad predictor of poverty. More important variables are how people handle their budget (their financial and other life skills), non-financial alternatives for providing necessities of life, their social-economic context, etc. Inspired

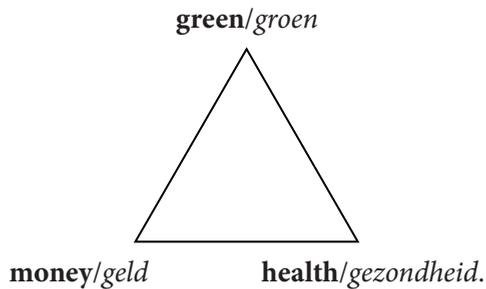
2 SCHREURS, Jeanine: Downshifting and Sustainability in Japan: a Comparative Study of Living with Less. In: *Electronic Journal of Contemporary Japanese Studies* 14/3 (2014). See: URL: <http://www.japanesestudies.org.uk/ejcs/vol14/iss3/schreurs.html> (last accessed on 20.03.2017).

3 BREAKSPEAR, Christie / HAMILTON, Clive: Getting a life; understanding the downshifting phenomenon in Australia. Canberra 2004; CHERRIER, H el ene / MURRAY, Jeff: Drifting away from excessive consumption. A new social movement based on identity construction. In: *Advances in Consumer Research* 29 (2002) 245–247; ELGIN, Duane: Voluntary simplicity. Towards a life that is outwardly simple, inwardly rich. New York 1981; ETZIONI, Amitai: Voluntary simplicity. Characterization, select psychological implications, and societal consequences. In: *Journal of Economic Psychology* 19 (1998) 619–643; HAMILTON, Clive: Downshifting in Britain: a sea-change in the pursuit of happiness. Canberra 2003; HAMILTON, Clive / MAIL, Elizabeth: Downshifting in Australia. A sea-change in the pursuit of happiness. Canberra 2003; SCHOR, Juliet B.: The overspent American. Upscaling, downshifting, and the new consumer. New York 1998.

by the anthropological theory of house economy versus corporate economy⁴ and theories of sustainable development, I prefer the broader definition of sustainable living, that includes finances, health/wellbeing and environmental impact.

The conceptualization is analogous to the triple bottom line of corporate social responsibility. In line with Callenbach's green triangle,⁵ I propose the Dutch Triple G's of a sustainable lifestyle: *geld* (money), *groen* (eco-friendliness) and *gezondheid/welzijn* (health/wellbeing).

Dutch Triple G : Sustainable Lifestyle



This view posits that a sustainable lifestyle results from putting the right input into each of the three pillars. The basic assumption is the concurrence between the pillars and their mutual interdependence: changes in one influence the outcome of the other two. Results of the Living with Less survey seem to support the assumption that what is good for the environment, is good for personal finances and increases wellbeing and health. I discovered that there is no conflict between the three pillars. Anytime you do something beneficial for one of them, you will always inevitably also do something beneficial for the other two. Cycling for example, a popular means of transportation in the Netherlands, is healthy, environmental friendly and it saves money. The same holds for selling goods at a second hand market: the activity is good for the environment since it recycles goods, it brings in money and it contributes to health/wellbeing since it requires some physical exercise. When put in the perspective of sustainable living, less money gains other meanings.

4 GUDEMAN, Stephen / RIVERA, Alberto: Conversations in Colombia; the domestic economy in life and text. Cambridge 1990.

5 CALLENBACH, Ernest: The green triangle. In: Context; a quarterly of humane sustainable culture (1990). See: URL: <http://www.context.org/ICLIB/IC26/Callnbch.htm> (last accessed on 10. 02. 2010).

2.2 Alternative for the dichotomous nature of frugality

Part of the Living with Less study is the examination of how frugality is conceptualized and practiced in postmodern consumer society. An analysis of practices and beliefs in three areas, namely public policy, consumption behavior, and marketing, provided support for the view that frugality in postmodern consumer society has a dichotomous nature, consisting of a range of positive and negative connotations that go beyond the obvious contradiction of virtue and vice.

From the detailed analysis of the theoretical and historical views on frugality and thrift, the conclusion followed that the practice of being frugal developed out of good housekeeping practices, as proposed by classical philosophers.⁶ It then became a main characteristic of the home economy, as evidenced by economic anthropological theory. Through the ages, notions of frugality were handed down through philosophical and religious writings, interestingly all reflecting a similar view, namely that frugality is proven best practice. The discourse was adjusted according to the specific time and context and so frugality was framed as 'God's will', 'a calling', 'a moral duty', 'a virtue' or 'wise stewardship'.

A turning point in this homogenous narrative is noted with the rise of a capitalistic market economy as an economic sphere apart from the home economy. At that time, a new concept of frugality entered the discourse, namely frugality as a means for financial savings and profit making. Whereas the main goal of the house economy is to maintain and strengthen the base, the corporate economy's goal is growth and expansion. Both areas apply frugality, although each with a different purpose. From this, the source of the dual nature of frugality may be determined. As long as the interests of the house economy (or modern household) are congruent with or even strengthened by those of the corporate economy, frugal practices will not be disputed. When consumer frugality becomes an obstacle for economic growth, in times of crisis for example, or in the building of mass consumption in the 1950s,⁷ corporations will increase marketing efforts and use other stimuli to enhance sales. However, the marketing vocabulary and strategies are translated into the 'language' of the house economy because frugality continues to be the main principle in the domain of the house economy.⁸

Gudeman & Rivera's model of the house economy and the corporate economy may provide a potential explanation for the dual nature of frugality in postmodern consu-

6 XENOPHON: *Oikonomikos*. See URL: http://stuff.mit.edu/afs/athena/course/21/21h.401/www/local/xenophon_oikonomikos.html (last accessed on 15.09.2009); ARISTOTLE: *Ethica Nicomachea*, trans. by Charles HUPPERTS and Bartel POORTMAN. Damon 2005, 203–218.

7 COHEN, Lizabeth: *A Consumer's republic. The politics of mass consumption in postwar America*. New York 2004.

8 GUDEMAN/RIVERA, *Conversations* (see footnote 4); MILLER, Daniel: *A theory of shopping*. Cambridge 1998.

mer society and shed light on the tensions surrounding frugality noted by Witkowski.⁹ Instead of explaining frugal or non-frugal consumer practices in terms of irrational consumer motives such as hedonism, anti-materialism, being old fashioned or being ethical, the discussion could better be situated in a structural-functional perspective to overcome the dichotomous approach which continues to influence the epistemic view of consumer research.

2.3 The Transformation Model: Living with Less

The qualitative research part of the Living with Less study examined how a substantial decrease in income and/or spending affected peoples' lives. Results of the explorative field research indicated a consistent pattern in the process of change, independent of involuntary or voluntary downshifting, or of the amount of reduction. This led to the construction of a behavioral change model: the Transformation Model of Living with Less [Table 1]. The model describes seven stages derived from behaviors and experiences on the basis of the following criteria: event, action, barrier and stimulus. Although the seven stages are presented in sequence, this is not a compelling order. The staging should be understood as a prototypical reconstruction of a multi-layered process of change.

	1	2	3	4	5	6	7
	Prelude	Facing reality	Coming out	Restyling	Repositioning	Redefining	Postlude
Event	Signals	Confrontation Fait accompli	Disclosure	Lifestyle Change	Social change	Self-image	Ongoing Process
Action	Non-intervention	Calculation	Sharing	Reduction Cleaning	Resocialization	Personal Growth	Integration
Barrier	Perseverance Neglect Anesthetic	Secrets, lies	Reproaches Avoidance	Lack of opportunities/ capabilities	Social or Consumerist Obligations	Negativity Solitude	Coercion Shortage
Stimulus	Sense of reality	Awareness Acceptance	Support Communi- cation	Creativity Success	Reference group Social Com- mitment	Self-res- pect	Satisfaction Authenticity

Table 1: The Transformation Model

9 WITKOWSKI, Terrence H.: A brief history of frugality discourses in the United States. In: Consumption, Markets and Culture 13/3 (2010) 235–258.

Stage 1: Prelude

The experience of living with less rarely occurs unexpectedly. Problems at work intensify, the marriage becomes increasingly untenable, or the secret weight of gambling or shopping addictions becomes unsustainable. However, like a deer caught in the headlights, the individual is paralyzed, incapable or unwilling to take action.

Stage 2: Facing reality

In the second stage the situation comes to a head, and they have to face the harsh reality. The defining characteristic of this stage is the awareness that living with less is inevitable; the new reality forces the individual to sort out their affairs, willingly or unwillingly. For most people, dealing with this new reality means gaining insight into their new financial situation.

Stage 3: Coming out

Downshiffters are reluctant to inform others about their decrease in finances. It appears that it is more socially acceptable to discuss sexual problems than financial difficulties. However, eventually most people break the taboo, seeking to relieve their anxiety and garner support or compassion. This reluctance to go public is not without cause. All participants mentioned negative initial reactions from others.

Stage 4: Restyling

This is the stage when they roll up their sleeves and adapt their lifestyle to fit the new financial situation. People focus on making ends meet, mainly by seeking ways to cut expenses. The restyling process often coincides with taking stock and balancing the positives and negatives.

Stage 5: Repositioning

Living with less may affect one's position in society in several ways. First, people can be forced into another position by changing jobs or moving to another house. As a result of these experiences with society and social reorientation, downshiffters tend to develop a new commitment to society.

Stage 6: Redefining

Increasing self-awareness was mentioned as a main component of this stage. New behaviors that were adopted to reduce expenses may have provoked a new self-image. Participants described their new lifestyle as more 'authentic' and mentioned personal growth as a major positive effect of the experience of spending reduction. In this stage, most people welcomed new role models. They strengthened ties with family members or a neighbor with a comparable lifestyle to share experiences.

Stage 7: Postlude

The experience of living with less provoked changes that continued even when the financial position improved or even when the respondents found a new balance and accepted their new situation as normal. In this sense, the transformation can be seen as an ongoing process.

The model is presented as a matrix. Each stage is discussed using the following themes: 1. Event (the characteristic), 2. Action (the behavioral activities), 3. Barrier (an obstacle to progress and its opposite), and 4. Stimulus. The latter two themes may refer to personal matters, such as attitudes, skills or emotions; or social matters.

Findings

An important result this qualitative empirical research was the finding that living with less was primarily a life matter, instead of a purely financial matter: reorganizing expenses means reorganizing life. The study demonstrated that in order to deal with serious financial problems, one has to address other domains of life as well. However, although financial problems appear to be connected to non-monetary issues, this does not mean that serious attention to money management is unnecessary.

This research also sheds light on the learning character of the transformation process. However, progress depends not only on acquiring financial knowledge and skills such as budgeting, but also on acquiring practical skills related to housekeeping and do-it-yourself work. The ability to strengthen personal attributes such as resilience, independence and flexibility, and the ability to maintain psychological and physical health appeared to be equally important for success.

Another important finding was the observation that the living with less experience was, for those who involuntarily engaged in living with less, not as dramatic and negative an experience as the respondents had anticipated at the beginning of the process. All respondents mentioned a variety of positive experiences as well as permanent changes in behaviors and attitudes, which were viewed as changes for the better. Positive experiences included feelings of relief when they discovered that they could actually live on much less than before; pleasure through practicing new skills or activities; sa-

tisfaction with the success of the transformation; and feelings of contentment due to improved social connections. Finally, and probably most importantly, we found that the transformation process itself could be a major positive experience. Respondents who were unintentional downshiffters with very low incomes also reported positive experiences such as contributions to personal growth, unexpected support, or gratitude for possessions or immaterial assets such as health, social relations, and other benefits.

2.4 Positive and negative experiences with downshifting

Experiences of downshifting were considered meaningful indicators for the third pillar of the Dutch Triple G's: health and wellbeing. Therefore we used two open-ended questions that invited participants to provide three positive and three negative experiences with spending reduction. Two evaluators categorized the results separately. In this way, nine categories of positive experiences and eight categories of negative experiences emerged. Then, two additional evaluators processed the responses separately and classified all but three responses identically [Table 2]. Again, results are presented for voluntary and involuntary downshiffters.

The result of the qualitative study with regard to positive and negative experiences was further explored in the survey of 1100 respondents.

	Voluntary		Involuntary		p-value**
	N	%	N	%	
Positive experiences					
Challenge/process	43	9	28	10	n.s.
Budgeting	73	16	41	15	n.s.
Financial effect	121	26	34	12	.00
Personal growth	63	14	33	12	n.s.
Psychological effect	135	29	63	23	.04
Post-materialism	169	37	119	43	n.s.
Social effect	42	9	21	8	n.s.
Quality of life	121	26	46	16	.00
Better citizen	97	21	27	10	.00
Not applicable/no positive	63	14	73	26	.00
Negative experiences					
Challenge/process	49	11	46	16	.02
Budgeting	32	7	30	11	n.s.
Psychological effect	53	12	44	16	n.s.
Family problems	29	6	19	7	n.s.
Poverty**	6	1	8	3	--
Sacrifice	60	13	54	19	.02
Incomprehension/criticism	79	17	19	7	.00
Isolation**	9	2	13	5	--
Not applicable/no negative	242	53	130	46	n.s.

Table 1: The Transformation Model¹⁰

As table 1 shows, there is some overlap in these categorizations, since three categories concern both positive and negative experiences. Six categories are thus specifically positive, while five categories are specifically negative. Below we will explain the meaning of all positive and negative experiences. Then we will compare voluntary and involuntary downshifters' scores and discuss their different experiences in the light of new pathways out of poverty.

The following three types of experiences were given a double assessment. They are listed in the categorization of both positive and negative experiences. The category challenge included the concept that the task of making ends meet is perceived as a sport or game. Downshifting thus is seen to have a competitive element in which downshifters attempt to adjust expenses and consumption patterns to the new financial standard. This experience was described by respondents as a 'sport' or 'game'. The experience can be labeled as positive (a sport as in a special task assignment that has

10 * The list of positive and negative experiences resulted from a categorization of the responses to two open-ended questions to which participants could provide a maximum of three answers.

** numbers were too small for testing.

to be overcome and that provides a stimulating experience encouraging respondents to achieve). The challenge can also be viewed as a negative experience. In this case, the task of making ends meet is experienced as too onerous or too difficult or even impossible. Respondents mentioned, for example, that the involuntariness of spending reductions makes it difficult to adjust their expenses to the new consumption standard.

Budgeting denotes explicit financial planning. The term includes the inventory of financial means, the preparation of an overview and the calculation of a budget. Budgeting may be experienced as positive or negative, depending on the person's ability to succeed in this, for most respondents, new task.

The category psychological effect refers to the emotional and psychological consequences of living with less. It has two dimensions as respondents reported both positive and negative psychological experiences. The positive consequences included increased self-esteem, confidence, pride, independence, and an increased sense of autonomy. Additional positive consequences were the strengthening of one's personality and increased self-knowledge. Negative psychological experiences reported included feelings of stress, worry, and guilt, especially toward one's children. Feelings of being a personal failure or being deficient and low self-esteem were also reported.

Further we noted six more positive categories:

The category financial effect denotes the results and outcomes of living with less such as increased savings, debt reduction and the possibility of being able to afford special purchases or support one's children's education.

Personal growth denotes the knowledge and skills gained during the process of living with less. Respondents mentioned that they became more creative because of downshifting and developed particular skills or gained particular knowledge.

The category Post-materialism denotes the acquisition of a changed attitude toward money and material possessions. As a positive experience, it puts the importance of material possessions into perspective and respondents reported that they became less attached to material possessions while, at the same time, setting increased value on what they already owned.

The social effect refers to the strengthening of social ties such as family relationships and friendships. This category also includes reports of changes in social contacts because of living with less, such as meeting new soul mates and ending other relationships.

Quality of life represents having an increased appreciation of life and is analogous with reports of less fatigue, less stress, more free time and/or having a more adventurous life. It also includes reports of improved health and better physical condition resulting from less stress and/or better food.

Better citizen refers to all positive evaluations of living with less that impact the world. For example, respondents mentioned that spending their money more consciously has allowed them to positively contribute to the environment and/or made them

more compassionate toward the underprivileged. This category is also connected to greater involvement with issues of poverty, pollution, and global concerns, and includes a critical awareness of the social pressures of consumerism.

The following five negative categories were reported:

In the responses to the question on negative experiences, a substantial number concerned familial relationships within the immediate family such as with a partner, children, and other close family members. Respondents mentioned discussing expenses with their relatives and being met with protest, criticism, and arguments. With regard to the nature and the intimate character of the bonds, this specific type of social effect was identified as a separate category and distinguished from the category 'social effect' in the list of positive experiences.

The category poverty includes all direct reports of poverty as well as more descriptive reports such as 'too little money to cope', and 'unable to buy essentials'.

Sacrifice includes reports of material or immaterial items that are no longer affordable, as well as activities which are considered to be too costly and therefore forsaken.

The category criticism/incomprehension includes the comments and lack of understanding that respondents reported receiving from their social environment. The intensity of negative reactions varied from slightly negative surprise to severe forms of disapproval or ridicule.

Isolation includes the experience of becoming a social outsider as a result of the decision to downshift or the inability to invest in social obligations (e.g. gifts) and social activities such as parties, going out with friends or colleagues, and so on.

3 Findings

The experiences of voluntary and of involuntary downshifters show some noteworthy differences. The most apparent finding is that involuntary downshifters reported higher scores for all negative experiences, except for the category incomprehension/criticism. Voluntary downshifters reported higher scores for all positive experiences. When we consider the nature of the experience – positive or negative – the following finding is of note: In the range of negative experiences, almost half of the involuntary downshifters (46%) and over half of the voluntary downshifters (53%) reported having no negative experiences or non-response.

The negative experience that scored the highest among voluntary downshifters concerned the category incomprehension/criticism (17%). Participants reported that they were confronted with criticism and negative judgment from their social environment. Involuntary downshifter scores were significantly higher in two categories: sacrifice (19%) and challenge (16%). Also the category psychological effect (16%) showed higher

scores, although not significantly. Respondents reported that trying to cope with less money was a difficult task.

With regard to positive experiences, the highest scores among both the voluntary and involuntary downshifters were reported in the categories 'post-materialism' and 'psychological effect'. About 40% of involuntary (43%) and voluntary downshifters (37%) reported that they valued material possessions and money differently than before. Also, a positive psychological and emotional effect was reported by 29% of voluntary and 23% of involuntary downshifters. This was described as feeling independent and autonomous and feeling good about the fact that they now could master their finances.

Increased quality of life (26% of voluntary downshifters) was also reported to be connected with pleasure derived from engaging in new activities as a result of living with less money. Respondents described their new lifestyle as more creative and adventurous. They reported doing nicer things such as going on sporting holidays, going for nature walks and picking fruit and mushrooms. In addition, the discovery of unexpected talents (e.g. gardening, cooking, do-it-yourself projects) contributed to the quality of life experience. Also, one fifth of the voluntary downshifters reported a change in attitude and a new commitment to society and the world, which we labeled as being a better citizen. Lastly, respondents reported that they had become more generous and more committed to the environment and/or the eradication of world poverty.

Rounding up, we may conclude that involuntary downshifters reported more negative experiences than voluntary downshifters, except for the category 'post-materialism' which was selected more often by involuntary downshifters. In general, it was shown that voluntary downshifters reported more positive experiences. An exception to this finding was that they selected the negative experience 'incomprehension/criticism' more frequently than involuntary downshifters. These results seem to suggest that voluntary downshifters experience more negative social reactions and more positive individual effects.

4 The Budget Circles and Lift-your-life methodology

Findings of the Living with Less study have been applied in the design of the Budget Circles and the lift-your-life methodology, the main purpose of which is to trigger behavioral change in favor of sustainable living. Since the start in 2011 in Maastricht in the Netherlands, hundreds of people have actively participated in Budget Circles that today are offered in 17 Dutch municipalities. Results are such that this program could likely be a realistic pathway out of impoverishment and could strengthen a more sustainable lifestyle. Which results are concerned and what are possible explanations for the success? These questions will be addressed below, after a detailed description

of the characteristics of the Budget Circles which are derived from the Living with Less study.

5 Characteristics

Budget Circles are working groups where people are stimulated to handle their money carefully and consciously and improve their quality of life. The main purpose of the program is to inspire and stimulate participants in changing concrete practices and behaviors in daily life. A Budget Circle has about eight to ten members who meet up weekly or biweekly with their trained – often voluntary – tutors in sessions of 2,5 hours. The program lasts about fifteen meetings, in which participants are supported to realize concrete improvements in their budgets and their life practices. The textbook *Gelukkig met Genoeg (Happy with Enough)* is an important, although not compelling guide; it contains 21 themes, varying from budgeting and stopping shopping to making the household greener and cheap healthy meals. Budget Circles are allowed to use their own sources of information according to their needs. The meetings have a tight schedule of group tasks, feedback and training, and collective working. Meetings close with a round in which each participant tells what concrete task he or she will perform in the week to come; and with a round in which each participant tells which eye-opener the meeting has given.

In the Budget Circles and their lift-your-life methodology the following results and findings of the Living with Less study have been applied.

1. The Dutch Triple G of sustainable living, with the three pillars: money, environment, health and wellbeing, became the guiding principle for the content of the program. Since the Living with Less study affirmed the interconnectedness of the three pillars, the program contains a much broader range of themes than common courses for people with financial problems. The division in the textbook *Gelukkig met Genoeg* reflects the principles of a sustainable lifestyle. Three sections cover topics related to money, environment, health and wellbeing. The first section addresses some personal competences which are essential for a successful transformation process. Experiences so far show that the strategy of integrating financial questions in the context of sustainable living could be a fruitful one.

2. The idea that living with less money is a profound, multidimensional transformation process, which is one of the main conclusions of the qualitative study, resulting in the Transformation Model Living with Less. Therefore, the Budget Circles program lasts longer than the average courses and participants have to invest more time and make greater efforts.

3. The seven stages of the Transformation Model Living with Less have shaped the lift-your-life methodology and the Budget Circles to a great extent. The finding, for example, that handling less money implies coming out, restyling and repositioning, contributes to a better understanding of people's personal situations and a more adequate defining of problems. The barriers and stimuli, as depicted in the Transformation Model, appear to be an important road map for the process of change, since they provide a very useful list of do's and don'ts. Moreover, chapters and exercises in the text book *Gelukkig met Genoeg* are directly derived from the Transformation Model, such as the chapter *Kiezen voor verandering* (Choosing Change) that corresponds with the first stage. The same holds for the nature of the tasks and exercises in the textbook. In line with the finding that stage 2, Facing Reality, appears to be a turning point for a successful transformation process, the first category of tasks is meant to raise self-awareness and sense of reality, while the second one is meant to stimulate alternative behavior and practical solutions.

4. Rather counterintuitive was the finding that the process of change as depicted in the Transformation Model Living with Less might apply to everyone, regardless of the amount of income or amount of decrease. Therefore there are no restrictions for admittance. Budget Circles are open for anyone who wants to improve budgeting and other life skills and practices, regardless of socio-economic status or the extent of financial problems.

5. Although financial problems could be a serious impediment to join a group, as has been demonstrated by stage 3 of the Transformation Model, Coming out, the lift-your-life methodology is nevertheless based on a group approach because of the important social advantages of recognition and acknowledgment. The mixed composition of the group turns out to have added value in terms of mutual exchange of knowledge, experiences and practices. Moreover, mixed groups also provide more varied social contacts and a more extensive social network.

6. The Living with Less study showed which personal competences are needed for a successful process of change, such as a healthy sense of self-respect, problem solving capacities, positive thinking, learning capacities, communication skills including active listening, and feedback techniques. These competencies are trained in the beginning of the program since they are also necessary for the quality of the Budget Circles meetings.

7. The categorization of the positive and negative experiences with living with less money inspired the Budget Circles and the lift-your-life methodology in various ways. Obviously, the program wants to strengthen positive experiences and diminish negative experiences. In particular, it encourages personal growth, budgeting, pleasure in saving, stress reduction, social contacts, and pleasure in non-materialistic life experiences. Budget Circles also support a more adequate handling of family problems related to budgeting. Discussions about personal experiences of shame, guilt, and

poverty contribute to healing strategies. The program also provides in trainings for less self-criticism, more personal resilience, and more inner empowerment.

8. A special feature is how Budget Circles pay attention to frugality. Instead of the moral point of view of virtue and vice, frugality is considered as a behavioral practice of carefully handling one's material and immaterial belongings. This approach is inspired by findings of the historical-philosophical analysis of the concept frugality in the theoretical section of the Living with Less study, seeking out explanations for the dual nature of frugality in postmodern consumer society. In Budget Circles frugality is defined in a value-free way, from a functional perspective. A positive or negative judgment is related to the object of frugality and is not an intrinsic feature of frugality per se, which would be the case if frugality was treated as a moral issue (virtue or vice). Since frugality is easily associated with shortage and poverty, which could be an obstacle for a successful change process, the Budget Circles program directly addresses this topic. In a special chapter, participants examine their convictions, social conventions, and troublesome feelings. The chapter concludes with exercises for alternative thoughts and frugal practices.

Winding up, it can be concluded that Budget Circles are intended to stimulate concrete changes in daily life, towards a more sustainable way of living, consisting of the three pillars: money, environment, and health/wellbeing. Participants are encouraged and supported to actively improve their life and develop life skills. The program provides information, but more importantly provides the opportunity to practice new things in a safe, positively stimulating social environment. The participants represent all classes and income groups, ages, and social-economic positions.

The lift-your-life methodology thus may be characterized as an active, positive learning methodology. Other distinctive features are the focus on behavioral change and not on knowledge transfer; an integrated approach to financial problems as part of a total life situation; the focus on personal responsibility and empowerment; the strengthening of social ties, in particular because of the diverse participants. These characteristics are favorable for overcoming financial problems and improving one's quality of life, but they are not guarantees. In general, evaluations of Budget Circles show good results: participants indeed do realize positive changes in their life practices, become more financially literate, feel better and stronger. But these results only hold for those who participated actively in the Budget Circles; it seems that the higher the effort, the better the result. This given puts a strain on the coaching skills of the tutors, but it also means that people have to be motivated and willing to get actively involved in the Budget Circles program. This attitude is not evident for people with long lasting financial problems in an impoverished situation, since they might be run-down by stress and worries. In such cases individual professional help will be required in

order to create the right conditions for personal resilience. Then the Budget Circles and lift-your-life method can offer an adventurous, rewarding pathway out of poverty.

Summary

Since 2011, the author has been developing Budget Circles in which people who, voluntarily or involuntarily, are faced with a substantial decrease in income learn to transform their lives. The Budget Circles offer a sustainable lifestyle to alleviate poverty, and the opportunity to practice it in a safe, positively stimulating social environment. Transforming living with less into sustainable living can be an enriching experience and an attractive way of life for people across social strata. The transformation consists of seven stages, beginning with a sudden and inevitable experience of having to live with less, facing this reality and taking up the new situation, and hopefully ending in a new commitment to society and to life. And it appears that next to the negative experiences, the positive experiences like personal growth and new relationships prevail, especially among the voluntary downshiffters. A decrease of income may eventually lead to an increase of quality of life. Thus the Budget Circles and lift-your-life method can offer an adventurous, rewarding pathway out of poverty.

Zusammenfassung

Seit 2011 hat die Autorin „Budget“-Kreise für Menschen entwickelt, die freiwillig oder unfreiwillig mit einem deutlichen Rückgang ihrer Einkommen konfrontiert sind, um hier zu lernen, ihr Leben zu verändern. Die Budget-Kreise bieten einen nachhaltigen Lebensstil, um Armut zu lindern, und die Möglichkeit, ihn in einer sicheren, positiv anregenden sozialen Umgebung zu üben. Die Veränderung des Lebens mit weniger in ein nachhaltiges Leben kann eine bereichernde Erfahrung und ein attraktiver Weg des Lebens für Menschen über alle sozialen Schichten hinweg sein. Die Veränderung vollzieht sich in sieben Schritten, beginnend mit einer plötzlichen und unvermeidlichen Erfahrung, mit weniger leben zu müssen, sich dieser Realität zu stellen und die neue Situation anzunehmen, und endet hoffentlich in einem neuen Bekenntnis zur Gesellschaft und zum Leben. Und es scheint, dass neben den negativen Erfahrungen, die positiven Erfahrungen wie persönliches Wachstum und neue Beziehungen überwiegen, vor allem unter den freiwilligen Aussteigern. Letztlich kann ein sinkendes Einkommen zu einer Steigerung der Lebensqualität führen. So können die Budget-Kreise und die Lift-your-life-Methode (Verbessere-Dein-Leben-Methode) einen abenteuerlichen, lohnenden Weg aus der Armut bieten.