

SESSION 4

PURSUIING  
*FINANCIAL*  
*FREEDOM*

FUN, DEBT, & DEBT RESOLUTION

## SESSION 4

# *PURSUING FINANCIAL FREEDOM*

## FUN, DEBT, & DEBT RESOLUTION

### FUN

- God intended that \_\_\_\_\_ of our money to be used for fun!
  - To bring \_\_\_\_\_ to our body and soul.
  - To create \_\_\_\_\_ for us and our family.
  - To enjoy the \_\_\_\_\_  
God has given us.
  - To \_\_\_\_\_ new and different things.
  - To \_\_\_\_\_ our personalities/preferences/likes.
- Fun spending could be broken down into \_\_\_\_\_ and \_\_\_\_\_.

### Needs

- \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.
- 1 TIMOTHY 6:8
- The “\_\_\_\_\_” has a biblical responsibility to provide for the family’s needs. 1 TIMOTHY 5:8
  - “Providing” includes not putting your family \_\_\_\_\_  
\_\_\_\_\_. ECCLESIASTES 5:13-14
- Needs are constantly \_\_\_\_\_ in our culture.

## Wants

- Wants: Anything in \_\_\_\_\_ of our needs. God may allow us to have many of our wants but has not promised to \_\_\_\_\_ all of them. PHILIPPIANS 4:19
- Our \_\_\_\_\_ will change as we align our \_\_\_\_\_ with God's views. PSALM 37:4; 2 CORINTHIANS 4:18

The bestselling author James Clear noted,

*"The will to win is wasted if it is directed toward trivial affairs."*

## Theme Verse

ROMANS 12:2

Do not conform to the pattern of this world, but be transformed by the renewing of your mind. Then you will be able to test and approve what God's will is—His good, pleasing and perfect will.

## DEBT & BORROWING: GOD'S VIEW

### Debt

- Is considered slavery. PROVERBS 22:7; ROMANS 12:2 (theme verse)
- Is considered a curse. DEUTERONOMY 28
- Presumes upon tomorrow. JAMES 4:13-17
- May deny future opportunities.
- Is a symptom of \_\_\_\_\_ and \_\_\_\_\_!
- Is not a tool for the \_\_\_\_\_ —but for the \_\_\_\_\_ to become wealthy!

*"\_\_\_\_\_ comes from wanting more than God's current provision for your life and arranging other ways to get it."*

— Bill Hybels, *Simplify*

### ◆ IN DEBT CRISIS?

Christian Credit Counselors (.org)  
Resolve debt 80% faster. Credit  
Counselors of Arkansas (CCOA)  
Christian Counselors,  
Freedom 5:One (Personal Coaching)

### When to Borrow (Wisely)

- When you can purchase an asset that is likely to \_\_\_\_\_.
- When the value of the item \_\_\_\_\_ the amount of the loan.
- When the payments don't stress the family \_\_\_\_\_.

### Credit Cards/Consumer Loans

Rampant solicitation:

- \_\_\_\_\_ 88% of college graduates have credit card debt upon graduation.  
  
19% of people who file for bankruptcy are college students! One in five students start life as a financial failure!
- Marketing even to \_\_\_\_\_.

### Rationalizations for Credit Cards

- But I pay it off every month!
- It is a better way to keep records.
- It is a more secure way to purchase, especially online.
- "I want my children to learn to handle money, so I got them a credit card."
- I want a credit card for the cash back or the rewards.

### Car Payment Trap: Escape plan

- Keep your present car \_\_\_\_\_ years beyond the end of car loan payments.
- During that time, continue to make the same payment into a car \_\_\_\_\_ account.
- Purchase all future cars ( \_\_\_\_\_ ) with cash from that point forward.

#### **BOTTOM LINE**

If a credit card allows you to purchase that which you cannot afford with cash, you need to stop using credit cards!

- You will be able to buy a 2 or 3-year-old, low mileage,  
\_\_\_\_\_ car that will meet your family needs.

### Borrowing for a Mortgage

15 vs 30-year mortgage comparison.

- Suppose you want to buy a \$300,000 house and have a 20% down payment (\$60,000). That means you need a mortgage for \$240,000.
- Here's what your expenses would look like on a \$240,000 home loan—whether you choose a 15 or 30-year mortgage.

Mortgage Term	15-year	30-year
Interest Rate	3.5%	4%
Monthly Payment	\$1,716	\$1,146
Total Interest	\$69,000	\$172,000
Total Mortgage	\$309,000	\$412,000

### Mortgages:

- Only \_\_\_\_\_—and then make \_\_\_\_\_ principal payments
- Under good outside \_\_\_\_\_ on the property you are buying
- Will not consume more than \_\_\_\_\_ of your household income
- Has early \_\_\_\_\_ privileges

**SEVEN OF THE BEST APPS  
TO MAKE MONEY**

- |              |            |
|--------------|------------|
| 1. Ibotta    | 2. Rakuten |
| 3. Swagbucks | 4. Fiverr  |
| 5. Upwork    | 6. Offerup |
| 7. Poshmark  |            |

Nerd Wallet 6/23

**RESOLVING YOUR DEBT:  
Accelerated Repayment Plan**

- List all your \_\_\_\_\_, including personal loans.
- Establish a \$ \_\_\_\_\_ emergency cash fund.  
HOW? Sell/extra job/cut back on spending.
- Commit to paying off the \_\_\_\_\_ debt in record time/make minimum payments on other debts.
- Convert to \_\_\_\_\_ purchases from this time on—no exceptions—handle crises with emergency fund/replenish when used.
- Produce extra \_\_\_\_\_ —sell things/extra jobs/overtime.
- Remove all debt except your house \_\_\_\_\_ in 24-30 months (after paying off your credit card/consumer loan debt).
- Commit to paying off the mortgage as early as possible (use money from credit card payments to put on mortgage).
- Be \_\_\_\_\_!  
The easiest path to financial freedom!
- Your paycheck is your most valuable financial asset—don't lose it to the creditors!
- Once you are in control (telling your money where to go rather than wondering where it went), saving and investing are not that complicated—just difficult.

**Debt Consolidation—not recommended**

78% of people who consolidate debt fail to resolve the debt—  
it only deals with the symptom.

### **Bankruptcy—not recommended**

Each type of bankruptcy is asking someone else to pay for your spending excesses.

Each type asks someone to forgive part or all of your debt.

Be careful about receiving counsel, especially from a non-Christian. They will often (prematurely) recommend bankruptcy!

- What does God say? PSALMS 37:21
  - Exception: When a spouse is left with unpayable debt that will cripple the family financially.
  - Still be open to how God will provide to honor His name. Make every effort to repay the debt.

### **Co-Signing—not recommended** PROVERBS 22:26-27; 17:18

- \_\_\_\_\_ of all bank loans with co-signing end up being paid by the co-signer!
- \_\_\_\_\_ of all loan company loans end up being paid by the co-signer!

### **Theme Verse**

ROMANS 12:2

Do not conform to the pattern of this world, but be transformed by the renewing of your mind. Then you will be able to test and approve what God's will is—His good, pleasing and perfect will.