SESSION 4

PURSUING *FINANCIAL FREEDOM*

FUN, DEBT, & DEBT RESOLUTION

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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.

BOTTOM LINE

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

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.

- 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

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.

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

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!

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