

Week 10: Finances

LESSON 1 // ACTIVITY

WHAT TO DO:

Take this fun quiz to figure out if you're more of a Nerd or a Free Spirit! If you're married, this will help you identify your role in the Budget Committee Meeting. If you're single, this will help you determine your strengths in creating your budget, and where you'll need some accountability.

NERD & Free Spirit QUIZ

PERSON 1

A B

☐ ☐

A: You're prepared for Tax Day months in advance.
B: Tax Day? That's in October, right?

☐ ☐

A: Rules are important and should always be followed.
B: Rules are more like suggestions.

☐ ☐

A: You are always on time. Always.
B: You show up "on time," give or take 15 minutes.

☐ ☐

A: You make a plan for each day of your vacation.
B: Vacations are more fun with no schedule.

☐ ☐

A: You read the introductions of books.
They're in there for a reason!
B: You skip introductions—only chapters count.

☐ ☐

A: Your life's motto: "A place for everything
and everything in its place."
B: You live by the phrase, "It'll all work out!"

☐ ☐

A: You organize your shirts by color. Doesn't everyone?
B: You're doing good just to get your shirts off the floor.

☐ ☐

A: You can't wait to create your EveryDollar budget!
B: You're considering faking an illness for the
Budget Committee Meeting.

☐ ☐
A B

TOTAL YOUR SCORES AND
CIRCLE THE HIGHEST ONE

☐ ☐
A B

IF YOU HAD A HIGH SCORE OF: **A**

SCORE

4-5: **NERD-ISH**

You have a pretty good idea of how much money is in your **account**.

6-7: **NERD**

Budgets are for awesome people.

8: **ULTRA NERD**

You canceled your plans with friends so you could start drafting next month's budget.

IF YOU HAD A HIGH SCORE OF: **B**

SCORE

4-5: **FREE SPIRIT-ISH**

You've got a budget somewhere. You could find it if you needed to.

6-7: **FREE SPIRIT**

Budgets are for boring people.

8: **ULTRA FREE SPIRIT**

Budgets are like putting on a straitjacket. Why would you ever do that to yourself?

OFFICIAL RULES OF THE BUDGET COMMITTEE MEETING



FOR THE NERD

1. Create the budget.
2. Thank the Free Spirit for being there!
3. Show the budget to the Free Spirit. Then be quiet.



FOR THE FREE SPIRIT

1. Come to the Budget Committee Meeting.
2. Be realistic and don't use the phrase "whatever you want."
3. Have an opinion and change something.

LESSON 1

BABY STEP 1 & BUDGETING

KEY POINTS

- ✓ The 7 Baby Steps focus on changing your behavior toward money through a proven, step-by-step plan.
- ✓ Baby Step 1 is saving \$1,000 for your starter emergency fund.
- ✓ A zero-based budget is the tool that helps you take control of your money.



BABY STEP 1

Save \$1,000 for Your Starter Emergency Fund



BABY STEP 2

Pay Off All Debt (Except the House) Using the Debt Snowball



BABY STEP 3

Save 3–6 Months of Expenses in a Fully Funded Emergency Fund



BABY STEP 4

Invest 15% of Your Household Income in Retirement



BABY STEP 5

Save for Your Children's College Fund



BABY STEP 6

Pay Off Your Home Early

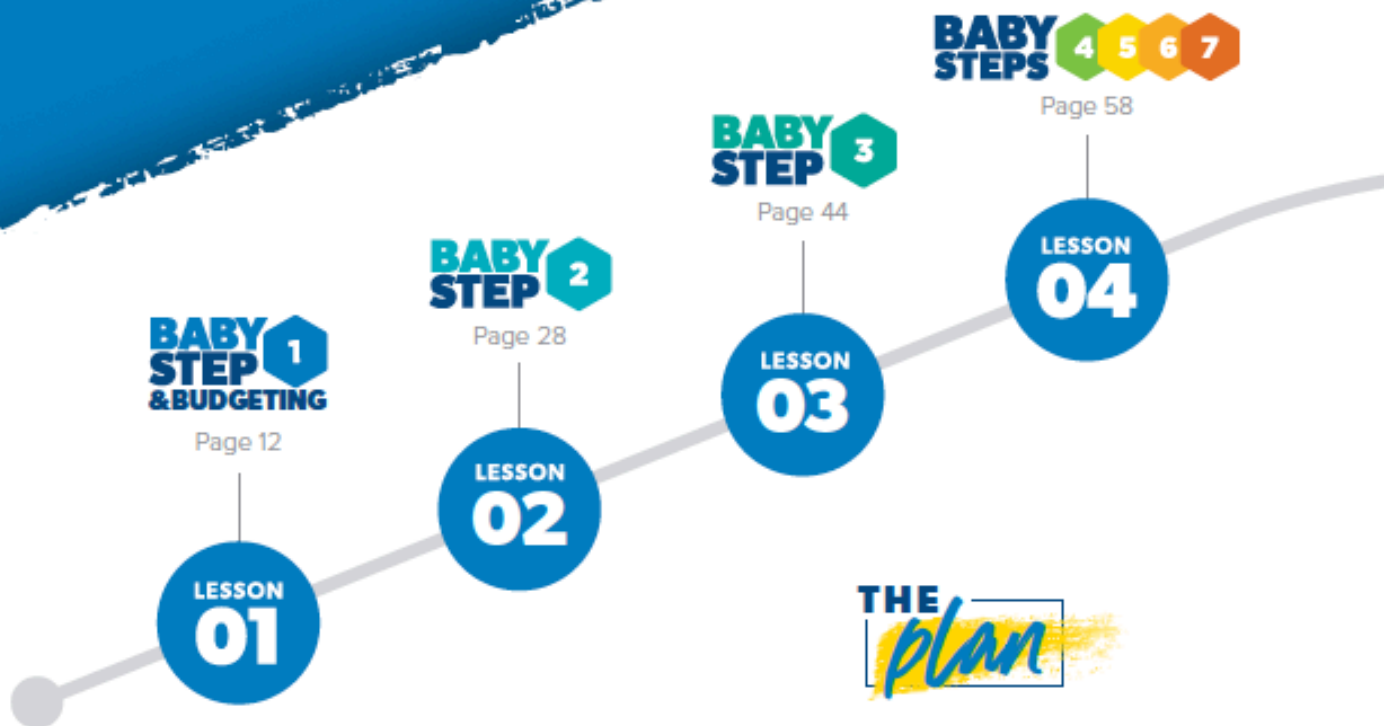


BABY STEP 7

Build Wealth and Give

COURSE OVERVIEW

You've learned the Baby Steps, but that's not the whole course! You've got nine video lessons ahead of you. The first four will walk you through our proven plan, the 7 Baby Steps. And the last five lessons will teach you how to tackle life on the plan. Let's break it down.



Lessons 1–4 walk you through the 7 Baby Steps. This is your proven plan to win with money. In these lessons, you'll learn how to do more than just treat the symptoms of your money problem. You'll get to the root of the problem: your behavior!



WISE SPENDING

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BUILDING WEALTH

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OUTRAGEOUS GENEROSITY

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UNDERSTANDING INSURANCE

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BUYING & SELLING YOUR HOME

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Lessons 5–9 keep you on track with the Baby Steps. Learn to navigate spending, insurance, real estate and investing so you don't ruin your progress! And protect yourself and your money so you can start fighting for the things you want.

The Story of **JACK & BLAKE** AND THE POWER OF COMPOUND GROWTH




JACK

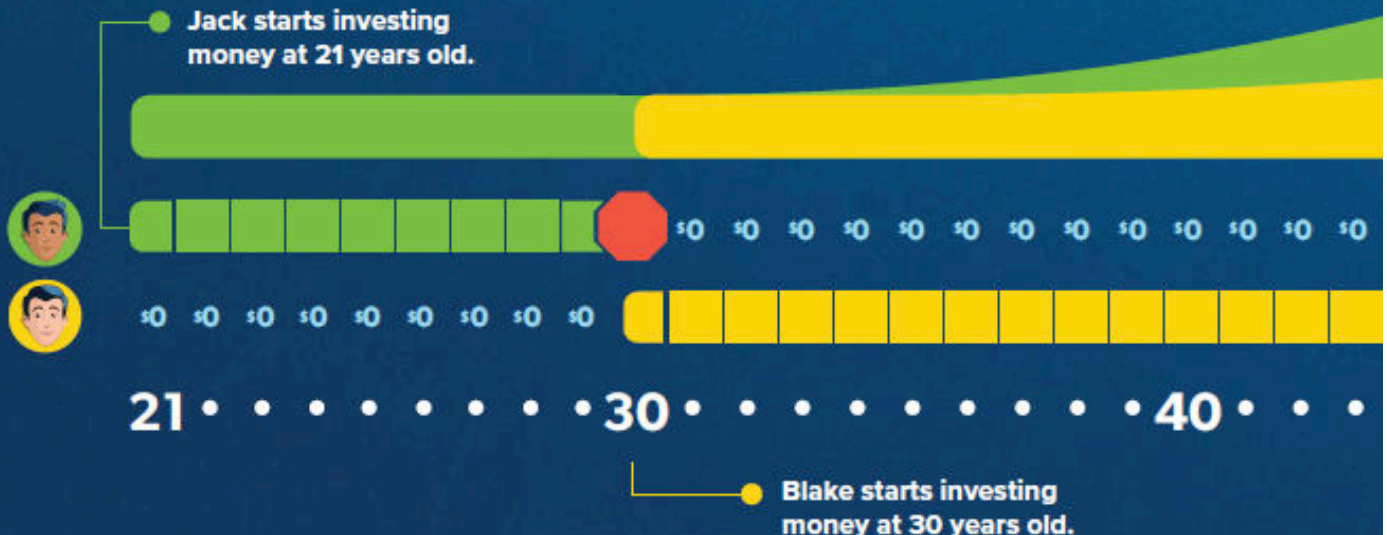
At age 21, Jack decided to invest \$2,400 every year (\$200 per month) for nine years. Then, at age 30, Jack stopped putting money into his investments. So all together, he put a total of \$21,600 into his investment funds, then left them alone.



BLAKE

 Blake didn't start investing until age 30—nine years after Jack got started. And just like Jack, Blake put \$2,400 into his investment funds every year—but he invested 29 more years than Jack. Blake invested a total of \$91,200 over 38 years.

At age 67, Jack and Blake decided to compare their investment accounts. Who do you think had more? Jack, with his total of \$21,600 invested over nine years, or Blake, who invested \$91,200 over 38 years? Check this out:



Possession Obsession

In 1997, PBS aired a program called *Affluenza*, which addressed what it called the “modern-day plague of materialism.” Statistics from this program claim:

- The average American shops six hours a week while spending forty-five minutes playing with his children.
- By age twenty, we’ve seen one million commercials.
- Recently, more Americans declared bankruptcy than graduated from college.
- In 90% of divorce cases, arguments about money play a prominent role.

“The care of \$200 million is enough to kill anyone. There is no pleasure in it.” W.H. Vanderbilt

“I am the most miserable man on earth.” John Jacob Astor

“I have made many millions, but they have brought me no happiness.” John D. Rockefeller

“Millionaires seldom smile.” Andrew Carnegie

“I was happier when doing a mechanic’s job.” Henry Ford

Ecclesiastes 5

10 He who loves money will not be satisfied with money, nor he who loves wealth with his income; this also is vanity. *The more you have the more you want, and the more you have the less you are satisfied.*

11 When goods increase, they increase who eat them, and what advantage has their owner but to see them with his eyes? *The more you have, the more people will come after it, and the more you have, the more you realize it does you no good.*

12 Sweet is the sleep of a laborer, whether he eats little or much, but the full stomach of the rich will not let him sleep. *The more you have, the more you have to worry about.*

13 There is a grievous evil that I have seen under the sun: riches were kept by their owner to his hurt, *The more you have the more you can hurt yourself by holding onto it.*

14 and those riches were lost in a bad venture. And he is father of a son, but he has nothing in his hand. *The more you have, the more you have to lose.*

15 As he came from his mother's womb he shall go again, naked as he came, and shall take nothing for his toil that he may carry away in his hand. *The more you have, the more you will leave behind.*

Biblical Theology of Wealth/Possessions

- 1) Material possessions are a good gift from God meant for His people to enjoy.

- 2) Material possessions are simultaneously one of the primary means of turning human hearts away from God.

- 3) A necessary sign of a life in the process of being redeemed is that of transformation in the area of stewardship.

- 4) There are certain extremes of wealth and poverty that are in and of themselves intolerable.

- 5) Above all, the Bible's teaching about material possessions is inextricably intertwined with more spiritual matters.

Gospel-Centered Principles of Stewarding Wealth & Possessions

Principle #1: *God owns everything. I am His money manager.*

Psalm 24:1 The earth is the Lord's and the fullness thereof, the world and those who dwell therein

Psalm 50:10 For every beast of the forest is mine, the cattle on a thousand hills.

Haggai 2:8 The silver is mine, and the gold is mine, declares the Lord of hosts.

1 Chronicles 29:12 Both riches and honor come from you, and you rule over all. In your hand are power and might, and in your hand it is to make great and to give strength to all.

Principle #2: *My heart always goes where I put God's money.*

Matthew 6:19 “Do not lay up for yourselves treasures on earth, where moth and rust[a] destroy and where thieves break in and steal, 20 but lay up for yourselves treasures in heaven, where neither moth nor rust destroys and where thieves do not break in and steal. 21 For where your treasure is, there your heart will be also.

Principle #3: *Heaven, not earth, is my home.*

Philippians 3:20 But our citizenship is in heaven, and from it we await a Savior, the Lord Jesus Christ,

Romans 8:19 For the creation waits with eager longing for the revealing of the sons of God.

Hebrews 11:13 These all died in faith, not having received the things promised, but having seen them and greeted them from afar, and having acknowledged that they were strangers and exiles on the earth.

Principle #4: *I should live not for the “dot” but for the “line.”*

Ephesians 5:15 Look carefully then how you walk, not as unwise but as wise, 16 making the best use of the time, because the days are evil.

Hebrews 11:9 By faith he went to live in the land of promise, as in a foreign land, living in tents with Isaac and Jacob, heirs with him of the same promise. 10 For he was looking forward to the city that has foundations, whose designer and builder is God. 16 But as it is, they desire a better country, that is, a heavenly one. Therefore God is not ashamed to be called their God, for he has prepared for them a city.

Principle #5: *Giving is the only antidote to materialism.*

1 Timothy 6:17 As for the rich in this present age, charge them not to be haughty, nor to set their hopes on the uncertainty of riches, but on God, who richly provides us with everything to enjoy. 18 They are to do good, to be rich in good works, to be generous and ready to share, 19 thus storing up treasure for themselves as a good foundation for the future, so that they may take hold of that which is truly life.

Reflection Questions

Do I honor God as owner of all the assets He has entrusted to my care, or do I treat God as a financial consultant?

Money and things have mass; mass exerts gravity; gravity holds things in orbit (or down).

Which of “my” assets is keeping God from being my “center of gravity?”

(Meditate on Luke 16:13; Psalm 42:1-2; Matthew 5:6)

Are my material assets competing with God for lordship over my life?

What am I doing, and what should I be doing to train my children to be regular, joyful, and generous givers?

[illegible]

[illegible]