

# Personal Finance Class 2023

## Section 1: Biblical Foundation

Romans 12:2-3: *Do not be conformed to this world, but be transformed by the renewal of your mind, that by testing you may discern what is the will of God, what is good and acceptable and perfect. For by the grace given to me I say to everyone among you not to think of himself more highly than he ought to think, but to think with sober judgment, each according to the measure of faith that God has assigned.*

When following the pattern of our \_\_\_\_\_ and following \_\_\_\_\_

are in conflict, as Christians we refuse to \_\_\_\_\_ to our culture.

Luke 16:13: *No servant can serve two masters, for either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve God and money."*

Your \_\_\_\_\_ and your \_\_\_\_\_ are connected.

Money is more \_\_\_\_\_ than we think.

Notes:

1. In what ways has money been a struggle for you?
2. In what ways do you treat money as God?
3. Do you see yourself being conformed into the ways our culture views and treats money?

## Section 2: Owners vs Managers

We are not the \_\_\_\_\_ . God owns everything. Which makes us the

\_\_\_\_\_ .

Notes:

## Section 3: Following Jesus

1. Trust \_\_\_\_\_ not \_\_\_\_\_.
2. Spend \_\_\_\_\_ than you \_\_\_\_\_.
3. Avoid \_\_\_\_\_.
4. Tell your \_\_\_\_\_ where to go, don't wonder where it went.
5. \_\_\_\_\_.

Notes:

1. Do you view yourself as owner or manager in regards to your money and possessions? How do you think this affects you?
2. How do you need to grow as a manager of 'God's stuff' in your life?
3. Out of the 5 points above, which is the most difficult for you?

## Section 4: Self- Reflection

Make a plan!

- Take out a journal.
- Write out 3-5 goals you have financially. Debts, savings, generosity etc.
- Write out your after tax income at the top. If you don't know, go look at your last bank statement on your bank app. If you don't have online banking, sign up for it!
  - You can also guess.
- Write out all set expenses- bills, groceries, gas, rent/mortgage, insurance, phone etc
- Write out discretionary expenses- eating out, shopping etc.
- Total all expenses. Subtract from your income.
- What are you left with?

Notes:

## Section 5: Debt

Bad debt: Anything you owe somebody on an \_\_\_\_\_ that is not \_\_\_\_\_.

Debt is \_\_\_\_\_ to a \_\_\_\_\_.

If you can't \_\_\_\_\_, don't \_\_\_\_\_.

Debt Snowball:

1. Order your \_\_\_\_\_ from smallest to largest.
2. Pay all the \_\_\_\_\_ payments.
3. Attack the \_\_\_\_\_ debt and eliminate it.
4. \_\_\_\_\_ that payment into the next smallest debt.

Rules that aren't in the bible:

Car Rule #1: Don't buy \_\_\_\_\_.

Car Rule #2: Make payments to \_\_\_\_\_.

## “But I need a car NOW. What do I do?”

### Option #1: Nice Car

Price: \$20,000

5 years at 10% = \$425/month

Year 1 Savings: \$0

Year 2 Savings: \$0

Year 3 Savings: \$0

Year 4 Savings: \$0

Year 5 Savings: \$0

Next Car: Take out another loan to buy a car and stay in debt.

Endless Car Payments!

### Option #2 Ugly Car

Price: \$6,000

5 years at 10% = \$125/month

(Save an extra \$300 using power of compound interest)

Year 1 Savings: \$3,769

Year 2 Savings: \$7,934

Year 3 Savings: \$12,535

Year 4 Savings: \$17,617

Year 5 Savings: \$23,231

Next Car: Pay cash

No Car Payments!

Just for fun, let's buy a \$20,000 car (in cash) and you continue saving the \$425/month for 5 more years:

Savings: \$ \_\_\_\_\_

You are now in a position to \_\_\_\_\_ make a payment again.

Notes:

1. Imagine what your life would be like if you were 'debt free'. What would life be like?
2. What is the next step you need to take in regards to your debt?

## Section 6: Savings

As adults, we must be aware of not just our monthly goals, but also our mid- and long-term necessities. In light of that, it is crucially important to begin an

\_\_\_\_\_.

For this account, you should set aside \_\_\_\_\_ your monthly expenses, and you should only touch this money in the event of an \_\_\_\_\_.

Notes:

1. How much would you need to save each month to have an emergency fund of 3x monthly expenses in a year?
2. What steps do you need to take today to set yourself up with an emergency fund in a year?

## Section 7: Generosity

Tithes: \_\_\_\_\_ of your \_\_\_\_\_. When you get paid, the first \_\_\_\_\_ you write is to \_\_\_\_\_.

Offerings: \_\_\_\_\_ above and beyond the tithe.

Notes:

1. How would you like to grow as a saver?
2. How would you like to grow in generosity?
3. What are the next steps?



## Section 8: How Tos

### Retirement accounts

- Advantages of **Traditional** IRA: The money you invest today is \_\_\_\_\_ taxed, and future withdrawals are taxed at a \_\_\_\_\_ rate.
- Advantages of **Roth** IRA: The money you invest may be taxed \_\_\_\_\_, but the future \_\_\_\_\_ and, more importantly, \_\_\_\_\_, are \_\_\_\_\_ taxed.
- In 2023, you can contribute \_\_\_\_\_ to either a Traditional or Roth IRA.

### Savings rates

- Types of savings accounts and what they are used for:
  - \_\_\_\_\_: Monthly expenses (0.00001% interest)
  - \_\_\_\_\_: Emergency fund (3% interest)
  - \_\_\_\_\_: To sound smart, but deal with more hassle (3-4% interest)
- Types of Treasury bonds:
  - Series \_\_\_\_: Protect against inflation (7% interest)
  - Series \_\_\_\_: Double your money in 20 years

### Buying a home

### 529 plans

