

Finances

SDOE Spring 2022



www.deitrick.us/sdoe

“Some people store up treasures in their homes here on earth. This is a shortsighted practice—don’t undertake it. Moths and rust will eat up any treasure you may store here. Thieves may break into your homes and steal your precious trinkets. Instead, put up your treasures in heaven where moths do not attack, where rust does not corrode, and where thieves are barred at the door. For where your treasure is, there your heart will be also.”

- Matthew 6:19-21 (VOICE)

“As the saying goes, those who love money will never be satisfied with money, and those who love riches will never be happy with what they have. This, too, is fleeting.”

- *Ecclesiastes 5:10 (VOICE)*

“Pay tribute to the Eternal in all of your affairs. Honor Him with the best of what you make. That way you will prosper to the fullest and have plenty of food to eat and wine to drink.”

- Proverbs 3:9-10 (VOICE)

“Money earned hastily is easily
lost, but hard-earned money
continues to grow.”

- *Proverbs 13:11 (VOICE)*

“The rich lord it over the poor,
and the borrower is the slave
to the lender.”

- *Proverbs 22:7 (VOICE)*

Saver

You wear 10 blankets in the winter so that you don't have to turn up the furnace.

You drive 23 miles to save 2 cents per gallon on gas.

Your shoes have more holes than the local mini golf.

Spender

On your trip to buy milk and bread, you somehow come home with 10 other food items and lawn furniture.

You have a parking space with your name on it at Macy's

UPS decides to open a new hub across the street from your house for easier delivery.

Discussion: Spenders and Savers

1. How did your family handle finances growing up? Did your parents fit the spender/saver paradigm? Did they have a budget?
2. Are you a spender or a saver?
3. Do you currently have a budget or use a budgeting tool?

Common Goals

1. You are on the same team
2. Both of you need to have input and approval of budget and financial decisions
3. You should have joint accounts, with individual spending allowance

Defining Expectations

1. Will you be using credit cards? If so, will you carry a balance from one month to the next?
2. Do you plan to pay for kids' college?
3. How much money do you plan to have for retirement? Do you plan to retire?
4. Planning to buy a car? Payments or cash?
5. Rent or own a home?

5 Core Principles

1. Have a written budget
2. Live on less than you make
3. Stay out of debt (except an affordable mortgage)
4. Save and invest
5. Be generous

Other Considerations

1. Insurance: for things you can't afford if they happen (life, health, car, home or renters)
2. Have a will in place
3. Organize and store important documents, account passwords centrally

Couples Discussion

1. What was new for you, and what was review?
2. What principle excites you the most? Why?
3. What principle concerns/worries you the most? Why?

5 minutes to discuss, then share answer to one question with class.

Baby Steps (Dave Ramsey)

1. \$1,000 to start an emergency fund
2. Pay off all debt using the debt snowball
3. 3 to 6 months of expenses in savings
4. Invest 15% of household income into Roth IRAs and pre-tax retirement
5. College funding for children
6. Pay off home early
7. Build wealth and give

“A budget is telling your money where to go instead of wondering where it went.”

- John Maxwell

The Four Rules (YNAB)

1. Give every dollar a job
2. Embrace your true expenses
3. Roll with the punches
4. Age your money

Getting Started with Budgeting

1. First month “income”: your current bank account balance; after that, budget on previous month’s income
2. Tithe: 10%
3. Cover expenses (food, clothing, shelter, transportation)
4. Save for future

Budget Notes

- 1.Process before tool
- 2.Plan on making changes; be flexible
- 3.Don't spend more than you make

Homework (see handout)

1. Couples' Discussion
2. Budget Assignment