

# **Money Management** *for the Christian*

## **Facilitator Guide**

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# Introduction

The **Money Management for the Christian** series consist of three major divisions containing three sessions in each division. The first division is titled **ATTITUDE** and contains the first three sessions (Auto, House, Debt). From a Biblical perspective, we are encouraged to develop the attitude of a steward (manager) rather than an owner. The Bible is clear to point out that God is not only the Creator but the Owner.

The second division is titled **APPLICATION** and contains the next three sessions (Insurance, Budget, Saving). As wise managers, we must learn and apply sound Biblical and practical principles in a consistent disciplined manor.

The last division is titled **ASSIMILATION** and contains the last three sessions (Long-Term, Giving, Children). The right attitude combined with the consistent application of sound Biblical and practical principles will yield a lifestyle of peace. Attitude, application and assimilation make up the three stages of financial freedom (see diagram # 1).

Decisions that are made in regard to personal finances are based in one of, or a combination of, three areas: emotion, logic or wisdom (spiritual). Decisions made from a purely emotional motivation are often the decisions that result in regret and remorse. Purely logical decisions tend to make life boring. Decisions that are the result of spiritual justification alone can leave practical needs unmet. Each of the three areas play an important role in our ability to make sound financial decisions. An athlete will play his best game when he is “in the zone”. A baseball bat and a tennis racket realize their greatest power when the ball hits the “sweet spot”. The financial decisions that a person makes in life provide the greatest benefit to that person when there is a perfect balance between emotions, logic and wisdom (see diagram #2).

Each session should include a review of the three stages of financial freedom and the three areas of concern regarding financial decision. These generic illustrations will provide a basis for all of the sessions. The individual class member needs to understand these key concepts in order to see a lasting change in their behavior.

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## **SESSION ONE**

### **AUTO**

### **THE SMELL OF NEW LEATHER**

The first part of session one provides an overview of the class, an introduction to the web site [www.coeinc.org](http://www.coeinc.org) and how the website is intended to be used to support the class sessions and an explanation of the 3 stages that make up the journey towards financial freedom (attitude (yellow/red), application (green), assimilation (purple)). Yellow represents caution for the two largest ticket items; red represents a danger or stop signal for debt; green represents the need to go full speed ahead; purple represents wisdom, wealth or riches which is a result of a balanced life.

Session one focuses on the #1 consumer item that leads more families into serious debt problems than any other – the auto. The decision to finance an automobile is made by practically every American (95%). It has become so easy to finance a new auto that even those with marginal or bad credit can qualify.

The Christian has fallen prey to the ways of the world and neglected to evaluate the Biblical principles dealing with consumer debt and the consequences of financing a depreciating item. For some, the need to downscale the auto expenses category should be a top priority but as is often the case, the logistics are not always simple.

The purpose of this lesson is not to focus on the unwise choices that have been made but rather to instruct in the practical and Biblical principles dealing with the purchase of a major item such as an auto. The resulting decisions should then be left to each person (couple) as God leads.

### **LESSON HIGHLIGHTS**

- ✓ Give an overview of the class, the website and a brief testimony.
- ✓ Acknowledge the problems that exist in America in regard to poor money management practices.
- ✓ Offer encouragement and hope to those who are willing to attend the classes and apply the principles.
- ✓ Outline the 3 stages in the journey towards financial freedom using the ministry logo.
- ✓ Discuss the 3 considerations that should be made when making financial decisions: emotions (need, want, desire), logic (budget), wisdom (Biblical principles).
- ✓ Explain “The Free Car Program”.
- ✓ Encourage class to visit [www.coeinc.org](http://www.coeinc.org) and review the AUTO section.
- ✓ Encourage the class to review their current auto situation in preparation for the session on budgeting.
- ✓ Mention next week's lesson: HOUSE “**Home Sweet Home**” and encourage the class to visit the website to preview the lesson.
- ✓ Close the class with prayer.

## **I. Ministry Overview**

***A. Christian Oriented Education, Inc. (C.O.E., Inc.) is a non-profit tax deductible ministry founded by Mike Coe. The mission statement is summed up in Colossians 1:28, “...warning everyman and teaching every man in all wisdom: that we may present every man perfect in Christ Jesus.” And Proverbs 13:12, “Hope deferred maketh the heart sick, but when the desire cometh, it is a tree of life.” The goal is to teach the practical application to Biblical principles and restore hope through God’s plan for true financial freedom.***

***B. [www.coeinc.org](http://www.coeinc.org) is designed to work in conjunction with the Money Management for the Christian class sessions as a preview or review of each lesson and for extended study sources on each topic.***

***C. Give a personal testimony of why you wanted to start a small group study on money management.***

## **II. A Nation in Debt**

***A. Debt statistics (see statistics) to include: 95% of all households financed at least 1 auto with an average payment of \$375 for 60 months.***

## **III. There is Hope**

***A. Many people as a result of bad choices have put themselves into situations that make them feel hopeless. When a person’s hope is perceived to be gone, the person is defeated. Prov. 13:12 is clear to point out how sick one feels when all hope is gone. But the positive side is when the things you desire come into your life or appear to be attainable, you feel alive again.***

## **IV. Three Stages of Financial Freedom – explain the three divisions of the series.**

***A. Attitude (Be) - A right relationship to money begins when we accept our position as a steward (manager) and God’s position as Owner – God Owns It All!***

### **1. Auto/House/Debt**

***B. Application (Do) - Learning to be a good manager requires that we understand and apply sound Biblical and practical principles in the area of money management.***

**1. Insurance/Budget/Saving**

***C. Assimilation (Have) - When the right attitude and the application of sound practical and Biblical principles becomes a lifestyle, assimilation results. Through the Assimilation of the right attitude with sound Biblical and common sense principles, not only will we begin to live life skillfully but we will also be equipped to share our knowledge and success with others (spouse, children, friends and those God brings into our lives).***

**1. Long-term/Giving/Children**

**V. Three considerations when making financial decisions**

***A. Emotions***

- 1. Needs, wants, desires**
- 2. New, used, luxury, sports car, etc.**
- 3. Marketing is primarily aimed at your emotions.**
  - a) Fear, safety, self-image**
  - b) Artificial smells are injected into the leather to give the desired smell of leather.**

***B. Logic***

**1. Budget, Depreciation, Leasing**

**a) Budget percentages for “Big Three” (House/Auto/Food)**

***(1) Combined house/auto/food should not to exceed 65% of your Net Spendable Income (N.S.I.)***

**b) Depreciation**

***(1) Consumer Reports says the a new car will depreciate approximately 40%-60% within the first 4 years.***

***(2) Due to the rapid depreciation of new autos, it doesn't take long to get “upside down” (owe more for the car than its worth).***

### **c) Leasing**

*(1) Leasing is nothing more than an alternative way to finance.*

*(2) The only difference between leasing and traditional financing is that when the term is over you own nothing – leasing is in effect renting.*

*(3) The increase in the popularity of leasing is due to the ability to have more car for less payments (payment mentality).*

### **C. Wisdom**

#### **1. Biblical principles**

##### **a) Surety: Proverb 22:26**

*(1) Never borrow money to buy things that go down in value*

##### **b) Debt: Proverbs 22:7 (more detail in Session 3)**

*(1) Debt makes you a slave and robs you of your freedom*

### **VI. The Free Car Program (explain)**

**A. Start making a monthly car payment to yourself.**

### **VII. Conclusion**

**A. Visit [www.coeinc.org](http://www.coeinc.org) for a review of AUTO and a preview of HOUSE, lesson handouts, and links.**

## **SESSION TWO**

### **HOUSE**

### **HOME SWEET HOME**

Session two is designed to help equip the class members with the knowledge needed to make wise decisions when buying a house. Budget concerns are a top priority and should be understood and computed before the house hunting begins. Emphasis is made on the effects of compounding both in a negative and positive direction.

The following four key questions are answered:

1. How much house can I afford?
2. How long should I finance my house?
3. Should I refinance my mortgage?
4. Should I pay my house off early?

The last section of the lesson will address the topic of value systems and relating with money in the marriage. This area is a very hot topic. The stress and strain found in most marriages and families is nearly always due to financial issues. The Biblical support is aimed at unity. Every family, especially those that are undergoing financial trials need to be encouraged in this area. When couples are unable to accept a common value system in the home and find that they very rarely agree on spending, saving and debt reduction, they are in need of marital counseling.

Time should be allowed at the end of the lesson to prepare the class members for the upcoming lesson on DEBT. This is their opportunity to take the bold step of change by cutting up those credit cards that have balances older than 30 days. They should be encouraged to pray about it together and be prepared to conduct plastic surgery at the next class.

### **LESSON HIGHLIGHTS**

- ✓ Review the concept of attitude, application and assimilation along with the three considerations when making financial decisions – emotion, logic, wisdom.
- ✓ Logic is addressed when the four key questions are answered.
- ✓ Discuss the issues associated with the integration of two different value systems into one.
- ✓ Give a strong reminder of the importance of the next session DEBT.
- ✓ Encourage the class to visit the web site to preview and review the lessons.
- ✓ Close with prayer.

## **I. Review**

***A. The Three Stages of Financial Freedom (Attitude, Application, Assimilation)***

***B. The three considerations before making a financial decisions (emotion, logic, wisdom).***

## **II. Emotion**

***A. Talk about the emotional side of buying a house and becoming a home owner. Give a personal experience or tell a short story.***

## **III. Logic - Answer the 4 questions**

***A. How much house can you afford to buy?***

**1. Luke 14:28-30 – Jesus used the example to make a point about becoming a disciple. He assumed that it was obvious that you would count the cost before building a tower.**

**2. Budget ratios for HOUSE – Total 30-40%; 25-30% for P.I.T.I. and 5-10% for other house items. Remember the 65% for the Big Three.**

**3. Give an example using \$50k/yr income.**

***B. How long should I finance my house?***

**1. Show the power of compounding by comparing the total paid on 15 and 30 year terms.**

**2. Show the difference in the payment and interest rate for 15 and 30 year terms.**

**3. Explain the value found in borrowing less while keeping the same payment. Two 15 year loans made back to back will yield more house over 30 years than one 30 year with a larger starting amount.**

**4. Give a personal testimony about your house buying experience (optional).**

***C. Should I refinance my mortgage?***

1. Explain how the finance charges must be recovered with the payment savings. The number of months to recover the charges will determine if the refinance is a good idea.

***D. Should I pay my house off early?***

1. Although paying extra on your mortgage is a good idea it is not the first target of surplus savings. Talk about the priority.
2. Show how debt has become normal in our society.
3. Address the most common arguments for not paying your mortgage off early:
  - a) Increase standard of living – Bad idea as this is using surplus to buy things that go down in value.
  - b) Invest instead – This has merit and for some is the right way to go. The key point to address here is RISK.
  - c) Tax deduction – This is probably one of the least understood myths. The tax credit is a good thing but is not justification for keeping the debt.

**IV. Wisdom**

***A. Proverb 24:27 – Get prepared then build your house.***

***B. Value System***

1. Normally two different value systems are brought into a marriage. They must be united and result in a common agreed to value system in order to successfully run the household.
2. Ignorance in personal finance results in a fear of couples to talk about the issues.
3. Worth magazine study talks about how the fight over money in marriages is common place.
4. Proverbs 24:3,4 – Wisdom, Understanding, Knowledge
5. Illustration of the Oxen – Much stronger with two.
6. Mark 3:25 – If divided the house will fall.
7. Ephesians 4:2,3 – Keeping the unity in the relationship is a TOP PRIORITY!

## **V. Conclusion**

### ***A. The Next Lesson – DEBT***

#### **1. A bold step of change – PLASTIC SURGERY!**

## **SESSION THREE**

### **DEBT**

### **FREE TO SERVE**

Session three is a pivotal session. It is the last lesson under “Attitude” and is the first opportunity that is given to the class to take a bold step of action towards a changed lifestyle. It is a great launching pad for the next three sessions under “Application” which deal primarily with budgeting.

For many, the decision to publicly cut up their credit cards is just what the doctor ordered. It is an act of repentance in many ways. For some, although there will be days of remorse and feelings of loss that will follow, it will be their first step of freedom in many years. However, many that need to will not participate due to a fear of change. They will however be challenged by those that take the bold step. Keep the scissors handy in the weeks to come because others will come. When they do, they will be asking for the opportunity to make a public stand against their debt – this is important for them.

The focus of the lesson is on the need to live a life that is free of the bondage of debt and free to serve God in the ministry that He has prepared for each of us. This cannot be emphasized enough. The mental, emotional and physical effects of debt can suffocate any desire of our spirit to serve God. The emotional issues are addressed with a behind the curtain look at marketing and its aim at our wallets. Making spending decisions on purpose and not as a result of brainwashing is the desired outcome.

Humor is important in order to swallow this very tough topic. A spoon full of sugar will help the medicine go down. Dressing in the full surgeon outfit usually adds to the class participation when it comes time to conduct plastic surgery not to mention the humorous side tone. It also helps emphasize the urgency and aids in the retention of the topics discussed. It is a day to remember. Anything to help those in need make that first step.

### **LESSON HIGHLIGHTS**

- ✓ Review the concept of attitude, application and assimilation along with the three considerations when making financial decisions – emotion, logic, wisdom.
- ✓ A testimony from a previous class member who has had success in debt reduction is very encouraging to those who are hopeless.
- ✓ Logic is addressed in a discussion of the different types of debt and how to use a systematic debt repayment plan (Form 5 and 5a).
- ✓ Discuss the test for owning a credit card.
- ✓ The wisdom issues are seen in several key verses. The Christian is challenged, often for the first time, to deal with the Biblical principles that warn of the dangers of debt.
- ✓ Encourage the class to visit the web site to preview and review the lessons.
- ✓ Close with prayer.

## **I. Review**

***A. The Three Stages of Financial Freedom (Attitude, Application, Assimilation)***

***B. The three considerations before making financial decisions (emotion, logic, wisdom).***

## **II. Emotion**

***A. Intro to basic definitions (credit, debt) and statistics.***

***B. Discussion of marketing and its effects on our spending decisions.***

## **III. Logic**

***A. Types of debt***

**1. Home equity loans**

**2. Finance companies and thrifts**

**3. Friendly loans and co-signing.**

**4. Debt consolidation**

**5. Credit Cards**

**a) Collectors and Fair Debt Collection Practices Act**

**b) Credit card rationalizations**

**c) Credit card test – should you own one (2 questions)**

***(1) Used for budgeted items***

***(2) Paid off monthly***

## ***B. Steps for getting out of debt***

1. Common sense steps and mechanics of the debt snowball

## ***C. Credit Reports and Opt Out program***

# **IV. Wisdom**

## ***A. Key verses***

1. Proverb 22:7 – Borrower is a slave.
2. Psalm 37:21 – The wicked don't pay back
3. Ecclesiastes 5:5 – Don't break vows
4. Proverb 3:27 – If you can pay it back do it (cash or work)
5. Proverbs 22:26 - Surety

# **V. Conclusion**

## ***A. PLASTIC SURGERY!***

## ***B. The Next Lesson – Insurance – “Managing the Risk”***

## **SESSION FOUR**

### **INSURANCE**

### **MANAGING THE RISK**

The goal of session four is to get the class motivated to go home and review their current insurance needs and take the necessary action to put the appropriate insurance in place. The topic is dry but every attempt is made to make it interesting and easy while still covering the basics. Without an average understanding of insurance, people are victims of the salesperson. We want to encourage people to buy insurance not be sold insurance. A prudent person and wise steward will make the effort to understand the risk and take action to manage the risk.

### **LESSON HIGHLIGHTS**

- ✓ Review the concept of attitude, application and assimilation along with the three considerations when making financial decisions – emotion, logic, wisdom.
- ✓ Ask for testimonies of credit card remorse. Ask if others are ready for surgery.
- ✓ Begin with some key verses that deal with providing, prudence, and the unknowns of tomorrow. Talk briefly about the need to not trust in insurance.
- ✓ Conduct the game show format Jeopardy.
- ✓ Review the insurance overview handout.
- ✓ Encourage the class to visit the web site to preview and review the lessons.
- ✓ Close with prayer.

## **I. Review**

***A. The Three Stages of Financial Freedom (Attitude, Application, Assimilation)***

***B. The three considerations before making a major purchase (emotion, logic, wisdom).***

***C. Ask for credit card testimonies and volunteers for surgery.***

## **II. Emotion**

***A. Talk about the emotions involved in the purchase of insurance.***

- 1. Fear**
- 2. Guilt**
- 3. Greed**

## **III. Wisdom**

***A. Review the key verses***

***B. Emphasize the importance of insurance and the need for layers of protection but remind the class that we are not to put our trust in the insurance but rather God.***

## **IV. Logic**

***A. Review basics of insurance overview handout.***

***B. Address the key areas of the different types of insurance***

- 1. General**
- 2. House**
- 3. Auto**
- 4. Life**
- 5. Disability**
- 6. Health**

***C. Review the insurance overview handout***

***D. Encourage class to go home and pray and plan together concerning risk management and become familiar with their insurance requirements. Make changes if necessary***

## **V. Conclusion**

***A. A wise and prudent man buys insurance but never puts his trust in anything other than God!***

***B. The Next Lesson – Budget – “Counting The Cost”***

## **SESSION FIVE**

### **BUDGET**

### **COUNTING THE COST**

Session five is the central focus of the practical part of the Money Management series. The budget is the heartbeat of a successful financial plan. As the budget session is taught, the class will see how knowledge from the previous sessions (auto, house, debt, insurance) will be helpful in setting up their respective budgets. With a budget in place, a person/family can give, save and spend in a way that will bring honor and glory to God.

However, it should be emphasized that the budget is only a tool. As scripture teaches, “man plans his way but God directs his path”. A wise Christian man/woman should prayerfully and jointly develop and implement a spending plan. And, as he/she walks daily with God, he/she should know to always remain sensitive to the leading of the Holy Spirit in every decision he/she makes. God’s leading always supersedes the budget plan.

This class should be taught in a way that encourages questions and interaction. The goal is for the class to leave with the feeling that, no matter how many times in the past that they have attempted and failed at budgeting, they understand and believe that they can now make a budget work. Assistance should be offered on a one-on-one basis to those who want help in the specifics of getting their budgets up and running.

### **LESSON HIGHLIGHTS**

- ✓ Review the concept of attitude, application and assimilation along with the overview of the three considerations when making financial decisions – emotion, logic, wisdom.
- ✓ Highlight the emotional aspects associated with spending in the average American household and the negative consequences.
- ✓ Highlight the wisdom of planning and the key verses that should encourage us to be wise, diligent, prudent planners.
- ✓ Discuss the logical aspects of planning/budgeting by pointing out the four keys to successful budgeting, the manual and computer systems and the website materials.
- ✓ With a budget book in hand, go over the tab color system, the budget forms and how the manual system works.
- ✓ Introduce the class to the computer version of the budget planner.
- ✓ Encourage the class to visit the web site to preview and review the lessons.
- ✓ Close with prayer.

## **I. Review**

***A. The Three Stages of Financial Freedom (Attitude, Application, Assimilation)***

***B. Emotion, Logic, Wisdom).***

***C. Ask for testimonies of changes made (credit cards, insurance, auto, etc.).***

## **II. Emotion**

***A. Talk about the emotions involved when “free spending” (on impulse without a budget plan) – use statistics.***

- 1. Overspend (more than you make)**
- 2. Stress in the relationship**
- 3. Debt**

## **III. Wisdom**

***A. Review the key verses***

***B. Emphasize the importance of planning with the warning that the budget is a man-made plan and that for the Christian walking daily with Christ, God’s specific and individual leading always supersedes the budget.***

## **IV. Logic**

***A. Give an overview of budgeting.***

- 1. It is THE most important part of financial planning.**
- 2. Mike’s legal definition.**
- 3. Keys to a successful budget – (4)**
- 4. Two types: Manual and Computer**
- 5. Available tools on web site ([www.coeinc.org](http://www.coeinc.org)) – FREE!**

***B. The Manual System***

- 1. The Tabs**
  - a) Purple – riches, wealth, wisdom**

**b) Green – Always accomplish**

**c) Yellow – Discretionary; may need to be reduced or not funded temporarily in order to get the budget going.**

**d) Red – ELIMINATE AND STOP!**

**2. The Forms**

**a) Forms 1; 2; 3; 4**

***C. The Computer System – MS Excel required.***

**1. The Budget Planner**

**2. The Spending Record**

**V. Conclusion**

***A. Individual help is available on request.***

***B. The Next Lesson – Saving – “First Things First” is a continuation of the budgeting class.***

## **SESSION SIX**

### **SAVING**

### **FIRST THINGS FIRST**

Session five covered the basics of putting together a monthly budget. The main purpose of a written monthly budget plan is to protect savings. Session six is designed to teach the 5 step plan. The 5 step plan is an orderly, systematic method of using savings to build a strong financial foundation and financial future.

Due to the fact that most Americans are living paycheck-to-paycheck (week-to-week), converting to a monthly spending plan will present some challenges. In order to make the transition to a monthly system, it will be necessary for most people (those without any cash reserves) to temporarily trim expenses to the bare essentials, generate more income (sell something or increase working income) or both. The yellow budget book tabs are specifically designed to highlight the discretionary categories that can be reduced. During the transition, known income and planned expenses will need to be budgeted on a weekly or bi-weekly basis (depending on pay periods) until cash reserves have been set aside.

Creating a solid financial foundation requires cash reserves. It is not uncommon for class members to lose hope when they learn of the actual dollars that are required. Most have never had a cash surplus of more than a few hundred dollars. Encourage the class that only by taking one step at the time is it possible (baby steps).

### **LESSON HIGHLIGHTS**

- ✓ Review the concept of attitude, application and assimilation.
- ✓ Review emotion, logic, wisdom as it relates to this lesson.
- ✓ Answer the questions, how to save; why save; and what to do with savings.
- ✓ Explain the 5 step plan.
- ✓ Wisdom: The prudent man prospers.
- ✓ Encourage the class to visit the web site to preview and review the lessons.
- ✓ Close with prayer.

## **I. Review**

***A. The Three Stages of Financial Freedom (Attitude, Application, Assimilation)***

***B. Overview of “Living in the Zone” (emotion, logic, wisdom).***

## **II. Emotion**

***A. Emotions that prevent saving (Proverb 21:17)***

- 1. The desire for Instant Gratification and the “right” Image...**
- 2. Results in Inconsistent Discipline (no budget) and ...**
- 3. Impulsive Spending (out of control).**

## **III. Logic**

***A. How to save money?***

- 1. Limit Lifestyle**
- 2. Increase Income**

***B. Why save money?***

- 1. Financial Foundation**
- 2. Financial Future**

***C. What do you do with the money you save?***

- 1. 5 Step Plan**

## **IV. Wisdom**

***A. A Prudent Man***

- 1. Plans – Philippians 4:6**
- 2. Prays – Proverb 14:8**
- 3. Provides – I Timothy 5:8; Proverb 6:6**
- 4. Prospers – Psalms 1:1-3; Proverb 21:20**

***B. Psalm 62:10***

## **SESSION SEVEN**

### **LONG -TERM**

### **MAKING A DIFFERENCE**

Session seven introduces long-term concerns. The primary focus of the class will be on the basics of investing (risk/reward ratio, inflation, diversification, compounding and the need for continuing education) with a short introduction to wills and trust. For the Christian, finding and serving in your God given ministry is your greatest long-term investment (Eph. 2:10).

As is reflected in the results of surveys and statistics, most Americans do not have the basic knowledge, skills or the convictions necessary to put together a wise long-term plan. In this session, the most elementary concepts of long-term planning will be introduced. For some, the short discussion on wills and the basic principles of investing will be enough to encourage them to begin a self-education program in these areas. The message of this session will be to encourage the class that as they put their financial house in order to get busy serving in the ministry that God has prepared for them.

### **LESSON HIGHLIGHTS**

- ✓ Review the concept of attitude, application and assimilation.
- ✓ Review “Living In The Zone” diagram.
- ✓ Give a short introduction to wills and trust.
- ✓ Answer the questions, why invest, when to invest, where to invest and what to invest in?
- ✓ Everyone has a ministry!
- ✓ Encourage the class to visit the web site to preview and review the lessons.
- ✓ Close with prayer.

## **I. Review**

***A. The Three Stages of Financial Freedom (Attitude, Application, Assimilation)***

***B. The overview of “Living in the Zone” (emotion, logic, wisdom).***

## **II. Will and Trust**

***A. Why do we need them?***

- 1. Avoid the laws of intestacy**
- 2. Provide for minor children**
- 3. Maximize your estate**

***B. Who needs them? Everyone!***

## **III. Investing**

***A. Why invest?***

- 1. Right motives - wisdom**
- 2. Inflation - logic**

***B. When to start investing?***

- 1. After steps 1-3 (Financial Foundation) are complete.**
- 2. The magic of compounding – time is your most valuable asset.**

***C. Where do we invest?***

- 1. Qualified plans and plans that offer tax incentives first.**
- 2. I.R.A. explanation**

***D. Dart Game – Learn to be an independent thinker***

***E. What do we invest in?***

- 1. Risk/Reward**
- 2. Diversification**
- 3. Method of investing – lender (pennies in cube) or owner**

a) Mutual funds – (use letters to explain)

#### **IV. Continuing Education**

***A. Baby Steps – Book suggestions (see website)***

- 1. How to Profit in Bull and Bear Markets**
- 2. Sound Mind Investing**

***B. Three major stock market averages***

- 1. Dow; S&P 500; NASDAQ**

#### **V. Ministry**

***A. Greatest investment is in things that have eternal value***

***B. Focus on eternity and reaching the lost***

***C. Everyone has a ministry that God has already prepared – walk in it!***

## **SESSION EIGHT**

### **GIVING**

### **THE BIG PICTURE**

Session eight focuses on a very difficult issue for most Christians – giving. It is difficult because a very small percentage of Christians have ever really understood the principle of stewardship vs. ownership. Claiming ownership to anything results in bondage. Giving is painful for the owner. Freedom is found in stewardship. A steward or manager can give joyfully when directed by the Owner. I even like to think of it more as “channeling” rather than “giving”. You are channeling *God’s* resources rather than giving *your* resources. It all belongs to God. With the correct attitude (manager rather than owner), giving will be a privilege that results in blessings. Just as a young child excitedly ask his father if he can put the money in the offering plate, we too will thank God for letting us have the blessings that result from giving as our Father directs.

Before you can have the right attitude in giving your *money* you must first give *yourself* fully to the Lord (II Corinthians 8:5). Giving yourself starts by acknowledging your position as a manager of God’s resources. Not only is it your money but your time and talents. Remember, God doesn’t need your money. He wants your all!

The session ends with a review of the “Parable of the Soils” found in Mark 4:1-20. The seed is symbolic of God’s Word and the ground is us. What are you going to do with what you have learned in this series? What type of soil do you represent? (James 4:17; 1:8; 1:5)

### **LESSON HIGHLIGHTS**

- ✓ Review the concept of attitude, application and assimilation.
- ✓ Review “Living In The Zone” diagram.
- ✓ Three steps to true financial freedom
- ✓ Explanation of the “Big Picture”
- ✓ Three ways to give
- ✓ Parable of the Soils
- ✓ Close with prayer.

## **I. Review**

***A. The Three Stages of Financial Freedom (Attitude, Application, Assimilation)***

***B. The overview of “Living in the Zone” (emotion, logic, wisdom).***

## **II. True Financial Freedom**

***A. Transfer Ownership to God – Proverb 11:28***

***B. Understand and apply God’s principles – Proverbs 3:5, 6***

***C. Maintain balance in your life – Psalm 127:2***

## **III. The Big Picture**

***A. God Owns it ALL – Psalm 24:1***

***B. Everything comes from God – Matthew 25:15; Deut. 8:18; John 3:27***

***C. Tithe (10%) – Proverb 3:9; Malachi 3:8-10***

***D. A wise and prudent man plans his way (budgets to control expenses) – Proverbs 14:8; 16:1-9; 27:23***

***E. A wise man will save (live on less than he makes) – Proverb 21:20***

***F. A wise man does not live in the bondage of debt nor is he surety for his debts – Proverb 22:7; 22:26***

***G. A wise man has a long-term plan – Proverbs 21:5; 22:29; 27:12***

## **IV. Three ways to give – Luke 16:10**

***A. Tithe and offering – Proverb 3:9; Malachi 3:8***

***B. From the Surplus – 2 Corinthians 9:6, 7***

***C. Sacrificially – Mark 12:42-44***

## **V. Parable of the Soils – Mark 4:1-20**

***A. Wayside – Mark 4:4; 15***

***B. Stony Ground – Mark 4:4, 5; 16, 17***

***C. Thorns – Mark 4:7; 18, 19***

**1. Cares of the world**

**2. Deceitfulness of riches**

**3. Lust of other things**

***D. Good Ground – Mark 4:8; 20***

## **VI. Summary**

***A. Give yourself first – 2 Corinthians 8:5***

***B. Learn to be a “manager” rather than an “owner”***

***C. Give as God directs – 2 Corinthians 9:7***

## **SESSION NINE**

### **CHILDREN**

### **BEYOND THE PIGGY BANK**

Session nine addresses the urgent need for parents to take a proactive role in teaching their children fiscal responsibility. If you look at the current statistical data surrounding high school seniors and college students, you will see that children in America are being conditioned to live lives that are mirror images of their “broke” parents. If American parents would take a proactive role in teaching their children the fundamental responsibilities of being wise money managers, a generation could be changed.

As the lesson is unveiled, there will be a great opportunity to point out that before the behavior of the child can be changed, the parent must be or become a believable role model. For most parents, there is no greater desire than to see their children grow up to become independent and successful adults. This one desire should be a driving motivator for parents to put their own financial house in order.

The scriptural emphasis of the lesson is centered on a few key verses, one of which is Proverbs 22:6. Three words should be emphasized in this verse; TRAIN, HE, SHOULD. “Train” (vs. “teach”) emphasizes the great need for parents to be proactive “hands-on”. “He” emphasizes that God has a perfect plan for each child’s life. The job of the parent is to help the child find that perfect plan and walk in it. “Should” emphasizes that the responsibility of the parent is the input not the outcome.

The session uses the analogy of puzzles. Children are living puzzles. This shows the great complexity that surrounds the make-up of children but also emphasizes the need for parents to be enduring. I use several mind teaser type puzzles and have a few volunteers try to solve the puzzles during the class. I give them approximately 5 minutes to work on the puzzles (use couples when possible). The purpose is to attempt to create frustration in the volunteers as they attempt to solve the puzzles. The point is then made that children are like puzzles and parents, no matter how frustrated, must never give up trying. Also, there is usually more than one way to solve all puzzles. NEVER QUIT TRYING!

### **LESSON HIGHLIGHTS**

- ✓ Review the concept of attitude, application and assimilation.
- ✓ Review “Living In The Zone” diagram.
- ✓ Three steps to true financial freedom
- ✓ Use statistics to point out the great need to teach/train our children about money
- ✓ The methods that are used are critical to a productive training process
- ✓ Practical highlights of what should be taught at different ages
- ✓ Close with prayer.

## **I. Review**

***A. The Three Stages of Financial Freedom (Attitude, Application, Assimilation)***

***B. The overview of “Living in the Zone” (emotion, logic, wisdom) and how it relates to training children.***

## **II. The Need is Great**

***A. Statistics prove that a child’s financial destiny is failure.***

***B. Parents can make a difference***

- 1. Must be proactive**
- 2. Must start now**
- 3. Must become good role models**

## **III. “Train” up a child...Proverb 22:6**

***A. Train – requires a “hands-on” approach***

***B. He – God has a perfect plan for every child. The job of the parent is to help the child find it and walk in it.***

***C. Should – Parents must teach the right way to live. The outcome of the child is not the responsibility of the parent, but the input is.***

## **IV. Three Considerations when Teaching**

***A. Teaching by example***

- 1. The most efficient way to teach**
  - a) Proverb 20:7**
  - b) Deuteronomy 6:5-7**

***B. Teaching in love***

- 1. The most effective way to teach**
  - a) Ephesians 6:4**

***C. Teaching with hope***

**1. Our children belong to God**

**a) Proverb 19:18**

**b) Hebrews 12:11**

**V. Three Critical Principles that MUST be taught.**

***A. God Owns it All!***

***B. Self discipline and moderation***

***C. Everyone needs a budget***

**VI. When and What to Teach**

***A. Ages 1-10***

**1. Forming of the basic attitudes (thinking)**

***B. Ages 11-16***

**1. Developing of convictions (beliefs)**

***C. Ages 17-20***

**1. Years of Reality Training (supervised application)**

**VII. Summary**

***A. Get your house in order (be a role model for your kids)***

***B. Start NOW and NEVER give up!***

***C. You are responsible for the INPUT not the OUTCOME!***

# Financial Statistics

(see website)

- 70% of all Americans are living paycheck to paycheck (WSJ)
- less than 30% use a written monthly budget to manage household finances
- 95% argue about money related topics on a regular basis
- 55% always or sometimes worry about money
- savings rate is less than 1%
- household net worth is less than \$15,000 (excluding equity in house)
- typical non-mortgage household debt is \$38,000 or more
- 185 mil. Americans (population of 282 million) have at least one credit card with the average number of cards per person at 6.5. (Source: [www.cardweb.com](http://www.cardweb.com))
- 84 mil. households (total of 105 million) have at least one credit card with the average number of cards per H.H. at 14.3. (Source: [www.cardweb.com](http://www.cardweb.com))
- Average balance per H.H. (with at least one credit card) is \$8,562. (Source: [www.cardweb.com](http://www.cardweb.com))
- 95% finance one or more autos at an average of \$375/mo. for 60 months
- household debt as % of disposable income exceeds 100%
- less than 10% have computed a target goal for retirement
- only 44% of Americans are preparing for retirement
- 62% will retire with less than \$10,000 income per year
- 75% do not have a legal will or trust
- 5 billion credit card solicitations were mailed out in 2001 (average 20 solicitations for every adult and child in the U.S.), up from 3.5 billion in 2000
- Average U.S. family took on more than \$1,400 in *new* debt during the first six months since the recession began in 3/01 - according to The Wall Street Journal.

# Stages of Financial Freedom

(C.O.E., Inc. Logo)

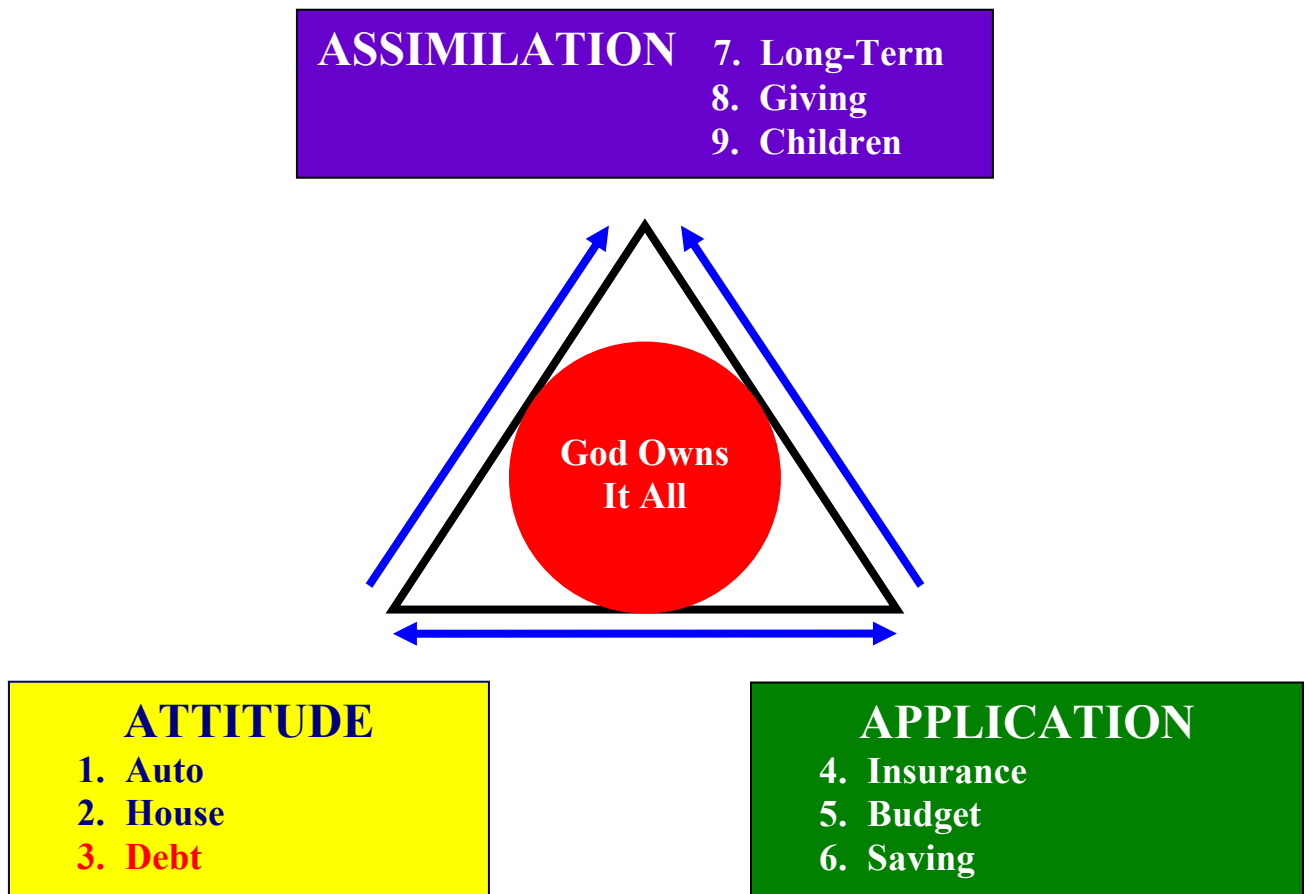
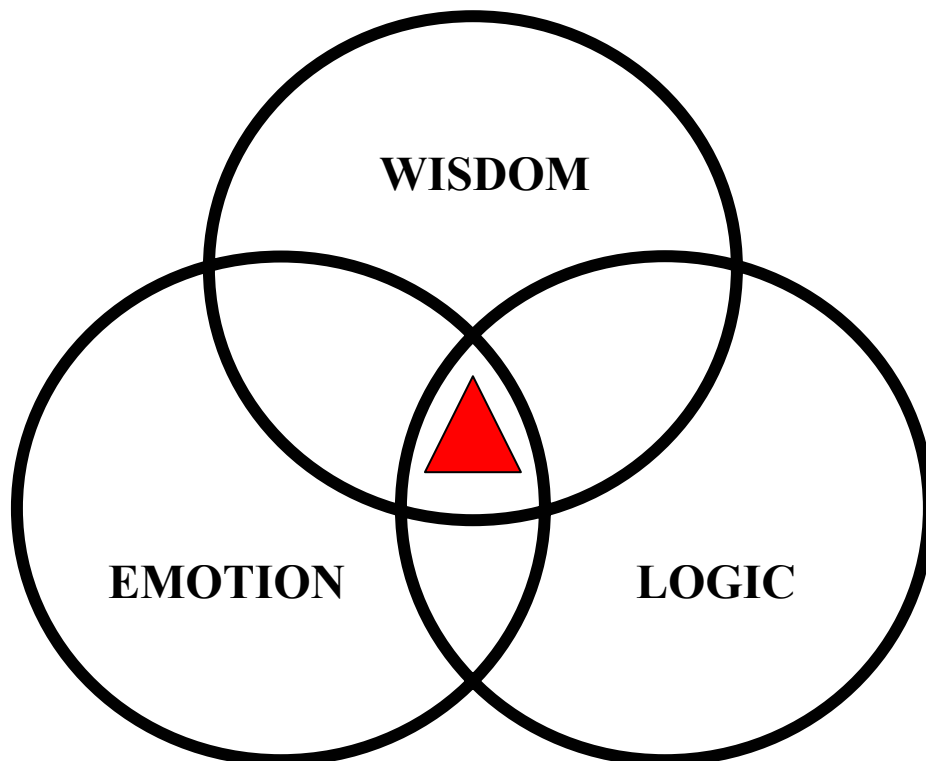


Diagram #1

# LIVING “IN THE ZONE”



**Diagram #2**