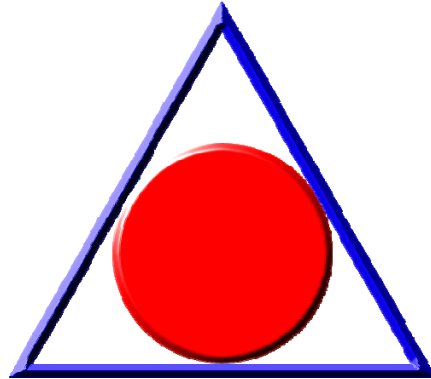


FINANCIAL FREEDOM



Facilitator Guide

1. AUTO **“The Smell of Sweet Leather”**

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SESSION ONE

AUTO – “The Smell of Sweet Leather”

Materials needed for this class: Review Questions, Facilitator Guide, PowerPoint file, Transcript of lesson.

Begin each session with a review of the three major division: ATTITUDE (BE), APPLICATION (DO), and ASSIMILATION (HAVE); and a review of the three forces that drive spending, saving, and giving decisions: EMOTIONS, LOGIC, and WISDOM. Emphasize the need to put God in His rightful place as Owner of everything (the red dot). Four PPT slides are provided at the beginning of each session for this purpose. Review the text in the facilitator guide for INTRO if needed.

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

Many Christians have fallen prey to the ways of the world and have neglected Biblical principles (wisdom), especially in the area of consumer debt. In this lesson, you will cover the consequences of financing a depreciating item, such as an automobile, and the Biblical principles dealing with debt and surety. 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 the class 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

- ✓ Review the triangle (our responsibilities); the red dot (God owns it all); the importance of Attitude (Be), Application (Do), and Assimilation (Have).
- ✓ Review the three motivating forces driving spending, saving, and giving decisions: emotions (need, want, desire), logic (planning and discipline), wisdom (Biblical principles and experience).
- ✓ Offer a word of encouragement and hope to those willing to attend the classes and apply the principles that they learn.
- ✓ Encourage the class to visit www.coeinc.org and review the AUTO section.
- ✓ Encourage the class to complete one chapter per week in the *Money Management Bible Study* located in the *Materials* section of the website.
- ✓ Encourage the class to review their current auto situation in preparation for the session on budgeting in Session 5.
- ✓ Encourage the class to visit the coeinc.org website to review and preview the lessons.
- ✓ Close with prayer.

Review (review A. & B before every session-see *INTRODUCTION Session, if needed*)

- A. The Three Stages of Financial Freedom (Attitude, Application, Assimilation)
- B. The three considerations before making a financial decisions (emotion, logic, wisdom).

I. Emotions



In this section you need to focus on marketing. You want the class to understand the deception that is found in marketing—and to encourage the class to learn to make all of their financial decisions “on purpose”. I start the class off with a clip from the 1979 movie, *The Jerk*, with Steve Martin. I use the spot in the movie where he is working at a carnival and is trying to explain what you win. I also use car commercials to show how they are selling an emotion/feeling, not a car. I bring in full color car brochures to show the money being spent in marketing. Be creative. Stop and look around you—TV commercials, newspapers, magazines—it’s everywhere.

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

II. Logic

1. Budget, Depreciation, Leasing
 - a) Budget percentages for “BIG THREE” (House/Auto/Food)

(I) Combined house/auto/food should not to exceed 60-65% of your Net Spendable Income (N.S.I.)
 - b) Depreciation

(I) 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 until you are "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).

III. 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 DEBT Session)

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

IV. Conclusion

A. The Next Lesson – HOUSE

B. Visit www.coeinc.org to review AUTO and preview HOUSE; download review questions and handouts.