

MIND YOUR OWN BUSINESS

Proverbs 13:7

“Act Your Wage”

OPENER

Think back to your childhood. Can you remember a time when you pretended to be something other than what you were to fit into some group? Did it work? For how long?

INTRODUCTION

Read Proverbs 13:7

Normal: With a new baby on the way and the purchase of our first house, we absolutely HAD to have that great couch that would look perfect in our living room! Of course, we did not have the cash for it and \$3,000 worth of additional furniture.

“If Normal is broke, than I don't want to be normal!”

Dave Ramsey

So what did we do? We financed.

You know the story...No payments, no interest for 12 months! At the time it seemed like a great idea and we just knew we'd have it paid off. Little did we know that when you don't pay it off, **12 months of interest is tacked on to the balance.** Well, 12 months later barely any of the balance was reduced and 12 months worth of interest was added on, transforming our \$3,000 furniture loan into a \$5,000 balance! Never again will we buy something for which we don't have the cash.

Seeing our business as God's business will seem CRAZY to our culture. IN the face of our financial brokenness, we have to get crazy. God calls us to be abnormal. The crazed Christ follower learns to: say no, wait, save and celebrate.

⁵*“The plans of the diligent lead to profit as surely as haste leads to poverty.”* --Proverbs 21:5



Fast Stat:

Persons entering college are offered an average of 8 credit cards in their FIRST WEEK of school. - *Jump\$tart Coalition for Personal Financial Literacy, Annual Summary, 2002*

DIGGING IN!

- ◆ In proverbs 13, God recognized our propensity to pretend to be something other than what we are to look good according to our cultural standards. What are our cultural standards for determining “rich” and “poor”?

- ◆ What is the inherent problem in pretending to be something you aren't, especially where personal finance is concerned?
- ◆ For whose benefit are we pretending?
- ◆ To what degree are we pretending for ourselves? There is an adage that says, "Denial isn't just a river in Egypt." Are there areas of your financial life in which you are in denial? What has the result of that been?
- ◆ "The wise have wealth and luxury, but fools spend whatever they get." —Proverbs 21:20
Is this proverb reflective of our culture? In what way?
- ◆ We are very geared to view wealth in terms of material things. Are there other kinds of wealth that come from wisdom? What about luxury?

MANAGEMENT 101

- ◆ Take an honest look at your current financial situation. What are some improvements that you could make? If you do not have a plan, how could you go about creating one?

Dave-ism "The dreaded "B" word. **Budget.** The only other word that starts with "B" that might generate a worse reaction in most people is the word bankruptcy.

Unfortunately, the word budget has gotten a bum rap - it is basically just a **PLAN**. When you budget, you're spending on paper, on purpose, before the month begins. But many people view a budget as a straight jacket that keeps them constrained. Freedom and budget just don't seem to go together."—financial counselor Dave Ramsey

- ◆ Many of us equate the idea of budgeting with deprivation. What has been your experience in the past with creating a budget?

Dave-ism "You need a written game plan. John Maxwell says, "A budget is telling your money where to go, instead of wondering where it went." You don't have to start a household budget with a perfect month. Start where you are. Write down what you have today. Income and expenses (bills). From then on, spend all your income on paper with purpose before the month begins."—financial counselor Dave Ramsey

WOW!

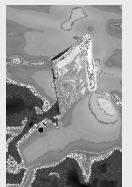
Nearly half of college-age adults (49%) said they believe they are more likely to become millionaires by starring in a reality TV series than by learning how to budget and save wisely (36%).

Visa USA, 2003



Reality Check:

The guaranteed way to become a millionaire is saving! If you invest just \$32 a month, that's \$276 dollars per year in a growth stock mutual fund (averaging 12% growth a year) during your working lifetime (25-70) you will have \$1.2 million. And before you balk at setting aside \$32 a month, pause and think. \$32 is the average cost for a sit down dinner for two.



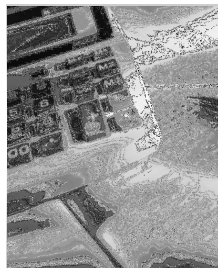
- ◆ If you have created a budget in the past, did you make your spending plan on a pay check by pay check basis, or did you try to plan for the perfect month from heaven? What would be the benefits or drawbacks of either of these two methods of planning?
- ◆ If you do have a budget, how well do you adhere to it each month – does your budget need to be revised? If you do not have a budget, how could you go about creating one?
- ◆ If you already have a spending plan, what adjustments if any would you have to make to wrap your plan around God's plan?
- ◆ What was your family's approach to teaching about money as you were growing up?
- ◆ In what ways did you step into adulthood completely unprepared to deal with financial responsibilities? Were there ways in which you felt really well prepared?
- ◆ How have the individuals in your life contributed to your current plan?

GETTING REALLY REAL!

Okay, here's where we really dig in! What follows is a simple planning tool. Feel free to copy it and make changes to fit your specific situation.

Here's some helpful advice about budgeting:

- ◆ Give it 3-4 months to start working. It won't be perfect the first time you do it.
- ◆ Spend every dime on paper before the month begins.
- ◆ Over-fund your groceries category. Most people under-fund that category.
- ◆ If married, spouses need to do the budget together. The preacher said "...and you are ONE."
- ◆ Couples, quit using the budget as a whipping tool. A budget is not a form of punishment.
- ◆ Do all your household budget on purpose, all on paper. Then you'll have a game plan. Also, many engaged couples create practice budgets.



Fast Stat:

68.1% of high school seniors surveyed failed a basic financial survey, up from 52.1% in 2001, and only 10% scored a "C" or better.

*-JumpStart Coalition for Personal Financial Literacy,
Annual Summary, 2002*

MONTHLY CASH FLOW PLAN

MONTH _____ YEAR _____

Section 1

<i>Budgeted</i>	<i>Sub</i>		<i>Actually</i>	<i>% of Take</i>
<i>Item</i>	<i>Total</i>	<i>TOTAL</i>	<i>Spent</i>	<i>Home Pay</i>
CHARITABLE GIFTS		_____	_____	_____
SAVING				
Emergency Fund	_____		_____	
Retirement Fund	_____		_____	
College Fund	_____	_____	_____	_____
HOUSING				
First Mortgage	_____	_____		
Second Mortgage	_____		_____	
Real Estate Taxes	_____		_____	
Homeowners Ins.	_____		_____	
Repairs/Mn. Fee	_____		_____	
Replace Furniture	_____		_____	
Other _____	_____	_____	_____	_____
UTILITIES				
Electricity	_____		_____	
Water	_____		_____	
Gas	_____		_____	
Phone	_____		_____	
Trash	_____		_____	
Cable	_____	_____	_____	_____
*FOOD				
*Grocery	_____		_____	
*Restaurants	_____	_____	_____	_____
TRANSPORTATION				
Car Payment	_____		_____	
Car Payment	_____		_____	
*Gas and Oil	_____		_____	
*Repairs and Tires	_____		_____	
Car Insurance	_____		_____	
License and Taxes	_____		_____	
Car Replacement	_____	_____	_____	_____
Section 1 TOTAL		_____	_____	

Section 2

Budgeted

Item

***Sub
Total***

TOTAL

***Actually % of Take
Spent***

Home Pay

*CLOTHING

*Children

*Adults

*Cleaning/Laun.

MEDICAL/HEALTH

Disability Ins.

Health Insurance

Doctor Bills

Dentist

Optometrist

Drugs

PERSONAL

Life Insurance

Child Care

*Baby Sitter

*Toiletries

*Hair Care

Education/Adult

School Tuition

School Supplies

Child Support

Alimony

Subscriptions

Organization Dues

Gifts (inc. Chr.)

Miscellaneous

*BLOW \$\$

Section 2 TOTAL

Section 3

<i>Budgeted Item</i>	<i>Sub Total</i>	<i>TOTAL</i>	<i>Actually Spent</i>	<i>% of Take Home Pay</i>
RECREATION				
*Entertainment	_____		_____	
Vacation	_____	_____	_____	_____
DEBTS (Hopefully -0-)				
Visa 1	_____		_____	
Visa 2	_____		_____	
MasterCard 1	_____		_____	
MasterCard 2	_____		_____	
American Express	_____		_____	
Discover Card	_____		_____	
Gas Card 1	_____		_____	
Gas Card 2	_____		_____	
Dept. Store Card 1	_____		_____	
Dept. Store Card 2	_____		_____	
Finance Co. 1	_____		_____	
Finance Co. 2	_____		_____	
Credit Line	_____		_____	
Student Loan 1	_____		_____	
Student Loan 2	_____		_____	
Other _____	_____		_____	
Other _____	_____		_____	
Other _____	_____		_____	
Other _____	_____		_____	
Other _____	_____	_____	_____	_____
Section 3 TOTAL		_____	_____	
Section 2 TOTAL		_____	_____	
Section 1 TOTAL		_____	_____	
GRAND TOTAL		_____	_____	
TOTAL HOUSEHOLD INCOME		_____		
		ZERO		