

GET REAL WITH YOUR FINANCES

Open:

There has been much talk about the fiscal cliffs and much frustration.

- I am not smart enough to figure it all out, but I do know you can't spend more than you take in ... sooner or later it catches up with you ... and if you put off today what needs to be done, there will be more to do tomorrow.
- I also know financial stress can create all sorts of problems, and if we are going to enjoy the "abundant life" we will need to balance our own personal finances ... no one else can do this for you.
- For me, the end of a year and the beginning of another is a time of number crunching ... gathering tax information, thinking about a budget, etc.
- One thing for sure, if you don't like where you are you can't do what you did last year and hope for better results.

* Another reason I have chosen this subject today is because we are offering help in two areas.

- Invite Bill Banning and John Collins to say a word about their classes.

(1) Choose Contentment

* Instead of investing in stuff, invest in people.

- Nothing wrong with having some nice things; just don't make it your prerequisite for happiness.

Luke 12 NLT two brothers arguing over their dad's estate ... Jesus says **Vs. 15 ... "Beware! Guard against every kind of greed. Life is not measured by how much you own."**

→ It may be time to simplify life and get rid of a few things ... or decide you don't need some things.

- √ The more you have, the more you have to insure, repair, clean ...

- * When it comes to finances, you will discover there are tight times and more abundant times.

Philippians 4:12-13 NLT ... ¹¹ I have learned how to be content with whatever I have. ¹² I know how to live on almost nothing or with everything. I have learned the secret of living in every situation, whether it is with a full stomach or empty, with plenty or little. ¹³ For I can do everything through Christ, who gives me strength.

→ Life brings different situations our way, but whatever we face Christ is there to help us through.

- * Listen to this wise Proverb **30:8b-9 NLT** ... give me neither poverty nor riches! Give me just enough to satisfy my needs. ⁹ For if I grow rich, I may deny you and say, “Who is the Lord?” And if I am too poor, I may steal and thus insult God’s holy name.

→ Not too much, not too little.

→ May I learn the joy of contentment.

(2) Include God

- He desires to meet your needs.

Philippians 4:19 NLT And this same God who takes care of me will supply all your needs from his glorious riches, which have been given to us in Christ Jesus.

- So ask God to provide for your needs and be responsible with the resources He provides.

Matthew 7:7-11 NLT ⁷ Keep on asking, and you will receive what you ask for. Keep on seeking, and you will find. Keep on knocking, and the door will be opened to you. ⁸ For everyone who asks, receives. Everyone who seeks, finds. And to everyone who knocks, the door will be opened.

⁹ You parents—if your children ask for a loaf of bread, do you give them a stone instead? ¹⁰ Or if they ask for a fish, do you give them a snake? Of course not! ¹¹ So if you sinful people know how to give good gifts to your

children, how much more will your heavenly Father give good gifts to those who ask him.

- One of the primary ways God meets our needs is through work.

2 Thessalonians 3:10b ... those unwilling to work will not get to eat.

Proverbs 13:4 NLT Lazy people want much but get little, but those who work hard will prosper.

→ Do a good job, be productive, your work is your ministry platform to let others see your Jesus.

(**Ephesians 6:5-9** and **Colossians 3:22-25** offer instructions.)

➤ If you are going to include God and ask for His help, then you will want to honor Him by giving on a regular basis.

→ You can't get ahead by cutting God out. Make God your partner and work together on your finances.

Proverbs 3:9-10 NLT ⁹ Honor the Lord with your wealth and with the best part of everything you produce. ¹⁰ Then he will fill your barns with grain, and your vats will overflow with good wine.

(3) Come up with a plan. Steps to financial peace.

Step 1 Establish a spending plan – do some homework here.

- How much money is coming in and going out ... where is it going?
- Do you have a balanced budget? Get there.
- Sit down and talk as a couple ... you need buy-in from both partners.
- Review your budget a couple of times a year ... a piece of paper filed away is not the answer ...

Step 2 Put \$1000 away in an emergency fund.

- For the unexpected ... car breaks down, sickness, home appliance dies ...
- It is not a matter of “if” but “when” an emergency will occur.
- Having \$1000 in a fund will prevent you from putting it on the credit card and creating debt.

Proverbs 22:3 NLT A prudent person foresees danger and takes precautions. The simpleton goes blindly on and suffers the consequences.

- When you dip into your emergency fund, replace it as soon as possible.

Step 3 Pay off your debts (excluding your house)

- List them from the smallest to the largest.
- You need some quick wins to get the snowball rolling.
- Paying off debt is more about motivation than it is math.
- By knocking out the smaller/easier debts, you will see results and be encouraged to stay at it.

Proverbs 22:7 NLT Just as the rich rule the poor, so the borrower is servant to the lender.

→ It is going to feel good to get this debt off ...

- You're on a roll ...

Step 4 Put 3 to 6 months of expenses into savings.

- You may be tempted to put your “extra” money into investments but not quite yet.
- It is time to build a “full emergency fund.”
- √ What would it take for you to live 3 to 6 months if you lost your income?

- √ Put it in a “money market account” in your bank where you can earn some interest ... needs to be accessible, no penalties.
- √ This stash is not your investment, it’s your buffer between you and life.
- √ Consider an initial goal of \$10,000.

Proverbs 6:6-8 NLT ⁶ Take a lesson from the ants, you lazybones. Learn from their ways and become wise! ⁷ Though they have no prince or governor or ruler to make them work, ⁸ they labor hard all summer, gathering food for the winter.

→ Save in the good times in the event of lean times.

- The University of Michigan analyzed 8000 families ... at the end of 2011, 23.4% of families had no savings whatsoever; more than 40% had less than \$1,500 in liquid assets; 67% had less than \$10,000.

Step 5 Invest 15% of household income into Roth IRAs and pre-tax retirement.

- When you reach this step, you have no payments, except the house and a fully-funded emergency fund.
- Dave Ramsey suggests you not invest more than 15% because the extra money will help you complete the next two steps ... college savings and paying off the house.
- Why not less than 15% ... because the kids’ degrees won’t feed you at retirement and if you throw all your money into the house, you may end up having to sell it and buy the book, “72 Ways to Prepare Alpo.” Bad plan.

Step 6 Save for college.

Step 7 Pay the house off early.

- Imagine no house payments.

Close:

- Isn't it time you "get real" about your finances?
 - Do not be discouraged though your progress may seem slow.
 - Steady plodding will get you where you need to go.
- (1) Choose contentment ... thank you, Lord, for what you have and are blessing me with.
 - (2) Include God ... He loves you and desires to take care of His children.
 - (3) Come up with a plan and work your plan.
- * For more financial tips, consider taking the Dave Ramsey class ...
 - * For a better job, consider attending **J**ust **O**n the **B**rink of **S**uccess.
- * When the financial pressure is off, life is better ... you owe it to yourself time to "get real with your finances"!

Message Notes
Pastor Ralph Schneck
First Baptist Church of Lexington
January 6, 2013