

“Personal Finance” *(Honoring God)*

*by Edwin G. Romero
September 6, 2018*



*God, the owner of
everything!*

*Keep God as
owner, partner
and counselor of
your finances!*

Money affects:

- Spiritual success
- Families
- Stress level
- Stability of our marriage
- Long-term planning-retirement



The Truth

It has been said, people “spend money they don’t have, for things they don’t need, in order to impress people they don’t like.”



The ABCs of Personal Finance

- A.Seek God' s wisdom
- B.Organization-(plan)
- C.Discipline

Financial Management = DISCIPLINE

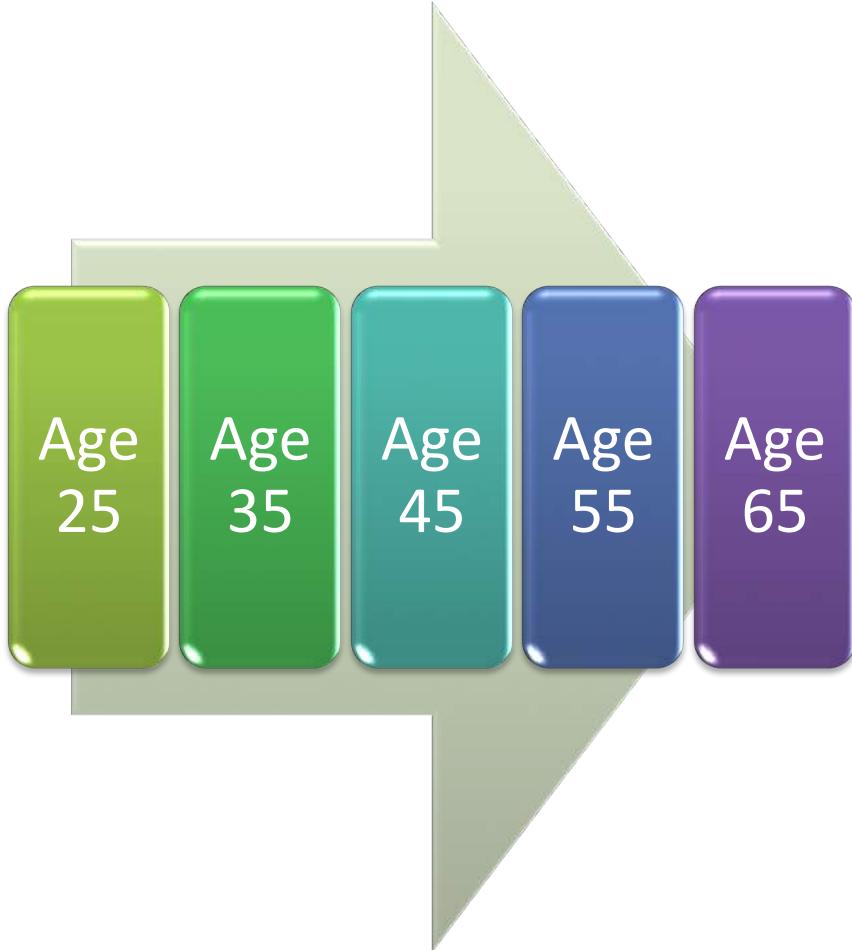
- “Money, like emotions, is something you must control to keep your life on the right track.” -Natasha Munson
- “Most people want to avoid pain, and discipline is usually painful” -John Maxwell
- “Discipline is the bridge between goals and accomplishments” -Jim Rohn

Financial Planning

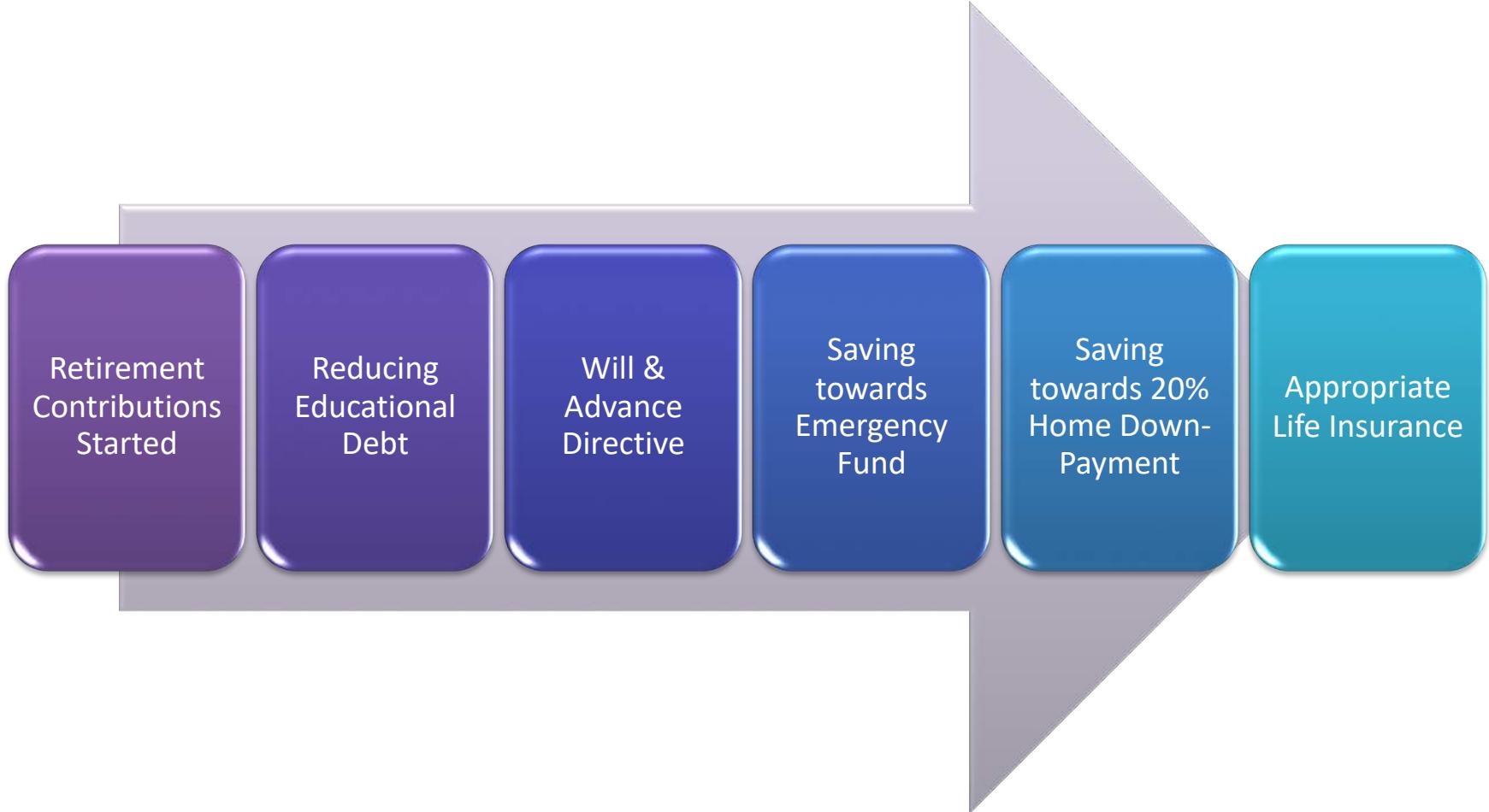
Personal financial planning is the process of managing your money to achieve personal economic satisfaction.



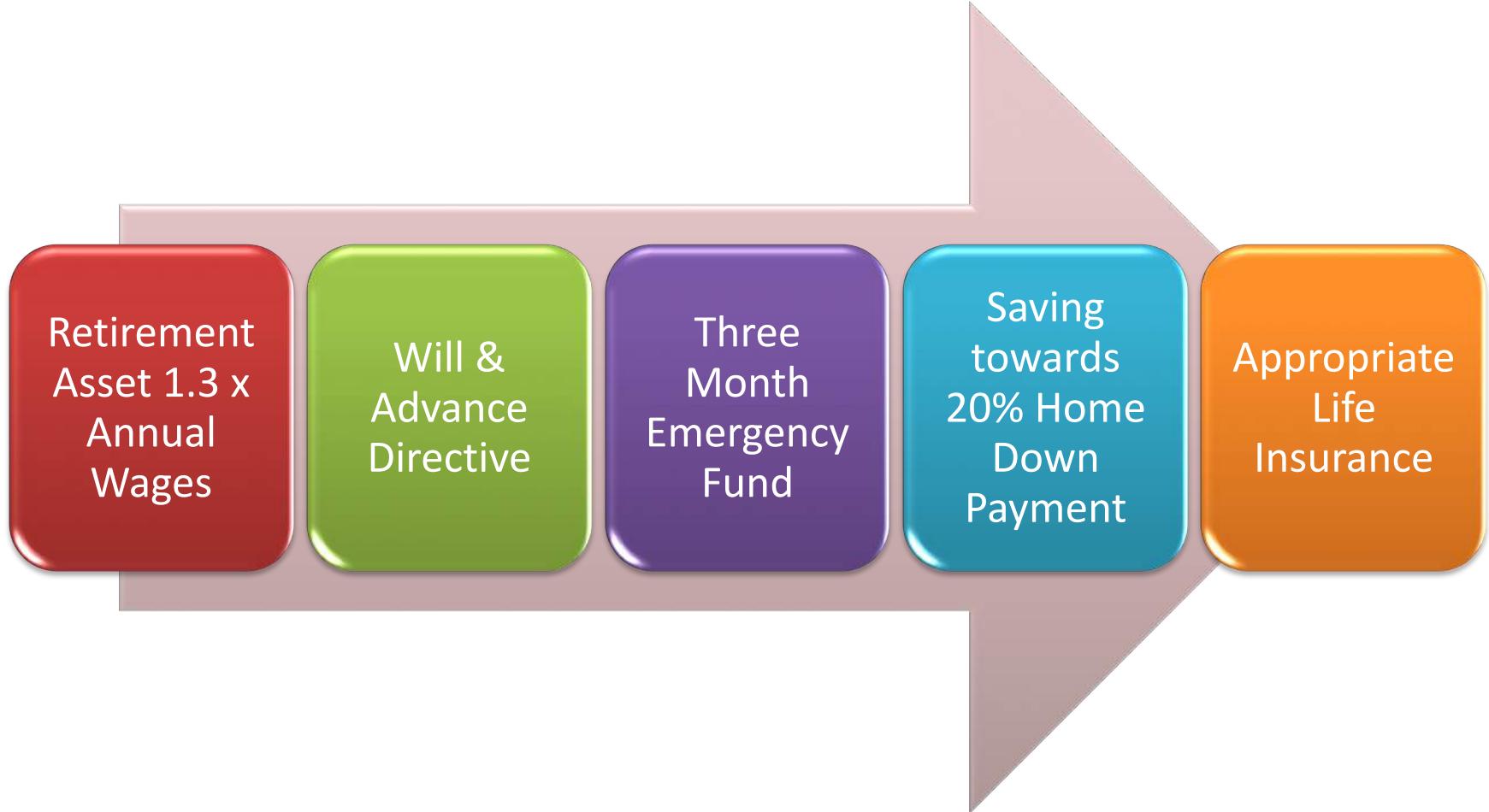
Interim Financial Wellness Targets



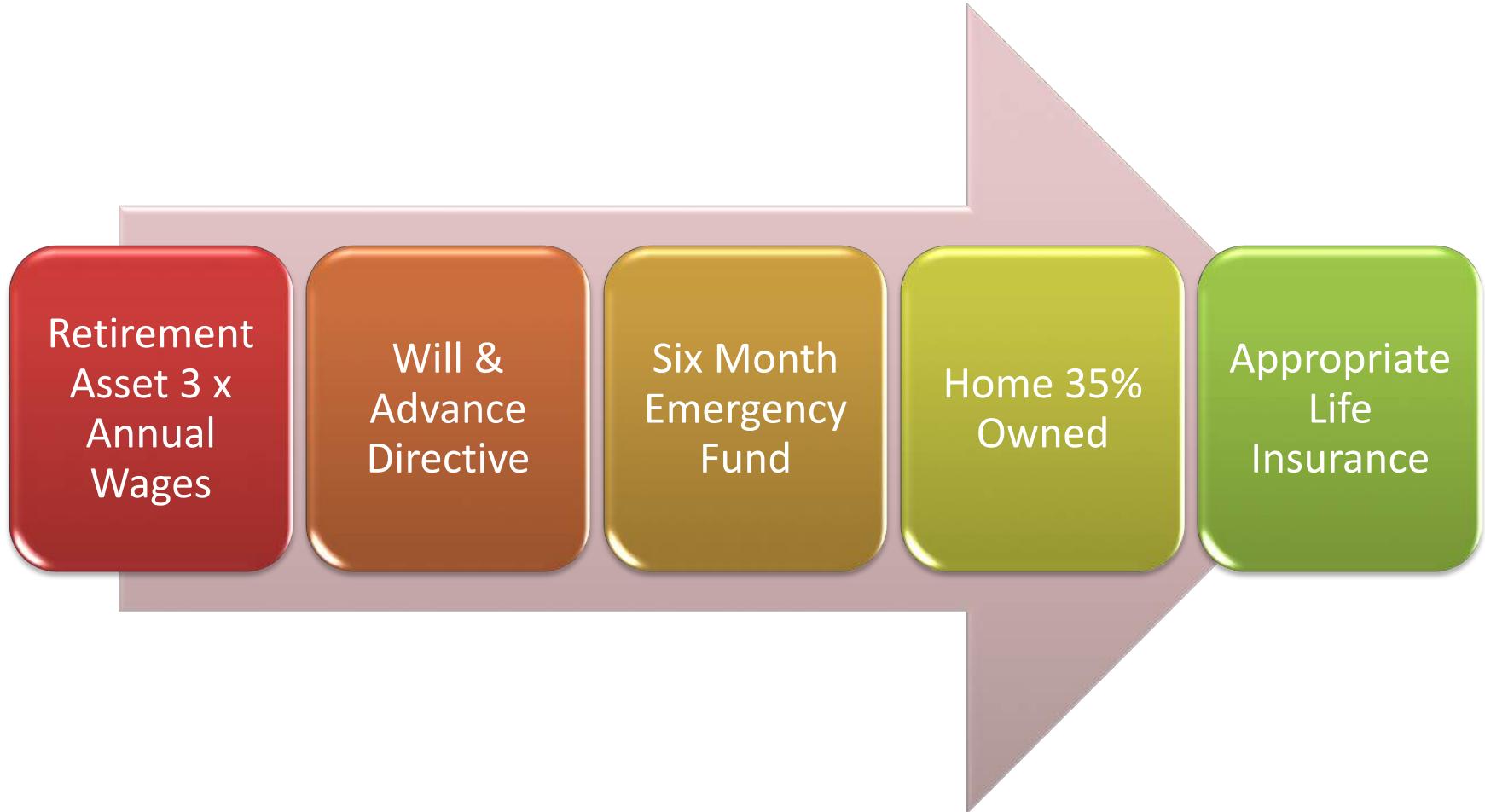
Interim Target - 25



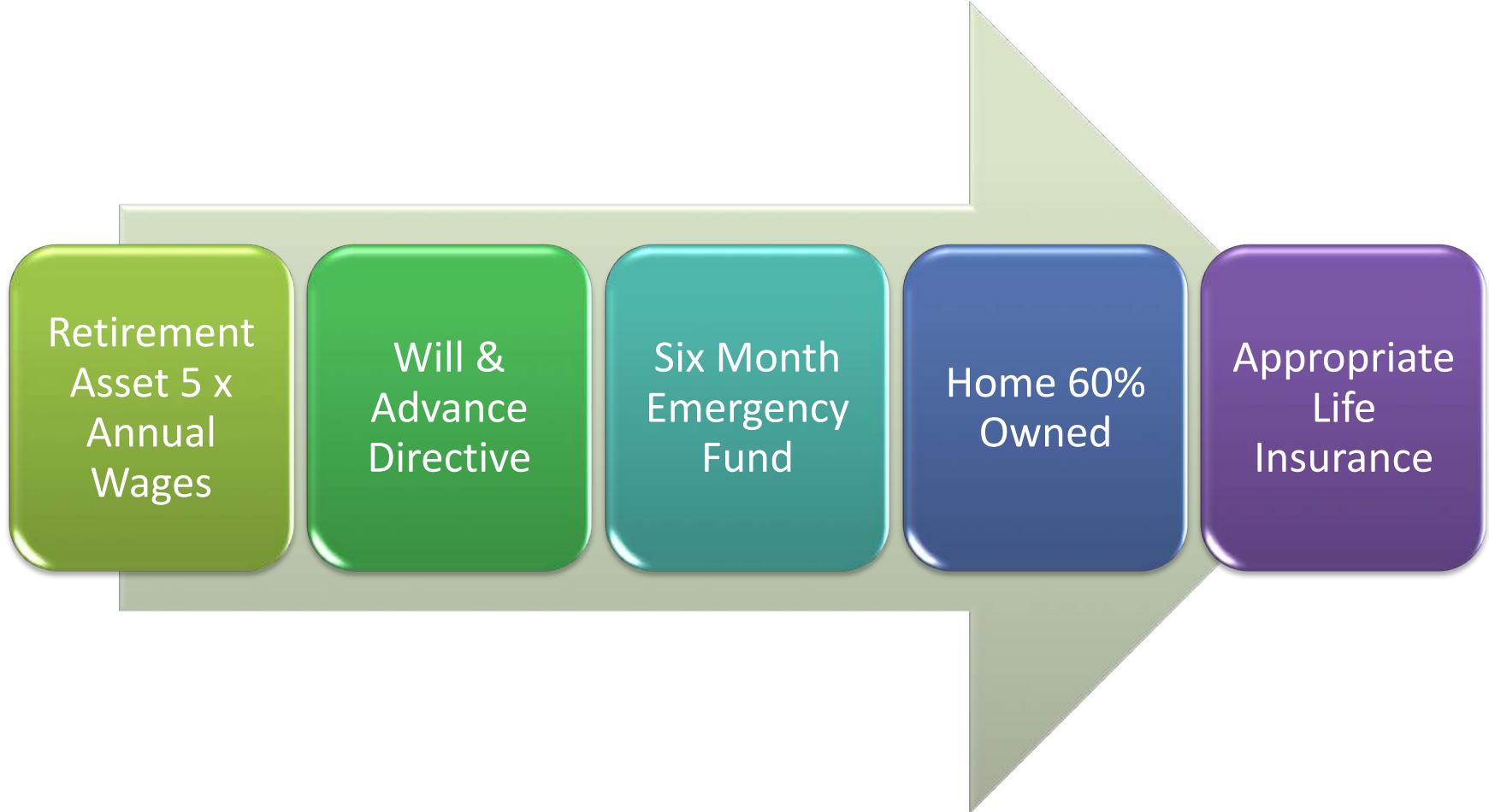
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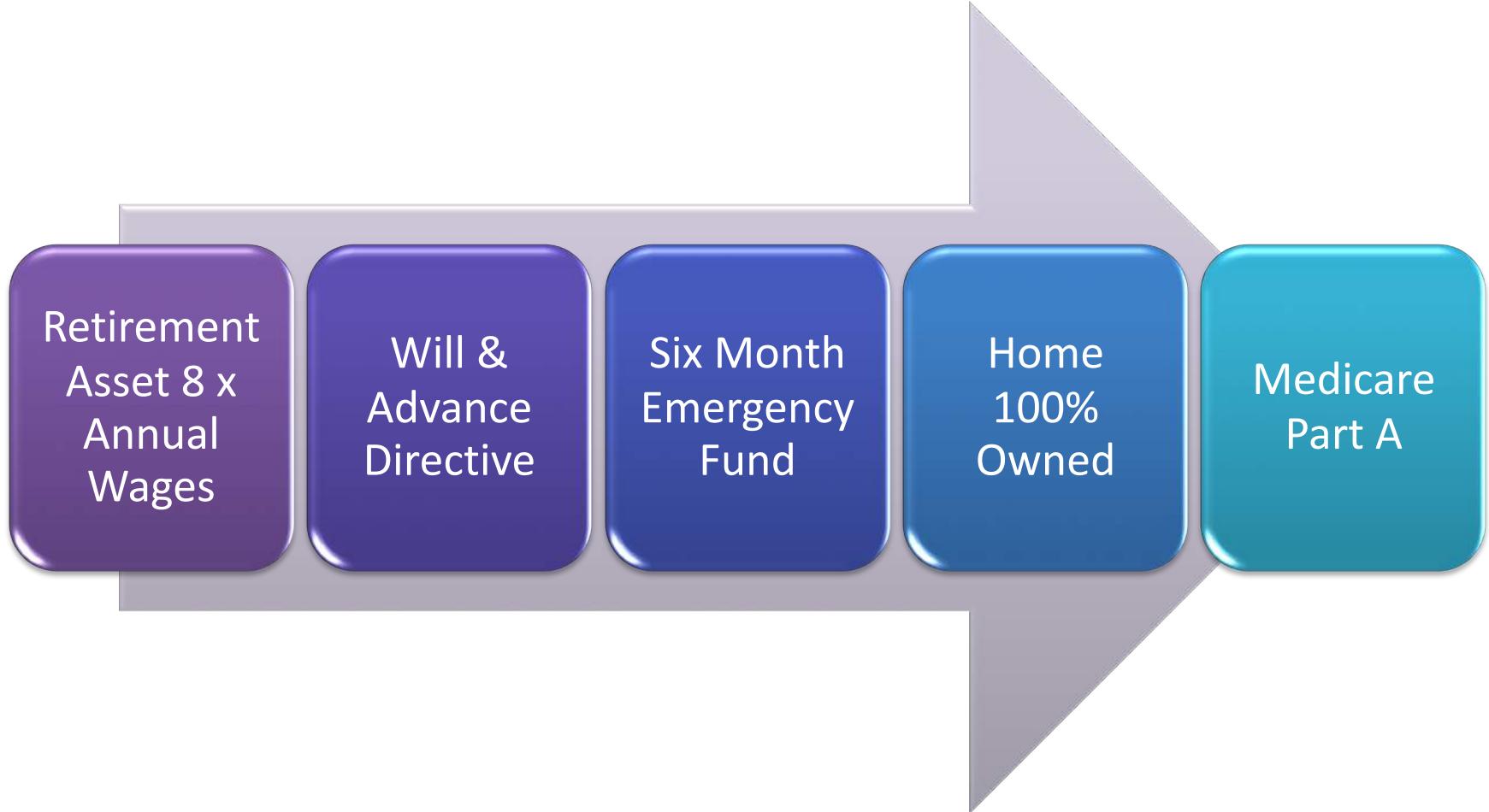
Interim Target - 45



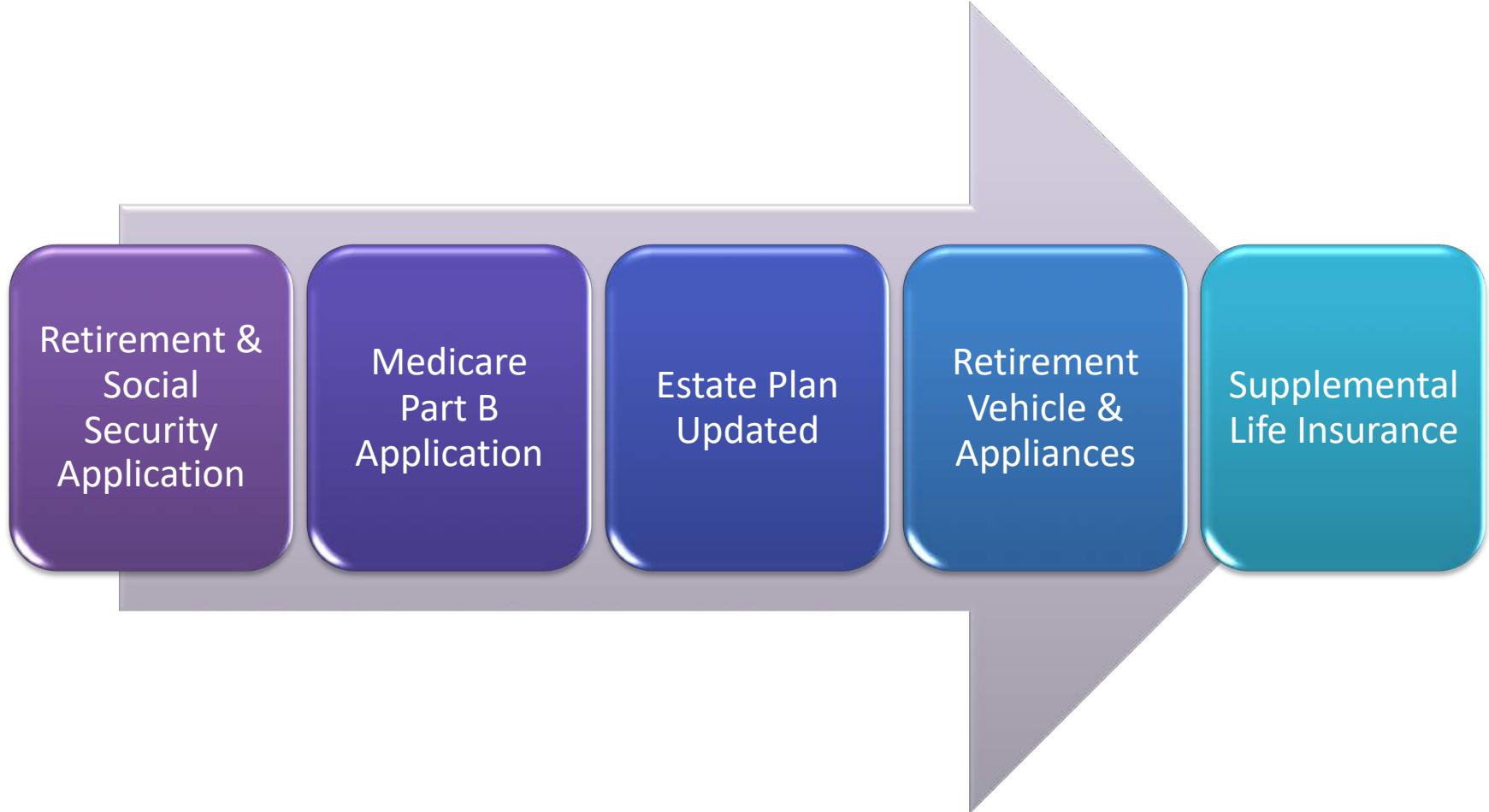
Interim Target - 55



Interim Target - 65



At Retirement



Protect Your Blessings

Keep the Covenant

- Tithes & Offerings
- Time with God
- Be Grateful

“What if you woke up today with only the things you thanked God for yesterday.”
Anonymous

Care for your Health

- Healthy Diet
- Control Weight
- Get Moving
- Floss, checkups, protect skin, avoid high-risk activities

Protect your Family

- Estate Planning Documents
- Life Insurance
- Long-Term Disability/Care Insurance

Protect your Assets

- Homeowners Insurance
- Auto Insurance
- Liability Insurance

As Ellen White wrote, “When you can stand forth a free man again, owing no man anything, you will have achieved a great victory.”

Counsels on Stewardship, p. 257

Romans 13: 8

“Owe no one anything,
except to love each other, for
the one who loves another
has fulfilled the law”

The Facts

- Married couples with kids are 75% more likely to be late paying their bills.
- People spend 12-18% more when using credit cards than when using cash.
- 65% of Americans are living paycheck to paycheck, up from 49% last year and 43% in 2015.

- Thirty-one percent of Americans who have combined finances with their spouse admit to lying to their partners about money. Of these admitted liars, 58% said they had hid cash, 15% hid a secret bank account, 11% had lied about debts they owed, and 11% lied about how much money they earn.

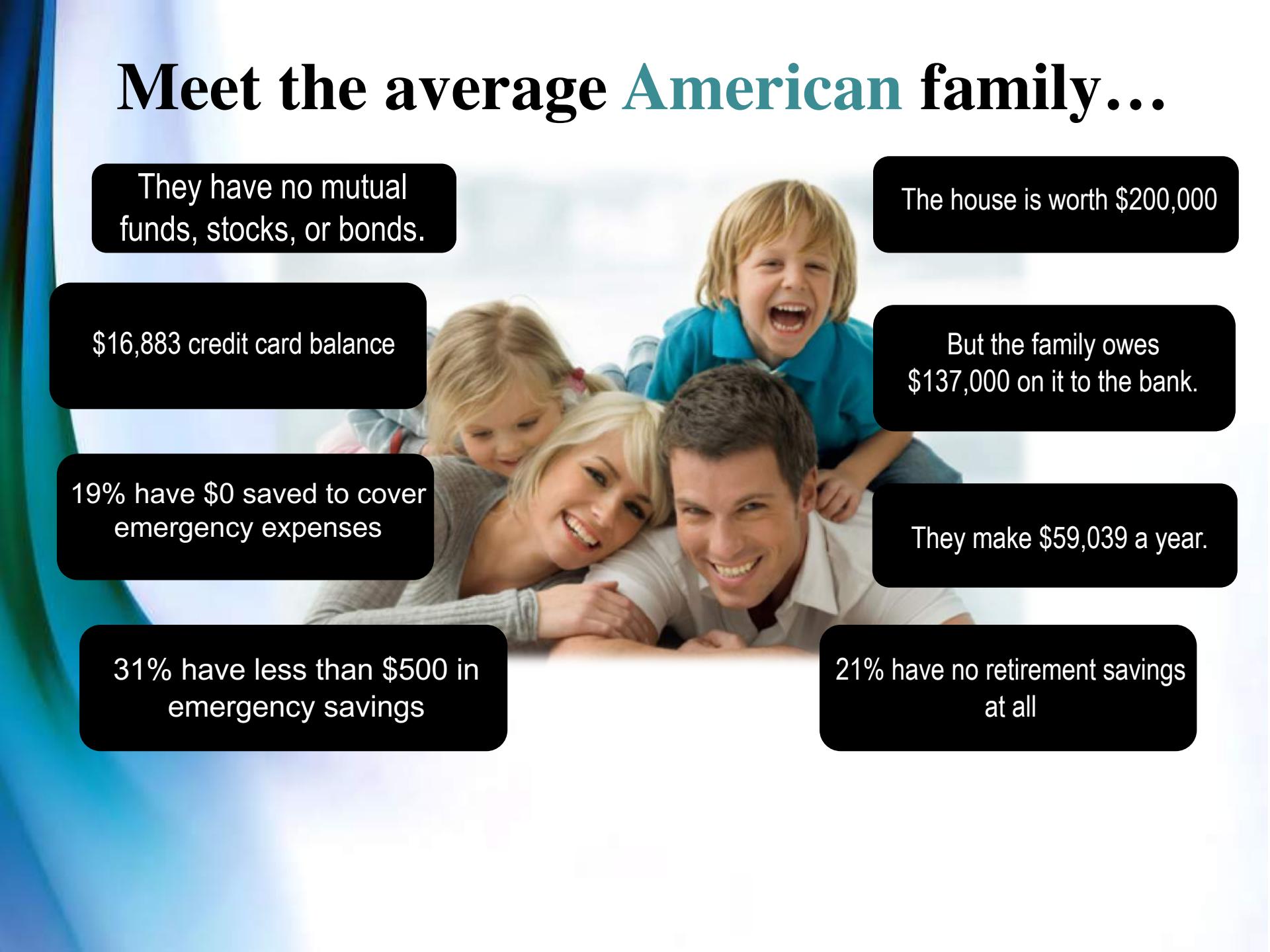
According to a *Money Magazine* survey, money causes more arguments between couples than intimate relations or even the in-laws.

More specifically, 43% of people surveyed responded that they argue more about money than intimate relations (as opposed to 20% who said they argued more about intimate relations than money).

- Also reported by *CNNMoney.com*, 24% of the survey's participants said that they argue more about money than doing chores and 28% said they fight more about money than their kids.
- 57% of households do not have a budget

- A recent study by Harris interactive found that you can save \$112,000 over a lifetime by bringing your lunch to work in a brown paper bag.
- Nearly one-third of Americans pay the minimum due on their credit cards each month.

Meet the average American family...

A photograph of a happy family of four—two adults and two young children—smiling and laughing while lying together on a bed. The father is at the bottom, the mother is behind him, and two young children are perched on top of them.

They have no mutual funds, stocks, or bonds.

\$16,883 credit card balance

19% have \$0 saved to cover emergency expenses

31% have less than \$500 in emergency savings

The house is worth \$200,000

But the family owes \$137,000 on it to the bank.

They make \$59,039 a year.

21% have no retirement savings at all

- Families today are five times more likely to file bankruptcy and three times more likely to lose their homes, despite spending their money no more foolishly than their parents.
- Living paycheck to pay check.
- More than one in five of those earning \$100K or more still live paycheck to paycheck.

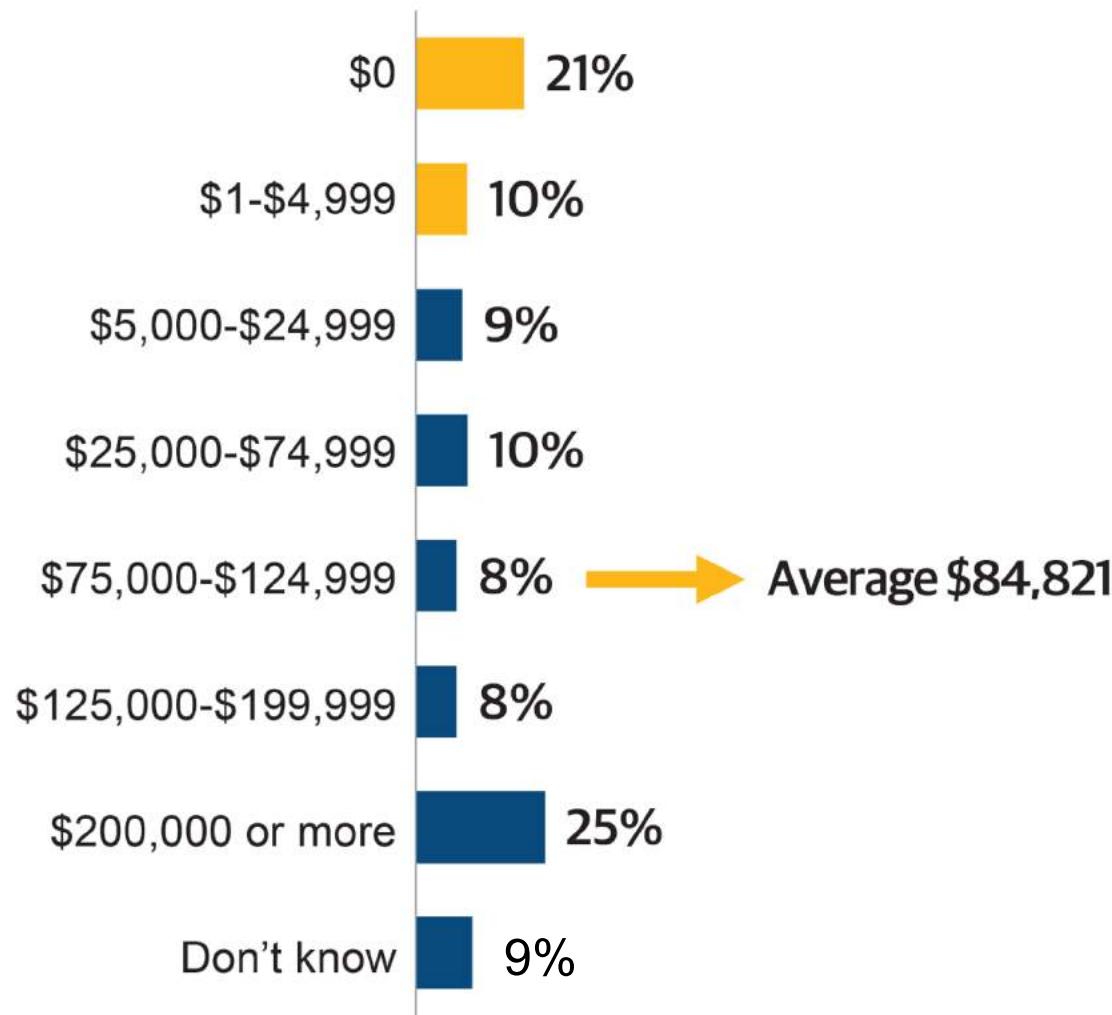
Truth

“It is not how much we make,
but how we administer it.”



Considerations

Saved for Retirement

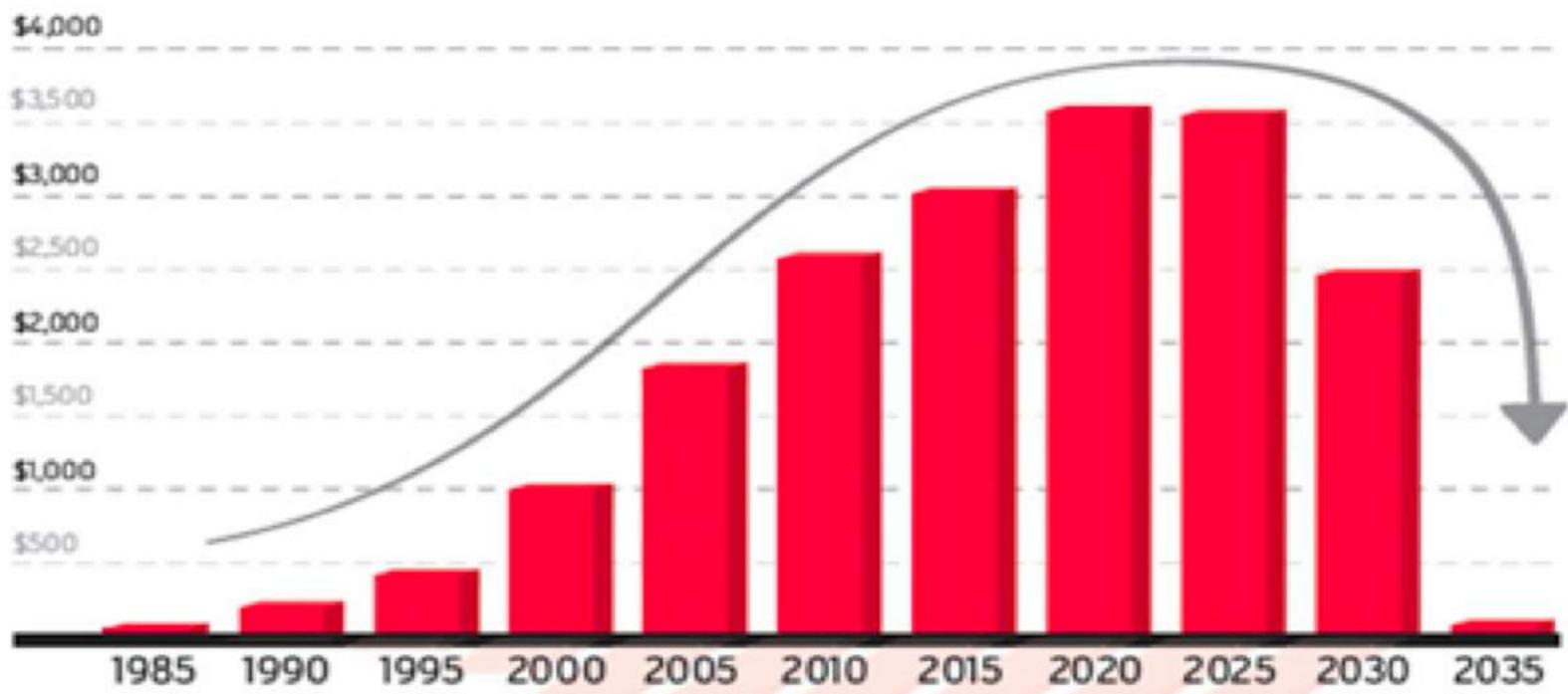


BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=1979)

Q1825. How much money do you have saved for retirement
(from all sources including 401(k), IRA, pension, bank accounts, etc.)?

Source: Northwestern Mutual 2018 Planning & Progress Study.

End of Year Assets of The Social Security Trust Fund (In Billions)



THE 3 Bucket Path

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What do you do with your
income?





Acquire assets (material value) or
liabilities (debt)?

**Assets – Liabilities = Net Worth
(Net Worth)**

Net Worth

- Only **YOU** can build up or hurt your net worth, you own it!

**What is the major influence
on my net worth?**

Income

**How you allocate your income is
a major part of your net worth.**

Where does your income go?



BUCKETS

Where is my income going?



Bucket # 1



Bucket # 2



Bucket # 3

BUCKET #1

-Depreciate rapidly or consumed.



Examples

Bucket #1

Example

