

Financial Freedom

Where your treasure is, there your heart will be also.

Matthew 6.21, Luke 12.34

Practical and Biblical Guidelines
on how to most effectively Spend,
Save and Invest God's Resources

Information is not
Transformation

Transformation is predicated on:

1. a strong desire to change (*Ps 63.1*):

Humility (*vs. pride*)

2. a willingness to get help/seek counsel (*Prov 24.6*):

Accountability (*vs. autonomy*)

3. a recognition that as we toil, God is working (*Col 1.29*):

Reliability (*vs. skepticism*)

Information is not Transformation

Important to have both Inspiration and Motivation
(see) (believe)

The Holy Spirit often uses books and speakers

NEWLY UPDATED
Best Seller with Over 175,000 Sold



MARGIN

*Restoring Emotional, Physical, Financial,
and Time Reserves to Overloaded Lives*

RICHARD A. SWENSON, M.D.

Restoring Emotional,
Physical, Financial,
and Time Reserves
to Overloaded Lives

NEWLY UPDATED
Best Seller with Over 175,000 Sold



MARGIN

*Restoring Emotional, Physical, Financial,
and Time Reserves to Overloaded Lives*

RICHARD A. SWENSON, M.D.

- The difference between wishing you could help vs. having resources to help.
- Energy to play and enjoy children and grandchildren vs. being tired all the time.
- From believing you have no time to read a book on Margin vs. reading it twice.

NEWLY UPDATED
Best Seller with Over 175,000 Sold



MARGIN

*Restoring Emotional, Physical, Financial,
and Time Reserves to Overloaded Lives*

RICHARD A. SWENSON, M.D.

“Margin grants freedom and permits rest. It nourishes both relationship and service. Spiritually, it allows availability for the purposes of God. From a medical point of view, it is health-enhancing.

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MARGIN

*Restoring Emotional, Physical, Financial,
and Time Reserves to Overloaded Lives*

RICHARD A. SWENSON, M.D.

We must have some room to breathe. We need freedom to think and permission to heal. Our relationships are being starved to death by velocity. No one has the time to listen, let alone love.

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MARGIN

*Restoring Emotional, Physical, Financial,
and Time Reserves to Overloaded Lives*

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Is God now pro-exhaustion?
Doesn't He lead people
beside still waters anymore?"

Breathe.

See.

Believe.

“I’m ok but...”

*“I don’t think
it’s too bad...”*



Three Essential Elements of an Effective
Elective Class on Financial Planning:

1. Simple
2. Biblical
3. Practical

1. Simple:

“Everything should be made as simple as possible, but not simpler.”

~ Albert Einstein

Simple Financial Plan:

*Spend less than you Earn
and Invest the difference.*

Simple does not mean easy.

(64% of Americans living paycheck to paycheck)

American Financial Plan:

*Spend more than you Earn
and escalate Debt.*

How to break the cycle...

2. Biblical:

*Not merely using the Bible
but using the Bible biblically.*

Luke 12.16-21

And Jesus told them a parable, saying,
“The land of a rich man produced plentifully,
and he thought to himself, ‘What shall I do,
for I have nowhere to store my crops?’

And he said, ‘I will do this:
I will tear down my barns and build larger ones,
and there I will store all my grain and my goods.

Luke 12.16-21

And I will say to my soul, “Soul, you have ample goods laid up for many years; relax, eat, drink, be merry.””

But God said to him, ‘Fool! This night your soul is required of you, and the things you have prepared, whose will they be?’ So is the one who lays up treasure for himself and is not rich toward God.”

Luke 12.16-21

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Luke 12.16-21

The *Point* of the Parable?

- A. It's foolish to build barns
- B. It's foolish to build bigger barns
- C. It's not about the barns

Gen 41: *Joseph stored grain for seven years to feed a Nation.*

So, what is the Point?

(v. 21) So is the one who lays up treasure

for himself

and is not rich toward God.

2. Biblical:

Why do we do what we do

*This is the heart of authentic Christianity...
including financial planning.*

2. Biblical:

Does the Bible say that
money is the root of all evil?

*For the love of money is a root of all kinds of evils.
It is through this craving that some have wandered away...*

(1 Tim 6.10)

2. Biblical:

11 out of 39 parables talk
about money...why?

Because where your **treasure** is, there your **heart** will be also.
*(Jesus cares deeply about our hearts...and we have blind spots
and money is a powerful litmus test.)*

Proverbs 30.8-9

Remove far from me falsehood and lying;
give me neither poverty nor riches;
feed me with the food that is needful for me,
lest I be full and deny you
and say, “Who is the LORD?”
or lest I be poor and steal
and profane the name of my God.

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Isaiah 55.1-2

Come, everyone who thirsts, come to the waters;
and he who has no money, come, buy and eat!

Come, buy wine and milk without money and without price.

Why do you spend your money for that which is not bread,
and your labor for that which does not satisfy?

Listen diligently to me, and eat what is good,
and delight yourselves in rich food.

Isaiah 55.1-2

The most precious things in life
are not for sale.

Luke 16.13

You cannot serve God and money.

(But you can serve God with money.)

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3. Practical:

“A genius is the man who can do the average thing when everyone else is losing his mind.”

~ Napoleon

3. Practical:

- *Helpful, Useful and Understandable*
- *General and yet Specific*
- *Realistic and Doable*
- *Measurable — requires numbers*
- *Relational — requires communication*

God-given Resources:

- Time
- Mental Acuity
- Physical Energy
- Money

Most Valuable?

Least Valuable?

God-given Resources:

- Time
- Mental Acuity
- Physical Energy
- Money

*When helping young people
decide on a career choice,
we need to remind them of
what is truly valuable
and what is not.
(doctors, lawyers, finance)*

The
Psychology
of
Money



TIMELESS LESSONS ON WEALTH, GREED,
AND HAPPINESS

MORGAN HOUSEL

"Everyone should own a copy."

—JAMES CLEAR

New York Times Bestselling Author of *Atomic Habits*

For sale in the Indian Subcontinent only

Interviewed 1000 elderly Americans:

- Not a single one said to be happy you should work as hard as you can to make money to buy things.
- Not a single one said you should choose your work based upon your desired future earning power.
- What did they say? (pg. 89)

Money is an Amplifier!

"You are wise and powerful. Will you not take the Ring?"

"No!" cried Gandalf, springing to his feet. "With that power I should have power too great and terrible.

And over me the Ring would gain a power still greater and more deadly." His eyes flashed and his face was lit as by a fire within. "Do not tempt me!

For **I do not wish to become like the Dark Lord himself.**"

Money is an Amplifier!

Gandalf already had the responsibility of a ring of power.
Money (like rings) makes us more of what we already are.

Application:

Should we desire to win the lottery?

Proverbs 30.8-9

Remove far from me falsehood and lying;
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and profane the name of my God.

Let's get started

What's the Plan?

If you fail to plan, you plan to fail.

"INVALUABLE WISDOM!"—Andy Stanley

**YOUR
MONEY**

*Made
Simple*

THE KEY TO FINANCIAL FREEDOM

RUSS CROSSON

EXECUTIVE VICE CHAIRMAN, RONALD BLUE TRUST

Your Money
Made Simple

The Key to
Financial Freedom

Russ Crosson

Financial Freedom

not

Financial Security

(Being safe and free from danger or loss)

Freedom

Exempt from confinement

Having options

Feeling unrestricted - MARGIN

Opposite?

Bondage, restriction, limited options

Financial Freedom

Spending less than you Earn and Investing the difference over a long period of time.

$$\text{Spend} < \text{Earn} = \text{Savings}$$

Financial Freedom

Savings → Investments

Financial Independence

No longer having to trade my time with an employer to meet living expenses.

Savings  Investments

Financial Independence

Normally happens after decades of
Financial Freedom.

Retirement?

More like *Transition*

We need a plan.

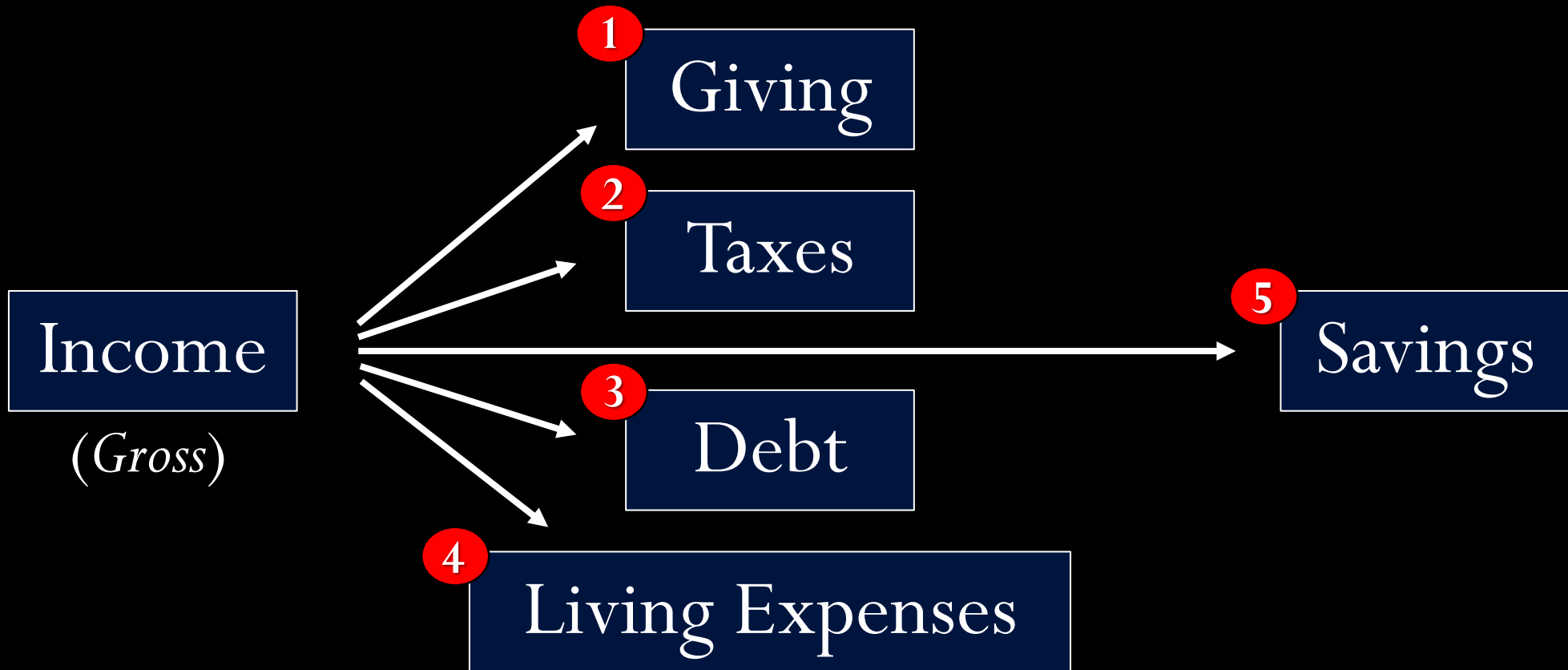
*But we also need to plan on the plan
not going according to plan.*

Financial Freedom

$$\text{Spend} < \text{Earn} = \text{Savings}$$

(Investing will come later...
let's make sure Savings are happening first.)

Financial Freedom



Questions?

Financial Freedom

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Matthew 6.21, Luke 12.34

"INVALUABLE WISDOM!"—Andy Stanley

YOUR
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*Made
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THE KEY TO FINANCIAL FREEDOM

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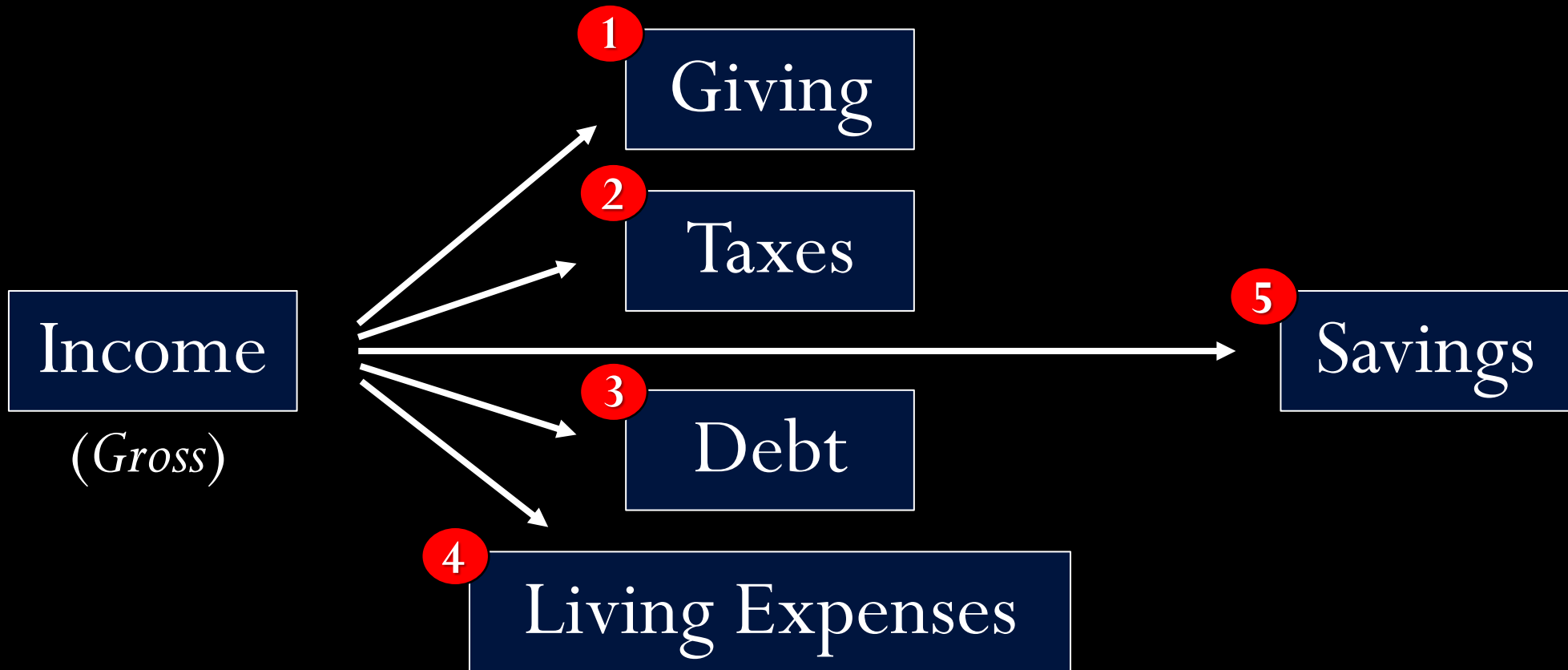
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Financial Freedom



Income

Work: physical and mental energy exerted for the purpose of subduing the earth. (*Gen 1.28*)

- Adam put in the garden to tend and cultivate it... a blessing from God given before the fall. (*Gen 2.15*)
- We are to work with our hands. (*1 Thess 4.11*)
- If we don't work, then we don't eat. (*2 Thess 3.10*)

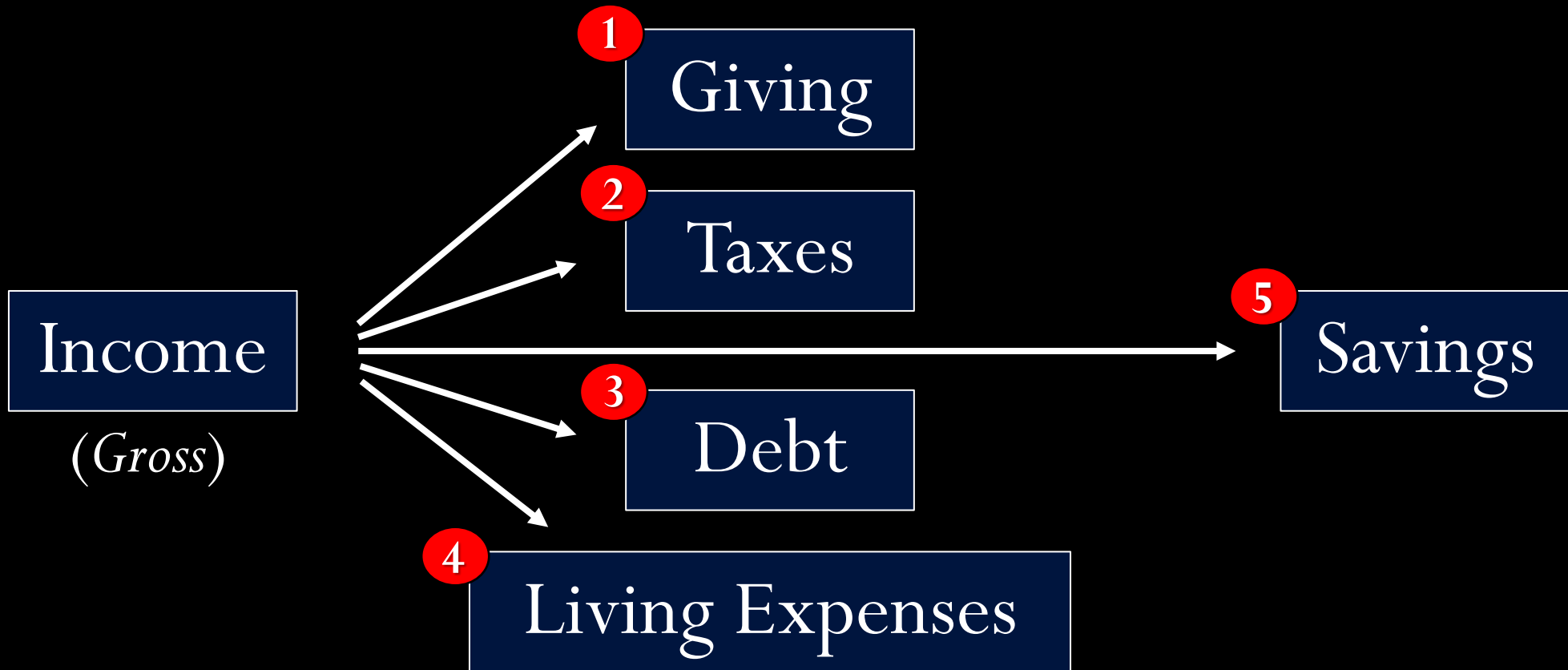
Income

Fulfillment: a feeling of happiness and satisfaction in accomplishing God-given work for His Glory.

➤ Fulfillment comes from the process of working not from the product of that work.

Luke 19:17 - And he said to him, 'Well done, good servant! Because you have been faithful in a very little, you shall have authority over ten cities.'

Financial Freedom



1

Giving

1 Timothy 6.17-19: As for the rich in this present age, charge them not to be haughty, nor to set their hopes on the uncertainty of riches, but on God, who richly provides us with everything to enjoy.

They are to do good, to be rich in good works, to be generous and ready to share,

thus storing up treasure for themselves as a good foundation for the future, so that they may take hold of that which is truly life.

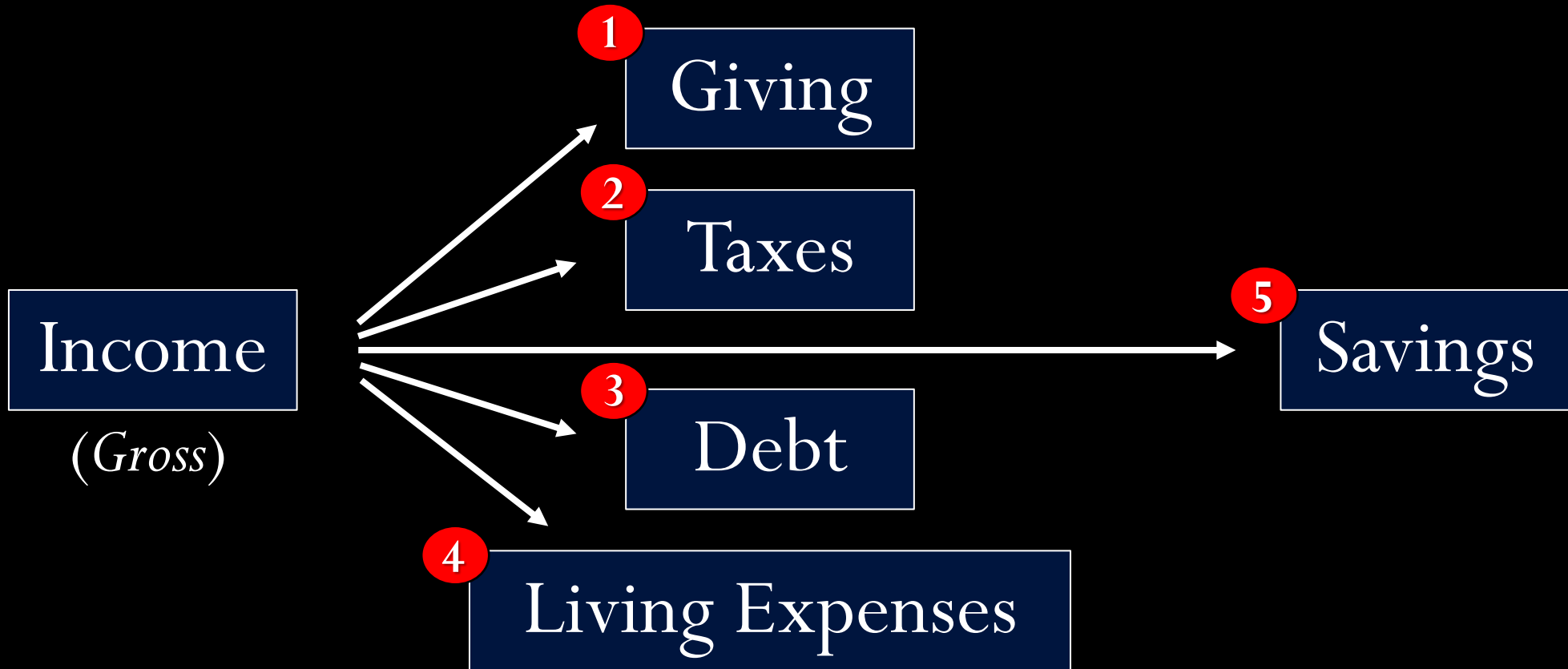
1

Giving

Rich: having more than you need.

- Giving is a tangible way to acknowledge God's ownership of all we have.
- Giving breaks the power of money.
- You get to determine the amount. (10%?)

Financial Freedom



2

Taxes

Benjamin Franklin:

*“In this world, nothing can be said
to be certain except...”*

2

Taxes

"The only difference between death and taxes is that death doesn't get worse every time Congress meets..."

~ Will Rogers



2

Taxes

*The degree to which our life energy
is motivated by things we're opposed to...
is the degree to which we are unhealthy.*

2

Taxes

The world needs to know what we are *for*
(*Jesus, life, love, redemption, transformation*)
– not just what we are against.

Is there a 'brightside' to taxes?

2

Taxes

1. High taxes indicate high income
2. Preeminent national defense
3. Pursue success through education
4. Sick and elderly are not ignored

2

Taxes

- Fed Tax Bracket: 12% (*Income over 22K*)
- Fed Tax Bracket: 22% (*Income over 89K*)
- So what if I file on **90K**?
- How to stay in the 12% Bracket?
- *Standard Deduction: 26K*
- *401k: max \$45K (both) — company match = 100% return*
- *HSA: max \$7750 family — healthcare expenses with pre-taxed \$*

*2023 Married
Filing Jointly*

Taxes

Withholding (W-4):

- Our goal should be to owe \$0 when filing taxes...a refund is simply an interest free loan.
- Adjust *W-4* integer(allowances) upward for less withholding and downward for more.
(0 allowances = most withheld) – Fed & SC can differ

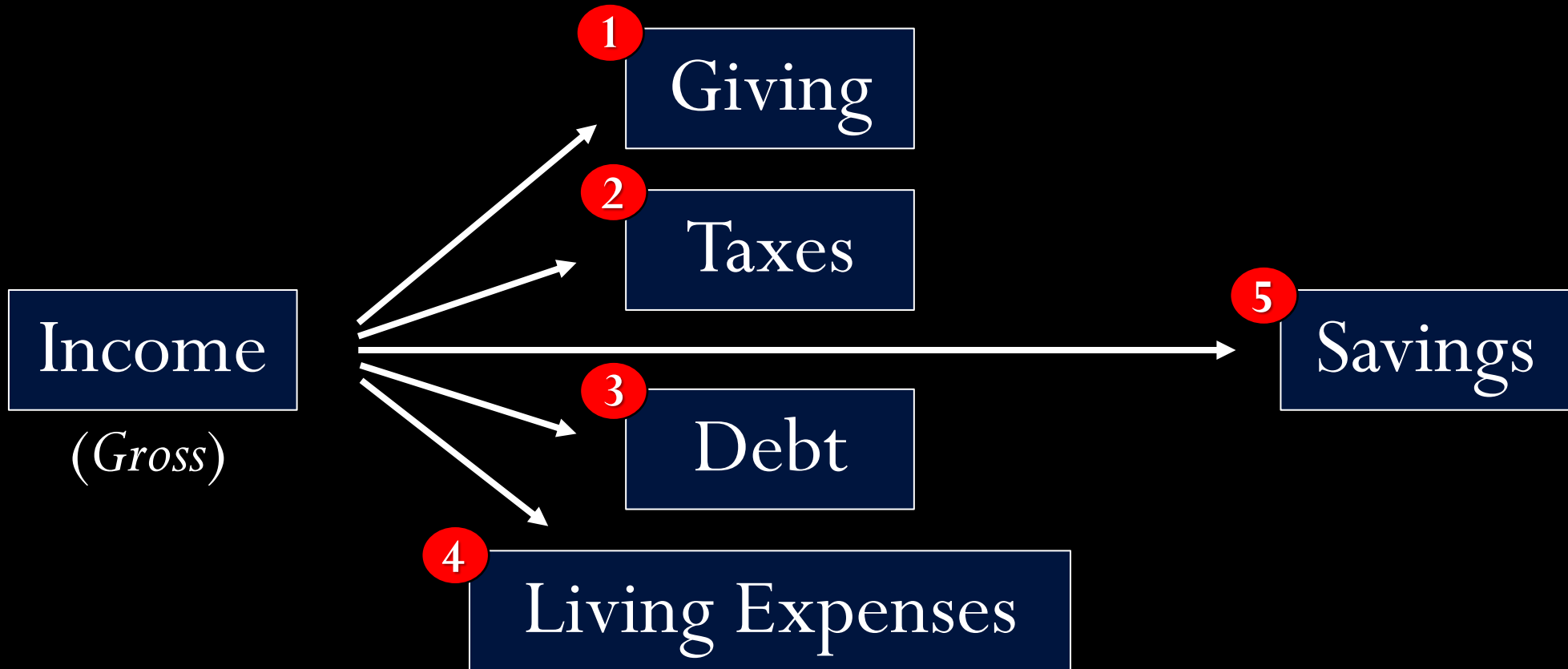
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Taxes

Mark 12:17

Jesus said to them,
“Render to Caesar the things that are Caesar’s,
and to God the things that are God’s.”

Financial Freedom



3

Debt

Debt isn't the problem...it's the symptom.

Getting out of debt and *staying out of debt* are different issues... (losing weight vs. maintenance)

"I've lost 50 lbs. 50 times..."

Long-term solution: Contentment

Debt

Proverbs 22.7: The rich rules over the poor, and the borrower is (*becomes*) the slave of the lender.

- We should be wary of debt and prioritize getting out of debt with laser-like focus and intensity.
- Example: *p.51*
- Three times as hard to get out of...

3

Debt

Three times as hard?: \$83/month overspending for 10 years is about \$10,000 in debt...(so easy)

Pay it off?

1. Pay \$1,000/year on principle
2. Pay \$1,000/year on interest charges (10%)
3. Quit overspending by \$1,000/year

Debt

Credit Cards: (*Definition*):

Why pay normal price when you can pay 23.9% more?

- Would you like to save **10%** on your purchase today?
- Always pay off balance in full each month
- Always check statements for inaccuracies or fraud

Heb 13.5 - *Keep your life free from love of money, and be **content***

with what you have, for he has said, "I will never leave you nor forsake you."

3

Debt

Car: *Should I go into debt to buy a car?*

Is it even possible to pay cash?

Simply make monthly payments to yourself for 60 months while driving your current vehicle.

(Simple...not easy.)

3

Debt

Car: *Debt vs. Paying Cash?*

Cost	Payments	<u>5 years</u> (6%)	<u>Invested</u> (8%)	<u>Result</u>
20K				

3

Debt

Car: *Debt vs. Paying Cash?*

Cost	Payments	<u>5 years</u> (6%)	<u>Invested</u> (8%)	<u>Result</u>
20K	\$387/mo	23,220		Car - \$3,220

3

Debt

Car: *Debt vs. Paying Cash?*

Cost	Payments	<u>5 years</u> (6%)	<u>Invested</u> (8%)	<u>Result</u>
20K	\$387/mo	23,220		Car - \$3,220
20K	\$0		29,840	Car + \$9,840

Delayed Gratification

Difference of \$13,060

3

Debt

Mortgage: *Should I pay it off early?*

Argument:

Why would I pay off a 3% mortgage when I can get a 8-10% return in the stock market?
(And don't forget the tax deduction...)

3

Debt

Mortgage: *Should I pay it off early?*

Because:

There's something unexplainable yet tangible about not having any mortgage payments.

Most sleep better at night without fear of risk.

3

Debt

Mortgage: 30 or 15 year mortgage?

Cost	<u>30 year</u> (7%)	Total	<u>15 year</u> (6.3%)	Total	<u>Difference</u>

3

Debt

Mortgage: 30 or 15 year mortgage?

Cost	<u>30 year</u> (7%)	Total	<u>15 year</u> (6.3%)	Total	<u>Difference</u>
200K	1331/mo	479K			

3

Debt

Mortgage: 30 or 15 year mortgage?

Cost	<u>30 year</u> (7%)	Total	<u>15 year</u> (6.3%)	Total	<u>Difference</u>
200K	1331 / mo	479K	1742 / mo	314K	

3

Debt

Mortgage: 30 or 15 year mortgage?

Cost	<u>30 year</u> (7%)	Total	<u>15 year</u> (6.3%)	Total	<u>Difference</u>
200K	1331 / mo	479K	1742 / mo	314K	\$165,000

3

Debt

Mortgage: 30 or 15 year mortgage?

Cost	<u>30 year</u> (7%)	Total	<u>15 year</u> (6.3%)	Total	<u>Difference</u>
200K	1331/mo	479K	1742/mo	314K	\$165,000
300K	1996/mo	719K	2580/mo	464K	\$255,000

3

Debt

Mortgage: 30 or 15 year mortgage?

Cost	<u>30 year</u> (7%)	Total	<u>15 year</u> (6.3%)	Total	<u>Difference</u>
200K	1331 / mo	479K	1742 / mo	314K	\$165,000
300K	1996 / mo	719K	2580 / mo	464K	\$255,000
400K	2661 / mo	958K	3484 / mo	627K	\$331,000

3

Debt

But that's not all...

What would happen to that unnecessary payment if invested at 8% for the next 15 years?

\$1331  200K house + \$460,577

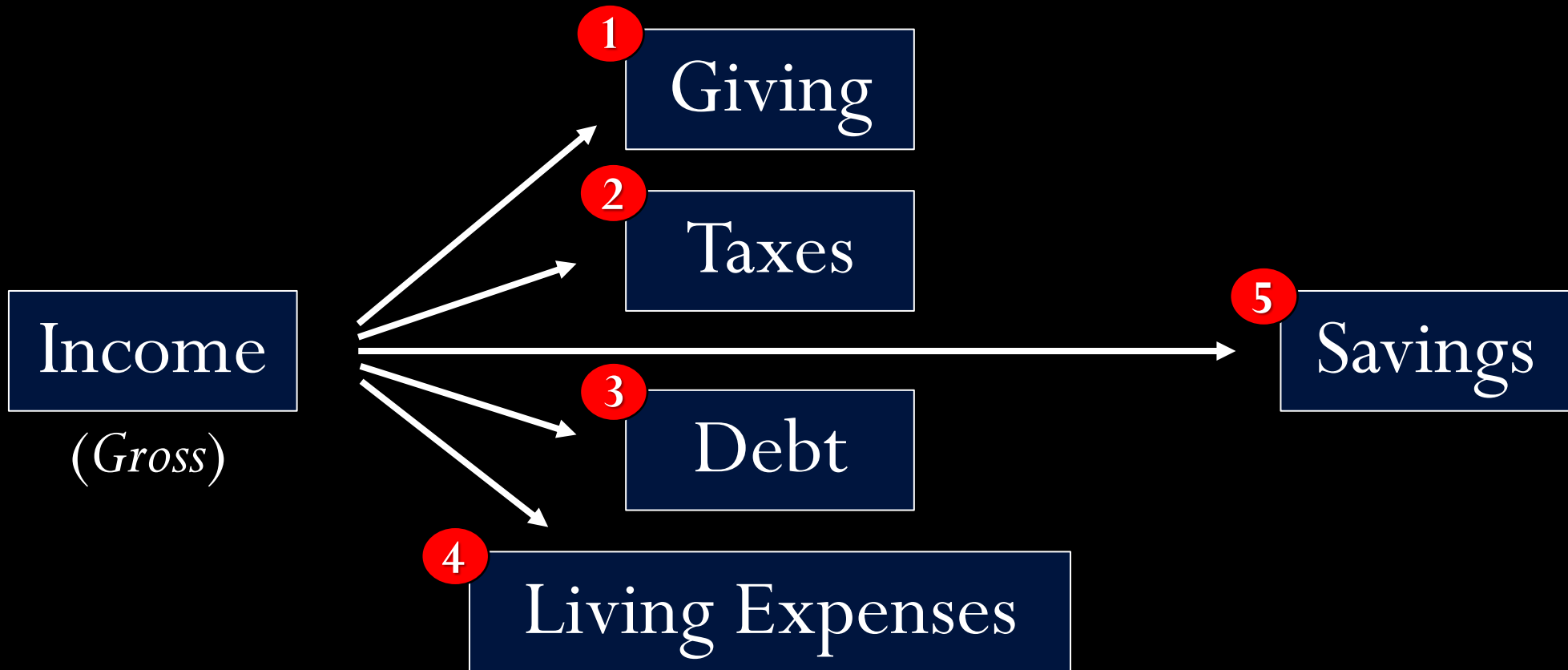
\$1996  300K house + \$690,692

\$2661  400K house + \$920,808

Conclusion:

A 15 year mortgage is a significant contributor toward financial independence.

Financial Freedom



4

Living Expenses

The part of personal finance that starts getting very personal.

4

Living Expenses

Proverbs 27.23-24

Know well the condition of your flocks,
and give attention to your herds,
for riches do not last forever;
and does a crown endure to all generations?

4

Living Expenses

- People have a certain lifestyle (*predetermined living expenses*) that they are trying to maintain, and they spend accordingly hoping that it all works out.
- They put this box **first** and hope at the end of the year, they have not spent more than they made.
- They spend with no idea if their income will support their living expense level.

4

Living Expenses

- As a result, they end up with credit card debt, owing taxes, and/or cutting back/eliminating giving.
- They attempt to make nondiscretionary boxes (giving, taxes, debt) discretionary and the optional living expenses fixed.

Living Expenses

$$\frac{\text{Gross Income}}{\text{Gross Income}} - \left(\frac{\text{Giving}}{\text{Giving}} + \frac{\text{Taxes}}{\text{Taxes}} + \frac{\text{Debt}}{\text{Debt}} \right)$$

Maximum available to spend on
living expenses

4

Living Expenses

Budget: A plan you write down to decide how you will spend God's money each month.

- Budgeting sounds a lot like Dieting (restriction).
- Rather, we should focus on healthy eating and healthy spending. (*Weight and Finances will adjust.*)

4

Living Expenses

Budget: A plan you write down to decide how you will spend God's money each month.

- Be smart about what you put in your body and be smart about what you spend each month.
- Simple but not easy.

4

Living Expenses

Budget: A plan you write down to decide how you will spend God's money each month.

- We should know where our money is going verses wondering where it went.
- A disciplined plan making our money "behave".

Isaiah 55.2

Why do you spend your money
for that which is not bread,
and your labor for that which
does not satisfy?

Isaiah 55.2

Why do you spend your money
for that which is not bread,
and your labor for that which
does not satisfy?

Unhealthy Spending

Impulse Purchasing

Emotional Spending

Hungry Shopping

Pressure or FOMO

Healthy Spending *(budgeting)*

BUDGET WORKSHEET

Budgeted Item	Amount Budgeted	Actual Spent	Budgeted Item	Amount Budgeted	Actual Spent
DONATIONS			HEALTH		
			Health Insurance		
SAVINGS			Dental Insurance		
Emergency Fund			Doctor Visits		
Retirement Fund			Dentist		
College Fund			Optometrist		
HOUSING			Medicine		
First Mortgage or Rent			PERSONAL		
Second Mortgage			Life Insurance		
Real Estate Taxes			<input checked="" type="checkbox"/> Child Care/Sitter		
Maintenance/Repairs			<input checked="" type="checkbox"/> Toiletries		
Insurance			<input checked="" type="checkbox"/> Household Items		
UTILITIES			<input checked="" type="checkbox"/> Hair Care		
Electricity			Education/Tuition		
Water			<input checked="" type="checkbox"/> School Supplies		
Gas/Oil			Subscriptions		
Sewer			<input checked="" type="checkbox"/> Organization Dues		
Trash			<input checked="" type="checkbox"/> Miscellaneous		
Cable (or other)			<input checked="" type="checkbox"/> Free Spending		
Internet			RECREATION		
Phone/Cell Phones			<input checked="" type="checkbox"/> Entertainment		
FOOD			Vacation		
<input checked="" type="checkbox"/> Groceries			ADDITIONAL DEBTS		
<input checked="" type="checkbox"/> Dining Out			Credit Card #1		
TRANSPORTATION			Credit Card #2		
Vehicle Payment #1			Credit Card #3		
Vehicle Payment #2			Credit Card #4		
Fuel			Personal Loan		
Maintenance/Repairs			TOTAL INCOME \$		
Insurance			TOTAL BUDGET \$		
CLOTHING			NET BALANCE \$		
<input checked="" type="checkbox"/> Adult			<i>(should zero)</i>		
<input checked="" type="checkbox"/> Children					
<input checked="" type="checkbox"/> Cleaning/Laundry					

Three Primary

Mistakes:

1. Unbudgeted Categories
2. Unrealistic Numbers
3. Nonmonthly Expenses

BUDGET WORKSHEET

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<input checked="" type="checkbox"/> Children					
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1. Unbudgeted Categories

Categories often left out are those where you don't know in advance what the expenses might be.

Examples:

Car Repair, Car Replacement
Home Maintenance, Medical
Expenses, College Costs

BUDGET WORKSHEET

Budgeted Item	Amount Budgeted	Actual Spent	Budgeted Item	Amount Budgeted	Actual Spent
DONATIONS			HEALTH		
			Health Insurance		
SAVINGS			Dental Insurance		
Emergency Fund			Doctor Visits		
Retirement Fund			Dentist		
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TRANSPORTATION			Credit Card #3		
Vehicle Payment #1			Credit Card #4		
Vehicle Payment #2			Personal Loan		
Fuel					
Maintenance/Repairs					
Insurance					
CLOTHING			TOTAL INCOME	\$	
<input checked="" type="checkbox"/> Adult			TOTAL BUDGET	\$	
<input checked="" type="checkbox"/> Children			NET BALANCE	\$	
<input checked="" type="checkbox"/> Cleaning/Laundry			<i>(should zero)</i>		

1. Unbudgeted Categories

Monthly Suggestions (envelope):

Car Repair: **\$100**

Car Replacement: **\$200**

Home Maintenance: **\$400**

Medical Expenses:

HSA...\$500

Education/College Costs:

Roth IRA...\$500

BUDGET WORKSHEET

Budgeted Item	Amount Budgeted	Actual Spent	Budgeted Item	Amount Budgeted	Actual Spent
DONATIONS			HEALTH		
SAVINGS			PERSONAL		
Emergency Fund			Health Insurance		
Retirement Fund			Dental Insurance		
College Fund			Doctor Visits		
HOUSING			Dentist		
First Mortgage or Rent			Optometrist		
Second Mortgage			Medicine		
Real Estate Taxes			RECREATION		
Maintenance/Repairs			<input checked="" type="checkbox"/> Entertainment		
Insurance			Vacation		
UTILITIES			ADDITIONAL DEBTS		
Electricity			Credit Card #1		
Water			Credit Card #2		
Gas/Oil			Credit Card #3		
Sewer			Credit Card #4		
Trash			Personal Loan		
Cable (or other)			TOTAL INCOME \$		
Internet			TOTAL BUDGET \$		
Phone/Cell Phones			NET BALANCE \$		
FOOD			<i>(should zero)</i>		
<input checked="" type="checkbox"/> Groceries					
<input checked="" type="checkbox"/> Dining Out					
TRANSPORTATION					
Vehicle Payment #1					
Vehicle Payment #2					
Fuel					
Maintenance/Repairs					
Insurance					
CLOTHING					
<input checked="" type="checkbox"/> Adult					
<input checked="" type="checkbox"/> Children					
<input checked="" type="checkbox"/> Cleaning/Laundry					

1. Unbudgeted Categories

(Not “Murphy’s Law”)

Is it reasonable to expect your car to need repair or replacing?

Is it reasonable to expect big ticket items in your house to

need repair or replacing?

Is it reasonable to expect your daughter to get married one day?

BUDGET WORKSHEET

Budgeted Item	Amount Budgeted	Actual Spent	Budgeted Item	Amount Budgeted	Actual Spent
DONATIONS			HEALTH		
			Health Insurance		
SAVINGS			Dental Insurance		
Emergency Fund			Doctor Visits		
Retirement Fund			Dentist		
College Fund			Optometrist		
HOUSING			Medicine		
First Mortgage or Rent			PERSONAL		
Second Mortgage			Life Insurance		
Real Estate Taxes			<input checked="" type="checkbox"/> Child Care/Sitter		
Maintenance/Repairs			<input checked="" type="checkbox"/> Toiletries		
Insurance			<input checked="" type="checkbox"/> Household Items		
UTILITIES			<input checked="" type="checkbox"/> Hair Care		
Electricity			Education/Tuition		
Water			<input checked="" type="checkbox"/> School Supplies		
Gas/Oil			Subscriptions		
Sewer			<input checked="" type="checkbox"/> Organization Dues		
Trash			<input checked="" type="checkbox"/> Miscellaneous		
Cable (or other)			<input checked="" type="checkbox"/> Free Spending		
Internet			RECREATION		
Phone/Cell Phones			<input checked="" type="checkbox"/> Entertainment		
FOOD			Vacation		
<input checked="" type="checkbox"/> Groceries			ADDITIONAL DEBTS		
<input checked="" type="checkbox"/> Dining Out			Credit Card #1		
TRANSPORTATION			Credit Card #2		
Vehicle Payment #1			Credit Card #3		
Vehicle Payment #2			Credit Card #4		
Fuel			Personal Loan		
Maintenance/Repairs			TOTAL INCOME \$		
Insurance			TOTAL BUDGET \$		
CLOTHING			NET BALANCE \$		
<input checked="" type="checkbox"/> Adult			<i>(should zero)</i>		
<input checked="" type="checkbox"/> Children					
<input checked="" type="checkbox"/> Cleaning/Laundry					

2. Unrealistic Numbers

- Track expenses for a year
- Compare input from peers in a similar demographic
- Together with your spouse
- www.youneedabudget.com

BUDGET WORKSHEET

Budgeted Item	Amount Budgeted	Actual Spent	Budgeted Item	Amount Budgeted	Actual Spent
DONATIONS			HEALTH		
			Health Insurance		
SAVINGS			Dental Insurance		
Emergency Fund			Doctor Visits		
Retirement Fund			Dentist		
College Fund			Optometrist		
HOUSING			Medicine		
First Mortgage or Rent			PERSONAL		
Second Mortgage			Life Insurance		
Real Estate Taxes			<input checked="" type="checkbox"/> Child Care/Sitter		
Maintenance/Repairs			<input checked="" type="checkbox"/> Toiletries		
Insurance			<input checked="" type="checkbox"/> Household Items		
UTILITIES			<input checked="" type="checkbox"/> Hair Care		
Electricity			Education/Tuition		
Water			<input checked="" type="checkbox"/> School Supplies		
Gas/Oil			Subscriptions		
Sewer			<input checked="" type="checkbox"/> Organization Dues		
Trash			<input checked="" type="checkbox"/> Miscellaneous		
Cable (or other)			<input checked="" type="checkbox"/> Free Spending		
Internet			RECREATION		
Phone/Cell Phones			<input checked="" type="checkbox"/> Entertainment		
FOOD			Vacation		
<input checked="" type="checkbox"/> Groceries			ADDITIONAL DEBTS		
<input checked="" type="checkbox"/> Dining Out			Credit Card #1		
TRANSPORTATION			Credit Card #2		
Vehicle Payment #1			Credit Card #3		
Vehicle Payment #2			Credit Card #4		
Fuel			Personal Loan		
Maintenance/Repairs			TOTAL INCOME \$		
Insurance			TOTAL BUDGET \$		
CLOTHING			NET BALANCE \$		
<input checked="" type="checkbox"/> Adult			<i>(should zero)</i>		
<input checked="" type="checkbox"/> Children					
<input checked="" type="checkbox"/> Cleaning/Laundry					

3. Nonmonthly Expenses

- Envelope System
- Start when children are young (give, save, spend)
- Money accumulates for big expense (roof, HVAC, etc.)

4

Living Expenses

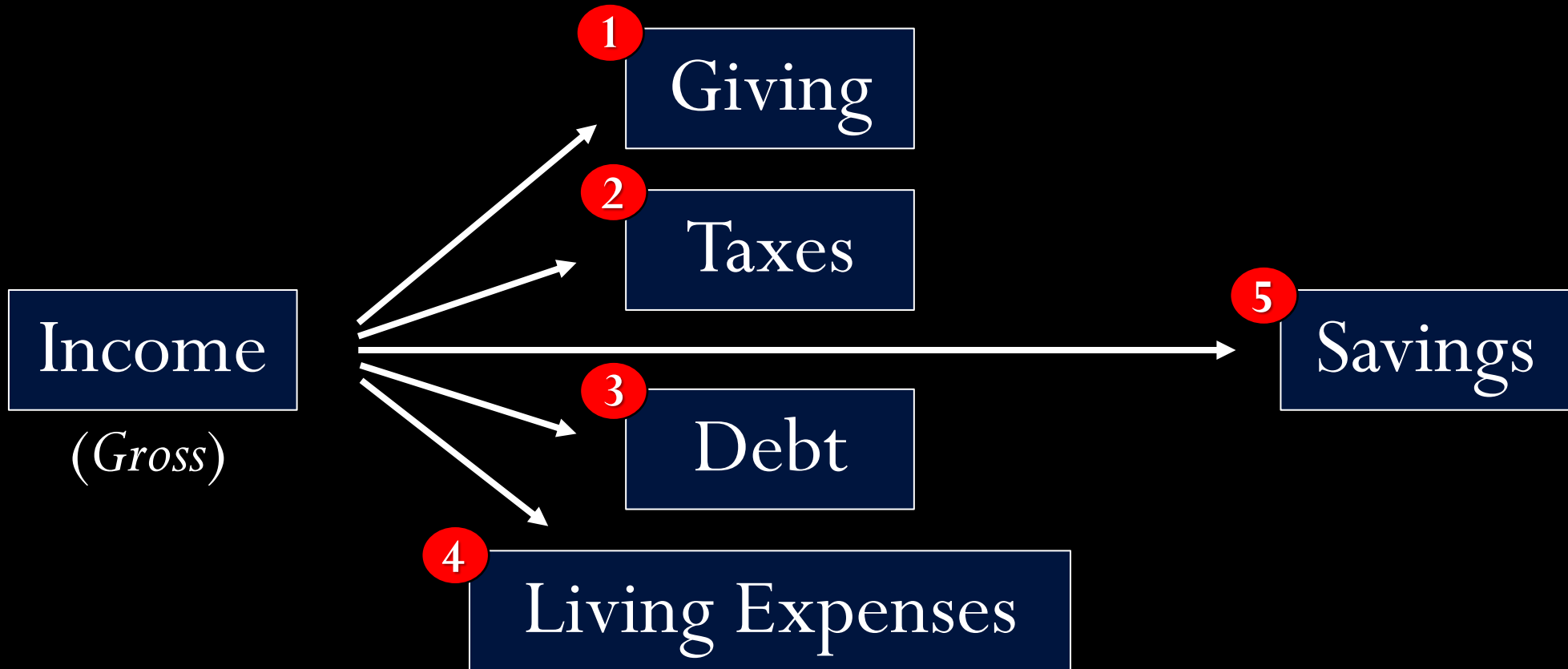
There are times when you need to
“break a vase”.

Living Expenses

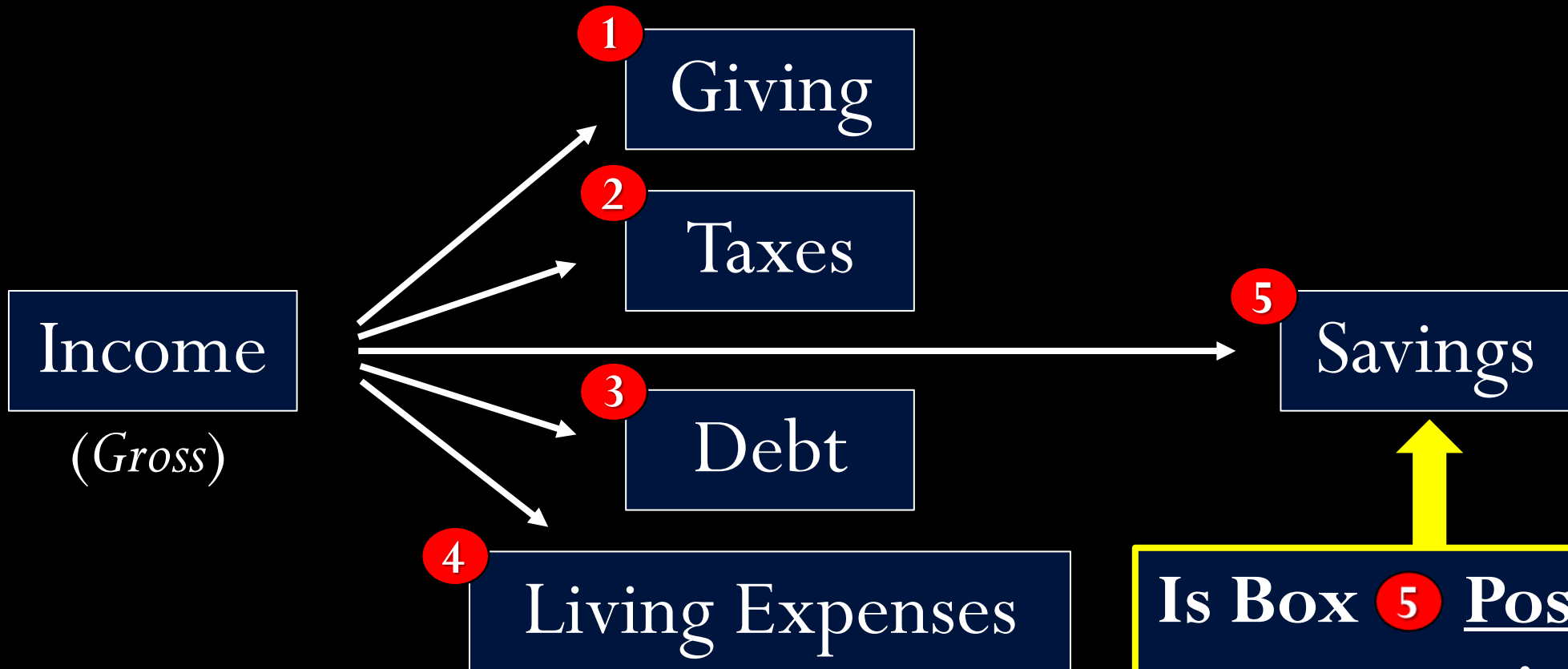
$$\frac{\text{Gross Income}}{\text{Gross Income}} - \left(\frac{\text{Giving}}{\text{Giving}} + \frac{\text{Taxes}}{\text{Taxes}} + \frac{\text{Debt}}{\text{Debt}} \right)$$

Maximum available to spend on
living expenses

Financial Freedom



Financial Freedom



Is Box **5** Positive
or Negative?

Simple Financial Plan:

*Spend less than you Earn
and Invest the difference.*

Spending More than Earning? - Adjustment

Simple Financial Plan:

Spend less than you Earn
and Invest the difference.

Adjustment: Earning more vs. Spending less?

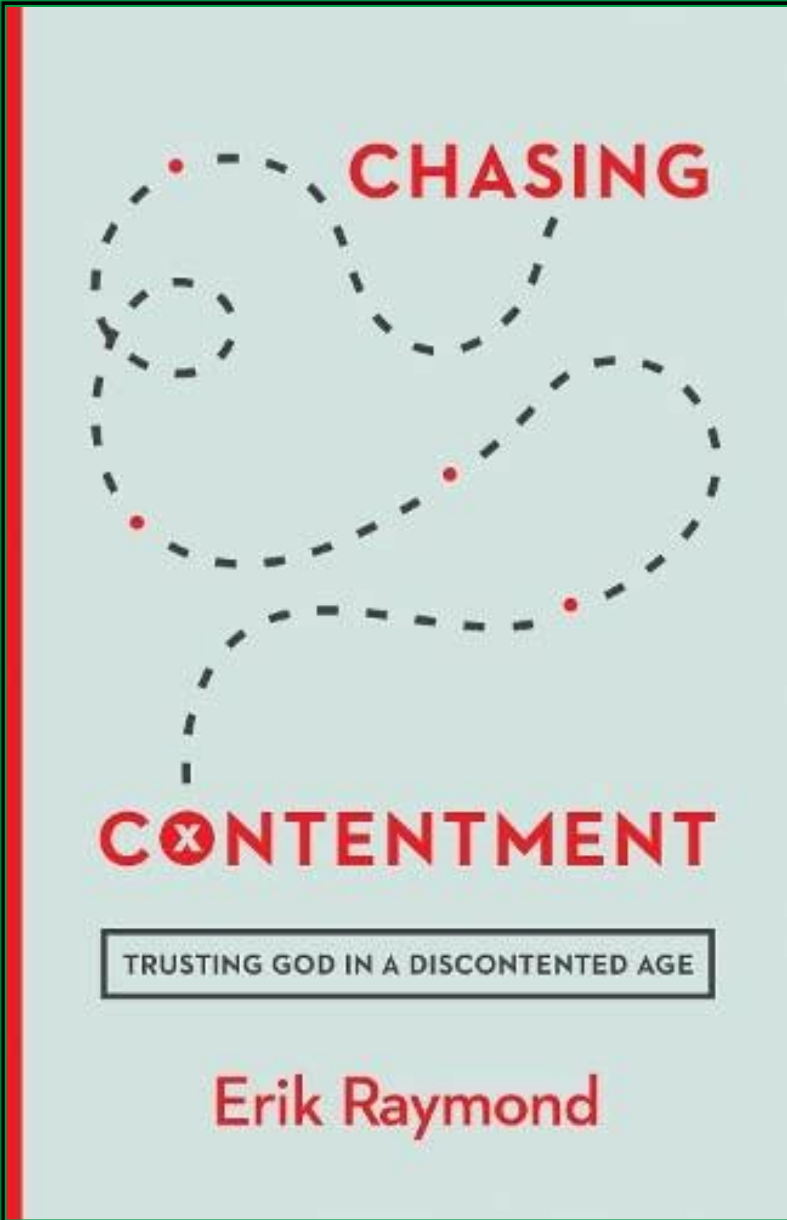
You can't "outrun" your diet...

(Healthy Body: 80% Nutrition and 20% Exercise)

~ similarly ~

You can't "out-earn" your spending.

(Healthy Finances: 80% Spending and 20% Earning)



Contentment

1. The inward, gracious, quiet spirit that joyfully rests in God's providence.
2. Vertical confession replacing horizontal desire.

Contentment Fraction

$$\frac{\textit{Earnings}}{\textit{Spending}}$$

Increase Numerator or Decrease Denominator
(or possibly both)

Contentment Fraction

$$\frac{8}{8}$$

1.000

$$\frac{9}{8}$$

1.125

$$\frac{8}{7}$$

1.143

\$20/month for 50 years = \$12,000 (saving)

\$20/month for 50 years at 14.3% vs. 12.5%? (investing)

Contentment Fraction

$$\frac{8}{8}$$

1.000

$$\frac{9}{8}$$

1.125

$$\frac{8}{7}$$

1.143

Reducing Spending always better than Increasing Earnings
Time and Taxes!

Financial Freedom

Week 2: We need a Plan

“Spend less than you Earn and Invest the Difference.”

Week 3: We need to Execute the Plan

“Making God’s money ‘Behave’ using a Budget.”

Week 4: We need to Invest for Financial Independence

“Our ultimate goals are Generosity and Contentment.”

Financial Freedom

Spend < Earn = Savings

Savings $\xrightarrow{\text{Long Time}}$ Investments

The
Psychology
of
Money



TIMELESS LESSONS ON WEALTH, GREED,
AND HAPPINESS

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Wikipedia:

“Ronald James Read was an American philanthropist, investor, janitor, and gas station attendant.” (pg. 2)

Is Investing a Biblical concept?

Matthew 25.14-29

“For it (the kingdom of heaven) will be like a man going on a journey, who called his servants and entrusted to them his property.

To one he gave five talents, to another two, to another one, to each according to his ability.

Then he went away.

Matthew 25.14-29

He who had received the five talents went at once and traded with them, and he made five talents more.

So also he who had the two talents made two talents more.

But he who had received the one talent went and dug in the ground and hid his master's money.

Matthew 25.14-29

Now, after a long time the master of those servants came and settled accounts with them.

And he who had received the five talents came forward, bringing five talents more, saying, 'Master, you delivered to me five talents; here, I have made five talents more.'

Matthew 25.14-29

His master said to him, 'Well done, good and faithful servant. You have been faithful over a little; I will set you over much. Enter into the joy of your master.'

And he also who had the two talents came forward, saying, 'Master, you delivered to me two talents; here, I have made two talents more.'

Matthew 25.14-29

His master said to him, 'Well done, good and faithful servant. You have been faithful over a little; I will set you over much. Enter into the joy of your master.'

Matthew 25.14-29

He also who had received the one talent came forward, saying, 'Master, I knew you to be a hard man, reaping where you did not sow, and gathering where you scattered no seed, so I was afraid, and I went and hid your talent in the ground. Here, you have what is yours.'

Matthew 25.14-29

But his master answered him, 'You wicked and slothful servant! You knew that I reap where I have not sown and gather where I scattered no seed?

Then you ought to have invested my money with the bankers, and at my coming I should have received what was my own with interest.

Matthew 25.14-29

So take the talent from him and give it to him
who has the ten talents.

For to everyone who has will more be given,
and he will have an abundance.

But from the one who has not, even what he has
will be taken away.

Main Take-Aways

1. God has given us some talents (resources).
2. God expects us to use and invest them wisely.
3. It is wrong to bury what God has given us.
4. Fear often keeps us from using our talents.
5. If we don't use it, we will lose it.
6. If we use it wisely, we will hear “well done”.

How is Investing based on Math?
(and why does this scare us?)

Our Minds work linearly where
Money works exponentially...

*Would you rather have 10K/day for one month or
1 penny doubled each day for one month?*

- On the 14th day of the penny doubled? **\$81.92**
- On the 30th day? **\$5,368,709.12**

What should we be Investing?

God-given Resources:

- Time
- Mental Acuity
- Physical Energy
- Money
- Talents
- Passion
- Education
- People Skills

God-given Resources:

- Time
- Mental Acuity
- Physical Energy
- Money
- Talents
- Passion
- Education
- People Skills

Financial Areas where Investing
will most likely be necessary:

- College Expenses
- Paying of Mortgage
- Retirement (Transition)

How should we be Investing?

Slow and Steady
Long-Term Time Frame
Proven Track Record
Buy and Hold
Understandable

Stocks

Equity

Ownership

Shares (%)

Traded

Large Cap *etc.*

9.6% (since 1928)

Bonds

Loan

I.O.U.

Yield

Interest Rate

Long, Short

4.6% (since 1928)

Cash

T. Bills

Liquid

Low Risk

Fed Reserve

Money Market

3.3% (since 1928)

Historic Returns

*Past performance is not a guarantee of future results.
(but the past does provide “Reasonable Expectation”)*

and helpful comparisons

Stocks

9.6% (since 1928)

10K



91.4 million

9140 fold increase

Bonds

4.6% (since 1928)

10K



790K

79 fold increase

Cash

3.3% (since 1928)

10K



230K

23 fold increase

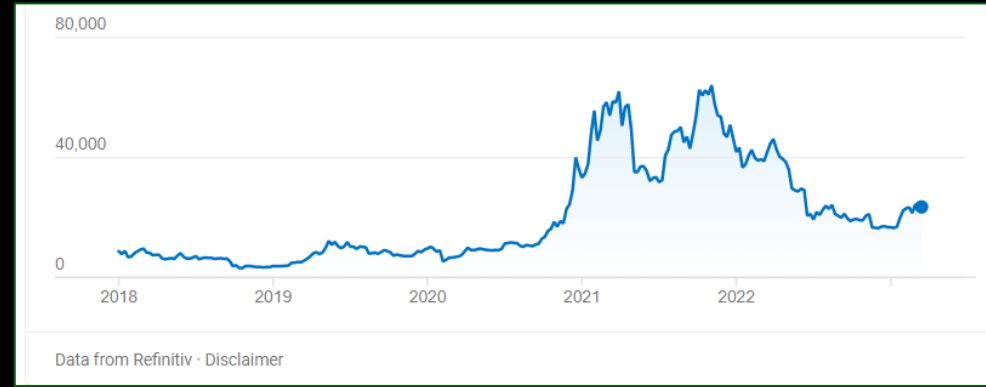
The Mathematics of Compound Interest

The True Value of Money over Time

<i>S/month</i>	<i># years</i>	0%	1%	5%	8%	10%	12%	14%	18%
\$50	10	6,000	6,308	7,764	9,147	10,242	11,502	12,953	16,564
	20	12,000	13,278	20,552	29,451	37,968	49,463	65,058	115,443
	30	18,000	20,981	41,613	74,518	113,024	174,748	274,649	705,679
	40	24,000	29,495	76,301	174,550	316,204	588,239	1.12 mil	4.23 mil
\$100	10	12,000	12,615	15,528	18,295	20,484	23,004	25,907	33,129
	20	24,000	26,556	41,103	58,902	75,937	98,926	130,117	230,885
	30	36,000	41,963	83,226	149,036	226,049	349,496	549,297	1.4 mil
	40	48,000	58,989	152,602	349,101	632,408	1.18 mil	2.24 mil	8.46 mil
\$200	10	24,000	25,230	31,056	36,589	40,969	46,008	51,814	66,258
	20	48,000	53,112	82,207	117,804	151,874	197,851	260,233	461,771
	30	72,000	83,926	166,452	298,072	452,098	698,993	1.10 mil	2.82 mil
	40	96,000	117,978	305,204	698,202	1.26 mil	2.35 mil	4.47 mil	16.9 mil
\$300	10	36,000	37,845	46,585	54,884	61,453	69,012	77,721	99,386
	20	72,000	79,668	123,310	176,706	227,811	296,777	390,350	692,656
	30	108,000	125,888	249,678	447,108	678,146	1.05 mil	1.65 mil	4.23 mil
	40	144,000	176,967	457,806	1.05 mil	1.90 mil	3.53 mil	6.71 mil	25.4 mil
\$400	10	48,000	50,460	62,113	73,178	81,938	92,015	103,628	132,515
	20	96,000	106,224	164,413	235,608	303,748	395,702	520,466	923,542
	30	144,000	167,851	332,903	596,144	904,195	1.40 mil	2.20 mil	5.65 mil
	40	192,000	235,957	610,408	1.40 mil	2.53 mil	4.71 mil	8.94 mil	33.8 mil
\$500	10	60,000	63,075	77,641	91,473	102,422	115,019	129,534	165,644
	20	120,000	132,781	205,517	294,510	379,684	494,628	650,583	1.15 mil
	30	180,000	209,814	416,129	745,180	1.13 mil	1.75 mil	2.75 mil	7.06 mil
	40	240,000	294,946	763,010	1.75 mil	3.16 mil	5.88 mil	11.2 mil	42.3 mil

How should we **not** be Investing?

Cryptocurrency (*Bitcoin*)



NFTs



Justin Bieber paid
1.29 mil for “bored ape”
non-fungible token
Current Worth: 70K

Other Investments I would Avoid:

1. Gold (*poor historic long-term returns*)
2. Whole-Life (*don't combine insurance with investing*)
3. Individual Stocks (*all your eggs in one basket*)
4. A Friend's Business (*it can ruin a friendship*)
5. Seems too good to be true? (*it probably is*)

Risk

What is the Risk of
Investing?

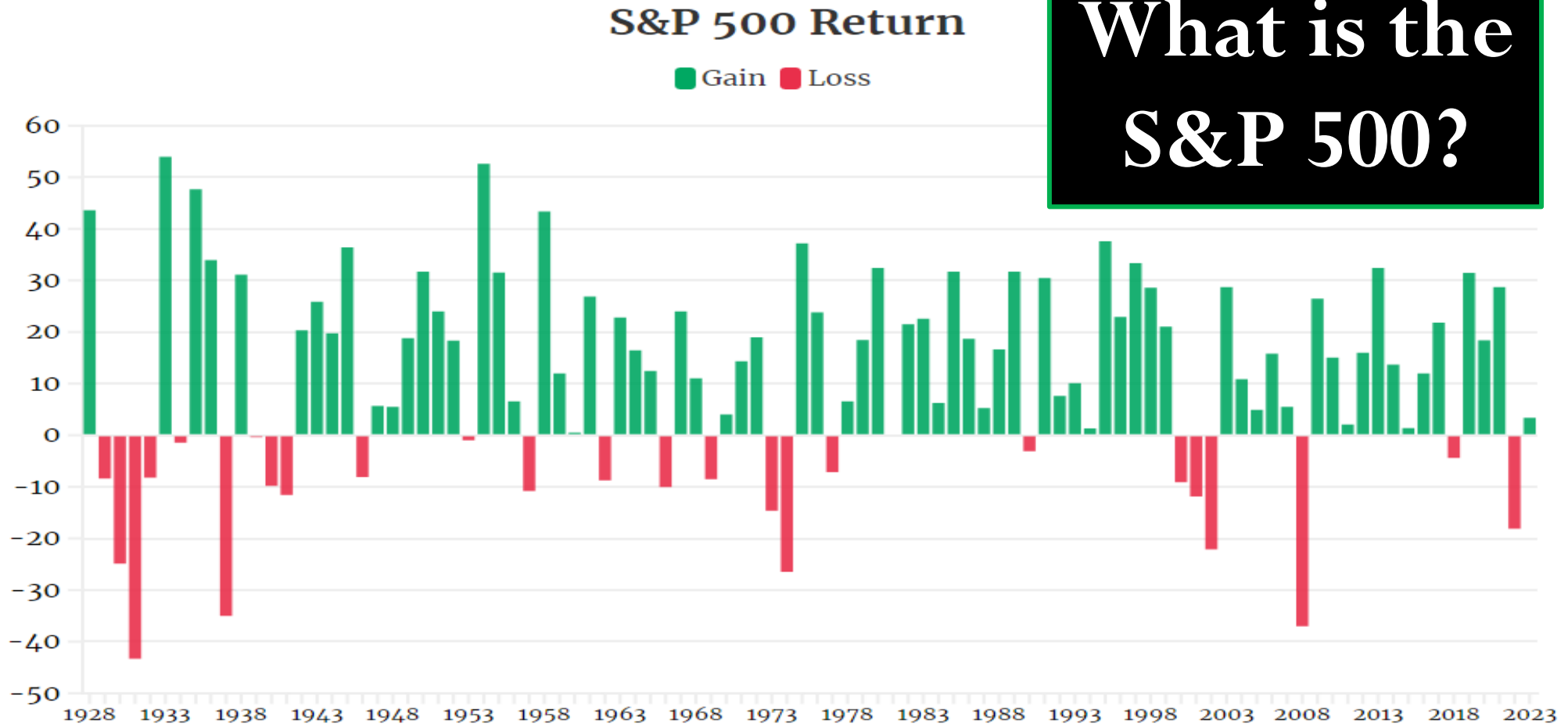
True or False:

The Stock Market is Unpredictable

day to day	True	
month to month	True	
year to year	True	- 43% to 61%
decade to decade	True	- 3% to 20%
20 year to 20 year	False	6.4% to 18%

S&P 500 Annual Return By Year (1928 to 2022)

In the below chart, you can quickly check the **Historical Annual Return of the S&P 500** index (Including both price returns and re-invested dividends) from 1928 to 2023:



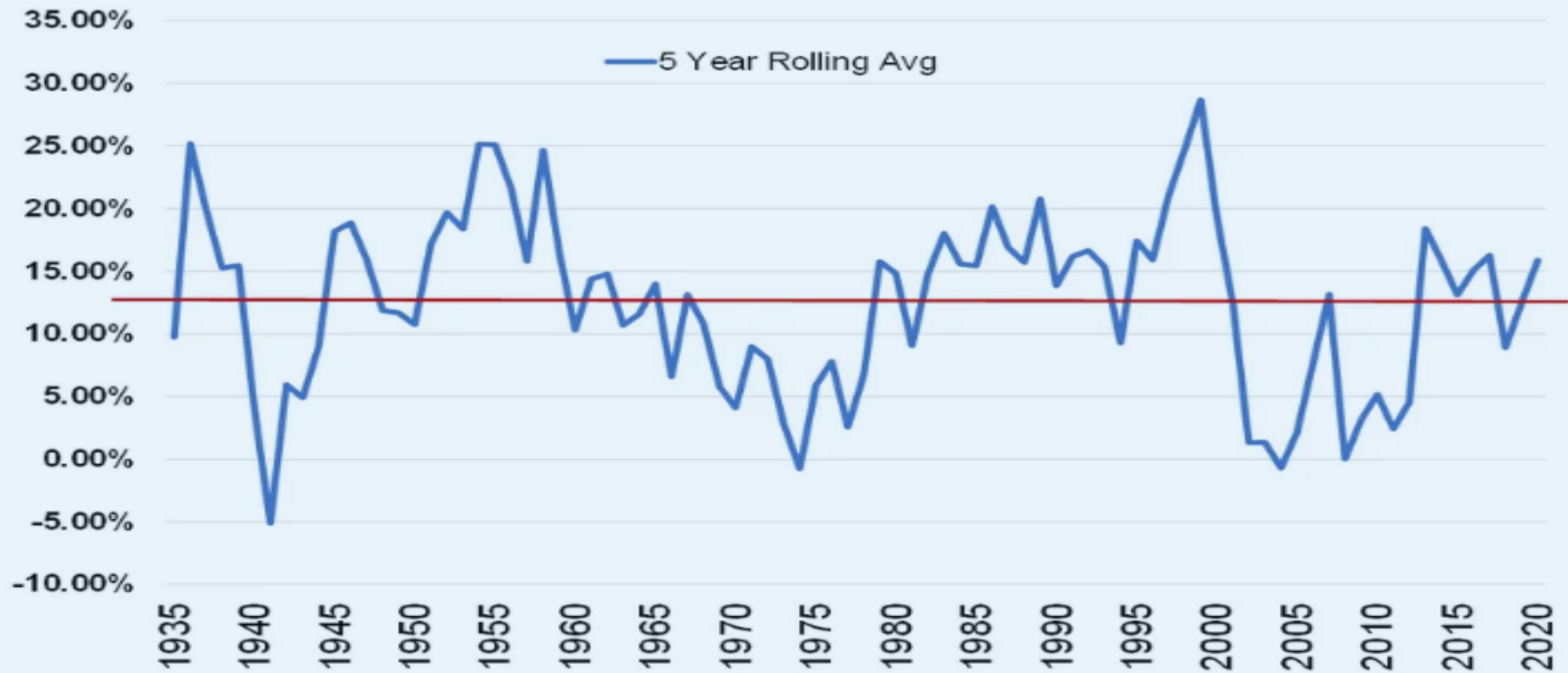
What is the
S&P 500?

S&P 500 Total Returns - 5 Year Rolling Average

Technical Analysis

S&P 500 Annual Total Returns - 5 Year Rolling Average

www.Options4Futures.com



Source: Yahoo Finance

S&P 500 Index Rolling Stock Market Returns



Rolling Returns Provide A Great Way To View Market Performance This bar chart shows the rolling returns from 1973 - mid 2009 for the S&P 500 Index over 1, 3, 5, 10, 15, and 20 years. PHOTO: DANA ANSPACH

Reasonable Expectations

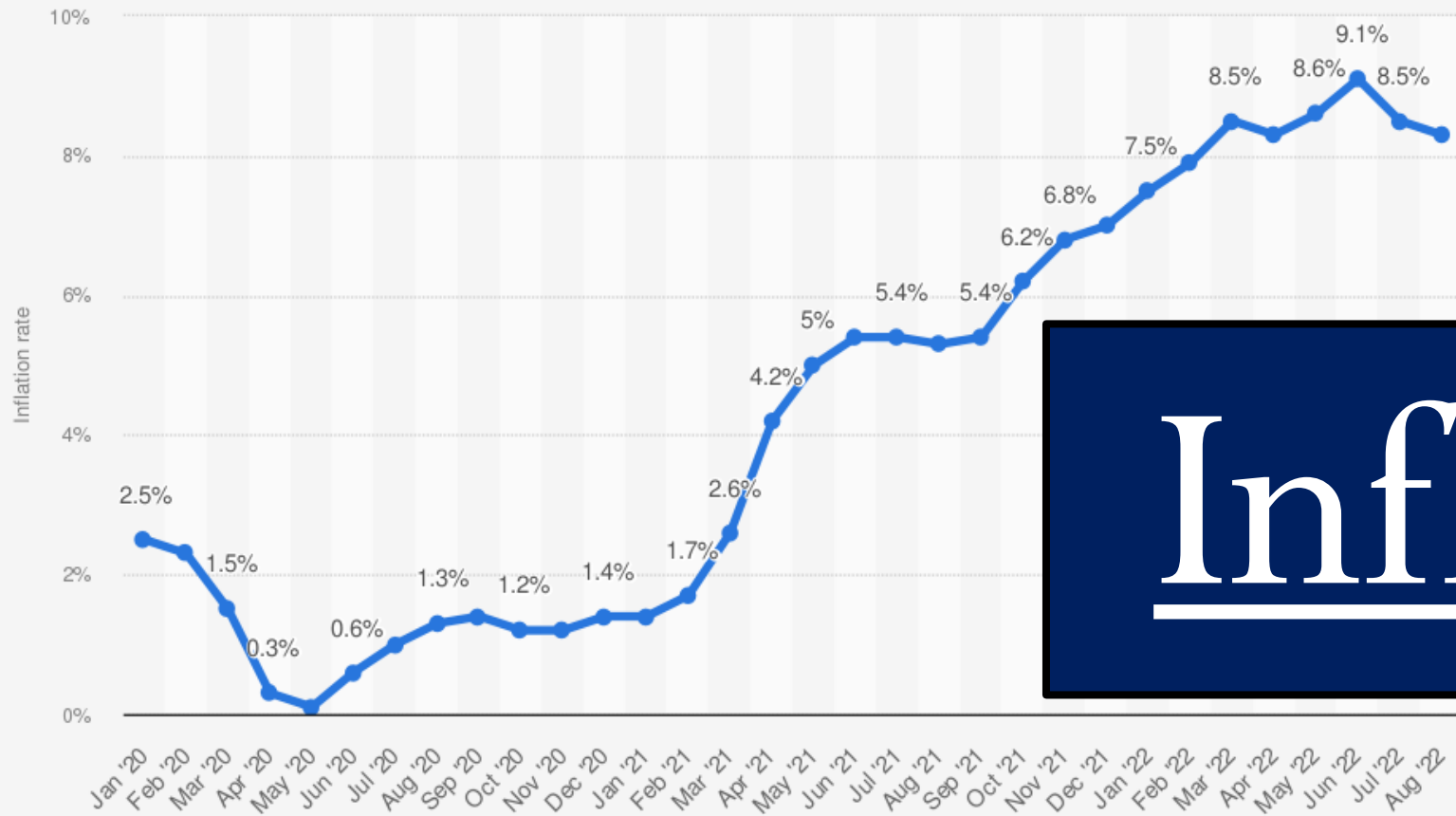
Every 20-year period from 1926 through 2023 saw positive returns from the S&P 500, with almost 90% of those periods producing annual returns of 7% or higher.

For 30-year periods, the lowest average annual return was 7.8%.

Risk

What is the Risk of
not Investing?

Monthly 12-month inflation rate in the United States from January 2020 to August 2022



Inflation

Source

Bureau of Labor Statistics
© Statista 2022

Additional Information:

United States; January 2020 to August 2022

Reducing Risk

Problem	Solution	Specifics

Reducing Risk

Problem	Solution	Specifics
Inflation	Stocks	Vanguard

Reducing Risk

Problem	Solution	Specifics
Inflation	Stocks	Vanguard
Individual Stock	Diversification	Mutual Fund
Cost	Remove Manager	Index Fund

Reducing Risk

Over the last 15 years,
92.2% of large-cap funds
lagged a simple S&P 500 index fund.

Reducing Risk

Problem	Solution	Specifics
Inflation	Stocks	Vanguard
Individual Stock	Diversification	Mutual Fund
Cost	Remove Manager	Index Fund
Timing the Market	Time in the Market	Buy and Hold

Reducing Risk

Problem	Solution	Specifics
Inflation	Stocks	Vanguard
Individual Stock	Diversification	Mutual Fund
Cost	Remove Manager	Index Fund
Timing the Market	Time in the Market	Buy and Hold
Human Emotion	Dollar-Cost Average	Monthly Investments

Reducing Risk

Problem	Solution	Specifics
Inflation	Stocks	Vanguard
Individual Stock	Diversification	Mutual Fund
Cost	Remove Manager	Index Fund
Timing the Market	Time in the Market	Buy and Hold
Human Emotion	Dollar-Cost Average	Monthly Investments
Taxes	Tax Deferred	401k/403b

Reducing Risk

Problem	Solution	Specifics
Inflation	Stocks	Vanguard
Individual Stock	Diversification	Mutual Fund
Cost	Remove Manager	Index Fund
Timing the Market	Time in the Market	Buy and Hold
Human Emotion	Dollar-Cost Average	Monthly Investments
Taxes	Tax Deferred	401k/403b
Liquidity	“Vested” in 5 Years	Roth IRA

The
Psychology
of
Money



TIMELESS LESSONS ON WEALTH, GREED,
AND HAPPINESS

MORGAN HOUSEL

"Everyone should own a copy."

—JAMES CLEAR

New York Times Bestselling Author of *Atomic Habits*

For sale in the Indian Subcontinent only

The Beauty of Compounding:

Returns

The Cost of Compounding:

Volatility

Comparing Mutual Funds

<https://finance.yahoo.com>

<https://investor.vanguard.com/investment-products/mutual-funds>

<https://www.marketwatch.com/tools/fund-comparison>

<https://www.morningstar.com/funds>

The
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*For most investors,
Dollar-cost averaging into
a low-cost index fund will
provide the highest odds
of long-term success.*

The
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Morgan HouseL:

“All of our net worth is a house, a checking account, and some Vanguard index funds.

It doesn't need to be more complicated than that.”

John 10.10

I came that they may have life and have it abundantly.

Luke 12.15

One's life does not consist in the abundance of his
possessions.

Matthew 6.19-21

Do not lay up for yourselves treasures on earth, where moth and rust destroy and where thieves break in and steal,

but lay up for yourselves treasures in heaven, where neither moth nor rust destroys and where thieves do not break in and steal.

For where your treasure is, there your heart will be also.

Our True Treasure
is Christ alone

What a joy and privilege to manage
His Resources for His Glory!

Questions?

Financial Freedom

Where your treasure is, there your heart will be also.

Matthew 6.21, Luke 12.34