

Practically Spiritual Finances Part 2

Introduction Background

Well it has been many years in the making but you are all the unfortunate receivers of my first ever sermon. My apologies up front.

I'll try not to make it too painful and my hope is that God might even use it. No surprises, just practical biblical application. Not fancy just real!

Going to use a lot of ideas and material from **Dave Ramsey**. If you have not heard about him he is a very practical teacher on biblically based personal finance. We use his "**Financial Peace University**" material and teach a class every year for those that are interested. In February we will be offering the next class, hope to peek your interest. Great stuff! (Sign-up Sheet in back)

Not all that crazy that my 1st sermon would be about finances and how we can and should be better stewards of what God has given us. I've worked in church finances for 20+ years. Learned early on that I really enjoyed it and that God had gifted me with a real love for working in church finances.

Back story (not talking about church finances are we!): During this time as I find I'm fairly proficient at church finances Linda and I had our own personal financial story going on. Not as proficient on that end as we should have been. It was an up and down journey that was very rocky at times. Many stressful moments!

What do you mean we have to buy school clothes for all of them every year?

Christmas every year?

Crisis, panic, debt! Similar I'm sure to many of your stories.

- Statistics
 - Personal debt: **Credit card Debt** - National average of \$16,000 for households with **debt**? Including mortgages, \$132,500
 - Bankruptcy: over 1 million people a year file
 - Stress on marriages: Finances are the leading cause of stress in a relationship, according to a survey by Sun Trust. Respondents said money was the primary cause of friction. (Annoying habits came in second.) "Money really touches everything. It impacts people's lives," said Emmet Burns, brand marketing director for SunTrust.

God knew it would be a big thing for us. The Bible contains hundreds of verses relating to money. The book of proverbs is so very rich in statements about wise money management. Jesus also spoke a lot about money. Sixteen of the thirty-eight parables were concerned with how to handle money and possessions. In the Gospels, an amazing one out of ten verses deal directly with the subject of money. The Bible offers 500 verses on prayer, less than 500 verses on faith, but more than 2,000 verses on money and possessions. *Howard L. Dayton, Jr., Leadership, Vol. 2, no. 2.*

We really can't avoid talking about it, it's a Big Thing to God!

Sermon Introduction

Sound Faith with an Element of Financial Stewardship

Used this quote for years but had it backwards, always started with the stewardship side because of my bent to lean on my own abilities and pull God in at the end. **Like sprinkle it with Faith to legitimize it. Wrong!** First we have the faith that our God is in control of all things here on earth and in Heaven. The giver of all things.

Nehemiah 9:6

"You alone are the LORD You have made the heavens, The heaven of heavens with all their host, The earth and all that is on it, The seas and all that is in them You give life to all of them And the heavenly host bows down before You

When we get in our hearts that God is the giver of all, That is the true starting point, the base, for change.

Allen remind us last week that one day every one of us will put our Park Places and Atlantic Avenues and all the \$200's we collected every time we passed GO back in the box. In fact, the Bible tells us we don't have to put all our wealth back into the box, there's a way we can send our wealth ahead of us into eternity. He gave a great overview on **Generosity**, **Investing**, **Financial Planning**, and **Tithing**. The Gift!

I'm going to focus and get real practical about the Financial Planning side of stewardship. For some it will be reinforcing that you are on the right path regarding financial stewardship, not there but making some progress. For others it might feel a little less comforting because you are just beginning on the journey and have varying degrees of mistakes to correct.

Where ever you are, God has given us hope not despair. The last thing I want to do is leave you feeling discouraged at the end of this message.

Romans 15:13 May the God of Hope fill you with all joy and peace as you trust in Him, so that you may overflow with hope by the power of the Holy Spirit

Gods Hope and power of the Holy Spirit, not our power

2 Corinthians 4:8-9 We do not lose heart. Though outwardly we are wasting away, yet inwardly we are being renewed day by day. For our light and momentary troubles are achieving for us an internal glory that far

outweighs them all. So we fix our eyes not on what is seen but on what is unseen. For what is seen is temporary, but what is unseen is eternal.

No cause for despair, time for renewal and focus

There is no reason to feel defeated, work toward improving every day.

Getting started is always hard but now is the time to move to the next step no matter where you are currently.

As with any success story, whether building a house or training for a sporting event. You need to have a solid foundation to be successful. In this case understanding that God is our foundation is critical.

God also gives us each other as brothers and sisters in Christ to come along side and encourage and fight together.

Hebrews 10:24,25

And let us consider how to stir up one another to love and good works, 25 not neglecting to meet together, as is the habit of some, but encouraging one another, and all the more as you see the Day drawing near.

We are not alone on this journey so let's stop walking through it like we are.

Sound Faith – Gods Plan

As with all of our practically spiritual topics the amount of success is determined by the amount of our faith in scripture and Gods promises to us. Biggest thing to get straight is who owns it all anyway.

Read parts of a sermon from of Moody Theological Seminaries web site, a guy was preaching on the 10 financial commandments, started out with:

Thou Shalt Remember Who the owner is!

Psalms 24:1

The earth is the Lords and everything in it, the world, and all who live in it.

Example from Readers Digest: A traveler between flights at an airport went to the lounge and bought a small package of cookies. She sat down and began reading her newspaper. Gradually, she became aware of a rustling noise from behind her paper. She was flabbergasted to see a neatly dressed man helping himself to her cookies. Not wanting to make a scene, she leaned over and took a cookie herself. A minute or two passed, and then came more rustling. He was helping himself again to another cookie, so she grabbed another one. This went on until they were down to the last cookie which the man broke in two. He pushed half over to her and left. She was still fuming about this later when she opened her handbag to get her ticket and found her bag of cookies. She had been eating his cookies!

How we deal with our cookies depends on whose cookies we think they are, right! If there mine I'm going to hold them tight and share sparingly. Generosity does not come easily too us does it. What's ours is ours, I worked really hard for that! We hold it tight in our hands like it is really ours. We should correct this wrong way of thinking about possession!

Stewardship: This is not a Christian word although we have heard it so much in church settings that we believe it is. And we all know it is code for, "we need more of your money". Which is not necessarily a bad thing because most of us give like it's our money anyway and could learn to be a little more generous.

In old English, "Steward" means one who manages another's financial affairs. In the castle lived the Lord of the Realm, the person who owned it all but in another castle lived the lords steward lived. His job was to manage all the crops, labor, taxes, banking marketplace –everything but he did not own any of it. He was just responsible for it because the lord had entrusted it to him. So when the bible was translated into King James they understood the concept of biblical ownership and our role as managers.

It has all been gifted to us in whatever measure God has chosen to entrust to us as His stewards. The better Stewards we are the more he entrusts to us. And the more generous we become because we are not holding it so tightly.

We begin to learn this over time in our walk with Christ. Ramesy says that he believes God puts us through a mechanical act of giving even when we don't fully understand the reason why because the act of giving even by itself changes us. It will begin to crush our hearts and reform us into something that looks more and more like Christ.

When we are positioned correctly at the foot of the cross, we begin to understand that giving turns us away from our selfish desires and begins to allow us to see things in the generous eyes of our savior and Lord.

You see we cannot begin to be successful managers of the funds God has entrusted to us until we understand the gift. Success in our personal finances is birthed in our spiritual closeness with our Lord and Savior. It is Linked!

This is all happening as we are growing in our understanding about tithing, offerings, gross, net... all those discussions that come with giving. Let God open your eyes up to the Understanding of who it belongs too first then let the Holy Spirit Lead you into biblical obedience around responsibility and generosity.

Prayer for strength and Guidance!

Lord help us open our hearts to a more Christ like example of our relationship to finances and make us into generous, cheerful, loving Christians, whole heartedly devoted to being responsible and generous with what you have entrusted to us. Storing up Treasures in heaven as we walk along this temporary journey here on earth.

Amen

Financial Stewardship (Nuts and Bolts) Dave Ramsey

As I said earlier, I love Dave Ramsey's approach. Talk about practical! He approaches it in a way that boils it down to a fairly simple plan. **Not easy!** There is nothing easy about getting a handle on our personal finances. The steps are easy but the **execution** takes a great deal of diligent work. Also it is not just about the math, if that were the case all the many budgets I have put together over the years would have been wildly successful. They were not! Why? Because Dave says over and over, it is not just about the **math**, it's about **behavior**. Personal finance is only 20% head knowledge, the other 80%, the larger portion, is **behavior**.

It is our behavior with money that gets us into trouble or leads us to great success.

Behavior is the key to the whole deal. If we can learn better behaviors, Wow, The rewards are huge. Think about it! Debt free living! Generous giving! Building Wealth! Can you even comprehend that? There was a time when I could not. Remember mine and Linda's not so success story earlier. God has been so faithful in our story. We have been able to move along the steps Dave outlines and been able to experience the peace and lower stress that goes along with it. Not there yet but making progress. **God wants that for us!** God did not mean for us to live under such stress and bondage!

Dave says repeatedly in the class: "If you live like no one else now, later you can live like no one else". The stewardship and change of behaviors goes counter too much of the current culture. Quick rewards, no planning, satisfying wants and desires. Those are the things that drive us into bad decisions and deep holes.

I'm going to give you a walk-through of the 7 Baby Steps we cover in the Financial Peace Class. My hope is for you to become interested enough to sign up for the class, you will not regret it! We are planning to do it at least

once a year, we will do more if the need is there. Take it as often as you can. Use it as a check-up to monitor your progress.

Ramsey's Baby Steps: While you are going through these steps you are learning to Budget, reduce debt, give generously plan for future event. Basically these things are huge stress reducers. ...and there is a proper and balanced order that should be followed. Remember you are building on each previous step, the foundation for the next.

Baby Step 1: Beginning Emergency Fund

Put \$1000 in a beginners emergency fund (\$500) if your income is under \$20,000)

Proverbs 13:16 A wise man thinks ahead; a fool doesn't, and even brags about it!

Luke 14:28-30 "For which of you, intending to build a tower, does not sit down first and count the cost, whether he has enough to finish it—lest, after he has laid the foundation, and is not able to finish, all who see it begin to mock him, saying 'This man began to build and was not able to finish'?"

Proverbs 6:6-8 Go to the ant, you sluggard; consider its ways and be wise! It has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest.

Why?

Three reasons to save.

1. **Emergency Fund:** The unexpected will happen, has happened, will continue to happen.and they will stress you! You cannot spend everything you make. The \$1000 is your beginner Emergency fund. This will help you to put the brakes on debt. Credit cards are not your emergency fund.

This is not an investment, it is insurance. Needs to be very liquid and assessable. Having it in stocks or precious metals is probably not the best place. If you need a refrigerator you don't want to have to take the time to liquidate your gold stash or sell your stocks. Not an investment.

This tends to be one of the hardest steps. More than 50% of all Americans do not have anything in an emergency fund. \$1000 is not much but it is a great place to start. We have to be ready for the unexpected.

2. **Purchases:** Remember my examples about school clothes, Christmas. Instead of leaning on debt to fund these purchases which end up costing more and causing stress. Let's start planning and putting this money aside weekly, monthly. Build it into your budget. New cloths, birthdays, Christmas, New Car. That's crazy talk!
3. **Building Wealth:** You can't build wealth without saving. Not going to happen. Seems to be a daunting task but it is a marathon not a sprint. A little bit put aside over a long period of time can end up being a lot.

You must start now, as fast as you can. This will begin the process of plugging the holes in your leaky financial bucket. Critical first step.

After this you begin the budgeting process and finding out where and how your money is being spent. You like this process depending on if you are a **nerd** or a **Free Spirit**. Nerds like the budgeting process because it gives them control, they feel like they are taking care of loved ones, they have natural gifts in this area. Free Spirits could care less about the process, makes them feel controlled, not cared for. Nerds think they are irresponsible. Truth is nerds and free spirits need to be working together on financial decisions. It actually comes together better that way.

I'm a nerd! Linda is a Free Spirit! I know, shocking. I use to come to Linda kind of like Tom Hanks in Castaway. I have created Budget! Yes budget!

I, me created. All we have to do is follow GREAT Budget! If I was lucky enough to get Linda to look past my arrogance. She would quickly point out some issues. You forgot groceries! Dang it! Together was when the best budgets are created. And remember, this is only 20%, the follow through Behavior is the biggest part of the success, 80%. You have to make these decisions together and change your Behavior together. This is a big process and is covered thoroughly in the class, critical part of being successful. You will struggle without it!

Baby Step 2: Debts, yuk! Might be very painful to look at. Many people actually refuse to even calculate how much debt they have. Easier to not know, just pay the min and get to the next month. Dodged another bullet. That's a hard life if you are there. Talk about stress. One of the early things we do in the class is get real honest about our current situation. First step is to really know how much you owe.

Pay off all your debts using the debt snowball system. Start with the smallest debt, pay it off, then apply that money monthly to the next smallest and so on. Look for how you can speed it up by chunks of unexpected money that comes in. Tax returns, inheritance, unexpected overtime. Maybe a second job. Be creative! The trick is to not spend that money or at least apply some of it to speeding up the process of getting out of debt. Many examples about people really applying this and getting out of debt much faster than they could have ever imagined. Dave says average is 18 months.

It is an incredible feeling to get out from under the crushing weight of debt. God want this for you, not to live under that bondage.

Baby Step 3: Finish the Emergency Fund

You have your \$1000 and you are out of debt except for your house. You have made great progress. Think about what that will feel like. Now to put 3 to 6 months of expenses into savings as a full emergency fund. Not

income but Expenses. Parenting Magazine poll said 49% of Americans cannot cover their expenses for a month if they lost their income.

For the average family this will look like \$5000 - \$25,000. This is the strong financial foundation. IT will rain but now you have the ability to withstand the major unexpected events. Job layoffs, car engine! You no longer have to rely on credit cards to get you through. If you use debt to cover emergencies you are back tracking and the hole begins all over.

Remember, the goal is to walk you out of Debt for ever. A healthy savings account is key to this. Remember a well-funded emergency fund will turn a crisis into an inconvenience.

Baby Step 4: Investing in Retirement

This is when you start to get really serious about wealth building. You are now at a place where the only payment you have is a house payment. 3-6 months of Emergency fund. It will feel really good! At this point it should be fairly easy to invest.

Invest 15 percent of your household income before taxes gross income. Not more because you have some other steps left. You can do more later! Don't do less because you will not have enough in retirement. Remember the order! Don't pay the house off first. Sometimes that can take too long and you don't have time to pull together the retirement nest egg.

In the class we will cover his recommendation for how to invest this 15%, the important thing is to get to this point as fast as you can.

Baby Step 5: Begin college funding for kids

Money Magazine quotes that 39% of Americans do not save a dime for toward college for their kids. 4% have saved 1000 (books for a semester) and 25% have saved between \$5000 and \$10,000. That means 68% have saved nothing or close to nothing. The reason this is so bad is because we are so far in debt there is no chance for saving any money for this category.

If you try to save before the emergency fund you will raid the fund to keep the house when you get laid off.

College is expensive. Dave hates college loans, \$25,000 to \$75,000. Some much higher. ...and it does not guarantee a job! Be realistic and creative in your approach. The idea is to not perpetuate the cycle of debt by having your kids start out with an almost insurmountable debt load coming right out of college.

Think community college, part time job during, anything to help keep the cost down. Dave covers a bunch of investment options in the class but the key is to get to this point and start saving as soon as you can.

Baby Step 6: Now pay off your home early

I love this one because we are getting close, I can see the end. I'm planning to follow an old Irish, they used to paint their front door red once they paid off their home so everyone could celebrate with them that they own their house.

Remember it is a marathon this wealth building thing. Once you get here you are reaching marathoner status, very fit and healthy. This is the final hurdle before really turning the corner and being debt free.

At this point you take every dollar you can find in your budget above living expenses, retirement, college should now be used for extra payments on your mortgage. Dave says attach it with Gazelle like intensity.

Intelligent people fight him on this one because of the mortgage myths:

1. **It is wise to get the tax deduction:** Paying \$10,000 in interest to the bank so we can get a \$3000 tax break just does not add up. Not a wise move.
2. **It is wise to borrow as much as I can on the house (or continually refinance for cash out) to take advantage of the great**

interest rates so I can reinvest that money: This one gets complicated and takes a disciplined strategy to even attempt but even then in the end you do not make money, you are lucky if after all that hard work and time to break even. Dave runs through the numbers in the class and it just does not pan out in the end.

There are even more myths around the wisdom of not paying you mortgage of that just don't make sense.

Dave's data from people they help is that once they get here they pay off their mortgage on average in 7 years. Still takes work!

Baby Step 7: Build Wealth and Give.

So why do you want to go through all that? It is actually easier to not work that hard and sacrifice so much. To be in debt and out of control does not take nearly as much effort.

Wealth is not an escape mechanism instead it is a tremendous responsibility. John Wesley is famous for quoting, "Make all you can, save all you can and give all you can".

Dave has three good uses for money.

...**Good for Fun:** Be responsible but you have worked hard, it is ok to have fun

...**Good to Invest:** By investing you are able to keep winning in this area of your life

...**Good to Give:** This is the biggest reward of the whole process. This may be the most fun you will have with your money. Investing is good but it is not about going around and around the monopoly board. Any healthy spiritual person has been turned on by the pursuit of the eternal rewards of giving. A love of giving is a healthy part of putting it all together in God's plan.

Well those are the 7 Steps covered briefly. What do you think? I hope there was something there that sparked an interest in you to want to explore it farther.

Sermon Summary:

Quick summary.

First remember who it all belongs to. **Thou Shalt Remember Who the owner is!** Our position before God in reference to ownership vs stewardship has a great impact on how we think about our personal finances. We want to be good stewards of what he has given Us.

Become knowledgeable (20%) and work hard to change your behaviors (80%). There are practical things that we can do to improve our Stewardship, take advantage of those practical things and get started at it. Not going to be easy but trust me, it will be so very rewarding.

God bless and have a great day!