



# Main Street Baptist Church Financial Literacy Workshop

**APPLYING BIBLICAL PRINCIPLES TO YOUR FINANCIAL PUZZLE**

*Seven Financial Strategies for a New Beginning*

**SESSION IX - Virtual (via Zoom)**

**December 5, 2020 - 10:00 am - 11:30 am**

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This document includes links or references to third-party resources. The inclusion of links or references to third-party sites does not necessarily reflect the Bureau's endorsement of the third-party, the views expressed on the third-party site, or products or services offered on the third-party site. The Bureau has not vetted these third-parties, their content, or any products or services they may offer. There may be other possible entities or resources that are not listed that may also serve your needs.

Additional resources and website data are included in today's session. Information shared but not warranted.

[5 Reasons to Check Your Credit Report - Experian Global News Blog](#)

[4 Actionable Steps to Build a Positive Money Mindset | SUCCESS](#)

[smartmoneymamas.com](http://smartmoneymamas.com)

# Poll

▶ **1.If you have too many credit cards, what should you do?**

- a) close as many as possible
- b) request a higher credit limit
- c) be cautious about closing credit cards
- d) close the cards with the lowest balances

▶ **2. If a late payment is sent to a collections agency, how long will it remain on your credit history even if you have paid it off?**

- a) less than a year
- b) 1 to 3 years
- c) 4 to 5 years
- d) 6 to 7 years

▶ **3.What is the formula for calculating your net worth?**

- a) assets minus liabilities
- b) liabilities minus assets
- c) assets plus liabilities
- d) assets divided by liabilities

▶ **4. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After one year, would your ability to buy something with the money in this account be:**

- a) more than today
- b) less than today
- c) exactly the same
- d) don't know

▶ **5. What do "points" refer to in the home mortgage application process:**

- a) One point equals 1% of the purpose price, paid to the seller
- b) One point equals 1% of the purchase price, paid to the lender
- c) One point equals 1% of the loan amount, paid to the seller
- d) One point equals 1% of the loan amount, paid to the lender

# Budgeting Health Insurance & Employee Benefits

**Employer annual benefit enrollment period - normally between October - December**

Opportunity to review and update all your employee benefits

**Kentucky Healthcare Open Enrollment November 1 - December 15**

If you need coverage or currently covered - must re-enroll during Open Enrollment, even if you want to keep the same plan.

[KentuckyHealthBenefit.com](http://KentuckyHealthBenefit.com) | Find Affordable Health Care Today or call **1-833-819-6213**

**Medicare Open Enrollment Period October 15 - December 7**

Current Medicare users can choose to re-evaluate Medicare Advantage and/or Part D plan and compare it against all the other plans on the market.

[Your Medicare Supplemental Insurance Information](http://YourMedicareSupplementalInsuranceInformation.com) | [Medicare-Registration.org](http://Medicare-Registration.org) ([medicare-registration.org](http://medicare-registration.org)) or call **1-800-355-9911**

**\*\*Open Enrollment is a good time to make updates to your plan, such as adding or removing dependents; and making sure the cost is affordable for your current budget.**

# Pandemic Stimulus Relief

## Updates...

- ▶ The following are scheduled to expire on December 31<sup>ST</sup>
  - 1 - Pandemic expanded UI Benefits - last check on December 26
  - 2 - Eviction moratorium
  - 3 - Pause of government student loan payments (Repayment begins January 2021)

No new stimulus plan approved as of Friday, December 4, 2020

**\*\*Not certain if stimulus relief checks will be in the package**

# Financial Literacy Sessions

## 2020 Year-in-Review

- ▶ Defined financial literacy
- ▶ Identified financial pitfalls to avoid
- ▶ Reviewed money myths
- ▶ Long-term goal of financial empowerment
- ▶ Created budgets
- ▶ Options to increase income
- ▶ Importance of saving/giving
- ▶ Creating saving/emergency funds
- ▶ Goal setting and activities
- ▶ Reviewed understanding credit
- ▶ Disputing items on credit report
- ▶ Ways to improve your credit
- ▶ Ways to protect your identity
- ▶ Preparing for financial disasters
- ▶ Avoiding SPAMS and SCAMS
- ▶ Benefits of life insurance/options
- ▶ Why estate planning is important
- ▶ Benefits of owning vs renting
- ▶ Millennium spending behaviors and spending plan
- ▶ Maximizing retirement options

# Seven Financial Strategies for a New Beginning

- ▶ Must be willing to make behavior changes by...
  - A. Maintaining a healthy money mindset
  - B. Being committed to financial change (allocating time)
  - C. Taking needed action
  - D. Celebrating achievements for rewarding yourself
- ▶ Must have a system in place for managing your finances
- ▶ Must review and manage your credit report and identity at least quarterly
- ▶ Must plan for and manage your retirement
- ▶ Must review your life insurance and estate plan needs at least yearly
- ▶ Must be open to new income opportunities (Benefits of owning a business)
- ▶ Must capitalize on your God-given talents, knowledge, and skills

# Trust God with All Your Finances

- ▶ Recognize that God owns everything (Psalm 50:12)
- ▶ Resist the temptation of wanting to get rich (Hebrews 13:5)
- ▶ Strive to be a good and faithful steward with what you are given (1 Peter 4:10)
- ▶ Give generously in faith and thankfulness (2 Corinthians 9:7)
- ▶ Receive God's blessings and wisdom in finances with a spirit of humility (Proverbs 22:4)

## *True Riches...*

Trusting God with our finances is more about the motives of our hearts rather than how much money we have or don't have in the bank. The Lord knows what we need to survive, and He is the Giver of goods gifts (James 1:17). Regardless of your financial state, the charge is the same; remain humble under the mighty hand of God and He will exalt you in due time.

# Biblical Thought for today....

## God is Sovereign, but there is Human Responsibility (We should not worry, but we should plan for Tomorrow)

▶ **Proverbs 21:5** The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to poverty.

▶ **Luke 14:28** “For which of you, desiring to build a tower, does not first sit down and count the cost, whether he has enough to complete it?”

▶ **Philippians 4:6-7** Do not be anxious about anything, but in everything, by prayer and petition, with thanksgiving, present your requests to God. And the peace of God, which transcends all understanding, will guard your hearts and minds in Christ Jesus.

▶ **Matthew 6:34** Therefore do not worry about tomorrow, for tomorrow will worry about itself. Each day has enough trouble of its own

### **Don't confuse worrying with Planning**

- Both worry and planning are similar in that they involve thinking about the future, and possible bad things happening there. The difference is that planning involves coming up with possible solutions to bad outcomes or problems, while worry is simply about getting lost in the fantasy of worst-case scenarios
- One is productive, and the other is counter-productive
- “Go in the Strength you have” Judges 6:14

# What is Money Mindset

- ▶ Is an overriding attitude that you have about your finances. It drives how you make key financial decisions every day. And it can have a big impact on your ability to achieve your goals.
- ▶ Our money beliefs are learned as children by messages and conversations we learned from our parents, friends, and other caregivers. It drives your beliefs and decisions about how much you can earn, spend, save, share, and invest with confidence. Your Money mindset consists of your unique core beliefs, your feelings, your behavior, and your attitude about money.

## Shift your money mindset...

- ▶ Pay attention to your thoughts, behaviors, and actions relating to money. Your thoughts about money will influence your feelings. And your feelings affect your behavior. ([smartmoneymamas.com](http://smartmoneymamas.com))
- ▶ Having a positive money mindset leads to better chances of building wealth and becoming financially empowered.
- ▶ A negative money mindset tends to lead people into poor economic situations, poverty, and depression.

## Importance of understanding your Money Mindset

Gives you a clearer vision and understanding of what causes your financial challenges

Give you the bigger picture of why you often limit your potential and financial growth

Gives you the ability to shift or pivot your perspective on money and opportunities to change it

# Problem with having a negative money mindset

Keeps you looking back and practicing self-doubt because of past financial errors



Lack the confidence to take action, while wasting quality time, and passing up great opportunities



Listen to negative people and practice negative self-talk

# Steps to Building a Healthy Money Mindset

**Surround yourself with others who have a positive relationship with money**

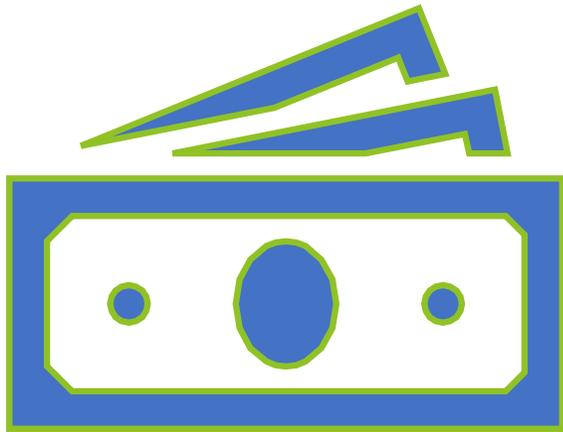
- ▶ You will be able to absorb content from those who have a strong money mindset; you should naturally adopt those qualities as well.
- ▶ Commit some time or attention to your money mindset each day...reading money/financial articles and books; or listening to financial podcasts.

**Identify your go-to daily affirmations**

- ▶ Try to find one or two one-liners you can repeat to yourself each day to encourage your potential of meeting your financial objections.

For example, if you struggle to pay off your high-interest credit cards, you may say to yourself daily... “I will have all my high-interest credit cards paid off by the end of the year if I continue to cook meals and reduce my **eating** out.”

# Benefits of Understanding Your Money Mindset



Helps you develop a positive mindset towards your money and your financial obligations.

# Make Small Changes to Shift Your Money Habits and Behaviors

- ▶ Start living on a budget
- ▶ Teach and train your children good money habits
- ▶ Understand your value and not be afraid to negotiate your salary
- ▶ Commit to giving to charity or others; and feel confident about giving and sharing with others in faith
- ▶ No matter how much or how little money you have... it must be managed
- ▶ Your money mindset is not set-in-stone and does not define who you are..you have the power and capacity to change it with new thoughts, and behaviors ...you can take control of your money and your money mindset.

## ....other steps towards financial behavioral change

In addition, to changing your money mindset, you must also be *committed to your* financial matters and allocate time each week in managing your money and obligations!! This is not optional!! In order to ensure you adapt long-term financial behavioral changes you must be committed and dedicated!!

It takes time!! However, the long-term benefits will be priceless!!

Taking Action - Do what needs to be done!! Do not procrastinate!!

Celebrate your commitment, progress, and your financial achievements!!  
Reward yourself!!

# Must Have a System to Manage Your Finances

- Live on a budget/or Spending Plan - Review and revise at least monthly ... 50/30/20 (income use: 50% essentials, 30% savings, and 20% for things you want)
- ▶ \*\*Always be a good steward of your regular financial gifts to your church
- Prioritize your bills ....pay essential bills first
- Pay off high-interest debt as quickly as possible...negotiate and do settlements
- Cut any non-essential expenses and cancel unnecessary subscriptions
- Create an emergency fund ..today!! Do not be forced to use credit cards or payday loans to pay your bills because you failed to plan!!
- Create: \*\*Emergency fund, goals fund, and 3 months of monthly expenses fund
- Explore a mortgage refinance ... evaluate the cost and net benefit
- Learn how to do many of your home repairs ...YouTube has great DIY videos

## INCOME TAX IMPACT ON YOUR BUDGET:

Complete an income tax estimator or new W4 ... due to large refunds and tax bills due

Unemployment income is taxable income and can impact refunds received in 2021

# Review and Manage Your Credit Report and Identity

GET A FREE COPY OF YOUR CREDIT REPORT AND REVIEW IT!!

[www.annualcreditreport.com](http://www.annualcreditreport.com)

During Covid19 you have access to a free credit report each week until the end of April 2021 due to the increase in fraud and identity theft. After Covid19 you can get 3 free reports per year.

- ▶ Reviewing your credit report periodically will help you make sure it is in good standing when you are ready to apply for new credit and enable you to monitor your progress if you are recovering from past credit problems.
- ▶ Your credit report may also show if you have been a victim of identity theft. If you find names you don't recognize, social security numbers that don't belong to you, or accounts that aren't yours, you might be a fraud victim. Experian and the other national credit reporting companies can help you stop credit fraud and prevent future misuse of your identity.
- ▶ If you find account errors on your report, follow the instructions that come with your report to submit disputes.

# Must Plan for and Manage Your Retirement

## Planning for retirement:

- ▶ Pay off your debts to free up money now to save for the future
- ▶ Start saving money **early** in life to ensure maximize your savings and investment
- ▶ Take advantage of your company's retirement plan and contribute the maximum allowed
- ▶ Secure a trusted financial advisor for regular account reviews, and to begin to establish that relationship

## Managing during retirement:

- ▶ You should meet with your financial advisor yearly to review your plan
- ▶ Be tax efficient with your withdrawals
- ▶ To maximize your social security benefit, you should wait until full-retirement age to receive

# Must Review Your Insurance Needs Yearly

You should review all of your insurance needs at least once per year. If you have a major life change, you should inform your insurance agent. The changes in your life may have a significant impact on your insurance needs. Life changes may include:

- ▶ Marriage or divorce
- ▶ A child who is born or adopted
- ▶ Significant changes in your health or that of your spouse
- ▶ Taking on the financial responsibility of an aging parent
- ▶ Purchasing a new home
- ▶ A loved one who requires long-term care
- ▶ See if you qualify for discounts or lower premiums

# Tax Benefits: Understanding your LARGEST expense (Must be open to new income opportunities)

- ▶ The US tax system is a Tiered system
  - ▶ The thought of making less money to save on taxes is not factual
  - ▶ You only pay the higher tax rate at the income above each threshold
- ▶ The tax code is written to encourage to pay less thru business creation
  - ▶ Business people write off their expenses before they pay taxes
  - ▶ Employees pay taxes then pay expenses
- ▶ How much am I taxed. Let me count the ways
  - ▶ Income (Tiered), payroll (15.3%/2), State income tax (5%), Sales tax (6%), Property Taxes, Gas tax, Local taxes, special use tax, etc
- ▶ **WHAT'S THE POINT: GET SERIOUS ABOUT TAXES AND FIND WAYS TO REDUCE THEM**

# Must Capitalize on Your God-Given Talents, Knowledge, and Skills

**What should you do with your spiritual gifts?**

Not only are we gifted with spiritual gifts, but we are commanded to use them.

“Each one should use whatever gift he has received to serve others, faithfully administering God’s grace in its various forms.” 1 Peter 4:10

**Use them in your church.** We are to use our spiritual gifts within the body of Christ, which means that you should be using your spiritual gifts within your church.

**Use them everywhere.** Our spiritual gifts are not just meant for our church body. They are meant to build up every single person we meet no matter where we go!!

You can use your spiritual gifts in your home, on your job, and in your neighborhood. Pray for guidance as to how to use your gifts to honor Christ, and to serve others!!

**\*\*You may be blessed with profitable opportunities for your obedience!!**

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- ▶ **\*\*\* For more assistance with these strategies see YouTube video links**

# Links to previous sessions via YouTube

- ▶ Goal Setting and Saving (part1) [https://www.youtube.com/watch?v=0Bs1GXST\\_sM](https://www.youtube.com/watch?v=0Bs1GXST_sM)
- ▶ Goal Setting, Saving (part 2) & Debts <https://youtu.be/cSMygOaQ6yl>
- ▶ Insurance & Warranty [https://youtu.be/VduRNVkZ\\_Cg](https://youtu.be/VduRNVkZ_Cg)
- ▶ Protecting Your Identity, Spams, and Scams <https://youtu.be/EfCcveFCWSI>
- ▶ Housing Options at all Stages of Life <https://youtu.be/-ErvE4aSBhg>
- ▶ Life Insurance, Long-Term Care, and Estate Planning [https://youtu.be/F\\_qYpmnaL04](https://youtu.be/F_qYpmnaL04)
- ▶ 180 Session - Money Management <https://youtu.be/nMVADPOjcm0>

**Stay committed and actively involved in your finances and take appropriate action....Your financial future matters!!**

**Honor God with His gifts!!**

**Make 2021 a year of new financial beginnings by applying these seven strategies!**