

## Financial Peace

On Sunday, we continued our New Year's sermon series called "Getting Myself Together," taking some time to evaluate how we're doing in the area of personal finance.

1. Warm up question: All of us has a needy little kid inside that sometimes pops out when we're shopping and pleads, "Oh, I needed that. Please, please, let me get that." What is it that causes you to react that way?
2. The Bible talks about money more than any other subject – more than even love or grace. That's probably because money affects most everything in life. If we don't get money right, it can mess up our lives. So let's think about how we, as followers of Jesus, should relate to money. Read Luke 12:13-27.
  - a. In verse 13, a man interrupts Jesus to ask him to tell his brother to divide the family inheritance with him 50/50. (In that day, the older brother would typically get 2/3<sup>rd</sup>s and the younger 1/3<sup>rd</sup>.) What do you imagine was the state of mind of the younger brother who interrupts Jesus? What do you imagine recent interactions between these two brothers had been like?
  - b. Jesus uses this as an occasion to tell a parable about how we should relate to money. In his parable, Jesus tells us about a rich farmer who seems to have thought that to be truly happy in life, he first had to attain a certain level of wealth. He poured everything into his quest for greater prosperity, nose to the grind stone, so someday he could be really happy. Jesus calls the man a "fool." Why?
  - c. Jesus said, "Beware, your life does not consist in the abundance of things." Luke 12:15. In your own experience, have you found that your personal happiness increases or decreases with your financial prosperity? Why or why not?
  - d. In Matthew 6:24, Jesus says, "You cannot serve two masters. . . . You cannot serve God and wealth." Dave Ramsey says, "Money makes a fantastic servant, but a horrible master. If you don't tell your money where to go and what to do, it will definitely master you and the rest of your life?" What makes money such a fantastic servant? What makes it such a cruel master?
3. Dave Ramsey has developed a hugely popular course called "Financial Peace" that's meant to help us figure out how to master our money, instead of letting it master us. Many churches (including ours) offer the course. On Sunday, Jeff shared four principles drawn from it. (By the way, its ok to disagree with Ramsey's principles. He's not infallible. But he does offer great food for thought.) **Principle 1 – Discover the beauty of simple living and take pride in it.**
  - a. Brother Andrea Bessette was a monk famous for healing prayer. Jeff described the simplicity of the room Brother Andrea lived in. Imagine yourself living in a single room with stark furniture for 6 months – or living on a poor farm, like one

described in the folktale Jeff shared, for six months. How do you think that might affect you?

- b. We live in a culture that inundates us with the message that more is better! So we end up spending and spending, accumulating and accumulating. Do you feel you have too much stuff, not enough stuff, or about the right amount? Do you feel a yearning to simplify? If so, what might that look like?
- c. Imagine you have a sofa that's comfortable, but getting a bit worn in places. And imagine you have a shirt that is still functional, but the color has faded over the years. Do you get a new sofa? Do you replace your faded shirt? Why or why not? What do you think Jesus would do?

4. **Principle 2 – Unplug from consumer debt and discover the power of “sinking funds,”** which Ramsey defines as saving until you have enough to purchase with cash, not credit. Ramsey offers the following example of a furniture purchase:

**Using Credit**

\$4,000 @ 24%

\$211/month x 24

\$5,064

**Using a Sinking Fund**

Save \$211/ month

For 19 months then pay cash

\$4,000

Which leaves \$1,064 to spend/invest elsewhere. Although this approach delays your purchase by 19 months, after that you can continue saving and buying all the same things you otherwise would have in your life, except now each time you pay cash, saving thousands upon thousands of dollars in interest over a lifetime.

- a. Ramsey's approach is what people used to do before credit cards became popular in the 1960s. What do you think of Ramsey's approach? Would it work for you? Why or why not?
- b. To get rid of existing consumer debt, Ramsey advocates a Debt Snowball method, which is described on p. 3. What do you think of this approach? Would it work for you? Why or why not?

5. **Principle 3 – Create a budget and spend to budget.** Ramsey says, “A budget is me telling my money what to do. No budget is my money telling me what to do.” Our church could not survive without a budget; nor could most businesses. Yet most people don't have a household budget. Do you feel the need to have a household budget? What are the benefits? What are the drawbacks?

6. **Principle 4 – Build giving and saving into your budget as a priority.** In your own experience, why is giving and saving important to your financial peace?

7. Sunday's sermon ended with the video of Able, the two legged cat. What can we learn from Able when we apply his experience to our personal financial means?

## **Ramsey's Debt Snowball Strategy For Paying Off Consumer Debt**

- Step 1: List all your consumer debt from the smallest to the greatest.
- Step 2: Pay down your smallest debt first as fast as you can.
- Step 3: Add the minimum monthly payment from the debt you just paid off to what you are paying against your next smallest debt, so that now you are paying not just the minimum payment on the second debt, but also the extra amount from the first debt.
- Step 4: When the second debt is paid off, carry forward the minimum payments on the two debts now paid off and add them to what you're paying against your third highest balance.
- Step 5: Continue this process until all consumer debt is paid off.
- Step 6: Make future consumer purchases using the Sinking Fund method.

### **Free Template For Preparing A Personal Budget**

EveryDollar.com

*Note: If you would like another copy of the template for creating a Spiritual Action Plan, go to this link, <http://lifejourney.church/docs/goingdeeper/010619.pdf>, and scroll down to page 3.*