

1 Timothy 6:10

For the love of money is a root of all sorts of evil, and some by longing for it have wandered away from the faith and pierced themselves with many griefs.

Proverbs 21:20

There is precious treasure and oil in the dwelling of the wise, But a foolish man swallows it up.

Proverbs 6:6-8

Go to the ant, O sluggard, Observe her ways and be wise, Which, having no chief, Officer or ruler, Prepares her food in the summer And gathers her provision in the harvest.

Fixed savings at 4%

\$10,000	Deposit	
+ \$400	Interest	
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\$10,400		
		28%
- \$112	Tax	
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\$10,288		
		4%
- \$400	Inflation	
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\$9,888	Purchasing Power	

Purposes of fixed savings

- Emergency fund
- Specific short-term objectives
- Protect equity investments



Your Checkbook

- Impact of the ATM and debit card.
- Posting transactions.
- Balancing your checkbook.



**So what is the real cost
of not balancing your
checkbook?**

Overdrafts!

Plastic passports to poverty



Federal Reserve Board:

- 13 trillion in mortgage loans.
- 1.8 trillion in credit card, auto and other non-mortgage loans.
- 1.3 trillion in Student Loans
- Debt payment = 15.3% of take home pay.

Do I WANT it or NEED it? There IS a difference!

REMEMBER:

***If I can't afford to pay cash, I can't afford it.
A dream is worth saving for.***

Proverbs 22:7

The rich rules over the poor,
And the borrower becomes the
lender's slave.

Debt has Consequences

- Reduces your ability to give joyfully to the church and its ministries.
- Debt makes you a servant to the lender.
- Foreclosure, eviction.
- Debt borrows from your future.
- Repossession.
- Debt erodes resources through high interest payments.
- Lawsuits.
- Lost credit.
- Debt hinders sharing with others.
- Damaged credit ratings.
- Debt can cause arguments and divorce.
- Debt causes stress.



The Cost of Credit Cards

- Annual fees
- Interest
- Late fees
- Over the limit fees
- Universal default charge
- Currency conversion fees
- Cash advance fees (in addition to higher interest)
- Opportunity cost

So what do your purchases REALLY cost?



The Cost of Credit

That \$4,000 in baby furniture can ultimately cost you more than \$14,000!



Credit Report Checks

Bureaus:

- Equifax 800.864.2978
- Experian 888.397.3742
- Trans Union 800.916.8800

Used by lenders to determine credit worthiness and the cost of a loan.

Check yours at least annually for mistakes and surprises.

Entitled to one free copy of your credit report from each credit bureau each year – stagger them.

www.annualcreditreport.com

1.877.322.8228

Some Facts on Credit Scores

- An increased income does not increase your credit score.
- Your score is determined by:
 - Do you pay your bills on time?
 - How much do you owe?
- Fastest way to increase your credit score is pay bills promptly and keep your debts low.
- For a better score, pay a debt off rather than move it to another card.
- Scores range from 300 to 850.
- Over 700 is very good.
- Under 600 = charged higher rates.

If You're in Debt

- Contact creditors to reduce interest rates.
- Destroy credit cards.
- Put one in ice in the freezer until you have an emergency fund, then cut the last one up.
- Pay credit card balances at the end of the month.
- Save for a purchase rather than charging.
- Cut back on personal conveniences.
- Do everything possible to not miss a payment.

