#### 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

Σ

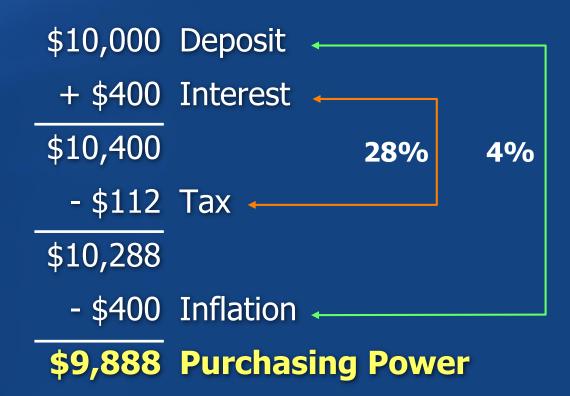
N R AENSC

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%



ш

RAENSC

# N N AENSC

# 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!

N N AENSC

# 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:**

ш

N R AENSC

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?

# ш N N AENSCTEM

# The Cost of Credit

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



#### **Credit Report Checks**

#### **Bureaus:**

N N AENSC

• 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 – stager 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.

N V AENSCTE

• Under 600 = charged higher rates.

#### If You're in Debt

- Contact creditors to reduce interest rates.
- Destroy credit cards.

N V AENSC

- 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.