

JUST GRAD FINANCIAL CURRICULUM

Introduction

Does the Bible really say that much about money? It might surprise you to find out how often the Bible addresses the issues of money. But when you think about it, it shouldn't be all that surprising, should it? After all, the Bible addresses some of the most important issues about our lives:

Relationships

Love

Trust

These are all issues of the heart. And along those lines, God knows better than anyone else that money, and your attitude toward money, is very much a heart issue. That's why so much attention is given to money in the Bible.

What we're not always aware of is that our financial decisions often affect the other important areas of our lives. Good or bad, money and our attitude toward it, influences our relationship with God and our relationships with people.

If our finances are this important, then you are never too young to start learning how to manage your money. In fact, the sooner the better! Do you know that you have a huge advantage starting this process in your early twenties? Some people will go an entire lifetime and never learn how to deal with their finances, but you get to start now.

During these three weeks, we will discuss what God has to say about money, and learn some foundational financial principles based on *Give, Save, Spend*. You will learn how to set and manage a budget, learn how to save for both short and long term goals, learn how to give, and get out of debt.

We know that money can be a scary thing, and learning how to manage it wisely can feel overwhelming, but it doesn't have to be. It is our goal during this study that you will learn now, as a twenty-something, how to live in financial freedom.

Week 1: Faith and Finances

In the Bible, God has more things to say about money than just about anything else. The Bible suggests that you can't be a committed follower of Jesus Christ and remain irresponsible with your money. There is far more in the Bible about *managing* money than about *giving* money, so it's important that we understand how to do this.

What exactly does the Bible say about money?

For where your treasure is, there your heart will be also.
Matthew 6:21

Want to know where your heart is? Look at your bank statement. And don't worry, God doesn't want your bank account ... He wants your heart.

*No one can serve two masters. Either you will hate the one and love the other,
Or you will be devoted to the one and despise the other.
You cannot serve both God and money.*
Luke 16:13

Jesus said that the number one competitor for your allegiance to God is money, or material possession – your stuff. Money is that powerful and it's a tension you are going to feel everyday unless you do something about it now. Are you going to serve your stuff or are you going to serve God? And what does that even mean?!

This is why Jesus talked so much about money. If you don't learn how to manage your money, then your money is going to manage you!

Discussion

1. Have you ever thought about the idea that God cares about your money?
2. If you were to look at your bank statement from this month, what would it say about you? Would you be embarrassed or proud of how you handled your money?
3. Look at Matthew 6:21 again. As a Just Grad, what are some things that are currently competing for your heart?

Moving Forward

In order to move forward, you have to know where you're starting.

We all come from different backgrounds and experiences. How we saw money managed growing up is often how we end up managing our own money when we become an adult.

*How has your past impacted how you handle money?
What lessons did you learn from your parents, if any?
Did anyone teach you how to budget your money?*

If you have never learned how to manage your money or set a budget, don't be embarrassed about that. Studies reveal that only one third of Americans know how to set a household budget and prepare a long term financial plan.

People generally fall into one of two categories: *Saver* or *Spender*.

*Would you categorize yourself as a **Saver** or **Spender**?*

The common misconception is that being a Saver is good and being a Spender is bad. While there is some truth to that, there are still things that both groups of people need to watch out for.

If you classify yourself as a Saver,

- Don't let your savings account become your main focus
- Don't forget to have fun with your money. It's OK to spend money on vacations and dinner with friends.
- Don't neglect certain necessities, like replacing a pair of worn out jeans because you are more concerned with saving.

If you classify yourself as a Spender,

- Don't make impulse purchases. Take time to think through whether you really need that item.
- Don't spend more money than you make.
- Don't neglect planning for your future now. It is never too early to begin saving.

Is there any precaution in either of these categories that you relate to?

Exercise: Track your Money

You need to know where your money is going. In order to set any sort of financial goals, you have to know what you're working with. Are you spending or saving more than you realize?

The first step to feeling empowered with your money is to track it. Write it down. Something funny happens when we start tracking our money. It gives us a new awareness and causes us to act differently. It gives us a sense of control. Think about it like this: if you were to spend a day tracking every calorie that you ate, do you think by the end of the day, you might start making different choices with that you eat?

How you track your money isn't important. There is no right or wrong way to do it. It only matters that you do it and find a system that works for you.

Ways to track your money:

- Use your cell phone. There are apps that track money.
- Save your receipts and enter them into a document at the end of the day.
- Use the spreadsheet provided with this study (Appendix 2)

Homework:

1. Track your spending this week.
2. Give yourself a financial assessment by filling out the Financial Overview worksheet (Appendix 1). You do not need to share this with anyone, but it will be a good idea to know where you are starting from so you can develop a plan for the future that works best for your situation.

In Closing: *How are you feeling about your finances? Overwhelmed? Excited? Hopeful?*

Week 2: Setting a Budget and Living in Financial Freedom

Budgeting, for some people, can feel so confining. You may think that living by a budget will limit you. But creating a budget can be one of the most freeing things you do. Using a budget will not only help you set realistic goals for spending, but it will also help you pay off debt and save for the future.

Do you have any financial goals? Right now, your goal may be to land a full time job that will allow you to pay your bills and live on your own. Or your goal can be to pay off student loans or credit card debt. Regardless of your current circumstance, it's important to have financial goals and to begin forming habits that will set you up for long-term financial freedom.

Discussion

1. How did you do with tracking your money? Were there any surprises? Did you find yourself making any adjustments as a result of tracking your money?
2. Did you complete the Financial Overview? It's important to be aware of your financial situation.
3. If you have never set a budget, what are some ways that a budget could be helpful to you?
4. Think of one short-term and one long-term financial goal. Write it down at the top of your budget this week.

Does God care about our budgets?

The Bible makes it clear that there should be one thing that drives our personal finances.

Read 1 Chronicles 29:10-14.

For David, everything in life was about God. He believed everything belonged to God, and everything came from God. It would have been so easy for David to believe otherwise. After all, he was a very accomplished leader.

But who am I, and who are my people, that we should be able to give as generously as this? Everything comes from you, and we have given you only what comes from your hand.

1 Chronicles 29:14

David saw himself as a steward. A steward is a person who has been entrusted with someone else's resources. God has entrusted you with money, material possessions,

and relationships. When you begin to view yourself as a steward, you begin to view money from a different perspective. You will begin to see your finances as a way in which you can honor God.

Our objective should be to live with our hands open before God believing that we should honor him with everything we have. Therefore, we have a responsibility to be a good steward over our personal finances.

So the question we are faced with is: *How do we do this?*

Your Budget

This week, use the provided tools to set a budget:

1. Fill out the worksheet *Actual Monthly Spending* to track what you are actually spending every month.
2. Fill out the worksheet *Your Monthly Spending Plan* to begin setting a budget. Keep in mind that you want to save more than you spend.

Tips:

- Your housing costs should not be more than one-third of your monthly income.
- A good goal is to work toward saving 10% and giving 10% of your monthly income.

Debt Makes You a Slave

While a budget can allow you to live in freedom, debt will limit your freedom. Many of you probably applied for your first credit card in college. You were walking on campus one day, and a representative lured you in by promising a free T-shirt, a cup, and a chance to win \$10,000 in a drawing. And to top it off, you were told that there was a “very low interest rate” on this particular card. But the problem is that no one told you that credit cards were not free money and that at the end of the month a bill would show up in your mailbox. And suddenly, that free T-shirt didn’t seem like such a great idea anymore when you realized you couldn’t pay the bill on your credit card.

It has been said that there are two types of people in this world – those who make interest and those who pay interest. When you go into debt, you place yourself with those who pay. For example, if you have a balance of \$10,000 on your credit card, but you are only making the minimum payments each month and are being charged 18% interest on it, it will take you 271 months to get rid of your debt. That means, you will have paid \$19,800!

The rich rule over the poor, and the borrower is a slave to the lender.
Proverbs 22:7

In other words, you are a slave to the credit card company until you can pay off your bill.

Debt Limits Your Freedom

*Like a city whose walls are broken through is a person who lacks self-control
Proverbs 25:28*

When we don't exercise self-control, we are no longer in control. We give up our freedom, our ability to be in control. With debt, you have other people dictating how you spend your money. A credit card company forces you to pay a certain amount every month. Debt robs you of what could be and impacts our ability to be generous. Have you ever wanted to be generous toward another person or organization but felt like you couldn't because you didn't have the financial margin? Have you ever been invited to a concert, out to eat, or for a weekend getaway but had to turn it down because you didn't have the money to pay for it?

Steps to Financial Freedom

Let's get serious about getting out of debt! And for those of you who are not in debt, commit to living according to a budget so that you stay out of debt.

1. **Stop incurring new debt.** You can't get out of debt because you keep going into debt. It may be helpful to stop using your credit card. We know using cash only is old-fashioned, but this could be a good way to break the habit spending more than you have.
2. **Set your budget.** The sooner you realize how much money you have to spend, compared to how much money you are actually spending, the quicker you are able to make any necessary adjustments.
3. **Set up a \$500 emergency fund.** There are two major reasons you have debt. The first is that you did not know how to wisely spend your money. The second is that you were not adequately prepared for those unexpected expenses. Your phone took a swim in the toilet. Your car broke down on the way to work. Life happened and you were not financially prepared for it. Include in your monthly budget money that will go toward building a \$500 emergency savings account.
4. **Begin working on a debt repayment plan.** In your *Financial Overview* that you completed, you know how much debt you have. Pay off your smallest balance first, this will give you momentum and allow you to see progress quicker. Then move to the next largest balance. Student interest rates are typically the lowest, so take care of your other debt before moving on to student loans. Feel free to use the *Debt Repayment Plan* provided to get you started.

**If you do not have debt, but have not started an emergency fund, your goal should be to have a \$1000 emergency savings account.*

In Closing: *What makes it so difficult to get out of debt? What are the benefits of living debt-free?*

Week 3: Giving and Saving for the Future

Prior to this study, had you thought about including a line item in your budget for giving? The reason this is important to include when mapping out your finance is because most of us feel like we don't have enough money at the end of the month to be able to give some away. Especially when we are just starting out in our careers, it can feel like our salaries are barely enough to cover our rent. But the truth is that most of us do have "extra" when we learn how to manage our money effectively each month.

The problem is not the extra, but rather our view of the extra.

Read Luke 12:13-21

The rich man in the parable was confused. He thought his abundance was all about him. But we know that farmers are always at the mercy of the weather and other influences that are outside of their control. The rich man thought that he was solely responsible for his abundance and thought he could do whatever he wanted with it. It never crossed his mind that the extra he had been blessed with was not for his consumption. So he came up with a plan to store it.

Isn't it true that when we meet people like this, those who seem to have everything they need financially, we are envious? But God saw this situation differently. God actually called this man a fool. Why? Because the man ran out of time before he ran out of money. And the question that God posed to the man was this: *Then who will get what you have prepared for yourself?* The obvious answer was – *somebody else*. You see, in the end, all of his possessions were distributed to others, but not because he was generous.

It is important to note that God did not call the man a fool for being rich. God called him a fool because he didn't know *why* he was rich. He wasn't criticized for *having* extra, but for thinking the extra was for him.

*This is how it will be with those who store up things for
themselves but are not rich toward God.
Luke 12:21*

Jesus sets up the contrast between storing up selfishly and being rich toward God. For what you choose to do with your extra is an indication of who or what controls your heart. Remember, we still have a responsibility to be wise with our money, to not spend more than we make, to save for the future, but to also create margin to give to others.

Discussion

1. Do you consider yourself to be rich? Why or why not?
2. What do you know about tithing? Did someone teach you?
3. Is there a way to both give and pay off our debts?
4. Is there an area in your life that you need to cut back in order to be more generous toward others?

Developing a Plan for the Future

Many of us prioritize our money according to *Spend, Repay Debt, Save, and Give*. In that order.

We want to challenge you to reprioritize your finances and live according to: *Give, Save, Spend*.

This incorporates everything we talked about these three weeks. When you are paid, the first check you write is for giving; the second check you write is for savings; and then you live off the rest. For some of you, the most helpful thing you can do is to set up automatic withdrawal from your banking account. It doesn't matter how you give and save, but it's important that you start somewhere and choose a method that will work for you.

When you give first, you are telling God that you trust Him and that you acknowledge that God has entrusted you to be a good steward over what He has given to you. When you save second, you are investing in your future. You are making a sacrifice now so that you will be set up later. You may lose your job or will eventually need a new car. If either of those things happen, by saving now, you will be ready for it. And after you give and save, you now have freedom to live off of the rest.

Types of Saving

1. **Emergency Fund.** Build a fund to \$500 while you are paying off debt. Build that fund to \$1000 after you've paid off your debt.
2. **Retirement.** If you have a full time job, your employer should offer you a retirement plan and offer you the chance to set aside a percentage of your paycheck toward a 401(k). If your employer offers a matching program for your 401(k), then you need to do this. It is free money for your future. The best case scenario is that you are setting aside 5% of every paycheck toward your retirement. You can set this up with your employer to be taken directly out of your paycheck. 5% may seem like a lot at first, but if you begin this habit with your first job, then you will never notice it moving forward. And

over time, as your salary increases, then the amount of money that is going toward retirement will automatically increase as well.

3. **Specific Needs.** This is the savings that you do for bigger purchases that do not happen often. If you know you are going to need a new car in the future, then begin setting aside a certain amount of money per month now. Calculate how much your car will cost, then determine a realistic amount of money that you can set aside per month, and how many months it will take in order for you to pay for your car in cash. If you have a big vacation that you want to take, start setting aside a certain amount of money per month now.
4. **3-6 Month Savings.** After you've set your budget, created a plan to give and save consistently, and have all debt paid, you can begin working toward a savings account that will consist of 3-6 months of your monthly expenses.

In Closing: There is no right or wrong percentage to giving and saving. We suggest 10%, but we know that this may seem too steep when you are starting off. The important thing is to choose a percentage and commit to it. The Bible may not be clear on the percentage, but the Bible is clear that our giving should be consistent and generous, and that we are to be wise with our finances. We have been given the responsibility to be good stewards of our resources.

What are some good benchmark percentages for you to consider?

Prior to this study, how intentional were you about allocating your money toward giving, spending, and saving?

How will you manage your finances differently as a result of this study?

And lastly, don't be afraid to ask for help! Managing our finances when we're just getting started can be a daunting task, but people are there to help you.

(*Portions of this material were adapted from Balanced Curriculum)

Appendix 1: Financial Overview

Assets _____ TOTAL = _____

Checking Account _____
Savings _____
Investments (stocks, bonds, etc) _____
Vehicle _____
Retirement _____
Other _____

Liabilities _____ TOTAL = _____

Credit Card Debt _____
Car Loans _____
School Loans _____
Past Due Bills _____
Other _____

Net Worth _____ TOTAL = _____
(Assets – Liabilities)

Appendix 2: Tracking Your Spending

[illegible]

Appendix 3: Actual Monthly Spending

Income

Income _____

Other _____

Total _____

Giving

Church _____

Other _____

Total _____

Savings

Emergency _____

Retirement (401k) _____

Other _____

Total _____

Debt

Credit card #1 _____

Credit Card #2 _____

Credit Card #3 _____

Car Loan _____

School Loans _____

Other _____

Total _____

Housing

Rent _____

Cable _____

Electric/Gas/Water _____

Renters Insurance _____

Total _____

Insurance

Health _____

Vision/Dental _____

Total _____

Transportation

Gas _____

Auto Insurance _____

Car Maintenance _____

Total _____**Food & Household**

Groceries _____

Household Items _____

Total _____**Health**

Gym membership _____

Counselor _____

Other _____

Total _____**Personal**

Cell phone _____

Toiletries _____

Clothing _____

Gifts _____

Beauty (hair, nails) _____

Other _____

Total _____**Entertainment**

Vacation _____

Eating Out _____

Events _____

Music _____

Other _____

Total _____**TOTAL SPENDING** _____**MARGIN (*Income-Spending*)** _____

Appendix 4: Your Monthly Spending Plan

Income

Income _____

Other _____

Total _____

Giving

Church _____

Other _____

Total _____

Savings

Emergency _____

Retirement (401k) _____

Other _____

Total _____

Debt

Credit card #1 _____

Credit Card #2 _____

Credit Card #3 _____

Car Loan _____

School Loans _____

Other _____

Total _____

Housing

Rent _____

Cable _____

Electric/Gas/Water _____

Renters Insurance _____

Total _____

Insurance

Health _____

Vision/Dental _____

Total _____

Transportation

Gas _____

Auto Insurance _____

Car Maintenance _____

Total _____**Food & Household**

Groceries _____

Household Items _____

Total _____**Health**

Gym membership _____

Counselor _____

Other _____

Total _____**Personal**

Cell phone _____

Toiletries _____

Clothing _____

Gifts _____

Beauty (hair, nails) _____

Other _____

Total _____**Entertainment**

Vacation _____

Eating Out _____

Events _____

Music _____

Other _____

Total _____**TOTAL SPENDING** _____**MARGIN (*Income-Spending*)** _____