

Week 9 – Financial Freedom & Giving / Insurances

- James 1:17 Every good gift and every perfect gift is from above, and cometh down from the Father of lights, with whom is no variableness, neither shadow of turning.
- Genesis 28:22 - 22 And this stone, which I have set for a pillar, shall be God's house: and of all that thou shalt give me I will surely give the tenth unto thee.

Steps to Financial Freedom

- 1. Emergency Fund- \$1000**
- 2. Eliminate Debt**
- 3. Increase Emergency Fund
(3-6 month's living expenses)**
- 4. Start Investing for your Retirement**
- 5. Start Investing to help pay for College**
- 6. Pay off Mortgage Early**
- 7. Financial Freedom & Giving Opportunities**

Retirement - Review

- Pension – Guaranteed money, can vary
- 401K – Corporations, pre tax, tax on withdraw
- 403B – Non profits, educational institutions, pre tax, tax on withdraw
- 457B – Government & tax exempt, pre tax, taax on withdraw

Recommendations - Review

- **How to Fund your retirement – Fund 15%**
 - Fund 401K, 403B, 457B up to Match
 - Roth fully
 - Back to 401K

Housing / Mortgages - Review

- Luke 12:34 - For where your treasure is, there will your heart be also.
- 1 Peter 2:11 Dearly beloved, I beseech you as strangers and pilgrims, abstain from fleshly lusts, which war against the soul
- Psalm 23:6 Surely goodness and mercy shall follow me all the days of my life: and I will dwell in the house of the LORD for ever.

Housing Scripture - Review

- Luke 14:28-30 - 28For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it? 29Lest haply, after he hath laid the foundation, and is not able to finish it, all that behold it begin to mock him, 30Saying, This man began to build, and was not able to finish.
- Proverbs 24:27 - 27Prepare thy work without, and make it fit for thyself in the field; and afterwards build thine house.

Housing - Review

- Do not buy if you are not **ready** to buy, its ok to rent
- Payments should be no more than **25%** of take home pay
- Buying a Home
- Selling a Home
- 30 yr vs 15 yr mortgage
- Refinancing

Steward

- **Steward** - someone who manages property or other affairs for ___**SOMEONE**___ else
- We are stewards of the ___**LORD'S**___ Money
- It all belongs to ___**HIM**___
 - Psalm 24:1 - 1The earth is the LORD's, and the fulness thereof; the world, and they that dwell therein.

What do we know about a tithe? - A tithe is a tenth

- Genesis 14:18 And Melchizedek king of Salem brought forth bread and wine: and he was the priest of the most high God.19 And he blessed him, and said, Blessed be Abram of the most high God, possessor of heaven and earth:20 And blessed be the most high God, which hath delivered thine enemies into thy hand. And he gave him tithes of all.
- Leviticus 27:30 And all the tithe of the land, whether of the seed of the land, or of the fruit of the tree, is the Lord's: it is holy unto the Lord.

What do we know about a tithe?

- Genesis 28:22 - 22And this stone, which I have set for a pillar, shall be God's house: and of all that thou shalt give me I will surely give the tenth unto thee.
- Deuteronomy 26:12 - 12When thou hast made an end of tithing all the tithes of thine increase the third year, which is the year of tithing, and hast given it unto the Levite, the stranger, the fatherless, and the widow, that they may eat within thy gates, and be filled;

Tithe

- **Off of __FIRST__ fruits, off of the top**
 - Proverbs 3:9 Honour the Lord with thy substance, and with the firstfruits of all thine increase:10 So shall thy barns be filled with plenty, and thy presses shall burst out with new wine.
- Goes to the local church (storehouse in the old testament)
- Matthew 23:23 - 23Woe unto you, scribes and Pharisees, hypocrites! for ye pay tithe of mint and anise and cummin, and have omitted the weightier matters of the law, judgment, mercy, and faith: these ought ye to have done, and not to leave the other undone.

Benefits of Giving

- More Christ like
- Less **selfish**
- We are commanded to give
- Better Relationships
- **Closed hand principle** – if you are so tight to your money that nothing can come out, nothing can get **IN** either
- 2 Corinthians 9:6 But this I say, He which soweth sparingly shall reap also sparingly; and he which soweth bountifully shall reap also bountifully.

Benefits of giving

- Created in God's image, and when we are servants and **givers**, we are happiest
- Praise and Worship
- Spritual Warfare
- Malachi 3:8-12

Malachi 3:8-12 -

8 Will a man rob God? Yet ye have robbed me. But ye say, Wherein have we robbed thee? In tithes and offerings. 9 Ye are cursed with a curse: for ye have robbed me, even this whole nation. 10 Bring ye all the tithes into the storehouse, that there may be meat in mine house, and prove me now herewith, saith the LORD of hosts, if I will not open you the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it. 11 And I will rebuke the devourer for your sakes, and he shall not destroy the fruits of your ground; neither shall your vine cast her fruit before the time in the field, saith the LORD of hosts. 12 And all nations shall call you blessed: for ye shall be a delightsome land, saith the LORD of hosts..

Offerings

- Gifts **__ABOVE__** the tithe
- Go to a variety of places, needs
- **Never give with the motive of receiving**
- **You can never out give our Lord and Savior**
- 2 Corinthians 9:7 - 7Every man according as he purposeth in his heart, so let him give; not grudgingly, or of necessity: for God loveth a cheerful giver.

“Some people give time, some money, some their skills and connections, some literally give their life's blood. But everyone has something to give.” – Barbara Bush

- What is financial freedom and what does it look like to you?
- What brings you true joy?
- What truly lasts?
- **HOMEWORK ASSIGNMENT**
- Matthew 6:4 That thine alms may be in secret: and thy Father which seeth in secret himself shall reward thee openly.

Insurances

- Job 1:21 And said, Naked came I out of my mother's womb, and naked shall I return thither: the LORD gave, and the LORD hath taken away; blessed be the name of the LORD.
- 1 Timothy 5:8 But if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel.

Isaiah 43:1-4

- 1But now thus saith the LORD that created thee, O Jacob, and he that formed thee, O Israel, Fear not: for I have redeemed thee, I have called thee by thy name; thou art mine. 2When thou passest through the waters, I will be with thee; and through the rivers, they shall not overflow thee: when thou walkest through the fire, thou shalt not be burned; neither shall the flame kindle upon thee. 3For I am the LORD thy God, the Holy One of Israel, thy Saviour: I gave Egypt for thy ransom, Ethiopia and Seba for thee. 4Since thou wast precious in my sight, thou hast been honourable, and I have loved thee: therefore will I give men for thee, and people for thy life.

Insurance – Purpose of Insurance is to transfer risk

- **Basic Types of Insurance**
 - **Home Owner's or Renter's Insurance**
 - **Auto Insurance**
 - **Health Insurance**
 - **Disability Insurance**
 - **Long Term Care Insurance**
 - **Identity Theft Protection**
 - **Life Insurance**

Home Owner and Auto Insurance

- If you have a fully funded emergency fund, you can raise the deductible
- Carry Adequate Liability
- Consider dropping collision on old cars
- Homeowner should be guaranteed replacement cost or make sure it goes up each year

Health Care

- Keys to saving on Health Care
 - Increase deductible
 - Increase your stop-loss, but never maximum payout
 - Check into Health Savings Account (Tax sheltered saving account)

Life Insurance Quotes

- James 4:14 - 14Whereas ye know not what shall be on the morrow. For what is your life? It is even a vapour, that appeareth for a little time, and then vanisheth away.
- 1 Timothy 5:8 But if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel.
- Proverbs 13:22 A good man leaveth an inheritance to his children's children: and the wealth of the sinner is laid up for the just.

Life Insurance

- Replace income lost due to death
- Two Types Term and Cash Value
 - Term is for a specified period of time substantially cheaper
 - Cash Value (Whole Life) is for life, more expensive, and funds a savings plan
- Goal is to become self insured
- Life insurance investment are historically low
- Die with cash value, they can keep the cash above amount
- Fees deducted are unreasonably high
- Before you cancel, get a new policy, it is better to have a bad policy than no policy at all

Purchasing Term Life Insurance

- Include Spouse
- Stay away from fancy options
- Children only enough for burial
- Only low cost level term
- Get 10 times your income level, invest and live on the interest

Disability Insurance

- Replace income due to short term or permanent disability
- Choose insurance that pays if you are unable to do the job you were trained / educated to do
- Coverage should be 65% of current income
- Elimination Period – time between event and payouts, longer time, cheaper payments

Long Term Care & Identity Theft

■ Long Term Care Insurance

- Used for nursing home, assisted living facilities, or in home care

■ Identity Theft Protection

- Don't buy just for monitoring
- Needs to include restoration services and counselor to fix issues

Avoid

- Credit Life and disability
- Credit Card Protection
- Cancer and Hospital indemnity
- Accidental Death
- Mortgage life insurance
- Duplicate coverage

FIRE INSURANCE

- Most Important thing
- Transfer of Risk
- No Loopholes
- Covered from the moment you sign up
- Free
- Foundation for all other principals in the class
- Personal Decision, not a “team” decision
- Best Risk vs Reward available
- Can't beat the benefits package
- Be a salesperson

Tools that can Help

- <http://www.socialsecurity.gov/OACT/population/longevity.html> - Estimates on Life Expectancy
- <http://www.socialsecurity.gov/estimator/> - Social Security Benefits estimate
- <http://www.bankrate.com/calculators/insurance/life-insurance-calculator.aspx> - Life Insurance Calculator

Parting Quotes to Ponder

- A penny saved is a penny earned. - Ben Franklin
- A nickel ain't worth a dime anymore. Yogi Berra
- The safe way to double your money is to fold it over once and put it in your pocket. Frank Hubbard
- In God we trust, all others must pay cash.

Parting Quotes to Ponder 2

- Romans 8:28 - 28And we know that all things work together for good to them that love God, to them who are the called according to his purpose.
- 2 Corinthians 7:8-10- 8For though I made you sorry with a letter, I do not repent, though I did repent: for I perceive that the same epistle hath made you sorry, though it were but for a season. 9Now I rejoice, not that ye were made sorry, but that ye sorrowed to repentance: for ye were made sorry after a godly manner, that ye might receive damage by us in nothing. 10For godly sorrow worketh repentance to salvation not to be repented of: but the sorrow of the world worketh death.