



FINANCIAL FREEDOM INSTITUTE AT EASTERN STAR CHURCH

CLASS #2: GET OVER IT! WHAT AM I DOING TO CHANGE MY FINANCIAL FUTURE?

OPENING PRAYER (TOGETHER)

“Dear God, I am seeking **WISDOM** on my journey toward financial freedom. I pray You will give me the mind to trust Your instructions as I seek to overcome past financial failures. Please help me to use resources to make better decisions now and in the future. Thank You for what is about to happen in my life. In Jesus name, Amen.”

MEMORY VERSE (TOGETHER)

Take a lesson from the ants, you lazybones. Learn from their ways and become wise!
(Proverbs 6:6, NLT)

FINANCIAL FREEDOM GUIDING PRINCIPLES

1. **GOD OWNS IT ALL** (Genesis 1:1, Psalm 24:1)
2. **GOD IS THE SOURCE OF OUR BLESSINGS** (1 Chronicles 29:12, Philippians 4:19)
3. **GOD EXPECTS US TO BE GOOD STEWARDS (MANAGERS) OF HIS RESOURCES**
(Proverbs 6:6-8, Luke 14:28-30)
4. **GOD HONORS OUR OBEDIENCE** (Proverbs 3:9-10, John 15:7)
5. **GOD EXPECTS US TO GIVE CHEERFULLY** (Malachi 3:10, 2 Corinthians 9:7)

LESSON OBJECTIVE

We will focus on understanding Debt and Credit and how we are impacted by certain decisions in these areas. Furthermore, our panelists will share how **TRUSTING GOD** and utilizing effective strategies and resources have helped them overcome past challenges to help them reach their financial **GOALS**.

KEY FACTS

- I. **Debt-(Proverbs 22:7):** (Sources: Bankrate.com, CNBC, Debt.org, Forbes)
 - i. Household debt has increased **16% (\$2.75 Trillion)** since 2019
 - ii. Average Non-Mortgage Household Debt Balances
 1. Credit Cards (**~\$6K**): 50% card holders pay interest monthly at **22%**
 2. Auto Loans (**~\$6k**): Average monthly payments range from (**\$516-\$725**)
 - a. Average Car Purchase Price: (**\$25K-\$48K**) at (**6.6-12% interest rates**)
 3. Student Loans (**Average Balance ~\$38K**)
 - a. Public university annual tuition has increased from (**\$2K→\$9k**) from 1980-2017



FINANCIAL FREEDOM INSTITUTE AT EASTERN STAR CHURCH

CLASS #2: GET OVER IT! WHAT AM I DOING TO CHANGE MY FINANCIAL FUTURE?

- b. Private university annual tuition has increased from **(\$9.5K→\$32k)** from 1980-2017
- c. Largest non-mortgage debt at **(\$1.6 Trillion)**
- iii. Debt/Asset Ratios
 - 1. White **(26.5%)**
 - 2. Hispanic **(46.2%)**
 - 3. Black **(46.8%)**
- II. **Savings (Proverbs 30:24-25)** : *(Sources: Bankrate.com, CNBC, Debt.org, Forbes)*
 - i. AUTOSAVE: Save regularly in an automated intentional manner
 - ii. Savings Account **(.43%% Average Interest Rate)**
 - iii. Money Market Account **(4.5% Average Interest Rate)**
 - iv. High Yield Savings Account **(4% Average Interest Rate)**
 - v. College Choice 529 Education Account-**(collegechoicedirect.com)**
 - 1. Special Education Restricted Savings that is Tax Deductible **(\$1,500 Max. in Indiana)**
 - 2. Gains are not taxed if used for education purposes.
- III. **Average Net Worth (Total Assets-Total Liabilities)**
 - 1. African American **(\$24k)**
 - 2. Hispanic **(\$36k)**
 - 3. White **(\$188k)**

APPLICATION

- I. **Credit Score:** Three-digit number that rates your creditworthiness **(FICO ranges 300-850)**
 - i. **Payment History-35%**
 - ii. **Balances-30%**
 - iii. **Length of Credit History-15%**
 - iv. **Credit Mix-10%**
 - v. **Credit Inquiries-10%**
- II. **Debt to Income (DTI) Calculation**
- III. **Net Worth Calculation Worksheet**

KEY WORDS/THOUGHTS

- 1. **Credit Report:** Unique summary of your credit history. Often has errors that can be disputed. Please check at least once/year at no cost (annualcreditreport.com)
- 2. **Debt:** Typically money that is owed and paid by debtor to creditor
- 3. **Asset:** A resource with economic value owned with an expectation of future benefit (Cash, stocks, bonds, mutual funds, real estate, art, collectibles, vehicles, jewelry, etc.)
- 4. **Liability:** Debts owed to someone else (Loans, mortgages,
- 5. **Net Worth:** Difference between your Total Assets and Total Liabilities
- 6. **Savings:** Amount of money allocated beyond expenses