

FINANCIAL PEACE

What the Bible says about finances

Start with contentment, the foundation of peaceful living: The great Apostle Paul was shipwrecked, jailed, beaten and abandoned. In Philippians 4:19 (NLT), Paul wrote, *“Not that I was ever in need, for I have learned how to be content with whatever I have. I know how to live on almost nothing or with everything. I have learned the secret of living in every situation, whether it is with a full stomach or empty, with plenty or little. For I can do everything through Christ, who gives me strength.”*

Whatever my need, God has more than enough: *“And this same God who takes care of me will supply all your needs from his glorious riches given to us in Christ Jesus.”* Philippians 4:19 (NLT)

Faith trumps worry: *“So don’t worry about these things, saying, ‘What will we eat? What will we drink? What will we wear?’ These things dominate the thoughts of unbelievers, but your heavenly Father already knows all your needs. Seek the Kingdom of God above all else, and live righteously, and he will give you everything you need.”* Matthew 6:31-33 (NLT)

Because of His great love for us, He has given us the ability to make money, manage money and enjoy money: *“Remember the Lord your God. He is the one who gives you power to be successful, in order to fulfill the covenant he confirmed to your ancestors with an oath.”* Deuteronomy 8:18 (NLT)

He makes us successful in our finances: *“Bring all the tithes into the storehouse so there will be enough food in my Temple. If you do,” says the Lord of Heaven’s Armies, “I will open the windows of heaven for you. I will pour out a blessing so great you won’t have enough room to take it in! Try it! Put me to the test!”* Malachi 3:10 (NLT)

When we are faithful, God provides: *“The master said, ‘Well done, my good and faithful servant. You have been faithful in handling this small amount, so now I will give you many more responsibilities. Let’s celebrate together!’”* Matthew 25:23 (NLT)

He tells us to have regular saving habits: *“Take a lesson from the ants, you lazybones. Learn from their ways and become wise! Though they have no governor or ruler to make them work, they labor hard all summer, gathering food for the winter.”* Proverbs 6:6-8 (NLT)

The result of planning, saving and choosing God’s will is peace: *“Don’t worry about anything; pray about everything. Tell God what you need, and thank him for all he has done. You will experience God’s peace, which exceeds anything we can understand. His peace will guard your hearts and minds as you live in Christ Jesus.”* Philippians 4:6-7 (NLT)

GOALS FOR BUDGET PLANNING:

1. Recognize God as Provider.
2. Live within your means.
3. Learn to tithe your income by faith.
4. Make a budget and keep it.
5. Save for an emergency fund.
6. Use the envelope system as much as is feasible.
7. Use the Debt Snowball method to eliminate debt.
8. Write down financial goals and work on these with an accountability partner.

GET OUT OF DEBT SNOWBALL METHOD*

Myth: You need to pay off the debt with the highest interest rate first to get out of debt quickly.

Truth: You should knock out the smallest debt first to create momentum in your debt snowball.

What is the debt snowball method? The debt snowball is a method designed to help you stay motivated while paying off your debt by starting with the smallest debt and working your way up to the largest. **It's important to pay your debts in a way that keeps you motivated until you've wiped them all out.** Those quick wins will pump you up! And they happen when you start with the smallest debt. Once you've saved your \$1,000 starter emergency fund, list all your debts (except the house) smallest to largest. Now it's time to get rid of them ASAP with the debt snowball.

How the debt snowball works. Make minimum payments on all debts except the smallest—throw as much money as you can at that one. Once that debt is gone, take its payment and apply it to the next smallest debt, continuing to make minimum payments on the rest. Repeat that as you plow your way through your debts. The more you pay off, the more your freed-up money grows—like a snowball rolling downhill. Here's a quick example. Say your debt snowball looks like this:

- **Credit card 1:** \$500 at 13% with a monthly payment of \$25.
- **Credit card 2:** \$1,000 at 19% with a monthly payment of \$50.
- **Car loan:** \$6,000 at 4% over four years with a monthly payment of \$135.
- **Student loan:** \$15,000 at 5% over 10 years with a monthly payment of \$159.

If you pay the minimums on everything and add an extra \$100 to the smallest credit card payment, you'll pay it off in four months. Then you can attack the second credit card to the tune of \$175 per month (\$100 plus the newly freed-up \$25, plus the \$50 payment you're already making). That one will be gone in five months. Now you have \$310 a month (\$175 plus \$135) to put toward the car! At that rate, the car loan will hit the road in 15 months! By the time you get to the student loan, you'll be paying \$469 on it each month! You'll wave goodbye to Sallie Mae in another 24 months and be totally out of debt.

That's what happens when you have focused intensity and start with your smallest debt—it leads to big results!

*Dave Ramsey's **Debt Snowball Plan** found at <https://www.daveramsey.com/blog/get-out-of-debt-with-the-debt-snowball-plan>

THE ENVELOPE SYSTEM*

The envelope system has been around for decades. When you use cash for different categories of your budget, you keep that cash in envelopes. It allows you to see exactly how much money you have left in a given category by taking a quick peek inside.

How the envelope system works Use the envelope system for items that tend to bust your budget. Common examples include groceries, restaurants, entertainment, gasoline, and clothing. You don't have to save up any money to start using the envelope system. It works like this: Let's say you've budgeted \$300 a month for groceries. When you receive your first paycheck of the month, withdraw \$150 from the bank and put the cash in an envelope. On that envelope, write "Groceries." When you receive your second paycheck, do the same thing again, and put that \$150 in the envelope. That's your \$300 for the month for food.

No money—and we mean no money—comes out of the Groceries envelope except to pay for food at the store. If you go food shopping and leave the envelope at home by mistake, turn the car around. Make sure you take enough money to cover your groceries for that trip. If you take \$150 and your total comes to \$160, take some things out of the cart. Put any change back in the envelope. **When your money is gone, it's gone!** If you want to go to the store but don't have enough money, then raid the fridge for leftovers. This is a great way to keep yourself accountable for your spending.

Reward yourself. If you have money in an envelope at the end of the month, congratulations! That category came in under budget. It's okay to celebrate, within reason. Reward yourself by going out to dinner, or roll the money over to the next month so you have an extra-large food budget. Rewarding yourself is important because it keeps your spirit up. **It's tough to live on a beans-and-rice lifestyle. But you're making it work! Great job!**

Don't cheat on your envelopes. Be careful not to borrow from other envelopes. When it comes to the envelope system, it can be very tempting to shuffle cash from one category to fund another. **Remember, the very purpose of the envelope system is to curb your spending and teach you discipline.** When you run out of grocery money, you eat leftovers instead of going food shopping. If you see your gas money slipping away faster than you planned, limit your trips or car pool.

If you have a crisis come up in the middle of the month or something happens and you absolutely have no other choice but to shift envelope funds around, call an emergency budget committee meeting with your Mentor or accountability partner. She is committed to holding you to your budget and larger financial plan.

Remember, **envelopes are powerful weapons in the fight against overspending.** They equip you to go out and manage your money better than you ever have. Put the envelope system to work for you and take back control!

*Dave Ramsey's **Envelope System Explained** found at <https://www.daveramsey.com/blog/envelope-system-explained>