

Where From Here?

Finances can be complicated, and we sometimes wonder: *Where do I go from here?* You want to pay off debt or your house. What's the best way to make it happen?

Dave Ramsey teaches, what he calls, five financial “baby steps.” Many people—including many Hopevalers—have found these steps helpful in working toward and achieving financial health. You can, too! Here are the baby steps in order:

SAVE
Money 101 series

Step 1—\$1000 emergency fund. Immediately save \$1000 for that car repair or plumbing problem. We often turn to credit cards in these emergencies and dig ourselves deeper into debt.

Step 2—Debt snowball. Live on a budget and put all extra money toward paying off your debt, starting with the smallest debt first.

Step 3—Save 3-6 months expenses. Finish your emergency fund by saving 3-6 months of living expenses. Be able to absorb a job loss or \$5000 emergency expense.

Step 4—Save 15% for retirement. Once your short-term savings (3-6 months expenses) is in place, you're ready to save for the future. Take advantage of your company's 401(k) matching and IRA tax benefits.

Step 5—College fund for the kids. Now that you're healthy financially, you can afford to set aside money for your children's education.

Step 6—Pay off the house. For most of us, our mortgage payment is our largest single expense. You can do little things to cut the loan principle and lessen the overall interest paid, taking years off your mortgage term.

Step 7—Build wealth and give. Dave often says, “If you will live like no one else, you'll be able to live and give like no one else!”

Learn more in one of our *Financial Peace University* classes starting January 24!

How do we teach our kids the discipline of saving money? Here are a few suggestions: *Start them early.* Even toddlers can decorate money envelopes—GIVE, SAVE, SPEND—and help you divide birthday money into them. As they get older, start a savings account in their name. *Give them short- and longer-term savings goals.* Saving for a new Xbox controller is okay, but so is saving spending money for vacation. *Reward their savings with “matching funds.”* This motivates!

Spend or Save?

When it comes to saving money, it's not just that we think about money differently, but that we also think about the future differently. Pastor Dan

1. Were you able to track what you spent last week? Any surprises? Any realizations?
2. How do you sort out what you *need* versus what you *want*? Could you wholeheartedly recommend your “wants determination process” to others, or would you say it needs a little adjustment? What adjustment?
3. What is your “money temperament”? Do you tend to be a spender or a saver? What would you say are the strengths and weaknesses of your tendency with money?
4. What do these verses teach about our attitudes and actions when it comes to saving money?
 - Proverbs 21:20—
 - Proverbs 13:22—
 - James 4:13-17—
 - Proverbs 3:9-10—
5. Think of a time you had a financial emergency and didn't have enough to cover it. Where do we get financial help at those times? What are the longer-term consequences of relying on these sources of financial help?
6. What step do you need to take financially? Do you need to save more for emergencies OR spend/give some of what you have saved.? How will you do it?

*But seek first his kingdom and his righteousness,
and all these things will be given to you as well. Matthew 6:33*