

THE COMEBACK SERIES Pt. 2: FINANCES

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INTRO COMEBACK VIDEO - DON and BONNIE ALEXANDER

Welcome to Metro! So glad you are here. We are in our series called COMEBACK. How many of you would say that at one point in your life - you needed a comeback? You know, you realized that life wasn't going where you wanted it to go? Maybe you woke up one day and your friendships or maybe it was your marriage wasn't what you wanted, and you needed a COMEBACK. Maybe it was your health? Anybody??? Let me ask you...can we just be honest...how many of you would say there is an area of your life RIGHT NOW that you need a COMEBACK.

You aren't satisfied with an area of life? Anybody. There is an area of your life where you want something different? Something more? Anybody. Maybe it's a soul issue or a thought issue or a habit issue or a relational issue but I can tell you this...**GOD IS IN THE COMEBACK BUSINESS.** You hearing me? **Anybody ever hear of Jesus? God is in the COMEBACK BUSINESS and because of Jesus' Comeback the Scripture says that the SAME SPIRIT that is at work in Jesus is at work in you.**

So, here's where we start...we're going to start on our knees. Occasionally, we do this. Across this place. I know that this is weird for some of you but if you could just humor me for a minute we are going to get on our knees, at both campuses and we are going to ask God for a COMEBACK and then we are going to talk about MONEY because some of you need a comeback in your finances.

LET ME LEAD YOU...PRAY.

According to the Federal Reserve Bank, here's how much debt the average U.S. household owes in credit cards, auto loans, student loans, and mortgages.

Credit Cards (and all consumer debt) ...\$16,883

Auto Loans...\$29,539

Mortgages...\$182,421

Student Loans...\$50,626

Total...\$270,469 (Federal Reserve Bank. 2017)

Now get this... The average American household income is just about **\$60,000. so, for most families their debt is about 4 or 5 times their entire yearly income. How long do you think that boat will float?** 80% of all Americans will live all their adult lives and then DIE in debt.

Some of you are going, honey, see, we're not doing too bad. We only have \$5,000 plus the car, plus the mortgage plus the medical bills. We're not doing too bad.

Let's just be honest... for most of us...the numbers don't look good and we're not anywhere near where we want to be, and we need a COMEBACK. We've got to turn something around.

Can I tell you something you already know?

Being UPSIDE DOWN in FINANCES IS LIKE A HEAVY ROCK TIDE AROUND YOUR WAISTE AND TRYING TO SWIM IN THE DEEP END OF THE POOL! And it's tiring...and it's scary. Am I right? And it's stressful. And it gets old.

Here is what the Scripture says... Just want to read to you a couple of verses from the Bible and we'll let them inform everything we talk about today.

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

Is that verse condemning rich people? Everybody wants to condemn rich people. I don't want to condemn rich people. I'd like to be a rich person. No...it's not condemning rich people. It's saying that poor people have a problem. It's saying being in debt is dumb. Pastor J...you shouldn't say that. Be nice. You're right...it's saying IN DEBT PEOPLE FEEL LIKE THEY ARE ON THE BOTTOM...UNDER THE HEAVY WEIGHT OF SLAVERY. Is that true?

Look at Jesus on money... 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. - Jesus - Matthew 6:24

Jesus says something very similar. He paints this picture of money in terms of having a MASTER and being enslaved. You will spend your life serving something. It can either be MONEY or God.

Most people end up spending their whole lives as a slave, in debt, chasing money. Serving money. But can I tell you something. YOU SHOULD SERVE GOD and MONEY SHOULD SERVE YOU.

You may need to write that down. **YOU SHOULD SERVE GOD and MONEY SHOULD SERVE YOU.** But the problem is that so many of us can never break free of serving money because we're so in debt or we are barely making it living paycheck to paycheck and we are just completely stressed out over this thing called MONEY.

So, what I'd like to do over the next few minutes is to help us rethink how we think about money. I want us to rethink how we spend it and save it and invest it and even how we give it. And I want to do it as quick as we can because some of us need a Financial Comeback.

In the world of business they talk about this idea of spending and saving and investing as ASSET ALLOCATION Have you heard of this? Sometimes they call it RESOURCE ALLOCATION. We need to take some of the learnings from the business community and apply them to our families.

So, what is an asset or resource. In the world of business, it's the time, the money, the material, the staff you must build your organization. It's everything from the cash you have on hand to the products on your shelves, it's the energy you have...it anything you must help you reach your business goals. And what does it mean to allocate? You know this. It means to direct or to distribute.

So, what is asset allocation? Well, I was listening to a Pod Cast by Pastor Craig Groshel about how to manage the assets of a church, really exciting I know, but it was good, and he defined Asset Allocation like this. **Asset or Resource Allocation is investing your available resources in the present to accomplish your goals and objectives in the future.**

Now let's apply this to your family. Let's internalize this. Asset Allocation or Resource Allocation is investing your available resources in the present to accomplish your goals or objectives in the future. It's taking your efforts as a family, your money as a family or an individual, it's taking your hours and hours of education and work and the money you receive from it and being WISE with it.

It's making your effort count in such a way that you don't have to live like that slave to the lender. It's being wise so that you don't have to serve money, but money serves you...so that money serves your goals and dreams.

Margaret Rouse, she's a technical analysis for TechTarget, they help big business manage their big businesses. She says it like this... **Resource allocation involves balancing competing needs and priorities and determining the most effective course of action in order to maximize the effective use of limited resources and gain the best return on investment.** - Margaret Rouse, TechTarget

Some of you are going uhh, that's just crazy business talk. And your eyes are rolling back in your head and you're checking out. But this is so important to your family. As an individual or a family, you must balance all kinds of things. Unless you are super rich

you don't have unlimited resources. You only have so much time and money and energy, but you have so many competing priorities.

Think about this...you'd love to pay off your student loans, but you have a kid that needs braces. You'd love to spend Wednesday night cleaning out your basement because it's a total wreck, but your marriage is in deep trouble and your church is offering a marriage class...where do you spend your time.

You're really tired, you've been working a ton and you're desperate for a break and you'd love to just spend the weekend binge watching the Star Wars Series for the third time but you really need to spend some time at the gym or working on your budget or you know that you need to spend some time with your teen ager...what do you do?

This is Resource Allocation right. It's deciding how to balance competing needs and priorities and determining the best course of action to get the best return on your investment of your limited resources.

In the business world they talk about investing money and resources. In our homes we talk about spending our money and resources. I think this is an area where we need to start rethinking our approach to money. Most people talk about how they are going to spend their money. **But financially successful people and I DON'T MEAN RICH PEOPLE, but people who do not serve money, but money serves them - those kind of people- talk about investing their money.**

Think about the difference between spending verse investing. **In the world of leadership...most leaders agonize over how to spend money. The best leaders agonize over how to invest money.** Most leaders want use people to get a desired result. The best leaders invest in people trying to help them get better so that the organization gets better.

And most PEOPLE spend their time doing tasks...but successful people intentionally invest their time in specific efforts to get the desired results. It's the same thing with your money.

When you just go through life SPENDING your money what are you doing? Your spending just to get something or to experience something. The idea of spending is that you're trading. **You traded your time for money and then you trade your money for stuff. It's an even trade. You trade this for that.**

But INVESTING is different. When you invest you expect exponential growth. You expect to trade up. You expect a return for your money. You expect an increase.

I think we need to start INVESTING OUR RESOURCES RATHER THEN JUST SPENDING THEM. It's a shift in thinking. Your whole life is a trade. Your whole life you are spending

your time, your effort, your passions, your money and I'm just thinking that we need to start trading up. We need to start thinking bigger and better with our lives. We need to start thinking longer term.

What do you want out of life. I can tell you for me and Lynette. We don't care about being rich and fancy and living the designer life. Not at all. But what we do care about is not being a SLAVE TO MONEY. I do not want to spend my life serving money. I don't want to stress over money because I am just one paycheck from financial collapse.

I want to be free enough to give generously. I want to be free enough financially that I can serve God completely. If he calls me to serve in the student ministries I can do that because I am not having to work more overtime to cover my bills. If he calls me on one of these short-term mission trips I can make that happen because I am free enough financially to do it.

So where do we start. We start by changing our thinking. We start by establishing a new set of priorities. We talked about this last week. We need to think about where we want our lives to go and we need to live towards those goals.

We need to decide what is important to us and we need to get there on purpose. Lynette and I did not want to get into our fifties and sixties and think, oh man, what are we going to do. We can't every retire. We can ever stop earning. I will never stop serving God. I will never stop working...I love to work...I just don't want to have to worry about having enough money. If I want to be one of those door greeters at Walmart when I am 73 years old that's fine, but I don't want to do it because I need to earn the 10 bucks an hour.

You need to define your priorities. In the leadership world we call it **DEFINE YOUR WIN**. This is the first thing you must do. You must define what you are trying to accomplish because you cannot accomplish what you do not define. What is a WIN for you? What is a win for your family?

Are you looking at \$8,000 dollars in credit debt and you're tired of that hanging over you? Are you looking at needing another vehicle soon and you don't want to borrow to get it? You need to define the win. **If you do not know your win you will SPEND your resources. BUT IF YOU KNOW YOUR WIN - YOU WILL INVEST YOUR RESOURCES!**

My son Zachary is a junior in college and it was important to him to get through college with no college debt. He wanted to pay for it as he went along. That was his win. So, for him, he didn't choose a big fancy U of M type school, that's a fine choice for a bunch of people, but for him he decided to opt for a cheaper school that is mostly on line so that he can work along the way and pay as he goes. That's more than spending, that's investment thinking. He's thinking about his future.

Defining the win impacts what you do DAILY. It directs what you do daily. For example, if the win is paying off a student loan debt or paying off that stupid car that you wish you never would have bought then instead of going out to dinner and a movie then you opt for eating at home and a Redbox.

If the win is investing in your kids, then you might move your workout to before work so that you can invest time with your kids in the evening. If the win is taking your family on a dream vacation and paying cash for it then you might decide to drive a cheaper car for a few years rather than upgrading.

If your win is to reduce your debt load in life, then you will make different DAILY decisions. You won't stop at the convenience store every time you want a snack. You will make coffee at home instead of stopping for the ridiculously overpriced Starbucks. You will do peanut butter and jelly lunches rather than hitting CHIPOTLE for lunch. My win is to hit Chipotle for lunch every day! I love that place.

You get the point. **THE WIN DIRECTS YOUR ACTIONS.** And the WIN needs to be very clear. There is this little verse in 1 Thessalonians 5:21. It goes like this...**21 but test everything; hold fast what is good. 1 Thessalonians 5 :21**

In other words...you must be clear. You must decide what is good and then HOLD ON TO THAT. Don't get sidetracked from your win. You must be clear on the win.

Some of you need to go home and have a big sit down to define where you want your life to go financially. It's not enough to say, I want to earn more. It's not enough to say, I want to give more. It's not enough to say, I want to pay off some of this debt. It's not enough to say I'm tired of living with this financial sinking feeling. I want to have some fun in life.

No, you got to be clear, crystal clear with the win. I am going to be out of debt within the next two years. I want to pay off everything but my mortgage in the next two years. I want to start putting God first. I want to start moving towards a full 10 percent tithe. I'm going to start with 10 bucks. I'm going to finish my degree in the next 18 months. Whatever it is...you need to first define the win.

The win for me is not just to have more money then I spend. NO NO NO...the win is much bigger than that. Jesus said, you cannot serve both God and Money. The win for me is that I want to COMPLETELY SERVE GOD unencumbered by money. I don't want to be a slave to money. I don't want money to have a hold over me. I don't want money or the lack of it or being in debt to determine how I respond to God's leadership. The win for me is that I want him to be first and most in my life.

Many years ago, Lynette and I decided that we would not go into debt for anything but our house. We would not live in slavery. Many years ago, Lynette

and I decided that we would put God first by tithing first before anything else. Many years ago, we decided that we would not be old and broke...we could be old but just not old and broke!

We decided many years ago that we would not be a burden to our kids. We decided many years ago that we would say no to certain things so that we could say yes to other things.

You can't have a COMEBACK until you define your win. You with me? You must set your priorities and live toward them.

I just want to give you two big thoughts that might help you hit your win. They are biblical, and they are practical.

The first is this... **SAY NO NOW SO YOU CAN SAY YES LATER.**

A financial comeback for you and I start right here...IN THE HEART. If you cannot reign in your desires, you will never get a head. There is always more to spend on then you will have money to spend if you cannot reign in your heart. I read an article recently about Johnny Depp. The actor...Pirates of the Caribbean. Fantastic actor but terrible HEART MANAGER.

This article was about all the tens of millions that he earned, but he was losing this house and that house. And he owed this guy money and was selling this and that to cover his expenses. Here's the point...it's not that MR. JOHNNY has a money issue...he's got plenty of money. He has a HEART ISSUE.

Jeremiah the great prophet says it like this... **The heart is deceitful above all things and beyond cure. Who can understand it? Jeremiah 17:9** It's true. We think we won't be happy or we won't be complete, or people won't like us if our JEANS aren't just perfect. If our car isn't as shiny as our neighbors. If we don't have the latest and greatest, we won't be happy, **SO WE SPEND MONEY THAT WE DON'T HAVE ON THINGS WE DON'T NEED TO IMPRESS PEOPLE THAT REALLY DON'T CARE ABOUT US.**

We need to learn to say no for a little while, so we can say yes to the future. We need to learn to say no to small things to say yes to big things.

Let me show you something. This is amazing. How many of you would say that you occasionally waste a little money? Maybe even \$5 a day? Maybe you go out to lunch every day or maybe you like Coffee. How many of you love coffee? How many of you stop regularly at places like Tim Hortons or Starbucks. You grab a way over priced coffee? This does not apply to Baxters. Baxters is different. You with me... Ha.

Seriously, how many of you would say that if you worked REALLY REALLY HARD in life you

could somehow save an average of just \$5 a day. I mean over the course of a year, you could figure out some cuts and you could save \$5 a day.

Now without going into a ton of detail let's say you invested that **\$5 a day** in a mutual fund or something that pays you **10% interest** on average over the long haul. That's reasonable if you look into it. So, you take your \$5 a day or \$1825 a year and you invest it at 10% a year from the time you are 18 years old (that's when you become an adult they say...right...so you start adulting...) and you do this until you are 50 years old. That's \$5 a day for 32 years you would have **invested \$58,405** it into your future rather than your coffee but you would you now have **future \$367,181.99**.

That's amazing. Now let's just say you kept that same pattern, you didn't increase it all but generally you make more money the older you get, and you might be able to invest a little more...but let's say that you keep that same pattern until you retire at 65 years of age.

\$5 a day
10% interest
\$85,780 invested
\$1,591,795.09 future wealth

That's the power of saying no for a little while so that you can say yes to your future. So, we need to define our win. We need to **SAY NO NOW, SO YOU CAN SAY YES LATER and here's the last thought if we are going to have a comeback...YOU GOT TO CRUSH DEBT. You must kill it. You must go after it.**

The Scripture says...we said it earlier... **"The rich rule over the poor, and the borrower is a slave to the lender." Proverbs 22:7** Once you have your win defined. Once you decide to reign in your desires and you learn to say no now you go after the debt monster.

Let me show you this...You know how credit cards work...right? They make you think you can afford something that you little heart desires, but your little wallet can't pay and how do they do this? By telling you can afford the monthly low payment.

For example, they make it possible to buy something for \$3,000 and pay just \$60 per month until it's paid off. Most people can afford a \$60 monthly payment, but what does it really cost?

For example, ... If you carry an average daily balance of \$3,000 in credit card debt, your minimum payment will be around \$60 a month (assuming a 2% minimum payment requirement — that's average.) If the credit card charges a 15% and that's average, interest could cost you between \$400 and \$450 per year.

I did the math...

\$3000 purchases or credit debt
\$60 minimum payment (Generally 2% of the debt)

\$36 goes to Interest

\$24 goes to balance pay off

After your first \$60 payment on your \$3000 debt you still owe \$2976

The average payoff will take 16 years if you add no more debt

During those 16 years you will have paid \$3641 of interest on a \$3000 debt

Total cost is \$6,641

Whatever you purchased for \$3,000 will likely be broken and forgotten long before you've paid for it in full! That is STUPID. Can we just call it what it is? We have to kill this monster.

Can we talk about this? Some of you are going...this isn't church...this is a finance class. NO FRIENDS, this is deeply spiritual. Jesus doesn't want us to serve money...to be a slave to money. He wants us to be free from this monster.

In the Finance Class that we offer called **Dave Ramsey's Financial Peace University** we talk about possibly one of the biggest life changing tools. It's called the Debt Snowball. It's amazing. It's simple and if you have debt you need to think about this.

The debt snowball method is a debt reduction strategy where you pay off debts in order of smallest to largest, gaining momentum as each balance is paid off. When the smallest debt is paid in full, you roll the money you were paying on that debt into the next smallest balance.

It looks something like this: **(PUT ALL THESE UP AT ONCE)**

Step 1: List your debts from smallest to largest.

Step 2: Make minimum payments on all your debts except the smallest.

Step 3: Pay as much as possible on your smallest debt.

Step 4: Repeat until each debt is paid in full.

An Example of the Debt Snowball

Say you have the following four debts: **(PUT ALL THESE UP AT ONCE)**

1. \$500 medical bill (\$50 payment)

2. \$2,500 credit card debt (\$63 payment)

3. \$7,000 car loan (\$135 payment)

4. \$10,000 student loan (\$96 payment)

Using the debt snowball method, you would make the minimum payments on everything except the medical bill. Let's just say that you work crazy hard, cut some spending, earn a few extra bucks and you take an extra 150 dollars and put it with your fifty-minimum payment and you pay that \$500 debt off in 4 months instead of 3 years. You with me. You work hard. Cut spending. And you make minimum payments on all your other debts EXCEPT your lowest debt.

**1. \$500 medical bill (\$50 min payment plus \$150 = \$200 payment a month)
Gone in 3 months**

You kill that monster in three months. But instead of celebrating and going out for a hundred-dollar dinner you take that \$200 payment that you have been paying and you plow that right into the next debt. What was that...\$2500. You have the \$63 minimum payment on that that you have already been paying and so you are going to add the \$200 to that. So now you are paying \$263 a month. And now...look at this. Instead it is taking YEARS to pay off that \$2500 debt it's gone in

**2. \$2,500 credit card debt (\$63 min payment plus \$200 = \$263 payment)
Gone in 9 months.**

You killed another monster. You're not going to celebrate yet. Now you're going to go after that 5-year car loan. You owe \$7000 on it. You were paying the \$135 minimum payment but you're now going to add the 213 that you've been paying and you're going to add that to the \$135 you're already paying and now you're going to throw \$348 a month at it. And because you've been paying, and your balance is already down to about \$6000 and now what would have taken five years to pay off looks like this.

**3. \$6,000 car loan (\$135 min payment plus \$263 = \$398 payment)
Gone in 15 months**

Another monster gone. Now we're going to take that extra \$398 a month, and because we are seeing wonderful things...because freedom is just ahead of us we are going to plow that directly against that student loan. Because you have been making minimum payments on it you still owe, let's say around \$9000. You're going to take the \$398 and add it to that \$96 minimum payment you're already making which totals \$494 a month but because you're feeling good and a bit WILD you're just going to round that payment up to \$500. Now look at this...what would have taken you 15 to 20 years to pay off it looks like this.

**4. \$9,000 student loan (\$96 min payment plus \$398 = \$500 payment)
Gone in 18 months!**

Anybody feeling good about this. 20 years of debt (\$20,000 total) paid off in just 3.75 years and this is a non-aggressive attack against that debt. This is just being discipline and adding an extra \$150 a month to what you're already paying. Don and Bonnie did almost \$30,000 in 19 months. That's a COMEBACK right there!!!

Here's the key...**you must DEFINE YOUR WIN.** You must decide how you want to live and live towards that.

You must learn to say NO NOW, so you can say YES LATER.

And **YOU GOT TO CRUSH DEBT!**

This isn't about money. This is about WHO YOU ARE GOING TO SERVE. God or Money. Jesus came to set you free. LIVE LIKE IT!