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## **Personal Financial Security**

My definition of personal financial security is someone that has no debt except for the home mortgage, where the monthly note is approximately 25 to 30 percent of their take home pay. And they have six months of income in the bank with a monthly budget monthly that shows that they have some extra money to put into their savings each month. I define financial insecurity as someone who, besides owing a mortgage on their home, also owes a mortgage note on their first car, a mortgage note on their second car, they are paying their car insurance on a monthly basis, have one, two, or three credit cards that are paying monthly. They also have no savings account. Many people today live under tremendous stress to pay their bills. They say it is the credit cards, the fast paced life, and the age of instant gratification that is the problem with our society today.

I can't deal with the fast paced society and the instant gratification attitude, but I can deal with the credit card debt and stress of not being able to pay your monthly bills.

In many cases the debts of a young family today can be approaching \$100,000 without including their home mortgage. That sounds like a lot but just think about it, two car loans at \$20,000 a piece, a couple credit card bills at \$2,000 to \$5,000 each, and a large student loan from getting out of school with a philosophy degree. With a starter home now being above \$100,000 and no down payment required the young family today can find a way to get their debt up to \$250,000 on just \$60,000 or \$70,000 of joint income.

I have some very definite thoughts on how we got here, and I'd like to share those with you.

**The second spouse started to go to work.**

**The Credit card boom.**

**The government allowed sub prime borrowers.**

The first major event I believe that happened from my parents' generation to my generation, sometime in the sixties, is that the second spouse started to go to work as more of a rule than as an exception. This allowed the families to have an increase in their disposable income and that allowed them to buy more stuff and have some extra money in the household.

About ten years later the credit card boom came, and as many people may already know, Visa sent out a hundred thousand credit cards with an instant credit limit that became the "wish card." This cemented the second spouse now had to work and took the extra money out of the budget with the

more stuff still being included in the budget.

Fast forward another 15 or 20 years and we get to this poor young couple that now cannot buy a home because they have to put 20 percent down and the real estate market is sagging. Enter the government. By using government backed loans lenders can allow sub prime borrowers (homeowners that do not qualify for a typical loan) to borrow up to 95 or 100 percent of the house costs, and they amortize it over thirty years with the government being the lender or the guarantor of the lender. Once again the young family gets into more debt but this time they do help the real estate market and the starter home goes to \$150,000 and continues to climb because the market has been artificially increased by these sub prime loans.

In my opinion these sub prime loans play a major factor in the problems of today and the problem of our financial crisis of 2009. We have heard from Lehman Brothers that the reason they went bankrupt is because they chose to seek the sub prime market, charge the higher interest rate to people that couldn't afford what they were buying, but it made for instant profits and long-term disaster. Now we are in the disaster and the government's answer is to borrow more money from foreign countries and give it to the people so they have more money to live on and get out of distress.

Debra and I have raised seven children, and unfortunately we have seen our children go through many of these problems. I feel very sorry for my own children as well as the other young and older couples that I run across that have these kinds of financial problems. It is no wonder to me that people experience a hard time not going to drugs or drinking or other vices in order to escape the reality of their financial situation.

I feel very sorry for these people, but I don't think the answer is to give them a donation, but rather give them some wisdom. I will try to give you some of the wisdom I have learned through the lesson of my parents and through the lessons of life.

It would be easy to give a donation or bailout to help someone out of a one time problem, but as history has shown, people that have won the lottery often within five years return to their basic standard of living they had before. The money is gone. They have not learned to either create wealth or to manage their wealth.

In the bible God told Solomon, *I will do what you have asked. I will give you a wise and discerning heart, so that there will never have been anyone like you, nor will there ever be. Moreover, I will give you what you have not asked for — both riches and honor — so that in your lifetime you will have no equal among kings*

*NIV1 Kings 3:12-14.* God is telling Solomon that because he has asked for wisdom he will also reward him with riches. God does not want his people to not enjoy life and to not be wealthy, but he wants them to enjoy the fruits of their labors and to love each other in peace and harmony. Remember many; many of the prophets were very wealthy people in the Old Testament. Abraham, David, Solomon, Job and many more had vast wealth.

Wealth is not evil I have seen wealth hurt people and help people. I have seen wealth turn people that were not so nice into absolute jerks, and I have seen people that were very nice turn into very generous people. As we start down this path of becoming financially independent, it is important to focus on the reason that debt is not good.

If you want to be a servant, a slave to your lenders, please buy lots of stuff, and buy it all on credit. The first rule that you have to learn in order to become financially independent is to change your attitude to shed the “Curse of Debt”.

### **1. CHANGE YOUR ATTITUDE.**

<sup>1</sup>Proverbs 22:7-9, says *the rich rule over the poor, the borrower is the servant of the lender.*

This proverb is so true in today’s society. I have seen lenders attack like wolves, and your attitude to become financially independent is to become the wolf and attack the debt that you have incurred. During the middle to late seventies owners of oil field companies went from making thousands of dollars to making hundreds of thousands of dollars, to millions of dollars each year. But when the oil field was shut down in the early eighties, many of these companies saw a 50 percent drop in sales in one quarter. The companies that had grown through debt had nowhere to hide. They could not cut their cost back far enough in order to pay the bank loans with only half the sales. In the case of an oil field boat owner he may have a two and half million dollar boat that he was paying \$20,000 to \$30,000 per month as a loan, which was not a problem when the boat was creating \$100,000 a month in net income. But when the boat went down to creating no net income, he was forced into a situation where he was having to come out of his pocket with \$30,000 to \$40,000 per month and could not survive. Alternatively, the boat owner that owed nothing on his boat could tie the boat up or work the boat for very little money, just enough to keep the fuel costs and labor cost going and pick up new boats for literally five percent of the original cost.

This economy in the early eighties spurred me to move into litigation as a forensic accountant, I was having to show my clients how to survive at the fifty percent less sales level. And was hired by many of the banks to investigate why some of their customers could not survive with fifty percent less sales. In the courtroom I would testify as to what I thought companies would have to do in order to survive. In those courtrooms I saw what they meant by the expression, “The wolves were at the door.”

Lenders had a job to do, collecting their money. The personal lives of the borrowers were not one of their major concerns. In many cases it wasn’t one of their concerns at all. People lost houses, savings accounts, retirement accounts, their families were shattered. If you want to fight those types of wolves, you have to become a wolf, and your enemy has to be the debt.

The good news that people did not see in the mist of that calamity is that they still had their health, and they still had the ability to move forward. Some, however, were older and had not saved, had no monies put away, that would be untouchable, and so for the sixty year old making \$500,000 a year, but way over his head in debt, he was forced to try and find a job now with nothing behind him. Many of these people went to making five or ten percent of what they had previously made.

One of the key parts to step number one, it is not just that you have to change your attitude, but your spouse has to change her attitude or his attitude as well. This is a joint effort and if one party is pushing while the other party is pushing the other way, it is not going to work. Both parties must be committed to doing whatever it takes in order to get out of debt. It’s time to sit down with each other and have a face-to-face honest discussion as to what is important.

- Is it more important to have a home than it is to have a new car?

- Is it more important to have food on the table than it is to go out to dinner?
- Is it more important to have cable TV than to pay your bills on time?
- Is it more important to have a second car than it is to have your spouse work?

You must join together to **ATTACK THE CURSE OF DEBT**. Do not be the slave to the lender. Remember step one is to focus and become the wolf that attacks the debt. Some of the people I have counseled over the years have made sayings up for themselves, they put it on their bathroom mirrors, they put it in their car when they are driving, say it to themselves everyday. Here are a few I have gotten a chuckle out of:

1. I am going to be a lean, mean, debt free machine.
2. I will be the wolf. I will destroy the debt that has for so long held me down. I am superior to the debt.
3. I will pay all my debts early, I will owe no one.

I encourage everyone to prepare a focus statement that they can put in front of themselves everyday, which will remind them every day to look for ways to reduce their debt. Become obsessed with getting your freedom from debt.

## 2. MAKE A PLAN AND WORK IT.

*Luke 14:28-30<sup>28</sup> "Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it? <sup>29</sup>For if he lays the foundation and is not able to finish it, everyone who sees it will ridicule him, <sup>30</sup>saying, 'This fellow began to build and was not able to finish.'*

You must make a plan in order to know where you are going. More than likely without a plan you will end up where you did not want to go, back in the same spot. The same result will happen if you and don't work the plan.

My first step in making a plan with is that they have to know where they stand. What have they been spending their money on? I am absolutely shocked that in today's world people would use the ATM and use their debit cards and never open their bank statement or never try to figure out what they are spending their money on. History repeats itself so unless you know what the history is, it's hard to make a change. You must go back some period of time, one year is my recommendation, six months is okay, even three months is better than nothing, and find out what you have been spending your money on. On all my business clients I insist on their preparing a budget each year, and all of us agree that doing the budget was the most profitable hours that they spent during the year. It's a way to brainstorm ideas, put in possibilities to see whether they work or not and take a hard look in the mirror and see where you really are. Once you know where you've been, you need to put a budget that will put your income into separate budgets so that you will know what you can afford to do each month. Some of the suggested budget items can be:

- |    |           |   |     |
|----|-----------|---|-----|
| 1. | Charity   | - | 10% |
| 2. | Savings   | - | 5%  |
| 3. | Housing   | - | 30% |
| 4. | Utilities | - | 5%  |
| 5. | Food      | - | 10% |

|     |                       |   |      |
|-----|-----------------------|---|------|
| 6.  | Transportation        | - | 15%  |
| 7.  | Medical               | - | 5%   |
| 8.  | Personal              | - | 5%   |
| 9.  | Recreational          | - | 5%   |
| 10. | <u>Debt reduction</u> | - | 10%  |
|     |                       |   | 100% |

These percentages would change depending on what income bracket you are in and they may change dramatically. However, if you've seen where you are and you have an idea of what you want to spend your money on, then you need to make your own percentages and make them work for you. The recommendations that I make for people, once again, once they prepare their budget are as follows:

1. Put your monthly payments on automatic pay. If you have car notes, put them on an automatic monthly reduction, so they will be paid and they will not be late. One of the things we'll cover later on is your credit score. The best way to destroy your credit score is be late on monthly payments each month.
2. Don't let a monthly note go unpaid. If it means taking a second job, if it means working more hours, if it means selling something in the house, whatever it takes, don't fall behind on your monthly notes.
3. The last concept is, when in doubt about what to do, remember your key thing is to reduce debt. **REDUCE DEBT.**

It's not enough to make a plan; you have to work the plan. So please be sure to each month set aside some time either on a Saturday or Sunday or a certain night of the week when you have a couple of hours to go through and look at what you've actually spent, and see which buckets are not being taken care of and which buckets are over filled.

Reducing your debt will be like losing weight. You won't see a lot happen in the first few weeks, but it's important that you celebrate within yourself just the idea that you are on a budget and that you are sticking to it because it will lead to a life debt free. You cannot get out of debt in one month or three months, just like you can't lose all the weight you wanted in a very short period of time. But you need to start, and the budget is the place to start. It will at least stop the bleeding of the cash going for intangibles and not going to reduce debt. Next step after you make the budget is to get current on all your payments.

### 3. GET CURRENT.

<sup>2</sup>2 Kings 4:7, <sup>7</sup>*She went and told the man of God, and he said, "Go, sell the oil and pay your debts. You and your sons can live on what is left."*

Your first major goal is to get all payments current. Remember get focused, you made a plan, work the plan. You've got to become the wolf and attack the problem. You must catch up all your bills current. If you are two months behind on a car note or three months behind on a credit card payment, you must get creative and focused and go after that debt and get it paid any way possible. Some of the creative ideas I've seen people do are:

1. Work overtime.

2. Have a garage sale.
3. Get a second job.
4. Work a side job.
5. Cut lawns.
6. Sell something in the house.

Whatever it takes you must get your bills current. Once your bills are current and you have the budget and the focus that you're going to reduce your debt and be debt free you are ready for step four.

#### **4. BUILD AN EMERGENCY FUND.**

Proverbs 10:17, <sup>17</sup>*He who heeds discipline shows the way to life, but whoever ignores correction leads others astray.*

Your emergency fund should be at least \$1,000 to \$1,500.00. This is what I consider to be the minimum safety net. It should be put into a separate bank, into a separate money market account with the ability to get to easily, but promise to not use it except in the case of an emergency. You may ask, why do I need this emergency fund? The reason is that things happen: the car breaks, air conditioning goes out, sickness in the family. This emergency fund will be your steady rock while you go through the process of getting debt free. It will stop emergencies from derailing the plan and having you refocus everything onto something that could be so minor it could be handled by a \$1,000.00 cash payment. Once we have focused, become the wolf, attack the debt we can't let a car breakdown of \$500.00 cause us to stop our entire plan and our entire focus.

A second benefit of having the emergency fund I have always found that people deal with price negotiations better when they have the money in the bank, than when they have no money in the bank and or at the mercy and basically begging, someone to help them out no matter what the cost. Remember though that emergency funds are for emergencies. Things will happen unexpectedly you should learn to expect the unexpected. Things that are not to be used out of the emergency fund are:

1. Christmas presents (Christmas is expected and therefore doesn't qualify for the unexpected)
2. Celebration night out (this is an emergency fund, not an entertainment fund)

This is also a major step and a major pat on the back for those people who have never had a savings account except for a week or month. This is a savings account that will be with you for the rest of your life. Too many people have never saved any money and always living from paycheck to paycheck Hopefully you will never use it, but you will because things will happen that are unexpected. By not having the emergency fund you are merely setting yourself up to get back into the debt. When you look at the budget and you see that the income equals outgo and there is no time to set up for a second job, just remember what happened in Genesis 2:2-3, *the Lord worked 6 days then took a day of rest.* So if you're working a five-day workweek, you can work a six-day workweek, and you can get yourself out of debt and you can build that emergency fund. It will not be easy today but it will certainly be a whole lot easier tomorrow.

We now have our emergency fund set aside, our budget is put into place and we are focused to start reducing debt. How do we do it?

## 5. THE DEBT SNOWBALL.

*Proverbs 22: 26-27, <sup>26</sup>Do not be a man who strikes hands in pledge or puts up security for debts, <sup>27</sup>if you lack the means to pay, your very bed will be snatched from under you.*

This is the concept that has been named by Dave Ramsey for an old technique and one that businesses have used for years in order to reduce debt. Line up all of your debts lowest to highest and you start paying extra on the lowest ones. When the lowest one is paid off you then take that money and add it to the second lowest and start paying that one off. When the second one is done you add those payments to the third note and you start paying the third debt off. The snowball continues to grow and grow and pretty soon all your debts are paid off.

First thing you have to start with is another record, the “debt sheet”. The debt sheet is merely a list of all the debts that you owe and in a certain format. The lender is the first column, the balance on the debt is the second column and you may want to put a date next to it, the minimum monthly payment that you are paying right now, and the number of payments you have left to pay. And you would add four or five more columns after that and in that column you would put amount paid slash number of payments remaining. You want to have four or five of these columns so that you can see the number of payments going down without having to rewrite the sheet each month. So in our example we’ll assume that we have credit card one with a balance of \$400.00, monthly minimum payment of \$25.00 and twenty payments left. Second we’ll have credit card two that owed \$2,500.00 on and we have \$100.00 a month payment, and 40 payments left. Number three is car number one, we owe \$12,000.00 we pay \$500.00; we owe 36 more months on it. Next one is car two, we owe \$8,000.00 on, and we pay \$450.00 a month so we owe 51 months more. Next one is cable TV, which we have no balance on but we are paying \$85.00 per month for. Cell phones we have no balance due but we are paying \$150.00 per month on.

We added the cable and cell phones, because I do believe that there are some luxuries that in today’s society that we could do without but they are robbing us of the chance of paying off our debt faster. Cable TV. to me is a problem for many families in debt because they waste hours and hours, 2-4 hours per day over 25 hours per week over 100 hours per month in escaping from reality into the TV set. Not only that, but you’re robbing yourself of the ability to pay off over \$1,000 in debt in one year.

### DEBT TABLE

| LENDER        | BALANCE OWED | MONTHLY PMT | # OF PMTS REMAINING | AMT PD / # REMAINING | AMT PD / # REMAINING |
|---------------|--------------|-------------|---------------------|----------------------|----------------------|
| Credit Card 1 | \$400.00     | \$25.00     | 20                  |                      |                      |
| Credit Card 2 | \$2,500.00   | \$100.00    | 40                  |                      |                      |
| Car #1        | \$12,000.00  | \$500.00    | 36                  |                      |                      |
| Car # 2       | \$18,000.00  | \$450.00    | 51                  |                      |                      |
| Cable TV      | \$0.00       | \$85.00     |                     |                      |                      |
| Cell Phone    | \$0.00       | \$150.00    |                     |                      |                      |

If you look at the debt sheet you can see that you want to start the snowball with a \$400 debt, that’s a

\$25 per month payment. This is where the attitude becomes the key. You've got to want to get rid of that \$400 debt as quickly as possible. Maybe we can pay it off this month, worst case maybe we pay \$100 this month, next month pay \$125, the third month we pay another \$125, and the fourth month it's gone with only a \$50 payment. You have now paid off a sixteen month debt in 3 ½ months. Cross it out. Put a red line through it. You've now finished the first debt. The snowball is starting to roll. We can now take the \$125 per month that we were paying on the first debt and add it to the \$100 we are paying on the second debt, and start to go after that second debt. At \$225 a month we'll cut those payments in half, and if we can add something to it maybe we can even get it faster than that.

In my experience two things will happen with the paying off of debt: Either the person will become the wolf and get after it and really do everything he can to reduce those debts, and within one to two years he will be completely debt-free. Or he will try to keep his life the same as before, and try to live within the budget, and, in a couple of years he will still be in debt and slipping fast back into where it used to be. Set a goal as to when to be out of debt or when to pay off a certain debt and be accountable to it.

The attitude is the key. You have to want to get out of debt. Remember, once you're out of debt the curse is over. You will no longer have the curse of debt on your back. After a little bit the second debt will be gone, and now you will have \$225 to add to the \$500 debt to make it \$725 going against an \$12,000 car loan. And then, by adding that debt payment in there you'll be making 1 ½ monthly payments per month. It will cut that 18 month down into less than a year. Finally we will attack the largest debt, the \$450 per month payment, and at that point in time we will be paying \$1,175 per month against our \$15,000 loan.

Wow! We are heading out of debt. Things are starting to happen. When \$1,000 per month can be paid toward a car we are moving very quickly toward getting out of debt. Once the last car is paid off we now have \$1,175 per month in extra spendable income. In one year we could save \$14,000, trade in one of the cars, and buy a much better car for cash. No payments. No debt.

When you're looking in a mirror now you will see a much happier person, a much more frugal person, a person whose desire for "stuff" will be overcome by that person's desire not to be in debt and be a slave to the lender. This will change your whole attitude toward purchasing stuff, and you never know, it may actually change your children's attitude as well.

Once you get into the debt snowball I hope it becomes an obsession with you, so that you can get rid of this debt. The faster you can get rid of it the better chance you have of staying the course. You will still feel the urge to stop at fast food restaurants, pick up knickknacks in the store and nickel and dime your debt back up. You may want to try saying to yourself : "I'm going to buy this, but I'm not going to buy it today," and then wait until tomorrow or the next day to purchase it and you will see that the urge is gone and the impulse to buy has now passed and you can use those monies to accelerate your debt snowball.

## **6. REVIEW YOUR CREDIT REPORT.**

Proverbs 10:4, *Lazy hands make a man poor, but diligent hands bring wealth.*



The next step in our financial independence is to learn a little bit about our credit report and our credit score. So then, number 6 is to review your credit report. This is when you start sharpening the axe. You've been banging away attacking your debt structure with everything you can, extra jobs, extra money, giving up expenses, and being creative to do whatever you can do to reduce the debt. And now we want to make sure that there are items that we have not taken care of because we are not aware of them. This requires us to go look at our credit report and see what our past lenders have reported to the credit bureau. Many times you will find unexpected errors in your credit report. You can go to [www.annualcreditreport.com](http://www.annualcreditreport.com) or dial 1-877-322-8228 and get a free credit report every year. There are three major credit reporting agencies, Equifax, TransUnion, and Experian. These credit agencies are all required by the federal government to issue one credit report free each year to every person. BEWARE. If you try to surf the net to try to find a free credit report there are hundreds of websites that promise a free credit report and then ask for a credit card and they will send you a free credit report but if you don't cancel within five days or ten days you will be on a monitoring service of \$15 per month. Just call the 1-877-322-8228 and in about two minutes you can be setup to receive a credit report within two weeks.

Once you get your credit report you need to review it, see what items are on there, if they have past debts that you have either paid or you legitimately did not pay because the product was poor, you need to write a letter to the credit bureau letting them know to remove it from your credit report because it was paid. You would also carbon copy the original vendor as they may have to confirm it to the credit bureau before it can be removed. This is a tedious task, but a necessary one.

Your credit score is not posted on your credit report. You will have to purchase this from one of the credit report programs for \$7.50. Basically you are given a number of how good or bad your credit is. If your number is from:

|            |   |
|------------|---|
| 750 to 840 | Excellent   |
| 660 to 749 | Good  |
| 620 to 659 | Okay  |
| Under 600  | Weak  |
| Under 500  | You would not even be able to be named on the loan documents. |

To put this in terms of a car loan, an excellent credit rating is going to earn you a six to eight percent loan, whereas a good credit rating will earn you an eight to ten percent loan. An okay credit rating will get you somewhere between ten and twelve percent, and anything below that is going to range from thirteen percent to eighteen percent, and going higher. I have seen some horrible loans made by unknowledgeable borrowers. Loans that are made to buy a car for probably \$1,000, at 36% interest, with late fees in the hundreds of dollars if not paid by the 5<sup>th</sup> of the month, and repossessions have extra charges being attached if not paid within 30 days. I would rather ride a bicycle to work than borrow from these types of people. They are ruthless and unscrupulous. Why they are allowed to do business is beyond me, when all they do is prey on people who have poor credit and do not believe they have choices. The five most common ways to ruin your credit are as follows:

1. Buy something on credit, and then be late on your payments by 4 or 5 days on an intermittent basis. This is the number one way to hurt your credit score, just being late.
2. Miss by 30 days on a monthly payment and then catch up.

3. Apply for credit at numerous institutions and various credit card companies in one month. I have seen cases where if you file for credit cards for more than three or four places it will hurt your credit score because of the number of requests for credit reports is one of the factors going into the establishment of your credit score.
4. Have a debt charged off for any reason. Won't go away for seven years
5. Apply for various loans of small amounts to improve your credit score.

### **7. GROW EMERGENCY FUND TO 6 MONTHS.**

*Prov 3:21-24* 21 My son, preserve sound judgment and discernment, do not let them out of your sight; 22 they will be life for you, an ornament to grace your neck. 23 Then you will go on your way in safety, and your foot will not stumble; 24 when you lie down, you will not be afraid; when you lie down, your sleep will be sweet.

NIV

Now you are debt free but its time to start building the wall between you and unexpected disasters. With six months of income saved you will sleep well and you will be able to make better choices.

This is not an obsession for the emergency fund alone as much as it is for the obsession to be to save for #7, #8, and #9 on a monthly basis.

This wall can be used as a loan account to yourself for something new that you will payback within a year.

### **8. INVEST 15% OF YOUR INCOME FOR RETIREMENT.**

*Proverbs 8:17-21*, <sup>17</sup>I love those who love me, and those who seek me find me. <sup>18</sup> With me are riches and honor, enduring wealth and prosperity. <sup>19</sup> My fruit is better than fine gold; what I yield surpasses choice silver. <sup>20</sup> I walk in the way of righteousness, along the paths of justice, <sup>21</sup> bestowing wealth on those who love me and making their treasuries full.

The start of the 401K plans has been a revolution for many people. The days of the home being the most valuable asset have changed. The government allowed people to save and defer taxes and it worked beautifully for the rank and file as well as for the employers and the wealthy.

### **9. PAY OFF YOUR HOME MORTGAGE.**

*Romans 12:2*, <sup>2</sup>Do not conform any longer to the pattern of this world, but be transformed by the renewing of your mind. Then you will be able to test and approve what God's will is—his good, pleasing and perfect will. It's time to look at they long term debt.

Why would you want to pay a mortgage for 30 years when just adding 10% to the note will pay it off in 15 years? Look at the numbers and it is a staggering amount of money to be saved. Real money.

### **10. F F F F**

*Luke 6:35*, <sup>35</sup>Give, and it will be given to you. A good measure, pressed down, shaken together and

*running over, will be poured into your lap. For with the measure you use, it will be measured to you."*

Once you have no debt and six months of savings it is important to give yourself permission to use your wealth for the 4 F's.

**FUN** – You've made it. Have fun. Give yourself permission to travel, buy something you've always wanted. Debra and I are planning on 8 weeks of travel vacation this year and feel great about it. I can afford it and still stay financially safe. (Half the trips are driving not flying)

**FAITH** – Be the Good Samaritan. The joy of giving will far outpace the joy of making money. Many people today give in secret and thoroughly are happy with helping others. God loves a cheerful giver, so give. Build your relationship with the Lord by reading the Bible everyday. Helping Hands is a ministry we are involved in and has been a blessing to the people we help and especially to ourselves.

**FAMILY** – Don't let your final words be that you wish you had spent more time with your family. You probably sacrificed in getting to this point so lavish your attention and time on those who are most important to you. You need to work on having those special relationships with those closest to you and understanding their needs.

**FITNESS** – Your health is your most important asset – STAY ACTIVE. "If I had known I would live this long I would have taken better care of myself." This is not a good saying for your loved ones who are caring for you. Plan on being alive till 90 or 100 and so take care of yourself for everyone's sake. Remember good health applies to both mental and physical so make a plan and work it for good health.

In closing let me quote from my Mom who always said God helps those who help themselves. In the bible you will see it under

James 2:17, <sup>17</sup>*In the same way, faith by itself, if it is not accompanied by action, is dead.*

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<sup>1</sup> Proverbs 22:7-9 (page 3) <sup>7</sup>The rich rule over the poor, and the borrower is servant to the lender.

<sup>2</sup>2 Kings 4:7 (page 7) <sup>7</sup> She went and told the man of God, and he said, "Go, sell the oil and pay your debts. You and your sons can live on what is left."

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# Personal Financial Security

1. **Change your attitude** - Proverbs 22:7-9, says *the rich rule over the poor, the borrower is the servant of the lender.*

2. **Make a plan and work it** - Luke 14:28-30<sup>28</sup> "Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it?<sup>29</sup> For if he lays the foundation and is not able to finish it, everyone who sees it will ridicule him,<sup>30</sup> saying, 'This fellow began to build and was not able to finish.'

3. **Get current** - 2 Kings 4:7,<sup>7</sup> *She went and told the man of God, and he said, "Go, sell the oil and pay your debts. You and your sons can live on what is left."*

4. **Build an emergency fund** - Proverbs 10:17,<sup>17</sup> *He who heeds discipline shows the way to life, but whoever ignores correction leads others astray.*

5. **The Debt snowball** - Proverbs 22: 26-27,<sup>26</sup> *Do not be a man who strikes hands in pledge or puts up security for debts,<sup>27</sup> if you lack the means to pay, your very bed will be snatched from under you.*

6. **Review your credit report** - Proverbs 10:4, *Lazy hands make a man poor, but diligent hands bring wealth.*

7. **Grow emergency fund to 6 months** - Prov 3:21-24<sup>21</sup> *My son, preserve sound judgment and discernment, do not let them out of your sight; 22 they will be life for you, an ornament to grace your neck. 23 Then you will go on your way in safety, and your foot will not stumble; 24 when you lie down, you will not be afraid; when you lie down, your sleep will be sweet.*

8. **Invest 15% of your income for retirement** - Proverbs 8:17-21,<sup>17</sup> *I love those who love me, and those who seek me find me. 18 With me are riches and honor, enduring wealth and prosperity. 19 My fruit is better than fine gold; what I yield surpasses choice silver. 20 I walk in the way of righteousness, along the paths of justice,<sup>21</sup> bestowing wealth on those who love me and making their treasuries full.*

9. **Pay off your home mortgage** - Romans 12:2,<sup>2</sup> *Do not conform any longer to the pattern of this world, but be transformed by the renewing of your mind. Then you will be able to test and approve what God's will is—his good, pleasing and perfect will.* It's time to look at they long term debt.

10. **FFFF** - Luke 6:35,<sup>35</sup> *Give, and it will be given to you. A good measure, pressed down, shaken together and running over, will be poured into your lap. For with the measure you use, it will be measured to you."*

