

“FINANCIAL FITNE\$\$:

TWO WORKSHOPS ON WAYS TO GET – AND KEEP – YOUR FINANCES IN GOOD SHAPE

On Sunday, March 14, 2010, about thirty members of the Long Green congregation stayed after Sunday School for a delicious pot-luck lunch followed by a two-part presentation on financial accountability given by Steve Bob, Director of Operations for the Church of the Brethren Credit Union. Brethren Benefit Trust provided our speaker and all of the materials used for the program.

During Steve’s first presentation,
“The Seven Biggest Mistakes People Make with Their Money”,
people of all ages were able to gain insights
about ways to responsibly plan for the use of their financial resources.
Investments were discussed, along with the benefits of joining a credit union.

In addition to some basic ideas to be considered during early years of employment, the discussion also included having 80% of current income available after retirement and purchasing disability or long-term care plans.

Seven “financial sins” (*things to be avoided*):

1. Setting no financial goals: Advice may be needed to balance fuzzy dreams or wants with specific, identifiable goals that can be worked on. (Matthew 7:7)
2. Having no plan for the future: We need to take inventory and take into account where we are financially.
3. Suffering from too much information about budgeting, being aware that “A confused mind always says, ‘No!’.”
4. Not having enough information on how to best use monthly income in checking and savings accounts, interest rates, credit card rates, stocks, retirement plans, or employer-matching benefits.
5. Not knowing the effects of “Two Dragons”: taxes and inflation. Financial planning can save on taxes due and protect investments from inflation.
6. Failure to assess risk: Insurance for health, property, and savings is important.
7. Failure to review credit history regularly.

And, last but not least:

Procrastination. (Putting off thinking about financial planning = No financial plan!)

[Suggestion: Make your list of things to do by stating each of the above in “positive language”. Example: 1. Set financial goals.]

Steve's second presentation,
"Making Healthy Choices about Money and Debt",
stressed tips to improve your credit score and avoid debt.

Reminding us that Proverbs 22:7 warns us, "The poor are always ruled over by the rich, so don't borrow and put yourself under their power", Steve shared the following statistics:

- In 2008, the average American household had 5.4 credit cards and \$8,329 in credit card debt which would take 47 years to pay off with 2% minimum payments.
- Using credit cards versus cash can raise discretionary spending by 12 %.
- Interest rates on credit cards are rising beyond 14.9% up to 23.9 % when payments are late.

Key points about actions to take include:

1. Reduce numbers and use of credit cards.
2. Live within your means, and be a regular saver (and a regular tither).
3. Pay off credit cards monthly (or pay off the balances resolutely).
4. Make a financial plan with monthly budget of necessary and discretionary purchases.
5. Establish special savings accounts for big purchases, Christmas gifts, and vacation.
6. Accumulate on-hand cash reserves equal to three months of your monthly salary.

We were reminded that school loans can be extremely handicapping to new graduates.

Free credit report reviews are available from www.ftc.gov/freereports or www.annualcreditreport.com.

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(Notes shared by Jean Sack)

*Information about FINANCIAL FITNESS, The Church of the Brethren Credit Union,
and Brethren Benefit Trust are available at the "WELLNESS MATTERS" resource table at the church.*