
Practical Finances

— A Perspective —

Disclaimer

This presentation should not be seen as personal financial advice and each individual should not make any financial decisions without first consulting his or her own financial advisor and/or conducting his or her own research and due diligence. To the maximum extent permitted by law, the presenter disclaims any and all liability in the event of any information, commentary, analysis, opinions, advice and/or recommendations prove to be inaccurate, incomplete or unreliable, or result in any investment or other losses. The presenter is not employed by Hebron EM and Hebron holds no liability related with this presentation.

Purpose

- To offer **one person's** analytical and practical approach to finances and faith. What is presented in this seminar should not be considered the “end all, be all” to a faith-based financial approach. Rather, it is simply how I **personally navigate** finances as I feel as I have been moved/called by God.
- To help loosen the rigidity around financial discussions; a topic very much integral to everyone but generally regarded as ‘taboo’.
- To further educate Hebron EM members on different and available methods, avenues, strategies, etc. in dealing with all things finance.

Who could this presentation be useful for?

- Lower to upper wage earners who want or need to tighten up on finances for future goals (possibly Kingdom focused)
- Up and coming graduates who would like to get a head start on viewing what the current financial landscape looks like and what they can do to prepare
- Anyone who would simply like to learn more about finance strategies and methods

Before going deeper...

- Ask yourself:
 - In my current life stage, how do I live out my faith in my finances?
 - If I currently don't feel like I do, in what ways have I feel pulled to do so?
 - To both of the above questions, ask yourself: Why?

- In reality, I could teach you tens or hundreds of strategies, tricks, tips, etc. but if the **“Why?”** to it all isn't known, you'll quickly find yourself solely focusing on the “other master”: \$.

What is my “Why?”

- Future family
 - Marriage
 - Children
- Current family
 - Parents
- Spiritual family
 - Church



God

What does the Bible say about Fiscal Responsibility?

- Grow wealth strategically
 - Proverbs 13:11: Wealth gained hastily will dwindle, but whoever gathers little by little will increase it.
- You need a plan of financial intentionality
 - Luke 14:28-30: For which of you, desiring to build a tower, does not first sit down and count the cost, whether he has enough to complete it? Otherwise, when he has laid a foundation and is not able to finish, all who see it begin to mock him, saying, 'This man began to build and was not able to finish.'



What does the Bible say about Fiscal Responsibility?



- Be vigilant in your personal accounting
 - Proverbs 27:23: Know well the condition of your flocks, and give attention to your herds
- Do not serve money, money is a redeemable means to an end
 - Luke 16:13: No servant can serve two masters, for either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve God and money."

Why else could I care about fiscal responsibility?

- Money is and will be prevalent throughout your life
 - Tithing and the Church
 - Life Goals
 - Marriage and Divorce
 - Per a study done by the National Center for Biotechnology Information, 36.1% of participants stated financial problems were a big contributing factor to their divorce
 - Per a survey of 191 Certified Divorce Financial Analysts, 22% of surveyed married couples listed “money issues” as the leading cause for their divorce

| | | |
|------|-----------|-----------------------|
| 2000 | 2,525,330 | -1.38 |
| 2001 | 2,493,781 | -1.27 |
| 2002 | 2,451,969 | -1.71 |
| 2003 | 2,405,311 | -1.94 |
| 2004 | 2,362,136 | -1.83 |
| 2005 | 2,316,662 | -2.10 |
| 2006 | 2,267,118 | -2.05 |
| 2007 | 2,209,546 | -2.61 |
| 2008 | 2,140,165 | -3.23 |
| 2009 | 2,077,138 | -3.03 |
| 2010 | 2,016,091 | -3.03 |
| 2011 | 1,952,287 | -3.29 |
| 2012 | 1,849,496 | -5.26 ^[50] |
| 2013 | 1,760,200 | -4.83 ^[51] |
| 2014 | 1,667,767 | -5.54 ^[52] |
| 2015 | 1,572,660 | -5.70 ^[53] |
| 2016 | 1,482,767 | -5.71 |
| 2017 | 1,415,053 | -4.56 |
| 2018 | 1,352,678 | -4.41 ^[1] |

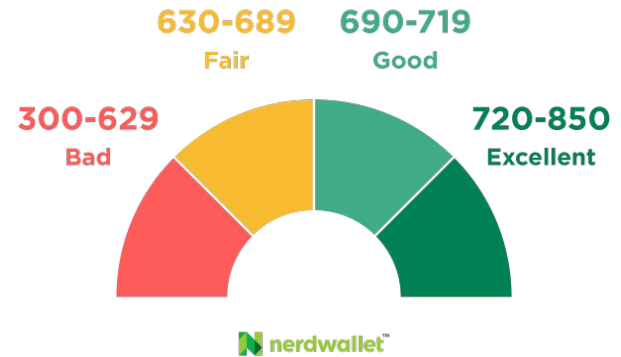
PCUSA Membership
Numbers by Year
Source: Wikipedia

| | | |
|------|---------|-------|
| 2000 | 306,156 | 1,458 |
| 2001 | 306,784 | 1,498 |
| 2002 | 310,750 | 1,499 |
| 2003 | 325,791 | 1,534 |
| 2006 | 334,151 | 1,621 |
| 2007 | 340,736 | 1,645 |
| 2008 | 335,850 | 1,672 |
| 2009 | 341,210 | 1,719 |
| 2010 | 341,482 | 1,737 |
| 2011 | 351,406 | 1,771 |
| 2012 | 356,820 | 1,777 |
| 2013 | 359,834 | 1,808 |
| 2014 | 358,516 | 1,831 |
| 2015 | 370,332 | 1,861 |
| 2016 | 374,161 | 1,892 |
| 2017 | 374,736 | 1,912 |
| 2018 | 384,793 | 1,927 |

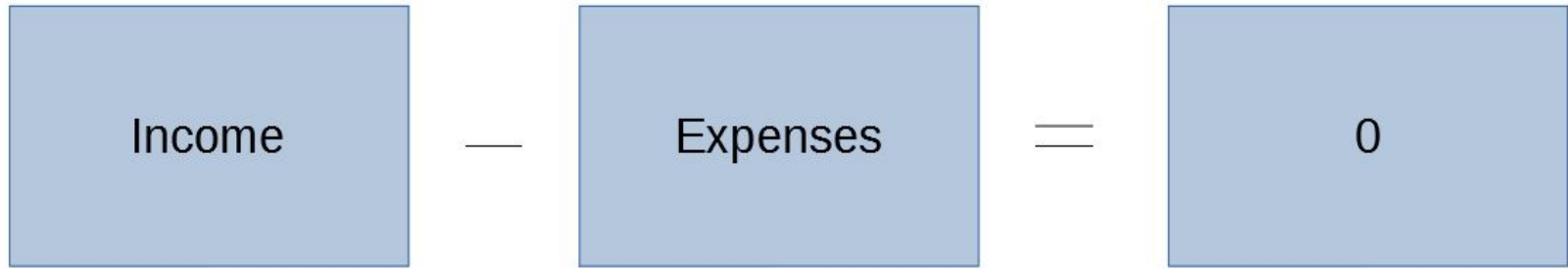
PCA Membership
and Church Numbers
by Year
Source: Wikipedia

Mentality and Intentionality

- In order to maintain good financial health, you must maintain long-term and short-term intentionality
- Short Term:
 - Understand **why** you want to make a specific purchase
 - Understand that **materialism** can be an **addiction**
- Long Term:
 - Understand that **mistakes today can impact you 5 years later** when you are in a completely different life stage
 - The ability to call on your 750+ credit score or dip into your savings when needed will make current yourself thankful for your past self



How does a budget work?




- Zero-Sum Budgeting
- 50-30-20 Budgeting
- Etc

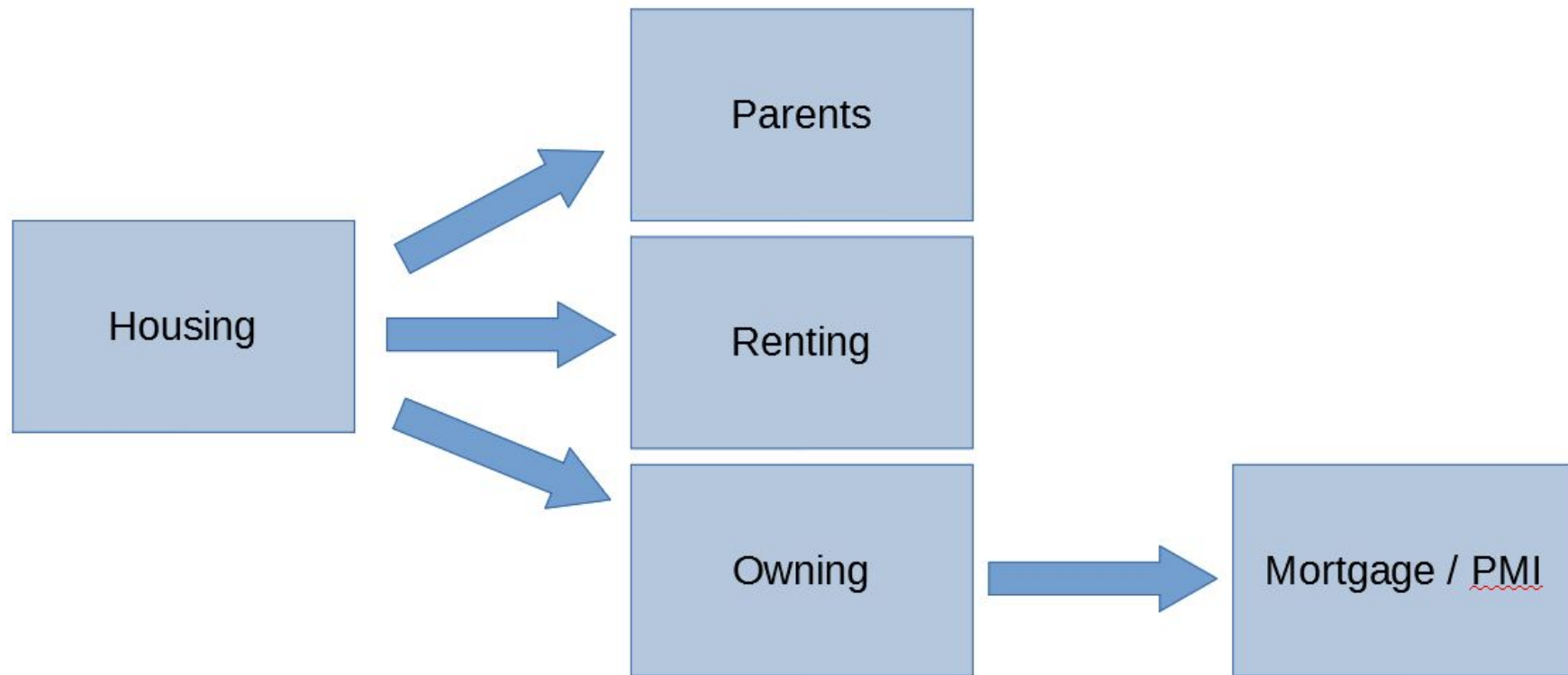
Income

- Generally, people are either working towards increasing their income or feel they are in a position where they are unable to increase their income
- Outside of moving jobs, working towards higher education, requesting raises, or picking up a second job, increasing income is generally more difficult than decreasing expenses
- As such, this presentation will focus more on decreasing expenses

Expenses

- **Housing (28%-36%) [Long Term]**
 - Utilities
 - Food (Groceries)
 - Food (Restaurants)
 - Transportation
 - **Loans (Student Loans and Credit Cards) [Short and Long Term]**
 - Savings
 - **Entertainment, Shopping, Miscellaneous [Short Term]**
 - Insurance
 - Tithe
- 

Housing



Housing - Owning

- Per bankrate.com, 72% of American renters want to buy a home at some point in the future.
- Owning a home requires a **mortgage** and a **down payment**
- A sizeable down payment (20% recommended) reduces **Private Mortgage Insurance**, which is on average 1% of the entire loan amount per year (until the amount paid on the loan equates to about 20% of the home value).
 - In simple terms, for a \$300,000 home, it's about an extra \$3,000 per year in payments towards PMI
 - Note that paying 20% is **not** a requirement, and depending on credit score, paying less could be the better path for you.

Housing - Owning

- Mortgages are generally 15 or 30 year loans given to buy homes with interest rates (as of Q4 of 2019) ranging between 2.75% to 6% APR
- Numbers below are based on a 30 year fixed loan of \$200,000

How your credit score impacts interest rates and payments

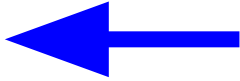
| FICO score | APR | Monthly payment | Total interest paid |
|-------------------|------------|------------------------|----------------------------|
| 760–850 | 4.17% | \$975 | \$150,833 |
| 700–759 | 4.392% | \$1,001 | \$160,208 |
| 680–699 | 4.569% | \$1,022 | \$167,771 |
| 660–679 | 4.783% | \$1,047 | \$177,020 |
| 640–659 | 5.213% | \$1,100 | \$195,938 |
| 620–639 | 5.759% | \$1,168 | \$220,584 |

Credit Score

- A credit score is a number between 300-850 that describes your creditworthiness. In layman's terms, this number describes how much of a risk you are to companies looking to loan you money.
- A credit score is derived from:
 - Payment History [High Impact - Long Term]
 - Credit Utilization [High Impact - Short Term]
 - Derogatory Marks [High Impact - Long Term]
 - Credit Age [Medium Impact - Long Term]
 - Total Accounts [Low Impact]
 - Hard Inquiries [Low Impact]

Expenses

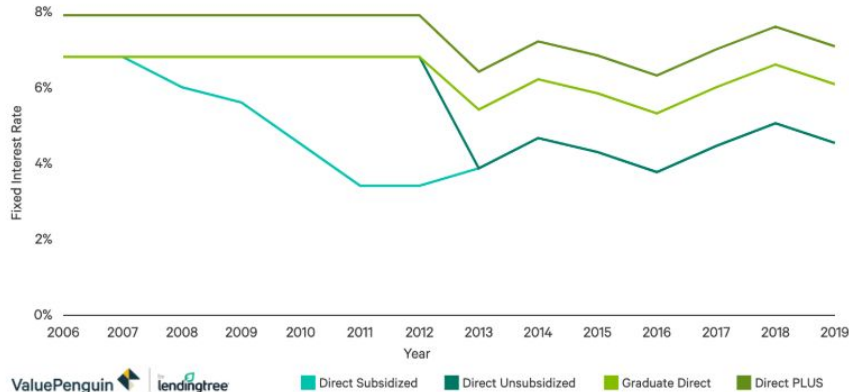
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Loans and Credit Card Debt

- Interest rates set by “The Fed” have been trending down since early 2019. We are at historic lows as of Q4 2021
- Average Credit Card Interest Rate is **17.21%**
- Average Personal Loan Interest Rate is about **10%**

Federal Student Loan Interest Rates, 2006-2019



Refinance Loans - An Option

- Many private companies allow you to *refinance* your existing loans
 - Refinance means to pay off your current loan to someone else (i.e. bank, government) and then now you owe the private company
- This allows you to lower your current loan's interest rate which effectively lowers your monthly payments or amount of payments
- There **can be** cons to refinancing, though

FIXED RATE LOANS

| Terms | Rate | Repayment APR | No. of Payments | Monthly Payment** | Total Payments |
|---------|---------------|---------------|-----------------|---------------------|---------------------------|
| 5 Year | 3.46% - 4.93% | 3.46% - 4.93% | 60 | \$181.74 - \$188.39 | \$10,904.30 - \$11,303.51 |
| 7 Year | 4.11% - 5.72% | 4.11% - 5.72% | 84 | \$137.19 - \$144.75 | \$11,524.38 - \$12,158.74 |
| 10 Year | 4.79% - 6.02% | 4.79% - 6.02% | 120 | \$105.04 - \$111.12 | \$12,605.04 - \$13,334.52 |
| 15 Year | 4.89% - 6.88% | 4.89% - 6.88% | 180 | \$78.51 - \$89.21 | \$14,131.36 - \$16,058.39 |
| 20 Year | 4.94% - 7.36% | 4.94% - 7.36% | 240 | \$65.66 - \$79.71 | \$15,759.50 - \$19,129.31 |

Refinance Loans - An Example

Example A:

Loan Amount: \$30,000

Interest: 8.5%

Loan Term: 10 years

Monthly Payments:

\$371.96

Interest Paid:

\$14,634.85

Example B:

Loan Amount: \$30,000

Interest: 5%

Loan Term: 10 years

Monthly Payments:

\$318.20

Interest Paid:

\$8,183.59

Example C:

Loan Amount: \$30,000

Interest: 5%

Loan Term: 8 years

Monthly Payments:

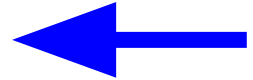
\$379.80

Interest Paid:

\$6,460.57

Expenses

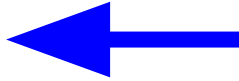
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Almost EVERYTHING you buy can be bought at a percentage of its actual cost

The “Toolkit” of Savings

- **Promotional Codes**
- Cashback Portals
- Gift Cards
- Credit Card Rewards
- Credit Card Offers



Promotional Codes

- What prices or promotional codes are typical?
 - Slickdeals.net
 - Retailmenot
 - Camelcamelcamel
- Can promotional codes be stacked?
 - E-mail promotions
 - 10 Minute Mail

BANANA REPUBLIC

GET ON THE LIST

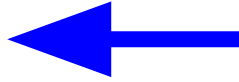
ENTER EMAIL ADDRESS

CONFIRM EMAIL ADDRESS

JOIN

The “Toolkit” of Savings

- Promotional Codes
- **Cashback Portals**
- Gift Cards
- Credit Card Rewards
- Credit Card Offers



Cashback Portals

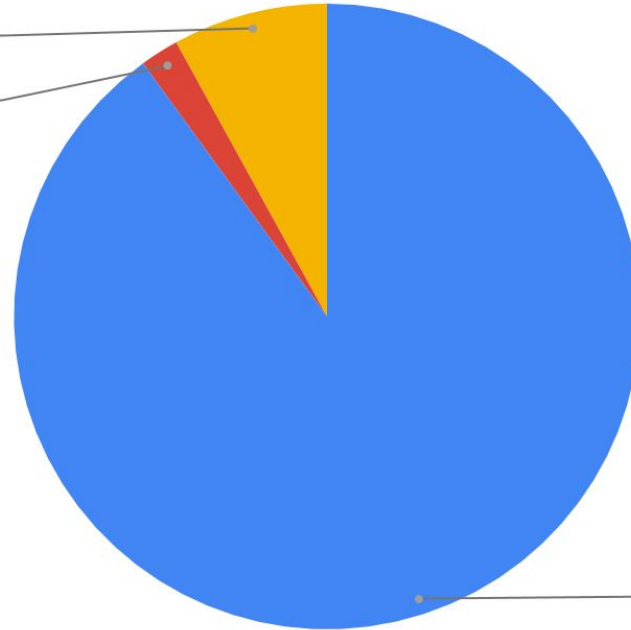
Cost of an Item

You

8.0%

Portal

2.0%



Store Revenue

90.0%

Cashback Portals

Topcashback



Amazon Cashback

Please Note: You will only earn cash back in selected departments at Amazon.

Up to 10%

Cashback



Walmart Cashback

Walmart.com is a lot like your neighborhood Walmart store. It features a great selection of...

Up to 5%

Cashback



Target.com Cashback

Our mission is to make Target the preferred shopping destination for our guests by deliverin...

2.25%

Cashback



BestBuy Cashback

Nothing excites a tech geek more than the latest and greatest technology, except when they're abl...

Up to 7%

Cashback

Banks

Earn / Use | 4,077 pts

SAPPHIRE REWARDS

ULTIMATE REWARDS

Trips

Featured online stores for you

| | | | |
|---|--|--|---|
| Neiman Marcus 2 PTS/\$1 bonus earn | BERGDORF GODDMAN Bergdorf Goodman 2 PTS/\$1 bonus earn | L'Occitane 3 PTS/\$1 bonus earn | SAMSUNG Samsung Electronics Ame... 1 PTS/\$1 bonus earn |
| Nike 2 PTS/\$1 bonus earn | Lenovo 2 PTS/\$1 bonus earn | Walgreens 2 PTS/\$1 bonus earn | SEPHORA Sephora.com 3 PTS/\$1 bonus earn |
| Under Armour 3 PTS/\$1 bonus earn | Adidas 1 PTS/\$1 bonus earn | Levi's 2 PTS/\$1 bonus earn | Staples Staples.com 2 PTS/\$1 bonus earn |

Rakuten (formerly eBates)

Featured 10% Cash Back Stores [See All 200+ Stores](#)

| | | | | |
|--|--|--|--|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Cashback Portals - CashbackMonitor.com



Search Store Here Autocomplete Off | [Bookmark](#)

Browse Stores in: [Cashback](#) [Travel Miles/Points](#) [Credit Card Points](#) [Other](#)

The Most Viewed Stores

As of 2019-11-22 10:24 PM EST

| # | Store | Best Rate |
|---|-------------|-------------------|
| 1 | Amazon | up to 10% |
| 2 | Macy's | 10.5% (15 pt./\$) |
| 3 | Raise.com | 6 (4) mi./\$ |
| 4 | Best Buy | 3 pt./\$ |
| 5 | Walmart | 4% |
| 6 | Target | 3 pt./\$ |
| 7 | Dell | 4% |
| 8 | Apple Store | 4% |

Stores Sorted by Rewards

[Customize Your Own Sort](#)

| # | Store | Best Rate |
|---|---------------------------|----------------|
| 1 | 3dcart | 150 mi./\$ |
| 2 | Liquid Web | 90% (100%*) |
| 3 | Catholic Match | 75% (78%**) |
| 4 | CallBridge | 72% |
| 5 | Norton by Symantec | 70% (70 SB/\$) |
| 6 | Norton Security and An... | 70% |
| 7 | NordVPN | 65% (75%*) |
| 8 | Surfshark | 65% (75%*) |

Cashback Portals

- Drawbacks are that sometimes purchases don't get recorded and payouts can take a long time, but can build a nice nest egg of funds
- If you plan to sign-up for either Topcashback or Rakuten, please use a referral link (either mine or anyone else's).

Welcome,
Daniel
Member since 12/19/13

Lifetime Cash Back
\$952.64

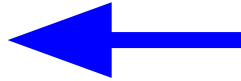
Refer & Earn \$25+

Total
\$832.07

The image shows a user interface for a cashback portal. On the left, a user profile for 'Daniel' is displayed, including a welcome message, the name 'Daniel', and the membership start date '12/19/13'. Below this, a horizontal line separates the profile from the account balance information, which shows 'Lifetime Cash Back' of '\$952.64'. At the bottom of the profile section is a button labeled 'Refer & Earn \$25+'. On the right side of the dashboard, a light gray box contains the word 'Total' above a large, bold number '\$832.07'.

The “Toolkit” of Savings

- Promotional Codes
- Cashback Portals
- **Gift Cards**
- Credit Card Rewards
- Credit Card Offers



Gift Cards

- Many websites re-sell digital gift cards to specific stores as the original owners of those gift cards would rather have cash



Starbucks Coffee Gift Cards
Up to 7.8% off



Nike Gift Cards
Up to 4.1% off



Banana Republic Gift Cards
Up to 5.9% off



Sephora Gift Cards
Up to 2.0% off | 5.0% Cash Back

Gift Cards

- These websites have their own promo codes which further give you more discounts
 - Raise.com
 - Cardcash.com
-
- Drawbacks include: If you need to return an item, can't get cash; usually better to buy items online; **make sure gift cards are instant delivery**

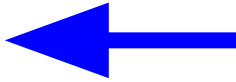
PRE-BLACK FRIDAY SALE



Today only! Extra 6% off everything with code: PRESALE | *Max savings \$20. See details.*





The “Toolkit” of Savings

- Promotional Codes
- Cashback Portals
- Gift Cards
- **Credit Card Rewards**
- Credit Card Offers



Credit Card Rewards

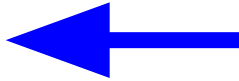
- Credit cards give anywhere between 1%-10% back in rewards
- 1.5%-2% back is generally the norm
- If you do not use a credit card, understand that retailers increase their prices by 1-3% to cover the premium caused by rewards. Therefore, using a debit card means you are willfully overpaying.
 - If you cannot control spending and use a debit card to control it, continue doing so

| JANUARY - MARCH | APRIL - JUNE | JULY - SEPTEMBER | OCTOBER - DECEMBER |
|--|--|---|---|
|  |  |  |  |
| GAS STATIONS TOLLS DRUGSTORES | GROCERY STORES <small>NOT INCLUDING WALMART* AND TARGET** PURCHASES</small> HOME IMPROVEMENT STORES | GAS STATIONS SELECT STREAMING SERVICES | DEPARTMENT STORES¹ AND PURCHASES MADE USING PAYPAL OR CHASE PAY ^{®1} |
| ACTIVATION PERIOD CLOSED | ACTIVATION PERIOD CLOSED | ACTIVATION PERIOD CLOSED | ACTIVATE BY DECEMBER 14, 2019 |


















| | | |
|---|--|---|
| OCT-DEC 2019 Amazon.com, Target and Walmart.com Activate Now | JAN-MAR 2020 Grocery Stores, Walgreens and CVS Activate Now | APR-JUN 2020 Gas Stations, Uber, Lyft and Wholesale Clubs |
|---|--|---|

The “Toolkit” of Savings

- Promotional Codes
- Cashback Portals
- Gift Cards
- Credit Card Rewards
- **Credit Card Offers**



Credit Card Offers

| | | | | |
|---|---|---|--|--|
| <p>New</p>  <p>10% back 24 days left</p> <p>Add to card</p> | <p>New</p>  <p>10% back 39 days left</p> <p>Add to card</p> | <p>New</p>  <p>10% back 27 days left</p> <p>Add to card</p> | <p>New</p>  <p>\$25 39 da</p> <p>Add to</p> | <p> Get 15% back on purchases, up to \$5 Starbucks</p> <p>Expires in 11 days</p> <p>Add to Card</p> |
|  <p>\$15 back 11 days left</p> <p>Add to card</p> |  <p>\$100 back 19 days left</p> <p>Add to card</p> |  <p>10% back 21 days left</p> <p>Add to card</p> | <p>  Spend \$250 or more, get \$50 back Omni Hotels & Resorts</p> <p>Expires 03/02/2020</p> <p>Add to Card</p> | <p> Spend \$125 or more, get \$25 back Levi's®</p> <p>Expires 12/31/2019</p> <p>Add to Card</p> |
|  <p>10% back 10 days left</p> <p>Add to card</p> |  <p>10% back 2 days left</p> <p>Add to card</p> |  <p>20% back 23 days left</p> <p>Add to card</p> |  <p>10% back 11 days left</p> <p>Add to card</p> |  <p>\$5 back 12 days left</p> <p>Add to card</p> |
| | | | <p> Spend \$9.99 or more, get \$9.99 back Pandora Media</p> <p>Expires 12/18/2019</p> <p>Add to Card</p> | |

An Example



Galaxy Tab S6 10.5", 128GB, Mountain Gray (Wi-Fi) S Pen included

SM-T860NZAAXAR

\$508.74

Discount: \$141.25

Qty: 1

PAYMENT SUMMARY

Payment Method ***** 



| | |
|-------------------------|-----------------|
| Subtotal | \$508.74 |
| Shipping | FREE |
| Taxes | \$31.80 |
| Discounts | \$141.25 |
| Promotional Discount(s) | \$100.00 |
| Employee Discount | \$41.25 |
| Total Savings | \$141.25 |
| Total | \$540.54 |

\$650 MSRP

- \$141.25 BF Sale
- \$94 Chase Offer
- 10% CB Portal
- 2% Credit Card Reward

~\$386.54 Paid

Another Example

Delivered Nov 8, 2019



Apple AirPods Pro

Sold by: Amazon.com Services, Inc

Serial Numbers:

SGX2ZKSNYLKKT

Return eligible through Jan 31, 2020

\$234.99



Buy it again

View your item


\$250 MSRP

- \$15 Amazon Sale
- \$47 Amex Reward
- 5% Discover Reward

~\$189.73 Paid

Payment information

Payment Method:

American Express | Last digits: 
Rewards Points
Gift Card

Billing address



| | |
|--------------------------------|---------------|
| Item(s) Subtotal: | \$234.99 |
| Shipping & Handling: | \$0.00 |
| AMEX holiday offer: | -\$47.00 |
| | ----- |
| Total before tax: | \$187.99 |
| Estimated tax to be collected: | \$11.75 |
| Gift Card Amount: | -\$199.73 |
| Rewards Points: | -\$0.01 |
| | ----- |
| Grand Total: | \$0.00 |

Conclusion

- Similar to spiritual and physical health, intentionality, planning and foresight are all needed to lead a financially healthy life
- Financially healthy **does not mean** being able recklessly buy anything you want, it means preparing and placing yourself in a position to mitigate financial strain that may occur from living faithfully
- Financial health **does not happen overnight** and **there is always a way to become financially healthy**, despite any mistakes you made when younger.
- You, your spouse or future spouse, your children, your parents, your church, etc **all** benefit from leading a financially healthy life

Conclusion

- **You are not defined by your financial health**
- Find your “why?” and then use your own personalized methodology to pursue faith in finance
- Talk with each other and how you go through life. Find out each others’ “why’s” and adapt your own ways as you see fit

Questions, Comments, Concerns?