



First United Methodist Church

201 N. Mount Street • Fairfield, Texas 75840

October 13, 2009

Dear First United Methodist Church Member:

Last Sunday our congregation received the enclosed Six Key Financial Principles card in worship. Please read these principles and Scriptures as a family. By practicing these biblical principles, all of us can find greater simplicity, contentment, generosity, and joy for our lives.

First United Methodist Church would like to help you with this part of your spiritual life in the coming year. We will offer Sunday morning classes and small-group opportunities designed to help you with your finances. With God's help, everyone can save more and give more by eliminating waste and reducing debt.

On Sunday, October 18, 2009, the sermon will be "Cultivating Contentment." We live in a society full of economic problems that result from materialism. This message will offer practical and biblical help for the financial issues that challenge and stress so many of us. In Matthew 6:19-20, 24 we read these words, "Do not store up for yourselves treasures on earth. . . . store up for yourselves treasures in heaven. . . . You cannot serve both God and Money" (NIV). You will hear a message on how to de-clutter your life, work toward developing contentment and learn God's will for our lives in the area of finances.

On Sunday, October 25, 2009, we will have the final message in this sermon series: "Defined by Generosity." We will be distributing commitment cards for you to record your personal commitment for the coming year. The following Sunday, November 1, 2009, will be our Consecration Sunday. In worship we will bring our commitment cards forward and consecrate our personal commitment.

This year many households returned a commitment card as a witness of giving to God and as a way to plan their giving for our ministry. We hope and pray to increase the number of households that will take a step out in faith and return a commitment card for God's ministry and mission at First United Methodist Church in 2010.

Join us in worship as we celebrate and consecrate our gifts to the ministry of our church in the coming year. We can live as people of hope, learning how to live with simplicity, contentment, generosity, and true joy!

In Christ service,

Rev. T. Paul Kethley
Pastor

Six Financial Planning Principles

The following financial planning principles can help us to manage our money with wisdom and faith:

1. Pay your tithe and offering *first*.

Put God first in your living and your giving. Give your tithe and offering from the “top” of your paycheck, and then live on whatever remains.

2. Create a budget and track your expenses.

Creating a budget is simply developing a plan in which you tell your money what you want it to do. Tracking your expenses with a budget is like getting on the scales: It allows you to see how you are doing and motivates you to be more careful with your expenditures. (*Suggestion: Use the bulletin insert “Basic Budget Worksheet.”*)

3. Simplify your lifestyle (live below your means).

Because this discipline is critical to the success of any financial plan, next Sunday’s sermon will be devoted to this topic.

4. Establish an emergency fund.

An emergency fund is an account separate from checking or long-term savings that is set aside specifically for emergencies. Dave Ramsey recommends beginning with \$1,000 and building that to three months’ worth of income.⁴ When you have this amount, you won’t need to use your credit cards anymore.

5. Pay off your credit cards, use cash/debit cards for purchases, and use credit wisely.

As you are building your emergency fund, begin to pay off your credit card debt and start using cash or debit cards for purchases. Some experts suggest starting with the credit card that has the highest interest rate. Others suggest paying down the smallest debt first, experiencing that victory, and applying your payments from the first card to the second, and so on, creating a snowball effect to pay off the cards as soon as possible. Cut up your cards as you pay them down so that you are not trapped or leveraged by your future for present-day pleasure, as the prodigal son was. If you must use a credit card, such as when traveling or making purchases online, be sure to pay off the debt monthly. If you are unable to do this, then it is better for you to cut up your cards and stop using them altogether.

6. Practice long-term savings and investing habits.

Saving money is the number-one wise money management principle everyone should practice. We do not save merely for the sake of saving. There is a word for that: hoarding. Hoarding is frowned upon in the Bible as the practice of fools and those who fail to understand the purpose of life. Saving, on the other hand, is meant to be purposeful. There are three types of savings we should have: 1) emergency savings, 2) savings for wants and goals, and 3) retirement savings.

Resources for Developing a Budget

http://www.crown.org/Tools/Calculators/Budgeting_SpendingPlan.asp

This is a fun and helpful budgeting calculator that automatically generates a suggested budget based upon the user's inputs and Crown's recommended expenditures.

<http://crowncanada.ca/resources/CrownSpendingPlan2.pdf>

This is another Crown resources site focused on budgeting and financial freedom. There is good information here.

Getting Out of Debt

Dave Ramsey's Financial Peace University offers a great deal of online information including his approach to reducing debt found at this site:

www.daveramsey.com/the_truth_about/get_out_of_debt_4055.html.cfm.

Basic Budget Worksheet

Item	Actual %	Suggested %*	Plan for next 12 months
Housing		25–35%	_____
Transportation		10–15%	_____
Charitable Gifts		10–12%	_____
Food		5–15%	_____
Saving		5–10%	_____
Utilities		5–10%	_____
Medical/Health		5–10%	_____
Debt		5–10%	_____
Clothing		2–7%	_____
Miscellaneous		12–23%	_____

*These percentages are adapted from Dave Ramsey's *The Total Money Makeover* (Thomas Nelson, 2007).

My Life and Financial Goals Worksheet

How would you define or describe your life purpose?

What are three goals that can help you to achieve this life purpose?

What are some financial goals that can help to support your life goals and purpose?

Short-term financial goals (next 12 months):

- 1.
- 2.

Mid-range financial goals (2–5 years):

- 1.
- 2.

Long-term financial goals (5 years to retirement):

- 1.
- 2.