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FOURTEEN STEPS TO FINANCIAL FREEDOM

1. Give God a chance first.
2. Learn to save money.
Put \$100 per month into savings. If you average a 7 ½ per cent over 40 years, you will have \$302,382 at age 65.
3. Learn to spend less than you earn.
4. Don't finance pleasure items.
5. Have cash in an emergency fund.
6. Control your credit cards.
7. Have adequate life insurance to protect your family.
(\$400,000 - \$750,000)
8. Be self-insured for life insurance by age 65 or retirement.
9. Have retirement plan in progress by age 40.
10. Own your home by age 65 or retirement.
11. Have a workable budget - key **discipline and control**.
12. There is a difference between **debt** and **obligations**.
13. Understand the **TAX** law as it applies to you.
14. Have an estate plan that includes a **will** and/or living trust.

Use these principles to develop a financial plan for your life.

CREDIT CARD STATISTICS

Over 200 million used every day

2001 - \$670 billion charged on credit cards

2008 - \$2 trillion charged on credit cards

Presently over \$800 billion owed on credit cards

17% average interest rate

\$373 million per day of interest income

6 average number of credit cards per household

60% carry unpaid balances from month to month

\$800 in debt on credit card – have you for life

What is a Credit Score?

A Report that shows your credit history.

Everybody has one.

Goes from 300 to 850

720 or Higher is the best rating and results in lowest interest.

What is the Big Deal?

A person with a 720 score verses a person with a 520 score on a \$100,000 mortgage/30year amortization:

Will save \$85,000 in interest over life of loan

Monthly payment - \$235 less

What impacts the Credit Score?

1. Late payments can have the biggest impact on your credit score.
2. Don't use more than 1/3 of your available credit.
3. Consolidating loans and cancelling credit cards can be a negative.
4. Look for mistakes on your credit report. (annual credit report.com)
 - A. Late when you weren't late
 - B. Loans that are not yours.

TREAT YOUR CREDIT AS A VALUABLE ASSET.

BUDGETING

The exercise of preparing a budget is more important than attempting to control that Budget.

The process of preparing the budget defines who you are and what's important.

The control aspect is mechanical

When the Budget becomes inflexible, it is a taskmaster.
When it is a guideline to be followed, it is a friend.

FOUR REASONS TO LIVE ON A BUDGET

1. Helps Control Debt

No Budget makes you vulnerable to over spending.

2. Earn cheaper Interest Rates

Helps you avoid late payment penalties which improves your credit score

3. Saving for the Future

Live within your means and Budget saving money

4. Improve your Relationship with your Spouse

85% of divorces start with money problems

Stewardship says I know where my money goes and when it goes there. This worksheet will track your spending by the month and by category.

BUDGET WORKSHEET

[illegible]

PRACTICAL TIPS

1. Have a Budget Prov. 24:3, 4

Stewardship says I know where my money goes.

Living by a Budget is absolutely necessary if you want to progress financially.

2. Get out of Debt Prov 22:7

3. Control Credit Card Use Prov. 22:7

Great tool or terrible master

\$373 million per day - interest income to credit card industry.

4. Are you 50 with little retirement set aside? Prov. 13:16

Get your head out of the sand.

5. Do you have an up-to-date Will and Living Trust?

LET'S GET REAL PRACTICAL

If you can't afford to pay for it now you can't afford it.

1. Be afraid of credit cards
2. Learn to procrastinate on discretionary purchases.
3. Buy a home not a castle
Only commit to 75% of what you qualify for
Qualify for \$2,000/month? Commit to \$1,500/month
4. Have an emergency fund and plan ahead for special events

HOW TO BE FINANCIALLY SECURE IN YOUR RETIREMENT

1. 50% of your needed income is guaranteed. (SS)
2. Your home is paid off
3. You have a long-term care insurance policy that protects for 5 years.
4. You could cut your monthly expenses by 20% if you had to.
5. Your death or your spouse's death will not create chaos.

ONE OF MY FAVORITE QUOTES

“Prosperity, accolades, stature and popularity is not the measure of a true believer. It’s commitment to Christ, loyalty to the Savior, living God’s Word day in and day out, month in and month out, year in and year out. Sanctification is a life-long process and godliness is a day-to-day proposition.”