

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

Two questions:

1. How much money does someone have to have to be rich?
2. How much money would you need to be satisfied?

<START RECORDING>

Last week I talked about what the Bible or what God teaches about money. That was what God says and they were more principles than specifics but because it is God, we need to pay attention and can benefit greatly from following what God teaches. If you missed it, you can go back and listen to it and read the notes.

This week, I am going to talk about my perspective on money. Hopefully you can learn some things to do or not to do but remember, this is me and not God so keep that in mind. God however often tells us that we can learn from each other – that outside counsel is good. We all don't have time to make all the mistakes or have all the experiences and learn from them so we need to learn from other's mistakes and experiences.

As I did last week, I am going to go through this very quickly. If you want to follow up, you can call me and we can get together and discuss further, you can listen to this recording on our website or you can read my notes which will also be on the website. I would strong encourage you to follow up on this information if you want to make real changes in your life in regards to money – you have to be intentional.

Quick word about learning or as the Bible refers to it as seeking wisdom.

Proverbs 12:15 (NLT2) ¹⁵ Fools think their own way is right, but the wise listen to others.

Proverbs 11:2 (NLT2) ² Pride leads to disgrace, but with humility comes wisdom.

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

Be a humble learner – know that there are better ways and therefore better results and you can get those. If you start a lifelong process of seeking knowledge and wisdom humbly, you will have a much better life than being stuck doing the same things and having the same often bad results. There are often better ways of doing things than you have stumbled across so far.

My Vision for Money – I hope this is your vision also

- Have the basics of life – living, transportation, food, clothes
- Be able to easily pay my bills
- Take care of my family
- Save for things and the future
- Handle emergencies
- Give to help others

Why talk about money?

- Money is important
 - 2,500+ verses about money/possessions in the Bible. Jesus spent 15% of His Words in the Bible talking about money/possessions. If it is important to Him, it should be important to me and you.
 - Money gives you options.
 - Having money affects: Where you live. Where you go. How you get there. How you spend your time. What you eat. What you wear. How you help others with money. What happens when emergencies come up. How you spend your time (free time to do things you enjoy). Some search for our significance/meaning in money and things.
 - Lack of money: Limits where you live. Where you go. How you get there. What you worry about. How you spend your time. How you can't help others with money. How much you need to ask others for help. What happens when emergencies come up. How you spend your time? (overtime, more jobs, hustling, paying debts). It affects our significance/meaning when we struggle with money.
 - Money affects whether you generally help others or you generally need others to help you.

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

- Lack of money can dominate your thoughts and activities. Too much money can dominate your thoughts and activities.
- How you have done with money affects who will loan you money, how much they will loan and what interest is required.
- God loves us and wants us to live a better life here on earth and for eternity. I care about you and since money is important and can have a big impact on your life, I want you to have the best knowledge and therefore opportunity. Having a proper view of money is very important because it affects greatly how we live. By being smarter about money, you can have a better life and who doesn't want that?
- Net: I don't want to see you struggling with money when with a few better decisions, your life could be a lot different and this applies to all of us.

What Really You Believe Affects What You Do!

- I believe:
 - God owns everything
 - My purpose in life is to love God and love others
 - Money does not bring happiness
 - Money is a gift from God to help Him which is helping others
 - The world teaches us that money and things bring happiness and I have to fight against that in my life. It is difficult.
- What I believe affects my perspective on money
- If you have a different belief, it will affect your perspective on money.

My main guiding principles in regards to money are:

1. Always spend less than you make – no matter how much you make, you can spend more. I know guys making \$20/hour are not saving. I read about a man making \$600,000/year who was spending more. You can and will be tempted to spend more. I was saving when I was making \$3.40/hour – more about that later.
2. Save for things and a rainy day like a bill collector will come after you if you don't. Treat it like your cell phone bill where you have to pay it. It will rain. Bad things will happen.

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

3. Set aside and give money to those in need like a bill collector will come after you if you don't. If you can't give regularly, no matter how little you make, you will never be able to because you'll always need that money for something else. If you easily give, you are not controlled as much by money. God loves a cheerful giver.
4. Manage needs vs. wants. Fight with your mind against the wants which include new, shiny things that you are sure will bring you happiness but they won't. Money spent on new shiny things will keep you from a stable life where you have good housing, transportation and other options in your life.
5. "We buy things we don't need with money we don't have to impress people we don't like." — Dave Ramsey
6. Make this a lifelong habit – not just a quick change to make the pain go away.
7. "You must gain control over your money or the lack of it will forever control you." — Dave Ramsey

Some background/facts about my life:

- My parents were divorced when I was in 1st grade – I went to 9 different schools in 1st grade. My dad got custody of the children.
- I had a paper route starting in 3rd grade all through high school. All through high school, I had a morning route where I would get up at 5:30am.
- I worked as a dishwasher and was "Potato Boy" at Ponderosa. I worked as a stock boy in a grocery store. In college, I worked in a drug store all through college.
- I took a year off between my sophomore and junior year and with \$50 in my pocket, rode a bus from Fairborn, Ohio to Houston, Texas and lived there for 1 year to "grow up"
- Took a job for \$3.40/hour in a nuts and bolts warehouse working with Emilio and Santos among others. They were so good to me.
- I lived in a room I rented for \$16/week.

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

- I went to the Goodwill and bought work clothes and got a pair of Army boots.
- I went down the street and saw “Sharp Automotive” where brothers Harold and Charles Sharp worked on cars. I asked if I could come and hang out after work and learn things about auto mechanics. They were African Americans and they were amazingly nice to me. They gave a me a key to their place, sold me a 1964 VW. I learned to take the engine out and put it back in by myself. It caught on fire and I, with their guidance, fixed it.
- I made my own lunches and stored them in a box I shared with roaches.
- I took a college course and rode the bus back and forth to night school.
- After a year, I returned to Fairborn Ohio somewhat more grown up (I don't know if I'll ever grow up) and \$1,000 cash.
- I have never been out of work during the 34 years I worked after college. I have never been laid off or fired.
- I have never paid a bill intentionally late due to not having the money
- I put three children through private college paying for room, board and a car.
- I retired at 56 – about 7 years ago.
- I recently worked at Target over the holidays.

I always have more to learn but I can share some of my approaches and thoughts so far. I am going to list topics in no special order and share some thoughts on that topic and then move on. This should go quickly.

Please save questions or comments until the end and I will make sure I leave time.

Again, key messages:

1. Spend less than you make
2. Save like it is a bill you owe
3. Give like it is a bill you owe.
4. Keep working on knowing the difference between wants and needs.
5. Make this a lifelong habit – not just to make the pain go away.

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

“If you will live like no one else, later you can live like no one else.” – Dave Ramsey

So lets get started with the first topic...

Loans – especially a mortgage

- It is not about the payment, it is about the total cost
- 30 year loan, \$150K, 4% interest – Over the total time, you'll pay \$107K in interest. Your first payment will be \$716 - \$500 of that will be interest
- Maybe start with a 30 year but pay ahead. One extra payment at the beginning avoids \$500 in interest over the whole loan
- Know your Amortization table. Know how much total interest you'll pay and have a strategy to pay less by paying ahead, borrowing less, lower interest rate, shorter loan. I brought some samples.
- Refinance to lower term to get a lower rate.
- Pay ahead
- We started with 30 year, refinanced to 15 year and then 5 year and paid it off.
- Don't focus on the payment amount (but you must be able to pay it even with emergencies) but focus on the overall cost of the loan.
- Always consider saving for something instead of borrowing. This save a lot in interest which is real money.

Missions Trips

- Save money to go to a poorer/different country or part of the country to help.
- You'll get a different perspective on what material things are need to be happy.
- I went to Dominican Republic and Honduras – no doors, no electricity, carry water from river but great community and family.
- We have way more than we need.

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

Marriage

- Money is great cause of marriage problems
- Have joint accounts – separate accounts keep you separate – the two shall become one
- Talk and compromise. Make decisions together.
- Talk a lot about plans
- No major impulse purchases
- Respect each other and balance each other out
- Work through disagreements – compromise in love
- Relationship is much more important than things
- Manage wants vs. needs.
- Get help if needed
- We have joint accounts. I have earned most by far but she has done the more important work by raising children and balancing me. It is our money.
- Don't choose to be with someone that you can't trust completely with your money. If so, money will be the least of your problems.
- Be the person - the person you are looking for - should be looking for.
(repeat)

Will and documents – If you aren't single or you have money and things.

- Have a will in place. Get some software and create and print it and get it witnessed. If more complicated, hire an attorney.
- Have other living will and power of attorney documents in place when you have a family.
- Get people to help you
- We created our own will and had friends witness it – Done!

Pets can be great – especially at the beginning but are expensive

- Getting a puppy, a friend said “did you know that every time that dog goes the bathroom for the rest of its life, you will be involved?”

Books

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

- Read regularly to grow
- Read the Bible
- Turn off the TV and read
- Spend money on improving yourself
- I have a kindle with many, many books to help me love God and love others

(If you have a home) Home repair/improvement – Homes are expensive

- Save money for repairs – things break when you least expect it
- Plan ahead based on how long things are supposed to last
- Roof, windows, driveway, siding, furnace, A/C, appliances, etc.
- Be careful who you hire - Be careful hiring friends or relatives – try to avoid it
- Check our references and get several quotes
- A/C example – Summer – 15 years old – leak - \$5K to \$13K option. Ask experience person's opinion.
- Easy to get burned

Buying new stuff

- I prefer paying more for higher quality things vs. lower quality. I go for quality and not luxury.
- Tried to save money for something important and regretted it – football, bike, furniture, etc.

Cars – I'm not the greatest at buying cars but I keep learning

- Cars are money pits – they always break down and are expensive.
- Educate yourself on the buying process to get a good deal – you do it every 3-5 years – they do it every day – they are better at it.
- Maintain it well
- Oil change often
- Good tires and brakes
- Work to save for car and pay cash – better deal and no interest cost.
- Finance if low interest but only if you can pay – be careful.

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

- Buy used if inspected and knowledgeable about history. If buying used, get help. Find a mechanic to check it out first. Don't be in a hurry to buy used – get the information you need. I know someone who bought a used car and soon after had to pay \$3,200 to keep it running.
- Don't buy just by payment – know the amortization schedule or total cost.
- Manage your needs vs wants – do you need a car and what kind?
- Consider waiting and saving so you borrow less. Before you buy, have money set aside.
- We have almost always bought new and kept them until over 100,000 miles. Is that the best? Probably not for money but for less hassle. We rarely pay for repairs but we pay for regular maintenance.
- We buy Hondas and went to Don Ayers. Now I go to a cheaper place with honest people and pay less but I manage the maintenance schedule.

Charitable giving

- Give regularly like it's a bill. Make it a habit. Be generous.
- Study to know that they are in business to help others and not themselves. Check out exactly what they do with the money.
- You can give to individuals
- Give as anonymously as possible.
- It takes some work to give money – to give to where it is needed.
- We have a charitable account that our money guy puts money in and we pay out of that.
- Because of all the people I come in contact with, I don't give money to individuals but I do give rides sometimes and will buy meals if they eat with me. I also don't do loans. This is what I do but you can do differently because we have different roles.

Habits of spending and saving – spend less and save more – Wants vs Needs

- “It is human nature to want it and want it now; it is also a sign of immaturity. Being willing to delay pleasure for a greater result is a sign of maturity.” — Dave Ramsey, *The Total Money Makeover: Classic Edition: A Proven Plan for Financial Fitness*

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

- “Most of the things we buy are wants. And we call them needs, but they’re wants.” –Dave Ramsey
- If you spend everything every month, at the end of a year, you will have no savings. You will be in trouble when emergencies come and they will.
- If you spend everything but \$50 each month, at the end of the year, you will have \$600. In 10 years, you will have \$6,000. If you are buying shiny extra things, you won’t be impacted to save \$50/month. Do the math saving \$100/month? \$200/month? You can work your way up. If you save \$200/month - \$2,400/year, \$12,000 in 5 years and \$24,000 in 10 years and that’s not including any interest. If you keep spending what you earn, in 10 years, you’ll still have nothing.
- “Live like no else today, so you can live like no else tomorrow.” — Dave Ramsey
- Your habits today will have a big impact on your future so make it a habit to save today.

401K/Employee Matching Retirement

- If you can have a 401K, you should take advantage and begin saving today even on a small basis.
- Assuming you have a 401K
- Rule of thumb – if your employer matches any of your retirement savings, take advantage of it. It is free money. If you have to save 6% and they match 6%, you get free money and it will grow.
- I did all the matching for 20+ years and I bought IBM stock at a 15% discount and sold it when I could.
- Study how it is invested for your age – how long you have until retirement
- Start contributing to a 401K and you’ll be surprised how fast it will grow.
- It may have ups and downs with the stock market – be in for the long haul and don’t worry about the ups or downs.

Borrowing from 401K

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

- You'll see your 401K statement and you'll think, wow, that is my money and I could sure use it now. I'll just take a loan or I'll make up what I take out later on when I am doing better. Don't do it!
- Do everything you can to avoid borrowing from your 401K. You most likely will have to pay a 10% penalty and taxes and it won't be there and won't have grown when you will need it years later.
- I borrowed once from the 401K for a car and that was not a good idea.

Working toward a career – investigating, training, growing

- Without a specific skill, you are competing with everyone off the street. You most likely will never get paid a whole lot compared to those with specific skills.
- You are unique in your gifts, talents and interest. You have capability to be good at work compared to others if you invest and develop a marketable skill.
- \$10/hour = \$20,000/year - \$20/hour - \$40,000/year. For 5 years, that is a difference of \$100,000. 10 years is \$200,000 and 20 years is \$400,000. In the next 20 years, can you use an extra \$400,000?
- Get the right skilled job and get good at it and you can earn \$40/hour plus – do the math!
- Having a marketable skilled job generally is more fun – all work is not fun – that is why they have to pay us but working a skilled job will be generally more challenging and interesting and you will have more opportunities.
- Unfortunately, we usually seek out what our parents did or others around us. We can break that cycle.
- How do you start? Seek to find out what you might be good at and somewhat enjoy. You bring a unique set of skills and temperament and that can result in a certain set of jobs being a pretty good fit.
- Indianacareerready.com
- WorkOne
- People who are in jobs like to help those wanting more information.
- I am going to try and get an expert to come and talk to us but don't wait – get started now.

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

Work ethic / attitude

- **Colossians 3:23 (NLT2)** ²³ Work willingly at whatever you do, as though you were working for the Lord rather than for people.
- If you agreed to work, even if you hate it, do a good job. There is never a downside to doing a good job – only an upside.
- Being a good worker opens up opportunities.
- It makes the time go faster vs. moping and complaining
- It teaches you discipline
- See things from management's view – cut them slack – they have a tough job. You can advance if you focus on the big picture.
- If you hate it and it is not good, get another job and then give them two weeks' notice before you quit.
- I didn't like scraping gum off of school desks. I didn't like working in hot warehouses. I did it and moved on.

Credit Cards

- Dave Ramsey – no credit cards - just debit cards
- “It is human nature to want it and want it now; it is also a sign of immaturity. Being willing to delay pleasure for a greater result is a sign of maturity.” — Dave Ramsey
- Once you start buying things with credit cards, you will dig a bigger and bigger hole. Don't be the sucker they want you to be.
- I use credit cards like debit cards but I get the rewards and instead of paying instantly, I always pay at the end of the month.
- Me – Capital One 1.5% for all, Amazon – 5%, 2% Gas and Restaurants
- I pay everything I can with credit card
- Automatically withdrawn at the end of every month

Budget

- “A budget is telling your money where to go instead of wondering where it went.” — Dave Ramsey

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

- Envelopes, Quicken – nothing worked
- Spend less than I earn
- Plan ahead
- Commissions – feeling when more money available and always had things we wanted when time came
- Do what works for you but use a budget to manage your expenses and income so you spend less than you earn.
- This will take work and trial and error but you must know to spend less.

Paying Bills

- I have every bill I can automatically withdrawn from checking or ideally credit card which I pay off at the end of the month so I get rewards.

Taxes

- Let government keep as little as possible.
- Keep money throughout the year and maybe even pay a little in April – don't let them be my savings account

Savings

- Keep a month or so of emergency savings
- Save for specific things over time – use a separate account for Christmas, next car, down payment, vacation, etc.

Buying

- Be a knowledgeable and creative buyer
- Be a good and enjoyable negotiator
- Manage wants vs needs
- Delay purchasing if you think you must borrow
- Learn your lessons of negotiation and sales with each purchase

To Close, let's review the messages:

1. Spend less than you make
2. Save like it is a bill you owe

Marvin's Perspectives On Money

Faith Based Mentoring Ministries – July 12, 2021

3. Give like it is a bill you owe.
4. Keep working on knowing the difference between wants and needs.

“If you will live like no one else, later you can live like no one else.” – Dave Ramsey

Why do I do this? Because of what I believe:

- God owns everything
- My purpose in life is to love God and love others
- Money does not bring happiness
- Money is a gift from God to help Him which is helping others
- The world teaches us that money and things bring happiness and I have to fight against that in my life. It is difficult.
- What I believe affects my perspective on money

I believe this because I know I am a sinner and I need a Savior – I deserve the punishment of hell. I know that Jesus died for my sins and took the punishment I deserved. He said if I believe in Him and what He did and turn from my ways and follow Him, I can be saved from this punishment and live with Him started then throughout eternity.

Part of my beliefs and practices in regards to money has to do with turning from my way to his – I am following Him in many areas including money.

If you have not believed – trusted Him that He took away your sins and then turned from your way to follow Him, you can do that today and He will help you change to become more like Him, including in the area of money. If you want to do that or learn more, contact one of the mentors.

Questions? Comments?