



Personal Finance

For Self-Reliance

“Please remember that you and I are agents endowed with moral agency, and we can choose not to be offended.”

– Elder David A. Bednar –

“No one would remember the Good Samaritan if he’d only had good intentions – he had money as well.”

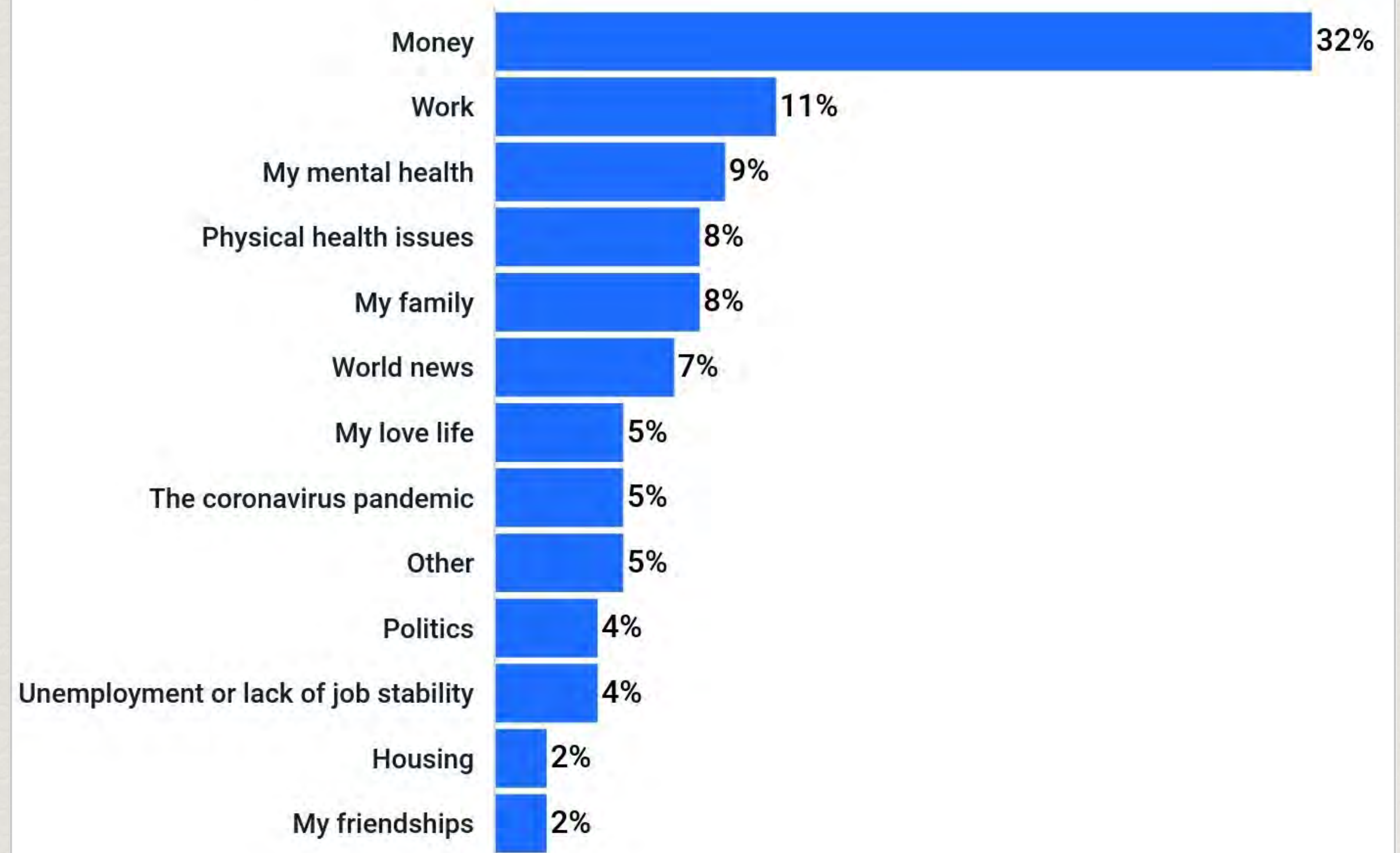
– Margaret Thatcher, Former Prime Minister of the United Kingdom –

- ✿ *The average American home has **quadrupled** in size in the past 100 years - from 700 square feet in the 1920s to 2,700 in 2015*
- ✿ *The average American buys 60% more clothing items than they did 15 years ago but keeps them for half as long.*
- ✿ *The average American woman has 103 items of clothing. In 1930, she would have owned only 9 outfits.*
- ✿ *Credit card debt in America now exceeds \$1 Trillion - twice as much as 10 years ago.*
- ✿ *Americans make one impulse purchase every two days, spending up to \$5,400 annually on these purchases (\$324,000 over their lifetime).*
- ✿ *Americans spend \$18,000 per year, per person on nonessentials.*

“The Church and its members are commanded by the Lord to be self-reliant and independent.”

— *President Spencer W. Kimball* —

Americans' top sources of stress



Source: ValuePenguin survey of 1,537 consumers conducted March 17-24, 2022. Totals do not add to 100% due to rounding.

Financial Stewardship Success Map



Budget Pillar

“Every family must have a predetermined understanding of how much money will be available each month and the amount to be spent in each category of the family budget.”

- Elder Marvin J. Ashton -

Monthly Income	Amount	Monthly Expenses	Planned	Actual
Income		Mortgage/Rent		
Income		Tithes & Offerings		
Other		Savings (401K, etc.)		
Other		Utilities (Water & Electricity)		
		Gas Bill (House)		
Total Income		Groceries		
		Insurance		
		Medical Bills		
		Internet		
		Phone		
		Gas (Auto)		
		Car Payment		
		Credit Card Payment		
		Credit Card Payment		
		Other (_____)		
		Other (_____)		
		Other (_____)		
		Other (_____)		
		Other (_____)		
		Other (_____)		
		Other (_____)		
Total Income		Other (_____)		
Total Expenses		Other (_____)		
Balance		Total Expenses		

Track Your Finances Weekly

- ✿ *Can Track Automatically with Software (Mint, Personal Capital, etc.)*
 - ✿ *One hour to set up / 10-15 minutes per week to maintain / See finances at a glance*
- ✿ *Know where your money is going all the time*
- ✿ *Brings spouses together*
- ✿ *Brings families together*
 - ✿ *“As children mature, they should understand the family financial position, budget and investment goals, and their individual responsibility within the family.” Elder Marvin J. Ashton*

Work Pillar

“Work builds and refines character, creates beauty, and is the instrument of our service to one another and to God.” - D. Todd Christopherson -

- ✦ *Ways to EARN more:*
 - ✦ *Ask for a raise or look for a higher-paying job*
 - ✦ *Increase your skillset*
 - ✦ *Take on an extra job*
 - ✦ *Start your own side hustle (Etsy, lawn business, consulting, teaching, etc.)*
 - ✦ *Work the NOT-ideal job until you can find a better one*



1 Pay Tithes & Offerings

“Successful financial management in every LDS home begins with the payment of an honest tithe.”

- Elder Marvin J. Ashton -



2 Protect Your Family From Hardship

- ✦ *Emergency Fund (In-Debt): \$500 - \$1,000 at first, then 1-2 months bare-bones living expenses*
- ✦ *Emergency Fund (Out-of-Debt): 3-6 months living expenses*
- ✦ *Have appropriate insurance*



3 Eliminate Debt

“With the exception of buying a home, paying for education, or making other vital investments, avoid debt and the resulting finance charges. Buy consumer durables and vacations with cash. Avoid installment credit, and be careful with your use of credit cards.”

- Elder Marvin J. Ashton -



TWO METHODS FOR TACKLING DEBT

There are 2 common ways to approach tackling debt:



SNOWBALL

(focuses on total debt size as a priority)



Make minimum payments on each debt monthly



Make extra payments on the smallest loan



When paid off, move to the next highest loan debt



AVALANCHE

(focuses on highest interest as a priority)



Make minimum payments on each debt monthly



Make extra payments on the highest interest rate loan



When paid off, move to the next debt with the highest interest rate

Reduce Recurring Expenses: The Big 4

- ✦ *33% Housing (Mortgage/Rent, Insurance, Property Maintenance, Taxes): Buy a smaller house, house hack, live there for longer, DIY*
- ✦ *17% Transportation (Car Payment, Insurance, Gas, Taxes, Emissions, Maintenance): Reduce the # of Cars, Drive Less, Buy Cheaper Cars & Use Forever, Buy Low/Sell High*
- ✦ *13% Food (Groceries, Restaurants, Treats, Snacks): Eat at Home, Meal Plan, Make a Grocery List and Stick to It, Make Budget-Friendly Meals, Make Your Own Treats*
- ✦ *Taxes (Federal, State, Sales): Use 401(k)s and IRAs, Buy Less*

Reduce Recurring Expenses

- ✿ *Phones/Phone Bill: Buy a Super Cheap Phone, Keep it Longer, Buy it Outright or Don't Buy It (Shouldn't Go Into Debt for a Phone), Use a MVNO*
- ✿ *MVNO: Mint Mobile, US Mobile, Tello, Visible, Cricket Wireless, Google Fi*
- ✿ *Insurance: Call Around to Get Different Rates*
- ✿ *Subscriptions: Get Rid of All of Them and Add Them Back One at a Time, Pay Per Use*
- ✿ *Kid Activities: Can you really afford them? Are there cheaper alternatives? Is there a better way to pay for them? Could you replace them with different (free) activities?*

Reduce Variable Expenses

- ✿ *Entertainment: Make a list of 20 things you love to do on a daily/weekly basis (circle the free or low-cost options and do those first) / Find free or low-cost fun*
- ✿ *Stuff (Clothes, Gadgets, etc.): Buy what you need and a **little** of what you want / Buy quality over quantity / Find Cheaper Alternatives*
- ✿ *Vacations: Look at what you want to accomplish with a vacation and then find lower-cost ways to achieve it / Focus on together time over expensive time*



“Learning how to discipline oneself and exercise constraint where money is concerned can be more important than courses in accounting. Young couples should recognize that they cannot immediately maintain the same spending patterns and lifestyle as that to which they were accustomed as part of their parents’ family.”

- Elder Marvin J Ashton -

Change Our Mentality

- ✿ *“We live in a self-indulgent, me-oriented, materialistic society. Advertisements entice young buyers by demonstrating how easy it is to get credit and buy on time.” - Elder Marvin J. Ashton (1992) -*
- ✿ *Realize that money does NOT buy happiness*
- ✿ *Stop being a CONSUMER all the time: Try a No-Buy Challenge*
- ✿ *Look at the TOTAL cost to see what you can afford*

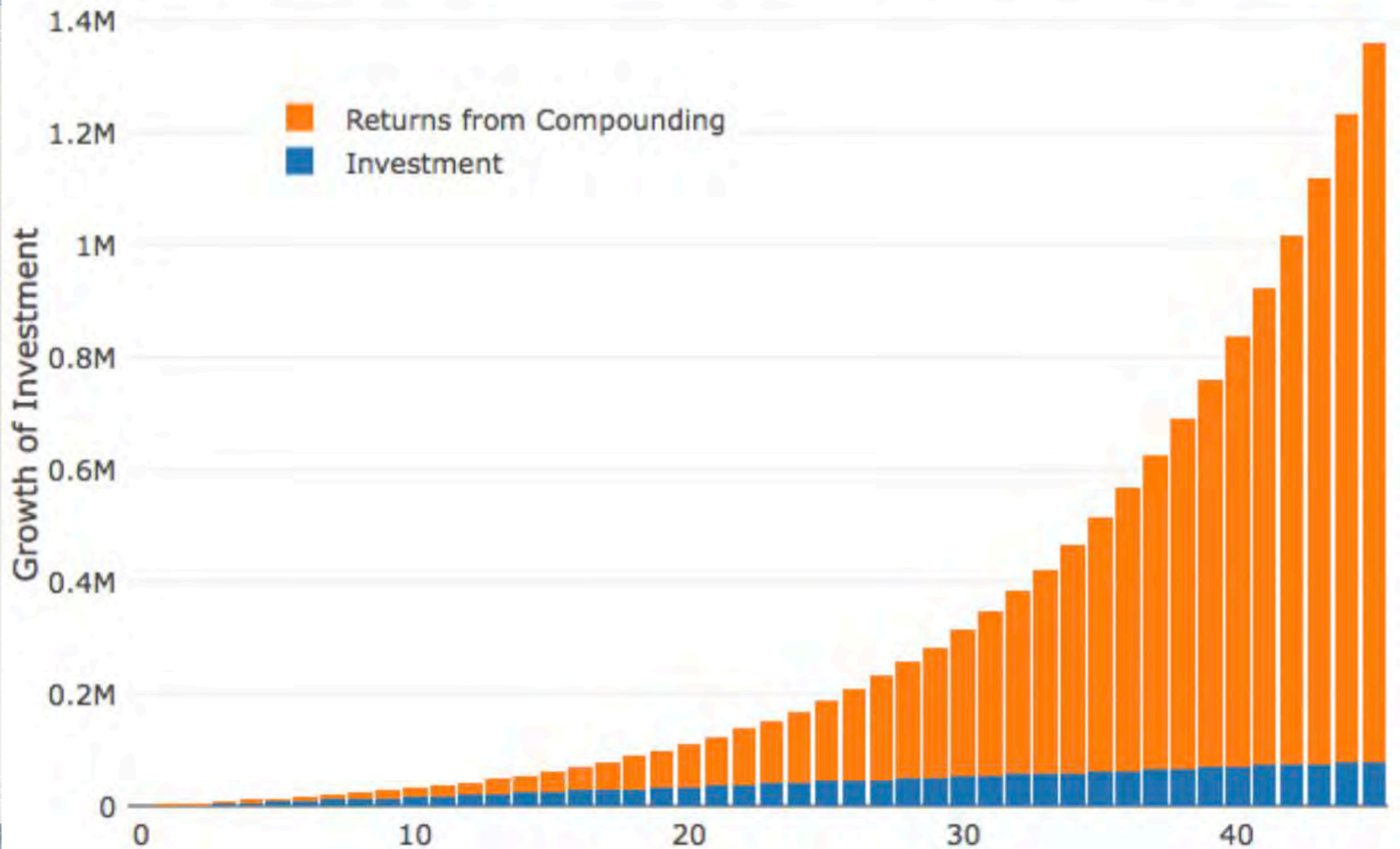
Change Our Mentality

- ✿ *Get Away From Temptation (Ads, Stores, Online, Friends, Social Media, etc.)*
- ✿ *Find Better Ways to Buy What You Want/Need*
 - ✿ *To reduce expenses, we need to start thinking differently / be creative / don't simply follow the crowd / Make it a Game*
- ✿ *Helpful Rules:*
 - ✿ *24-Hour Rule*
 - ✿ *One-Week Rule*

4 Save and Invest for the Future

- ✦ *Pay God First, Yourself Second, and Everyone Else Last*
- ✦ *Investing vs Savings vs Inflation*
 - ✦ *10% vs 2% vs 3%*
- ✦ *The Power of Compound Interest*





		Savings Rate (Percent)	Working Years Until Retirement		
		5	66		
		10	51		
		15	43		
		20	37		
		25	32		
		30	28		
		35	25		
		40	22		
		45	19		
		50	17		
		55	14.5		
		60	12.5		
		65	10.5		
		70	8.5		
		75	7		
		80	5.5		
		85	4		
		90	Under 3		
		95	Under 2		
		100	Zero		

“When trillions of dollars are managed by Wall Streeters charging high fees, it will usually be the managers who reap outsized profits, not the clients. Both large and small investors should stick with low-cost index funds.”

- Warren Buffett -

5 Continue to Give and Bless Others

- ✦ *Teach Your Children*
- ✦ *Lift the Poor*
- ✦ *Help Others*
- ✦ *Keep Learning About Finance to Stay Self-Reliant:*
 - ✦ *Podcasts, Books, Blogs, YouTube*



