

# COLLEGE FINANCES

Sovereign Grace Community Church

July 2020

## COURSE AGENDA

- **July 5 – College Finance Foundations:** What picture does the bible paint regarding finances? How does this relate to college?
- **July 12 – College Choices & Funding:** What are my options? Where does the money come from?
- **July 19 – A Panel Discussion:** A few recent grads share their stories and answer questions.
- **July 26 – Personal Finances:** Techniques and methods for managing your finances while in college.

## COURSE RULES

- **Ask Questions During Class** – There are no dumb questions. If I feel it better to defer the question, I will say so.
- **Give Feedback After Class** – Let me know what you are hoping to cover or if I missed something important to you. Was something helpful? Not helpful?
- **Mute Yourself When Not Speaking** – This protects the class from unnecessary audio distractions.
- **Video Not Required** – It is nice to see you before we begin, but after that, you are welcome to turn off your video.

## COLLEGE CHOICES & FUNDING

### Today's Goal is...

To explore practical techniques and tools that help practice financial stewardship in college

### Our Agenda for Today

- Introduction
- Goals
- Planning
- Monitoring

## INTRODUCTION

Our goal today is to talk about how to practically steward our finances today.

- 47% of college students said they do not feel prepared to manage their money.\*
- College students cited several financial worries\*:
  - Whether they would have enough money to last the semester (52%)
  - Fear of rising tuition (59%)
  - Landing a job after graduation (68%)

\*2019 Money Matters on Campus Report @ <https://everfi.com/white-papers/financial-education/2019-money-matters-report/>

## INTRODUCTION

**Def'n:** “A steward is someone entrusted with another’s wealth or property and charged with the responsibility of managing it in the owner’s best interests.”

**Randy Alcorn:** Stewardship isn’t a subcategory of the Christian life. Stewardship is the Christian life. After all, what is stewardship except that God has entrusted to us life, time, talents, money, possessions, family, and his grace?

**I Cor. 4:2** Moreover it is required in stewards, that a man be found faithful. [ESV has “trustworthy”]

## GOALS

- What is one personal GOAL that helped you achieve something?
- Goals can help us focus on the most important things.

**Proverbs 29:18** Where there is no prophetic vision the people cast off restraint, but blessed is he who keeps the law.

## GOALS

- Goals are biblical – Develop God-facing goals

**Nehemiah 2:4–5** Then the king said to me, “What are you requesting?” So I prayed to the God of heaven. <sup>5</sup> And I said to the king, “If it pleases the king, and if your servant has found favor in your sight, that you send me to Judah, to the city of my fathers’ graves, **that I may rebuild it.**”

**Matthew 6:33** But **seek first the kingdom of God** and his righteousness, and all these things will be added to you.

## GOALS

- Goals come in all shapes and sizes, including long-term and short-term
  - College degree & target employment
  - This year – Friendship w/non-Christian...
  - This month or even this week – Give to someone in need

## GOALS

- Some example financial goals for college students
  - Stay out of debt
  - Build an emergency fund (ex. \$1000)
  - Create and use a spending plan
  - Pay off student loans early (ex. \$50/mo)
  - Summer work in your field of interest

## PLANNING

- What is one personal PLAN that helped you achieve something?

**Nehemiah 2:6** And the king said to me (the queen sitting beside him), “How long will you be gone, and when will you return?” So it pleased the king to send me **when I had given him a time.**

## PLANNING

**Proverbs 21:5** The **plans of the diligent lead** surely **to abundance**, but everyone who is hasty comes only to poverty.

**Luke 14:28** 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?

## PLANNING

- Planning is also biblical! Plans facilitate the accomplishment of goals.
- A Spending Plan is not just a bunch of numbers. It reflects my values.

## PLANNING

### **Creating a Spending Plan**

- Write your plan down
  - List fixed & variable expenses by month (or semester)
  - List income
  - $\text{Income} - \text{Expenses} \geq 0 \rightarrow \text{Balanced Budget}$

A viable plan must have a balanced budget  
(ie.  $\text{income} > \text{expenses}$ )

## PLANNING

Could fill out with monthly, semester or yearly expenses...

<p><b>Gross Income Per Month</b> <span style="float: right;"><u>\$250</u></span></p> <p>Salary <span style="float: right;"><u>\$250</u></span></p> <p>Interest &amp; Dividends <span style="float: right;">_____</span></p> <p>Scholarships &amp; Grants <span style="float: right;">_____</span></p> <p>Work Study <span style="float: right;">_____</span></p> <p>Other ( _____ ) <span style="float: right;">_____</span></p> <p>Other ( _____ ) <span style="float: right;">_____</span></p> <p><b>Less</b></p> <p>1. <b>Tithe</b> <span style="float: right;">_____</span></p> <p>2. <b>Tax</b> (incl. Fed, State, FICA...) <span style="float: right;">_____</span></p> <p><b>Net Spendable Income</b> <span style="float: right;"><u>          </u></span></p> <p>3. <b>Housing</b> <span style="float: right;">_____</span></p> <p>Mortgage / rent <span style="float: right;">_____</span></p> <p>Insurance <span style="float: right;">_____</span></p>	<p>8. <b>Entertainment/Rec</b> <span style="float: right;"><u>\$75</u></span></p> <p>Eating out <span style="float: right;"><u>\$50</u></span></p> <p>Activities <span style="float: right;"><u>\$25</u></span></p> <p>Trips <span style="float: right;">_____</span></p> <p>Other ( _____ ) <span style="float: right;">_____</span></p> <p>Other ( _____ ) <span style="float: right;">_____</span></p> <p>9. <b>Clothing</b> <span style="float: right;">_____</span></p> <p>10. <b>Savings</b> <span style="float: right;">_____</span></p> <p>11. <b>Medical Expenses</b> <span style="float: right;">_____</span></p> <p>Doctor <span style="float: right;">_____</span></p> <p>Dentist <span style="float: right;">_____</span></p> <p>Medicine <span style="float: right;">_____</span></p> <p>Other ( _____ ) <span style="float: right;">_____</span></p> <p>12. <b>Miscellaneous</b> <span style="float: right;">_____</span></p> <p>Toiletry, cosmetics <span style="float: right;">_____</span></p> <p>Beauty, barber <span style="float: right;">_____</span></p>
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## PLANNING

<p>4. <b>Food</b> <span style="float: right;">_____</span></p> <p>5. <b>Automobile(s)</b> <span style="float: right;">_____</span></p> <p>Payments <span style="float: right;">_____</span></p> <p>Gas &amp; oil <span style="float: right;">_____</span></p> <p>Insurance <span style="float: right;">_____</span></p> <p>License/taxes <span style="float: right;">_____</span></p> <p>Maint./Repair/Replace <span style="float: right;">_____</span></p> <p>6. <b>Insurance</b> <span style="float: right;">_____</span></p> <p>Life <span style="float: right;">_____</span></p> <p>Medical <span style="float: right;">_____</span></p> <p>Other ( _____ ) <span style="float: right;">_____</span></p> <p>7. <b>Debts</b> <span style="float: right;">_____</span></p> <p>Credit Card <span style="float: right;">_____</span></p> <p>Loans &amp; Notes <span style="float: right;">_____</span></p> <p>Other ( _____ ) <span style="float: right;">_____</span></p> <p>Other ( _____ ) <span style="float: right;">_____</span></p>	<p>13. <b>Investments</b> <span style="float: right;">_____</span></p> <p>14. <b>School</b> <span style="float: right;"><u>\$125</u></span></p> <p>Tuition &amp; Fees <span style="float: right;">_____</span></p> <p>Books <u>\$500 sem./4 mo. = \$125</u></p> <p>Room and Board <span style="float: right;">_____</span></p> <p>Laundry <span style="float: right;">_____</span></p> <p>Supplies &amp; Electronics <span style="float: right;">_____</span></p> <p>Other ( _____ ) <span style="float: right;">_____</span></p> <p><b>Total Expenses</b> <span style="float: right;"><u>          </u></span></p> <p><b>Income vs. Expenses</b></p> <p><b>Net Spendable Income</b> <span style="float: right;"><u>\$250</u></span></p> <p><b>Less Total Expenses</b> <span style="float: right;"><u>\$200</u></span></p> <p><b>(Margin)</b> <span style="float: right;"><u>+\$50</u></span></p> <p style="color: red; font-size: small;">Adjust your numbers into you have a balanced budget (ie. Margin = + \$\$\$).</p>
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## PLANNING

### Understand Needs vs. Wants vs. Desires

- **Needs:** These are the purchases necessary to provide basic requirements, such as food, clothing, a job, home, medical coverage, and others.  
*1 Timothy 6:8* "If we have food and covering, with these we shall be content."
- **Wants:** Wants involve choices about the quality of goods to be used: dress clothes versus work clothes, steak versus hamburger, a car versus taking the bus. Consider:  
*1 Peter 3:3-4* "Your adornment must not be merely external—braiding the hair, and wearing gold jewelry, or putting on dresses; but let it be the hidden person of the heart, with the imperishable quality of a gentle and quiet spirit, which is precious in the sight of God."
- **Desires:** These are choices according to God's plan that can be made only out of surplus funds after all other obligations have been met.  
*1 John 2:15-16* "Do not love the world nor the things in the world. If anyone loves the world, the love of the Father is not in him. For all that is in the world, the lust of the flesh and the lust of the eyes and the boastful pride of life, is not from the Father, but is from the world."  
*1 Timothy 6:17* As for the rich in this present age, charge them not to be haughty, nor to set their hopes on the uncertainty of riches, but on God, who richly provides us with everything to enjoy.

## PLANNING

### A few more thoughts:

- "Pay yourself first" = save before you spend on wants & desires
- Target a \$1000 emergency fund
- Don't carry a credit card balance
- Partial budgeting – Develop & execute a spending plan for only a few categories (ex. eating out or living expenses)

## EXECUTING THE (SPENDING) PLAN

- What have you done that helps you “do finances”?
  - Habits? Techniques? Tools?
- There are lots of ways to track income & expenses...
  - Paper & pencil
  - Spreadsheet
  - Apps that simply categorize expenses
  - Zero-based budgeting apps
  - Envelope-based budgeting apps

## EXECUTING THE (SPENDING) PLAN

- Categorization Apps
  - [Mint.com](https://www.mint.com)
- Zero-based budgeting apps
  - [You Need A Budget](#)
  - [Every Dollar](#) (Dave Ramsey)
- Envelope-based budgeting apps
  - [Mvelopes](#)
  - [Goodbudget](#)

On the next slide is a video from EEBA (now Goodbudget) that explains the “envelope system” of budgeting...  
<https://www.youtube.com/watch?v=hLXk0Y7Y6UI>



## EXECUTING THE (SPENDING) PLAN

- Consider tracking all your expenses manually for one month to build confidence about your spending plan numbers.
- Pick a regular time to update & review your spending plan
- Use tools that work for you
- Look for little expenses that add up
- Adjust your plan over time; spending plans are living documents

## SOME RESOURCES

- Other Resources
- <https://www.crown.org/>  
<https://www.crown.org/radio/prepared-for-financial-stress-in-college/>  
<https://www.crown.org/resources/spending-budget-guides/>
- <https://www.daveramsey.com/>
- Articles
- <https://bloggersforthe kingdom.com/biblical-goal-setting/>
- <https://www.collegeavestudentloans.com/blog/7-mistakes-to-avoid-when-budgeting-in-college/>
- <https://studentaid.gov/resources/prepare-for-college/students/budgeting/budgeting-tips>
- <https://collegeinfo geek.com/budgeting-for-college-students/>
- <https://www.debt.org/students/college-budgeting-101/>
- <https://www.nerdwallet.com/article/finance/budgeting-for-college-students>

## STEWARDSHIP IN COLLEGE FINANCES

**Hudson Taylor** God's work done in God's way will never lack God's supply.

Faithfulness as God's stewards requires that we trust Him for all our needs.

**2 Corinthians 9:10** He who supplies seed to the sower and bread for food will supply and multiply your seed for sowing and increase the harvest of your righteousness.

QUESTIONS?