

MANAGING FINANCES AND STRESS

41st Annual Mississippi State Lectureship Conference

For Churches of Christ

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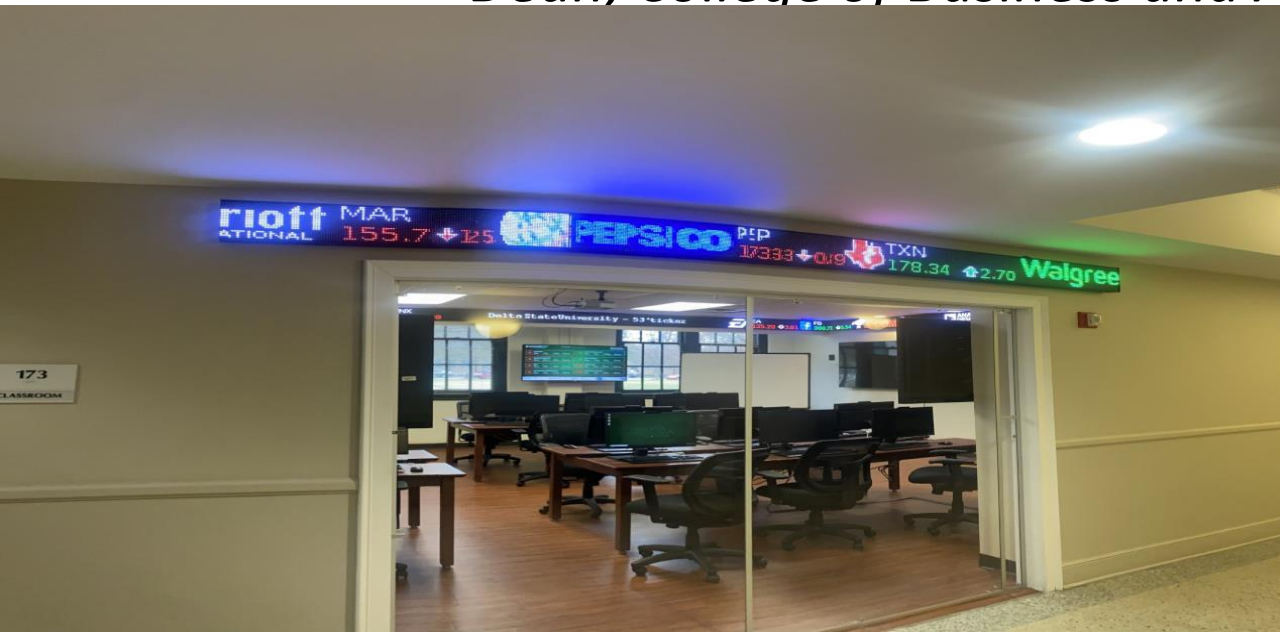
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FINANCIAL STRESS

- Financial Stress – *emotional tension that is specifically related to money. Anxiety-driven stress resulting from a financial event in a person’s life.*
- Stress can quickly take over your life if you aren’t careful.
- *No matter what the economy is doing, the fundamentals of personal finance don’t change. As Michael Jordan said, “Get the fundamentals down, and the level of everything you do will rise.”*
- *“Money has to have a boss.”- Fred Green*



Financial Distress

[fə-'nan(t)-shəl di-'stres]

When revenues or income no longer cover the financial obligations of an individual or organization.

MONEY WORRIES ARE REAL

- Financial worry is one of the most common stressors in modern life.
- Even before COVID-19, *an American Psychological Association (APA) study found that 72% of Americans feel stressed about money at least some of the time* (Stress In America: Paying With Our Health, 2/4/2015).
- *In March 2023, APA found that 72% of Americans reported feeling stressed about money in the past month. (The Most Surprising Financial Stress Statistics And Trends in 2023, Gitnux, 3/15/2023)*
- Financial problems can take a huge toll on your mental and physical health, your relationships, and your overall quality of life.



MONEY WORRIES ARE REAL

- *31% of employees believe they would be more productive at work if they didn't have to worry about their personal finances.*
- *47% of women feel extreme stress related to their finances, compared to 40% of men.*
- *39% of US households have struggled to pay at least one holiday-related expense.*
- *54% of Gen Xers report experiencing financial stress because of credit card debt.*
- *73% of divorced adults attribute financial pressure as a leading cause of their divorce.*
- *Financial stress affects 40% of college students, leading to struggles with grades and mental health. (The Most Surprising Financial Stress Statistics And Trends in 2023, Gitnux, 3/15/2023)*



SOURCES OF FINANCIAL STRESS

- Pandemic -*About 71% of families have not recovered financially from the COVID-19 pandemic.* (Clever Real Estate, *Personal Finance Statistics 2023: Americans and Their Money*, 12/9/2022)
- Medical Bills
- Wage cuts
- Inflation -*U.S. inflation rate reached a 40-year high in 2022, with 78% of Americans calling the rising cost of goods a crisis. Fewer than half of Americans surveyed (47%) say they can afford to live comfortably, and 38% say they can't afford the cost of everyday goods.* (Clever Real Estate, *Personal Finance Statistics 2023: Americans and Their Money*, 12/9/2022)



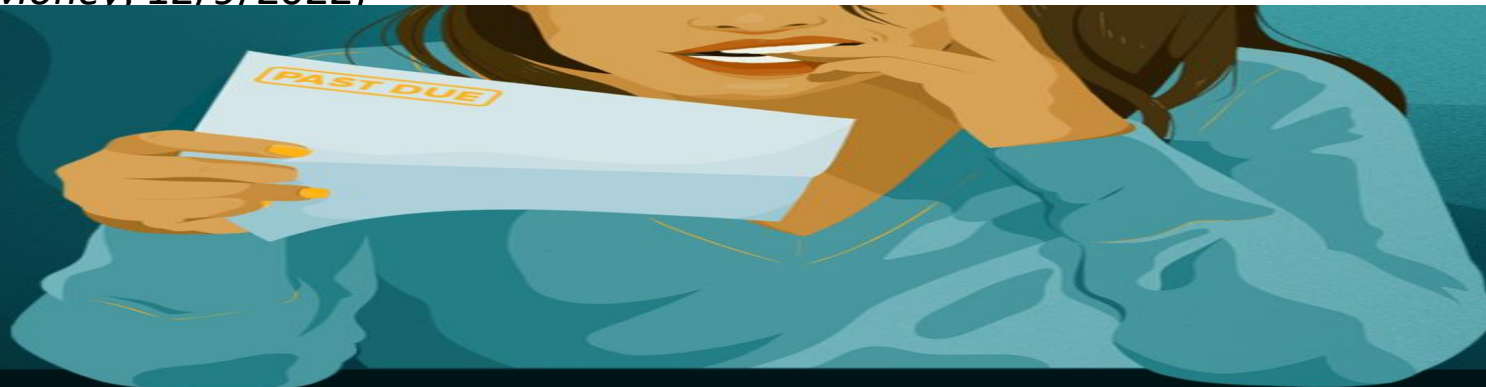
SOURCES OF FINANCIAL STRESS

- Loss of work - *29% of adults believe better job security would help reduce their financial stress.* (Clever Real Estate, *Personal Finance Statistics 2023: Americans and Their Money*, 12/9/2022)
- Excessive or Escalating debt - *Black Americans are 43% more likely to say they spent their emergency savings and 37% more likely to have taken out an additional mortgage to cover expenses since the pandemic began.*
- Unexpected expenses



SOURCES OF FINANCIAL STRESS

- Credit Card Debts – High-interest rates. Americans rank credit card debt as the most stressful type of debt. Nearly half of Americans (46%) carry a balance on their credit cards from month to month, owing an average of \$6,093.
- *The average credit card user spends \$1,579 on their cards each month, with 12% of users saying they spend more than \$5,000 each month.*
- 2/3 of millennials (67%) are in credit card debt, and nearly half (48%) have student loan debt. Only 33% have a mortgage.
- *1 in 8 Americans missed a credit card payment in 2022, with millennials 4x more likely than baby boomers to report missing at least one. Half of Americans who missed a credit card payment (50%) did so to afford basic living expenses.* (Clever Real Estate, *Personal Finance Statistics 2023: Americans and Their Money*, 12/9/2022)



SOURCES OF FINANCIAL STRESS

- Lack of Retirement Savings - America's retirees are stretched thin financially. *The average retiree has \$191,659 saved — just 37% of the \$514,800 experts recommend.* About 51% of American retirees believe they will outlive the savings they have.
- **Only 63% of adults are saving for retirement — down from a pre-pandemic level of 93%.**
- About half of the adults (55%) say they don't make enough money to adequately save for retirement.
- **Baby boomers have an average of \$112,000 saved — only 39% of the \$286,400 that experts say they should have in the bank by age 60.** (Clever Real Estate, *Personal Finance Statistics 2023: Americans and Their Money*, 12/9/2022)



IMPACT OF FINANCIAL STRESS

- Financial stress can impact:
- Insomnia or other sleep difficulties. Nothing will keep you tossing and turning at night more than worrying about unpaid bills or a loss of income.
- Physical ailments such as headaches, gastrointestinal problems, diabetes, high blood pressure, and heart disease. In countries without free healthcare, money worries may also cause you to delay or skip seeing a doctor for fear of incurring additional expenses. Weight gain (or loss). Stress can disrupt your appetite, causing you to anxiously overeat or skip meals to save money. *Worry, resentment, & guilt are primary contributors to sicknesses. **Not what you eat, but what eats you.***



IMPACT OF FINANCIAL STRESS

- Leave one feeling angry, ashamed, or fearful
- Relationship difficulties. Money is often cited as the most common issue couples argue about. Financial stress can make one angry and irritable, cause a loss of interest in intimacy, and wear away at the foundations of even the strongest relationships. *32% of Americans consider money as a major source of conflict in their relationships. (The Most Surprising Financial Stress Statistics And Trends in 2023, Gitnux, 3/15/2023)*
- Exacerbate pain and mood swings
- Depression. Living under the cloud of money problems can leave anyone feeling down, hopeless, and struggling to concentrate or make decisions. *According to a study at the University of Nottingham in the UK, people who struggle with debt are more than twice as likely to suffer from depression.*



IMPACT OF FINANCIAL DISTRESS

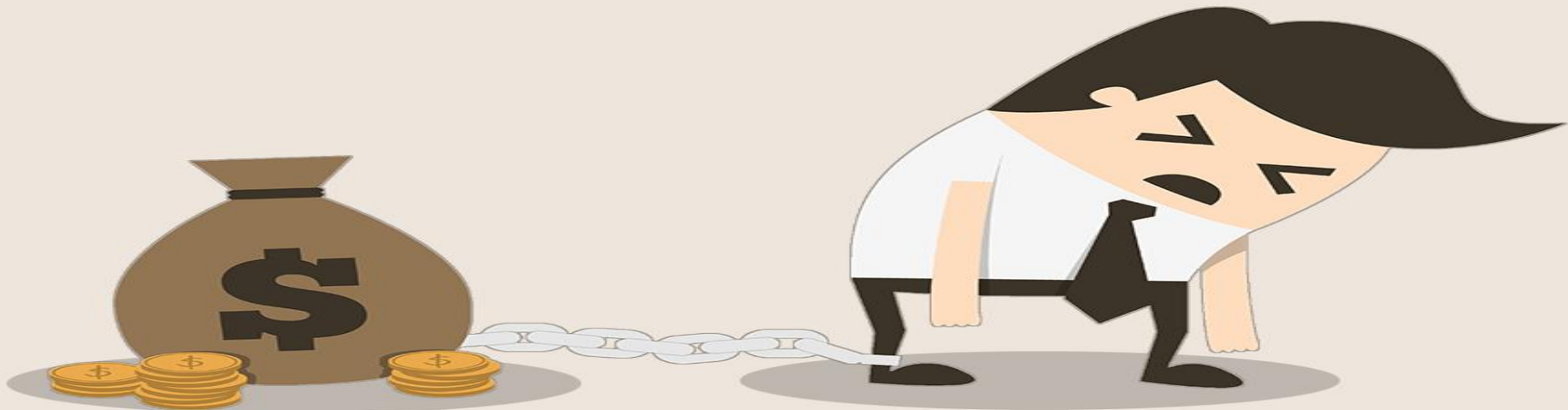
- Drinking
- Abusing drugs
- Gambling
- Anxiety. The feeling of vulnerability and anxiousness. Worrying about unpaid bills or loss of income can trigger anxiety symptoms such as a pounding heartbeat, sweating, shaking, or even panic attacks.
- In the worst circumstances, financial stress can even prompt suicidal thoughts or actions.



INDIVIDUAL IDENTIFIED WAYS TO REDUCE STRESS

- Setting aside enough money to cover basic retirement expenses
- Paying down debt
- Having an emergency savings account
- Setting financial goals
- Having their employer automatically increase contributions to their retirement plan
- Making a budget

(John Hancock, 7th Annual Survey-3/15/2021)



PUT GOD FIRST

- *The best thing you can do to reduce your worries is to take action.* The solutions to financial struggles aren't always simple. But that doesn't need to stop you from taking some sort of action.
- **Matt 6:33** *Make peace with God so we can have the peace of God* – Isa 26:3
- Put God first – I Kings 17:8-16 *God sent Elijah to the woman not only for Elijah's sake but also for the sake of the woman.* Prov 3:9-10
- *Trust in His promises* – Phil 4:19



PUT GOD FIRST
IT CHANGES EVERYTHING

CREATE A BUDGET

- 62% of participants said making a budget would help them reduce their financial stress. (John Hancock, 7th Annual Survey-3/15/2021)
- Without a budget, it's hard to know how much to spend on items. So, the first step in reducing financial stress is to create—and follow a budget.
- Separate expenses into essentials and **nonessentials-39% of Americans say they can't afford to go holiday shopping last year, but 79% of that group planned to shop anyway.**
- 76% of Americans say they wish there was less pressure to spend a lot of money on holiday gifts. **Ecc 4:6** Buy things we can't afford, with money we don't have, to impress people we don't like.



FOLLOW A BUDGET

- Track spending - *Nearly half (48%) say they're living paycheck to paycheck.* **Prov 28:19**
- Avoid lifestyle inflation. Overspending leads to materialism & lifestyle inflation- **Prov 128:2**
- Manage Debt Wisely – **Prov 22:7**
- **When you fail to plan, plan to fail.**
- Need to know where you are – **I Kings 17:12**
- A budget helps to make decisions without emotions.



SET FINANCIAL GOALS

- 40% of participants said that setting financial goals would help them reduce their financial concerns. (John Hancock, 7th Annual Survey-3/15/2021)
- Once people see a picture of their current finances in their budget, they can start to establish financial goals. **Luke 14:28**
- **Must know where I am in relations to where I want to be.**



PAY OFF DEBTS

- People with major debt experience the highest amount of financial stress. **Prov 22:7**
- Debt comes in many flavors, some bad—e.g., credit card debt—& others not so bad—e.g., a mortgage. Important to understand the different kinds of debt, as well as the interest rates and fees associated with them.
- *Student loan debt is keeping people from being able to save for retirement, save for emergencies, and purchase a house.*



BE CONTENT

- Be content with anything. **Phil 4:11-12** Doesn't mean to not have ambitions. Contentment is not laziness, apathy, complacency, or fatalism (what will be will be).
- Enjoying what I have right now instead of waiting for something to be happy. My joy is not based on what happening or circumstances. *Covetousness is when & then thinking.*
- *If you look at the world you will be distressed, if you look within you will be depressed, but if you look at Christ you will be at rest.*



WAYS TO BE CONTENT

- **Heb 13:5-6** – *Don't be possessed by possessions.* Learn to admire without having to acquire. I don't have to own to enjoy. **Prov 30:8-9**
- Stop comparing. **Prov 14:30** Always something can do something better than you, when you compare yourself to them you get discouraged. Always something we can do better than someone else, when we compare ourselves to them, we become prideful. God made us to be us.
- Stop thinking that having more is better. Having more will not make us happier, more valuable, or more secure. Your value is not based on valuables and self-worth is not based on your net worth. *Based on who we are, and not what we own.* **1 Tim 6:6-8, 17 Heb 13:5**

NEVER WILL
LEAVE YOU
NEVER WILL
FORSAKE YOU
HEBREWS 13:5

GOD WAY'S OF COPING WITH FINANCIAL STRESS

- Refuse to worry about anything. #1 source of stress is worry. *Worry means to strangle or choke.* **Prov 14:33**
- Worry is unreasonable, and doesn't make sense. **Matt 6:25-29** *Worry exaggerates the problem.* It doesn't change things – *stewing without doing*. Worry cannot change the past or control the future. It only interferes with today. Worry is unnecessary. **Matt 6:30**
- Worry is a choice. **I Pet 5:7** *Literally, let it go means to just drop.*
- Talk to God about everything *Don't panic but pray. Instead of worrying, worship. Worry less & ask God more.* *All of our problems are tiny God* – **Rom 8:32** If God loves enough to save us from our sins, he loves us enough to help us with our finances.

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Be careful for nothing; but in every thing by prayer and supplication with thanksgiving let your requests be made known unto God.
- **Philippians 4:6 (KJV)** -

COPING WITH FINANCIAL STRESS

- War is won or lost in your mind. If we want peace, must control what goes in our minds because what goes in determines our behavior.
- Think is on the right things. **Phil 4:8 Prov 14:9 Isa 26:3** The battle is in our brains. Stress can be brought on by what we choose to believe or think. Scripture where someone thought the wrong thing about money.
 - Think we need to impress others
 - Think our wants are needs

I can do all things
through Christ which strengtheneth me.
Philippians 4:13

ESTABLISH AUTOMATIC SAVINGS

- 57% of participants say they're stressed by not having enough saved for emergencies. (John Hancock, 7th Annual Survey-3/15/2021) **Gen 41:34-36**
- *In 2022, 2 in 5 Americans (41%) have no emergency savings, and 40% believe they will run out of savings before the year ended.*
- Divvying up paychecks for different accounts through direct deposit or setting up automatic transfers to a savings account. **Ecc 11:2**



SEEK PROFESSIONAL ADVICE OR COUNSELING

- Don't be ashamed to ask for help. Sometimes we don't ask for help because we don't want people to know how bad things are. We may not have as much wealth as everyone thought we did. **Prov 13:17**
- Conduct Research. Resources are available for individuals facing financial stress - nonprofit credit counseling agencies, government assistance programs, financial education resources, employee assistance programs (EAPs), and support from friends and family.



SAVE FOR RETIREMENT - OPTIMIZE 401 (K) PLANS

- 80% of participants don't know whether they're on track for retirement.
- 57% of participants don't consider themselves knowledgeable about investments. (John Hancock, 7th Annual Survey-3/15/2021)
- *Key: Start Early!*

