



Family Financial Connection Kit

Lead your family toward financial success!

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FAMILY FINANCIAL CONNECTION KIT

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FAMILY FINANCIAL CONNECTION INSTRUCTIONS

It is **EXTREMELY IMPORTANT** to discuss finances with your family with an open, humble attitude. Some studies show that over 80% of divorces are due to finance-related problems. In the proper setting, a discussion about finances can be a wonderful experience that draws the family closer together. With the wrong attitude, it can easily become an all-out-war. Emotions can run high when discussing money. When you have disagreements, realize that we all come from different backgrounds. We all have had different experiences relating to finances and most of us haven't been properly trained to handle finances effectively. If you find yourselves arguing over a certain topic, stop and take some time to pray and think about this situation. If you still have difficulty resolving the issue, consider seeking counsel from your pastor or a financial advisor who is properly trained in Biblical finance (depending on the topic).

The questions on the following two pages should be answered by **each spouse** and then **discussed together**.

What is the goal in a family connection meeting? There are three primary purposes...

1. To make sure both spouses have a clear understanding of the family's financial situation
2. To ensure that the family is making progress toward your goals
3. To bring the family closer together by sharing your hopes, goals, and dreams and then working towards achieving those ambitions.

Before discussing your answers, **begin with prayer**. Ask the Lord to open your hearts and minds to His plan for your lives. Seek His wisdom and guidance as you grow as stewards of God's finances. Ask God to help you find the answers to the financial challenges your family is facing.

Consider including your children in the conversation if they are old enough. This could be a great way for them to see first hand that money doesn't grow on trees. It must be earned and managed properly through careful planning.

Set non-financial goals as well. Since the family is coming together to discuss financial goals, why not turn this into an opportunity to discuss other important matters? You could set relationship goals, family goals, or spiritual goals.

Keep your worksheets for future reference. It can be very gratifying to look back years from now and see that you've been making progress toward your goals. It can also serve as a motivator if you look back and see little or no progress. The important thing is to stay accountable to your family's goals.

May God bless you and your family as you seek His will with the finances He has entrusted to you.

FAMILY FINANCIAL CONNECTION WORKSHEETS

Complete separately then discuss. Remember, there is no "his" or "hers" or even "ours" in a Godly marriage. It is all God's and you are to jointly manage as a team.

GIVING:

1. Are you supporting your church with regular tithes and offerings? _____
2. Do you feel like you give enough to other ministries and charities? _____
3. How much do you feel God wants you to give? _____
4. What debts or spending habits keep you from giving more? _____

5. Are there certain charities or organizations you would like to financially support?

DEBT (USE PAGE 8 TO KEEP A ROSTER OF CREDITORS):

1. Is debt holding you back financially or causing stress in the family? _____
2. How much debt do you have? _____
3. What interest rates are you paying? Are you paying more than the minimum balance to pay them off early? _____
4. Debt repayment tips: www.christianfp.com and then "articles" and "debt"

CASH RESERVES:

1. How much money would you like to have set aside for emergencies or infrequent expenses? _____

2. Would your lives be less stressful if you were diligent enough to save \$1,000 or more in an emergency account? _____
3. Do you have an adequate amount of savings for emergencies? Most professionals recommend maintaining at least 3 to 6 months of living expenses. _____

INVESTMENTS (USE PAGE 8 TO KEEP A ROSTER OF INVESTMENT ACCOUNTS):

1. How much money do you have invested for future needs? _____
2. Are you putting money every month into investments to save for our goals (*It usually takes only \$50 per month to get started*)? _____
3. Are our investments screened for things such as abortion, pornography, and immoral lifestyles? (www.christianfp.com and then “our services” and “investments”) _____

SURPLUS:

1. Do we have surplus funds to work with (tax refund, gift, inheritance, etc)? If so, how should the money be used? _____

 - a. Pay off debt?
 - b. Build up our cash reserves?
 - c. Invest for the future?
 - d. Make a purchase of some sort?
 - e. Give more to church and charity?

GOAL PLANNING:

1. Short-term goals:

- a. What types of goals do you have for the next 5 years? (*Pay off debts? Pay cash for your next vehicle? Take a nice vacation?*) _____

- b. What are you doing today to help meet your goals within the next 5 years? Could more be done? _____

2. Medium-range goals:

- a. What goals do you have for the next 5 to 10 years? _____
- b. What are you doing today to meet these goals? _____
- c. How much money have you saved for these goals? _____

3. Long-term goals (college, retirement, etc):

a. How do you want to live out your retirement years? What kind of income will you need?

b. What other long-term goals do you have? _____

c. What are you doing today to meet your long-term goals? _____

d. Are you sure you are on track for these goals? _____

NEEDS UPON DEATH:

1. Do you have a trust or will in place to be sure your family is taken care of after your death? _____

2. Would you like to name your church or other charities as partial beneficiaries of your assets upon death? _____

3. Do you have enough insurance to provide for your family's needs? Would your children still be able to attend college? Would your spouse be able to remain in your current home? Would your spouse be forced to get a second job to sustain the family? _____

CHILDREN:

1. Are you exhibiting positive money management skills to your children? _____

2. Do your children tithe from their allowances or other income? _____

3. Do your children understand the dangers of debt? _____

4. Have you taught them the importance of saving for the things they will want or need in the future?

COUNSEL:

1. Would it be helpful to consult a professional about your finances? _____

2. Would a trained professional be able to help you maintain accountability to your family's goals?

3. Are there steps we need to take that require an advisor's assistance? _____

HELPFUL TOOLS!

A helpful tool is to keep a roster of all creditors and assets. Many times, only one spouse knows how many assets and liabilities the family has. This report will give you a clearer understanding of your financial picture. Page 8 of this document will assist you in creating this roster.

It is also very helpful to track your net worth. Page 10 will assist you in completing a net worth report. This will help you to track your financial progress over the years.

For **free interactive Excel spreadsheets** that will assist you in creating an Asset / Liability Roster and a Net Worth Statement, visit www.ChristianFP.com and then “tools / calculators.”

<<SAMPLE ROSTER>>

Asset / Liability Roster

provided by:  **Christian**
Financial Principles

Assets		
Liquid assets		
Description	Monthly Deposit	Estimated Value
XYZ Bank checking account	-	\$ 1,000.00
ABC Bank savings account	75.00	3,000.00
CD		2,000.00
Joint mutual fund account	50.00	4,000.00
Illiquid Assets		
2002 Jeep Wrangler		\$ 14,000.00
2006 Honda Accord		22,000.00
House		150,000.00
Rental property		55,000.00
Bob's IRA	-	25,000.00
Sue's Roth IRA	300.00	30,000.00
Bob's 401(k)	400.00	120,000.00
Other personal property		50,000.00

Liabilities			
Liabilities			
Description	Int. Rate	Min. Payment	Balance Due
Mortgage	5.50%	700.00	\$ 85,000.00
2006 Honda Accord	7.00%	300.00	18,000.00
Rent house loan	6.00%	350.00	20,000.00
XYZ Credit Card	17.00%	10.00	300.00
Bob's student loan	4.00%	100.00	10,000.00
Life Insurance Policies			
Description	Type	Cash Value	Death Benefit
Bob's at work	Term	-	\$ 10,000.00
Sue's XYZ Company	Permanent	2,000.00	150,000.00
Bob's ABC Company	Permanent	4,000.00	250,000.00

Totals:	
Liquid assets	\$ 10,000.00
Illiquid assets	\$ 466,000.00
Liabilities	\$ 133,300.00
Monthly liquid asset deposits	125.00
Monthly illiquid deposits	700.00
Monthly payments	1,460.00

<<SAMPLE ROSTER>>

Net Worth Calculator

provided by:  Christian
Financial Principles

Assets	
Liquid assets	Estimated Value
Checking accounts	\$ 1,000.00
Savings accounts	3,000.00
Money market accounts	
Certificates of deposit	2,000.00
Taxable investments	4,000.00
Other	
Illiquid Assets	
Home value	\$ 150,000.00
Vehicles	36,000.00
Jewelry	
Furniture	
Electronics	
IRAs / Roth IRAs	55,000.00
Company retirement plans	120,000.00
College accounts	
Life insurance cash value	6,000.00
Business value	
Real estate	55,000.00
Other (clothes, boats, tools, etc)	50,000.00

Liabilities	
Liability	Estimated Value
Mortgage	\$ 85,000.00
Home equity loan	
Auto loans	18,000.00
Student loans	10,000.00
Credit cards	300.00
Bank loans	
Real estate loans	20,000.00
Other debt	
Totals	
Liquid assets	10,000.00
+ Illiquid assets	472,000.00
- Liabilities	133,300.00
= Net Worth	348,700.00