

# Christians and Our Finances

## Week 4 – February 8, 2022

### Schedule –

- Week 1 - Biblical perspective on finance and introduction to a Budgeting Template
- Week 2 – Work/spending and discussion of the Budgeting Template
- Week 3 – Debt and borrowing
- Week 4 – Saving and future planning

Proverbs 14:15 - The simple believes everything, but the prudent gives thought to his steps.

James 1:5 –If any of you lacks wisdom, let him ask God, who gives generously to all without reproach, and it will be given to him.

2 Chronicles 20:12 – We do not know what to do, but our eyes are on you.

### Summary:

1. The Bible is our guide. We must be in it daily.
2. God is the owner of everything.
3. Finances (and everything) has been impacted by sin.
4. We are stewards of God’s resources.
5. Our stewardship reveals our character.

Westminster Confession of Faith – 1.6 (Chapter 1 paragraph 6) The whole counsel of God concerning all things necessary for his own glory, man’s salvation, faith and life, is either expressly set down in Scripture, or by good and necessary consequence may be deduced from Scripture.

2 Pet 1:3-11 – His divine power has granted to us all things that pertain to life and godliness, through the knowledge of him who called us to his own glory and excellence, by which he has granted to us his precious and very great promises, so that through them you may become partakers of the divine nature, having escaped from the corruption that is in the world because of sinful desire. For this very reason, make every effort to supplement your faith with virtue, and virtue with knowledge, and knowledge with self-control, and self-control with steadfastness, and steadfastness with godliness, and godliness with brotherly affection, and brotherly affection with love. For if these qualities are yours and are increasing, they keep you from being ineffective or unfruitful in the knowledge of our Lord Jesus Christ. For whoever lacks these qualities is so nearsighted that he is blind, having forgotten that he was cleansed from former sins. Therefore, brothers, be all the more diligent to confirm your calling and election, for if you practice these qualities you will never fall. For in this way there will be richly provided for you an entrance into the eternal kingdom of our Lord and Savior Jesus Christ.

Matthew 6:19 – Do not lay up for yourselves treasures on earth, where moth and rust destroy and where thieves break in and steal, but lay up for yourselves treasures in heaven, where neither moth nor rust destroys and where thieves do not break in and steal. For where your treasure is, there your heart will be also.

1 John 2:15 – Do not love the world or 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 desires of the flesh and the desires of the eyes and pride of life—is not from the Father but is from the world. And the world is passing away along with its desires, but whoever does the will of God abides forever.

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Matthew 6:24 – No one can serve two masters, for either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve God and money.

### **What Can Be Done in Practical Terms to Avoid Overspending?**

Don't live beyond your means  
Don't compare (envy)  
Don't make impulsive purchases  
Be especially careful with major purchases and commitments  
Beware of time-shares  
Shop and spend wisely  
The best thing you can do for your budget is to be debt-free

### **Savings**

#### Short-term

1. Short-term emergency fund
2. Irregular expenses

#### Mid-term

1. Major purchases
2. Emergency savings for income disruption

#### Long-term

1. Retirement
2. Education

### **Accumulating Savings**

1. Make savings in each category a part of your budget, just like groceries and utilities.
2. Resist the temptation to spend money that has been designated for savings on budget-busting lifestyle choices.
3. Keep track of the balances of each savings category.
4. If you receive a windfall, use it to fund your savings.
5. Is it more important to save or to get rid of debt?
6. Fund your short-term savings first, and then work toward eliminating debt.
7. After short-term savings has been funded, it is usually wise to make debt elimination the next priority.
8. Once the monthly loan payments have been eliminated, much more money will be available for savings.

### **General Principles for Investing**

1. Plan to accumulate wealth gradually.
2. Understand that higher returns can come only at the expense of greater risk.
3. Be sure that you understand that in which you are investing.

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4. Understand the various risks of different investments.
5. Know that if it sounds too good to be true, it is almost certainly too good to be true.
6. Understand the costs associated with your investments.
7. Realize that diversification can reduce risk.
8. Invest money that you might need in the short-term very conservatively.
9. Realize that money that won't be needed for many years can be more aggressively invested.
10. Pursue high quality investments.
11. Be careful in your selection of a professional investment adviser.
12. Seek wise financial counsel from wise people who don't stand to gain from the advice they offer you.

#### **Mistakes in Investing**

1. Falling for "Get-Rich-Schemes."
2. Failing to understand the risks of that in which they are investing.
3. Engaging in short-term speculative investing as opposed to long-term value investing.
4. Tying up money you need soon in long-term investments.
5. Investing merely to avoid taxes.
6. Failing to understand the costs associated with an investment.
7. Overpaying your adviser.
8. Trusting incompetent investment advisers.
9. Trusting unscrupulous investment advisers.
10. Not being united with your spouse.

Why do people make foolish investment decisions?

1. Greed
2. Pride
3. Impatience
4. Laziness

#### **Retirement**

Is it biblical to retire?

Investment principles for preparing for retirement.

1. Start early.
2. Tax-deferred accounts offer advantages.
3. Take advantage of employer contributions.
4. Roth IRAs, 401(k)s, and 403(b)s allow taxpayer to investments that are not taxed upon withdrawal.
5. Avoid taking money early.
6. Avoid borrowing against the account.
7. The closer to retirement, the more conservative investments should be.
8. Annuities and other insurance products may be beneficial for certain people.
9. Estimate needs to use to plan savings.
10. Social security is unlikely to be sufficient.
11. Pensions are beneficial to those qualifying for them.
12. Avoid reverse mortgages if possible.

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### Insurance

#### General principles

1. Insurance spreads risk for various risks among policyholders.
2. Insurance companies are not charities.
3. You don't want to collect on your insurance.
4. You need to insure only expenses you can't afford to pay from your income and savings.
5. You can usually save money by buying insurance with the largest deductible you can afford.
6. Shop around.
7. Buy only from a financially healthy company.

#### Kinds of insurance

1. Auto
2. Homeowner's
3. Renter's
4. Health
5. Disability
6. Dental and optical
7. Life
8. Umbrella

#### Kinds of insurance you probably don't need

1. Specific disease
2. Burial
3. Car repair
4. Home warranty
5. Phones and appliances
6. Life insurance for mortgage

#### Long-term care (LTC)

### Wills

#### Why do you need a will?

1. It designates who will care for your children in case of your death.
2. It designates how your assets will be disposed of upon your death.
3. Some people might be wise to create a legal trust for their assets.
4. Keep your financial affairs in order for the sake of your heirs.
5. Leave a legacy of wisdom.

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#### **Conclusion – Money Points Us to the Gospel**

“The gospel should change how we live. Paul’s conclusion in 2 Corinthians 8 is that those of us who have received such grace should imitate Christ by being compassionate and generous toward those in need. Because he willingly gave up his life for us, we should gladly use our earthly resources to bless our brothers and sisters who are in need.

God’s Word, which was written thousands of years ago, contains timeless wisdom for all people at all times. It’s a sure and certain guide as you face your financial difficulties. We have seen how Scripture teaches us how to be financially successful through working hard in our carefully chosen vocation, avoiding the debt trap, seeking wise counsel, avoiding get-rich-quick schemes or gambling, careful budgeting, thoughtful saving, and so forth.

The Bible teaches us principles that are far more important than mere keys to earthly financial success. We are taught to live for what matters most so that our lives will count in eternity. We are reminded to put God first in our affections above material things. We are encouraged that we can put our trust in him to take care of us when we are in financial trouble. We are exhorted to live not merely for ourselves, but for his glory as we spend our resources not only to build our own kingdom, but to invest in his heavenly kingdom as we help those in need and promote the spread of the gospel.” Jim Newheiser