

# **A Christian Application of Financial Planning Principles**

Countryside Bible Church

# MYSTERY PICTURE



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# **What does God say about the importance of money and possessions?**

- Over 500 verses about Prayer
- Over 500 verses about Faith
- Over 2,300 verses about money and material possessions.

**God expects us to wisely manage the resources He entrusts to us.**

# The Reality

## Psalm 24:1

The earth is the Lord's and all it contains,  
the sea, and those who dwell in it.

- Since **God owns everything**, we are **expected** to be good stewards of all with which He entrusts us.
- This is **not** advocating the prosperity gospel, but rather, emphasizing the importance of stewardship.

# Objective

Build a plan for your financial future to assure the money God has entrusted to you will be managed according to the priorities you have established, based on God's guidance.

# What is Financial Success?

- Faithful stewardship of the assets the Lord has graciously bestowed on us.
- Using those assets to His Glory.
- Defined by each individual, according to biblical principles.
- As a minimum, avoid debt and be financially self-sufficient.
- Achieve and maintain a comfortable lifestyle.

# The Route to Financial Failure

- Fail to establish goals.
- Don't plan.
- Overload with debt.\*
- Live beyond your means.
- Lose Hope.
- Work beyond desired retirement age.

*\*Buying what you don't need with money you don't have to impress people you don't know or like.*





# 7 Ways to Become Financially Successful

- Win the lottery.
- Invent a popular item (Hula Hoop.)
- Write a best seller.
- Marry well.
- Professional athlete.
- Popular entertainer.
- Inherit lots of money.

**If not these, then what?**



# A Fact of Life

There is no silver bullet or get rich overnight scheme. You must take the **responsibility** for your own financial success!

For most of us that means living on less than we make, saving and eventually investing.



# What We Will Discuss

- Introduction – Biblical Perspective
- Problems We All Face in Financial Planning
- Goal Setting
- Budgeting (A sustainable spending plan)
- Christian Giving
- The Time Value of Money
- Credit Management
- Credit Reports and Scores (correcting and improving)
- Savings Accounts (types and uses)
- Using Debt Effectively
- Personal Loans types/calculations/selection
- Payday & Car Title Loans
- Buying/Leasing a Car
- Renting a Home/Apartment

# What We Will Discuss

- Risk Management – avoidance / control / transfer
- Insurance – auto, homeowners, health, life, disability, umbrella
- Investing – stocks, bonds, mutual funds
- Dollar Cost Averaging
- Tax Qualified Investments
- Buying a Home
- Preparing a Financial Plan
- Legal Documents



# Financial Pitfalls

- **Lack of Planning - Goals**
- Short-term orientation
- Procrastination
  - Cannot overcome instant gratification





# A Fact of Life

A goal without a plan will always be nothing but a dream.

**Most** people have dreams but few goals and **no** plan!



# **Be Diligent and Wise**

## **Proverbs 21:5**

The plans of the diligent lead surely to advantage, But everyone who is hasty comes surely to poverty.

## **Proverbs 13:16**

Every prudent man acts with knowledge, But a fool displays folly.

# Virtually Nothing Worthwhile Happens by Chance

## Financial goals must:

- Be meaningful
- Be specific
- Represent dollar amounts
- Be significant
- Be measurable
- Have a timeframe
- Be challenging
- Be committed to
- Be attainable
- Be in writing

***Don't sabotage yourself!***

# Setting Goals

***Dream:*** What you hope for.

***Goal:*** What you plan for.

- List your Financial Goals (Your Bucket List)
- Prioritize
- Set a Target Date
- How much will it cost?
- Budget for Your Goals
- Follow Up!



## Financial Goal-Setting Worksheet

1 Goals	2 Approximate Amount Needed	3 Month & Year Needed	4 Number of Months to Save	5 Date to Start Saving	6 Monthly Amount to Save (2-4)
<b>Short-Term</b> (under 3 years)					
<b>Medium Term</b> (3-10 years)					
<b>Long-Term</b> (10 or more years)					

date prepared \_\_\_\_/\_\_\_\_/\_\_\_\_

# Setting Goals

## Financial Goal-Setting Worksheet

### **Specify your Goals:**

- Short-Term
- Medium Term
- Long Term

### **For each of these categories determine:**

- Approximate Amount Needed
- Month and Year Needed
- Number of Months to Save
- Date to Start Saving
- Monthly Amount to Save

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# Which would you rather have?

- A. \$50.00 today
- B. 1¢ that doubles every day for two weeks



# The result of doubling 1¢ every day for two weeks

Day	Amount	Day	Amount
1	.01	8	1.28
2	.02	9	2.56
3	.04	10	5.12
4	.08	11	10.24
5	.16	12	20.48
6	.32	13	40.96
7	.64	14	81.92

***Patience does have a value***



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# Put time on **YOUR** side

The price of procrastination



# Compulsion and Instant Gratification

We want it **ALL** and we want it **NOW**

There is no limit to the amount of money we can spend or waste.





iMac

iPod

iPhone

iPad

iBroke



## **Luke 12:15**

Then He said to them, “Beware, and be on your guard against every form of greed; for not even when one has an abundance does his life consist of his possessions.”



## **1 Timothy 6:6-7**

But godliness actually is a means of great gain when accompanied by contentment. For we have brought nothing into the world, so we cannot take anything out of it either.