



Reference Guide

PEEK INSIDE PREVIEW

“His master replied, ‘Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things. Come and share your master’s happiness!’”

Matthew 25:21

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Faithful with Finances

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We'd like to extend a very special thank you to Crown Financial Ministries®, whose assistance with Scriptural interpretations was invaluable. We are grateful for the use of several public use articles available on Crown Financial's website – crown.org. Also, through its website, Crown Financial offers many videos, books, and workbooks, as well as classes all focused on helping people learn, apply, and teach Biblical financial principles.

We'd also like to thank Reverend Fun for providing a more comical interpretation of the Scriptures. Reverend Fun's comics are available at www.reverendfun.com.

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First Revision of the Faithful with Finances Reference Guide done © 2019

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Introduction

Here's an interesting fact: The Bible contains just over 500 verses on prayer and fewer than 500 verses on faith. So, with that in mind, if you were asked to estimate how many times money and possessions are mentioned in the Bible, what would you say? 50? 100? 500? How about more than 2,350! In fact, the Bible has more passages about money and possessions than about heaven, hell, and the Second Coming combined.

Clearly, God has a lot to say about finances. **The Scriptures are full of direction on the** subjects of earning, spending, saving, investing, getting out of debt and teaching children how to handle money. Why, then, do so many Christians feel concerned, if not confused, about how to steward what God has given them to manage? Why are so many Christians not immune to the allure of wealth for its own sake? Why is there a great disconnect between one's spirituality and one's day-to-day management of finances?

Causes of this great disconnect are many, but perhaps we can highlight a few of the most common reasons:

- Some Christians believe that God plays no part in their finances.
- Most Christians have no clue where to begin learning about biblical financial management, nor do they understand how to implement what they've learned.
- If Christians have been taught anything about finances, they've learned about tithing. While that's important, what happens with the other 90 percent of their income?

This disconnect robs Christians of the peace and financial freedom God intended for us. For God's financial principles do not produce debt, worry, anxiety, bankruptcy, job loss, financial stress, or the breakup of marriages. Managing finances God's way, with His worldview, inevitably brings stability to our lives.

Faithful with Finances

Faithful with Finances was created to help Christians overcome this great disconnect. This course bridges the gap between God's principles on finances as presented in His Word and the vast array of secular and technical tools available to help implement a sound personal financial strategy. **Faithful with Finances** will not only help you interpret and understand God's Word on finances, it will help you create an actionable roadmap for taking control of the resources He has given you. Ultimately, this course may help you transform your relationship with God!

Core Themes

Faithful with Finances is built upon four core themes:

1. God owns everything, including our money.
2. God will provide if we trust in Him.
3. We must understand the difference between “serving” and “managing” money.
4. We are stewards of God’s treasures and, with that, come great responsibilities.

God Owns Everything

Even though God created everything, some believe that His primary sphere of influence is eternity and heaven. God is not involved, at least not directly, with our day-to-day activities, especially ones that are as mundane as spending and saving. When we take this view of God, we can rationalize that as long as we aren’t breaking any of God’s commandments, we are free to manage our lives – and by extension, our finances – as we see fit.

However, Scriptures show that God’s domain extends beyond the heavens. He owns it all:

To the LORD your God belong the heavens, even the highest heavens, the earth and everything in it. (Deuteronomy 10:14)

For every animal of the forest is mine, and the cattle on a thousand hills.
I know every bird in the mountains, and the creatures of the field are mine.
If I were hungry, I would not tell you, for the world is mine, and all that is in it. (Psalm 50:10-12)

God’s ownership includes all the world’s riches:

“The silver is mine and the gold is mine,” declares the LORD Almighty. (Haggai 2:8)

Moreover, the ministry of Jesus demonstrates God’s concern about earthly, present realities and that they are in complete harmony with God’s purposes throughout the universe. Consider His prayer in Matthew 6:10: “Your kingdom come, your will be done, on earth as it is in heaven.”

Ultimately, we must accept that God owns everything we see and touch. We have use of what He places in our hands, but He is the Owner.

God Will Provide

God promises to provide our needs as we trust Him. As Paul wrote to the early church in Philippi,

And my God will meet all your needs according to his glorious riches in Christ Jesus.
(Philippians 4:19)

Yet, it is important for us to remember that how God fulfills His promises is left to His discretion. For example, Paul wrote his letter to the Philippians from prison! Even in those circumstances, Paul testified that God would provide.

Regardless of whether we feel challenged with limited resources or blessed with material abundance, we know God is providing us with what we need:

The LORD will open the heavens, the storehouse of his bounty, to send rain on your land in season and to bless all the work of your hands. You will lend to many nations but will borrow from none. (Deuteronomy 28:12)

Wealth and honor come from you; you are the ruler of all things. In your hands are strength and power to exalt and give strength to all. (1 Chronicles 29:12)

Once we accept that God will provide all that we need and we need not question His plans ... we can focus instead on being faithful with the resources before us, which He has entrusted us to manage.

“Serving” vs. “Managing”

Jesus understood how important our relationship with money is, so much so that over two-thirds of his parables are about finances, possessions, and stewardship. If we took only a passing glance at his teachings, one might assume that Jesus wanted us to abandon financial success, as he tells the rich young man in Matthew 19:21: “If you want to be complete, go, sell your possessions and give to the poor, and you will have treasure in heaven. Then come, follow me.”?



If we did cast aside our earthly treasures, though, we'd be missing the point. For, Jesus warns us that it's the pursuit of money, in particular to gratify one of our base emotions, such as greed, pride, or envy that competes with our relationship with God:

No one can serve two masters. 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 both God and Money.
(Matthew 6:24)

So, to be clear: we serve God; we manage money. In fact, "managing money" is such an important concept that God uses it as a litmus test in determining what else we may be asked to manage:

Whoever can be trusted with very little can also be trusted with much, and whoever is dishonest with very little will also be dishonest with much. So, if you have not been trustworthy in handling worldly wealth, who will trust you with true riches? (Luke 16:10-11)

Take a minute to look at the money in your pocket. What phrase is on every U.S. bill and coin? "In God We Trust". Instead, what if our currency said, "In You God Trusts This"? How might you change how you handle your money then?

Stewardship

So, as God's servants, we trust that He will provide for our needs. We understand that He owns everything, including us and all that we have. And, finally, God trusts us to manage His treasures, but warns us not to place that which we manage above Him. What does that make us? Stewards.

The Merriam-Webster Dictionary defines Stewardship as "...the careful and responsible management of something entrusted to one's care." With God as our master, we simply do not have the liberty to do anything we please with His resources. What's more, the one thing we can know with certainty is that stewardship is not optional.



(See Matthew 14:14-21)

12-06-2006

WOAH, LOOK AT THIS JESUS ... IN ADDITION TO MY LOAVES AND FISHES IT SEEMS I HAD A BUNCH OF GOLD ... WHAT SHOULD WE DO WITH IT DO YOU SUPPOSE?

The Parable of the Stewards in Matthew 25 makes this abundantly clear: The master in the parable hands out his resources to his stewards. When the master returns, he is either pleased or harsh with each steward depending on how the steward managed the master's resources.

Everything taught within **Faithful with Finances** comes back to this foundation: **God owns it all and we are but stewards of His treasures.** We are obliged to manage His resources in ways we know will please Him. We must be prepared to give an account for the return on His resources under our management. Only then can we expect to hear, "Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things. Come and share your master's happiness!" (Matthew 25:23)

What do we steward?

We can describe our stewardship of God's resources in three broad categories: time, talent and treasure. "Financial Stewardship" focuses on the "treasure" category and can be further divided into "Personal Financial Stewardship" and "Charitable Financial Stewardship".

Personal Financial Stewardship involves the management of God's resources as applied to you and your family. It addresses areas like budgeting, investing, and insurance. **Charitable Financial Stewardship** involves the management of God's resources for the benefit of other people and organizations. It engages tithing to the local church, charitable giving to all charities except the church, and "radical giving" or philanthropy where giving is your business.

Financial Stewardship as a journey

As Christians, we're all on the same path towards Financial Stewardship. The only question is where are you on this path?

Faithful with Finances uses four major stages to help define the journey. Simply put:

The first stage, Uncertainty, is when our concerns are focused on our immediate financial future, never mind the long-term. We may have more debt than assets, more bills than income, and more financial uncertainty than certainty.

The second stage, Progress, is when we can meet our immediate financial needs and may have the means with which to begin saving for future goals, such as college or retirement. We may still carry some debt, but overall, we're ready and able to make financial progress.

The third stage, Independence, is when we've achieved a level of financial success that makes work optional; some may call this "retirement". We have the time and the means with which to pursue spiritual, charitable, and leisure activities.

The final stage, Philanthropy, is when we have an abundance of wealth and desire to take an active role in Charitable Stewardship. For some, this may mean simply creating a giving plan. For others, it may mean actively-participating in a foundation or charity. Bill Gates and Warren Buffet are two extreme examples of individuals who have made philanthropy their focus.

Financial Stewardship Plan

The Faithful with Finance classes are segmented based on these stages. You may instinctively know which stage best describes your situation. Or, you may seek assistance from your pastor or Faithful with Finances resources to help determine which class is most appropriate for you to become true stewards of God’s resources given to us through: time, talent and treasure.

Financial Stewardship Plan

As stewards of God’s treasures, we all share the same goal of doing what’s best with what He has entrusted us to manage. The Financial Stewardship Map helps us focus on what’s important, given your particular circumstances. Depending on which class you attend, your course will concentrate on different areas, as outlined below:

	Personal	Charitable
Uncertainty	Debt Reduction	Local Church
	Budget / Cash Management	
Progress	Retirement Planning	Local Church
	Investing Wisely	Charitable Outreach
	Life Insurance	
	College Planning	
	Estate Planning (Probate)	
Independence	Asset Preservation Planning	Local Church
	Long Term Care Planning	Charitable Outreach
	Estate Planning (Taxes)	Charitable Estate Planning
Philanthropy	Advanced Tax Planning	Local Church
	Asset Protection Planning	Charitable Outreach
		Charitable Estate Planning
		Radical Giving

Getting a Handle on Finances

The Importance of Good Financial Management

While it's clear that in order to glorify God, we must act in ways that please Him, it's a bit simplified to say that we should obey just because God said so. Becoming a better steward of God's treasure creates several other benefits:

Personal Development

Throughout Scripture, there is a correlation between the development of a person's character and how they handle wealth. Money is often regarded as a litmus test to a person's true moral fiber. It's important to differentiate, though, that how someone manages wealth is more important than how much wealth they have.

"Whoever can be trusted with very little can also be trusted with much, and whoever is dishonest with very little will also be dishonest with much."

Budgeting Basics

Budgeting is a process for tracking, planning, and controlling the inflow and outflow of income. It is a process that we all begin soon after we get our first spending money. Relying on our overloaded minds to manage such a complex process has many shortcomings. The solution is to analyze your current situation, determine your goals, and develop a written plan against which you'll measure your progress.

How does the budgeting process work?

The budgeting process begins with gathering the data that makes up your financial history. Next, you use this information to do a cash flow analysis. You will calculate your net cash flow, which tells you whether cash is coming in faster than it's going out, or vice versa. Then you will determine your net worth. Simply stated, this is the sum of everything you currently own less the sum of everything you currently owe. Having a snapshot of your present financial situation, you'll then define your financial objectives and create a spending plan to achieve them. Finally, you will periodically check your progress against the plan and make adjustments as needed.

Analyzing cash flow is little more than adding and subtracting

Add up your income, then your expenses, and subtract the latter from the former. The result is your net cash flow. If it is positive (hopefully), you're earning more than you're spending. If not, then budgeting is not really an optional process. You must do it to avoid losing more ground financially. To the extent that you can make cash flow strongly positive, you will be able to save for upcoming needs and investments.

Is net worth growing or declining?

Your net worth shouldn't be a mystery. To determine what it is, you simply add up the current value of your assets (the things you currently own), and then subtract the total of your liabilities (what you currently owe). The idea, if you haven't guessed it, is that your net worth should grow from year to year, barring unforeseen setbacks.

Know where you stand, turn to the future, and set your goals

You might have one or more major savings needs goals in mind, but now is the time to look at all your anticipated financial needs, including your cash reserve, and determine your goals. Knowing what all of your goals are enables you to create the best plan to achieve those objectives over the long term. While you may not be able to achieve all of your goals simultaneously, having a plan in place will help as you work toward your future goals.

Create a spending plan that fits your resources and objectives

Once you know where you stand financially and the goals you hope to achieve, you are in a position to design a plan that will move you expeditiously in that direction. You will know how aggressive you need to be in order to achieve the objectives you set, and therefore you can design a plan that fits both your resources and objectives.

Just as with a plan that falls short of delivering on your goals, a plan that is overly aggressive relative to your resources is likely to lead to budget frustration. Keeping goals aligned with objectives is a critical part of the process and essential to budgeting successfully.

Remember that it is a plan and that plans change as needed

Flexibility is always an important ingredient in the planning process. As life's circumstances change, as they inevitably will, you will need to adjust your spending plan accordingly. The important point is that the budgeting process keeps you abreast of how these changes are occurring and allows you to make changes as you find them appropriate to your needs and resources.

Setting and Prioritizing Your Budget Goals

Think of your budget goals as your financial wish list and your spending plan as a way to make those wishes a reality. Without clear budget goals, your financial life may remain in disarray. Like any other goals in life, your budget goals help you turn your wish list into an action plan. Your budget goals also help you take the drudgery out of following the budget because now, when you give up any immediate desire, you know that you are one step closer to something you really want. For example, when you give up having dinner in a nice restaurant, you know that you are closer to being able to take a dream vacation next spring. With clear goals in sight, you can chart your course of action and change your direction when needed.

Start by Listing your Goals

Setting your budget goals requires forecasting your future needs and dreams. Involve every member of your family and discuss each possible goal with them. If possible, find a time when everyone in your family is relatively free. Have a brainstorming session with your entire family and ask each member to make a list of three to five of their possible needs and dreams as individuals and as a family. At this stage, keep in mind that you want to list all of your goals and dreams. Examining them and prioritizing them will come later. Strive to be as specific and unambiguous as possible so that they become easier to plan. For example, instead of listing a goal of "taking a family vacation somewhere within next five years," list "taking a vacation to Florida next summer." Once each member has made the list, go over all the goals and see if you want to make any changes before you incorporate them into your budget.

Divide goals according to how long it will take to meet each goal

Divide your budget goals into three categories: short-term goals (less than a year), medium-term goals (one to five years), and long-term goals (more than five years).

- Short-term goals are your immediate needs and wants, such as buying a dishwasher next month or buying a new car next year. Since these goals are, by definition, less than a year from being realized, they are relatively easy to estimate and plan.
- Medium-term goals are things that you and your family want to achieve during the next five years, such as taking a vacation to Florida or renovating your home. These goals require more planning and careful estimation of their costs.
- Long-term goals extend well into the future, such as planning for your retirement or for your child's education. These goals require the most planning, including estimating the cost, forecasting your income, and estimating the growth of your investments. You may need expert help to plan for these goals.

Estimate the cost of each goal

Find out how much it costs today

Before you assign priority to your goals, it is important to determine the cost of each goal. The greater the cost of a goal, the more alternative goals must be sacrificed in order to achieve that goal. Though seemingly daunting, the task of determining the cost of your goals is not as hard as you might imagine. For example, to estimate how much your child's college education will cost, call a few college admission offices in your area or look at a college guide. Similarly, you can find out the price of homes in your area or new cars by calling Realtors or car dealerships.

Project the future cost

For your short-term goals, inflation is not a big factor, but for your medium- and long-term goals, you need to factor in the inflation so that you have a more accurate estimate of their costs. Inflation can be a very tricky issue in dealing with long-term goals. Even a relatively modest inflation rate can increase the cost of your goal by 2½ times over a 20-year period. However, there is no need to panic, since time is also your ally. If invested properly, the money you will be saving toward that goal can also grow at a rate that will outpace inflation.

[END OF PEAK INSIDE PREVIEW OF REFERENCE GUIDE]

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