

parish

Small Group
Study



Financial Counsel from God's Word

Becoming Money Wise

A Scripturally-Based, Practical Guide
to Managing Personal Finances

Forward

Because money is a major part of life, Christians should spend a considerable amount of time learning how they can become better stewards in managing it. You are to be commended for your interest in participating in this effort. We pray that God will reward you for the time that you are spending. As the title suggests, this study guide has been written to help you become money-wise, seeking financial wisdom from God's Word. With the wisdom that God provides, you can become an astute manager of the money that God entrusts to you. Solomon wrote, *"Blessed is the man who finds wisdom, the man who gains understanding, for she is more profitable than silver and yields better returns than gold"* (Proverbs 3:13-14). The basis for all seven chapters is God's Word. In addition, this study guide provides useful practical suggestions gleaned from outside experts.

The world's wisdom deceives people into believing that happiness and fulfillment in life come through having things. If you allow the foolishness of this world to control your thoughts, you will believe that having money and things represents power, success, and status. In contrast, God's wisdom tells you: *"But seek first his kingdom and his righteousness, and all these things will be given to you as well"* (Matthew 6:33). When you seek and trust the Lord, God will provide.

Jesus said, *"You cannot serve both God and Money"* (Matthew 6:24). The biggest factor in determining if you will live the abundant life that God wants you to have is which master receives your devotion. If you reject God's call on your life and money becomes your master, you will live in darkness. *"For the love of money is a root of all kinds of evil. Some people, eager for money have wandered from the faith and pierced themselves with many griefs"* (1 Timothy 6:10). As God's child, you must be mindful that the love of money is very subtle. You can have lots of money and not love it at all or you can have little money and love it very much. By his grace, God can remove your love for money and things and dispel the darkness around you, so that you can live in his wonderful light.

It is our prayer that the Lord will use this "Becoming Money Wise" study guide to help you develop a biblical perspective about managing personal finances, so that you become wiser regarding money and more efficient in the management of the financial resources that God gives to you.

Only

Table of Contents

Chapter	Pages
1. What is Money?	4
2. Becoming a Responsible Planner	5-9
3. Becoming a Generous Giver	10-14
4. Becoming a Disciplined Saver	15-21
5. Becoming a Smart Spender	22-26
6. Becoming a Debt-free Steward	27-32
7. Money in a Marriage	33-52
8. Appendices	

All appendices are downloadable in your account at the *Parish Resource Center*.



1. *Setting Financial Goals template*
2. *Net Worth Statement worksheet*
3. *Monthly Spending Plan worksheet*
4. *Monthly Budget worksheet*
5. *Life Insurance worksheet*
6. *Location of Important Papers*

Becoming a Responsible Planner

Prayer: Heavenly Father, you are the source of all good things. Help us to be faithful in the management of all that you entrust to us. Lord, we pray that you will use this study guide, “Becoming Money Wise,” to help us become wiser in the planning, spending, saving, and giving of our money. Thank you for your constant love and presence in our lives. May all that we say and do and plan glorify you. In your precious name we pray. Amen.

Objectives of this Chapter

1. To understand the importance and necessity of planning for your financial future.
2. To identify your short-term and long-term financial goals, as well as strategies to reach your goals.
3. To understand what plans God has for you and your money.

Planning is Important

Whether God gives you lots of money or very little, you need to become a responsible planner of whatever financial resources you have. It is good to plan. Remember the phrase, “If you fail to plan, you plan to fail.” Through planning, you will be able to accomplish more with the money that God entrusts to you. Because God’s Word tells you that you are accountable for the blessings that he gives to you, you need to make every effort to plan responsibly so that you save, spend, and give your money wisely and prudently. When you manage your money faithfully, God receives the glory, and you will hear those most beautiful words, “*Well done, good and faithful servant*” (Matthew 25:21).

Responsible planning deters you from doing the irresponsible; that is, not to establish a spending plan, a saving plan, a giving plan, and to neglect to plan for potential emergencies. Making and establishing financial plans can be challenging, but, as Paul wrote, “*I can do everything through him who gives me strength*” (Philippians 4:13). When you seek God’s wisdom and strength, God will enable you to be the faithful steward of your money that he wants you to be.



Benefits of Planning

1. Planning helps you gain control of your money and increases the likelihood that you will achieve your financial goals. Planning enables you to stay more focused on your goals.
2. Planning helps you determine if your financial goals are realistic and achievable, avoiding either understating or overstating what you can achieve financially.
3. Planning reduces the spending on unnecessary things. It provides a framework that makes it less difficult to say “no” to things that are not part of your spending plan.

- To solve the problem of not having enough money, you have two options: increase your income or decrease your spending.
- Always remember that financial decisions are spiritual decisions.
- Use written goals to make you more accountable.
- Adjust your plans as needs change.



Questions for Discussion

9. Why is it wise to plan for health, life, disability, and long-term care insurance?
10. Joseph benefited from direct knowledge of the future from God through a dream. What kind of knowledge do you have about the future?
11. Can you pinpoint some roadblocks that have deterred you in the past from financial planning? List them.
12. Frustrations in life can come as a result of trying to keep up with the Joneses and in believing the lie the world tells you that you need more, better, and newer things to be happy. How can your planning help you to stay in closer harmony with God's Word?
13. Based on 1 John 3:17-18, what should be included in your planning?
14. Read the following verses. How is planning necessary in order to follow the counsel offered in each verse?

Proverbs 13:22	Isaiah 30:1
Proverbs 14:8	Matthew 6:33
Proverbs 14:15	Luke 8:14
Proverbs 16:9	Philippians 3:14
Proverbs 19:21	1 Timothy 6:18
Proverbs 27:23	

Closing Prayer: Father God, how often we rush headlong into decisions and plans based on our own meager wisdom. Forgive us. Teach us to seek your wisdom through your Word and through Godly counsel. How humbling it is to realize that you care about every aspect of our lives! Give us grace to trust in you with all our hearts rather than leaning on our own understanding in order that the plans made to manage the resources you've given us may be yours, not ours. Through Christ we pray. Amen.

Go and Become a Responsible Planner!

Becoming a Disciplined Saver

Prayer: Dear heavenly Father, we come to you as humble and grateful servants who give you praise and thanks for who you are and all that you do for us. We pray for your blessings as we focus on our need to be committed to a savings program. Lord, help us always to rely on your wisdom and strength in all that we do. In your precious name we pray. Amen.

Objectives of this Chapter

1. To understand the need and benefits of saving.
2. To learn strategies for saving.
3. To understand that God wants you to be saving so you can provide for your future needs and goals and to have the resources to help others.

Benefits of Saving

You can give, save, or spend your money. How much you give, save, or spend indicates a lot about your values and interests. Are you willing to give 10 percent to the church? Is saving important to you? Do you need to have nice things? Your Christian values help you determine the wise use of your money.

As a Christian, a beginning goal is to allocate your money in a 10-10-80 ratio: give 10 percent, save 10 percent, and live on the remaining 80 percent. After you give the Lord his firstfruits, you put the second 10 percent in savings. Through a methodical discipline of putting money aside for the future, you develop a reserve of money for current emergencies and put yourself in a better position to accomplish your short- and long-term goals, as well as increase your ability to give. To make future goals possible, current sacrifices may need to be made.



Perhaps you find this an impossible goal at this time, but the principle still works. Start by giving 5%, saving 5%, and using the remainder for your living expenses. Discipline is key and will pay you rich rewards. In time, little by little, you can increase the percentage you give and save, even surpassing the 10-10-80 mark! Maybe your goal is 30-30-40!

You save for a multitude number of purposes such as a house, a vacation, educational opportunities, business ventures, retirement, etc. In addition, you need to save for things that you can't anticipate, such as calamities or once-in-a-lifetime opportunities. To accumulate the money needed to achieve your goals, you can either work and save for them or you can let your money work for you. With money in a savings account, your money is working for you by earning interest.

5. **Save early.** One of the biggest reasons that people don't save enough money is procrastination. If you continually put off saving your money, you are hurting yourself. Because the money that you save can earn interest, the sooner you save, the more time your money can earn interest and grow. You have worked hard to earn your money; now let your money work for you by earning a return! The following example demonstrates the benefit of saving money early in life:

Sally is 28 years old and makes a \$2,000 annual contribution for seven years at 10 percent. Her \$14,000 investment will grow to \$400,620 at age 65.

Bill is 35 years old and begins making a \$2,000 investment for 31 years at 10 percent. His \$62,000 will grow to \$400,276 at age 65.

Sally invested much less but started saving earlier at a younger age. Therefore, she had slightly more money than Bill at retirement.

The following chart shows the amount of money that savers, beginning at different ages, will have at age 65 when \$100 is saved monthly with compound interest:

Return on Investment						
Rate of Return	Age 30	Age 35	Age 40	Age 45	Age 50	Age 55
6%	\$143,183	\$100,954	\$69,646	\$46,435	\$29,227	\$16,470
8%	230,918	150,030	95,737	59,295	34,835	18,417
10%	382,828	227,933	133,789	76,570	41,792	20,655

Don't procrastinate ... start saving now!

Saving Too Much

Saving is important, but you must be careful not to over-save. It is possible to evolve from being a prudent saver into a "compulsive" saver. You may save your whole life for that proverbial rainy day. If you become overly afraid of material insecurity, you will tend to hoard sums of money, becoming miserly and selfish. If you save only for the purpose of amassing money, Jesus may refer to you as the modern-day "Rich Fool" (Luke 12:13-21). When saving becomes an end rather than a means to reach your financial goals, your money will not be spent for the purpose God gave it to you in the first place, which is to use in service to him as a means, as Joseph did, to help those in need.

Three Kinds of Savings

1. **Emergency savings.** In the event of job loss or illness, you should have three months of basic living expenses set aside. There should be money for housing, food, and transportation costs.

Becoming a Debt-free Steward

Prayer: Dear heavenly Father, you are the creator and owner of the world and everything in it. You are the provider of all good things. Grant us the wisdom and discipline to be wise managers of all that you entrust to us. Open our eyes, Lord, to the problems that debt can cause in our lives. Help us to seek first your righteousness, knowing that all things will be given to us as well. We pray, in Jesus' name, for your blessings on this study. Amen.

Objectives of this Chapter

1. To understand the problems that debt can cause.
2. To learn that God warns his people about debt.
3. To encourage and motivate you to remove the financial bondage of debt and begin to live as a financially free person.

Understanding Debt

Are there really only two certainties in life: death and taxes? Debt is likely a third. We live in a debt-filled society. Because of our borrowing habits, we are in debt overload. Most of us live on the installment plan, and borrowing is a way of life. Each year we waste tens of billions of dollars on excess interest payments, annual and late fees, and credit counseling.

What is debt? Simply stated, debt is anything you owe any person or institution. Often, debt is an obligation you take on because your desires to have exceed your ability to pay. Debt enables you to enjoy now and pay later. Certainly, you are in debt when

- you can't pay off your credit cards at the end of each month; or,
- you have a negative net worth; and/or,
- you can't provide for your needs.

Scripture does not forbid you from borrowing money, but it does discourage it. *"The rich rule over the poor, and the borrower is servant to the lender"* (Proverbs 22:7), wrote Solomon, the wise teacher. Each time you take on debt, you give up some of your freedom to a creditor. In essence, when a creditor or lender says, "Jump," you ask, "How high?" Despite God's warnings, we tend to let our dependence on debt continue to grow.

It has been said that there are three types of people. Those who "have," those who "have not," and those who "have not paid for what they have." Many people are paying five to 20 percent or more of their budgets toward credit card and auto loan debt.

Some debt is unavoidable. If you experience a job loss or health problems, you may not be able to avoid debt. In addition, some debt can be advantageous, such as debt for educational



10. To get out of debt, how important are the following practices and attitudes?

Conviction Commitment Counsel Lifestyle change Budgeting

11. What are some things you could say “no” to or do without in order to pay off your existing debt or prevent you from going into debt?

12. What does it mean to be in financial bondage? To have financial freedom?

13. What kind of debt is acceptable?

14. How does compound interest work against the debtor?

15. How can debt hurt your personal witness?

Closing Prayer: Oh, Lord, what a mess we can make of our lives when we rely on our own instincts! Help us to be disciplined in the use of our gifts. Help us to be content to live within our means. Thank you for your gifts, for your wisdom which teaches us how to use them, and for your forgiveness when we don't follow your plan for our lives. Thank you for not leaving us alone to muddle through life's complexities on our own. Help us to honor you with our total beings that we may hear your blessed words, “Well done, good and faithful servant. Come and share your master's happiness!” Amen.

Go and Become a Debt-free Steward!

Review
Only

Because money is a major part of life, Christians should spend a considerable amount of time learning how they can become better stewards in managing it. As the title suggests, this study guide has been written to help you become money-wise, seeking financial wisdom from God's Word. With the wisdom that God provides, you can become an astute manager of the money that God entrusts to you. Solomon wrote, "Blessed is the man who finds wisdom, the man who gains understanding, for she is more profitable than silver and yields better returns than gold" (Proverbs 3:13-14).

CHAPTER
BE not thou envious
men. neither desire
them. For their heart studieth
deceit, and their lips talk of mis-
tion. Through wisdom is an
3 built; and by understanding
4 established:
5 And by knowledge shall
chambers be filled with all pre-
and pleasant riches.
6 A wise man is strong; yea
of knowledge increaseth strength
7 For by wise counsel thou
make thy war: and in multi-
counsellors there is safety.
Wisdom is too high for a
Which not deviseth to do
levous per-
foolish-
an abom-

Parish Publishing, LLC
PO Box 1561
New Canaan, CT 06840-1561 • (888) 320-5576
www.parishpublishing.org
Copyright © All rights reserved