

GIFT Ministry

Generous Investment in Future Treasures

A Ministry of Xenos Christian Fellowship

GIFT Ministry

Workbook

NAME OF INDIVIDUAL OR FAMILY

2011 Edition

Contents

Biblical Perspective on Giving, Savings and Debt 5

Introduction..... 7

Needs and Desires..... 8

The Debt Trap..... 8

The Ease of Debt Growth..... 9

Debt Repayment..... 10

The True Cost of Debt..... 11

Plotting Financial Goals..... 12

Gifts Given Record..... 15

Debt Records..... 16

Statement of Net Worth..... 17

Monthly Income Expense..... 18

Monthly Cash Flow Recording Sheet..... 20

Percentage Guide..... 23

Income Graph..... 24

Where Do We Go From Here? 25

Biblical Guidelines..... 26

Financial Objectives..... 28

Glossary of Terms..... 29

Biblical Teaching on Giving, Savings and Debt

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

Psalms 24:1

God calls on Christians to be good stewards for the things He has given us. He placed us here to care for all of the earth's resources. As the verse from Psalms 24 above says, this involves everything—including our finances. The idea of financial stewardship covers three major areas: Giving, Savings, and debt.

Giving

The concept of giving begins with our attitude toward His work. Giving out of feelings of guilt, fear, obligation (tithe), or to *show* our own goodness hinders God's ability to give to us. God has never "needed" our money. He wants to bless us for our faithfulness in acting as His stewards. Giving financially to God's work is one way that our faith in Him can be expressed. Another attitude that Paul discusses in the New Testament is one of *contentment* (or freedom). During times of abundance and items of scarcity, Paul was content:

Not that I speak from want; for I have learned to be content in whatever circumstances I am. I know how to get along with humble means, and I also know how to live in prosperity; in any and every circumstance I have learned the secret of being filled and going hungry, both of having abundance and suffering need. I can do all things through Him who strengthens me.

Philippians 4:11-13

Savings

The Bible communicates the wisdom of saving money. Yet there can be wrong motives behind saving money. Some of the most common wrong motives include::

- Saving money as a measure of success
- Feelings of security from wealth
- Love of money
- Personal esteem and self-worth

We do not trust God when we save money based on one of the motives above. When accumulation of money gives us a feeling of security or pride, it is contrary to the biblical teaching in Matthew 6:19-21 and Philippians 4:19. The Bible gives few commandments about saving money. It does, however, give us some principles and guidelines for saving. Examining the verses mentioned above in Matthew and Philippians alone might cause you to feel that saving money is not necessary. After all, won't God provide for our every need? Indeed he will, but there is a level of responsibility and wisdom in a savings plan. Proverbs 21:20 and Proverbs 13:11 suggest the wisdom of a savings plan for *every* family budget.

How do we implement the purposeful saving of funds in our daily lives and personal budgets?

First, there must be a commitment to spend less than you earn and *stop* all deficit spending. You will never have enough money unless you can currently live on what you earn. A dollar spent is gone forever—it can never be used in the future. Saving and giving are the only non-consumptive uses of money. Second, it is important to realize that our true significance, sense of worth, and fulfillment in life is the result of our relationship with God. Never try to buy what only God can give you.

Debt

“The borrower becomes the lenders slave.” This is not a new slogan, but rather Scripture written over 2,500 years ago by Solomon (Proverbs 22:7). The enslavement to debt is one of the biggest obstacles to financial freedom. The Bible does not specifically prohibit the use of credit, but warns us of its dangers including:

- 1) It often presumes future income to fund today’s lifestyle. Scripture warns us against presumptuous living (James 4:13-16).
- 2) It can enable us to fund some of our sin areas (e.g., greed, self-indulgence, impatience, fear, poor self-esteem, envy, or discontentment. See 1 Timothy 6:6-10).
- 3) It is very deceptive—it is very easy to get into, but very difficult to get out of.
- 4) There are consequences within the world system (kosmos) and our Christian walk when we are obligated to repay credit.

Many Christians use credit to meet *perceived needs* and block God’s demonstration of His faithfulness to meet our *real needs*. Who better to meet our real needs than our Creator (Matthew 6:31-43, 7:10).

Most people have to use debt financing to pay for a house or to pay their way through college; we believe that these expenditures *do not* violate being good stewards of God’s resources. Think carefully about your decisions to borrow money and evaluate your options in light of the Bible.

Don’t let excessive debt ruin the freedom God wants you to experience in the financial area.

Stew●ard *n.* [<OE, *stig*, hall + *weard*, keeper] **1.** a person put in charge of a large estate **2.** an administrator, as of finances, and property **3.** one responsible for the food and drink, etc. in a club, restaurant, etc. **4.** an attendant, as on a ship or airplane – steward●ship

n.

(extracted from **Websters New World Dictionary, Second College Edition, Copyright © 1984, 1978, 1976, 1972, 1970** by Simon & Schuster, Inc. 1230 Avenue of the Americas, New York, N.Y. 10020)

Introduction

Not that I speak from want; for I have learned to be content in whatever circumstances I am. I know how to get along with humble means, and I also know how to live in prosperity; in any and every circumstance I have learned the secret of being filled and going hungry, both of having abundance and suffering need. I can do all things through Him who strengthens me. And my God shall supply all your needs according to His riches in glory in Christ Jesus.

Philippians 4:11-14, 19

The president of the American Red Cross, Elizabeth Dole, said in a letter to a Christian that, “Life is a privilege, a responsibility and a stewardship to be met according to His calling.” Stewardship of *life* implies that every aspect of our lives should reflect our relationship with God. One area that people struggle with frequently is that of finances. Everything we have is on loan from God—including the money God allows us to earn at work.

Looking at Paul’s letter to the Philippians (above) it is clear that he knew how to handle his finances. He was able to get by during times of prosperity and during times of poverty. For Paul, having money (or not having money) was never an issue of concern. Can any of us make the same claim?

When evaluating your own finances, whether as an individual or a family, remember to prayerfully consider your situation. This workbook has been designed to help you evaluate your current financial situation and provide you with the biblical perspective on finances.

Needs and Desires

In America we have a perception problem. We interchange needs and desires with one another so frequently that we confuse one for the other.

“What is a need?”

“What are desires?”

“Is wanting something necessarily bad?”

Children must rely on their parents for guidance in this area. As parents we *know* that our son or daughter doesn't *need* tennis shoes that cost \$95. With their begging, whining, and complaining our children would have us believe that they're going to die if their need for a home video game system isn't met by our willing wallets. Parents face the constant challenge of helping their children understand the difference between needs and wants.

The same is certainly true of us. We are God's children; He ultimately knows, better than anyone, what we need.

What does the Bible say about our needs?

And my God shall supply all your needs according to His riches in glory in Christ Jesus.

Philippians 4:19

Clearly, our needs will ultimately be satisfied by God. Look, for example, at the first couple of lines of Psalms 23:

The Lord is my shepherd,

I shall not want.

Psalm 23:1

This famous passage goes on to illustrate the various ways God meets the real needs of our life.

As Christians, we often adopt the mind-set that things we desire but do not need must be wrong or even sinful. God does want us to enjoy our role as a steward and often sacrifice and suffering are a part of this enjoyment. For the steward, it is exciting to see and experience how God will meet our challenging and changing needs. This is not the normal area of struggle for most of us. In America, where most of us have a higher annual income than two thirds of the rest of the world, we struggle with materialism and greed. Look at these following passages in Scripture that speak to this area.

Need: *Philippians 4:19; Matthew 6:32, 33*

Desire: *Psalms 37:4; Ephesians 2:3; Colossians 3:5; Deuteronomy 14:26*

Matthew 13:17; 1 Corinthians 12:31; Galatians 6:12; Hebrews 11:16

God is very specific about where our needs are to be met—through Him.

The Debt Trap

For most people, debt is a way of life. From the time we're old enough to get our first credit card to the day we die, most of us are in debt. There are two preconceived notions that Christians have about debt:

- 1) Debt is not a sin
- 2) Debt is never the real problem

What is debt? A simple definition is: *Any money that is owed to anyone for anything.* That covers a great many types of debt including credit cards, consumer debt, mortgages, investment debt, and business debt.

The Ease of Debt Growth

YEAR	OVERSPENDING	TOTAL DEBT ACCUMULATED	INTEREST PAID
1	\$ 1,000	\$ 1,000	\$ 80
2	\$ 1,000	\$ 2,000	\$ 160
3	\$ 1,000	\$ 3,000	\$ 240
4	\$ 1,000	\$ 4,000	\$ 320
5	\$ 1,000	\$ 5,000	\$ 400
6	\$ 1,000	\$ 6,000	\$ 480
7	\$ 1,000	\$ 7,000	\$ 560
8	\$ 1,000	\$ 8,000	\$ 640
9	\$ 1,000	\$ 9,000	\$ 720
10	\$ 1,000	\$10,000	\$ 800
TOTAL	\$10,000	\$10,000	\$4,400

In this example, you overspend by \$1,000 each year for 10 years. Not only do you have to pay back the debt, but also the interest. Instead of just paying back the \$10,000, you pay \$14,400.

Debt Repayment

YEAR	DEBT REPAYMENT	DEBT REMAINING	INTEREST PAID
1	\$ 1,000	\$ 9,000	\$ 800
2	\$ 1,000	\$ 8,000	\$ 720
3	\$ 1,000	\$ 7,000	\$ 640
4	\$ 1,000	\$ 6,000	\$ 560
5	\$ 1,000	\$ 5,000	\$ 400
6	\$ 1,000	\$ 4,000	\$ 320
7	\$ 1,000	\$ 3,000	\$ 240
8	\$ 1,000	\$ 2,000	\$ 160
9	\$ 1,000	\$ 1,000	\$ 80
10	\$ 1,000	\$ 0	\$ 0
TOTAL	\$10,000		\$ 4,400

Here's what happens when you make your payments. In the first three years, over half of your \$1,000 payment goes towards interest. Only towards the end of your payments do you really start taking a bite out of the amount you actually borrowed or financed. Take a look at the real cost for that \$10,000 debt...

True Cost of Debt

TOTAL OVERSPENDING	REPAYMENT OF DEBT	INTEREST ON DEBT	TOTAL COST
\$10,000	\$10,000	\$ 8,800	\$28,800

It would be almost impossible for any of us to live in America without incurring some type of debt at some point in our life. There are, however, some helpful considerations to ask yourself before you go into debt:

1. Does the purchase make sense?
2. Have I checked with “many counselors” concerning borrowing?
3. Do I have the spiritual peace of mind or freedom to enter into this debt?
4. What personal goals and values am I meeting with this debt that can be met in *no* other way?
5. Do I have a *guaranteed* way of paying this back?

Each time we go into debt, prayerful consideration needs to take place to allow God to have input into our decisions.

Plotting Financial Desires/Goals

Knowing and understanding your financial goals is an important step in the budgeting process. By having a goal clearly defined, people can evaluate their budget and plan to reach their goals. Please outline your goals regarding: savings, debt retirement, giving, surplus, and other. Giving numbers to your goals can help you keep track of each goal—you might try putting them in order of priority based on your situation.

GENERAL GOALS

- Goal 1 _____ Cost \$ _____
- Goal 2 _____ Cost \$ _____
- Goal 3 _____ Cost \$ _____
- Goal 4 _____ Cost \$ _____
- Goal 5 _____ Cost \$ _____
- Goal 6 _____ Cost \$ _____
- Goal 7 _____ Cost \$ _____
- Goal 8 _____ Cost \$ _____
- Goal 9 _____ Cost \$ _____
- Goal 10 _____ Cost \$ _____
- Goal 11 _____ Cost \$ _____
- Goal 12 _____ Cost \$ _____

Specific Goals

Now indicate the specific goals you plan to use to obtain or reach the goals mentioned above:

GIVING

I (we) plan to give _____% of our income this year to Goal # _____

I (we) plan to give _____% of our income this year to Goal # _____

I (we) plan to give _____% of our income this year to Goal # _____

I (we) plan to give \$ _____ this year to Goal # _____

I (we) plan to give \$ _____ this year to Goal # _____

SAVINGS

I (we) plan to save \$ _____ per month for the purpose of reaching Goal # _____

I (we) plan to save \$ _____ per month for the purpose of reaching Goal # _____

I (we) plan to save \$ _____ per month for the purpose of reaching Goal # _____

I (we) plan to save \$ _____ per month for the purpose of reaching Goal # _____

Debt Retirement

I (we) plan to reduce our debt balance in Goal # ____ from \$ to \$ _____ by year end.

I (we) plan to reduce our debt balance in Goal # ____ from \$ to \$ _____ by year end.

I (we) plan to reduce our debt balance in Goal # ____ from \$ to \$ _____ by year end.

I (we) plan to reduce our debt balance in Goal # ____ from \$ to \$ _____ by year end.

I (we) plan to reduce our debt balance in Goal # ____ from \$ to \$ _____ by year end.

I (we) plan to reduce our debt balance in Goal # ____ from \$ to \$ _____ by year end.

I (we) plan to reduce our debt balance in Goal # ____ from \$ to \$ _____ by year end.

Surplus

I (we) plan to use unexpected income for Goal # _____

I (we) plan to use unexpected income for Goal # _____

I (we) plan to use unexpected income for Goal # _____

Other

I (we) plan to _____

I (we) plan to _____

I (we) plan to _____

I (we) plan to _____

Statement of Net Worth

ASSETS	Amount:	Date:
Liquid		
Cash and Checking Account		
Savings and Money Market Accounts		
Stocks-Bonds-Mutual Funds (non IRA)		
Cash Surrender Value-Life Insurance		
Other		
TOTAL LIQUID ASSETS		

Non-Liquid Assets

Home (market value)		
Car (market value)		
Car (market value)		
IRAs		
Retirement Plan		
Furniture		
Jewelry		
Loans Receivable		
Other		
TOTAL NON-LIQUID ASSETS		
TOTAL ASSETS		

Liabilities (see previous page)

Total Charge Cards		
Total Other Loans		
Total Auto Loans		
Home Mortgage		
Home Equity		
Other		
TOTAL LIABILITIES		
NET WORTH (Total Assets Minus total Liabilities)		

Monthly Income Expense

Name:	Current Monthly Amount	PROPOSED BUDGET		New Budget	% of Gross Income	Bonus Extra Pay
Date:		Husband	Wife			

INCOME

Gross Income						
Salary/Self-emp. net (H)						
Salary/Self-emp. net (W)						
Interest/Investment Income						
All other income						
TOTAL GROSS INCOME						
Less tax deductions						
Less health care deductions						
Less retirement contributions						
Less other deductions						
MONTHLY SPENDABLE INCOME						

EXPENSES

Mortgage/Rent						
Property Tax						
Electricity						
Natural Gas						
Water						
Condo Fee						
Telephone/Cell Phones						
Internet						
Cleaning/Maid						
Sewer/Trash						
Repairs						
Improvements						
Furnishings						
TOTAL HOUSING						

Gasoline & Oil						
Auto Payments/Lease						
Maintenance & Expense						
Parking						
TOTAL TRANSPORTATION						

Life						
Disability						
Health						
Automobile						
Household						
Excess Liability						
TOTAL INSURANCE						

Groceries						
Business Lunches						
Dining Out						
Coffee Shops						
TOTAL FOOD						

Clothing						
----------	--	--	--	--	--	--

Physicians						
Dentists						
Pharmaceuticals						
Vision						
TOTAL MEDICAL EXPENSES						

Tuition						
School Lunches						
Daycare						
Allowances						
Lessons						
Other						
TOTAL CHILDREN EXPENSES						

Evenings Out						
Babysitters						
Cable/TV						
Sub/News/Magz						
Sues/Clubs/Activities						
Vacations						
TOTAL ENTERTAINMENT						

Christmas/Birthdays						
Charities						
Giving Pledge						
Missionary/Bldg. Fund						
TOTAL GIFTS						

Toiletries						
Dry Cleaning						
Professional Fees						
Animals						
Beauty & Barber						
Cash Allowances						
Other Services						
Other Purchases						
TOTAL MISCELLANEOUS						

Education Loans						
Personal Notes						
Other (Interest)						
TOTAL DEBT SERVICE						

General						
Education						
Retirement						
TOTAL SAVINGS						

TOTAL EXPENSES						
TOTAL INCOME MINUS EXPENSES						

MONTHLY CASH FLOW RECORDING SHEET

	Budget	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Average
Gross Income														
Salary/Self-emp. net (H)														
Salary/Self-emp. net (W)														
Interest/Investment Income														
All other income														
TOTAL GROSS INCOME														
Less tax deductions														
Less health care deductions														
Less retirement contributions														
Less other deductions														
MONTHLY SPENDABLE INCOME														

Expenses														
Mortgage/Rent														
Property Tax														
Electricity														
Natural Gas														
Water														
Condo Fee														
Telephone/Cell Phones														
Internet														
Cleaning/Maid														
Sewer/Trash														
Repairs														
Improvements														
Furnishings														
TOTAL HOUSING														

MONTHLY CASH FLOW RECORDING SHEET

	Budget	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Average
Gasoline & Oil														
Auto Payments/Lease														
Maintenance & Expense														
Parking														
TOTAL TRANSPORTATION														
Life														
Disability														
Health														
Automobile														
Household														
Excess Liability														
TOTAL INSURANCE														
Groceries														
Business Lunches														
Dining Out														
Coffee Shops														
TOTAL FOOD														
Clothing														
Physicians														
Dentists														
Pharmaceuticals														
Vision														
TOTAL MEDICAL EXPENSES														

MONTHLY CASH FLOW RECORDING SHEET

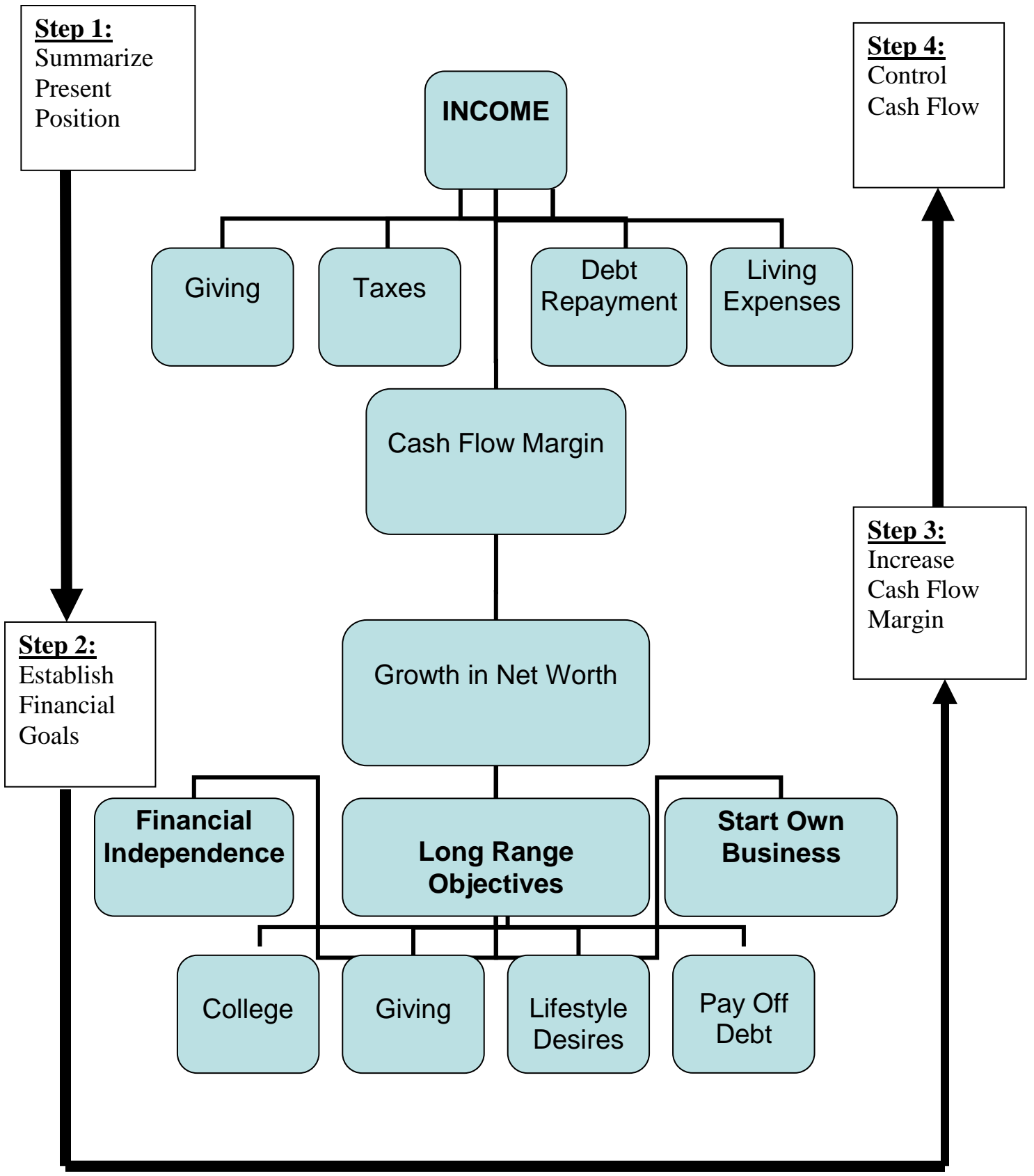
	Budget	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Average
Tuition														
School Lunches														
Daycare														
Allowances														
Lessons														
Other														
TOTAL CHILDREN EXPENSES														
Evenings Out														
Babysitters														
Cable/TV														
Sub/News/Magz														
Sues/Clubs/Activities														
Vacations														
TOTAL ENTERTAINMENT														
Christmas/Birthdays														
Charities														
Giving Pledge														
Missionary/Bldg. Fund														
TOTAL GIFTS														
Toiletries														
Dry Cleaning														
Professional Fees														
Animals														
Beauty & Barber														

MONTHLY CASH FLOW RECORDING SHEET

	Budget	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Average
Cash Allowances														
Other Services														
Other Purchases														
TOTAL MISCELLANEOUS														
Education Loans														
Personal Notes														
Other (Interest)														
TOTAL DEBT SERVICE														
General														
Education														
Retirement														
TOTAL SAVINGS														
TOTAL EXPENSES														
TOTAL INCOME MINUS EXPENSES														

Percentage Guide for Family Income

	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	\$70,000	\$80,000
Income Level	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	\$70,000	\$80,000
	100%	100%	100%	100%	100%	100%	100%
Expenditures							
Giving	5-10%	5-10%	5-10%	5-15%	5-18%	5-20%	5-20%
Taxes	15%	16%	19%	22%	23%	25%	27%
Debt (non-mortgage)	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%
Net Spendable	70-80%	69-79%	66-76%	58-73%	54-72%	50-70%	48-68%
Housing	20-25%	20-25%	20-25%	18-23%	17-23%	15-23%	15-23%
Auto	12%	10%	9%	7%	6%	5%	4%
Insurance-Life/Health	4%	4%	4%	3%	3%	3%	3%
Food	12%	12%	11%	10%	10%	10%	9%
Clothing	3-4%	3-4%	2-3%	2-4%	1-4%	1-3%	1-3%
Medical	4-5%	4-5%	4-5%	3-5%	3-5%	2-5%	2-5%
Children	7-8%	7-8%	7-8%	7-9%	7-9%	7-9%	7-9%
Fun	3-4%	3-4%	3-4%	2-4%	2-4%	2-4%	2-4%
Savings	2-3%	3-4%	3-4%	3-5%	3-5%	3-5%	3-5%
Misc.	3%	3%	3%	3%	2-3%	2-3%	2-3%
	70-80%	69-79%	66-76%	58-73%	54-72%	50-70%	48-68%



Where Do I Go From Here?

Congratulations on completing your budget! By following the budget, you will be able to achieve the goals you outlined earlier in the workbook.

But, what happens if your situation changes? On the positive side, you could receive a large bonus or an increase in your pay. You could also receive a one-time gift from a family member or inherit a gift from a deceased friend or relative. How does a godly steward plan ahead for such events as these?

You have four basic choices when you receive an unexpected increase in wealth:

1. Return it to God's work
2. Reduce debt
3. Save for future expenditures
4. Increase consumption

Sometimes the challenge of increased wealth is more difficult than the lack of funds for our life style. The Bible explicitly discusses the responsibilities of the steward who is rich in the present world (1Timothy 6:17-19, Luke 12:48):

"...and from everyone who has been given much shall much be required; and to whom they entrusted much, of him they will ask all the more."

You should have a plan for what to do with unexpected gain in personal wealth. You and your spouse should prayerfully consider the options listed above as stewards. Without a plan, you will default to the least desirable of all options.

We suggest that each family pre-determine what level of income is enough to meet their needs, both current and future. There is a point where each family should be able to say . . . I give regularly to the Lord's work, and I have enough on which to live. All overage income could then be added to what you are already giving to further God's kingdom.

Your financial situation could also change for the worse. Your income could decrease significantly due to numerous factors, most of which are out of our control, including: loss of a job, sickness, career change, and/or ministry opportunities. If this loss of income is temporary, an established emergency plan should be able to carry you over for several months of pre-determined expenses. Should you not have an emergency fund, then you should consider selling non-essential items prior to indebtedness or family intervention. Certainly continue to pray so that you may recognize God's provisions for us in real times of need.

If your situation is desperate (e.g., facing eviction, lack of funds for essential items – food and clothing, bill collectors filing judgments and suits for re-payment) you should contact the Personal Finance Ministry of Xenos Christian Fellowship for solutions to your individual situations. Please keep in mind, if you experience a decrease or increase in your income that is permanent, it is important that you rework your objectives, and budget to reflect your long term change.

Biblical Guidelines

The following guidelines should help you better understand the biblical position of finances in the areas of giving, savings and debt. This is not an exhaustive list of guidelines. Take the time to read the passages listed and do some study on your own or with your spouse.

1. God owns everything. We are stewards of His resources.

Psalms 24:1, Haggai 2:8

2. God will provide for all of our material needs. We should trust Him and be thankful for the provisions He has given us.

Philippians 4:18-19, Matthew 6:25-34, Hebrews 13:5

3. All economic activity (working, giving, savings, debt, spending, etc. . .) has eternal consequences and impacts our effectiveness in this life as well as the heavenly rewards we will receive.

Luke 16:10-13

4. Our motives and attitudes in the area of finances are very important.

Proverbs 16:2, Mark 12:41-44, 2 Corinthians 9:7

5. Until the guidelines 1 through 4 are understood and acted upon, it will be difficult to implement techniques and further instruction.
6. Because of the guidelines expressed in 1-3 above, we can be generous and distribute our resources according to God's standards. God is then glorified, and we are blessed. New Testament giving indicates that Christians should be sacrificial and consistent.

2 Corinthians 8 & 9, 1 Corinthians 16:1-2

7. The generous person will be rewarded and the stingy person will suffer the consequences.

2 Corinthians 9:6, Galatians 6:7, Proverbs 11:25; 21:13; 28:20, 27

8. Reasonable savings for the future is part of wise stewardship.

Proverbs 6:6-11; 21:20; 22:3

9. Resources should never be hoarded. To hoard is to keep resources with no reasonable expectation of use.

Luke 12:16-21, 1 Timothy 6:17, James 5:1-6

10. We are accountable as stewards to use God's resources wisely and should properly manage the resources given to us by the Lord.

Luke 19:11, 27, Matthew 25:14-30, Proverbs 27:23-27

11. Debt is not prohibited in scripture; however, the danger of being put into bondage by debt is an important consideration.

Proverbs 22:7

12. Resources should not be wasted on indulgences.

Proverbs 23:20-21; 28:7

13. God gave us an abundant earth for our enjoyment and an ascetic lifestyle does not promote maturity in the Christian life.

1 Timothy 6:17

14. More economic resources are provided to those who work diligently.

2 Timothy 2:6, 1 Timothy 5:18, Luke 10:7, Proverbs 28:19; 13:11

15. Having abundant resources is not condemned in scriptures, however, the misuse of wealth and the striving to gain it is.

*Philippians 4:12, 1 Timothy 6:9; 17-19, Proverbs 23:4-5,
Matthew 6:24, Psalms 112*

Financial Objectives at Different Ages

During their twenties, clients are usually encouraged to:

- Develop habits of saving and investing
- Prepare annual budgets with a savings component of 5 to 10 percent
- Accumulate a down payment for a home and an emergency fund of approximately six months' expenses
- Develop a favorable credit rating
- Begin an investment program with long-term growth potential
- Establish a retirement savings vehicle
- Determine insurance needs and obtain adequate coverage: disability, major medical, property liability, and if the client has dependents, life insurance
- Have a will prepared and sign it (including a guardianship provision if the client has children)

During their thirties, clients are usually encouraged to:

- Budget and control discretionary expenses
- Continue an investment program and consider both growth and tax savings
- Coordinate overall tax planning
- Contribute to tax deferred retirement plans such as: 401k, 403b, qualified corporate plans, and IRA's
- Plan education funding for children. Consider savings, trusts, gifts, custodial accounts, tax deferred investments, and so forth
- Update wills for changing family situations

During their forties, clients are usually encouraged to:

- Provide education funding for children and funding for other monetary support the client desires to provide for family members. Consider gifts, trusts, home equity loans, unsecured lines of credit, and so forth
- Increase savings as family expenses decline
- Contribute to retirement savings, including tax deferred retirement savings

Towards retirement and beyond:

- Liquidate long term debt such as housing and education
- Fine tune retirement goals toward sacrificial lifestyle
- Plan for long term health insurance
- Plan for inheritances and distributions of accumulated wealth

Definitions and Terms

Adjusted Gross Income. For taxes, gross income minus certain business and employment related expenses.

Assets. Items owned by a person or business, being financial or non-financial, tangible or intangible.

Bankruptcy. The state of having liabilities exceeding assets; or the inability to be able to pay bills as they come due; resulting in filing for protection from the Federal Courts.

Budgeting. Planning income and expenses to achieve a financial planning goal.

Charge Account. A form of consumer credit where credit is pre-granted to a specified amount.

Deductibles. Amounts not covered by insurance policies for loss, usually on an occurrence basis.

Dis-savings. Taking money from savings to pay for current ongoing living expenses.

Effective Rate of Interest. The actual rate of interest being paid over a period of time, usually one year. Sometimes referred to as APR (annual percentage rate).

Financial Plan. A written document of plans and goals accomplished through specific means and measured for success.

Income and Expense Statement. A financial statement which shows income and expenses for a period of time, usually one year.

Interest. The charge for the use of money; also known as the cost of money.

Joint Accounts. A property co-owned in an agreement by which either party may deposit or withdraw and the survivor of the agreement is full owner upon the death of the first.

Liquid Assets. Assets easily converted to cash.

Net Worth. The difference between assets and liabilities; usually for a point in time.

Replacement Value. The cost to replace an item with a new (exact) item. This usually pertains to home owners insurance contracts.

Will. A legal document that gives direction to the distribution of a deceased person's estate.

Yield. The actual rate of return on an investment.

Reference and Reading List

Authors	Book Titles	Publishers
Blue, Ron	<i>Master Your Money</i>	Nelson Publishing
	<i>The Debt Squeeze</i>	Focus on the Family Resources
	<i>Money Matters for Parents</i>	Oliver-Nelson Publishing
	<i>Your Kids Can Master Their Money</i>	Focus on the Family Resources
Alcorn, Randy	<i>Money Possessions & Eternity</i>	Tyndale Publishing
Getz, Gene Dr.	<i>Rich In Every Way</i>	Howard Publishing

Acknowledgment

*The GIFT Ministry of Xenos Christian Fellowship, Inc.
Would like to thank the Good Sense Ministry Team of
Willow Creek Community Church
For the uncounted number of hours in compiling their
Budget Counseling Manual
And their willingness to share this material with us.*

Work Page

