

Ten Biblical principles about money and wealth
Principle 4. God cares how we manage our money

1. Ten Biblical principles about money and wealth

a) A survey of Scripture

2. The Bible teaches us how to manage the money God entrusts to us

3. The underlying theme of this seminar

i. God wants our heart

b. The purpose of my instruction is that all believers would be filled with love that comes from a pure heart, a clear conscience, and genuine faith. 1 Timothy 1:5 (NLT)

4. Principle #4. God cares how we manage our money

i. Practical stewardship

5. Practice Biblical principles of money management

i. Outline

b.I. Obtaining money

c.II. Disbursing money

d.III. Budgeting and creating margin

e.IV. Saving money

f.V. Investing money

6. Key Bible verses

a. Attitude towards money management: A faithful man will be richly blessed, but one eager to get rich will not go unpunished. Proverbs 28:20

b. Work: Whatever you do, work at it with all your heart, as working for the Lord, not for men, Colossians 3:23

c. Borrowing: The wicked borrow and never repay, but the godly are generous givers. Psalms 37:21

d. Margin and Savings: The wise have wealth and luxury, but fools spend whatever they get. Prov 21:20(NLT)

e. Savings: Dishonest money dwindles away, but he who gathers money little by little makes it grow. Proverbs 13:11

f. Investing: But divide your investments among many places, for you do not know what risks might lie ahead. Ecclesiastes 11:2 (NLT) -->

7. Biblical financial principles vs worldly philosophy

i. Since true wisdom comes from God (Pr 2:6), many worldly principles about money management are common with Biblical. However, as in most areas of life, the Bible sometimes contradicts popular cultural values, or exposes their underlying motives. These differences will be examined as we study this topic. -->

8.I. Obtaining money

a. Righteously

b. Unwisely

c. Unrighteously

9. Love: The underlying universal principle of righteous income

a. The basic concept of righteous income is that those who provide something of value to another should receive fair compensation from the beneficiary

b. Those who serve (businesses and employees) show love by serving the needs of their customers

21. Question for future discussion

- a. Why should we take care of our savings goals before investing?
- b. How does the principle of leverage apply to investing and running a business?

22. Obtaining money
foolishly and unwisely

- a. Gambling (foolish)
- b. A faithful man will be richly blessed, but one eager to get rich will not go unpunished.

Proverbs 28:20

c. Borrowing (unwise)

- d. The rich rule over the poor, and the borrower is servant to the lender. Proverbs 22:7 ->

23. The folly of gambling

24. Let's play the "Christian" lottery

- i. An object lesson in foolishness

25. The "Christian" Lottery

- i. Win \$1,000!!!

26. The "Christian" Lottery

- a. It will cost you only 10 cents to play
- b. If you win, you will win \$1,000
- c. If you lose, you're out only 1 thin dime
- d. This is a completely honest game
- e. We will need a trusted banker to hold the bets and the prize money

27. Who wants to play?

- i. It's fun, easy, and so cheap that everyone can afford to play

It will cost you only 10 cents to play!

Come on--don't be a loser. If you don't play, you won't win. This could be your lucky day.

You might win the \$1,000

OK, show me your money!!!

28. THE "CHRISTIAN" LOTTERY

- i. Pick 7 numbers
- b. The Bible (1 - 33)
- c. The page (1 - 1086)
- d. The column (1 - 2)
- e. The row (1 - 40)
- f. The word (1 - 9)
- g. The letter (1 - 6)
- h. First or second half of the alphabet (1 - 2)

29. OK. That was just a warm-up. Now let's play for big money

- i. \$10,000

30. OK, let's play for \$10,000

- i. WOW--THE PRIZE JUST INCREASED BY 10 TIMES
THAT WAS JUST A WARM-UP
SHOW ME YOUR MONEY!!!

31. THE "CHRISTIAN" LOTTERY

- i. Pick 7 numbers
- b. The Bible (1 - 33)
- c. The page (1 - 1086)

d. The column (1 - 2)

e. The row (1 - 40)

f. The word (1 - 9)

g. The letter (1 - 6)

h. First or second half of the alphabet (1 - 2)

32. Deceptiveness of greed

i. Your odds of winning were only 1 in 303,937,920

b. These are the same odds of winning the US lottery

c. Chances of getting hit by lightning in the US in a given year is 1 in 300,000, or 973,000 times greater than winning the lotto!

d. Chances of being killed by a meteorite: 1 in 700,000, or 417,000x greater -->

33. 1 in 303,937,920

a. Imagine that 300M \$1 notes were assembled in a warehouse. One of them is invisibly marked as the winner. If you pick the marked note, you win all of them!

b. How to do this? If they were laid out end-end, and you could walk alongside and pick one, that is straight-forward enough to imagine, right?

c. How long would 300M \$1 notes be? Answer: 28,800 miles, or more than enough to circle the earth at the equator.

34.

35. The alluring deception

i. The world entices us to play through clever logic and half-truths

b. Somebody will win

c. It could be you

d. But you can't win if you don't play

e. If you don't play, but had the winning numbers in your mind, how will you ever forgive yourself?

f. Besides, tickets are so cheap you can't afford not to play

g. After all, today could be your lucky day

h. Come on--what do you have to lose?

i. One thin dime could change your life forever

36. The practical truth

i. A realistic attitude

b. Somebody will eventually win, but it won't be me

c. My chances of winning are about the same whether I play or don't play (Pastor Don Leigh)

d. I do not want to leave my life's "random" experiences up to luck or fate. I want God to control them.

37. The folly of gambling

a. The allure of gambling can become addictive, and many have been ruined financially by yielding to its deceptive charms

b. The basic premise behind gambling is to enrich oneself at the expense of others--the opposite of sacrificial love

c. When we gamble, we are trying to get rich quick, which is discouraged in Scripture

d. Gambling may be a sign of greed, distrusting God, foolishness, and/or an ungrateful heart

e. Playing the lottery is as foolish

as burning our money

f. We are sure to lose it -->

38. The folly of gambling

- i. Biblical admonitions against “Get rich quick” schemes
- b. Wealth from get-rich-quick schemes quickly disappears; wealth from hard work grows over time. Proverbs 13:11 (NLT)
- c. Greedy people try to get rich quick but don’t realize they’re headed for poverty. Proverbs 28:22 (NLT) >

39. Quiz

- i. Multiple choice or True/False
- b. Create one or more quizzes that deal with this module
- c. Usually 4 or 5 choices or statements work best for each quiz
- d. After allowing a minute or two for the students to complete the quiz, go over the answers. For false statements, ask the class what change could be made to make the statement true

40. Debt—a heavy load to carry

41. Borrowing money is like skating on thin ice

- a. Let no debt remain outstanding, except the continuing debt to love one another, for he who loves his fellowman has fulfilled the law. Romans 13:8

42. Debt is dangerous and discouraged in Scripture

- a. Borrowing is not evil but is unwise and is discouraged in Scripture
- b. If we borrow, we must repay, but we may not be able to repay: The wicked borrow and never repay, but the godly are generous givers. Psalms 37:21
- c. It may lead to bankruptcy (thereby not repaying the debt), which results in a form of wickedness: Psalms 37:21a
- d. Going into debt presumes upon the future and therefore presumes upon God’s plan
- e. The need to borrow might be a sign that God is saying “no” or “wait”->

43. The dangers of debt (cont’d)

- a. The need to borrow is usually a reflection of poor planning, impatience, greed, or just plain foolishness
- b. It may rob us of experiencing God’s miraculous provision and mighty power on our behalf
- c. It usually means we can’t afford the standard of living we have attained
- d. By going into debt today, we are always punished with a lower standard of living in the future -->

44. Debt inflicts punishment on the borrower

- i. “By going into debt today, we sentence ourselves to a lower standard of living in the future.”

Ron Blue

b. I gotta have it Today:

- i. Monthly income: RS 2000
- ii. Monthly spending on lifestyle: Rs 2000
- iii. Borrow Rs 3500 to buy new motor scooter
- iv. Promise to repay at Rs 50/mo for 70 months

c. For the next 5 years, 10 months:

- i. Monthly income: Rs 2000
- ii. Debt repayment: Rs 50
- iii. Monthly spending on lifestyle: Rs 1950

d. This example assumes 0% interest; in reality your new standard of living will be even lower or much longer due to paying interest on the debt

45. Question for discussion

a. What would be a better way to acquire the motor scooter?

46. Question for discussion

a. What would be a better way to acquire the motor scooter?

47. Debt is sometimes necessary or justified

a. We are all susceptible to unforeseen emergencies, disasters or illnesses that could leave us penniless

b. The poor have little opportunity to save for future emergencies so borrowing may be justified

c. Sacrificial giving

d. Purchase of a home (appreciating asset)

48. Debt repayment

i. If you must borrow, follow these principles:

b. Borrow as little as you possibly can

c. Negotiate as low an interest rate as you can

d. Pay off the debt as quickly as you can

49. If borrowing money is not God's preference for us, what is his preference?

50. God wants us to be a lender, not a borrower

a. "The foreigners living among you will become stronger and stronger, while you become weaker and weaker. They will lend money to you, but you will not lend to them. They will be the head, and you will be the tail! Deuteronomy 28:43-44 (NLT)

b. The rich rules over the poor, And the borrower *becomes* the lender's slave. Proverbs 22:7 (NASB)

51. Lending money

i. Two situations

b. Lending money to a business or bank

c. Lending money to an individual

52. Charging rent on money loaned to a bank or business is righteous

a. In both cases, the entity intends to make a profit, and the money lender has the same right.

b. Therefore, a return of the loan (principle) plus a reasonable fee for renting out the money (interest rate) is expected and justified: Matthew 25:27

c. When we lend money to a bank, it is called a savings account (your piggy bank within the biggie bank)

d. When consumers lend money to a company for business purposes, it is called purchasing a bond. -->

53. If we lend money to the bank, reasonable rent (interest rate) is expected and justified

a. "But the master replied, 'You wicked and lazy servant! If you knew I harvested crops I didn't plant and gathered crops I didn't cultivate, why didn't you deposit my money in the bank? At least I could have gotten some interest on it.' Matthew 25:26-27 (NLT)

54. Lending money to others

i. The situation

b. The lender has the money to lend, and the borrower has the reasonable prospects of repayment

c. The arrangement is agreeable with both parties

d. An IOU note is signed

55. What if the borrower later becomes destitute and unable to repay?

56. Forgiving our debtors

a. "If your brother sins against you, go and show him his fault, just between the two of you. If he listens to you, you have won your brother over. But if he will not listen, take one or two others

along, so that 'every matter may be established by the testimony of two or three witnesses.' If he refuses to listen to them, tell it to the church; and if he refuses to listen even to the church, treat him as you would a pagan or a tax collector. "I tell you the truth, whatever you bind on earth will be bound in heaven, and whatever you loose on earth will be loosed in heaven. "Again, I tell you that if two of you on earth agree about anything you ask for, it will be done for you by my Father in heaven. For where two or three come together in my name, there am I with them." Then Peter came to Jesus and asked, "Lord, how many times shall I forgive my brother when he sins against me? Up to seven times?" Jesus answered, "I tell you, not seven times, but seventy-seven times. "Therefore, the kingdom of heaven is like a king who wanted to settle accounts with his servants. As he began the settlement, a man who owed him ten thousand talents was brought to him.

57. Forgiving our debtors

a. Since he was not able to pay, the master ordered that he and his wife and his children and all that he had be sold to repay the debt. "The servant fell on his knees before him. 'Be patient with me,' he begged, 'and I will pay back everything.' The servant's master took pity on him, canceled the debt and let him go. "But when that servant went out, he found one of his fellow servants who owed him a hundred denarii. He grabbed him and began to choke him. 'Pay back what you owe me!' he demanded. "His fellow servant fell to his knees and begged him, 'Be patient with me, and I will pay you back.' "But he refused. Instead, he went off and had the man thrown into prison until he could pay the debt. When the other servants saw what had happened, they were greatly distressed and went and told their master everything that had happened. "Then the master called the servant in. 'You wicked servant,' he said, 'I canceled all that debt of yours because you begged me to. Shouldn't you have had mercy on your fellow servant just as I had on you?' In anger his master turned him over to the jailers to be tortured, until he should pay back all he owed. "This is how my heavenly Father will treat each of you unless you forgive your brother from your heart." Matthew 18:15-35

58. Forgiving our debtors

i. Lessons from Matt 18

b. God is a merciful God, full of compassion and willing to forgive

c. Our sins constitute a debt to God that is impossible for us to repay.

d. When we asked for forgiveness, he forgave our debt through our faith in Jesus Christ

e. Because God's mercy on us was limitless, our gratitude should be boundless.

f. Out of gratitude, we should treat those who are indebted to us with the same compassion God showed to us. If we lend money to someone who later becomes impoverished and unable to repay the debt, make an accommodation to his needs, or forgive the debt completely ->

59. Lend money without interest to Christian brothers or poor people who are in need:

a. "If you lend money to any of my people who are in need, do not charge interest as a money lender would. Exodus 22:25 (NLT)

b. When I heard their complaints, I was very angry. After thinking it over, I spoke out against these nobles and officials. I told them, "You are hurting your own relatives by charging interest when they borrow money!" Then I called a public meeting to deal with the problem. Nehemiah 5:6-7 (NLT)

c. Those who lend money without charging interest, and who cannot be bribed to lie about the innocent. Such people will stand firm forever Psalm 15:5 (NLT)->

60. Better than making a loan to the poor is to happily give them the money to meet their need

i. If they do voluntarily repay you anyway, consider putting the money into a "Blessings Fund" to meet a future need

61. Questions for discussion

- a. Give an example of justifiable borrowing of money
- b. What would have been required to make the borrowing unnecessary?
- c. What was given up in order to repay the loan?
- d. Looking back, was going into debt worth it?
- e. What advice would you give your son or daughter who is considering debt? Your friend?

62. The Bible warns against co-signing for a loan

- a. A person who co-signs for a loan is guaranteeing that he will repay the loan if the borrower defaults
- b. Therefore, the co-signer has the same obligation to repay the loan as the borrower.
- c. Do not cosign for another unless you are willing to pay back the loan yourself: Prov 22:26-27
- d. Recognize that the borrower may not qualify for a loan from a bank.
- e. Why would you want to be more careless than a banker?
- f. Co-signing is not recommended, even for family members

63. Obtaining money by evil means

64. Evil ways of obtaining money

- a. Stealing: Exodus 20:15 John 12:4 - 6; Ps 62:10
- b. Violence: Proverbs 11:16
- c. Dishonesty: Micah 6:10 - 12 Proverbs 15:27
- d. Charging interest on loans to the poor and needy: Proverbs 28:8
- e. Murder and corruption: Habakkuk 2:12 - 13 Jude 1:11
- f. Greed: Proverbs 1:18 - 19
- g. Betrayal and bribery: Matthew 26:14 - 16
- h. Religious deception: 1 Tim 6:3-5, 2 Peter 2:1-3 -->-->

65. Quiz

- i. Multiple choice or True/False
- b. Create one or more quizzes that deal with this module
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66. Practice Biblical principles of money management

- i. Outline
- b. I. Obtaining money
- c. II. Disbursing money
- d. III. Budgeting and creating margin
- e. IV. Saving money
- f. V. Investing money

67. Money talks

- i. Its says "bye-bye" (Brian Kluth)

68. Methods of disbursing money

- a. Spend
 - i. responsibly (stewardship)
 - ii. irresponsibly (uncontrolled)
- b. Give it away
- c. Lose or destroy it
- d. Someone can steal it

e.It can lose its value (inflation, economic crisis, social change, etc)

69.Disbursing money in a controlled manner may require establishing a budget

70.Practice Biblical principles of money management

i.Outline

b.I. Obtaining money

c.II. Disbursing money

d.III. Budgeting and creating margin

e.IV. Saving money

f.V. Investing money

71.Budgeting

i.A budget is a plan for controlling our spending

72.The Biblical basis for budgeting

73.God is a planner

i.He has a plan for us

b.Long before He [God] laid down earth's foundations, He had us in mind, had settled on us as the focus of His love, to be made whole and holy by His love. Long, long ago He decided to adopt us into His family through Jesus Christ. (What pleasure He took in planning this!) He wanted us to enter into the celebration of His lavish gift-giving by the hand of His beloved Son. Ephesians 1:3-6 (MSG)

74.God is a planner

i.He manages his property well

b.Yours, O LORD, is the greatness, the power, the glory, the victory, and the majesty.

Everything in the heavens and on earth is yours, O LORD, and this is your kingdom. We adore you as the one who is over all things. Wealth and honor come from you alone, for you rule over everything. Power and might are in your hand, and at your discretion people are made great and given strength. 1 Chronicles 29:11-12 (NLT)

75.Godly (wise) men plan

a.For which of you, desiring to build a tower, does not first sit down and count the cost, whether he has enough to complete it? Otherwise, when he has laid a foundation and is not able to finish, all who see it begin to mock him, saying, 'This man began to build and was not able to finish.' Luke 14:28-30 (ESV)

b.Commit to the LORD whatever you do, and your plans will succeed. Proverbs 16:3

76.Budget basics

i.There are only 5 elements of a budget

b.Taxes

c.Debt repayment

d.Giving

e.Living expenses

f.Margin (to save for future needs and opportunities)

77.8 characteristics of a successful budget

a.A budget is a tool for the steward to manage God's resources responsibly

b.It requires us to balance a multitude of present and future needs, goals, and opportunities

c.It requires the setting of priorities through prayer, foresight, and Godly wisdom

d.It brings order into our lives

e.It requires discipline to maintain

f.It should be periodically reviewed -->

78. Three realities of a budget

- i. It's all about controlling our cash flow
- b. There are no independent financial decisions: every rupee spent on one thing eliminates all other options for that rupee--it is gone forever
- c. The more long range the perspective the better the decision
- d. Financial decisions made today have lifetime implications (Source: Ron Blue)

79. Controlling our cash flow

- i. Requires non-consumptive attitude, knowledge, discipline, and planning
- b. Avoid impulsive decisions. Stick with our budget. If it needs to be changed, do it with careful consideration
- c. Husband and wife must share the responsibility and commitment needed to control expenses (cultural?)
- d. Use some system (ledgers, envelopes, etc)
- e. Eliminate the use of credit cards if we are not able to stick to our budget

80. Controlling our cash flow

- i. (Continued)
- b. Consider maintaining our present standard of living even if our income increases
- c. Be willing to lower our standard of living if our income decreases
- d. Your budget is not our master. It is just a plan. So let's be flexible if God presents us with some opportunity to show generosity

81. Budgeted expenses: four time periods to consider

- a. Regular, monthly living expenses (budget)
- b. Planned short term, lump-sum living expenses (every year or less-contained in margin)
- c. Planned mid-term living expenses--providing for replacements and major purchases (every 1-5 years, contained in margin)
- d. Long term planning--providing for unexpected expenses, owning your own business, retirement, leaving an inheritance, life-style changes, investing in the Lord's work, systematically adding to your blessings fund- (contained in margin)->

82.5 steps to follow in managing our budget

- i. Administer it in 'reverse' order
- b. First, set aside money out of gross income that which belongs to the government (taxes)
- c. Second, set aside money out of net income we have committed to give to the Lord's work
- d. Third, set aside money needed to repay our loans
- e. Fourth, set aside money designated for future needs and opportunities (margin)
- f. Fifth, live on the remainder
- i. Hint: try to live on 50-90% of our net income.

83. Avoid becoming obsessed with money

- i. Remember that God is our only true provider
- b. God wants us to trust him for our present and future needs
- c. "Don't love money; be satisfied with what you have. For God has said, 'I will never fail you. I will never abandon you.'" "So we can say with confidence, "The LORD is my helper, so I will have no fear. What can mere people do to me?" Hebrews 13:5-6(NLT)

84. Discussion questions

- a. What are the dangers with not having a plan to control spending?
- b. How might God intervene with our (His) plan?

85. Team assignment

i. 10 minutes

b. Develop a budget for a teacher with a wife and two young children who makes Rs 12,000 per month and who must make Rs 1000 each month in debt repayment

c.* Assume 10% must be allocated for taxes

d.* Decide on how much to give to the Lord's work

e.* Deduct for debt repayment

f.* Decide on how much margin to achieve

g.* Establish a lifestyle that he can sustain with the remainder

- Rent/utilities

h. - Food

i. - Clothes

j. - The remainder will be used for all other needs -->

86. Practice Biblical principles of money management

i. Outline

b.I. Obtaining money

c.II. Disbursing money

d.III. Budgeting and creating margin

e.IV. Saving money

f.V. Investing money

87. Saving money

i. The process of accumulating margin in order to meet future needs and opportunities

88. Saving money: A brief overview

a. Saving money requires the creation of margin through the budgeting process

b. In order to create margin (surplus) we must spend less than we receive

c. It means sacrificing short term pleasure for the benefit of funding long term needs and opportunities

d. It means living below our means

e. When we create margin on a consistent basis, we build a savings account.

89. Some uses of accumulated margin (savings)

a. Significant gifts to the Lord's work (Blessings Fund)

b. Increased standard of living

c. Job loss

d. Major illnesses

e. Large purchases (house, car, computer)

f. Education (ourselves or someone else)

g. Replacements (shoes, tires)

h. Maintenance and repairs

i. Accidents and emergencies

90. Saving is different from hoarding

i. Hoarding is discouraged in Scripture

b. Hoarding is excessive accumulation with no purpose in mind. It is driven by pride or compulsion.

c. Saving is accumulating for a purpose. It is driven by planning, discipline, responsibility and foresight-->

91. Saving is different from investing

a. Savings involve money we can't afford to lose and must be kept safe

- b.Savings are to meet short, medium, and long term future needs
- c.Investments involve risk, requiring a longer term perspective and should be made only after all savings goals are met -->
- 92.Examples of savings
- 93.Ants
 - i.Go to the ant, you sluggard; consider its ways and be wise! It has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest. Proverbs 6:6-8
- 94.Bears
- 95.Camels
- 96.Glaciers
- 97.Elisha and the widow at Zeraheth
 - i.1 Kings 17:7-16
- 98.Joseph
 - i.Genesis 37-50
- 99.Putting savings into a Biblical perspective
 - a.Trust God for our future needs, not our savings account
 - b.We are to be prudent money managers, saving responsibly and living on the rest
 - c.We cannot save for every unknown circumstance in life
 - d.God does not want us to worry about the future
 - e. Obsessively trying to save enough money to cover every future contingency will rob us of joy, peace, blessing
 - f. Don't love money; be satisfied with what you have. For God has said, "I will never fail you. I will never abandon you." So we can say with confidence, "The LORD is my helper, so I will have no fear. What can mere people do to me?" Hebrews 13:5-6(NLT) -->
- 100.Class discussion
 - a.Compare saving with hoarding. Give some examples of each
 - b.Share some other examples of saving from nature or the Bible
 - c.What is meant by the statement "It is neither desirable nor scriptural to attempt to save for every future need or eventuality?"
- 101.Money management
 - a.I. Obtaining money
 - b.II. Disbursing money
 - c.III. Budgeting and the creation of margin
 - d.IV. Saving money
 - e.V. Investing money
- 102.Practice Biblical principles of money management
 - i.Outline
 - b.I. Obtaining money
 - c.II. Disbursing money
 - d.III. Budgeting and creating margin
 - e.IV. Saving money
 - f.V. Investing money
- 103.Principles of investing money
 - i.What is investing?
 - b.Investing involves putting money to work for a long period of time with the expectation that it will increase in value.

c. Investments are speculative, involve risk, and thus are different than savings which is relatively safe

d. Successful Investments benefit from the power of compound interest

e. Successful investments can provide for long term needs, such as retirement, generous gifts, and inheritances.

f. Unlike savings, you are placing your money at risk of loss, Therefore, investments should be made with money we can afford to lose.

g. Whether we save or invest, we must trust the Lord for our security and our future

104. The benefits of investing

i. The potential growth of a good investment is higher than a simple savings account

105. Examples of investing

a. The farmer

b. The pastor

c. The teacher

d. The missionary

106. Example of investing—the farmer

i. He sows his seeds, hoping for a great harvest

107. Example of investing—temporal parenting

i. The honorable secular parent trains his child in worldly wisdom, hoping to produce a responsible, moral citizen

108. Example of investing—spiritual parenting

i. The godly Christian parent also nurtures his child spiritually, asking God to produce a citizen of the kingdom of heaven

109. Example of an investor: the teacher

i. She imparts her knowledge to her students now, hoping for productive citizens in the future

110. Example of an investor: The pastor

i. He preaches God's word today, hoping to produce mature believers tomorrow

111. Example of an investor—the missionary

i. He or she shares the gospel in this life, hoping to populate heaven in the life to come

112. What do all of these investors have in common?

a. They all involve risk because the outcome is uncertain

b. They all require huge expenditures of time, energy, and money

c. They all involve a long term perspective

d. They all may fail to produce the intended result

e. They all have the potential of great rewards

f. They all require vision, commitment, patience, and prayer

g. They all depend on God for success

113. The rule of 72

i. Case 1: determining how many years It takes to double your investment at a given interest rate

b. Formula: $72/\text{interest rate}$

i. Suppose the interest rate you can earn at a bank savings account is 6%/year

ii. $72/6 = 12$

iii. Your money invested at 6%/yr will double in 12 years

iv. Examples:

(1) Rs100 will grow to Rs200 in 12 years

(2) Rs 50000 will grow to Rs100000 (1 Lakh) in 12 years

114. The rule of 72

i. Case 2: determining the required interest rate to double your money in a given amount of time

b. Formula: $72/\text{years}$

i. Suppose you want to double your principle in 3 years. What interest rate must you earn?

ii. $72/3 = 24$

iii. You would have to earn 24%/year to double your money in 3 years

iv. Examples:

(1) Rs100 will grow to Rs200 in 3 years if the interest rate is 24%/year

(2) Rs 50000 will grow to Rs100000 (1 Lakh) in 3 years if the interest rate is 24%/year

115. Quiz

i. Multiple choice or True/False

b. Create one or more quizzes that deal with this module

c. Usually 4 or 5 choices or statements work best for each quiz

d. After allowing a minute or two for the students to complete the quiz, go over the answers. For false statements, ask the class what change could be made to make the statement true

116. A practical reality of investing

i. Risk

117. Some risk factors

i. Variables outside our control

b. Type of investment (some investments are more risky than others)

c. Rate of return (the higher the expected return, the greater the risk)

d. Duration (the shorter the duration, the higher the risk)

e. Inflation (the higher the rate of inflation, the less the purchasing power of your investment)

f. Politics, economy, geology, etc, etc, etc -->

118. Risks

i. Team assignment-10 minutes

b. List some reasonable risks that a person might take in investing his money

c. List some foolish risks that one should avoid in investing his money

119. Quiz

i. Multiple choice or True/False

b. Create one or more quizzes that deal with this module

c. Usually 4 or 5 choices or statements work best for each quiz

d. After allowing a minute or two for the students to complete the quiz, go over the answers. For false statements, ask the class what change could be made to make the statement true

120. Prerequisites to investing

i. A prioritized plan

b.1. Save 1-6 month's income for emergencies and worthy opportunities

c.2. Pay off all of our consumer and credit card debt

d.3. Save 6-12 months income for loss of job and other unplanned expenses (rainy day)

e.4. Save for our planned expenses

f.5. Save for our major purchases and long term opportunities

g.6. Invest in long range goals, such as retirement and building our estate so we can leave an inheritance -->

121. 12 Biblical principles of wise investing

a.1. Don't make riches our objective

i. Do not toil to acquire wealth; be discerning enough to desist. Proverbs 23:4 (ESV)

b.2. Don't fall in love with our money

i. Don't wear yourself out trying to get rich. Be wise enough to know when to quit. In the blink of an eye wealth disappears, for it will sprout wings and fly away like an eagle Proverbs 23:4-5 (NLT)

c.3. Intentionally cultivate a generous heart so that successful investments will produce eternal value

i. Sometimes you can become rich by being generous or poor by being greedy. Proverbs 11:24 (CEV)

122.12 Biblical principles of wise investing

a.4. Don't invest with money needed for future obligations

i. The prudent understand where they are going, but fools deceive themselves. Proverbs 14:8 (NLT)

b.5. Since investing is speculative by nature, and you could lose everything, don't borrow to invest:

i. The wicked borrow and do not repay, but the righteous give generously; Psalm 37:21 (NIV)

c.6. Set realistic plans and goals:

i. "But don't begin until you count the cost. For who would begin construction of a building without first calculating the cost to see if there is enough money to finish it? Luke 14:28 (NLT)

123.12 Biblical principles of wise investing

a.7. Invest using wisdom and good sense

i. By wisdom a house is built, and through understanding it is established; Proverbs 24:3

b.8. Get wise advice

i. Plans fail for lack of counsel, but with many advisers they succeed. Proverbs 15:22

c.9. Doing it simply because it is promoted as a good deal

i. Don't be stupid and believe all you hear; be smart and know where you are headed. Proverbs 14:15 (CEV)

124.12 Biblical principles of wise investing

a.10. Be patient and avoid hasty speculation

i. The trustworthy person will get a rich reward, but a person who wants quick riches will get into trouble Proverbs 28:20 (NLT)

ii. Wealth from get-rich-quick schemes quickly disappears; wealth from hard work grows over time Proverbs 13:11 (NLT)

iii. Greedy people try to get rich quick but don't realize they're headed for poverty. Proverbs 28:22 (NLT)

b.11. Remember the poor when successful

c. He who gives to the poor will lack nothing, but he who closes his eyes to them receives many curses. Proverbs 28:27

d.12. Diligently manage our assets

i. Know the state of your flocks, and put your heart into caring for your herds, for riches don't last forever, and the crown might not be passed to the next generation Proverbs 27:23-24 (NLT)

125. Poor motives for investing

a. Self esteem

i. First pride, then the crash— the bigger the ego, the harder the fall. Proverbs 16:18 (MSG)

b. Desire to get rich quick

i. Wealth gained hastily will dwindle, but whoever gathers little by little will increase it. Proverbs 13:11 (ESV)

c. Envy, greed or love of money

i. Then he said, "Beware! Guard against every kind of greed. Life is not measured by how much you own." Luke 12:15 (NLT)

d. Reliance on money for our security

i. and call upon me in the day of trouble; I will deliver you, and you will honor me" Psalm 50:15

e. Intent to hoard

i. And he told them this parable: "The ground of a certain rich man produced a good crop. He thought to himself, 'What shall I do? I have no place to store my crops.' "Then he said, 'This is what I'll do. I will tear down my barns and build bigger ones, and there I will store all my grain and my goods. And I'll say to myself, "You have plenty of good things laid up for many years. Take life easy; eat, drink and be merry.'" "But God said to him, 'You fool! This very night your life will be demanded from you. Then who will get what you have prepared for yourself?' "This is how it will be with anyone who stores up things for himself but is not rich toward God." Luke 12:16-21

126. Principle #4. God cares how we manage our money

i. Summary

b.I. Obtaining money

c.II. Disbursing money

d.III. Budgeting and the creation of margin

e.IV. Saving money

f.V. Investing money

127. Obtaining money summary

a. We are to earn our money honestly through skill and hard work.

b. There are several other ways of obtaining money righteously, such as through our own labor or that of others, interest on savings, rent on assets, or appreciation of investments

c. Obtaining money by gambling is wrong and by borrowing is unwise.

128. Spending money summary

a. We are to disburse our money as wise and faithful stewards.

b. Christians should be quick to pay their obligations, including taxes, debt repayment, and support for the Lord's work.

c. Let the Lord guide our spending

129. Budgeting money and creating margin summary

a. For most people, controlling their expenses to create margin will require developing a budget.

b. Creating a budget will require prayer, planning, counsel, and wisdom

c. Discipline is required to maintain a budget

d. Margin is useful for a variety of purposes, including saving for future needs, special giving to the Lord's work, and benevolence.

130. Saving money summary

a. The steady accumulation of margins over a long period of time (savings) provides us with the ability to pay for our future predictable and unexpected needs and opportunities.

b. A savings account provides the means to help others in need

c. We should have a plan for our savings to avoid hoarding or unreasonable accumulation

d. Since our savings have a future purpose, they should be put at minimal risk.

131. Investing money summary

a. Investing involves putting money to work with the expectation that it will increase in value over a long period of time.

- b. Investments are speculative, involving risk, and thus are different than savings.
- c. It is unwise and presumptuous to speculate with money we cannot afford to lose or with borrowed money.
- d. Fulfill our savings goals first, then invest
- e. Successful investments can provide for long term needs, such as retirement, generous lifetime gifts, and inheritances.
- f. Investments should be made carefully, prayerfully and with proper guidance
- g. Whether we save or invest, we must trust the Lord - not our money - for our future welfare and security.

132. Final thoughts about managing our money according to Biblical principles

- a. Earn money honestly
- b. Spend money prayerfully
- c. Give money generously
- d. Budget money carefully
- e. Create margin intentionally
- f. Save money purposely
- g. Invest money wisely

133. Class Assignment

i. Essay

b. What attitudes and practices do you need to cultivate within your own life to be able to manage your cash flow and produce margin on a consistent basis?

134. Ten Biblical principles about money and wealth

i. A survey of Scripture