

Scriptural Foundations for a Biblically Sound Financial Life

In this class, we hope to help you gain (and maintain) an eternal perspective in your “financial” life, which, of course, is tied inextricably to your spiritual life. An eternal perspective recognizes that (1) God is the owner of everything, and (2) we are called to manage His resources for His purposes. Consider these words from Scripture (have students read the scriptures):

- “The earth is the LORD’s, and everything in it, the world, and all who live in it” (Psalm 24:1).
- “For everything comes from him and exists by his power and is intended for his glory” (Romans 11:36 NLT).
- “Remember the LORD your God, for it is he who gives you the ability to produce wealth” (Deuteronomy 8:18).
- “What do you have that you did not receive?” (1 Cor. 4:7).
- “God is able to make all grace abound to you, so that in all things at all times, having all that you need, you will abound in every good work” (2 Corinthians 9:8).¹

The Lord has given each of us a management responsibility that we can’t delegate away. Yes, we should turn to others for help in making certain spending and investing decisions. Still, *the responsibility of being a faithful steward remains ours*—and God graciously offers His wisdom for the task: “If any of you lacks wisdom, you should ask God, who gives generously to all without finding fault, and it will be given to you” (James 1:5).

For your finances, our prayer is that you would “...honor the LORD with your wealth and with the best part of everything you produce” (Proverbs 3:9 NLT).

Practical Spiritual Wisdom for Finances from Sound Mind Investing:

Put first things first As noted above, your financial life is closely connected to your spiritual life. Indeed, they are not separate things. How you view money and how you use it flow from what you believe about God. Since God owns everything (1 Chronicles 29:11) and all you have comes from Him (1 Corinthians 4:7), your “financial calling” is clear: take care of what belongs to the Lord to the best of your ability.

The pressures of life—and the unrelenting messages of our culture—tend to pull us away from this crucial “stewardship” mindset and toward financial laziness and material indulgence. Therefore, each of us must:

- **Continually reorient our minds and hearts toward the Lord and His purposes.** To be sure, we want to achieve financial health and stability, but we should be also be overflowing with generosity—a generosity that flows from your love of God. We want to bring joy to the Father’s heart.
- **Trust God to work things together for good.** Counting on God’s faithfulness can be a daily battle. None of us can ever know what the future holds, but we can know who holds the future. No matter what happens, our trust in the Lord is never misplaced.
- **Believe what Jesus said.** Luke 12:32 is one of the most remarkable verses in the Scriptures. Jesus said, “Fear not, little flock, for it is your Father’s pleasure to give you the kingdom” (ESV). He wants us to know that our heavenly Father is generous, helpful, kind, and tender.
- **Learn to trust God as your provider.** The Lord stands ready to help—most often in ways that seem ordinary but sometimes in ways that are extraordinary. The question isn’t “Will God provide what we need?” but “Will we live lives that glorify our Provider?”
- **Recognize that disappointments and setbacks can be instruments in God’s hand.** The Lord wants to refine us and move us toward Christ-likeness. Don’t be surprised if that process involves the testing of your faith. Just remember that God is always present, invariably loving, inevitably faithful, and absolutely worthy of all your confidence.
- **Seek the Kingdom of God above all else.** Social unrest and political uncertainty could cause us to be consumed by worry! But Jesus calls us to set worry aside and embrace a life of kingdom-focused holy living: “Seek the Kingdom of God above all else, and live righteously, and [the Father] will give you everything you need” (Matt. 6:33 NLT).
- **Stop expecting from money what only God himself can provide.** The things of this world will never satisfy one’s deepest longings. That isn’t bad news; it’s *helpful* news. Within that insight lies the power to stop looking to money—and the things money can buy—for what they cannot deliver.
- **Take concrete steps toward becoming a sacrificial giver.** A willingness to sacrifice is essential for those who follow Christ. Begin by giving up some small part of your plenty (i.e., money you could use to buy something for yourself) for the sake of others who have little.
- **Learn how to become a “spiritual gardener,” tilling the soil to help others become more receptive to the gospel.** Following the evangelism advice of the Apostle Paul, be shrewd, be patient, and treat each person as a unique individual.



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Personal Financial Checklist – Putting Your House in Order

“Well done good and faithful servant.”

Giving:

- ☐ Recently studied, meditated, and praying about God’s generosity and my/our generosity
- ☐ Have a written “Generosity Plan” for my/our giving in 2021 (recipients & amounts, spontaneous reserve)
- ☐ Committed to listening to the Spirit and journaling monthly as to clear or emerging guidance for action

Spending:

- ☐ Have a written “Debt Elimination Plan” and have made a “New-Debt Avoidance Pledge” to myself/us
- ☐ Documented budget in-place for Q1 2021 with scheduled monthly reviews (actuals vs plan); then Q2,3,4
 - ☐ Budget has all items including defense (debt, insurances, etc.) and offense (giving and investing)

Investing:

- ☐ Have a written 1-page investment policy statement (philosophy, approach, methods) and am committed to adhering to my/our plan through smooth and volatile economic/market conditions
- ☐ Utilizing available IRS tax-advantaged account types (Trad & Roth IRAs, HSAs, 401(k)s, etc.); & Brokerage
- ☐ Implemented Risk vs Time-Horizon asset allocations using core of low-cost passive indexed funds
- ☐ Automated new investment contributions, and have a schedule for rebalancing to planned allocations

House-In-Order:

- ☐ Ownership Registration & Beneficiaries are up-to-date and correct for all accounts; including Banks, IRAs, 401(k)s, HSAs, Brokerages, Insurance Policies, Property Deeds, titles, etc.
- ☐ Spouse, executor, trustees have knowledge of, and appropriate legal access to all “Plans” and Accounts; Estate Documents (Wills, Trusts, Health & Financial POAs, Physicians’ Directives; etc.); safe deposit boxes

AUTO

Do you have the right coverage?

30/60/25.= _____

50/100/50 = _____

100/300/100 = _____

250/500/100 = _____

_____/_____/_____= _____

PIP = 2500,5000,10000

(Per person if at fault)

How long have you had continuous coverage?

- Current company _____

- Continuous coverage _____

-Credit History? (Not score)

-Switch primary insured (quote)

-Tickets - Def Driving or Subrogation. (\$500/year x 3year)

-Claim >\$1200-\$1500 repairs

-Police Report? Witnesses?

-Tiering: at fault, not at fault, total number of claims (A, B, C)

Umbrella Policy \$1mil +

- Pool, Young Driver, High Net Worth.

HOME

Do you have the right coverage?

- Replacement Cost Value

- ACV (actual cash value)

Premiums RC = \$1500+

ACV = \$1000+

- Roof coverage (15 year ACV)

- Claims:

❖ Get an estimate before opening.

❖ Roof, fence, gutter, chimney window screen, etc...

❖ Do not give power of attorney = no leverage for yourself.

- Discounts:

❖ Local and Central Alarms

❖ Water deduction, smart home

❖ New Roof (ask agent)

No Trampolines (liability)

Dangerous Dog Breeds

Renter policy gives discount to Auto and liability at \$300k.

LIFE

Do you have the right coverage? Types of policies:

- Term (10, 20, 30 years) - cheapest

- UL, Variable, Hybrid - uses market (use padded illustration) has cash value

- Whole Life (get interest or dividend earning) has cash value

How much is right?

- Final expenses (funeral)

- Large expenses (home, auto)

- Loss of income (10 years)

- Education (college tuition)

Health Rating

- height / weight

- Medical history

- Drink water 24 hours prior

- Get a morning exam

Riders = chronicle/terminal illness, second survivor

Beneficiaries - Primary & Secondary

HEALTH

Personal / Family

- ACA (healthcare.gov)
- Shared (Medi-share)
- Medicare/Chips (children)

Business (Commercial)

- Corp, LLC, LP, etc...
- Premiums are comparable to family
- Tax benefits
- One person policies possible
- Flexible Coverage HMO, PPO, HSA

Types of Coverage

- HMO
- PPO
- HSA
- Hybrids

Should I get catastrophic policy?

- Regular visits paid out of pocket?

DISABILITY

Traditional vs Life policy Rider?

Rating: medical history and/or blood work.

How much is right amount?

- 3 years of coverage
- \$4500 monthly average cost TX

When should I start?

- Most suggest 50 years old to start shopping around because premiums go up with age.

Traditional (cheapest)

- Set amount \$150k
- Pay to keep coverage
- Use it or lose it
- Prices may increase

Life (Whole Life) with Disability Rider) more expensive

- Set amount of disability pay out \$150k
- Cash Value
- Death Benefit
- Not use it or lose it

OTHER

Final thoughts...

Insurance is money when you need it the most.

Understand what you are paying for.

Get the right coverage not the cheapest. (Save a penny, pay a dollar)

If you have to have it... get it right.

Estate Planning

Every adult needs the following estate planning documents in place to communicate wishes/ protect rights/ and ease the burden on loved ones.

Legal Documents Effective During your Lifetime:

- ✓ Statutory Durable Power of Attorney -A statutory durable power of attorney is used to appoint an agent to act in your place regarding financial and legal transactions. Texas law regarding durable powers of attorney changed significantly in 1993, with further important changes in 2017, so you may need a new one that complies with current law.
- ✓ Medical Power of Attorney - A medical power of attorney enables another person to make health care decisions that you would make, if you were able. A doctor must declare you to be unable to make decisions relating to your health before this authority becomes effective.
- ✓ Authorization to Release Medical Information - In 2003, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) took effect. HIPAA contains medical privacy rules that restrict disclosure of certain health information by health care providers and plans. A HIPAA Authorization will allow the individuals that you specify to have access to your health information so they can assist in decisions regarding your care.
- ✓ Directive to Physicians and Family or Surrogates (Living Will) - A living will provides direction regarding your desires to administer, withhold, or withdraw life-sustaining treatment if you have a terminal or irreversible condition. This is not a "DNR" (Do Not Resuscitate), which is a medical document executed with your doctor.
- ✓ Declaration of Guardian - In the event that your durable power of attorney or medical power of attorney is not effective, and a guardianship is necessary to protect your interests, this document will indicate who you trusted to be appointed as your guardian (as well as individuals who should not be appointed).

Legal Documents Distributing Your Estate After Your Death:

- ✓ Will - A-Will is not effective for any purpose while you are alive. Instead, a Will declares your intentions regarding the distribution of your property after your death. The type of Will that you need and the way in which your property should be distributed depends upon your particular circumstances and desires.
- ✓ Trusts-There are many different types of trusts which can be used for various purposes. Several types of trusts are Revocable (Living) Trusts, Irrevocable Trusts, Testamentary Trusts, and Supplemental Needs Trusts. Trusts are only necessary in particular circumstances and are not necessary for everyone.