



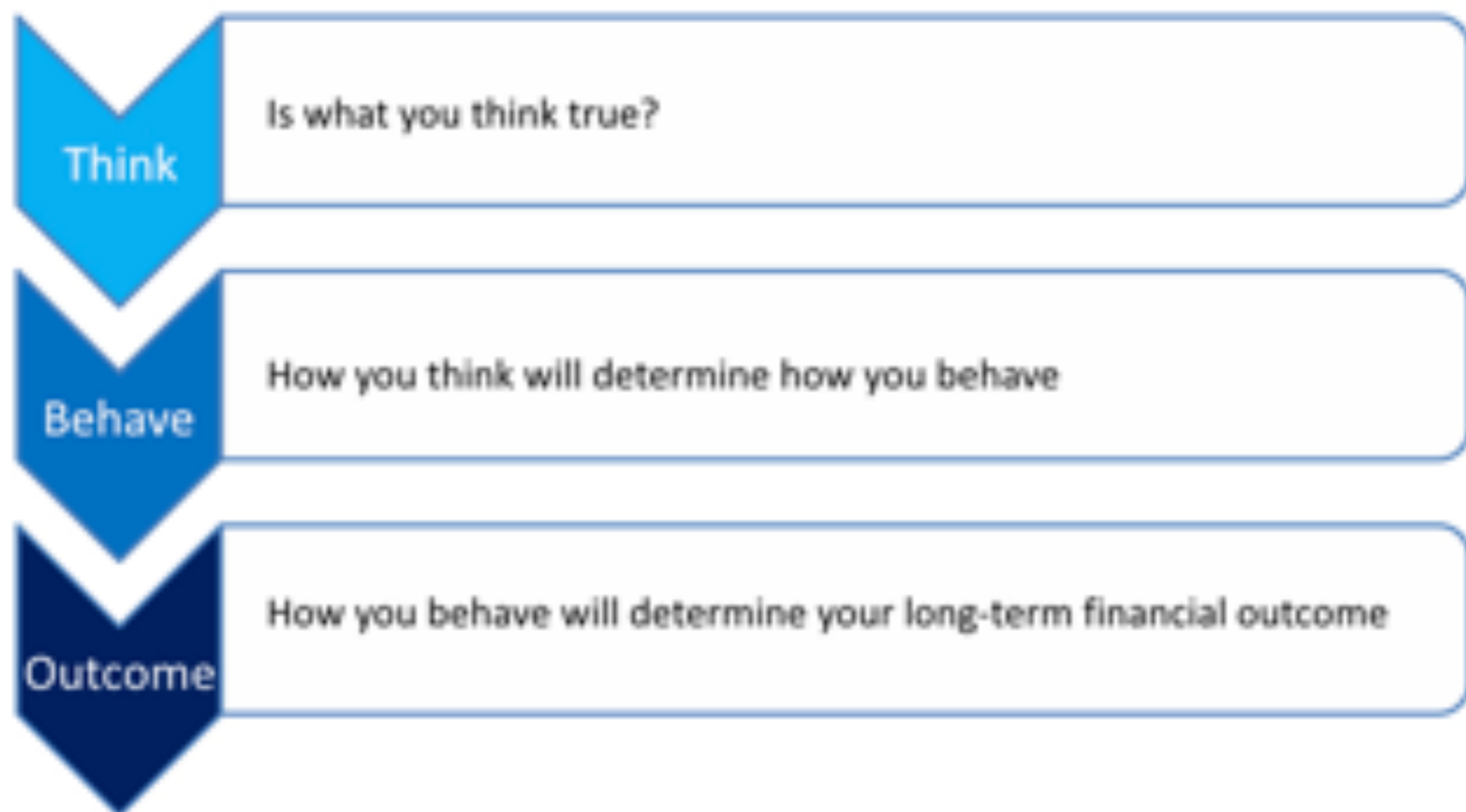
Financial Wisdom

What is wisdom?

What does it mean to be wise?

To have the power to discern and judge properly what is true and right.

The problem....



Our Society

- Save 1%
- 50% live month-to-month
- Record debt levels – 194% debt to income
- 2nd most indebted households on earth
- 3 million living in Poverty

Our Culture

“most people spend money they don't have, to buy things they don't need, to impress people they don't like.”

Clive Hamilton

Author - Affluenza



The Government is no better....

- Australia
 - Forecast Debt of \$629 Billion
 - Deficits for the last 10 years
- US
 - Debt over \$20 trillion
 - Deficits for 36 out of the last 40 years

Is it possible to be wise?

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

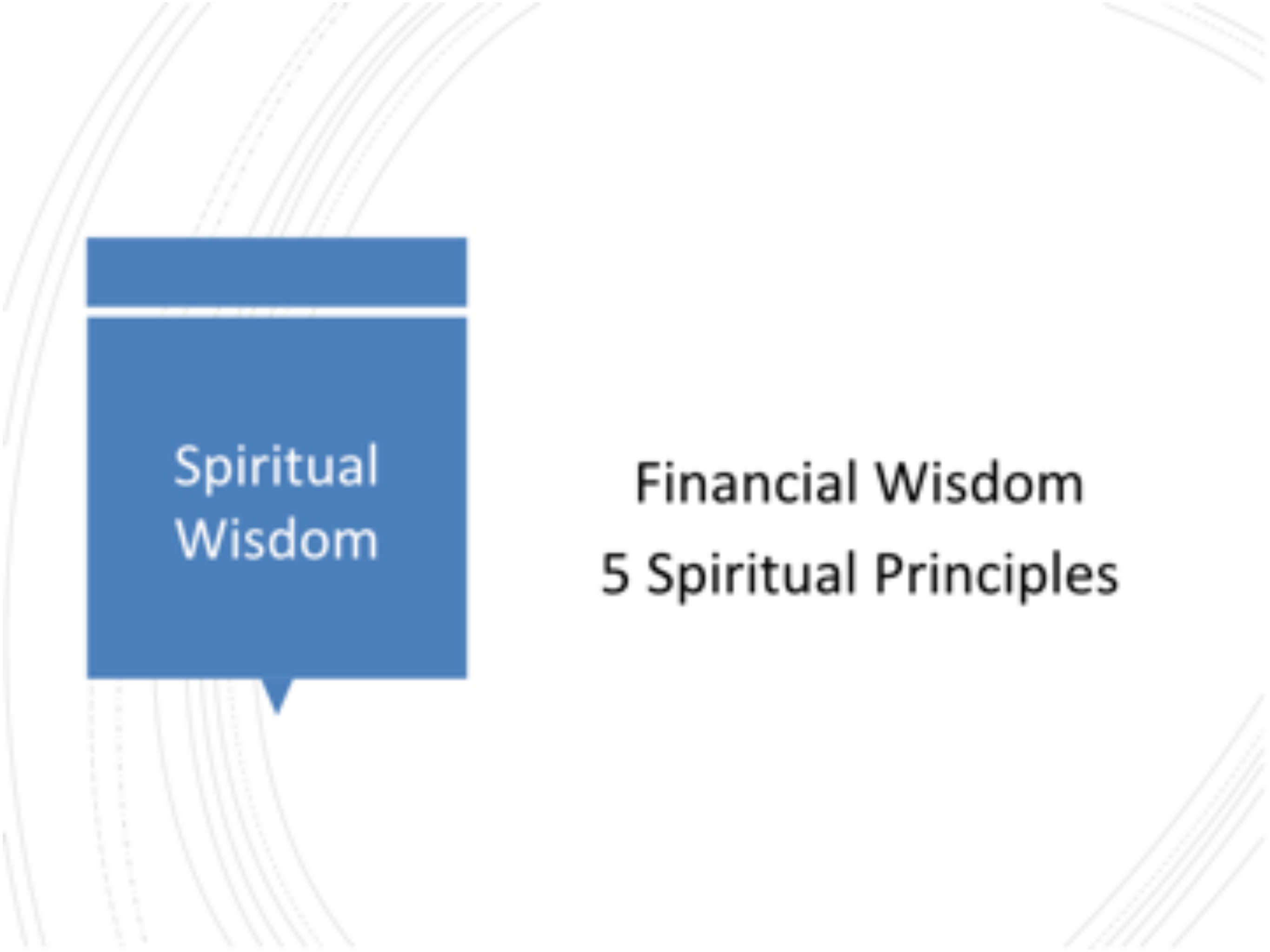
Jesus spoke about money

15% of his preaching

11 out of 39 parables

2350 verses (OT & NT)





Spiritual
Wisdom

Financial Wisdom
5 Spiritual Principles

1 - A Wise Person Understands Ownership

Psalm 24:1 : *“The earth is the Lord’s, and all its fullness, The world and those who dwell therein.”*

Therefore practice Stewardship

- We are Stewards
 - God's Blessings
 - In God's ways
 - For God's Glory

The Problem with Money

“When it comes to money, you can't win. If you focus on making it, you're materialistic. If you try to but don't make any, you're a loser. If you make a lot and keep it, you're a miser. If you make it and spend it, you're a spendthrift. If you don't care about making it, you're unambitious. If you make a lot and still have it when you die, you're a fool--for trying to take it with you. The only way to really win with money is to hold it loosely--and be generous with it to accomplish things of value.”

John Maxwell



WHY
DON'T
YOU
GO



2 - Identity

You are the child of a loving father

See what great love the Father has lavished on us, that we should be called children of God! And that is what we are!

1 John 3:1

16 For God so loved the world that he gave his one and only Son, that whoever believes in him shall not perish but have eternal life.

John 3:16



Do we know who God really is?

- Provision
- Character
- Power
- Generous
- Above our Circumstances

Otherwise....

- Identity in things
- Identity from your job
- Keeping up with the Joneses
- Where is your sense of worth coming from?

3 – Your relationship with Money impacts your relationship with God

Parable of the Sower

¹⁸ Still others, like seed sown among thorns, hear the word; ¹⁹ but the worries of this life, the deceitfulness of wealth and the desires for other things come in and *choke the word*, making it unfruitful.²⁰ Others, like seed sown on good soil, hear the word, accept it, and produce a crop—some thirty, some sixty, some a hundred times what was sown.”

Mark 4:18-20



Therefore....

- Worries of this life, Deceitfulness of wealth, desire for other things – choke the word.
- In doing so, make someone unfruitful?

Money Impacts Everything...

- Idolatry/Greed/Stinginess
- Attitudes
- Fear / Worry
- Relationships
- Marriages
- Fruitfulness

But Mostly...

Our relationship with money has a profound impact on our relationship with God.

Jesus warned us?

24 "No one can serve two masters. Either you will hate the one and love the other, or you will be devoted to the one and despise the other. You cannot serve both God and money.

Matthew 6:24



Who's the Boss? You or Money



I AM YOUR BOSS!





Money is a tool

4 - Take Personal Responsibility

“Therefore everyone who hears these words of mine and puts them into practice is like a wise man who built his house on the rock.”

Matthew 7:24

Therefore

- Don't blame others
- Don't expect the Government to help
- Take Action – Financial Plan
- Live by God's word



5 - Wise Attitude

But remember the Lord your God, for it is he who gives you the ability to produce wealth

Deuteronomy 8:18

5 Spiritual Principles

- Understand Ownership
- Know who you are in Christ
- Understand your relationship with Money
- Take Personal Responsibility
- Wise Attitude

Practical Wisdom

5 Practical Strategies

Most people don't have money problems they have management problems.



1 - Spending Wisdom

Budget

*28 "Suppose one of you wants to build a tower. Won't you first sit down and estimate the cost to see if you have enough money to complete it?
Luke 14:28 NIV*

A Good Budget – 80/10/10 Rule

- Live on 80% of your disposable income
- 10% Minimum to God
- 10% For Long-term Savings
- Accommodation should be under 30%
- Surplus is saved/invested/given

Why Budgeting Might Not Work

- Jars/Bucket/Envelope System using your bank accounts
- Bucket 1: Everyday Spending
- Bucket 2: Emergency Account
- Bucket 3: Long-term Savings
- Bucket 4: Major Bills

Automate the flow

2 - Debt Wisdom



The current state of play..



* Disposable income is after tax and before the deduction of interest payments

** Excludes unincorporated enterprises

Sources: ABS; RBA

What does the Bible Say?

One who has no sense shakes hands in pledge and puts up security for a neighbour.

Proverbs 17:18

The rich rules over the poor, and the borrower becomes the lender's slave.

Proverbs 22:7



Mortgages

Mortgage = Death Pledge

Mort = Death

Gage = Pledge

Therefore

- Switch from a credit card to a debit card
- Borrow less than what the banks will lend you
- Ensure mortgage doesn't exceed 30% of net income
- Adopt a debt-free mindset



3 – Family Wisdom

PROTECT YOUR FAMILY

The Principle.....

“A sensible man watches for problems ahead and prepares to meet them. The simpleton never looks, and suffers the consequences”.

Proverbs 22:3



Think it through.....

It is not the probability of it happening that matters.....

It is the impact on your life if it does.....

Types of Personal Insurance

- Income Protection
- Life Insurance
- Total & Permanent Disablement Cover
- Trauma (Crisis) Cover
- Private Health Insurance

4 - Relational Wisdom

Wise Couple

- We complement each other
- Joint Decision Making
- Joint Bank Accounts
- Forgiving
- Talk about money regularly – money date

5 – Long-Term Approach

- Save and invest in things that multiply
- Save 10% towards long-term goals
- Set aside the first amount (6 months) as an emergency fund
- Invest thereafter
- Live generously

5 Practical Principles

- Spending Plan
- Debt Plan
- Family Protection Plan
- Relationship Plan
- Invest for the Long-Term & be generous with it

Conclusion

- Ask God for wisdom
- 5 Spiritual Principles
 - Remember the real owner
 - Know who you are in Christ
 - Get your relationship with money right
 - Take personal responsibility (do God's word)
 - Remember where it comes from

Let's Pray