



Biblical Principles of Financial Planning

The traditional role of a financial adviser is to make as much money, save as much tax or protect as much wealth for clients as possible.

The financial adviser who follows Jesus and studies the Bible can offer so much more.

This document provides some guidance to you as a financial adviser to help you in dealing with your clients.

www.christianfinancialadvisers.org.uk

Title	Principle	Biblical References	The Challenge	Adviser Notes
<p>(1) Ownership</p>	<p>God owns 100% of everything</p>	<p>Haggai 2:8 "The silver is mine and the gold is mine," declares the Lord.</p> <p>Psalm 24:1 "The earth is the Lord's, and everything in it, the world and all who live in it."</p> <p>1 Chronicles 29:11-12 "Yours O Lord is the greatness and the power and the glory and the majesty and the splendour, for everything in heaven and on earth is yours. Yours O Lord is the kingdom; you are exalted as head over all. Wealth and honour come from you; you are the ruler of all things. In your hands are strength and power to exalt and give strength to all."</p>	<ul style="list-style-type: none"> Assess attitudes & motives in your personal financial planning. Rather than, "How do I protect/use my money?" the question becomes, "How can I best look after/use God's money?" To rely on God and his provision not on our wealth or our ability to create wealth. 	<p>You can provide very helpful guidance and assistance to clients to help them develop an eternal perspective in relation to their money, wealth & possessions, as opposed to advising from a secular perspective only.</p>
<p>(2) Integrity</p>	<p>Deal fairly with others</p>	<p>Colossians 3:22-24 "Slaves obey your earthly masters in everything; and do it not only when their eye is on you and to win their favour, but with sincerity of heart and reverence for the Lord"</p> <p>1 Timothy 6:20 "Timothy, guard what has been entrusted to your care."</p> <p>Proverbs 13:6 "Righteousness guards the man of integrity, but wickedness overthrows the sinner."</p> <p>James 4:13ff "Now listen, you who say, "Today or tomorrow we will go to this or that city, spend a year there, carry on business and make money." Why you do not even know what will happen tomorrow..."</p> <p>Proverbs 28:19 "He who works his land will have abundant food, but the one who chases fantasies will have his fill of poverty."</p>	<p>In Personal life:</p> <ul style="list-style-type: none"> Tax minimising is fine – response to "cash" deal? Responsibilities as an employee? <p>In Business life:</p> <ul style="list-style-type: none"> Responsible employer –what are your measures of success? Honourable accounting & management practices. Fair treatment of employees. <p>Ethics of lifestyle:</p> <ul style="list-style-type: none"> Fair Trade? Ethical investments? 	<p>A discussion about these topics will be useful as the world rarely understands fair dealing and integrity.</p> <p>Christian clients may well need/want to be held accountable in a positive sense and may not talk about their financial & business dealings to anyone other than their trusted financial professional.</p>

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<p>(3) Generosity</p>	<p>Give generously</p>	<p>Leviticus 27:30 "A tithe (10%) of everything from the land whether grain from the soil or fruit from the trees belongs to the Lord; it is holy to the Lord." 2 Corinthians 9:7 "Each man should give what he has decided to give, not reluctantly or under compulsion, for God loves a cheerful giver." 1 Timothy 6:19 "Command them to do good, to be rich in good deeds, and to be generous and willing to share."</p>	<ul style="list-style-type: none"> • What should I give? To whom should I give? When should I give? • Planning the budget after deciding on giving not before. Give first, then decide on other spending. • Giving without guilt, generously and with grace. 	<p>Giving is a vital component of a balanced Christian life and its impact on the giver and the recipient needs to be studied and understood both by client and adviser/giving counsellor. Should you encourage people to give more or save more?</p>
<p>(4) Planning</p>	<p>Plan ahead</p>	<p>Proverbs 6:6&8 - "Go to the ant you sluggard; consider its ways and be wise! .. it stores it's provisions in summer and gathers its food at harvest." Proverbs 21:20 - "In the house of the wise are stores of choice food and oil, but a foolish man devours all he has." Luke 14:28-30 - Building a tower.</p>	<ul style="list-style-type: none"> • Knowing what God has called you to do with your life and your money. Do your current practices help or hinder? • Setting goals for (e.g.): <ol style="list-style-type: none"> 1 Giving 2 Budgeting/spending plan 3 Paying off debt 4 Saving, financial independence 5 Providing for dependents 6 Funding your calling 	<p>Setting appropriate and God-inspired objectives is one of the key responsibilities in the financial planning process. "Faith vs Prudence": Should clients plan ahead meticulously or rely on God and His future provision? The answer is not formulaic but more likely God-inspired and different for each person.</p>
<p>(5) Budgeting</p>	<p>Spend less than you earn</p>	<p>Proverbs 25:28 "Like a city whose walls are broken down is a man who lacks self control." Galatians 5:22-24 "But the fruit of the Spirit is ... self-control... Those who belong to Christ Jesus have crucified the sinful nature with its passions and desires." 1 Timothy 6:6-8 "But godliness with contentment is great gain...But if we have food and clothing we will be content with that. People who want to get rich fall into temptation and a trap..." Proverbs 14:24 "The wealth of the wise is their crown." Ecclesiastes 5:10ff "Whoever loves money never has money enough; whoever loves wealth is never satisfied with his income...as goods increase so do those who consume them."</p>	<ul style="list-style-type: none"> • Know how much (a) income there is. Know how much (b) spending there is. Keep (b) less than (a). • Run a spending plan - think future not past, "What shall I spend my money on next week/month/year?" • Avoid a consumptive lifestyle, living beyond your means. • Avoid the compulsion to spend, spend, spend; keeping up with the Jones'. 	<p>Wisdom is wealth, and self control is to be commended. This is counter-culture. Advice and assistance on budgeting is essential: a. For the poor, to help them avoid debt, to make wise spending decisions and to live within their means. b. For the rich, to help them be wise stewards of the gifts God has given to them.</p>

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(6) Borrowing & lending	Borrow cautiously and repay, lend freely	<p>Proverbs 22:7 "The rich rule over the poor, and the borrower is servant to the lender"</p> <p>Romans 13:8 "Let no debt remain outstanding."</p> <p>Matthew 6:24 "No-one can serve two masters ... You cannot serve both God and money."</p> <p>Psalm 112:5 "Good will come to him who is generous and lends freely, who conducts his affairs with justice."</p>	<ul style="list-style-type: none"> • Poor budgeting & spending more than you earn leads to debt. • Debt restricts flexibility and choice. • Debt presumes upon and mortgages the future. • How much should we borrow and for how long? 	<p>Should clients reduce their debt (over-pay their mortgage etc) or invest spare income?</p> <p>Should they save first and buy out of savings?</p> <p>We need to develop a philosophy of advice that helps clients get out of debt.</p>
(7) Savings & Investment	Establish a savings plan	<p>Proverbs 13:11 - "Dishonest money dwindles away, but he who gathers money little by little makes it grow."</p> <p>Ecclesiastes 11:2 "Give portions to seven, yes to eight, for you do not know what disaster may come upon the land."</p> <p>Proverbs 28:19 "He who works his land will have abundant food, but the one who chases fantasies will have his fill of poverty."</p> <p>Luke 12:13ff The Parable of the rich fool.</p>	<ul style="list-style-type: none"> • Get rich slow/don't try to get rich quick – risk? • Don't hoard but save for a purpose. • Invest with the/an end in mind & work out a realistic target. • Work/earn - not gambling (lottery?). • Ethical investing and asset diversification? 	<p>There is a balance between accumulating wealth for a specific target such as retirement, and giving generously now.</p> <p>How much wealth is OK?</p> <p>What is the role of ethical investments?</p>
(8) Provision for Dependents	Make provision, don't protect	<p>1 Timothy 5:8 "if anyone does not provide for his relatives, and especially for his immediate family, he has denied the faith and is worse than an unbeliever"</p> <p>Ecclesiastes 5:13ff "wealth lost through some misfortune so that when he has a son there is nothing left for him..."</p> <p>Matthew 6:28-34 Consider the lilies of the field ...</p> <p>Matthew 28:20b "And surely I am with you always, to the very end of the age."</p>	<ul style="list-style-type: none"> • God protects us but we should provide. • How much insurance is wise? Can you over insure or under insure? • Writing wills. 	<p>There is a balance between accumulating wealth for a specific target such as retirement, and giving generously now.</p> <p>How much wealth is OK?</p> <p>What is the role of ethical investments?</p>