



Personal Finance Ministry

A Ministry of Xenos Christian Fellowship

Personal Finance Ministry

Workbook

NAME OF INDIVIDUAL OR FAMILY

1999 Edition

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The 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 times 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 self-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.*

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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.*

Psalms 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	\$1,000.00	\$1,000.00	\$80.00
2	\$1,000.00	\$2,000.00	\$160.00
3	\$1,000.00	\$3,000.00	\$240.00
4	\$1,000.00	\$4,000.00	\$320.00
5	\$1,000.00	\$5,000.00	\$400.00
6	\$1,000.00	\$6,000.00	\$480.00
7	\$1,000.00	\$7,000.00	\$560.00
8	\$1,000.00	\$8,000.00	\$640.00
9	\$1,000.00	\$9,000.00	\$720.00
10	\$1,000.00	\$10,000.00	\$800.00
TOTAL	\$10,000.00	\$10,000.00	\$4,400.00

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 REDUCTION	INTEREST PAID
1	\$1,000.00	\$9,000.00	\$720.00
2	\$1,000.00	\$8,000.00	\$640.00
3	\$1,000.00	\$7,000.00	\$560.00
4	\$1,000.00	\$6,000.00	\$480.00
5	\$1,000.00	\$5,000.00	\$400.00
6	\$1,000.00	\$4,000.00	\$320.00
7	\$1,000.00	\$3,000.00	\$240.00
8	\$1,000.00	\$2,000.00	\$160.00
9	\$1,000.00	\$1,000.00	\$80.00
10	\$1,000.00	\$0.00	\$0.00
TOTAL	\$10,000.00		\$3,600.00

Here's what happens when you make your payments. In the first three years, over half of your \$1,000.00 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 \$10,000.00 debt . . .

True Cost of Debt

TOTAL OVERSPENDING	REPAYMENT OF DEBT	INTEREST ON DEBT	TOTAL COST
\$10,000.00	\$10,000.00	\$8,000.00	\$28,000.00

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 ____

Notes

Debt Records (What you owe)

Creditors	Balance Due	Percent Interest	Monthly Payment	Until When	Circumstances
-----------	-------------	------------------	-----------------	------------	---------------

Charge Cards

Visa 1					
Visa 2					
MasterCard 1					
MasterCard 2					
Discover					
American Express					
Department Store 1					
Department Store 2					
Gasoline 1					
Gasoline 2					
Other:					
Other:					

Other Loans

Credit Union					
Automobile 1					
Automobile 2					
Bank Loan 1					
Bank Loan 2					
Bank Loan 3					
Finance Company					
Furniture/ Appliances					
School Loan 1					
School Loan 2					
Other:					
Total Debt					
Home Mortgage					
Overall Debt					

Statement of Net Worth

ASSETS	Date:	Date:
Liquid		
Cash on Hand		
Checking Account		
Savings Account		
Money Market Funds		
Certificates of Deposit		
Stocks-Mutual Funds		
Bonds		
Insurance		
Other		
TOTAL Liquid Assets		
Non-Liquid		
Home (market value)		
Car (market value)		
Car (market value)		
IRAs		
Retirement Plan		
Furniture		
Jewelry		
Loans Receivable		
Other		
Total Non-Liquid		
TOTAL ASSETS		

LIABILITIES		
	Date:	Date:
Credit Card Balances		
Credit Cards		
Department Stores		
Gasoline Cards		
Visa & MasterCard		
Other		
TOTAL Charge Cards		
Other Loan Balances		
Credit Union		
Car Loans		
Bank Loans		
Finance Company		
Relatives/Friends		
Furniture		
Appliances		
School Loans		
Other		
	Date:	Date:
TOTAL LIABILITIES		
NET WORTH (Total Assets - Total Liabilities)		

Client Name and Date	Current Monthly	Change You	Spouse	New Budget	% of Gross
INCOME					
1. Salary/Self-emp. Gross Income (H)					
2. Salary/Self-emp. Gross Income (W)					
3. Tax Deductions (H)					
4. Tax Deductions (W)					
5. Retirement (H)					
6. Retirement (W)					
7. Benefits (H)					
8. Benefits (W)					
9. Other Income (H)					
10. Other Income (W)					
11. Net Income (H)					
12. Net Income (W)					
Total Net Income					
EXPENSES					
13. Home: Mortgage/Rent					
14. Home: Property Tax					
15. Home: Utilities					
16. Home: Telephone					
17. Home: Repairs					
18. Home: Household items					
19. Home: Improvements					
20. Home: Furnishings					
21. Home Total					
22. Auto: Gas & Oil					
23. Auto: Repairs					
24. Auto: Total					
25. Insurance: Life & Health					
26. Insurance: Disability					
27. Insurance: Property					
28. Insurance: Total					
29. Food: Groceries					
30. Food: Lunches & Dinners Out					
31. Food: Total					
32. Clothing Total					
33. Medical: Doctor					
34. Medical: Dentist					
35. Medical: Rx					

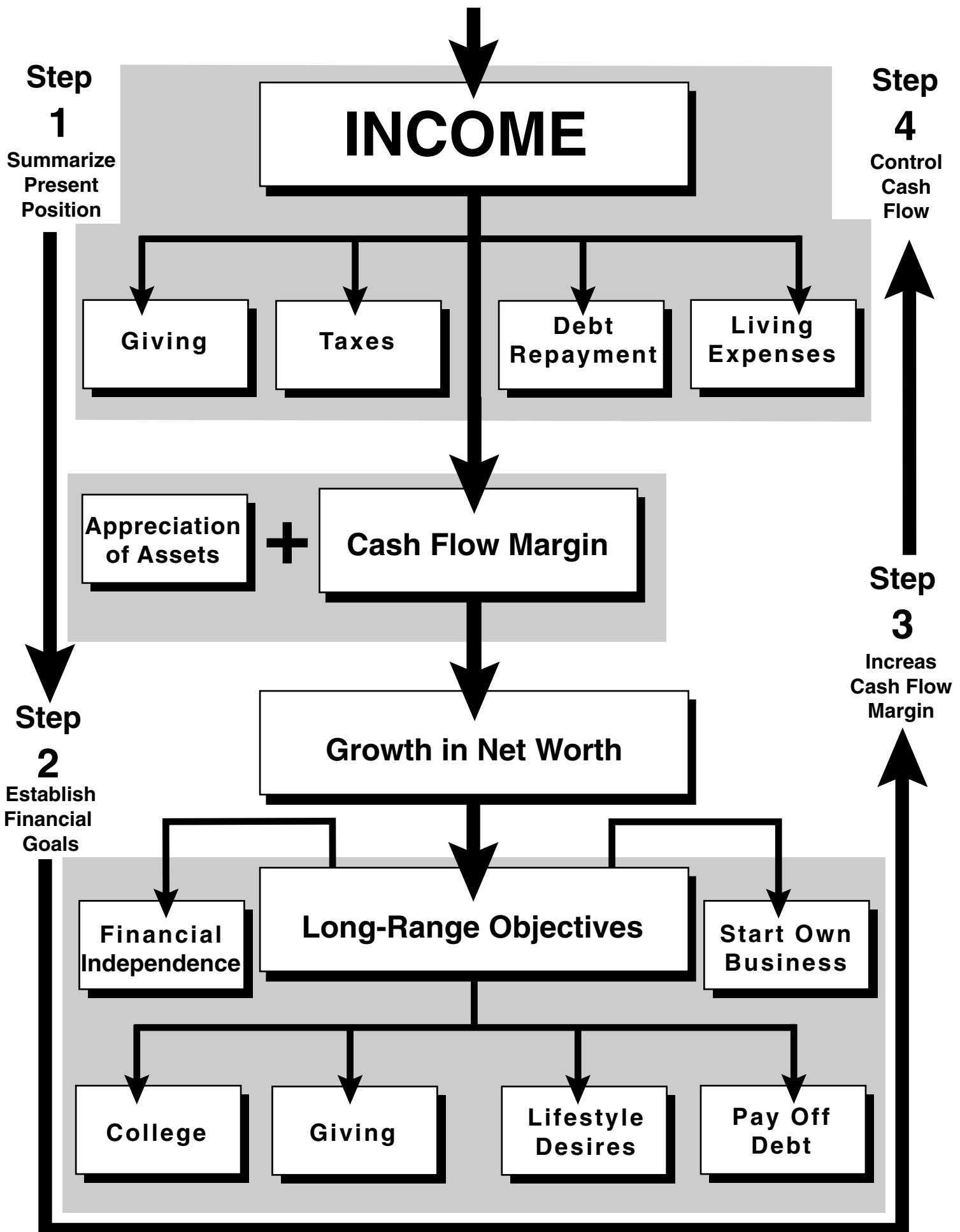
Client Name and Date	Current Monthly	You	Change Spouse	New Budget	% of Gross
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EXPENSES

36. Medical: Total					
37. Debt: Total (from page 13)					
38.					
39. Children: School					
40. Children: Allowance					
41. Children: Tuition					
42. Children: Lessons & Activities					
43. Children: Total					
44. Fun: Evenings Out					
45. Fun: Baby Sitters					
46. Fun: Subscriptions					
47. Fun: Dues & Clubs					
48. Fun: Hobbies					
49. Fun: Cable TV					
50. Fun: Vacations					
51. Fun: Total					
52. Giving: Church Building					
53. Giving: Church General					
54. Giving: Other Charities					
55. Giving: Total					
56. Savings: General					
57. Savings: Education					
58. Savings: Total					
59. Misc: Toiletries					
60. Misc: Christmas & Birthdays					
61. Misc: Professional Fees					
62. Misc: Animals					
63. Misc: Hair					
64. Misc: Total					
Total Expenses					
Over/ Short					

Monthly Cash Flow Recording Sheet	Monthly Budget	Monthly												Monthly Average
		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	
EXPENSES														
43. Fun: Evenings Out														
44. Fun: Baby Sitters														
45. Fun: Subscriptions														
46. Fun: Dues & Clubs														
47. Fun: Hobbies														
48. Fun: Cable TV														
49. Fun: Vacation														
50. Fun: Total														
EXPENSES														
51. Giving: Church Building														
52. Giving: Church General														
53. Giving: Other Charities														
54. Giving: Total														
EXPENSES														
55. Savings: General														
56. Savings: Education														
57. Savings: Total														
EXPENSES														
58. Misc: Toiletries														
59. Misc: Christmas & Birthdays														
60. Misc: Professional Fees														
61. Misc: Animals														
62. Misc: Hair														
63. Misc:														
64. Misc: Total														
TOTAL EXPENSES														

Percentage Guide for Family Income									
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 (1 Timothy 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 judgements 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 decreases or increases 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 aesthetic 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 IRAs
- 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

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
Burkett, Larry	<i>Debt Free Living</i> <i>What The Bible Says About Money</i> <i>A Manual On Christian Financial Counseling</i> <i>Using Your Money Wisely</i>	Moody Press Wolgenauth & Hyatt Christian Financial Concepts Moody Press
Blue, Ron	<i>Master Your Money</i> <i>The Debt Squeeze</i> <i>Money Matters For Parents And Their Kids</i>	Nelson Focus on the Family Oliver-Nelson

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