



# Biblical Principles of Financial Planning

This document has been issued by the Association of Christian Financial Advisers, an organisation which links Christian Financial Professionals with people seeking advice and guidance on financial planning, investment management and other money issues. All members subscribe to these Biblical Principles.

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Title	Principle	Biblical References	The Challenge
(1) <b>Ownership</b>	God owns 100% of everything	<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"> <li>Assess attitudes &amp; motives in your personal financial planning.</li> <li>Rather than, "How do I protect/use my money?" the question becomes, "How can I best look after/use God's money?"</li> <li>To rely on God and his provision not on our wealth or our ability to create wealth.</li> </ul>
(2) <b>Integrity</b>	Deal fairly with others	<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><b>In Personal life:</b></p> <ul style="list-style-type: none"> <li>Tax minimising is fine – response to "cash" deal?</li> <li>Responsibilities as an employee?</li> </ul> <p><b>In Business life:</b></p> <ul style="list-style-type: none"> <li>Responsible employer – what are your measures of success?</li> <li>Honourable accounting &amp; management practices.</li> <li>Fair treatment of employees.</li> </ul> <p><b>Ethics of lifestyle:</b></p> <ul style="list-style-type: none"> <li>Fair Trade?</li> <li>Ethical investments?</li> </ul>
(3) <b>Generosity</b>	Give generously	<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."</p> <p>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."</p> <p>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"> <li>What should I give? To whom should I give? When should I give?</li> <li>Planning the budget <b>after</b> deciding on giving not before. <b>Give first</b>, then decide on other spending.</li> <li>Giving without guilt, generously and with grace.</li> </ul>
(4) <b>Planning</b>	Plan ahead	<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."</p> <p>Proverbs 21:20 - "In the house of the wise are stores of choice food and oil, but a foolish man devours all he has."</p> <p>Luke 14:28-30 - Building a tower.</p>	<ul style="list-style-type: none"> <li>Knowing what God has called you to do with your life and your money. Do your current practices help or hinder?</li> <li>Setting goals for (e.g.):             <ol style="list-style-type: none"> <li>Giving</li> <li>Budgeting/spending plan</li> <li>Paying off debt</li> <li>Saving, financial independence</li> <li>Providing for dependants</li> <li>Funding your calling</li> </ol> </li> </ul>
(5) <b>Budgeting</b>	Spend less than you earn	<p>Proverbs 25:28 "Like a city whose walls are broken down is a man who lacks self control."</p> <p>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."</p> <p>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..."</p> <p>Proverbs 14:24 "The wealth of the wise is their crown..."</p> <p>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"> <li>Know how much (a) income there is. Know how much (b) spending there is. Keep (b) less than (a).</li> <li>Run a spending plan - think future not past, "What shall I spend my money on next week/month/year?"</li> <li>Avoid a consumptive lifestyle, living beyond your means.</li> <li>Avoid the compulsion to spend, spend, spend; keeping up with the Jones'.</li> </ul>
(6) <b>Borrowing &amp; Lending</b>	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"> <li>Poor budgeting &amp; spending more than you earn leads to debt.</li> <li>Debt restricts flexibility and choice.</li> <li>Debt presumes upon and mortgages the future.</li> <li>How much should we borrow and for how long?</li> </ul>
(7) <b>Savings &amp; Investment</b>	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>	<p>Get rich slow/don't try to get rich quick – risk?</p> <ul style="list-style-type: none"> <li>Don't hoard but save for a purpose.</li> <li>Invest with the/an end in mind &amp; work out a realistic target.</li> <li>Work/earn - not gambling (lottery?).</li> <li>Ethical investing and asset diversification?</li> </ul>
(8) <b>Provision for dependants</b>	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"> <li>God protects us but we should provide.</li> <li>How much insurance is wise? Can you over insure or under insure?</li> <li>Writing wills.</li> </ul>