



FOR THE LOVE OF MONEY

Biblical Lessons on Personal Finance

1

SESSION 3

INCREASING THE TALENTS

Investing for the Future

2

Saving the Crumbs

SAVINGTHECRUMBS.COM

3



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“BEYOND THE TITHE”

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INVESTING FOUNDATION

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You ought to have **invested my money** with the bankers, and at my coming I should have received what was my own **with interest.**

–Matthew 25:27

6

The followers of Christ are not to despise wealth; they are to look upon wealth as the Lord's entrusted talent.

By a wise use of His gifts, they may be eternally benefited, but we are to bear the fact in mind that **God has not given us riches to use just as we shall fancy**, to indulge impulse, to bestow or withhold as we shall please.

—Counsels on Stewardship, 113.1

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Hoarded wealth is not merely useless, it is a curse. In this life it is a snare to the soul, drawing the affections away from the heavenly treasure.

—Christ's Object Lessons, 352.1

8

Had you and your wife understood it to be **a duty** that God enjoined upon you, to deny your taste and your desires, and **make provision for the future**, instead of living merely for the present, you could now have had a competency, and your family have had the comforts of life.

–Counsels on Stewardship, 250.2

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Brethren, awake from your life of selfishness, and act like consistent Christians. The Lord requires you to economize your means and **let every dollar not needed for your comfort flow into the treasury.**

–Testimonies for the Church, Vol. 5, 156.1

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INVESTING FOUNDATION

- As servants, we are responsible to increase our talents, which includes money.
- Objective is to make provision for future needs. (To have enough, not to hoard or to get filthy rich!)
- All surplus should flow into God's treasury.

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INVESTMENT PRINCIPLES

Developing a Scorecard

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I. NEVER INVEST IN
SOMETHING YOU DON'T
UNDERSTAND

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Through **wisdom** is an house builded; and by
understanding it is established: And by
knowledge shall the chambers be filled with
all precious and pleasant riches.

—Proverbs 24:3-4

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DO YOU UNDERSTAND?

1. How does it make money?
2. How can it lose money?
3. What are the costs?
4. What are the rules/regulations?

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DO YOU UNDERSTAND?

- *Rules of Thumb:*
- If it's too good to be true, it probably is.
- Simplicity trumps complexity.
- If you don't understand, walk away.

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2. BE MINDFUL OF COSTS AND TAXES

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COSTS CAN COMPOUND

- *Rule of Thumb:* Lower cost investments beat higher cost investments.
- Compounding costs (annual expenses and taxes) will negate compound interest and higher returns.
- Beware of high broker fees, commissions, and hidden transaction charges. They come out of your returns.
- Use tax-sheltered accounts.

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TAX-SHELTERED ACCOUNTS

Retirement	College	Health
401k/403b (Take the match!)	529	HSA (Health Savings Account)
IRA/Roth IRA	ESA (Education Savings Account)	

3. BEAT INFLATION

THE TALENTS

- Wicked servant didn't LOSE the talent, he simply failed to grow it.
- Inflation erodes purchasing power.
- To not beat inflation is WORSE than burying our talent!



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THE TALENTS

- Faithful servants doubled their talents.
- 100% Total Return
- After “a long time” (Matt 25:19)
- What was their annual return?
- Approx. 3% annual inflation



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Years to Double Principal	Annualized Rate of Return
10 Years	Approx. 10%
15 Years	Approx. 8%
20 Years	Approx. 6.5%

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4. DIVERSIFY

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Give a portion to seven, or even to eight,
for you know not what disaster may happen on
earth.

—Ecclesiastes 11:2 ESV

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Don't put all your eggs in one basket.

26

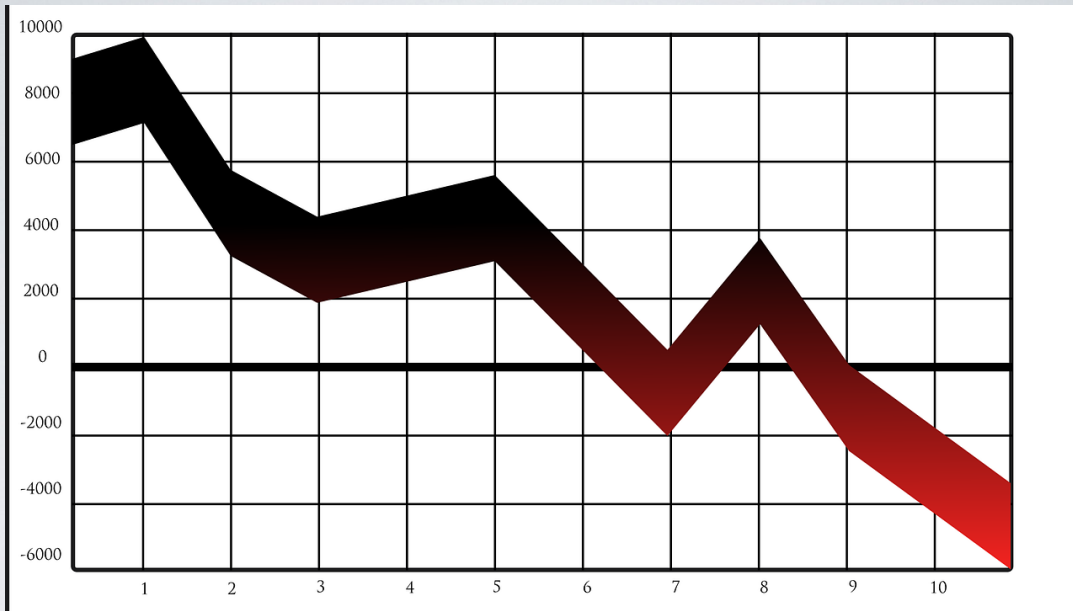
5. KNOW YOUR RISK TOLERANCE

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HOW WOULD YOU FEEL?

28



HOW WOULD YOU FEEL?

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TUNING THE RISK METER

1. Investment Time Horizon
2. Knowledge
3. Other Assets/Income Streams
4. Personal Risk Appetite/Aversion

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RISK & RETURNS

- All investments have risk.
- *Rule of thumb:* Higher returns = Higher risk
- Debt magnifies the risk even more.

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DIVERSIFY YOUR RISK

	Short Term (<5 yrs)	Long Term (>5 yrs)
Low Risk	<ul style="list-style-type: none">• Savings Accounts• US Treasury Bonds• Money Market Funds	<ul style="list-style-type: none">• Stock Market• Real Estate• Land
High Risk	<ul style="list-style-type: none">• Stock Market• Real Estate• Land	<ul style="list-style-type: none">• Savings Accounts• US Treasury Bonds• Money Market Funds

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DIVERSIFY YOUR RISK

	Short Term (<5 yrs)	Long Term (>5 yrs)
Low Risk	<ul style="list-style-type: none">• Insured Accounts• US Treasury Bonds• Money Market Funds	<ul style="list-style-type: none">• Stock Market• Real Estate• Land

- *Rule of Thumb:* **Save** for the short-term (5 years or less) and **invest** for the long-term (over 5 years).

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6. DON'T TRY TO GET RICH QUICK. DON'T BE GREEDY. DON'T SPECULATE.

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Wealth gained hastily will dwindle,
but whoever gathers little by little will
increase it.

—Proverbs 13:11 ESV

A faithful man will abound with blessings,
but **whoever hastens to be rich will
not go unpunished.**

—Proverbs 28:20 ESV

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TULIPMANIA!

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SPECULATING VS. INVESTING

Speculating	Investing
Hoping for quick riches	Patient and steady for the long-term
Motive is to get rich	Motive is to meet needs
Based on arbitrary price movement	Based on expected productivity of asset
“What is the price?”	“What is the value?”

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7. VALUE YOUR TIME

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VALUE YOUR TIME

- Your money should be working for you, not you working some more for your money.
- It shouldn't be another job.
- Our time is also a talent to improve for the Lord.

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“Money is a very excellent servant but a terrible master.”

–PT Barnum

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8. HAVE AN EXIT STRATEGY (LIQUIDITY)

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INVESTMENT EXIT STRATEGY

Houses and lands will be of no use to the saints in the time of trouble, for they will then have to flee before infuriated mobs, and at that time their possessions cannot be disposed of to advance the cause of present truth. I was shown that **it is the will of God that the saints should cut loose from every encumbrance before the time of trouble comes**, and make a covenant with God through sacrifice. **If they have their property on the altar, and earnestly inquire of God for duty, He will teach them when to dispose of these things.** Then they will be free in the time of trouble, and have no clogs to weigh them down. [CS 59.4]

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INVESTMENT EXIT STRATEGY

I also saw that God had not required all of His people to dispose of their property at the same time, but if they desired to be taught, He would teach them, in a time of need, when to sell and how much to sell.

Some have been required to dispose of their property in times past to sustain the advent cause, while others have been permitted to keep theirs until a time of need. Then, as the cause needs it, their duty is to sell. [CS 60.2]

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INVESTMENT EXIT STRATEGY

1. It is the will of God that the saints should cut loose from every encumbrance (liquidate) before the time of trouble.
2. God does not require all of His people to dispose of their property at the same time.
3. Inquire of God for duty, and He will teach you when to sell.
4. We need to consider the liquidity of our investments.

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9. MORALITY

45

Whether therefore ye eat, or drink, or
**whatsoever ye do, do all to the glory
of God.**

—I Corinthians 10:31

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ETHICAL INVESTING: 2 PERSPECTIVES

1. Avoid investments that are directly involved with unethical products/industries.
2. Avoid any investments (companies, mutual funds, etc.) that contain even an indirect/incidental interest in any product or industry that would be deemed unethical.

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I wrote to you in my letter not to associate with sexually immoral people— **not at all meaning the people of this world** who are immoral, or the greedy and swindlers, or idolaters. **In that case you would have to leave this world.**

—1 Corinthians 5:9-10 NIV

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...for he [God] maketh his sun to rise **on the evil and on the good**, and sendeth rain **on the just and on the unjust.**

—Matthew 5:43-45

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MORAL APPLICATION

1. Recognize what Scripture does and doesn't require of us, and don't create a moral rule beyond what God requires.
2. Make sure all of our direct interactions are morally pure, and that we are following God's clearly revealed will.
3. Do our best with remaining indirect interactions, recognizing that we live in an imperfect and sinful world, and that we shouldn't neglect major duties while quibbling over minor matters—to not “strain at a gnat, and swallow a camel”. (Matt. 23:24)

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For the LORD thy God blesseth thee, as he promised thee: and **thou shalt lend unto many nations**, but thou shalt not borrow...

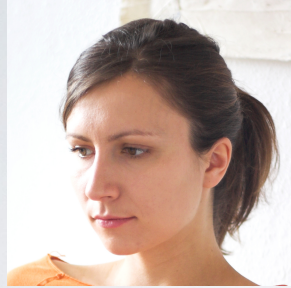
—Deuteronomy 15:66

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10. START NOW!

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THRIFTY TIFFANY & SPENDY SALLY



- Saves \$2000/year from age 20-30.
- Invests at 8% rate of return.
- **Invested \$20,000 over 10 years.**

- Saves \$2000/year from age 30-65.
- Invests at 8% rate of return.
- **Invested \$70,000 over 35 years.**

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TIFFANY & SALLY AT 65



Invested \$20,000 over 10 years.

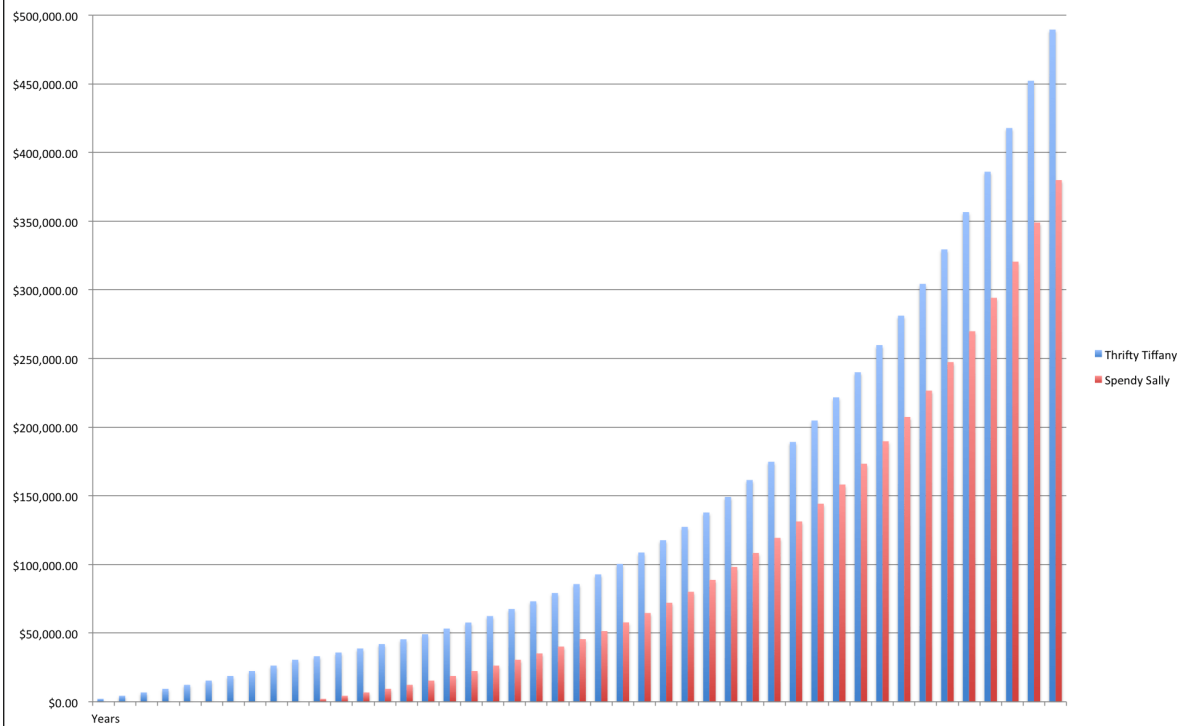
Final: \$500,000

Invested \$70,000 over 35 years.

Final: \$380,000

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HOW CAN THIS BE?



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“The best time to plant a tree was 20 years ago. The second best time is now.”

—Chinese Proverb

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INVESTMENT SCORECARD

- Do I Understand?
- Can It Beat Inflation?
- Is It Low Cost?
- Is It Diversified?
- Is It Non-Speculative?
- How Much Time to Manage?
- Acceptable Risk?
- Liquidity?
- Complete Moral Clarity?

9 POINTS TOTAL

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MY BITCOIN SCORECARD

- Do I Understand?
- Can It Beat Inflation?
- Is It Low Cost?
- Is It Diversified?
- Is It Non-Speculative?
- How Much Time to Manage?
- Acceptable Risk?
- Liquidity?
- Complete Moral Clarity?

1/9 POINTS

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