

## Week 13

### **XLIX. Introduction**

- A. Homework
- B. Budget Principles
  - 1. Budget...just the spending plan for your household
  - 2. Know where you are starting from and where you are going
  - 3. Adjust your spending to meet your income...live within your means
  - 4. Plan for the (Un)Expected
  - 5. Pay Yourself not somebody else – Debt and Taxes
  - 6. Increase Your spendable income
  - 7. Care for your own and extended family
  - 8. Invest
  - 9. Plan for your protection
  - 10. We need to balance the books in order to verify how we are doing
  - 11. Plan for your demise
    - a. Unless Christ returns, we are all going to die
    - b. Who do you want to have your stuff?
    - c. How much do you want them to have?
    - d. When do you want to give it to them?
    - e. What do you want them to have?
    - f. Communicate your wishes through Letters, Wills, Trusts, Etc.
- C. Biblical Principles
  - 1. God's HIGH priorities for our money
    - a. Paying our taxes (Romans 13:1-7)
    - b. Repaying our Debts (Psalm 37:21)
    - c. Providing Food and Covering (1 Timothy 5:8)
    - d. Giving (Luke 6:38)
  - 2. God's MODERATE priorities for our money
    - a. Saving (Proverbs 21:20)
    - b. Planning (Proverbs 16:3)

- c. Repaying our debt more quickly than we have too (Proverbs 27:1; Ecclesiastes 5:5; Proverbs 22:7)
- 3. God's LOW priorities for our money – everything else
- 4. We are Stewards because God owns it all...we own nothing – Psalm 24:1
- 5. Money in and of itself is morally neutral...it is what we do with it that makes it good or bad – Hebrews 13:5
- 6. Money is an excellent indicator of our heart...both good and bad – Mt 6:21
- 7. The believer is to be self-controlled – Titus 2:12
- 8. Work is a Blessing – Ecclesiastes 5:18-20
- 9. We are to be content and not worry – 1 Timothy 6:8; Luke 12:22-30
- 10. God has provided all things to enjoy – 1 Timothy 6:17
- 11. God can call us into account at any time – Hebrews 9:27
  - a. After our deaths, We will all stand in judgment
  - b. Once it is figured out how we responded to Christ...our works will be tested and we will receive reward or loss for how we handled what we have been given (1 Corinthians 3:12-15)
  - c. This accounting may happen any day

**L. Biblical Principle – God is Sovereign**

- A. Is God Sovereign
- B. In the believing community we often hear that phrase:
  - 1. What does that mean?
  - 2. How do we know?
  - 3. How does it work?
  - 4. What does that imply for us and the world, particularly in the area of finances?
- C. What does it mean to be sovereign? How do we define sovereign or sovereignty?
  - 1. Encyclopedia Britannica – The ultimate overseer or authority in the decision making process of the state and in the maintenance of order
  - 2. Webster's – Supreme power over: freedom from external control: the controlling influence

3. New Bible Dictionary – One who makes his own plans and carries them out in his own time and way
4. Vine’s – One who possesses supreme authority; one who possesses absolute rule and authority

D. How do we know that God is sovereign?

1. The Bible – God’s sovereignty is foundational to the scriptures

- a. Most clearly

Psalm 103:19 *“The Lord has established His throne in the heaven, and His sovereignty rules over all.”*

- b. The Bible shows us that God is sovereign through His titles and attributes

2. God’s Titles – Master, Lord, Lord of Lords, King, King of Kings, Ruler

1 Timothy 6:15b-16 *“..He who is the blessed and only Sovereign, the King of kings and Lord of lords, who alone possesses immortality and dwells in unapproachable light, whom no man has seen or can see To Him be honor and eternal dominion!”*

Psalm 47:7-8 *“For God is the King of all the earth; Sing praises with a skillful psalm. God reigns over the nations, God sits on His holy throne.”*

3. God’s attributes – eternal, all powerful (omnipotent), all knowing (omniscient), all present (omnipresent)

1 Chronicles 29:11-12 *“Yours, O LORD, is the greatness and the power and the glory and the victory and the majesty, indeed everything that is in the heavens and the earth; Yours is the dominion, O LORD, and You exalt Yourself as head over all. "Both riches and honor come from You, and You rule over all, and in Your hand is power and might; and it lies in Your hand to make great and to strengthen everyone.”*

4. He is the Creator and can do with His creation as He will

Revelation 4:11 *‘Worthy are You, our Lord and our God, to receive glory and honor and power; for You created all things, and because of Your will they existed, and were created.’*

Psalm 24:1-2 *“The earth is the LORD’S, and all it contains, the world, and those who dwell in it. For He has founded it upon the seas and established it upon the rivers.”*

E. Over what is God sovereign?

1. He is sovereign over all
  - a. Remember  
*Psalm 103:19 “The Lord has established His throne in the heaven, and His sovereignty rules over all.”*
  - b. The following is a list of specific things over which God is sovereign
2. The Spirit World
  - a. Angels (1 Chronicles 21:15, 27; Revelation 22:6)
  - b. Satan (Job 1:9-12, 2:16; Matthew 4:11)
  - c. Demons (1 Samuel 16:14; Jude 6)
3. Nature
  - a. The Elements Wind and Rain (Jonah 1:4, 15; Matthew 8:24-27)
  - b. Land and Sea (Korah’s Rebellion - Numbers 16:30-33; Parting of the Red Sea - Exodus 14:21-22)
  - c. Animals (Plagues - Exodus 8-10; Bears – 2 Kings 2:23-24; Fish - Jonah 1:17; Fish - Matthew 27:17)
  - d. “Natural Law” (Iron Ax head floats - 2 Kings 6:6; Sun stands still - Joshua 10:13; Feed 5000 - Mark 6:41-44; All healings)
4. Salvation
  - a. Chooses/Predestines  
*Ephesians 1:4-5 “just as He chose us in Him before the foundation of the world, that we would be holy and blameless before Him In love He predestined us to adoption as sons through Jesus Christ to Himself, according to the kind intention of His will,”*  
*Romans 8:29-30 “For those whom He foreknew, He also predestined to become conformed to the image of His Son, so that He would be the firstborn among many brethren; and these whom He predestined, He also called; and these whom He called, He also justified; and these whom He justified, He also glorified.”*
  - b. Hardens  
*Romans 9:17-18 “For the Scripture says to Pharaoh, "FOR THIS VERY PURPOSE I RAISED YOU UP, TO DEMONSTRATE MY POWER IN YOU, AND THAT*

*MY NAME MIGHT BE PROCLAIMED THROUGHOUT THE WHOLE EARTH." So then He has mercy on whom He desires, and He hardens whom He desires."*

5. Our daily lives – Providence

a. Whether we acknowledge it or not God is active in our daily lives

b. Provides power

<sup>2</sup> Timothy 1:7-8 *"For God has not given us a spirit of timidity, but of power and love and discipline. Therefore do not be ashamed of the testimony of our Lord or of me His prisoner, but join with me in suffering for the gospel according to the power of God"*

c. Provides direction

Proverbs 16:9 *"The mind of man plans his way, But the LORD directs his steps"*

d. Preserves us

<sup>1</sup> Peter 1:5 *"who are protected by the power of God through faith for a salvation ready to be revealed in the last time."*

e. Works grace and in the midst of our evil

i. Naomi's sons and Ruth (Ruth)

ii. Joseph and his arrogance (Genesis 37; 39-47)

f. Actively restrains evil people – Jesus and not his time (John 7:30; 8:20)

g. Softens those opposed

i. Joseph with the Potiphar, jailer and Pharaoh (Gen 39:3, 4, 24; Acts 7:10)

ii. The Egyptian people toward the Jews (Exodus 12:35-36)

iii. Daniel with Ashpenaz (Daniel 1:9)

h. Works through the evil of others

i. Joseph you meant it for evil God meant it for good (Genesis 50:20)

ii. Assyrians, Babylonians, Medes and Persians, Greeks, Romans

iii. Jesus execution (1 Thessalonians 2:14-16)

iv. Persecution (1 Peter 4:12-19)

6. Human Authority/Government

<sup>Daniel 5:21</sup> *... "the Most High God is ruler over the realm of mankind and that He sets over it whomever He wishes"*

Romans 13:1 *“Every person is to be in subjection to the governing authorities For there is no authority except from God, and those which exist are established by God.”*

F. How are we to respond to God’s sovereignty?

1. Fear

a. Matthew 10:28 *“Do not fear those who kill the body but are unable to kill the soul; but rather fear Him who is able to destroy both soul and body in hell.”*

b. Annanias and Saphira

Acts 5:1-11 *“Great fear seized the whole church and all who heard about these events.”*

2. Obedience

James 1:21-22 *“But prove yourselves doers of the word, and not merely hearers who delude themselves.”*

3. Determination

Daniel 3:16-18 *“Shadrach, Meshach and Abed-nego replied to the king, "O Nebuchadnezzar, we do not need to give you an answer concerning this matter. "If it be so, our God whom we serve is able to deliver us from the furnace of blazing fire; and He will deliver us out of your hand, O king. "But even if He does not, let it be known to you, O king, that we are not going to serve your gods or worship the golden image that you have set up.”*

4. Thankfulness and Joy

1 Thessalonians 5:16-18 *“Rejoice always; pray without ceasing; in everything give thanks; for this is God’s will for you in Christ Jesus.”*

5. Worship

Revelation 4:11 *“Worthy are You, our Lord and our God, to receive glory and honor and power; for You created all things, and because of Your will they existed, and were created.”*

6. Freedom from anxiety

a. Don’t worry about tomorrow – Matthew 6:25-34

b. We can’t even do the little thing of adding time to our lives

G. All this to say...God is sovereign over everything...Even our financial situation

1. If we are not acting foolishly or sinfully with our money we can relax

2. God is not surprised by anything
3. God is in control of the world economic and governmental situation
4. God is in control of our economic situation
5. He can increase or decrease what we have at will
6. We can all relax in the fact that we have exactly what God wants us to have at any given moment
7. We are to respond to God's sovereignty in our finances just as we respond to His sovereignty in every other area of our lives (see Section F above)

## **LI. Budget Principle – Retirement?**

### **A. Is retirement Biblical?**

1. The Bible is silent in regard to retirement
2. We are to live by the same financial principles no matter what our situation
3. We are still to follow God's HIGH and MODERATE priorities and not be slothful, self indulgent, undisciplined (lacking self control)
4. So I am of the opinion that we are free to retire but that it should not be with the thought of doing nothing or living self-indulgently...Taking your ease...
5. If we retire it ought to be with the thought that it is an opportunity to be freed up to work at something different

### **B. So how do we prepare for retirement?**

1. Plan ahead
2. Figure out your retirement income need
3. Identify where that income is going to come from
4. Figure out what gap is between what you will need and what you have today and start filling it

### **C. Retirement income need**

1. A "rule of thumb" that I have seen around is that you should figure you will need between 70% and 80% of the income that you make on the last day of your job
2. Most of the savings people believe they will get to allow this reduction is: a paid off mortgage, no kids in the home, no work expenses, reduction in transportation costs, lower tax rate, don't have to save for retirement

3. Will you need more or less? Only you can tell.
  - a. Do a bit of contemplating
  - b. What debts might you have?
  - c. What might your living expenses be?
  - d. What health care expenses might you have?
- D. Likely retirement income sources
  1. Employer sponsored retirement plan
    - a. Defined benefit plan...monthly benefit based on salary, age and length of service
    - b. Defined contribution plan...401(k), 403(b), 457
      - i. Tax advantaged in that what you put in is likely tax deferred
      - ii. Take the maximum advantage of any matching funds your employer might provide
      - iii. Put in at least as much as they will match...it is “free” money
  2. Social Security?
    - a. Review your benefits at [www.ssa.gov](http://www.ssa.gov)
    - b. 40 quarters of work are required to receive benefits
    - c. A word of caution is in order here
    - d. The 2106 Social Security Statement we received contains the following quote:  
*“Social Security benefits are not **intended to be your only source of income when you retire**. On average, Social Security will replace about 40 percent of your annual preretirement earnings. You will need other savings, investments, pensions or retirement accounts to make sure you have enough money to live comfortably when you retire.” (bold in original)*
    - e. It also states (as an asterisk)  
*“Your estimates are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2034, the payroll taxes collected will be enough to pay only about 79 percent of scheduled benefits.”*
    - f. So do you count on this for the long term or not?
  3. Personal savings

- a. Depending on who you read, between 10 and 20% of your current gross income should be saved and invested for retirement
  - b. I would encourage that you don't count employer matching as part of your saving percentage
  - c. Invest it following standard investing principles that we discussed
    - i. Consider your time horizon
    - ii. Keep an appropriate balance of investments
    - iii. Diversify
    - iv. Decide if you want your income tax-deferred (IRA or 401(k)) or tax free (Roth IRA or Cash Value Life Insurance)
- E. Determine your need and how to fill the gaps between what you have and where you want to be
1. Calculate your gap
  2. Figure what you have saved for retirement to date
    - a. Add Personal Retirement savings and Employer Sponsored savings or pension
    - b. Social Security amount times years you expect to be retired
    - c. This will equal what you currently have available for retirement
  3. Determine your retirement number...  
70% of Salary x number of years of retirement
  4. Calculate the gap
    - a. Retirement number – Retirement savings to date
    - b. If the number is positive then you have a surplus
    - c. If the number is negative then you have a shortfall and will need to do some planning

## LII. The Homework

### A. Memory Verses

1. <sup>Psalms 103:19</sup> “The Lord has established His throne in the heavens, and His sovereignty rules over all.”
2. <sup>Hebrews 9:27</sup> “*And inasmuch as it is appointed for men to die once and after this comes judgment,*”

3. <sup>1 Timothy 6:17</sup> *“Instruct those who are rich in this present world not to be conceited or to fix their hope on the uncertainty of riches, but on God, who richly supplies us with all things to enjoy.”*
4. <sup>1 Timothy 6:8</sup> *“If we have food and covering, with these we shall be content.”*
5. <sup>Acts 20:35b</sup> *“..He Himself said, ‘It is more blessed to give than to receive.’”*
6. <sup>1 Timothy 5:8</sup> *“But if anyone does not provide for his own, and especially for those of his household, he has denied the faith and is worse than an unbeliever.”*
7. <sup>Colossians 3:23</sup> *“Whatever you do, do your work heartily, as for the Lord rather than for men”*
8. <sup>Psalm 37:21</sup> *“The wicked borrows and does not pay back, But the righteous is gracious and gives.”*
9. <sup>Proverbs 21:20</sup> *“There is precious treasure and oil in the dwelling of the wise, But a foolish man swallows it up.”*
10. <sup>Titus 2:12</sup> *“..instructing us to deny ungodliness and worldly desires and to live sensibly, righteously and godly in the present age,”*
11. <sup>Matthew 6:21</sup> *“for where your treasure is, there your heart will be also.”*
12. <sup>Hebrews 13:5</sup> *“Make sure that your character is free from the love of money, being content with what you have; for He Himself has said, ‘I WILL NEVER DESERT YOU, NOR WILL I EVER FORSAKE YOU,’”*
13. <sup>Psalm 24:1</sup> *“The earth is the LORD’S, and all it contains, The world, and those who dwell in it.”*

B. Question and Answer Time

**References**

1. Unless otherwise indicated all scripture quotations are from the New American Standard Bible (NASB), 1995
2. **John Temple**, Family Money Matters: How to run your family finances to God’s Glory (Leominster, UK: Day One, 2010)
3. **Dave Ramsey**, *The Total Money Makeover: A proven plan for financial fitness* (Nashville, TN; Nelson, 2003)
4. **Ron Blue**, *Master Your Money: A Step Buy Step Plan for Financial Freedom* (Nashville, TN: Thomas Nelson, 1991)