

Ten Biblical Financial Principles

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God is Our Source

Giving is Essential

Live on a Margin

Save Money

Keep out of Debt

Be Content with What You Have

Keep Records/Budget

Don't Cosign

Work Hard

Seek Godly Counsel

1. God is Our Source

- The first principle is that God is the source of everything. [Philippians 4:19](#) says, "My God shall supply all your need according to his riches in glory by Christ Jesus." [Proverbs 8:20-21](#) adds, "I lead in the way of righteousness, in the midst of the paths of judgment: that I may cause those that love me to inherit substance; and I will fill their treasures."
- And [II Corinthians 9:8](#) says: "And God is able to make all grace abound toward you; that ye, always having all sufficiency in all things, may abound to every good work." Whenever we need money or possessions, prayer is the answer. Look to the Lord, because He will provide it-according to His will.
- Beloved, I wish above all things that thou mayest PROSPER and be in health, even as thy soul PROSPERETH [III John 1:2](#).

2. Giving is Essential

- The second principle is that of giving. [Luke 6:38](#), a key verse, says, "Give, and it shall be given unto you; good measure, pressed down, and shaken together, and running over, shall men give unto your bosom. For with the same measure that ye mete withal it shall be measured to you again." According to [Deuteronomy 14: 23](#), one purpose of tithing was to teach the people of Israel to put God first in their lives.
- [Proverbs 3:9-10](#) reads: "Honour the Lord with thy substance, and with the firstfruits of all thine increase: so shall thy barns be filled with plenty, and thy presses shall burst with new wine."
- **Tithes and Offering:** [Malachi 3:8-10](#)

Tithes and Offering

- Tithes is 1/10 of your increase
 - Salary
 - Gifts
 - Income Tax
 - Speaker's Offering
- Offering
 - (Deut 12:6) And thither ye shall bring your burnt **OFFERINGS**, and your sacrifices, and your tithes, and heave **OFFERINGS** of your hand, and your vows, and your **FREEWILL OFFERINGS**, and the firstlings of your herds and of your flocks:
- Curse
 - (Haggai 1:6) Ye have sown much, and bring in little; ye eat, but ye have not enough; ye drink, but ye are not filled with drink; ye clothe you, but there is none warm; and he that earneth wages earneth wages to put it into a bag with holes.

3. Live On Margin

- The third principle is that of living on a margin.
- Living on a margin simply means allowing room for things to happen.
 - Don't spend all that you make
 - Sickness, break downs, growing kids, etc
- Anything man made will fail, be prepared.

4. Bible Backs Saving

- The fourth financial principle concerns saving money—setting something aside for a rainy day. [Proverbs 21:20](#) says, "There is treasure to be desired and oil in the dwelling of the wise; but a foolish man spendeth it up." And [Proverbs 22: 3](#) emphasizes, "A prudent man foreseeth the evil, and hideth himself: but the simple pass on, and are punished."
- For a simple example, if a couple with an income of \$12,000 a year would save \$1000 of it each for 15 years and let this money earn 6 percent interest, compounded annually, they would have \$24,672.56 at the end of a 15-year period.
- **After 15 years: college, bigger house, or big ticket item.**

Banking

- Checking Acct
 - No Service Charge
 - No minimum balance
- Savings Acct
 - # of monthly withdrawals allowed
 - Types of withdrawals & associated fee
 - Online
 - ATM
 - Inside bank

Short Term Savings

- Certificate of Deposit (CD) (no risk)
 - It is a time deposit that restricts holders from withdrawing funds on demand. Although it is still possible to withdraw the money, this action will often incur a penalty.
- Savings Bond (no risk)
 - A U.S. government [savings](#) bond that offers a fixed rate of interest over a fixed period of time. Many people find these bonds attractive because they are not subject to state or local income taxes
- Mutual Fund (risk of loss)
 - It's important to understand that each mutual fund has different risks and rewards. In general, the higher the potential return, the higher the risk of loss. Although some funds are less risky than others, all funds have some level of risk - it's never possible to [diversify](#) away all risk. This is a fact for all investments.
- Money Market (no risk if savings, not IRA)
 - The [money market](#) is used similar to a regular savings account but has a higher interest rate based on the amount that you have in it. It also requires fewer withdrawals each month in order not to pay a fee for withdrawals.

Long Term Savings/Retirement

- Bonds (Municipal/Church)
 - A debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate. Bonds are used by [companies](#), municipalities, states and U.S. and foreign governments to finance a variety of projects and activities.
- Stocks (retirement & short term)
 - A type of [security](#) that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings.
- IRA (retirement)
 - An investing tool used by individuals to earn and earmark funds for retirement [savings](#).. Usually through a local bank.
- 401k (retirement)
 - A qualified plan established by employers to which eligible employees may make salary deferral (salary reduction) contributions on a post-tax and/or pretax basis. Employers offering a 401(k) plan may make matching or non-elective contributions to the plan on behalf of eligible employees and may also add a profit-sharing feature to the plan

5. Keep Out of Debt

- The fifth principle is to keep out of unnecessary debt and thus avoid the debt trap. Borrowing for a house or car is one thing but taking on financial obligations one can't keep, buying beyond the ability to pay-is another. [Psalm 37:21](#) says "the wicked borroweth, and payeth not again." The minute a person goes into debt, he loses a portion of his freedom. As [Proverbs 22:7](#) says, "The rich ruleth over the poor, and the borrower is servant to the lender."
- Too many people think you can buy now and pay later. That isn't true. I've found that easy credit now makes people uneasy later. Usually a person pays more for the use of borrowed money than he gets in interest for saving it.
- **Credit Cards, Home Equity Loans, Cash for Car Title**

6. Secret of Contentment

- The sixth principle is being content with what one has. [Hebrews 13:5](#) : "Let your conversation be without covetousness; and be content with such things as ye have: for he hath said, I will never leave thee, nor forsake thee."
- Worthwhile sayings to remember on contentment is: "Use it up, wear it out, make it do, do without."

7. Keep Records, Budget

- The seventh principle is that of keeping records and making a budget. God's Word says, "Buy the truth, and sell it not; also wisdom, and instruction, and understanding" ([Prov. 23:23](#)). "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" ([Prov. 24:3-4](#)).
- By keeping good records, having a plan and being honest with oneself, a person won't get into financial trouble.
- Also there may be tax issues which require record keeping (standard deductions vs itemizing).

8. Don't Cosign

- The eighth principle is, don't cosign. God says in [Proverbs 27:13](#) to exercise extreme caution in cosigning. When a person cosigns a note, he is the one who is really borrowing the money. The reason a person needs a cosigner is because the lender is unwilling to lend that money to the person requesting the loan.
- If he/she did not pay their bills in the past, why do you think he/she will pay this debt.
- Children/Family Members/Friend
- **Your credit report is affected.**

9. Work Hard

- The ninth principle is that of hard work. The Scriptures spell it out: "In all labour there is profit: but the talk of the lips tendeth only to penury [poverty]" ([Prov. 14:23](#)). "He that tilleth his land shall have plenty of bread: but he that followeth after vain persons shall have poverty enough" ([Prov. 28:19](#)).
- "For even when we were with you, this we commanded you, that if any would not **WORK**, neither should he **EAT**" ([II Ths 3:10](#)).
- **Something for nothing leaves nothing.**

10. Seek Godly Counsel

- The last principle is that of seeking godly counsel. [Psalm 1:1](#) declares, "Blessed is the man that walketh not in the counsel of the ungodly." A person needing financial advice should not go to someone who makes his living selling the very thing he's contemplating buying. "Without counsel purposes are disappointed: but in the multitude of counsellors they are established" ([Prov. 15:22](#)).
- Before buying a house, purchasing a car or just borrowing money, pray about it and seek the counsel of godly people. They can keep you from making a lot of mistakes. The reason so many persons don't seek counsel is that they don't want to be told by someone an intended action is unsound-they just like to do what they want anyway.

10. Seek Godly Counsel (continued)

- Above all, don't sign anything until you check the deal thoroughly first. Don't be hurried into any deal. The worst deal in the world is often the one in which a person is rushed into signing-capitulating to a relentless salesman's chance-of-a-lifetime-offer pressure tactics. The best offer in the world can wait.
- You have 3 days to get out of any contract but after that it is yours.