



CONGREGATIONAL
STEWARDSHIP
WORKBOOK

Personal Money Management



**Congregational Stewardship
Workbook 2000**

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Notes

This section begins with a brief look at how essential it is that we develop a proper attitude toward money and relationship with money. Our control on money, or it on us, affects our relationship with our Lord. To help us learn how to gain control over our money, this section offers suggestions on planning, using money principles, budgeting, controlling debt and investing.

This section is intended to help us become better managers of money as well as see the potential it has for extending God's kingdom.

Outline for Participants

I. Introduction

II. Principle: Attitude

- A. God is the provider and owner of money
- B. We are caretakers
- C. Satan uses money to deceive us

III. Principle: Planning

- A. Calculating net worth
- B. Identifying priorities and goals
- C. The importance of goal-setting
- D. Overcoming obstacles

IV. Principle: Give 10%; Save 10%; Live on 80% (10/10/80)

- A. Giving to the Lord our first and best
- B. Making saving a priority
- C. Adjusting our lifestyles to live on 80 percent

V. Principle: Control Debt

- A. Defining debt
- B. Why God discourages debt
- C. Factors leading to debt
- D. Suggestions for staying/getting out of debt

VI. Principle: Budget

- A. Benefits of a budget
- B. Planning for variable and irregular expenses

VII. Principle: Invest

- A. Factors affecting financial goals
- B. Identifying investment objectives
- C. Investment options
- D. Mutual funds

VIII. References

IX. Questions

X. Suggested Reading

Notes

tax-free. With a traditional IRA the taxes are deferred until the investor withdraws money. The recommended choice will be determined by factors such as amount of earned income and age.

4. Save Smart

Saving smart implies increasing the returns on savings without unnecessary risk. After accumulating an emergency fund (a minimum of three to six months of income invested in a liquid fund), start investing savings. Saving too conservatively is a common mistake.

Wise investors diversify their investments. Bank CDs or Lutheran Church Extension Fund (LCEF) investments should be part of a savings plan; but, use another portion to seek more growth in investment vehicles. Since 1926, the stock market has provided investors with an approximate 11 percent annualized return. Past performance is no guarantee of future performance, but it may be smart to put some savings into growth mutual funds or individual stocks.

The following indicates how savings can grow significantly:

Invest \$10,000 for 20 years at the following interest rates:

Interest Rate	20 Years
5%	\$ 17,126
10%	\$ 63,281
15%	\$187,155

Interestingly, the investment above more than doubled when the interest rate changed from 5 percent to 10 percent and more than tripled when it increased from 5 percent to 15 percent. If we save and invest wisely we can realize a sizeable growth in our savings.

Spend 80 percent on our lifestyles

Does God want us to live in substandard housing or in mansions? God doesn't give us specifics about the cars we drive, the houses we live in, or the clothes we wear. He does give us principles. "Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God who provides us with everything for our enjoyment" (1 Tim. 6:17). God provides more than we need for food, shelter. He does this for our enjoyment! Living comfortably is not a sin. Living comfortably with an arrogant attitude, however, is displeasing to God. Putting our hope in something other than God is futile. God commands us to put Him first. "But seek first His kingdom and His righteousness, and all these things will be given to you as well" (Matt. 6:33). Trusting this promise we honor the Lord with our lives and live as faithful stewards.

To live on 80 percent of our income, we need to control spending. Impulsive spending must stop. If we consider the purchase of



Net Worth Statement

Date: _____

What I Own:

Liquid Assets

Checking Account _____
Bank Savings _____
Money Market Funds _____
Cash Value Life Insurance _____
Other _____

Investment Assets

Mutual Funds _____
LCEF Funds _____
Bank CDs _____
Real Estate Investments _____
IRAs _____
401(k) or 403(b) _____
Other _____

Personal Assets

Residence _____
Household Furnishings _____
Vehicles _____
Hobbies _____
Total Assets _____

What I Owe:

Credit Card Debt _____
Installment Loans _____
Personal Loans _____
Home Mortgage _____
Other _____

Total Assets: _____
Total Liabilities: (-) _____
Net Worth: _____

