

A PRESENTATION
FOR:

LIVING WATERS CHURCH

Fort Langley, BC

BY THE NATIONAL STEWARDSHIP DEPARTMENT OF
THE PENTECOSTAL ASSEMBLIES OF CANADA



Radical Stewardship

deep-rooted

biblical principles for everyday living

The word “radical”
comes from the Latin
word “radicalis” which
means **TO BE ROOTED**

Matthew 6:19-21,24

“Do not store up for yourselves treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven...”

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Matthew 6:19-21,24

“Do not store up for yourselves treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven...”

“For where your treasure is, there your heart will be also.”



Matthew 6:19-21,24

“Do not store up for yourselves treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven...”

“For where your treasure is, there your heart will be also.”

“No one can serve two masters. Either he will hate the one and love the other, or he will be devoted to the one and despise the other.”



Matthew 6:19-21,24

““Do not store up for yourselves treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven...”

“For where your treasure is, there your heart will be also.”

“No one can serve two masters. Either he will hate the one and love the other, or he will be devoted to the one and despise the other.”

“You cannot serve both God and Money.”



I Timothy 6:17

“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 richly provides us with everything for our enjoyment.”



I Timothy 6:18 – 19

“Command them to do good, to be rich in good deeds, and to be generous and willing to share. In this way they will lay up treasure for themselves as a firm foundation for the coming age, so that they may take hold of the life that is truly life.”



Biblical Principles

for

Personal Finances



Radical Stewardship

SIX DEEP-ROOTED PRINCIPLES

- 1. Find the spot marked "X"**
- 2. Set some goals**
- 3. Create a financial plan**
- 4. Manage your spending**
- 5. Plan for retirement**
- 6. Do the final touches**
 - estate planning**



DEEP-ROOTED PRINCIPLE# 1

Find the Spot Marked "X"



DEEP-ROOTED PRINCIPLE #1 – *Find the spot marked "X"*

FIND THE SPOT MARKED "X"

It's difficult to follow directions if you don't know where you are.

1. Be Honest

If you're lost—admit it!

2. Be Open

Everything is on the table!

3. Be Thoughtful

How did you get to this spot?

4. Be Emotional

Money is an emotional topic!



4. Be Emotional

Money is an emotional topic!

- **Anger**





Apparently I've done
something to upset you.



4. Be Emotional

Money is an emotional topic!

- Anger
- Fear



4. Be Emotional

Money is an emotional topic!

- Anger
- Fear
- Hope



DEEP-ROOTED PRINCIPLE #1 – *Find the spot marked "X"*

Matthew 6:33,34

"But seek first his kingdom and his righteousness, and all these things will be given to you as well. Therefore do not worry about tomorrow, for tomorrow will worry about itself."

Luke 1:37

"For nothing is impossible with God."

Luke 18:27

"What is impossible with men is possible with God."



DEEP-ROOTED PRINCIPLE #1 – *Find the spot marked "X"*

Let me tell you about the fundamental law of economics. If you want to find your spot marked "X" you have to do a simple financial exercise.

It's called the "**OO**" law of finance

The first "**O**" relates to everything you **OWN**

The second "**O**" to everything you **OWE**

And when you subtract one "**O**" from the other "**O**" you will know your **NET WORTH**.

That's when you say "**Oh, Oh**" or maybe "**Zero, Zero.**"



DEEP-ROOTED PRINCIPLE #1 – *Find the spot marked "X"*

A list of what I **OWN**

THINGS:

House/Condo

Automobiles

REAL ESTATE:

RV/Cottage/Property

SECURITIES:

Mutual Funds, Bonds

RETIREMENT:

RRSPs, TFSA, Pensions

CASH AND BANK:

Savings accounts

TOTAL

DEEP-ROOTED PRINCIPLE #1 – *Find the spot marked "X"*

A list of what I **OWN**

THINGS:

House/Condo	450,000
Automobiles	22,000

REAL ESTATE:

RV/Cottage/Property	48,000
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SECURITIES:

Mutual Funds, Bonds	17,000
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RETIREMENT:

RRSPs, TFSA, Pensions	12,200
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CASH AND BANK:

Savings accounts	800
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TOTAL	550,000
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DEEP-ROOTED PRINCIPLE #1 – Find the spot marked "X"

A list of what I OWE

THINGS:

House/Condo	197,000
Automobiles	12,000

REAL ESTATE:

RV/Cottage/Property	18,000
---------------------------	--------

PERSONAL LOAN:

Mother-in-law	8,000
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235,000

TOTAL OWN	550,000
TOTAL OWE	235,000
NET WORTH	315,000



DEEP-ROOTED PRINCIPLE# 2

Set Some Goals

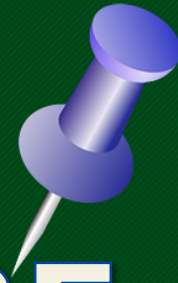


DEEP-ROOTED PRINCIPLE #2 – *Set some goals*



HERE

to



THERE

- **SHORT TERM**
- **AND LONG TERM** (SEE PAGE 7-8)



DEEP-ROOTED PRINCIPLE #2 – *Set some goals*

Goals must be:

SPECIFIC

MEASURABLE

ATTAINABLE

REALISTIC

TIMELY



DEEP-ROOTED PRINCIPLE# 3

Create A Financial Plan



DEEP-ROOTED PRINCIPLE #3 – *Create A Financial Plan*

1. Make a commitment to God.

"Commit to the Lord whatever you do and your plans will succeed" (Proverbs 16:3).

2. Get help from informed people or reliable sources.

"The plans of the diligent lead to profit as surely as haste leads to poverty" (Proverbs 21:5).

3. Invoke the Old MacDonald Law of Economics:

E I ... E I ... O



DEEP-ROOTED PRINCIPLE #3 – *Create A Financial Plan*

Expected **I**ncome (page 15)

EMPLOYMENT

Wages _____

Unemployment Insurance _____

PENSIONS

Canada Pensions _____

Company Pensions _____

INVESTMENTS

Interest Income _____

Rental Income _____

OTHER

Self-employment _____

TOTAL _____

DEEP-ROOTED PRINCIPLE #3 – Create A Financial Plan

Expected **I**ncome (page 15)

EMPLOYMENT

Wages \$ 4,150

Unemployment Insurance

PENSIONS

Canada Pensions

Company Pensions

INVESTMENTS

Interest Income 198

Rental Income 750

OTHER

Self-employment 300

TOTAL **5,398**

DEEP-ROOTED PRINCIPLE #3 – *Create A Financial Plan*

Expenses **I**ncurred (page 16)

THE LORD'S SHARE

Tithes	\$540
Offerings	175

HOUSEHOLD EXPENSE

Food and Clothing	950
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MONTHLY PAYMENTS

Mortgage or Rent, Utilities	2250
Automobile	545

SAVINGS

RRSPs	240
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OTHER	698
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TOTAL	5,398
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DEEP-ROOTED PRINCIPLE #3 – *Create A Financial Plan*

Invoke the Old MacDonald Law of Economics:

E I ... E I ... O

Expected **I**ncome 5,398

Expenses **I**ncurred 5,398

Outcome 00



DEEP-ROOTED PRINCIPLE #3 – *Create A Financial Plan*

Invoke the Einstein Law of Economics:

F I R E

Find **I**ncome
Reduce **E**xpenses



DEEP-ROOTED PRINCIPLE# 4

Manage Your Spending



The Important Players:

- God
- Canada Revenue Agency
- You and Your Family
- Your Employer
- Your Creditors
- Your Neighbours



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

GOD COMES ***FIRST***

*"But seek **first** his kingdom and his righteousness, and all these things will be given to you as well."*

–Matthew 6:33,34



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

GOD COMES ***FIRST***

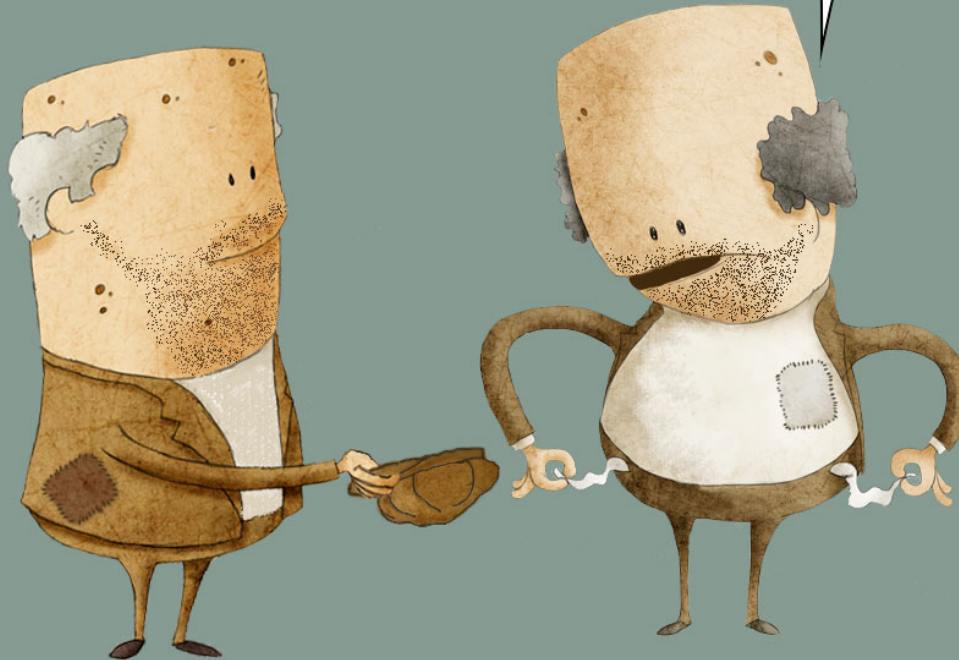
*" 'Bring the **whole** tithe into the storehouse, that there may be food in my house. Test me in this,' says the LORD Almighty, 'and see if I will not throw open the floodgates of heaven and pour out so much blessing that you will not have enough room for it.' "*

–Malachi 3:10



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

Giving was hard when
I was rich. Now it's easy



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

GOD COMES ***FIRST***

"As He looked up, Jesus saw the rich putting their gifts into the temple treasury. He also saw a poor widow put in two very small copper coins.

" 'I tell you the truth,' He said, 'this poor widow has put in more than all the others. All these people gave their gifts out of their wealth; but she out of her poverty put in all she had to live on.' "

–Luke 21:1-4



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

GOD COMES ***FIRST***

*"Remember this: Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously. Each man should give what he has decided in his heart to give, not reluctantly or under compulsion, for God loves a cheerful giver. And God is able to make **all** grace abound to you, so that in **all** things at **all** times, having **all** that you need, you will abound in every good work."*

-2 Corinthians 9:6-8



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

- GOD COMES ***FIRST***
- THEN THE **TAXMAN**

Dear Revenue
Canada,



I am writing to cancel
my subscription.



Please remove my
name from your
mailing list.



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

- **GOD COMES *FIRST***
- **THEN THE TAXMAN**

First, the GOOD NEWS!!

Canada Revenue Agency encourages us to give to God. The tax department promises to refund about 40% of the amount we give to the church. Actually, we are being given back what has been deducted from our earnings or pensions.



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

- **GOD COMES *FIRST***
- **THEN THE TAXMAN**

New tax laws allow us to receive tax credits for giving up to 75% of our taxable income.

Estates can receive tax credits for 100%!



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

- **GOD COMES *FIRST***
- **THEN THE TAXMAN**

Then, the OTHER NEWS!!

Responsible citizens have to pay taxes to help make this country the greatest place in the world to live and to serve God.

It is God's will for us to pay our fair share of taxes.



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

Tips on keeping your tax *FAIR*

GET ADVICE

“Plans fail for a lack of counsel, but with many advisors they succeed.”

-Proverbs 15:22



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

- **GOD COMES *FIRST***
- **THEN THE TAXMAN**
- **Then You and Your Family**

Saving for RAINY DAYS!!

It is suggested that everyone should have an emergency fund equivalent to three months' income.



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

- **GOD COMES *FIRST***
- **THEN THE TAXMAN**
- **Then You and Your Family**

Saving for RAINY DAYS!!

It is suggested that everyone should have an emergency fund equivalent to **three** months' income.



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

Saving for RAINY DAYS!!—

PICK YOUR OWN METHOD

1. The Day's Due Technique

2. The Plus Ten Technique

3. The Minus Ten Technique

“In the house of the wise are stores of choice foods and oils, but a foolish man devours all he has.” -Proverbs 21:20



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

- **GOD COMES *FIRST***
- **THEN THE TAXMAN**
- **Then YOU and YOUR FAMILY**
- **Then YOUR EMPLOYER**



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

- **GOD COMES *FIRST***
- **THEN THE TAXMAN**
- **Then YOU and YOUR FAMILY**
- **Then YOUR EMPLOYER**
- **Then YOUR CREDITORS**

"The rich rule over the poor, and the borrower is servant to the lender."

-Proverbs 22:7



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

*How to get out of **DEBT***

“A prudent man sees danger and takes refuge, but the simple keep going and suffer for it.” – Proverbs 22:3

1. Stop any form of borrowing
2. Develop a spending plan (see page 18)



BUDGETING

Tithes and Taxes – come off the top

- Housing 36%
- Food 12%
- Auto 12%
- Debts 5%
- Clothing 5%
- Medical 3%
- Entertainment 6%
- Savings 5%
- Insurance 5%
- Miscellaneous 5%
- School 6%



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

How to get out of **DEBT**

1. Stop any form of borrowing
2. Develop a spending plan (see page 18)
3. Work out a payback plan (snowball effect – call creditors)
4. Lifestyle changes - exercise self-discipline
5. Seek counsel
6. Learn to trust God



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

- **GOD COMES *FIRST***
- **THEN THE TAXMAN**
- Then **YOU** and **YOUR FAMILY**
- Then **YOUR EMPLOYER**
- Then **YOUR CREDITORS**
- Then **YOUR NEIGHBOURS**

*Christianity taught the world **CHARITY***



DEEP-ROOTED PRINCIPLE #4 – Manage Your Spending

Then **YOUR NEIGHBOURS**

Luke 10:25-37

"But he wanted to justify himself, so he asked Jesus, 'And who is my neighbor?' "

*"In reply Jesus said: 'A man was going down from Jerusalem to Jericho, when he fell into the hands of robbers. They stripped him of his clothes, beat him and went away, leaving him half dead. A **priest** happened to be going down the same road, and when he saw the man, he passed by on the other side. So too, a **Levite**, when he came to the place and saw him, passed by on the other side.*



DEEP-ROOTED PRINCIPLE #4 – Manage Your Spending

Then **YOUR NEIGHBOURS**

Luke 10:25-37

*" 'But a **Samaritan**, as he traveled, came where the man was; and when he saw him, he took pity on him. He went to him and bandaged his wounds, pouring on oil and wine. Then he put the man on his own donkey, took him to an inn and took care of him.'*

*" 'Which of these three do you think was **neighbor** to the man who fell into the hands of robbers?' "*
*The expert in the law replied, 'The one who had **mercy** on him.'*

*"Jesus told him, '**Go and do likewise.**' "*



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

Then **YOUR NEIGHBOURS**

*Christianity taught the world **CHARITY***

"It is possible to give away and become richer! It is possible to hold on too tightly and lose everything. Yes, the liberal man shall be rich! By watering others, he waters himself."

-Proverbs 11:24,25
(The Living Bible)



DEEP-ROOTED PRINCIPLE #4 – *Manage Your Spending*

Then **YOUR NEIGHBOURS**

*Christianity taught the world **CHARITY***

*"Now he who supplies seed to the sower
and bread for food will also supply and
increase your store of seed and will
enlarge the harvest of your
righteousness."*

-2 Corinthians 9:10



DEEP-ROOTED PRINCIPLE# 5

Plan For Retirement



DEEP-ROOTED PRINCIPLE #5 – *Plan For Retirement*

This is our retirement plan.



What is yours??

DEEP-ROOTED PRINCIPLE #5 – *Plan For Retirement*

Take some ACTION

1. Start with an RRSP

Canada Revenue Agency informs you each year on your Notice of Assessment how much you can spend on RRSPs.

The eligible amount is based on 18% of the previous year's income – maximum \$26,500.

Unused amounts are carried to future years.



DEEP-ROOTED PRINCIPLE #5 – *Plan For Retirement*

Take some ACTION

1. Start with an RRSP

Remember also, whenever you make a contribution to your RRSP, Canada Revenue Agency gives you back about 40% of that amount from the tax deductions that have been made on your employment income.



Take some ACTION

1. Start with an RRSP
2. Take Advantage of Compound Interest

Compound interest simply means that interest is earned on interest.

Compounding magnifies the impact that a given interest rate has on the growth of the principal amount.



DEEP-ROOTED PRINCIPLE #5 – *Plan For Retirement*

Take some ACTION

1. Advantage of Compound Interest

Example: Age 20

\$1,000 per year

Average Interest. 6%

Age 40 \$42,199.86

Age 65. \$239,272.74



DEEP-ROOTED PRINCIPLE #5 – *Plan For Retirement*

Take some ACTION

1. Start with an RRSP
2. Take Advantage of Compound Interest
3. Invest your Funds



DEEP-ROOTED PRINCIPLE #5 – *Plan For Retirement*

Take some ACTION

1. Start with an RRSP
2. Take Advantage of Compound Interest
3. Invest your Funds
4. PAOC Mortgage Certificates



DEEP-ROOTED PRINCIPLE #5 – *Plan For Retirement*

Take some ACTION

1. Start with an RRSP
2. Take Advantage of Compound Interest
3. Invest your Funds
4. PAOC Mortgage Certificates
5. **PAOC Gift Annuities**



Take some ACTION

5. PAOC Gift Annuities

Provide regular payments for the rest of your life and the life of your spouse.

Interest rate is based on your age – the older the age, the higher the interest.

All or a large portion of the interest payments are tax free.



SIX DEEP-ROOTED PRINCIPLES

1. Find the spot marked “X”
2. Set some goals
3. Create a financial plan
4. Manage your spending
5. Plan for retirement
6. Do the final touches
—estate planning (p.23)



DEEP-ROOTED PRINCIPLE # 6

The Final Touches – Estate Planning



DEEP-ROOTED PRINCIPLE #6 – *Final Touches–Estate Planning*

While you are still here, you may need...

Substitute Decision-maker

1. To make decisions concerning your property and manage your investments.
2. To make decisions concerning your personal care and to carry out your wishes.



DEEP-ROOTED PRINCIPLE #6 – *Final Touches–Estate Planning*

While you are still here, you may need...

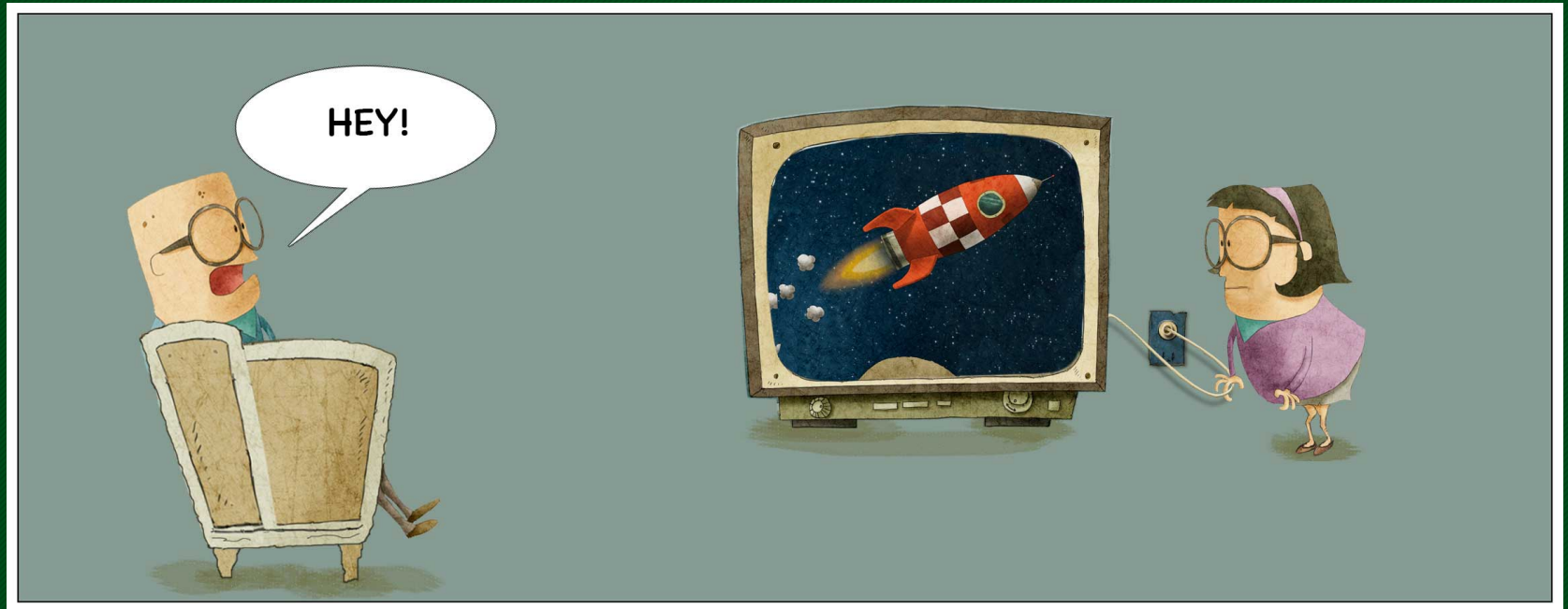
Substitute Decision-maker



DEEP-ROOTED PRINCIPLE #6 – *Final Touches–Estate Planning*

While you are still here, you may need...

Substitute Decision-maker



DEEP-ROOTED PRINCIPLE #6 – *Final Touches–Estate Planning*

“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. What is your life? You are a mist that appears for a little while and then vanishes.”

–James 4:13,14



DEEP-ROOTED PRINCIPLE #6 – *Final Touches–Estate Planning*

Half of Canadians do not have a Will

- Many say they don't have enough money
- Others worry they may die if they write a Will
- Many say Wills are for elderly
- "There is plenty of time."



DEEP-ROOTED PRINCIPLE #6 – *Final Touches–Estate Planning*

When do you need a new or updated WILL?

- If you are over 18 years of age.
- If you are recently married or divorced.
- If there are special family concerns.
- If it does not reflect your current thinking.
- If it does not provide for the Lord's work.
- If you are a new parent.



Advantages of having a WILL

- Avoids family conflict at an emotional time of loss.
- Controls the way assets are distributed.
- Provides for special circumstances.
- Secures the future of minor children, naming guardians and trustees.
- Allows you to make provisions for some of your assets to go to the Lord's work.
- You may save the estate money.

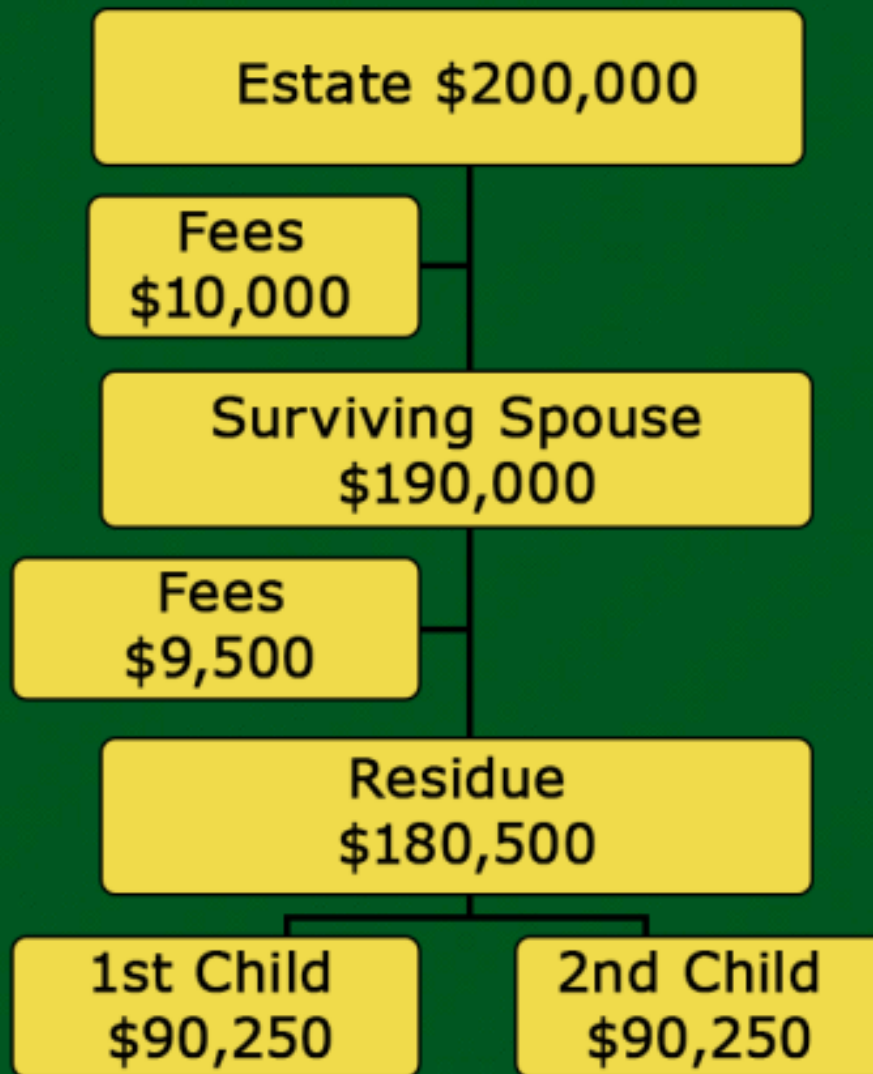


First questions to consider about a WILL

- Who will be the executors?
- Who will be the guardians for my minor children?
- At what ages should I have the assets distributed to the children?
- Do I want some of my assets to continue to support the Lord's work?
- Will I do it myself, get some assistance, or turn it over to my lawyer?



TRADITIONAL WILL (pg. 30)



DEEP-ROOTED PRINCIPLE #6 – *Final Touches–Estate Planning*

Question: How long do you think it takes for a beneficiary to spend his or her inheritance?

The average inheritance is spent in
LESS THAN SIX MONTHS!

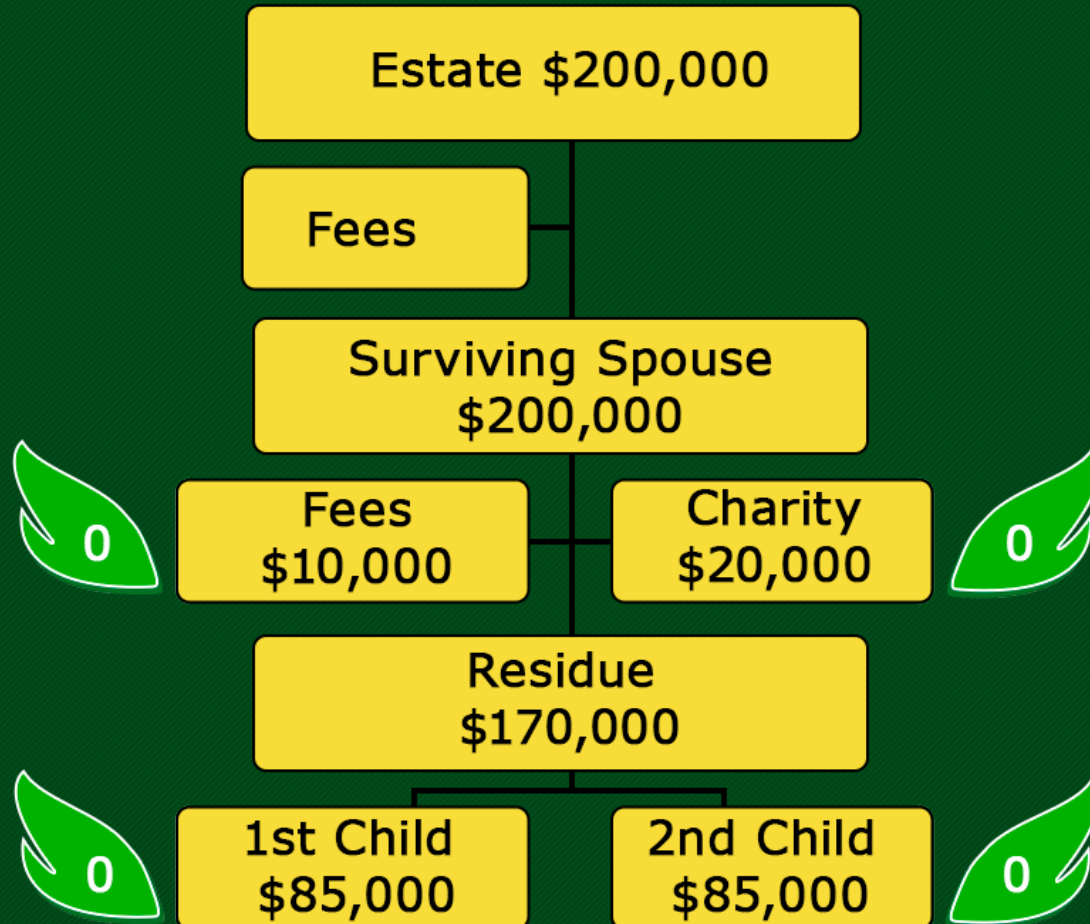


DEEP-ROOTED PRINCIPLE #6 – *Final Touches–Estate Planning*



DEEP ROOTED PRINCIPLE #6 – *Final Touches–Estate Planning*

CHARITABLE WILL



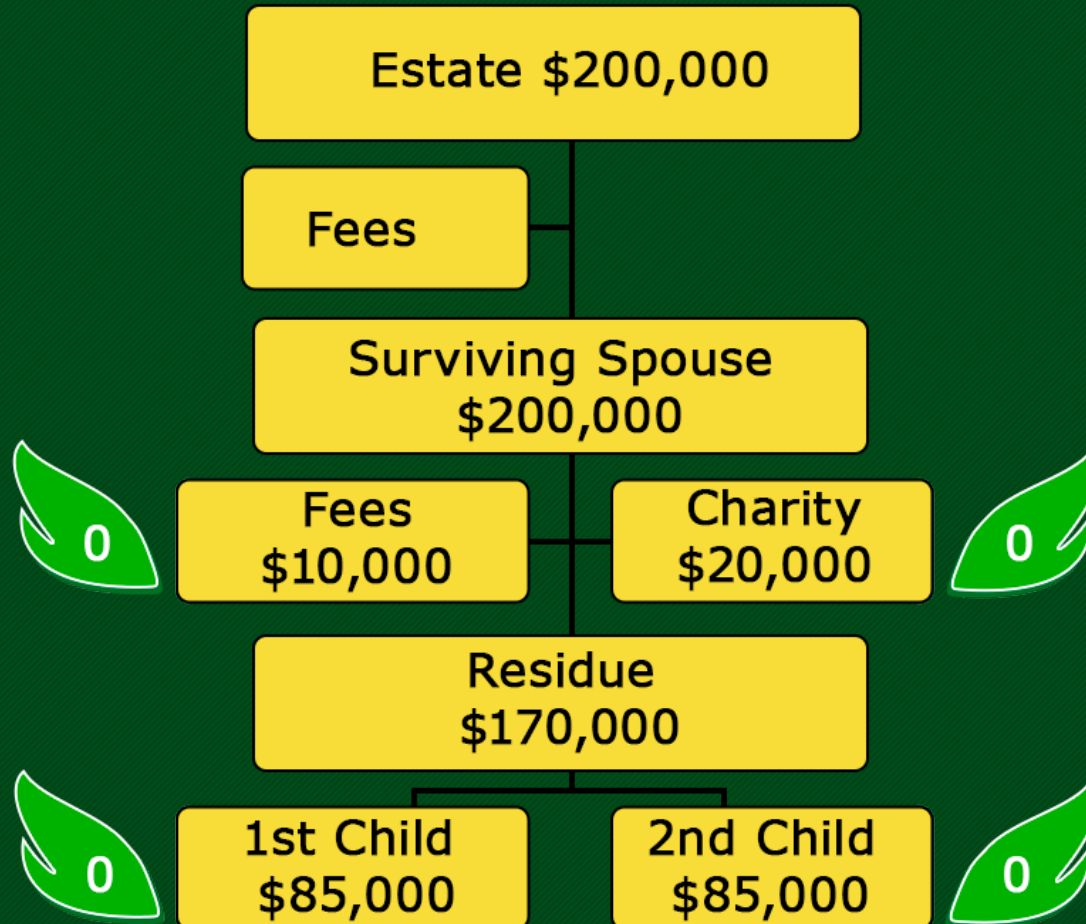
A CHARITABLE WILL facilitates

- Reaching.....lost people everywhere
- Planting.....building churches everywhere
- Equipping.....and training leaders
- Caring.....for orphans, widows, feeding the hungry



DEEP ROOTED PRINCIPLE #6 – *Final Touches–Estate Planning*

CHARITABLE WILL



Plus
about
\$8,000
tax
refund

A CHARITABLE WILL

- Recognizes the blessing of God
- Expresses a personal philosophy of life – includes others – 'generosity'

"Do not store up for yourselves treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven, where moth and rust do not destroy, and where thieves do not break in and steal."

-Matthew 6:19-21



A CHARITABLE WILL

- Expresses a personal philosophy of life–includes others
- Demonstrates values to family members left behind
- Provides sense of self-satisfaction as we live out our days of service
- Then there is Revenue Canada....

A CHARITABLE WILL

And God will say

*“Well done, good and faithful servant!
You have been faithful with a few
things; I will put you in charge of
many things. Come and share your
master’s happiness!”*

–Matthew 25:23





Radical Stewardship

deep-rooted

biblical principles for everyday living