

# Wealth Wisdom

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## *Stewarding Money from a Biblical Perspective*

### Wealth Wisdom: A Biblical Perspective on Stewarding Money

*The Bible offers wisdom to help steward whatever wealth is entrusted to us to meet the responsibilities God has given us. But many families do not talk openly about money and the principles necessary to handle it well. Having worked with hundreds of family finances and business managers, David and Krisan Marotta will present small practical changes that can yield enormous gains over time.*

## First Principles

### Deuteronomy 8:11-18

11 Be careful that you do not forget the Lord your God, failing to observe his commands, his laws and his decrees that I am giving you this day. 12 Otherwise, when you eat and are satisfied, when you build fine houses and settle down, 13 and when your herds and flocks grow large and your silver and gold increase and all you have is multiplied, 14 then your heart will become proud and you will forget the Lord your God, who brought you out of Egypt, out of the land of slavery. 15 He led you through the vast and dreadful wilderness, that thirsty and waterless land, with its venomous snakes and scorpions. He brought you water out of hard rock. 16 He gave you manna to eat in the wilderness, something your ancestors had never known, to humble and test you so that in the end it might go well with you. 17 You may say to yourself, "My power and the strength of my hands have produced this wealth for me." 18 But remember the Lord your God, for it is he who gives you the ability to produce wealth, and so confirms his covenant, which he swore to your ancestors, as it is today.

## Stewardship vs. Ownership

You have probably heard the principle of Stewardship. Stewardship is the idea that the earth and everything in it belongs to the Lord. He is the owner, and whatever we have been entrusted with is not ours, but simply our responsibility to handle as God's representative.

The distinction is often made between being an owner and being a steward. And this is the distinction you will often see taught in Christian circles. This is not the best way to think about what God has entrusted to us. From our perspective the choice may be between ownership and stewardship. But from God's perspective this is not the distinction. God knows that we are not the owners. He is not confused.

From God's perspective we can act like we are the owner, but it is clear to Him that we are not. And there is a financial term for someone who acts like they are the owner of funds entrusted to them, and that term is Embezzler.

## General Principles

God wants you to use the money he has given you to best meet the responsibilities you have been given by God.

Responsibilities such as your needs, your spouse, your children, your vocation, your calling, etc.

### 1 Timothy 5: 8

Anyone who does not provide for their relatives, and especially for their own household, has denied the faith and is worse than an unbeliever.

Your responsibility is to use money as a tool or means to fulfill the other responsibilities that God has given you. This is much more liberating than trying to use money to make yourself happy. In our consumer culture there is a law of diminishing returns when you try to spend money making yourself happy.

In fact you will find many studies that suggest that a lot more money brings a very small amount of happiness. This is as to be expected. We are wealthy enough to retire and with our frugal needs will not outlive our money. And maybe if we retired and spent the remainder of our lives recreating we would be just as happy as we would continuing to work. But our wealth is not for the purpose of making us happy. It is a tool that God has given us to meet the responsibilities God gives us.

For a Christian, being rich is like having a very full in-basket of work. You are responsible for stewarding it well and putting it to the uses that best meet your

God-given responsibilities. Nothing less than fulfilling that responsibilities is what God has called you to do.

You cannot delegate this responsibility. You can get people to help you fulfill this responsibility. But the responsibility is yours to fulfill.

## **Learn How to Spend, Earn, and Save and Invest.**

There are three things that you should have been learning up until now: How to Spend, Earn, and Save and Invest.

Do not be surprised if you feel like you haven't learned these lessons yet. Finances are rarely discussed in most families. And these are lessons which are learned least by talking, more by example, and most by experience.

So what I just told you is that this talk is not as effective as you, watching Godly examples around you and then intentionally putting into practice the principles you are developing.

Here are some principles for spending money

## **Spending Money**

You should live well below your means, savings and investing the remainder.

Some Christians naively feel uneasy following this wisdom. Because if you follow this wisdom you will gradually grow wealthy.

## **Foundation of Wealth Management**

Small practical changes can yield enormous gains over time.

Saving \$5,500 per year in a Roth IRA earning just 6.61% grows to \$500,000 over 30 years. It will have cost just \$165,000. Assuming that you and your future spouse both saving this amount you will have \$1 million tax free dollars in 30 years.

If it earns a more likely 9.18% you will have \$1 million in just 25 years and \$1.6 million in 30 years.

## Should Christians Be Growing Rich?

Before we go any further it is important to explore the alternatives.

1. You could spend every dime you make on yourself right now. This is not more virtuous. This is selfish.

Nor is spending every dime you make trusting God more. It is not an act of trusting God to put yourself in situations where he has to miraculously solve problems which he has already given you the means to naturally solve. That is pinnacle jumping.

### Matthew 4:5-7

5 Then the devil took him to the holy city and had him stand on the highest point of the temple. 6 "If you are the Son of God," he said, "throw yourself down. For it is written:

"He will command his angels concerning you,  
and they will lift you up in their hands,  
so that you will not strike your foot against a stone."

7 Jesus answered him, "It is also written: 'Do not put the Lord your God to the test.'"

Christians engage in pinnacle jumping any time they assume that God will miraculously solve their monetary problems when they by means of wise and responsible stewardship could have met the financial needs of the responsibilities that God gave them.

The wisdom of the Scriptures expects us to be handling money in a godly way. We will cover in this talk the dangers and seductions of money later in this talk. But the first principles of money are that God expects you to be wise in saving and investing and that it is the seemingly more radical verses that require an explanation.

### Proverbs 13:11

Dishonest money dwindles away,

but whoever gathers money little by little makes it grow.

Proverbs 6:6-8

6 Go to the ant, you sluggard;  
consider its ways and be wise!  
7 It has no commander,  
no overseer or ruler,  
8 yet it stores its provisions in summer  
and gathers its food at harvest.

2. You could meet your immediate needs and then give the remainder – no matter how large - to various charities.

There is a growing school of thought that believes that this is the most virtuous lifestyle that people can practice. And it is certainly more virtuous than being concerned only about yourself.

Giving all your money to charities delegates all the responsibility to steward the money well to other people. It is equivalent to saying, “I am sure that God has not provided this money in anticipation of responsibilities that He will be giving me in the future.”

Again, given the wisdom of the Scriptures this still seems like pinnacle jumping.

Any time you are living hand to mouth you have no margin in your life to respond to the responsibilities God may have for you.

3. You can save money and use that money as best you can to fulfill the responsibilities that God’s seems to be putting before you.

Saving for the future:

Proverbs 6:6-8

6 Go to the ant, you sluggard;  
consider its ways and be wise!  
7 It has no commander,  
no overseer or ruler,  
8 yet it stores its provisions in summer  
and gathers its food at harvest.

Consider:

Proverbs 27:23-27

23 Be sure you know the condition of your flocks,  
give careful attention to your herds;

24 for riches do not endure forever,  
and a crown is not secure for all generations.

25 When the hay is removed and new growth appears  
and the grass from the hills is gathered in,

26 the lambs will provide you with clothing,  
and the goats with the price of a field.

27 You will have plenty of goats' milk to feed your family

And

Proverbs 21:20

20 The wise store up choice food and olive oil,  
but fools gulp theirs down.

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## **Budget The Way You Spend Money**

Set aside at least 35% of your take home pay and only spend 65% on your standard of living.

- 15% Retirement (Saved in a Roth)
- 10% Unknown Unknowns (Needed at every stage of life. Add to the budget)
- 10% Charity (Forces you to think about where, not how much)
- 65% Lifestyle (Crown.org has nice budgeting tools at <https://www.crown.org/resources/spending-budget-guides/>)

Budgeting shows your values. It shows what you love. It shows self-control.

A sample budget for a single person just out of college might look like this:

- 40% Housing
- 7% Household
- 7% Food

- 15% Transportation
- 8% Entertainment / Recreation
- 8% Clothing
- 6% Health / Wellness
- 4% Gifts
- 5% Travel

A budget is just a spending plan. You can divide your lifestyle spending any way you think best. You can use software like Quicken or Mint. You can use a spiral notebook like we did when we were first married. Or you can put money in envelopes and only spend cash out of the appropriate envelope.

Any purchase which you are unsure about, wait a week. If you are still unsure wait another week. Avoid budget busters. Be willing to tell yourself “No.”

If every day is Christmas and you tell yourself, “I deserve nice things” you will have money troubles. Stop using credit cards if you can’t pay off your credit card even once.

You left your parent’s household at the height of their income and spending ability. You need to learn to live below your means. Your parents can’t help you learn to be frugal by continually supplementing your income. Any money your parents give you should be put into savings and not spent. Your goal should be to be independent of your parents.

## **Saving and Investing Money**

Put your paycheck into an investment account and only transfer your 65% Standard of Living to your checking account. We call this “The Automatic Millionaire.” If you get a raise, you will save your raise and you won’t increase your standard of living unless you intentionally change the amount you transfer to your checking account.

Don’t just save. Save and invest.

Inflation is just a tax on people who save a lot of money in cash.

If you are eligible for a 401(k) or 401(b) through work and the company matches some amount you invest, put in enough to get the entire match. If they offer the option of your contributions going into a Roth 401(k) or Roth 403(b), contribute your portion to a Roth.

After getting any match you can, prioritize putting the maximum you can in a Roth IRA. You do not get a tax deduction for putting money in a Roth IRA. But you don't need a tax deduction. You are in the lowest tax bracket you will ever be in in your life. Nearly everyone should prioritize putting money in a Roth first.

Money growing in a Roth IRA is not tax, and you can take out the amount you put in without being taxed or paying penalties. The maximum you can fund your Roth each year is currently \$5,500.

A Roth IRA is a great place to store money even if you think you will need it later.

After putting in enough to get the 401(k) OR 403(b) match and then fully funding your Roth IRA, go back to your 401(k) or 403(b) and continue to contribute up to the maximum, this year \$18,500.

If you try to save in a non-retirement taxable account the interest, dividends and capital gains will be taxed and over long periods of time the government will gain more than you will.

## Earning Money

As our children become teenagers we encouraged them to begin exploring vocations. We had a rule that every summer they needed to explore something vocationally. I don't mean lifeguarding or flipping hamburgers. Those aren't vocations. They had to explore something that they might like to do for a living. Film making, graphic design, website design, investment management. By the time our children went to college they had experienced enough to know what they liked and what they did not like.

I met a young estate planning attorney who told me that if he had spent one day with an estate planning attorney he never would have gone to law school. You can best find your calling by experience.

No matter what your age, we should always be asking, “What should I do with the rest of my life?” Like Eric Liddle in *Chariots of Fire*: When you run you should feel God’s pleasure. And whatever he calls you to you should learn to love it as He does.

Find your calling. So long as you have learned the discipline of budgeting the money will take care of itself. If you have learned to be frugal you can afford to do whatever you think God is calling you to.

## **Consider Starting Your Own Business**

And finally, consider starting your own business. About one in 10 people start a business. Often it is not their primary job, but just some supplemental income. And only one in 40 employs other people. And to be honest the numbers may be less than that. Between us Krisan and I have seven business entities, and two of them are our primary businesses. Couples like us may skew the statistics.

There are both risks and rewards to running your own business.

Studies have found that people regret major mistakes like breaking the law, violence, sexual infidelity, and drug addiction. Aside from those major mistakes that can ruin your life, it is the things that people don’t do that they regret. The chances they did not take.

Starting a business should be done carefully and with great planning. But it can be a great calling.

Maimonides, a 12<sup>th</sup> century Jewish philosopher, ranked eight levels of charity. The lowest level was when people were forced to give and gave grudgingly. This is the definition of taxes.

He defined the highest level of giving as giving a person employment so that they don't need charity. This maintains the person's dignity and allows them to in turn support others.

Starting a business and employing others is the highest form of charity.

#### Maimonides' Hierarchy of Charity

8. When donations are given grudgingly.
7. When one gives less than he should, but does so cheerfully.
6. When one gives directly to the poor upon being asked.
5. When one gives directly to the poor without being asked.
4. Donations when the recipient is aware of the donor's identity, but the donor still doesn't know the specific identity of the recipient.
3. Donations when the donor is aware to whom the charity is being given, but the recipient is unaware of the source.
2. Giving assistance in such a way that the giver and recipient are unknown to each other. Communal funds, administered by responsible people are also in this category.
1. The highest form of charity is to help sustain a person before they become impoverished by offering a substantial gift in a dignified manner, or by extending a suitable loan, or by helping them find employment or establish themselves in business so as to make it unnecessary for them to become dependent on others.

## **Three Virtues and their corresponding Vices Concerning Money**

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### 1 Timothy 6:6-10

6 But godliness with contentment is great gain. 7 For we brought nothing into the world, and we can take nothing out of it. 8 But if we have food and clothing, we will be content with that. 9 Those who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge people into ruin and destruction. 10 For the love of money is a root of all kinds of evil. Some people, eager for money, have wandered from the faith and pierced themselves with many griefs.

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### Matthew 23:23

“Woe to you, teachers of the law and Pharisees, you hypocrites! You give a tenth of your spices—mint, dill and cumin. But you have neglected the more important matters of the law—justice, mercy and faithfulness. You should have practiced the latter, without neglecting the former.

## Justice

Justice is the idea that people have equal value in the eyes of God.

### James 2:1-4

2 My brothers and sisters, believers in our glorious Lord Jesus Christ must not show favoritism. 2 Suppose a man comes into your meeting wearing a gold ring and fine clothes, and a poor man in filthy old clothes also comes in. 3 If you show special attention to the man wearing fine clothes and say, “Here’s a good seat for you,” but say to the poor man, “You stand there” or “Sit on the floor by my feet,” 4 have you not discriminated among yourselves and become judges with evil thoughts?

The opposite of justice is pride, the idea that having wealth makes you better than others and stems from your own superior worth.

Handling your finances deliberately and with self-control will have long lasting consequences. Self-control is a good thing. But it does not given you an more inherence worth as a person. And just because someone doesn’t have as much self-control in one area doesn’t mean that they deserve to be treated poorly.

## Mercy

Mercy is kindness towards the miserable and the afflicted joined with a desire to help them.

Mercy is compassion shown toward someone whom it is within your power to punish or harm.

### James 2:12-19

12 Speak and act as those who are going to be judged by the law that gives freedom, 13 because judgment without mercy will be shown to anyone who has not been merciful. Mercy triumphs over judgment.

14 What good is it, my brothers and sisters, if someone claims to have faith but has no deeds? Can such faith save them? 15 Suppose a brother or a

sister is without clothes and daily food. 16 If one of you says to them, “Go in peace; keep warm and well fed,” but does nothing about their physical needs, what good is it? 17 In the same way, faith by itself, if it is not accompanied by action, is dead.

18 But someone will say, “You have faith; I have deeds.”

Show me your faith without deeds, and I will show you my faith by my deeds. 19 You believe that there is one God. Good! Even the demons believe that—and shudder.

The opposite of mercy is greed. Greed suggests that I would rather have money than spend that money to help someone else who is in need.

#### Ecclesiastes 5:8-10

8 If you see the poor oppressed in a district, and justice and rights denied, do not be surprised at such things; for one official is eyed by a higher one, and over them both are others higher still. 9 The increase from the land is taken by all; the king himself profits from the fields.

10 Whoever loves money never has enough; whoever loves wealth is never satisfied with their income. This too is meaningless.

### **Faithfulness**

“One of the dangers of having a lot of money is that you may be quite satisfied with the kinds of happiness money can give, and so fail to realize your need for God. If everything seems to come simply by signing checks, you may forget that you are at every moment totally dependent on God.” – C.S. Lewis, *Mere Christianity*.

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The opposite of faithfulness is fear. Fear makes us worry that God is not looking out for us and we need to look out for ourselves. No amount of savings is enough when you are fearful and do not trust God.

### Luke 12:16-21

16 And he told them this parable: “The ground of a certain rich man yielded an abundant harvest. 17 He thought to himself, ‘What shall I do? I have no place to store my crops.’

18 “Then he said, ‘This is what I’ll do. I will tear down my barns and build bigger ones, and there I will store my surplus grain. 19 And I’ll say to myself, “You have plenty of grain laid up for many years. Take life easy; eat, drink and be merry.”’

20 “But God said to him, ‘You fool! This very night your life will be demanded from you. Then who will get what you have prepared for yourself?’

21 “This is how it will be with whoever stores up things for themselves but is not rich toward God.”

Justice, Mercy, and Faithfulness are the virtues that protect you from the sins of Pride, Greed, and Fear. I find it easier to recognize when my thinking is sinful than when my life is sinless.

## **Don't Judge Others**

It is easy to judge the lifestyle of others, but be careful before you do.

It may seem like others are living a ridiculously lavish lifestyle, but it is difficult to make that judgement from the outside. They may have a chauffeur, a gardener, a cook. They may even have a vacation planner. You may think these are ridiculous and show that their heart is in the wrong place.

Now imagine you are part of a ship wreck on an island. Work is divided among the survivors collecting coconuts, building water pools, foraging, cooking and cleanup.

Among the 300 passengers is just one doctor. If you were in charge would you require the doctor to do anything except caring for people medically? No. His highest calling is being a doctor.

Similarly, someone's time may be worth hiring a chauffeur, a gardener, and a cook. If they have to plan their own vacations they may never have a vacation. Their heart may be in the right place, they may just have done the equation that their time is better spent being a doctors and paying someone else to mow their lawn.

Every time you pay someone else you are trading some of your time spent working and earning money to them for their time. That exchange may be a worthwhile exchange.