

OUTLINE – BIBLICAL STEWARDSHIP FOR TODAY

- 1) Biblical Stewardship Overview
- 2) Money – Making Money is Easy, Keeping it is the Hard Part
- 3) Debt – The Good, The Bad, and The Ugly
- 4) Tithing – The New Testament Way
- 5) Benevolence Giving – Do's and Don'ts
- 6) God's Wisdom on Money
- 7) God's Economy
- 8) Prosperity Preaching – Pros & Cons
- 9) Attitude is the Key for God to Bless
- 10) Biblical Investing vs Gambling

11) Retirement and Taxes



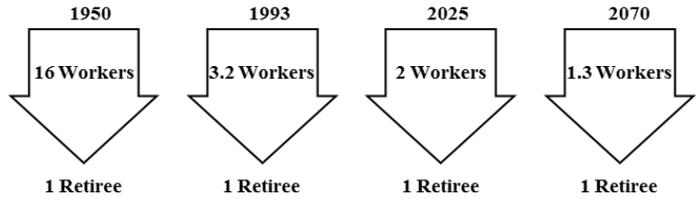
INTRODUCTION / GOALS / OBJECTIVES

- Have you spent more time planning for your vacation than your retirement?
- There is no Biblical principle for retirement except for certain Levites who were made to retire at 50 after only working 20 yrs Num 4 & 8:25-26

Age you Start	Annual Investment to have \$1,000,000 by age 65 at 10.6%
20	\$ 1,025 (\$85/mo or \$20/wk)
25	\$ 1,720
30	\$ 2,920 (only \$250/mo)
35	\$ 5,000
40	\$ 8,770
45	\$ 15,600 (now \$1300/mo)
50	\$ 29,000
55	\$ 60,000 (ouch, \$5000/mo)
60	\$161,000

Introduction to The U.S. Social Security System (http://www.ssa.gov)

- Established during the Depression in 1935 by FDR
- Purpose: To provide a base of retirement income for workers
- It was never intended to ensure a secure retirement, but only to augment your savings plan
- It is a Pay-as-you-go system [Social Security taxes you pay now are immediately paid out to retirees as benefits. And when you retire, your Social Security benefits will be paid by tomorrow's workers]
- Currently you pay 7.65%, and this is matched by your company. Social Security Tax makes up 6.2% and Medicare taxes constitute 1.45% (and these taxes are expected to go up under Obama-care)
- SSA now sends out annual Social Security Statements just prior to your birthday month.
- Tallied benefits equate to 13-24% of current salary
- SS benefits on \$80,000 income is \$10,400 - \$19,200 per year
- SS is projected to go broke in 2042
- Max SS Earnings for 2015 = \$118,500



Note: Social Security is basically a Ponzi scheme where new investors pay off the earlier investors. Ponzi schemes are a jailable offense for the rest of us. (FDR also took us off the Gold standard)

Retirement Pro's and Con's

Decreases in Expenses

- Taxes are less
- Primary home is paid for
- Expenses for children are diminished (college, clothing, etc).

Increases in Expenses

- Health Care & insurance costs (80% of health care costs are spent on the last 6 months of life)
- More recreation and entertainment
- Food, Fuel, & utilities may go up since you spend more time at home
- Home maintenance and property taxes will be higher
- ...and sometimes, the kids or g'kids move back home

Note: Average annual cost of nursing home care was \$57,000 in 1993. Prices range from \$69 per day at a nursing home in Oklahoma to a high of \$720 per day at a facility in Alaska, a survey sponsored by GE Financial. (Src: NY (Reuters), 3 Aug 2003)

Note: 401(k) Untapped resource. Though 40% of benefits managers say their companies offer 401(k) retirement accounts, less than 40% of employees actually use them

High pressure job led to early retirement after only 20 years of service	Levites Had To Be Committed to and Meticulous In Their Duties Or They DIED
	<ul style="list-style-type: none"> • If they didn't wear the right underwear Ex 28:42,43 • If they failed to wash their hands and feet Ex 30:21 • If they looked at the holy artifacts..... Lev 4:20, Num 18:3 • If they sacrificed wrong Lev 10:1-2 • If they had a wardrobe malfunction Lev 10:6 • If they left the tabernacle too early Lev 8:35; 10:7 • If they drank alcohol while on duty Lev 10:9 • If they wrongfully entered the holy of holies Lev 16:2 • If they failed to put the incense on the fire Lev 16:13 • And for the High Priest, if his bells didn't tinkle Ex 28:35

Question: How much will I need for retirement?

- **Answer:** Rule of thumb is 75% of your current annual income to maintain your present lifestyle
- **Example:** If you are making \$80,000/year when you retire, you will need \$60,000/year during retirement

Financial Seasons of Life

- 20-40 Getting Started
- 40-60 Moderate Portfolio
- 60+ Preservation Mode
- Only 35% of Americans are saving enough to retire.
- "For every 5 years you put off investing, you may need to double your monthly investing amount to achieve the same retirement income." - Charles Schwab
- You can only pray so long for God to miraculously give you a bountiful retirement. BUT, He expects you to MOVE IN OBEDIENCE ... Ex 14:14-15

A Word on Inflation

- The risk of losing money in investing is obvious, but the danger of losing value over time from inflation isn't as clear
- Inflation is the greatest threat to long-term saving. Even a 3% annual rate of inflation will halve the buying power of \$1,000 every 20 years.
- At 4%, it only takes 15 years to reduce an investment by half. (Source: Investor's Business Daily)
- Inflation has averaged 3.1% a year over the past 70 years
- The value of the dollar has declined 77% between 1971 & 1998
- **EXAMPLE.** \$10,000 put into the bank at 3%, with 3% inflation, for 20 years gives you \$18,200; Subtract 50% for inflation for that 20 period and that leaves you with \$9,100. Therefore you lost money
- **Compounding Interest – The Rule of 72** says that your money will approximately DOUBLE in a certain number of years, as determined by dividing 72 by the % of interest you earn. This simple concept shows the effect of time & compound interest
 - Compounding interest is the eighth wonder of the world - investment grows geometrically rather than arithmetically

Dollar Cost Averaging: To make \$1,000,000 in 30 years, how much would need to be contributed each month at specified interest rates?										
Monthly Contribution	\$25	\$50	\$100	\$200	\$500	\$144	\$182	\$286	\$442	\$1,202
Interest Rate	22.2%	19.4%	16.6%	13.6%	9.4%	15.0%	14.0%	12.0%	10.0%	5.0%
Total Contributions	\$9,000	\$18,000	\$36,000	\$72,000	\$180,000	\$51,998	\$65,538	\$103,005	\$159,258	\$432,558