

**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**



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 / 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

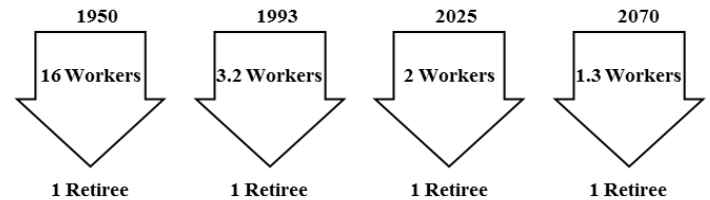
**Introduction to The U.S. Social Security System (http://www.ssa.gov)**

- 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

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

**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



**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)

**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

**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

**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