



Christian principles for managing your financial resources (for university students).

This short article gives you some tips on managing your financial resources. You will learn basic budgeting strategies to manage your spending. You will also learn basic Biblical attitudes about money which will help you avoid common financial traps. This short article aims to give you a sound and godly framework for thinking about your finances. Please note however, this article does not tell you how to create a detailed budget (there are other resources available and a link to a more detailed document is provided below). This article will also NOT help you make more money or tell you how to invest your money.

If you are in significant financial stress or if you are really needing financial help to get you out of trouble, do seek financial advice from a professional.

Check out <https://www.financialcounselingaustralia.org.au/Home> if you need practical financial help.

Activity 1. An assessment for you. Does this describe you?

Which of these statements describe your situation?

- a. You are always working extra hours because there isn't enough money to pay your bills.
- b. You are stressed because you have a lot of debts to repay. (e.g. personal loans, lack of funds, over spending)
- c. You are finding it hard to save money.
- d. You seldom give money to Gospel ministry or to the church because there is never enough money left over at the end of the week.
- e. You like shopping and buying things but you are having trouble controlling your spending.
- f. You don't know how much money you have in the bank at any one given time.
- g. You don't know where your money is disappearing to. I.e. You are not keeping track of your expenses.

Activity 2.

What do you use your money for? How do you prioritise your spending? What do you spend on first? Here is a list of expenses that you as a student might have, complete the list by ordering from first to last, how you spend your money on expenses.

Examples :Supporting Gospel ministry, paying your Bills and living expenses, savings, luxuries and entertainment, other obligations

List these in order of spending. (what things do you pay first)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Some basic principles to financial management.

Here are some basic guidelines that professional financial advisors give to their clients to help manage their income.

1. Always spend less than you earn. I.e. Your expenses must not exceed your income.
2. Plan to save, saving requires planning and discipline.
3. Pay off your debts or loans quickly. If you have a loan, paying off only the interest part of your loan is wasting your money. You need to pay off the principal as quickly as possible.
4. Control your spending urges. Learn to save up for things that you want. E.g. Luxuries and holidays
5. Always be aware of how much you are spending and where the money is going. Monitor your expenses and your budget.

Giving to church and God.

Have you always felt guilty whenever your pastor preaches about giving money to the church? Perhaps you felt this way because you never seem to have enough money for your own expenses. This makes giving money to God even harder. Or perhaps you (international students) feel that the money you have are you parent's gift to you for your studies and not meant to go to the church. In your own mind however you know that it is right to give some money back to God. Every time your pastor preaches about money, you always feel guilty about not giving to church and you feel bad about buying stuff for yourself.

The way to tackle this problem is by creating a budget. A budget is a tool which helps you manage your finances. A budget can be as complicated or as simple as you want it to be. In your budget you include all your expenses and also money to give to God. However before we go on to the practicalities of creating a budget let's look at some biblical principals about money.

Here are some Biblical principals.

What does the Bible say about our attitudes towards money?

1. Matthew 6:24. We cannot serve both God and money. What does it mean to serve money?
2. Luke 18:18-30. A rich man cannot enter heaven
3. 1 Timothy 6:6-10 : Love of money is evil. Greed makes people vulnerable to scams.
4. Proverbs 30:7-9
5. James 2:14-19 Habit of generosity
6. 2 Corinthians 9:6-11. God loves a Cheerful giver

Summary of these passages. Form a godly attitude towards money.

The Bible teaches us that God gives us all that we need to live. He supplies our needs abundantly. However the danger for humans is to make the gifts more important than God. We are told to trust in God's provision, to be generous to people in need and give cheerfully to God's work. Ultimately we find contentment in God not in the things he gives us.

Practical tips. How to frame a budget.

There are many apps and tutorials on how to create a budget. You can find these on YouTube or the internet. However I am going to introduce a basic framework for creating a budget that allows you to have a good foundation for handling money. Here are the steps:

1. Give back to Gospel ministry.
2. Save some money
3. Have enough to pay for your expenses
4. Have enough money to buy the things you want.

This is the framework and order by which you can organise your budget.

1. Give back to Gospel ministry and God's work.

We have determined from reading the Bible, that God loves a cheerful giver. This is because the money which is given to us is not really ours. It belongs to God. So we are in fact stewards of God's money. This is true regardless of the amount we have (small or big). All the money is God's money. But even as good stewards, God did give the money for us to use. It doesn't mean we can spend it wastefully or indulge in our desires. It is only fitting that some of it goes back to God. But here is the key, instead of leaving it till the end of the budgeting process to work out what to give to God. (in other words after we have spent everything we give God the leftovers). Let this portion be the first thing that you decide to give God. Decide first how much you should be giving to God even before working out all the other expenses. A good guideline is 10% of your income however this is only a guideline.

When you are a student you may feel that every bit of money you have is needed, after all students don't have much money. It may be hard for you to give up 10% to God. But it is possible to think of this in concrete terms which may help you give more easily. For example you can think of it in terms of sacrificing one or two meals at McDonalds (or anywhere else you choose to buy a meal). Instead of buying a meal or two give that money to church and a missionary society. A small burger meal at Maccas costs about \$10.00 or a burger alone costs about \$5. Now \$10 or \$5 dollars in a student's budget can feel like a lot of money but it is doable. If you find it too hard to give God \$10.00 every week then spread it out over 2 weeks. So you'd give \$5 to church and \$5 to AFES (for example, or a missionary society) every two or even three weeks. The amount doesn't really matter when you are a student rather it is forming the habit and discipline of giving regularly that is important. Please note the figures mentioned above are only examples. You yourself have to work out how much and how often to give. At this stage the important thing is learning the habit and discipline.

Some of you can give more while others can give less. It depends on your situation. Remember God loves a cheerful giver so make sure that this is the very first thing that comes out of your income. The next thing to do is be committed to this amount and review it at the end of the year. Set this money aside before you spend it on anything else. Now having done this whatever money is left is for your use. This way you can have a clear conscience whenever you buy something for yourself because you know that whatever money you spend on yourself is money that is leftover from after giving to God. Make sure you review the amount you are giving to God each year.

2. Saving some money.

The next thing which financial advisors will tell their clients is to have some sort of savings plan. Saving money needs to be intentional which is why you need to put this money aside. This money can be saved for various things like a emergency fund (for those unexpected incidents) or for something that you like but is not needed. This could be any amount big or small but should be regularly put aside so that it can accumulate steadily. If you know what you are saving for then you can work out how much money you can put aside regularly.

3. Money for your expenses.

Once you have done steps 1 and 2, you are now in a good position to work out your other expenses. Whatever that remains after you have set aside for God and savings is money that you can use for your expenses. The amount you have from this will determine the kind of lifestyle you live. This is called living within your means. The opposite of this is living beyond your means and it involves using your credit card a lot. Living on credit is very bad. Don't do it! Only use your credit card if you know that you can pay it off quickly. You need to create a budget for your expenses. There are many online tutorials to help you with this. Check out the link at the bottom for a more detailed explanation. The key to this step is to keep track of your expenses.

4. How to make and keep your budget.

To prevent yourself from eating into the money that you are saving. Open 2 bank accounts, one is a transaction account and another a savings account. Look for accounts which do not charge fees usually banks have products that cater for student needs. Transfer the amount you want to save into your savings account or organise a direct debit. Never withdraw money from the savings account. Never touch this money unless it is an emergency or for something you have been saving to buy. Only withdraw from your transaction account. Your transaction account will be your expenses account. This way you protect your savings from being used for other things. The savings account acts as your safety buffer and gives you peace of mind in case some emergency happens.

When you read through this article some of you probably realise that you need to change your habits quite drastically. Others of you will realise that you need more gradual changes. Whatever it is, some changes are required whether it is to control your spending or to monitor your spending. If you want to give generously to God and avoid living a financially stressed life where you are barely surviving from pay check to pay check or from month to month, you need to make this kind of change. What you have here are foundational steps, keep these principals and you will learn to control your spending habits and manage your finances better.

Creating a budget.

There are 4 keys to create a successful budget :

1. Make sure that your expenses do not exceed the amount you have available to spend. Have a bit of buffer for any discretionary spending.
2. Make it realistic
3. Put your needs before your wants. Make sure your needs are covered.
4. Stick to your plan. Monitor your spending.

1. make sure your expenses do not exceed the amount you have available to spend.

Here you have to make sure that the total of all expenses are less than your spending money. This might be one of the hardest thing to do. Here you might find out that you are spending too much on some things or paying for things that you don't really need. Make sure you account for everything and to do this you may need to monitor your

spending for a few weeks. Having done so you may be able to identify things that you can get at a cheaper price or get rid of things that you don't need.

2. Be realistic about what you can or cannot cut down or cut off.

Don't cut off something that you find out you can't really live without. Make it realistic.

3. Put your needs before your wants.

Makes sure your essentials are covered. Things like your rent, utility bills, travel bills, study equipment and expenses, food and telephone bills. Usually most things are pretty fixed the only thing that has a lot of flexibility is your food. Your food bill has the most flexibility and this is the item that you can adjust around with. Your mobile phone bills is where most of the wastage happens. Phone bills are the big black holes of your money. Careful use of your phone will control the amount of money wasted.

Here is a link to a site which has helpful budget creating and monitoring tips.

http://services.unimelb.edu.au/_data/assets/pdf_file/0007/389842/Calculatingbudget.pdf

There you have it. A simple but effective way of managing the financial resources that God has given you. For some of you this may seem like a simple task while others of you might feel like it is a huge mountain to climb. Follow these simple tips and you might do a little better than just staying out of financial trouble.

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