



# **FOR THE LOVE OF MONEY**

Biblical Lessons on Personal Finance

1

## **SESSION 2**

### **GIVE A PORTION TO SEVEN**

Understanding Risk and Insurance

2

# *Saving the Crumbs*

SAVINGTHECRUMBS.COM

3



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“BEYOND THE TITHE”

4

# RISK

5-1

# RISK



Fire



Illness/Death



Medical Emergency



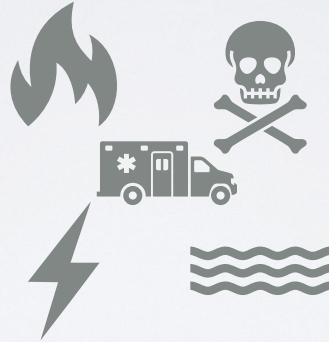
Accidents



Flood

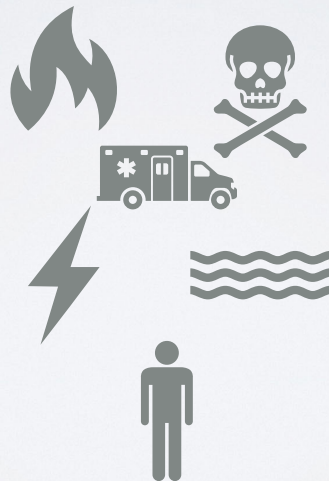
5-2

# RISK



6-1

# RISK



6-2



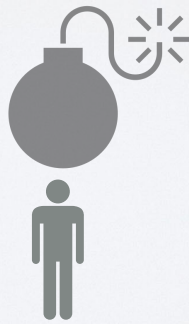
6-3



7-1

# WHAT CAN WE DO?

Rely on someone else?



7-2

# WHAT CAN WE DO?



Rely on someone else?



7-3

# WHAT CAN WE DO?



State



Church

Rely on someone else?



Family



Friends

7-4

# WHAT CAN WE DO?



State



Church

Rely on someone else?



Family



Friends

7-5

# WHAT CAN WE DO?



Rely on someone else?



7-6

# WHAT CAN WE DO?



What about God?



7-7



## ISN'T THAT GOD'S PROBLEM?

**God does not propose to rain means from heaven with which to sustain the poor, but He has placed His goods in the hands of agents.** They are to

recognize Christ in the person of His saints. And what they do for His suffering children they do for Him, for He identifies His interest with that of suffering humanity.

—Testimonies for the Church, Vol. 4, 511.1

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## THE CHURCH IS GOD'S AGENT

- The church is God's agents for helping the poor and needy in the church and in the world.
- The church is NOT God's agent for helping those who can help themselves in the church or in the world.

9

The prominent position which you as a family occupy in the church makes it highly necessary for you to be burden bearers. **Not that you are to take burdens for those who are able to bear their own and also to aid others;** but you should help those who stand most in need of help...

—Testimonies for the Church, Vol. 2, 75.1

10

God **does not require** our brethren to take charge of every poor family that shall embrace this message. **If they should do this, the ministers must cease to enter new fields, for the funds would be exhausted.** Many are poor from their own lack of diligence and economy; they know not how to use means aright. **If they should be helped, it would hurt them.** Some will always be poor.

—Testimonies for the Church, Vol. 1, 272.2

11

# IS THERE A BETTER WAY?



State



Church

Every dollar we take from the church represents a dollar that could have gone to another part of God's work.



Family



Friends

# IS THERE A BETTER WAY?



State



Church

Taking care of us when we can take care of ourselves, is not a responsibility of the church.



Family



Friends

IS THERE A BETTER WAY?



14-1

IS THERE A BETTER WAY?



14-2

# SELF-RELIANCE & INDEPENDENCE

Of a certain kind.

15

**Independence of one kind is praiseworthy.** To desire to **bear your own weight** and **not to eat the bread of dependence** is right. It is a noble, generous ambition that dictates **the wish to be self-supporting.**

-Adventist Home, 374.1

16

Brother and Sister B have not learned the lesson of economy.... **They would use all** as they pass along, were it ever so much. They would enjoy as they go and then, **when affliction draws upon them, would be wholly unprepared....**

—Adventist Home, 395.1

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But they will not economize as others have done, **upon whom they have sometimes been dependent.** If they neglect to learn these lessons, **their characters will not be found perfect in the day of God.**

—Adventist Home, 395.1

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## A CHARACTER ISSUE

If we have the ability, whether through economy or diligence, to provide for our needs but expect others to bail us out, it is a character defect that testifies against us in the judgment.

19

## TO PUT IT BLUNTLY...

When we have the ability to provide for ourselves but want others to shield us from the consequences of our own choices, we are defrauding our neighbor.

20

**Diligence in business, abstinence from pleasure, even privation, so long as health is not endangered,** should be cheerfully maintained by a young man in your circumstances, and you would have a little competency untouched should you become sick, **that the charities of others would not be your dependence.**

–Selected Messages, Vol. 2, 330.2

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For the LORD thy God blesseth thee, as he promised thee: and **thou shalt lend unto many nations, but thou shalt not borrow...**

–Deuteronomy 15:66

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## A GOOD KIND OF SELF-RELIANCE

- Bears our own weight, willing to “rough it”
- Industrious, self-supporting
- Does not depend on the charity of others
- Able to give aid rather than requiring it

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## EMERGENCY FUND

First Line of Self-Defense

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# 63% OF AMERICANS DON'T HAVE ENOUGH SAVINGS TO COVER A \$500 EMERGENCY

Forbes:

<https://www.forbes.com/sites/maggiemcgrath/2016/01/06/63-of-americans-dont-have-enough-savings-to-cover-a-500-emergency/#3649458e4e0d>

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You might today have had a capital of means to use **in case of emergency** and to aid the cause of God, **if you had economized as you should**. Every week a portion of your wages should be reserved and **in no case touched unless suffering actual want**, or to render back to the Giver in offerings to God....

—Adventist Home, 395.3

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# EMERGENCY FUND

- Minimum 3-6 months of living expenses
- Kept in an FDIC/NCUA insured account
- It's a safety net, not an investment
- Not to be touched except for genuine emergencies
- You'll find you have fewer emergencies!

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# WHAT ABOUT BIGGER RISKS?

28-1

# WHAT ABOUT BIGGER RISKS?

Give a portion to seven, and also to eight; for  
thou knowest not what evil shall be upon the  
earth.

–Ecclesiastes 11:2

28-2

# WHAT ABOUT BIGGER RISKS?

29-1

# WHAT ABOUT BIGGER RISKS?

## Insurance

29-2

Several times I have been present when this matter was discussed in the presence of Sister White, and **each time** she has advised us that **it is well for us to insure meeting houses and our institutions.**

—W.C. White letter, August 28, 1932

On one occasion she remarked that if it should become known that **we did not insure** our meeting houses and our institutions, that **the enemies of our faith would take great delight in burning them.**

–W.C. White letter, August 28, 1932

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On another occasion she said, “Certainly, if there is a debt on a church, **the only honest thing we can do is to insure it, thus providing for the protection from loss to those who have lent us money.**”

–W.C. White letter, August 28, 1932

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I wish you would see that the house at Healdsburg is insured. Talk to Lucinda about it. I feel anxious in regard to it.

–Letter 17, 1880 to W.C. White

Brother Palmer says he has written to you in regard to the insurance. If the house is not insured, it should be at once.

–Letter 40, 1884 to W.C. White

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## GET INSURANCE!

- For risks larger than what we can afford to cover through our personal savings.
- Not to have insurance for these is presumption.
- Emergency fund should be adequate to cover the deductible and out-of-pocket maximums.
- Insurance is not investing, keep them separate.

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# LIFE INSURANCE

Evil or Vital?

35

I was shown that **Sabbathkeeping Adventists should not engage in life insurance.** This is a commerce with the world which God does not approve. Those who engage in this enterprise are uniting with the world, while God calls His people to come out from among them and to be separate.

—Testimonies for the Church, Vol. 1, 549.2

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## WHY DID SHE SAY THIS?

The fledgling insurance industry was fully involved in the spirit of the times, a spirit steeped in the essence of high risk. Undercapitalized insurance stock groups, while promising quick wealth, frequently collapsed without notice, leaving their policies worthless. Company dealings with their customers often were unjust and not infrequently fraudulent in nature. Policies written on the lives of complete strangers were urged upon a public that was encouraged to invest in the hope of profiting from the death of the insured.

– George W. Reid, Seventh-day Adventists and Life Insurance  
<https://www.adventistbiblicalresearch.org/materials/adventist-heritage-practical-christian-living/seventh-day-adventists-and-life-insurance>

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## LIFE INSURANCE HISTORY

Today's life insurance industry, heavily regulated by law and government agencies, differs in important ways from that of the late 1800s. Ellen White's counsel against investing in life insurance must be understood against the background of the practices of her times if the meaning of her words is to be properly understood.

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38-1

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38-2

# LIFE INSURANCE HISTORY

In **1935**, the Social Security Act came into effect, providing unemployment compensation and old-age benefits. This took away some of the insurance companies' territory and it sent a clear signal that encouraged the industry **to begin regulating itself for fear of more government involvement.**

– The History Of Insurance In America  
<https://www.investopedia.com/articles/financial-theory/08/american-insurance.asp>

# LIFE INSURANCE HISTORY

**World War II** brought a wage freeze and **companies**, desperate to attract the workers still in the country, started offering **group life and health insurance**. These big policies went to large companies that could handle them. This swelled the big guys and **starved out the little guys along with most of the fly-by-night rabble**.

– The History Of Insurance In America

<https://www.investopedia.com/articles/financial-theory/08/american-insurance.asp>

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# LIFE INSURANCE HISTORY

In **1944**, the Supreme Court ruled that insurance should come under federal regulation, but Congress passed the McCarran-Ferguson Act in **1945**, returning **control to the state-level**.

– The History Of Insurance In America

<https://www.investopedia.com/articles/financial-theory/08/american-insurance.asp>

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# LIFE INSURANCE TODAY

- Life insurance today is not the same as life insurance in EGW's day.
- EGW strongly counsels for making provision to care for our loved ones in case of emergency, and life insurance is one effective way to do that.

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The means you have earned has not been wisely and economically expended so as to leave a margin should you be sick and **your family deprived of the means you bring to sustain them. Your family should have something to rely upon if you should be brought into straitened places.**

—Adventist Home, 396.1

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## DO I NEED IT?

- Not everyone needs life insurance. Only needed for those with dependents and who do not have adequate assets to care for them.
- It provides for the needs of dependents in the event that the breadwinner dies.
- Term Life Insurance is best for most people, as opposed to Whole Life/Cash Value.

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## USING TERM LIFE

- Purchase Term Life Insurance during the wealth-building years when the kids are dependents. (Approx. 20-30 years.)
- Save and invest during those decades so when the term ends, there are enough assets accrued to hopefully not need life insurance anymore.
- Get life insurance for the phase of life when you need it, then don't buy it when you don't need it.

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# HOW MUCH DO I NEED?

- Enough to cover for the needs of the family until dependents are independent.
- Enough to cover debts and major future expenses (i.e. mortgage, education)
- Roughly 25x annual need (i.e. \$20k annual need = \$500k policy)

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# HEALTH INSURANCE

Getting sick is costly business

47

Diligence in business, abstinence from pleasure, even privation, so long as health is not endangered, should be cheerfully maintained by a young man in your circumstances, and you would have a little competency untouched **should you become sick, that the charities of others would not be your dependence.**

–Selected Messages, Vol. 2, 330.2

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## WHY HAVE HEALTH INSURANCE?

- To cover for high medical expenses that would wipe us out financially. (#1 reason for bankruptcies in the USA)
- So to, as far as possible, not be dependent on the charities of others or to be a burden to the church.

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## BUT I DON'T NEED IT...

- *"I live the Adventist health message...; I'm young & strong...; God is my insurance, so I don't need health insurance."*
- We live in a sinful world. Accidents and illnesses can hit even the most faithful health reformer—young or old.
- Learn from the Unjust Steward's forethought and risk mitigation (Luke 16). "The children of this world are in their generation wiser than the children of light..."

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## BUT I REALLY DON'T NEED IT...

- *"I don't believe in conventional medicine, and only seek treatment through alternative means that insurance won't cover."*
- Many acute and chronic conditions may still require conventional intervention (i.e. accidents, surgery), and those can still bankrupt you.
- Does seeking alternative means of healing exempt us from the principle of self-reliance and entitle us to other people's charity?

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## BUT I CAN'T AFFORD IT...

- *"It's too expensive! I can't cover the deductible or out-of-pocket expenses!"*
- See if you qualify for ACA subsidies or other government programs, at least for catastrophic coverage.
- Have an emergency fund so you can afford a higher deductible.
- HDHP (High deductible, health plan) with an HSA (Health savings account)
- Christian healthshare plans (Medi-Share, Liberty Healthshare, etc.)

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## BUT THERE'S

- *"I'll just use crowdfunding to raise money when I have medical needs."*
- Nearly 50% of all crowdfunding is for medical expenses.
- 9 out of 10 medical campaigns do not get fully funded.
- Crowdfunding platforms keep significant percentages of the funds. (5% + transaction fee)

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## BUT THERE'S

- Fundraising for our needs should be the last resort, not first. Ask ourselves:
  - Am I comfortable releasing this private information about myself online?
  - Have I done all in my power to meet this need myself?
  - What am I willing to sacrifice so to minimize my need of other's charity?

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—Selected Messages, Vol. 2, 330.2

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# RISK & INSURANCE

- Do all we can to be self-reliant, so to not depend on the charities of others or be a burden on the church.
- Strive to be the one rendering aid, rather than the one requiring it.
- Maintain a fully-funded Emergency Fund.
- Purchase reasonable insurance to cover for catastrophic risk.
- Cooperate with God in following the financial laws of health.

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## **FOR THE LOVE OF MONEY**

Biblical Lessons on Personal Finance

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