2017

A Biblical Training Model To Improve The Financial Literacy Of The Members Of The Roundup-Lewistown District Of The Seventh-day Adventist Church

Andrew Raduly
Andrews University

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ABSTRACT

A BIBLICAL TRAINING MODEL TO IMPROVE THE FINANCIAL LITERACY OF THE MEMBERS OF THE ROUNDUP-LEWISTOWN DISTRICT OF THE SEVENTH-DAY ADVENTIST CHURCH

by

Andrew Ráduly

Adviser: John Mathews
Title: A BIBLICAL TRAINING MODEL TO IMPROVE THE FINANCIAL LITERACY OF THE MEMBERS OF THE ROUNDUP-LEWISTOWN DISTRICT OF THE SEVENTH-DAY ADVENTIST CHURCH

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Date completed: December 2017

Problem

Pastoral observation suggested that one third of the Roundup-Lewistown Seventh-day Adventist district membership struggled with personal financial management issues. It was suggested that the root causes for the inability to manage financial resources was a lack of financial literacy and education and a lack of understanding of basic financial concepts, including misunderstandings about biblical concepts about wealth, borrowing, and stewardship of resources.

Method

In order to assess, improve, and observe the basic knowledge of the financial
literacy and education of the Roundup-Lewistown Seventh-day Adventist church membership, a pre-financial literacy seminar assessment survey (PREFLAS) was administered. The PREFLAS was followed by a seven-part financial literacy seminar (FLS) based in large part on Christian principles. A post-financial literacy seminar assessment survey (POSTFLAS) was also administered to assess the potential changes (if any) in perception and behavior as it related to improving the financial literacy of the Roundup-Lewistown Seventh-day Adventist church membership.

Results

The data from the PREFLAS and POSTFLAS indicated that only 6% of the questions (six questions) in the survey had a statistically significant difference. The vast majority of the questions did not have a perception or behavior change in the respondents due to the FLS information.

Conclusion

In this research, based on a conservative statistical analysis, 94% of the intervention proved to be ineffective. It is encouraging that nearly half of the respondents gave answers that suggested a positive upwards trajectory in financial literacy perception changes. This research suggests that cognitive information alone is not enough for perception and behavior change as it relates to finance. Other factors such as adequate time, clarity of the assessing instruments, personal motivation, and environmental factors that are, for example, economic, political, and socio-cultural, all affect a basic understanding of financial literacy concepts.
A BIBLICAL TRAINING MODEL TO IMPROVE THE FINANCIAL LITERACY OF THE MEMBERS OF THE ROUNDUP-LEWISTOWN DISTRICT OF THE SEVENTH-DAY ADVENTIST CHURCH

A Project Document
Presented in Partial Fulfillment
of the Requirements for the Degree
Doctor of Ministry

by
Andrew Ráduly
December 2017
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<tr>
<td>ESV</td>
<td>English Standard Version</td>
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<tr>
<td>FLS</td>
<td>A Financial Literacy Seminar</td>
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<td>GCSDA</td>
<td>General Conference of the Seventh-day Adventist Church</td>
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<tr>
<td>MS</td>
<td>Master of Science</td>
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<tr>
<td>NAD</td>
<td>North American Division</td>
</tr>
<tr>
<td>NIV</td>
<td>New International Version</td>
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<td>NKJV</td>
<td>New King James Version</td>
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This research is dedicated to my mother: Magdolna Ráduly, whose unwavering and relentless drive to survive and succeed has modeled the path to my success. Thank you!

Likewise, this body of work would have been poorer if not for the lessons of the Bible and the words of Christ.

Thanks to all who were part of this journey, providing help, support, and encouragement.

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CHAPTER 1

INTRODUCTION

It was in the mid-1970s when a pregnant Hungarian woman, my mother, Magdolna, was thinking about her future. She had met her husband several years before I entered the world and she was ecstatic. She longed for hope and trust, and a feeling that all would be well permeated her entire slender frame. Little did she know that less than a year after her first child was born, her emotional, and especially financial stability, would be shattered to a million little pieces. Her husband was gone, and as a single parent, she had to rely on herself. Uneducated and trapped in a totalitarian political environment that defined her value and place, she had to make do alone. With an eighth-grade education and a male-oriented chauvinistic culture, she needed to instill a sense of purpose and determination to succeed in her offspring, and somehow, leave behind a legacy they could follow. She never took a class in personal financial literacy, nor was she taught at home. I personally witnessed my single mother’s inability to meet financial obligations over the years. I was privy to the demeaning feeling and sense of worthlessness imposed by arbitrary and cold constructs of financial structures that dictated how one was to live. I can never forget the shame on my mother’s face when she turned away to mask her pain when she was not able to pay the bills. She worked tirelessly in three shifts in a factory just to make ends meet. Yet, her story is not unique.

Millions of hardworking, honest, religious, and moral people in this country wake
up every morning wondering how they will make do for their families, especially their children. They, “the normal” people, worry about failing financially and ending up in bankruptcy procedures (Warren, 2014, p. 35). Many families are one health emergency away from total financial disaster (Lamontagne, 2013). When debt is excessive, depression and desperation often lead to suicide (Gerson, 2008). Financial illiteracy is a global phenomenon that is claiming victims faster than we care to mourn.

According to a Gallup News analysis, two-thirds of the global population is financially illiterate (McCarthy & Pugliese, 2015). Lusardi, Michaud, and Mitchell (2013), leading financial literacy scholars, agreed that financial illiteracy is on the rise. In the United States alone, 43% of the U.S. population was financially illiterate in 2015 (McGrath, 2015). This pattern is also present in the Christian milieu not exempting the Seventh-day Adventist tradition. Let me illustrate this with a simple example. A search on the James White Library’s (Andrews University, Berrien Springs, Michigan) online database for digitally stored Doctor of Ministry projects revealed that out of the close to 310 dissertations, very few were written on the specific topic of financial literacy of the Seventh-day Adventist Church membership. Only two projects (Honore, 2013; Knowles, 2011) had a small financial component. However, the Bible frequently speaks of financial responsibility (e.g., Luke 16:1-13; Matt 6:24; 25:21; Prov 27:23-24; 1 Tim 3:1-7; 5-8; see also Chapter 2 of this document).

Monte Sahlin, a well-known Adventist researcher, said that the Seventh-day Adventist church loses 1 in 3 members every single year (as cited in Tracy, 2013). Sahlin explained that personal problems and unemployment were the main reasons for the departures. The majority of the aforementioned digital project documents in the James
White library archives eloquently espouse the virtues of theology, church growth, intercultural sensitivities, technical approaches for better homiletics, and many other highly valuable research subjects. I did not find many project documents written on the topic of financial literacy that could improve financial literacy of the local or worldwide Seventh-day Adventist constituency. However, Sahlin said that only a marginal percentage of the people who leave the Adventist church do so because of theological apostasy. The argument, presented by Sahlin, is that most new converts leave due to interpersonal and (un)employment issues (as cited in Tracy, 2013). Thus, the argument presented here is that theological cognition, assimilation, and praxis on the part of those who leave the Seventh-day Adventist Church membership is a marginal factor. Sahlin’s central argument is that economic variables related to unemployment and interpersonal conflict resolution skills were a greater probability (than theology) that resulted in leaving the Seventh-day Adventist Church.

As noted earlier, the vast majority of Andrews University project documents done from 1976 to the present suggest where the Adventist faith places its value: theology. However, “a high level of financial literacy makes a large contribution to the financial well-being of individuals” argue Ciemleja, Lace, and Titko (2014, p. 29). Lusardi and Mitchell (2011, p. 6) note that “unsophisticated” financial people will fare less well financially if they fail to plan. Another study (Kaiser & Menkhoff, 2017) directly links financial literacy and knowledge with how one will handle monetary resources. Adventist Christians are employed, lose their employment, buy homes, lease cars, maintain bank accounts, educate their children, save for retirement, use credit cards, pay interest, service debts, buy insurance, and plan their estate. They need faith and guidance.
Once more, this trend trickled down to the local district constituency. In the Roundup-Lewistown district of the Seventh-day Adventist church in which I serve, close to one third of the parishioner body was likewise financially challenged. A “lack of financial literacy was one of the factors contributing to ill-informed financial decisions” (Ciemleja et al., 2014, p. 29) and often led to bankruptcy. It is not within the purview of this chapter or even this project to dive into the highly intricate and complex political, economic, or personal reasons and factors why one fails financially. It is however, the purpose of this work to foster a positive ambiance for more financial literacy. It is also the goal of this project to encourage a financial literacy culture via a specific educational program.

**Description of the Ministry Context**

I arrived at the Roundup-Lewistown district of the Seventh-day Adventist Church in April 2012. The Roundup-Lewistown District of the Seventh-day Adventist Church includes the cities of Roundup and Lewistown, Montana. The Roundup Seventh-day Adventist Church started in 1977 and had 46 members in 2017. The average attendance was 22. The Lewistown Seventh-day Adventist Church started in 1948 and had 67 members in 2017, with an average attendance of 15. The ethnic makeup of the district was 98% Caucasian with the rest being Native American. The median age in the district was 55 in 2017. Approximately 65% of all parishioners in the district are retired. The rest of the members are employed in mostly blue-collar service jobs. There was no major economic stratification or upward mobility in the district as most parishioners belong to the lower middle class. Most parishioners have achieved a high school degree with a few exceptions. About 12% of the parishioners had a university degree.
The ministry focus for the past three years in the district was a major capital campaign in which both churches have been refurbished. In addition, two radio stations (Lewistown Christian Radio, 97.7 FM in Lewistown, and Roundup Christian Broadcasting, 105.5 FM in Roundup) were created and cover the entirety of both Roundup and Lewistown city limits. Both churches are small, rural churches with limited potential for reaching the local non-Seventh-day Adventist population via traditional evangelistic revival meetings or door-to-door soliciting due to their small size and the overall advanced age of the parishioners.

In Roundup, the total population according to the United States Census Bureau (2010) was 1,788. The median age in Roundup was 43.6. The racial demographic makeup of the city was 95.7% White, 0.3% African American, 1.3% Native American, 0.1% Asian, and 2.4% other races; Hispanic or Latino of any race made up 4.1% of the population. About 84.2% had attained a high school education. The median household income in 2015 was $35,000 in Roundup (DATAUSA, 2015b). Close to 23.1% of the local population was living below the poverty line. This is higher than the national average of 14.7%. The largest demographic affected by poverty was the 55- to 64-year-old female population of the city. The gender makeup of the city was 48% male and 52% female.

In Lewistown, the population according to the United States Census Bureau (2011) was 5,901. The median age was 45.4 years. The racial demographic makeup of the city was 95.4% White, 0.3% African American, 1.7% Native American, 0.4% Asian, and 0.3% other races; Hispanic or Latino of any race made up 2.1% of the population. More than 92.4% had attained a high school education. There were 2,791 households in the city.
of Lewistown. The median household income stood at $35,990 and 9.3% of the population was below the poverty line according to DATAUSA (2015a). This percentage was lower than the national average noted above. The largest segment affected by poverty in Lewistown was the 35- to 44-year-old white male. The gender makeup of the city was 49.2% male and 50.8% female.

**Statement of the Problem**

Pastoral observation suggested that over the period starting with 2012 and ending in 2015, one third of the district membership struggled with personal financial management issues. One-on-one district pastoral observation, listening, and counseling sessions suggested that the root causes for the inability to manage financial resources were a lack of financial education; a lack of understanding of basic financial concepts; and misunderstandings about biblical concepts about wealth, borrowing, and stewardship of resources. Financial literacy was often missing or not considered important.

**Statement of the Task**

The task of this project was to develop, implement, and evaluate a basic financial literacy training model that could potentially improve the financial literacy of the members of the Roundup-Lewistown district of the Seventh-day Adventist Church.

**Delimitations**

This project was very limited in its scope. It was meant to help the local district constituency with a particular set of financial literacy challenges. Help in this particular context was my desire to introduce basic financial literacy concepts that could potentially change perceptions and behaviors of members of the Seventh-day Adventist community.
concerning financial issues. Participants in the surveys and the 7-part seminar were only from the local membership of the Roundup-Lewistown Seventh-day Adventist Churches. Participation was voluntary. Due to work scheduling conflicts and health mobility concerns, approximately 45% of the district constituents completed the surveys at home instead on the church premises. For the same reasons, approximately 20% of the membership listened to the presentations online or on a recorded audio video device.

Limitations

Due to the distance separating the locations, it was not possible to combine the two church constituencies in one location. Thus, the financial surveys were given in two separate locations (Roundup and Lewistown) in successive weeks starting at 6:00 pm. The financial seminar was presented over several weeks in both Roundup and Lewistown. These presentations started at 4:00 pm.

Description of the Project Process

This project utilized a six-stage process in its desire to encourage the intentional, systemic and proactive development of personal financial literacy concepts.

Stage one (Chapter 1) introduced the ministry context of this project and stated the problem and task of this project. It also noted the delimitations, and limitations of this project. A description of the project was given with a concluding section that included a definition of terms used.

Stage two (Chapter 2) advocated a theological foundation to financial literacy. Such theological reflection focused on and drew its premise primarily from sacred Bible passages of great importance to the Christian tradition, especially Seventh-day
Adventism. Likewise, secondary sources such as the writings of Ellen G. White were consulted, included, and quoted due to their importance, and perceived value within the aforementioned Christian tradition and to the subject studied. Other Adventist authors such as (Maxson, 2010), (Reid, 1993), Rees (1967a; 1967b; 1970a; 1970b), and (Rodriquez, 1994) were read and included.

Stage three (Chapter 3) of this project focused on fairly recent (2007-2017) and relevant literature that enhanced the corpus of information needed to develop optimal knowledge on the subject researched. In a few cases, literature older than seven years was considered due to its strategic importance within a given area of study. This literature was mostly secular in nature, with a few exceptions. Unfortunately, the Seventh-day Adventist Church does not have a wealth of authors or researchers who have espoused specific financial literacy concepts with a biblical worldview. The exceptions are Maxson, Reid, Rodriguez, and White. In the non-Adventist, Christian literature on the subject, Blue (2016), Bentley (2017), Burkett (2000), and Ramsey (2013) were studied. Secular literature comprised an important body of work for the development of basic financial literacy. Ideas such as assessment and evaluation of a present financial situation, saving, investing, debt servicing, major purchases, retirement, and estate planning were the basis of the seminar within the implementation phase of this project.

Stage four (Chapter 4) of this project comprised the implementation of the project. This implementation had three components. The first component was the administration of a financial literacy survey to assess the present perceptions, basic knowledge, and skills of the district membership in regard to financial literacy and education. The data collected from this survey was anonymous and handled by a third
party. At no time did I have any information that would have identified any of the participants.

The second component of stage three was the development and presentation of a seven-part financial seminar for the district membership. This seminar was presented in successive evenings. The seminar had the following presentations:

1. Assessment and Evaluation
2. Financial Goal Setting
3. Budgeting Process
4. Debt Servicing
5. Major Purchases
6. Saving and Investing
7. Retirement and Estate Planning

The third component of stage three was the administration of a second financial literacy survey several weeks after the financial seminar was concluded. This second financial survey was identical with the first and was meant to measure perceptual changes, if any, in attitudes, behaviors, and worldviews about financial literacy, education, and personal finance.

Stage five (Chapter 5) introduced the narrative of the intervention implementation.

Stage six (Chapter 6) started with a project summary, listed observations, and recommendations, and offered a conclusion to the project. It also disclosed the lessons learned. The project was concluded in October, 2017.
Definition of Terms

*Financially illiterate:* The inability to grasp basic financial concepts by a given parishioner.

*Parishioner:* A member of the local Roundup or Lewistown Seventh-day Adventist church

*Constituent:* Same as parishioner used interchangeably.

*Worldwide constituency:* A member of the Seventh day Adventist church in any country in the world.

*Financial literacy survey:* A survey comprised of 98 questions that asks basic financial literacy questions.

*Financial Seminar:* A seven-part presentation on various topics that enhances one’s knowledge about financial basic concepts.
CHAPTER 2

A THEOLOGICAL FOUNDATION FOR
FINANCIAL LITERACY

Introduction

Biblical literature suggests a theology of personal financial literacy within both its Testaments (Deut 8:18; 1 John 2:15-17; Matt 6:33; Luke 14:28). The Old and New Testaments contain more than 2,000 Scripture passages that talk about money, its derivatives, and equivalents. It is a nearly impossible task to enumerate all Scripture passages that suggest, act as a premise for, or validate a theological foundation for personal financial literacy. The sheer volume of such Scriptural evidence would overwhelm the purpose and extent of this chapter. Thus, this chapter attempts to present a general synopsis of a theological framework that relates to pragmatic, practical advice in regard to personal financial literacy.

This chapter assumes that a theological foundation starts with a close relational affinity between divinity and humanity (Matt 6:33). Consequently, personal financial literacy would be relevant, helpful, and fruitful within the constraints of a finite and time-constrained human existence on this planet. Personal financial literacy will not be necessary after the Second Advent because financial transactions themselves will cease to exist. Thus, financial literacy will not be looked at from a perspective of enriching or producing wealth. A theology of personal financial literacy is not equivalent with modern
prosperity “gospels” currently advocated by some denominational preachers such as Joel Osteen and Joyce Meyer (Henderson, 2013). Personal financial literacy is, rather, a tool for the betterment of a temporary life (John 10:10) lived on earth before an expected future Advent (Rev 22:12).

This chapter will be divided into six sections: assessment and evaluation, budgeting, debt servicing, major expenses, savings and investing, and retirement and estate planning. Every section will be contextualized with Scriptural literature relevant to the given subject. Christian literature on the given subjects is scarce, yet, a few authors stand out (Blue & Guess, Edward Reid, Ellen G. White, Dave Ramsey, Gordon Botting, and Larry Burkett). Where appropriate, the chapter quotes professionals who agree, promote, or lean toward a theology of financial literacy that is biblical in nature.

A theological foundation for financial literacy suggests a starting point that is divine in nature. God, the Bible argues, is the originator of all things created, including humanity (Gen 1). Rodriguez (1994) argues that this notion of creation “is of paramount importance in the formulation of a biblical anthropology” (p. 17). The very fact that humans are created in God’s image (Gen 1:27) denotes a closer intimacy between God and His creation. Divinity thus included connotes an intrinsic relational aspect between humanity and God even in everyday acts such as financial planning and financial literacy. “Homo Economicus” (Ubel, 2014) and its independent self-reliance in matters of financial self-interest is diametrically opposed to the very notion of reliance on God (para. 1). Yet, Rodriguez (1994) argues, “we come to understand ourselves particularly in terms of our relationship with God” (p. 19). He continues his argument with the notion that the very first relationship humans established was with their Creator in the Garden of
Eden. The idea of stewardship of the land is introduced in Genesis 2:15. In this context, stewardship did not mean the generation of monetary value or economic activity generated surplus, interest, or money creation that would impute an artificial and arbitrary value to human beings. It is doubtful that divinity intended, for example, that Eve would work 44 days longer than Adam each year in stewarding the resources God has supplied.

In 2015, according to Brown and Patten (2017), the gender gap in pay was still detrimental to women. Women earned only 83% of what men earned. Such a disparity is antithetical to a biblical theology of equality as expressed in Genesis. Spiritual proximity (not economics and its disparities) was the fundamental premise God intended for His created beings. “According to Genesis, the first things Adam was given by God after he was created was the Sabbath” (Lezeau, 2012, p. 4). Such a mechanism for rest was intended to promote, maintain and solidify a relational depth between humans and God (Ezek 20:12, 20).

Divine entities (God, Jesus, Holy Spirit) need no financial tools for an immortal life. Money or finance is irrelevant in an ethereal realm in which divinity cohabits. Monetary transactions are, thus, only relevant to one part of this relationship: that is, to humans. Divinity does not buy or sell. Value, from a Scriptural perspective (Matt 6:19), is not derived from personal monetary worth. Personal “net worth” (as measured by financial planning professionals) is not equivalent to or measured the same way that God would impute personal “worth.” From a divine perspective, financial worth or value is hard to comprehend, monetize, or quantify. How would one translate Jesus Christ’s death (John 3:16) to save humanity from sins into actual currency in light of the following statement: “Christians who view Christ upon the cross, are bound by their obligation to
God because of the infinite gift of His Son?” (White, 1940, p. 289). Was the death of Jesus Christ worth thirty shekels? These shekels originated from the Tyrian dynasty due to the Jewish desire not to use Roman coinage that represented Caesar as a living God (Hudson, 1984). Thus, at least at a theoretical level, Jewish theological tradition desired and understood that a separation between the material (in our context, financial) and spiritual (God) needs to be practiced. The tetragrammaton of the Jewish Torah was so holy that no man was allowed to utter it (except the high priest on the day of the atonement) for fear that God’s name would be taken in vain (Verbruggen, 2013). This was respect (towards divinity) of the highest kind coming from humans. Hudson (1984) noted, ironically, that the coinage of the independent city of Tyre used to pay Judas the Iscariot for betraying Jesus Christ did depict a divine entity by the name of “Melkart, the Phoenician equivalent of Baal” (para. 9).

There seems to be a deep chasm between worth or value ascribed by God and by humanity. The latter quantifies value or worth into monetary transactions and ascribes an artificial value that is often imprecise. This measurement of value or worth was often affixed throughout the centuries to physical materials such as gold, silver, wood, shells, iron, fei of Yap, and tally sticks (Martin, 2013). Such objects acted as a conduit to storing and preserving a unit of earthly value (Ferguson, 2008, p. 23). An interdependency was developed between humanity and monetary instruments (coins, precious metals, various objects ascribed with value). At the same time, a process of liberalization or independence started between divinity and humanity. Monetary or material worth or value falsely promoted a sense of security for humans and a desire to be independent from God. Divinity, on the other hand, transcends any temporary artificial values (as
attributed by humans). God did not intend monetary transactions, fiscal value, or economic activity to be a tool in which a created being would be tied to earth and separated from divinity for eternity.

The entire biblical plan of salvation was for humans and God to coexist in harmony for eternity (Rev 21:1-7) without any constraints or subjugation of artificially constructed security measures such as monetary or material worth, values, or possessions.

Material possessions were meant by divinity to be tools to help, not to impede, distract, or sidetrack. The world created by God is a habitat, a tool, a pragmatic avenue that was meant to further a relational eternity between divinity and humanity (Gen 2:15).

The Bible suggests that the entire theological foundation of financial planning and literacy rests on this divine desire to coexist with humanity in eternity while we live on earth (Gen 1:26-31; Rev 21:1-8). As such, financial activity, planning, and literacy were intended to be temporary, finite, and in the greater service of a future Advent culminating in eternal life.

John, the Evangelist, noted that the “love of the world” (1 John 2:15-17) would destroy the very essence of any intimate communion with God. White (1940) concurred when she stated, “The love of money lies at the root of nearly all the crimes in the world” (p. 330). Numerous Bible passages from Genesis to Revelation (Gen 2:15; Jer 29:11; 31:3; John 1:10-13; 14:6; 15:5; Rom 5:8; 6:23; Heb 11:6; Rev 3:20) state that God’s main desire was to live in harmony for eternity with His creation. Maxson (2010) calls this harmony “intimacy” and argues that “in any relationship, the level of passion is in direct proportion to the level of intimacy” (p. 21). One could argue that the motivation to an eternal life may not be very strong if the Christian is not excited about divinity. If a desire
for eternity is absent, this present world with its material possessions and its derivatives will be the only alternative. In the Garden of Eden, the sinless state of existence necessitated none of today’s monetary, economic, or fiscal peculiarities and responsibilities. Economic activity, the concept of value, financial responsibility, and monetary policy were not predicated on greed, “irrational exuberance” (Greenspan, as cited in Udland, 2014, para. 2), surplus creation, or accumulation.

The very notion of compounding interest or making a profit seems to be foreign and incomprehensible in a biblical pre-sin environment. The Torah specifically prohibits a behavior that facilitates, encourages or practices lending at interest within the Jewish nation (Exod 22:25; Lev 25:35-37; Deut 23:19-20). However, this ethnocentric view of financial morality is post-Eden and already in opposition to what divinity intended. The prohibition of usury was not observed when it came to strangers or non-Jewish nationals (Deut 23:20). This practice suggests that sometimes after the fall into sin (Gen 3), money and its newly discovered value created a societal stratification within the human family. Deuteronomy 23:20 could be understood by some as giving a green light to discrimination based on ethnocentrism.

God did not create Jews in the Garden of Eden. This remark is important because the text suggests that the Jews had an exclusive advantage (such as charging interest for anyone who was not Jewish) and primacy in financial matters to the detriment of other nations. Genesis 1:27 states, “God created man.” The Hebrew equivalent to man is Adam, which in Hebrew is אָדָם (adam). The meaning of this word could be understood as man (Gen 2: 5, 7-8); mankind (Gen 1:26; 6:1) as in anyone—human, people, population, and so one; or Adam as a proper name (Gen 2:20). A majority of occurrences within the
Old Testament give the impression that Adam is used to describe humanity in general. Exceptions are in some occurrences in Genesis where the word *man* is used as a proper name for Adam, the person. Thus, Scripture implies that God (in the Garden of Eden) did not have in His plan any societal stratification or finance-based discrimination. To Him, all human beings had equal value. Paul reinforced this idea when he noted in the New Testament that there is no Jew, Greek, free, slave, male, or female, but that all are one in Jesus Christ (Gal 3:28). James also gave a stark warning that discrimination based on financial ability was not to be tolerated (Jas 2:1-4). Otherwise, careful ethnocentric-based financial discrimination often leads to conflict, hostility, and war (Axelrod & Hammond, 2003).

At creation, humanity had been given conditional immortality and reign over the entire physical world (Gen 1:28; 2:15). Adam and Eve did not need to pay a monetary value or worth in exchange. God entrusted planet earth to His creation, free of charge.

Thus, financial literacy and planning—from a spiritual perspective—can be and should be a temporary tool for closer intimacy with God while residing on earth. A spiritual component will keep any adherent who subscribes to a belief in God grounded and will be a reminder that such financial tools are only to be thought of and used as a bridge for better, closer, and more productive relational communion with God. Today’s world is dominated by financial transactions and ascribed and perceived monetary values. The spiritual man or woman does not live in a vacuum or independently of this reality. Consequently, the theological framework for a temporary financial planning and literacy could be indispensable. Christians purchase homes, cars, pay for education, borrow, save, spend, plan, and retire within the course of a natural life. The sacred Scriptures seem to
have specific advice about the process of such financial activities.

Assessment and Evaluation

“If any of you lacks wisdom, let him ask of God” (Jas 1:5 NKJV) is the premise for assessment and a proper evaluation of all areas of life. Financial planning and literacy is no exception. The Greek σοφία (sophia), is a feminine noun that means wisdom, but also insight, skill (human or divine), and intelligence (Strong, n.d.). Sophia can be acquired by humans or is implied to God. The book of Acts notes that wisdom was needed when the early church appointed men to plan and execute the well-being of various constituencies in need (Acts 6:3). Wisdom, in this context, is also intelligence, skill, planning, and a proactive intentionality. Assessing, planning, and executing the needs of those under their sphere of influence was part of the wisdom that emanated from the Holy Spirit. Sophia then gives credence to the confluence of the divine and human. God and humans are working together to alleviate a given problem. The earlier in life one makes good financial decisions, the better the well-being of that individual will be (Lusardi, Michaud, & Mitchell, 2013, p. 3). In the Old Testament, Proverbs 1:1-33 reiterates the necessity of having wisdom as part of a decision-making process in everyday matters. Verse 2 particularly notes that attaining wisdom is very important to the well-being of the spiritual believer. The Hebrew equivalent to wisdom is חוכמה (chokmah). This noun suggests that wisdom can be attributed or gained by men (Dan 5:11) but is inherent to God (Dan 2:20). The New International Version (NIV) of the Bible translates חוכמה (chokmah) in Dan 5:11 as insight and intelligence when referring to Daniel. Thus, wisdom in its Hebrew and Greek equivalents denotes and suggests a
process of evaluation and assessment on the believer’s part to be better equipped to live a spiritual life.

Luke 14:28 is an often-cited biblical reference in regards to assessment and evaluation: “Suppose one of you wants to build a tower. Won’t you first sit down and estimate the cost to see if you have enough money to complete” (NIV). The verse suggests a premeditated intentionality. Most Americans “do not understand basic financial concepts including key aspects of bonds, stocks, and mutual funds” (Lusardi et al., 2013, p. 5). Today’s “increasingly complicated financial terrain” (Hastings, Madrian, & Skimmyhorn, 2013, p. 349) can be an impediment to a proactive intentionality. If this is the case, how would the average Christian practice a premeditated intentionality when it comes to financial literacy? Assessment and careful evaluation is the bedrock for the successful conclusion of the project (building the tower noted earlier). Verse 28 is part of a larger pericope (vv. 28-33) that has a clear spiritual character. Jesus Christ notes that none can become His disciple (v. 33) before one clearly and intentionally assesses and evaluates the consequences of such a decision. Wisdom is suggested and is needed in this context yet again. From a financial planning and literacy perspective, wisdom, or the skill, insight, and intelligence to make lifelong decisions is indispensable. Should such financial knowledge or skill be absent, wealth inequality may be a possible outcome (Lusardi et al., 2013, p. 6).

The Christian is well served if he or she has a comprehensive assessment and evaluation process that will potentially result in financial independence and peace of mind. Financial independence and peace of mind, as a result of financial literacy and planning, should not be looked at as a tool for enriching and accumulating wealth.
According to the Pentateuch (Deut 8:18), wealth is something that is given by God. Wealth, in this context, is tied to the word “covenant.” The Hebrew word used to describe the word covenant is חֵ_rsa (berith). This noun gives the impression of an alliance, agreement, pledge, marriage (Prov 2:17; Mal 2:14), and alliance of friendship. This covenant can take place between humans (1 Sam 18:3; 20:8; 23:18) and between God and humans (Gen 9:9-17; 15:18; 17:2-21; Isa 54:10; Jer 31:3; 33:20, 25; 34:18; Exod 2:24; 19:5; Lev 26:9). Deuteronomy 8:18 suggests that a covenant with God is the premise for all and any blessings (including financial blessings) derived in our human existence. Thus, the concept of financial security, literacy, and planning is again tied very closely to the concept of divinity. God should be first (Matt 6:33). Scripture suggests that financial literacy and planning should have God in mind. Reid (1993) argues that God needs to come first in financial planning. He notes, “Our purpose in life is to glorify God” (p. 34). White (1940) noted: “Christians are safe only in acquiring money as God directs, and using it in channels which He can bless. God permits us to use His goods with an eye single to His glory” (p. 141). In contrast, many secular financial advisers (Bach, 2001, 2005, 2009, 2010; Hunt, 2003, 2013; Ramsey, 2010, 2013) argue that paying oneself first or putting oneself first is a basic and good financial practice. From a Christian perspective, the first view better harmonizes with biblical financial principles. Putting God first is the best practice in Christian financial planning. According to Maxson (2010) “we allowed culture to shape and redefine our Christianity. We come to a place where we accept mediocrity as the normal, rather than the close fellowship with God for which we were created and which is our true normal” (p. 14).

A negative example of how spiritual intimacy between God and His people can
collapse due to a forgotten covenant relationship is found in the New Testament gospels (Matt 21:12-17; Mark 11:15-19; Luke 19:45-48; John 2:13-16). This is the story of Jesus Christ’s being angry about sellers, buyers, and moneychangers doing business on holy ground that is the Temple. John 2:13-16 provides an additional detail and places the time of this narrative at the time of the Passover. This date of the 15th of the first month of Nissan in the Jewish calendar (Chabad, 2017) or March-April in the Gregorian calendar was extremely important because it commemorated the exit (and salvation) from Egypt of the Jewish people according to Exodus 12. In verses. 14, 17, and 24-28, a directive seems to be given by Moses to celebrate this date as a memorial of freedom from Egyptian slavery after 430 years (v. 40) of bondage. The narrative continues and notes that God Himself is the actual liberator (Exod 13:21-22; 14:13-15, 18, 25, 30-31). The victory of liberation was celebrated by creating one of the most beautiful biblical poetic passages in the Old Testament (Exod 15). In this poetic song of the redeemed, God becomes the center of identity, purpose, and intimacy within the newly freed Jewish nation. Freedom from oppression (physical subjugation of the Egyptian power structures) and sin (the Jews were now able to worship and keep their own customs and laws such as the Sabbath) became the main premise of celebrating Passover.

In the time of Jesus, this celebration was likewise observed. However, the sanctity and perceived holiness of the momentous and salvific event seemed to have diminished. Duncan (2015) notes that two types of economic activities took place in the Temple courts at the time of the Passover: selling of various sacrificial animals and exchanging foreign currency for the preferred Tyrian coins to satisfy temple tax liabilities. In both activities, a proclivity to cheat and price gouge was rampant. Duncan (2015) recalls the
story told by Jewish historian Josephus in which Rabbi Shimon ben Gamaliel was forced to initiate a reform against such corrupt practices. The unblemished animals required for the sacrifice could be purchased locally at an exorbitant markup. Naturally, the poor and the disenfranchised Jews bore the brunt of such abhorrent practices. The economic activity generated by the festival of Passover was enormous. According to Josephus, as quoted in Duncan (2015), about two million people visited Jerusalem for a given Passover celebration. If we give credence to his estimates that an average stay in Jerusalem on any of the major festivals could cost $3,500 (adjusted in today’s currency), the result could be economic activity to the tune of millions of dollars of contemporary value. The abusive nature of these monetary transactions created a system of financial enslavement that was antithetical to the spirit of the festival itself. It is ironic that in CE 66, the Romans led by Titus attacked Jerusalem and started their offensive on the same festival. Four years later, in CE 70, the conquest of Jerusalem was finished and the nation of the Jews would never recover until modern times.

This example vividly illustrates the repercussions and consequences of spiritual separation between Christian stewardship and earthly avarice. The Passover was meant to celebrate freedom from slavery. However, the Passover, as practiced by some in the time of Jesus, enslaved people in an economic system that was unsustainable, undesirable, and ungodly. The Roman sacking of Jerusalem reestablished a system of physical slavery upon the perpetrators of the previous unjust economic system. This example highlights the reality that economic gain of any kind, legitimate or illegitimate, should not replace God as a source of comfort, security or reliance. This is perhaps why Jesus opined that it is not possible to serve two masters (Matt 6:24).
Paul suggests (1 Cor 6:19-20) intimacy with God via an illustration and a notion of a financial transaction. Paul notes that humans were bought with a price (v. 20), and thus humanity and divinity now needed to coexist or be one (v. 19). This of course is not a physical coexistence. Paul suggests here an intrinsic, spiritual desire to please God and to be in a harmonious relationship with Him, due to his salvific and unfailing love (John 3:16; 1 John 4:8). Jesus Christ paid the ultimate sacrifice (John 1:14) and thus the mortality introduced by sin in the Garden of Eden would be rectified at some point in the future (Rev 21). According to John the Revelator, death itself would cease to exist (Rev 21:4). Paul affirms the idea that humans and God are, or should be, interconnected and inseparable, even when it comes to finance or in spite of it, but for the right reasons and with the right motivation.

The same seems to be true with assessment and evaluation of financial planning and literacy. The wisdom literature of the Old Testament (Prov 13:16) suggests a thinking process as part of any assessment and evaluation. Counsel is paramount in this process (Prov 12:15). Seventh-day Adventist pastors can play an important role in providing this counsel to their parishioners. Personal wisdom, skill, insight, and intelligence may be limited at times and should not be trusted solely (Prov 28:26). In such case, Scripture suggests a plurality of wisdom or advice from others with experience in financial literacy. Proverbs 27:23 seems conclusive. It recommends knowing the state of one’s affairs. “Affairs” in this context are quantitative and financial. “Flocks” and “herds” were currency in biblical antiquity much like dollars and euros are today. Knowing one’s dollars and euros presupposes again an assessment process paired with evaluation. The Scriptures seem to imply that assessment and evaluation are necessary to conduct a life
that resembles the will of divinity. It also counsels having a particular detachment from any financial or value systems that have the potential to separate the believer from God (1 Tim 6:10; 2 Tim 3:1-4). In the light of a future Advent, the Christian should embark on a pragmatic assessment and evaluation process in regards to financial literacy and planning; yet, it should also have in mind that financial literacy and planning serve a temporary purpose that will cease to exist post-Second Advent.

The theological framework given in Scripture about financial resources is clear: all belongs to God (Lev 25:23; Deut 8:18; 10:14-16; 1 Chr 29:11-12; Ps 24:1; 50:10-11; Isa 40:21-24; Hag 2:8; 1 Cor 10:26). Consequently, financial literacy and planning is necessary, and stewardship should be looked at from a spiritual perspective (Rom 12:1-2).

**Budgeting**

Proverbs 21:20 suggests that budgeting in a Christian household should be a must. “In the house of the wise are stores of choice food and oil, but a foolish man devours all he has” (NIV). The “wise” will devise a plan in which provisions of “choice food and oil” will be abundant. Notice the second part of the verse. It calls the man “foolish” who does not set aside, but “devours” it all. Lundberg (2012), Ramsey (2013), Stouffer (2012), and Vaz-Oxlade (2015) agree that the budgeting process is necessary in order that future needs may be satisfied.

Budgeting financial resources for a “rainy” day is important. Proverbs 21:5 reinforces this concept. The “plans of the diligent” (NIV) will lead to profit. Profit, in this context, is surplus or a margin of safety. Financial insolvency often occurs when a given believer does not know where, how, and how much of his money is spent. Reid (1993)
notes that out “of a sample of 6,000 Christian families, 40 percent overspend every month” (p. 61). He said that this is only possible because of easy credit and debt and suggested that income is not the culprit for fiscal insolvency, but rather financial ignorance and the lack of a budget. White (1940) encouraged “all who touch the work of God to learn economy in the use of time and money” (p. 292). A budget can create transparency, discipline, and fiscal responsibility. Ramsey (2013) counsels the believer to limit their lifestyle and to not overspend. Stouffer (2012) argues, “Budgeting is all about getting from where you are financially to where you want to be” (p. 19). Proverbs 27:23 gives specific counsel to “know the affairs” of the “flocks.” This statement implies a comprehensive knowledge of every dollar and cent earned and spent in a given pay period. The believer can acquire knowledge about the affairs of her finances by tracking earnings and spending.

Hunt (2005b) argues, “Tracking simply means counting—writing down how you spend your money” (p. 38). Leeds and Wild (2010) argue that one of the biggest mistakes when budgeting is “setting goals that are too hard to reach” (p. 84). Setting a goal can help the believer jumpstart the budgeting process properly. Assessing and evaluating how much monetary resource will be spent on given categories is also important. If debt servicing, for example, is disproportionately higher, other categories such as savings will suffer. The believer can service the major categories of a budget by allocating earned income in advance. This process can take place in a simple notebook, a computer spreadsheet (Hunt, 2015), or whatever method brings the most comfort and ease.

The average budget may contain the following categories: household spending, debt servicing, saving, and giving. These categories are deliberately broad and imply
simple subcategories. Household spending, for example, may include some of the following: utilities, food, transportation, and medical. Debt servicing may include mortgage payments and interest; car payments; consumer debt, such as credit cards; taxes; fees; and so on. Keeping it simple is key to a realistic and doable budget. Too much complication, too much technology, or an overanalyzed budget can potentially tire the believer. Ramsey (2010) argues that a “budget is just spending your money on purpose and with intention” (p. 85). Purpose and intention is very much a biblical principle. Proverbs 24:3-4 counsels that wisdom is the key ingredient in building a house. Wisdom cannot exist in a vacuum without intention and purpose. Consequently, the Christian needs to be intentional, determined, and constant when assessing, creating, and executing a household budget.

**Debt Management**

The Bible endorses and promotes a plan for financial solvency. Fiscal insolvency occurs when the Christian lives beyond his means, thus creating debt. The wisdom literature of the Old Testament (Prov 22:7) notes that “the rich rule over the poor, and the borrower is slave to the lender (NIV).” The Hebrew equivalent to the word *slave* in this verse is דדבָ֫ ָ֫ (ebed). Its meaning is significant because it implies a subjugated status in given contexts such as this one (Prov 22:7). This subjugation affects behavior and spiritual life due to undue stress in regards to financial liabilities.

The first human pair were not created as slaves or given servant status at creation. Adam and Eve were created to live in harmony with divinity. Debt, or fiscal insolvency, creates an environment in which the debtor’s relational communion will be altered with God. Debt creates stress, depression, and in certain circumstances, fosters suicide.
(Gerson, 2008). In such a dark mind frame, a spiritual relation with any divine entity is harder to achieve. Ramsey, as quoted by Millard and Bread (2016) said that we try hard to “impress” others by going into unnecessary consumer debt and thus increasing our liabilities. Most consumer debt today is in the form of credit.

Hunt (2005b) notes, “A study by Dun & Bradstreet showed that the credit card user spends 12 to 18 percent more when using credit instead of cash” (p. 32). She counseled using cash instead of credit. White (1940) counseled the following: “Many, very many have not so educated themselves that they can keep their expenditures within the limit of their income” (p. 249). Reid (1993) notes, “A person or a family living in debt—on borrowed money—is really living today on funds expected to be earned in the future” (p. 48). Paul advises that Christians should have no debt if possible (Rom 12:8). This verse once again combines the pragmatism of everyday financial life with the spiritual. The first part notes that debt should not be acquired. The second part lifts the attention from the financial to the spiritual by reminding its listeners that “love,” and by extension, the fulfilling of the law, should be the focus for the Christian.

Vaz-Oxlade (2010) suggests trimming “exposure to credit” (p. 117). Such advice correlates well with Scriptural advice. In Psalm 37:21, the Scripture foretells in advance that some borrowers will default and not repay their liabilities. Exodus 22:25 suggests that interest is not something God favors. In Proverbs 11:15, the inspired Word notes that surety or agreeing to carry one’s liabilities should not happen. The key word in this verse is “suffer” (NIV) or “harm” (English Standard Version [ESV]). Suffering or harming someone has not only a negative connotation, but also an adverse spiritual consequence. Scripture equates suffering or harming with evil and sin (Ps 34:6; Prov 6:16-19; 17:13;
Isa 31:2; Mic 2:1; Deut 17:7). Thus, debt, or financial insolvency, is detrimental to spiritual health and should be avoided. Biblical counsel suggests a life lived within one’s means. Amassing possessions via debt incurrence is not a wise path to a vibrant and peace-filled life. Luke 12:15 argues that such possession accumulation can stem from unhealthy, unbalanced behaviors such as greed. Verses 16 to 22 are a vivid and clear example for any Christian who may be tempted to lose sight of their spiritual perspective. Luke 12:18 shows that life and its possessions are a gift from God, and He could call in that gift at a moment’s notice. Spirituality, in these verses, is deeply entwined with the fiscal or economic behavior. Scripture seems to suggest that debt should be avoided if possible, and a life lived in debt should be as short as possible. In fact, Deuteronomy 15:1 argues that debt should be capped at seven years. Insolvency longer than this period would inflict a catastrophic blow to the subject (in this case, Israel—the chosen people of God) and would not be able to recover.

The easy credit of the last decade induced many to go on a shopping spree. This fiscal behavior inflicted debt, which, in turn, mortgaged the subject’s future earnings. Almenberg, Lusardi, Säve-Söderbergh, and Vestman (2016) note that debt is now held not only for a short period of time, but for entire life cycles. They also note that attitudes are becoming more permissive within the general public to larger and larger amounts of debt. The Scriptures counsel us to have a swift and forceful plan to get out of debt. Proverbs 6:1-15 suggests a fiscal behavior that is often at odds with present societal norms. According to Hunt (2005a), “The average American receives twenty credit-card offers each year” (p. 192). Fleet (2014) quotes English composer William Corbett justly: “Thousands upon thousands are yearly brought into a state of real poverty by their great
anxiety not to be thought poor” (p. 109).

Proverbs 6:4-5 uses stark imagery as a shock therapy for debt. It counsels to “free yourself” (v. 3) of any of the incurred debt. Verse 4 is adamant in promoting a sense of urgency similar to saving one’s life when it comes to liabilities. “Allow no sleep” (v. 4), and “free yourself like a gazelle from the hand of the hunter” (v. 5). The hunter imagery in this biblical passage is stark. It presupposes loss of life at the end of the hunting process. That is, debt will create casualties, ruin, and potentially death. In such context, the spiritual well-being of the debtor will most likely be compromised. Ramsey (2011) used this imagery a bit theatrically, but nevertheless, made a very valid point. It is unlikely that a Christian in debt can accurately entertain a spiritual relationship free of worry, stress, and anxiety.

Debt, the Bible suggests, needs to be short-lived and eliminated as soon as possible. The apostle Paul gives a potential solution to a life filled with material acquisitions fueled by debt in Phil 4:11-13: “For I have learned to be content in whatever the circumstances” (v. 11). Paul notes that the secret to a balanced life let it be physical or spiritual is the ability to learn contentment in need and in plenty (vv. 12-13). This attitude could prove difficult in a society of instant gratification. However, Scripture suggests that Christians should adhere to such behavior and thinking. Mark 8:36 suggests that even if one has the ability to purchase the entire world and lacks a connection with God, it is all in vain. This Bible passage implies yet again that the spiritual connection with God should be the goal in a human, temporal existence. Money, possessions, and material wealth, often fueled by debt, is not and should not be a priority, but rather a contributing help to better understanding and communion with God.
Paul suggests in Phil 4:13 that it is possible to manage and eventually eliminate debt. The “I can do all things” phrase is very telling because it enlists a divine entity (Jesus) as a helper. Jesus Christ is not a financial advisor; He is the Lord and owner of all material resources in the universe. As such, He is perfectly suited to be a proper help to any Christian desiring to be helped. God has revealed practical advice in Scripture when it comes to financial literacy (Heb 13:5; Luke 12:15, 33; Matt 6:21, 25, 26, 33; 19:21; 1 Tim 6:6-7, 10; Ps 37:3-4; Eccl 5:10; Rom 13:8; Prov 10:4; 13:11).

Lowe (2014) suggests that there is no good time to begin paying off debt: “There is only today” (p. 7). Lowe and her husband successfully paid off $127,482.30 (p. 229). Paying off debt takes resolve, communication with a spouse, and determination. Lowe (2010) suggests that “naming your debt can annihilate that unspoken and unidentifiable fear that it brings into your life” (p. 39). By knowing the debt load, a plan can be crafted and implemented for an orderly repayment. Ramsey (2010) says that the “only good debt is debt that is paid off” (p. 22). Von Tobel (2013) advocates a nine-step plan: “Get inspired, face the facts, be focused, stop spending, tally and analyze your bad debt, calculate how much more you can afford to repay, make a repayment plan, consider a balance transfer, consider credit counseling” that is sustainable (pp. 127-142). The advice most frequently given from many authors and financial professionals is to stay debt-free and live within your means. This view is consistent with Scriptural counsel.

**Major Expenses**

Major expenses are part of a contemporary lifestyle in most Christian households. The believer purchases homes, cars, and finances an education. Scripture substantiates this financial behavior and implies that homes will be built, for example, even after the
Second Advent (Isa 65:20-22). Of course, homes built in a post-Second Advent environment will not be valued by human monetary systems. Proverbs 24:27 notes that the believer will accumulate “fields and build houses” on this earth. Both the field and the house in this verse imply considerable costs. Land and homes, or any other major purchases, are costly to acquire today, as well. Thus, the Christian needs to exercise wisdom (insight, skill, intelligence) when shopping for such large items. Proverbs 24:3-5 notes that a house is built with understanding or wisdom. Wisdom originates with God. In Proverbs 24:3, Scripture notes that a house is “built.” “Built,” in this context, originates from the word בָּנוֹת (banah). This word can be translated, depending on the context, as build (Gen 22:9); construct, fashion, fortify, have children (Gen 16:2); or obtain children, rebuild, restore, surely build. Many of the biblical references (Gen 4:17; 8:20; 10:11; 11:4, 5; 12:7, etc.) that quote or use the aforementioned word (build) once again connect divinity with humanity. The same word describes an attempt for independence from God on the human side of the relationship. Proverbs 24:3 notes that building a home is much more important than the actual purchasing or building of a house. There seems to be a difference between the two. The latter implies the construction of a shelter for habitation. The first however implies a relational intimacy between God and humanity.

A potent example for such relational affinity between humanity and God is the story of Hanna in 1 Samuel 1. The childless mother pleads with God (v. 11) to give her an offspring so she can build a family, a future. The same verse notes that should God honor the request, this future child will be dedicated to serve God. Thus, the circle of God-Human-God relational intimacy was complete. This narrative further reinforces the
idea that God needs to be part of any major decision process to purchase a house, a car, and pay for an education.

The meaning of the word *build* can also be understood as obtaining children, rebuilding, restoring, fortifying. Such meanings suggest long-term planning (within the lifespan of a given believer), a sense of purpose, and a strong identity within divinity. Genesis 13:18 describes, for example, Abram building an altar as he settled in the vicinity of the great trees of Mamre. In Genesis 16:2, the same Hebrew stem is used in the word *build*, but with a slightly different meaning. The meaning here is that Abram will have a son or a successor. Given both Abram’s and his wife’s advanced ages, a successor was worth more than any material possession. Succession solidified survival and perpetuation of the family unit. Both texts use the same root in Hebrew and give the impression of a close proximity to God, since God is the one who promises and gives the successor. The verse describes Abram building an altar. Building an altar was very much a religious endeavor. Altars were physical places that reflected a spiritual encounter with God. Furthermore, they were the objects upon which sacrifices (a symbol for the coming Messiah) were performed.

Scripture seems to suggest that the word *build* is not a transactional activity like buying a house; it is rather a bi-dimensional perspective that is deeply spiritual. On one hand, buying (building) a house is a place where family is intrinsically connected to God while the family members live on this earth and still use their home as a physical shelter. On the other hand, the very act of building the house is the process in which the family and its members are preparing and actively seeking God in the anticipation of the Second Advent. From a financial perspective, the act of buying a house (or making any other
major purchase) is acquiring an asset. From a spiritual perspective, the act of buying (building) or making a major purchase is but a tool in further deepening a relationship that will transcend temporal physicality and eventually end in eternity with divinity. Luke 12:18 uses assets (homes, money, etc.) as tools to help the temporal human existence while on this earth. In this context, major purchases need to be purchased for the shortest time possible when financed.

The same verse cautions not to put too much trust in possessions such as homes, barns, or any other conspicuous consumption. Such consumption will bankrupt the spender and keep her in perpetual delinquency. It is true that some are willing to pay excessive amounts of money for certain items (Frank, 2014). This should not be the practice of Christ’s followers. When one overspends on homes, cars, education, or any other high dollar-value item, it will adversely affect net worth. A recent *British Broadcasting Corporation* sourced article (Halkett-Currid, 2017) notes that even the ultra-wealthy experience a recession into inconspicuous consumption. Scripture seems to caution believers in putting too much trust in such tools and losing sight of the main focus: eternal life with God. Thus, when making major purchases, whether homes, cars, or education, we need to consider how such assets can bring us closer to God and help us desire eternity.

Major purchases, if acquired for the wrong reasons, can potentially sidetrack the Christian from spending eternal life with God. Proverbs 25:28 notes that self-control (or lack of it) is often the main culprit in major disastrous financial decisions. Thus, the Christian could consider major purchases that are well within his/her means and that further a spiritual wellbeing. Luke 14:28-29 gives indispensable advice in this regard.
“Estimating the cost” (v. 28) is invaluable advice, not only fiscally, but also spiritually. Major purchases (a car that is unaffordable, yet still purchased; a house that requires more borrowing; an education that is expensive, yet will not guarantee employment, etc.) can, at times, be detrimental to fiscal solvency and also to eternal life (Matt 6:21). Wisdom and self-control is advised.

**Saving and Investing**

Saving and investing are deeply rooted within Scripture. Proverbs 21:20 implies that saving is indispensable in the house of the wise. The wisdom (skill, insight, intelligence) theme is once more present. The “stores of choice food and oil” suggests plenty, and by extension, security and a margin of safety. Food security was extremely important in antiquity, as well as today. In 2013, about 11% of people on earth lived on less than $1.90/day (World Bank, 2013). Financial security and the margin of safety usually stems from a surplus that is often produced within the confines of a life lived well below one’s means. Of course, environmental, political, policy decisions, and economic factors contribute and influence the margin of safety and security of a given saver.

According to Corkery and Cowley (2017), debt-fueled major purchases are once more on the rise in the U.S. They note that total household debt reached a new peak of $12.7 trillion. This debt is actually higher in real dollars than what Americans held prior to the Great Recession of 2008. Ramsey (2010) implies, “you will only save money when it becomes an emotional priority” (p. 98). Hunt (2005b) suggests to the believer to “limit your overall spending to 80% of your net income” (p. 23) and save the rest. The Bible suggests that saving, and by extension, investing is a behavior that is much desired from a believer. Ecclesiastes (11:2) notes that diversification of savings within investments is
The Christian should not invest only in one financial instrument such as equity, real estate, or land. Diversification according to the quoted Scripture suggests a partitioning of monetary assets in at least seven or eight categories.

Risk is better handled when assets are not of the same category and concentrated in one place. Saving and investing should not be vehicles for get-rich-quick schemes. Proverbs 28:19-20 notes that dreaming and fantasizing about quick wealth is antithetical to Scriptural counsel. Matthew 6:19 is very clear about not storing “treasures on earth where moths and vermin destroy and where thieves break and steal” (NIV). Saving and investing are needed to create a margin of safety, to help others, and not lastly, to be able to further the work of the gospel. White (1952) noted that “money is of no more value than sand, only as it is put to use in providing for the necessities of life, in blessing others, and advancing the cause of Christ” (p. 116). Again, money and its value derivatives are subservient to spiritual needs.

Financial purchasing power will cease to exist at the Second Advent; thus, helping a person in need is a spiritual exercise that will be richly rewarded (Prov 28:27). Saving and investing takes time, the Scripture suggests: “Little by little he who gathers money makes it grow” (Prov 13:11 NIV). Patience is key in building a savings and investing strategy (Prov 14:29). Scripture suggests that such behavior can be learned and acquired over time by being a diligent Christian (Prov 10:4-5).

Savings should be deliberate, intentional, and periodic. White (1958) seemed to endorse the notion of personal savings: “With wise management you can save something after paying your debts” (p. 329). Ramsey (2013) advocates a savings rate of at least 10%
(preferably 15%), which is to be invested in mutual funds or 401k retirement accounts. Chatzky (2012) argues for 15% savings if one started saving late. Tyson (2012) starts with goals in mind. What are the goals of the saver? Once a goal is determined, one can systematically start saving to achieve that goal. Ramsey (2012), Hunt (2013), Chatzky (2012), Fleet (2014), and Bach (2009) are very adamant about starting early and being systematic with savings.

Investing, the Scripture suggests, needs to mirror the believer’s spiritual identity. Second Corinthians 7:1 notes that immorality need not contaminate a Christian mind, life, or behavior. This extends, of course, to a Christian investing strategy. The Christian cannot, in clear conscience, invest in equities that do not follow biblical principles or that deal in sin. White (1940) noted, “What a vast amount of God’s entrusted capital is expended in purchasing tobacco, beer and liquor! God has forbidden all these indulgences because they tear down the human structure. Through their indulgence health is sacrificed, and life itself is offered on Satan’s shrine” (p. 134). Habakkuk 2:15 is very concise in this regard: “Woe to him who gives drink to his neighbors, pouring it from the wineskin till they are drunk, so that he can gaze on their naked bodies.”

Even worse, profiting from alcohol (or any other sin industry equity) associates the believer as an accomplice to that sin. Shame and exposure will be the result for such investing strategies for the believer (v. 16). Ephesians 5:3-4 suggests an uncharacteristic lifestyle for believers who accept Christ as their personal Savior. As such, immorality and a blemished behavior are not congruent with God in any personal life or investing strategy. Verse 5 is particularly abrupt and discriminatory: “For of this you can be sure: No immoral, impure or greedy person—such a man is an idolater—has any inheritance in
the kingdom of Christ and of God.” This verse argues that any person who condones, practices, or is part of an immoral, impure, or greedy lifestyle will be excluded from the “inheritance” of the kingdom of Christ and of God. Notice the word *inheritance*. This particular word has a transactional character. It is used to describe a financial surplus of material possessions passed on to the next generation. In this context, the *inheritance* is eternal life and is spiritual in character. Paul suggests that the spiritual is more important than any temporal inheritance one may accrue from financial possessions or gain. Thus, investing in financial instruments, equities, its derivatives, or real estate should have a spiritual bent.

The Christian should have in mind that financial gain is temporary and is meant to help those in need and to further the gospel, as mentioned earlier. First Peter 2:9 states that the believer is chosen, royal, holy, and belonging to God. He was purchased with a price (1 Cor 6:20) for a specific reason. That reason, according 1 Peter 2:9, is to share how Jesus “called you out of the darkness into His wonderful light” (NIV). Proverbs 16:8 focuses the attention on temperance (patience) and impeccable ethics when investing. One should not invest in questionable ventures that could bring reproach to the name of God or tarnish the reputation of the believer. In Proverbs 12:11, counsel is given once more about diligent investing. Investment in this context is the “land” that is worked. Today, the land can be a business, farm, or venture that self employs. Equities should not be the sole strategy for investing. Diversification is very important (Eccl 11:2).

Proverbs 12:17 suggests that a positive and industrious attitude will amplify savings and investing. Hard work and determination will bring a profit to the diligent (Prov 14:23). The same verse notes that “mere talk” (NIV) leads to poverty. Ramsey
Botting (2009) suggests an emergency fund and a savings fund that is equivalent to 6-12 months of expenses. Scripture is conclusive that savings and investing should be part of a believer’s financial planning and literacy process. Counsel is welcomed and benefits in a long-term financial saving and investing strategy (Prov 15:22).

Matthew 25:14-31 suggests that saving and investing are very important, yet not most important if not paired with divinity. In the above-mentioned pericope, the Kingdom of God is compared yet again with a transactional activity, namely that of gaining an extra surplus on invested capital. Matthew 24 encourages the believer to be “watchful” (vv. 36, 42) about the perceived Second Advent. Jesus talks about this event in parables (e.g., parable of the ten virgins; parable of the talents). In both parables, the transactional nature is evident. In the first parable, the virgins who ran out of oil are counseled to go and “buy” oil (Matt 24:9). In the second parable, the workers are expected to produce gain on invested capital (Matt 25:15-16). Jesus was teaching the listening crowd a spiritual lesson, namely that a walk with God needs to produce a gain or a return for the Kingdom of God. Beyond the obvious spiritual character of the Bible passage, one can see a pragmatic transactional application as well. The Christian should invest cautiously and generate a surplus on invested capital. The worker who only hid the financial assets given by his master was admonished for his lack of initiative.

**Retirement and Estate Planning**

“Every prudent man acts out of knowledge, but a fool exposes his folly” (Prov 13:16 NIV). Such words imply planning, intentionality and a deliberate mind frame. The New Testament is equally assertive about planning for the next generation. “If anyone
does not provide for his relatives, and especially for his immediate family, he has denied
the faith and is worse than an unbeliever” (1 Tim 5:8). Such verses seem to suggest that
retirement and estate planning are activities a Christian should carefully consider. In
Numbers 8:23-25, God advises Moses to have a system in place in which workers of the
Tent of Meeting have a period in which God asks for their services, after which they
should retire. The priests were to start work at the age of 25 (v. 24) and retire at 50 (v.
25). Verse 23 seems to suggest that God Himself set up this arrangement. This pericope
is particular to the Levites and is not meant to be a generalized statement. However, this
seems to be the only reference in Scripture regarding retirement.

The concept of retirement was divinely inspired for the Levites. There are no
known retirement-related verses in the Scripture, but retirement, as we know it today,
affects Christians as well as non-Christians alike. According to the Social Security
Administration’s actuarial tables, an average male in the United States will live 84.3
years and an average female will live 86.6 years. If they retire at 65, they will have 19.3
(male) and 21.6 (female) years of retirement. According to Elkins (2017), the mean
retirement savings of all working-age families (those between 32 and 61 years old) is
$95,776. She notes that this number is skewed by those who super-save. The actual
median saving rate at the 50th percentile (which she argues is a better gauge) is only
$5,000. This amount would hardly be enough for a comfortable retirement. Scripture
advises a competent, lucid plan to “store” up reserves in good years for the ones that will
be less productive.

Genesis 41:33-37 notes the story of Joseph’s advice on how to handle the
unproductive harvest years. Verse 35 advises to collect food reserves and store them. The
following verse suggests that these reserves should be used during the years in which Egypt would experience famines. Joseph’s advice was particular in nature, because when the advice was given, he was only 30 years old (v. 46). Elkins (2017) notes that younger people (those between 32 and 37) have saved the least; a total of $480 (median). As we note, Joseph was only 30 when he gave very lucid and spiritual advice for preserving and conserving wealth while still young. The two approaches (secular and spiritual) are in stark contrast to each other. Scriptural records note that Joseph died at the ripe age of 110 (Gen 50:26). Close to 80 years prior to his death, Joseph had a system in place in which he was thinking about the near (seven years past the good years) and distant future.

Retirement and estate planning should mirror Joseph’s example. The Christian is well served when he considers a comprehensive planning process for the retirement years. Yeager (2017) notes, “75 percent of Americans feel that the average worker in the current economy cannot save enough on their own to guarantee a secure retirement” (p. 12). Scripture suggests that having no reserves for retirement is imprudent and dangerous. Proverbs 27:12 assumes that unpreparedness, lack of assets, a lifestyle that is deeply premised on debt, and unsustainable living will cause sure financial ruin. Verse 13 implies debt, surety, and fiscal irresponsibility. Such behavior will drastically alter the quality of life in any retirement. The believer is well advised to contribute to various financial instruments designed for retirement that are available today while working. The earlier such contributions start, the better the saver will be in the retirement years.

Ecclesiastes 2:20-21 seems to suggest that a succession plan or estate planning should be in place in any Christian household. Thus, wills and last testaments, along with other orderly processes for disposing of assets, should be considered. Most probate courts
will have discretion over how the division of assets will take place in the absence of a concise will. Verse 21 argues that people who do not deserve or work for assets could potentially benefit from assets in the absence of a succession or inheritance plan.

Proverbs 13:22 argues that a “good man” will be proactive and leave an inheritance. This inheritance is not left only to one generation, but rather to two generations (children’s children). Thus, the verse implies long-term thinking. The Christian is advised by Scripture to store or retain (for the next generations) a given amount of assets that can satisfy needs for subsistence. This advice may seem contradictory to the temporal nature of financial utility within the limited human experience. However, Scripture seems to suggest that inheritance or estate planning is important. Most verses in which the Hebrew root נדָנָה is used usually refers to land (Exod 23:30; 32:13; Lev 25:46; Num 18:20, 23; 33:54; 34:13, 17-18, 29; Deut 3:28) as the object of the inheritance. The earth, or the land, will be the inheritance and final living habitat for those who will be saved, according to Matthew 5:5. Thus, the concept of succession planning is not antithetical to spiritual life. The believer is asked to remember that succession planning from a financial perspective is needed, but is temporary and will conclude with the Second Advent.

**Conclusion**

Scripture supports financial literacy and planning as paramount activities within the lives of the believers as long as this earthly existence continues. As God ultimately owns all that is on Earth, people are just stewards of what is His. Financial literacy and planning allow the individual to be a good steward of that which is God’s. Such stewardship should be part of the spirituality of the believer. Financial literacy can bring
the believer closer to divinity by heeding the biblical counsel presented in chapter 2. Financial exercise (how a believer manages resources) cannot exist in a vacuum from God. If one finds a relationship with God important, it is likely that he or she will manage resources according to biblical principles. First Timothy 6:17-19 counsels not to trust in monetary assets that may seem to give a false sense of security. Trust is to be placed only in God who creates and lends financial ability (Deut 8:18) to the spiritual believer.

Once the believer assesses and evaluates the earthly needs for subsistence, a budget needs to be prepared to track monetary assets and values accurately. Such a budget will be instrumental in creating a debt-free, and thus, worry-free life in which the believer can be free to connect spiritually with God. Debt management is also indispensable should one acquire debt due to out-of-control use of money. Debt should be managed and should be paid off as soon as possible. Long-term liabilities can potentially create an environment that fosters separation from God. When considering major expenses, the believer is encouraged to have eternal salvation in mind. Homes, cars, education, and so on can serve to further the work of God and help those in need while on this earth. Saving and investing are a biblical principle that resonates with the Christian. He/she should carefully invest and save, but also be mindful that saving and investing should not become more important than eternal riches. Matthew 6:33 cautions that God should be sought above all. Retirement and estate planning is paramount in this sinful environment. Scripture talks about a planning process, but not specifically about retirement (except for the Levite example). However, believers should steward resources and prepare to have sufficient resources for their later years.
CHAPTER 3

FINANCIAL LITERACY AND EDUCATION:
A LITERATURE REVIEW

Introduction

According to Issa (2016), the average American household debt was $137,063 in 2016. The average credit card debt in the United States in the same year was $16,883. The average student loan debt stood at $50,626. A typical auto loan debt averaged $29,539. The average mortgage indebtedness was $182,421. In total, Americans had a personal debt load of $12.84 trillion.

The total federal government debt in 2017 was $20.4 trillion (U.S. Government Debt, 2017). If state and local government debt is included, the total national debt increases to $23.4 trillion for the same year. According to U.S. Debt Clock (2017), the average American taxpayer could be liable for a $167,309 tax bill to retire the national debt. The share of our national debt per average family came out to $814,732. This debt would be $208,194 per citizen. U.S. Debt Clock (2017) notes that the interest alone paid on the national debt was $2.5 trillion. That amounts to an average interest of $7,716 per citizen. These are staggering numbers, and they prove one point: America is a debt-driven consumer society.

According to Tillier (2017), 70% of the American economy is consumer driven. When consumers get cold feet and do not spend or consume, this economy is in peril
This data suggests that consuming or spending is the bedrock of the American economy and way of life. Cohen (2004) explains that this economic history started after the Second World War. She says that at that time, the American public was encouraged to spend and consume by exercising their “civic responsibility designed to improve the living standards of all Americans” (p. 236). The political elite of the country encouraged consumption and equated it to being “a good citizen, responsible for making the United States a more desirable place for all its people (Cohen, 2004, p. 237). She said that this post-war American consumption economy started with the housing market and continued with other housing-related commodities such as appliances.

Smith (1776) also notes, “consumption is the sole end and purpose of all production” (p. 49). This economic theory and practice is in stark contrast with centuries-old economic behavior that preceded the 19th century. Trentmann (2016) argues, for example, that the 16th century Venetian Senate regulated items considered luxurious with sumptuary laws. An example of this was the regulation by that political body that no more than six spoons and six forks be given as a wedding gift. Trentmann also noted that two centuries later “in German states, women were fined or thrown in jail for sporting a cotton neckerchief” (para. 5).

In past centuries, consumption was often attached by secular and Christian thinkers alike to the pursuit of things that weaken the soul. Several biblical references (Eccl 5:13; Matt 6:19; 19:21; Luke 12:34; 1 Tim 6:7; Jas 5:1-3) were used to legitimize a simple God-centered life. Trentmann (2016) quotes Plato and St. Augustine as warning that “the splendor of luxus” have the potential to “destroy republics,” “the human soul,” and “overthrow social order” (para. 3). In the 21st century, such conservative views of
consumption would cripple the American economy. The very essence of a consumerist economy is to encourage consumption to its greatest extent. The problem arises when such economic behavior and consumption do not have an adequate monetary backup.

Thus, the debt market is born. Ramsey (2011) argues that debt “is the most successfully marketed product in history” (p. 77). The debt data that started this chapter suggests that Ramsey may have a valid argument. Debt is marketed as a commodity to consumers. This commoditized debt is sold to the consumer in the form of car, home, student, and credit card loans. Often such loans are repackaged as a new financial product (Conley, 2017) such as collateralized debt obligations (CDOs) and credit default swap (CDS). The CDOs are a pool of securities that are secured by an asset group such as a home, car, or business. The CDSs are contracts or promises to compensate a buyer if such a CDO defaults. Such CDOs is one of the factors contributing to the implosion of the American economy in 2008 (Barnet-Hart, 2009). Barnet-Hart argues that the weak CDO constructs, “irresponsible underwriting practices and flawed credit rating procedures,” were too much for the economy to handle (p. 2).

The consequences to this culture and commoditization of debt are observable in the acquired national and personal debt loads. As of September 2017, the total personal debt in the United States was $12.84 trillion. The total credit card debt exceeded $1 trillion. The student debt loan was $1.47 trillion (United States Debt Clock, 2017). A deleveraging process was observed over the past several years (McCarthy & McQuinn, 2014), but this process negatively affected household consumption, which in turn could weaken the economy (Rani et al., 2017, p. 154).

This exorbitant amount of debt is toxic in many ways, yet some argue that debt
can be good or bad. Hunt (2013) is adamant that debt is “killing you” (p. 74). Good debt, Kiyosaki (2017) argues, can be good because it purchases assets that increase in value over time (homes, education). Bad debt is purchasing items that do not hold a long-term value and even decrease in value over time (vacation, eating out, depreciating motor vehicles, etc.). Bach (2011) insists that the “idea that there’s such a thing as good debt and bad debt is a myth” (p. 3). In fact, he notes that eliminating debt will “buy back your freedom” (p. 5). Kane (2016) agrees with Washington (2016) that debt is debt no matter what, and that debt should be avoided as much possible. Bach (2010) argues that debt cannot be good, especially in a bad economy.

Kutner (2017) notes that as of July 7th, there were still 42.6 million Americans on Supplemental Nutrition Assistance Programs (SNAP), commonly referred to as food stamps. In the largest economy in the world (Irvin, 2017), there are still 37.7 million medically uninsured people (Thomas, 2017). At this time, the national debt level ($23.4 trillion) is larger than the entire economy of the country ($18 trillion). This economic approach is not sustainable and is detrimental to those who hold such liabilities (Gerson, 2008). Renter (2015) presents the story of a 36-year-old woman who attempted suicide by overdosing on 70 pills; she spent three days in a medically-induced coma due to financial stress-related issues. Such financial instability can steal away peace of mind, argues Miller (2015). She introduces the findings of the American Psychological Association’ recent study results about how stressed Americans felt. This study shows that while overall stress levels were down, financially related stress was up. The study noted that 72% of Americans felt stressed about finances in the prior month.

Financial stress affects Christians and non-Christians alike. Both categories incur
Reid (1993) notes, “Many Christians are turning to secular financial gurus for their money management counsel” (p. 15). Asbell (2013) tells us, “We are completely ignorant as to why it is important in our walk with God to manage our money … according to His Word” (p. 6). Kiyosaki (2017) argues, that “financial education is the unfair advantage of the rich” (p. 1). Bach (2009) informs us, “financial ignorance is now a luxury none of us can afford” (p. 4). Tyson (2012) says, “Americans lack basic math and personal finance skills” (p. 9). This last statement is of great concern. In today’s highly democratized technology environment, the ideal would be that no American should lack a basic financial literacy education.

In this chapter, the reviewed material was divided into the following categories: (a) financial assessment and evaluation, (b) financial goal setting, (c) budgeting, (d) debt servicing, (e) major expenses, (f) saving and investing, and (g) retirement and estate planning. Authors have been included in this literature review who wrote decades ago; they are the pioneers in this area or are very particular to Seventh-day Adventist Church theology. For example, Edward G. Reid wrote in the early 1990s, yet his books are a solid foundation for Christian financial principles. Ellen G. White is another example of an author who wrote nearly 100 years ago, yet her counsel on financial matters is still very relevant.

**Financial Assessment and Evaluation**

Financial assessment and evaluation is the first step in knowing a given and present financial situation. Fleet (2014) says, “If you were building a house, chances are you wouldn’t begin purchasing the building materials before designing the plans” (p. 9). This is ever more important when it comes to personal finances. King Solomon notes that
“where there is no vision, people perish” (Prov 29:18). The same advice comes from the New Testament via Jesus Christ. Luke quotes Him: “For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it?” (Luke 14:28).

Fleet (2014) quotes Alan Lakein: “Planning is bringing the future into the present so that you can do something about it now” (p. 10). Assessing and evaluating personal finance is thus indispensable. Yet, Richards (2012), a certified financial planner, encourages his clients to focus on life planning, not on financial planning. He argues that being happy and content with ourselves is also important when it comes to planning financially. Nobel prize winner Angus Deaton’s famous happiness study seems to confirm this hypothesis (Diamond, 2015). Diamond (2015) notes that Deaton’s study caps how happy and content people are at a threshold of $75,000 earned. Deaton’s study suggests that after such a sum is surpassed, people will not be happier or more fulfilled (Diamond, 2015). He argues, “more money does not necessarily buy more happiness, but less money is associated with emotional pain” (para. 6). This emotional pain can be avoided with proper financial planning. The first step in such planning is an assessment and evaluation process. This process should include a net worth assessment. Pagliarini (2006) argues, “taking control of your net worth will help you measure and improve your financial health” (p. 63). It could be scary to face financial reality facts (Blumenthal, 2011). Nevertheless, such a process is important. Net worth is simply the subtraction of your liabilities (everything you owe) from your assets (everything you own) (Ramirez, 2017). The average American net worth as of 2011 (the census only measures this metric every ten years) was $68,828 (Amadeo, 2017). While this number seems relatively good,
it is far inadequate if future retirement needs are considered. O’Hara (2017) notes that retirement needs vary, but the retiree should aim “to have a nest egg somewhere between $1 million to $1.5 million. Or that your savings should amount to 10 to 12 times your current income” (para. 1). If we consider O’Hara’s suggestion of 12 times income and assume a median income of $59,039 according to the Federal Reserve Bank of St. Louis Economic Data (2017), we come to the sum of $708,468. This is the number that is suggested that could take care of an average retirement. This number does not consider such variables as health, longevity, or personal liabilities such as unsecured debt, or unpaid mortgages. Without adequate planning and/or net worth assessment, anyone could descend into “panic, denial and dread” (O’Hara, 2017, p. 2). The average American in 2014 had only $4,400 in their bank account, up from $770 in 2007 (Reckard, 2014). With such a savings rate and lack of assessment and evaluation, it is doubtful that the financial future of any consumer will be adequate. The Christian consumer could consider spiritual motivation to change such a financial trajectory.


From a Christian perspective, the first view better harmonizes with spiritual and financial principles. Putting God first is the best practice in Christian financial planning.
Moses argued that “thou shalt remember the Lord thy God: for it is he that giveth thee power to get wealth” (Deut 8:18). Malachi 3:9-10 invites the reader to be faithful in putting God first and giving Him what Scripture suggests is rightfully His. To do otherwise is to invite trouble. Rodriguez (1994) notes, “Adam and Eve wanted full autonomy, independence from God” (p. 26), and when such a course was taken, it did not end well for the human pair. It is not easy to keep a worldview focused on God when it comes to personal finance in a society that is “I” centered. The culture of instant gratification (Rahim, 2016) is hard to resist. The Pew Research Center’s Internet & American Life Project summed up the negative effects on those aged 35 and under as a “need for instant gratification and loss of patience” (Muther, 2013, p. 4).

It seems that assessment, evaluation, and a sound financial process is neglected in favor of getting things on credit now. The Swedish company Klarna experimented with a new concept of buy now and pay later, no need for credit card, just an email, address and phone number (Metz, 2015). This service drove over $100 million in extra revenue to companies such as Overstock.com. This mindset denotes a lack of basic financial literacy.

Assessing and planning a balanced, stable, and well informed financial well-being is necessary for a healthy financial future. Vaz-Oxlade (2010) encourages to “grab a piece of paper and a pencil and start writing” (p. 37). Jot down everything you can think of that’s important to you.” Ramsey (2013) says, “Focused intensity, life and death intensity, is required for you to reset your money-spending patterns, and one of our biggest obstacles is denial” (p. 10). In a study conducted by Northwestern Mutual, it was suggested that 85% of Americans today feel anxious about finances (Simon, 2016).
Despite this accentuated worry, only 37% of the people in the same study noted that they had a financial-planning component in which they have assessed or evaluated their financial future. Kiyosaki (2014) notes, “Building my house of bricks began with rebuilding and educating myself” (p. 179). Bach (2011) argues, “You have to face the facts of what you have and don’t have” (p. 17). Taking a full inventory of where one is financially is a must. Chatzky (2012) says, “The only way to find financial security is to draw yourself a map” (p. 18). Goodman and Westrom (2010) say that we need to be honest about where we are financially. This is very good advice. In order to start the goal-setting process, there is a need to assess and evaluate a present financial situation.

**Goal Setting**

When accurate financial assessment and evaluation is made, it is time to set financial goals. According to Tyson (2012, p. 53), it is important to have short- and long-term financial goals. Such goals can be owning a home, making major purchases, paying off debt, educating children, owning a business, or retiring. Without a proper goal-setting process, financial accountability will be hard to come by. Clements and Gerig (2003) say that “goals are measurable objectives that you believe God wants you to achieve” (p. 44). Hunt (2005a) observes, “if your goal to achieve financial freedom is not attached to a specific plan, I can safely say you will never reach financial freedom” (p. 51). Many authors (Chatzky, 2006, 2008; Fleet, 2014; Hunt, 2005a; Hunt, 2013; Reid, 1993; Tyson, 2012; Vaz-Oxlade, 2010; White, 1940) state that getting out of debt should be the number one financial goal for anyone. They argue that the interest servicing the debt is a major impediment to long-term financial stability. Bach (2009) argues that a decade ago (in 2007), credit card interest charges paid by U.S. credit card holders totaled $116 billion,
while other fees added another 26 billion in profits (p. 91). Today, by ATM fees alone, the major banks made $6.4 billion in profit (Long, 2017). The same study noted that the average fee charged is $25 for every adult American (Long, 2017).

Ramsey (2011, pp. 99-100) argues that this debt servicing should start with the lowest debt, while Vaz-Oxlade (2010, p. 104) argues that highest interest debts should be paid first. It is also important to have a specific objective and a priority in mind when setting goals (Abentrod, 1996). Regardless of how debt is serviced, it is important to have a plan and a goal. Hunt (2005a) notes, “Debt requires you to transfer your future wealth to your creditors” (p. 36).

Servicing debt should not be the only major financial goal. Thus, a comprehensive financial goal-setting process includes several components that were mentioned earlier in this chapter (Cable News Network [CNN]: Money, 2017). Goal-setting should be comprehensive, honest, and realistic. The Bible states: “The plans of the diligent lead to profit as surely as haste leads to poverty” (Prov 21:5). Without a specific, measurable, and optimistic plan, the average American will have a difficult time being successful. Pagliarini (2006) encourages having “a purpose and a strategy for how you spend your money” (p. 63). Victor Hugo, the celebrated French novelist opined that “the future has many names: For the weak, it means the unattainable. For the fearful, it means the unknown. For the courageous, it means opportunity” (Robbins, 2014, p. xiv). Such words seem to have a particular resonance of truth in light of such an unresolved financial future for so many Americans. Kirkham (2016) notes that 75% of Americans over 40 are behind on saving for retirement. It is suggested that among other causes, the lack of a specific and actionable plan is the main reason. Robbins (2014) quotes Henry Kissinger as saying,
“If you don’t know where you are going, every road will get you nowhere” (p. 230).

Robbins (2014) himself reinforces the notion of a financial goal process when he says that a plan is needed “for you and your family that is absolutely attainable and within reach, no matter what level of financial dream you’re shooting for: security, vitality, or independence” (p. 230). Schwahn (2017) is likewise very specific when she advises thinking SMART (specific, measurable, achievable, realistic, and time limited) about goal setting. Certified financial planner Rose (2017) advises writing down one’s goals on paper. Thinking specifically about financial goals, planning and literacy may not be easy for some. A recent study noted that parental socialization, cultural factors, quality of education, religiosity, family ties and language all could impact how we think or practice about financial literacy and planning (Ramadan, Armada, & Leal, 2017).

**Budgeting**

Hunt (2005b), Lundberg (2012), Ramsey (2013), Stouffer (2012), and Vaz-Oxlade (2015) notes that planning ahead or budgeting is indispensable for a healthy financial future. Ramsey (2010) calls it budgeting; Hunt (2013) calls it a spending plan; Hetrick (2012) argues for a “balanced” budget. Some are afraid of budgeting because it seems to limit lifestyles and spending. One of the top reasons that approximately 31% people put off budgeting is because it is “boring” (Webb, 2016, p. 3). There is also a psychological component as to why budgeting is difficult (Wong, 2017). Budgeting, she opines, is likened in our minds to dieting, which in turn evokes feelings of “scarcity, deprivation, suffering, agony, and depression” (para. 2). She also quotes psychologist and certified financial planner Brad Klontz, who notes that when thinking about budgets “you are thinking about what you can’t have” (Wong, 2017, para. 3). To compensate for
this feeling, Klontz concludes that we spend more money. Such overspending is underestimated by most people who have a desire to save (Peetz & Buehler, 2009). Furthermore, expenses are markedly higher than projected (Ülkümen, Thomas, & Morwitz, 2006) in some cases. When a budget is absent and spending occurs with a credit card for example, the credit card premium causes people to spend significantly more (Prelec & Simester, 2001).

The first step in a budgeting process seems to be the tracking tool. Tracking finances on a systematic basis is vital, according to Ramsey (2011) and Hunt (2013). Chatzky (2012) argues, “most people have absolutely no idea where their money goes—particularly their cash” (p. 12). Without exception, without a budget, overspending can become a major issue for many Americans Christian and non-Christian demographics alike. Spending more than we earn is the number one problem. Asbell (2013) suggests, “Learning the discipline of living on less than we earn is critical to living financially responsible and being good stewards of God’s resources” (p. 36). As seen earlier, this spending can also have negative health repercussions such as anxiety (Miller, 2015), depression and suicide (Gerson, 2008). Tyson (2012) argues that overspending, access to easy credit, and misusing credit cards are a few ways in which budgets can be broken. Access to easy credit has the most damaging effect from a mental health perspective on those in the middle of the income distribution (Hodson, Dwyer, & Neilson, 2014). Credit card use is linked to anxiety and poor health (Dunn & Mirzaie, 2016). Hunt (2012) informs us that 49% of Americans could “cover less than one month’s expenses if they lost their income” (p. 13). White (1940) noted, “Many, very many, have not so educated themselves that they can keep their expenditures within the limit of their income” (p.
Living within one’s means is instrumental in keeping a budget on track. Only 46% of Americans would be able to cover an emergency of $400 (Mui, 2016).

Budgeting becomes important especially if someone has a disability or an acute medical condition. Disability in this context as defined by the World Health Organization includes individuals with physical impairments, but also limitations such as mental health, lack of social support groups, depression, negative attitudes, and other personal and environmental factors (Fleming et al., 2016). Researchers have linked medical disability (especially prolonged ones) to poor financial outcomes (Houle & Berger, 2017). That is, when medical problems are acute, unsecured debt tends to rise (Houle & Berger, 2017). This is important because it has public policy implications and potential discrimination. A study published in the American Journal of Public Health (Wiltshire, Elder, Kiefe, & Allison, 2016) notes that African-Americans have a 2.6 times “higher odds of medical debt than did Whites” (p. 1086). The same article concluded that African-Americans are more likely to be contacted by collecting agencies to collect outstanding medical debts. It is likely, the study suggests, that Whites use savings to pay off medical expenses while African-Americans turn to borrowing. Another study published in Health Aff finds that patients aged 21 with a cancer diagnosis were 2.65 times more likely to go into bankruptcy than people without cancer (Ramsey et al., 2013). If they were compared with people with a cancer diagnosis at age 65, the likelihood for bankruptcy jumped to 2-5 times. This data suggests that budgeting does not only depend on personal willpower, but also on conditions beyond a person’s control. In such a case, public policy and political will need to address such concerns.

On a personal basis, Christians need to do all they can to prepare via the
budgeting process. Tracking expenses can be such a preparatory step. After tracking expenses for a given time (30–60 days), the budget can be set. Honesty and flexibility is required here. Some expenses will be variable and sporadic (quarterly or bi-annual insurance policies, one-time expenses, or bills). Other expenses will be regular and fixed (mortgage payments, utilities, car loans). Ramsey (2013) argues for spending all the money “on paper” before one gets paid. Hunt (2013) notes that when we allocate specific goals ahead of time, we tell our money (spending plan) that “I have this much money to manage, and this is how I intend to do it” (p. 143). White (1952b) said, “All expenses should be accurately stated” (p. 374).

Various ways are introduced to budget finances. The envelope system promoted by Ramsey (2011), electronic monitoring (Tyson, 2012), and paper budgets (Hunt, 2013) are all ways in which budgets can be built, assessed, and tracked. Regardless of the budgeting methodology, budgeting needs to happen. Without a comprehensive, realistic budgeting system, it is very difficult to track finances. Likewise, financial goals cannot be met without a proper budgeting tool.

**Debt Servicing**

Debt servicing consumes a considerable part of a given income. If we consider the expenditures of mortgages, student loans, car loans, unsecured credit card debt, home equity lines of credit, and other unsecured personal bridge loans such as title loans, they could easily and quickly consume half of an income. The Consumer Financial Protection Bureau suggests that no more than 43% of a monthly income be used to service aggregate debt (Consumer Finance Protection Bureau, 2017). As the American economy improved, Americans as a whole increased their debts to pre-2008 crisis levels (Kurtz,
2017). This debt shifted in part to people aged between 50 and 80 years of age to the tune of 60%, triggering the moniker “the graying of American” debt (Brown, Lee, Scally, Strair, & Klauw, 2016). A considerable debt burden was also found in the student loan markets.

Burdensome indebtedness can threaten the financial health of households and the integrity of the financial system itself (D’Alessio & Lezzi, 2013). Likewise, there is an opportunity cost lost when debts need servicing (Zinman, 2015). Thus, it is imperative that debts be serviced in a way that preserves the financial health of families and protects societal cohesion. It is suggested that those with excessive debt are often the underemployed and the unemployed (Soederberg, 2013). This demographic category is twice as likely to think about suicide due to excessive loads of debt obligations (Meltzer, Bebbington, Brugha, McManus, & Dennis, 2011).

The first step in assessing debt and its servicing is to have an inventory of total aggregate household or personal debt. Such an exercise can be determined by subtracting liabilities from owned assets. Liabilities in this context are debts owed, while assets are properties (cash, financial instruments of various types, homes, cars, etc.) owned. Hunt (2012) notes, “you are worth what you saved” (p. 181). The present challenge is that many Americans at times owe more than they own.

There are various forms of consumer debt: credit card debt, loans (personal, secured, unsecured, car), and charge cards. The greatest liability seems to be credit card debt. According to Hunt (2013), “the average American receives twenty credit-card offers each year” (p. 192). Recent research suggests that the demographic with zero or negative net worth holds a staggering $10,307 in debt liabilities (ValuePenguin, 2017).
To stop increasing such liabilities many financial professionals and authors (Bach, 2005, 2009; Botting, n.d.; Chatzky, 2006; Goodman & Westrom, 2010; Hunt, 2003, 2015; Kane, 2016; Lowe, 2014; Ramsey, 2011; Stouffer, 2012; Tyson, 2012; White, 1940) encouraged the public to stop borrowing.

Fleet (2014) quotes English composer William Corbett justly: “Thousands upon thousands are yearly brought into a state of real poverty by their great anxiety not to be thought poor” (p. 109). Ramsey (2011) states that we try hard to “impress” others by going into consumer debt and thus increasing our liabilities. While this statement may be true with a subset of the larger indebted population at large, Ramsey’s statement is over-generalized and presumptuous.

Personal unsecured debt, for example, as previously noted, is often held by people who are very limited in their financial ability (low income, elderly). Tach and Greene (2014) note that people with debt liabilities use debt management strategies that enhance and promote “a financially responsible and self-sufficient social identity” (p. 1). That is, people, in general, try very hard to meet their financial obligations, often “robbing Peter to pay Paul” (Tach & Greene, 2014, p. 1). It is disingenuous to presume that most people in debt are unwilling to meet such liabilities or that being in financial hardship is of their own personal volition. At times, indebtedness happens as a “result of circumstances beyond your control, such as an accident, illness, job loss” (Clements & Gerig, 2003, p. 97).

Tach and Greene (2014) clearly demonstrate that when excluded from credit markets, low-income families did not seem to have accentuated financial liabilities. Olen and Pollack (2016, ) seem to agree when noting that financial discipline was easier in
“our grandparents’ time because there was no access to easy credit, layaway plans, and loan sharks” (p. 43). It was only with the advent of financial deregulation in the 1980s that underserved groups such as low income people having access to credit (and desiring social mobility) incrementally increased their debt liabilities. Yet, this access to new credit did not commence social mobility, nor did credit become cheaper for low income people. Such credit was more expensive for minorities and people of Color relative to Whites, resulting in very high servicing fees (Weller, 2010).

Particularly toxic to the financial health of the public is the payday loan. This form of predatory lending has excessive fees, upwards of 400%, and on average is loaned for a period of two weeks (Montezemolo, 2013). Pew Charitable Trusts (2012) reports in its Payday Lending in America series that $7.4 billion is loaned annually at more than 20,000 facilities to people who would least be able to afford it. The report notes that borrowers take out eight loans per year and pay $520 in interest, the average loan size being $375. Most borrowers, who happen to be White, female, between 25 and 44 years old, sometimes disabled and or unemployed, with a high school education and making around $28,000 a year, resort to such lending to cover “ordinary living expenses not unexpected emergencies” (p. 4). African-Americans are twice as likely to borrow as Whites, despite making up less than one quarter of the payday loan borrowing pool (Pew Charitable Trusts, 2012). It is also important to note that 13% of those separated or divorced have used this form of credit. Approximately 5.5% of the total adult U.S. population or close to 17 million people have used payday predatory loans. Such data suggests that public policy and legislation needs to be an avenue of remedial effect.

Financial liabilities need to be controlled and diminished in time. Reducing
spending is a good way to start. Spending should not be used as a substitute for social mobility. Rucker and Galinsky (2008) note that economic-based powerlessness is assertive, and thus status can become a base for power. Status (and by inference power) can be acquired by purchasing products that are closely associated with status and thus will compensate for the lack of power. Such compensatory behavior could be detrimental and damaging to the financial well-being of the public (Rucker & Galinsky, 2008). An example to this effect is the purchase of a new car by someone who could not afford it, but desires to be socially accepted by displaying such a new purchase.

White (1952a) counseled the following: “If you have extravagant habits, cut them away from your life at once” (p. 375). Reid (1993) notes, “A person or a family living in debt—on borrowed money—is really living today on funds expected to be earned in the future” (p. 48). If an unexpected layoff, death, or disability occurs, the liabilities will create a financial hardship. This financial hardship can be avoided if one stops accumulating more liabilities (debt). Reid (1993) counsels “declar[ing] a moratorium on additional debt” (p. 56). His counsel went even further than any other secular financial advisor. Reid (1993) encourages his readers to “make a covenant with God that from this point on, as He blesses, you will pay off your debts as quickly as possible” (p. 56). White (1952) gave similar advice, but with somber words: “Shun debt like a plague” (p. 372). While debt is marketed as a product in the modern financial industry and is promoted as an inevitable part of everyday life (Stanley, Deville, & Montgomerie, 2016), the Christian should strive to deleverage as soon as possible. This financial deleveraging is especially important when one considers that most people underestimate the time it takes to pay off debt (Soll, 2013). Likewise, disclosure information (how long will it take for you to pay...
off a credit card balance, for example) requirements are inconclusive as being of any help or motivating consumers for an accelerated payoff of liabilities (Seira, Elizondo, & Laguna-Müggenburg, 2017). Mian and Sufi (2014) argue that if not resolved, over-indebtedness could lead to catastrophic financial outcomes such as the Great Recession.

**Major Purchases**

**Home Purchases**

Homes, cars, and education are considered major purchases in the American economy. Yet, residential homes are the single most expensive investment Americans will transact in their lifespan. Thus, it is important to be educated about the home-buying process. Hunt (2005b) counsels that the ultimate goal should be to pay off such large purchase as soon as possible by paying more on the principal that what is expected (pp. 123-133). Home mortgages may be structured over 7, 15, 30, even 40 years. The most common mortgages are the 15- and 30-year mortgages. Tyson (2012) warns that “buying” too much real estate is not good. The most common mistake many families make is to purchase a house that is too expensive. A recent *CNBC* article (Bloom, 2017) notes that the number one regret consumers had when buying a house was the wrong size. If not done wisely, this course of action can produce a “nightmare” (Ramsey, 2011). Several authors (Bach, 2001; Hunt, 2005b; Ramsey, 2013; Tyson, 2012; White, 1952) conclude that paying down a mortgage early is the best policy. Ramsey (2011) advocated 15-year mortgages instead of the longer 30-year mortgages (pp. 297-300). The reasoning is that shorter repayment periods would save on interest, but it would also elevate the monthly installment repayment. Tyson (2012) advises calculating how much “home” one can buy prior to making the purchase.
Mortgage payment, interest, property taxes, insurance, and private mortgage insurance (if down payment is less than 20%) are some of the components of typical monthly house expenditures. Hunt (2005b) counsels paying off the mortgage as soon as possible with “biweekly” mortgage payments (p. 130). Reid (1993) cautions “borrow[ing] as little as possible” and “mak[ing] the payback term as short as possible” (p. 87). Ramsey (2013) also advocates paying down a mortgage early. In fact, Ramsey (2011) is the only one who advocates buying a house with a “100-Percent-Down Payment Plan” (p. 297). It is nearly impossible for many average Americans to purchase a home with cash. Only one third of Americans were able to pay cash for a real estate transaction in 2016 (Marino, 2016). An increasing percentage of those who do purchase homes with cash are foreigners (Hahm, 2017), with Chinese customers leading the way (Hahm, 2016).

One of the most important aspects of home purchasing is affordability (Blumenthal, 2011). Bach (2009) agrees that no more than 29% of gross income should go on housing. According to January 2017 statistics (Wathen, 2017), the average loan size was $309,200 at an average rate of 4.1% for a 30-year mortgage, which would cost $1,494 per month in repayment instalments. New houses sold in the period ending August 31, 2017 cost $368,100 (YCharts, 2017).

This data makes it imperative that any shopper comparison-shop, clean up credit issues before purchasing, and get preapproved before buying a house (Bach, 2009, pp. 208-212). It is not advisable to purchase a house if the circumstances or the finances are not right (Olen & Pollack, 2016, pp. 155-168). Special attention should be paid to financing mechanisms such as conventional mortgage, ARM, flexible ARM, balloon,
interest only, and so on. Fixed rate mortgages are the best, according to some (Ramsey, 2012; Reid, 1993) because the interest payment will not be variable. Tyson (2012) notes that in some circumstances (when a borrower lives in the home for less than five years), adjustable rate mortgages (ARMs) are a better option (p. 277). In this scenario, the borrower would save on the interest charges because interest on a shorter term is usually cheaper.

Such financing mechanisms are designed with risk mitigation in mind. It is agreed that a conventional mortgage, with a 20% down payment for a 15-year period, is the best financial option most of the time for those who can afford it. Of course, every mortgage need is unique to the circumstances of the particular borrower. Bach (2005) encourages people (as did Hunt) to use the biweekly repayment cycle and thus save close to eight years’ worth of interest payments (and pay off the house that much faster) (pp. 153-156). This can be done by applying an extra 10% towards the principal on a monthly basis or do an extra payment at the end of the year. Before purchasing any homes, it is advisable to have most debts (such as credit card, charge cards) paid off (Warren & Warren-Tyagi, 2005). Warren and Warren-Tyagi (2005) advise getting the cheapest mortgage possible (p. 226).

Home equity lines (HEL) which are fixed rates or home equity lines of credit (HELOC) which are variable rates are borrowing mechanisms against the equity accumulated in a house (Williams, 2016). They could be viewed essentially as a second mortgage on the house. Should the equity in a given house be borrowed against and the borrower defaults, the house can be lost to foreclosure. Such financial instruments should not be abused (excessively used for cash purposes) because it is detrimental to the long-
term financial health of the household. Borrowers with HELs or HELOCs were more likely to owe more on their homes and have a larger amount of debt (Mears, 2014).

Whenever a home purchase is considered, it is important to be ready for it. Lapin (2015b) notes that when someone buys a house, he/she will live in it for a while, so make sure it is affordable and the buyer should have a good steady job he/she loves. This is sound advice. Above all, the Christian could consider God in the process of purchasing a home or any other major purchase. God is the owner of all things (Maxson, 2010). Furthermore, as Jesus Christ was the steward of all things created by God, so are we stewards of Christ (Rodriguez, 1994, pp. 29-33).

Car Purchases

Purchasing a car is also considered a major purchase. Unfortunately, the most common way of purchasing a car today is on consumer credit. Many Americans buy cars for terms as long as 70 months. The average car payment in North America in 2017 was $479 (Delbridge, 2017). It is common for car loans to extend as far as 5-7 years in their repayment schedule. The average buyer could potentially be upside down or “underwater” (when you owe more on a loan than the security interest is worth) on his or her loan in no time. This is why, when considering a car purchase, Thimou (2017) argues for buying a used car with cash. Tyson (2012) agrees. Reid (1993) also gives great advice: “When choosing a car, it is important to keep economy in mind . . . also the operating costs” (p. 69).

Insurance, registration, and taxes can also increase the expense of car ownership. The more expensive and exotic a vehicle, the more it costs to insure. Car ownership can be financed in several ways. The least profitable (to the owner) and the costliest form of
car ownership is the lease. Car ownership in this context is not accurate because a lease is a term-limited long-term rental. A comparison done by Edmunds, an industry leader in car-related information and research, noted that leasing was the most expensive (costing $23,476), followed by new car purchases (costing $18,417), and finally, buying used cars (costing $15,570) being the least expensive (Reed, 2015). According to this data, the cheapest form of car ownership would be the purchase of a used car. Variables such as car type, vehicle condition, financing, interest rate, personal and credit worthiness all factor in the final cost. The financing of the vehicle can be of two types: traditional, bank-financed or dealer-financed. The first is more common and the second, at times, is more expensive, depending on various variables. Income, credit scores, age and condition of the vehicle, length and size of the loan, and annual interest rate will determine the car payment (Delbridge, 2017).

Purchasing a brand-new car is also an expensive form of car ownership due to the rapid depreciation ratios and dealer markups. It is important to distinguish between the invoice and retail price when considering a new vehicle purchase. The first is the price at which the dealer will purchase the vehicle from the manufacturer. The second is the retail price, the price which will be used to sell the car to a customer (DeMuro, 2014). A customer will pay somewhere in between these two prices. The spread or the profit made on new cars supports the car industry and its adjacent dealership economy. It is important to remember that a brand new car will depreciate at a rate of 10-15% per annum for the first three years (Kanter, 2016). The steepest drop in this depreciation is in year one, with close to 30% depreciation on certain models. One positive benefit for such drastic
depreciation is that consumers who are in the market for good, reliable used vehicles can afford them more easily.

Extended warranties are a particular source of high income ($5 billion/year of which three quarters is profit) for dealerships across the nation (Bach, 2009, p. 13). He argues that they should be avoided when possible. Such warranties are actually private insurance policies (Bach, 2009, p. 21).

The best value to a consumer would be to purchase a used vehicle that is 10 years old, has 100,000 miles, and is Japanese (Philip, 2016). Such a car would cost around $2,500 and could be purchased with cash. Not everyone would be inclined to make such a purchase. Yet, if consideration were given to the average monthly car payment of $479 a month, such purchase from a financial standpoint would make sense. A car that costs $2,500 would only use up five payments if the average payment per month of $479 were used as a basis. Paying cash for a car purchase when possible is the best financial decision, especially from a savings perspective. Interest is saved and could potentially be used for other liabilities, savings, or goals.

Education

Education is considered a major purchase in the United States. As noted at the beginning of this chapter, the student loan debt is $1.47 trillion. The average individual student loan debt stood at $50,626. In comparison, the average credit card debt in the United States in the same year was only $16,883. This data suggests that student loans are the second highest form of indebtedness (after mortgages) in North America. This number should dispel any myth that education in the United States is always affordable. According to the United States Department of Education (2017), the newest data (from
2014) released in September of 2017 notes that 11.5% of students defaulted on their loan obligations. An anecdotal glance over this data covering schools that have the highest rate of student loan default (a metric the department of Education watches carefully and bases its funding on) shows that most schools were trade or technical schools such as barber, cosmetology, and hair design. This is a troubling trend because these schools often matriculate students from lower income demographics. This data also suggests that the average graduate will be in debt for a long time in the United States. Many students, after graduation, are unable to find good, stable jobs that would give them the ability to repay their student loans.

Forethought and planning is the most important tool when it comes to educational investments. Debt is a liability, regardless of its form. However, a well-chosen education can potentially offset the educational expense over time when employment is found. To minimize the impact of educational debt, planning and proactive, strategic action is needed. Parents, for example, can start college savings funds when their child is young. This strategic and intentional thinking will definitely be a help for the student. Education can be a huge advantage if paid for as one goes (Hunt, 2005a). Hunt (2005a) quotes Sylvia Porter: “Invest in yourself, in your education” (p. 247). Of course, not everyone can pay cash for an education today. Investing in education can increase income potential over time, but that is not always the case if a student does not graduate.

Graduation rates in Adventist educational institutions, for example, is 46% versus 59% in public institutions of higher education (Willey, 2014). If graduates are unable to graduate and find jobs, it will be very difficult to repay federal and private educational loans. Deferment, grace periods, and forbearance could be tools in which a graduate
could manage loans for a time. Most loans activate after a six-month period and need to be repaid. The good news is that college degree holders on average far outpaced people with only a high school degree in their earnings, and the pay gap difference is getting wider (Rugaber, 2017). According to the Federal Reserve Bank of San Francisco, a college education is still worth it and, on average, will bring in an extra $800,000 more than the average high school graduate by the time of retirement (Daly & Bengali, 2014).

Grants, loans, work study programs, scholarships, savings, and investments are typically the means to subsidize an education. Ideally, the least amount of debt incurred, the better. Savings vehicles such as 529 plans could be a viable option for many parents to start while their child is young (Blumenthal, 2011). Such plans are usually tax deferred if the gains are used to cover educational expenses. Plans differ from state to state and the investment options are numerous. Coverdall education savings accounts UGMAS and UTMAS are also alternate investment options that could jumpstart the savings process. Such investment options would not be good for all people or circumstances. A competent financial advisor would be a good resource to assess the benefits of such plans.

**Saving and Investing**

York University promoted the hypothesis that if the average American is able to interact with, or imagine their “future selves,” they would be likely to save more and spend less (Hershfield et al., 2011). Interacting with future selves in this context meant to visualize—with the help of age progressed computer renderings—a version of their future selves. From a Christian perspective, White (1952a) noted: “You ought to be careful that your expenses do not exceed your income” (p. 375). Reid (1993) argues that Christians should not “follow the world in financial and other matters” (p. 13). White and Reid were correct: Christians should heed the counsel of the Bible when it comes to saving and investing. The Bible notes: “There is treasure to be desired and oil in the dwelling of the wise; but a foolish man spendeth it up” (Prov 21:20). It is important that a comprehensive savings strategy and investing be in place. According to a recent survey calculated by the federal Bureau of Economic Analysis, the average American saves less than 5% (Nerdwallet, 2017). Olen and Pollack (2016) advocate putting away between 10-20% in savings (pp. 17-21). They argue that this is absolutely necessary as 27% of American households have a net worth of $5,000 or less.

Ramsey (2013) advocates a savings rate of at least 10% (preferably 15%), which is to be invested in mutual funds or 401k retirement accounts. Hunt (2013) instructed her readers to live on 80% of income and save the rest. Chatzky (2012) argued for 15% savings if one started saving late. Tyson (2012) starts with goals in mind. What are the goals of the saver? Once a goal is determined, one can start systematically saving to achieve that goal. Most financial planners (Ramsey, 2012; Hunt, 2013; Chatzky, 2012; Fleet, 2014; Bach, 2009; Vaz-Oxlade, 2011) suggest that a minimum of 10-15% of one’s
income needing to be saved. If one starts late, that savings rate can go even further upwards to 20% of a given income.

Typically, the advice is to have an emergency fund saved very quickly. This fund ranges from $500 to $2,000. After an emergency fund is in place, the advice is given to have at least 3-6 months’ worth of living expenses saved. This second savings is recommended in case of job loss, medical emergency, death, divorce, or other attenuating circumstance.

Investment vehicles are pitched from various perspectives by the reviewed authors. The most popular investment scheme seems to be the 401k retirement plans. Retirement accounts such as 401k, 403b, pension funds, and mutual funds will grow over time via compounded interest. Compounded interest is touted as a wonder that will eventually increase ones holding exponentially (in the later years). Albert Einstein called compound interest (interest paid on the interest) the eighth wonder of the world.

Retirement plans can be diverse and have specific regulations governed by the IRS. A Roth IRA, for example, has a different tax treatment than a more traditional IRA. The first is an account where one can save after tax dollars. The latter is an account where the saver will accumulate pretax dollars. Pretax in this context means the contributions are not taxed by the federal government. The holdings will grow and will only be taxed after they are withdrawn as retirement income. Certain conditions apply for withdrawal. The saver needs to meet age conditions. If these conditions are not met and incomes are large enough, a steep tax bill and additional penalties are possible.

Regardless of what investing/saving mechanism one uses, saving is very important. White (1952a) framed it this way: “Waste not your pennies and shillings in
purchasing unnecessary thing” (p. 383). Bach (2010) calls discretionary spending on some things the “latte factor” (p. 29). Latte factor spending can be any purchase that is systematic over a period of time and does not have a great importance or necessity. Such things can be a daily Starbucks latte, for example.

Hunt (2013) argues that savers or investors can be of two types: reactive investors and proactive investors. Reactive investors react to something that happens around them (the stock market, for example). Proactive investors have a “specific plan” according to which they operate. Ramsay (2011) advocates a set of steps, at least two of which deal with saving and investing. His “baby steps” start with an initial $1,000 emergency fund in the bank that is saved right away. After liabilities are offset, 3-6 months’ worth of savings for expenses are advocated. Asbell (2013) also advocates for a 3-6 months’ emergency savings. This saving is different from investing. Ramsey (2011) also encourages his radio listeners to put at least 15% in a retirement account. Central to Tyson’s (2017) investing and saving strategies is the risk factor to be tolerated. The saver or the investor needs to know the acceptable risk factor in his or her financial strategy. Hunt (2013) argues that a financial planner is a great benefit a times. She advises that only fee-based planners need to be considered. Many financial “educators” actually have a conflict of interest when pitching various financial products to clients. Financial “gurus” can be disingenuous about their background and credentials. Tyson (2012) gives Suze Orman as an example. According to Tyson, Forbes magazine notes that she has only seven actual years of experience on Wall Street, instead of the stated 18. It seems that she is also paid by the insurance industry to pitch insurance products.

Saving is the best way to achieve financial peace of mind. Saving should take
place after most liabilities (such as consumer debt) are satisfied. The Stewardship
department of the North American Division of the Seventh-day Adventists counsels that
the best option is to pay off high interest credit cards and be debt-free (Reid, 2009). The
same publication also suggests a 3-6 months’ worth of living expenses to be saved up.
This strategy is in line with others (e.g., Hunt and Ramsey). Reid (2009) advocates
investing first and foremost in assets that have a long-term return. White (1940) agreed:
“That those who really feel an interest in the cause of God, and are willing to venture
something for its advancement, will find it a secure investment” (p. 232).

Commodities, partnerships, tax shelters, precious metals, and collectibles are also
suggested (Kiyosaki, 2017). Such investments are not advocated by Ramsey, for
example. Good investments are a home, rental properties, mutual funds, and government
backed securities. It was noted in Faith and Finance (Reid, 2009) that there are four
levels of investing: The first level is getting out of debt, the second is saving for future
needs, the third is investing the surplus, and not lastly, the fourth level is diversification.
The biblical record also has excellent advice on investing. Matthew, the disciple, quotes
Jesus: “‘Do not store up for yourselves treasures on earth, where moth and rust destroy’”
(Matt 6:19). Investing in projects and ventures that promote eternal life should be a first
consideration for any Christian. Thus, Christian stewardship, as it relates to money,
should be an intentional, premeditated decision. Such projects and ventures are the
church itself, the mission field, Christian education, and not lastly, healthy, God-centered
living. Lezeau (2012) calls the tithe and offerings that sustain the church “divine
institutions” (p. 79). He has a point: a Christian should always invest and save in a matter
that promotes the eternal salvation of fellow human beings.
Retirement and Estate Planning

Retirement

Planning for retirement and later estate planning is very important. This is especially true when considering that half of American households do not have any retirement accounts at all (Josephson, 2017). This is astonishing and frightening at the same time. In light of such statistics, it is very important that retirement become the focal point of our intentionality. For those who did have a retirement account, the average balance was just $59,000 (2013 figures). For many Americans, the provided benefit of the Social Security safety net is the only available income. As of October 2016, that benefit was $1,354 (Josephson, 2017). This is a small sum for subsistence, especially considering that the older an American is, the more likely he or she will be to have unresolved debts in retirement. Three out of ten surveyed people noted, for example, that they worry and are stressed about their retirement (Greenwald, Copeland, & VanDerhei, 2017). If you are not worried, “you probably don’t understand the situation” (Ghilarducci, 2015, p. 7). The Social Security Administration’s life expectancy actuarial table estimates that a 38-year-old male is expected to live 19.5 years post-retirement (retiring at the age of 67). The average life expectancy for this cohort is about 86.5 years. Financial planners suggest that at least 65% (this figure is very conservative) of present actual pay is needed annually to cover expenses in retirement.

If, for example, one earns about $55,000 per annum, 65% of that sum totals $35,750. Adjust that sum for inflation ($115,465 future amount needed based on a conservative 4% inflation to have a purchasing power of today’s $55,000), and it will barely be enough for subsistence. Future Advisors, a financial firm, compiled data from
the U.S. Bureau of Labor Statistics and calculated how much money one would need to live in 2040. The result is somber: $159,600 per year (Futureadvisor, 2012). Compare that sum with 1982 when one needed “only” $28,100 to pay bills and live. If one multiplies $159,600 by 19.5 years (the Social Security Administration estimated retirement years for a 38-year-old male), it comes to a grand total of $3.1 million. The conclusion is that one will not be able to retire with dignity after 42 plus years of work if one does not save now.

Retirement savings are not only crucial, but life sustaining in the later years. Every Christian should consider this matter very carefully. The Bible informs us: “How long will you lie there, you sluggard? When will you get up from your sleep?” (Prov 6:9). Planning is a core ingredient in this strategic thinking. It is suggested that those in the active workforce do not contribute to retirement plans due to other financial priorities or lack of financial literacy and understanding the long term benefit of such contributions (Clark, Maki, & Morrill, 2014). Maximizing any government sanctioned and tax advantaged retirement accounts such as 401k, 403b, IRA, and ROTH IRAs is an advisable step (Hunt, 2013). Retirement accounts vary and have specific regulations depending on the type of account. If such a retirement benefit is offered and matched by employers, it should be used (Andrew, 2007).

Medically related expense will be the greatest expenditure in retirement. It is estimated by Fidelity that an average couple retiring at 65 will need about $260,000 to cover medically related expenses in retirement (O’Brien, 2016). Long-term care could be potentially a very costly medical expense in retirement. A majority of American adults noted that they expect family to provide needed care, but 60% of those adults have not
talked about such planning with family members (Carlson, 2016). This long term care could cost $130,000 on top of the $260,000 medical care expense noted earlier (O’Brien, 2016). The National Retirement Planning Coalition estimated that a 65-year-old man retiring in 2011 needed to have $370,000, while a woman of the same age needed $417,000 to cover cumulative health care expenses (National Retirement Planning Coalition, 2017). To mitigate such expenses and risks, various insurance products should be considered. Such products need to be individually tailored to specific situation, age, health condition, personal goals, and length of time.

Estate Planning

Estate planning is a fundamental and extremely important part of strategic life planning. It is suggested that “people put off estate planning until they are almost too old to deal with it” (Reid, 1993, p. 107). Close to 66% of Americans do not have a will (Jones, 2016). The older a person is, the more likely it is that he or she will have a will. Likewise, the higher the earning capacity, and the more educated a person is, the more likely it is that he or she will have had a will at the time of death (Jones, 2016). Wills can be statutory (done by an attorney), holographic (written by hand), or nuncupative (oral) (Dalton & Langdon, 2017). In most states, one needs to be 18 years old to make a will. Reid (1993) notes that if one dies intestate (without a will), the state will commence a probate process and will disperse any estate according to its statutes. This process may not always have the deceased’s wishes. The state also assumes that someone who dies without a will is an atheist and will not want to disperse any assets to any religious organization or charity.

As stewards of God, one should seriously think about this possibility. Numerous
examples in the Bible (Gen 2:19; Deut 8:17, 18; Ps 24:1; 50:10–12; 104:10–12, 14; 127:1, 2; Isa 48:13; Hag 2:8) state that Christians are only stewards and God is the owner of the resources they have. White (1868) stated, “stewards in the last days are unwise” (p. 199). Why? It seems that Christians are not properly prepared as far as estate planning is concerned; they need to be more intentional about it. Reid (1993) argues that Christians should “not wait until we [they] are about to die” (p. 113) to start an estate planning process. When they consider estate planning, they also need to consider God’s work. Reid (1993) argues that beyond relatives and other beneficiaries of the estate, the church or the work of God should also be an included beneficiary. Other secular authors (Bach, 2010; Hunt, 2013; Ramsey, 2010) advise giving and being charitable.

Estate planning needs to be done before it is too late. God needs to be part of this financial strategic thinking. Without this mentality, one fails to live up to the Biblical principles of stewardship. Maxson (2010) puts it this way: “Only God is owner and He is owner of all . . . We are only managers, trustees, or stewards” (p. 143). The apostle Matthew quotes Jesus: “Seek God first” (Matt 6:33). This is healthy, Bible-based thinking. Christians cannot afford to bypass God’s work when it comes to estate planning. One needs to understand that everyone is a steward of God, and the entrusted resources are not personal property.

Conclusion

Financial literacy is indispensable and a first step towards a healthy financial future. This healthy financial future should commence due to a very strong desire and motivation on the believer’s side that with God’s help, a precarious present financial situation can be improved. The primary motivating principle for improving one’s
financial literacy should stem from the desire to honor God with all that one possesses. As we have seen earlier, God is the creator and owner of all resources on this Earth. We are but stewards of what He already owns. Financial education needs to permeate a Christian’s thinking with absolute intentionality. One cannot afford to be inactive. Cognitive information alone will not be effective to produce a positive change in financial matters unless it is paired with an actionable plan and the right motivation. Accountability comes in this area because God has already done everything possible for the believer in this regard. The believer is accountable not because he desires to elicit a certain behavior from divinity, but rather, because divinity has already acted in the best interest of the believer. Assessing one’s financial well-being is as important as regular health screening for major life threatening diseases. Goals should be set and implemented with intense dedication. Accumulating consumer debt needs to be stopped and existing debt needs to be progressively eliminated. Liabilities and assets need to be taken into account and tip the balance in favor of the latter. Savings need to increase; investments need to be accumulated. Retirement accounts need to be funded aggressively (after liabilities are satisfied). Estate planning needs to become a priority to avoid unnecessary delay in probate courts and the potential transfer of assets contrary to the wishes of the deceased.

This literature review has focused on the main ideas presented in the outline of the project (assessment, goal setting, liabilities and assets, major expenses, saving and investing, retirement, and estate planning). This literature review addressed both secular and Christian concepts and was biased towards the latter. Some authors published multiple works in consecutive years covering or overlapping the same concepts or
themes. When reviewing such literature, ideas repeated in several works by the same author were presented only once.
CHAPTER 4

METHODOLOGY

Introduction

Seventh-day Adventist Christians are not immune to financial socio-economic trends. In fact, the very premise of this thesis in which I argue the necessity of financial literacy education for Seventh-day Adventists arose from the very indebtedness of one third of the Seventh-day Adventist church members in the Roundup-Lewistown district. Beyond the short historical survey of financial insolvency (in the lives of some members of the Roundup-Lewistown district of Adventist members), this chapter attempts to show a potential pathway to financial literacy and planning via its PREFLAS, the seven-part FLS, and a POSTLFAS that attempts to see any improvement in the financial perception and/or behavior of the members involved.

This chapter will be divided into four sections. The first section contains a description of the historical context in which the Roundup-Lewistown District churches and its members implemented financial literacy practices (or lack thereof). In some cases, such practices were non-existent at an individual level. At a corporate level, both churches practiced an informal system of giving cash to non-Adventist transient people on a case-by-case basis. Both churches also helped Adventist members financially at times, depending on the given need at that particular time.

The second section describes the PREFLAS. It includes details about the
administration of the survey and the survey audience.

The third section addresses the FLS. Information is given about where the seminar was administered, when it was held, what it contained, and the method of delivery.

The fourth section of this chapter informs about the POSTFLAS as an assessment tool. Its purpose is to observe differences (if any) in financial perception or behavior changes.

**Section One: Financial Literacy Practices**

Socio-Economic Emergencies in Roundup-Lewistown Seventh-day Adventist District

The Roundup-Lewistown Seventh-day Adventist Church district is situated in rural southeastern Montana. Roundup has a population of 1,788 people according to the latest census (United States Census Bureau, 2010) data. Poverty rate in the city of Roundup is 23.1%, which is more than 1.4% greater than the state average (21.7%). The Adventist church in Roundup has an official membership of 69; an average of 26 members are active or attend regular services. Lewistown, with a population of 5,902 has a poverty rate of just 9.3%, which is 12.4% lower than the state average (21.7%). The Adventist church in Lewistown, Montana has 65 members on its membership list. On any given Sabbath only 15 regularly attend worship services or are active in church activities. About one third of the average attendees suffer some form of financial hardship.

In the past five years, approximately one third of the membership of the Roundup church was in some sort of financial distress that required assistance. The percentages are similar in the Lewistown district (one third). In the past five years, neither church had a
concrete, written plan to deal with any financial assistance requests.

The ministry assignment I received from the Montana Conference of Seventh-day Adventists to pastor the Roundup-Lewistown district of the Seventh-day Adventist Church churches started in April 15 of 2012. When I arrived in the Roundup-Lewistown district, I noticed very early in my ministry that financial difficulties plagued some of our church membership. Several requests for financial help came to my attention within months of taking charge of the district. These requests were, at times, trivial, yet other times they posed a larger challenge in misappropriating personal funds that were desperately needed for subsistence. The narrative of the requests followed a particular pattern, which mostly pivoted in a crisis situation. Such statements “I just can’t make it till next paycheck, somehow we keep bouncing checks and we don’t know why, I’m behind with rent, water, and electricity and can’t seem to get a break” started to become familiar.

It is not the purpose of this chapter to quantify, qualify, judge, legitimize, or admonish the personal reasons for financial inefficiencies within a particular member’s personal life. The chapter is only stating the factual realities that were encountered at the time of my arrival in the district. In this particular context, the fact was that close to one third of the local constituency in both the Roundup and Lewistown churches struggled financially for various reasons. Both churches intended well and tried to help. This help was not sustainable in the long term. A strategic shift needed to occur via a newly-formed monetary disbursement policy that was written, adopted, and implemented. Such a policy was grossly insufficient by itself and only addressed a temporary fix to a local financial insolvency problem. A more comprehensive, long-term, strategic plan was needed for
adequate financial literacy education. Such financial literacy education could first commence by informal and formal data gathering processes such as personal one-on-one sessions with affected members, individual or group counseling sessions, financial assessment surveys, comprehensive financial education via a financial seminar, post-seminar surveys to measure efficiency, and behavior-changing patterns and attitudes towards financial planning. Such a process that is intentional, strategic, and long-term in nature would not materialize overnight.

The desire to help our members craft, implement, and share a comprehensive financial literacy education was nevertheless the sole purpose for any steps taken to positively influence, change, and effect adequate and sustainable financial behavior in the lives of those members of the district who struggled financially. As a minister, I was not adequately prepared to jump-start any such long-term strategic financial literacy education. Yet, it was a deeply held personal conviction that something must be done in this regard to alleviate the often extremely acute problem of financial insolvency within the lives of our members. Therefore, I decided to enroll in the Master of Science in Family Financial Planning program with Montana State University in Bozeman. This course qualifies any student to take an exam for the Certified Financial Planning (CFP) credential (should one pass the course final exam successfully). Once this credential is earned, the recipient can legally offer professional financial help.

This doctoral project attempts to help put in place a process in which awareness (for financial literacy and planning) is raised, assessment is stimulated, and courses of action for rectification are encouraged. The PREFLAS is such tool for financial assessment at a given time in the lives of our struggling church members. The FLS is a
didactic attempt to initiate a positive change in mental attitudes and behavior towards
financial literacy and planning. The POSTLFAS suggests an attempt to observe changes
and improvements (if any) in financial perceptions and behavior of the participating
church member.

Itinerant Non-Adventist, Low-Income People and
Church Members in Roundup Seventh-day
Adventist Church

From 2005 to 2015, the Roundup Seventh-day Adventist church had no written
policy about allocating financial resources to non-Adventist people who randomly
walked into the church and asked for help. There was no policy to help church members
in the eventuality of personal socio-economic emergencies, either. The church was often
asked to provide financial help mainly to itinerant, transient, non-Adventist, low-income
people. The requests were informal and often took the place of a phone call to the local
pastor, head elder, or other church member. The caller would describe a socio-economic
crisis of personal nature to the listener and proceed to ask for money or food. The sum
asked for was often less than $100. Such requests would have a certain frequency, but
seldom did the request originate with the same solicitors.

At the beginning of the ten-year period noted above, assistance requests
originated mainly with non-Adventist transient travelers. This trend reversed towards the
end of the period with Adventist members from the local church making the bulk of the
assistance requests. The nature of the assistance requests changed over time, and the size
of the assistance requests increased over time. In an informal interview with a local
member, I was informed that a request for assistance came in totaling over $400. This
request originated with a member of the local church, and was to be applied (should it be
granted) towards paying an electric bill. The serving pastor granted the request at the time. Several other requests of financial nature followed in the Roundup church, mainly solicited by local church members. As noted before, the Roundup Adventist Seventh-day Adventist Church did not have a coherent strategic policy in dealing with such requests. Instead, the church opted to think about the various assistance requests on a case-by-case basis. Some requests were granted while others were politely denied. Such a policy of individual adjudication and lack of a comprehensive financial assistance policy could have had an adverse and negative effect on personal feelings within some local church members who had been denied assistance. The impetus for change came with the latest request for assistance from another church member. The request for assistance totaled close to $900 in energy bill-related costs that had not been paid for close to a year. The context for this particular request was dire, uncomfortable, and sad. The person requesting the monetary help failed to budget personal finances adequately and consequently, various financial responsibilities mushroomed.

When the church was asked to help in this case, the local membership and I knew that something had to change. The church was unable to grant the request. This encounter however prompted the local church to implement a more strategic, comprehensive financial-assistance policy. The average attendance in the Roundup Adventist church was about 26 on any given Sabbath. The entire budget for church administration and other peripheral expenses for the entire year was $32,000. The tithe and offerings base that keeps the church budget running was very small. Only a few families contributed significantly on a consistent basis to the financial well-being of the church. Consequently,
church funds were earmarked for various administrative, outreach, and strategic purposes and required very efficient use.

The Roundup Adventist church could not in the past and cannot in the present afford to pay for large financial requests. Thus, the church decided to draft, vote on, and implement a new monetary policy in which it would no longer consider or pay any requests for non-Adventist transient travelers or local church members alike. This new policy that was implemented in May of 2016 stated that the Roundup Seventh-day Adventist church should no longer, under any circumstances, pay any debts owed by any of its church members, and would be unable to help any of its members financially. Likewise, it would be unable to help with cash assistance for any non-Adventist itinerant travelers.

This new policy was made public within a church business meeting. Soon the requests for financial assistance stopped.

Itinerant Non-Adventist, Low-Income People and Church Members in Lewistown Seventh-day Adventist Church

In the same period noted earlier (2005-2015), the Lewistown Seventh-day Adventist church also received several requests similar to those of the Roundup Adventist church for financial assistance due to various socio-economic emergencies. In an informal interview, the head elder of this local church noted that several times in the past (2005-2015), church members as well as itinerant non-Adventist travelers requested financial assistance from the local head elder, other elders, and the church board. In one instance, one local church member requested and was granted $300 because he was “out of work and between jobs.” Itinerant non-Adventist travelers also called and appealed for
help several times. Their requests were granted on a case-by-case basis by the local leadership of the church. This help was usually in the form of gas or food purchases by one of the local church representatives. Cash was seldom given to itinerant non-Adventist travelers. The Lewistown Seventh-day Adventist Church did not have, and still has no written policy for monetary disbursements to itinerant non-Adventist travelers or its local church members. An informal non-written, verbal agreement existed within the church laity that “no gift shall be given to anyone that exceeded a value of more than $100 to any non-Adventist itinerant traveler.” As far as church member requests were concerned, those requests were still adjudicated on a case-by-case basis with considerable attention given to context, situation, health, and any relevant information to the given situation. Since I started pastoring the Roundup-Lewistown district in April of 2012, no considerable monetary help was given to any local church members. It was the intention of the Lewistown church to formulate a written policy to discontinue the subsidizing, paying, or granting of any requests for personal debt or any other bills assistance. This new policy was voted and implemented in September of 2016.

Causes for Financial Insolvencies in Lives of Members of Roundup-Lewistown District

Most members who struggle financially do so for three main reasons.

1. Precarious socio economic backgrounds. A majority of the members who requested and received financial assistance (in both Roundup and Lewistown churches) struggled financially because of precarious financial backgrounds. At least 75% of the members who struggled financially did so because the income they had was not adequate to cover the expenditures and liabilities they incurred. Close to 80% of the same members
who struggled were on disability, female, retired, or on limited or minimal income. Advanced age, health challenges, and lack of proximity to potentially available jobs were also major detriments to obtaining any extra income. The median age for members with financial insolvency issues was above 60 years. At this age, employment was not easy to find. As noted earlier, the Roundup poverty rate stands at 23.1%. Women in Roundup were more likely to be in this statistical category. Likewise, the majority (85%) of recipients of church financial help in the past were women. Unless socio-economic factors in the city of Roundup improve, it is unlikely that the members affected will be able to augment their income in any significant way.

2. Lack of basic financial literacy. None of the members of the Roundup-Lewistown Seventh-day Adventist Church district who received financial assistance at any time in the past had any formal education about basic financial education or literacy. Formal education in this context refers to reading books, taking a course, or being counseled about finances by a competent and licensed financial professional. In fact, the main complaint was that “Nobody told us about any financial stuff in our life.” Another often-used phrase was, “This is the first time that we ever sat down and made a budget.” Cost for financial literacy and planning was also often mentioned as a possible reason for not seeking competent help. The informal interviewing process of the members struggling suggested that the lack of basic financial knowledge and literacy deeply affected the financial behavior of most members who had difficulty with insolvency. Financial illiteracy was the main cause for the inability to handle financial resources.

3. Poor money management skills. The lack of financial literacy and planning was directly related to poor money management skills. Nearly all beneficiaries of
financial help within the church district noted that poor or very poor money management
skills contributed to the inefficient handling of existing monetary resources. The lack of a
budget and deficit spending emerged as an important cause for poor money-handling
habits. Debt servicing (with an unusually high interest rate charged by cash advance
facilities) was also a concern. Onerous debt servicing terms (due to the borrower’s poor
credit rating) blocked any chance for a long-term self-sufficient plan for financial
solvency. All members of the Roundup-Lewistown Seventh-day Adventist Church
district who participated in the financial literacy plan described in this chapter (informal
interviews, counseling sessions, PFREFLAS, FLS, POSTFLAS) noted that poor money
management skills and the lack of comprehensive financial literacy education caused
them the most “stress” and “sleepless nights.”

The fear of financial insolvency was common among members of the local district
who did not specifically struggle financially as well. Financial literacy and planning was
“somewhat important” or “very important” to all members asked.

Section Two: Financial Awareness Assessment
Survey (PREFLAS)

Prior to the FLS, a PREFLAS was administered to all participants. As illustrated
in chapter 3, Kiyosaki (2017) notes, “Financial education is the unfair advantage of the
rich” (p. 1). Bach (2009) informs us, “Financial ignorance is now a luxury none of us can
afford” (p. 4). Tyson (2012) quotes a recent Center for Economic and Entrepreneurial
Literacy financial literacy survey: “Americans lack basic math and personal finance
skills” (p. 9). This last statement was of great concern. In today’s highly democratized
technology environment, nobody should lack a basic financial education. Yet, the problems persisted.

The first step to mitigate this concern was awareness. Awareness in this context was the ability to know where one stands financially and do something about it. Fleet (2014) quotes Alan Lakein: “Planning is bringing the future into the present so that you can do something about it now” (p. 10). James 1:5 suggests that wisdom is the premise for assessment and a proper evaluation of all areas of life. As noted in chapter 2, wisdom or its Greek original σοφία (sophia) was a feminine noun that implied wisdom, but also insight, skill (human or divine), and intelligence. Sophia can be acquired (by humans) or is implied (to God). If wisdom (read here insight or skill to handle monetary responsibilities) can be acquired according to Scripture, the Christian should always assume this responsibility. Awareness is key and an indispensable first step in this regard.

The PREFLAS was not a rigorous scientific survey. The participating sample was approximately 30 people. This sample was hardly enough for any scientific analysis. Yet, this was the reality of the rural, small church district that I chose to work with in my project. The PREFLAS was voluntary. No attempt has been made to coerce any district church member to participate in taking this survey. The survey was administered in two venues at two different times. The PREFLAS was administered in Roundup on Monday April 3, 2017, at 6:00 pm on a Wednesday. The PREFLAS was administered on Wednesday May 10, 2017, at 6:00 pm in Lewistown. The location for both survey administrations was the local Adventist church worship hall. The survey completion took 90 minutes.

Those participants who, due to mobility issues, scheduling conflicts, or health
issues, were not able to be present, were given the surveys in advance. An instruction sheet was also included that give detailed instructions on how to fill out the survey. The participants who were present at the church venues were seated. Clear instructions were given on how to complete the PREFLAS. The participants were asked to circle one or more of the relevant answers (for their particular situation) from a multiple-choice setup. The PREFLAS was anonymous.

After the surveys were completed, each PREFLAS was collected by an independent third party, inserted and sealed in a manila envelope. All the PREFLAS were mailed to a neutral third party (Montana Conference of Seventh-day Adventists) for data tabulation. Data tabulation in this context meant response aggregation. At no point in this process did I have access to any information that could have identified any given individuals based on the data or answers provided. At no point did I have access to the surveys completed by the participants.

After the relevant third parties had tabulated the data, I received an aggregated response sheet in an Excel worksheet. This response showed numeric values of the responses to all questions in the questionnaire. Numeric value in this context means, for example, that 19 women completed the survey out of the 30 people participating in PREFLAS. Another example is that nine people responded YES (by circling the relevant choice) to having a checking account. Every effort was made to remain fair, unbiased, and confidential with those individuals who prior to the administration of the PREFLAS had asked for specific counseling in regards to financial literacy or monetary insolvency.

The PREFLAS contained 98 questions that related to various financial topics described in chapter two of this project. This PFREFLAS related specifically only to the
local Roundup-Lewistown district of the Seventh-day Adventist Church members and was not intended to be administered in any other venue or to participants other than the ones already noted above. The PREFLAS gathered general data about overall financial literacy knowledge of the participants and their ability to do basic mathematical calculations as it related to financial literacy.

The PREFLAS was developed based on the needs assessed in the district in informal conversations, informal one-on-one counseling sessions, church group meetings, and financial assistance requests. All questions contained in the PREFLAS were general questions that could also be found in any financial literacy programs or curriculums. Some of the questions were specific to the local congregation. The goal of the PREFLAS was to give a starting reference point in the financial awareness of the participants that can be used and contrasted with the POSTFLAS. The PREFLAS participating sample is not random since most members of the Roundup Lewistown church district participated and did so voluntarily. The PREFLAS was conducted in English.

**Section Three: Financial Literacy Seminar (FLS)**

The Financial Literacy Seminar was intended to have seven distinctive sessions as follows:

1. Introduction: Description of the Financial Literacy Seminar / Assessment and Evaluation
2. Financial Goal Setting
3. Budgeting
4. Debt Servicing
5. Major Purchases
6. Saving and Investing

7. Retirement and Estate Planning

Every session was 90 minutes in length. A Question & Answer (Q&A) period followed at the conclusion of each session. This Q&A period lasted 30 minutes.

The FLS was held twice, first in Lewistown and second, in Roundup. The necessity for this duplication was warranted based on distance factors between the Lewistown and Roundup churches, financial hardship of some of the district members to travel to only one location, duration of the seminar, health or other mobility concerns.

The FLS was presented between May 21 and May 24, 2017, in Lewistown. In Roundup, the FLS was held from June 19-26, 2017. The FLS was scheduled to start on a Sunday and continue daily during the week until it concluded. All FLS meetings started at 4:00 pm on Sunday, and at 6:00 pm on weekdays. The FLS held in Lewistown was recorded via a digital video camcorder. All participants in Lewistown were asked whether they consented to being videotaped during the seminar for archival purposes. This consent was oral. At no time was any participant in the FLS videographed in a way that his or her likeness or image was visible in any of the recordings. If any participant had refused to give voluntary consent, the video recording would have ceased.

Every FLS presentation had a power point multimedia component. These audio-visual materials were made available to download or listen to at andrewraduly.com/dmin. All information available on andrewraduly.com/dmin was free of charge and was intended for those participants who could not be present physically at the time the FLS was administered. For those participants who did not have access to the Internet, printed material related to the presentations was provided free of charge.
There was an orientation meeting prior to the commencement of the first presentation. The session began with a short biographical introduction about me as presenter. This section lasted less than five minutes since I was known in the communities as a minister in the district. The next 10 minutes were allocated to explaining the entire process: PREFLAS, FLS, and POSTFLAS. The following 10 minutes were used to present the upcoming FLS presentations noted at the beginning of this section. The remaining 20 minutes were spent on various miscellaneous items relating to time, venue, presentation materials, online access, travel, and any other concerns the participants may have had in relation to the seminar.

The first presentation, Assessment and Evaluation of Present Financial Situation, addressed financial assessment and evaluation concepts. These concepts were presented as tools in determining financial literacy levels, personal financial strength at a given point in time, and set forth an encouraging pathway to achieve positive mental attitudes towards holistic financial literacy education.

The second presentation, Financial Goal Setting, presented financial literacy principles related to how goals can help in the betterment of a financial situation. The presentation covered goal setting processes, strategies, and tools to increase the likelihood of success when future financial goals are set.

The third presentation, Budgeting, presented strategies in which church members can be successful in starting a budgeting process for their personal finances. Budgeting was presented and its importance, relevance, and practical use were explained in order to sustain a positive financial behavior. This presentation introduced the key principles of how, why, when, and with whom to budget. The last 30 minutes of this presentation
focused specifically on crafting a relevant, realistic and achievable budget. Sample budget sheets were given to the audience and the participants were asked to personalize them according to personally perceived financial needs.

The fourth presentation, Debt Servicing, described strategies parishioners might use to service debt. Debt as a commodity was explained, and differences in types of consumer debt, debt versus income ratios, personal net worth, interest rates, loan durations, minimum payments, credit scores, credit counseling, collection practices, debt reduction strategies, and consumer protection legislation and practices were presented. The last 30 minutes of the presentation were used to construct a strategy in servicing debt by systematically reducing its load.

The fifth presentation, Major Purchases, suggested and presented standard financial literacy and planning industry practices when considering major purchases such as purchasing a home, a car, or financing an education. Home loan duration (15 years vs 30 years), interest rate, HEL, HELOC, adjustable rate mortgages, balloon loans, private mortgage insurance (PMI), home insurance, renter’s insurance, property taxes, home values, property resale, leasing a vehicle, purchasing a motor vehicle with cash, purchasing power, inflation, upkeep and maintenance, 529 savings plans, tax-sheltered investments for education, and UGMA and UTMA were presented. The last 30 minutes of the presentation were dedicated to an exercise of fictitiously purchasing a home or a car using relevant processes that needed to be followed to be successful.

The sixth presentation, Saving and Investing, introduced the concepts of saving and investing. An emergency fund equivalent to 3-6 months’ worth of living expenses was presented. A second fund ($500-$1,000) was suggested for immediate emergencies.
of various natures. Strategic and systematic savings were encouraged via automatic deductions. Notions such as goal setting, risk determination, interest, compound interest, securities (such as stocks and bonds), real estate as an investment, land, precious metals, giving to charities, tax implications for investing, time horizons for short- versus long-term investing, financial markets, dividends, fixed income revenue, risk profiles (for stocks), inflation, portfolio construction, and asset allocation were explained. The last 30 minutes of the presentation were dedicated to construct a balanced portfolio of assets that can produce an adequate return on investment.

The seventh presentation, Retirement and Estate Planning, familiarized the participants with the industry norm for retirement and estate-planning processes. Various types of retirement (such as pensions, IRAs, Roth IRA, SEP, Keogh, SSI) options were introduced. Insurance products (annuities both fixed and variable) were examined. Health, disability, and long-term care insurance was presented as a viable component for a long-term planning process. Tax implications were explained (IRA versus Roth IRA). Concepts such as individual wills, power of attorney, probate, intestate, inheritance tax, and succession planning were the focus of this presentation. The last 30 minutes of the presentation were used to present a viable sample for adequate retirement and estate planning.

**Section Four: Evaluation Survey**

After the FLS was concluded, the POSTFLAS was administered to the participants. The POSTLFAS was meant to be an assessment tool. Its purpose was to assess any changes (if any) took place in perceptions and/or behaviors as related to financial literacy, planning, and practice in the participants' financial behavior since the
administration of the PREFLAS. Change, increased knowledge (or lack of it), and praxis as it relates to financial literacy were most likely subjective to the participants’ reporting. The POSTFLAS was not meant to categorize, quantify, or qualify “good” versus “bad” financial behavior changes. The POSTFLAS was meant to note whether changes occurred in financial literacy and knowledge, if positive mental attitudes toward financial literacy occurred, and if financial resources management improved due to newly gained information (from the FLS). The POSTFLAS could not independently verify the authenticity of the “change” (if any occurred) that took place (or did not take place) in the participant’s financial practice. The POSTFLAS was specifically intended to identify if any changes (positive or negative) occurred due to exposure to the FLS of the participants. Positive change in this context implied an increased ability to handle financial resources, especially when compared to past unsuccessful efforts that were detected. Negative change in this context presumed a reduction of the participants’ ability to handle financial resources, a course of action that could detrimentally affect the quality of life of the participant.

Participation in POSTFLAS was voluntary. No effort has been made to coerce any participant to be part of the POSTFLAS. Confidentiality was once more accorded extreme priority. The POSTFLAS was completely anonymous. This POSTFLAS was also collected, sealed in an envelope, and sent to a third party (Montana Conference) for data tabulation and aggregation. The aggregated data was presented to me. This aggregated data did not have any personal information that would have potentially identified any of the POSTFLAS participants. The POSTFLAS was administered at the local Adventist churches in Lewistown and Roundup. The administration of the
POSTFLAS took place in two separate occasions similar to the arrangements for the PREFLAS. The POSTFLAS was administered in Roundup on July 10, 2017, at 6:00 pm with 19 individuals participating. In Lewistown, the POSTFLAS was held on Wednesday July 12, 2017, at 6:00 pm with 11 people participating. For those participants who could not be present due to various scheduling conflicts, health concerns or mobility issues, a POSTFLAS was given in advance.

The POSTFLAS also consisted of 98 questions. In order to make a better assessment of potential changes in the answers of the participants, the POSTFLAS contained the same questions as the PREFLAS. For those participants who were physically present at either one of the Adventist churches hosting the POSTFLAS, an administration time limit of 90 minutes was set. Answers to questions were chosen by the POSTFLAS taker from a multiple choice selection.

Once all the POSTFLAS answers were tabulated by a third party, the aggregated data was presented to me, the researcher.

**Conclusion**

In 2012, when I became the minister of the Roundup-Lewistown district of Seventh-day Adventist churches, I noticed that financial difficulties and insolvency had been plaguing one third of our local membership. Such hardships often culminated in financial assistance requests to the churches, and at times, requests to private individuals within the church. Several one-on-one conversations and counseling sessions suggested that a more systematic, comprehensive solution was needed to solve such deficiencies. The PREFLAS was the first step to gather the information needed for a solution. It was concluded that the FLS could be a potential benefit to any member who struggled
financially. In order to measure any changes from previous financial hardships, behaviors, and mental attitudes, the POSTFLAS was administered. The POSTFLAS concluded the intervention process of this project.

The results of the intervention will be disseminated in chapter six of this project.
CHAPTER 5

NARRATIVE OF INTERVENTION IMPLEMENTATION

Introduction

This chapter describes the implementation of the intervention of this project. Chapter 4 of this document delineated the protocols of the intervention implementation and has four main sections.

The first section presents the administration of the PREFLAS.

The second section presents the implementation of the FLS.

The third section presents the administration of the POSTFLAS.

The fourth section presents the PREFLAS and POSTFLAS data and is divided into five subsections. The first subsection presents the demographic questions that described the population and their historic financial behavior. The second subsection presents the questions related to financial principles where the responses showed no statistically significant differences, nor any notable trends in the PREFLAS and the POSTFLAS. The third subsection presents questions with statistically no significant differences, but where responses suggested an upward trend in financial literacy perceptions. The fourth subsection presents questions which addressed both financial literacy and the mathematical skills of the respondent. The fifth subsection focuses on questions about financial literacy principles where the respondents appeared to demonstrate greater financial literacy after the seminar.
The PREFLAS and POSTFLAS are identical surveys. The “PRE” and “POST” prefixes were meant to differentiate the timing in which the survey was taken in relation to the financial literacy seminar (FLS). “PREFLAS” thus stands for the first financial literacy assessment survey taken before the FLS. “POSTFLAS” stands for the second financial literacy assessment survey taken after the FLS. I assembled the questions found in this survey; they were based on the assessed need areas (within financial literacy) identified during one-to-one conversations, counseling, and pastoral observation of the members of the Roundup-Lewistown Seventh-day Adventist churches in the period of 2010-2014. However, a majority of the questions in the survey can be found in similar forms in other surveys within the field of financial literacy.

Thirty-two individuals completed the PREFLAS administered prior to participation in the FLS. Following the FLS there were 30 respondents who participated in the POSTFLAS. The PREFLAS and POSTFLAS results were evaluated statistically to identify any significant differences in both the respondent population and in responses to questions intended to test financial literacy. The Student T-test was used to identify significant differences in both the demographics of the respondents and their pre-financial literacy seminar and post-financial literacy seminar understanding of finance.

The Student T-test is a statistical method of testing the characteristics of small samples drawn from a population when the standard deviation is unknown. The samples compared represented respondents from the Roundup and Lewistown Seventh-day Adventist Churches who participated voluntarily in this research project. The samples compared were these respondents before and after they participated in the FLS. While many statistical tests are available to look for significant differences, The Student T-test
is generally considered to be constructed on relatively conservative assumptions about sampling and sample test constructs. It is also among the simplest analytical tests that can be used to look for significant differences. Furthermore, Microsoft Excel offers a simple tool to conduct Student T-test calculations. The Microsoft Excel function for the Student T-test requires the user to make several descriptive assumptions regarding the sample populations. For this analysis, the most conservative assumptions were used: two tails to the sample distribution and equal sample variance. To test the validity and accuracy of the data in terms of statistically significant (or insignificant) changes between pre- and post-seminar surveys, a p<0.05 was used as the test of significance. That is, if under the conservative assumptions used the differences between pre-seminar and post-seminar responses were expected to occur by chance, the differences were considered significant less than 5 percent of the time.

The Pre-Financial Literacy Seminar Assessment Survey (PREFLAS)

The PREFLAS was administered on Monday April 3, 2017, at 6:00 pm in Roundup, and on Wednesday May 10, 2017, at 6:00 pm in Lewistown. The original intent was to administer the PREFLAS in both Roundup and Lewistown churches as close to each other as possible. Health related mobility issues, geographic distance, member work scheduling conflicts, and various health related difficulties hindered this attempt. Two weeks before the PREFLAS was administered, a detailed announcement was made in both the Roundup and Lewistown churches. These announcements were made on March 25 and April 1, 2017, in Roundup. In Lewistown, the PREFLAS was announced to the church membership on April 29 and May 6, 2017. These announcements were made
during the break between the Sabbath School and the main worship service of the regularly scheduled weekly worship services which were held every Saturday.

A short introduction to the Doctor of Ministry program in which I was enrolled was given. Prospective subjects were informed that they would participate in two surveys and a financial seminar. The first survey (PREFLAS) preceded the FLS and was meant to gather baseline financial literacy data that measured perceptions about various general financial literacy topics from the participating subjects. The PREFLAS was followed by an FLS that had seven presentations. The titles of these presentations were included in the previous chapter of this paper. Finally, the POSTFLAS was administered. This second survey was to measure changes (if any) in perceptions in regards to financial literacy and its importance in those who participated in the first survey and the financial seminar.

The announcements in both churches informed the membership about the title and purpose of the PREFLAS, FLS and POSTFLAS. Participants were informed about the date and location these events would take place. Participation was completely voluntary. It was noted in these announcements that no participants under the age of 18 would be accepted into this research. Likewise, the announcements noted that the PREFLAS, FLS, and POSTFLAS would not include any questions about vulnerable population categories such as prisoners, mentally impaired individuals, or pregnant women. A written announcement was also inserted in the local church bulletin for the respective dates on which they were announced. Participants were informed that by being willing to participate in this research, they agreed to give an implied consent. It was explained at this time that the implied consent was understood to cover PREFLAS, FLS, and POSTFLAS. It was also noted that participation in this research had minimal risk which
was expected to be no greater than the risks associated with any other normal activity of life. Participants were informed that the PREFLAS would be anonymous and collected by an independent third party not related to the researcher. The PREFLAS provided no identity information to the researcher nor to the third party who collected and aggregated the data into a Microsoft Excel spread sheet.

The PREFLAS was completed on the respective dates by a total of 32 people in the two locations of Roundup and Lewistown. The female to male ratio of the participants (in the two churches combined) was 53% versus 47%. In Roundup, the number of people participating in the PREFLAS was 20. In Lewistown, a total of 12 people took the PREFLAS. About 45% of the survey takers completed their surveys at home due to mobility issues or other scheduling conflicts. For those who were not able to make it to the local Seventh-day Adventist churches (where the PREFLAS was administered), a survey was given to them in advance for them to complete. The PREFLAS was collected by a designated member of the local churches, sealed in a manila envelope, and sent to the Montana Conference of Seventh-day Adventists which was designated to be the independent third party for tabulation and aggregation. Laryssa Barlow, an assistant at the headquarters of the Montana Conference of Seventh-day Adventists, aggregated the raw data for the PREFLAS and tabulated it into a Microsoft Excel spreadsheet. The hard copies of the PREFLAS were sealed in an envelope and deposited at the Montana Conference in a safe.

The Financial Literacy Seminar (FLS)

The FLS presented various financial literacy topics with the intent of improving or changing the financial literacy perceptions (and possibly future financial behavior) of
the members of the Roundup-Lewistown Seventh-day Adventist Church district. Seven presentations about a range of general topics that dealt with financial literacy concepts were presented. The list of these presentation topics was included in Chapter 4. Two presentations were made back to back during the first three days with the final presentation on the fourth day. The presentations were scheduled to be 1 hour long with a 30-minute Q & A session after the conclusion of the presentations.

The Lewistown Financial Literacy Seminar (FLS)

The FLS started first in Lewistown on Sunday May 21, 2017, at 4:00 pm. It then continued for the next four days until it concluded on Thursday May 25, 2017. These presentations were held at the local Lewistown Seventh-day Adventist Church located at 423 West Montana Street in Lewistown, Montana. A total of 12 people took part in the FLS. Ten people attended physically, and two more people participated in the FLS by watching the online video presentations mentioned below in this chapter.

Roundup Financial Literacy Seminar (FLS)

The FLS in Roundup started on Monday, June 19, 2017, at 4:00 pm and concluded on Monday, June 26, 2017. A total of 20 people took part in the FLS provided in Roundup. Eleven people were physically present at the FLS Roundup location at 605 3rd Street E. in Roundup, Montana. The remaining nine people watched or listened to the audio-visual materials of the FLS provided on the online website noted below.

Online Resources

A relatively high percentage (45%) of the subjects participating in the FLS by watching the online resources did so because of the geographic distance, work
commitments, summer vacations, and other health and mobility factors. More information on this pattern is presented in Chapter 6 of this project.

As described in Chapter 4 of this paper, arrangements were made for those participants who were not able to participate physically in the FLS at the time it was given to view the FLS presentations via recorded video and audio on an external website. This website (www.andrewraduly.com/dmin.html) stored a set of all seven FLS presentations as offered in Lewistown. These presentations were available in two formats: video with audio and audio only. A set of the Keynote slides used during the presentations was also provided for convenience. Prior to recording these presentations, a verbal agreement was sought and obtained from the participants to consent to a video and audio recording of these presentations. No participating subjects (their likeness, or image) were recorded at any time during the FLS. No video recording was done during the FLS in Roundup.

Summary

As noted earlier in this chapter, a total of 32 people participated in the FLS in Roundup and Lewistown. The average attendance in the Roundup-Lewistown Seventh-day Adventist Church district for the period starting July, 2016 and ending in July, 2017 was 36. A total of 88% of the Roundup-Lewistown Seventh-day Adventist Church district membership took part in the FLS.

Post-Financial Literacy Seminar Assessment Survey (POSTFLAS)

The POSTFLAS was intended to measure any perception changes in the participants from PREFLAS to POSTFLAS ostensibly due to information about financial
literacy concepts found in the FLS. A total of 30 people took the POSTFLAS in the Roundup-Lewistown Seventh-day Adventist Church district. This meant that a total loss of two participants occurred. That meant that close to 7% of the subjects who participated in the PREFLAS decided not to participate any longer in the research.

The POSTFLAS was administered in Roundup on July 10, 2017, at 6:00 pm with 19 individuals participating. The same announcement protocols were followed with the POSTFLAS as with the PREFLAS.

The POSTFLAS was announced in the Roundup Seventh-day Adventist Church during the same break (between Sabbath School and the regularly scheduled worship service) on July 1 and July 8, 2017. This announcement was also included in written form in the local church bulletin. Between the PREFLAS and the POSTFLAS, Roundup experienced the loss of one participant.

In Lewistown, the POSTFLAS was held on Wednesday July 12, 2017, at 6:00 pm with 11 people participating. The same announcement was made for POSTFLAS in Lewistown as in Roundup on July 1 and July 8, 2017. Between the PREFLAS and the POSTFLAS, Lewistown also experienced the loss of one participant.

The POSTFLAS was collected by the same designated member of the local churches, sealed in a manila envelope, and sent to the Montana Conference of Seventh-day Adventists which was once more designated to be the independent third party for tabulation and aggregation. Laryssa Barlow, an assistant at the Montana Conference of Seventh-day Adventist headquarters, aggregated the raw data once more for the POSTFLAS, and tabulated it into a Microsoft Excel spreadsheet. The hard copies of the
POSTFLAS were also sealed in an envelope and deposited at the Montana Conference of Seventh-day Adventists in a safe.

The PREFLAS and POSTFLAS Data Interpretation

Demographic Questions

Out of the 98 questions in the financial literacy survey, 57 were demographic in nature. That represented 58% of the total questions in the pre- and post-financial literacy seminar surveys. These demographic questions dealt specifically with characteristics of the respondents. These included both simple descriptors (e.g., age, gender) and historic financial behaviors (e.g., having a checking account). Fifty-four demographic questions or 94.7% (out of the 57) did not have any statistically significant differences between the PREFLASS and the POSTLFAS (as measured by the Student T-test).

Three demographic questions did indicate a statistically significant difference in the respondent’s answers in the POSTFLAS. These statistically significant difference questions represented 3% of the total survey questions and 5.2% of the demographic questions. The statistically significant differences in the demographic section were found in questions #52, #56, and #93. More details about these questions are provided in the last segment of this chapter (the statistically significant differences questions subsection).

Questions That Indicated No Statistical Significant Differences

A total of 92 questions (out of 98) in the survey did not have a statistically significant difference as measured by the Student T-test. This percentage indicated that the FLS had marginal benefit in improving the perceptions and/or behaviors of the respondents when it came to the studied financial literacy topics.
There were 48 questions (out of 98) that did not have any statistically significant difference because of the FLS, but they suggested an upward trend in gaining knowledge and a positive change in perception towards newly acquired financial literacy concepts. A total of 18 questions that had an upward trend were demographic in nature, and because the demographic questions were meant to demonstrate that the PREFLAS and POSTFLAS respondent populations were essentially the same, I considered only the absence of significant differences for these questions. A further 22 questions with an upward trend were those that measured knowledge about a financial principle. These can be taken to suggest (but not demonstrate) that there might have been a benefit from the seminar experience. Finally, 8 questions in the category examining changes in understanding financial principles and the ability to perform related mathematical calculation were among those that demonstrated an upward trend. Because these reflected changes in both understanding of financial principles and the ability to perform related mathematical calculation, the result of comparing the PREFLAS and POSTFLAS, the effects of the seminar, are more difficult to evaluate as changes could reflect either or both of the two elements.

Question #12 suggested a clear positive upward trend in regards to how respondents spend their discretionary income. The question asked: “If you have some money left after regular expenses are paid, what did you do with it?” The multiple choice answers were (a) I spend it on various consumer goods or services, (b) I keep the savings in cash, (c) I invest it, (d) I lend it to family or friends who need it, (e) I never have money left over. In PREFLAS 11 individuals indicated that they spend their discretionary income on various consumer goods. In POSTLFAS only 4 people indicated the same
choice. In terms of percentage, this was a 64% reduction in the number of people who gave this response. Three people noted in the PREFLAS that they would invest the additional money. This number jumped to 5 after the FLS.

Financial Literacy Principles Trending up Questions

Out of the 36 financial principles knowledge-testing questions, a total of 22 questions (#6, #14, #25, #38, #39, #41, #42, #47, #57, #58, #60, #75, #83, #84, #87, #89, #90, #91, #92, #94, #96, #98) suggested an upward trend in a changed perception about financial literacy concepts. Two examples are presented below.

Question #60

One question in the surveys achieved a Student T-test score of p<5.21%. While statistically this question did not meet the chosen statistical significance protocol threshold of p<0.05, it merited mention in this trending-up category because of a very strong upward trend in its change.

Question #60 asked the respondents: “Which statements are true in regards to an IRA and a ROTH IRA?” Possible multiple choice answers were (a) A ROTH IRA is an investment option that is funded with already taxed dollars, (b) An IRA is an investment option that is funded with pre-taxed dollars, (c) There is a penalty imposed by the government if either is withdrawn before the age of 59 ½, (d) A ROTH IRA is a better option if the beneficiary will be in a higher tax bracket upon retirement, (e) An IRA is a better option if the beneficiary will be in a lower tax bracket upon retirement, (f) I don't know what IRAs are.

Before the FLS a total of 10 individuals indicated that a ROTH IRA was an
investment option funded with already taxed dollars. In the post seminar survey 17 people gave the same answer. This was a substantial positive change in the perceptions of the participants as it related to this question. The second notable change was in the reduction in numbers of those who did not know what IRAs were before and after the FLS. In the PREFLAS 19 people mentioned that they did not know what an IRA is. This number changed to 10 in the POSTFLAS. Nine people felt that the financial seminar gave them enough information to understand what an IRA was, and thus they changed their answers. The rest of the changes as they related to this question were marginal. This question indicated a positive upward trend towards assimilating financial literacy concepts by the participants after the FLS.

**Question #90**

This question sought to understand the respondents’ financial knowledge about private mortgage insurance (PMI). The question asks: “*When does a borrower need to pay PMI?*” The multiple choice answers were the following: (a) *When the down payment is less than 20% of the loan value*, (b) *When the down payment is 5%*, (c) *When the loan exceeds $250,000*, (d) *I don’t know*. The correct answer was option a). In the PREFLAS, only 12 people indicated that they knew the right answer. After the FLS, this number increased to 22 individuals. This was a significant increase of 83%. Before the financial seminar, 17 respondents indicated that they did not know the correct answer to the question, while after the financial seminar, this number dropped to only six respondents. This was also a considerable increase of 83%. These changes indicated a positive upward trend in perception change about what PMI was. This data suggested that the participants gained knowledge from the “Major Purchases” presentation of the FLS.
Financial Principles Requiring Mathematics
Calculations Trending Up

Ten of the 98 survey questions focused on knowledge of financial principles, but required mathematics calculations to obtain a correct response. This number represented 10% of the entire financial survey. A total of eight questions (#8, #9, #21, #30, #33, #34, #37, #66) in this category suggested a positive upward trend despite having no statistically significant difference in the response as evaluated by the Student T-test.

Questions on Financial Literacy Principles Requiring Mathematical Calculations

The ten questions requiring mathematical calculation also had an element that sought to measure the capacity of the respondents to understand financial literacy principles. None of the questions that required mathematical calculations had a PREFLAS and POSTFLAS statistically significant difference because of the information presented in the FLS. Consequently, the answers provided by the respondents within this category were informative to the FLS provider, but did not demonstrate that the seminar had a convincing effect. For example, some respondents were able to understand the abstract principles described in a given question, but they were unable to perform the mathematical calculations that were part of the same question.

An example of this effect is question #34. This question asks the respondents: “If you have $100,000 in your bank account and you earn a 10% return on this money, how much will you have in 5 years (not counting for compound interest)?” Possible answers to this question were (a) I don’t know, (b) Less than $150,000, (c) $150,000, (d) More than $150,000.

The first part of the question tested the knowledge of the individuals about
financial principles in regards to return on investment (ROI) over a given time period. It also tested the ability of the respondents to perform a mathematical calculation. The issue was that both knowledge-testing of the financial principle and mathematical calculation ability were included in the same question. In the PREFLAS, 12 respondents indicated that they did not know the answer. In the POSTFLAS, only one participant noted that he or she did not know the answer. This was a 92% reduction in the number who said they did not know and the question had a p of 21% for the question.

This percentage suggested a trend in which the participants learned the financial principle because of the FLS. While this change was substantial, it still fell short of the p<0.05% threshold needed to qualify as statistically significant in difference. On the other hand, when it came to the mathematical calculation, 19 individuals gave the wrong answer in the POSTFLAS (versus 16 in the PREFLAS). Before the seminar, five participants gave the right answer (c), and right after the seminar this number increased to 10 respondents. While the financial principle was easily grasped, the ability to perform the calculation was lacking. This discrepancy could be due to some respondents calculating for compound interest, even though the question noted not to take that aspect into consideration. It is my belief that such a question needs to be reformulated into two separate questions so as not to create confusion in the minds of the survey takers.

The questions that tested financial literacy knowledge and mathematical calculation ability had no statistically significant differences because the answers given by the respondents (based on their knowledge acquired during the FLS) were affected by the math calculation portion of the given questions.
Financial Literacy Principles Questions

There were 36 questions in the survey that looked specifically at the ability of the respondents to identify or learn financial literacy principles before and after the FLS. This was a 37% of the total financial survey. A total of 33 questions in this category had no statistically significant difference as measured by the Student T-test method. Some of these questions, however, suggested a trend towards an improvement in knowledge regarding financial literacy principles. Two of examples are given here in questions #41 and #42.

Question #41

This question intended to measure the respondent’s perception about why saving was an important financial behavior. The question asked: “What is the reason behind your desire to save?” The multiple choice answers were the following: (a) For a rainy day, (b) For retirement, (c) It’s just the right thing to do, (d) To produce more income from dividends or interest payments, (e) To increase my standard of living, (f) To be financially independent, (g) No particular reason; it’s what my family did. The biggest change in this question response occurred in answer d. In the PREFLAS, only four respondents noted that they wanted to save with the intent of multiplying their savings via dividends and interest payments. This number increased to seven in the POSTFLAS. This was a 75% increase. However, the change in the responses to this question still fell short of a statistically significant difference. The same question also suggested that 22 people (versus 20 before the seminar) wanted to become financially more independent after the FLS. Again, these changes are insignificant from a statistical standpoint, yet they suggest a trend in the desire for change when it comes to a perception and behavior of saving.
Question #42

This question sought to understand the reason why saving money was not a priority in some of the parishioners’ minds. The question asked, “If you do not save, what is the reason for not saving?” The possible multiple choice answers were the following: (a) I don’t trust financial institutions, (b) I don’t have enough income to save, (c) I manage my money poorly and don’t have leftover income for saving, (d) I don’t see the point in saving, (e) I don’t know how to save, (f) Not applicable—I do save.

The most substantial positively trending change occurred in answer e). In the PREFLAS, 10 participants indicated that they did not know how to save. This number was reduced to 0 in the POSTFLAS. This trend suggested that the FLS bettered the perceptions of the respondents about savings, even though the responses in aggregate had no statistically significant difference.

Questions With a Statistically Significant Difference

A total of six questions (#7, #26, #52, #56, #59, #93) out of the 98 on the survey had a statistically significant difference as measured by the Student T-test method. This represented 6% of the total survey questions. Three of the questions were demographic in nature (#52, #56, #93), while the other three (#7, #26, #59) were meant to test the knowledge of the participants in regards to basic financial principles without the need to conduct mathematical calculations.

Demographic Questions With a Significant Statistical Difference

Question #52

Question #52 asked the respondent, “Which of the following statements best
describes your financial behavior?” The possible multiple choice answers for this question were the following: (a) I have a budget, (b) I don’t have a budget, (c) I have a vague idea on how much I spend on various things, (d) I struggle to keep up with the bills and I am in collections, (e) I am seriously considering filing for bankruptcy. The Student T-test p was 4% for this question. The statistically significant difference in this question occurred in two areas. In the PREFLAS for example 17, respondents indicated that they did have a budget. In the POSTFLAS, this number increased to 23. In percentages, this represented a total increase of 36%. This was a positive change in the respondents’ perception of financial behavior. This change in perception was most probably due to the FLS containing specific information about the importance of having a budget. This improved percentage did not necessarily reflect improved behavior (the post seminar implementation period was too short), but rather an expectation of a different future behavior in regards to the process of budgeting.

The second important difference occurred in the change given in answer c (I have a vague idea on how much I spend on various things). In the PREFLAS, 13 respondents indicated that they had a vague idea about their spending. In the POSTFLAS, only three respondents gave the same answer. In terms of percentages, this is a 77% drop. The reason for this pattern is unknown. The expectation based on PREFLAS responses was for this number to improve after the FLS, but the opposite took place, perhaps because the confidence in their knowledge increased.

**Question #56**

Question #56 also had a statistically significant difference. The Student T-test p was 2%. The question asked the respondents, “Have you ever considered investing your
savings in something other than a bank?" The multiple choice answers for this question were (a) Yes, (b) No, (c) I don’t know how to invest, (d) Investing is way too complicated for me, (e) Not applicable.

In the PREFLAS, seven respondents answered with “Yes.” In the POSTFLAS, this number doubled to 14. In terms of percentage, this was a 50% increase. In the PREFLAS, 21 participants noted that they have not considered investing in anything other than a bank. In the POSTFLAS, this number was reduced to 12. This is a 43% reduction. These responses suggested that a statistically significant difference occurred in the responses due to the FLS. Another important observation here was the fact that in the PREFLAS, three respondents noted that they did not know how to invest, while in the POSTFLAS, this number was reduced to 0. There was also a slight change when answering whether investing was too complicated for the respondents. Before the FLS, this number stood at 1, but after the FLS this number increased to 2. A possible explanation to this downwards trend was that the presentation covering investments was not adequate in length of time, and many financial concepts (about investing) were “crammed” in due to lack of time. This might have caused some confusion. The participants were encouraged to ask questions in the Q & A session (which was allocated 30 minutes) after the seminar, but few did so.

Question #93

Question #93 also had a statistically significant difference. The p from the Student T-test stood at 4%. This question asked the respondents, “How do you usually pay for your vehicle?" The multiple choice answers were the following: (a) I borrow the money from the bank and make payments on it, (b) I pay cash, (c) I put at least 10% down and
finance the rest, (d) I ask family and friends to lend me the money and I will repay them later, (e) I don't really like cars and don't buy them—I prefer riding a horse or walking, (f) I don't know—I don't own a car.

In the PREFLAS, 6 respondents indicated that they were comfortable borrowing money from the bank and making payments when considering the purchase of a vehicle. This number increased to 8 respondents in the POSTFLAS, an increase of 33%. Five people noted before the FLS that they would put at least 10% down and finance the rest. After the FLS, this number dropped to 3 respondents. Before the FLS, 4 participants noted that they did not like cars nor bought them. In the POSTFLAS, this number dropped to one participant. Eighteen participants noted that they would pay cash for a vehicle in both the PREFLAS and POSTFLAS. When covering the subject of major purchases (the seminar talked about methods to purchase a car amongst other things), it was presented that purchasing a vehicle with cash was potentially the best course of action from a financial perspective. The increase in the number of individuals who would buy a car on credit was an unexpected result.

Financial Principles With a Statistically Significant Difference

Out of the 36 questions that measured knowledge of a given financial principle, only three questions (#7, #26, #59) had a statistically significant difference as measured by the Student T-test method.

Question #7

Question #7 asked, “Do you know what net worth is?” The possible multiple choice answers were the following: (a) Yes, (b) No, (c) I have heard about it but I don’t
know how to calculate it, (d) Other. This question had a statistically significant p of 3%.

In the PREFLAS, 19 respondents indicated that they knew what net worth was. In the POSTFLAS, this number increased to 25. In terms of percentages, this meant a 32% increase. When asked if the respondent did not know what net worth was, 7 individuals noted in the PREFLAS that they did not know versus only 3 people in the POSTFLAS. In the PREFLAS, 7 survey takers responded that they did know what net worth was, but did know how to calculate that number. After the FLS, survey results indicated that only 2 people did not know how to calculate this number while understanding the abstract meaning behind the notion. These numbers indicated that the financial seminar provided input that improved the ability of the participants to understand net worth. This positive change in the perception of the participants may be attributed to the information presented in the FLS.

Question #26

Question #26 asked the respondents, “Which of the following statements is the most accurate?” The possible multiple choice answers were the following: (a) Carrying a balance on a credit card can help you improve your credit rating, (b) Carrying a balance on a credit card will have no effect on your credit rating, (c) Carrying a balance on a credit card could help your credit, but it’s still wise to pay off the balance in full every month, (d) I don’t know, (e) Not applicable.

This question had a statistically significant p of 4%. Two specific areas of change were noticeable in this question. In the PREFLAS, 23 participants answered with answer c. After the financial seminar was concluded, 26 participants chose this answer. This was a 13% increase in the correct response. This perception of the participants changed after
the seminar and trended towards paying off more debt and carrying less credit card balances. However, the greatest change occurred when the participants chose answer $d$. Before the financial seminar, 8 participants noted that they did not know if carrying a balance would improve their credit or that carrying a revolving balance was a good financial behavior. This drastically changed after the FLS. Only 1 person noted that he or she did not know the answer to this question. Seven people likely changed their answer due to the information presented in the “Debt Servicing” presentation of the financial seminar. It was refreshing to observe this change as some of the members of the Roundup-Lewistown Seventh-day Adventist church district indicated that debt servicing, specifically carrying revolving balances, was a significant issue in “getting ahead” financially. The data suggested that the participants understood the financial principle that revolving debt was detrimental to the well-being of their financial standing. They also understood that paying off debt in full every month was an optimal financial behavior. The rest of the data did not suggest major shifts in perception. For example, only 1 person chose answer $a$ in both the PREFLAS and the POSTFLAS. A minor change occurred when answer $b$ was selected (0 people in the PREFLAS vs. 1 person in the POSTFLAS). Overall, the data in this question indicated that the information presented in the FLS was beneficial in this specific area for the participants who took part in the FLS.

**Question #59**

Question #59 asked the respondents, “What is a mutual fund?” The possible multiple choice answers were the following: (a) A pool of money from various investors who agree to share the risk and invest in various stocks and bonds (or other assets) in the
hopes of a return on the money invested, (b) A bank that lends funds on mutually agreed terms, (c) A stocks and bond fund that will give the highest return possible, (d) I don’t know what a mutual fund is. This question also had a statistically significant p of 4%. The most important changes in this question occurred in answers a and d. In the PREFLAS, 17 people chose the right answer: a. This changed to 23 after the FLS. Six people felt that the FLS helped them understand which was the best answer to the question. This was a 35% positive change in perception as related to what a mutual fund was. The other important change occurred when participants answered if they knew at all what a mutual fund was. A total of 15 people indicated that they did not know what a mutual fund was before the FLS. After the FLS was presented, this number dropped to only 7 people. According to this data, 8 people benefited from the “Investing” presentation in the FLS which covered what a mutual fund was. This is also a 53% positive change in the perceptions and understanding of those who took the POSTFLAS. A minor change occurred in one person’s choosing answer c in the PREFLAS. In the POSTFLAS, no respondent chose the same answer c that stated that “A stocks and bond fund that will give the highest return possible” was the right answer to what a mutual fund was.

Summary

After studying the data from the PREFLAS and POSTFLAS, the conclusion was that only 6% of the questions (6 questions) in the survey had a statistically significant difference in the responses to the two surveys. The vast majority of the questions did not have a perception change in the respondents due to the information presented in the FLS. As mentioned above, 48 questions did not have a significant statistical difference, yet responses to these questions suggested a trend in perception change toward a better
understanding of financial principles. Recommendations and observations related to this
analysis are discussed in the next chapter (Chapter 6) of this document.
CHAPTER 6

SUMMARY, OBSERVATIONS, RECOMMENDATIONS AND CONCLUSION

Introduction

This chapter summarizes the findings of the implementation of this project, offers observations, and suggests recommendations.

The chapter is divided into five sections. Section one is the introduction to this chapter. Section two presents the summary of this project. Section three presents observations about the surveys (PREFLAS and POSTFLAS) and the financial seminar (FLS).

Section four suggests recommendations. Section five presents the conclusion of this project.

Summary of the Project

As stated in Chapter 1, this project started with an informal pastoral observation of the Roundup-Lewistown Seventh-day Adventist Church district membership, their financial literacy perceptions, and money management skills. This observation suggested that one third of the church district membership struggled with financial literacy concepts and practical money management skills.

The task of this project was to develop, implement, and evaluate a basic financial
literacy training model based on a biblical theological reflection. This project was potentially meant to improve the financial literacy perceptions and the everyday financial management skills of the participants.

Chapter 1 of this project described the problem, task, delimitations, limitations, and description of this project process.

Chapter 2 suggested a theological foundation for financial literacy based on Scriptural premises. Such a theological reflection was needed to emphasize the distinctive, peculiar, and spiritual worldview of the Seventh-day Adventist denomination, as well as to help its members in the Roundup-Lewistown Seventh-day Adventist church district to understand financial literacy concepts better and to improve their money management skills.

Chapter 3 evaluated and researched relevant literature of the past 5-7 years that enhanced the financial literacy concepts of the participants in this research. Christian literature about the topic (financial literacy), as suggested in Chapter 3, was scarce. Most literature about financial literacy principles, concepts, and praxis derived from secular economic and financial research. A few self-proclaimed Christian financial counselors and/or ministers promoting prosperity gospel theologies (noted in Chapter 5) existed within the wider financial literacy literature, but they were anecdotal in nature, extraneous, and insubstantial from a qualitative research perspective.

Chapter 4 described the methodology of the entire project process. A historical context was given about financial literacy perceptions, behavior, and practice in the Roundup-Lewistown Seventh-day Adventist Church membership. Possible causes such
as precarious socio-economic backgrounds, lack of basic financial literacy, and poor money management skills were studied.

Chapter 5 evaluated the results of the implementation of the project. After studying the data from the PREFLAS and POSTFLAS, the conclusion was that only 6% of the questions in the survey had a statistically significant difference as measured by the Student T-test method. The vast majority of the questions did not indicate a perception change in the respondents due to the information presented in the FLS. As noted in Chapter 5, 48 questions did have responses that suggested a positive upward trend in perception change toward a better understanding of financial literacy principles. Recommendations and observations related to this analysis are discussed next in this chapter.

**Observations About PREFLAS and POSTFLAS**

**Observation 1: Advanced Notification and Advertisement**

Based on the PREFALS and POSTFLAS participation, it was observed that more advertising and even longer advanced notification was needed when considering the administration of any future financial literacy surveys. While total participation was high (88% of the total membership active on any given Sabbath), 45% of the survey takers participated by taking it remotely (they completed surveys in their homes). As previously noted, the reason for this remote participation was due to health, work, mobility, and geographic distance factors.

**Observation 2: Clarity of Survey Questions**

Out of the 98 questions on the financial literacy assessment surveys, 6% had a
statistically significant difference. It is suggested that a possible reason for such a large percentage of questions with no significant statistical difference was the ambiguous language at the time of the survey itself. As previously noted, this survey was composed of questions based on field-collected (Roundup-Lewistown Seventh-day Adventist Church district) conversations, perceived financial literacy needs, and counseling sessions with the members of the Roundup-Lewistown Seventh-day Adventist church membership. Some questions proved to be more complex than needed and gave the opportunity for the respondents to answer the question in multiple ways. This variability factor had the potential to influence the perception of the respondent and the collected data. Questions which required both financial literacy and mathematical skills were unlikely to show statistically significant differences between PREFLAS and POSTFLAS responses, while the trends in the survey responses suggested financial literacy in the areas examined had been affected by the FLS.

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Observation 3: Length of the PREFLAS and POSTFLAS

It was observed that the 98 questions on the financial literacy assessment surveys necessitated a long time to complete (over an hour and a half for some participants) and it had a detrimental effect on the time of those who took the survey. The demographics of the survey takers included people with health-related disabilities or mobility problems. In some cases, advanced age was a factor and prolonged the completion of the
surveys. Employment-related scheduling also played a role in the timely completion of the surveys.

Observations About the Financial Literacy Seminar (FLS)

Observation 1: Duration of the FLS

The FLS had seven presentations of one hour each. The seven hours of instruction may have been insufficient to change the perceptions and behaviors of those who participated in the FLS. The 60 minutes allocated to cover the major financial topics (assessment, evaluation, debt servicing, savings, major purchases, investing, retirement, and estate planning) proved to be far too short. However, longer presentations (i.e., longer than 60 minutes) of the FLS might have further accentuated absenteeism amongst the potential participants due to age, health mobility, and the employment issues identified above. It was observed that these issues tended to force the presenter to “cram” as much information as was possible into the given presentation. This aggregation of cognitive information might have been at least a partial cause for some financial literacy concepts not being properly assimilated or understood.

Observation 2: Simplification and Separation of Financial Literacy Topics

It was further observed that when two topics of financial literacy were combined in one presentation (e.g., Presentation #7: Retirement and Estate Planning), the participants indicated that some terms and concepts were harder to grasp due to the shortness of the time in which such concepts were presented. The seven presentations that formed the core of the FLS were too few to properly encompass the twelve major topics of financial literacy.
Observation 3: Logistical Factors: Venue and Time

A total of 45% of all participants were unable to attend the FLS physically. While this percentage was unusually high, it was expected due to earlier noted demographic factors (e.g., health). The location of the FLS administration (the local Seventh-day Adventist churches) seemed also to be an issue. Some participants lived a considerable distance from the local church.

The timing of the FLS (4:00 pm and 6:00 pm) also prevented some participants from attending due to work related commitments. Subjects with active employment usually concluded their employment for the day at 5:00 pm or 6:00 pm. Travel time to the local FLS site necessitated, on average, a minimum of 20 minutes and a maximum of 60 minutes.

Observation 4: Health and Mobility Factors Affecting FLS Attendance

A major concern that emerged in the FLS participation was mobility and health. Several people had a difficult time attending the presentations due to poor health. Others were unable to attend due to mobility-related disabilities. A small minority was hindered in attendance due to driving related issues (could not drive or did not have a driver).

Observation 5: Omitted Topic of Major Importance: Insurance

It was noted that the FLS was missing a major topic within financial literacy, specifically insurance. This omission was due to a pragmatic approach on my part to focus on areas of identified need (assessment and evaluation, debt servicing, major purchases) that were noted when conversing in informal settings with the Roundup-Lewistown Seventh-day Adventist church membership. A majority of participants did
not indicate insurance as being of paramount importance when asked prior to the project’s being started. Most subjects (25 in the PREFLAS and 26 in the POSTFLAS) noted that they had adequate health insurance, but that they did not have adequate disability insurance (17 in both the PREFLAS and the POSTFLAS). A large number of participants (28 in the PREFLAS) did not have long-term care insurance (covering nursing home costs, for example, despite the fact that most participants were elderly and in poor health). After the FLS, this number did not decrease drastically; it stayed at 24 in the POSTFLAS.

Half of the participants in the FLS (16 in PREFLAS) did not have life insurance. This number marginally improved in the POSTFLAS (14 people). These numbers suggested that despite insurance not being “important” in the perception of the participants, from a financial literacy and planning perspective, this was an area of great need for at least some of the participants.

Observation 6: Post FLS Implementation Time

This project commenced with the premise that financial literacy perceptions and behaviors would be observed to improve if the FLS had any specific and positive value (in terms of perception and behavior change) to the Roundup-Lewistown Seventh-day Adventist church membership. The PREFLAS established the baseline data to which POSTFLAS data was compared. The time allocated for a perception and behavior change (from PREFLAS to POSTFLAS) was less than eight weeks. This timeframe was hardly enough for a comprehensive behavioral change, but it was adequate for perception changes and a gain in new financial literacy concepts in some of the
participants. The financial literacy perceptions of the participants had the potential to change. The behavioral change, however, was harder to achieve in such a short time.

**Recommendations About PREFLAS and POSTFLAS**

**Recommendation 1: Three Months’ Advance Notification**

Based on observation #1 noted in this chapter, it is recommended, therefore, that at least three months' advance notification be given for any future survey-taking activity. Advertising within the local church should also follow the same pattern. It was observed that some participants had a difficult time traveling or changing their work assignments to be physically present at the site where the surveys were taken if the activity was to be concluded in less than 2-4 weeks.

**Recommendation 2: Simplify and Separate Complex Questions**

Observation #2 suggested that questions on future surveys about financial literacy should be less complex and possibly separated in several different parts. In this case, one question could measure mathematical calculation ability, and another, separate question could measure financial principle knowledge.

**Recommendation 3: Shorten the Length of PREFLAS and POSTFLAS**

Based on observation #3, I recommend that the length of the financial literacy assessment surveys be shortened to accommodate the various demographic factors mentioned earlier. Health, mobility, geographic, and employment factors could seriously affect the efficacy and success of future surveys should this consideration not be considered.
Recommendations About the FLS

Recommendation 1: Lengthen the Duration of the FLS over a Period of Time

It is therefore recommended that future FLS presentations keep the duration of 60 minutes, but be scheduled and advertised in advance (at least 12 weeks in advance) over a longer period of time. These seminars could be given once a week for a twelve-week period. The success of any future FLS will be dependent on flexibility and demographic variability factors. It was suggested by the Roundup-Lewistown Seventh-day Adventist church membership that weekends would work better for the majority of the participants.

Recommendation 2: Simplification and Separation of Financial Literacy Topics

It is therefore recommended that the FLS be changed from seven presentations to a 12-presentation FLS. The original FLS presentation list was presented in Chapter 1 of this paper. It is recommended that the new presentation list be the following:

1. Assessment and Evaluation of Present Financial Situation
2. The Process of Financial Goal Setting
3. The Budgeting Process
4. Debt Servicing
5. Major Purchases: The House
6. Major Purchases: Cars
7. Major Purchases: Education
8. Saving
9. Investing
10. Insurance
11. Retirement
12. Estate Planning

Recommendation 3: Consideration for Logistical Factors: Venue and Time

Based on information gained in observation #3 it is recommended that in order to accommodate participants in the future, FLS presentations be scheduled on a weekend, rather than a weekday. The majority of employed participants were able to participate better when seminars were presented on a weekend. It is also recommended that summer months be avoided due to family vacations being scheduled in such time periods. When considering a winter schedule for an FLS, special attention should be given to driving conditions and timing. Many participants in the Roundup-Lewistown Seventh-day Adventist district were more advanced in age and voiced concern about driving after dark and on unsafe road conditions. Depending on the season, the timing of the presentation could detrimentally affect the success of FLS attendance. In the winter, for example, an FLS scheduled after 7:00 pm would likely be unsuccessful. In the summer, an FLS presentation scheduled before 4:00 pm would likewise be unsuccessful due to employment commitments.

Recommendation 4: Consideration for Health and Mobility Factors

It was noted by the FLS participants that an online accessible database was invaluable for those who could not attend the FLS physically. It is recommended that such a resource be incorporated intentionally into the planning process of the entire FLS.
For those unable to access the internet, audio and video resources should be provided on DVD discs and CDs respectively.

**Recommendation 5: Inclusion of Insurance as a New Topic in Future FLS**

Based on the results obtained from some of the responses (Q#72, Q#73, Q#74, Q#75, Q#76) given by the participants, it is recommended that the topic of insurance be included in future FLS. This is especially important if the demographic taking the FLS is at retirement age or in need of specific medical attention that would overwhelm their financial ability; insurance protection would aid that particular situation.

**Recommendation 6: Longer Post-FLS Implementation Time**

It is therefore recommended that a longer post-FLS implementation time be tried before the POSTFLAS is administered. Based on informal conversations with the FLS participants, it was suggested that this post-FLS implementation time be between 3-6 months. Any period that was longer than six months risked information loss (forgetting information that was gained in the FLS by the participants. I tend to agree with that suggestion based on the observations noted above.

**Other Recommendations**

**Recommendation 1: Local Church Should Have a Financial Literacy Program**

Every Seventh-day Adventist church district should have a financial literacy program and culture in place to help the parishioners served. An online and print resource center should be developed for the constituency within the local congregation to support the pastor. This could be achieved via a website where specific information
and presentations about financial literacy would be posted. A quarterly newsletter would also be instrumental in focusing the local membership on furthering their financial education on a consistent and long term basis.

Recommendation 2: Ministerial Community Should be Financially Literate

Based on the observations gained in this project process, it is recommended that ministers have a rudimentary knowledge of financial literacy and be provided tools to strengthen that knowledge. Especially in small, rural churches and districts, the membership will often be unable to afford a financial literacy educator. In such cases, the local minister will often fill such a vacuum and try to present the FLS. If the financial literacy knowledge is missing, the local minister does not have a basic financial literacy education, credibility will not be lent to the FLS and potential success will be elusive. As the author of this project, I was inadequately prepared in giving an effective FLS due to a lack of sufficient knowledge in the area of financial literacy and education. Consequently, I enrolled in a Master of Science (MS) degree program in Family Financial Planning at Montana State University in 2015. It is my belief that specific knowledge is necessary for anyone who embarks in holding a FLS. It is my intent to take the Certified Financial Planner (CFP) exam in 2018 and graduate from the MS program in 2019. Such expertise will equip me as a local minister to meet the needs of those I serve better.

Recommendation 3: The Creation of a Financial Literacy Concentration Minor at the Seventh-day Adventist Theological Seminary for Future Clergy
At first sight, finance and theology may not appear to be natural partners. Yet, every minister once assigned a district could attest to how important finance is in the life of the local church and in the lives of the parishioners. In my graduate studies at the Seventh-day Adventist Seminary in Berrien Springs, Michigan, I was not enrolled in even one financial literacy related course. Such courses were not offered at the time I was a graduate student (2005-2008). Therefore, it is my recommendation that the Seventh-day Adventist Seminary develop and teach a concentration of courses that could effectively prepare future clergy to deal with financial literacy issues once they are assigned to a local parish.

Recommendation 4: Institutional Investment in Clergy

The Seventh-day Adventist global church should invest in key people and programs that could develop a distinctive Adventist financial literacy program and culture. At the present time, the North American Division (NAD) sponsored *Faith and Finance* program is a good start. John Mathews of the NAD of the Seventh-day Adventist Church is developing a series called “*Stupid Money*” that will talk about various financial literacy principles and how people use their money. This is likewise a good start. Yet, more should be done. It was observed that most parishioners in the Roundup-Lewistown Seventh-day Adventist church district had a general knowledge of Dave Ramsey. He provides a generalized personal finance course and promotes personal books, articles, and a web presence. His approach seems to include a conflict of interest since many of his supporting materials are sold and generate personal income for himself. It would be of a great value if financial literacy principles were presented from the distinctively unique Seventh-day Adventist theological perspective, and not rely on
other secular or pseudo-Christian authors and entities that may not espouse similar or compatible values as those of the Seventh-day Adventist Church.

To this effect, the local conferences, unions, and divisions could create and foster a culture of financial literacy and education that would be beneficial (long-term) to the church itself. It is my personal belief (based on the conclusion of this project) that a local church member who is not under stress about financial issues could be potentially a more productive, well balanced, faithful (in stewardship) member in the local church.

Recommendation 5: Institutional Commitment to Financial Literacy

It is recommended that the General Conference of the Seventh-day Adventist Church (GCSDA) dedicate resources for a publication (electronic and print) that would be responsible for disseminating specific, practical, and current information about financial matters (and presented from a Seventh-day Adventist theological perspective) of great importance to its membership. This publication could be named “The Financial Herald” or any other similarly informative name. The GCSDA has numerous worldwide theological, cultural, and social service oriented publications that greatly, honorably, and effectively serve its membership and the non- Seventh-day Adventist public at large. There is no financial literacy resource presence within the church at such a global scale.

Recommendation 6: A GCSDA Sponsored Financial Literacy and Education TV Channel

The GCSDA could also consider a dedicated TV channel as a conduit for helping its membership and be a missional presence and influence for the non-Seventh-day Adventist public that also struggles with financial literacy and education. Such a station
would be an invaluable tool in promoting not only substantive financial literacy, but also act as a bridge to a non-Seventh-day Adventist world in which compassion, selfless dedication, and service could translate to a more positive perception towards the Seventh-day Adventist brand. The case in point here is the example of Adventist Development Relief Agency (ADRA). This organization has done and is doing such exemplary service in the world that its reputation is stellar. A future Seventh-day Adventist Church-operated financial literacy channel that is practical, current, relevant, substantive, yet easily grasped could bring substantial recognition for its efforts to foster global financial literacy.

Conclusion

This project started with the idea of relevancy. It was my personal desire to help those parishioners who were struggling because of poor financial literacy education and meager money management skills. Idealism was the main driver of this desire to help. I pictured a near-eradication of debt-servicing, late fees dismissals, increased savings, better preparedness for retirement, and an end to the semi-frequent request for financial help from the local church board by the parish membership. This is hardly the case. The reality is that 94% of the intervention proved to be ineffective from a statistical analysis standpoint. The 6% positive change in perception and potential future financial literacy related behavior is, however, a good start. Encouraging is the fact that nearly half of the respondents gave answers that suggested a positive upward trajectory in financial literacy perception changes. This starting point should be capitalized on.

We need to do more. For the past 154 years the Adventist Church has acted as a pioneer and has been ahead of its time in areas such as health, diet, science, social
justice, and missiology, and has left an indelible positive mark on our human existence. Likewise, the Adventist church has had the enviable moniker as the “best social mobility ladder” institution from one generation to the next. The Seventh-day Adventist church historically attracted a good number of low-income people, immigrants, and the disenfranchised. Due to its educational institutions, sense of uniquely historic mission, and vision about the future, second generation Adventist believers tended to move up the social mobility ladder.

This is my own story as well. This paper started with the story of my mother, Magdolna Ráduly. It will end with the acute desire, on my part, to be relevant and effective in my local and current environment. This project has challenged some of my personal beliefs and perspectives. Seeing, experiencing, and witnessing the subsistence living of some of our parishioners has impacted my life. Perhaps this was so because the stories of so many people who struggle were the personal story of my mother. This research suggested that while some financial illiteracy was due to personal choice, neglect, lack of financial education, and inability, the majority of those who struggled did so because of environmental factors (economic conditions, employment, taxation, and political variables) outside of their control. It is not the purpose of this research to politicize economic conditions or monetary policy. It is, however, my personal belief that financial illiteracy is a form of modern injustice that all of us, collectively, need to address.

As a human being I empathize with those who cannot afford the basic necessities for subsistence just because financial literacy is lacking due to political or economic barriers. As a Christian, I believe in a utopic future that is eternal. This perennial
existence is irrelevant, undesirable and unattractive if, in my temporal human experience on this Earth, I cannot do my part to ease, improve, or better someone else’s life. The recommendations in this chapter are an excellent start to engage in a pragmatic and practical ministry of service for those who need it the most. I will continue to dedicate my life to the service of those disenfranchised, marginalized, and on the fringe in hopes that my beloved Adventist Church will continue to do the same.
APPENDIX A

FINANCIAL ASSESSMENT AND EVALUATION SURVEY
Financial Assessment and Evaluation Survey
A Personal Finance Literacy Assessment Tool
Roundup - Lewistown
Seventh-day Adventist Church
District Membership
PREFLAS & POSTFLAS

1. Your Gender
   a. Male
   b. Female
   c. Other _________________

2. Your marital status
   a. Single
   b. Married
   c. Widowed
   d. Widower
   e. Separated
   f. Living with a partner

3. Your age is between
   a. 18-27
   b. 28-37
   c. 38-47
   d. 48-57
   e. 58-67
   f. 68-77
   g. Over 78

4. Your educational level
   a. Primary education
   b. Incomplete secondary education (did not complete high school)
   c. High school (have a high school diploma or equivalency)
   d. Vocational trade school
   e. Some college
   f. Finished College
   g. Graduate Studies
   h. Post-graduate studies

5. Your household income
   a. $0 - $9,999 per year
   b. $10,000 - $19,999 per year
   c. $20,000 - $29,999 per year
   d. $30,000 - $39,999 per year
   e. $40,000 - $49,999 per year
f. $50,000 - $59,999 per year  
g. $60,000 - $69,999  
h. $70,000 or more

6. Are you aware of your present financial situation?  
a. I know exactly my present financial situation and I am confident about my financial future  
b. I somewhat know my financial situation but need some help figuring it out  
c. I don’t really know my present financial situation and I am not confident about my financial future  
d. I am in deep financial trouble and I need help

7. Do you know what net worth is?  
a. Yes  
b. No  
c. I have heard about it but I don’t know how to calculate it  
d. Other

8. In your opinion how is net worth calculated?  
a. I don’t know  
b. You subtract all your liabilities from all your assets and the remaining number equals your net worth  
c. You add up all your liabilities and assets and the total is your net worth

9. Make a quick estimate of all your assets (everything you own). Subtract all your liabilities (everything you owe: credit cards, mortgage, car payments) from your total assets. Your net worth is:  
a. A positive number (Example: $100,000 in assets - $70,000 in liabilities = $30,000 in net worth, a positive number.)  
b. A negative number (Example: $100,000 in assets - $110,000 in liabilities = -$10,000 in net worth, a negative number.)  
c. I have no idea.

10. Do you keep record of your income and expenses?  
a. Yes, I keep accurate and systematic records and know where and how I spend every dollar  
b. No, I do not keep any kind of record about my income and expenses  
c. I know somewhat what my income and expenses are but I do not intentionally track either  
d. I sometimes track my expenses
11. Do you balance your checkbook on a regular basis?
   a. Yes
   b. Sometimes
   c. Rarely
   d. Never
   e. I try but I don’t always succeed
   f. I don’t really know how to do that
   g. I do not have a checkbook

12. If you have some money left after regular expenses are paid, what do you do with it?
   a. I spend it on various consumer goods or services
   b. I keep the savings in the form of cash
   c. I invest it
   d. I lend it to family or friends who need it
   e. I never have left over money.

13. Have you ever run out of money before the next paycheck arrived?
   a. Always
   b. Very often
   c. Sometimes
   d. Rarely
   e. Never

14. What would you do if you did run out of money before the next paycheck arrives?
    Pick all that apply.
    a. I cut down on my expenses
    b. I borrow from family or friends
    c. I use a credit card
    d. I work extra hours
    e. I use money from savings
    f. I pick up a second job
    g. I borrow from a bank
    h. I borrow from a payday lending institution
    i. I never run out of money

15. How often have you had to borrow to pay back old debts in the past year?
   a. Once
   b. Every week
   c. Every month
   d. Twice a year
   e. Never

16. Do you currently have any debts (excluding house mortgage)?
   a. Yes, I currently have debts
   b. No, I currently do not have any debts
17. What is the total amount of all debts that you currently owe?
   a. $0 - $9,999 per year
   b. $10,000 - $19,999 per year
   c. $20,000 - $29,999 per year
   d. $30,000 - $39,999 per year
   e. $40,000 - $49,999 per year
   f. $50,000 - $59,999 per year
   g. $60,000 - $69,999
   h. $70,000 or more
   i. Not applicable

18. Do you have any credit card debt?
   a. Yes
   b. No

19. What is your credit card debt at this time?
   a. $0 - $999
   b. $1,000 - $1,999
   c. $2,000 - $2,999
   d. $3,000 - $3,999
   e. $4,000 - $4,999
   f. $5,000 - $5,999
   g. $6,000 or more
   h. I owe but don’t know how much I owe right now
   i. I am afraid to ask my credit card institution
   j. I do not have any credit cards or credit card debt

20. How many credit cards do you have?
   a. I have 1 credit card
   b. I have 2 credit cards
   c. I have 3 credit cards
   d. I have 4 credit cards
   e. I have more than 5 credit cards
   f. I do not have any credit cards

21. What is your credit-to-debt ratio utilization? (If you have $10,000 in credit lines and you’ve used up $8,000 of that credit, you would have used 80%.)
   a. I am using less than 10% of my approved credit
   b. I am using less than 20% of my approved credit
   c. I am using less than 40% of my approved credit
   d. I am using less than 50% of my approved credit
   e. I am using less than 75% of my approved credit
   f. I am using all of my approved credit
   g. I am using more than 100% of my approved credit
   h. I don’t know how much credit I am using
22. Please finish this statement. Pick all that apply: In the last year I have ___
   a. Applied for a new credit card or line of credit
   b. Been late in paying my credit card bill
   c. Just paid the minimum payment on my credit card bill
   d. Missed a payment on my rent or mortgage
   e. None of the above.

23. What is the average interest rate on your credit card?
   a. 12%
   b. About 15%
   c. Between 16%-22%
   d. Between 23-29%
   e. I don’t know
   f. I don’t have a credit card.

24. What is the best statement that describes your past or current behavior in regards to credit card payments? Circle all that apply.
   a. I pay off my credit card in full every month
   b. I pay only the minimum payment
   c. I pay a little more than the minimum payment but not the entire bill
   d. I occasionally miss a payment
   e. I always miss the minimum payment
   f. I am in collections and creditors are calling me often
   g. Not applicable

25. What would generally be the best course of action in regards to retiring debt?
   a. Pay off the smallest debt first
   b. Pay off the largest debt first
   c. Pay off the debt that has the highest interest rate first
   d. Pay off the debt that has the lowest interest rate first
   e. Declare bankruptcy
   f. I don’t know.

26. Which of the following statements is the most accurate?
   a. Carrying a balance on a credit card can help you improve your credit rating
   b. Carrying a balance on a credit card will have no effect on your credit rating
   c. Carrying a balance on your credit card could help your credit but it’s still wise to pay off the balance in full every
   d. I don’t know

27. How often do you borrow money from cash advance or check cashing businesses?
   a. Always
   b. Sometimes
   c. Very rarely
   d. Never
28. How much do you owe to cash lending facilities?
   a. $0 - $999
   b. $1,000 - $1,999
   c. $2,000 - $2,999
   d. $3,000 or more
   e. Not applicable

29. Do you know what the approximate interest charged on your loan by such lenders is?
   a. 10%
   b. 15%
   c. 20%
   d. 25%
   e. 30%
   f. I don’t know
   g. I don’t have a loan with a cash lending facilities

30. Do you know what the annualized interest charged by cash or check cashing/lending facilities on your quick loan is?
   a. 200%-399%
   b. 400%-599%
   c. More than 599%
   d. I don’t know

31. What is the source of your financial education and literacy? Circle all that apply.
   a. My parents taught me about money
   b. Nobody ever talked with me about money
   c. I learned on my own
   d. I learned from a course or read financial educational books
   e. I learned from TV/the radio/the internet
   f. My neighbors and friends told me about finance

32. What financial services do you regularly use? Circle all that apply.
   a. Checking accounts
   b. Savings accounts
   c. Credit cards
   d. Mortgage loans
   e. Personal loans
   f. Insurance
   g. Annuities
   h. Money market accounts
   i. Mutual funds
   j. Stocks and bonds
   k. Other bank products. Please describe________________
33. Answer this question to the best of your ability: If you have $10,000 and you invest it in stocks that give you an average rate of return of 8%, how much additional money will you have in one year?
   a. I don’t know
   b. $800
   c. $8,000
   d. $10,008

34. If you have $100,000 in your bank account and you earn a 10% return on this money, how much will you have in 5 years (counting for compound interest)?
   a. I don’t know
   b. Less than $150,000
   c. $150,000
   d. More than $150,000

35. Let’s assume that your money deposited in a bank account earns 8% interest. Inflation stands at 10%. Do you think that you will be able to buy more, less, or about the same as you could a year ago?
   a. More
   b. Less
   c. The same
   d. I don’t really know

36. On Black Friday you see an ad on TV that a major retail store is selling HD TVs for $500. The store offers you a choice in how you can buy the TV - you can choose a flat discount of $75 off, or you can choose a 10% reduction in price. Which one is a better deal?
   a. The $75 off
   b. The 10% reduction in price
   c. I don’t know
   d. The discount is the same

37. If a bank offers you a loan for $10,000 and the service charge is $600, what is the percentage of the total sum charged to you?
   a. 3%
   b. 6%
   c. 9%
   d. 12%
   e. I don’t know

38. Do you think that buying on credit (when you don’t have the money and need to borrow to make a purchase) is a good idea?
   a. Yes
   b. No
   c. I don’t know
   d. Sometimes
e. Yes, in certain situations (Please explain)
   
   
   (____________________________________________________)

39. What items do you think are a good idea to purchase on credit? Circle all that apply.
   a. Dinner at a restaurant
   b. Food
   c. Gas
   d. Utility bills
   e. Clothes
   f. Consumer goods, such as furniture or other household decorations
   g. Car
   h. House
   i. It’s not really a good idea to buy on credit
   j. Other: ____________________________________________

40. If you were to have a sudden windfall, what would you do with the money? Circle all that apply.
   a. I would save it
   b. I would donate to charities
   c. I would retire old debts
   d. I would finance an education
   e. I would invest it in stocks and bonds
   f. I would buy a car
   g. I would buy a house
   h. I would buy gold
   i. I would spend it on myself
   j. I don’t know
   k. I would redecorate my house with new furnishings
   l. Other:

41. What is the reason behind your desire to save? Circle all that apply.
   a. For a rainy day
   b. For retirement
   c. It’s just the right thing to do
   d. To produce more income from dividends or interest payments
   e. To increase my standard of living
   f. To be financially independent
   g. No particular reason - it’s just what my family did

42. If you do not save, what is the reason for not saving? Circle all that apply.
   a. I don’t trust financial institutions
   b. I don’t have enough income to save
   c. I manage my money poorly and don’t have leftover income for saving
43. Do you set aside any money, systematically and intentionally, for savings on a monthly basis?
   a. Yes
   b. No, I cannot afford to save
   c. I save when I can but not systematically

44. If you can save money, on average how much money do you save on a given month?
   a. $0 - $49
   b. $50 - $99
   c. $100 - $149
   d. $150 - $199
   e. $200 - $249
   f. $250 - $299
   g. $300 - $349
   h. $350 - $399
   i. $400 - $449
   j. Other________________
   k. Not applicable

45. About what percentage of your monthly income is saved?
   a. 0%
   b. 5%
   c. 10%
   d. 15%
   e. 20%
   f. 25%
   g. 30%
   h. More than 30%.

46. Where do you invest your savings? Check all that apply.
   a. Checking account
   b. Savings account
   c. Stocks and bonds
   d. IRA
   e. 401k
   f. “Under the mattress”
   g. Deposit box (in cash)
   h. Other________________
   i. Not applicable
47. When you invest, how much information do you feel you have? Circle all that apply.
   a. Not enough information
   b. Little information
   c. Some information
   d. Lots of information
   e. Enough information
   f. Other

48. How do you manage your investments?
   a. On your own
   b. Your bank is helping you
   c. Family and friends are helping you
   d. A professional financial planner helps you
   e. Other

49. What are you trying to accomplish by investing?
   a. Making a small profit
   b. Making a substantial profit
   c. Protecting your money from inflation
   d. I don’t have a particular plan in mind

50. If you hire a professional financial planner, how would you prefer to communicate with him/her?
   a. By phone
   b. By email
   c. In person
   d. Facebook/Twitter
   e. Not applicable
   f. Other

51. Which of the following areas of personal finance worries you the most? Circle just one.
   a. I don’t have enough money to live on
   b. I don’t have an emergency fund
   c. I don’t have a retirement fund or enough for retiring with dignity
   d. I am unable to pay my bills on a regular basis
   e. I do not have health insurance
   f. I may lose my home to foreclosure
   g. I have unmanageable credit card bills
   h. My credit score is ruined and I do not have access to credit
   i. I may have to file for bankruptcy
   j. Other

____________________________
52. Which of the following statements best describes your financial behavior? Circle just one.
   a. I have a budget
   b. I don’t have a budget
   c. I have a vague idea how much I spend on various things
   d. I don’t really track my spending at all
   e. I don’t know how much I spend

53. Which of the following statements best describes your bill-paying habits? Circle just one.
   a. I always pay all of my bills on time and have no debts
   b. I do not pay all of my bills on time
   c. I struggle to pay my bills but I am not in collections
   d. I struggle to keep up with the bills and am in collections
   e. I am seriously considering filing for bankruptcy

54. Do you have any savings?
   a. Yes, Amount of savings _____________________________
   b. No
   c. Don’t know

55. What percentage of your total annual income goes into savings?
   a. Nothing
   b. Less than 10%
   c. Between 11% - 20%
   d. More than 21%
   e. I cannot afford to save anything

56. Have you ever considered investing your savings in something other than a bank?
   a. Yes
   b. No
   c. I don’t know how to invest
   d. Investing is way too complicated for me

57. What is a stock?
   a. A stock is a sum of money you lend to a company
   b. A stock is a piece of a company proportional to your investment
   c. An inventory in a company
   d. I don’t know what a stock is

58. What is a bond?
   a. A bond is a sum of money you lend to a company, municipality or other government entity for a specific time which earns interest.
   b. A bond is a share of a company you purchase and own
   c. I don’t know what a bond is
59. What is a mutual fund?
   a. A pool of money from various investors who agree to share the risk and invest in various stocks and bonds (or other assets) in the hopes of a return on the money invested
   b. A bank that lends funds on mutually agreed terms
   c. A stock and bond fund that will give the highest return possible
   d. I don’t know what a mutual fund is

60. Which statements are true in regards to an IRA and a Roth IRA? Circle all that apply.
   a. A Roth IRA is an investment option that is funded with already taxed dollars
   b. An IRA is an investment option that is funded with pre-taxed dollars
   c. There is a penalty imposed by the government if either is withdrawn before the age of 59 ½
   d. A Roth IRA is a better option if the beneficiary will be in a higher tax bracket upon retirement
   e. A IRA is a better option if the beneficiary will be in a lower tax bracket upon retirement
   f. I don’t know what IRA’s are

61. Are you retired?
   a. Yes
   b. No
   c. I work part time

62. Do you have any money set aside for retirement?
   a. Yes
   b. No

63. What is the total amount of money you have set aside for retirement as of today? (Please do not include real estate assets such as your house, business assets, or college education funds.)
   a. None
   b. $0 - $19,999
   c. $20,000 - $39,999
   d. $40,000 - $59,999
   e. $60,000 - $79,999
   f. $80,000 - $99,999
   g. $100,000 - $119,999
   h. $120,000 - $139,000
   i. $140,000 - $159,999
   j. Other ____________________
64. Do you think you are saving enough for retirement?
   a. Yes
   b. No
   c. I don’t know

65. Do you think that you will need to work in your retirement years in order to make ends meet?
   a. Yes
   b. No

66. If you are planning to work during your retirement years, how much do you think you need to earn in order to help you support your retirement?
   a. I don’t know how much extra money I need in order to live well in my retirement
   b. About 15% more
   c. About 30%
   d. More than 45%

67. Do you currently have a will?
   a. Yes
   b. No
   c. I don’t know what a will is

68. If you have a will, how did you prepare it? Circle all that apply.
   a. By myself
   b. With the help of an attorney
   c. Online via Legal Zoom or other online merchant
   d. With the help of a nonprofit organization (such as the Montana Conference)
   e. I do not have a will

69. Do you have an estate plan in place?
   a. No
   b. Yes
   c. I don’t know what an estate plan is

70. How much your estate is worth?
   a. I’m not sure.
   b. My estate is not worth much at this time
   c. My estate is worth about $150,000
   d. My estate is worth about $300,000
   e. My estate is worth about $450,000
   f. My estate is worth about $600,000
   g. I don’t have any idea what my estate is worth.
71. Do you have adequate health insurance?
   a. Yes
   b. I can afford health insurance but do not have it
   c. I cannot afford health insurance
   d. I don’t know.

72. Do you have disability insurance? Circle all that apply.
   a. Yes
   b. No
   c. I cannot afford it
   d. I don’t think it’s necessary
   e. I don’t know.

73. Do you have long-term care insurance? (This usually pays for your nursing home care should you be in a nursing home later on.)
   a. Yes
   b. No
   c. I cannot afford it
   d. I don’t think it’s necessary
   e. I don’t think I will live that long
   f. I don’t know.

74. Do you have life insurance?
   a. Yes
   b. No
   c. I cannot afford it
   d. I don’t think it’s necessary
   e. I don’t know.

75. Do you know what an annuity is?
   a. Yes
   b. No
   c. I have heard about it but I don’t really understand how it works

76. Would you ever consider purchasing an annuity?
   a. Yes
   b. No
   c. I don’t really know what the purpose of an annuity is
   d. I cannot afford it

77. Do you know what your credit score is?
   a. Yes
   b. No

78. My credit score is:
   a. 800+ Excellent
b. 740-799 Very Good  
c. 640-739 Good  
d. 580-669 Not Good  
e. 579-300 Poor  
f. I don’t know

79. When did you last review your credit score?  
a. I don’t know how to check my credit score  
b. Within the last year  
c. More than 1 year ago  
d. More than 2 years ago  
e. More than 3 years ago

80. If you were to have major financial problems, to whom would you turn for help?  
Circle all that apply.  
a. My family  
b. Friends  
c. Credit card company  
d. Personal loan from a bank  
e. A competent professional financial counselor  
f. I would try to settle the debt and pay monthly  
g. I would file for bankruptcy  
h. I don’t know

81. Compared to 3 years ago, how does the current economy affect you financially?  
a. More than it did 3 years ago (in a negative way)  
b. Less than it did 3 years ago  
c. About the same  
d. I don’t know

82. On a scale from A to F, how would you grade yourself in terms of your overall knowledge about financial literacy and personal finance?  
a. I would give myself an A  
b. I would give myself a B  
c. I would give myself a C  
d. I would give myself a D  
e. I would give myself an F

83. How would you agree with the following statement: “I could still benefit and learn about my personal finances from a competent financial planner.”  
a. Strongly agree  
b. Somewhat agree  
c. Somewhat disagree  
d. Strongly disagree  
e. I don’t know
84. What are some of the reasons why you would not reach out to a non-profit professional counselor or counseling agency? Circle all that apply.
   a. I can do it on my own
   b. It costs too much
   c. I’ve never had such professional advice before and am hesitant
   d. It’s easier to file for bankruptcy
   e. Other reasons. Please describe____________________________
   f. I don’t know

85. Do you own your home or rent it?
   a. I own my home
   b. I rent my home

86. How knowledgeable are you about major purchases, such as homes, cars, and education?
   a. I am very knowledgeable
   b. Somewhat knowledgeable
   c. Not at all knowledgeable

87. Which course of action is best from a financial perspective when purchasing a home? (Please circle only one answer.)
   a. Buying a home with a 30-year mortgage at an interest rate of 4%
   b. Buying a home with a 15-year mortgage at 2.45% interest
   c. Buying a home with an adjustable rate mortgage (5 years same interest with an adjustment according to market condition every 5 years)
   d. Buying a home with an interest-only loan for a given period
   e. I don’t know

88. In your opinion, what is the best course of action when purchasing a home?
   a. A 20% down payment because you don’t have to pay PMI (private mortgage insurance)
   b. A 5% down payment because it keeps more cash in your pocket (but you will have to pay PMI)
   c. Buying a home without any down payment

89. Why do you have to pay Private Mortgage Insurance (PMI)?
   a. Because the bank wants to make more money
   b. PMI is an insurance for the lender in case I default on my loan
   c. Because the government requires it
   d. I don’t know

90. When does a borrower need to pay PMI?
   a. When the down payment is less than 20% of the loan value
   b. When the down payment is 5%
   c. When the loan exceeds $250,000
   d. I don’t know
91. How is renting better than owning a home?
   a. I don’t have to pay property taxes on the house
   b. I don’t have to pay for the maintenance (the owner does it)
   c. Rent is cheaper than a mortgage payment
   d. I don’t have to pay insurance
   e. I don’t think that renting is better than owning a home
   f. I don’t know

92. How is home ownership better than renting?
   a. Sometimes the home appreciates in value over time
   b. I may be able to write off the mortgage interest in taxes
   c. The money I am spending on the mortgage is a forced savings
   d. I don’t think that owning a home is better than renting
   e. I can leave something to the next generation
   f. I don’t know

93. How do you usually pay for your vehicle?
   a. I borrow the money from the bank and make payments on it
   b. I pay cash
   c. I put at least 10% down and finance the rest
   d. I ask family and friends to lend me the money and I will repay them later
   e. I don’t really like cars and don’t buy them - I prefer riding a horse or walking
   f. I don’t know

94. What is more important to you when considering a car purchase?
   a. Having a low interest rate for the life of the loan
   b. Having low monthly payments but a potentially higher interest rate
   c. Having a short financing period (3 years instead of 5, for example)
   d. I want to pay cash and negotiate down the price of the vehicle
   e. I don’t know

95. Which would you rather do when purchasing a vehicle?
   a. Purchase the car with cash
   b. Lease a vehicle every 2-4 years
   c. Finance the car
   d. Just rent a car whenever I need it
   e. I don’t know

96. Why is leasing a vehicle a good idea?
   a. You don’t have to deal with depreciation of the vehicle
   b. You can get a new car every few years
   c. You don’t have to buy the car
   d. It is not a good idea to lease a car
   e. Other ___________________
   f. I don’t know
97. Why is paying cash for a car a good idea?
   a. You don’t have to make monthly payments
   b. It’s not a good idea because you have to pay a big lump sum upfront when you could use that money for other investments to earn interest
   c. You will not have to pay interest charges on the loan
   d. You will not have any worries that you will default on the loan
   e. I don’t know
   f. Not applicable

98. Why is financial education important?
   a. It can assess my financial situation at a given moment in time
   b. It can help me change financial behaviors that may be detrimental in the long run
   c. It can help me plan a financial future that is stable
   d. I don’t think it can help me learn anything I don’t already know

Thank you!
APPENDIX B

INSTITUTIONAL REVIEW BOARD DOCUMENTATION
1. **Title:**

A biblical training model to improve the financial literacy of the members of the Roundup-Lewistown district membership of the Seventh-day Adventist church

**Purpose of the Study:**

The task of this project is to assess, develop, implement, and evaluate a comprehensive, measurable, long term training strategy to improve the financial literacy of the members of the Roundup-Lewistown district of the Seventh-day Adventist Church.

2. **Subjects:**

The subjects of the two surveys and the seminar are the local Lewistown-Roundup district of Seventh-day Adventist Church members. There will be no participants under the age of 18 in either the surveys taken or seminar presented. The study will not include or target any vulnerable population categories such as prisoners, mentally impaired individuals, or pregnant women.

3. **Recruiting:**

The recruiting for the financial literacy and assessment surveys (PREFLAS and POSTFLAS) as well as for the financial literacy seminar (FLS) will take place orally as an announcement from the church pulpit in the announcement section of the Sabbath worship service. This announcement will take place two weeks in advance of the given survey.
A written announcement will also be posted in the church bulletin with the relevant date, time and location of the survey and seminar administration.

In no way or at any time will any form of coercion be applied upon the potential participants in this process. There will be no concealment or deception of any type be used upon the participants at any time in the aforementioned process.

4. **Consent:**

At the administration of the first pre seminar financial literacy and assessment survey, the participants will be informed that by being willing to take the aforementioned survey they agree to give an implied consent. The implied consent is understood to cover both surveys (pre and post seminar) as well as the financial literacy seminar itself.

5. **Voluntary Participation:**

Participation in this study will be voluntary, and subjects will be free to join or leave at will without any penalty or loss of benefits, if any.

6. **Procedures:**

The participants will participate in two financial literacy assessment surveys and a financial literacy seminar. The entire process starts with a financial assessment survey that is meant to assess a baseline financial literacy data from the participating subjects. After this first survey is concluded, a seven-part seminar will be presented to the participants on various financial topics that is meant to increase the level of general financial literacy. After the seminar concluded a second survey will be
administered. This second survey will purpose to measure any changes in data from the first financial literacy survey should there be any change.

Thus, the participants will be engaged in filling out two surveys and listening to a seminar that has seven parts. Each seminar presentation is 1 hour long with a 30 minutes Q&A section at the end. There will be no physically invasive procedures (such as drawing blood for example) required at any time from the participants.

7. **Risk:**

   The study in which the voluntary participants take part has a minimal risk. This risk is no greater than any other normal activity of life.

8. **Data Collecting:**

   The data collected in this study will take place via two surveys. The surveys will be collected by a designated third party (not the researcher) at the end of their completion at the location, which was prearranged in advance. There will be audio and video recording of the seminar but not of the two surveys. The audio and video recordings will not include any of the participants but only the seminar presenter. The Q&A sessions will not be audio or video recorded. The participants will be informed that recording is taking place but that none of the participants will be in the recordings.

9. **Securing of Data:**

   The data collected will be anonymous to the researcher. The survey will not have a participant name, address or any identifiable information. Once the surveys have been completed a third party will collect them. At no point in time will the researcher know
the identity of any of the survey takers, or be able to connect any particular survey with a particular survey taker.

The data within the physical paper surveys will be secured in a sealed envelope and sent by a third party to the local Montana Conference and kept in a vault. The anonymous and digitally tabulated data will be also secured within a cloud service with password protection.
Certificate of Completion

The National Institutes of Health (NIH) Office of Extramural Research certifies that Andrew Raduly successfully completed the NIH Web-based training course "Protecting Human Research Participants".

Date of completion: 03/04/2017.

Certification Number: 2343641.
Roundup Seventh-day Adventist Church

605 S. Street East Roundup, MT 59072 Phone: 406-323-3998
E-Mail: roundupadventist@gmail.com Web: roundupadventist.org

Date: March 9, 2017

Institutional Review Board
IRB
Andrews University
4150 Administrative Drive, Room 322
Berrien Springs, MI 49104-0355
USA

To whom it may concern:

This letter is to attest the fact that the Roundup Seventh-day Adventist Church gives the permission needed to pastor Andrew Raduly to conduct his two financial literacy surveys and a seven part financial literacy seminar on the premises of the Roundup Seventh-day Adventist Church.

These financial literacy surveys and financial seminar are part of his doctor of ministry studies at Andrews University in the area of Organizational Leadership. The title of his project is “A Biblical model to improve the financial literacy of the members of the Lewistown-Roundup district of the Seventh-day Adventist Church.” Pastor Raduly asked permission from our church to conduct the above-mentioned surveys and seminar on the premises of our church.

Sincerely,

First Elder of the Roundup Seventh-day Adventist Church

Luther Harris

Elder Roy Dickerson
Lewistown Seventh-day Adventist Church

423 West Montana St • Lewistown, MT 59457 • Phone: 406-538-9390
E-Mail: lewistownadventist@gmail.com Web: lewistownadventist.org

Date: March 9, 2017

Institutional Review Board
IRB
Andrews University
4150 Administrative Drive, Room 322
Berrien Springs, MI 49104-0353
USA

To whom it may concern:

This letter is to attest the fact that the Lewistown Seventh-day Adventist Church gives the permission needed to pastor Andrew Raduly to conduct his two financial literacy surveys and a seven part financial literacy seminar on the premises of the Lewistown Seventh-day Adventist Church.

These financial literacy surveys and financial seminar are part of his doctor of ministry studies at Andrews University in the area of Organizational Leadership. The title of his project is “A Biblical model to improve the financial literacy of the members of the Lewistown-Roundup district of the Seventh-day Adventist Church.” Pastor Raduly asked permission from our church to conduct the above-mentioned surveys and seminar on the premises of our church.

Sincerely,

First Elder of the Lewistown Seventh-day Adventist Church

Neil Rauch

Elder Karl Johnson
APPENDIX C

CHURCH BULLETIN ORAL ANNOUNCEMENT
Church Bulletin
Oral Announcement for Andrew Ráduly’s
Doctor of Ministry Project

Dear Church Family:

This morning we would like to announce that Andrew Ráduly is conducting a study about financial literacy within his Andrews University doctoral courses that has the following title: A Biblical Training Model to Improve the Financial Literacy of the Members of the Roundup- Lewistown District of the Seventh-day Adventist Church.

This research study will have three main components.

The first component is a financial literacy assessment survey that is meant to produce a baseline data about financial literacy perceptions and behavior within our Roundup- Lewistown church district membership.

The second component of this study is a seven-part seminar about financial literacy. This seminar will start at a mutually benefic future date. The seminar will be held here in our local church. Each seminar presentation will last 1 hour with a 30 minutes Q&A session at the end.

The third component in this study is a post seminar financial reassessment survey. This second survey is meant to measure if any changes took place in personal financial literacy perceptions and behavior based on the presented seminar presentations.

Participation in this study is voluntary. Cohesion, deception or concealment is not part of this study. You are free to participate or leave the study on your own volition at any time.

There is a minimal risk involved by your participation in this study. This risk is no greater than any normal activity of life.

Your participation will be confidential to a third party, but it will be anonymous to the researcher (Andrew Ráduly) for the entire duration of the study.

At no time within the entire period of this study will Andrew Ráduly have access to any information that would potentially identify any of the church members. The surveys completed will be anonymous and will not contain any names.

Your confidentiality is assured. The anonymous physical surveys will be sealed in an envelope and kept for 3 years in a vault (Conference office). The tabulated and also anonymous digital data will be password encrypted into a cloud service for also 3 years.
Your voluntary participation in this study (surveys and seminar) implies your voluntary consent.

The general benefit of this study will be an overall knowledge about financial literacy topics.

Thank you for your consideration

Andrew Ráduly
Financial Literacy Seminar

Presentation #1

Outline

Assessment and Evaluation

1. What is financial literacy and education?
   a. Definition for financial literacy.
   b. What is financial education?
   c. Affordability factors for financial literacy and education.
   d. Cultural and psycho social barriers to financial literacy and education.
   e. Economic barriers to financial literacy and education.
   f. Book recommendations in the area of financial literacy and education.
   g. Research related to financial literacy and education.
   h. Online resources.

2. 76% of Americans Live paycheck to paycheck – Money.com

3. Emergency of $400 could not be covered by most Americans.

4. Questions to ask for Assessment and Evaluation:
   a. What is the combined income coming into the family?
   b. How is the incoming financial resource spent?
   c. How much of the financial resources are saved in a consistent, premeditated and systematic time interval?
   d. Is saving a priority?
   e. How much debt liability exists in a family?
   f. What is the amount of income consumed by debt liability servicing?
   g. How are major purchases (home, car, education) in the home considered?
   h. Is retirement given considerable attention?
   i. What is the personal retirement date (when is one to retire)?
   j. What is the percentage or amount saved for retirement purposes?
   k. Is there a long term financial planning strategy?
   l. Are there any short term or long term financial objectives?
   m. Is there an estate planning strategy in place?
   n. Insurance needs: Life, term, long-term care insurance, medical insurance.
   o. Medical liabilities: is there a strategy for major medical expenses?

5. What is Net Worth?
   a. Define Assets.
   b. Define Liabilities.
   c. Assets less liabilities equal net worth.
   d. What is equity?
   e. What is a net worth number?
f. Exercise: Determine your net worth.
g. Asset Types.
   i. Cash.
   ii. Real estate (Buildings, businesses, land, etc.).
   iii. Real property.
   iv. Tangible property.
   v. Intangible property.
   vi. Education.
   vii. Other.

   a. Secured liabilities.
   b. Unsecured liabilities.
   c. Debt as a marketed product.
   d. Anything that is owed a potential liability.
   e. Examples of liabilities: homes, cars, land, buildings if not paid off and present a
      major burden.
   f. Education (should jobs not be available and the grace period for loan repayment is
      over).

7. Credit Scores and credit reports.
   a. What is a credit score?
   b. How can it be obtained?
   c. What is a credit report?
   d. How can it be obtained?
   e. Credit agencies.
      i. Experian.
      ii. Transunion.
      iii. Equifax.
   f. How does a credit score and a credit report impact the consumer?
   g. Importance of knowing a credit score and credit report.
   h. Factors affecting a credit score and report.
      i. Payment history.
      ii. Amount owed.
      iii. Length of history.
      iv. New credit.
      v. Types of credit.
   i. Credit repair.
   j. Credit report inaccuracies.

8. Emergency funds.
   a. Availability of $500-$1,000 Cash.
   b. Accessible.
   c. Liquidity is important.
   d. Not for investing.
   e. Used only for emergency purposes.
9. The fully funded 3-6 month lifeline.
   a. Covers living expenses in case of a job loss, divorce, death, major medical emergency.
   b. Extreme circumstance: 12 month living expense needed.
   c. Liquidity is important.

10. Spending Analysis.
    a. How are resources spent?
    b. Tracking components (30, 60, 90 days).
    c. Categorization of spending.
       i. What category of spending receives the most financial resources?
       ii. Trends observable.
       iii. Remedies and solutions.

11. Goals in Assessment and Evaluation
    a. Values assessments.
    b. Short term goals.
    c. Intermediate goals.
    d. Long term goals.
    e. Prioritization of goals.
    f. Time tables for achieving goals.
    g. Logistics of goals:
       i. Achievable.
       ii. Realistic.
       iii. Time bound.
       iv. Verifiable.
       v. Accountability.

    a. Communicate with partner or spouse.
    b. Assess, examine and set goals together.
    c. Success more likely if done as a team.
    d. Regular family financial meetings part of the family planning.
       i. What time?
       ii. Where?
       iii. How long?
       iv. Specific subjects or issues to be discussed.
    e. Celebrating success.
    f. Analyzing setbacks.
    g. Rework goals that need adjustment.
Financial Literacy Seminar

Presentation #2

Outline

Financial Goal Setting

1. What is the process of financial goal setting?

2. Financial goal categories.
   a. Assessing present financial situation.
   b. Tracking expenses.
   c. Improving financial literacy.
   d. Debt management.
   e. Saving strategies.
   f. Investing options.
   g. Big purchase items time lines.
   h. Retirement planning.
   i. Estate planning.
   j. Medical insurance.
   k. Professional help solicitation.

3. Assessing present financial situation.
   a. Presentation #1 outline recap.
   b. Incoming income.
   c. Present liabilities.
   d. Strategies to minimize liabilities.

4. Tracking expense protocols.
   a. Is there a tracking mechanism for expenses in the household?
   b. The 30 day tracking (short term) system.
   c. The 90 day tracking (medium term) system.
   d. The year-long tracking (long term) system.
   e. Evaluation after tracking periods.
   f. Strategies for better financial management.

5. Improving financial literacy.
   a. What is your personal financial literacy background source.
   b. Financial literacy as transmitted from one generation to the other within the family.
   d. Formal financial literacy courses: college, university.
   e. Paid financial literacy professionals.
   f. No financial literacy.
   g. Goals for financial literacy attainment.

6. Debt management.
   a. Assessing present liabilities.
   b. Categorizing liabilities.
   c. Prioritizing liabilities.
   d. Cost analysis of present liabilities.
   e. Analyzing cash flow.
   f. Collecting records of liabilities.
   g. Goal setting for debt management strategies.
   h. Time lines for ending debt liabilities.
   i. Reducing spending.
   j. Moratorium on new credit.
   k. Communication with the spouse and family.
   l. Professional help and financial planning advice.
   m. Servicing consumer credit.
   n. Secured versus unsecured credit.
   o. Interest rates, credit scores, prime and subprime borrowers.
   p. Interest servicing: highest interest versus lowest debt.
   q. Debt collectors, repayment strategies and debt settlements.
   r. Consolidation and credit counseling agencies.
   s. Bankruptcy options: Chapter 7 versus chapter 13.
   t. Payday loans.
   u. Identity theft.
   v. Accountability partnership.

7. Savings Goals
   a. The short term emergency fund ($500-$1,000).
   b. The 3-6 month living expense fund (in case a job loss, death, divorce, occurs).
   c. Determining values and their importance.
   d. Values based saving goals. Examples: home purchase, car paid with cash, education, medical expenses, retirement, legacy.
   e. Save now, start now.
   f. Save 10% or more.
   g. Save 20% if older.
   h. Utilize tax shelters (401k, 403b, ROTH IRA, IRA, etc.).
   i. The cost of not saving.
   j. Matching funds from employers.
   k. Understanding savings accounts (savings accounts, CD, money market accounts).
   l. Banking basics, cost and accessibility.
   m. Liquidity, early withdrawal penalties, interest rates, returns.
8. Investment options.
   a. What is an investment?
   b. Why consider investing?
   c. Types of investments.
   d. Start NOW!
   e. Keeping cash “under the mattress.”
   f. Certificates of deposit (CDs), savings accounts, money market accounts, mutual funds.
   g. Employer provided free money (401k, 403b matches, IRA, ROTH IRA, other).
   h. Pretax and after-tax dollars invested. What is the difference?
   i. Stocks (national, international). Dividends and capital gains.
   j. Bonds (corporate, municipal, federal).
   k. Interest rates. Compound interest.
   l. The Federal Reserve and its role in the economy.
   m. Real estate as an investment.
   n. Precious metals as an investment.
   o. Land as an investment.
   p. Business, franchises, limited liability companies as investment.

9. Big ticket item purchases and planning as a goal.
   a. The purchase of a home.
   b. Purchase of an automobile.
   c. Funding of education.
   d. Reserves for major medical expenses.
   e. Planning for a paid for vacation.
   f. Remodeling a residence.
   g. Setting up trusts for loved ones.
   h. Giving to charities as an estate planning goal.

10. Retirement planning as a goal.
    a. Assessing present financial situation for retirement purposes.
    b. Establishing the target retirement year.
    c. Planning for retirement early makes the difference.
    d. Assessing needs in retirement years.
    e. Income in retirement.
    f. Social Security benefits and qualification.
    g. Debt servicing in retirement.
    h. Medical needs and cost in retirement.
    i. Taxation in retirement.

11. Estate planning as a goal.
    a. Is estate planning a goal?
    b. Is estate planning a priority?
    c. Assessing present situation for estate planning purposes.
    d. Estate planning documents (wills, directives, and others).
    e. Probate.
f. Classifying assets.
g. Legacy building.
h. Charitable giving.
i. Taxation (estate, gift, income, transfer taxes).

12. Medical planning and insurance as a goal.
   a. Present health assessment.
   b. Taking advantage of employer funded wellness incentives and programs.
   c. Medical insurance, copays, deductibles, network providers.
   d. Long term care insurance.
   e. Planning for disability.
   g. Funding medical expenses. Health Savings Accounts.

13. Professional help as a goal.
   a. Is goal setting probable, attainable, and effective if done by self?
   b. Professional advice (financial planning, financial services companies).
   c. Cost.
   d. Planning and time tables.
Financial Literacy Seminar

Presentation #3

Outline

The Budgeting Process

1. What is a budget?
   a. Define the budgeting process.
   b. Necessity of a budget.
   c. Benefits of a budget.
   d. Procrastination and neglect are detrimental to the budgeting process.
   e. Cultural factors.
   f. Economic factors.
   g. Psycho-social factors.
   h. Emotional factors.
   i. Family unit factors.

2. Income sources:
   b. Second jobs.
   c. Pension.
   d. Self-employment.
   e. Business income.
   f. Investments.
   g. Royalties.
   h. Social Security.
   i. Capital gains.
   j. Dividend income.
   k. Bond interest income.
   l. Settlements, annuities, child support, tips.

3. Assessment of present financial situation.
   a. What is the present financial picture of your family?
   b. Where would you like to be in one year from a financial standpoint?
   c. Where would you like to be in five years from a financial standpoint?

4. Prioritizing values based goals.
   a. Why is budgeting important for you or family?
   b. What are the benefits of a budget goal setting process?
   c. What values should be considered when creating the budgeting process?
   d. Write down goals for budgeting.

5. Creating the budget:
   a. Psychological barriers:
i. Past performance is not necessarily a predictor of future success.
ii. No shame in past ignorance.
iii. Persistence will pay off.
b. Allocating income to categories:
   i. Groceries.
   ii. Housing.
   iii. Utilities.
   iv. Debt servicing.
   v. Medical expenses.
   vi. Insurance.
   vii. Taxes.
   viii. Major purchases.
   ix. Education.
   x. Retirement.
   xi. Estate planning and administration costs.
c. Tracking expenses within given categories.

6. No deficit spending.
   a. Moratorium on new credit.
   b. Decrease credit spending.
   c. Live within means maxim.
   d. Evaluate importance of purchases planned.
   e. Premeditate spending with a list in hand.

7. Tracking systems (30, 90, 360 days).
   a. Saving receipts for all expenses for 30 days as a pilot for behavioral change.
   b. Expand to 90 days tracking of expenses with receipts.
   c. Expand to one year the tracking of expenses with receipts.

8. Identification of trends within spending and allocating of resources.
   a. Where is most of the spending?
   b. What is the ratio of spending to income within the given budget categories?
   c. Can the trends be reversed or changed?
   d. Are the trends positive or negative?

9. Goal setting within the budget process.
   a. Keeping a balanced budget.
   b. Balance within categories for budget.
   c. No behavioral (impulse) spending.
   d. Controlling the “latte factor.”

10. Flexibility within the budget process.
    a. Plan for the unexpected.
    b. Budget extra for irregular expenses.
    c. Account for variables beyond control.
    d. Blow money.
11. Automatization as a strategy in budgeting.
   a. Reoccurring expenses can be automatized.
   b. Paid online. Examples: mortgage, insurance, utilities, savings, taxes, certain medical expenses.
   c. Benefits of automatization: bills will not be forgotten, no penalty payments, more time in other areas of life.

   a. A set, reoccurring monthly time for budgeting.
   b. Example: Sunday, 10:00am first week of the month.
   c. Eliminating distractions for that time.
   d. Partnership with spouse.
   e. Review receipts, income, spending, trends.
   f. Paper, pen, calculator, tea.
   g. Procrastination should be avoided.
   h. Reward for victories.
   i. External accountability partner that can be trusted.

   a. Variable and fixed incomes.
   b. Biweekly and monthly incomes.
   c. Seasonal and project pay.
   d. O demand economy model.
   e. Occasional expenses.
   f. Budgeting for the entire month.
   g. Sinking fund approach.
   h. Forms of payments (cash, checks, credit).
   i. Bank statements and their use in budgeting.

   a. Monthly budget and checkbook needs to balance.
   b. Save receipts.
   c. Balance the checkbook after each transaction.
   d. Delay and procrastination can produce deficit spending.

15. Savings as a line item in budgeting.
   a. Savings should be prioritized and be part of a budget.
   b. Automatize savings.
   c. Save 10% or more.
   d. Save now.

   a. Milestones should be celebrated.
   b. “Blow money” usage for celebration.
   c. Eat out at major achievements and set limits to spending.
Financial Literacy Seminar

Presentation #4

Outline

Debt Servicing

1. What is debt?

2. Debt marketed as a product.

3. A brief synopsis of debt as a commoditized product since 1945.

4. Types of debt:
   a. Secured (asset secured).
   b. Unsecured (no collateral secured).

5. Assessing present debt liabilities.
   a. How much debt do you have?
   b. Type of debt.
   c. Interest rate on various debts.
   d. Terms and conditions on present debt.
   e. Repayment timelines.
   f. Lender flexibility in changing terms.

6. Causes for debt.
   a. Psychological, and behavioral reasons.
   b. Lack of financial literacy.
   c. Family dynamics.
   d. Cultural pressures.
   e. Irresponsibility.
   f. External factors beyond personal control:
      i. Public policy.
      ii. Economic policy.
      iii. Tax policy.
      iv. Poverty.
      v. Unemployment and underemployment.
      vi. Health emergencies.
      vii. Divorce.
      viii. Death.

7. Planning for debt servicing.
   a. Moratorium on new debt.
   b. Aggregation of all debt (documentation, lists, interest rates, lender information).
   c. Prioritizing goals for debt servicing.
i. High interest rate debt repayment strategy.
ii. Highest debt repayment strategy.
iii. Lowest interest rate debt repayment strategy.
iv. Lowest debt repayment strategy.
d. Setting timelines for debt repayment.
   i. Specific.
   ii. Achievable.
   iii. Verifiable.
   iv. Accountable.
e. Communicating with lenders.
   i. Presenting lenders with specific repayment processes and plans.
   ii. Asking for term changes.
   iii. Asking for interest rate reductions.
   iv. Settling account for less by paying lump sums.

8. Consumer credit.
   a. Credit cards:
      i. Stop incurring new debt.
      ii. Destroy cards, close accounts. You can still repay accounts but not incur
          new debt.
      iii. Decide which strategy to employ in servicing the debt.
      iv. Pay more than the minimum amount.
      v. Refinancing options.
      vi. Consolidation options.
      vii. Settling debt.
      viii. Bankruptcy options.
         ix. Nonprofit credit counseling agency help.
         x. Be aware of “credit repairing” companies.
   b. Charge cards:
      i. Should be stopped immediately.
      ii. Excessively high interest rates.
      iii. Same as section 8, subsection a.
      iv. Collectors.
      v. Your rights.
      vi. Cease and disease requests on your part.
      vii. Lender initiated legal action.
   c. Payday Loans:
      i. Stop now.
      ii. Excessive interest rates.
      iii. Cycle can be perpetual.
      iv. Ask for professional help to stop payday loan sharking.
      v. The myth of “essential service.”
   d. Personal loans:
      i. Are detrimental to a sound financial health.
      ii. High interest rates.
      iii. Targeting lower income consumers.
iv. Often needs collateral.
e. Home equity lines of credit.
i. If primary residence is the collateral risk for foreclosure is high.
ii. Attention to terms and conditions should be given.
f. Instalment debt.
i. Car purchase on payment plans. Least damaging option: buy with cash.
ii. Primary residence. Buy for the shortest term possible.
iii. Appliance purchase on a rent to own basis.
iv. Medical debt repayment plans. Communicate with the service provider.
   Help may be available via foundations, grants, or other sources.

a. Second job.
b. Part time job.
c. Garage sale.
d. Selling valuables owned.
e. Return unused items to stores or lenders.
f. Reduce costs.
g. Live well below means.
h. Use cash for most purchases.
i. Analyze and assess motivation for spending.
j. Eliminate cable television.
k. Reduce phone plans.
l. Buy generic versus name brand.
m. Coupons as a strategy.
n. Plan ahead.
o. Downsizing.
p. Optimal health as a strategy to service debt.
r. Seek competent financial planner help. Fee based services.

10. Commit to a no debt lifestyle.
a. Visual reminders of debt induced tragedies as a wakeup call.
Financial Literacy Seminar

Presentation #5

Outline

Major Purchases

1. What are major purchases?

2. Define major purchases.

3. Examples of major purchases.
   a. Personal residence.
   b. Vacation home.
   c. Personal automobile.
   d. Education.
   e. Vacation.
   f. Medical liabilities (not a purchase but a major liability when repaid in instalment payment).
   g. Home renovations.
   h. Land.
   i. Other.

4. The Personal Residence.
   a. Biggest purchase in life.
   b. One third of Americans pay cash for such purchase.
   c. Two thirds obtain loans.
   d. Owning versus renting.
   e. Getting ready for a home purchase.
   f. Credit factors.
      i. Score.
      ii. Report.
      iii. Credit limits and worthiness.
      iv. Income requirements.
      v. Assets as collateral.
   g. Liquidity. Down payments.
      i. No money down.
      ii. 3% down.
      iii. 5% down.
      iv. 10% down.
      v. 20% down.
   h. 40, 30, 15 year term loans.
   i. 15 years versus 30-year loan benefits.
   j. Loan types.
      i. Conventional, property secured, fixed rate.
ii. ARMS (Adjustable rate mortgages).
iii. Interest only loans.
iv. FHA loans.
v. VA loans.
vi. USDA rural housing loan.
vii. 203k Rehab Loans.
viii. Bridge loans.
k. Lender search.
i. Conventional banks
ii. Credit unions.
iii. Government subsidized entities.
l. Interest rates.
i. Prime. Excellent credit.
ii. Subprime. Poor credit.
m. Loan ratios to income.
n. Points to pay.
o. Seed money.
p. Closing costs.
q. Realtor fees.
r. Assessments, house inspections, due diligence.
s. Size of the home.
t. Timing of the purchase.
u. Employment stability.
v. Economic stability.
w. Location, location, location.
x. Resale value.
y. Other considerations:
i. School district.
i. Crime rate.
iii. Amenities.
iv. Shopping proximity.
v. Privacy.

5. The personal Automobile.
a. Assessing the need: what kind of car do I need?
b. Setting a budget for car ownership.
c. Determine affordability.
d. Type of ownership:
i. Lease.
ii. Buying on credit.
iii. Paying Cash.
e. Length of credit instalment (if paid with credit).
f. Interest rate factors.
g. The 0% interest only for excellent credit.
h. Only 1 in 10 qualify for the best rates.
i. Keep emotion out of the buying process.
j. Credit score.
k. Average car payment $479 in 2017.
l. Most expensive form of ownership: the lease.
m. Least expensive ownership: paying cash.
n. Insurance:
   i. Car make and model dependent.
   ii. Luxury cars more expensive to insure.
   iii. Liability insurance.
   iv. Full comprehensive insurance (if paid with credit) mandatory in most cases.
   v. Driving history, a factor in insurance rate.
o. Depreciation considerations.
   i. Buying brand new versus buying used.
   ii. First year depreciation 20%.
   iii. Most depreciation in first 4 years.
p. Environmental factors (how polluting is the model purchased) to consider.
q. Taxes and registration to consider.
r. Assessing ownership costs and maintenance routines.
s. Consider incentives and rebates if available.
t. Shopping around at several venues.
   i. Dealers.
   ii. Private sellers.
   iii. Craigslist.
   iv. Online.
   v. Local markets.
u. Inspection, due diligence and warranties.
v. No cooling off period.
w. Car safety statistics important.
x. Test drive the cars to be purchased.

6. Education
   a. Determine if college is important for your future.
   b. Possibilities for a college education.
   c. Education related debt highest in the nation after mortgages.
   d. $1.5 Trillion total U.S. educations debt.
   e. $50,000 personal education loan per student in 2017.
   f. Choosing the right school is important.
   g. Determining the right career.
   h. Passion, abilities and competence.
   i. State versus private education.
   j. Saving for college via 529 plans.
   k. Prepaid tuition strategy.
l. Annual exclusion gifting as a strategy to finance an education.
m. Qualified plans tax shelters.
n. Grants.
o. Loans.
p. Full time or part time work.
q. Filling out FAFSA.
r. Financial aid and scholarships.
s. Merit based scholarship.
t. Financial hardship based scholarships.
u. Academic excellence based scholarship.
v. Private organizations and foundations funded scholarships.
w. Work-study jobs.
x. Tax credits.
y. Credit cards should not be a viable alternative for funding an education.

7. Vacations
   a. Never use consumer credit to pay for a vacation.
   b. Planning is key.
   c. Determine the vacation goal.
      i. Duration of the vacation.
      ii. Where?
      iii. When?
      iv. How much will it cost?
      v. Method of payment?
   d. Setting up a budget.
   e. Automatizing savings systematically into a savings account for this purpose.
   f. Layaway for vacations is not a prudent strategy.
   g. Pay cash for a vacation.
Financial Literacy Seminar

Presentation #6

Outline

Saving and Investing

1. Define Saving.

2. The importance of saving.

3. Assess present saving habits.

4. Reasons for saving and not saving.

5. Prioritize saving as a systematic habit, part of the budget.

6. Automatize savings via a savings accounts.

7. Accessibility may be mildly limited.

8. Percentage versus Amount.

9. Save at least 10% if younger.

10. Save 20% or more if older.

11. Emergency fund ($500-$1,000) first.

12. The 3-6 month living expense savings fund.

13. Last two not to be invested in anything.

14. Liquidity and accessibility.

15. Save with pretax dollars.
   a. IRA.
   b. 401k.
   c. 403b.

16. Save with after tax dollars (but no tax on the back end).
   a. ROTH IRA.
   b. Other.

17. Define Investing.
18. Investing after 3-6 month living expenses are saved.

19. Only invest resources willing to lose.

20. Risk profile.
   a. Conservative.
   b. Moderate.
   c. Aggressive.

21. Investing Options:
   a. Certificates of deposit.
   b. Money market accounts.
   c. Mutual funds.
   d. Hedge funds.
   e. Commodities.
   f. Options.
   g. Futures.
   h. Stocks.
   i. Bonds.
      i. Federal.
      ii. Municipal.
      iii. Corporate.
      iv. Other.
   j. Treasury bills.
   k. Real estate.
   l. Land Lording options.
   m. Land.
   n. Business acquisition.
   o. Franchising.
   p. Precious metals.
   q. Other investment types:
      i. Art.
      ii. Antiques.
      iii. Certain automobiles.
      iv. Stamp or coin collections.

22. Due diligence and research.
   a. Market analysis.
   b. Investment analysis (stock, bond or asset to be acquired).
   c. Interest rates.
   d. Investment specific research.
   e. Taxation factors.
      i. Short term held assets are taxed higher.
      ii. Long term held assets are taxed lower.
      iii. Income brackets, personal income taxation considerations.
   f. Goals and objectives for investments.
23. Where to invest?
   a. Banks.
   b. Brokerage houses.
   c. Hedge funds.
   d. Mutual funds.
   e. Some insurance companies.
   f. Associations.

24. Economic conditions.

25. Federal Reserve policies.

26. Passive or active investing strategies?

27. Self-directed investments versus brokerage led investing.

28. Brokerage fees.

29. Inflation.

30. Cost of opportunity.

31. Fear of missing out (FOMO) should not be a strategy for investing.

32. Long term thinking versus short term.

33. Returns.
   a. Real estate returns.
   b. Stock returns.
   c. Bond returns.
   d. Small business returns.
   e. Other investment returns (art, precious metals, antiques).

34. Risks.
   a. Evaluating risks.
   b. Market risks.
   c. Individual risks.
   d. Purchasing power risks.
   e. Investment related risks.
   f. Systemic risks.

35. Diversification.
   a. Portfolio building basics.
   b. Asset allocation and percentages.
   c. National versus international asset classes.
   d. Emerging economies versus established economies.
e. Small, mid and large cap companies.
f. Dividend or capital gains?

36. Education and adequate information for investing.
   a. Autodidactic option.
   b. Paid professionals.
   c. Books, magazines, and other print options.
   d. Internet.
   e. Family and other sources.

37. Financing investments.
   a. Cash.
   b. Borrowing.
   c. The leverage options.
Financial Literacy Seminar

Presentation #7

Outline

Retirement and Estate Planning

Retirement Planning.

1. Are you ready for retirement?

2. Are you preparing?

3. What is the retirement goal date?

4. Determine retirement needs.

5. Rule of thumb: 10-12 times present yearly income needed for retirement needs.

6. Sources of income in retirement.
   b. Pensions.
   c. Personal savings.
   d. Investments.
   e. Qualified deferred plans.
   f. Part time work.
   g. Settlements.
   h. Annuities.

7. Present actuarial table expectations.

8. Determining probable life expectation after retirement for present situation. Health, age, physical condition, other variables influence such determination.

9. How much do you need to have enough for the entire retirement period?

10. Social security benefits, withdrawal, policies, and taxation of benefits.

11. Drawing on retirement accounts.
   a. Age requirements.
   b. Taxation (pretax dollar funded versus after tax funded accounts)
   c. Income brackets (for taxation purposes) in retirement.
12. Medicare in retirement.
   a. Understanding Medicare.
   b. Parts A, B, C, D, coverages, costs, and benefits.
   c. Copays, Insurance premiums, and qualifications.

13. Health Care expenses in retirement.
   a. COBRA.
   b. ACA.
   c. Medigap Insurance.

   a. Life insurance.
   b. Disability insurance.
   c. Long term care insurance.

15. Debt in retirement.
   a. Housing should be paid off.
   b. Consumer credit should be avoided.
   c. Reverse mortgages: pitfalls and warnings.

16. Rent or own in retirement years.

17. Assisted living facilities versus personal residence.

18. Living expense ratios: 60%-80% of present income.

19. Resource consumption (of saved principal) at 4% per year.

20. Account for the unexpected.

21. Last three years of life most expensive from a medical perspective.

22. Major medical events.

23. Hospice care.

**Estate Planning.**

1. What is Estate planning?

2. Who needs estate planning?

3. Efficient and effective transfers.

4. Goals and wishes of the decedent.
5. Classify, catalog and inventory present assets.

6. Determine net worth (for estate planning purposes).

7. Do you have a will?
   a. Statutory.
   b. Holographic.
   c. Nuncupative.

8. Five Wishes document a good start.

9. The probate process.
   a. Expensive.
   b. Public.
   c. Can be arbitrary.

10. Intestate death.

11. Name executors to the estate.

12. State law consideration for titling property.
   b. Community property states.
   c. Joint property types.

13. Insurance products to mitigate liquidity problems at death.

14. Taxes (gift, estate, income, generation skipping transfer) at death.

15. Basis (stepped up) to save taxes.

16. Paying of taxes, liquidity, and planning.

17. Funeral expenses.

18. Final medical expenses.

19. Administrative costs to manage the estate.

20. Avoiding probate by titling property in trusts or to surviving spouse, next of kin, at death.


22. Lifetime credits.
23. Portability.

24. Unlimited marital deduction.

25. Trusts as a tool for estate planning.
   a. QTIP.
   b. QPRT.
   c. QDOT.
   d. GRAT.
   e. GRUT.
   f. Generation skipping trust.
   g. ILIT.
   h. A trust.
   i. B trust.
   j. Crummey provision.
   k. CRT.

26. Trust types:
   a. Irrevocable.
   b. Revocable.
   c. “Incident of Ownership” and gross estate inclusion implications.

27. Tools for disability planning.
   a. Power of attorney.
   b. Power of appointment.
   c. Living trust.
   d. Guardianship POA.
   e. Medical directives, end of life provisions.

28. Charitable giving.

29. Special needs considerations.
   a. Elderly care and cost.
   b. Disability.
   c. Children with special needs and costs.
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