**Your 10 Most Important Financial Moves for Year End**

**Each December, we present a list of planning ideas for the year ahead. Our list isn't meant to be one-size-fits-all, however. You must winnow it down to the items that apply most directly to you. As you read, mark each idea that seems particularly relevant to your situation. From those items, prayerfully — and with counsel from your spouse if you're married — choose your personal "Top 10" for the new year. For those who are prepared, the next 12 months will present opportunities for financial progress and achievement. Will you be ready?**

The elections may have dominated the news this year, with each candidate claiming to have the right plan for the country. Whether your preferred candidates won or lost, we have a Leader whose plans will never fail ([Isaiah 14:24](http://biblia.com/bible/niv/Isaiah%2014.24)) and whose term will never end ([Exodus 15:18](http://biblia.com/bible/niv/Exodus%2015.18)). As unimaginable as it may seem, this Leader knows each of His followers by name ([John 10:14](http://biblia.com/bible/niv/John%2010.14)), and He cares deeply for all of us ([1 John 4:19](http://biblia.com/bible/niv/1%20John%204.19)).

This Leader knows our needs better than we do ([Matthew 6:25-32](http://biblia.com/bible/niv/Matthew%206.25-32)), promises to provide for us ([Philippians 4:19](http://biblia.com/bible/niv/Philippians%204.19)), and has a plan for each of us—a plan to prosper us, to do us no harm, and to give us hope and a future ([Jeremiah 29:11](http://biblia.com/bible/niv/Jeremiah%2029.11)). What this Leader asks of us is that we allow Him to lead ([John 1:12](http://biblia.com/bible/niv/John%201.12)); that we put no others before Him ([Exodus 20:3](http://biblia.com/bible/niv/Exodus%2020.3)); that we trust Him with all of our heart, mind and strength ([Matthew 22:37-38](http://biblia.com/bible/niv/Matthew%2022.37-38)); and that we do what He asks of us, even if we don't fully understand the plan at first glance ([Hebrews 11:8](http://biblia.com/bible/niv/Hebrews%2011.8)).

This Leader, of course, is the God of the universe—the One who created the heavens and the earth and all the things in them, including you and me ([Genesis 1:1-31](http://biblia.com/bible/niv/Genesis%201.1-31)), for His purposes ([Colossians 1:16](http://biblia.com/bible/niv/Colossians%201.16)).

Although money is only one aspect of our lives, it is surely an important aspect. In fact, Scripture describes money as God's chief rival for our hearts ([Matthew 6:24](http://biblia.com/bible/niv/Matthew%206.24))! God knew we would need help figuring out the whole money thing, so He packed His Word with instruction so that we can use money wisely and well. His guidance on such matters, and indeed on all matters, is what informs all that we do and write about here at Sound Mind Investing.

So, before we consider ideas for more effective money management this next year, let's review the essentials of what it means to manage money from a biblical perspective.

**GOD IS THE OWNER OF EVERYTHING**

This is the starting point of biblical money management—being clear about who owns all the stuff. There's no question as to who the owner is. *"In the beginning God created the heavens and the earth"* ([Genesis 1:1](http://biblia.com/bible/niv/Genesis%201.1)). *"I have no need of a bull from your stall or of goats from your pens, for every animal of the forest is mine, and the cattle on a thousand hills. I know every bird in the mountains, and the creatures of the field are mine. If I were hungry I would not tell you, for the world is mine, and all that is in it"* ([Psalm 50:9-12](http://biblia.com/bible/niv/Psalm%2050.9-12)).

**WE ARE GOD'S MANAGERS**

There is also no question as to who is tasked with the responsibility—the *opportunity*, really—to manage it all.

*"Again, it will be like a man going on a journey, who called his servants and entrusted his property to them"* ([Matthew 25:14](http://biblia.com/bible/niv/Matthew%2025.14)). *"After a long time the master of those servants returned and settled accounts with them"* ([Matthew 25:19](http://biblia.com/bible/niv/Matthew%2025.19)). *"Now it is required that those who have been given a trust must prove faithful"* ([1 Corinthians 4:2](http://biblia.com/bible/niv/1%20Corinthians%204.2)).

**OUR RESPONSIBILITIES HAVE BEEN DEFINED**

The big picture of our managerial assignment is that we are to devote our lives—and, therefore, use the money that has been entrusted to us—to:

* **Love God.**  *"You shall have no other gods before me"* ([Exodus 20:3](http://biblia.com/bible/niv/Exodus%2020.3)). "*Teacher, which is the greatest commandment in the Law? Jesus replied: 'Love the Lord your God with all your heart and with all your soul and with all your mind. This is the first and greatest commandment'"* ([Matthew 22:36-38](http://biblia.com/bible/niv/Matthew%2022.36-38)).
* **Love people.**  *"'And the second (greatest commandment) is like it: Love your neighbor as yourself'"* ([Matthew 22:39](http://biblia.com/bible/niv/Matthew%2022.39)).
* **Make a difference.**  *"For we are God's workmanship, created in Christ Jesus to do good works, which God prepared in advance for us to do"* ([Ephesians 2:10](http://biblia.com/bible/niv/Ephesians%202.10)).

Isn't that an exciting vision? It's God's vision for us, and the overarching purpose for the money He has entrusted to our care. We are to use it to love both God and people—and to make the difference with our lives that He uniquely designed us to make. Each of us fulfills that vision through our daily financial choices and through the attitudes of our heart.

**DEVELOP THE FINANCIAL HABITS AND PRACTICES OF A STEWARD**

We are called to:

* **Earn diligently.**  *"Whatever you do, work at it with all your heart, as working for the Lord, not for human masters, since you know that you will receive an inheritance from the Lord as a reward. It is the Lord Christ you are serving"* ([Colossians 3:23-24](http://biblia.com/bible/niv/Colossians%203.23-24)).
* **Plan how to use all that we earn.**  *"The plans of the diligent lead to profit as surely as haste leads to poverty"* ([Proverbs 21:5](http://biblia.com/bible/niv/Proverbs%2021.5)).
* **Give generously.**  *"But since you excel in everything—in faith, in speech, in knowledge, in complete earnestness and in the love we have kindled in you—see that you also excel in this grace of giving"*
([2 Corinthians 8:7](http://biblia.com/bible/niv/2%20Corinthians%208.7)).
* **Save wisely.**  *"In the house of the wise are stores of choice food and oil, but a foolish man devours all he has"* ([Proverbs 21:20](http://biblia.com/bible/niv/Proverbs%2021.20)).
* **Invest patiently.**  *"Dishonest money dwindles away, but he who gathers little by little makes it grow"* ([Proverbs 13:11](http://biblia.com/bible/niv/Proverbs%2013.11)).
* **Protect adequately.**  *"The prudent see danger and take refuge, but the simple keep going and suffer for it"* ([Proverbs 27:12](http://biblia.com/bible/niv/Proverbs%2027.12)).
* **Spend smart.**  *"Whoever can be trusted with very little can also be trusted with much, and whoever is dishonest with very little will also be dishonest with much. So if you have not been trustworthy in handling worldly wealth, who will trust you with true riches?"* ([Luke 16:10-11](http://biblia.com/bible/niv/Luke%2016.10-11))*.*
* **Avoid the bondage of debt.**  *"The rich rule over the poor, and the borrower is servant to the lender"* ([Proverbs 22:7](http://biblia.com/bible/niv/Proverbs%2022.7)).

**CULTIVATE THE FINANCIAL HEART ATTITUDES OF A STEWARD**

Many of the key attitudes of the heart are spelled out in Galatians 5: *"But the fruit of the Spirit is love, joy, peace, patience, kindness, goodness, faithfulness, gentleness and self-control"* ([Galatians 5:22-23](http://biblia.com/bible/niv/Galatians%205.22-23)).

Other God-honoring attitudes that relate to money include gratitude, contentment and compassion. *"Give thanks in all circumstances, for this is God's will for you in Christ Jesus"* ([1 Thessalonians 5:18](http://biblia.com/bible/niv/1%20Thessalonians%205.18)). *"I know what it is to be in need, and I know what it is to have plenty. I have learned the secret of being content in any and every situation, whether well fed or hungry, whether living in plenty or in want. I can do everything through him who gives me strength"* ([Philippians 4:12-13](http://biblia.com/bible/niv/Philippians%204.12-13)). *"Therefore, as God's chosen people, holy and dearly loved, clothe yourselves with compassion, kindness, humility, gentleness and patience"* ([Colossians 3:12](http://biblia.com/bible/niv/Colossians%203.12)).

**SELECTING YOUR "TOP 10"**

With these timeless biblical truths in mind, it's time to make plans for the New Year. As you read the rest of this article, you'll see that there are many more than 10 ideas. Put a checkmark next to each item that seems particularly relevant to your situation. When you're done, go back through the items you've checked. From that group, *pick the 10 areas that you believe would be the most beneficial for you to focus on in the coming year*. Assign priorities by numbering them 1 through 10, starting with the *most important* ones—not based on ease of implementation. As you honestly assess your finances, which action steps will leave you much better off next December than you are now?

**FIRST THINGS FIRST**

**Grow in your understanding of God's Word on money.** Read the Parable of the Talents ([Matthew 25:14-30](http://biblia.com/bible/niv/Matthew%2025.14-30)), which describes us as stewards, or managers, of God's resources. It points out that one day, the Owner of everything will returnand we will need to give an account of how we managed His resources. If we're going to be found faithful, we need to know what His Word says we are to do with money. That way, instead of falling prey to man's interpretations that may overemphasize one point or another, we can take the balanced perspective taught in Scripture.

**Grow in your implementation of God's Word on money.** The Bible teaches us that we must be not just *hearers* of the Word, but also *doers* of the Word. Some of the financial aspects of "doing" God's Word on money include: reflecting on and growing in our understanding of His call on our lives,doing the work God has for us with diligence, being completely honest, intentionally molding a lifestyle that conforms to biblical teaching, and seeking godly counsel.

**Take the next step in your journey of generosity.** Become ever more familiar with Scripture's core principles of generosity. The Bible is the definitive text on generosity, of course, but other excellent books, such as *The God Pocket* by Bruce Wilkinson, can help us understand and embrace the Bible's teaching on generosity.

**Remember Who is in control.** If the elections didn't turn out as you had hoped,don't be discouraged! Instead, pray for our leaders ([1 Timothy 2:2-3](http://biblia.com/bible/niv/1%20Timothy%202.2-3)). We can take confidence from the fact that God is our ultimate authority. That is one of many reasons we all have for celebration. Speaking of which, take time to celebrate the milestones on your journey to accomplishing your financial goals!

**LEVEL 1: GETTING DEBT-FREE**

**Understand what the Bible says about debt.** God's Word never says that having debt is a sin. However, we are cautioned against becoming enslaved to creditors. If you have debt, it's important to determine what caused the debt. Many people who file for bankruptcy end up getting into financial trouble again, often because they treat the symptoms of their debt without addressing the root causes. Did you fall prey to one of the many deceptions about debt?

**Create a plan for getting out of debt.** Ridding yourself of consumer debt is an essential step toward an abundant financial life, and it's a prerequisite for investing. Your pathway out of debt begins with the development and use of a budget.There's nothing like a budget—or, as we prefer to call it, a spending plan—to free up extra money to pay down your debts.Don't believe the lie that a budget is a ball and chain. In truth, it's incredibly freeing to have a plan for the money that's flowing in and out of your life. Be aware that certain types of debt, such as tax debt, come with their own unique rules and pathways toward becoming debt-free.

**Plan major expenditures wisely.** For many, housing is the largest monthly expense. In today's low interest-rate environment, it may benefit you to explore the possibility of refinancing your house.For those with children, education is likely to be another significant line item in your budget! If you plan to help a child or grandchild with college costs,be sure to explore your financial-aid options.Healthcare is another major expense, especially as we get older. If you are in your 50s or 60s, consider long-term care insurance. Even your family's annual vacation is an important expense to be managed. Be sure to plan your vacation in a way that doesn't break the bank.

**If getting out of debt is a major goal, be sure to consider how that goal will impact your giving.** It may feel like an either/or proposition—either you can speed up the process of getting out of debt or you can give generously. However, it is possible to give generously *while* paying off debt, even a lot of debt.

**LEVEL 2: SAVING FOR FUTURE NEEDS**

**Understand what the Bible says about saving money.** Interestingly, God's Word uses the words "foolish" and "fool" to describe people at both ends of the savings spectrum—those who spend all they make as well as those who save too much.With that in mind…

**Make it a priority to save a portion of all that you earn.** Look for simple changes you can make to build savings.Look into the possible savings of paying certain bills, such as auto insurance, on a semi-annual or annual basis instead of monthly.

**Consider switching to an online bank.** If you're using some of your brick and mortar bank's web tools, you're already engaged in a form of online banking.But you may want to consider switching to a fully online bankwhere you are likely to find better rates than your local bank offers.In your quest for better rates, you may also want to explore joining a credit union.

**Remember, information is power.** Even in today's low-rate environment, it's important to understand the different ways savings rates are communicated so you can make appropriate comparisons.This will help you choose the bank or credit union that truly has the best rate. In a quest for better interest rates, some savers have invested in treasury securities and bond funds. These options may be okay—as long as you understand the added risks.

**Make sure the financial institutions you do business with are safe.** Have you ever checked to see how financially sound your bank or credit union is?

**LEVEL 3: INVESTING YOUR SURPLUS**

**Understand what the Bible says about investing.** Even mature Christians and seasoned stock-market veterans will benefit from reading more about biblical money management.Grounded in God's timeless truths about investing, and with your consumer debt behind you and a base of savings set aside, you're now ready to start using the building blocks of successful investing.Now is a great time to open a brokerage account and begin investing.

**Learn about the markets.** You don't need to become an economist to succeed as an investor, but it's helpful to know a bit about how Wall Street works,including having a basic understanding of the Efficient Market Hypothesis.Learn how to determine the true rate of return on your investments and how mutual fund distributions impact share price.If bonds are part of your portfolio, become familiar with "duration" and how it can help you assess bond risk.And perhaps most importantly, learn why the stock market is your best hope for achieving inflation-beating returns over the long haul!

**Establish the right investing mindset.** That means developing emotional discipline,so that you are not swayed by external events, but are able to make decisions from the inside out.Of course, you shouldn't turn a blind eye to the economy;it's okay to take market developments into account and adjust your strategy, but such adjustments should be consistent with your long-term plan, rather than made spontaneously. Embrace a long-term perspective.Recognize, too, that mistakes are inevitable! Learn from them and move on.

**Build your investment foundation** by understanding the advantages of mutual funds,choosing an appropriate strategy (or blend of strategies), setting up an automatic transfer into your investment account,and following through on your plan.You can do all of this even if you don't have a lot of money to begin investing.

**One of the most common investing goals is to have enough to live on during retirement.** Give careful thought to whether your intended nest egg will cover your future needs.If you have access to your employer's stock within your workplace retirement account, be cautious about how much of your portfolio is invested in that one stock.

**LEVEL 4: DIVERSIFYING FOR SAFETY****Manage your portfolio's risk by being properly diversified.** SMI's core strategies—Upgrading and Just-the-Basics—are built on the cornerstone of diversification, as is our advanced Enhanced Just-the-Basics strategy.Even investors with the most conservative of portfolios can benefit from diversification.

**Develop a long-term plan.** Such a plan will recognize that the market will have its ups and downs,**[** and at times certain asset classes move together more than we'd expect or like.That's why our emphasis is always on a long-term plan. As you execute your plan, don't get sidetracked by distractions such as transaction fees. Focus on what matters far more—diligently executing your investment plan as it is designed.Keep in mind: if stocks should fall hard again, SMI's Bear Alert indicator can help protect you from deep losses.

**CONCLUSION**

The 19th-century French philosopher and diplomat Joseph de Maistre said, "In a democracy, people get the leaders they deserve." Perhaps that is true. But we can be thankful that as Christians we are part of an everlasting Kingdom with a Leader far greater—and far more gracious—than we deserve. For that, we can be eternally grateful!

May your use of money in the New Year reflect a sound mind filled with the knowledge of God's Word, a heart rich in gratitude toward God, and hands that do as He directs. 

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