

Hot Tips for Young Adults

Managing Your Finances God's Way

1. Short term pain (i.e. saying no to yourself today) always brings long term gain financially. Living within your means develops Godly character!
2. Learn now to distinguish between your '**wants**' and '**needs**'.
3. Let go of fantasy dreams and **get real** about what you expect. Make a commitment to reality.
4. Learn to be grateful for what you have. Give God thanks for it and learn to **be content**.
5. Don't compare yourself with others.
6. **Avoid hire purchases** (especially on a car) and loans except *maybe a student loan* that will lead to a definite job or a *mortgage*. Most hire purchases over 3 to 5 years work out to around 100% interest (i.e. you are paying for a rapidly devaluing thing double what it is really worth).
7. **Learn to give to God early**. Most Christians tithe to the local church (see Matthew 23:23; Luke 11:42; Luke 19: 11-27 Parable on being judged as to how). Joyful giving releases God's promises for you, purposes for you and character in you.
8. **A wise way to structure your finances** (and lots of Christians do this) is the 10, 10, 80 principle. You give God the first tenth, you save 10 per cent (Kiwisaver being especially good for 2 – 4% of that savings as you can use it to leverage a mortgage later), and learn to live on the 80%. Miraculous provision, contentment and joy follow such patterns.
9. Proverbs 6: 6-11. Proverbs 14:23 Christians are not ever to be lazy. **A lazy person does not deserve to eat**. Your study is your job. You should be full time studying or full time working. When you leave school you must keep trying to get a job and do voluntary work while you wait. References and work experience gained from doing voluntary work can really help you get a good job. Do not take a holiday on the taxpayer or your parents. Once you leave school pay your parents board (\$140 per week is the average) if staying at home. Don't bludge. Careers New Zealand

(www.careers.govt.nz) is a great website for creating your own CV and career planning.

10. **Lending money** to your friends or **borrowing money** off them will usually damage your friendship. Give them money if you want to but don't take on their responsibilities or loan them money. Don't ever ask church family for money.

11. Insurances are a real trap:

Life Insurance is never worth having unless you have a huge mortgage (i.e. \$300,000 plus) even then income protection is usually a wiser option.

Contents insurance is not worth having until you are really rich. You will pay a high premium and if you make a claim you will usually have to pay the first \$1,000 (i.e. excess) and then they will put your premiums up after you make a claim.

Car insurance: If your car is worth less than \$5,000 don't get full insurance. For under 25 year olds your premium is usually around the \$800 - \$900 mark and the excess between \$1,000 to \$1,500. When you make a claim your premium will go up to recover that claim.

NEVER take your car on the road without 3rd party, fire and theft cover (\$300 average premium). While your car is not covered for accidents, if you hit a BMW etc you will not spend years paying off its repairs and risk a conviction.

12. **Christians obey the law!** While it may feel cool to take passengers when you are not licensed to it dishonours the Lord and will cost you a lot of money through accidents or fines at some stage.

13. **Get good financial advice** from somebody you know and respect.

14. Learn **how to create a budget plan and set financial goals**; the government website (www.sorted.org.nz) is really good. Don't be like a child and live from week to week. Be an adult and work to a long-term plan.