

COLLEGE FINANCES

Sovereign Grace Community Church

July 2020

COURSE AGENDA

- **July 5 – College Finance Foundations:** What picture does the bible paint regarding finances? How does this relate to college?
- **July 12 – College Choices & Funding:** What are my options? Where does the money come from?
- **July 19 – A Panel Discussion:** A few recent grads share their stories and answer questions.
- **July 26 – Personal Finances:** Techniques and methods for managing your finances while in college.

COURSE RULES

- **Ask Questions During Class** – There are no dumb questions. If I feel it better to defer the question, I will say so.
- **Give Feedback After Class** – Let me know what you are hoping to cover or if I missed something important to you. Was something helpful? Not helpful?
- **Mute Yourself When Not Speaking** – This protects the class from unnecessary audio distractions.
- **Video Not Required** – It is nice to see you before we begin, but after that, you are welcome to turn off your video.

COLLEGE FINANCE FOUNDATIONS

Today's Goal is...

To strengthen our financial thinking as a foundation for making and living college finance decisions. To do this, we will read our bible 😊.

Our Agenda for Today

- Introduction
- Stewardship
- Borrowing
- Investing

INTRODUCTION – WHY GO TO COLLEGE?

- *Because everyone else is doing it?*
~67% of graduates attend college soon after high school (44% @ 4yr institute; 23% @ 2yr inst.)
- *Earn more money?*
On average, college grads make 60% more than HS grads and experience ½ the unemployment
- *Find yourself?*
Some “break out” in college as they live more independently. Some explore career options to figure out what they really enjoy.
- *Gain new skills?*
College provides opportunities to grow professionally and personally. You can take a variety of classes, join many clubs...
- *Expand your career options?*
Many jobs require a college degree and most newly created jobs since the Recession have gone to college attendees.
- *Have fun?*
There's lots to do at college besides study! Also, long-term, a college education is tied to quality of life benefits like job satisfaction, health, and mortality rates.

INTRODUCTION – WHY GO TO COLLEGE?

- Eph 2:10** For we are his workmanship, created in Christ Jesus for good works, which God prepared beforehand, that we should walk in them.
- 1 Peter 4:10** As each has received a gift, use it to serve one another, as good stewards of God's varied grace.
- Pr 22:29** Do you see a man skillful in his work? He will stand before kings; he will not stand before obscure men.
- Col 3:23–24** Whatever you do, work heartily, as for the Lord and not for men,²⁴ knowing that from the Lord you will receive the inheritance as your reward. You are serving the Lord Christ.
- God created us to work
 - God has gifted us with a unique capacity to work
 - God calls each person to work skillfully, “as for the Lord”
 - Using our giftings is an act of stewardship
 - As we grow to understand God's unique design and calling, we can explore careers and the associated education that facilitate those careers.

God has uniquely created and gifted you. How can you develop your giftings to labor for His glory and His kingdom?

STEWARDSHIP

Psalm 24:1 The earth is the LORD's, and everything in it, the world, and all who live in it. (NIV)

Psalm 50:10-12 For every beast of the forest is mine, the cattle on a thousand hills. [11] I know all the birds of the hills, and all that moves in the field is mine. [12] "If I were hungry, I would not tell you, for the world and its fullness are mine."

1 Chron. 29:11-12 Yours, O Lord, is the greatness and the power and the glory and the victory and the majesty, for all that is in the heavens and in the earth is yours. Yours is the kingdom, O Lord, and you are exalted as head above all. [12] Both riches and honor come from you, and you rule over all. In your hand are power and might, and in your hand it is to make great and to give strength to all.

All we are, have and will become belongs to God; God is the OWNER

STEWARDSHIP

Def'n: "A steward is someone entrusted with another's wealth or property and charged with the responsibility of managing it in the owner's best interests."

Randy Alcorn: Stewardship isn't a subcategory of the Christian life. Stewardship is the Christian life. After all, what is stewardship except that God has entrusted to us life, time, talents, money, possessions, family, and his grace?

1 Cor. 4:2 Moreover it is required in stewards, that a man be found faithful. [ESV has "trustworthy"]

STEWARDSHIP

Matthew 25:14-30 For it will be like a man going on a journey, who called his servants and entrusted to them his property. [15] To one he gave five talents, to another two, to another one, to each according to his ability. Then he went away...

[20] And he who had received the five talents came forward, bringing five talents more, saying, 'Master, you delivered to me five talents; here I have made five talents more.' [21] His master said to him, 'Well done, good and faithful servant. You have been faithful over a little; I will set you over much. Enter into the joy of your master...'

[26] But his master answered him, 'You wicked and slothful servant! You knew that I reap where I have not sowed and gather where I scattered no seed? [27] Then you ought to have invested my money with the bankers...

STEWARDSHIP

- Everyone (including you!) is a steward – There's only one master (God); all the rest of us are stewards
- The master trusts you – God trusts his servants, believing we have the ability to manage well.
- Each person has different gifts and capabilities – God expects you to leverage what he has given to you
- God will judge you accordingly, and only His judgment counts! (Note: He is generous 😊)

Preparing for our future is an act of faithfulness

BORROWING

According to [The Institute for College Access and Success](https://ticas.org/our-work/student-debt/), 65% of graduates of four-year colleges and universities nationally left school in 2018 owing an average of \$29,200.

In Virginia, 57% of graduates completed college with debt, owing an average of \$30,363.

- Hollins University: 77% owing \$33,408 • Univ. of Virginia: 34% owing \$24,682
- Liberty University: 60% owing \$22,836 • Virginia Tech: 48% owing \$31,893
- Roanoke College: 76% owing \$41,187

<https://ticas.org/our-work/student-debt/>

BORROWING

Borrowing Money = A promise of future payment for present cash (for a present purpose)

- Not prohibited by Scripture
- But never presented in a positive light

The essence and glory of borrowing and lending is this:

If a resource is sitting idle, we can make it available to someone else.

Psalms 112:5a It is well with the man who deals generously and lends.

Psalms 37:26a [of the righteous] He is ever lending generously.

BORROWING

The problem with lending & borrowing is IDOLATRY

- Lenders can become motivated by greed; universities by self-preservation
- Borrowers can be putting their hope in a career path (& university)

We are corrupt!

BORROWING

The reality of borrowing...

- Debt is slavery

Proverbs 22:7 The rich rules over the poor, and the borrower is the slave of the lender.

- Debt presumes upon tomorrow

James 4:13-15 Come now, you who say, "Today or tomorrow we will go into such and such a town and spend a year there and trade and make a profit"— [14] yet you do not know what tomorrow will bring. What is your life? For you are a mist that appears for a little time and then vanishes. [15] Instead you ought to say, "If the Lord wills, we will live and do this or that."

- Debts should be paid promptly

Romans 13:8a Let no debt remain outstanding. (also Ps 37:21)

BORROWING

The reality of borrowing...

- Debt may be denying God an opportunity

Gen 16 – At Sarai's encouragement, Abraham takes Hagar who bears the son Ishmael)

- Debt is a promised national curse

Deut. 28:12b And you shall lend to many nations, but you shall not borrow.

Deut. 28:44 He shall lend to you, and you shall not lend to him. He shall be the head, and you shall be the tail. [note the "slavery" theme]

- Debts is not sin

Luke 6:34-35 And if you lend to those...

BORROWING

Randy Alcorn We should never go into debt unless there are compelling reasons. If we think our situation is an exception, we should seek out several wise counselors to see if they agree.

INVESTING

Investing applies what we have to create additional value...

- We are called to faithfully grow the investment God has made in us [parable of the talents]
- College is an investment into our usefulness, not only regarding academic skills, but providing growth in life skills (professional and otherwise), relational skills, ministry skills...

INVESTING

Two cautions:

- Investing must be balanced with giving – Luke 12:16ff (Parable of farmer w/bumper crop)
- Wanting to get rich is dangerous. Motive (loving money or God) is key.

1 Timothy 6:9-10 But those who desire to be rich fall into temptation, into a snare, into many senseless and harmful desires that plunge people into ruin and destruction. ¹⁰ For the love of money is a root of all kinds of evils. It is through this craving that some have wandered away from the faith and pierced themselves with many pangs.

Proverbs 23:4-5 Do not toil to acquire wealth; be discerning enough to desist. ⁵ When your eyes light on it, it is gone, for suddenly it sprouts wings, flying like an eagle toward heaven.

INVESTING

Principles of investing...

- Be a steady plodder

Proverbs 21:5 The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to poverty. (ESV)

Proverbs 21:5 Steady plodding brings prosperity, hasty speculation brings poverty. (TLB)

- Seek Advice

Proverbs 19:20 Listen to advice and accept instruction, that you may gain wisdom in the future.

Proverbs 3:5 Trust in the LORD with all your heart, and do not lean on your own understanding.

INVESTING

Principles of investing...

- Diversify

Ecclesiastes 11:2 Give a portion to seven, or even to eight, for you know not what disaster may happen on earth.

- Limit Investment Debt

Ecclesiastes 5:13-14 There is a grievous evil that I have seen under the sun: riches were kept by their owner to his hurt,¹⁴ and those riches were lost in a bad venture. And he is father of a son, but he has nothing in his hand.

INVESTING

College Is An Investment...

- ...for the person called to a vocation served by additional formal education
- Best serves the student when it can be completed debt free

CAREER VS. VOCATION

Julie Ooms “More and more, they view college not as a place for learning critical thinking and writing skills but as a place for job training... Worries about tuition and future earnings can distract parents, students, and even faculty and staff from the true identity and purpose of Christian colleges and universities: preparing graduates for lives not just of wage-earning but of service.”

- Career, career, career
- Vocation, vocation, vocation

<https://www.christianitytoday.com/partners/higher-education/promise-and-paradox-of-christian-higher-education.html>



QUESTIONS?