Why I Teach Financial Literacy

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During my first year as Director of Cedarville’s Criminal Justice program, I reviewed results from an alumni survey. While graduates had many positive things to say about their Cedarville experience, they provided helpful critical feedback as well. We asked, “What is something Cedarville University did not do for you that you wish it had?” Two answers tied for the top response to this question. First, graduates indicated they would have desired more help with selecting a major (based on graduates working in fields unrelated to their majors). Second, they indicated they would have benefited from training on how to manage money effectively, saying their academic education never addressed this issue at any level. In response to this 2005 survey, the Criminal Justice program now requires courses in both career planning and personal financial management for every student in the major.

Managing your personal finances is an essential life skill, especially important for Christians who believe that “The earth is the Lord’s and everything in it” (Ps. 24:1). Effectively stewarding God’s money and possessions enhances our ministry opportunities, self-confidence, marriage relationships, family well-being, and professional stability.

In some professions, including many in the criminal justice field, individuals must be free from the potential or influence of corruption based on the need or desire to earn money unethically. Job candidates undergo required background investigations, including a credit check, to determine their job suitability. While a compromised credit history should not be the sole reason for being disqualified for a job, it does speak to a candidate’s financial responsibility.

Our American educational system does a poor job of teaching students about personal financial management. A student can progress through primary and secondary school, receive an undergraduate degree, and even achieve an advanced degree in higher education without learning this basic life skill. A commission of the National Association of State Boards of Education now recommends that all students in the United States receive comprehensive financial and investor education.

The primary purpose of an undergraduate degree is to become an educated person. An educated person must be able to demonstrate effective stewardship over God-given resources, and this life skill should be part of his or her academic education. It is not ideal to seek financial management training from those selling a financial product or investment advice because they have a personal stake in the advice they are giving you.

Are you experiencing financial problems? If so, how does this affect your work performance, involvement in Christian ministries, and family life? Are you as a professional any more prepared to manage money than other graduates of the American educational system?
The Bible and Stewardship

The Bible has much to say about our “stewardship responsibilities” in the area of money and possessions. God is the owner of all of the world’s money and possessions, and we are his money managers. The Bible indicates that “the love of money” — not money — “is the root of all kinds of evil” (1 Tim. 6:10). The Bible contains 2,350 verses about handling money or possessions. Additionally, two-thirds of the parables Jesus Christ taught in some way relate to money or possessions.

Why is there so much written in the Bible on this topic? The answer, I believe, is that money is the number one competitor with Jesus Christ for our love and devotion. Jesus Himself said, “No one can serve two masters; for he will hate the one and love the other, or he will be devoted to one and despise the other. You cannot serve both God and money” (Matt. 6:24). There is obviously a strong relationship between how we handle money and how we live out the Christian life. How we handle money is an external, visible indicator of the condition of our hearts and our relationship with Christ. Based on these words of Jesus Christ, I believe our financial stewardship is one of the highest measures of our spiritual maturity.

Seven Critical Financial Mistakes

In my 15 years of teaching personal financial management, along with my biblical financial coaching experience, I have identified seven critical financial mistakes that individuals and families make in managing God’s money:

1. Failing to live on a budget, spending more than you make
2. Neglecting to have an emergency fund
3. Taking on excessive debt
4. Making poor spending decisions, especially on major purchases
5. Having an ineffective savings plan
6. Failing to set long-term financial goals
7. Overlooking giving as an important part of financial stewardship

These seven mistakes tend to function together. Once the first three mistakes occur, the other four are natural outcomes of a failure to establish and implement a financial plan. I believe that “proper prior planning prevents poor performance,” and this certainly applies to money management. A person can be highly educated, professionally successful, and still know little about personal financial management. Effectiveness in professional endeavors does not result in effectiveness in personal financial management. These skills are separate and distinct, and should be learned early in life for application as an adult.

Preparing Students for Service

Cedarville’s mission, in part, indicates that we are preparing students for lifelong Christian leadership and service. Christians are saved to serve, which means we serve Christ by serving others. If we cannot effectively steward the money and possessions God has entrusted to us, we have a diminished ability to serve others in our ministry, particularly if we “can’t afford” to be generous to our churches, to our neighbors, and to people in need.

In order to be societal role models, Christians should demonstrate high moral character in their personal and professional lives, and must practice effective financial stewardship of God’s money and possessions. Proper stewardship training, which should begin at home and continue through the educational system, prepares individuals to provide for their families, support the cause of Jesus Christ through financial giving to Christian ministries, while providing godly service to others. Effective stewardship provides the ability to both serve the body of Christ and give to the four categories identified in the New Testament — the poor, needy, widows, and orphans.

The chief end of mankind is to glorify God and enjoy Him forever. It is important to understand that becoming an effective steward of God’s money and possessions enhances our ministry opportunities, personal confidence, marital relationships, family well-being, and professional stability. These benefits make training and education in personal financial management a worthy academic objective for lifelong Christian leadership and service. Once again, the demonstration of godly financial stewardship is one of the highest measures of our spiritual maturity.

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