



FUTURE EVENT PLANNING

A BIBLICAL PERSPECTIVE

*“A wise man thinks ahead; a fool doesn’t, and even brags about it!”
Proverbs 13:16*

The bible tells us that we should plan for the future, not counting on tomorrow to provide for tomorrow - the ‘plans of the diligent lead surely to advantage’ (Proverbs 21:5). As the above scripture states, it is wise for you to plan ahead and use your God given resources prudently, letting them grow gradually over time instead of relying on them as and when they are needed, which will ultimately result in them running out more quickly!

You should also strive to find a balance between what is needed now and what is needed in the future, as well as having realistic expectations for investment returns and the provisions that will be available later. In an uncertain world, investors can be overly optimistic or aggressive. This can result in there either being an unnecessary future shortfall or the loss of the opportunity to enjoy life and be generous towards others now as a disproportionate amount of existing provisions are being tied up. It takes wisdom, prudence and often experience to be able to find the middle ground in this area of financial planning.

As with all things, the starting point in planning for future events should be to ask for God’s guidance and wisdom in this area through reading his word and prayer.

*“Our goals can only be reached through a vehicle of a plan, in which we must fervently believe,
and upon which we must vigorously act. There is no other route to success.”
Pablo Picasso*

Definition

Future Event Planning is the preparation of your finances – savings plans, accumulated investments and cash flow management – so that you can make provision for the costs of future events such as your children’s weddings, holidays of a lifetime, a child’s first car, a holiday home, a deposit for a child’s first home etc.

Arguably, the most important ‘future events’ that one can plan for are retirement and your children’s education costs and, as such, these have their own separate narratives dedicated to them.

Introduction and Comments

- With the cost of many ‘important’ items / events becoming more and more, with a child’s wedding being the obvious example, it should be considered wise and prudent to start planning for these as soon as is possible.
- In doing this it is essential for you to establish your goals and objectives in this area, hard though this may sometimes be, and to prioritise these goals and objectives. The key issues are then when the future event is likely to occur and what the costs are likely to be.
- Future Event Planning involves structuring your current finances now so that you can begin to provide/save/invest for the event and have enough funds when they are required.
- We would plan for the costs to be met out of savings and investments (regular and/or lump sum), in full or a % of – with any balance potentially being met out of income or being paid by other means.
- Saving/investing towards these goals should be done in as tax efficient manner as possible, maximizing the returns over time and the further ahead you plan, the less it will cost you, due to cumulative growth.
- Saving towards a goal in such a manner also teaches us patience, is less likely to result in the use of debt to achieve our goals and sends a positive message to our children. It can also help them not to incur debt early in life if the future event for which we are planning involves them.
- The cover provided by Life and Illness insurances should incorporate the costs of future events should something happen to you.
- You should also have the foresight to realise that achieving all of your goals in this area *in full* may not be possible and attempting to do so at the expense of other more important areas, such as retirement planning, giving or a sufficient emergency fund, would be unwise. Proper planning in this area will help you to prioritise and set goals that are realistic.

When planning how best to fund for future events, it is prudent to consider all the expenses likely to be associated with the event and the fact that these costs are likely to increase by at least inflation each year from now until the time that they are needed.

The timeframe until each goal will also play a key role in how to plan for there to be sufficient funds available when they are needed.

Your Goal

To ensure that there are enough provisions available to meet the costs of future events through careful management of your resources.

The Process to Achieve This (in conjunction with Trinity)

1. Prayer & Listening. Take time to pray and listen to God for guidance in this area. Ask for direction on how best to use your God given resources to achieve these goals.
2. Estimate the cost of the future event/s.
3. Calculate current provision and design an affordable plan to provide for / towards the anticipated cost/s. A key part of this is looking at current income and expenditure and ascertaining if there is a surplus each month that can be used towards this purpose. If there is not, it may be worthwhile taking time to look at the expenditure in more detail to see if any areas of spending can be reduced or stopped altogether. Other goals, such as retirement planning, will have to be taken into account when considering how to allocate funds, and the funds allocated in priority order.
4. Ensure that the future events will remain financially possible in the event of your death or disablement (if still applicable).

Key questions to ask in the planning stage:

1. What are the current costs of the future event that we plan to save for?
2. What level of "inflation" should we factor in?
3. How much of the total cost are we going to provide for? e.g. children's wedding
4. Are we going to make use of student loans and government financing?
5. How much of the cost do we intend to meet out of ongoing income?
6. Are there sources of additional finance?

Trinity's role

Trinity will analyse your current circumstances and make recommendations on the most appropriate vehicle/s and investments for you to use to achieve your goal in a cost effective and tax efficient manner.

FUTURE EVENTS PROVISION

There are several savings and investment vehicles available to the UK investor to plan towards future events, including Cash & Equity ISAs, National Savings, Collectives (OEICS and Unit Trusts) and even Pensions. These are covered in more detail in the glossary.

WHAT THE BIBLE SAYS

Scriptural Insights on Future Event Planning

“Steady plodding brings prosperity; hasty speculation brings poverty.” **Proverbs 21:5**

“The wise man saves for the future but the foolish man spends whatever he gets.” **Proverbs 21:20**

“Dishonest money dwindles away, but he who gathers money little by little makes it grow.”
Proverbs 13:11

“On the first day of every week each one of you is to put aside and save, as he may prosper, so that no collections be made when I come.” **1 Corinthians 16:2**

“The plans of the diligent lead surely to advantage, but everyone who is hasty comes surely to poverty.” **Proverbs 21:5**

“Go to the ant, o sluggard, observe her ways and be wise, which, having no chief, officer or ruler, prepares her food in the summer and gathers her provision in the harvest.”
Proverbs 6:6-8

“A wise man thinks ahead; a fool doesn’t, and even brags about it!” **Proverbs 13:16**

“The plans of the diligent lead surely to advantage, but everyone who is hasty comes surely to poverty.” **Proverbs 21:5**

“Without consultation, plans are frustrated, but with many counsellors they succeed.” **Proverbs 15:22**