

Successful Money Management For Christians



Prepared by

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12 Lessons

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Preface

MONEY.....Evil or Good? People often confuse money with the Biblical injunction not to love money (1 Timothy 6:10). One of the early struggles I remember having as a young preacher was the question about whether it was right to have a lot of money or make a lot of money. For years, I didn't have much to worry about personally, but did struggle with how and what to preach about money. Upon one occasion I got myself into a tight with what I was teaching. In talking to an older preacher on what to do, he said, "You got yourself into this mess, now get yourself out!" My esteem for him lessened a little with that retort.

What brought on this dilemma were the many passages that seem to de-emphasize money and put "having a lot of money" into a bad category. Such passages as: Luke 18:22, "***Go sell all you have***"; Luke 18:24, "***How hardly shall they that have riches enter into the kingdom of God!***"; Matthew 6:19, "***Lay not up for yourselves treasures upon earth***"; etc.

Through the years I have tried to find a solution to the many questions and doubts on this subject. It is obvious that the Bible has much to say about money and the grave dangers it can bring spiritually; yet, it also has given much to help us learn how to deal with money successfully. God is all-wise, knows our needs, has richly provided for us, and knows we have needs to be satisfied on earth; and thus, has given us instructions in His Word that will give us the guidance needed.

At this point in my life, I still do not feel that I have all the answers on this subject, but I do feel that I have a better grasp than ever before. The approach I have taken is an attempt to explain from a Biblical and practical standpoint where I am in my understanding of this all-important subject. It is not intended to be a financial planner book, nor a guide to buying insurance, nor a financial offering of any kind to the public.

--Paul E. Cantrell
(2004)

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Chapter One

Money, Possessions, and Responsibility

Financial responsibility is of critical importance in our society today; as well as in the lives of God's people, and in the activities of the Lord's Church. In fact, finances have become the number two problem that causes break-up in homes in this country. And from all indications, it will continue to be a challenging problem for young married families in the future. When finances are in a mess:

- a) It is hard for Christians to be faithful servants;
- b) Things do not go well at home;
- c) And often, they do not go well at church either;
- d) The lost will not be reached;
- e) God will not be glorified in His people as He should be;
- f) One's soul can be in jeopardy;
- g) Satan wins the battle, not God!

We therefore believe that there is a crucial need for proper emphasis upon finances.

An important point needs to be made at the very outset of this study.....the emphasis is not on how to make a lot of money, but rather, it is on how to successfully manage the money God entrusts to each of us. The Parable of the Talents states clearly: 1) Those who wisely managed the money given to them were commended: ***“Well done, good and faithful servant: you have been faithful over a few things, I will make you ruler over many things. Enter into the joy of your lord;”*** 2) but the one who did not manage the money well was condemned: ***“You wicked and lazy servant, you ought to have deposited my money with the bankers.....cast the unprofitable servant into outer darkness.”*** (Matthew 25:23, 26-30) The secular world has always had its emphasis upon making a lot of money (Matthew 6:32). But, the Christian should be more concerned about:

- 1) His attitude towards money;
- 2) How he acquires it;
- 3) How he manages it; and
- 4) How he fulfills God's Will in his use of it.

It was recently announced in a Harrisburg, Pennsylvania, newspaper that the State of Pennsylvania is having a curriculum prepared to deal with money management...even in the middle schools. Also, the religious world about us sees the need for a spiritual emphasis upon these matters. They are doing a great deal over radio, in books, and workshops to inform and challenge people. God's people certainly need to have a correct Biblical understanding of how to wisely manage our possessions. It is to this end that this book has been prepared. The following reasons will lend support to a realization of the importance of money:

1. Because God has said so much about it!
 - a) 16 of 38 Parables deal with money.
 - b) More than 2000 passages talk about it.
2. Because of the Grave warnings given in connection with money!
3. Because we spend most of our lives earning & spending it!

4. Because every giving & spending decision shows its importance!
5. Because we will make a small or large fortune in a lifetime.

The subject demands our attention whether we like it or not. And God has amply provided help for us so we can have a proper view about money.

SOME OBVIOUS FACTS THAT CAN HELP OUR VIEW!

Money is only for this life. As we came into this world, so shall we leave it (Ecclesiastes 5:15; 1 Timothy 6:7). Since we will leave it all behind at death, why accumulate and hoard it up? It will only be left to another who may not use it wisely (Ecclesiastes 2:18-19). It is important to realize that money, possessions, or things are for this life only and are to be used wisely and enjoyed here (1 Timothy 6:17).

Money is neither good or evil in and of itself. God blesses us to secure money (Ecclesiastes 2:24-25). He knows we have needs to be met. And money is one means of meeting those needs (Matthew 6:31-33). He not only knows but promises our needs will be supplied when we put Him first! It is the **inappropriate attitudes** toward money that causes our problems—loving it, hoarding it, coveting it, and trusting in it! One can lose **His family, his health, and his relationship with God** because of wrong attitudes (Ecclesiastes 5:10-11; Luke 12:21).

Some things are more important than money. Such things as a person's reputation (Proverbs 22:1); one's strong faith (1 Peter 1:7); wisdom, knowledge, understanding, and receiving instruction (Proverbs 3:13-15); an excellent wife (Proverbs 31:10); a peaceable life, even though poor (Proverbs 17:1); truthfulness (Proverbs 19:22); integrity (Proverbs 28:6); a Word fitly spoken (Proverbs 25:11); and being prepared for judgment (Proverbs 11:4).

Money can be a tool to accomplish great good or great evil. It can become our Master or our Servant (Matthew 6:24). Money can be an end in itself that will curse us, or a means to a correct and proper end that pleases God and blesses man. God has amply warned us about where to put our emphasis (Matthew 6:19-20), and about the choice to be made between God and Mammon (Matthew 6:24).

WHAT DOES A PROPER VIEW OF MONEY INVOLVE?

It is to understand that all things belong to God. He created all things (Genesis 1:1). He obviously has no need of these things for Himself, so they must be for man's benefit.

Men are Stewards, not Owners. A Steward is one who manages a household for another. We are stewards of what God has entrusted to us. 1 Corinthians 6:19-20). When we come under Christ's Lordship, from then on we do what pleases and glorifies God (1 Corinthians 10:31).

A Steward is expected to be wise and faithful in his efforts. He is carrying out his Owner's will (Luke 12:43). He realizes he must use what has been entrusted to him properly. Improper use and abuse is wasteful and not good stewardship. He is expected to be frugal (Proverbs 6:6; 21:20). He learns to take care of things. He gets good use out of what he possesses. He strives not to be wasteful of his owner's goods. He is expected to be diligent as a steward of God (2 Thessalonians 3:10; Ephesians 4:28). God does not want us to be lazy, indolent, or wasteful stewards. He is

expected to be a wise steward (Luke 12:42) He shows wisdom by how and what he buys, by avoiding debt as much as possible, by concentrating on needs, not wants, and by properly planning the overall use of possessions.

He is to show proper appreciation for what God has given. God gives man riches and wealth (Ecclesiastes 5:19) and He does not want us to forget it (1 Timothy 4:4; Isaiah 1:2-3). Ingratitude is a grave evil.

There should be a readiness of Accountability. Therefore, he will account for how he has used them (Luke 16:2). He will be either blessed or cursed—based on his actions (Matthew 25:23, 30). A wise and faithful steward can give a good accounting.

There should be a contentment with what God entrusts to us. Much is said about being content as a Christian (1 Timothy 6:6, 8). The apostle Paul said that he had learned contentment (Philippians 4:11).

CONCLUSION

The wise man challenges us to get wisdom (Proverbs 4:7-9) so we can have a proper view of money and thus manage it well. We believe that a major task of the church is to help people have a proper view towards money and possessions.

Chapter Two

Proper Acquisition of Money

One of the early struggles that I had as a young preacher was to deal with two questions about money: 1) Is it right to have a lot of money? 2) Is it right to make a lot of money? What caused the questions was the way that many Scripture statements seemed to de-emphasize money or “having a lot of money” was put into a bad category. For example:

- 1) Luke 18:22—**“Go sell all you have and give to the poor.”**
- 2) Luke 18:24—**“How hardly shall they that have riches enter into the kingdom of God.”**
- 3) Matthew 6:19—**“Lay not up for yourselves treasures on earth.”**

Have these questions been a struggle for you? Have you honestly dealt with them—without explaining them away? Let’s take a closer look at these and other questions that deal with acquisition of money.

WHAT IS MONEY?

Money is certainly more than printed paper or stamped-out coins! Most of us recognize it basically as a medium of exchange. But it could also be looked upon as stored up energy. Money represents someone’s labor, time, skills, knowledge, production, etc. If someone steals our money, they have stolen some of our labor, time, skills, etc. Money is something that we earn and then make decisions on how to spend it or to save it.

HOW IS IT TO BE ACQUIRED?

Money is that for which we work! The apostle stated that we are to labor, working with our hands what is good (Ephesians 4:28). From all indications, God has designed man to work. When He placed man in the Garden of Eden, he gave him work to do (Genesis 2:15). Man’s curse because of sin was to make it harder for him in his work (Genesis 3:17-19).

The importance of work was stressed in Paul’s letter to the church at Thessalonica (1 Thessalonians 4:11-12; 2 Thessalonians 3:10). He made it very clear that those who would not work as they should are not pleasing to God. Not to provide for one’s own makes us worse than an unbeliever (1 Timothy 5:8). A sharp contrast is drawn between those who work and those who are lazy and slothful (Proverbs 6:6; 19:15; 24:30-34). The Christian is encouraged to work as unto the Lord (Colossians 3:24).

The choice of the kind of work we do is also important. Work can be creative, meaningful, and satisfying.....or, looked upon as drudgery, boring, and totally unsatisfying. For this reason, the choice of a vocation and our preparation for it can be extremely important. It should be obvious that we should find a work for which we are best suited. But the choice of our life’s work can greatly determine how much income we will receive. One of the characteristics of what we call “capitalism” is the reward incentive of our work. The idea is that the worker is worthy of the rewards of his labor. But the Christian has even a higher incentive to work—the greater his rewards, the more “good works” he can engage in (Titus 3:8).

There are also **moral and spiritual questions** that need to be considered when choosing our work, such as: *Who will I work for? Who will I work with? Is it legal? Will it hurt others? Will it hurt my reputation? Is it fair? Will it be a service to others that I can feel good about? Etc.* The Bible warns us about gaining money through immoral activities (Proverbs 1:10-15; 29:24; 20:20; 13:11; 28:8; 15:27; 10:2; 16:8). Stealing, false weights, dishonesty, extortion and usury, to be greedy for gain, and bribes should not be a part of the life and thinking of the Christian. It is important that we acquire money honestly—keeping our integrity and our righteous standing with God. It is certainly better to have less and remain a righteous person than to have a lot of money gained by immoral means!

PURPOSES FOR MAKING MONEY

Why should we work.....just because God said so? Because God said so should be more than sufficient for any of us—God knows best! But God always have a reason or purpose for all His commands. Several clear reasons are given in Scripture for our working:

1. **To provide for present needs of self and family** (if such we have) (1 Timothy 5:8; 1 Thessalonians 4:11-12). There are basic physical needs for our survival upon this earth: food, clothing, shelter, health, education, transportation, etc. God knows we have need of these things (Matthew 6:32), and promises that they will be provided for those who put Him and His righteousness first in their lives.
2. **To save for future needs of self and family** (James 4:13-16; Proverbs 6:6-11). There are always emergency needs that arise that need to be taken care of, as well as things that need to be planned for in the near or distant future: children's education, old age, etc.
3. **We are to honor our parents and see after their needs in their later years.** Jesus condemned the Jewish leaders for trying to avoid this responsibility and stated that their worship was made void by their actions (Matthew 15:1-9).
4. **We are to help the widows, orphans, and the needy.** The religion that is true and pure requires such action (James 1:27; Ephesians 4:28; Galatians 6:10).
5. **We are to pay taxes to the government.** God has not only ordained governing powers, but expects His people to do their part in providing the monetary support that they need—custom to whom custom is due (Romans 13:1-7).
6. **To support the work and expansion of the kingdom of God.** A great deal of Scripture statements are given to show the necessity as well as the how of accomplishing this work (1 Corinthians 16:1-2; 2 Corinthians 9:7, etc.).

When one thinks a little about the above things, it becomes quite clear that we need to make a “LOT” of money!

IS IT WRONG TO HAVE OR MAKE A LOT OF MONEY?

One of the easiest ways to answer this question is to use examples of godly or righteous people who had a lot of money, but were still acceptable to God.

1. **Abraham.** From all indications, he was “well-to-do!” His substance was great (Genesis 12:16; 13:6, etc.). Yet, he is held up as a great man of faith and as a friend of God.

2. **Job.** It is quite obvious that he was wealthy and one of the greatest men of the East. But at the same time, he was a perfect and upright man that feared God and avoiding evil (Job 1:3, 8).
3. **King David.** He was obviously rich as well. He accumulated a great amount of wealth just to build the Temple in Jerusalem. Yet, he was a man after God's own heart.
4. **King Solomon.** He was blessed by God with wealth beyond imagination for his day. The Queen of Sheba said that "the half has not been told" concerning his wisdom and wealth (1 Kings 10:7). At that time, Solomon was acceptable to God.

In the New Testament, the apostle Paul spoke of Christians who were rich (1 Timothy 6:17). The apostle John prayed for those to whom he wrote that they would prosper in all things (3 John 3). I think that we can conclude from the above that it is not wrong to have or make a lot of money. The real challenge is to have the proper view towards money, to acquire it honestly and correctly, and to use it wisely. We believe that healthy ambition, hard work, providing for one's own, helping others in need, planning for old age are all God's Will for our lives!

We believe that the answer to the question, "*How much money should I make,*" should be....as much as we can! But we should not do so at the expense of our health, our home or family, our happiness, our honesty and integrity, or service to God. Neither should accumulating wealth be an end in itself, allowing money to become our idol—our god! (Colossians 3:5; Matthew 6:24). We should work diligently as unto the Lord and thank Him for the increase. But at the same time pray that He will give us wisdom to use it correctly to His glory (1 Corinthians 10:31).

CONCLUDING THOUGHTS

Whatever decision we make concerning our life's work in order to earn a living, let's be sure we make it wisely—that it is pleasing to God, and that our motives are right and pure. Then, let's be diligent in our work and not lazy. And above all—let's be sure we place our trust in God and His promises.

While our prosperity will greatly depend upon the above things, it is also possible that God may be involved in the amount of money we will make (Proverbs 22:2). God's providential care over His people obviously could make every Christian rich if he so desired. But it would seem that it is not God's plan for such to be. Therefore, whatever God blesses us with, whether little or much, let's be good managers of what He entrust into our care and use.

Chapter Three

The Perils of Money!

The title of this chapter may appear to be inconsistent with our last chapter, but it isn't! It is not a sin to have or to make a lot of money, all things being equal, as we say. But there are grave dangers of having or seeking to have a lot of money. Our study will be devoted to seeing what God says in the way of warnings concerning the perils of money.

WARNINGS GIVEN CONCERNING MONEY

Luke 12:15-21. Jesus first warned of the danger of covetousness and then told a story to illustrate His point. He told about a farmer who was very successful in his work. He accumulated many goods for many years. But Jesus called him a fool! Why? Because he was selfish and not rich towards God.

Luke 16:19-31. Jesus tells about a rich man and a poor man (Lazarus). When the rich man died, he found himself in "hades" in "torment." Why? Because he was selfish and not rich towards God.

Matthew 19:24. Why is it so hard for a rich man to enter into heaven? Is it because he has a lot of money or because of his attitude towards money?

1 Timothy 6:9-10. Inspiration first talks about the dangers of desiring to be rich. The dangers are real. He talks in general terms in verse 9:

- a) They can fall into temptation and a snare. In order to become rich they will compromise truth, lose their integrity, lie, cheat, and beat people out of their money to their benefit (Proverbs 21:6)
- b) They can fall into many foolish and harmful lusts. As a modern illustration, I have observed that most of the young people who have gone into the entertainment business do not remain faithful to the Lord's Will. The desire for money, popularity, and all that goes with that seduces them away from the Christian life. (Proverbs 28:20).

Inspiration then turns and states very clearly that the "love of money" is at the root of all kinds of evil:

- a) They get caught up in greediness. Greed seems to carry with it the idea of insatiable desire for more and more. Never being satisfied nor content. Accumulating of things cannot bring the happiness or satisfaction that is desired (Ecclesiastes 5:10).
- b) The end results are not pleasant. They will look back with many regrets and great sorrow.

A person is very foolish not to recognize these grave dangers and be spiritually prepared to deal with them when the time comes.

1 Timothy 6:17-19. Additional dangers are added to the above in this same chapter.

- a) To become haughty. To be lifted up with pride and arrogance. To have a false sense of importance. *"Money has never made a man, but the love of it has destroyed many."*

The end result of pride is punishment from God (Proverbs 16:5, 18-19; 21:24).

- c) Trust in uncertain riches. To feel secure because we have many goods laid up for many years! Their promise of security is often misleading (Proverbs 11:28).

Matthew 16:26. The possibility of trading our soul for possessions is being warned about. It can be neglect or outright indifference to the soul's welfare in order to obtain or keep possessions. It can be to allow the obtaining of possessions to cause us to be unfruitful as a Christian (Matthew 13:22). Job deals with this concept very clearly in Job 31:24-25, 28.

1 Corinthians 5:9-11. Among the sins listed in these verses are two that fit into our study: Covetousness and Extortion. God's people are to withdraw fellowship from fellow-Christians who are caught up in these sins and will not repent of them. An interesting side-line question... "*When have you ever heard of anyone coming forward before the church to confess being guilty of either one of these sins?*" A Catholic priest who had heard many confessions stated he had never heard confession of these two sins. The sad thing is that people caught up in such sins are so self-deceived that they rarely recognize their guilt (Proverbs 21:25-26; 28:8, 16).

Covetousness, or the love of money, has and does cause many evils in our lives. How many broken homes are there because someone coveted his neighbor's wife (Exodus 20:17)? How many have robbed God of what should have been given to His Cause and Kingdom (Malachi 3:8-10)? How many have robbed the Lost of hearing the gospel because we did not give liberally to have it spread throughout the world (Romans 10:14-15)? How many preachers have given in to compromising the preaching of God's truth so badly needed in order to get gain (2 Peter 2:3)? How many bribes have been offered to pervert justice (Deuteronomy 16:19)? How many have been led from the faith by the love of money (1 Timothy 6:10)?

OBSERVATIONS ABOUT BEING RICH

Money cannot solve all problems. It offers little beyond the basic physical needs of man. It contributes little to the advancement of personal well-being. In fact, money can actually produce many negative effects in our lives.....thus, producing more problems (1 Timothy 6:9-19).

Money cannot buy happiness. It may buy "fair-weather-friends," but such will not lead to true happiness (Luke 12:15).

Money can consume a lot of time. People usually get rich because of so much time and energy consumed in securing riches. While money can offer freedom from certain tasks, it also demands ever more attention and effort. Assets must be protected and managed (Matthew 6:19).

Money can change a person's outlook. It can give a person an exaggerated and false sense of importance. Sudden wealth often destroys friendships and isolates families. It can affect a parent's attitude and expectations of their children. (1 Timothy 6:17).

Money can complicate child-rearing. Time demands can pull parents away from their children. Resentment can develop in the child because he does not feel loved. An effort to buy their respect by expensive toys usually backfires (Ephesians 6:1-4).

Money doesn't come with instructions. Wealth and the handling of wealth come with experience and time. Mistakes are often made that will affect lives and the welfare of people for years to come. (1 Timothy 6:9-10).

The Abundance of Money can breed indifference. The familiar is taken for granted. Abundance can produce ingratitude and selfishness. Past generations in this country had to go the places of worship on horses, wagons, or walk. We have every convenience imaginable....do we appreciate what we have? (Isaiah 1:2-3).

The dangers are real! Red flag! Red Flag! Don't ignore these dangers signs given by God. Don't be like the fly that landed on a nice strip of gooey, sweet-smelling fly-paper. Seeing no one else, he happily announced, "*My fly-paper!*" He dined sumptuously and then took a nap. Upon awakening, he decided to leave but was unable to do so. The fly-paper then announced, "*My fly!*" It is often this way with man and money. The man proudly says, "*My possessions!*" The possessions knowingly wink at each other and whisper, "*Our man!*"

HOW CAN I KNOW I LOVE MONEY?

Since the love of money is at the root of all kinds of evil, we then must understand the dangers and avoid the mistakes! But am I really sure that I want to know if I love money, or if I am covetous, or greedy, or an extortioner? From the above discussion, we should be able to draw some very clear indicators to help us truly see ourselves.

- 1. I love money when I am willing to acquire it in the wrong way.** Willingness to gain money dishonestly through fraud, stealing, exorbitant interest, extortion, bribery, etc., should be good indicators (Ephesians 4:28; 1 Corinthians 5:11).
- 2. I love money when I idolize wealth.** The apostle Paul stated that covetousness is idolatry. When we have an unhealthy desire for possessions, we let money become our god (Colossians 3:5; Matthew 6:24).
- 3. When we let possessions make us high-minded.** When I allow myself to have a false sense of importance or an elevated feeling of greatness over others, I have shown where my heart is (Matthew 6:21).
- 4. When we are willing to trade our soul for possessions.** Jesus said that if we were able to gain all the world has to offer and lose our soul, we have made a poor bargain (Matthew 16:26).
- 5. When we become insensitive to the needs of those about us.** The apostle John says that God's love does not abide in us when we do not show compassion to needy about us (1 John 3:17). Jeremiah condemned Israel for growing rich by oppressing the poor (Jeremiah 5:26-31). Amos condemned them because they indulged in the riches of life and were not grieved for the affliction of their neighbor (Amos 6:1-6).

All of the above show that money is the primary thing in our lives. It shows that money has become our master, driving us on to greater possession of things. We continue to say, "Yes, Master," to more and more things that are wrong for us to participate in. And all the time failing to realize that real living does not consist in how many things we have (Luke 12:15).

CONCLUDING THOUGHTS

The red flag has gone up! Take heed lest you fall! We are warned not to trust in money, not to love it, not to desire to be rich for the wrong purposes. There is also a need to realize the dangers of seeking to be rich. But with God's guidance, we can have the right attitude towards money and possessions. And we can be successful in the use of what we have!

Chapter Four

Wise Spending versus Debt

Jesus told a story about a man who had two sons whom he loved dearly (Luke 15). The younger son was not content to remain at home like his older brother. He wanted to go out on his own. So, he requested money from his father that would come to him and left to see the world. After many days all his money was gone because he had wasted it all on prodigal living. He came to be in want because all of his so-called friends had forsaken him. He was forced to do the dirtiest job just to survive and as a result, he lost his self-respect. This young man could have greatly profited by a good session on proper money management.

But what about you and I.....don't we all feel the need for God's counsel on how to spend wisely? Don't we all fall short of what we ought to do? Can't we all look back with some or much regret? Thankfully, as God's people, we can be forgiven and even encouraged to do better in the future. And when you come to think about it, it is amazing that God trusts us with His goods and puts us on our honor to use it wisely. If we have to spend time, effort, and energy to secure money, then why not learn to use it wisely!

WHY SO MUCH FINANCIAL PROBLEMS?

In the midst of a society of abundance, we are having some great challenges to our nation. The ugly head of greed seems to be seen more and more in our nation. Morals are forgotten in order to make more money. Corporations are only interested in the bottom line, not their people. It is a society of get, get, get—buy, buy, buy, and hang the consequences. Constant debt is a continual problem with State and Federal governments. Bankruptcies are ever increasing. Most people are in debt above what they are able to handle properly. The home and the church are being affected by all of this. Why are there so many problems? A variety of answers could be given, such as:

- 1) A lack of proper teaching on the subject;
- 2) An unwillingness to be taught on the subject;
- 3) With some Christians, a misunderstanding of Bible teaching;
- 4) It could also be a lack of faith in God and His promises;
- 5) Misuse of what money we do have (unwise spending);
- 6) Wrong outlook about paying bills, saving, planning, etc.;
- 7) A lack of responsibility.

We are convinced that a lack of self-control is a big factor in the problems so many homes are facing. The prodigal son certainly illustrates this reckless and carefree attitude about the use of money. And certainly the consequences of unwise spending are not desirable at all!

SELF-CONTROLLED SPENDING

Terms or synonyms used to portray self-control. Several are used that we are familiar with, such as: Temperance, Continent, Forbearance, Long-Suffering, Self-Denial, Discipline, Mastery, Resolution, Restraint, etc. The idea is to bring one's self into control to a standard or way of acting.

Bible teaching on the subject. For the Christian, it is to come under the control and direction of Christ; to die to self in order to live for Him; to die to our own will, and live by His Will (Matthew 16:24-26). It stresses that we can and must have power over ourselves.

- 1) Self-control is listed as a part of the fruit that the Spirit brings into one's life (Galatians 5:22-23).
- 2) It is also listed as one of the virtues of the Christian life (2 Peter 1:4-8).
- 3) Every exhortation that calls upon us to abstain from sinful activity is calling for self-control (1 Thessalonians 4:3-4; 5:22; 1 Peter 2:11).
- 4) There is a strong emphasis upon the control of one's tongue (James 1:26), without which a person's religion is worthless.

Wise use of money requires self-control. It requires the control of one's emotions and desires. It means that we must not be unduly influenced by others, such as: *"Keeping up with the Joneses,"* *"Being one of the crowd."* It calls for the right view toward things, possessions. Self-control means that:

- 1) We have a built-in resistance to unwise spending.
- 2) We are watching and comparing prices before buying.
- 3) We are determined to make use of the principle "Pay as you go" as much as possible.
- 4) We are trying to take care of what we buy and make it last.
- 5) We concept on needs, not wants.

The rewards of self-control (wise spending) are great!

- 1) We will not be a waster or squander money (Proverbs 21:20; 18:9).
- 2) It will help rid my life of worry over money and things (Matthew 6:25).
- 3) It will bring financial and spiritual success (Luke 12:21). We will use what we have to be rich towards God.
- 4) We can give a good accounting to God in the day of judgment (Luke 16:2; Matthew 25:21).
- 5) It will bring glory and praise to the God we serve (1 Corinthians 10:31). God is **NOT** glorified by man's foolish use of possessions.
- 6) It will keep me out of unwise debt!

FIVE STEPS TO WISE SPENDING

- 1. Put God, His Kingdom, and His Righteousness first in our lives.** (Matthew 6:33). Make our lives count for righteousness!
- 2. Make Money our servant!** Jesus calls for this choice between God and Mammon (Matthew 6:24).
- 3. Plan the proper use of our money and possessions.** Let our plans, properly made, become our way of living and using what we have.
- 4. Learn to be content with what we have.** Money cannot give true happiness. Contentment helps us to enjoy what we do have and to use it to the glory of God (Philippians 4:11).
- 5. Get a true view of Debt and its consequences.**

A CLOSER LOOK AT DEBT

Debt is defined as *“Borrowing to buy now, with intent to pay later at prescribed times.”* It is a promise to make payments until the debt is paid off. Borrowing generally involves also paying interest on the money. A saying that well describes some debt: *“Debt is people buying things they don’t need, with money they don’t have, to impress neighbors who don’t care.”*

Various terms are used to identify the kind of debt that is made, such as: Consumer debt; Mortgage debt; Investment debt; Business debt; Credit Card debt; and Emergency debt.

There are legitimate reasons for debt when used wisely. But there are questions that we should be asking as we attempt to make a debt:

- 1) *Does it make good economic sense?*
- 2) *Are we (married couple) in agreement about taking on debt?*
- 3) *Can we have spiritual peace of mind over this debt?*
- 4) *Am I meeting my financial goals with this debt?*
- 5) *Why am I going into debt?*

Debt can be looked at from three viewpoints, at least:

- 1) *Is it a wise debt?*
- 2) *Is it an unwise debt?*
- 3) *Is it a sinful debt?*

A sinful debt would obviously be when we make a debt—having no intentions of paying it off.

WHY DO PEOPLE MAKE UNWISE DEBTS?

They have a bad outlook about debt, such as: *“Buy now, pay later—if I can,”* or *“If I can repay, fine; but if not, let them try to get their money.”* Under the Old Covenant system, if a person was delinquent on his debt, he was imprisoned, sold as a slave, or they took his possessions. Earlier in this country we had a term that was used to identify where a person was sent who did not pay his debts: *“Debtor’s prison.”* Debts were to be paid, one way or another. Today, it seems a radical change has taken place.

Over spend their income. They show very poor money management or planning. They do not seem to feel responsible for handling their money wisely. Unwise use of Credit Cards illustrates this clearly.

Lack of discipline. They see, they want, and they buy. Their idea is: *“I’ve got to have it now.”* So, they run up their debt beyond safe limits.

Their life-style is too high for their pocketbook. Such people are often encouraged by the idea of: *“Keeping up with the Joneses.”* And, of course, *“Every time I catch up with the Joneses, they refinance.”*

Selfishness and Greed. These two are at the root of many unwise debts. They take risk on borrowed money (Proverbs 21:5). They also make hasty decisions (Proverbs 28:20).

Personal Traits. This is evident when a couple enters marriage with little or no understanding of handling finances. They spend more than they make—not realizing what is happening. Then, unfortunately, they are unwilling to accept the blame for their decisions.

CONSEQUENCES OF UNWISE DEBT

To get a real, true view of debt, we need to see the consequences that unwise debt has brought to many homes.

- 1) It is a leading cause of family arguments and physical and mental abuse.
- 2) It is one of the five major causes of breakup of marriages.
- 3) It leads to many crimes, mental breakdowns, and suicide.
- 4) It causes neglect of caring for one's family (1 Timothy 5:8).
- 5) It forces people into bankruptcy.
- 6) It can bring financial bondage—mortgage our future.
- 7) It can cause us to lose our desire to work.
- 8) It can destroy our self-worth.
- 9) It can cause our income to be insufficient to do what it should be able to do.
- 10) It can become a vicious cycle...and ultimately, a killer! It can become an obsession that causes us to do strange things, such as:
 - a) To compensate for feeling so powerless by going out and buying something else.
 - b) We keep buying things we don't really need or have to have.
 - c) We begin to hide things we buy from our spouse.
 - d) As debt increases, a person tends to withdraw more and more into him or herself.
 - e) We can become easily irritated with our family.
 - f) We become angry with our "successful" friends.
 - g) Our self-esteem can be destroyed.
 - h) It all begins with a deception... "*Charging is fun and easy.*"

TEST YOUR SPENDING HABITS

YES NO

- 1. My spouse and I have had some occasional arguments in regards to spending of money.
- 2. Do you have to do into reserves (savings) in order to meet your bills?
- 3. Do you always pay the minimum on your credit cards?
- 4. Have you borrowed money from parents and not been able to meet the agreed on payments?
- 5. Have you tried to work up a budget and stick with it?
- 6. Have you ever had to consolidate several loans into one?
- 7. Are your credit cards maxed out?
- 8. Do you have at least three months salary in savings for emergencies?
- 9. Do you practice impulse buying that has gotten you into unwise debt?
- 10. Have you overdrawn your checking account more than once in a year?
- 11. Do you feel guilty because of overdue bills?
- 12. Have you sought financial help from a “spiritual” advisor?
- 13. Do your bills cause you anxiety and worry?
- 14. Are you concerned about your responsibility to God to handle your finances wisely?
- 15. Do you have to be reminded that your bills are past due?

NOTE: The above statements and questions are some of the indicators of a need to get your finances in order right away.

Chapter Five

Bondage versus Freedom

The apostle Paul begins his letter to the church at Philippi talking about his joy over them as God's people. He mentions joy or rejoicing some fifteen times in four chapters. In chapter 4:4, he exhorts them to ***“Rejoice in the Lord always, again I will say, rejoice!”*** But how can a person or a family rejoice when they are deep in debt and unable to pay their bills that are overdue. They feel they are in total bondage to their debtors. They are frustrated, discouraged, or maybe even depressed. But the Lord still says to such, ***“rejoice always!”*** Rejoice not only when things are going well, but under any and all circumstances of life!

One of the challenges that Christians have is to enjoy “debt-free living”—to come out from under the bondage of debt to freedom. It is the purpose of this chapter to stress this challenge and offer suggestions that can be helpful to this end.

WHY THE DEBT?

Most people go into debt to purchase needed or desired items, rather than save up the money to buy it. While the need may be immediate for some things purchased on credit, probably the large majority of items was not that pressing and could be saved for. The following five reasons could explain why most people are in debt.

Improper view of money. Their attitude is, *“It is my money, I worked for it, and I’ll spend it as I want to.”* Such an attitude shows that the person has missed a very basic premise Biblically: ***“The earth is the Lord’s, and all its fullness, the world and those who dwell therein.”*** (Psalm 24:1). We are not owners, but managers. And someday we will give an accounting of our use of such (1 Corinthians 4:2).

Unwise Spending. The foolish squander their money (Proverbs 21:20). It is to over-spend and not feel responsible. It is a failure to think things through or compare prices, etc.

Unplanned use of possessions. It is to buy indiscriminately. It is to fail to plan for future needs and expenses. No real control placed on spending.

Unfortunate circumstances. Some debt may be beyond our control because of sickness, sometimes prolonged. It may be a loss through the forces of nature or loss of a job.

Failure to fully see the loss involved in debt. It is more than just paying high interest. It is more than the loss of being able to save the money and interest that we are putting out. It is the loss over long periods of time. To illustrate:

- a) Suppose you desire to buy a new car every 5 years for 40 years.
- b) The first cost and each one thereafter after trade in will be \$20,000.00.
- c) Let’s keep the interest stable at 6% for the 40 years.
- d) You will make a monthly payment of \$386.66 for 40 years.
- e) You will pay out in interest for 40 years----\$25,594.88.

- f) If you did not pay that interest, but invested the monthly interest of \$53.32 at 6% for 40 years, it would be worth.....**\$106,717.21**

WHERE TO TURN FOR HELP

We can have reason for rejoicing because there is help available to deal with debt in my life. There is no promise that it will necessarily be easy, but debt can be dealt with properly and finally.

Turn to God for His help. He has filled His Word with wisdom and instruction on how to deal properly with money. He encourages us to become disciplined and self-controlled people. Jesus offers us the strength that we need to face up to the challenges before us (Philippians 4:13). Most of all, God promises not to leave or forsake us (Hebrews 13:5-6). He encourages us to trust in Him (Proverbs 3:5-6). But we must want and seek His help for He will not force it on us.

Turn to fellow-Christians for support. We share a common Father, purpose, and hope. We are to help bear one another's burdens (Galatians 6:2). Yet, at the same time, we have our responsibility to bear our own burdens (Galatians 6:5). They can be there for us, with us, and along side of us to urge us on.

Turn to Financial agencies designed to help people with debt. More and more of these companies are springing up all over this country. Be sure they are legitimate. Many people have been greatly helped by such.

THE ABC'S OF FREEDOM FROM DEBT

Everyone should want to have the joy of being free of debt. Common sense and good stewardship would suggest that such is very desirable. The following thoughts are a few suggestions to help make this possible.

Avoid common credit mistakes. Get your credit rating up and keep it good. The time may come when you wish that you had. Do not raise Credit Card limits and use them. Such only encourages more borrowing. Don't let status overrule common sense (Philippians 2:3). Do not stretch out a loan to get lower payments, but rather pay it off as soon as possible. Be sure to know your interest rates and fees, and get the best deal possible.

Budget your spending. No excuses and no rationalization—just do it—work up a budget! It will help me to get control of my finances and give guidelines to trim back my spending. (More will be said on this in a later chapter).

Commit to get out of debt. One of the joys in life is the feeling of having myself under control—to have a deep sense of self-discipline. Such can certainly lead a person to be free of debt. For some people, it will be fairly simple and quick to be free of debt. But for others, it can be a real trial and testing of one's commitment or determination. But the feeling of joy at the end is worth the price to be paid. The whole family may have to be involved in order to reach the goal.

Drastic measures may have to be taken. If a person cannot get out of debt for a long time under his present spending patterns, then drastic action is called for! Cut your spending to the “bone!” Lower your standard of living to emergency levels. The greater the sacrifice, the sooner you can be debt free. Evaluate everything and cut out all unnecessary things till the debt is paid off. These drastic means may be harsh, but when the debt is being cut away quickly, it will be worth it. An example to illustrate:

- a) If a person cut his spending \$2.74 per day on unnecessary items, he could save \$1,000.00 in a year’s time.
- b) Investing that \$1,000.00 a year for 40 years at 6% would amount to.....**\$164,047.68**

God encourages His people to be patient and persistent in our lives (1 Corinthians 15:58; 2 Peter 1:6; James 1:2-4).

Escape the Credit Card trap! Stop using Credit Cards in making of new debts. Operate on a cash basis or do without. If you cannot control them, cut them up. Jesus told about drastic actions that have to be taken some times (Matthew 5:29).

Further use of all possessions. Strive to make them last by oiling them, or cleaning them, or polishing them, etc. Get all the life out of them that is possible. Don’t be a waster! (Proverbs 21:20).

Garage sales. Sell what you do not use or can afford to get rid of. Use the money to pay off debts quicker. “Things” are not sacred, they are a means to an end (Luke 12:15).

Habits need to be changed. Tobacco, soda pops, candies, frills, the unnecessary things in life can be dropped. One couple, several years ago, said they saved over \$30.00 a week when they quit smoking. Imagine how much we could save—just with these things!! We will be healthier and happier if we will do it.

Interest needs to be lowered. Consolidate at a lower interest so that the debt can be paid off sooner. As smaller debts are paid off, we can put that money towards paying off the bigger debts. **DO NOT MAKE NEW DEBTS.**

THE WAY OUT OF DEBT IS POSSIBLE!

We must accept responsibility for dealing with them. We made the debts and are responsible before God for them (Romans 13:8). We need to humbly and penitently seek God’s help, His wisdom, and His strength (James 4:6).

Learn to live within a financial plan. Sit down and count the cost and then make the decision to do it. Be sure your plan is workable and stick with it. **“Be strong and of good courage...”** (Joshua 1:6).

Learn to make good decisions. None of us are perfect decision-makers. But all can learn by experience and profit by our mistakes, unless we are too wise in our own eyes (Proverbs 3:7, 13).

Learn what it means to be content. The apostle Paul said that he learned to be content in what circumstance of life he found himself (Philippians 4:11). He also added that godliness with

contentment is great gain (1 Timothy 6:6). We need to learn this lesson well. Until we do, we will probably have continual struggles with unwise debt in our lives.

Make the Commitment and stick with it! God will help those who will keep their priorities straight (Matthew 6:33)....and we can rejoice!

DEBT REDUCTION

A. How can I reduce living expenses?

1) Housing	\$	
2) Food	\$	
3) Clothing	\$	
4) Transportation	\$	
5) Medical	\$	
6) Insurance	\$	
7) Children	\$	
8) Entertainment	\$	
9) Gifts	\$	
10) Miscellaneous	\$	
Total.....		\$

B. How can I reduce minor debts quickly?

1) _____	\$	
2) _____	\$	
3) _____	\$	
4) _____	\$	
Total.....		\$

C. How can I reduce my taxes?

1) _____	\$	
2) _____	\$	
Total.....		\$

D. How can I restructure my investments?

1) _____	\$	
2) _____	\$	
3) _____	\$	
Total.....		\$

E. How can I increase my income?

1) _____	\$	
2) _____	\$	
Total.....		\$

Grand Total of Savings from the above..... \$

Chapter Six

The Grace of Giving

A first reaction by some to the above title might be...*"Can't a person manage his money well and not give? Why should a person give his money away if he is trying to get it to grow? It would seem sensible that a person could save more money if he didn't give it away."* It seems to be an obvious fact that non-Christians seem to prosper and they do not give to the Lord. But there is a strange phenomenon here—many who are not Christians feel the need to give and often do so liberally. But the real question that we need to ask is—*"Can a Christian successfully manage his money without abounding in the grace of giving?"* We believe the answer has to be an emphatic "no!" Giving is a part of the Christian's management or stewardship of money before God. The apostle Paul's admonition in his letter to the Corinthian church shows this clearly (2 Corinthians 8:7). While giving can be looked upon as a duty given to us by God, yet it should also be looked upon as a privilege. Jesus' statement that it is more blessed to give than to receive (Acts 20:35) should help us realize this truth. And the apostle's statement in 1 Corinthians 3:9—that we are fellow-workers with God—shows what a privilege we have of working along side of God in doing good on this earth and furthering the kingdom of God.

A recent survey among religious people attempting to find out why they give came up with four reasons:

- 1) In order to control the church to keep it like they want it.
- 2) As payment for services rendered by the salaried people.
- 3) To keep up a social club or family identity.
- 4) As a matter of faith...the results of gratitude.

The survey also found that approximately 20% were giving 80% of the money given to the church and that 50% gave little or nothing. When these were asked why they gave so little, their answers were:

- 1) The church doesn't need the money, I do!
- 2) I don't see why I should give.
- 3) I don't like what the church is doing.

We are convinced that successfully managing money for the Christian involves proper giving to the Lord as well as helping those about us in need. And God promises to bless proper giving (Proverbs 3:9-10; 2 Corinthians 9:6).

Can you imagine the following attitude on the part of a Christian? We see him go into the assembly of the saints to worship. The Lord's Supper is being observed, and his heart seems to be filled with love for God because of the sacrifice of His Son. Tears trickle down his cheeks in appreciation of the Lord's great sacrifice. Then, a few minutes later, when the collection plate is passed, he seems to have a resentful attitude about having to give. He begrudgingly puts in a small amount that he will not miss. Does this seem consistent to you?

WHAT IS A PROPER BASIS FOR GIVING?

Biblical principles of giving in the New Testament. The devoted Christian should not have a problem with giving since God has commanded it. Our challenge is—“*How much should I give?*” The following principles are given as a guide to help us determine how much to give:

- 1) Giving should be bountiful (2 Corinthians 9:6).
- 2) Give as we have purposed in our hearts (2 Corinthians 9:7).
- 3) Give cheerfully (2 Corinthians 9:7).
- 4) Giving according to our ability (2 Corinthians 8:3).
- 5) Give specifically on the 1st day of the week (1 Corinthians 16:1-2).
- 6) Give as we are prospered (1 Corinthians 16:1-2).
- 7) First give ourselves to the Lord (2 Corinthians 8:5).
- 8) Give out of a readiness and willingness of mind (2 Corinthians 8:11-12).
- 9) Give as a sincere proof of our love (2 Corinthians 8:8).
- 10) To abound in this grace of giving (2 Corinthians 8:7).

The Principle of the Tithes. Man has been religious from the beginning. Sacrifices were offered as an atonement concept for man’s sins (Genesis 4:1-7). Man also seems to have understood the need of giving a “tithes” or 10% of what he made into his religion. The early Egyptian writings indicate that as far back as 2100 BC the Babylonians paid such to the temples of their gods. The Greeks were taught that anyone who did not do so was atheistic, irreligious, and should be destroyed. Rome’s early history indicates the same thing. Both Abraham and Jacob understood this concept (Genesis 14:20; 28:22).

Under the Law of Moses, Israel was expected to give a minimum of a 10th (Leviticus 27:30-33). There was also additional giving that was expected of them as well (Deuteronomy 14:28-29). Jesus also put His stamp of approval upon those in His days who were tithing (Matthew 23:23).

But what about for the Christian under this New Covenant? Has God spelled it out that He expects a tenth of our income each week? To my knowledge there is no such indication found under the New Covenant. But in view of what God has required in the past, does it make sense that He would require any less of His people under a New and Better Covenant (Hebrews 8:6).

The story is told of a church that was having parking problems. A supermarket was located next to them and they were closed on Sundays (that is hard to believe now!). The church asked the owner if they could use their parking lot on Sundays. “*Yes, you can use it for 51 Sundays a year, not 52!*” When asked why such an odd restriction was given, he stated, “*I want you to never forget that this parking lot belongs to me, not the church!*” Someone times we find it hard to get that message about “our” possessions! They do not really belong to us....only loaned to us for a short period to be managed correctly. If this was understood clearly, we probably wouldn’t be arguing over how much to give.

A contrast between foolish and sensible giving. The possessions we are blessed with are only for a short period of time on earth. They are a trust put into our hands to be used wisely. The following are suggested ideas that draws a sharp contrast between foolish and sensible giving.

FOOLISH GIVING:

- 1) According to the mood-of-the-moment.
- 2) Not taking time to investigate to whom they are giving.
- 3) Not knowing how to say “NO” gracefully to some things.
- 4) Kind of giving that makes one feel guilty.
- 5) Ignoring tax-saving opportunities in giving.
- 6) Overlooking special channels of giving that makes our gifts more effective.
- 7) Overlooking channels of giving that can increase our income and add to personal security.
- 8) Give for the wrong purpose.
- 9) Leave possessions upon death to people who show they will not use it wisely.

SENSIBLE GIVING:

- 1) A budgeted amount to give for the year.
- 2) Investigating what we give to.
- 3) Asking, “*Who will give, if I do not?*”
- 4) Saying “NO” to certain kinds of giving.
- 5) Making charitable bequests in your will.
- 6) Taking advantage of tax savings.
- 7) Considering long-range needs separately.
- 8) Considering property gifts.
- 9) Considering revocable gifts that can be taken back in case of an emergency.
- 10) Considering giving for income.

WHY ABOUND IN THE GRACE OF GIVING?

The apostle Paul called upon Christians to prove their love for God by abounding in the grace of giving (2 Corinthians 8:8). Jesus gave a principle to the apostles when He sent them out on the “limited” commission—“***Freely you have receive, freely give!***” (Matthew 10:8). God doesn’t need the money, so it must be for our good that He requires it. I can only be a faithful steward by obeying my Master! The following are some suggested reasons for abounding in the grace of giving.

It helps me to put my trust in God, and not in money! We have stamped on our money a reminder—“*In God we trust!*” Liberal giving is one way to show that my trust is in God and not in money (1 Timothy 6:17; Matthew 6:33). It also helps to show that I recognize the giver of good gifts (James 1:17).

It shows my concern for others. The apostle Paul states that giving proves my love for God and others (2 Corinthians 8:8). I show my sincere concern for the Lord’s Cause and also for the needy around me when I give liberally (James 1:27). Such giving can be a means of encouragement to others (2 Corinthians 8:1-5). What we give to liberally indicates where our concern is (Matthew 7:21).

It is investing in my future, spiritually. The rich farmer was called foolish because he laid up treasures for himself and was not rich towards God (Luke 12:21). Our future is heaven, and that is

where I am laying up my treasures as a Christian (Matthew 6:20; Luke 16:9).

Because of the rewards that it brings. Such giving blesses the giver (Acts 20:35). It pleases the owner (God) (2 Corinthians 9:7). It blesses others (Galatians 6:2, 10). It gives meaningful purpose for making money (Ephesians 4:28). It gives satisfaction because I am being a good steward (1 Corinthians 4:2). It enables God to trust me with more to use (Matthew 25:21). If we sow bountifully, we shall reap bountifully (2 Corinthians 9:6).

Because I want to be like God. God is the great giver! He has not only given mankind all the blessings of this life (James 1:17), but also His only begotten Son to redeem those who would obey Him (Hebrews 5:8-9). Jesus is also a great giver! He gave up heaven to come to earth as a man. He became a servant, even unto death for mankind (Philippians 2:5-8). There is no activity more like God than bountiful giving (Matthew 5:48).

CONCLUDING THOUGHTS

There was a certain widow with a 5-year old son who had been blind from birth. She heard about a physician that had been successful in restoring sight to such. So, she saved up for months and finally went to the surgeon. She told him she could not pay his normal fee at that time, but would do so faithfully each month until the debt was paid. The surgeon re-assured her that the boy's sight was the priority. After the operation and days of waiting, the bandages were removed. The boy could now see his mother's face for the first time. "*Mother, you are more beautiful than I ever dreamed you could be.*" The day came for him to leave the hospital. The boy wanted to give the doctor something, but all he had was a small teddy bear that had been his companion since infancy. One arm was gone, the stuffing in one leg was gone, and one eye was gone. So, he gave up his dearest possession to thank his doctor. When he arrived home, there was a large package addressed to him. It contained a large, stuffed teddy bear. It was intended to replace the one he had given up. But in the surgeon's office, placed under glass, sat a little brown, battered, teddy bear—with one arm, a limp leg, and one eye. And a card on the outside which read: "*The largest single fee ever received for professional services.*"

Liberal, bountiful giving blesses both the giver and the receiver. It also shows where our love (concern) is fixed. God challenges His people today as He challenged Israel, "***Bring the tithes into the storehouse, and prove me now herewith, says the Lord of hosts, if I will not open the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it.***" (Malachi 3:10). What future are we really concerned about—here or hereafter?

**Table of Percentages of Giving
(Weekly Giving)**

Prosperity	5%	10%	15%	20%
\$20,000.00	\$19.23	\$38.46	\$57.69	\$76.92
\$30,000.00	\$28.85	\$56.70	\$85.55	\$113.40
\$40,000.00	\$38.45	\$76.90	\$115.35	\$153.80
\$50,000.00	\$48.08	\$96.16	\$144.24	\$192.32
\$60,000.00	\$57.69	\$115.38	\$173.07	\$230.76

Chapter Seven

Visions, Goals, and Planning

There are four basic areas that help to bring financial success: Proper Attitudes, Proper Acquiring, Proper Management, and Proper Planning. We are now ready for the planning part of our study. This will deal with the question of where am I now, where do I want to be in the future, and how do I get there. In order to make plans and set goals for the future, it is important to do an analysis of what I now possess and an estimate of what I can expect in the future. So, we will begin with an analysis, then to visions and setting of goals.

BIBLICAL EMPHASIS UPON ANALYSIS

Solomon was one of the richest men on earth in his time. How do we know? Look at the listing of his wealth in 1 Kings 10. He had so much money it was hard to keep up with it all.

Jesus showed the wisdom of making an analysis of one's situation in Luke 14:26-33. He told of a man who wanted to build a house. He was advised to sit down and analyze if he had enough money to finish it. Why was this so important? So he would not become the laughing stock of the community. He also told of a king ready to go to war with another king. He also was advised to sit down and analyze to see if he had a chance of winning or losing the battle. If not enough possibility of winning, then sue for peace.

We firmly believe there is wisdom in sitting down to do an analysis of our situation as well. Jesus gave an important principle in Matthew 25:23—if a person is faithful in little, the likelihood is he will be faithful in much. If you came into a lot of money, how well would you handle it? A strong indication would be that you would handle it well if you handle the smaller amount well. But an analysis of our situation would seem to be a necessity if we want to handle what we have well.

AN ANALYSIS CAN ACCOMPLISH FOUR THINGS

It can let me know if my assets are larger than my liabilities. For so many people today, this is the reverse of the above—their liabilities are much larger than assets. College debts and getting married and setting up housekeeping would probably cause a young couple to be deep in debt. However, if they begin to save and/or pay off debt, they can expect to see larger assets to project for the future.

It lets me know if my spending is larger than my income. This becomes more obvious as credit card debts increase and our credit rating goes down hill because of late or lack of payments on our accounts. Spending must be corrected immediately! A question to challenge your mind—*“What is the difference between stealing something and buying on credit and not be able to pay the debt?”*

It gives me indications of what I must do to get out of debt. How can one get out of debt unless he knows his situation? How does he know where to make those hard decisions about his spending?

It allows me to set financial goals that are realistic. To try to set goals without an analysis would be like a king going to war without an analysis. The so-called goals would be more “pipe-dreams” than realistic goals. Sit down and count the cost—analyze your situation. Successful money management is a planned process, step by step.

HOW DO I MAKE AN ANALYSIS?

I need to find out what my net worth is. (Please see forms at the end of this chapter.

- a) Make a list of all your assets.
- b) Make a list of all your liabilities.
- c) See which is greater. Hopefully, your assets are greater!

Next, I need to determine what my cash flow is for the year. (Please see forms at the end of this chapter.

- a) Make a list of all sources of income.
- b) Make a list of special expenses: Giving, Taxes, Debt.
- c) Make a list of living expenses.
- d) Compare the income to expenses to see if you have money left over for the year.....if not, you are in trouble!

What can you do with a negative cash flow?

- a) Find a way to increase your income.
- b) Find a way to reduce your special or living expenses.
- c) Dip into savings (if such you have).
- d) Borrow to have a positive cash flow.
- e) Find a way to reduce your debts.
- f) Go into bankruptcy.
- g) Go to a company that helps you get out of debt.
- h) Ignore the problem—thinking God will take care of you.

Which of the choices above make good sense to you? The problem needs to be remedied! A wise and probably a hard decision is called for! The problem now may be to learn to live with and make the best of some poor decisions previously made.

IS PLANNING FOR THE FUTURE WRONG?

If it is, then God would seem to be the biggest sinner! No one has ever planned like God has planned! God could know the future and made plans, not only for the creation of the world and humanity, but also for our redemption in Christ—even before we were created (Ephesians 1:4). But the inspired writer, James, rebukes those who planned to do something in the future (James 4:13-16). The reason—he rebuked them for their arrogance and boasting of what they would do, without taking God into the situation.....”***you ought to say, ‘if the Lord wills, we shall live and do this or that.’***” (James 4:15). The sin is not planning, but planning without God. The setting of financial goals should be with the concept, “***If God wills.***”

CRITICAL QUESTIONS ABOUT PLANNING

Can we trust God to care for us and not plan for the future? Jesus stated bluntly for us not to lay up for ourselves treasures on earth (Matthew 6:33). We also know that He promised us His care over our lives (Matthew 6:33). But do we just sit back and expect God to bring everything to us? NO! We get jobs and work. We try to manage what we have well. And then we depend upon God's care. Proper management does not justify little effort on our part. Neither does it justify uncontrolled spending and a lack of thrift or discipline.

Should financial responsibility be scorned? The lazy person is fearful and uses such as an excuse for not doing what he should (Proverbs 22:13). Financial responsibility is what God rightfully expects of us (1 Corinthians 4:2). Does God praise the aimless, shiftless person?

How does faith remove mountains? Jesus said if we believe we can remove mountains (Matthew 17:20). But are mountains removed by wishful thinking? Are they removed by a "dead" faith? Or, are they removed by a living, working, active, trusting faith in God? Let's put our trust in God and then get busy being "faithful" stewards of God!

THE VALUE OF DEVELOPING GOALS

If God allows us to live a full life on earth, we will be able to make and spend a lot of money. How well we make money will be determined by the kind of decisions we make. But how well we spend it will in part be determined by financial goals that we develop.

There are different kinds of goals. There are what could be called beginning or basic goals. Goals are not absolutes because we are not perfect planners. Circumstances, better insights, maturity, better discipline, etc., all may affect our beginning goals. Some goals will be set to be reached over a short period of time, while others will need to be set to be reached over a longer period of time. The following suggestions will show why we believe goal setting is important.

Goals can serve as guidelines. We need to have a direction to put our efforts toward. Goals can give direction that makes life meaningful. We know where we are going—not just drifting in life.

Goals can help to crystallize our thinking. Why do I want to make money or more money? Proper goals give me purpose for making money according to what God wants (1 Corinthians 10:31). We all move or act from proper motivation. We need to have a reason for what we do.

Goals can help us to focus on the future, not the past. We can surely profit from the past, but not dwell on it....as the apostle Paul so forcefully stated about his own life (Philippians 3:13-14). The future is what we are so interested in (Colossians 3:2).

Goals can help guard us against letting accumulating of money become an end in itself. We need to have righteous purposes for making money....and goals help to spell such out (1 Timothy 6:17-19). They can help us to see the need to forego or deny things here so that we might enjoy heaven after awhile (Hebrews 11:26-27). Our goals need to reflect godly goals, not selfish or

worldly goals (1 Timothy 6:10-11). Our emphasis should be upon laying up treasures in heaven (Matthew 6:19-20). They should help us realize that money, time, and talent are means to an end of serving others (Matthew 20:28).

Goals can become a way of life for us. I know where I am going and why, if God wills! My goals are God approved....they are the way God wants me to walk (1 John 1:7).

Goals can be a means of getting the job done right! I will not be floundering here and there because I know where I need to go and what I need to do to get there. I have intelligently and spiritually figure out what I should work towards (Colossians 3:23).

No one really wants to fail as it has often been stated: *“People don’t plan to fail, they fail to plan.”* But can we really be a faithful steward without financial goals? It is true that *“an oxcart is as good as an airplane if you do not plan to go anywhere.”* God is our example—He is the great planner! Let’s take a cue from Him and do the best we can to plan for our future.

BARRIERS TO OVERCOME

Unfortunately, analysis, planning, and goal setting are not easy and the vast majority of people usually find an easy excuse to avoid such. If we are going to set goals, we will have to overcome barriers like the following:

“Goal setting takes a lot of time.” Yes, it generally does! But even if it does, isn’t there a value in doing so. We may need to secure help from more knowledgeable people.

“I don’t know what goals to set.” This is not entirely true in most cases. There are some goals that should be obvious to all. But again, professional help can be secured.

“I don’t know how to set goals.” Then, ask for help from those who do know how. By all means, don’t fail to plan!

“I am not sure that my goals are according to God’s Word.” Many are not knowledgeable of the Bible and may not know if their goals are acceptable to God. Again, some guidance may be necessary.

“I am afraid that I will not reach my goals.” The fear of failure is often used not even to try. To try and fail is one thing. To not try at all and fail is worse. The apostle Paul reminds us that God hasn’t given His people a spirit of fear (2 Timothy 1:7).

“I can’t agree with my mate on how to properly deal with money.” One of the five major causes of marital discord is over money. Some of the reasons for the discord are: who controls the money, spending decisions, different values or outlook, and bad communications. God’s solution to discord is to be willing to submit to one another (Ephesians 5:21).

CONCLUDING THOUGHTS

Financial planning is the pre-determined use of resources in order to accomplish certain desired goals and objectives. Let's be sure that our goals are worthy goals that bring glory to God, and then have goals big enough to allow God to help us! Some suggested goals follow:

- a) Learn to live within my means, buy wisely, and be frugal.
- b) Strive to be self-supporting.
- c) To have resources in order to live in dignity.
- d) To have commodious living conditions.
- e) To have funds to care for and educate our children.
- f) To get out of debt and stay out.
- g) To be able to take vacation and rest time.
- h) To have money saved for bad days.
- i) To have sufficient to care for us in old age.
- j) To have something to pass on to our children.

Net Worth Analysis Sheet

I – ASSETS

1) Cash in checking account	\$	
2) Money Market funds	\$	
3) CD's	\$	
4) Marketable Securities	\$	
5) Life Insurance cash value	\$	
6) Home (Market value)	\$	
7) Land (Market value)	\$	
8) Business evaluation	\$	
9) Real Estate Investments	\$	
10) Limited Partnerships	\$	
11) Boat, Camper, Tractor, etc.	\$	
12) Car(s) (Market value)	\$	
13) Furniture & Personal Property	\$	
14) Coin & Stamp collections, Antiques	\$	
15) IRA's and Keogh	\$	
16) Pension and Profit sharing	\$	
17) Receivables from others	\$	
18) _____	\$	
19) _____	\$	
Total Assets.....		\$

II – LIABILITIES

1) Charge cards	\$	
2) Auto loan(s)	\$	
3) Parent's loan	\$	
4) Bank loan(s)	\$	
5) Life Insurance Loan(s)	\$	
6) Home Mortgage loan	\$	
7) Home Equity loan	\$	
8) _____	\$	
9) _____	\$	
Total Liabilities.....		\$

III – NET WORTH

1) Total Assets	\$	
2) Total Liabilities	\$	
Net Worth.....		\$

IV – LIVING EXPENSES

Housing:	1) Mortgage/Rent	\$	
	2) Insurance	\$	
	3) Property Tax	\$	
	4) Electricity	\$	
	5) Heating	\$	
	6) Water	\$	
	7) Sanitation	\$	
	8) Telephone	\$	
	9) Cleaning	\$	
	10) Upkeep	\$	
	11) Improvements	\$	
	12) Furnishings	\$	
	13) Supplies	\$	
	14) _____	\$	
	15) _____	\$	
	Total Housing for the Year.....		\$
Food:	Total Food for the Year.....		\$
Clothing:	1) Husband	\$	
	2) Wife	\$	
	3) Children	\$	
	4) _____	\$	
	Total Clothing for the Year.....		\$
Transportation:	1) Car Insurance	\$	
	2) Gas & Oil	\$	
	3) Upkeep on Vehicle(s)	\$	
	4) Parking	\$	
	5) Mass Transit	\$	
	6) _____	\$	
	Total Transportation for the Year.....		\$
Medical:	1) Insurance	\$	
	2) Doctors	\$	
	3) Dentists	\$	
	4) Medicines	\$	
	5) _____	\$	
	Total Medical for the Year.....		\$

Insurance: 1) Life \$
 2) Disability \$
 3) Mortgage Insurance \$
 4) _____ \$
 Total Insurance for the Year..... \$

Children: 1) School Lunches \$
 2) Allowances \$
 3) Tuition \$
 4) Lessons \$
 5) _____ \$
 6) _____ \$
 Total Children's Expense for Year..... \$

Recreation: 1) Eating out \$
 2) Babysitters \$
 3) Magazines/Newspapers/Cable\$
 4) Vacation \$
 5) Special Activities \$
 6) _____ \$
 7) _____ \$
 8) _____ \$
 Total Recreation for the Year..... \$

Special: 1) Christmas \$
 2) Birthdays \$
 3) Anniversaries \$
 4) _____ \$
 5) _____ \$
 6) _____ \$
 Total Special Expenses for the Year..... \$

Miscellan: 1) Toiletries \$
 2) Husband: Lunches \$
 3) Wife: Miscellaneous \$
 4) Dry Cleaning \$
 5) Animal Care \$
 6) Beauty/Barber \$
 7) _____ \$
 8) _____ \$
 9) _____ \$
 Total Misc. Expenses for the Year..... \$

Developing Financial Goals

I – SHORT-TERM GOALS:

A. General Giving:

- 1) We want to be giving this amount for year \$
- 2) Give additional gifts each year of \$

B. Small Lifestyle desires:

- 1) We want to make the following small purchases:
 - _____ \$
 - _____ \$
 - _____ \$
- 2) We want our type of lifestyle to:
 - ___ Increase
 - ___ Decrease
 - ___ Maintain present level

C. Pay off Minor Debts:

- _____ \$
- _____ \$
- _____ \$
- _____ \$

D. Short-Term Savings:

- _____ \$
- _____ \$

II – LONG-TERM GOALS:

A. Major Gifts:

- _____ \$
- _____ \$

B. Major Lifestyle Changes:

- _____ \$
- _____ \$
- _____ \$

C. Major Debt Retirement:

- _____ \$
- _____ \$
- _____ \$

D. College Fund for Children

E. Financial Independence

- \$
- \$
- \$

Chapter Eight

The Wisdom Of Budgeting

The Lord condemned the one talent man for not using what he had (Matthew 25:26, 30). But the principle would seem to apply also in the misuse of what one has been given. When we do not use wisely what we have been entrusted with, are we not just as unfaithful and unprofitable as the one talent man who didn't use what he had. Again, the emphasis needs to be placed on what our attitude should be! We are not owners, but managers of God's money (Psalms 24:1; 50:10-11). We need to be good managers. We just have title to it for the brief time we are here on earth. Then, in the Day of Judgment we will give an accounting for how we have managed God's resources!

The writer of the book of Proverbs pictures Wisdom as one who is crying in the streets for people to listen to what she has to say (Proverbs 1:20-21), and reminds her listeners that only fools hate knowledge (Proverbs 1:22). All of us need that wisdom in order to not only have a proper outlook towards possessions but also the wise use of it

THE VALUE AND PROPER USE OF A BUDGET

A fundamental factor in helping not only to control our spending, but to have a positive cash flow at the end of the month, is a **budget**! A budget is a financial statement of estimated income and expenses for a period of time (usually a year) with the intent of making the best decisions in the use of money entrusted to us by God. It is a means to an end and not the end itself. A budget can help to accomplish many good things:

- 1) It can help us to accomplish our financial goals if we let it.
- 2) It can help to make money my servant to accomplish what I understand God expects of me (1 Corinthians 4:2)
- 3) It can help supply the discipline over my spending to keep it within correct bounds. It can help me not to spend more than I should.
- 4) It can help to begin a good saving's plan.

One of the big mistakes of our time is a "consumptive lifestyle." It is spending more than I can afford, or spending more than I should. Debt and loose spending feed on each other to add greater burdens in our lives. A budget is designed to curb and control such. And every dollar saved, can be used to accomplish the financial goals that I have made. Without a budget to control our spending, we cannot accumulate money. Without this accumulation, we cannot reach our short-term nor long-term goals.

WORKING UP A BUDGET

You have already been encouraged to do an Analysis of your Cash Flow Margin in Chapter Seven in order to get started on getting your finances in a controlled situation. From that information, you should be able to easily work up a budget that will serve your financial purposes well. Budget forms have been provided with this chapter to help you, but they may or may not have some things that you would desire in them. We have also provided an illustration along with the forms to help you see how to use them effectively. It is wise also to evaluate your

budget every six months to see how well things are going. If there are changes in your financial situation, your budget will need revising.

Also provided in this lesson is what is called a “Budget Guideline Percentages” form that can give you an average estimate of what each area of your budget should be. This will at least give you an idea of where you are in comparing with others. We are not advocating these percentages, only giving you something with which to compare.

The budget forms that are provided have been a special help to myself and others. These forms are required in order to be the most effective. The “Cash Flow Analysis Sheets” need to be filled out first. You are then ready to fill out the forms calling for a “Budget Breakdown” into special categories of (1) Weekly spending; (2) Monthly spending; (3) Quarterly spending; (4) Semi-Annual spending; (5) Annual spending; (6) Miscellaneous spending. You will also see a “sample” that can help you better understand how to fill out the forms. The next forms are called “Yearly Financial Overview.” Because of space, each page is for one quarter of the year. These forms will help to determine how much money you will need at the beginning of the year in order to stay in the black each month. This has been extremely valuable to me, and I hope it will be to you! We have also given you an example to refer to in order to help you understand how these forms are used.

CONCLUDING THOUGHTS

A few years ago in the Olympic games, Tom Courtney was the USA representative in the 26 mile marathon race. Tom ran well. He was leading the pack at the 25 mile stripe. One more mile to go! His muscles ached and his whole body felt like it was going to collapse. His lungs were totally exhausted and felt like they would be exploding as they gasped for more and more air. The lactic acid had so built up in Tom’s body that it pained him every time he put one foot out in front of the other. Then he fell! He was only fifty yards away from victory. He got up. He tried to run a few steps, then fell again. He got to his hands and knees and began crawling. As he neared the finish line, he managed to get to his feet and walked across the line to victory. He said what helped him to make it was something he kept repeated constantly, “I want to win, I want to win, I want to win!”

How bad do we want to win the battle of being good stewards of God’s money? Are we pressing on to victory by using the best means possible? Let’s be honest with ourselves, each other, and most of all be honest with God about our finances.

**BUDGET GUIDELINE
PERCENTAGES**

ACTUAL GROSS INCOME FOR THE YEAR.....		\$
Giving.....(10% of Gross)	\$	
Taxes.....(15% of Gross)	\$ _____	
Total.....	\$	\$ _____
NET SPENDABLE INCOME FOR THE YEAR.....		\$
Debt Reduction..... (15% of Net)	\$	
Housing.....(30% of Net)	\$	
Food.....(15% of Net)	\$	
Clothing..... (5% of Net)	\$	
Transportation..... (10% of Net)	\$	
Medical..... (5% of Net)	\$	
Insurance..... (5% of Net)	\$	
Children..... (2% of Net)	\$	
Entertainment/Recreation..... (5% of Net)	\$	
Gifts/Special Occasions..... (3% of Net)	\$	
Miscellaneous..... (5% of Net)	\$	
TOTAL (Cannot exceed Net Spendable Income).....		\$ _____

**BUDGET GUIDELINE
PERCENTAGES**

ACTUAL GROSS INCOME FOR THE YEAR.....		\$ 36,400
Giving.....(10% of Gross)	\$ 3640	
Taxes.....(15% of Gross)	<u>\$ 5460</u>	
Total.....	\$9100	<u>\$ 9,100</u>
 NET SPENDABLE INCOME FOR THE YEAR.....		 \$ 27,300
Debt Reduction..... (15% of Net)	\$ 4095	
Housing..... (30% of Net)	\$ 8190	
Food.....(15% of Net)	\$ 4095	
Clothing..... (5% of Net)	\$ 1365	
Transportation..... (10% of Net)	\$ 2730	
Medical..... (5% of Net)	\$ 1365	
Insurance..... (5% of Net)	\$ 1365	
Children..... (2% of Net)	\$ 546	
Entertainment/Recreation..... (5% of Net)	\$ 1365	
Gifts/Special Occasions..... (3% of Net)	\$ 819	
Miscellaneous..... (5% of Net)	\$ 1365	
 TOTAL (Cannot exceed Net Spendable Income).....		 \$ 27,300

BUDGET BREAKDOWN

Year _____

- I. WEEKLY... \$
1. Contribution \$
2. Food & Household items \$
3. Gasoline \$
4. Children's School Lunches \$
5. Children's Allowances \$
6. Husband's lunches \$
7. Wife's lunches \$
8. Miscellaneous \$

- II. MONTHLY... \$
1. House Mortgage or Rent \$
2. Utilities: Electricity \$
Heating \$
Telephone \$
Water \$
3. Cable \$
4. Hospital Insurance \$
5. Car Loan \$
6. Charge Cards \$
7. Parent's Loan \$
8. Bank Loan \$
9. Life Insurance Loan \$
10. Home Equity Loan \$
11. Mortgage Insurance \$
12. Disability Insurance \$
13. Life Insurance \$
14. \$
15. \$

- III. QUARTERLY... \$
1. Sewer \$
2. Garbage \$
3. Soc. Security & Federal Income Taxes \$
4. State, City, Other Taxes \$
5. \$
6. \$

- IV. SEMI-ANNUAL... \$
1. Car Insurance \$
2. House Taxes \$
3. \$

V. ANNUAL.....		\$
1. Lectures.....	\$	
2. Subdivision Fee.....	\$	
3. House Insurance.....	\$	
4. Vacation.....	\$	
5. Vitamins, etc.....	\$	
6. Christmas Gifts.....	\$	
7.....	\$	

VI. MISCELLANEOUS.....		\$
1. Once a year gift.....	\$	
2. Property Taxes.....	\$	
3. Upkeep on House.....	\$	
4. Improvements on House.....	\$	
5. Furnishings in House.....	\$	
6. Clothing.....	\$	
7. Upkeep on Car.....	\$	
8. Other transportation.....	\$	
9. Doctors.....	\$	
10. Medicines.....	\$	
11. General School items.....	\$	
12. Eating out.....	\$	
13. Baby sitting.....	\$	
14. Magazines/Newspapers.....	\$	
15. Special Activities.....	\$	
16. Birthday Gifts.....	\$	
17. Anniversary Gifts.....	\$	
18. Other Gifts.....	\$	
19. Toiletries.....	\$	
20. Dry Cleaning.....	\$	
21. Animal Care.....	\$	
22. Beauty/Barber.....	\$	
23.....	\$	

PLEASE NOTE: Any item that is paid in one or more payments and you know the month(s), be sure to place by that item those month(s). This will be needful for the next Form.

BUDGET BREAKDOWN

Year _____

I. WEEKLY		\$ 200.00
1. Contribution	\$ 115.00	
2. Food & Household items.....	\$ 60.00	
3. Gasoline.....	\$ 15.00	
4. Children's School Lunches.....	\$	
5. Children's Allowances.....	\$	
6. Husband's lunches.....	\$	
7. Wife's lunches.....	\$	
8. Miscellaneous.....	\$ 10.00	
II. MONTHLY		\$ 1450.00
1. House Mortgage or Rent.....	\$ 740.00	
2. Utilities: Electricity.....	\$ 100.00	
Heating.....	\$	
Telephone.....	\$ 50.00	
Water.....	\$ 15.00	
3. Cable.....	\$ 22.00	
4. Hospital Insurance.....	\$ 292.00	
5. Car Loan.....	\$ 100.00	
6. Charge Cards.....	\$	
7. Parent's Loan.....	\$	
8. Bank Loan.....	\$	
9. Life Insurance Loan.....	\$	
10. Home Equity Loan.....	\$	
11. Mortgage Insurance.....	\$	
12. Disability Insurance.....	\$ 23.00	
13. Life Insurance.....	\$ 128.00	
14.....	\$	
15.....	\$	
III. QUARTERLY		\$ 1235.00
1. Sewer.....	\$	
2. Garbage (Feb, May, Aug., Nov.).....	\$ 35.00	
3. Soc. Security & Federal Income Taxes.....	\$ 1200.00	
4. State, City, Other Taxes.....	\$	
5.....	\$	
6.....	\$	
7.....	\$	
8.....	\$	
IV. SEMI-ANNUAL		\$ 795.00
1. Car Insurance (June, Dec.).....	\$ 420.00	
2. House Taxes (Mar., Sept.).....	\$ 375.00	
3.....	\$	

V. ANNUAL.....		\$ 1525.00
1. Lectures (Feb).....	\$ 200.00	
2. Subdivision Fee (June)	\$ 75.00	
3. House Insurance (July).....	\$ 400.00	
4. Vacation (Oct).....	\$ 250.00	
5. Vitamins, etc (Dec).....	\$ 350.00	
6. Christmas Gifts (Dec).....	\$ 250.00	
7.	\$	

VI. MISCELLANEOUS.....		\$ 4270.00
1. Once a year gift.....	\$	
2. Property Taxes.....	\$	
3. Upkeep on House.....	\$ 400.00	
4. Improvements on House.....	\$	
5. Furnishings in House.....	\$ 200.00	
6. Clothing.....	\$ 200.00	
7. Upkeep on Car.....	\$ 250.00	
8. Other transportation.....	\$ 180.00	
9. Doctors.....	\$ 700.00	
10. Medicines.....	\$ 1300.00	
11. General School items.....	\$	
12. Eating out.....	\$	
13. Baby sitting.....	\$	
14. Magazines/Newspapers.....	\$	
15. Special Activities.....	\$	
16. Birthday Gifts.....	\$ 140.00	
17. Anniversary Gifts.....	\$	
18. Other Gifts.....	\$ 100.00	
19. Toiletries.....	\$	
20. Dry Cleaning.....	\$	
21. Animal Care.....	\$	
22. Beauty/Barber.....	\$	
23. Catch-All items.....	\$ 500.00	
24. Credit Cards.....	\$ 300.00	

PLEASE NOTE: Any item that is paid in one or more payments and you know the month(s), be sure to place by that item those month(s). This will be needful for the next Form.

YEARLY FINANCIAL OVERVIEW

Year _____ (1st Quarter)

TIMES	ITEMS	JAN.	FEB.	MAR.
Weekly	Food, Gas, etc.			
Monthly	Set Expenses			
Quarterly	Expenses			
Semi-Annual	Expenses			
Annual	Expenses			
Miscellaneous	Expenses			
Total	Expenses			
Monthly	Income			
Monthly	Plus or Minus			
Running Balance	Needed to start the year \$ _____			

YEARLY FINANCIAL OVERVIEW

Year _____ (2nd Quarter)

TIMES	ITEMS	APRIL	MAY	JUNE
Weekly	Food, Gas, etc.			
Monthly	Set Expenses			
Quarterly	Expenses			
Semi-Annual	Expenses			
Annual	Expenses			
Miscellaneous	Expenses			
Total	Expenses			
Monthly	Income			
Monthly	Plus or Minus			
Running Balance	Needed to start the year \$ _____			

YEARLY FINANCIAL OVERVIEW

Year _____ (3rd Quarter)

TIMES	ITEMS	JULY	AUG.	SEPT.
Weekly	Food, Gas, etc.			
Monthly	Set Expenses			
Quarterly	Expenses			
Semi-Annual	Expenses			
Annual	Expenses			
Miscellaneous	Expenses			
Total	Expenses			
Monthly	Income			
Monthly	Plus or Minus			
Running Balance	Needed to start the year \$ _____			

YEARLY FINANCIAL OVERVIEW

Year _____ (4th Quarter)

TIMES	ITEMS	OCT.	NOV.	DEC.
Weekly	Food, Gas, etc.			
Monthly	Set Expenses			
Quarterly	Expenses			
Semi-Annual	Expenses			
Annual	Expenses			
Miscellaneous	Expenses			
Total	Expenses			
Monthly	Income			
Monthly	Plus or Minus			
Running Balance	Needed to start the year \$ _____			

YEARLY FINANCIAL OVERVIEW

Year 1998 (1st Quarter)

TIMES	ITEMS	JAN.	FEB.	MAR.
Weekly	Food, Gas, etc.	800	800	1000
Monthly	Set Expenses	1270	1270	1270
Quarterly	Expenses—Taxes	800		
Semi-Annual	Expenses—Dentists	50		
Annual	Expenses—House Taxes	1700		
	Car Insurance			
	Lectureship		350	
	Yard	900		
	Vacation			
	Christmas			
	House Insurance			
Miscellaneous	Expenses	585	585	585
Total	Expenses	6050	3000	2900
Monthly	Income	3842	2716	2895
Monthly	Plus or Minus	-2208	-284	-5
Running Balance	Needed to start the year <u>\$4200.00</u>	+1992	+1708	+1703

YEARLY FINANCIAL OVERVIEW

Year 1998 (2nd Quarter)

TIMES	ITEMS	APRI.	MAY	JUNE
Weekly	Food, Gas, etc.	800	1000	800
Monthly	Set Expenses	1270	1270	1270
Quarterly	Expenses—Taxes	1000		1000
Semi-Annual	Expenses—Dentists			
Annual	Expenses—House Taxes	325		
	Car Insurance			
	Lectureship			
	Yard			
	Vacation			
	Christmas			
	House Insurance			
Miscellaneous	Expenses	585	585	585
Total	Expenses	3975	2850	3650
Monthly	Income	3842	4420	3842
Monthly	Plus or Minus	-133	+1570	+192
Running Balance	Needed to start the year <u>\$4200.00</u>	+1570	+3184	+3376

YEARLY FINANCIAL OVERVIEW

Year 1998 (3rd Quarter)

TIMES	ITEMS	JULY	AUG.	SEP.
Weekly	Food, Gas, etc.	800	1000	800
Monthly	Set Expenses	1270	1270	1270
Quarterly	Expenses—Taxes			1000
Semi-Annual	Expenses—Dentists	25		
Annual	Expenses—House Taxes			
	Car Insurance			
	Lectureship			
	Yard			
	Vacation			
	Christmas			
	House Insurance	315		
Miscellaneous	Expenses	585	585	585
Total	Expenses	2675	2850	3650
Monthly	Income	3842	4420	3842
Monthly	Plus or Minus	+1167	+1570	+192
Running Balance	Needed to start the year <u>\$4200.00</u>	+4543	+6113	+6305

YEARLY FINANCIAL OVERVIEW

Year 1998 (4th Quarter)

TIMES	ITEMS	OCT.	NOV.	DEC.
Weekly	Food, Gas, etc.	800	1000	800
Monthly	Set Expenses	1270	1270	1270
Quarterly	Expenses—Taxes			
Semi-Annual	Expenses—Dentists		50	
Annual	Expenses—House Taxes			
	Car Insurance	325		
	Lectureship			
	Yard			
	Vacation		270	
	Christmas			500
	House Insurance			
Miscellaneous	Expenses	585	585	585
Total	Expenses	3290	3170	3150
Monthly	Income	3842	4420	3842
Monthly	Plus or Minus	+552	+1250	+692
Running Balance	Needed to start the year <u>\$4200.00</u>	+6857	+8107	+8799

Chapter Nine

“Rainy Days” Do Come!

Jesus said, “*Do not lay up for yourselves treasures on earth.....but lay up for yourselves treasures in heaven....*” (Matthew 6:19-20) Does the Lord mean that we cannot have money in the bank (or stashed under our mattress)? Is He condemning saving anything, and that all must be used or given away each week? Is He saying it is wrong to provide for our future years? Would it be wrong for me to participate in such programs as Social Security, Pension Plan at work, or do my own investing? The answer is obviously “NO!” This is a special expression that de-emphasizes the first in order to strongly emphasize the second part. Laying up treasures on earth is not sinful nor wrong, but rather is a necessity! Good Stewardship demands proper use of possessions (1 Corinthians 4:2). The sluggard is told to observe the Ant and learn the need of storing up (Proverbs 6:6-9).

In this expression, the Lord is dealing with a common problem that mankind has—that is, a wrong attitude about money, to trust in it rather than in God (Proverbs 28:26; 11:28; Mark 10:24; 1 Timothy 6:17; Psalms 49:6; 52:7; 2 Corinthians 1:9; Hebrews 2:13; 1 Timothy 4:10; Psalms 25:2; 56:4; Proverbs 3:5; Job 13:15). Man must learn to deal with such things as Covetousness, Greed, Storing up Money selfishly, and Loving money. But not saving can be a sin when it involves not taking care of our own family or even ourselves (1 Timothy 5:8; Galatians 6:5; 2 Thessalonians 3:5-15). The philosophy, “Don’t worry, the Federal Government will take care of me,” is not a correct approach to financial responsibility! We not only believe that saving for the future is right and a necessity, but it is wise stewardship! Thus, the purpose of this chapter is not only to encourage each one to save for the future, but to envision what is possible and begin immediately to learn how to also invest wisely to save.

WHY PEOPLE FAIL TO SAVE

It is possible that some people may have been misguided about saving for the future through a misunderstanding of the teaching of Scripture. We hope not! But we really feel that there are other basic reasons why people do not save.

Many do not think they make enough money to live on and save also. Part of the problem here may be, “I want it now, to enjoy the good things now” philosophy. A choice has to be made some times between: “No pain, no gain,” “Pain now, or pain later,” “Live high now and live low later.” **Everyone can save!** It is just a matter of what you want to cut back on or do without in order to be able to save. And it is surprising just how much money can be freed up if we really want to and see the need to save. Take bag lunches rather than eat out, cheaper housing, cheaper car or transportation, less expensive food items, rent a movie rather than go out to a movie, carpooling, etc., are just a few areas that could be suggested. Mainly, what we need is the motivation to save. And sometimes it is just a matter of envisioning what can be done.

SAVINGS	
\$5.00 a week for 40 years at 10% interest.....	\$120,847.00
\$100.00 a month for 40 years at 10% interest.....	\$559,460.00
\$100.00 a month for 20 years at 10% interest.....	\$76,570.00

Many do not think they have the time to learn how to properly invest. There is no question about it, saving requires not only discipline, but knowledge of how to wisely invest for the future. But it should be obvious that a person really cannot afford not to learn how to save and invest. So many people have so little saved for the retiring years that their predicament should be an incentive to us to get busy as soon as possible. And of course, if we do not make decisions well, it could break us financially, physically, and possibly even spiritually. And we need to keep remembering the parable of the “one-talent man” who was fearful and did nothing, and the Lord called him a wicked and slothful servant (Matthew 25:26, 30).

Many do not know where to go to learn how to wisely invest their money. This may have been true in the past, but things are changing rapidly in this area of who to turn to for help. Employers are more and more providing help for their employees. There are more and more Financial Advisors whose business it is to give you that over-all help in managing your money well. Insurance agents are being trained to do much of what the Financial Advisors are doing. Stock Brokers, Bank Trust officers, as well as good publications coming out now are all very helpful. But it will take effort to learn, listen, and make wise choices. We need to be sure that we do not spend all we make now or go into unwise debt that keeps us from being able to save in the first place.

There are two primary mistakes that everyone must avoid at all costs: (1) A failure to plan to save, and (2) Procrastination! Either of these can lead to disaster financially for one’s future.

WHY SAVE?

All of us are familiar with the expression: “*Laying up for a rainy day.*” Money needs to be put aside for future needs that will come. “*Rainy days*” will come into everyone’s life. We need to save just like the Farmer who lays up for the winter months for himself and his animals. There should be sufficient legitimate reasons for saving money! Non-legitimate reasons such as **greed, covetousness, love of money, trusting in riches** must be dealt with in everyone’s life. There are several valid reasons for saving, such as the following:

An emergency fund. There are all kinds of things that can happen that will require quick money to take care of...even the losing of one’s job! Some suggest that a special fund needs to be established in the amount equal to one’s present 3-6 months’ salary.

Short-term goals. A vacation, new furniture, washer-dryer, etc.--items that would be easily paid off in a short time. It is best to save up for these rather than financing them. Have a fund set up to pay cash for all of these items.

Long-term goals. These items will take longer to pay off if you finance them. If you pay cash, you need to have special plans made to be sure you have the money when the time comes. Such items as: down payment on a house, college tuition, retirement funds, etc. This money can be invested to draw the best return on your money because of longer period of time involved. At any time that you need money, then, borrow from yourself, and be sure to pay yourself back (with interest?).

TOOLS FOR SAVING

There is a wide variety of tools for saving money. And they each may have their own special reason for being used. They are: Savings Accounts at Banks or Credit Unions; Certificates of Deposit; Money Market Fund; Bond Market; Treasury Bills Market; Stocks; Mutual Funds; Annuities with Insurance companies; and Real Estate. Some of these are what are called “Risk free” (But have a lower return on investment). Others are referred to as “High risk” (Able to make more money, but some risk). In some instances a “High risk” investment may cause you to lose money. “Diversification” is a term used to indicate that the risks are cut down but the returns would not be as good as some “High risk” investments. Decisions are called for, but decisions must be made if we will be prepared for the future. Regular saving establishes a good habit, shows discipline, will give much satisfaction now and in the future, will give a sense of accomplishment, and we will be good stewards of what God has entrusted to us.

BIBLICAL PRINCIPLES DEALING WITH SAVING

It is for certain that the Lord does not want His people to be guilty of being a sluggard (Proverbs 6:6), a waster or slothful (Proverbs 18:9), lazy (Proverbs 21:25), or idle (Proverbs 19:15). He much prefers that we be diligent workers (Proverbs 21:5), to be humble and fear the Lord (Proverbs 22:4), to hate covetousness (Proverbs 28:16), and to trust in the Lord (Proverbs 28:25). Thus, He tries to give us principles that will help us to accomplish the needed goals for our lives.

Do not presume on the future. Take God as your partner—If the Lord is willing we will do so and so! (James 4:15).

Do not act hastily. The dangers are real (Proverbs 28:20, 22; 13:1). Take time to think things through and even get professional advice when needed.

Count the cost! Can you afford the loss if it comes? Jesus’ two examples of counting the cost need to be heeded (Luke 14:28).

Avoid investments that cause worry. We are warned about being haughty and making decisions that we later regret (Psalm 131:1). Jesus wants to free His people of worry also (Matthew 6:31).

Be in agreement with your spouse. The two are to be one! They should act as a unit. When decisions are made both should be ready to go with it. Honor and mutual respect should be shown toward both (Ephesians 5:33).

Be honest in your investing. Honesty is the best policy in the long run for sure. Deceptive work will bring its fruits (Proverbs 11:18).

Give when you are prospered. Giving is our way of showing our gratitude for our prosperity. We give honor to the one that made it possible. (Proverbs 3:9-10).

CONCLUDING THOUGHTS

Saving for the future is just plain common sense. It is not a sin to lay up for our future and true spiritual goals. Our biggest challenge is to be sure of our motives for saving. Not to save to avoid making a mistake is not the answer. Let's study to know for sure what are legitimate reasons in God's eyes and then pursue our goals with diligence.

Chapter Ten

Where Should I Invest?

Jesus said, *“For what profit is it to a man if he gains the whole world, and loses his own soul? Or what will a man give in exchange for his soul?”* (Matthew 16:26). In 1923, a group of the world’s most successful financiers met at the Edgewater Beach Hotel in Chicago. Present were: The president of the largest independent steel company; the president of the largest utility company; the greatest wheat speculator; the president of the New York Stock Exchange; a member of the President’s Cabinet; the great “bear” in Wall Street; the president of the Bank of International Settlements; and the head of the world’s greatest monopoly. Collectively, these tycoons controlled more wealth than there was in the United States Treasury, and for years newspapers and magazines had been printing their success stories and urging the youth of the nation to follow their examples.

Twenty-five years later, let’s see what happened to these men. The president of the largest independent steel company (Charles Schwab), lived on borrowed money the last five years of his life, and died broke. The greatest wheat speculator (Arthur Cutten) died abroad, insolvent. The president of the New York Stock Exchange (Richard Whitney) had spent time in Sing Sing. The member of the President’s Cabinet (Albert Fall) was pardoned from prison so he could die at home. The greatest “bear” on Wall Street (Jesse Livermore) committed suicide. The president of the Bank of International Settlements (Leon Fraser) committed suicide. The head of the world’s greatest monopoly (Ivar Kreuger) committed suicide.

All of these men had learned how to make money, but did they learn how to live so they could inherit eternal life? If not, they lost their greatest possession. If we do not keep our priorities straight, any study that emphasizes saving and investing will be for naught!

LAYING UP TREASURES IN HEAVEN

The Lord admonishes us to be concerned for the more important thing—our eternal destiny (Matthew 6:19-20). He is saying to us, *“Do you want to invest in a ‘sure thing,’ then invest in heaven!”* It and it alone provides the only real security for here and hereafter. It is the only thing that cannot be taken away from us. Invest in helping the needs of those around us. Invest for God’s sake and His kingdom’s sake. Let it be an investment of love in reaching out to others—physically and spiritually (Luke 16:9). When Jesus told the rich young ruler to sell all he had and distribute to the poor, there was a valid reason for such. Even though he was a diligent keeper of God’s commands from his youth up and was seeking for eternal life; yet, he had a grave problem—riches had him in their grasp! He was not using them properly to lay up treasures in heaven. He was like the Rich Farmer whom God called a fool. He, too, had much goods laid up for many years for himself, but he was not rich towards God (Luke 12:21).

FINANCIAL TIME PERIODS OF LIFE

ACCUMULATION	PRESERVATION	DISTRIBUTION
Ages 20 _____ 45	45 _____ 65	65 _____ 85

Most long-term investment goals involve extensive planning. Any long range financial planning needs to be done in view of the following three basic periods in one’s life.

The Accumulation period (ages 20-45). Some of the basic accumulation of possessions begin in this period of time. Plans are made, investments are begun, job upgrading or starting one’s own business takes place during this time, usually. Hopefully, the paying off of debts incurred and the raising of a family also will occur during this time. A primary emphasis that should be given to this period is the beginning of investments that will be over a long period of time (possibly 40+ years). If begun early enough, it will be amazing the difference such will make.

Projection of Investments

(Deposit of \$10,000 at one time)

	<u>5 Years</u>	<u>10 Years</u>	<u>15 Years</u>	<u>20 Years</u>	<u>25 Years</u>	<u>30 Years</u>
4%	12,166	14,802	18,009	21,911	26,658	32,433
6%	13,832	17,908	23,969	32,071	42,918	57,434
8%	14,693	21,589	31,721	46,609	68,484	100,626

(Deposit of \$1,000 each year)

5%	5,225	12,578	21,578	33,065	47,727	66,439
8%	5,867	14,487	27,152	45,762	73,106	113,283

The Preservation period (ages 45-65). An effort needs to be made to continue and enlarge our investment goals during these years, and at the same time try to preserve the assets we have accumulated. These need to be protected from: Inflation, Deflation, Monetary Collapse, and the ups and downs of Interest Rates.

The Distribution period (ages 65-85). Upon retirement, what we have been saving up for is now ready to be distributed over a period of years. If we have planned well and been blessed by God, we will have sufficient to live out our remaining years independent of others’ help. During this time, our investments may need to be changed to a “liquid” investment, with low risk, and interest as high as possible.

PRINCIPLES FOR SUCCESSFUL INVESTING

Control what is in your power to do something about. You cannot control what Social Security will give you for retirement, but you can do your own investing. You cannot control what your Employer is willing to do, but you can find alternate sources of income for investing. We cannot control our taxes, but we can take advantage of things that will reduce our taxes. We cannot control inflation, but we can be sure that we are getting sufficient out of our investments to keep up with inflation. We cannot control the risk of a single investment, but we can spread our investing out to help cut down on the risk. We must control what we can in regards to our investments!

Learn to use the "Rule of 72." This simple rule will help to quickly tell you how long it will take for your investments to double. If you divide 72 by the %(percentage) of interest, you can know how long it will take for your money to double. Example: 72 Divided by 2% will take 36 years to double. But 72 divided by 12% will only take 6 years to double. So, obviously, the lower the interest, the more time required for money to double. See example below:

A single investment of \$1000.00 invested at 8%

1 st 9 years.....	\$2000
2 nd 9 years.....	\$4000
3 rd 9 years.....	\$8000
4 th 9 years.....	\$16000
5 th 9 years.....	\$32000

Learn the value of Time! "Time is money!" Time is a gift from God not to be wasted. How we use it can make a vast difference in our financial welfare. You can waste it, ignore it, use it, but you can't stop it. It takes patience to save because it takes TIME! So take time, start early (Proverbs 14:29). "The decisions we make early in life will make a vast difference as to whether we will become dependent or be independent financially."

EXAMPLE:

Invest a one time \$1000.00 at 6% and see the outcome at 65!

1. Invested at birth.....be worth \$44,145.00.
2. Invested at age 16.....be worth \$17,378.00.
3. Invested at age 40.....be worth \$4,292.00.

EXAMPLE:

Goal: To have \$100,000.00 saved by age 65.

What will I have to invest?

1. At age 25, I will have to invest \$17.88 a month.
2. At age 35, I will have to invest \$48.10 a month.
3. At age 45, I will have to invest \$133.13 a month.
4. At age 55, I will have to invest \$496.39 a month.

EXAMPLE:

The high cost of waiting to invest \$100.00 a month at 10% at different ages:

1. Beginning at age 25---I will have \$637,677 at age 65.
2. Beginning at age 26---I will have \$576,087 at age 65.
3. Beginning at age 30---I will have \$382,827 at age 65.
4. Beginning at age 40---I will have \$133,789 at age 65.

Learn the value of Persistency! “Little by little” over a long period of time will help us to reach our financial goals (Proverbs 13:11). It is understanding the value of time and persistency that makes financial goals attainable for most people. The above examples and the one below help to show this clearly!

You want to have \$100,000.00 at age 65, what is required at 10%?

1. At age 25, \$16.00 a month is required.....at age 65---\$102,028
2. At age 30, \$26.00 a month is required.....at age 65---\$ 99,535
3. At age 35, \$45.00 a month is required.....at age 65---\$102,570
4. At age 40, \$75.00 a month is required.....at age 65---\$100,342
5. At age 45, \$130.00 a month is required.....at age 65---\$ 99,540
6. At age 50, \$245.00 a month is required.....at age 65---\$102,390
7. At age 55, \$500.00 a month is required.....at age 65---\$103,276

Learn the value of Tax-Sheltered Investments. One of the things that the Government has done to encourage Americans to save has been the various Tax-Sheltered arrangements such as the IRAs, Keogh Plans (Self-Employed), Pension Plans with companies, Annuities with Insurance Companies, Tax-free Bonds, and Government securities. The advantage of these can be seen by the two examples below.

Short-Term Benefits

	IRA INVESTMENT	NON-IRA INVESTMENT
Taxable Income	\$40,000.00	\$40,000.00
Tax-Sheltered Investment	\$ 2,000.00	0
Taxable Income	\$38,000.00	\$40,000.00
Taxes (35% bracket)	\$ 8,360.00	\$ 9,060.00
Spendable Income Left	\$29,640.00	\$28,940.00
Amount saved each year by IRA	\$ 700.00	0

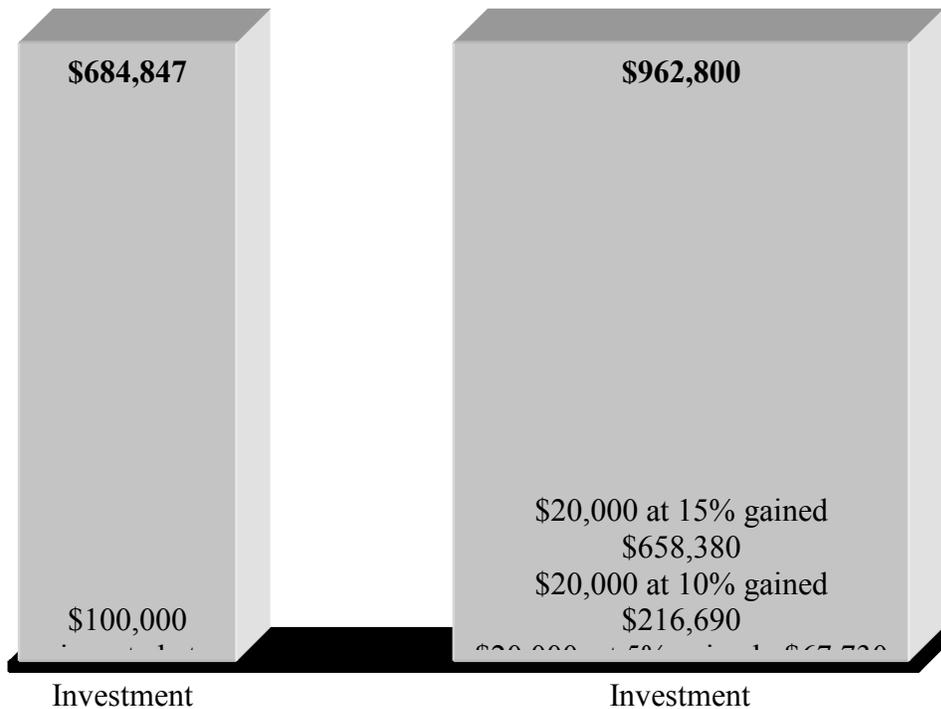
Long-Term Benefits

Contrast of investing \$2000 each year at 10% interest beginning at age 25 and ending at age 65!

1. Savings without an IRA at age 65.....\$243,162
2. Savings with a non-deductible IRA at age 65.....\$632,907
3. Savings with a Tax-deductible IRA at age 65.....\$973,704

Learn the value of Diversification. Placing our investments in one vehicle of savings can be safe, but it may not return enough to meet our financial goals. It may be necessary to diversify, invest in more than one vehicle of savings, in order to have the best return. To place it all in a high risk may pay off handsomely, but what if it loses money rather than gains it??? Then what? This has been one of the reasons that Mutual Funds have become so popular because of their good returns and relative safety. Investing in Mutual Funds has grown from 1.7 Billion in 1960 up to 2.22 Billion in 1994....and is even much higher today and still growing! The illustration below is one way to show this concept.

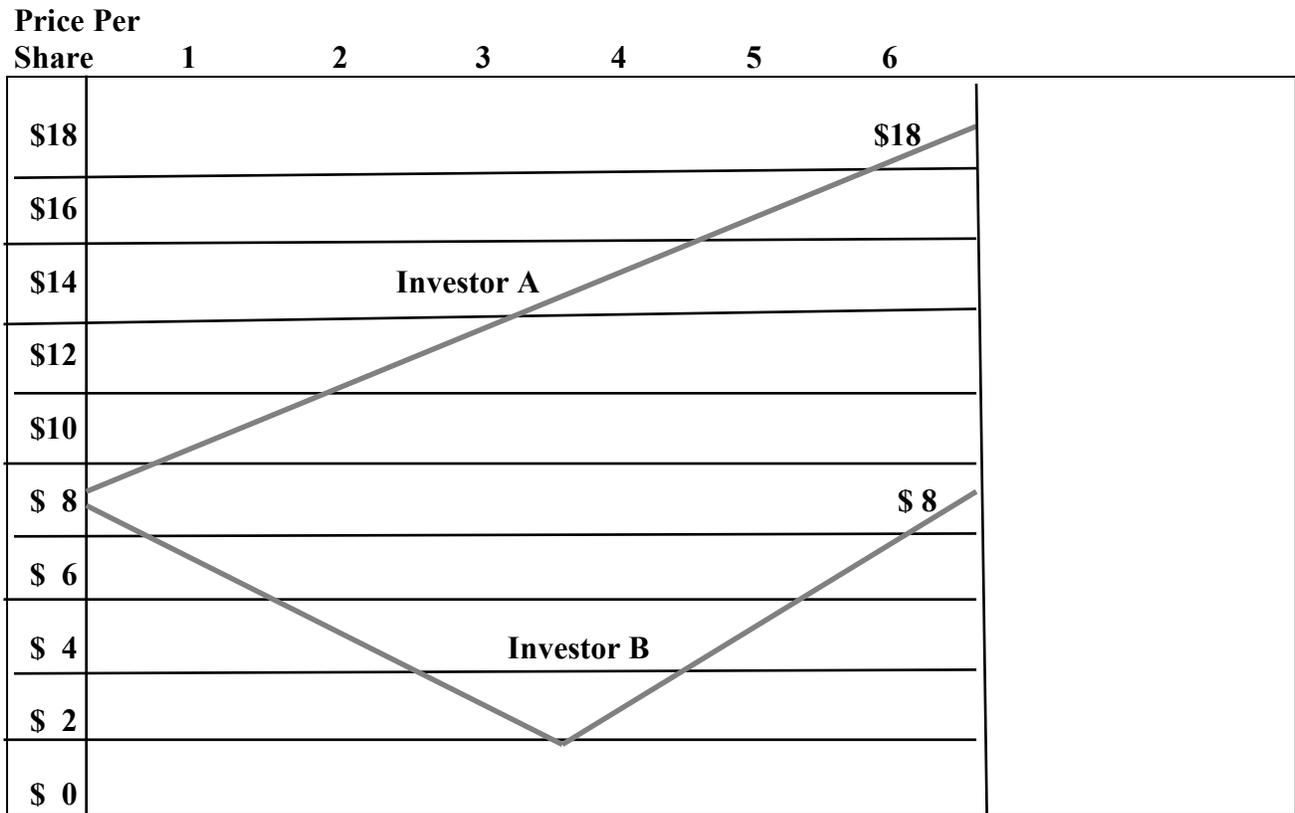
Results of Diversification



Need to understand “Dollar-Cost Averaging.” When investing in Stocks or Mutual Funds, is it best to invest one lump sum or a small amount all along? Is it better to invest in stocks as they are going up or to invest as they go down and come back up? The example following is one approach to finding an answer.

Which Approach is Best?

(Two different investors invested \$50.00 a month for six months)



Number of Shares bought

A-----	6.25	5.00	4.07	3.57	3.13	2.78
B-----	6.25	10.00	16.67	25.00	12.50	6.25

Shares	Amount	Value at
<u>Accumulated</u>	<u>Invested</u>	<u>Final Price</u>
A----24.90 at \$18.00	\$300.00	\$448.20
B----76.67 at \$ 8.00	\$300.00	\$613.36

SOME INVESTMENT OBSERVATIONS

How to Save on Home Mortgages

Years	%	Amount	Payment	Interest
30	8%	\$135,000	\$990.58	\$221,609.58
15	8%	\$135,000	\$1290.13	\$97,273.45
15	7.5%	\$135,000	\$1251.46	\$90,264.00
15	6.5%	\$135,000	\$1175.99	\$76,679.09

1. Compare and see the difference between a 30 year mortgage and a 15 year one.
2. If you have to go to a 30 year mortgage, there are some alternatives that will help you save money:
 - a) See if the bank will let you pay half of your monthly payment on the 1st and half on the 15th. This will knock off about 10 years of your mortgage, at least.
 - b) Or, pay an extra principle payment each month. At the end of the year, you will have paid off an extra year—but your total payments may not be as high at first. Check it out. This almost becomes like a 15 year mortgage. However, you are not obligated to pay the extra unless you have it.
 - c) Be sure there is no penalty for paying early.

Mortgage-- \$100,000	30 Years	Alternative Approach
Interest	11%	11%
Payments	\$952 a Month	\$478 bi-weekly
Total Interest	\$242,838.00	\$147,120.00

You save \$95,709 on your \$100,000 mortgage and pay it off in 19 years and 8 months. Then, you can invest that house payment for the remainder of the 30 years and come out way ahead!!

CONCLUDING THOUGHTS

It is important that you get as much reliable help and understanding of good money management as possible. But, at the same time, we must accept the total responsibility for our decisions that we make. Financial irresponsibility can undermine anyone.

We must not forget that money is not the giver of happiness, but buying freedom from financial worries can certainly add to life’s pleasure. Eliminating financial pressures from your life can make living more enjoyable!

Remember....You don’t have to live in poverty. You need to be guided by the principles of God’s Word. Don’t get discouraged....think success....plan to achieve. But also remember that in some instances financial success can be spiritual failure if not done for the right reasons.

Chapter Eleven

The Christian and Retirement

“...Be thou faithful unto death and I will give thee a crown of life.” (Revelation 2:10). One of the dangers about the concept of retirement for the Christian from his job, is the way he views his obligations to God. He may be able to retire from his “secular” job, but can a Christian ever retire from the service of God? We are admonished to stay faithful in our service to the end (Hebrews 3:12-15). I have personally been impressed with a group of retired persons that have formed a fellowship called, “So-Journers.” They work together in groups, traveling about the country, helping people, churches, schools, camps, etc., in a physical and/or spiritual way. They are a great example of that faithfulness to the end. Many view their retirement as a greater opportunity to be of service in the Lord’s Cause and kingdom. But in order to retire comfortably and be of greater service, it helps to “Save towards Retirement!”

GETTING OUR HOUSE IN ORDER

The prophet Isaiah had a message from the Lord for King Hezekiah, *“Set your house in order; for you shall die, and not live.”* (2 Kings 20:1). You may remember that he prevailed upon the Lord to spare his life at that time. A good steward who manages well will have his financial resources in control and will be knowledgeable of them. To effectively plan to save for retirement there are some things that really should be done to get ready to launch out into the investing process. (1) Organize your records, (2) Cut all unnecessary spending through a planned approach with a budget, (3) Develop a plan to minimize, reduce, and get out of debt as soon as possible, (4) Develop a plan that will help to minimize taxes that is legal and right (Romans 13:1-7), (5) Review your insurance protection, (6) Update your will, (7) Develop a systematic plan for investing.

The more conservative financial approach recommended by some financial advisors is as follows:

- 1) Eliminate small debts as quickly as possible....especially higher interest ones.
- 2) Put a month’s living expenses in your checking account.
- 3) Put a 3-6 month’s living expenses into a Money Market Fund for emergency purposes.
- 4) Put money being saved for major purchases into a Money Market Fund.
- 5) Then, begin investing to meet long-term goals: In Money Market Funds, Growth Mutual Funds, Real Estate, Bonds, etc. By all means use tax-sheltered tools for investing to lower your taxes.

It is probably obvious that most of us may have a hard time just taking care of the first four and find it hard to do much investing until later in life. This could be a mistake from one standpoint....we would lose the benefit of the time element that is so important to building for a retirement income. If you are fortunate to be with a company that helps you save for retirement, you may not have to be too concerned here. But for those who are not as fortunate, a hard decision is called for in this area. Hopefully, we can make it wisely.

Some people think of savings and investing as easy....that anyone can do it. Well, the simplified approach that usually does not offer much return is easy and this is what a large number of people have done in the past. But to plan well for retirement will require a lot more knowledge of how to invest, as well as, where to invest. Following are some suggestions that are often given to help keep people from making mistakes about investments that they will regret later on:

- 1) Don't plunge into investments without a long range plan.
- 2) Do your homework before investing.
- 3) Stay mostly with high quality investments.
- 4) Get rid of the "get rich quick" idea and plan your investments over a long period of time (Matthew 25:14-18).
- 5) Do not be ashamed to begin small, especially if you are very young.
- 6) Do not tie up money you will soon need---have some emergency fund to use for such.
- 7) Be sure you start as early as possible!
- 9) Do not fritter away your dividends or interest.
- 10) Review investments often.
- 11) Be sure to plan your investments to deal with (1) emergencies, (2) children's education, (3) health problems or disability, and (4) retirement.

BEGIN EARLY TO PLAN YOUR INVESTMENTS FOR RETIREMENT

Income for Retirement is probably one of the biggest things we have to save for in our lives. The young person has a greater potential than the one who is older in most cases. The reason is his money will have more opportunity to compound over a longer period of time. For an example—a one time investment of \$1000.00 at 10% interest will double every 7.2 years. The illustration below will show the differences at age 25, 30, 40.

<u>25 years old</u>	<u>30 years old</u>	<u>40 years old</u>
32.2-----\$2,000		
39.4-----\$4,000	37.2-----\$2,000	
46.6-----\$8,000	44.4-----\$4,000	47.2-----\$2,000
53.8-----\$16,000	51.6-----\$8,000	54.4-----\$4,000
61.0-----\$32,000	58.8-----\$16,000	61.6-----\$8,000
68.2-----\$64,000	66.0-----\$32,000	68.8-----\$16,000

The above is only looking at a one time investment of \$1000. Imagine what difference it would make if you were investing \$1000 or more a year into savings. And, of course, there is a variable here that must be considered as well. If a person waits till he is around 40-45 to begin saving for retirement, he may have more money to put into savings. Especially would this be true if all debts were paid off, and even his house paid off. This would free up quite a large amount of money for investment for retirement. An example that might be of interest in this regard is given next.

- 1) A young couple buy a house at age 25 and finance \$75,000 at 10.5% interest for 30 years. They would have 360 payments of \$686 per month and end up paying \$246,960 at the end of 30 years.

- 2) Another young couple buy a house at age 25 and finance \$75,000 at 10.5% interest for 12 years. They would have 144 payments of \$918 per month and end up paying 114,768 at the end of 12 years. This would amount to a total savings of \$132,192.
- 3) If this 2nd couple continued to invest the \$918 per month for the next 18 years at 12% interest, they would have a sizeable retirement fund as seen below:
 - a) At age 55----It would be worth \$ 653,367
 - b) At age 65----It would be worth \$1,098,313
 - b) At age 75----It would be worth \$3,431,109

Each person's situation will be somewhat different and will help to dictate the approach he will take. But please don't write off the younger approach, because it has a lot of merit, as the following examples illustrate:

- 1) Saving \$3.50 a day (\$1277 a year) at 12% interest for 40 years. At age 65, the investment will be worth \$1,098,313. At age 75, it will be worth \$3,431,109.
- 2) Save just \$500 a year at 12% interest for 40 years. At 65, the investment will be worth \$430,037. At age 75, it will be worth \$1,343,425.

One of the biggest disadvantages of the young is his tendency to want to buy, buy, buy. He overspends, goes into debt and has to use the money he would be able to save for retirement to pay off his debts. Then, he is at a disadvantage in that he doesn't have the knowledge, understanding, nor wisdom of an older person. He not only may spend recklessly, but he may invest too recklessly as well and tend to lose, rather than gain on his investments.

Sound financial management is something that has to be taught and learned over a period of time. Blessed is the young person who has been taught from his early years how to handle money properly and successfully. Every father should take the time to so teach his children!

- 1) He needs to be taught the "Stewardship" concept.
- 2) Taught proper reasons for saving and the value of such.
- 3) Taught how to be prepared and trained for work.
- 4) Taught how to use a checkbook.
- 5) Taught how to manage what he has (whether little or large).
- 6) Taught the value of financial goals & planning.
- 7) Taught how to use a budget effectively to control his spending.
- 8) Taught how to invest wisely.

These things are not just automatically given to each person by God, but must be learned. So begin early to teach your children or learn yourself as early as possible.

BEGINNING A FINANCIAL PLAN FOR RETIREMENT

It takes money to invest....so, how can a person find the needed money in the midst of raising a family, paying on a house, trying to prepare for the children's education, etc. If there is no money left over, what can be done?

First, you must see the necessity of planning for your retirement and be motivated to diligently look for ways to find money to invest.

Second, there is a necessity also to be sure you have fully evaluated your budget to the point that you feel you cannot cut consumer spending anymore, all debts are being cared for, and you have cut your taxes as low as you can legally.

Third, you still have several options open to you to explore and think through thoroughly.

- a) You can rework your insurance program and use the cash value to invest. Some go to term for higher coverage and lower rates which frees up money for investing.
- b) If there are items you can sell that are not needed, the money could be invested.
- c) You can get an extra job for a while in order to get started early in investing. It is not wise to continue this practice too long.
- d) Your spouse could go to work for a while if you do not have children or the children are old enough to be in school. There is a need to evaluate to see if you come out ahead of the additional expenses that will be incurred from her working. In some instances, it does not pay.
- e) Evaluate your big item spending, such as a car. For example:
 - A) If you financed a new car for \$15,000 for 60 months at 10.5% interest, you would pay a total of \$19,320.
 - B) However, if you financed a used car with low mileage for \$7500 for 24 months at 10.5% interest, you would pay a total of \$8,352.....saving a total of \$10,968. You could pay cash for your next car.
- f) Take another look at your insurance policies on your self, car(s), house, etc. Can you find better rates or not quite as much coverage to free up money?
- g) Inheritance from family may give money for investments. While this may or may not come, it is still a possible way for some to have money to invest for retirement.

Fourth, set your goal for making retirement possible by asking yourself questions, such as:

- A) How can I know how much I will need?
- B) What do I want to do in retirement?
- C) What are the means of reaching my goals?
- D) Will I have the discipline needed?
- E) What will be my life expectancy at retirement?
- F) What expenses will end or begin at retirement?
- G) What about medical insurance?
- H) Where should I live when I retire?
- I) Should I continue to invest upon retirement?
- J) What about estate planning?

Then, when you have found your answers begin work at arriving at the amount you will need for retirement.

- A) Take your present budget and project how much of this budget will be reduced at retirement, such as: House payments, Social Security taxes, Other taxes, Life Insurance, Contributions, Living Expenses, etc.
- B) Then use the new budget projection as your goal.
- C) There may also be some things you would like to do differently that may increase this new budget some, such as: travel, special giving, helping others, etc.
- D) You may also need to or want to work part-time for a while. This should be figured into the process to arrive at what is needed.

Fifth, make a projection for Retirement using the form on the next page.

- a) In looking over this form, please note that it has a pension income to be listed from work. This may be sufficient to live on without any further investments, as long as Social Security Income continues.
- b) But, if you have no pension from work for you or your spouse, then your own personal planned investment must furnish the needed income to supplement Social Security.
- c) How does one arrive at how much will be needed? If you have worked up a projected Budget at Retirement and can secure an Income projection from Social Security, you should arrive at an approximate amount of income that will be needed from investments. Use the following form to do your figuring:
 - A) Yearly Budget at Retirement-----\$ _____
 - B) Yearly Income from Social Security-----\$ _____
 - C) Amount needed from Investments-----\$ _____
- d) The next step is to figure how much you would have to invest in order to have enough income. For example:
 - A) You need \$10,000.00 a year to supplement your S. S. income.
 - B) You want to secure at least 6% interest on your money that is invested.
 - C) You will need approximately \$170,000.00 drawing 6% interest to give you \$10,300.00 a year to spend.
- e) The final step is to figure out:
 - A) How much money you will invest each month;
 - B) How many years you will have to invest it;
 - C) And how much average interest return on your investment.
 - D) You may want to add an extra amount needed for security. (Instead of \$170,000.00, plan on \$200,000.00 to be safe.

Use charts like the following to help determine your amount needed to be invested each month to arrive at your desired amount for retirement.

If all of this seems too much for you to handle and want to get started, to whom should you turn for the needed help? You definitely need to listen to God's advice in His Word! Bankers have Trust Officers that can help. Financial Advisors can help. Insurance Agents are now serving as financial advisors on investments through their plans. Their offerings are primarily through Mutual Fund Annuities. Stock Brokers can help with investments.

WAYS OF INVESTING

1. Annuities from Insurance companies
2. Mutual Funds:
 - a) Bonds (Municipal, US, etc.)
 - b) Tax-free Bonds
 - c) Miscellaneous areas for their investing
3. C. D. (Certificate of Deposit) at Banks
4. Money Market Funds of various kinds
5. Checking accounts that pay interest
6. Collectibles
7. Antiques
8. Credit Unions
9. Saving accounts at Banks & Credit Unions
10. Mortgages:
 - a) Deeds of Trust
 - b) Government backed mortgages
11. Government:
 - a) U.S. Saving bonds
 - b) Treasury Notes & Bonds
12. IRA's (Regular & Roth)
13. "Junk" bonds
14. Stock Market ("Load" vs. "No-load")
15. Keogh plans (401, 403, SEP)
16. Pension & Profit Sharing
17. Precious metals
18. Real Estate (Land, houses, apartments, etc.)
19. Universal Life Insurance & Investment
20. Buy home in which to live

CONCLUDING THOUGHTS

May we stress again of the need for planning for your retired years so that:

1. You can care for yourself and not be a burden on others.
2. Enjoy your older (Golden) years.
3. Be a blessing to others still.
4. Be able to continue in your service to God on a larger scale.

Remember, you are storing up for a purpose....to care for yourself and your spouse in your older years. It is not to see how much we can amass. We must not forget that we can have financial prosperity and wind up in spiritual poverty! ***“Man does not live by bread alone.”*** (Matthew 4:4). We are not amassing money to be looked upon as an “important person”(1 Timothy 6:17; Proverbs 3:17). Money does not make a man, but money has destroyed many a man! The money belongs to God and is to be used according to His directions (Psalms 24:1). We realize that we will be giving an accounting some day of our actions. (Romans 14:14).

Chapter Twelve

Real Security and Contentment

Mankind searches for many things: (1) The meaning and purpose for his life. (2) Is there really a Divine Being who created all things? (3) In what can happiness be found? (4) What can bring security, peace, and contentment to my life? Humans seem to possess certain basic needs in their lives and they spend a great deal of time and effort to find satisfaction for those needs.

Dr. Lawrence Crabb, Jr., in his book **“Effective Biblical Counseling,”** stated that one of man’s primary needs is a feeling of worth-while-ness or self-worth. He suggested that two things contribute to fulfilling this basic need: (1) A sense of security; and (2) A sense of significance. He believes that the ultimate security for man is found in his relationship to God. If he rejects God, his security is often sought in lesser, non-satisfying, and non-reliable areas.

Money and possessions seems to be the chief thing men seek after to give satisfaction, significance, and security to their lives. But is money all that satisfying? Is it really all that dependable? Can it really give a sense of security that we seek after? We believe that to ask is to have our answer.

Mankind faces a continual struggle between “Trusting in God” or “Trusting in Possessions” for his security. And part of the problem comes from the pressing needs for physical things to sustain life on earth. In the process, he often gets caught up in a never ending grasping for more and more—deceiving himself into believing in their reliability for getting one through life. So, man’s struggle is simply, how can he supply his physical needs and still not trust in them; and, at the same time, to put his full trust in God? God’s warnings are evident in His Word about this struggle (1 Timothy 6:17; Psalm 52:7; 25:2; 56:4; Proverbs 11:28; 3:5; Job 13:15; 1 Timothy 4:10).

WHAT DOES IT MEAN TO PUT MY TRUST IN GOD?

The choice that we must make in life is over which of the two will be our master: God or Mammon (Matthew 6:24). One and only one will be my God. I have the privilege and responsibility to make that choice. In reality we are choosing in which we will trust. To trust in God is to love Him, be loyal to Him, and to serve Him (Matthew 6:24). Solomon came to a realization of this great choice in his life. He saw the vanity, the vainness, the emptiness of Mammon (Ecclesiastes 12:8). He concludes by stating also what it means to trust in God: **“fear God and keep His commandments, for this is the whole duty of man!”** (Ecclesiastes 12:13). But there is an added emphasis given in 1 Timothy 6:17, **“trust.....in the living God.”** He is not a dead, inanimate being, but a living God. Because God is living:

- (1) He never changes, He is always there, dependable and faithful to His Word (Malachi 3:6)
- (2) He can supply all our needs at any and all times (Philippians 4:19). He is there:
 - When we face the tribulations of life;
 - When we face the grave dangers of evil;
 - When we face the death of a loved one;
 - And even when we face death ourselves.

- (3) He alone can save our soul (1 Timothy 4:10).
- (4) He alone can give us the peace that passes all understanding (Philippians 4:6-7).
- (5) He alone can give us the true security.

But it is important to also recognize that our trust in God is shown by putting Him first in our lives (Matthew 6:33). He knows what we need and He wants us to have what we need. He has even promised to supply those needs if we will put Him first in our hearts. The evil is not in having things, but in giving them first place in our hearts. This is clearly illustrated in Jesus' encounter with the "rich young ruler" (Luke 18:18-25). Jesus told him to sell all he had and give to the poor and come and follow Him. It wasn't that Jesus didn't want him to have any money, but he knew that his riches were first in his heart. He proved it by the reaction of the young man—he went away sorrowful. He was unwilling to put Jesus first in his life. The reason why it is hard for a rich man to enter the kingdom of heaven is because he has a problem of trusting in riches—putting them first in his heart.

REASONS FOR NOT TRUSTING IN MAMMON

In our efforts to make a wise choice between God and Mammon, we need to see all the evidence! While Mammon has something to offer to man (if not there would really be no choice to make), we need to see why Mammon is not the choice we should want to make.

- (1) **Mammon is not dependable like God.** Money can help me out in some areas. But all the money in the world cannot give me back my life or save my soul. Money can help me to enjoy things in this life, but it cannot give me true and lasting happiness. Mammon is uncertain because it can soon be gone, or at least taken away at death (1 Timothy 6:7).
- (2) **Mammon is deceptive.** It not only cannot satisfy the deep longing of the soul for God, but it cannot give the security that it seems to promise (Matthew 16:26). Money can give a false sense of strength, abundance, and superiority (Luke 12:19) like it did for the rich farmer. The dangers of haughtiness is real (1 Timothy 6:17). It can even cause us to no longer feel the need for our fellow-man or God.

All choices have some kind of consequences! It is important that we understand there are vastly important consequences to the choice between God and mammon—not only for here, but for eternity. In whom do we trust? We show it by which one we put first in our heart when decisions have to be made. It is shown by which we listen to and obey. God can save us from a lot of heartaches if we will only trust in Him.

WHERE IS CONTENTMENT TO BE FOUND?

Our society needs to understand that happiness or contentment does not automatically come with a large bank account. Real happiness in life does not come from how many possessions we have (Luke 12:15). Jesus, in the Sermon on the Mount, asked the question: ***"Is not life more than food and the body more than clothing?"*** (Matthew 6: 25). Is having food and clothing what life is all about? Should this be our primary concern? Solomon answered that question in the book

of Ecclesiastes with ***“Vanity of vanity.....all is vanity.”*** (12:8). He also added that the lover of money is never satisfied with more and more (Ecclesiastes 5:10).

Contentment is found ***“in Christ!”*** The apostle Paul stated that to have Christ was the ultimate possession. He was willing to lose everything else in order to gain Christ and to be found in Him (Philippians 3:7-11). It is in Christ that we have peace (Philippians 4:7). In Christ, we have access to all spiritual blessings that are worth more than all the possessions in the world (Ephesians 1:3; Matthew 16:26). It is Christ that supplies all our needs out of his vast storehouse of riches (Philippians 4:19). It is through Christ that He has given us all things that pertain to life and godliness (2 Peter 1:3).

WE ARE EXHORTED TO BE CONTENT

If we are to find contentment, we must go to the source of contentment. We must put our trust in the One that can give us contentment. We must show our trust by our obedience to His Will. We must put worry out of our lives. We must realize that contentment is something to be learned (Philippians 4:11). It is learned through a process of increasing faith and trust, time, and submission on our part. We learn not to waste our time in worrying about what we do not have. We joyfully are thankful for what we do have and make the best use of it. We do not over-estimate the value of possessions.

Concluding Thoughts

Successful money management is a real challenge for God’s people. “Financial success” is only a reality when it is achieved according to the instructions of God. But we can be successful in acquiring and handling our finances. We need to aim high, set goals, work hard, be thrifty, save, plan, and be a giving people. In that last great day we shall surely hear Him say, ***“Well done, good and faithful servant: you have been faithful over a few things, I will make you ruler over many things. Enter into the joy of your lord.”*** (Matthew 25:23).

SUGGESTED BOOKS FOR READING

1. **“Tax-Saving Tips”** by Sylvia Porter.
2. **“Year-Round Tax Strategies”** by Julian block
3. **“The Common-Sense Mortgage”** By Peter Miller
4. **“Preparing For Retirement”** By Larry Burkett
5. **“Debt-Free Living”** By Larry Burkett
6. **“Master Your Money”** By Ron Blue
7. **“Master Your Money Workbook”** By Ron Blue
8. **“How to Make Money in Stocks”** By William J. O’Neil
9. **“How to Avoid Financial Tangles”** By Kenneth C. Masteller
10. **“My God and My Money”** By V. P. Black
11. **“Living Sacrifices”** By Mac Layton
12. **“As Stewards of God”** By Bill E. Smith
13. **“Stewardship” (Gospel Advocate, April, 1994, Vol. CXXXVI, No. 4) Articles.**
14. **“Give and You Shall Get”** By Jack Exum
15. **“Money—Friend or Foe of the Christian”** By Ted H. Waller
16. **“Retirement Planning Guide”** By Ernst & Young

