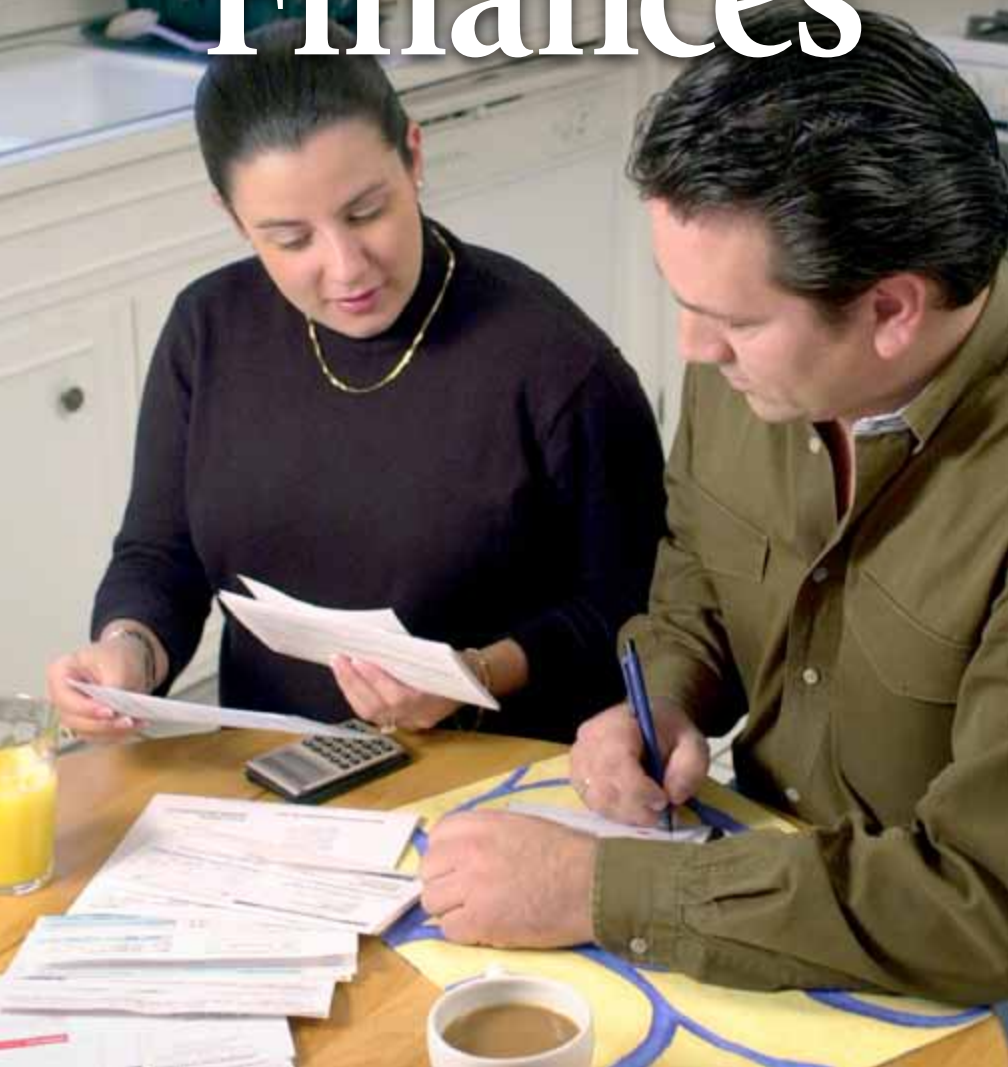


# Managing Your Finances



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# Managing Your Finances

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# Introduction

**M**oney makes the world go round, or so it seems. Vast sums change hands every day in a global economy that affects virtually every man, woman and child on the planet. As the world's economy runs its typical cycles of booming prosperity followed by painful recession, millions of people struggle to survive economically. In a typical economic downturn many lose their jobs, and consumer credit reaches gigantic

proportion. Whether caused by the economy or mistakes in managing their money, many find themselves mired in debt and worried about the future. Anxiety about money matters takes an enormous toll on mental and physical health and general well-being.

Regardless of the state of the economy, are there things you can do about money problems? Is



*Whether caused by the economy or mistakes in managing their money, many find themselves mired in debt and worried about the future.*

there a place you can turn for simple, practical guidelines to help manage your personal finances? Many sources offer various principles and theories about money management. Books and videos assure people they can be financially successful; others tell us we can become millionaires practically overnight.

But do you realize that sound principles are to be found in a resource you probably already own? The Bible offers proven financial advice and economic guidelines. The book of Proverbs alone reveals much about how to manage your personal finances. When we apply the principles we can find in Proverbs, they usually add up to economic success, financial stability and peace of mind.

Jesus Christ talked about freedom from economic want: "I have come that they may have life, and that they may have it more abundantly" (John 10:10). Abundant life includes financial peace of mind. Throughout the Bible we can find specific financial principles and advice that work for our benefit.

This booklet reviews many timeless economic principles from a biblical perspective. It shows us how to manage our financial affairs from a godly point of view. Turn the page to begin an important Bible-based study. You have nothing to lose and much to gain!

# A Biblical Overview of Money and Wealth

People who believe in the Bible hold widely divergent views about what it says—including what it says about money. Some view money as the root of all evil and believe that poverty brings one closer to God. Others accept a health-and-wealth gospel, believing Christians are almost automatically destined to become financially successful if not fabulously wealthy.

So what does the Bible actually say on the matter? Is money good or evil? To lay a foundation for managing one's finances, we must begin by considering whether it is proper for Christians to accumulate wealth.

## Wealth and the Bible

The first time the Bible mentions someone with a lot of money, it speaks of a righteous man, Abraham, who “was very rich in livestock, in silver, and in gold” (Genesis 13:2). Later we find God promising that through this man's descendants all nations of the earth would be blessed (Genesis 18:18; 22:18; 26:4). Abraham was wealthy, but he was also “the father of all those who believe” (Romans 4:11).

God is not opposed to riches. In fact, He is the originator of financial blessings (1 Samuel 2:7; Proverbs 10:22) and reminds us that personal diligence can also lead to wealth (Proverbs 10:4).

When we have more money than we need for normal expenses, we are wise to save some for later use. The Bible speaks well of the saver, noting that the ant wisely stores up food for the winter (Proverbs 6:6-11). It speaks favorably of someone who would provide for his children and grandchildren: “A good man leaves an inheritance to his children's children, but the wealth of the sinner is stored up for the righteous” (Proverbs 13:22).

Indeed, we should consider that having more money puts us in a better position to help others in need. Poverty, on the other hand, limits our ability to help others.

## Spiritual traps to avoid

The positive examples just mentioned, however, do not give the whole picture. The follower of God who wants to make money while continuing to follow God must avoid certain spiritual traps. It becomes easy, as a person accumulates worldly goods, to look to money—rather than God—as a

source of protection and stability (Proverbs 18:11).

The apostle Paul talked about money and temptation: “Those who desire to be rich fall into temptation and a snare, and into many foolish and harmful lusts which drown men in destruction and perdition. For the love of money is a root of all kinds of evil, for which some have strayed from the faith in their greediness, and pierced themselves through with many sorrows” (1 Timothy 6:9-10).

It is from these words that many get the idea that the Bible teaches that *money* is the root of all evil.



However, Paul wrote something considerably different—that “the *love of money* is a root of all kinds of evil.” Money itself is not evil, but elevating it and material wealth to a greater priority than these should have is a great spiritual trap.

In this passage Paul elaborates on the perspec-

*It becomes easy, as a person accumulates worldly goods, to look to money—rather than God—as a source of protection and stability.*

tive toward wealth that Jesus had given many years earlier. In speaking of a Christian's proper priorities (Matthew 6:24-33), Jesus said, “You cannot serve God and mammon” (verse 24). The English *mammon* is translated here from a similar Aramaic word that means riches, especially riches that turn one's attention away from God. In that sense, wealth is personified as a competing master, which is unacceptable.

While recognizing that people have physical needs, Christ emphasized that our chief priority must always be God. Jesus taught, “But seek first the kingdom of God and His righteousness, and all these things shall be added to you” (verse 33).

Paul's comments to Timothy teach us not to make a god of money or to allow it to come between us and our Creator. Money is simply a tool that can be used for either good or bad. The key lies in our attitude.

Paul adds this advice for the wealthy: “Command those who are rich in this present age not to be haughty, nor to trust in uncertain riches but in the living God, who gives us richly all things to enjoy. Let them do good, *that they be rich in good works*, ready to give, willing to share, storing up for themselves a good foundation for the time to come, that they may lay hold



on eternal life” (1 Timothy 6:17-19, emphasis added throughout).

### Can we seek wealth and eternal life?

On another occasion, a young man asked Christ what one must do to inherit eternal life. After Jesus told him he must keep God’s commandments, the man responded that he had kept them from his youth (Mark 10:17-20). “Then Jesus, looking at him, loved him, and said to him, ‘One thing you lack: Go your way, sell whatever you have and give to the poor, and you will have treasure in heaven; and come, take up the cross, and follow Me.’ But he was sad at this word, and went away sorrowful, for he had great possessions.

“Then Jesus looked around and said to His disciples, ‘How hard it is for those who have riches to enter the kingdom of God!’ And the disciples were astonished at His words. But Jesus answered again and said



*While recognizing that people have physical needs, Christ emphasized that our chief priority must always be God.*

to them, ‘Children, how hard it is for those who *trust in riches* to enter the kingdom of God! It is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God!’” (verses 21-25). (See also “The Eye of a Needle” on page 7.)

Notice the disciples’ reaction when they heard Jesus’ comments about how difficult it was for a rich man to enter the kingdom: “They were greatly astonished, saying among themselves, ‘Who then can be saved?’ But Jesus looked at them and said, ‘With men it is impossible, but not with God; for with God all things are possible’” (verses 26-27). Eternal life is a gift given to those who humbly seek God (John 3:16; Romans 6:23; Ephesians 2:8-10). Everyone, whether rich or poor, must rely on God’s mercy for eternal life.

### A lesson in priorities

Jesus explained that eternal life is a spiritual issue of paramount importance. The wealth of the man was not intrinsically wrong. But his misplaced priorities—his improper attachment to material wealth—was. Christ perceived that the man was more interested in his money than God. Indeed, the young man was despondent over Christ’s words “and went

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away sorrowful, for he had great possessions” (Mark 10:22).

Some try to twist this episode into a lesson about the inadequacy of God’s commandments, which the young man claimed to have kept from his youth—arguing that Jesus was introducing a new standard of righteousness. Yet the reality is that Jesus challenged the young man’s commitment to the commandments by testing Him on the very first one, which forbids having any gods before the true God. Clearly, the young man placed His wealth before God.

This passage does not imply that the rest of us must give away everything we have—unless, that is, we too have a particular problem with placing a higher priority on our possessions than on God. Of course, God will require other sacrifices of us. In any case, it’s important for us to submit to Him wholeheartedly.

God has revealed in His Word, the Bible, all essential knowledge that people need to come into harmony with His ways in both spiritual and physical matters. He has given His people specific instructions for supporting the poor (Deuteronomy 14:28-29; 15:1-2; 26:12-14). His Word even gives instructions for how His people should provide financially for His annual religious observances (Deuteronomy 12:17-18; 14:22-27).

Jesus took the lesson of spiritual and financial priorities a step further. Mark 10 continues: “Then Peter began to say to Him, ‘See, we have left all and followed You.’ So Jesus answered and said, ‘Assuredly, I say to you, there is no one who has left house or brothers or sisters or father or mother or wife or children or lands, for My sake and the gospel’s, who shall not receive a hundredfold now in this time—houses and brothers and sisters and

## The Eye of a Needle

**W**hat did Jesus Christ mean when He said, “It is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God” (Mark 10:25)? Although the scriptural context is clear—Jesus was warning His followers not to put their trust in riches—the question is puzzling. What exactly was Jesus saying?

Some have believed that the phrase “eye of the needle” refers to the name of a small gate into a city through which camels had to kneel to enter. A number of Bible resources show that this interpretation is incorrect. One representative resource says, “There is no archaeological or historical support for the common idea that the ‘needle’s eye’ was a small pedestrian gate

through the city wall” (*Nelson’s New Illustrated Bible Dictionary*, 1995, “Tools of the Bible: Needle,” p. 1266).

“Jesus’ words in Matthew 19:24 (also Mark 10:25; Luke 18:25), that it is easier for a rich man to enter [the kingdom of] heaven than ‘for a camel to go through the eye of a needle,’ reflect an idea found in early rabbinic writing . . . The statement simply means that humanly speaking, this is an impossible thing. Only a divine miracle can make it possible” (ibid.).

It appears that Christ’s words must be taken literally. Just as it is impossible for a camel to go through the tiny eye of a needle, it is equally impossible for those who trust in riches, instead of in God, to enter the Kingdom of God.

mothers and children and lands, with persecutions—and in the age to come, eternal life” (verses 28-30).

Here, Jesus promises physical and spiritual rewards for putting Him first. So He clearly is not against prosperity—provided we don’t make it the highest priority in our lives.

Keeping priorities straight can be quite a challenge for people who have been blessed with material goods. The rich must not glory in their riches (Jeremiah 9:23). We must remember Christ’s instruction regarding our priorities: “Lay up for yourselves *treasures in heaven*, where neither moth nor rust destroys and where thieves do not break in and steal. For where your treasure is, there your heart will be also” (Matthew 6:20-21).

### People are prejudiced

People can be prejudiced about money. Sometimes the wealthy despise the poor, and sometimes the poor despise the rich. Jesus did not hold such biases. He ate with tax collectors and those looked down on as sinners, was called their friend and ministered to the poor (Matthew 9:10; 11:5, 19).

Yet He showed no partiality and could also be found with the rich (Matthew 27:57; Luke 19:1-10). A wealthy man so admired Jesus that he buried

Him in his unused family tomb (Matthew 27:57-60). Jesus Christ died for all of humanity, regardless of anyone’s social or financial standing.

The Scriptures we have just reviewed show that money is neutral—neither good nor bad. Our *attitude* toward it, however, is important. Money tests

*Keeping priorities straight can be quite a challenge for people who have been blessed with material goods. The rich must not glory in their riches.*

our allegiance; it makes apparent whether we are committed to God or to our possessions. At best, money is a tool we use for important purposes. In the next chapter we will see that Christ taught that a Christian has financial obligations—to God and fellow man.



# Meeting Needs Beyond Our Own

Since money is a tool that can be used for good or bad, it’s important that we understand God’s instructions in the Bible on how we are to use it. But before considering the specific principles and commands He gives, we need to understand God’s perspective regarding the use of our money and His fundamental requirements of us in this regard.

### God’s ownership and assignment of labor

God reveals that He is the Creator of heaven and earth. As such, everything belongs



*God reveals that He is the Creator of heaven and earth. As such, everything belongs to Him.*

to Him. “All the earth is Mine,” He declares (Exodus 19:5). This includes all precious metals (Haggai 2:8), animals (Psalm 50:11) and people (Ezekiel 18:4)—each one of us.

When God made man in His image (Genesis 1:26-27), He “put him in the garden of Eden to tend and keep it” (Genesis 2:15). So Adam had work to do. His job was to care for this area in which God had placed him.

After Adam sinned by eating of the fruit God had forbidden, he was expelled from Eden but still had to work—only his work would be much harder, to the point of drudgery.

God told him: “Cursed is the ground for your sake; in toil you shall eat of it all the days of your life. Both thorns and thistles it shall bring forth for you, and you shall eat the herb of the field. In the sweat of your face you shall eat bread till you return to the ground, for out of it you were taken; for dust you are, and to dust you shall return” (Genesis 3:17-19). Still, expended effort would bring with it certain rewards, including continuing livelihood.

Like Adam, we must work to sustain our lives. Human beings, however,

are not self-sufficient. Thankfully, God continues to help us, providing for us in ways we cannot. “He causes the grass to grow for the cattle, and vegetation for the service of man, that he may bring forth food from the earth,” He tells us (Psalm 104:14).

When we enjoy the fruit of our labors, we should remember that everything we have is ultimately a gift from God, the Maker of everything. “As for every man to whom God has given riches and wealth, and given him power to eat of it, to receive his heritage and rejoice in his labor—this is the gift of God” (Ecclesiastes 5:19).

Working hard and enjoying the resulting fruits of one’s labor are godly principles most people understand and accept as a fundamental part of life. (To understand God’s expectation of us to work, see “The Bible and Work.”)

### The work of God

Yet human beings are not the only ones who work. So do beings in the

## The Bible and Work

Some in the church at Thessalonica who were able to work apparently chose not to do so. Instead, they expected others to provide for their physical needs.

In addressing this issue, the apostle Paul wrote to the church in that city, “Now we exhort you, brethren, warn those who are unruly . . .” (1 Thessalonians 5:14). The Greek word for unruly is *ataktos*. This word “was especially a military term, denoting ‘not keeping rank, insubordinate’; it is used in 1 Thes. 5:14, describing certain church members who manifested an insubordinate spirit, whether by excitability or officiousness or idleness” (*Vine’s Complete Expository Dictionary of Old and New Testament Words*, 1985, “Disorderly”).

Being idle or lazy is not in step with God’s expectations of our behavior. In Paul’s second letter to this same congregation, he again addressed this situation: “But we command you, brethren, in the name of our Lord Jesus Christ, that you withdraw from every brother who walks disorderly [*ataktos*] and not according to the tradition which he received from us. For you yourselves know how you ought to follow us, for we were not disorderly [another form of the same word] among you; nor did we eat anyone’s bread free of charge, but worked with labor and toil

night and day, that we might not be a burden to any of you, not because we do not have authority, but to make ourselves an example of how you should follow us” (2 Thessalonians 3:6-9).

Paul, to show that his motives were pure and to avoid being accused of taking advantage of the members in Thessalonica, cited his own example of having worked to support himself when he was in the area earlier. Although he had the right to be supported by them in exchange for teaching and leading them in God’s way (1 Corinthians 9:1-18), he chose not to.

Paul continued: “For even when we were with you, we commanded you this: If anyone will not work, neither shall he eat. For we hear that there are some who walk among you in a disorderly manner, not working at all, but are busybodies. Now those who are such we command and exhort through our Lord Jesus Christ that they work in quietness and eat their own bread” (2 Thessalonians 3:10-12).

Since other biblical instruction calls for helping the needy (Matthew 19:21; Galatians 2:10), Paul is obviously correcting those who were able to work but chose not to do so. If we are able, God expects us to work so we can provide for our own needs and not unnecessarily burden others.

spirit realm—both angels and God. Jesus Christ said specifically that God the Father works (John 5:17). As a spirit being (John 4:24), God does not need food, shelter and clothing to survive. His work is spiritual and humanitarian.

John 3:16 summarizes God’s motivation for everything He does toward mankind: “For God so loved the world that He gave His only begotten Son, that whoever believes in Him should not perish but have everlasting life.” God’s work in fulfilling His plan for mankind, which He began before the foundation of the world (Matthew 25:34; Revelation 13:8; 2 Timothy 1:9), continues.

Similarly, God expects spiritual and humanitarian work of us. Just as we



*Jesus Christ commissioned His followers to proclaim the “gospel of the kingdom of God” to all nations.*

work to sustain ourselves physically, we must work for a greater spiritual purpose. The apostle Paul tells us, “For we are His workmanship, created in Christ Jesus *for good works*, which God prepared beforehand that we should walk in them” (Ephesians 2:10). We cannot earn salvation by human efforts, but God makes it clear that we were also created to do “good works” that have a vital spiritual dimension.

The money we earn from our physical and mental efforts can be profitably used to support important spiritual concepts and endeavors. Let’s examine and understand an important biblical principle the early Church practiced.

### Our financial priority

Throughout the ages God has seen to it that a true message of hope has been preserved and spread. He first used His patriarchs, prophets and priests to convey the message. Now, in this age, He uses His Church, His called-out assembly of followers. Jesus Christ commissioned His followers to proclaim the “gospel of the kingdom of God” to all nations, leading others to become disciples (Mark 1:14-15; Matthew 24:14; 28:19-20).

Christ’s message—the gospel, meaning *good news*—encompasses far more than many understand. (To discover the biblical truth about the message Jesus proclaimed, be sure to download or request your free copy of our booklet *The Gospel of the Kingdom*.)



This is the message *the world desperately needs to hear*. And Christ's followers have the responsibility of ensuring that it goes forth. Along with our fervent prayers and, in some cases, direct participation, dedicating a portion of our incomes to this noble cause helps the good news, this message of hope, to be proclaimed far and wide.

When Jesus sent out His disciples to spread the gospel of the Kingdom (Matthew 10:1), He said, "Freely you have received, freely give" (verse 8). The disciples did not have to charge others to provide for their physical needs because those needs were voluntarily supplied by those who heard their message (Matthew 10:11; Luke 9:3-4). As Paul later wrote, "Even so the Lord has commanded that those who preach the gospel should live from the gospel" (1 Corinthians 9:14).

The question naturally arises, how much should we contribute to further Christ's commission to proclaim the gospel and train disciples? People may debate this answer endlessly, but God has already given a specific answer—a tithe or tenth, meaning 10 percent of our income (Leviticus 27:32). In instructing the ancient Israelites how to manage their financial affairs, God said, "All the tithe of the land, whether of the seed of the land or of the fruit of the tree, is the LORD'S. It is holy to the LORD" (Leviticus 27:30).

This passage shows us that this tithe belongs to God. It is *His*. It is not ours to do with as we please. Because God owns everything, He has the

## Does the New Covenant Abolish Tithing?

Many today believe that tithing came to an end after Christ's earthly ministry and crucifixion—that it went out along with the Old Covenant, the special agreement that God made with the nation of Israel at Mt. Sinai following the Exodus from Egypt. "Old Testament tithing has been replaced by New Testament giving" is the way this idea is often expressed. In application, this belief means that people should now determine for themselves what percentage, if any, of their incomes to give to God. But is this what the Bible teaches?

The fact is, the Bible reveals that God gave many of His laws to mankind prior to the institution of the Old Covenant at Sinai. Indeed, God had revealed the principle of tithing and other commandments, statutes and laws to those with whom He was working centuries earlier (Genesis 14:16-20; 26:5; 28:22). Because these laws reflected God's love for mankind and guidance

on how to have an abundant life, they were included in the Old Covenant that God made with Israel.

When the Old Covenant was replaced by the New Covenant (Hebrews 8:6-8) at the time of Christ's crucifixion, God's instructions for mankind's happiness and benefit that had preceded the Old Covenant did not come to an end. Instead, the New Covenant makes it possible for people to have God's laws ingrained in their minds and hearts (verse 10). The bottom line is that tithing—giving a tenth of our increase—to God remains His expectation of those who wish to honor Him through obedience to His instructions.

To learn more about this important principle, request our free booklet *What Does the Bible Teach About Tithing?* And for a comprehensive understanding of what is expected of Christians under the New Covenant, request our free booklet *The New Covenant: Does It Abolish God's Law?*

right to retain whatever He chooses. In reality, He is requesting only that we return to Him a portion of what He has already given to us.

God allows us to keep the greatest portion of the physical blessings He provides us. He asks only that we return a percentage, a tenth, to Him in acknowledgment that He is the source of all good things. If we ignore this principle, we will rob ourselves of God's blessings (Malachi 3:8-9).

During His earthly ministry, Jesus Christ upheld the practice of tithing (Matthew 23:23). Let us, then, examine this scriptural practice in more detail.

### Examples of righteousness

The first mention of tithing in the Bible is in Genesis 14. Here, Abram (later renamed Abraham in Genesis 17:5), the same person later extolled as a model of faith and behavior for Christians (Galatians 3:29; Romans 4:11), engaged in a rescue mission to free his nephew Lot, who had been taken captive (Genesis 14:1-14).

After successfully rescuing Lot and recovering various goods, Abram met with Melchizedek, "the priest of God," and "gave him a tithe of all" (verses 16-20). Note that Abraham tithed on *everything*—not just agricultural produce as some have concluded.

Later we read of Abraham's grandson Jacob making this promise to God: "Of all that You give me I will surely give a tenth to You" (Genesis 28:22). The practice of tithing, we see, predated the national covenant God later made with the Israelites. (To understand the significance of this fact, see "Does the New Covenant Abolish Tithing?" on page 12.)

As time passed, the descendants of Abraham, Isaac and Jacob grew into the nation of Israel. After rescuing them from slavery in Egypt, God instructed the Israelites on how to be a holy nation (Exodus 19:6). Part of their obedience that would make them "a special treasure to Me above all people" (verse 5) entailed tithing on the "increase" God gave them year by year (Deuteronomy 14:22).

This basic biblical principle applies in our world. A farmer has certain expenses like seed, fertilizer, fuel, cost of equipment and perhaps rent or mortgage payments for the land he farms. The amount of increase is determined by subtracting the costs of doing business from the payment he receives for his harvest. Similar calculations would apply in most endeavors, whether we are self-employed or work for someone else.

### Change in the law s application

After an individual determined the tithe, or tenth, of his increase, God instructed that this increase was to be given to the Levites, who were responsible for taking care of the tabernacle (Numbers 1:50-53). After receiving the tithes, they, too, were expected to tithe on their increase (Numbers 18:26;

Nehemiah 10:38).

Since Jesus' crucifixion and resurrection, He has "become High Priest forever according to the order of Melchizedek" (Hebrews 6:20). Jesus serves in the same priestly order as Melchizedek, to whom Abraham paid tithes long ago. (Indeed, as our free booklet *Who Is God?* explains, Melchizedek was an Old Testament appearance of the One who became Jesus Christ.) This change from the Levitical priesthood back to the Melchizedek order required other changes.



*A farmer has certain expenses before a crop is sown. The amount of increase is determined by subtracting the costs of doing business from the payment he receives for his harvest.*

As Hebrews 7:12 says, "For the priesthood being changed, of necessity there is also a change of the law." The physical priesthood of the Levites was superseded by the spiritual priesthood of Jesus Christ. The priestly services at the temple, which were supported by tithes, came to an end when the Romans captured Jerusalem and destroyed the temple in A.D. 70.

Today Jesus Christ is our spiritual High Priest, and His ministers have the responsibility of serving God's people. God's tithes are now to be given to those who are faithfully continuing His work.

Acknowledging God's blessings with His tithe and honoring Him with offerings is the first step in setting up a financial plan grounded in biblical principles. As Proverbs 3:9 tells us: "Honor the LORD with your possessions, and with the firstfruits of all your increase; so your barns will be filled with plenty, and your vats will overflow with new wine." (To learn more about this scriptural teaching, be sure to download or request your free copy of our booklet *What Does the Bible Teach About Tithing?*)

### Providing for the needy

Early in the history of mankind, God intended for us to be our "brother's keeper." Though Cain failed to understand this principle (Genesis 4:9), God made it clear in His instructions to Israel: "For the poor will never cease from the land; therefore I command you, saying, 'You shall open your hand wide to your brother, to your poor and your needy, in your

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land'" (Deuteronomy 15:11).

The principle of helping the needy goes back to God's original instruction for people to care for each other. Jesus Himself said that serving others and having love for one another were honorable, identifying characteristics of His followers (Matthew 25:31-46; John 13:34-35).

As we are able, at times we need to provide additional help to the needy. As the apostle John wrote: "But whoever has this world's goods, and sees his brother in need, and shuts up his heart from him, how does the love of God abide in him? My little children, let us not love in word or in tongue, but in deed and in truth" (1 John 3:17-18). Proverbs 3:27 adds, "Do not withhold good from those to whom it is due, when it is in the power of your hand to do so."

When we give to people in need, we follow the example of our Creator,

## What Is Corban ?

In a confrontation with the Pharisees and scribes over ritualistic hand-washing, Jesus condemned the spiritual blindness that led them to elevate their traditions over the intent of God's law: "'Well did Isaiah prophesy of you hypocrites, as it is written: 'This people honors Me with their lips, but their heart is far from Me. And in vain they worship Me, teaching as doctrines the commandments of men.' For laying aside the commandment of God, you hold the tradition of men—the washing of pitchers and cups, and many other such things you do.'

"And He said to them, 'All too well you reject the commandment of God, that you may keep your tradition. For Moses said, 'Honor your father and your mother' [as the fifth of God's Ten Commandments]; and, 'He who curses father or mother, let him be put to death.' But you say, 'If a man says to his father or mother, 'Whatever profit you might have received from me is Corban'—' (that is, a gift to God), then you no longer let him do anything for his father or his mother, making the word of God of no effect through your tradition which you have handed down. And many such things you do'" (Mark 7:6-13).

What is the "Corban" mentioned in this passage, and how does it tie in with Christ's words? The term literally meant "that which is brought near" (*The International Standard Bible*

*Encyclopedia*, 1913, "Corban.") According to *Nelson's Illustrated Bible Dictionary*, Corban is "a word applied to a gift or offering in the Temple that declared that gift dedicated to God in a special sense. Once a gift was offered under the special declaration of Corban, it could not be withdrawn or taken back; it was considered totally dedicated for the Temple's special use. Jesus condemned the Pharisees for encouraging the people to make such gifts to the Temple while neglecting their responsibility to care for their parents" (1995, "Corban").

*The International Standard Bible Encyclopedia* adds: "Anything dedicated to the temple by pronouncing the votive word 'Corban' forthwith belonged to the temple, but only ideally; actually it might remain in the possession of him who made the vow. So a son might be justified in not supporting his old parents simply because he designated his property or a part of it as a gift to the temple, that is, as 'Corban.' There was no necessity of fulfilling his vow, yet he was actually prohibited from ever using his property for the support of his parents."

Jesus taught that proclaiming something devoted to God as an excuse for refusing to help one's needy parents was a total mockery of service to God since it directly violated one of His Ten Commandments.

whose nature is love toward others (John 3:16; 1 John 4:8). God wants us to develop the same loving, caring concern He has for all humankind. Describing this giving attitude, Paul wrote, “Let him who stole steal no longer, but rather let him labor, working with his hands what is good, that he may have something to give him who has need” (Ephesians 4:28).

Charitable giving, then, is another fundamental step in a godly financial plan.

### Supporting your family

Next, let’s turn our attention to the family. Paul wrote



*Some fail to support their families. Fathers and mothers who refuse to provide for their children violate God’s most basic financial responsibilities and principles and bring untold hardships on their offspring.*

about the need to provide for your nearest of kin: “If anyone does not provide for his own, and especially for those of his household, he has denied the faith and is worse than an unbeliever” (1 Timothy 5:8). God expects families and relatives to take care of each other if they are able, before asking others for help. Refusing or neglecting to obey this principle is an affront to God and His instruction.

Jesus Christ roundly condemned any who would neglect God’s instruction to care for their families (Mark 7:6-13; also see “What Is Corban?” on page 15). Regrettably, some fail to support their families. Fathers and mothers who refuse to provide for their children violate God’s most basic financial responsibilities and principles and bring untold hardships on their offspring. The same is true for children who refuse to help their aged parents when they are in need.

Jesus used the principle of providing for family members to illustrate God’s love for us as His children: “If you then, being evil, know how to give good gifts to your children, how much more will your Father who is in heaven give good things to those who ask Him!” (Matthew 7:11).

Now that we have an idea of how God expects us to use our financial resources, let’s look at specifics on how to establish and maintain a workable financial plan.

# Keys to Successful Money Management

**W**hen we decide to use our money according to applicable scriptural principles, we soon see the need for planning and review. Notice some advice from the book of Proverbs:

“Be diligent to know the state of your flocks, and attend to your herds; for riches are not forever, nor does a crown endure to all generations. When the hay is removed, and the tender grass shows itself, and the herbs of the mountains are gathered in, the lambs will provide your clothing, and the goats the price of a field; you shall have enough goats’ milk for your food, for the food of your household, and the nourishment of your maidservants” (Proverbs 27:23-27).

This passage shows why we need a financial plan—a budget—for our household. Notice that several timeless principles spring from this passage.

First, we need diligence to successfully implement any financial plan. In the example above, those with livestock are advised to carefully monitor the state and condition of their animals. If an animal becomes ill, it needs special care. Insufficient food or water for livestock requires immediate attention. A farmer with herds must look after his animals if they are to survive and the household is to prosper.

How does this apply to those of us who aren’t farmers or ranchers? The fundamental lesson is that we cannot expect financial success by simply devising a plan and then blissfully ignoring the factors that affect it. Instead, we must know where, how and why we spend our money and what is happening with our assets. If we ignore this principle of diligently monitoring our finances, we will find ourselves making poor decisions and spending money we don’t have.

This passage also outlines the needs of a household and how they must be met throughout the year—hay and herbs harvested at the proper time, property purchases made where and when appropriate, clothing provided as needed and a steady supply of food made available.

Planning is another key to successful money management. From the book of Proverbs we glean the need for foresight. Two verses tell us, “A prudent person foresees the danger ahead and takes precautions. The simpleton goes blindly on and suffers the consequences” (Proverbs 22:3; 27:12, New Living Translation).

Such principles demonstrate the value of making and following a budget.

Budgeting allows us to systematically allocate resources to meet our current and future needs.

When we accept God’s instructions to tithe and provide for others, we automatically take steps in the process of budgeting. We calculate what comes to us as an increase and set aside percentages of that increase for God’s work, suitable offerings, helping the needy and caring for our families.

Now let’s tighten our focus and apply these budgeting principles to our households.

**Figuring your net worth**

Where and how do we begin to formulate a workable financial strategy for our families? Following are some practical steps to consider.

The first step in designing a personal spending plan—a budget—is to determine your net worth. In other words, find out your overall financial condition. Begin with a list of your assets—possessions (and their fair market value) that you own and could sell. (See the worksheet on page 19.)

Then make a list of your debts—the amounts you owe to creditors (banks, mortgage companies, stores, credit cards and the like).

Subtract your total indebtedness (the total of your debt list) from your assets (the total monetary value of your asset list) and you have your net worth—a summary of your financial condition.

If the combination of your assets and debts is a positive number, you have a positive net worth. If it is a negative number, you are in debt. If you have a significant amount of debt, regardless of your net worth, you need to prepare and follow a budget that will help you improve your financial picture.

**Analyze your monthly cash flow**

After determining your overall financial condition, the next step is to analyze your monthly cash flow. This will show you which direction you are headed—whether you are accumulating money, holding steady or going further into debt. You can do this by examining your monthly income and expenses. (A worksheet for determining your monthly income and expenses is available for photocopying on pages 24-25.)

If you have money left over at the end of the month after paying all your expenses (including housing, food, clothing, utilities, transportation, insurance, taxes and recreation), your net worth is increasing, and you should have money to save or invest. If you are not meeting your expenses, you need to make adjustments so you can pay your bills. If you are in dire need of major adjustments, carefully read the rest of this chapter and “Avoiding Financial Black Holes” (beginning on page 36) for ways to cut expenses.

No matter your financial direction, diligent periodic examination of your expenses is important to successfully managing your money. Following are

some things to consider about some typical expenses.

**Education**

One of the first issues to consider in a financial plan is education. Although obtaining a college degree or certification in a particular trade costs money, this expense is almost always one of the best investments we can make. On average, people with higher education and marketable job skills consistently earn more money.

Proverbs 4:5-7 tells us: “Get wisdom! Get understanding! Do not forget, nor turn away from the words of my mouth. Do not forsake her, and she will preserve you; love her, and she will keep you. Wisdom is the principal thing; therefore get wisdom. And in all your getting, get understanding.” Gaining additional education is one of the best financial investments we can take.

Proverbs 24:27 similarly advises: “Prepare your outside work, make it fit for yourself in the field; and afterward build your house.” In other words, prepare yourself with the resources to make a living—through education

**Determining Your Net Worth**

**Assets**

- Total in all checking and savings accounts . . . . . \$ \_\_\_\_\_
- Total in all money market accounts . . . . . \$ \_\_\_\_\_
- Current value of all securities and investments . . . . . \$ \_\_\_\_\_  
(Include stocks, bonds, annuities, retirement accounts, etc.)
- Current value of life insurance (cash value) . . . . . \$ \_\_\_\_\_
- Current value of home . . . . . \$ \_\_\_\_\_
- Current value of any personal property and cash on hand . . . . . \$ \_\_\_\_\_  
(Include autos, rental property, jewelry, precious metals, collectibles, etc.)
- Line A—Total Assets** (add all the lines above) . . . . . \$ \_\_\_\_\_

**Liabilities**

- Home mortgage (balance due) . . . . . \$ \_\_\_\_\_
- Total balance due on credit cards . . . . . \$ \_\_\_\_\_
- Total due on other loans . . . . . \$ \_\_\_\_\_
- Line B—Total Liabilities** (add the three lines above) . . . . . \$ \_\_\_\_\_
- Net Worth** (subtract Line B from Line A) . . . . . \$ \_\_\_\_\_



and job training—before settling in and making yourself comfortable with material possessions.

In seeking an education, one must also consider the costs. Sadly, many college graduates end up with a mountain of debt in addition to their diplomas when they complete their degrees. Applying to multiple institutions and comparing the annual costs after factoring in grants, scholarships and other forms of free aid will help in making a wise financial decision.



*Owning an automobile is a wonderful convenience, but it can consume a large portion of any household or personal budget.*

Usually it is less expensive to take undergraduate courses at a community college (assuming course work is transferrable) before finishing up a degree at a larger institution. Local colleges can also be cheaper than ones farther away, especially if a young person can stay at home and commute to classes. Some industrious students have even worked full-time jobs during the day and taken classes at night, paying for them as they go. Such strategies can help a person obtain an education without being saddled with debilitating debt.

### Managing debt

Going into debt is generally not a good idea. “The borrower is servant to the lender” (Proverbs 22:7). The difficulty with debt is that, in addition to paying back the principal (the amount borrowed), we also have to pay interest on the outstanding balance.

Over the course of a typical 30-year loan for a house, for example, the borrower pays more than double the purchase price of the house, with the additional money going to pay the interest on the loan. Skyrocketing costs of new cars and multiyear loans create a similar problem with automobile loans. The more we can avoid borrowing money, the better off we’ll be in the long run.

On the other hand, sometimes it may be necessary to borrow money. For example, most people will likely need to borrow money to purchase a house. Even when we borrow money for this reason, it is good to be sure

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we have sufficient extra funds for emergencies within our budget before proceeding. Emergencies and unexpected expenses always arise. Be cautious before committing yourself to any debt. Debts we cannot immediately repay have a way of compounding our financial problems.

### Buying a house

In addition to costs associated with buying a house, such as a down payment (often 10 or 20 percent of the purchase price) and mortgage fees, you should also consider maintenance costs and taxes.

If you choose to sell your house, you often have to pay fees to a selling agent that can range up to 7 percent of the selling price. Because of these costs, buying a house and living in it for a short time before selling it again may be a chancy financial decision.

Other factors you should consider when purchasing a house are the local market (whether houses in your area are gaining or losing value), the location (those in desirable areas usually resell better) and whether the house will serve your needs as well as the needs of a future buyer.

If one is going to purchase a house, one way to lessen the cost is to begin by renting an inexpensive apartment and saving as much money as possible each month in order to accumulate a large down payment. Then when obtaining a loan for the amount that will need to be financed in purchasing the house, get a 15- or 20-year loan instead of the typical 30-year loan. This will pay off the loan much faster and generally save thousands of dollars in interest.

### Transportation

Owning an automobile is a wonderful convenience, but it can consume a large portion of any household or personal budget. Considering the costs of fuel, insurance, repairs and car payments, if you cannot purchase a vehicle outright, automobile expenses can quickly add up to a significant amount. Because of these costs, using public transportation (buses, trains, etc.) may be a better choice. Although not as convenient, this option is generally less expensive.

If we need a car because public transportation is not available or for other valid reasons, we should be sure we are able to pay for all the costs involved with owning a vehicle, including insurance.

Many countries require drivers to carry some form of automobile insurance. God expects His followers to obey the laws of the land (Romans 13:1-7) and to love their fellow man by covering the cost of accidents or injuries they may cause (Matthew 22:37-39; Exodus 21:18-19). Lack of insurance may leave you vulnerable to a huge financial liability should you be involved in an accident.

One way some financial advisers are now encouraging people to save money on the purchase of automobiles is to only buy vehicles outright with money one has saved. In other words, don't take out a loan on a vehicle.

If you must have a car and can only afford a used one, buy the best one you can afford from a reputable party with money you've saved and, each month thereafter, save the money you would have spent on monthly car payments in a new car fund. Over time, and possibly after going through this process several times, you'll be able to buy a newer, better vehicle without having thrown away money paying interest. And at this point you should be able to stay in a nice vehicle by continuing to save for the next one.

### Clothing

Everyone must have clothes, yet this area also provides opportunities for thrift. A planned wardrobe vs. impulsive buying is much easier on clothing budgets. Purchasing good-quality, but traditionally styled, clothing will often be the most economical approach in the long run.

Because such clothing will last and remain in style for a long time, it is less expensive than clothing of poorer quality or fashions that match the latest fad but quickly go out of style.

When trying to minimize the cost of clothing, some financially savvy people have found bargains at resale shops, garage sales, estate sales and even stores whose proceeds go to charity. The keys here are to buy only what one needs, items that properly fit and ones that are of good quality. Clothing is only a bargain if the buyer appreciates and wears the item.

### Food and preparing for shortages

The cost of food is a significant portion of a household budget. In general, purchasing basic commodities in bulk and preparing meals at home is cheaper than buying highly processed items and eating out at restaurants. Some families find having a garden and purchasing fruits and vegetables in bulk when they are in season to also be helpful in stretching their food budget.

Growing some of your own food and having extra on hand can also be helpful in times of crisis. In a world experiencing random disasters ranging from floods and earthquakes to power outages and terrorist attacks, having available in our homes at least a week's supply of food and water (if not considerably more) is a good idea even when no immediate threat is apparent. The U.S. government's Federal Emergency Management Agency (FEMA) lists practical advice and contents for a family emergency supplies kit at [fema.gov/areyouready/](http://fema.gov/areyouready/). Residents of other countries can find similar recommendations at Web sites managed by their governments.

It would be wise to be prepared in at least such a basic way for emergency situations. As already mentioned, Proverbs tells us that prudent people

take precautions in the face of possible danger (Proverbs 22:3; 27:12). And certainly dangerous times are ahead for the entire world, as indicated by many Bible prophecies.



*Some families find having a garden and purchasing fruits and vegetables in bulk when they are in season to also be helpful in stretching their food budget.*

Of course, while we need to do our part to prepare, we must also remember that the Bible emphasizes looking to *God* for our physical needs as we seek His Kingdom. Indeed, we are directly told that if we pursue His Kingdom and way of life first, then He will provide for our physical needs (Matthew 6:33).

### Insurance

Another important way of being prepared for major problems and expenses that could potentially befall us is through insurance.

Many types of insurance are available today—life, home, automobile and health. Such insurance may be costly but can prove to be well worth it if disaster does strike—and it typically affords a certain peace of mind in the meantime.

Concerning life insurance, the time of greatest need for this coverage is when a family has small children. As children leave the home and are able to provide for themselves, the need for life insurance lessens.

With the potential for property destruction from storms, fire, vandalism and the like, home insurance is especially important if we do not have funds to repair or replace damage. If we have a property mortgage, lenders generally require insurance to safeguard their investment.

In this day of mounting costs for medical services, health insurance is also vital. Although premiums can be expensive, trying to pay astronomical bills that can arise from a single accident or illness can be devastating if we do not have insurance. Many have some life and health insurance as part of employment benefits, but this may not be enough.

Since a wide variety of insurance is available and needs differ, we have

# Monthly Income and Expense Worksheet

**Initial take-home pay** (Wages/salary (net after taxes and deductions)) **Total**

**Post-tithe income** (All tithes) **Total**

Subtract all tithes from total take-home pay:

**Additional charitable giving** **Total** *Recom-  
mended %\**

**Savings** **Total** 0.5-5%

**Housing** **Total** 5-11%

**Utilities** **Total** 28-39%

**Food** **Total** 5-11%

**Transportation** **Total** 5-17%

**Clothing** **Total** 5-11%

**Health care and wellness** **Total** 2-8%

**Personal** **Total** 5-11%

**Recreation** **Total** 5-11%

**Debt repayment** **Total** 5-11%\*\*

**Total monthly expenses** (add all the above expenses) **Total** 100%

**Monthly surplus or deficit** (monthly post-tithe income minus expenses) **Total**

\*The recommended percentages are adjusted from common recommendations by assuming tithes have already been deducted.  
\*\*When debt is repaid, its percentage should shift to savings, eventually putting savings at 10-22%.

to consider our individual circumstances in making decisions about the kinds and levels of coverage we need.

One important type of “insurance” all of us should have is personal savings as part of a wise strategy of allocating our income. Let’s give further consideration to this.

### Planning, emergency funds and savings

After paying tithes and necessary living expenses, we need to decide what to do with the remainder of our money.

While financial counselors each have slightly different recommendations, well-known financial adviser Dave Ramsey teaches that people can obtain financial peace through a sequence of actions he refers to as “seven baby steps” to financial success. These steps are:

- 1) Build a \$1,000 emergency fund.
- 2) Pay off all debt except one’s home mortgage.
- 3) Finish saving an emergency fund that will cover three to six months of expenses.
- 4) Invest 15 percent of household income for retirement.
- 5) Save money for your children to attend college.
- 6) Pay off your home mortgage.
- 7) Build wealth through investing, and give like you never have before.

Ramsey advises that only when each step is fully done should a person go on to the next step.

Although saving money for an emergency fund is often considered a luxury or afterthought, this practice should be included in every household budget. The reason is simple: Unexpected expenses will always arise. When we have savings to cushion the blow, the effects of these surprises are not as devastating. From this perspective, saving is simply delayed spending.

Wise financial stewards will build up an emergency fund to tide them over temporary financial difficulties. One never knows when emergencies such as expensive car repairs, medical emergencies, the loss of a job or an economic downturn will occur, so it pays to be prepared in advance.

Just as the biblical patriarch Joseph advised Pharaoh to save up grain in ancient Egypt during seven years of plentiful harvest so the nation could survive seven years of shortage that would follow (Genesis 41:28-36), we need to prepare in advance for the financial storms that are sure to arise at some point in our lives.

With the uncertainties of today’s economic problems, another well-known financial adviser, Suze Orman, recommends building an emergency fund covering not just three to six, but *eight* months of expenses. Of course, this may vary up or down a bit depending on individual circumstances—for example, how secure the business one is employed in seems to be or whether both spouses in a home are working or are able to work.

As for whether it’s better to save funds for retirement or build a college fund for one’s children, Ramsey, Orman and other advisers recommend that people should set aside adequate funds for their own future before that of their children—otherwise they will saddle their children with taking care of *them*, ultimately burdening them when they were trying to help them.

When one begins saving for retirement, he or she will want to take advantage of employer matching on retirement saving if such a plan exists. If an employer matches 100 percent of your contributions or 50 percent or even only 25 percent, be sure to save the maximum amount that is matched in the plan since this is free money.



*One never knows when emergencies such as expensive car repairs, medical emergencies, the loss of a job or an economic downturn will occur, so it pays to be prepared in advance.*

If one doesn’t like the investment choices within the plan, he or she can just stick with the basic savings account since this still represents a massive return on one’s investment, assuming the investment is early in one’s life and is done consistently during the earning years. Additionally, depending on one’s country, favorable tax treatment is often given to monies set aside for retirement.

Beyond the matched amount, there are often better retirement account options to be found outside those offered through employers. Be sure to do your own research, as seemingly small differences now in fees and return rates can add up to huge differences over the course of decades of saving and compound interest.

Of course, emergencies and retirement are not the only reasons for saving money. Homes, cars, expensive personal items, education and leaving an inheritance, to give just a few examples, all require setting money aside on a regular basis. Self-discipline is one of the most important characteristics necessary for accumulating and maintaining wealth.

Be aware that marketing techniques try to focus your mind on the opposite. They encourage you to buy now and pay later and convey a “you deserve it today” mentality and approach to life. Having the self-discipline to save, and then to know when it’s appropriate to buy, is one of the most important principles for successfully building up financial reserves.

In the next chapter, we’ll consider how husbands and wives can work together in applying some of these basic concepts.



# Money in Marriage

**M**oney is a frequently cited reason for conflict within marriage. It's not uncommon for both husbands and wives to have jobs outside the home—a major change from the norm just a few generations ago when husbands were expected to be the major financial providers.

With the addition of women in the workplace, household incomes have increased dramatically. However, this new windfall of money has not soothed all financial tension. Taxes and other expenses, as well as stress levels, have also soared upward. Families still face financial hardship; arguments over money still plague marriages. In this chapter we will consider some of the typical financial issues couples face and some practical guidelines for relieving stress over financial matters.

## Planning children

Estimates for the cost of having, raising and educating a child run into daunting figures. Because God instructs families to provide for their own (1 Timothy 5:8), couples must realize they take on important financial responsibilities when they have children.

Preparation for children is crucial. When children are born out of wedlock, unexpected questions and problems arise. If the parents are teenagers, can they complete their educations? How will they provide for themselves and the child? If they do not have the financial resources required, other family members (often parents and grandparents) or the government will probably be expected to cover their financial and moral irresponsibility.

Of course, sexual responsibility is not just for teenagers. Grown men and women must also consider the results of their actions. If they have children outside of marriage, how will they provide for these children's financial needs and for the happy, stable, father-mother environment every child needs?

God's directive is that sexual relations are proper only within marriage (Exodus 20:14; 1 Corinthians 6:18; 7:2; 1 Thessalonians 4:3; Hebrews 13:4). When God's command is followed, babies are not born out of wedlock. Thus the financial difficulties that almost always accompany such mistakes are eliminated. (To understand more about the Seventh Commandment, download or request your free copy of our booklet *The Ten Commandments*.)

Finally, even married, mature adults who have completed their education are wise to plan when to have children. Prudent young couples should work and accumulate financial reserves before starting their families. Such an approach reflects personal discipline, foresight and a well-designed financial plan.

## Caring for children

A common complaint in two-income households is the difficulty of finding someone to care for the children while both parents are at work. Many couples, instead of handing their children over to strangers, are deciding to care for their own. One parent stays home with the children until they are old enough to be in school before returning to the regular workplace.



When the extra expenses that accompany both parents working outside the home are added up—such as day care, transportation, more meals out, additional clothing, etc.—some families find there is little difference in their household incomes when one of them remains at home to care for their children.

*Prudent young couples should work and accumulate financial reserves before starting their families.*

Another solution, though not available for everyone, is for parents to work from home *and* take care of their children. Largely due to the technological capabilities of the Internet and flexible work hours that have become more common, some parents are finding that they can have offices at home and schedule their work hours in accordance with the needs of their children. Work can be completed online, and one parent can watch the children when the other needs to leave the home for business purposes.

Though some may view the concept of parents caring for their own children as old-fashioned, it is precisely the approach assumed in the Bible. The book of Proverbs, for example, speaks of a father and mother teaching a child important values (Proverbs 1:8; 23:22). One of the simplest and best solutions for children is for their own parents to care for and teach them. Yet with so many single parents, we understand the practical problems some will face.

## Sharing resources

For husband and wife to work together financially, both must be willing to share. From the beginning, God's instructions have been that "a man shall leave his father and mother and be joined to his wife, and they shall become one flesh" (Genesis 2:24). Later we read that husbands should love their wives and that wives should submit to their husbands (Ephesians 5:22, 25).

There is no room for selfishness in the loving marriage relationship God

desires for every couple. Too often, conflicts over money arise within marriages when one mate seeks to gratify his or her personal interests before meeting the needs of the family. Even if basic needs are met, arguments can arise over how additional money should be spent—which is pretty sad considering how many people in the world don't even have additional money to spend, being barely able to survive.

During His earthly ministry, Jesus Christ was approached by a person involved in a dispute over money. “Then one from the crowd said to Him, ‘Teacher, tell my brother to divide the inheritance with me.’ But He said to him, ‘Man, who made Me a judge or an arbitrator over you?’ And He said to them, ‘Take heed and beware of covetousness, for one’s life does



*Too often, conflicts over money arise within marriages when one mate seeks to gratify his or her personal interests before meeting the needs of the family.*

not consist in the abundance of the things he possesses” (Luke 12:13-15). Rather than settle the dispute, Jesus gave a vital warning for money matters in general.

It is easy for us to give more attention to our personal desires in this life than to think about the spiritual values we should be learning. Jesus went on to illustrate this concept with a parable: “The ground of a certain rich man yielded plentifully. And he thought within himself, saying, ‘What shall I do, since I have no room to store my crops?’ So he said, ‘I will do this: I will pull down my barns and build greater, and there I will store all my crops and my goods. And I will say to my soul, ‘Soul, you have many goods laid up for many years; take your ease; eat, drink, and be merry.’

“But God said to him, ‘Fool! This night your soul will be required of you; then whose will those things be which you have provided?’ So is he who lays up treasure for himself, and is not rich toward God” (Luke 12:16-21).

It is most important for us to be “rich toward God.” We must make God’s instruction our highest priority. Couples who keep these biblical principles in mind may find it easier to share their physical resources. (See also “The Greatest Inheritance” on page 31.)

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### Working together in marriage

Societal customs governing which spouse should handle the family finances are in a state of change. In years gone by some cultures placed this responsibility on the husband—a value underscored by the leadership committed to the husband in Scripture (Ephesians 5:23). But, although the husband is to be the leader within marriage, the Bible also makes it clear that wives can contribute great financial wisdom and skills to the family economy (Proverbs 31).

Sometimes the wife has greater financial and budgetary skills, and a wise husband should take note. A wife may be better at maintaining the checking accounts, balancing the checkbook and paying the bills, and in such cases the family may be better off having her handle these responsibilities.

In a loving and respectful marriage both partners should discuss major financial decisions and priorities. And then, according to the biblical model, the husband, while in love giving great weight to his wife’s wishes and concerns, should make the final judgment, his wife consenting—as long as the decision is within God’s law, of course.

Although couples will have to determine for themselves who handles which financial responsibilities, it is especially important for them to remember God’s instruction that they treat each other with love and respect (1 Peter 3:1-7). When these principles are employed, a husband and wife can work as a team to weather financial difficulties.

In summary, couples can reduce conflicts over money by planning when to have children and how to care for them, agreeing how to apportion resources and learning to work together to attain financial goals. For a more in-depth study of God’s principles regarding marriage, download or request our free booklet *Marriage and Family: The Missing Dimension*.

## The Greatest Inheritance

Inheritances include money, land and other possessions passed from parents to children. Even though people make wills that leave detailed instructions regarding the division of their assets upon their death, fighting over inheritances is common. Some 2,000 years ago Jesus Christ was approached by a man involved in this kind of controversy (Luke 12:13-15). Jesus warned against covetousness and then encouraged wealth “toward God” (verse 21).

The Bible also describes this richness toward God as an inheritance that can be ours. Paul taught the brethren that God wanted to give them

“an inheritance among all those who are sanctified” (Acts 20:32).

The book of Hebrews speaks of Jesus Christ as “the Mediator of the new covenant . . . that those who are called may receive the promise of the eternal inheritance” (Hebrews 9:15).

Peter also speaks of “an inheritance incorruptible and undefiled and that does not fade away, reserved in heaven for you” (1 Peter 1:4). To learn more about this precious inheritance and how you can receive it, download or request our free booklets *What Is Your Destiny?* and *The Road to Eternal Life*.

# Teach Your Children About Finances

“Children are a gift from the LORD; they are a real blessing” (Psalm 127:3, Good News Bible). In the New King James Version’s wording, they are “a *heritage* from the LORD.” What a wonderful privilege it is for parents to raise the next generation!

When God delivered Israel from slavery in Egypt more than 3,000 years ago, He was interested in the future of the adults *as well as* their children. He wanted the Israelites to take root in their new land and prosper for many generations. That’s why He repeatedly told the Israelites to teach their children what He had taught *them* (Deuteronomy 4:9-10, 40; 5:29; 6:2-9; 11:18-21).

When we learn to handle our finances according to God’s instructions, He expects us to share our knowledge with our children so they, too, can be blessed. With God’s perspective in mind, let us consider some ways parents can teach their children to properly manage their finances.

How early can children begin the process of learning about money? There is no set age, but experience indicates that as soon as they learn to use money they can learn fundamental principles about managing it.

Modern marketing efforts, for example, do not exclude children. Children’s television programs typically contain advertising aimed directly at youngsters. Advertisers work to create desire for toys and other products.

Since children are exposed to advertising and experience desire for various material goods early on, it makes sense for them to also begin learning about money management. Understanding basic monetary concepts can be a valuable blessing that lasts a lifetime.

## Money to work with

Children can begin to learn some principles of financial management if parents are willing to invest the time it takes to teach them. One way parents can help is to give children a little money to work with. This might be through a small allowance or perhaps payment for certain tasks done around the house. Even small amounts of money can provide important opportunities for teaching valuable lessons.

When children receive money, help them learn to manage it by depositing it in a safe place such as a toy bank, a wallet or even a jar. Furthermore, this is an excellent time to teach them God’s principles of tithing. Have your child put aside tithes in a separate container. Each time children receive

income, they should be helped in the practice of figuring and setting aside tithes. They can also count what is in their bank each time they add to it.

Opinions vary on whether children should receive allowances. Some feel it’s good to give a small, set amount on a regular basis. Others, however, believe that regular expectation of a gift can lead to an entitlement mentality. For this reason, many tie allowances to chores—as payment for work.

Whatever approach a family employs, the real value for young people lies in learning to manage income and seeing that work has its rewards.

## Financial planning

To lay a simple foundation for budgeting as an adult, children can learn to evaluate and plan their purchases. One way to do this is to have children make a list of items they would like to buy. These may be small items such as stickers, snack foods or special toys. Parents, of



*Children can begin to learn some principles of financial management if parents are willing to invest the time it takes to teach them.*

course, should monitor choices to make sure they are safe and appropriate.

The next time you go to a store that carries the items on the list, have your child record the prices. When back at home, have him count his money before discussing which items might be purchased now and which will require more savings. Let him decide if he wants to purchase a less expensive item on his list or wait to accumulate more money for a costlier item. When he is ready to make a purchase, take him to the store and help him count out the money to make the transaction.

While at the store, it’s not uncommon for children to decide they want something that costs more than they can afford. When this occurs, loving parents will generally decline to provide the extra funds. It may seem like a tough lesson for a child to learn, but many things about life are better learned early when the consequences are minor. The same lesson applies when children spend all of their money on one item and then have no additional funds for other things they would like. Experience is an effective teacher.

As children become more conscious of time, parents can point out how long it will take them to accumulate the same amount of money in their



bank again. This teaches the valuable concept of planning for purchases.

This process does take time and effort, but the result is worth it. Children who learn to manage money at an early age will be spared some hard lessons later in life when the consequences are greater.

### Older children

As children mature, they can be given the responsibility of purchasing certain personal items. Some parents find it helpful to give their older children a clothing allowance at regular times throughout the year—such as the beginning of a school year.

They allow their children to choose the clothes they want to purchase with that money, as long as it fits mutually agreed-upon style guidelines. Although poor choices can lead to a limited school wardrobe, this, too, can be an effective teaching tool. It's better to let children live with the consequences of their decisions at this age than for parents to bail them out financially and deny them the opportunity of learning a valuable lesson—setting

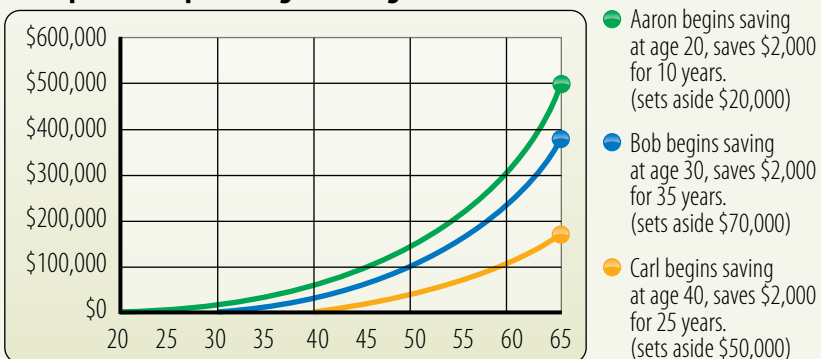
**M**any people don't realize the power of compounding and the effect of time. Preparing for retirement is best done early in life rather than later.

Consider the hypothetical case of three people—Aaron, Bob and Carl. Aaron begins to save for retirement at age 20 and saves \$2,000 per year for 10 years. Carl doesn't begin saving for retirement until age 40 and contributes \$2,000 each year until he reaches age 65. Bob begins saving at age 30 and contributes \$2,000 each year until

age 65. Neither of the last two will have as much at retirement as Aaron, thanks to the power of compounding.

Assuming a growth rate of 8 percent each year, as the chart below shows, both Bob and Carl will contribute considerably more than Aaron, but will end up with from about \$100,000 to \$300,000 less at age 65—and Aaron can stop contributing at age 30. The reason is the power of compounding. It pays to begin saving early.

### Example of Compounding of Savings at 8 Percent



them up for difficulties later in life.

Saving money is another important concept parents need to teach their children. One way to do this is to open a savings account in the child's name. Depending on a parent's expertise, older children can also be taught about other types of savings and investments, such as money market accounts, stocks, bonds, mutual funds and precious metals.

Teens can learn how to evaluate these kinds of savings and assets and track how much they are worth. They can also come to see the benefit of compounding interest and learn to set aside funds for the inevitable emergencies that occur in everyone's life.

Another especially important area older children need to understand is credit, including its benefits and potential pitfalls. Regrettably, many adults have not yet learned these lessons (see "Avoiding Financial Black Holes," beginning on page 36). If you have learned to use credit wisely, teaching your children this information will put them years and likely thousands of dollars ahead in life.

It is also wise for older teens to learn how to plan for retirement. Proverbs 13:22 says that a good man leaves an inheritance to his grandchildren. This means there must be some forethought and planning about finances to provide for one's needs later in life. Those who begin putting funds into a retirement account early in their working careers usually see their retirement funds grow to values much larger than those of people who wait until their 40s (see "The Power of Compounding," page 34).

Some adults have been shocked with an alarming wake-up call in their 40s or even 50s when they realize they have not sufficiently planned for their retirement years. Wouldn't it be much better to have learned that lesson and been educated about the importance of planning for that stage of life while still young? The best time to plan for retirement is at an early age when investments have more time to grow.

Companies offering financial products sometimes offer financial advice and assistance to young people. However, such advisers often have a sales agenda, profiting from your selection of certain investments. Popular financial experts recommend seeking out personal financial advisers who sell no products. These must be paid, but their advice is far more trustworthy. Also, you can do your own research. There are many books on the market to help in putting together a financial plan.

Children are blessed when they have parents who love them and teach them how to manage their money. The training children receive from their parents will stick with them throughout their lives (Proverbs 22:6). Take this to heart and teach your children the principles of money management. You *and* they will be blessed by your efforts.



# Avoiding Financial Black Holes

**Y**ou've probably heard the humorous definition of a boat. It's a hole in the water into which one pours money.

Of course, boats can be enjoyable, and we could cite many other pertinent examples to describe drains on our financial resources. The prophet Haggai described such drains as putting one's money in a bag with holes in it (Haggai 1:6). Similarly, astronomers speak of "black holes" in outer space that suck up matter, and even light, from nearby areas of the universe.

In this chapter we identify financial black holes that can undermine your financial planning and help you consider ways to avoid them.

## Credit cards

Credit cards are a wonderful convenience. Besides eliminating the need to carry cash, they make it possible to buy goods and services from distant locations over the phone and Internet.

If one pays off all his credit card charges each month, he incurs no additional cost. The charge for the service comes from fees assessed to merchants who accept the card in lieu of cash or a bank check. When a cardholder does not completely pay off his balance each month, however, these cards quickly turn from practical conveniences into financial black holes.

Improper use of credit cards costs many people dearly. Since 2000 the average American consumer credit card debt has skyrocketed. While there are fluctuations in the amounts, at times the average U.S. household credit card debt has been reported as approaching \$9,000. This type of debt is sometimes referred to as "revolving credit" because consumers typically pay only the interest and a bare-minimum amount of principal each month. This practice ensures that it will take a long time to fully pay off the amount charged. Depending on the interest rate, if only a 2 percent minimum payment is made each month, it could take 20 or more years to repay a typical purchase made with a credit card.

The implications behind such debt are sobering. High rates of interest—up to 25 percent—voraciously consume incomes. Those with such debt flirt with financial disaster and often find their financial goals stymied or seriously delayed. Many consumers find themselves saddled with so much debt that they cannot borrow a penny more. When this happens they may be

forced to pass up lifelong dreams, as well as once-in-a-lifetime opportunities, just to make the minimum monthly payments on credit card balances.

In the United States, during the early 21st century, credit card debt was the fastest-growing portion of consumer debt. It is no coincidence that bankruptcy filings also increased alongside consumer debt. To round out the significance of credit card debt, consider the picture for many American families:

According to one report, some 40 percent of American families now spend more than they earn, and a typical American family pays about \$1,200 annually in credit card interest.

## The spending trap

For many young people, running up debt begins innocently enough. Entering college, many high school graduates find they must finance their education



*Improper use of credit cards costs many people dearly. While there are fluctuations in the amounts, at times the average U.S. household credit card debt has been reported as approaching \$9,000.*

through student loans. Colleges and universities, operating as businesses, help new students apply for and receive educational loans with favorable terms.

Not to be left behind, credit card companies pay colleges and universities significant fees to allow them to offer students their services. These companies have learned that young people feel great loyalty to their first credit card, so it's simply good business to be the first to issue one to a young person.

Young adults, of course, are not the only ones caught in such circumstances. Adults in their 30s and older have likewise given in to the allure of easy credit.

Advertisers tell us we "deserve" their new and improved products, and most of us willingly believe them. The desire to enjoy life to the fullest with the latest entertainment, clothes and gadgets can be irresistible. Taken too far, our desire for the biggest and best can lead us to break God's commandment against coveting (Exodus 20:17; Deuteronomy 5:21)—placing an object of desire in a more important role than God Himself.

Unemployment can also suck people into the vortex of credit card debt. If one has no savings, adding debt to one's credit cards is often the quickest way to cover basic living expenses. But then, when they do secure a

new job, many find their credit cards have reached the maximum limit, and repayment schedules become a severe burden.

Although most of us don't like to consider such negative possibilities, we cannot avoid financial disasters by ignoring reality. As we've seen, the Bible advises that we look ahead to possible dangers and prepare for them (Proverbs 22:3; 27:12).

### The Bible's guidelines on debt

Since God created us, He understands how we think. God reveals in His Word a simple but profound truth about debt, as also



*Many consumers find they can eliminate luxuries such as cable or satellite television, multiple vehicles and seldom-used sports equipment, such as boats, all-terrain vehicles and snowmobiles.*

noted earlier: “The rich rules over the poor, and the borrower is servant to the lender” (Proverbs 22:7). When we fall into debt, we serve those to whom we owe money. In the case of our credit card masters, we serve them well. After all, what investor wouldn't like to receive an almost 19 percent return—the average credit card interest rate—on his investment?

The way to financial freedom is through repaying debt, then avoiding indebtedness whenever possible. Though it may make sense to finance essential items of long-term value such as a home and one's education, credit card debt is something most people can fairly easily avoid.

### How to pay off credit card debt

If you find yourself making interest payments every month on your credit cards and want to eliminate this type of debt, your first step should be to assess your income and expenses. Total your monthly expenses and subtract them from your income. This is your disposable income after expenses, the amount you have to spend or save.

The next step is to stop charging items on your credit cards. Pay cash for goods and services since studies indicate that people spend more when they use a credit card than when they use cash.

Next, analyze your credit card debt. Determine which cards charge you the highest rate of interest. If you carry a balance and have credit cards

with high interest rates, you are wise to look for a card with a lower rate and transfer your balances. Some cards will give extremely low rates for up to six months to attract new customers. You may wish to transfer your balances several times until you have your balance paid off. Be careful, though, because many balance transfer offers come with a sizable fee.

If you are struggling to pay off credit card debt, consider selling items you no longer need or replacing expensive luxury items (such as a pricey vehicle) with a less costly one. Many consumers find they can eliminate luxuries such as costly cell phone plans, multiple phone lines (and optional calling features), cable or satellite television, multiple vehicles and seldom-used sports equipment, such as boats, all-terrain vehicles and snowmobiles.

Use the cash raised or saved to pay off credit card balances. When your finances improve and you have money in the bank, you can then add back certain luxury items if you so choose.

After obtaining as favorable an interest rate as possible and eliminating costly luxuries, rank your credit cards in order of their interest rates, and use your disposable income to completely pay off the card with the highest rate—while continuing to make the minimum payment on the others. Then focus your attention on the next card, and continue doing the same until you have paid off all your credit cards.

A variation of this approach is to pay off the card with the smallest balance first, followed by the one with the next-smallest balance, and so on until all are paid off. Dave Ramsey points out that this method lets people see cards being paid off more quickly, creating a psychological momentum that encourages people to keep going. Knocking out these small balances can quickly eliminate several monthly bills. Of course, if a card with a larger balance has an unreasonably high interest rate, it should take precedence to keep the balance from increasing too rapidly.

Another way to pay off credit card debt faster is to make half of the monthly payment every 14 days (timing it around your statement cycle to avoid paying late fees). Making half of the monthly payment every 14 days rather than a full payment once per month equals one extra month's payment by the end of a year.

Regardless of the method you choose, once your credit card debt is gone you may be much better off with no credit cards or only a few—not the dozen or more carried by so many people.

### The best use of a credit card

After you've paid off all your credit cards, it's time to consider how such cards can be properly used, if you're going to have them. After all, they can be extremely convenient tools. How do financially savvy consumers manage their cards?

The most important step in responsible credit card use is to pay off the balance every month—something only 40 percent of American users do. When people make only the minimum payment (often 2 percent of the balance), the cost of each item charged to a card almost doubles by the time the debt is paid off. Think of the card as using cash that is reserved each month for the items charged. This way no interest accrues, and the cards become legitimate and helpful financial tools. They become our servants rather than the other way around.

In the long run we are much better off waiting until we have saved up the purchase price of an item before buying it, instead of financing it with a credit card. For those who need to borrow money, other options (such as mortgages, home-equity loans and car loans) are often available with lower interest rates than those usually offered through credit cards.

It should also be mentioned that many of the benefits that come with using credit cards are available with debit or check cards, which are backed by credit card companies but linked to your checking account. With these, however, you must have the funds in your account in order to make purchases. (Most rewards checking accounts, which pay high interest to account holders, require a certain number of debit card purchases per month.)

Finally, if you choose to use credit cards, select cards that charge no annual fee and ones that pay you a cash rebate (sometimes up to 2 percent or more) of your annual purchases.

The improper use of credit cards is one of the most common financial black holes. However, we must not overlook other decisions and expenses that can contribute to a slide into financial ruin.

### Late fees

Some creditors impose late fees for bills that are not paid on time. In the case of utilities (including electricity, gas and water), reconnection fees can be charged if services are shut off due to bills not being paid. These kinds of fees can be avoided simply by making sure bills are paid when they're due.

### Eating out

Instead of preparing and eating meals at home, many people eat out in restaurants regularly. Growing numbers of eating establishments are taking advantage of this trend. Even grocery stores recognize and respond to the public's desire for convenience foods that require little preparation.

Although such convenience is attractive, especially when a husband and wife both work outside the home, this practice almost always adds considerable expense to the food budget. Sometimes eating out is justified as a helpful change of pace or for other good reasons, but we should take care to minimize the practice.

The most economical way to make one's food budget stretch the farthest is to buy food in bulk and prepare it at home. This principle also applies when we take lunches to work instead of purchasing them in company cafeterias or restaurants. Eating out is enjoyable and may be a good decision for special occasions, but we definitely pay a price for this pleasure.

And when you do eat out, you may wish to pay for your meal with cash instead of a credit card. According to Dave Ramsey, who advises people to not use credit cards at all: "When you pay cash, you can 'feel' the money leaving you. This is not true with credit cards. Flipping a credit card up on a counter registers nothing emotionally. A study of credit card use at McDonald's found that *people spent 47% more* when using credit instead of cash. This is money you could have saved!" ([www.daveramsey.com](http://www.daveramsey.com)).

### Entertainment

Doing things that are fun is an important part of life. Every budget should include some funds for this purpose. Unchecked or unwise spending in this area, however, can quickly devastate even the most carefully prepared budget.

Recognize that entertainment is temporary. Once it's gone it's gone, and you may have little or nothing to show for it. Before you invest your hard-earned money in tickets to a concert or play—or in cable or satellite television, the latest music CD or a movie on DVD—ask yourself whether this is the best use of your money. What lasting value will you derive from spending your money this way?

Keep in mind, too, that entertainment does not have to be expensive. With careful planning you can incorporate activities like visiting parks, hiking and attending free concerts into an entertainment budget. Public libraries are a great source of entertainment that is both free and educational. In addition to vast numbers of books, many libraries offer music CDs, audiobooks and numerous informative and educational videos.

### Impulse buying

Another common problem is impulse buying, which is simply uncontrolled spending. When people spend impulsively, they are tempted to conclude that budgeting doesn't work for them or that a budget ruins their fun. Budgets, however, are simply plans for spending our money. When following a budget, we alone still choose how we will spend it.

Impulse buying is the reason for many sales. Advertisers understand that the desire for instant gratification is a powerful pull, so they often urge us to buy their products so we will feel good about ourselves. As already mentioned, we may even be told that we "deserve" to have their products.

Instead of making snap decisions, we're wise to set spending limits we

will not exceed unless we first think about the decision overnight. Some even recommend waiting at least 30 days before purchasing an expensive item. In waiting, one hasn't decided not to buy; he has just decided to further evaluate the potential purchase. Many find that after a few days, their interest has waned and they eventually decide to not purchase the item.

Furthermore, we should not indulge in shopping as entertainment. Wise consumers often check off a short list of questions before making a purchase (see "A Buying Self-Test" on page 43).

### Identifying financial black holes

One of the easiest ways to identify areas that drain our financial resources is to analyze the things we buy. By keeping records of our expenditures for one or more months and totaling them by category (housing, food, clothing, entertainment, etc.), we can see which areas consume the most money. These are the areas we can then examine for ways to economize and manage our spending.

Since runaway credit card debt is something that calls for immediate and decisive action, what do we do when we suddenly realize our budget is full of black holes?

### In case of emergency

As pointed out earlier, everyone occasionally incurs unexpected expenses. Cars and appliances break down and we must repair or replace them. Expensive medical emergencies can strike without warning. Although our savings can cover temporary situations, habitual excessive spending requires special attention.

What can we do when we find ourselves in a prolonged financial crisis? Here are steps that can help resolve some long-term difficulties.

The first step for someone who wants to structure his life according to God's instruction is to ask Him for wisdom in setting financial priorities and for the self-discipline that one will need to carry out a sensible plan of recovery. James 1:5 advises reliance on our Creator: "If any of you lacks wisdom, let him ask of God, who gives to all liberally and without reproach, and it will be given to him."

When our spending exceeds our income, common sense tells us of only two solutions to the problem. We must either increase our income or decrease our spending. As one financial maxim notes, "If your outgo exceeds your income, your upkeep will be your downfall."

In some cases we might be able to increase our income by taking a temporary second job or starting a part-time business. These solutions will require a lot of time and effort, but we may have little choice.

If we cannot increase our income, the alternative is to cut our expenses. We can do this by controlling the typical financial black holes we previously

identified in this chapter and by carefully analyzing each expense as it comes along. It's possible to reduce the cost of food, clothing and housing. Luxuries are natural candidates for drastic reduction or elimination.

Ideally, when facing a cash-flow crunch, we should do our best to increase income *and* decrease expenses. Striving to incorporate both of these principles yields the fastest results.

### Avoiding bankruptcy

Some people who face financial difficulty assume bankruptcy is the simple solution to their problem. Generally speaking, however, one should declare bankruptcy only as a last resort.

Many times alternatives to filing bankruptcy are viable solutions to financial problems. Timely communication with creditors can result in temporarily lowered interest rates and payments.

Sometimes creditors will accept settlement plans in which they receive a percentage of the balance due (usually after the account is past due) as payment in full. In such cases a creditor may decide that partial payment is better than no payment.

In addition to studying personal money management, one can often find nonprofit organizations such as the Consumer Credit Counseling Service—(800) 251-2227 in the United States—with free or low-priced services to help find alternatives to bankruptcy and work out financial recovery plans. Be careful in your selection, as not all counseling services are equally helpful or affordable (see "Credit Counseling Services," beginning on page 44).

### When bankruptcy is the only option

Sometimes people fall so far into debt that they have no choice but to file for bankruptcy. Consumers should consider this solution only after exhausting all other methods for resolving financial problems—because the Bible instructs us to pay our debts, and bankruptcy has a negative effect on one's ability to obtain future credit. Because laws vary from country to country, appropriate legal advice should be sought if one chooses this course of action.

## A Buying Self-Test

**B**efore committing to a major purchase, give yourself this self-test to determine whether your purchase would be a wise decision:

1. Do I really need this?
2. Do I need this *now*?
3. Can I get a better price elsewhere?
4. If this is a bargain, is it a current or suitable model?

5. Can I get by with a less expensive version or model of the product?

6. Is the item of good quality?

7. Will I still be pleased with my purchase in 30 days?

Answering these questions will help you decide whether this is an impulse purchase or one for which you have done sufficient research.



Although bankruptcy can be an embarrassing course of action, we should understand that God recognized there would be times when people made mistakes or encountered circumstances that brought them to financial ruin. We can learn lessons and rectify mistakes through all of life's experiences.

In compassion, God revealed to the nation of ancient Israel important principles designed to help those in financial crisis. These included not looking disparagingly on the poor (Leviticus 25:35) or charging them interest (Exodus 22:25). Portions of fields and vineyards were to be left for them to glean (Leviticus 19:10; 23:22). Israel was to take care of its poor (Leviticus 25:35).

Moses explained financial principles this way: "If there is among you a poor man of your brethren, within any of the gates in your land which the LORD your God is giving you, you shall not harden your heart nor shut your hand from your poor brother, but you shall open your hand wide to him and willingly lend him sufficient for his need, whatever he needs.

"Beware lest there be a wicked thought in your heart, saying, 'The seventh year, the year of release [when God mandated that debts be cancelled], is at hand,' and your eye be evil against your poor brother and you give him noth-

ing, and he cry out to the LORD against you, and it become sin among you.

"You shall surely give to him, and your heart should not be grieved when you give to him, because for this thing the LORD your God will bless you in all your works and in all to which you put your hand. For the poor will never cease from the land; therefore I command you, saying, 'You shall open your hand wide to your brother, to your poor and your needy, in your land'" (Deuteronomy 15:7-11).

Note that, as stated in verses 1-4 of the same chapter, creditors in ancient Israel were to cancel the debts of debtors every seven years (verses 1-4), giving each resident of the land an opportunity to be free of the burden of perpetual indebtedness. God knows that unforeseen problems, poor financial decision-making and poverty are perpetual problems, and He made provision for people to start afresh. Likewise, bankruptcy may be the only option one has to start over.

Although times have changed since God inspired Moses to give these instructions, the principle of treating the needy with dignity and respect remains.

## Credit Counseling Services

Sometimes people find themselves in financial quicksand. When creditors begin to hound them, they often think that filing for bankruptcy is their only option. Some, however, are hesitant to declare bankruptcy, having a strong desire to repay their debts and deciding the cost of bankruptcy is too high—filing fees, loss of possessions and dignity and a black mark that will stay on their credit report for years.

Some people wisely turn to credit counseling agencies for help in getting themselves back on a solid financial footing.

Credit counselors use several broad strategies to help their clients. They often ask for a list of every debt and may advise keeping a log showing where every dollar is spent to force people to focus on where their money goes. When the client is aware of the real financial picture, the counselor can then give him sound financial advice, including showing him where he can cut expenses, negotiate with creditors and set up a repayment plan.

All of that sounds like a wonderful service to debtors, and it can be. But, as is the case with many things in life, it's not necessarily that simple. To find a credit counseling service that will truly

help you will require some effort.

First, you should know about several industry groups in the credit counseling business. For more than 30 years the Consumer Credit Counseling Service (CCCS), based in Sacramento, California, has helped people with financial problems. It is part of a group of agencies structured as social service organizations. However, the efficiency and quality of employees can vary widely in the CCCS's offices across the United States.

Personal contact with the Atlanta, Georgia, office of the CCCS left a favorable impression of a relatively well-run operation. The CCCS says it is willing to work with any American citizen living at home or abroad. Call the service toll-free at (800) 251-2227. Services are free, with a suggested donation. Visit the CCCS on the Web at [www.cccsatl.org](http://www.cccsatl.org) to download and fill out worksheets before an initial consultation. Services are available in English and Spanish.

A newer breed of commercially driven counseling service has also sprung up, forming the Association of Independent Consumer Credit Counseling Agencies. Members of this group often offer services that are more efficient than those of the

CCCS, but their fees, quality of assistance and education level of their staff members fluctuate widely.

Second, even though a credit counseling service may operate as a nonprofit organization, such status does not mean it can help you at no cost to you. Nonprofit status simply means the service pays no profit to owners or investors. Such status also may give the service a better chance of convincing creditors to reduce the balances of what they are owed in exchange for a better chance of receiving at least partial repayment of the debt. Creditors are well aware of the competition in this growing field and are beginning to offer less in the way of balance reductions via counseling services. Most credit counseling services, whether for profit or nonprofit, charge a small fee for their services.

Third, the credit counseling industry comes under little government oversight. In the United States only 17 states monitor credit counseling services, which contributes to the wide variation in staffing and quality of help consumers will find.

Obtaining credit counseling can be a great alternative to bankruptcy. But, like any other area of life, it pays to do your homework and educate yourself before committing to something as critical

as a blueprint for your financial future. Credit counselors are not a quick fix. You will still need to have the vision to stick with a budget and work hard to find your way out of financial trouble. Connecting with the wrong counseling service—obtaining bad advice or poor service or paying high fees for the service—can leave you in worse shape than when you started.

The Federal Trade Commission warns that firms claiming they can erase your bad credit and remove bankruptcies, judgments, liens and bad loans from your credit file are likely indications of a scam. According to an article at the agency's Web site ([www.ftc.gov](http://www.ftc.gov)) titled "Consumer Protection, Credit Repair: How to Help Yourself":

"Every day, companies target consumers who have poor credit histories with promises to clean up their credit report so they can get a car loan, a home mortgage, insurance, or even a job once they pay them a fee for the service. The truth is, these companies can't deliver an improved credit report for you using the tactics they promote. It's illegal: No one can remove accurate negative information from your credit report. So after you pay them hundreds or thousands of dollars in fees, you're left with the same credit report and someone else has your money."

# Seeking God's Blessings

**P**art of the reason God placed us on this planet was for us to be productive, show initiative and develop the talents and abilities He gave us so we could support ourselves, our family and others in need.

Diligently applying the foregoing principles of economic well-being is essential for financial success. However, to seek a successful outcome in our daily endeavors, we must also have God's blessings.

We should heed the words of wise King Solomon: "Trust in the LORD with all your heart, and lean not on your own understanding; in all your ways acknowledge Him, and He shall direct your paths" (Proverbs 3:5-6).

The Bible makes it possible for us to glean God's thoughts on every major area of life. God is an expert on the human condition. He knows what we lack, and He knows what we need. He knows we need His help in making important monetary decisions and in keeping our financial houses in order.

## Biblical guidance

As we have seen, the Bible is full of sound advice about money matters. It even cautions us not to be so concerned about them that we seriously neglect other important aspects of our life. Our dependence is to be on God and not on money. "Where your treasure is," Christ

*The Bible is full of sound advice about money matters. It even cautions us not to be so concerned about them that we seriously neglect other important aspects of our life.*

admonished, "there your heart will be also" (Matthew 6:21). Is your heart—and your treasure—focused primarily on things of this life, or is it focused on God



in heaven?

The Scriptures teach us not to set our heart on riches but to help people in genuine need and generously support the work of sharing God's truth with others. Such priorities are an important part of loving our neighbors as ourselves.

We should seek to live a balanced life, putting our finances into proper perspective. One of the ancients asked of God: "Give me neither poverty nor riches—feed me with the food allotted to me" (Proverbs 30:8).

## Using our resources properly

In the preceding pages, we have seen that money of itself is



*The Scriptures teach us not to set our heart on riches but to help people in genuine need and generously support the work of sharing God's truth with others.*

neither good nor evil. It is a tool we use throughout our lives to accomplish tasks and goals. The way we use our money is important to God because it demonstrates our priorities.

God sees whether we honor Him with the blessings He gives us, how we care for our families and how we treat the poor. And there are lasting repercussions. Jesus in one of His parables says to those who have been good stewards of what is committed to their care: "Well done; good and faithful servant; you were faithful over a few things, I will make you ruler over many things. Enter into the joy of your Lord" (Matthew 25:21, 23). As exciting as our physical life can be, it pales in comparison with the eternal inheritance our Creator offers us (Romans 8:18).

God promises that obeying Him in this life has value for the present and future (1 Timothy 4:8). May God bless you as you learn to conform to His will!

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We trace our origins to the Church that Jesus founded in the early first century. We follow the same teachings, doctrines and practices established then. Our commission is to proclaim the gospel of the coming Kingdom of God to all the world as a witness and to teach all nations to observe what Christ commanded (Matthew 24:14; 28:19-20).



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