

New Peace from Ancient Wisdom

Your Money Matters: Using It

Various Proverbs

Many people struggle with their finances. And it's not necessarily a matter of lack of income. Even people with good incomes can have the unsettling burden of financial distress. A former pro-football player, who had played for more than a million dollars a year, filed bankruptcy, claiming only \$144,000 in assets and \$1.3 million in debts.

Maybe you are one of those who struggle with finances. Maybe you are on a fixed income with unfixed expenses. Maybe you are one of those who have had their ship of finances run aground on the shoals of ruin. The wreck may have come from a divorce—where you had to divide your property in half without your expenses going down—or from a disaster—such as medical bills without insurance or a lawsuit without warning. But in any case, many of us struggle with finances and are looking for answers.

This time last year, there was a couple beginning to look for answers because their finances were one big question mark. Today I will tell you their story. It is the account of an actual couple's financial journey this last year. Some of the details are changed to maintain anonymity, but the story is real.

A year ago this couple owed \$15,000 in credit card debt. The husband had an okay-paying job, and it seemed like the outgo of monthly expenses should match the income of his wages. But they were sinking deeper into the debt hole because every unexpected car repair or plumbing emergency pushed up the credit card debt while their monthly income and monthly expenses played tag with each other.

What were they to do? Were they destined always to be paying twice for every item Mr. Visa had paid for—once for the original purchase and twice for the accumulating interest on that purchase?

Not only was their situation dangerous to their finances, they realized their use of money was influencing much more than their credit score. It was affecting their marriage. The stress of financial pressure was eroding the goodwill between them. They had started blaming each other for their mess. Every purchase he made, irritated her. Every purchase she made, whacked him out. Each purchase was seen pile-driving them further into the hole of debt. Their amiable companionship was becoming a hostile, stressful stew.

Finally, this couple stepped out of denial and into the light of reality. They were in debt, and they were always going to be in debt unless they changed the course of their financial direction. They quit blaming each other; they quit blaming other people; they stopped

blaming the economy. They started taking responsibility as the people who had made the bed they were lying in and taking responsibility as the people who needed to flop their legs over the edge and get out of that bed.

Today I will be sharing with you the six steps this couple discovered and applied to address their financial mess. There are six steps—steps you can take also—that will put your feet on firm financial footing as you apply the wisdom of the book of Proverbs about **getting and using** money.

Getting: Diligence

1. Increase your income.

Last week our sermon from the wisdom of the book of Proverbs focused on the income side finances. Concerning getting money, the book of Proverbs focuses on diligence, working hard, to increase your income. I mentioned it is difficult to balance being a Workaholic and being a Sluggard. I pointed out that the numbers “40” as in a “40 hour work week” and “65” as in the age to retire, are not Biblical mandates but rather cultural averages. Therefore, we each must consider our own situation to determine whether we are being lazy or working too hard in the pursuit of income. We must consider our own situation—our health, our energy, our family needs, and employment opportunities—in determining whether our work week should be 20, 40, or 60 hours and whether we should stop working for a paycheck at age 52, 62, 72, or 82.

In the case of this couple, they found ways to increase their income. He used his expertise to land a moonlighting job he could do on the weekends. Although the woman’s career was raising her children—the most important career any person can have—she too found a way to bring in additional income by teaching piano lessons one evening each week, when her husband could have father-time with their girls. It has been an intense year of extra work, but they increased their income.

Their extra income was meant to be a necessary short-term sacrifice to get out of debt. But the greatest benefit to this couple long-term was what they learned and began to apply in the realm of using money (outgo). The habits they formed about using money, will be the foundation of a lifetime of financial stability.

Understanding financial outgo is relatively simple when you break it down. There are only three things you can do with any dollar you receive, and they all begin with the letter “S”. **Money can only be used in one of three ways: Spending, Saving, and Sharing.** The difficulty, of course, comes in deciding the proportion and expenditure in each of the three S’s.

Using: Spending

The first area they examined had to do with spending. What were they spending their money on anyway? They didn't really know. So step number two is:

2. Track where your money is going.

They just spent it as “needs” arose throughout the month, and when the month ended, they hoped—but usually didn't get—to have some money left over. The first thing they did was track every penny they spent. Every purchase generated an invoice or a cash register receipt, and every slip of paper went into a drawer. At the end of the month all those slips were tallied and separated into budgetary categories. The wife called her role in this process “catching money.” In calling it this, she was acknowledging the wisdom of Proverbs 23:5 that money has a way disappearing, flying away, needing to be caught, *“Cast but a glance at riches, and they are gone, for they will surely sprout wings and fly off to the sky like an eagle” (Prov. 23:5).*

During the first ten years of my marriage, Miriam and I had so little income, we had to watch every penny in outgo. This week I shredded our financial documents filed from 1972 to 1995. I saved out one document you might find interesting to show you in this morning. Here's the record of every penny we spent the first year of our marriage, 1972. Each area has been separated into its own budgetary category, including one catchall budget category, “unexpected.” [Read sample entries].

3. Change your lifestyle so you spend less than you make.

They realized it was better to have a little without stress than a lot of things with financial pressure. Proverbs 15:16, *“Better a little with the fear of the Lord than great wealth with turmoil” (Proverbs 15:16).*

Many young adults are seduced into overspending because they erroneously think they should have the same appliances, new cars, and amenities that they have seen in their parent's home. But these things do not validate you as an adult or as a couple. And they do not make you happy.

I mentioned when we were married we were poor. Do you want to see what we used for a vacuum cleaner for our carpeted apartment the first year of our marriage? Here it is: a broom. Many couples, of course, would say, “Everyone needs a vacuum cleaner. Even though we don't have the money, we have the need, so we will let Mr. Visa buy it for us.”

When we were married, Miriam and I took a bold step. We knelt down on our freshly swept, wall-to-wall carpet and we prayed a prayer something like this: “Dear God, we know you know what we need before we do. So, if you want us to have something, please give us the cash before the need arises. If we have the cash, it may or may not be your will for us to buy it. But if we don't have the cash—if we would have to purchase a

depreciating item on credit to get it—we will know it is not your will. That’s one way you can tell us your will. In Jesus’ name, Amen.”

Since that prayer, God has guided our financial decisions regarding depreciating items like appliances and cars by that vow. We have not borrowed money for depreciating items. In doing so, we have relieved a lot of stress and we have sensed the direction of God in our choices.

[Transition: That introduces the fourth step this couple made to get out of debt:]

4. Pay off credit cards ASAP.

Although they didn’t have plastic money and electronic funds in the time of Solomon, the book of Proverbs gives some advice that I interpret as germane in Proverbs 6:2-5. Let’s look at what the Scripture says with what my updated commentary relative to paying off your credit cards ASAP:

*“If you have been trapped by what you said,
(You’ve said, “Here, charge it on this piece of plastic.”)
then do this, my son, to free yourself, since you have fallen into your neighbor’s hands:
(You’ve fallen into the clutches of the credit card company)
Go and humble yourself, press your pleas with your neighbor!
(Avoid filing bankruptcy by negotiating a settlement in compromise or a payoff plan)
Allow no sleep to your eyes, no slumber to your eyelids.
(It’s urgent. Don’t wait until next month.)
Free yourself, like a gazelle from the hand of the hunter, like a bird from the snare of the fowler.”
(If you don’t do something, you’re toast.)*
Proverbs 6:2-5.

Increased income and reduced spending should be applied to pay off the smallest debt you owe. While paying the minimum amounts of all other debts, you attack the lowest balance with a vengeance. When you get that paid off, you celebrate and feel the momentum because you have one less minimum payment to make. Then you attack the next lowest credit card balance, until it is paid off.

Of course, it goes without saying that as you pay off your credit cards, you should not be adding to them again. To avoid the discouragement of having to add back into the credit card balances, it is a good idea to set aside a \$1,000 as an emergency fund to handle car repairs or other unexpected setbacks. The couple we are tracking as an example raised this \$1,000 emergency fund by having a garage sale, disposing of some quality furniture they shouldn’t have bought and couldn’t afford.

[Transition: We are talking today about three options for using our money. The first is spending. The second option for the use of your money is saving.]

Using: Saving

5. Save for the future as part of the present.

Some people work for companies that provide a pension—like the police or firemen—or a retirement plan—like government workers under PERS. But if you're self-employed you will need to save for the future as part of your own current budget.

Proverbs refers to saving money away in several passages. Obviously, God does not see saving for the future as a lack of faith in his ability to provide. God usually uses our saving for the future as the actual way he does provide for our future. He commends the ant to us as an example to follow, "*Ants are creatures of little strength, yet they store up their food in the summer*" (Proverbs 30:25).

And, even if you save more than you yourself end up needing to live on, that's a good thing to for Proverbs reminds us, "*A good man leaves an inheritance for his children's children*" (Proverbs 13:22).

Experts recommend 10% of our income should be saved for future needs, for our retirement, for an inheritance for our children and/or church. Remember, the wise person plans for the future—both materially by saving and spiritually by trusting Jesus as your Lord and Savior.

Using: Sharing

6. Give God money off the top of your income— not out of the bottom of what is left.

The couple I have been talking about during this sermon realized they had to set patterns of spending, saving, and sharing that would be right for the rest of their lives—not just for the sprint out of debt. Therefore, they decided to begin obeying what God requested as a minimum, a tithe of their income. This was a challenge to their faith, especially when they realized they would be tithing on even the increased income their extra jobs were providing. Nevertheless, they were submitting to the wisdom of Proverbs.

“Honor the Lord with your wealth, with the firstfruits of all your crops; then your barns will be filled to overflowing, and your vats will brim over with new wine” (Proverbs 3:9-10).

Did you notice we are asked to honor the Lord “with the firstfruits” of the income. This is a term immediately understood in the agrarian society of Israel, but may need some application assistance in our urbanized economy. The firstfruits of a crop were the parts that ripened first. It is like what is happening right now to the blueberry plants beside my house. I have eagerly watched for the development of the berries from the time they were flower blooms visited by pollinating bees. I’ve waited for the blueberries to form and then to ripen. I have eagerly waited to bake some fresh blueberry muffins. Finally, this week some have turned blue. If I were a farmer in Israel seeking to honor God, I would take the first 10% of the ripening berries and donate them to the Lord’s work. Then, my share to use for other purposes as God would direct would come from the remaining 90%. Of course this stretches one’s faith, because after giving away the first 10%, there might be a hailstorm, or untimely freeze, or a flock of ravenous robins that descend upon the blueberry bushes. My 90% might be lost after I’ve already given away the 10%. That’s where God asks us to trust him. The principle of Proverbs 3 says he won’t leave you in the lurch. If you honor the Lord with the firstfruits, *then your barns will be filled to overflowing, and your vats will brim over with new wine.*

What does “firstfruits” mean to us who don’t raise crops for their income? One thing it certainly means is that we give to the Lord out of our income at the beginning of our paycheck rather than out of what’s left at the end of the month.

Most questions you wrote on Communication Cards related to the use of our money in sharing. “If you were self-employed, would you tithe the gross or the net income?” It would seem to me that any meaningful use of the word “tithe” would relate to the amount of actual income a person generates. Some self-employed people have hardly any overhead, and, therefore, their gross and net incomes are almost identical. Other self-employed people bring in a lot of money but may have to pay out more than half for car expense, sub-contracted employees, and office expenses. Thus, it seems reasonable that, if you have determined to set a tithe as the minimum requested by the Lord, he is referring to one’s net income.

Another similar questions asks, Should one’s tithe be calculated before or after taxes? Well, the Bible does not answer this question and the spirit of grace would work against any legalistic formula. But if you have been led to “purpose in your heart” to give a tithe from your income after taxes, then a tithe would also be given from any tax refund since that would be money you previously excluded from your tithe.

God will lead us all somewhat differently in the area of giving. But we are each instructed in the New Testament to give not grudgingly, but cheerful, to give regularly, to give systematically, and to give as each one purposes in his heart.

But for the starting-point template for the use of money, many will find peace and prosperity in the 80/10/10 split of one's net income: 80% to spend on your bills and purchases; 10% to save for future retirement and/or the estate you will pass on to your children or church; and 10% to honor the Lord through giving.

So how did this particular couple's financial dilemma turn out? Today that couple is working together toward their financial health, enthused about the progress they have made in just 12 months. Instead of being \$15,000 in debt, they only owe \$3,000 now and at the rate they are progressing, they will celebrate the end of debt in September.

Because of the scare they experienced and the hard work it has taken to reverse course, they will probably never turn back to a consumptive lifestyle, spending more than they make. Instead they will be a couple, modeling by word and example the six steps of living wise financially:

- 1. Increase your income.**
- 2. Track where your money is going.**
- 3. Change your lifestyle so you spend less than you make.**
- 4. Pay off credit cards ASAP.**
- 5. Save for the future as part of the present.**
- 6. Give God money off the top of your income—
not out of the bottom of what is left.**

Maybe you are not exactly where that couple was this time last year. Maybe you're worse off. Or maybe your debt load only niggles at the edges of concern. Whatever place you are in, be encouraged because moving in the right direction, even if by small steps, will eventually lead you to where you need to be. I am excited for where this couple has gone in just one year. And, yet, I am sobered to think where they would be today if they had not started to reverse their course a year ago. Are you ready to make at least one change in your financial path based upon the wisdom of Proverbs? Which of these six steps will you begin this week?

Let's pray. Lord, you know all about us. Before there is a word on our tongue, you know what we will say. And so you also know all about our finances. You know our assets, liabilities, income, and outgo. We ask you to audit our books and recommend financial changes to our conscience, the steps you would have us take. May we right now reaffirm you as Lord of all we are, and Lord of all we owe, and Lord of all we own.

Sharing Time: We spoke today of the 6 steps of wise financial action. Do you have an "Amen" example from your life? Do you need our prayers and encouragement as you specify which step God is leading you to take? Raise your hand and a microphone will be brought to you. Please share your name and your response to these 6 steps.