

# Biblical Principles of Personal Finance

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## ***Introduction: What God Has in Mind...***

Money grabs most everyone's attention. People tell jokes about it – yet take it very seriously. Comedian Jerry Seinfeld observed this about society's approach to money, "...people relate to money and they gauge themselves by money."<sup>1</sup> Have you seen that to be true among many people you know? We'll come back to Seinfeld's insightful observation later when we examine the world's perspective on money...

Some Christians have dealt with the apparent "gravitational pull" of money in worldly and fleshly directions by denouncing it – looking upon money as a necessary evil or worse. Others among Christendom have woven the "gravitational pull of money" as a material incentive into their teaching and doctrine. God's word takes a very different approach. Those who take the time to examine what God's word says about money will find those truths liberating, refreshing and essential for building up each individual believer, Christian marriages and families, and the body of Christ as a whole.

To the surprise of some, our Lord did not refuse to talk about money, but instead referred to money quite often. Even in His last week before His crucifixion, look at the number of times He referred to money:

Just before Jesus' last week on earth, he spoke repeatedly of money issues and used money as an object lesson in parables:

1. The Great Banquet (Luke 14:15-24)
2. The Lost Sheep (Luke 15:1-7)
3. The Lost Coin (Luke 15: 8-10)
4. The Prodigal Son (Luke 15:11-31)
5. The Shrewd Manager (Luke 16:1-9)
6. The Rich Man & Lazarus (Luke 16:19-31)
7. The Pharisee & The Tax Collector (Luke 18: 9-14)
8. The Three Stewards (Luke 19: 11-27)

And He spoke of money with others:

1. The Cost of Being a Disciple (Luke 14:25-35)
2. No Servant Can Serve Two Masters (Luke 16: 10-16)
3. The Rich Young Ruler (Luke 18: 18-30)
4. Zacchaeus the Tax Collector (Luke 19:1-10)

During Jesus' last week on earth, He continued to address money issues and to tell a parable involving money:

1. He drove out the money changers from the temple (Luke 19: 45-48)
2. He told the parable of the vineyard tenants (Luke 20: 9-19)
3. He talked about giving Caesar's money to Caesar, and God's money to God (Luke 20:19-26)
4. He told them that the widow's sacrificial offering was greater than the offering of the rich from their surplus (Luke 21:1-4)

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<sup>1</sup> *The Elliott Wave Financial Forecast*, September 27, 2002, pg 9

What is critical, however, is that church age believers discern that all of Scripture is written *for* them, but only some parts are written specifically *to* them. In this regard, we find some key insights regarding the biblical principles about money to be found in the New Testament epistles – **written to the churches**. Let's step through several of those critical principles right now:

### **Principle #1**

Romans 8:28-29a (NASU)

*28 And we know that God causes all things to work together for good to those who love God, to those who are called according to His purpose. 29 For those whom He foreknew, He also predestined to become conformed to the image of His Son...*

**Principle: God's intent – predestined for each believer - is to use the principles, circumstances, and constraints related to money to conform us to the image of His Son, Jesus Christ.**

Though nobody can “take it with him/her” when this life is done, money is not a thing apart from God's predestination of each believer to be conformed to the image of Jesus Christ. God will use money in our lives to carry out His eternal purpose. There is nothing about our identification with Christ<sup>2</sup> or our position in Christ<sup>3</sup> that is contrary to this principle. In fact, they are entirely consistent.

### **Principle #2:**

1 Corinthians 6:19b-20a (NASU)

*...you are not your own? For you have been bought with a price...*

1 Corinthians 7:23a (NASU)

*You were bought with a price...*

**2) We are not our own – we have been bought with a price. Since we are not our own, but are Christ's slaves, then neither is the money we receive into our hands our own – but the Lord's.**

Paul the apostle makes application of this principle in regard to glorifying God in our bodies and recognizing that we are Christ's slaves, having been bought as His possession. It follows, based on Paul's logic, that if we are not our own (the general principle), that neither is the money, which God has given in our hand for a time, ours' to own either (the specific principle in application). But what is amazing about our being slaves of Christ is that He does not choose to relegate us to a position of abject suppression, but rather to seat us with Him, and to bestow upon us spiritual blessings that are amazing indeed!

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<sup>2</sup> See *Identification Truths Summary* in the Appendix

<sup>3</sup> See *The Believer's Unfathomable Riches in Christ* in the Appendix

### **Principle #3:**

Romans 12:1-2 (NASU)

*1 Therefore I urge you, brethren, by the mercies of God, to present your bodies a living and holy sacrifice, acceptable to God, which is your spiritual service of worship. 2 And do not be conformed to this world, but be transformed by the renewing of your mind, so that you may prove what the will of God is, that which is good and acceptable and perfect.*

1 Thessalonians 4:3a (NASU)

*For this is the will of God, your sanctification*

**Principle: The biblical use of money and our approach to it are founded in a biblical understanding of God's will. To understand the godly use of money, we must understand what God's will is – and is not.**

Again, as with the Corinthians, in writing to the Thessalonians Paul is making use of a general principle (*this is the will of God, your sanctification*), in order to lay out principles for the proper use their bodies. Money, however, if of the same kind as our bodies in this regard: it is something given to our care by God Himself, and He has a purpose in it. We have temporary use of our bodies – and money - for an eternal purpose.

A great many Christians have seen the will of God primarily as a “golden path”, in which God's will consists of choosing the right fork in the road through life. According to this understanding, missing the right fork in the road places a Christian outside of God's will. As we read the New Testament, however, and especially as we examine Scriptures such as that given above, we find that God's will for the believer has far more to do with His conforming us to the image of Christ, and with our fellowship with Him. Once we see that conforming us to the image of Christ is central to God's will, then many other issues become very clear.

Put simply, God's first and primary will is that we believe in and behold His Son, Jesus Christ through His word. God provides scriptural parameters and principles to direct us in the context of the choices in daily life (money matters included). In those instances where making the right choice at a specific fork in the road does indeed matter to God, He will either:

- already have provided the guidance in scripture, or
- will make it very clear that one path is His will and not another.

If God has not precluded a course of action in scripture, and He is not clearly directing that we take path over another, then He is allowing us to make the choice based on our walk with Him, and reasonable conclusions based on the facts before us. There is no need to torture over God's will as if it were the golden pathway. There is no need to find God's will as though God were playing some sort of cosmic guessing game. We are not relegated to finding God's will through hunches, mystical signs or feelings, exclusively through compelling circumstances. We will find that there will indeed be a peace about the right direction (Galatians 5:22). Choosing the right

direction is not guaranteed to be free of trials – in fact we should expect that trials, including financial trials – will come (James 1:2-4). God’s will regarding our finances can include times of both plenty and not (Philippians 4:10-19). Believers are even called to share in the financial trials of others (2 Corinthians chapters 8-10; Philippians 4:10-19; James 1:27), subject to some qualifications (such as 2 Thessalonians 3:10).

#### **Principle #4:**

Romans 6:14 (NASU)

*For sin shall not be master over you, for you are not under law but under grace.*

2 Corinthians 3:5-8 (NASU)

*5 Not that we are adequate in ourselves to consider anything as coming from ourselves, but our adequacy is from God, 6 who also made us adequate as servants of a new covenant, not of the letter but of the Spirit; for the letter kills, but the Spirit gives life. 7 But if the ministry of death, in letters engraved on stones, came with glory, so that the sons of Israel could not look intently at the face of Moses because of the glory of his face, fading as it was, 8 how will the ministry of the Spirit fail to be even more with glory?*

**Principle: The Law given to Israel through Moses and the manner in which God has dealt and will deal with Israel is not the same as His manner of dealing with believers of this age.**

This principle emphasizes that in order for us to understand how God intends for church age believers to view money we must start by looking to those scriptures written to us directly (e.g., the New Testament epistles). Biblical books which relate to the Law of Moses or even to the Jews in the Gospels should be carefully considered to determine what truths actually are intended to apply to church age believers.

An example of this principle would be to see that Israel was to give a tenth (a tithe) in support of the Levites (Deuteronomy 14:22). In the New Testament, however, Paul tells the church at Corinth: “Each one *must do* just as he has purposed in his heart, not grudgingly or under compulsion, for God loves a cheerful giver.” - 2 Corinthians 9:7 (NASU). Moses tells Israel in Deuteronomy 28 that if they obey the Lord they will be materially blessed, but if they disobey they will be materially cursed. Paul, on the other hand, says that he has learned to be content with little and with abundance, but does not see either as an explicit sign of God’s blessing or curse (Philippians 4:12). These teachings about material wealth and the church do not make room for the popular teaching that if you are faithful you will automatically be materially blessed (prosperity doctrine). Biblical teaching likewise, however, does not support the idea that being destitute is a requirement for holiness and fellowship with God (asceticism), nor the essential key (1 Corinthians 13:3).

## Principle #5:

Colossians 3:1-5 (NASU)

**Therefore if you have been raised up with Christ, keep seeking the things above, where Christ is, seated at the right hand of God. 2 Set your mind on the things above, not on the things that are on earth. 3 For you have died and your life is hidden with Christ in God. 4 When Christ, who is our life, is revealed, then you also will be revealed with Him in glory. 5 Therefore consider the members of your earthly body as dead to immorality, impurity, passion, evil desire, and greed, which amounts to idolatry.**

1 Timothy 3:2-3 (NASU)

**2 An overseer, then, must be** above reproach, the husband of one wife, temperate, prudent, respectable, hospitable, able to teach, **3 not addicted to wine or pugnacious, but gentle, peaceable, free from the love of money.**

1 Timothy 6:10-11 (NASU)

**10 For the love of money is a root of all sorts of evil, and some by longing for it have wandered away from the faith and pierced themselves with many griefs. 11 But flee from these things, you man of God, and pursue righteousness, godliness, faith, love, perseverance and gentleness.**

Hebrews 13:5 (NASU)

**5 Make sure that your character is free from the love of money, being content with what you have; for He Himself has said, "I WILL NEVER DESERT YOU, NOR WILL I EVER FORSAKE YOU,"**

**Principle: The Bible talks about money a great deal, not because it is eternal or spiritual, but because our perspective on money springs directly from our place of spiritual dependence.**

If we are loving and beholding money and the things it can buy, instead of loving and beholding Christ, we will be basing our earthly life on the flesh, reaping death, rather than living by the very life of Christ. The biblical understanding of and use of money is consistent with the life of Christ. Its biblical understanding is pivotal in Christian marriages, in our relationships with one another in the church, and with our relationships with those of the world. Note that in Hebrews 13:5, the author warns against the love of money, because we are to depend upon our security in the Lord Himself – not on money. He will never, never, never leave us or forsake us - ever. The same cannot be said of money!

## ***The Big Picture: Where Are We Now & Why?***

1 Timothy 1:3-4 (NASU)

*3 As I urged you upon my departure for Macedonia, remain on at Ephesus so that you may instruct certain men not to teach strange doctrines, 4 nor to pay attention to **myths** and endless genealogies, which give rise to mere speculation rather than furthering the administration of God which is by faith.*

2 Timothy 4:3-4 (NASU)

*3 For the time will come when they will not endure sound doctrine; but wanting to have their ears tickled, they will accumulate for themselves teachers in accordance to their own desires, 4 and will turn away their ears from the truth and will turn aside to **myths**.*

Titus 1:12-14 (NASU)

*12 One of themselves, a prophet of their own, said, "Cretans are always liars, evil beasts, lazy gluttons." 13 This testimony is true. For this reason reprove them severely so that they may be sound in the faith, 14 not paying attention to Jewish **myths** and commandments of men who turn away from the truth.*

Every culture seems to develop its own myths. We tend to think of myths as being common in ancient cultures or technologically backward countries. Paul warned both Timothy and Titus about the influence and encroachment of myths into Christian churches. He used in each case the Greek word “muthos”, which The Complete Word Study New Testament describes as follows:

**[Strong’s Number] 3454. μῦθος, *muthos***; gen. *muthou*, masc. noun. Commonly rendered as a tale or a fable or that which is fabricated by the mind in contrast to reality. It is the word from which “mythology” is derived.... Mostly used in the NT denoting a fable full of falsehoods and pretenses. Thus, in 1 Tim. 4:7, fables are described as *bebeloi* (952), profane, and *graodeis* (1126),...in 2 Pet. 1:16 as μύθοις σεσοφισμένοις (perf. pass. part. of σοφίζω [4679], to make or appear wise), the result of sophistry, cunning fables for the purpose of deceiving others. In 1 Tim. 1:4 and 2 Tim. 4:4, the use of the word is equally contemptuous.<sup>4</sup>

So in spite of our supposed modern technological sophistication, this earth is the domain of the world, the flesh, and Satan (Ephesians 2:1-4; Romans 12:2; Galatians 5:17-21). This present world, therefore, has myths of its own, propagated, in fact, using our highly sophisticated technologies, among other more conventional channels. Billions of dollars continue to be spent indoctrinating the people of our culture – including Christians – with

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<sup>4</sup> Zodhiates, Spiros, *The Complete Word Study Dictionary, New Testament*, (Chattanooga, TN: AMG Publishers) 2000, c1992, c1993.

these modern myths. Let's take a look at some of these modern myths that Americans have generally been led to believe:

**Myth #1:**

**“Sufficient money or the things it buys will make me adequate, loved, fulfilled, at peace, satisfied...”**

Do you recognize this myth in our culture? According to a 1997 survey 51% of Christians and 54% of non-Christians believe that no matter how they feel about money, it is still the main symbol of success in life.<sup>5</sup> The same survey showed that 19% of Christians and 20% of non-Christians believe that you can usually tell how successful a person is by examining what they own. The absurdity of this myth is spelled out in, “He who dies with the most toys wins”.

Compare this modern myth with some insights from scripture:

2 Corinthians 3:5-6 (NASU)

*5 Not that we are adequate in ourselves to consider anything as coming from ourselves, **but our adequacy is from God, 6 who also made us adequate as servants of a new covenant, not of the letter but of the Spirit; for the letter kills, but the Spirit gives life.***

Galatians 5:22-23 (NASU)

*22 But the fruit of the Spirit is **love, joy, peace, patience, kindness, goodness, faithfulness, 23 gentleness, self-control; against such things there is no law.***

1 John 3:1-2 (NASU)

*See **how great a love the Father has bestowed on us, that we would be called children of God; and such we are. For this reason the world does not know us, because it did not know Him. 2 Beloved, now we are children of God, and it has not appeared as yet what we will be. We know that when He appears, we will be like Him, because we will see Him just as He is.***

***Principle: Neither money nor things can provide the things the world says it will – and money and the things it buys are fleeting and temporal. Only belief in and fellowship with the Lord - beholding Him - can provide what modern mythology falsely offers to fulfill through money and possessions.***

**Myth #2: “If I made or had more money than I do now, that would be enough”**

According to the same survey referenced above, 33% of Christians said that it is impossible for them to get ahead in life because of the financial debt they have incurred. Many financial counselors have observed that no matter what level of income people seem to have, “making ends meet” is still a challenge. The best thing that believers can do, however, is to turn to scripture for the answers to this common and persistent problem...

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<sup>5</sup> From: <http://www.barna.org/cgi-bin/PageCategory.asp?CategoryID=29>; Barna Research Group of Ventura, California, website address: [www.barna.org](http://www.barna.org)



Philippians 4:11-13 (NASU)

*11 Not that I speak from want, for I have learned to be content in whatever circumstances I am. 12 I know how to get along with humble means, and I also know how to live in prosperity; in any and every circumstance I have learned the secret of being filled and going hungry, both of having abundance and suffering need. 13 I can do all things through Him who strengthens me.*

Scripture does not ignore the fact that we have physical and material needs. But money and/or possessions will never fulfill the desires as promised in Myth #1. Therefore there will never be enough money. Believers (and unbelievers) who live - even unknowingly - by Myth #1 will find that their income will always disappoint them!

***Principle: Just as no amount of water will ever satisfy hunger, no amount of money or possessions can ever satisfy what only relationship and fellowship with the Lord can fulfill.***

**Myth #3:**

**“You deserve a break today...and a bigger house and a fancier car and new furniture and 7 different exercise machines to put in front of your big screen TV and...”**

Romans 6:20-23 (NASU)

*20 For when you were slaves of sin, you were free in regard to righteousness. 21 Therefore what benefit were you then deriving from the things of which you are now ashamed? For the outcome of those things is death. 22 But now having been freed from sin and enslaved to God, you derive your benefit, resulting in sanctification, and the outcome, eternal life. 23 For the wages of sin is death, but the free gift of God is eternal life in Christ Jesus our Lord.*

Ephesians 2:1-3 (NASU)

*And you were dead in your trespasses and sins, 2 in which you formerly walked according to the course of this world, according to the prince of the power of the air, of the spirit that is now working in the sons of disobedience. 3 Among them we too all formerly lived in the lusts of our flesh, indulging the desires of the flesh and of the mind, and were by nature children of wrath, even as the rest.*

This world’s multi-billion dollar advertising business frequently appeals to Americans to buy things or services based on the appeal that, “you deserve...”. Now it doesn’t take a rocket scientist to start asking the question, “If I “**deserve**” this, then why are you making me **pay** for it?”. The message the world is propagating is deceptive modern mythology as its worst. It is mythology because it leaves God and God’s revelation in scripture out of the picture entirely.

**Principle: Real eternal and priceless value lies beyond what this world can ever offer or what we can ever earn. While scripture never denies that believers can enjoy material things, the basis of our receiving provisions for meeting needs and fulfilling desires beyond our needs is God’s grace – not what we deserve.**

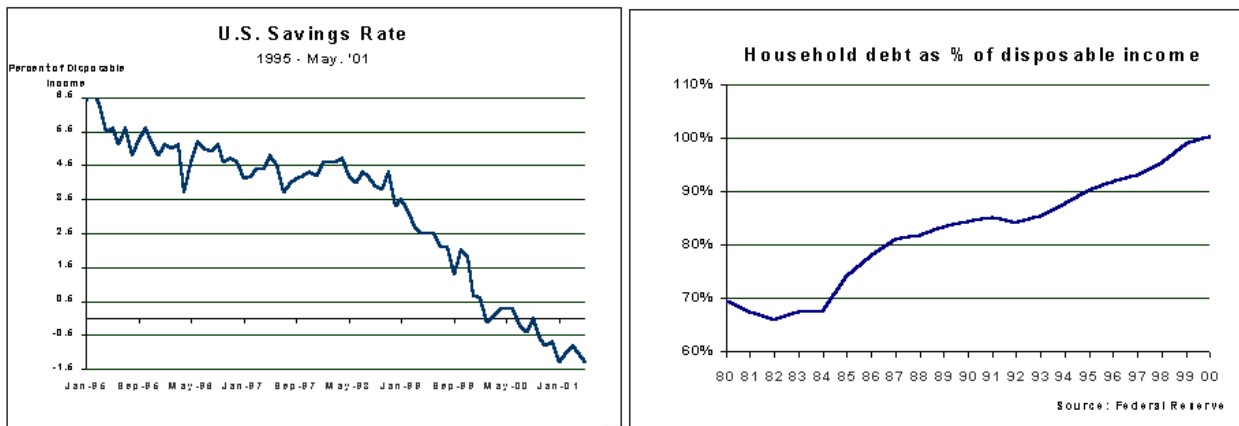
The modern mythology presented above is so inculcated into our culture, and the thinking of a great many Christians, that American society is characterized by and sold out to the falsehoods of these and other modern myths. Since the income levels of most people is in some degree limited, between money (or equivalent wealth) accumulation and material accumulation, the vast majority have chosen to pursue material accumulation as the means to conforming to the modern American mythology. The “see saw” in our society between these extremes of money accumulation and possession accumulation as the means of fulfilling the myth looks something like this:

Money

Possessions



Recent decades have seen a profound decrease in the savings rate, and an unprecedented buildup of household debt in order to accumulate ever more things.



The American economy, and much of the world economy, has been glutted with this pattern of debt accumulation in order to fulfill the supposed satisfactions of the modern myths introduced above. As of this writing, total debt accumulation in the US is about \$30 trillion – having grown by 50% in the last five years. As we will see in more detail later, scripture encourages saving as provision for anticipated need, and does not strictly forbid borrowing, but the financial extremes revealed above have brought the American and perhaps the world economy to a “stall-out point”. The stock markets have been driven to unreasonable and unsustainable valuations based on the ballooning debt, which we are now beginning to see unravel. Debt levels have been skyrocketing not only at the household, corporation and government level, but even borrowing to buy more stocks has skyrocketed as well. About 30 years ago, investors borrowed a total of \$3 billion from stock brokers to buy stocks. By the beginning of the year 2000, that figure had grown to \$250 billion. Based on a review of history, this pattern of ballooning debt and valuation extremes seems to be endemic to western culture (= ”the world”), and has similar consequences every time (see appendix pages headed by “Famous Market Manias”).

One of the factors having a profound impact on America's economy is the level of belief in absolute truth. Recent surveys show that Americans have a rapidly declining belief in absolute truth.<sup>6</sup>

The percentage of Americans who believe that moral truth is absolute:

survey	all	men	women	ages 18-36	ages 37-55	age 56+
Jan 2000	38%	35%	40%	25%	44%	42%
Fall 2001	22%	20%	24%	13%	28%	24%

Why does this issue matter to economics and your personal finances? Those involved in providing the public – including you and me – with information in the area of finances are increasingly basing their thinking on relativism and not on absolute truth: “Truth is relative. Truth is what you make it. Nobody knows what’s true anyway.” Those hoping that tougher laws will solve the problem of poor business ethics should consider this summary of modern legal theory:

Society is never governed by law, because people have to interpret laws and enforce them. Since people can interpret laws any way they want, people not laws are the real rulers. Law is no more stable than its latest interpretation or application.<sup>7</sup>

Those hoping that society will find its way in more business ethics courses should consider that most business ethics courses focus on a relativistic approach. Ultimately, the problem of truth and honesty in our society lies in the sinful nature of mankind.

John 14:6 (NASU)

*Jesus said to him, "I am the way, and the truth, and the life; no one comes to the Father but through Me.*

John 17:17 (NASU)

*"Sanctify them in the truth; Your word is truth.*

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<sup>6</sup> Barna Research Group of Ventura, California, website address: [www.barna.org](http://www.barna.org), reported sample from November 2001

<sup>7</sup> McCallum, Dennis, *The Death of Truth*, 1996, pg. 166.

2 Timothy 3:16-17 (NASU)

*16 All Scripture is inspired by God and profitable for teaching, for reproof, for correction, for training in righteousness; 17 so that the man of God may be adequate, equipped for every good work.*

**Principle: The world, the flesh and Satan offer no basis for truth. Only the Lord himself is the absolute truth and has revealed truth for us in His word. The truth in scripture is knowable.**

**In practical terms, what does this mean?**

- Though we will address the subject of borrowing in more detail later, the first step in approaching borrowing biblically is to reject the worldly myths about what money can do in one's life. Believers will be wise to discern what messages are based on worldly myths and what is based on the truth. Believers are called upon to believe the spiritual facts – the truth – based upon scripture.
- Because the world bases its hope on earthly things and believes in and participates in the myths, the world will tend towards wild extremes in the realm of finances, standard of living, debt, prices, etc. The world will inevitably swing from one falsehood to another. Believers would be wise to take a more level-headed and long-term approach (1 Peter 1:13), setting their hope on things above (Colossians 3:1-14).
- Technology changes with time, but neither unredeemed human nature nor the truth will ever change. Be cautious about financial advice, recommendations, and “information” that is not biblically founded or is not founded in objective and unbiased fact. Be cautious as well, about viewpoints and information that are founded in commercial conflict of interest, herd mentality (“everybody’s doing it”), short-term perspectives, or abandonment of absolute truth. Some examples of these kinds of errors in our culture are:

“Stocks always go up, so keep your money in stocks.” – This view is often propagated by those who have a vested interest in selling stocks. While the general path of the stock market indexes has been up since our nation gained independence, there have been times when the stock market has gone down substantially at a time when investors would not have time to recover within their lifetimes. The DOW industrial stock index in 1929 did not “break even” until about 1953. From about 1968 until 1982, the stock market went nowhere, and when corrected for inflation, actually lost a great deal. Over our nation’s history, the stock market is most often a bull, sometimes a bear (about 18% of the time), but rarely a cash cow. One is wise to know which one it is, and when it has changed from one to the other. Swings from one to the other are often developed in a herd mentality (i.e., driven by fleshly stampedes based on greed or fear). More on this when we cover savings and investing.

“Since you are going to declare bankruptcy anyway, go out right now and charge anything you might want before I file”. This advice has been given by unscrupulous lawyers, and is

fundamentally dishonest. Aside from the question of whether Christians should declare bankruptcy (which we will address later), this advice tells us to buy what one never intend to pay for. In other venues, that is called *theft* – legal or not. Ephesians 4:28 says, “He who steals must steal no longer; but rather he must labor, performing with his own hands what is good, so that he will have something to share with one who has need.” This verse is somewhat similar to Psalms 37:21, written from a Jewish perspective; see also I Corinthians 6:9-11.

“Go ahead and borrow all you can against your house. Your house will always hold its value and you can deduct the interest.” While scripture does not prohibit borrowing, neither does it encourage borrowing. The is fact, there have been eight times in American history when real estate values have generally declined in the US, and additional times when some regional real estate values have declined. Also, while the tax impact of a decision should be considered, a decision should not be made solely on the basis of tax savings. Interest deductions can at most recover 28 cents of every dollar. An interest deduction does not “make money” – it doesn’t “break even” – but interest deductibility may influence what can be affordably put into one’s budget.

## The Great Divide: *Finances & Your “Heart Condition”*

When we first began, we looked at five principles that are pivotal to a believer’s understanding regarding what God intends in each of our lives regarding money. Then we took a look at some of the myths that are accepted in our society regarding money, truth, peace, etc. While some materials offered to Christians focus upon and start with what to do regarding their money, there are some good reasons for us to first take the time to make sure we have an understanding of how money fits in with what God has done in our lives and is doing and will do...

- 1) When the apostles, particularly Paul, write to Christians, we find that they often will concentrate first on who we are in Christ – only then providing practical indicators of what that looks like or doesn’t look like. The Book of Ephesians is a sterling example of this pattern.
- 2) If we arrive too quickly on a cookbook or a “nuts and bolts” approach to dealing with money, we can easily fall into just doing the things we think God wants us to do - out of the flesh – rather than doing the things God desires because we are depending upon the very life of Christ, with our minds operating out of the position we have in our Lord.
- 3) God is not in the process of teaching the flesh how to do things with money biblically, but rather teaching us about our position in Christ, in order that we might live life out from our position – including our dealings having to do with money. Since we are seated with Christ in the heavenlies (Ephesians 2:6), then the Lord intends that we deal with all matters - including money - from that heavenly position.

We notice that when Paul is explaining the flesh and the Spirit to believers in Galatia, he notes that there is an ongoing conflict between the Spirit and the flesh – they are perpetually at odds:

Galatians 5:17 (NASU)

*For the flesh sets its desire against the Spirit, and the Spirit against the flesh; for these are in opposition to one another, so that you may not do the things that you please.*

Paul then goes on to give examples of how the flesh expresses itself (Galatians 5:19-21), and examples of how the Spirit expresses Himself in the life of the believer (Galatians 5:22). One of the things the flesh knows very well how to do is to be religious, including “trying to do the right thing – the actions that will please God”. We would do well to recognize that one can be a believer, and yet be fleshly – operating characteristically out of the flesh. Paul reveals this truth when he writes to the church at Corinth:

1 Corinthians 3:1-3 (NASU)

*And I, brethren, could not speak to you as to spiritual men, but as to men of flesh, as to infants in Christ. 2 I gave you milk to drink, not solid food; for you were not yet able to receive it. Indeed, even now you are not yet able, 3 for you are still fleshly. For since there is jealousy and strife among you, are you not fleshly, and are you not walking like mere men?*

These Corinthians were believers – Paul did not dispute that - but were characteristically living out of the flesh – even in their behavior amongst each other. In order to gain some insight into the contrast between how the *fleshly Christian* looks at life (including money) and how the Spirit looks at life (including money), let’s make a side-by-side comparison:

### The Perspective of the Mind of the Flesh

God helps me and blesses me materially as I seek to satisfy my aspirations and fulfill my goals in life. I pray to that end, that I might be blessed in this way.

I give God an amount of my time, money, etc. that hopefully satisfies Him and allows me to get on with my life as I see fit.

I want to know the things that God wants me to do with my time and my money so that I can do them and know that God is happy with what I’m doing. I am naturally who God made me to be.

I hope to be in harmony with God in my life so that He is satisfied with what I’ve done, since my ultimate goal is happiness in this life. More than anything else, God wants me to be happy, of course.

### The Perspective of the Mind of Christ

God has already blessed me spiritually 100%. He will provide for me as He sees fit to accomplish His goal of conforming me to the image of His Son.

All of my time and money is His, because I have been completely purchased by the blood of His Son.

I want to know who I am in Christ, and to have the spiritual facts so that I might believe them, and beholding Christ, be growing from glory to glory. Christ’s life in me will please God.

My life in the flesh counts for nothing, since I have been crucified with Christ. Only His life in and through me is of any value. God wants me to be conformed to the image of His Son.

Compare the first statement in each column. What do you see that each of these perspectives defines as “blessing”? Where (in what location) does the mind of the flesh hope to be blessed through time? Where (in what location) does the mind of the Spirit see its blessings? How does each perspective see God’s material provision? Are there movements, books, etc. within Christendom that, while having the appearance of being spiritual, are actually based in the mind (perspective) of the flesh?

The pagan religions over the centuries can be generalized as seeing that man needed to do something that would appease the god(s). Consequently, the pagans would offer money, meat (as we read about in the New Testament in “meat offered to idols”), animal sacrifices, and even

human lives. The idea was that once the god(s) had been appeased, the human beings could go on with their lives, knowing that the god(s) would for a time be less inclined to interfere by withholding rain, crops, children, etc. The pagans made things more manageable on their part by having specific gods or goddesses assigned to specific areas of blessing or curse. That would tell them which god(s) to appease. How is the mind of the flesh in the second paragraph above similar to the pagan perspective? How is does the mind of Christ see God being appeased?

In the third paragraph, the mind of the flesh wants God to reveal what God will require. The flesh *wants to do these things and is convinced that it can do these things*. Why does the flesh want to do these things? Why does the flesh want God's approval? Notice also that the flesh wants to know what God will be pleased with and what God will not be pleased with. When it comes to money, then, what are the kinds of information that the flesh wants to have in order to be able to carry out the things it thinks God wants in the way of "money-related behavior"? What are some movements, fads, etc. among Christendom that are inline with the way that the mind of the flesh sees fulfilling the way God wants Christians to relate to money? What does God really want to see in us? What really matters: what we do for God while on the earth, or what God did for us before we were ever on the earth? What comes first – doing or believing? Does doing "the right thing" while on the earth bring spiritual life or is there anything we can do that will bring spiritual life?

In comparing the messages of the fourth paragraph in each of the columns above, both the mind of the flesh and the mind of Christ see a goal. What is the goal of the mind of the flesh? Is God absolutely or conditionally committed to that goal? What part does money play in achieving the goal of the mind of the flesh? What is the goal of the mind of the Spirit? Is God absolutely or conditionally committed to *that* goal? What part does money play in achieving the goal of the mind of Christ?

## **Money & Marriage: An Introduction**

Among both Christians and unbelievers, the rate of divorce is somewhere around 50%. The American Bar Association says that for those presenting for divorce, 89% rate money as having primary involvement in the divorce. While that would seem to place money issues front and center as a high priority issue in heading off divorce, scripture places the focus in marriage in a different direction altogether. We are dealing with money matters, and not marriage directly, but there is a place for examining what scripture has to say about marriage in order to see where this apparently critical matter of money falls into place.

When one examines the primary passages on marriage in the New Testament (1 Corinthians 7:1-40; Ephesians 5:22-33; 1 Peter 3:1-7), we find that money is only minimally involved in the passage, if at all. That is because the "first stop" on the way to dealing with marriage and money matters is the spiritual principles and not the "nuts and bolts" of how money is managed. No amount of counseling that addresses rules, techniques and procedures for handling money from the mind of the flesh will advance what God intends to use money for in our lives. If conflict takes place over money, no amount of money will resolve the conflict between two minds set on the flesh with regards to money. Even if a counselor is able by negotiation to bring the two to a



point where the external conflict is apparently resolved, the source of the problem – the flesh - will still be unchanged. That does not mean that we won't be offering some practical tools and suggestions for couples to address money matters in their marriage – we will. But addressing these spiritual matters (one's "heart condition") is first priority, then the practical tools and suggestions will have their proper place and their maximum benefit for the marriage.

# ***Whose Money Is It?: Give & Take – & Rendering What?***

## **Biblical Giving**

In addressing the subject of biblical giving, it is critical that we go back momentarily to one of the principles we brought up at first. This principle was:

### **Principle #4:**

Romans 6:14 (NASU)

*For sin shall not be master over you, for you are not under law but under grace.*

2 Corinthians 3:5-8 (NASU)

*5 Not that we are adequate in ourselves to consider anything as coming from ourselves, but our adequacy is from God, 6 who also made us adequate as servants of a new covenant, not of the letter but of the Spirit; for the letter kills, but the Spirit gives life. 7 But if the ministry of death, in letters engraved on stones, came with glory, so that the sons of Israel could not look intently at the face of Moses because of the glory of his face, fading as it was, 8 how will the ministry of the Spirit fail to be even more with glory?*

**Principle: The Law given to Israel through Moses and the manner in which God has dealt and will deal with Israel is not the same as His manner of dealing with believers of this age.**

The reason we need to come back to this principle is because many Christians have been exposed to teachings and/or practices about biblical giving that are not in harmony with this principle. Examples of where this kind of teaching has been erroneously applied to church age believers would be drawn from passages such as:

Malachi 3:8-10 (NASU)

*8 "Will a man rob God? Yet you are robbing Me! But you say, "How have we robbed You?" In tithes and offerings. 9 "You are cursed with a curse, for you are robbing Me, the whole nation of you! 10 "Bring the whole tithe into the storehouse, so that there may be food in My house, and test Me now in this," says the LORD of hosts, "if I will not open for you the windows of heaven and pour out for you a blessing until it overflows.*

A tithe is a tenth, and many Christians are quoted this verse out of Malachi as to how much they should give to the church. Now there are a few problems with this teaching, including:

1) The tithe – as all the law of Moses - was given explicitly to Israel (see verse 9). As quoted above in Romans 6:14 and 2 Corinthians 3:5-8, church age believers are not under the law of Moses.

2) The promise of blessing in Malachi 3:10 is not for the church or Christians, but for Israel, as the Lord told Israel He would bless them if they obeyed in Deuteronomy 28:1-14, which starts,

***“Now it shall be, if you diligently obey the LORD your God, being careful to do all His commandments which I command you today, the LORD your God will set you high above all the nations of the earth. All these blessings will come upon you and overtake you if you obey the LORD your God:...”***

Israel’s blessings are earthly (see “nations of the earth” above), as this passage shows. The blessings of church age believers, on the other hand, are heavenly, and have already been given, as Paul describes in Ephesians 1:3, ***“Blessed be the God and Father of our Lord Jesus Christ, who has blessed us with every spiritual blessing in the heavenly places in Christ “***

3) The tithe was designed to provide for the Levites under the Jewish system of temple priests, who had no land for their tribe: Leviticus 27:30,32, says ***“Thus all the tithe of the land, of the seed of the land or of the fruit of the tree, is the LORD'S; it is holy to the LORD...For every tenth part of herd or flock, whatever passes under the rod, the tenth one shall be holy to the LORD.”*** Also look at this passage from the law given in Numbers:

Numbers 18:20-21 (NASU)

***20 Then the LORD said to Aaron, "You shall have no inheritance in their land nor own any portion among them; I am your portion and your inheritance among the sons of Israel. 21 "To the sons of Levi, behold, I have given all the tithe in Israel for an inheritance, in return for their service which they perform, the service of the tent of meeting.***

The church has no Levites nor temple for service nor storehouse for the food.

4) Those who try to make the tithe applicable to church age believers conveniently neglect the requirements of the law that are in the immediate context of the tithe passages, like the list of animal meats which may not be eaten, also in Deuteronomy 14, including pork, lobster, crab and shellfish. How many forbid eating these items?

5) No passage in the New Testament epistles reminds, encourages or commands the giving of a tithe (a tenth) to the church or to church workers.

6) Notice that the passage in Malachi speaks not only of tithes, but of offerings as well. “Offerings” is not just another word for money you give to the church. “Offerings” refers to the long list of Levitical offerings which Israel was to give. The total of the offerings and tithes and alms which Israel was to give was more than 2 to 3 times the tithe. If Christians were to match that, they would have to give not 10%, but somewhere closer to 30%, to fulfill the law of Moses.

7) The New Testament passages given in the prior page say that in contrast to the law, the manner in which the Lord deals with us in the church age involves grace and life and glory. Tithing, as under the law, does not bring grace and life and glory.

Alright, so if we are not required to give a tithe (a tenth), what **do** the New Testament epistles say about giving to Christian ministry?

The primary passages on giving in the New Testament epistles are in 1 Corinthians 16 and 2 Corinthians 8-9. In both passages Paul the apostle is addressing collection of gifts, giving and related issues with the church at Corinth. The passage is more than we can cover comprehensively in our allotted time, but it will be valuable for us to touch upon some key points that bring forth the biblical principles on giving to ministry.

1 Corinthians 16:1-4 (Wuest translation)

*Now, concerning the collection of money which is for the saints, even as I gave orders to the local assemblies of Galatia, thus also as for you, you do the same. On every first day of the week let each one of you have the habit of putting aside at home whatever he may be prospered in, accumulating and keeping it in reserve, in order that when I may come, then there may not be any collections. And whenever I come, whomever you will approve after having put him to the test, these I will send to carry your bounty to Jerusalem. And if it (the gift) be sufficiently large so as to warrant me also going, they shall go with me.*

- Notice that the collection “is for the saints”. It is for benefiting other believers, not just keeping a program in motion.
- Paul’s directions were not just some private deal with the Corinthians church, but the instructions were made objectively and openly – with uniformity from one church to the next. That helps us have assurance that what he says is applicable to us as well.
- Paul has them set aside funds the first day of each week. We would call that Sunday. That implies a regularity in accumulation for giving.
- Next Paul says “each one of you”. That means that this principle does not apply to some, but to all.
- He says that they are to “put aside”, so they are to take the initiative to see to it that they do so personally.
- Importantly, Paul’s next phrase is “whatever he may be prospered in”. This has a strong implication of accumulating for giving not on presumption of some future income, but in keeping with real, actual income. There is also the sense of proportionality of the giving to the gift, but no “magical percentages” are given.
- Paul did not want collection for the needs of other saints to be a panicky affair, crashed or pressured at the last minute.
- Finally, Paul wanted to see that the gifts of the Corinthian saints were escorted with adequate security. On biblical times there was a substantial risk of being robbed out on the open road – especially if there was only one person. Furthermore, whoever the gifts were to be sent with must be acknowledged as honest and reliable. The application to our times is that

believers should check out those through whom and to whom they are giving. The gifts should be delivered and put to use in ways that are credible and honest and worthwhile.

“That helps”, you might say, “but what about *how much* to give?” If we leave the tithe – one tenth – by the wayside, then what is the right amount?

For starters, we have the proportionality principle – “whatever he may be prospered in”. But we also gain some additional insight from what Paul later wrote to the Corinthian church about giving:

2 Corinthians 9:7 (NASU)

***Each one must do just as he has purposed in his heart, not grudgingly or under compulsion, for God loves a cheerful giver.***

We see again this idea of “each one” – this is an individual matter. But critically, notice that Paul takes the matter of giving out of the realm of required or “magical” percentages.

- First, this giving is to be measured at the heart level, not by a “righteous” percentage, amount, fraction, etc.
- Secondly, the giving is not to be grudgingly – with the internal sense of wishing that they were not giving.
- Thirdly, the giving is not to be made under some external compulsion. The various kinds of browbeating, arm twisting, and badgering that typify some so-called Christian ministries is not by God’s desire and intent.
- Finally, the Lord is looking for giving to be done cheerfully. Cheerful giving will take place when the giver understands God’s perspective on money and ministry (including principles that have been addressed or will be addressed). Cheerful giving will take place when the handling and use of the money in the ministry is worthy of the gifts. Cheerful giving will take place when the believer understands how the Lord has been abundantly gracious to us.

In order to make clear what this does not mean, there is no biblical basis for Christian ministries to pressure for donations by law, guilt, badgering, false promises about material rewards on earth, “faith pledges”, emotional appeals, etc. Such approaches appeal to the flesh in one way or another, and will therefore reap to the flesh.

Given the above principles, which include both positive and negative statements, we can summarize that giving to Christian ministry should be:

- Proportional to household income received
- Systematic (regular) accumulation
- Voluntary, based on our relationship with the Lord

## Taxes

Scripture does not leave the subject of taxes alone. That's good, because the government doesn't either! This is an area where we need biblical guidance, and thankfully Scripture provides it. There are three main New Testament passages on the subject of taxes (counting equivalent passages in the gospels as one), and though the gospels are really in the dispensation of the Law, we find that this is an area where the teaching of Scripture does not seem to differ from one dispensation to the next. The historical and political background of the New Testament provides us with a really good test case on the validity of paying taxes to unjust, corrupt, unfair, and even foreign governments enforcing their governance by force. By the time of the writing of most of the New Testament, the Roman Empire had been in occupation of Israel for less than 100 years, with a brief break at 40 BC, when the Parthians captured Israel for a time. Rome had a varied tax system, but one element of the tax system was that tax collection contractors bid on which one could gain the most taxes out of a district, paying their bid amount in advance of collecting the taxes. Whatever they collected above that bid was theirs to keep, however unfair, and a person's refusal to pay could end up with forced confiscation and even death. The Jews looked on these contract tax collectors for Rome as entrenched sinners and the lowest of low - even if they were Jewish (see Luke 19:1-10, Matthew 9:10,11). Let's take a look at the three passages that address this subject of taxes...

Matthew 17:24-27 (NASU)

***24 When they came to Capernaum, those who collected the two-drachma tax came to Peter and said, "Does your teacher not pay the two-drachma tax?" 25 He said, "Yes." And when he came into the house, Jesus spoke to him first, saying, "What do you think, Simon? From whom do the kings of the earth collect customs or poll-tax, from their sons or from strangers?" 26 When Peter said, "From strangers," Jesus said to him, "Then the sons are exempt. 27 "However, so that we do not offend them, go to the sea and throw in a hook, and take the first fish that comes up; and when you open its mouth, you will find a shekel. Take that and give it to them for you and Me."***

The "temple tax" brought up in this passage is based on Exodus 30:13-16. The tax rate in New Testament times (two drachmas) amounted to two days wages for the typical wage earner. The tax was not collected by or enforced by the Roman government, and it had some exemptions, such as those who were living by alms and donations, as Jesus and his disciples were. So the approach to Jesus on this matter was not a demand for payment, but a question. Payment of the temple tax would be seen as supporting Israel and taking a stand for the Jewish temple system.

Our Lord tells the Jewish tax collectors that they would pay the tax, then discusses with Peter that in fact he and Peter, as members of God's household, were really exempt from paying this tax. In a kingdom, taxation is to support the royal family, so the royal family is exempt from taxation. But notice Jesus answer in verse 27:

***"However, so that we do not offend them, go to the sea and throw in a hook, and take the first fish that comes up; and when you open its mouth, you will find a shekel. Take that and give it to them for you and Me."***



A Tyrian stater coin, which would have paid the whole temple tax due for both Jesus and Peter (Matthew 17:24-27).



A Roman coin – a denarius – showing the head of Caesar on one side and Caesar enthroned on the other. This was the one that Christ asked to be shown, then asked those questioning Him whose image and inscription was on the coin (Matthew 22:15-22).

Here was a tax that Jesus and his disciples were not required to pay by law, and by theological reasoning, they should have been exempted. But the Lord tells Peter to pay the tax *so that they would not offend the Jewish temple tax collectors*. Too bad we can't be assured that all our taxes will be paid if go fishing, though!

Matthew 22:15-22 (NASU)

***15 Then the Pharisees went and plotted together how they might trap Him in what He said. 16 And they sent their disciples to Him, along with the Herodians, saying, "Teacher, we know that You are truthful and teach the way of God in truth, and defer to no one; for You are not partial to any. 17 "Tell us then, what do You think? Is it lawful to give a poll-tax to Caesar, or not?" 18 But Jesus perceived their malice, and said, "Why are you testing Me, you hypocrites? 19 "Show Me the coin used for the poll-tax." And they brought Him a denarius. 20 And He said to them, "Whose likeness and inscription is this?" 21 They said to Him, "Caesar's." Then He said to them, "Then render to Caesar the things that are Caesar's; and to God the things that are God's." 22 And hearing this, they were amazed, and leaving Him, they went away.***

The collection of taxes for the Romans, was often carried out by Jewish tax collectors, who were considered betrayers of their own people. The Zealots, of whom Simon the disciple was one, held that one should resist payment of taxes to the Romans by whatever means, and resist in other ways as well.

The Pharisees, along with their antagonists, the Herodians, were ever seeking to catch Jesus in a political bind. They approached Jesus with a question that they thought would get him in trouble with the Jews (especially the Zealots), or with the Romans, *whichever* way He answered. Their question, then, would pivot on whether the Jewish law allowed payment of taxes to Caesar. Our Lord asked them to show him (out of the coins in *their* possession), the coin used to pay the tax (see page 23). The coin shows Caesar's face on one side and Caesar sitting on his throne on the other side – really Roman. Our Lord also asked *them* to say whose likeness and inscription was on the coin. The likeness was the image or imprinted picture of the emperor. The inscription on the back side of the coin was the writing of the Roman emperor's title, "Maxim Pontiff". What is not immediately apparent in the text is that the Jews were told in Deuteronomy 28 that if they were obedient, they would not be ruled by another, but if they were disobedient they would be conquered and ruled by another (see especially verses 7, 10 & 13, then 22, 25, 29, 36, 43, 48-50). ***Their admission that this was a Roman coin and a Roman tax was glaring evidence that they were living as a nation in disobedience to God.***

This passage says to give to Caesar that which is Caesar's, and to give to God that which is God's, but does not really address clearly how we as believers should look upon taxes, since the primary message in this passage was to the Jews, regarding their evident disobedience to God. Fortunately, we have a passage that "hits the nail on the head"...

Romans 13:1-7 (NASU)

***Every person is to be in subjection to the governing authorities. For there is no authority except from God, and those which exist are established by God. 2 Therefore whoever resists authority***



*has opposed the ordinance of God; and they who have opposed will receive condemnation upon themselves. 3 For rulers are not a cause of fear for good behavior, but for evil. Do you want to have no fear of authority? Do what is good and you will have praise from the same; 4 for it is a minister of God to you for good. But if you do what is evil, be afraid; for it does not bear the sword for nothing; for it is a minister of God, an avenger who brings wrath on the one who practices evil. 5 Therefore it is necessary to be in subjection, not only because of wrath, but also for conscience' sake. 6 For because of this you also pay taxes, for rulers are servants of God, devoting themselves to this very thing. 7 Render to all what is due them: tax to whom tax is due; custom to whom custom; fear to whom fear; honor to whom honor.*

This passage is very instructive as to how believers are to view the role of government, and that was at a time when the government was anything but Christian. There was not even a hint of separation of polytheistic government and state. There was no voting. There was only taxation without any representation. Only Roman citizens really had any rights, and they were in the minority. But what Paul writes is clear:

***7 Render to all what is due them: tax to whom tax is due; custom to whom custom...***

In the above verse, the key Greek words have the following meaning:

Render (Greek: ἀποδίδωμι ) - give as required by an obligation

due (Greek: ὀφειλή ) - an obligation or debt

tax: (Greek: φόρος ) - the annual personal and property taxes, used to support the roman army

custom (Greek: τέλος ) - taxes on goods and transactions

### **Taxes – The Last Word**

Most of these taxes were imposed by the Romans, so it even meant supporting a government which was unjust and corrupt. Some Americans (including some Christians) hold that the taxes collected by the Internal Revenue Service (IRS) are unconstitutional, illegally founded, and not based upon law, not applicable and/or are purely voluntary. However all three branches of the US government operate as if the taxes collected by the IRS are indeed valid. Tax protester cases of various kinds have been soundly defeated in the courts<sup>8</sup>. The Matthew 17 and Romans 13 passages given above, therefore, do not support the refusal to pay taxes even given the objections raised. Any illegality, corruption, and unfairness one might claim against the IRS was exceeded by the Roman tax system. The bigger issue for believers seems to be that we are to be model citizens, recognizing the authority God has put in place – however unfair – and pay taxes so as not to detract from the message that His life in us what matters most – not our financial prosperity.

Having said the above, there is no legal nor biblical reason why one must pay more in taxes than what is legally required. Believers are cautioned, however, about the use of tax avoidance schemes that are legally indefensible, however well marketed.

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<sup>8</sup> [http://www.ustreas.gov/irs/ci/tax\\_fraud/frivolous.pdf](http://www.ustreas.gov/irs/ci/tax_fraud/frivolous.pdf), <http://www.crown.org/library/viewarticle.asp?id=524154957>

## ***Living Within Our Means: The Great Balancing Act***

In this section, we will be taking a look at balancing the income and outgo of funds within the household. The primary tool we will be using as a focal point for this “balancing act” is a household budget. Before we get into the details of how that is done, there are some principles that we should consider first. Some of these come from the Old Testament, not as law, but as wisdom and wise counsel, that is valid for all times.

Proverbs 6:6-8

***6 Go to the ant, O sluggard, Observe her ways and be wise, 7 Which, having no chief, Officer or ruler, 8 Prepares her food in the summer And gathers her provision in the harvest.***

Proverbs 22:7

***The rich rules over the poor, And the borrower becomes the lender's slave.***

Proverbs 27:12

***A prudent man sees evil and hides himself, The naive proceed and pay the penalty.***

Proverbs 30:25

***The ants are not a strong people, But they prepare their food in the summer;***

Luke 14:28-32

***"For which one of you, when he wants to build a tower, does not first sit down and calculate the cost to see if he has enough to complete it? 29 "Otherwise, when he has laid a foundation and is not able to finish, all who observe it begin to ridicule him, 30 saying, "This man began to build and was not able to finish." 31 "Or what king, when he sets out to meet another king in battle, will not first sit down and consider whether he is strong enough with ten thousand men to encounter the one coming against him with twenty thousand? 32 "Or else, while the other is still far away, he sends a delegation and asks for terms of peace.***

2 Corinthians 12:14

***Here for this third time I am ready to come to you, and I will not be a burden to you; for I do not seek what is yours, but you; for children are not responsible to save up for their parents, but parents for their children.***

James 4:13-16

***13 Come now, you who say, "Today or tomorrow we will go to such and such a city, and spend a year there and engage in business and make a profit." 14 Yet you do not know what your life will be like tomorrow. You are just a vapor that appears for a little while and then vanishes away. 15 Instead, you ought to say, "If the Lord wills, we will live and also do this or that." 16 But as it is, you boast in your arrogance; all such boasting is evil.***

Scripture, in both the Old Testament and the New Testament encourages planning and saving for anticipated future needs, but does so while giving us the perspective that God is sovereign. Christ is always our hope and our life and our glory – not money. As we discussed before,

budgeting and the processes that go along with it are not to be taken as law, which will yield death. There are, however, ways in which budgeting can be a valuable tool for the following biblical purposes:

- A budget can be valuable as a means of husbands and wives communicating with one another about all the ways in which money will have an involvement in their lives. It is a medium for the husband to live in an understanding way his wife (1 Peter 3:7). It is one of the ways in which husband can be the head of household, loving his wife sacrificially, and the wife submitting to the husband as the head (Ephesians 5:22-33). A budget allows discussion of all financial needs in advance of their coming upon the family. Conflicts between husband and wife can arise when expenditures are made without prior communication, when the only thing left to do is deal with the consequences. That having been said, the budget allows freedom of expenditure for both husband and wife within the budget amounts and categories.
- Budgeting quickly sets aside many conflicts with children that arise from a lack of understanding of family finances. It teaches the children to do their own planning and budgeting, and teaches them self control in the area of finances.
- A budget allows one or a couple to plan for needs and anticipated expenditures that are within the next month, the next year, or even many years into the future. It breaks the planning for the future – even years in advance – into monthly amounts of time and dollars that are manageable.
- A budget also prevents a family from arriving, by neglect, at financial circumstances that are not wise, typically involving debt and/or lack of savings for needs that could have been anticipated.

We will be addressing some of the issues in the family budget when we come upon later subjects like debt, savings, and such, but for now we'll introduce monthly budgets in general. A person would be advised or might want to have a monthly, written and tracked budget under one or more of the following circumstances:

- 1) If savings are not accumulating to meet future needs, whether near, medium-term or longer-term.
- 2) If debt is accumulating, as evidenced by credit card bills that are not paid off each month, bills that are paid late, bill collectors calling and writing, mounting debts, etc. Getting out of debt will almost certainly require a budget, and staying out of debt for the person or couple could indicate the need for a budget for the long term.
- 3) If chronic delay of expenditures for maintenance of substantial items is amounting to the equivalent of debt. This would be the case in the delay of needed maintenance of a home or vehicle, for example.
- 4) If fear of reasonable expenditures causes reluctance or dread of spending.

- 5) If the husband and wife are chronically either in conflict over money expenditures or fail to talk about matters involving money by reason of fear or conflict. Conflict may take the form of arguments, nagging, or resentment. This may also involve heated discussion of expenditures which the other spouse thought was a “negative surprise”.
- 6) If needed areas of monthly expenditure are chronically left out or shorted, or if some other area of expenditure is way out of proportion with the rest of the budget. This might take the form of short or late payment of taxes, necessary insurance, postponement of medical or dental checkups for financial reasons.
- 7) If the husband and wife find that they are in a parent-child relationship because one spouse is overcontrolling the money such that the other spouse has to ask about everything.
- 8) If children display a lack of discernment between their needs and their wants, nagging or pleading for various purchases, or in conflict over money expenditures.

Now a budget is not going to be substitute for dealing with the money issues that have been brought up previously as starting “at the heart level”. The New Testament warns more than once about the problems with loving money (1 Timothy 3:3 and 6:10; Hebrews 13:5). We spoke at one point about the problems stemming from a believer swallowing the world’s money myths. A budget will not solve those kinds of issues. In fact, it can become law under such circumstances, yielding death, rather than the valuable tool that it can be. **There is no sequence of steps, set of procedures, budget system, etc., which will substitute for one’s personal dependence upon the life of Christ. “Christian finances” apart from the life of Christ in the believer is dead.**

## God's View of Debt: I Owe, I Owe, So Off to Work I Go

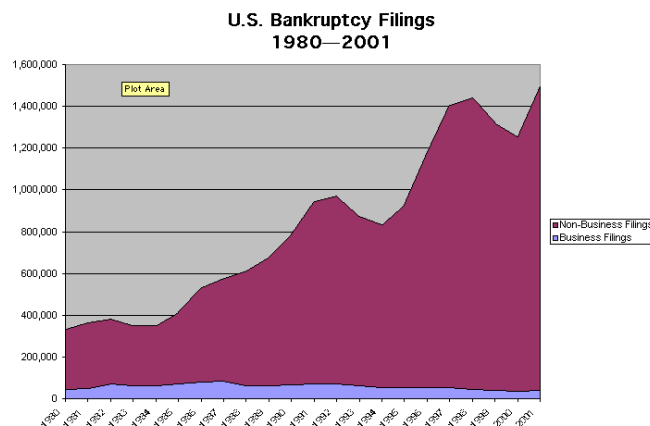
The world has swallowed the myths about money that we addressed in chapter 2 (*The Big Picture: Where Are We Now & Why?*, starting on page 7). As a consequence, there is no question but what this world around us has gone on a debt binge like no other ever before:

Total debt in the US is about 30 trillion dollars, including government, business & personal debt loads.<sup>9</sup>

- That figure has increased about 50% in the last five years.<sup>10</sup>
- That rate is growing now in credit card debt and mortgage debt, and in the wave of refinancing that is currently sweeping the country, most refinances are increasing the debt load by 5% to 15%.<sup>11</sup>

Debt levels have gotten to the point that banks are starting to see the alarm bells ringing:

- Foreclosures in the US in the 2<sup>nd</sup> quarter of 2002 rose to 1.23% of loans, with 4.77% of mortgages in some stage of late payments
- The rate of bankruptcies in the US have grown almost four-fold in the last 20 years



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Most recently, banks have been lobbying congress to tighten the bankruptcy laws in an effort to stem the rate of default on credit cards and other consumer loans. While the term “bubble” has recently been applied to the stock market, the real estate market and the economy, the truth is that the “bubble” behind these “bubbles” has been “the debt bubble”. And it is a bubble that has probably just begun to deflate...

That brings us to another question before we turn to what the Scriptures have to say about lending and borrowing: How much would houses cost if we could not borrow to buy them? How much would cars cost if we could not borrow to buy them? How much lower would the

<sup>9</sup> [www.prudentbear.com](http://www.prudentbear.com)

<sup>10</sup> *ibid.*

<sup>11</sup> Associated Press, 11/13/02, *Fed: Americans Borrowing Even More*

<sup>12</sup> <http://www.abiworld.org/stats/usfile.gif>

foreclosure and repossession rate on houses and cars be if people could only borrow up to half their market value?

Christians have not been exempt from this nationwide and even international growth in debt. Which brings us back to some basic questions about credit and indebtedness. What does Scripture say about lending and borrowing? The answer is very, very interesting... Among the Jews, the Lord addressed the matter of lending and borrowing repeatedly in the Law given to Israel, for example:

- Jews were to lend freely to other Jews without charging interest (Deuteronomy 23:19)
- Jews were permitted to lend to non-Jews, but were permitted to charge interest in that case (Deuteronomy 23:20)
- Jews were to forgive all the debts between Jews in every 7<sup>th</sup> year, and not to diminish their lending in anticipation of that 7<sup>th</sup> year (Deuteronomy 15:1-3)
- Jews were to be lenders if they obeyed, and borrowers if they did not (Deuteronomy 15:6; 28:12, 44)

Then we have in Proverbs some insights on borrowing and lending, not all of which can be directly tied to the application of the Law given through Moses, and therefore should be considered wisdom:

Proverbs 3:27-28 (NASU)

***27 Do not withhold good from those to whom it is due, When it is in your power to do it. 28 Do not say to your neighbor, "Go, and come back, And tomorrow I will give it," When you have it with you.***

Proverbs 22:7 (NASU)

***The rich rules over the poor, And the borrower becomes the lender's slave.***

When we come to the New Testament, we find that the gospels address lending and borrowing, but we should keep mind that these are given as principles for the Millennial kingdom, and are therefore not directly applicable to church age believers:

Matthew 5:42 (NASU)

***"Give to him who asks of you, and do not turn away from him who wants to borrow from you.***

Luke 6:34-35 (NASU)

***34 "If you lend to those from whom you expect to receive, what credit is that to you? Even sinners lend to sinners in order to receive back the same amount. 35 "But love your enemies, and do good, and lend, expecting nothing in return; and your reward will be great, and you will be sons of the Most High; for He Himself is kind to ungrateful and evil men.***

What may be surprising is that the New Testament after the gospels says almost nothing directly about lending, borrowing or debt! Now that is not because church age believers did not encounter it, since we have multiple records of lending and borrowing from the Greco-Roman culture of the New Testament times. Even our word “bankruptcy” comes from the Roman

practice of breaking the workbenches of those who would fail to pay their debts – as warning to others.<sup>13</sup> What we do find is that the New Testament epistles speak instead about our spiritual stance with regards to money, as we have addressed in these pages before:

1 Timothy 3:2-3 (NASU)

***2 An overseer, then, must be...3...free from the love of money.***

1 Timothy 6:10-11 (NASU)

***For the love of money is a root of all sorts of evil, and some by longing for it have wandered away from the faith and pierced themselves with many griefs. 11 But flee from these things, you man of God, and pursue righteousness, godliness, faith, love, perseverance and gentleness.***

Hebrews 13:5 (NASU)

***5 Make sure that your character is free from the love of money, being content with what you have; for He Himself has said, "I WILL NEVER DESERT YOU, NOR WILL I EVER FORSAKE YOU,"***

Philippians 4:11-13 (NASU)

***11 Not that I speak from want, for I have learned to be content in whatever circumstances I am. 12 I know how to get along with humble means, and I also know how to live in prosperity; in any and every circumstance I have learned the secret of being filled and going hungry, both of having abundance and suffering need. 13 I can do all things through Him who strengthens me.***

The New Testament epistles do not approach the subject of borrowing and lending directly<sup>14</sup>, but in every case deal with it from the standpoint of where one's love is, and being content with what we have. There is no encouragement from the pages of the New Testament epistles to believe the myths that this world is force-feeding our society, but to let one's love for the Lord be sufficient. While the Lord gave Israel laws to abide by regarding borrowing and lending, which potentially protected them from the ravages of massive debt, church age believers are consistently called upon to deal with the issues of borrowing and lending from the standpoint of our relationship with the Lord and who He is. The Lord intended our relationship with Him to be the control over indebtedness.

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<sup>13</sup> <http://www.crown.org/library/viewarticle.asp?id=52411329>

<sup>14</sup> Some point to Romans 13:8 as a directive not to incur *any* debt, but in context this seems more to be directed to avoid getting behind on financial obligations (including taxes), and to focus upon love. The NIV translation of this verse and its context (Romans 13:6-10) is, "6 *This is also why you pay taxes, for the authorities are God's servants, who give their full time to governing. 7 Give everyone what you owe him: If you owe taxes, pay taxes; if revenue, then revenue; if respect, then respect; if honor, then honor. 8 Let no debt remain outstanding, except the continuing debt to love one another, for he who loves his fellowman has fulfilled the law. 9 The commandments, "Do not commit adultery," "Do not murder," "Do not steal," "Do not covet," and whatever other commandment there may be, are summed up in this one rule: "Love your neighbor as yourself."* 10 *Love does no harm to its neighbor. Therefore love is the fulfillment of the law."*

In the interest of providing guidelines based on wisdom (Ephesians 5:15-16: ***15 Therefore be careful how you walk, not as unwise men but as wise, 16 making the most of your time, because the days are evil.*** - NASU), these following is offered as counsel, but not law, remembering that these guidelines will never serve as a substitute for the wisdom in the verses given on the previous page, which is based upon a relationship with the Lord:

- 1) Never even consider borrowing if that borrowing appears to be motivated from the sinful nature or from the world's myths about money. This is an instance where a temporary spiritual dependence on the world and the flesh can generate a longer-term financial dependence. For borrowing to be biblical, it should come from a place of dependence upon the Lord.
- 2) Borrow only for valid needs, or for sound business investment, but not for whim, fantasy, dreams, vanity, impressing people, and fulfillment of worldly myths.
- 3) Borrow for what is substantial and of value, not for things that are either not sufficient collateral for the loan or a rapidly depleting or depreciating asset. Consider the possibility of the decline of the value of the collateral. Therefore don't borrow when the loan is likely to exceed the value of the collateral. Borrowing for shorter time frames is better in this regard.
- 4) Do not allow borrowing to be a replacement for good planning or for having the perspective that God is sovereign and that all money is really his (2 Corinthians 12:14, James 4:13-16)
- 5) Have a preference for keeping the loan short and the interest rate as low as possible. Since borrowing is a presumption upon future income, this is why the above counsel is given and why unnecessarily long and/or expensive loans are not desirable.
- 6) Be careful about loans that have tricky conditions, complicating factors of unusual circumstances in their origination, repayment conditions, unscrupulous lenders, etc. Loans have elements of risk already, so you don't want to take on more risk than you bargained for or is necessary to achieve the goal.
- 7) Don't take on a loan that you don't intend to repay or that you can reasonably foresee might be unable to repay, remembering that all of the above caveats and cautions have come about because loans have been shown to have a number of risks. Get help in assessing these if you are not sure. You want to be careful what you are obligating yourself to, both from a legal and a moral standpoint.

There is no need for us to fall into a "What would Jesus do?" mentality, which tries to determine what the Lord would do and then allows us to view things as if we could do it in our own strength (in the flesh, actually). The matter of borrowing and lending is to be considered from our personal dependence upon the Lord.

But what if you have debts now and see the need to pay them off or reduce them? For this we come to what amounts to wise counsel rather than some explicit biblical directive:



- 1) First balance your income and outgo. A budget and tracking income and expenses is recommended for this (see prior section). This budget will need to meet your minimum obligations, plus have room to pay off more than the minimum. Keep in mind that credit card minimum payments will typically take about 8 years to pay off the balance (of say, about \$1000) and interest payments over that time will total about twice the original balance. Stop any further borrowing. If the credit situation has become serious, then debt repayment needs to be considered a high priority in the budgeting process.
- 2) Next, list all your debts, with the name of the creditor, the amount, the monthly minimum, and the interest rate.
- 3) Put a priority number by each debt, first listing those that are small – say less than \$500 - then ranking the others by the highest interest rate to the lowest. With any income available to pay debts over the minimums, pay off the debts by priority number. This approach may need to be modified if creditors are calling or if action is being taken to collect on a loan (such as a repossession), in which case counsel is needed.
- 4) Only consider a consolidation loan if you have done 1) through 3) above first, otherwise there is a great possibility of getting further in debt. Look for consolidation loans with lower interest, of course, than what you are paying.
- 5) If creditors are calling, by all means respond and tell them what you are doing to deal with the bills! *Never* run or hide from creditors.
- 6) There are various credit offers that range from debt arrangements with creditors to consolidation loans. Given the variety of offerings, one is advised to make sure these are needed first, and if so, whether what these firms offer is sound, ethical, biblical, etc. Bankruptcy is not a direction that can be recommended, but even if a believer decides to take that route *legally*, that may not eliminate the *moral* obligation to the lender. Paul wrote often with concern about how those among the world would see things (Romans 13:3; Colossians 4:5; 1 Thessalonians 4:9-12; 1 Timothy 3:7, et al).

Again, the counsel given above is not intended to replace or displace one's personal relationship with the Lord. That is first in these matters, as all matters.

## ***The Ant Principle: Saving for What?***

We start this section off with what we call “the ant principle”. The illustration of the ant is used twice in Proverbs to convey the idea of saving when there is a supply for a time when what is saved up will be needed (NASU):

Proverbs 6:6-8a

*6 Go to the ant, O sluggard, Observe her ways and be wise, 7 Which, having no chief, Officer or ruler, 8 Prepares her food in the summer And gathers her provision in the harvest.*

Proverbs 30:25

*The ants are not a strong people, But they prepare their food in the summer;*

Other proverbs convey a similar message.

Proverbs 10:5

*He who gathers in summer is a son who acts wisely, But he who sleeps in harvest is a son who acts shamefully.*

Joseph, in his interpretation of the Pharaoh’s dream, anticipated seven years of bountiful harvest ahead of seven years of poor harvest, and recommended that Pharaoh store up from the good years to meet the needs of the bad years to follow (Genesis 41:1-36). These proverbs and Old Testament references should not be dismissed as simply an improper application of the Mosaic Law, since they are instead wisdom that is applicable across all dispensations. Paul even puts forth the same principle of saving up for future need in his epistles to the church at Corinth and (though less explicitly) to Timothy:

2 Corinthians 12:14

*Here for this third time I am ready to come to you, and I will not be a burden to you; for I do not seek what is yours, but you; **for children are not responsible to save up for their parents, but parents for their children.***

1 Timothy 5:8

*But 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.*

**The basic saving principle is this:**

**It is fully biblical to see a need that is coming up in the near to longer term future, and save from current income to meet that future need. The need to save may arise from an anticipated period of lower or no income, or from a need that is larger than regular income flow will provide for when the need arises.**

So a person should save for any need that is anticipated by reason of the size of the funds needed to meet a future need or by reason of anticipated lower or no income. This saving, then, may be for things such as buying new tires, college education, appliances, buying or replacing a car, etc. A monthly budget may be a good way to put this principle into action – planning for the need and having a regular increment in which to implement the plan.

Now there are some biblical principles and perspectives applicable to saving and investing those savings that we would be foolish to ignore, and wise to consider carefully (NASU):

Proverbs 27:23-27

*23 Know well the condition of your flocks, And pay attention to your herds; 24 For riches are not forever, Nor does a crown endure to all generations. 25 When the grass disappears, the new growth is seen, And the herbs of the mountains are gathered in, 26 The lambs will be for your clothing, And the goats will bring the price of a field, 27 And there will be goats' milk enough for your food, For the food of your household, And sustenance for your maidens.*

***Principle: Savings and investments cannot be put on autopilot or placed without thought. Left to themselves, savings will likely not do well and will likely not provide for a future need. A person must put sufficient attention to the placement, monitoring and management of savings and investments such that the future need will be reliably met. Only invest in what you know about – don't invest in what you don't yet know about.***

Ecclesiastes 11:2

*Divide your portion to seven, or even to eight, for you do not know what misfortune may occur on the earth.*

***Principle: Recognize that while we don't know the future – only God does – we know that there are risks and it is better to distribute one's savings into areas that are not subject to the same risks. If it happens that one area of savings is diminished, the others will likely still be in good shape.***

Ecclesiastes 3:1-8

*There is an appointed time for everything. And there is a time for every event under heaven -- 2 A time to give birth and a time to die; A time to plant and a time to uproot what is planted. 3 A time to kill and a time to heal; A time to tear down and a time to build up. 4 A time to weep and a time to laugh; A time to mourn and a time to dance. 5 A time to throw stones and a time to gather stones; A time to embrace and a time to shun embracing. 6 A time to search and a time to give up as lost; A time to keep and a time to throw away. 7 A time to tear apart and a time to sew together; A time to be silent and a time to speak. 8 A time to love and a time to hate; A time for war and a time for peace.*

***Principle:*** While there are many applications of this passage, confirmed by other scriptures, we must recognize that there is a time for every savings to be placed somewhere and to be withdrawn for use. Further, in the same way that there is a time to plant and a time to reap, there are timing elements in investments that we need to know about. Some times are good for one, and some times good for another.

Proverbs 21:5

*The plans of the diligent lead surely to advantage, But everyone who is hasty comes surely to poverty.*

***Principle:*** Exercise diligence in savings and investing, as well as doing planning. Going for the quick easy money fix will put one's savings and one's future at risk.

The parable of the talents (Matthew 25:14-30) told by our Lord, is obviously intended to convey truths beyond investing, and illustrates investing for another and not for oneself. But the parable still illustrates the principle of investing to gain a return beyond the initial amount invested. The servant who hid his talent was told:

Matthew 25:27 (NASU)

*"Then you ought to have put my money in the bank, and on my arrival I would have received my money back with interest."*

We have several key biblical principles to direct our approach to savings and investing. Using the combination of wise counsel and an understanding of today's savings and investment conditions, the following is offered to assist in your planning and investing.

The key elements of savings and investing are:

***Safety:*** Safety has to do with the return *of* your money. It means that the party or vehicle for investing did not diminish or lose your savings or investments. Safety is a part of the larger issue of risk, and includes considerations such as the honesty of the people responsible for your funds, the wisdom with which they handle your funds, and factors in the world that can impact the amount of your funds either partially or entirely.

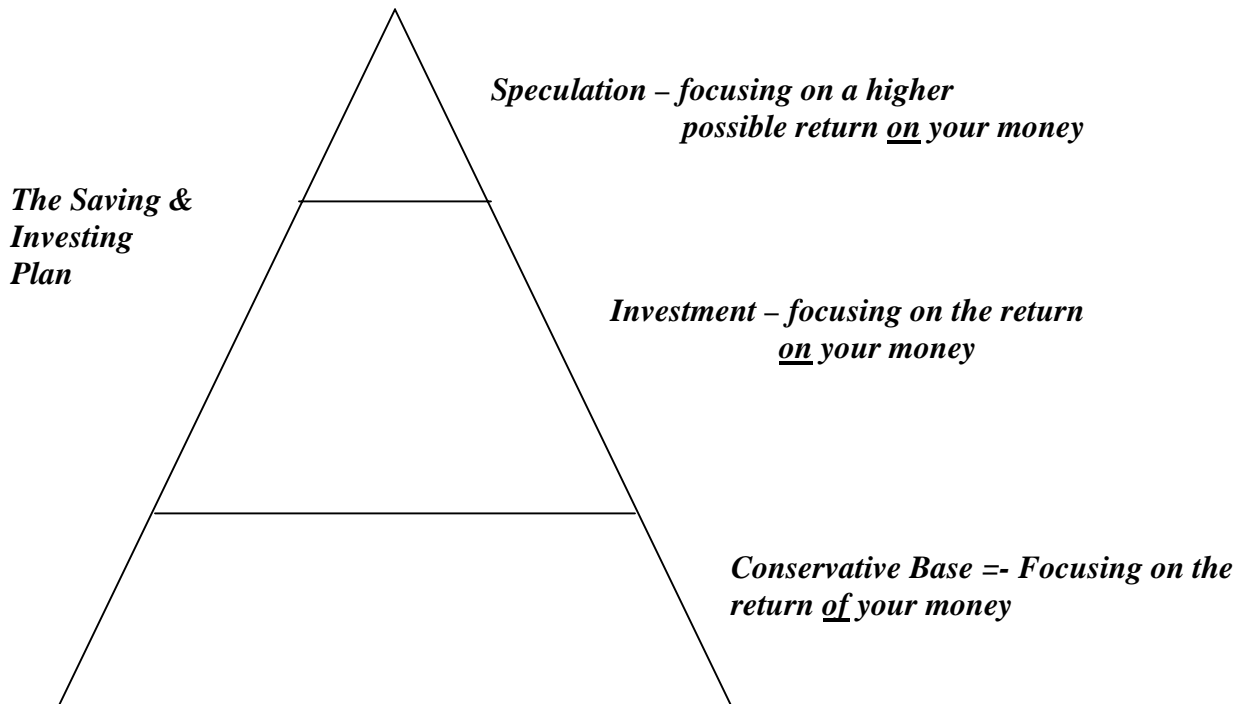
***Liquidity:*** If the funds in an investment or savings vehicle can be taken out quickly and easily, then we say it is liquid. If we find that it may take time to find a buyer and/or convert the investment into cash, then it is non-liquid. Real estate and some other real (or "hard") assets can be non-liquid. Cash assets (like in a bank or mutual fund) are typically liquid, except for some that require you to keep your money in for a period of time or depended upon some condition outside of your control.

***Volatility:*** The value of some investments can go up and down. That up and down movement may be regular and cyclical, or may be hard to determine in advance. Furthermore, the volatility may consist of minor fluctuations or it may be substantial.

Volatility that may place the value of your investment lower, without an expectation of its return to higher levels or with an expectation of return that is too far out to be useful for your timeframe should be considered carefully.

**Return:** This has to do with the return *on* your money. It is the money you are expecting to make *from* your money saved and invested. Depending on what you have your funds invested in, this would be called interest, dividends, profit, etc. Typically, investments with a higher rate of return come along with questions of safety, liquidity, and volatility.

Based on the biblical principles and these considerations, the following general savings and investment model is recommended as a tool for setting a plan in place (see blank form in the appendix):



Based on wise priorities for personal finances, let's discuss each one of these in reverse order from that shown above.

**Conservative Base – Focusing on the return of your money:** This segment of a person's savings should be the first area for a person to build solidly. It should be in conservative, safe investments that are safe and not volatile. At least a portion should be liquid, so that you have access to the funds in an emergency or for a contingency. This is money you must be able to count on (as far as planning for this world will allow, at least). Each household should, at a minimum, have a contingency fund that will not leave them short of meeting immediate needs in the event of an unforeseen emergency. The Ecclesiastes 11:2 principle applies here: If you have

very much at all in this category of savings, put it in at least a few different places. This would include investment vehicles such as:

- Money market funds
- Bank or credit union deposits
- US Treasury money market funds
- A small amount of cash on hand

***Investment – focusing on the return on your money.*** After one first builds a conservative base, a person may then proceed with investments that are intended to have a higher rate of return than the conservative base. These would typically allow for elements of risk on the areas of safety, liquidity and volatility. Keeping in mind the Proverbs 27:23 principle (“Know your flocks...”), a person should not proceed in this area without good knowledge of the investment. Some people will proceed successfully in this by taking on an area of investing that they know about, and staying away from one they don’t. This is consistent with Proverbs 27:23, as long as it doesn’t leave one out of line with Ecclesiastes 11:2 – having all their eggs in one basket. There are investments that are closer in nature to the “conservative base” type of assets because of liquidity, safety and lower rate of return (such as a short-term bond fund). There are also some that are more speculative in nature. The general category of investments would include:

- Individual stocks
- Individual bonds
- Other financial instruments
- Mutual funds investing in the above
- Viatical settlement funds
- Trust deeds
- Tax liens & tax lien funds
- Rare coins
- Conservative real estate & real estate investment trusts

***Speculation – focusing on a higher possible return on your money.*** After one has built a conservative base and an investment base, then speculative investment *may* be appropriate. This will involve even greater consideration of safety and volatility in exchange for a higher rate of return, but some, by being knowledgeable have done well with this category. Others have “lost their shirts”. Speculation should never be done with a majority of one’s assets, given the elements of risk. Examples of this category of investments include:

- Options
- Shorting stocks
- Commodity futures
- Speculative real estate

As we discussed in the second session, our society has tended to go from one extreme to another, short-sightedness being sometimes more common than “common sense”. The herd mentality tends to hold sway in our culture, including what people buy, what price they will pay, when they buy and when they sell. Believers are far better off to take an objective, longer-term view of these things, knowing that even our use of scripture sets the example. While investment information will never hold the authority or importance of scripture, still we would be well advised to *place our faith in the facts*.

**The “Know your flocks” principle:** Before investing in anything, we are best off to make sure we know about that investment’s safety, liquidity, volatility and rate of return and other aspects impacting the investment. Since the seller of an investment may be knowledgeable but possibly lacking in objectivity, an independent assessment of these aspects of the investment may be in order. See the appendix for some suggestions in this regard. Only invest in things you know about and understand. While the “saving and investing plan” triangle shows investment and speculation categories, a person is better off not entering into these areas at all if they do not have knowledge of these areas. Investing or speculating when we don’t understand what we’re investing in becomes gambling. When starting off in something in which you have studied but lack experience, start small. You’ll probably want to avoid the “Dagwood syndrome”...

**Blondie** Dean Young & Denis Lebrun



**The “Divide your portion” principle:** Dividing your portion is intended to reduce your exposure to risks of the same category. We have come to know this in our culture as “not putting all your eggs all in one basket”. Folks have learned the hard way about this principle in situations like the recent stock market decline, or investing all their retirement funds with one firm (like the recent Enron case). In a declining stock market 90% of stocks tend to go down with the general decline.

**The “Plans of the diligent” principle:** Not everyone can afford to spend lots of time studying investing and some have more aptitude than others in this area. But each person is well advised to take a diligent approach in this area that is sustainable and fitting to their own makeup, needs and situation. It is therefore wise to put a priority on getting good, consistent objective information that you can understand and that will help your understanding, at a pace that you can realistically maintain. Some suggestions in this area are in the appendix.

**The “Provide for one’s own” principle:** If a person loses sight of the fact that savings and investing is for the purpose of material provision for one’s own, then such savings and investing can absorb time and resources out of balance with the rest of one’s ministry to and responsibility for one’s own. It is also possible for someone to seek to gain more than what is needed for provision or to take risks to “make up for lost time”, and lose sight of what is wise and sound in the area of investment and speculation.

**The “There is a time” Principle:** Related to the “Know your flocks” principle, investors realize that there are some times better for a type of investment than for others. The idea of buying and holding doesn’t work very well when the value of what a person is holding is dropping like a rock. The chart below is very telling with regard to how returns in various investments will change with time.

**Trading Places: How Asset Classes Go In and Out of Favor**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Large U.S. Stocks	-3.2%	30.6%	7.7%	10.0%	1.3%	37.4%	23.1%	33.4%	28.6%	21.0%	-9.1%	-11.9%
Foreign Stocks	-23.2%	12.5%	-11.9%	32.9%	8.1%	11.6%	6.4%	2.1%	20.3%	27.3%	-14.0%	-21.3%
Small U.S. Stocks	-19.5%	46.1%	18.4%	18.9%	-1.8%	28.4%	16.5%	22.4%	-2.6%	21.3%	-3.0%	2.5%
Bonds	9.0%	16.0%	7.4%	9.8%	-2.9%	18.5%	3.6%	9.7%	8.7%	-0.8%	11.6%	8.4%
High-Yield Bonds	-06.4%	43.8%	16.7%	18.9%	-1.0%	17.4%	12.4%	12.6%	0.6%	3.3%	-3.8%	6.2%
Money Markets	7.9%	5.8%	3.6%	3.1%	4.2%	5.8%	5.3%	5.3%	5.1%	4.7%	5.9%	4.5%

Legend: Top Annual Performer (all figures represent total annual returns). Past performance is no guarantee of future results. Source: Strategic Advisers, Inc.

Notes: Large stocks as measured by S&P 500; foreign stocks as measured by MSCI EAFE; small stocks as measured by Russell 2000®; bonds as measured by Salomon Brothers Aggregate Bond Index; high-yield bonds as measured by Credit Suisse First Boston High Yield and the Merrill Lynch HY Master (for 2000 and 2001 returns); money markets as measured by TBILL. All indexes are unmanaged and their performance is not indicative of any particular investment. You cannot invest directly in an index.

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## A Final Note

A believer could take these principles in isolation, seeking to live them out by his or her own strength, but that is not the intent of the New Testament epistles. These principles are to be lived out with the understanding that in our dependence upon the Lord, the life of Christ in the believer expresses itself consistent with these principles.

<sup>15</sup> *Fidelity Outlook*, November 2002, pg. 20



## ***Using Money Wisely: Spending Less & Having More***

We will be turning our attention back to the matter of balancing the income and outgo in our households. So far we have talked about the importance of balancing the income and outgo – something that Americans on the whole have not done very well in recent decades. We've seen that Scripture does not forbid borrowing, but looks to diligent planning and saving for future needs as basic (Proverbs 21:5; 2 Corinthians 12:14). We've also seen that Scripture views borrowing as servitude to the lender (Proverbs 22:7), and we have seen though the myths of money and possessions that this world force feeds its own by the millions (page 7ff). We'll return to the matter of income and out go shortly, but first we need to take a brief but important detour for the sake of our married couples and their families...

### **Money Matters in Marriage**

While we will be talking about marriage specifically next quarter, there are two key biblical principles that married or soon to be married couples should keep in mind when it comes to finances:

1) The oneness principle in marriage that is set forth in Genesis 2:24 is repeated by our Lord in Mark 10:7,8 and again by Paul in Ephesians 5:31. It's repetition shows that this truth is important and that it is valid across the dispensations. While there may be explicit circumstances that call for a husband and wife to have an account under a separate name (such as an IRA account), it is consistent with this biblical oneness principle for husbands and wives to manage their accounts and financial affairs in reflection of this oneness principle. While certainly God's intent is not that husband and wife "be in a single financial straightjacket", having separate financial lives for a husband and wife is not consistent with the biblical oneness principle. The oneness principle is further conveyed in the relationship between Christ and the church (Ephesians 5:22-33).

2) The headship principle in marriage says that the husband is to be the head of the home. This principle is presented in Ephesians 5:22-33. While it calls for the husband to take a leadership role in the relationship – including finances, that principle is couched within the call for the husband to be the loving sacrificial leader, as a ministry to his wife, *and* to live with her in an understanding way (1 Peter 3:7). This does not mean that the husband does everything financial, nor that he runs his financial house with a rod of iron, but that he is the loving, sacrificial leader who lives in an understanding way with his wife in all areas – money included.

We'll explore the ramifications of these principles in more detail next quarter...

### **Addressing the Income & Outgo**

To cover this subject, we'll walk our way though the budget sheet that we distributed a few weeks back. Whether one decides to use a budget or not, it provides a good focal point for us to cover the various areas of household income and expense. For the sake of clarity, the section titles in this chapter will correspond to the budget sheet.

## INCOME PER MONTH

This should include any source of income that can be counted on to provide for the individual or family. Keep in mind that our working for a family's income is a part of the overall ministry to one's family (2 Corinthians 12:14; 1 Timothy 5:8). If a person is paid weekly, it is best to budget on the basis of four paychecks per month, dealing with the occasional fifth paycheck as "windfall" (more on windfall later). If a person has variable income, such as from a seasonal business or commissions, it is best to budget based on say, 90% of "average", carrying the surplus from one month into the next month(s) so that lower income months can be "leveled out". The form has these categories:

- Wages
- Commissions
- Interest
- Dividends
- Other

Additional categories may be appropriate for specific cases (rental income, pensions, etc.). Include *gross income*, not just net income, since we want to recognize giving and taxes (below).

## GIVING & TAXES

Giving: We have addressed giving previously (*Whose Money Is It?: Give & Take – & Rendering What?*, page 18). The main point here to give out of one's relationship with the Lord (2 Corinthians 9:7) and not out of habit, formula or Law (Romans 6:14).

Taxes: We have also addressed taxes previously (*Whose Money Is It?: Give & Take – & Rendering What?*, page 18). It is best to seek to minimize taxes by every legal means, pay taxes when due (Romans 13:1-18), and avoid extremes of tax refunds (an interest-free loan to the government) or large tax payments on filing (which can involve penalties as well). Consider the tax impact of whatever financial steps you are about to take, but avoid having the tax impact become the primary or sole influence on your decision to give, borrow, invest, etc.

## HOUSING

For most people, the category of housing will be the largest single category (unless you have to buy groceries for teenage boys!). Consider housing decisions carefully, especially when buying and selling, since these decisions will impact your outgo and asset position substantially. Get wise counsel in making these decisions if you don't feel you have all the inputs you need (Proverbs 11:14; 15:22).

Mortgage/Rent: If a person has a mortgage:

- Is there a chance of refinancing at a lower rate of interest, including borrowing from relatives?
- Can the lender at the same time reduce the length of their mortgage, so that debt reduces sooner and faster?
- When buying or refinancing, carefully weigh and compare the fees that go along with it. Get counsel if that would be helpful.

Whether renting or buying, are you committed to more housing than they can afford? This will become apparent after looking at the rest of the budget, but can be more difficult to change once you are locked into living at a place – especially if you own it. Homeowner's association can be look upon as rent and can be included in this category.

Insurance: Some questions to ask would be:

Can you get a better home/renters insurance rate from another *reliable* carrier?

Can you *safely* reduce coverage or increase deductibles?

Don't reduce coverage at the expense of having *adequate* coverage, of course. Also, you must be prepared with adequate contingency funds if you raise the deductible.

Electricity & Gas: The bills for these utilities vary throughout the year, with some people getting astronomical bills during the winter months. Consider the equal payment program for utilities that offer this (usually this option is available in late Spring or early Summer). Equal payment programs avoid the need to track monthly bills and they avoid stress on the rest of the budget during winter months. Alternatively, in the Spring or Summer, you can put the monthly average for these utilities in your account page, and accumulate funds during the warmer months to carry you through the colder months to come. Otherwise, you will have to budget for the colder months until you can get on a more even monthly amount later.

Review you situation for the opportunities to save on these bills by thermostat settings, timers, more insulation, more efficient fixtures and bulbs, weather stripping, etc.

Water & Sewer: In many areas, these utilities are billed together. While usually not a huge bill, look for waste, leaks or drips if you are having very large bills. A drip a second wastes about 1000 gallons a year, often affecting *both* water and sewer charges (depending on how these are billed).

Trash: This category is not typically large. If you are having trouble balancing your budget, you might look at not using a disposal company provided container, if these are provided for an extra charge. While these are very good quality, they are quite expensive over the long run.

Telephone: Long distance charges, special features (call waiting, etc.) and second lines are the usual causes of high phone bills. For tight budgets, suggest eliminating fancy features and limiting long distance calls. They should also take advantage of reduced rate specials offered by every long distance carrier. While we're at it, Internet service can be considered in this category, and it is best to look for a package that provides the service at the lowest overall cost. Many people find good long distance rates through phone cards or discount long distance carriers (see appendix), or through the use of flat rate residential phone or cell phone service.

Maintenance: Homeowners are most likely to have large maintenance expenses. The best way to keep these costs in line is to learn to do things for yourself, if possible and if you are handy. It is best to try to keep up with needed maintenance rather than postponing maintenance to balance the budget, especially if postponing maintenance allows the damage to increase. Remember that deferred maintenance is really debt – it has to be paid back one way or another. It may also be a good idea to set up special categories for certain large and predictable maintenance items, such as floor covering, painting, etc., although some of these can be postponed for a bit, if needed to get on top of critical debts.

Furniture, Improvements: While a person deep in debt should not be saving huge amounts for furniture and improvements, these items should be bought through savings accumulations in an account rather than through debt – even if one chooses to take advantage of a no-interest / no-payment arrangement with a furniture retailer. With major improvements it may make sense to borrow, but carefully consider the impact on your budget, including property taxes, and the value of the house given your neighborhood.

## **FOOD, GROCERIES**

Spending under this category can be HUGE, especially if there are a few teenagers in the house. Tight budgets and overspending on groceries can be brought under control by watching for sales, sometimes coupons, buying in bulk, food coops, etc. Also, expensive foods, convenience foods, and excessive treats (ice cream, sodas, “junk foods”) can run up grocery bills fast. Sodas cost about 2600 times as much as water, and typically add nothing nutritionally. Generally speaking, the more prepared, preprocessed and packaged the food type, the higher the food bill tends to be. Convenience comes with a price.

For the sake of simplicity, some folks decide to include everything they buy at the grocery store under this category when it comes to budget tracking, even if the item might more naturally fall under another category. That is fine, since the main idea is to control and monitor total spending.

## **AUTOMOBILE(S)**

Automobiles are *almost* a necessity in our culture today. On the other hand, it is easy to let the necessity become expensive toys and ego builders – playing into the world’s myths about money and material. That is not to say that a person should not own a good car. But a person would do well to consider this purchase decisions from a biblical perspective. For those with debt and budget balancing problems, it is important to look carefully at the needs versus wants. Believers should aim towards getting themselves away from car payments. Also, those struggling to balance their budget should look carefully at long commutes, excess vehicles, and vehicles that don’t fit their needs.

Payments: Ask yourself questions such as:

Is the car necessary, and if not, can it be sold?

Can better terms be negotiated, such as a lower interest rate?

Avoid getting upside down (owing more than the car is worth) at all costs. Some folks have found themselves “upside down” and then had a major mechanical breakdown, adding insult to injury. In that situation they owe the debt, and yet still have to spend large sums to get back to the point where the car is worth anything at all.

Gas & Oil: While a good gas mileage rate starts with the selection of the car, people may also have long commutes, poor engine condition, or serious leaks that contribute to the problem. Besides looking at the mileage of the vehicle, there may be a need to look at how much of the paycheck gets eaten up by the cost of a long commute. The lower the wage, the less the commute is justified. A different job or living place may be in order.

Insurance: Adequate coverage is important, and the state has minimum legal requirements, although most people should have more than the minimum. The consequences of not having insurance or having inadequate insurance can be very serious.

You can check your insurance rates against those from other reputable firms, and can sometimes save substantially. See if you can go with a higher deductible (lenders will often set a maximum limit on the deductible). Also, when buying a vehicle check on its insurance rates versus other vehicles.

License & Taxes: Most vehicle license rates are not too hard to handle if you save for them monthly. Since they are predictable, it shouldn't be a once a year strain on finances. Also include some for driver's license renewals (\$1 a month will do for most households).

Maintenance/Repair: Even a newer car requires regular maintenance, and most expenses are predictable (oil change, tune-up, new tires, etc.). Rarely should this category be less than \$75/month per vehicle. For older cars, it should be higher. If in doubt, go through the owner's manual, look at the recommended maintenance, price out those items, and add up the total required per month to meet the maintenance required. Add more if your car might need major work on top of those maintenance items.

Replacement: While Americans have come to consider car payments as a given, believers should work towards paying cash for cars, or at most having small, short debt balances on their cars. Savings adequate for replacement of the cars is recommended once all consumer debt has been paid off.

## **INSURANCE** (Other than house, renters or automobile)

Life Insurance (& Disability): Experience has shown that people can find themselves underinsured, over insured, and/or have insurance through a carrier that is not in sound financial condition. It is recommended that you check on the insurance rating from an independent rating firm, especially for life and medical insurance (see appendix). There may be other sources of these ratings that are less expensive or free, but the rating may be less objective.

Also, note that Social Security provides some life and disability insurance benefits. Best to check on those benefits before buying coverage that might not be needed. Also see comments on Social Security under Savings. Most disability policies only pay after Social Security has paid, up to some percentage of the pre-disability wage (see appendix).

Most people are best off with term insurance with a sound firm until they come to a place where they do not need life insurance at all. Life insurance is needed to cover commitments and obligations that would go unmet if there were a loss of income due to a death.

Medical Insurance: Medical insurance is expensive and is continuing to go through lots of changes. Some find that medical insurance is among the highest costs in their budget. It tends to cost quite a bit to have insurance that pays for small items (office visit co-payments, regular medicines, etc.), so consider insurance that covers only major medical expenses. You may want to consider a Christian alternative that does not pay for small medical bills nor cover non-Christian lifestyle-related medical expenses (see appendix):

## **DEBTS**

As we've discussed before, the Christian life should not be characterized by debt. Repayment and elimination of debts should be a high priority in one's overall financial planning and strategy. This category is included in the budget sheet in order to provide a means of planning for reducing debt. Aside from the advice given earlier, here are some other tips on dealing with debt:

Use money left at the end of the month in discretionary accounts, if the funds are not going to be needed later, to pay more against debts. For example, if there is money left over in an entertainment account at the end of the month, transfer that to the debt reduction account to increase the payment against debts. Don't, however, take from accounts where you are saving to meet a future need.

See if relatives would be willing to loan you the money to pay off debts. That might help reduce the interest rate and consolidate the loans. Be sure that this is paid, however, since it is a promise to pay even if to a relative.

## **ENTERTAINMENT & RECREATION**

This is an important area of expenditure to consider carefully. A Christian who is in debt should not be entertaining themselves to death at the expense of their debtors. On the other hand, this category should not be ignored, or getting debts in line can become pure painful drudgery. This is an area where considering what a family really values can be real helpful.

Eating Out: Many people eat out much more often than they realize, stopping at fast food places and getting a pizza at regular intervals. While the actual multiples varies, eating out is generally roughly three times as expensive as eating at home. While there is nothing wrong with eating out, it needs to be balanced with other obligations, needs and desires.

Trips: This is to set aside funds for periodic trips that do not fall under vacations. Some people take trips regularly (to visit relatives living out of the area, for example), while other do not take them at all. It should cover gas, food, and any other expenses that are incurred in taking the trip.

Babysitters: This is for babysitting for recreation that does not fall under childcare for working purposes, if applicable.

Activities: This category is to cover sports and recreational activities, whether for kids or adults. It would include things like soccer sign-up fees, summer camp, or fees for the gym. It is best to save up for any of these that are substantial and predictable. For families with a few children, this can easily run a few hundred dollars a year and possibly much more.

Vacation: While a vacation is a good idea, some people put vacation expenses on their credit card to be paid later. Saving for your vacations is in keeping with the principle that borrowing should be limited to substantial assets of value as collateral. That way everyone can have good memories without months of reminders of what the vacation cost, along with added interest expenses and other risks of borrowing.

Other: This is the category for movies, videos, concert tickets, and the many other things you do that can't be put in other categories. It may be best to create a separate category for entertainment and recreation activities that might overwhelm another budget category, such as a specific person's golf, CD, boating or other hobby. If debts are serious, it may be appropriate to skip these activities until debts are eliminated.

## **CLOTHING**

Some spend almost nothing on clothing while others spend themselves into the poor house for it. If debts are high or savings are low, it is a good idea to limit clothing expenses and shopping more reasonably and/or shopping the sales.

Some families have found it helpful to have separate accounts for each person in the household. It tends to give kids that understand arithmetic a basic appreciation for what clothes cost as well as giving them a good foundation in personal and family budgeting.

## **SAVINGS**

The most critical need for every household in this area is to have them develop a cash cushion - an emergency fund they can draw on when the car has a major breakdown, when they lose a job, when an unexpected medical expense pops up, etc. This should be an absolute minimum of \$1000, although they should ultimately target about three to six months of take-home pay, depending upon the uncertainty in their life (more for uncertain job situations, more for medically risky lifestyles and health conditions). Most families or individuals who are in their prime income years should be saving at least 10% of their gross income for longer-term needs, and quite possibly much more – depending on circumstances.

After that, people should save for longer term goals, such as education, and retirement. Given the financial state of the Social Security system, and the outlook for future supporters of the system, it is extremely important that people save for their own retirement rather than count entirely on the Social Security system. Debt reduction and development of a cash cushion (contingency fund), however, should take priority over longer term savings needs (see appendix for these items).

## **MEDICAL EXPENSES**

Regular dental and medical care should not be shortchanged. Like deferred maintenance on houses and cars, it can be the equivalent of debt. Some may have ongoing medical needs that take a substantial share of income. This budget category should cover all medical, dental and health related expenses that are not covered by insurance. Be sure to budget for regular dental checkups, ongoing medical or prescription needs, as well as allowing for unexpected needs that don't fall under your insurance.

## **MISCELLANEOUS**

This category should include items that can be easily overlooked, such as income tax preparation fees, attorney's fees, stamps and paper clips, etc. Don't overlook expenses that are real. If they don't fit elsewhere, be sure to catch them here.

Toiletry/Cosmetics: Many people prefer to lump this in with groceries, since most people buy these items at the grocery store. That's fine, so long as they are covered in the budget somewhere.



Beauty, Barber: While some expenses in this category are necessary, there is often room to reduce spending as well. It may also help to have someone in the family learn how to cut hair.

Laundry: Some people prefer to include laundry detergent, bleach, etc. in groceries, since those are generally bought at a grocery store. That's OK, but be sure to include dry cleaning expenses or any other non-grocery store items in this category.

Allowances: While allowances for kids is a common custom, and may have a place for younger children, you may want to train your kids toward learning to work for their money - even if some of the work is for Mom and Dad in their earlier years. After all, you don't get an allowance, do you?

Subscriptions: This includes everything from newspapers to magazines to newsletters of various kinds. Make sure you really find these valuable and don't just pay for them to throw them away.

Gifts, General: This includes birthdays, anniversaries, weddings, Mother's day, Father's day, etc., including cards and wrapping paper. For most families these expenses will extend throughout the year. As a rule of thumb, most will find that the amount for these general gifts are about the same as that for Christmas gifts.

Gifts, Christmas: Many families do not save for Christmas, and end up spending well into the new year paying it off. Rather than getting caught in that trap, believers should figure out what they can really afford to give and save for it all year long. We want our presents to be a surprise, but the expenses of Christmas should be no surprise at all. It is even possible to buy Christmas items throughout the year, when sales for presents may come along. As with the general gifts category, don't forget to include wrapping paper, tape, bows, cards, and shipping expenses.

Training, Education: Both children and adults may have expenses under this category, whether it includes voice lessons, college classes, or special seminars. It's best to set the funds aside on a regular basis. Based on the principle that borrowing should be done against substantial assets as collateral, educational loans are not recommended. If for children, some parents have chosen to have their children work for some portion of the educational funds, and there is some merit to this approach. They will likely consider what they are pursuing much more carefully and have a invested interest in their education.

Cash: This category is to give adults some regular spending money for which they do not have to account under other categories. It might be for anything from a book to a magazine to breakfast out with a friend.

Other: Designed to handle expenses that don't easily fall under other categories, this account includes stamps, envelopes, writing paper, tape, and things of that sort. If there are other major expenses that crop up regularly, but don't have another category, it might be best to create another category rather than place those expenses here.

## TOTAL EXPENSES

This figure is a check - to make sure that all the planned expenses are equal to or less than net spendable income.

### WINDFALL PLAN (Not on budget sheet)

From time to time there will be income above the monthly budget amount (imagine that!). This many happen with an extra paycheck in some months, or refund of some sort. For people that are on variable incomes, it is best to save the windfall for a year to six months so that a substantial cushion is accumulated. After that, and for those with more steady incomes, the additional income should be budgeted by percentages before the income arrives. For example, someone might decide to handle a windfall income as follows:

11% for giving  
23% for taxes  
leaving 66% of the original windfall

The net amount after giving and taxes, could be handled something like:

50% to debt reduction  
40% to savings  
10% to vacation

The above figures are given only for illustration. The more serious the need in each area, the greater percentage should be committed.

## ***The Things That Count: What Really Matters Is...***

There are a few miscellaneous subjects to cover as we wrap up this series on biblical principles of personal finance. These subjects, just the same, are important, so we'll take them on one at a time...

### **Biblically, When Should A Wife Work Outside the Home?**

This question only applies to a woman who is married, of course, and is likely a more critical question if the couple has children living at home. For a married woman with children at home, Scripture *encourages* a mother in this direction:

Titus 2:3-5 (NASU)

*Older women likewise are to be reverent in their behavior, not malicious gossips nor enslaved to much wine, teaching what is good, 4 so that they may encourage the young women to love their husbands, to love their children, 5 to be sensible, pure, workers at home, kind, being subject to their own husbands, so that the word of God will not be dishonored.*

Notice that the direction of Scripture is toward *encouragement of those domestic relationships*. Even the above Scripture implies that older women have the time to encourage younger women in these things, and may have implications for older women in regards to work. There are circumstances, however, which may dictate or allow a woman to work outside the home at a job or at her own business, which could include:

- 1) A single mother with children at home
- 2) A single mother with children who are no longer at home
- 3) A married woman, subject to some conditions

*For a married woman, the conditions for her to work outside the home would be:*

- She should have a desire to work and her husband agrees that this is wise for the sake of the family (see the oneness principle and headship principle from the middle of page 42, based primarily on Genesis 2:24 and Ephesians 5:22-33).
- Basic functions of her primary role as wife and mother should not suffer as a result (1 Timothy 5:14; Titus 2:3-5), which needs to be considered carefully and realistically. In truth, it is difficult to work for very many hours without this beginning to have an impact, especially if younger children are present at home.
- Income should not “feed” the financial problems, i.e., debt, overspending, wasteful spending, greed, etc. This is critical because studies have shown that on average, two-income couples have more debt than single-income couples. There is a tendency to use the extra income to rationalize greater debt. The underlying issue is that believers recognize the world’s myths as foolishness,

understand the primacy of beholding the Lord (2 Corinthians 3:18), and likewise seeing that we have the treasure of Christ the Lord in these earthen vessels (2 Corinthians 4:7).

- If the husband is working (which should be the case if he is at all able to do so – 2 Thessalonians 3:10-12), the wife’s income is most advisably used for things not related to provision of immediate needs, but instead for things such as saving for the children’s’ college or training needs (Proverbs 22:7), the couple’s retirement years, support of aged parents (1 Timothy 5:4), giving to ministry and/or to others, etc (2 Corinthians 12:14; 1 Timothy 5:4; 2 Corinthians 9:12-14). If the husband is out of work by reason of disability or loss of work, then he should be pursuing, if possible, being gainfully employed, and providing for his own (1 Timothy 5:8), so that the wife’s working is supplemental, not essential to the family’s immediate survival.

### **Home, Work, Church and Life in General: How Does One Balance These Things?**

Wouldn’t we all like to have the “magic answer” to this question! Just when we think we’ve developed a pattern that we can live with, something changes. Each of those changes causes us to have to re-examine our financial and time commitments. The main reason we bring this question up while covering personal finances is that working for a living demands a significant piece of time, and almost everything else seems to cost money. Furthermore, many people - especially men – seem to get drawn into lots of work hours. The need to re-evaluate commitments in both finances and time is almost constant, because life is so dynamic.

As tough as this question is, Scripture does not leave us without tools to work with, so let’s take a look at them. There are at least two grand biblical principles that we have to work with when trying to sort out the commitments of time and money. These are: 1) priorities, and 2) time of life.

For married folks with children, “biblical priorities” look like this<sup>16</sup>:

- 1) Relationship with the Lord
- 2) Relationship with our spouse
- 3) Relationship with children at home
- 4) Relationship with extended family
- 5) Relationship with church
- 6) Relationship to society, including government

For a single person, “biblical priorities” look like this:

- 1) Relationship with the Lord
- 2) Relationship with extended family
- 3) Relationship with church
- 4) Relationship to society, including government

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<sup>16</sup> Some of the Scriptures giving these priorities include Titus 2:1-5, 1 Timothy 5:4,8, Romans 13:6-8; Hebrews 10:25, Ephesians 5:22-33, et al).

Both our Lord and Paul recognize the special opportunity that a single person has for ministry in terms of financial commitments and time:

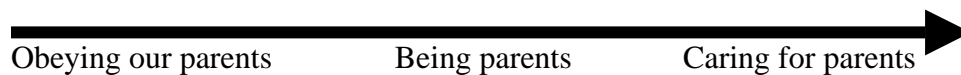
Matthew 19:10-12 (NASU)

*10 The disciples said to Him, "If the relationship of the man with his wife is like this, it is better not to marry." 11 But He said to them, "Not all men can accept this statement, but only those to whom it has been given. 12 "For there are eunuchs who were born that way from their mother's womb; and there are eunuchs who were made eunuchs by men; and there are also eunuchs who made themselves eunuchs for the sake of the kingdom of heaven. He who is able to accept this, let him accept it."*

1 Corinthians 7:6-7, 23

*6 But this I say by way of concession, not of command. 7 Yet I wish that all men were even as I myself am. However, each man has his own gift from God, one in this manner, and another in that....32 But I want you to be free from concern. One who is unmarried is concerned about the things of the Lord, how he may please the Lord*

Alongside the priority principle, the “time of life” principle looks like this:



There are various stages in our lives and in the lives of our children and our parents. We need to recognize these stages, anticipating the changing needs and responsibilities in the midst of them.

How do these priority and time of life principles fit together? The priorities are there to help us see what is most critical and to balance our time proportions by the relative priorities. The priorities are not there as rationalizations for negligence and irresponsibility in some “lower priority”. The time of life principle will help us anticipate the differences in what those priorities are becoming next.

### **Should I Start a Business? How Do I Start a Business?**

There is more to this question than can even begin to be dealt with fully here, but since our aim is to pursue what is biblical, that makes the question *simpler* to answer (but that does not mean *easy*). It would seem that in our Lord’s first coming, he at first had His own carpentry business in Nazareth, likely learned from His earthly father, Joseph (Mark 6:3). Paul had a tent-making business, which was transportable, and may have included others as well (Acts 20:34, et al). It seems that James and John and Peter were part of a family fishing business in Galilee. We could look at other examples as well, but the point being that the New Testament Scripture refer to those owning a business, and does not refer just to employees. Biblically, there is no doubt but what the Lord intends that we work for a living (1 Thessalonians 4:11, 12, et al). There may be many more questions one needs to ask, but here are some biblical ones to start with:

- 1) Can I do this business as unto the Lord? (Colossians 3:23, 24)
- 2) If married, is this consistent with the oneness principle (Genesis 2:24) and the headship principle (Ephesians 5:22-33)
- 3) Can it be done as part of a ministry to my family and to others to whom I have obligations, and not displace those ministries? (Ephesians 5:22-33, Titus 2:3-5; 1 Peter 3:7, et al)
- 4) Will this business place me in a yoke with unbelievers? (2 Corinthians 6:14-18)

As for how one starts a business, there are also many things to consider, but the key things to consider are with the key priority relationships we have brought up before:

- 1) What does the Lord think of this (what does His word say)?
- 2) What does my spouse think of this, if I have one?
- 3) What do or will my children think of this?
- 4) Can I start this business with diligent plans (Proverbs 21:5)?
- 5) Am I willing to receive counsel in areas where I do not have knowledge and/or experience? (Proverbs 11:14; 15:22)

The priority motivation in establishing a business is for *provision*. Other motivations need to weighed in the balance against that priority.

### **Do I need a will or trust...& what else? How do I do these & how often?**

The sophistication of our society has also meant that there are more legal and financial questions affecting our lives than ever before. In view of the need to provide for ones' own (1 Timothy 5:8), to manage one's own household (1 Timothy 3:4,5), and to deal properly with what is remaining here on earth when we are not able to address things ourselves (Ecclesiastes 3:1-8; Proverbs 13:22, et al). Has not the Lord made provision for us because He has thought *really long-term*?

Based on the above, it is prudent in our society for almost every adult (married or not, with children at home or not) to have these documents in order for the sake of their immediate and extended family, and in order not to place unnecessary burdens on those in the church:

- A **Health Care Power of Attorney**, so that someone can make health care decisions if you cannot
- A **Financial Power of Attorney**, so that someone can make financial decisions if you cannot
- A **Living Will**, to tell others your preferences regarding certain critical medical decisions in the event you cannot
- A **Will, or Trust & Pourover Will**, to direct how your assets are handled in the event of your death

There are standard computer programs to help prepare these documents, general purpose forms available<sup>17</sup>, and attorneys and paralegals who can prepare these for you or review or work from what you have prepared. If these documents are not in place, things may not happen as you wish, there is likely to be a greater chance of conflict between loved ones, and making decisions could involve a court appearance for each decision in the event that you cannot speak for yourself by reason of disability or death. In the same way that Paul did not want to burden the churches (2 Corinthians 11,12), so we should not want to burden either the church or our families with complications in midst of dealing with the difficulties of the circumstances that may already be present by reason of your disability or loss.

Take the time to talk to your immediate and extended family members about these matters while you can. Act on this while you can. And since the “time of life” principle from above will make circumstances change with time, these documents should be revisited whenever there is a life change affecting the documents (births, children leaving home and becoming of age, inability or unwillingness of someone with power of attorney, or an executor/executrix to perform, etc.). Make sure those whom you have put in positions of trust know about it and have copies of the documents. Make just as sure that these are indeed people whom you can trust when the need arises.

### **What Is My Responsibility To Children And To Parents As The Years Go By?**

It would be an understatement to say that life goes through changes over time (Ecclesiastes 3:1-8; Ecclesiastes 12; et al). What happens from the beginning of it to the end has many possible turns, but there are some general things that can be said about our responsibilities to children and to parents as we and they go through the various stages of life.

In the area of finances, parents have responsibilities to provide for children while they are at home in:

- Provision of daily needs for sustenance (1 Timothy 3:4,5; 5:8)
- Saving to provide for future needs (2 Corinthians 12:14), including training up a child in the way that he should go *occupationally* (Proverbs 22:6)

At this stage, it is fitting for children to honor their parents by *obeying* their parents (Ephesians 6:1). There is also a need both when children are at home and when they are gone from the home for the parents to have the above-mentioned documents in place (powers of attorney, etc.).

In the area of finances, children have a responsibility to honor their parents as they age in these ways:

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<sup>17</sup> Many hospitals will provide the Health Care Power of Attorney and Living Will forms, sometimes referring to them as Advanced Health Care Directives or similar terminology.

- Care and needs related to their aging or disability, including items covered under the financial and health care powers of attorney, and living will
- Dealing with end of life matters, such as burial, handling of the estate, etc.

At this stage, it is fitting for adult children to *honor* their parents in these ways (Ephesians 6:2,3), even though they may have left their parents' household to establish their own (Genesis 2:24).

## **Final Comments**

Though there are many details that could also be included, and it is a task to keep all these principles and things in mind, the primary message to keep in our thinking is that of beholding the Lord (2 Corinthians 3:18). If we do everything else “according to the book” in the realm of finances, but lose sight of this one thing, we have missed the main point. There will come a time when we will leave the things of this earth (1 Thessalonians 4:13-18). There will come a time when all the things of this world will pass away altogether (Matthew 24:35). At that time nothing of the realm of finances and what money buys will remain. Even faith and hope will have ended (1 Corinthians 13:8, 13). But what will last is our eternal relationship with the Lord of glory, and the eternal relationship we have with each other because of our relationship to Him. The Lord will use everything in the realm of finances, which is strictly temporary, to further His purpose, which is eternal.

2 Corinthians 3:18 (NASU)

***But we all, with unveiled face, beholding as in a mirror the glory of the Lord, are being transformed into the same image from glory to glory, just as from the Lord, the Spirit.***

Romans 8:28-29 (NASU)

***28 And we know that God causes all things to work together for good to those who love God, to those who are called according to His purpose. 29 For those whom He foreknew, He also predestined to become conformed to the image of His Son, so that He would be the firstborn among many brethren...***