

Money Matters

*A Biblical Guide
To Financial Stewardship*

Dealing With Debt:

"I owe I owe, its off to work I go."

"Till debt do us part."

Questions:

- Have you ever bought something you realized later you didn't need or felt guilty because you bought the item impulsively?
- Have you every purchased something you didn't have the money to pay for?
- Are there more things in your life that own you than you personally own?
- Do you find yourself buying things on credit your probably would have thought twice before purchased it if you had to pay cash?

Agree/Disagree:

- "Differed payment programs" are good things (buy now, pay much later).
- It is a good thing to have quick, convenient credit.
- Debt is a symptom to a greater problem.
- Debt has brought stress on many families and marriages.
- Today borrowing is less risky and credit more available.

Debt Facts:

- 1 million Americans file bankruptcy each year for consumer debt.
- The average American has 4-5 credit cards.
- 1 in 69 families this year file bankruptcy. Based on the current trend in spending, it is projected that within the next 10 years 1 in 7 families will file bankruptcy
- Over half (56%) of those who get divorced each year state financial stress or debt being the major issue in their marriage failing.
- The typical American household has at least \$2000 of credit card debt at 18% interest rate.
- Credit card experts say that once a cardholder incurs over \$800 of card debt, the company has them for life. Most can pay only the minimal payment.
- Studies show that people spend 80% more using credit than they would with cash or check.
- Debt is a obligation to repay or return something borrowed/loaned.

- Financial debt has many forms:
 - credit cards
 - home mortgages
 - bank loans/second mortgages/medical loans
 - family debt/obligations
 - school loans
 - auto/toys loans
 - business loans
- Debt comes at a great cost to the individual financially, emotionally, spiritually, and can cast a huge burden on one's marriage and family to the point where it is overwhelming with seemingly no hope of freedom. (example: \$5000 debt = \$1000 interest annually at 18-20% rate)
- How do people get into debt?(ignorance, indulgence, financial irresponsibility)
 - Living beyond your means = debt

The Bible And Borrowing:

- The Bible does not rule out borrowing. It is permissible if done in wisdom.
 - Deuteronomy 15:1-11 "At the end of seven years you must cancel debts. Every creditor shall cancel the loan he has made to his fellow Israelite." (7 year mortgages) "You will lend to many nations but will borrow from none. You will rule over many nations, but none will rule over you." "If there is a poor man among you... do not be hardhearted or tightfisted toward your poor brother. Rather be open handed and freely lend him whatever he needs. (Lev. 25:10)
 - Deuteronomy 23:19,20 Lend freely to fellow countrymen who are poor.
 - Deuteronomy 24:10-13
 - Exodus 22:25-27 "If you lend money (to fellow Israelite who is needy) do not be like a money lender – charge him no interest."
 - Leviticus 25:35,36
 - Ezekiel 18:7,8 "He returns what he took in pledge for a loan... he does not lend at usury or take excessive interest. He withholds his hand from doing wrong."
 - Deuteronomy 28:1,2,12 God's blessing of obedience – ability to lend; The curse for disobedience – having to borrow
 - Luke 7:41-43
- Wise criteria for taking on debt
 - item purchased will appreciate or produce income to offset debt.
 - one's value of return must exceed one's debt.
 - it should not put a strain on one's budget, marriage, or family.
 - it should never be taken lightly (count to long-term costs)

Biblical Warnings:

- **Indebtedness/excessive borrowing/over-commitment**
 - Romans 13:7,8 "Owe no man anything..." "If you owe taxes, pay taxes, if revenue, then revenue..." (Matt. 22:17-21)
 - (pay your bills/don't make obligations you can't pay)
 - Proverbs 22:27 "If you lack the means to pay, even your bed will be snatched from under you."
 - Proverbs 6:1,2 "If you have been trapped by what you have said..." (11:15; 17:18)
 - (an obligation beyond your ability to pay/being irresponsible)

Deuteronomy 28:12,13,15,43-45; "The LORD will open the heavens, the storehouse of his bounty... to bless the work of your hands. You will lend to many nations but will borrow from none. The LORD will make you the head, not the tail... you will always be at the top, never at the bottom."
"If you do not obey the LORD your God... the alien who lives among you will rise above you... He will lend to you, but you will not lend to him. He will be the head, but you will be the tail."

Matthew 5:25,26 (issues of court and debt/bankruptcy)(pay your debts)

Leviticus 5:4 "If anyone thoughtlessly takes an oath to do anything..."

Proverbs 20:25 "It is a trap for a man to dedicate something rashly, and only later to consider his vows."

(2 Kings 4:3; 6:5; Ex. 22:14,15; Matt. 5:42; 21:1-3)

Principle of repaying what has been borrowed. (breach of trust)

Psalms 15:4 "He... is blameless... who keeps his oath even when it hurts..."

Psalms 37:21 "The wicked borrow and do not repay..."

Ecclesiastes 5:5 "It is better not to vow than to make a vow and not fulfill it."

Exodus 22:14 "If a man borrows...he must make restitution..."

Ezekiel 18:7,8 "He returns what he took in pledge for a loan... (Ezek. 33:15)

Matthew 5:25,26 (issues of court and debt/bankruptcy)(pay your debts)

- **Bondage** (burden of slavery/servitude)

Proverbs 22:7 "The rich rule over the poor, and the borrower is servant to the lender."

1 Corinthians 7:23 "...Do not become slaves of men."

1 Corinthians 6:12 "All things are lawful for me, but not all things are profitable.

All things are lawful for me, but I will not be mastered by anything."

Romans 6:16 "You are slaves to the one whom you obey..."

2 Peter 2:18,19 "...for a man is a slave to whatever has mastered him."

- **Impulsive, careless buying**

-Excessive spending/foolish indulgence with no margin of error.

-Barely breaking-even (crisis only amplifies the problem)

Ecclesiastes 2:10 "I amassed silver and gold for myself... I denied myself nothing my eyes desired, I refused my heart no pleasure..."

Luke 12:15-21 "Watch out. Be on your guard against all kinds of greed. For a man's life does not consist in the abundance of his possessions." "You fool, who will get what you have prepared for yourself? This is how it will be with anyone who stores up things for himself but is not rich toward God."

Proverbs 21:5 "...Everyone who is hasty comes surely to poverty."

Proverbs 21:17 "If you love pleasure, you will become poor."

Proverbs 21:20 "The wise man saves for the future, but the foolish man spends whatever he gets." ("A foolish man devours all he has.")

Proverbs 17:16 "What use is money in the hand of a fool. Since he has no desire to get wisdom."

Proverbs 15:16 "Better is little with the fear of the LORD than great wealth with turmoil."

Proverbs 22:3 "A prudent man sees danger and takes refuge, but the simple keep going and suffer for it."

- **Presumption**

James 4:13 "Now you say, 'Today or tomorrow we will go to this or that city, spend a year there, carry on business and make money,' Why you do not even know what will happen tomorrow. What is your life? You are a mist that appears from a little while and then vanishes. Instead, you ought to say, 'If the Lord is willing, we will live and do this or that.' As it is, you boast and brag. All such boasting is evil. Anyone who knows the good he ought to do and doesn't do it, sins."

- **Dangers Of Co-signing:**

- Legal financial responsibility to pay for the debt of another.

- 50-75% of those who cosign for someone end up paying off the bank loan.

Proverbs 17:18 "A man lacking in judgment strikes hands in pledge and puts up security for his neighbor."

Proverbs 11:15 "He who puts up security for another will surly suffer, but whoever refuses to strike hands in pledge is safe."

Proverbs 22:26 "Do not be a man who strikes hands in pledge or puts up security for debts. If you lack the means to pay, your very bed will be snatched from under you."

Proverbs 6:1,2 "If you have been trapped by what you have said..."
(an obligation beyond your ability to pay/being irresponsible)

Biblical Guidelines On Money:

- **Stewardship** ("Properly managing money entrusted to your care")

Luke 16:10,11 "Whoever can be trusted with very little can also be trusted with much and whoever is dishonest with very little will also be dishonest with much. If you have not been trustworthy in handling worldly wealth, who will trust you with true riches?"

Matthew 25:14-30 "Well done good and faithful servant, you have been faithful with a few things, I will put you in charge of many things."

- **Savings**

Proverbs 13:11 "He who gathers money little by little makes it grow."

Proverbs 21:5,20 "Diligence leads to profit, haste leads to poverty." "The foolish devours all he has."

Matthew 25:27 "He put his money to work and gained five more..." "You should have put my money on deposit with the bankers, so that when I returned, I would have received it back with interest."

Things To Think About For Debt Free Living:

- * When you are in the check-out line ask yourself, "Why do I want to buy this? Do we really need it? Do I have the money to afford this? Can I do without it?"

- * If you are in debt, what is your plan to get out of the bondage of debt?

What is your plan and repayment schedule?

- Pay off the smallest debts first. (highest interest rate/easiest first)

- Then take the extra money to pay off the next debt item.

- Consolidate your debt. Communicate with your debtors your plan.

- Consider ways of earning additional income without sacrificing your marriage, family, or health.

- Consider ways of saving additional income/cutting back spending.
- Make a commitment to accumulate no new debt and pay cash.
- * Home mortgages (save large down/buy smaller/not on combined incomes)
 - borrow \$100K – 30 years – pay back \$300K
 - work to pay of the back end and use compound interest for advantage
 - pay bi-weekly payments monthly (see sheet)
- * Auto loans
 - 70% of vehicles are financed. It is a depreciating item.
 - Be willing to drive older cars longer. Most keep a car 3-4 years.
 - Think about saving each year for a future car after loan is paid off.
- * Investment debt must have no strings attached (collateral) to personal assets or put your marriage and family at risk.
 - Never use borrowed money for speculative ventures.
- * What assets are you willing to part with or sell to pay off your debt? (additional cars, equipment, instruments, collectables, property)
- * Pay cash. Buy now – pay now! (cash only as much as possible.)
 - Get rid of all but one credit card (perform plastic surgery)
- * Save now for special needs/projects in the future
 - Future vehicle purchase, roof, RV, home remodel, etc.
- * Save for unforeseen emergencies (emergency fund/savings account)
 - Extraordinary medical expenses, home or auto repair
- * Can you substitute something cheaper or go about it a better way, or even postpone purchasing it for a later date to save money now?

Wisdom In Budgets: (see budget worksheet)

- There is a danger of relying on credit cards for expenses not covered in budget.

Personal Advice:

- Leave and Cleave (gain independence from your parents/don't be dependent)
- Live within your means (If you can't pay for it out of your excess – think twice before you buy it.)
- Simplify your lifestyle (Live with less. We need far less than we think!)
- Live with no or minimal debt and pay it off as soon as possible.
- Stick to your budget/keep receipts/carry less cash/know where your \$ goes.
- If both spouse's work, live off the husband's income & save the wife's income or use it to pay off debt.
- Discipline yourselves to save for the future by self-discipline in the present. (self-denial in present)(non-negotiables –v- negotiables)
- If you can do things yourself do it and save. (lawn/pool/home repair/hair/cook)
- When in doubt, don't. Don't be hasty with God's money. (Prov. 28:20)

Your goals as a couple:

1. financial freedom/be debt free
2. provide an inheritance for your children
3. provide for your retirement years
4. develop a giving and content heart
5. please God in every aspect of our lives – including how we spend money.

God's Provision:

- 2 Kings 4:1-7 God stretched the oil to pay the creditor and beyond.

Financial Evaluation Worksheet:

Assets: (What you own.)		
Cash/Savings Accounts		
Stocks/Bonds/Investments		
Cash Value Of Life Insurance		
Home		
Rental Property/Income		
Land		
Business Assets		
Possessions		
Auto/RV		
Retirement/Pension/IRA's		
Other:		
		Total:
Liabilities: (What owns you.)		
Consumer Credit Card Debt		
Home Mortgage (1 st)		
Bank Mortgages (2 nd)		
Vehicle/RV/Toy Loans		
Family Debt		
Business Loans		
Taxes		
Outstanding Bills		
School Loans		
Other:		
		Total:
		Grand Total: