

Getting a Grip on Your Finances

3 principles for achieving true financial success

by Bruce Howard

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Some people point to credit cards as the principle villain behind financial crises. Companies, they note, encourage us to use credit to increase our present consumption. *Want it? Charge it! Dispel your boredom and master the possibilities with MasterCard. Enter a new world of discovery with Discover Card.* So we organize our patterns of spending around the one "low" easy monthly payment. But payments add up; and to meet them, people start working two jobs, lead hectic schedules, and they end up being unable to meet true financial needs.

I'll agree that the use of credit is an important issue, but I think the real danger has more to do with old-fashioned greed than it does with credit. Greed is one of those words that is used so frequently, it's begun to lose its meaning. I decided to look up the word in the dictionary, and I found it means "excessive or reprehensible acquisitiveness." Acquisitiveness is defined as excessive or insatiable desire for wealth or gain."

Greed is really an attitude, which means it is possible for anyone to be greedy. Whether you have a lot or a little, you will always want more. Credit only becomes the vehicle for fueling our greed. At its root is a lack of contentment with the provisions of God. Unlike the apostle Paul, we have not become good at being content in whatever state we find ourselves.

There is a better way. True financial success is not measured by the amount of money you have. Rather, you are financially successful *when financial matters and problems do not dominate your life*. That doesn't mean you won't face hard times or difficult challenges. But the difficulties will not translate into a way of life.

So how do you get there? Actually, it's a pretty simple plan. But it's not easy to put into practice.

Give to God's Work First

As a CPA and professor in business, I have worked with a wide range of people on matters relating to their personal finances. But I have never met anyone who practiced tithing who also identified their personal finances as being a major stress point in their life. It didn't matter whether they were wealthy or had modest means. If they were givers, they were *free from financial stress*. On the other hand, I have also worked with some people who made a great deal of money and still suffered from financial stress. They were *not* givers. Fellow financial planning professionals agree their experience is similar to mine.

Now, scholars do debate over how much the Bible commands us to give. Leviticus 27:30-32 says a tenth is the Lord's and it is holy. Numbers 18:28-29 tells us the best of the tithe is the Lord's. Proverbs 3:9 tells us to "Honor the Lord with the first fruits." In Matthew 23:23, Jesus teaches us not to ignore matters of justice and not to neglect the tithe. Paul in I Corinthians 16:2 instructs us to give out of our abundance. My conclusion is, at a minimum, one tenth of our family's gross income should be directed to the Lord's work. And to the extent that we prosper, we are to give offerings beyond the tithe.

Why do I stress becoming a giver first? Show me how you spend your money and I'll tell you what's most important in your life. When our treasure flows to the Lord's work, it is his work that becomes most important to us.

Have you ever purchased an investment? Afterwards, you've probably checked the daily quotations in the newspaper just to see how well your investment was doing. The same thing will be true when you enter into a commitment to support a missionary, for example. When your treasure flows to Ecuador, you read the newspaper more carefully when it mentions Latin America. In a similar way, your thoughts, concerns, interest, prayers, and heart will gravitate to your church, the inner city, or Africa, as you commit your treasure to the work of the Lord.

Getting a grip on your finances all begins with getting your priorities straight. If your treasure each month is devoted to meeting the payments on that beautiful car sitting out in the driveway, then that's probably where your heart is. All too often, things crowd out what matters most to God.

Next You Save

While the Bible has a great deal to say about giving, it only speaks indirectly about saving. Proverbs 6:6-8, for example, commends the ant that stores its provisions in the summer and gathers its food at harvest. This proverb praises both the forward-looking nature and the industry of the ant. But the best scriptural support I can find for developing a consistent plan of savings is found in the principle teaching of I Timothy 5:8, where Christians are commanded to provide for their families: "If anyone does not provide for his immediate family, he has denied the faith and is worse than an unbeliever."

Establishing a habit of saving is one tangible way that we can provide for our families in the event that we lose our job, become disabled, or otherwise lose our source of current income. I know of several situations where men have had to quit their immediate job because they felt they were being called upon to act in unethical ways. They could do so because a well-developed habit of saving in the past provided the means to meet current needs.

Saving also enables parents to help children avoid assuming heavy burdens of debt to finance college education. It can provide the means to help young families break into the housing market. In the event of the death of a spouse, it can also provide for the family at a critical point in time. The stress of the loss of a spouse is sufficient alone for one to

bear. To have this compounded by the added pressure of not knowing how to provide for the family is more than anyone should have to bear.

Perhaps the best reason to save regularly is that you are also developing the ability to say *no* to things you don't need. You are, in fact, learning how to manage your money. Developing discipline in any area of your life just makes it that much easier to exercise discipline in others. If you are a disciplined saver, it is easier to be a disciplined giver.

You may feel, given the current state of your finances, that you just can't possibly begin a savings plan right now. In that case, I'd still encourage you to develop the habit by saving nickels, dimes, or quarters each week. It may not be much, but it will be the start of a good habit that can grow as you bring your finances under control.

For those who do have money to save, invest it. The wisest investment is not always the one that offers the highest potential rewards. There is a trade-off between risk and reward. Higher rewards generally come at the expense of assuming higher risk. When deciding on investments, you should first decide on how much risk you are willing to assume. Then you can shop around for the best opportunities for return within a given class of risk.

Then Live on What's Left

First you give, next you save, and then you live on what's left. Easy to say. Much harder to do. Living on what is left usually requires understanding the relationship between your income and your living expenses. Budgets are helpful in sorting this out. There are a variety of ways to approach the budget process.

I know some people who use Monopoly money to represent the monthly paycheck. Each month they "cash" the family paycheck into play money, which they put into various envelopes designated for food, utilities, gifts, entertainment, housing payments, saving, tithing, and other expenditures they know will be made that month. When they write checks or spend actual money throughout the month, they then remove the play money from the appropriate envelope. When the play money is gone, it is a visual and physical reminder that they cannot afford to spend anymore.

Admittedly, this may seem a bit extreme. There are a host of good personal money management books out there that can help you set a budget. If you as though your finances are out of control, I recommend you begin the process of getting a grip on it by investing in one of these good books. I have found the writings of Ron Blue to be very practical and balanced in this area. Another fine book is *The Christian's Guide to Worry-free Money Management*, by Daniel Busby, Kent Barber, and Robert Temple.

Some people find that living on what's left is oppressive. This may be true for families where the breadwinners have suddenly found themselves unemployed or disabled with their source of income cut off or greatly diminished. There are also people who, for a variety of reasons, are destitute and living in poverty. For these people, living on what is left is a story of human tragedy. This is not the situation I am addressing. I am talking,

rather, to that segment of our society that, like me, makes enough to live on but struggles with the "too much month at the end of the money" syndrome. We can become oppressed in spirit by just going through the task of making ends meet.

Let me encourage you to rethink this particular dimension of life. Living on what is left can be very fulfilling and even fun. My wife and I still look back on our early years of marriage with fond memories. Our first apartment was furnished with a combination of hand-me-downs and garage sale specials. Our couch cost the princely sum of \$15. Our end tables were orange crates that we painted. We lived in the second story of a house with our landlords on the first floor. During the first three years of our marriage, one or the other of us was a full-time student. Money was scarce in those days, but learning to meet this challenge together was a terrific way to grow the marriage.

Teaching at a Christian college has meant our family continues to have its financial challenges. Several years ago, my daughter, Lisa, wanted to buy a new two-wheel bicycle. She had truly outgrown her "baby bike" and it was time for another. She wanted it to be pink, have a saddle seat, and a pretty basket on the front. Unfortunately, she developed this longing at a time when the monthly cash flow was already getting squeezed. I explained this to her and asked her how she would feel about looking for a nice bike at a garage sale next Saturday. She wasn't delighted at the prospect but she was willing to give it a try. She understood that money was tight and we really needed to be careful.

The night before we were to go looking for this bike, Lisa did something "novel." In our bedtime prayers, she suggested we bring the matter before the Lord. It is moments like this when my faith is challenged to the core. "Does God really care about these things?"

I let her pray that night.

The next morning we got in the car and headed off on our quest for the perfect bike. We had traveled about five minutes when all of a sudden Lisa said, "Stop Daddy!" I pulled up alongside the curb in front of a nice home, and there in the driveway were not one but two shiny girls' bikes for sale. They were just the right size. They were pink, had saddle seats, and a pretty wicker basket on the front with flowers on the basket.

"Dad, I didn't even ask God for the flowers," whispered Lisa, "but I really love them!"

The family at this house had lovely little twin girls. The bikes had been a present to them but they had quickly outgrown them. They were virtually brand new. Lisa picked one, I paid \$20 dollars, got into the car and marveled at the fact that God cares about my little girl's bike.

Now we don't buy everything used. Neither do we frequently go to garage sales. The point I am trying to make is that learning to live on what is left almost always requires God's help. When you learn to live on what's left, you are learning to lean on God. That's what he wants. That is also what is best for us.



Frankly, it isn't good for us to have anything we want. It can foster a selfishness that crowds God out of our lives. Proverbs 30:8-9 says, "Give me neither poverty nor riches. Feed with the food that is my portion, lest I be full and deny you."

Yes, making good financial choices isn't easy. But God wants us to have success in managing our finances. So think again about my advice:

Give to God first. Next you save. Then live on what's left.

It's as simple--and as hard--as that. I wish you well.

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