

PROVERBS SERIES TWELVE
TAKING THE FEAR OUT OF FINANCES (PART TWO)

Dr. Roger Barrier
Proverbs 22:7,23;24:27;6:6-8;30:7-9

Let me start with a quiz. Who is more likely to put the family into a financial squeeze?

- SLIDE** #: The wife?
- SLIDE** #: The husband?
- SLIDE** #: Or the Teenager?
- SLIDE** #: OK, not the teenager. Let's talk about husbands and wives. Who is more likely to put the family into bondage?

My opinion is that it is usually the wife. The other day someone stole this woman's credit cards, but her husband decided not to report it. He said, "The thief spends less than she does."

I know of one husband who always hold hands with his wife when they go to the mall. He says, "If I let go, she shops."

One husband said that his wife will buy anything marked, "down." The other day he caught her in Mervyns trying to buy the escalator.

OK, let's vote. Who is more likely to put the family into financial bind? Raise hands.

- SLIDE** #: The wife?
- SLIDE** #: The husband?

The majority of spending in a marriage is not done by the wife. Under impulse, a woman will buy too much food and too many clothes. However, under the same impulse, her husband will buy a new car, a motor home, or an airplane. The majority of indebtedness in most marriages comes as a result of the husband's spending.

SLIDE: Proverb 15:27: A greedy man brings trouble to his family,

Money can ruin a family. God has a financial plan.

Proverbs has massive amounts of advice about handling money. They are all essential to handling money well and to taking the fear out of money.

Gary moved to Tucson years ago...Job fell through. Family with children. "\$36 in savings...\$28 in checking...\$45 in cash. Just found job but need \$480 to start...bills of \$672. Can you help? We're desperate. Taking toll on children. One child dreamed that mom and dad ran out of money and had to place children in orphanage.

Many of you remember from last Sunday: Weren't here? Get CD. Want to take fear out of finances.

SLIDE: WE TAKE THE FEAR OUT OF FINANCES BY VOLUNTARILY SURRENDERING THE FIRST PORTION OF OUR INCOME TO GOD.

SLIDE: Proverb 3:9-10: Honor the LORD with your wealth, with the firstfruits of all your crops; then your barns will be filled to overflowing, and your vats will brim over with new wine.

Explain first fruits.

Explain the curse.

Explain the partnership.

We want God on our side. We don't want to be on our own when it comes to finances.

SLIDE: WE TAKE THE FEAR OUT OF FINANCES BY ALLOCATING OUR RESOURCES INSTEAD OF ATTEMPTING TO PAY FOR OUR DESIRES.

SLIDE: PROVERBS 24:27: Finish your outdoor work and get your fields ready; after that, build your house.

Now, of course, theirs was a farming society. and so this verse is written in that context. Let me state this verse in its simplest form: Secure a source of income before you start your house.

Let's say this in a way we can sink our teeth into it:

SLIDE: Begin your financial planning on the basis of your financial resources, not on your desires.

Don't first ask these questions:

SLIDE: What do I want? What does the world say I should have? What does my peer group say that I should have? What is fashionable?

Don't ever ask these questions.

Ask these questions:

SLIDE: What resources do I have? What can I do with the resources that I have? What buying power do I have? What earning power do I have? (And, most important,) How does God want me to use it?

SLIDE: When we take this approach we will allocate our resources rather than attempt to pay for desires. If we go through life attempting to pay for our desires, we will ultimately crash and burn.

We have created a society where it is possible to live on the basis of our desires instead of our resources. We do this through credit cards.

I desire a new tv. I don't have the money for it; but, instead of having to save for one, I can buy it on credit and have it now. I did not have the resources; but I had the desire. I now have the tv in my den. I also am in debt and have a monthly payment plus interest.

Going into debt, not because of need, but because of desire, is a modern phenomenon.

For centuries people were evaluated on the basis of how well they managed their resources to help others. That came way before spending it all on yourself.

OVERHEAD: In Judaism the Talmud says that a person was judged on how well he managed his "kiso, koso, and ka'aso." That is, his wallet, his cup (alcohol) and his anger. Since the Torah requires Jews to make provision for those less fortunate, interest payments on credit cards could interfere with that moral duty.

Credit cards are permissible for Moslems only if the user pays off the balance each month before finance charges begin.

SLIDE: Sheikh Fazaga: "The fact that you could not control your desire, there is the problem. Part of having good character is to control your desires, not let them control you.... You are not rich because of how much you have. You are rich because of how much you can do without. You want to be able to say, 'I am so rich I don't need what Bill Gates has.'"

It is not a spiritual problem to owe money as long as you pay it back in timely fashion and it does not interfere with things you should be doing. But if it keeps you from having money for your child's tuition or from paying for your aging mother's needs, then you have a spiritual problem.

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

God did not intend for his people to live in bondage. Overly indebted people live in constant fear that their car is going to be taken away...that they cannot make their house payment...that they can't afford to take their children to the doctor.

•**SLIDE:** A large manufacturing firm decided to open a new assembly plant in an underdeveloped Latin American country because labor was cheap and plentiful. The plant successfully opened and the operation was progressing smoothly - until the first paycheck. The next day, none of the villagers reported for work.

Management waited...one, two, three days. Still no villagers came to work. The plant manager went to see the village chief to find out the problem.

•**SLIDE:** "Why should we continue to work?" the chief responded, "We have already earned all the money we need to live on." The plant stood idle for almost a month.

•**SLIDE:** Then someone came up with the idea of distributing the Sear and Roebuck mail order catalogs to all the villagers. Since that time there has not been an unemployment problem.

Now they know the word: MasterCard.

SLIDE: WE TAKE THE FEAR OUT OF FINANCES BY CAREFULLY MONITORING THE CONDITION OF OUR FINANCES. IN OTHER WORDS, EVERYBODY NEEDS A BUDGET!

•**SLIDE:** PROVERBS 27:23: "Be sure you know the condition of your flocks. Give careful attention to your herds. For riches do not endure forever, and a crown is not secure for all generations."

Now if you don't have any flocks and herds, just put whatever assets you have in there: probably money, savings accounts, stocks, bonds, a house, a car. What this verse is saying is know exactly where you stand financially.

It goes on to say, "For riches do not endure forever, and a crown is not secure for all generations." In other words if you don't know where you're going, then you're not secure, and you're not going to succeed financially.

This means you must have some kind of bookkeeping system; some kind of budgeting system to keep accurate track of expenditures and income.

One of the greatest enemies of financial success is ignorance of our true financial condition. I'm amazed and disheartened that Christians do not really know what their financial condition is.

Charles Dickens, the 19th century English novelist knew about living with out of control finances:

•**SLIDE #:** "Annual income \$20,000, annual expenditures 19,000, result happiness. Annual income \$20,000, annual expenditures \$21,000, result misery."

•**SLIDE #:** BALL PARK BUDGET GUIDELINES

See income levels and illustrate how the chart works. Let's say you make up to \$40,000 per year—monthly income is \$3333. Tithe at 10% and Taxes at 18% leaves \$2400 net spendable income. This means you have 36% of \$2400 to spend on housing or \$864, etc.

I inserted two spaces on the left. The first is for you to go back over the last several months and go over your check book and put in how much you average spending in each category. The next blank is for you to work out a budget that will help you spend less than you make—which will provide a surplus.

These numbers vary widely if you're a 27 year old bachelor and you want to buy a house—or if you are newly wed and thinking about a baby—or if you are in your mid-forties raising teenagers—of if you're retired and your kids are grown. Go the Crown finance classes.

Some families have enough money to be undisciplined and get away with it (financially speaking). I do not believe we can be good managers without a budget. Having no budget guarantees that we will waste God's money.

•**SLIDE: WE TAKE THE FEAR OUT OF FINANCES BY SAVING AND INVESTING FOR THE FUTURE.**

Let's examine several philosophical passages about the principle of saving, then I will put in the practical application.

•**SLIDE #: PROVERBS 6:6-8:** Go to the ant, you sluggard; consider its ways and be wise! It has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest.

Solomon says that we are to learn from the ants. What are we to learn? What does the ant do that we are to emulate?

It stores food for future consumption. What the ant does instinctively, we must do voluntarily. We are not forced to do it. We must do it by choice and to do that, we must act against the instincts of our old sin nature.

If we save, we are wise. If we don't, we are foolish.

•**SLIDE: PROVERBS 21:20:** “In the house of the wise are stores of choice food and oil, but a foolish man devours all he has.”

A wise man does not spend all of his income as he earns it. He saves some of it for future consumption. The fool consumes all of it as it comes in.

The New Testament also teaches this principle.

•**SLIDE: 1 TIMOTHY 5:8:** If anyone does not provide for his relatives, and especially for his immediate family, he has denied the faith and is worse than an unbeliever.

You say, “I don't see anything in that verse which talks about saving for the future.” The reason is that the English verb, “provide”, does not adequately translate the Greek verb from which it is taken. The word is hard to translate into English; however, it does include the dimension of “taking thought in advance... to anticipate... to think beforehand.”

Paul is saying that the Christian head of the household who fails in advance to anticipate the financial needs of his family and to provide for them has violated the Christian faith.

•**SLIDE: 2 CORINTHIANS 12:14:** Now I am ready to visit you for the third time, and I will not be a burden to you, because what I want is not your possessions but you. After all, children should not have to save up for their parents, but parents for their children.

We have to save now for our family's future financial needs.

- SLIDE: [college] For example, college. We can estimate the approximate date that our children will be going to college. We can estimate the amount required to put aside each month in order to have the amount necessary to put that child through college. We can do that in 30 seconds on a hand calculator at an assumed rate of interest.
- SLIDE: [house painted] We know that we have to paint our houses every five years or so.
- SLIDE: [refrigerator] The refrigerator goes out every ten or fifteen years.
- SLIDE: [car] Our car is going to be used up every five or ten years.
Our car insurance comes due every six months.

Now, any one of these items can wreck our financial picture if we don't plan and have the money there – but the money can be there if we budget properly and save accordingly.

- SLIDE: Are you anticipating your family's future financial needs and setting aside the money to meet those needs? Or do you just hope that the money will be there when the need arises?

OVERHEAD: Let me show you how the bible says this is to work. Genesis 41. Remember that Pharaoh had two dreams. In the first dream he saw 7 fat cows emerge from the river. Then 7 lean cows emerged and ate the 7 fat cows. In the second dream he saw 7 healthy heads of grain and then 7 thin head sprouted and gobbled up the 7 healthy heads.

Joseph interpreted the two dreams as representing 7 years of abundance in the land of Egypt to be followed immediately by 7 years of famine.

Joseph advised a 20% tax in the seven good years and they then had enough for the lean years.

Joseph's plan saved Egypt from famine and Egypt wound up feeding all the neighboring countries.

There are only two approaches for meeting future financial needs including emergencies.

- SLIDE: One way is to save a part of every dollar of income that comes into our hand to meet those needs.
- SLIDE: Another approach is to spend all we make as we make it.

Which approach is our nation following today? That is easy to answer. We spend all the money that we take in taxes. Then, we go out and borrow billions more than spend that. Then, when some unexpected need arises, such as a war, we borrow money to fight the war!

We should not have one dime of national debt in our country. We should have a surplus - like Joseph did when he was running the show back in Egypt.

Perhaps you're thinking, "It is too bad that we don't have a Joseph alive to guide our gov't today." Of course we have something better today. We have the Bible.

Each year we should collect enough taxes to pay all the expenses of this country and put some surplus into savings. We should be lending or investing those savings instead of borrowing and paying interest.

OVERHEAD: If we had a political party based on the Word of God that is exactly what would happen. It would not call for a balanced budget. It would call for a surplus budget.

How much should I save for the future? This depends on your future needs and this is different for every person.

Make it very simple this morning: Savings category and Investment category on our chart.

SAVINGS: Save each month to build up your Emergency Fund.

Be reconciled to it. Do not start making long term, illiquid investments until we have an emergency fund in cash, in a safe place, available without loss of interest or penalty.

Many recommend at least three months salary . . . Some today recommend six months salary.

Get emergency funds in place, then begin to build up investments.

OVERHEAD: Formulate Clear-Cut Investment Goals

Children's education.

Retirement.

Family inheritance.

Greater financial security for you family.

•SLIDE: WE TAKE THE FEAR OUT OF FINANCES BY EXPERIENCING GODLINESS WITH CONTENTMENT.

•SLIDE #: 1 Timothy 6:6-8: "Godliness with contentment is great gain."

•SLIDE #: Paul said, "If we have food and clothes, we shall be content with that."

I want to show you a marvelous philosophy for finances from the life of Agur.

•SLIDE: PROVERBS 30:7-9: "Two things I ask of you, O LORD; do not refuse me before I die: Keep falsehood and lies far from me; give me neither poverty nor riches, but give me only my daily bread. Otherwise, I may have too much and disown you and say, 'Who is the LORD?' Or I may become poor and steal, and so dishonor the name of my God.

True wealth is when we can be content with just what we need.

•SLIDE: John Henry Jowett: "The real measure of our wealth is how much we'd be worth if we lost all our money."

■SLIDE: JOHN SHORBE

SAHBA builder of the year

1100 square foot home to raise 5 children

Ten years ago built 1800 square foot home. That is enough.

■SLIDE: "Don't live at the extreme end of your budget. Set your standard of living and stay there."

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Ball Park Budget Guidelines

<u>Annual Gross Income</u>	<u>Up To \$40,000</u>		<u>\$40,000</u>	<u>Up to \$60,000</u>		<u>\$60,000</u>	
<u>and Up</u>							
	Range	Avg.	Example	Range	Avg.	Range	Avg.
Tithes and Charity	10-12%	10%	\$4000	10-15%	10%	10-25%	10%
Taxes	10-18%	18%	\$7200	10-25%	19%	10-30%	21%
Net Spendable							
Income = 100%	70-80%	72%	\$28800	70-80%	71%	70-80%	69%
Savings	5-8%	5%	\$1440	5-10%	5%	5-10%	5%
Housing	28-40%	36%	\$10152	25-35%	26%	20-30%	24%
Food	15-18%	12%	\$3456	10-14%	11%	8-15%	9%
Transportation	10-15%	14%	\$4032	10-14%	12%	8-15%	9%
Medical	2-5%	4%	\$1152	2-5%	4%	2-5%	3%
Clothing	3-5%	4%	\$1152	3-6%	5%	3-6%	5%
Entertainment	4-6%	5%	\$1440	4-7%	7%	5-8%	7%
Insurance	4-5%	5%	\$1440	4-6%	6%	4-7%	5%
Miscellaneous	4-8%	5%	\$1440	4-8%	7%	8-10%	8%
Debts	0-6%	2%	\$576	4-9%	6%	5-10%	8%
Investments	0-6%	3%	\$864	4-10%	5%	7-10%	10%
Retirement	5-10%	5%	\$1440	5-10%	6%	5-10%	7%
TOTAL	80-132%	100%	\$28800	83-135%	100%	80-136%	100%