

LESSON 1

INTRODUCTION: FINDING FINANCIAL PEACE

*Moreover, when God gives any man
wealth and possessions,
and enables him to enjoy them,
to accept his lot and be happy in his work—
this is a gift of God.*

Ecclesiastes 5:19

How are your finances these days? Do you find that you have more month at the end of the money? Do you feel you have too much debt, too little savings, or too little control over your financial life? You are not alone. The typical American family spends more than its after-tax income and then some. At an alarming rate, Americans are dipping into savings and increasing debt to finance current spending. This is not something that has occurred since our economic recession. In fact, the savings rate of Americans in 2006 (two years before our current recession began) was a negative 1 percent, the lowest rate since the Great Depression.¹ Overspending and incurring enormous debt have become the norm for many Americans.

We are ignorant of the most basic knowledge of economics and the financial facts of life. In 2009, the average American owed \$8,400 on credit cards. Over 80 percent of college students have credit cards with an average debt of \$2,500.² Almost 40 percent of American households spend more money annually than they make, and the personal savings rate of Americans is at the lowest point in 50 years.³ The average retiree can't even write a check for \$600!⁴ Is it any wonder, then, that the number one cause of marital problems is money?

There are two reasons for our financial problems: ignorance and lack of discipline. Dave Ramsey, a radio and television financial adviser, says: "Winning at money is 20 percent knowledge and 80 percent behavior."⁵ It's just human nature to want it and want it now; it's also a sign of immaturity.

¹Crutsinger, Martin. "Few pennies saved: Americans spending more than they earn," The Associated Press, February 1, 2007.

²How Much Does the Average American Owe in Credit Card Debt?" eHow Money.

³"Savings Rates Rising Toward Mediocrity," *The New York Times*, June 20, 2011.

⁴Ramsey, David L. *The Total Money Makeover*, Thomas Nelson, Inc., 2009.

⁵Ibid.

We need to quit trying to keep up with the Joneses because the Joneses are broke. Americans have traditionally referred to the wealthy as “millionaires,” and perhaps most of us who aren’t a millionaire would like to be one. Have you ever studied the habits of millionaires? Two researchers did just that. In the late 1990s Stanley and Danko interviewed dozens of millionaires and discovered that the average millionaire drives a two-year-old car with no payments, lives in a house valued at \$320,000, and buys his blue jeans at Walmart.⁶ Millionaires derive more motivation from the goal of financial security than from what the Joneses or their friends and family think.

But what does God think? Money is one of the most talked about subjects in God’s Word. There are more than 700 direct references to money and hundreds of indirect references in the Bible. Among the parables of Jesus, 16 of 38 deal with money. There is more said in the New Testament about money than about heaven and hell combined, and five times as much is said about money than prayer.

If you’re a Christian, you know the plan of salvation: believe, repent, confess, be baptized, and stay faithful until death. Now let’s state the plan of salvation in financial language:

BELIEVE what the scriptures say about money.

REPENT of your wicked ways and start your financial life over again.

CONFESS your financial sins.

BE BAPTIZED by immersing yourself in the principles of money management.

STAY FAITHFUL UNTIL DEATH by living a financially healthy life.

When it comes to money, we think with our emotions. Perhaps we have stinkin’ thinkin’ because we have not acknowledged God’s first principle of money management. Without it, time spent learning how to acquire wealth is meaningless. With concentrated effort, you can learn basic principles of financial management that will keep you out of debt, enable you to save for the future, and even provide you with wealth. However, if after having done so, you miss the one lesson God wants us to learn, then you may have unwittingly put yourself in danger of being overcome with temptation.

*Again I tell you,
It is easier for a camel
to go through the eye of a needle
than for a rich man
to enter the Kingdom of God.*

Matthew 19:24

As Christian women, we must believe, accept, understand, and live by this principle because it forms the foundation for the way we view our possessions and how we make financial decisions. Many of us have not yet embraced it. We are secretive about our money, and perhaps that is the reason why we have failed to recognize what God so desperately wants us to understand:

⁶Stanley, Thomas J. and Danko, William D. *The Millionaire Next Door*. Longstreet Press, 1997.

HE OWNS IT ALL.

He owns everything. The bed you slept in last night. The shoes you put on your feet this morning. The car you drove today. The food your children eat. The house you live in. We are simply stewards of what God has allowed us to hold in our possession. And one day there will be an accounting.

THE PARABLE OF THE TALENTS

*Again, it will be like a man going on a journey,
who called his servants and entrusted his wealth to them.
To one he gave five bags of gold, to another two bags,
and to another one bag, each according to his ability.
Then he went on his journey.*

*The man who had received five bags of gold went
at once and put his money to work and gained five bags more.
So also, the one with two bags of gold gained two more.
But the man who had received one bag went off,
dug a hole in the ground and hid his master's money.*

*After a long time the master of those servants
returned and settled accounts with them.
The man who had received five bags of gold brought the other five.
"Master," he said, "you entrusted me with five bags of gold.
See, I have gained five more."*

*His master replied, "Well done, good and faithful servant!
You have been faithful with a few things;
I will put you in charge of many things.
Come and share your master's happiness!"*

*The man with two bags of gold also came.
"Master," he said, "you entrusted me with two bags of gold;
see, I have gained two more."*

*His master replied, "Well done, good and faithful servant!
You have been faithful with a few things;
I will put you in charge of many things.
Come and share your master's happiness!"*

*Then the man who had received one bag of gold came.
"Master," he said, "I knew that you are a hard man,
harvesting where you have not sown and
gathering where you have not scattered seed.
So I was afraid and went out and hid your gold in the ground.*

See, here is what belongs to you.”
His master replied, “You wicked, lazy servant!
So you knew that I harvest where I have not sown
and gather where I have not scattered seed?
Well then, you should have put my money on deposit with the bankers,
so that when I returned I would have received it back with interest.”

“So take the bag of gold from him and give it to the one who has ten bags.
For whoever has will be given more, and they will have an abundance.
Whoever does not have, even what they have will be taken from them.
And throw that worthless servant outside, into the darkness,
where there will be weeping and gnashing of teeth.”

Matthew 25:14-30

What conclusions can we draw from this parable? Here are ten implications to consider about what God is saying to you and me:

1. I own it all.
2. I've given you a brain—use it.
3. I expect you to work—don't be lazy.
4. I've given you talents—develop them.
5. I've given you money—manage it well.
6. I've given you according to your ability.
7. I've given some more than you, so why be envious?
8. I'm going to hold you accountable.
9. I reward good stewards and punish bad stewards.
10. I want you to understand that you reap what you sow.

Did you notice that God poured blessings upon the five-talent man and the two-talent man? He tends to pour blessings upon those people who are going in the direction he wants them to go. Living as a Christian can simplify your life because Biblical principles make life easier than muddling our way by making up our own value system. The principles of financial management are easy. They may be hard to implement, but they are not hard to understand.

Financially speaking, people fall into four categories I'll call Spenders, Misers, Controllers, and Stewards:

SPENDERS

The typical spender will make statements such as: “You can't take it with you,” “You only go around once in life,” “I've worked hard; I deserve it,” and “Live it up!” Spenders use credit cards as a way of life. Everything is financed to the hilt: the car, the boat, the mortgage on the house plus the home equity loan. Whether he'll admit it or not, a spender likes to impress others. A spender spends more money than he earns and, therefore, has a minus in the net worth column on his balance sheet.

MISERS Misers are miserable. They are so consumed with *not* spending money that they are constantly anxious. Misers never enjoy life because anything that costs money causes pain. A miser will drive for miles out of his way to save two cents a gallon on gasoline or deny himself pleasures that he can afford.

CONTROLLERS Controllers are much more practical and knowledgeable about money matters. They don't look at a budget with dread but as a way to free themselves. Just as businessmen control expenses at work, controllers control expenses at home. They use a budget to determine where they are overspending. There's money available for the fun things in life, and perhaps everything but the house mortgage is paid for with cash. A controller lives *below* his means.

STEWARDS Stewards are a lot like controllers except they are not burdened with anxiety. A steward is a giver and gratefully recognizes that God blesses him when he is generous to others and does not rob God of what rightfully belongs to him. Stewards control their money because they recognize it's not really theirs. All of it belongs to God.

Think about these four financial types. Which one are you? I hope that you're a steward, but I suspect that most of us fall into one of the other categories or a combination of them. Perhaps our failures at financial management are simply a matter of ignorance concerning the skills involved in learning to be good stewards.

For too long we have pretended that Christians have no financial problems. Aren't we subject to the same temptations as the nonbeliever? God uses money to bless us and direct our lives. Satan uses it to shackle us. Christians must recognize the signs of financial bondage. In times past, financial bondage meant time in prison—physical bondage. A man who couldn't pay his debts was thrown into debtor's prison. Financial bondage belongs to the rich and the poor. The rich worry about losing what they have, and the poor are anxious about gaining more. Regardless of the total income we have, it's not the amount that matters. It's our attitude toward money.

We will not find financial peace until we recognize that **God owns it all**. Ron Blue describes this biblical principle of money management:

First of all, God has the right to whatever he wants whenever he wants it. It is all his because an owner has *rights*, and I, as a steward, have only *responsibilities*. Secondly, not only is my giving a spiritual decision, but *every spending decision is a spiritual decision*. Third, if God owns it all, *you can't fake stewardship*. Your checkbook reveals all that you really believe about stewardship. A life story could be written from a checkbook. It reflects your goals, priorities, convictions, relationships, and even the use of your time.⁷

When we have the faith to truly believe that God owns it all and He really means what he says, then finding financial peace will become an easy road map to follow.

⁷Blue, Ronald W. *Master Your Money*. Thomas Nelson Publishers, 1991.

SCRIPTURES TO LOOK UP THIS WEEK

Directions: Look up the following scriptures and write a summary for each.

Proverbs 30:7-9 _____

I Timothy 6:7-10 _____

Ecclesiastes 7:12 _____

Luke 12:16-34 _____

Luke 15:1-32 _____

Luke 16:11 _____

Philippians 4:6-7 _____

PERSONAL FINANCE TRUE-FALSE QUIZ

Directions: Circle True or False for each statement.

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|------|-------|-----|--|
| True | False | 1. | There are almost one hundred scriptures in the Old and New Testaments directly related to money. |
| True | False | 2. | The number one cause of bankruptcy today is mortgage debt. |
| True | False | 3. | You should not include all of your income in the family budget because you will need some income for savings and emergencies. |
| True | False | 4. | “Ninety days same as cash” is one way to reduce the cost of a purchase. |
| True | False | 5. | You need a credit card to rent a car, check into a hotel, or buy online. |
| True | False | 6. | Gold is a good investment during times of economic downturn. |
| True | False | 7. | Tithing was first introduced in the Old Testament in the Law of Moses. |
| True | False | 8. | Car payments are a way of life; you’ll always have one. |
| True | False | 9. | You can pay off a 30-year mortgage by making double payments for 15 years. |
| True | False | 10. | Debt is a tool of good money management. |
| True | False | 11. | The average millionaire in the U.S. lives in a house worth \$562,000. |
| True | False | 12. | Whole life insurance costs less than term insurance. |
| True | False | 13. | Debt consolidation is one good method of money management. |
| True | False | 14. | According to the Bible, money is the root of all kinds of evil. |
| True | False | 15. | Because of the tax advantages, you should lease things that depreciate in value. |
| True | False | 16. | One good way to own a home on a small budget is to purchase a mobile home. |
| True | False | 17. | You should reduce credit card debt by paying off high-interest bills first. |
| True | False | 18. | As long as you pay the total of your credit card bill at the end of the month, your purchases will cost the same as paying cash. |

ALL ANSWERS ARE FALSE

PERSONAL FINANCE TRUE-FALSE QUIZ

1. There are over 700 scriptures in the Old and New Testaments directly related to money. The Bible talks about money five times more than prayer; it says more about money than heaven and hell combined.
2. The American Bankruptcy Institute says 69 percent of filers claim credit card debt caused their bankruptcies. Another major cause of bankruptcy: medical bills. College students make up 19 percent of bankruptcies.
3. A budget includes all income, which goes into the same pot and is divided into pieces of pie called accounts.
4. Frequently you can get a discount for paying cash; but if you are offered “ninety days same as cash,” you probably won’t be offered a discount.
5. Debit cards will suffice. Only a few car rental businesses don’t take debit cards.
6. Gold is a poor investment compared to other investments, although its investment value has improved somewhat over the last couple of decades.
7. Genesis 14:18-20—Abraham gave a tithe to Melchizedek.
8. For most Americans, car payments are a way of life; but they don’t have to be.
9. It only takes a few extra payments to reduce the principal and pay off a mortgage in half the time. Mortgages are front-loaded toward interest, so banks make a fortune in the first few years of a home loan.

→Take a \$250,000 mortgage with a 15-year term and 6% interest rate. Compare this to the same loan amount with a 30-year term and 6.25% rate (smaller terms usually carry a bit better rate). With the 15-year term, you have a monthly mortgage payment of \$2,110, and you will pay \$129,736 in total interest. The 30-year mortgage payment is \$1,539, but you will pay \$304,145 in total interest. In other words, you will pay \$174,409 more in interest by having a 30-year loan versus a 15-year loan.

→Let’s suppose you add the difference in these two payments of \$571 each month to your 30-year payment. If you put these figures into a “What If I Pay More Each Month” calculator, you’ll still pay off the loan in just over 15 years, and you’ll save over \$164,260 in interest payments. If you currently have a 30-year mortgage, consider paying extra on the principal each month. If your payment includes taxes and insurance, make sure you indicate that the extra amount is going toward the principal only. (Note: Run your own figures on the “What If I Pay More Each Month” calculator at LendersMark.org.)

10. Debt is not a good tool of money management; it’s a method of making lenders wealthy.
11. The average millionaire in the U.S. drives a two-year-old car with no payments and lives in a \$320,000 home.
12. Term insurance is pure insurance and costs very little compared to whole life, which is insurance combined with savings. For example, a 30-year-old male can purchase a \$125,000 twenty-year term policy for \$7 per month; but the same policy with whole life would cost \$100 per month. The \$93 difference will disappear in commissions and expenses the first three years and earn an average of 2.6 percent a year after that. (Note: Universal Life averages 4.2 percent per year, and Variable Life 7.4 percent per year.)
13. Debt consolidation combines all your debt into one monthly payment. The total monthly payout is less because the payments have been stretched out for a longer period of time, thus generating more interest to pay. It also does not address the problem of why there is too much debt. The reality is that debt grows back for 78 percent of people who obtain this type of loan. When monthly payments have been reduced, people just return to their overspending habits.
14. The LOVE of money is the root of all forms of evil.
15. Leasing does not cost less than buying. Do the math; a lease costs more than a purchase even with the tax advantage.
16. Mobile homes depreciate rapidly and are financed at higher interest rates. If you get a loan for a new \$25,000 double wide home for 15 years at 7 percent interest, in five years you will still owe almost \$20,000; and your mobile home will only be worth a fraction of its cost.
17. Not necessarily. If you do the math, yes, paying off the high interest cards first will save more money in interest. However, sometimes motivation is more important than math. It will probably be more motivating to get the smallest loans paid off first to give you a sense of accomplishment.
18. The actual cost might be the same because there will be no interest when you pay the balance of a credit card account each month. However, studies show that people buy more when they use credit cards than when they pay cash. It simply hurts more to pay cash! A study of credit card use at McDonald’s found that people bought 47 percent more food when they used a credit card than when they paid with cash.