

Taking
Charge of Your
FINANCES

Herbert W. Armstrong led the Worldwide Church of God (formerly The Radio Church of God until 1968) until his death in 1986. Hundreds of millions heard his voice and read his literature. God called him in the fall of 1926 and he was converted in the spring of 1927. Over the course of Mr. Armstrong's ministry, God revealed through him a great many true biblical doctrines, which had been lost to the Church through the centuries. After his death, his successors ceased to believe and teach these doctrines. Although copyright law prohibits The Restored Church of God from reproducing and distributing literature produced while he led the Worldwide Church of God, we are committed to the preservation and teaching of all of these truths!

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Printed in the United States of America

Everyone desires a fulfilling and successful life. All dream of running a stable, healthy and happy family, providing for their every need.

Yet more and more people are being swept into a sea of high-interest credit card bills. Personal debt and bankruptcies are at an all-time high. Families now routinely spend more than they earn.

Here is what you can do to turn the tide of debt, take charge of your finances—and find *true* economic success!

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INTRODUCTION

It is God's desire that all people enjoy prosperity, happiness and security. Every family should have the peace of mind that their needs will be provided for—that there is a long-term plan in place to ensure this. These are common concerns on the minds of most.

The odds are very good that you are currently in debt—paying various credit card bills, a mortgage, a car note, school loans, furniture payments, and others. Aside from these, you are probably weighing your options on saving money for a variety of other important events: retirement, your children's college education, etc.

Proper money management, especially in today's fiscally driven world, is a key to success—even survival. Most are obsessed with material possessions and wealth. However, if money is not properly managed—is squandered and wasted—life will not be productive and enjoyable, and basic family needs will be unattainable.

Consider. A milestone in a family's life is the purchase of its first home or car. While these things do not guarantee happiness, they do provide for the family's sense of security and safety. No doubt, this requires money and proper handling of one's finances.

Yet today, many fail to do this. Most people are too concerned with the latest fads and trends, wanting to be on a constant “feel good” high of pleasure and entertainment. Thus, vital aspects of their family's stability and future—such as budgeting and planning—are simply overlooked or ignored. This is one of the leading causes of divorce, the final rupturing of proper family life. In fact, the *second* leading cause of divorce in the United States is financial problems.

Sad, but true. But this need not include you.

There are crucial principles that guarantee financial success—and many are biblically-based. This booklet examines *why* so many are in debt, and presents these realistic principles that, when properly applied, lead to the stability, happiness, security and prosperity you and your family long for—and *can* achieve!

WHY THE DEBT CRISIS?

The *entire* world is in debt. Governments and nations routinely overspend. States, towns and municipalities are also plagued by ever-increasing budget shortfalls—“deficits.” Just looking at the state of California’s fiscal *mess*—a current estimated \$35 billion sea of red ink—reveals the wide scope of this problem.

To please their constituents, many government leaders take the stance of “pork barrel spending”—catering to special interest groups who demand programs that benefit their own agendas. Such leaders are virtually compelled to overspend.

People’s personal lives also demonstrate this pattern!

Of course, instead of curtailing spending, governments simply *raise taxes* when they *overspend*. However, people cannot as easily increase *their* income.

Millions are being robbed of their financial security. Their families’ stability is crumbling away, and with it the future of their children. The cause?—DEBT. The toll this has now taken on society can only be described as a CRISIS!

Why? What is it that consumes so many with the urge to charge purchases?

Why do so many live beyond their means—requiring loans and credit cards to survive—thus fueling the credit industry? Consider the following:

- 50 million credit cards are issued each year.
- Up to 25 million people in America are “two paychecks from the street,” with nearly 15 million just “one paycheck from the street.”
- The average American carries a cumulative credit card balance of \$8,562.
- The average family has 10 credit cards.
- 78% of Americans are considered “credit worthy” by the lending industry.

- In 2001, Americans paid over \$50 billion in finance charges to creditors.
- Currently, the total consumer debt for Americans is a record \$735 billion.
- An average minimal payment is 90% interest and 10% principal.
- There were 1.354 million bankruptcies in 1999 alone.
- In 2001, 1.5 million credit card holders declared bankruptcy—higher than any point in history.
- Almost half of all American households find it difficult to make their monthly payments, and consider bankruptcy a safe option.
- *BusinessWeek* reports that total household debt—car loans, mortgage, school loans, etc.—passed 100% of the household's total annual income.
- In the United Kingdom, the average debt per household is £10,700 (GBP)—over \$17,000 (USD).
- A *Datamonitor's Consumer Review 2002* study shows that now, more than ever, people are willing to buy unaffordable prestigious gifts, simply because they can slowly pay for them.

How many of these statistics include *you*? Have you found yourself making the minimal payments month after month? Have you paid off a car note or mortgage payment with credit cards? Have you found yourself making purchases you *knew* you could not afford, but just *had* to make? If you are an average American, the answer is *yes*. And, unless drastic action is taken, bankruptcy may one day seem like a healthy alternative for you.

Now for the *REAL* question: How can one get out of this dilemma?

Campaign for Debt

One of the most common phrases used throughout the holiday season is “Charge it!” Many millions of shoppers utter these same two words each year as they parade through crowded malls and stores in search of holiday bargains. With increasing prices, and an ever-expanding list of family and friends for which to buy, more and more consumers are being herded toward credit card bills and interest charges—all wrapped under the convenient “bow” of “buy-now-pay-later” merchandising. One month *after* the festivities and merry-making has ceased, buyers must contend with how and when to pay for their purchases.

With so many already in debt, the lending industry is turning more of its attention on younger customers.

On university and college campuses, creditors are commonly found swarming students with credit offers. For a free t-shirt or CD case, thousands sign up for credit, and begin their path down the dangerous slope of debt.

A Georgetown University study showed that 78% of undergraduates had acquired at least one credit card, with 32% having four or more. The average debt for these students was close to \$3,000, with 10% owing over \$7,000. Appealing to youths' desire to have the latest clothes, music and cell phones, lenders practically guarantee that young cardholders become lifelong debtors.

The lending industry's strategy is best described as marketing *bombardment*, and is a key reason that their profits have soared nearly 50% in just two years—and are at a five-year peak! With each credit company continually jockeying and vying to be the biggest, their target audience is any adult with a pen in hand.

This marketing is best portrayed through the media. Commercials, television programs, music and movies depict people on the peak of trends—enjoying the best of the best—as being happy, content and fulfilled. (Of course, to the average American, it would practically take an additional full-time job to stay on top of the heavy payback that follows.)

While one should always seek to have the best he can *afford*, this subtle merchandising has helped spawn a generation conditioned—trained—to SHOP! It is no wonder that 93% of American teenage girls reported that shopping is their favorite activity. The “buy-now-pay-later” mentality provides many with the justification to support this “hobby”!

This is dangerous thinking. Little does society in general realize the hazards of unchecked credit spending. Most will spend *years* trying to pay off mountains of debt that only took *moments* to incur. In reality, the buy-now, pay-later mentality is better described as “buy-now, *agonize*-later”!

Aside from selective age-based advertising, creditors are also taking a bold step with their merchandising. Think about it. How many times have you received a solicitation in the mail for “pre-approved” credit? How many of these offered “special introductory rates,” “low monthly APR,” “free application gifts,” “everyone gets approved,” “no payments for three months,” “an extra 10% off your purchase,” etc.?

Studies show that the average American receives seven or *more* offers from credit card companies each year! And this is only the beginning. These ads are more commonly sent to families (those who would naturally have more people to shop for) and those with a bad credit history (those who have already established that they have problems controlling credit spending).

Credit solicited by mail comprises nearly three-quarters of all accounts opened. These campaigns have been so successful, that they have more than doubled since 1993—when 1.52 billion solicitations were sent to Americans. In 2002, 3.3 billion were mailed. Many are often fooled into believing they have a good credit rating, simply because they receive these offers. It is logical to think that if lenders are offering you credit, it is because they trust that you can and will pay for it.

But this is far from the truth.

While offers *are* sent to those with good *and* bad credit, they are more often sent to those with bad credit—in hopes of further proliferation of debt. The reasoning behind this is that if the applicant has already fallen into the pattern of making unwise charges, meanwhile paying high interest, he will continue to do so. In addition, any who have recently declared bankruptcy cannot do so again for at least seven more years!

In a move to better “checkmate” their clientele, aside from increased marketing, the lending industry has also been vigorously pushing at Congress to pass tougher restrictions through bankruptcy legislation. Travis Plunkett, the legislative director of the *Consumer Federation of America*, stated, “Credit card issuers are brazenly lobbying for new bankruptcy restrictions at the same time their aggressive marketing and lending practices are pushing many families closer to the financial brink. While the issuers urge Congress to deny families access to bankruptcy...their *profits are soaring*” (emphasis ours).

The creditors’ dual attack—to protect *and* ensure their increasing profits—shows the cunning subtlety behind this billion-dollar industry!

Now, instead of asking, “What’s in your wallet?” as a major creditor asks in its advertising campaigns, one should ask, “How much of what’s in my wallet is *actually mine*?” After examining the facts, it becomes more apparent how consumed—and entrenched—in debt society has become!

Debt on the World Scene

The world, in many ways, is tightly woven together. Although competition, disagreements, disputes and wars commonly occur between nations, each nation is like a strand interwoven into a giant *economic* fabric.

Try to think of one entirely self-contained nation. For the most part, each country on earth is *dependent* on another—even multiple nations—for survival. The actions of each directly or indirectly affect *all* the strands. An example of this was U.S. oil prices forging to two-year highs because *Venezuelan* oil workers pledged to a 25-day strike, for the removal of Venezuela’s president in 2002-03.

In the world of finance, borders and territories are not as defined as they are on maps!

What about national debt around the world? How have countries managed their finances? Surely, governments and officials, with all their resources and means, have found a way to lower unnecessary spending, thus curtailing debt—right? The answers are surprising.

Space does not permit the inclusion of the debt of all nations. However, notice some general national statistics:

Asia and South Pacific Islands: With \$139 billion (USD) in foreign debt and a crippling economic crisis, Indonesia is described as “a ship that has almost sunk.” Other issues, such as three decades of mismanaged funds, environmental concerns and social problems, add to Indonesia’s woes. Japan, with the second largest economy in the world, has a national debt of \$5.3 trillion—140% of its gross domestic product (GDP – the final value of all goods and services produced in an economy in a given year). Although U.S. debt is greater, this percentage makes Japan the worst industrialized debtor nation.

Europe: In Italy, the national debt is over \$1.4 trillion, and it is rising 7% a year. Although the EU only accepts countries whose budget deficit is less

than 3% of its GDP, Italy—which has a deficit of over 100%—was made an exception. In the U.K., the national debt is \$461.3 billion—with its citizens owing \$33.6 billion in credit card bills.

North America: The U.S. national debt is at \$6.3 trillion, requiring annual interest payments in the hundreds of billions! With an established limit of \$6.4 trillion, the Treasury approached Congress in December 2002, asking for approval on increasing this limit. Because the national debt has increased \$1.15 billion per day since September 11, this set limit was surpassed by February 2003. With the U.S. population estimated at 290 million, each citizen's average share of this debt is over \$20K! In Canada, the national debt is \$600 billion—the second largest debt behind Italy, in comparison to the size of its economy.

Countries in Africa, South and Central America and the Caribbean are also reeling from debt problems, and often cut back in health services or other vital areas of government funding simply to make their payments!

These figures, along with the ever-increasing threats of terrorism, war, geopolitical struggles, lowered trade, crashing investments, poverty—such as the astounding 1.2 billion people worldwide living in absolute poverty (on less than \$1 a day)—and other factors directly affect national debt.

After examining debt on the world scene, it is evident that the global economic “fabric” is riddled with DEBT! No one knows just how to keep the global economy from sinking into a sea of credit woes.

On both the consumer and national levels, man has once again proven his inability to stem the snowballing burden of debt.

Consumer Debt: Did You Know?

Consider some additional debt facts:

- Industry watchers estimate that by 2006, about 30% of all consumer spending will be on credit cards.
- The average credit line is \$3,500. A decade ago, it was \$1,800.
- If you make the minimum monthly payment on a balance of \$4,000, with an 18% annual rate, it would take you 42 years to pay it off!
- Identity theft and fraud have reached epidemic levels—even finding their way *inside families!* It is becoming more common to hear cases of teens, upon applying for credit, discovering that their parents have used their identity to have multiple lines of credit!
- Only 32% of parents regularly talk to their children about financial matters (“2001 High School Financial Literacy,” *National Foundation for Credit Counseling News*).
- In 1973, U.S. households saved 8.6% of their income to a savings account. In 1990, the typical U.S. household saved 7.8% of its income. In 1993, it dropped to 4.2%. Today, the average household spends 0.1% *more* than it actually earns!

Identifying the True *Source* of the PROBLEM

Before continuing, realize that not all credit is wrong. In fact, credit is an important part of life, to be used cautiously and sensibly. Through loans and developing good credit, people can buy their first car, home or apartment, or put themselves through college.

Credit is not the problem. A *lack of self-control* drives many into irreparable debt—even bankruptcy. The reckless, impulsive mentality behind most borrowing has turned the loan industry into a thriving business. Credit is often used to purchase luxuries, leaving little to show for it except the bills. As a finance reporter for *BBC News* stated, “The temptation to borrow too much is greater than ever before.”

Obsession with material goods further fuels the ever-growing debt crisis. In order to have more, people today spend more than they actually make. They are accustomed to increasingly luxurious lifestyles, feeling the need to spend more—to have the best clothes, newest gadgets and fanciest cars—the “keeping up with the Joneses” mentality. They are further driven by the rationale, “Everyone else is doing it!”

Many have the tendency to shop when feeling unhappy or discouraged in order to feel “better.” Ironically, much of their initial unhappiness and worry stem from debt. So the cycle continues.

WHY? As governments and their citizens slip into bankruptcy, why has man not found a way to curb his appetite for material gain and manage his finances?

Author John Steinbeck wrote, “If I wanted to destroy a nation, I would give it too much and I would have it on its knees, miserable, greedy and sick... We can stand anything...save only plenty.” These sobering words should serve as a warning to any nation currently in this condition. The U.S.—certainly the richest nation in the world—is far from rich in character and personal responsibility for its affairs. As Alfred Hackbarth, of the *National Foundation for Consumer Credit*, explained, “There is a *breakdown* in personal responsibility.”

This is true of society today. Most are so busy living for the sole purpose of pleasure, comfort, gain and entertainment that personal *responsibility* and *character-building* are not as important as they once were. This present generation is very different from a few generations ago.

News headlines of credit fraud, identity theft, corrupt and failing governments, increasing corporate and consumer bankruptcies and others are telltale signs of the miserable, greedy and sick state of this debt-ridden society!

WHAT DOES THE BIBLE SAY ABOUT MONEY?

Many differing opinions on why the debt crisis—and how to take control of your finances—fill newspapers, magazines, radio programs and books. Prominent financial counselors offer seemingly endless advice that, while often helpful, does not analyze the *crux* of this subject.

If so many “experts” have so many theories (most often contrary to what other “experts” say), how does one know which advice to follow? Where can people find real solutions to their real problems?

The answer is the Bible—God’s Instruction Manual! Just as there are manuals for how to operate certain complicated machines and devices, the Creator God included an Instruction Manual for the most complicated, delicate and complex creation ever made—man. Only by carefully following the guidelines—*laws*—listed in this Manual, can humanity properly live and achieve success.

Think of the following. God has created laws to govern every aspect of His creation. His laws govern *everything*. Just as the laws of gravity and inertia govern certain portions of His creation, God has *financial* laws that govern *all* aspects of money matters. By following these laws, people can ensure their financial security.

In John 10:10, Christ says, “I am come that they might have life, and that they might have it more abundantly.” The apostle John writes, “Beloved, I wish above all things that you may *prosper* and be in health, even as your soul prospers” (III John 1:2).

Most do not understand that specific laws govern virtually every action in life. The law of CAUSE and EFFECT, where there is an *action* for every *reaction*, is active in financial matters. There is a way—a direct path!—to prosperity and

financial freedom. Christ clearly explains this in Scripture. If this were not true, then Christ would not have inspired John to record that His way brings abundant living to all who practice it.

But before finding this path to prosperity, a choice must be made. God revealed this choice to ancient Israel in the book of Deuteronomy: “I call heaven and earth to record this day against you, that I have set before you life *and* death, blessing *and* cursing: Therefore CHOOSE life, that both you and your seed may live” (30:19). God does not—and will not—force anyone to follow His ways. The choice is simple: Obeying God leads to blessings and happiness—disobeying Him leads to misery and unhappiness.

Like the original Israelites, many refuse God’s warnings. They ignore the fact that by not following His laws, bad effects will ensue. Through man’s rebellion, unhappy lives result, with none having any idea *why*. The same is true when one breaks God’s *financial* laws.

Although the phrase “In God we trust” is on United States currency, most trust their *own reasoning*, placing their confidence in “the almighty dollar,” instead of *Almighty God*.

What about you? If you are the average American, then you are deep in debt. You can *choose* to overlook basic, *proven* laws and neglect to follow the true paths to financial success. Or you can go to the SOURCE, put God to the test, and practice the laws He established millennia ago. (To learn more about God’s Laws, read our book *The Ten Commandments – “Nailed to the Cross” or Required for Salvation?*)

Biblical Principles of Stewardship

The Bible contains many practical, helpful points about finances. Some mistakenly assume that God believes money is evil, and that Christians should be poor. They directly associate having riches to the lustful, sinful lifestyles of the wealthy, taking on the belief that “humble Christians” must live in squalor and poverty to demonstrate “true” Christianity.

But this thinking is simply not true!

John 10:10 and III John 1:2 stated that God wants us to live an abundantly healthy life. Unless one’s finances are in proper order and well managed, this is impossible.

God has appointed you as a *steward* of your own finances or your family’s—and COMMANDS that you be a *just* steward! The *Merriam-Webster Dictionary* defines a *steward* as: “One employed in a large household or estate to manage domestic concerns (as the supervision of servants, collection of rents, and keeping of accounts) and a fiscal agent.” A steward cares for that which another owns, and gives account of his stewardship.

In Luke 16, Christ gives the parable of the unjust steward. Carefully read this lengthy passage: “There was a certain rich man, which had a *steward*; and the same was accused unto him that he had wasted his goods. And he

called him, and said unto him, How is it that I hear this of you? Give an account of your stewardship; for you may be no longer steward. Then the steward said within himself, What shall I do? For my lord takes away from me the stewardship..."

"So he called every one of his lord's debtors unto him, and said unto the first, How much owe you unto my lord? And he said, An hundred measures of oil. And he said unto him, Take your bill, and sit down quickly, and write fifty. Then said he to another, And how much owes you? And he said, An hundred measures of wheat. And he said unto him, Take your bill, and write fourscore. And the lord commended the unjust steward, because he had done *wisely*: For the children of this world are in their generation wiser than the children of light" (vs. 1-3, 5-8).

The unjust steward had wasted his master's goods, neglecting to collect what others owed him. However, through prudence and astuteness, he collected a portion of his master's payments—and received a reward for his resourceful negotiating.

The account continues, "He that is faithful in that which is least is faithful also in much: and he that is unjust in the least is unjust also in much. If therefore you have not been faithful in the unrighteous mammon [money], who will commit to your trust the *true riches*? And if you have not been faithful in that which is another man's, who shall give you that which is your own? No servant can serve two masters: for either he will hate the one, and love the other; or else he will hold to the one, and despise the other. You cannot serve God and mammon" (vs. 10-13).

While we are commanded to not serve mammon (money), we *are* commanded to properly manage our household. How we steward our business affairs reflects the responsibilities and blessings God provides—and will continue to provide if we do well.

The Bible contains many valuable lessons that will help us practice successful stewardship.

Hard Work: When God created Adam and Eve, He gave them a responsibility: "And the LORD God took the man, and put him into the garden of Eden to *dress* it and to *keep* it" (Gen. 2:15). This verse is the first record of employment. This first man and woman were to till the ground, tend to the trees—they were given the job of horticulturist! If it were God's intention that man not work, loafing around all day doing nothing, He would have not given this direct order.

King Solomon, the wisest man of all time, said, "Whatsoever your hand finds to do, do it with your might..." (Ecc. 9:10). Also, "Go to the ant, you sluggard; consider her ways, and be wise" (Prov. 6:6). These insightful words reflect that ants work hard, gathering food during the spring, summer and autumn months to have sufficient food to last throughout the winter.

Slothfulness is a dangerous pattern that generally precedes financial ruin. Hard work contributes in two critical ways to those who implement it: (1) It

THREE-MONTH HOUSEHOLD BUDGET

	WEEK 1	WEEK 2	WEEK 3	WEEK 4	TOTAL
INCOME					
Wages/Bonuses					
Interest					
Capital Gains					
Dividends					
Other					
PAYROLL DEDUCTIONS					
Federal tax					
Medicare/FICA					
State/Prov. tax					
Social Security					
Pension fund					
Other					
CONTRIBUTIONS					
HOUSING					
Rent/Mortgage					
Property taxes					
Utilities (gas, electric, water, etc.)					
Telephone					
Trash collection					
Repairs/Improvements					
Furnishings					
Pet expenses					
Other					
FOOD					
Groceries					
Dining out					
CREDIT CARDS					
TRANSPORTATION					
Car payments					
Fuel					
Maintenance/Repair					
Public transportation					
Other					
INSURANCE					
Life					
Home/Renters					
Auto					
CLOTHING/PERSONAL GROOMING					
MEDICAL/DENTAL					
CHILDREN EXPENSES					
Child care					
Tuition					
Lunch money					
Lessons/Sports					
Other					
DISCRETIONARY FUNDS					
Vacation/Travel					
Recreation					
Personal allowance					
Savings					
Retirement savings					
Other					
OTHER					

PERSONAL NET WORTH STATEMENT

Assets

REAL ESTATE

Home _____

Other properties _____

PERSONAL PROPERTY

Automobiles _____

Recreational vehicles,
boats, etc. _____

Household goods/clothing _____

Paintings/art _____

Furs _____

Jewelry _____

Collectibles _____

Other _____

LONG-TERM ASSETS

Equity in a business _____

Cash value of
life insurance _____

Annuities _____

PENSIONS

Vested portion of
a company plan _____

Other vested benefits _____

IRA _____

Keogh _____

Other long-term assets _____

SECURITIES

Stocks _____

Bonds _____

CDs _____

Government Securities _____

Mutual funds _____

Gold/silver/other _____

CASH

Checking account balance _____

Saving account _____

Money Market accounts _____

TOTAL ASSETS _____

Liabilities

REAL ESTATE

Balance owed on
home mortgage _____

Balance owed on
other property _____

CURRENT BILLS

Current month's
mortgage/rent _____

Utilities _____

Charge accounts _____

Credit card payments _____

Insurance premiums _____

Other _____

TAXES

Federal tax due _____

State tax due _____

Property tax _____

Taxes on investments _____

Other taxes _____

DEBTS

Auto loan _____

Education loan _____

Bank loans _____

Home Equity loans _____

Other personal loans _____

TOTAL LIABILITIES _____

TOTAL ASSETS _____

TOTAL LIABILITIES - _____

NET WORTH _____

provides the worker with sufficient money; and (2) the value of productivity is learned, because “in all labor there is profit” (Prov. 14:23).

Notice the apostle Paul’s admonition about slothfulness, “But if any provide not for his own, and especially for those of his own house, he has denied the faith, and is worse than an *infidel* [unbeliever]” (I Tim. 5:8). In II Thessalonians 3:10, he instructs, “For even when we were with you, this we commanded you, that if any would not work, neither should he eat.” While this may seem harsh, it no doubt stirred many to accomplish what they thought themselves unable to do.

Diligence: With hard work comes diligence. The Proverbs instruct—and warn, “He becomes poor that deals with a slack hand: but the hand of the diligent makes rich. He that gathers in summer is a wise son: But he that sleeps in harvest is a son that causes shame” (10:4-5); “The soul of the sluggard desires, and has nothing: but the soul of the diligent shall be made fat” (13:4); “The desire accomplished is sweet to the soul” (13:19).

Everyone enjoys completing tasks. This is truly satisfying—“sweet to the soul.” But this cannot be done without recognizing and utilizing diligence!

Wise Counsel: Obtaining prudent advice from those qualified to give it is very important in learning how to manage finances.

However, it is dangerous to seek counsel from someone *unqualified* to give it or from those who will only give you the answer you want to hear. In this regard, Solomon states, “Where no counsel is, the people fall: but in the *multitude of counselors* there is safety” (Prov. 11:14); “Without counsel purposes are disappointed: But in the multitude of counselors they are established” (15:22); “Counsel in the heart of man is like deep water; but a man of understanding will draw it out” (20:5). By asking a variety of people for counsel, you can learn valuable principles to apply in your life from the experiences of others.

But always remember, do not ask simply for the purpose of hearing what you want to hear. Consider: “A lying tongue hates those that are afflicted by it; and a flattering mouth [flattering words] works *ruin*” (26:28).

Initiative: Author of over seven million words, American philosopher Elbert Hubbard offered priceless insight regarding initiative. In “A Message to Garcia,” he describes the perseverance of one man, striving to complete his task no matter the consequence.

In his book *Initiative*, Mr. Hubbard wrote, “What is initiative? I’ll tell you. It is doing the right thing without being told once...But next to doing the right thing without being told is to do it when you are told once...Next, there are those who never do a thing unless they are told twice: such get no honors and small pay.

“Next, there are those who do the right thing only when necessity kicks them from behind, and these get indifference instead of honors and pittance for pay...Then, still lower down in the scale than this, we find the fellow who will not do the right things even when someone goes along to show him how, and

stays to see that he does it: he is always out of a job, and receives the contempt he deserves...To which class do you belong?"

How many believe this?

All profitable stewards exercise initiative. It is a skill they must learn. Solomon states, "As vinegar to the teeth, and as smoke to the eyes, so is the sluggard to them that send him" (Prov. 10:26), and "See you a man diligent in his business? He shall stand before kings; he shall not stand before mean [simple] men" (22:29). In other words, those who are diligent, actively implementing initiative, will accomplish much.

Properly building these and other principles into your character will ensure that you properly carry out your stewardship, and function at your peak in managing your finances. (To learn more about achieving success through seven simple principles, read our booklet *The Laws to Success*.)

Laws That Govern Bankruptcy

Leviticus 25 and Deuteronomy 15 record laws regarding creditors and debtors. These laws explain that those in need could borrow to pay for *necessities*—not desires. Loans were to be repaid and if, at the end of six years, they were not paid in full, the lender *forgave* the borrower of the debt—giving him a clean slate! (Deut. 15:1-11.)

Although unknown to most today, this has been the basis for American bankruptcy law. It is based on God's Year of Release, which is a way of providing debt relief.

In addition, aside from borrowed funds, the Year of Release included the return of any land or farm that may have been mismanaged and confiscated. This was God's way of ensuring that poverty did not plague a family for generation after generation.

These are just a few of God's laws that would prevent most of the financial problems today. Every seven years, debt would be *eliminated*. Interest payments would not consume income. Credit would not be available for "pleasure-spending," and would only be available for genuine need. A clean slate would be provided for all, and allow people a chance to learn from past mistakes.

In modern times, the Year of Release, as God established it, is not used. Only through bankruptcy or paying off debt can one be released from debt.

If possible, a person should pay off all his debts quickly. Doing so through hard work, diligence, initiative, self-control, saving money and cutting back on unneeded expenses helps one to build character, learn valuable lessons and take charge of his finances. One should NEVER purposely go into debt or not pay bills with the intention to file for bankruptcy.

God describes these intentions as evil: "The *wicked* borrows, and pays not again: but the righteous shows mercy, and gives" (Psa. 37:21). Bankruptcy should not be viewed as a healthy way of escaping debt. This is simply a way to deal with the effects, but does not address the causes driving the debt crisis.

It is comparable to taking an aspirin to alleviate cancer—it does not *fix* the PROBLEM!

However, if you find yourself unable to pay off your debt, it might be wise to contact a credit counseling service, or possibly even a lawyer, to learn about available financial options.

Remember, God does not consider money evil. Many scriptures speak about the correct and incorrect usage of money and material possessions. As we have already seen, the Bible has many important financial rules, overlooked by most, explaining the importance of proper financial management and ways to deal with money.

The Bible warns that, if financial matters are not kept in proper focus, the over-emphasis on the pursuit of money—or the love of it—becomes “the ROOT of *all evil*” (I Tim. 6:10). *This*—in conjunction with disobeying God’s financial laws—is what has caused so many of the persistent financial problems plaguing the world. As with most things in life, maintaining proper balance is a key to not being consumed by this evil.

Paul wrote, “But they that will [are willing to] be rich fall into temptation and a snare, and into many foolish and hurtful lusts, which drown men in destruction and perdition. For the love of money is the root of all evil: which while some coveted after, they have erred from the faith, and pierced themselves through with many sorrows” (I Tim. 6:9-10). How true! Paul clearly explains that those seeking riches fall into a snare of sin! The Tenth Commandment states, “You shall not covet” (Ex. 20:17). This lust—coveting—for riches and material gain is what drives so many to sign up for credit cards, charging thousands of dollars worth of merchandise and eventually losing control of their financial stability!

Proverbs 22:7 states, “The borrower is servant to the lender.” When people borrow, they place themselves under financial “slavery” to their lenders. They become obligated to them, over their obligation to God.

This leads to another law concerning financial issues, which has also been ignored—even dismissed—by society.

The *Ultimate* Business Partner

While consumer, corporate and national debt is monumental in size, magnitude and scope, another far greater DEBT has been completely disregarded! This debt is toward God—and mankind has been stealing from Him for 6,000 years.

Notice what God declares: “The silver is Mine, and the gold is Mine” (Hag. 2:8). The Bible further states, “For the earth is the Lord’s, and the fullness thereof” (I Cor. 10:26). “*All* that is in the heaven and in the earth is Yours...” (I Chron. 29:11). “For every beast of the forest is Mine, and the cattle upon a thousand hills...For the world is Mine, and the fullness thereof” (Psa. 50:10-12). God owns everything—so says your Bible!

God created all things (Gen. 1:1). He worked for six days, perfecting every detail of His creation. He designed, made, maintained and nourished everything He made. This includes not only all the materials and riches in the world, but also all mankind and animals. This sets the stage for important knowledge.

Everything you take for granted as yours really belongs to God! But, through His mercy, He has allowed man to use *His* planet and its resources. He has allowed us to be *His* stewards, and all will one day give account of how we managed what was not ours—but *His*! In return, God asks that we be honorable stewards—and not steal from Him. Yet many routinely do.

How?

Notice: “Will a man rob God? Yet you have robbed Me. But you say, Wherein have we robbed You? *In tithes and offerings*. You are cursed...for you have robbed Me, even this whole nation. Bring you all the tithes into the storehouse...and prove Me now...if I will not open you the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it” (Mal. 3:8-10).

God only asks for a tithe—10% of what one makes (plus some “offerings”)—and lets you keep the remaining 90%, although that still belongs to Him! God challenges skeptics to “prove” His promise of wonderfully blessing the tithpayer.

Some may argue, “But I can’t afford to tithe.”

But God says otherwise. You cannot afford NOT to tithe! God blesses generous givers (Prov. 11:25; 22:9; II Cor. 9:7), and no one else has the power to give as God does. While many seek ways to stretch their income, the most unlikely way is the *only* method to do so. By simply giving back to God a small portion of what is actually His, God agrees to bless you more than you can ever hope. (To learn more about the financial obligations of true Christians, read our booklet *End All Your Financial Worries*.)

Thousands are learning that God’s tithing system WORKS. This system is effective, brings success and has been in force for millennia. Let God’s promise work for you today. Do not wait until financial ruin strikes—learn to be a just steward and obey God’s laws governing finances!

THE IMPORTANCE OF MONEY MANAGEMENT

Whether you are a newly married couple, have a family, are in debt or paying a house payment, we are living in economically tumultuous times. Following the September 11th attack, the job market experienced a shake-up. Many lost jobs—1.7 million Americans had been unemployed for more than 27 weeks by January 2003, up from 1.2 million a year earlier.

The number of people not even looking for work, due to discouragement, increased 37% in just one year, to 449,000. For those still employed, fears of recession, corporate downsizing and loss of business to foreign production often consume their thoughts. Perhaps several people have recently been “let go” from your place of employment and you fear for your job. You may already be looking for a new job.

Although many are facing the fearful reality of losing their job, most have forgotten the importance not only of proper money management, but of the need to budget and save. As spending and standards of living rise, families’ savings are dropping—drastically. As a result, many families are on the brink of financial disaster, living one or two paychecks from the streets.

This need not be!

If you are currently unemployed, take control of your circumstances. The stability of your family and spouse depends on it. Be a motivated job hunter. Do not waste time dwelling on your troubles. Take an active approach to your search. In fact, instead of staying in the house worrying, try spending all eight or nine hours that you would have spent at work looking for a job. By sitting idle, waiting for employment to be handed to you, you will soon find yourself sinking in a quicksand of slothfulness, inactivity and laziness, leading to financial insecurity. Also, by remaining inactive, the prospect of gaining a new

job looms larger, seemingly becoming unattainable. Laziness always increases fear.

Budgeting—A Forgotten Tool

By establishing a budget and following it carefully, individuals and families can set patterns for efficient spending and saving, and avoid periods of financial stress. Tithing also helps develop this diligent practice, allowing one to see how much further the remaining 90% of his income goes. Keep in mind that, just because you start tithing, God will not shower money on you. But He will bless you. God expects you to follow His tithing law, in addition to practicing faithful stewardship. In doing so, you will begin seeing Him bless you in ways you have never seen before.

God's laws are faithful—they are sure—and they WORK!

As the book of Ecclesiastes explains, "Cast your bread upon the waters: For you shall find it after many days" (11:1). While man takes indiscriminately, God *tells us* how much He wants back and, after seeing our actions of faith, He blesses us many times over. God has even instituted another tithe, which the tithepayer saves, as a guaranteed "vacation tithe"—to be spent at God's commanded annual festivals.

A budget helps one plan, specifying how a family's or individual's income should be spent over a designated period. When creating a budget, all income must be calculated, followed by expenditures.

There are two types of expenses: *Fixed expenses*—payments that need to be made on a regular basis, and are usually the same amount. (These include such items as car and school loans, rent or mortgage, etc.) *Variable expenses*—payments differing in amounts and frequency. (These include credit card bills, clothing purchases, down payment for insurance, etc.)

Before making a purchase, you must ask: (1) Is this something that I want? (2) Is this something that I *need*? (3) Can I do without it? (4) Does the budget *allow* for this purchase?

This enables you to examine whether your spending is the product of impulsive desires, or whether the purchase is justifiable—essential. American scholar and former Secretary of State, Henry Kissinger once said, "Many people have had to learn in their private lives, and nations have had to learn in their historical experience, that perhaps the worst form of tragedy is wanting something badly, getting it, and finding it empty."

Wastefulness is another, often invisible, fast and easy way to burn money. Impulsive, wasteful spending is the product of a generation lacking in strength and character, and is driving up the mountain of debt now burying so many! Notice that God places wastefulness in the same category as slothfulness: "He also that is slothful in his work is brother to him that is a great waster" (Prov. 18:9). John 6:12 records Christ's detail-oriented thinking in making sure that leftover food was not wasted: "When they were filled, He

Helpful Points

The following are helpful tips to ending credit card bills, and taking charge of one's finances:

- Do not ignore monthly balances on credit card statements. Gather all your monthly bills and tally the balances. This figure will almost definitely be more than you expect—or hope.
- Do not carry multiple credit cards. If you have had problems with overspending, it will take some time to develop self-control. In the meantime, do not allow yourself the temptation to have many credit cards in your purse or wallet—thus allowing yourself some “cushion” to spend what you do not have! Carry one credit card for emergency purposes only.
- Pay at least \$15-20 more than your minimum monthly payment. Most often, the minimum payment only affects the monthly interest, and does not include much, if any, principal.
- Before making a large purchase, think about it for a number of days. You may even want to schedule a savings plan, which will allow you to save portions of the purchase price over a period of time. This would then allow additional time to think about it, helping ensure that you are making a wise purchase. Remember, it is always better to “sleep on” a decision than to jump in impulsively and later regret your action.
- Consolidate multiple credit card bills onto one credit card with a low interest rate. Pay off bills with higher interest rates first.
- If your interest payments are higher than you can pay, try renegotiating your interest rate with your creditors.
- If you do not have the money to buy something—do not buy it!
- Teach your children to budget and save money. If properly instilled now, these principles will stick with them throughout adulthood. Imagine the benefits of learning, at a young age, rules and laws that have been *proven* to work!
- Lower your standard of living, and avoid unnecessary spending. If you ask three men, one making \$25,000, one making \$50,000 and another making \$100,000, about the status of their financial situation, all three will likely answer that they are barely making enough to “get by.” This attitude is prevalent—most are never satisfied with what they have.
- Stop the cycle of borrowing to pay for expenses.
- If you are not able to pay your bills, you may need a part-time job in order to do so.
- Remember, a wise family should learn to live *with* credit—never *by* credit!

said unto His disciples, Gather up the fragments that remain, that nothing be lost.”

Just as every successful business runs on a budget, so does every successful household! The benefits of maintaining a budget are invaluable.

Unfortunately, most people do not implement this vital tool, and do not realize they are spending unwisely. Week after week, they spend and waste, not really knowing where their money went—or what purpose was served.

But merely knowing where the money went is not enough.

How to Balance Your Budget

In a marriage, both husband and wife should go over the household's finances. Although the husband has been ordained to have final control over the household (Eph. 5:23), this does not mean that the wife cannot have a helpful and active role in financial matters. In fact, by openly sharing her ideas and thoughts with her husband, a prudent wife (Prov. 31) will strengthen and fortify the family budget.

After tallying the total household income, you are ready to begin budgeting, allotting your income for specific purposes. One of these should be savings. It is vital to have a family savings fund, aside from savings for emergency purposes. (In 1950, 12% of the average household's income went for savings. Today, people no longer appreciate the value of saving. In fact, they are spending more than they actually make!)

The following is a sample budget guideline. You will need to adjust certain percentages based on your specific situation:

- Tithe and Offering—over 10%
- Housing (including utilities)—20-25%
- Food—20-30%
- Clothing—10-15%
- Savings—5-10%
- Reserve Savings (emergency)—5%
- Insurance—2-5%
- Pocket Money—2-5%
- Recreation—2-5%
- Educational material, books, magazines, etc.—2-3%
- Transportation—3-15%

Remember that emergencies regularly occur, and extra flex in spending may be required. Having an emergency savings will be vital. With this in mind, the percentage assigned for transportation costs should include space for any possible preventive maintenance and repair work.

Examine all of your monthly and yearly bills, and divide the portions of payments according to how often you receive income, remembering to divide yearly payments according to installments. (For example, if paid bi-weekly, divide yearly bills into 26 installments.)

After completing this, compare to the guideline and begin budgeting for your expenses. After you have designated your tally, make sure that your expenditures are less than your income. If not, you will have to recalculate your budget. If you find that you are spending more than you make, you are heading toward disaster. You have only two choices: Lower your expenditures or increase your income. And, unless you get a raise or an additional job, your only remaining choice is to lower spending!

Remember to budget on a *regular basis*. At the beginning, this may seem difficult and time-consuming. However, diligently apply what you have learned. The benefits from budgeting directly relate to the amount of effort you put into it.

After regularly disciplining yourself to hold to your budget, you will be amazed at how much money you were spending in ways you did not even realize. By the end of the first month, you will have an overall idea of where you are spending your money. The second month will allow you to make slight changes and adjustments. By the third month, you will have an overall idea of your permanent budget model.

At times, you may be tempted to stray from your designated budget. But take the following example as a precaution: If your food budget was set at \$70 a week, and you begin eating out, eventually spending \$100 a week, the effects will pile up. After one month, you will be \$120 over budget. After one year, you will be \$1,440 over budget! While occasional overspending may seem minimal, it *will* accumulate.

With this budget model *and* with God as your business partner, you can slowly begin to take control of your personal finances. By learning to properly plan for your financial future, you can begin to reach a level of stability and security as never before!

DEFINING *TRUE* SUCCESS

The average person is more intrigued with money than practically anything else. Wealth and prosperity are equated to success, and have become the main goal for many. They assume that *true* happiness will flow from these. Their only purpose for living is to accumulate money and material goods. Their goal is to see who can “die with the most toys.” This reasoning is a main contributor to the countless monetary problems permeating their lives. They never find true happiness at the end of the “money rainbow.”

Microsoft Encarta Encyclopedia adds insight into this mentality: “Americans often seek self-fulfillment and status through gaining material items. Indeed, products consumed and owned, rather than professional accomplishments or personal ideals, are often the standard of success in American society. The media exemplify this success with the most glamorous models of consumption: Hollywood actors, sports figures, or music celebrities. This dependence on products and on constant consumption defines modern consumer society everywhere. Americans have set the pace for this consumer ideal, especially young people, who have helped fuel this consumer culture in the United States and the world...Portrayed as a dizzy cycle of induced desire, consumerism seems to erode older values of personal taste and economy. Despite this, the mass production of goods has also allowed more people to live more comfortably and made it possible for anyone to attain a sense of style, blurring the most obvious forms of class distinction.”

Many wrongly associate the pleasures of this life—glitz and glamour, designer clothes, new cars, cell phones, modern accessories, and so many other things—with living life to the fullest.

But is this what God calls *abundant* living? Is this *true* prosperity, as defined by the Creator and Master Designer of the laws that bring *lasting* success?

Finding *True* Prosperity

The definition of true happiness and *prosperity* is in the Bible—God’s written Word. In the book of Joshua, we find God’s promise to those who obey Him: “You may observe to do according to all that is written therein: for then you shall make your way *prosperous*, and then you shall have good *success*” (1:8).

The Hebrew word for “success” is *sakal*, meaning “prudent, have good success, teach, understand, wisdom, wise, guide wittingly.” Notice that this does not mention physical riches. Instead, success is referred to as *spiritual* riches—wisdom, prudence and understanding.

The Proverbs explain, “Labor not to be rich: cease from your own wisdom. Will you set your eyes upon that which is not? For riches certainly make themselves wings; they fly away as an eagle toward heaven” (23:4-5), and “Happy is the man that finds wisdom, and the man that gets *understanding*. For the merchandise of it is better than the merchandise of silver, and the gain thereof than fine gold” (3:13-14). Also notice this: “How much better is it to get wisdom than gold! And to get *understanding* rather to be chosen than silver” (16:16).

Understanding and wisdom are more important in life than wealth and possessions, which will one day disappear and leave nothing to show for it. This is most evident in today’s debt-burdened world. The Hebrew words for “understanding” are *tabun* and *benaw*, meaning intelligence, discretion, reason, skillfulness, understanding and wisdom. They do not refer to wealth or material possessions.

This should be the prosperity you seek, not man’s false definition of prosperity. *True* wealth—wisdom, understanding and obedience to God—should be what you seek to have, not a new DVD player, digital camera, flat-screen television or the latest technological invention. All these things are *physical* and, while pleasant to have, are unneeded luxuries, not to be confused with life’s necessities. (To learn more, read our article “*You Can Live the Abundant Life!*”)

In Matthew 6, Christ had much to say about establishing proper financial priorities. Here is what He commanded His disciples: “Lay not up for yourselves treasures upon earth, where moth and rust does corrupt, and where thieves break through and steal: But lay up for yourselves treasures in heaven, where neither moth nor rust does corrupt, and where thieves do not break through nor steal...No man can serve two masters: For either he will hate the one, and love the other; or else he will hold to the one, and despise the other. You cannot serve God and [money]. Therefore I say unto you, Take no

thought for your life, what you shall eat, or what you shall drink; nor yet for your body, what you shall put on. Is not the life more than meat, and the body than raiment?...Therefore take no thought, saying, What shall we eat? Or, What shall we drink? Or, Wherewithal shall we be clothed?" (vs. 19-20, 24-25, 31).

It is better to lack comfort and be wise and happy, than to have all the latest gadgets, and be miserable with concern and worries—a slave to debt and creditors. Apply these steps in life to turn the tide on creditors, and take charge of your finances.

Solomon wrote, "Trust in the LORD with all your heart; and lean not unto your own understanding. In all your ways acknowledge Him, and He shall direct your paths" (Prov. 3:5-6).

Always remember Christ's warning, "Beware of covetousness: for a man's life consists *not* in the abundance of the things which he possesses" (Luke 12:15). And Paul wrote, "Be content with such things as you have: For [God] has said, I will never leave you, nor forsake you" (Heb. 13:5).

A New Age of Finance in Tomorrow's World

One day, the corruption, lies, increasing debt, poverty, material obsession and fraud that consume so many will no longer exist. With the establishment of God's kingdom on earth will come the enforcement of His laws—including those that govern finances, loans and debt.

In the coming millennium, the Year of Release will arrive every seventh year, ensuring that every child will have a home, and every family will live without financial worries. All people will be happy, helping each other and showing mercy and brotherly love toward fellowman. Every debt will be gone. All will pay God His tithes, and in turn, have all their needs provided for them. People will then wonder why so many did not keep His laws before. They will come to realize that the only luxury—necessity—worth *anything* is that of true happiness and abundant living as God has always had in store for mankind.

But, you can begin practicing these laws in your life now! By keeping God's active, *living* laws, you can begin to experience the joy that God meant for mankind—but is lacking in society because man has broken those laws. Adhering to God's financial laws will reap many benefits. You and your family will begin to live life as God intended, with abundance and peace of mind. Recall Christ's words, "I am come that they might have life, and that they might have it more *abundantly*" (John 10:10).

By obeying God's financial laws, *you* will slowly begin loosing the chains of financial bondage. As promised, if you faithfully apply *all* His laws, in return, God will provide for your *every* need. This is the promise of God—and carries more weight than all the platinum cards in the world and all the gold in Fort Knox!

You now know God's monetary laws. By acting upon this understanding, you will truly begin to take control of your finances.

The path to financial freedom—yet undiscovered by so many—now lies ahead of you!

The following literature expands on topics discussed in this booklet:

- The Ten Commandments – “Nailed to the Cross” *or* Required for Salvation?
- End *All* Your Financial Worries
- The Laws to Success
- “*You* Can Live the Abundant Life!”

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