

Lesson 33

Teacher's Manual

CHART-54

FAMILY FINANCE

READ & MEDITATE ON: Luke 19:12-27 MEMORIZE: Proverbs 22:29

INTRODUCTION

Many of the pitfalls that ensnare and trap the saint of God involve money. Finances, at times, become a scarce commodity. The end result of unpaid bills and upset collectors may be depression. It is not the will of God that a man buy recklessly beyond his ability to repay. This is not faith, but foolishness. God is not our errand boy, but the Lord of the Harvest. He will bless and supply our need if we faithfully work in the field. He has promised this in His Word. (See Philippians 4:19.) However, He does not set up our budgets nor make our purchases which involve time payments. He has left the stewardship of our finances up to us. It is important, therefore, that we clearly understand the difference between DESIRE and NEED. The most important consideration in finance is not what we EARN but what we SPEND.

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I. SIGNS OF OVERSPENDING

A. Know What You Spend

Many people do not know how much money is required each month to meet their financial obligations. Since most employees are paid weekly or bi-weekly, it is important to know what monthly obligations are when broken down into weekly payments. A wise steward will adjust his spending to coincide with his income. He will set aside in a special fund, the amount necessary to pay his creditors. Proper

planning will reserve funds for major outlays of cash such as: property tax, income tax, auto, life, health, home insurance, social security, etc.

B. Recognize Financial Bondage

There are several characteristics that mark financial bondage. It may be recognized when:

1. You have a burning desire to get rich.
2. You have to delay paying bills that are due.
3. You have no investments for the future.
4. Your wife is forced to go to work to provide basic needs.
5. You buy depreciating items on credit.

C. Detect Danger Signals

There are some distinct danger signals that can alert you to the fact that you are overspending your present income. These danger signs appear when you are:

1. Charging daily expenditures, due to lack of funds.
2. Being forced to delay paying bills.
3. Borrowing money to pay taxes and bills.
4. Running your total monthly bills up to more than 20% of your monthly take-home pay (except your mortgage).
5. Unaware of how much you presently owe your creditors.
6. Receiving past due notices from your creditors.
7. Paying current bills with savings.
8. Refinancing old loans with new consolidation loans.
9. Relying on your wife's income to pay regular bills.
10. Not able to accumulate a savings (even a small amount).
11. Arguing with your spouse over finances.
12. Finding it difficult to give God His tenth.

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II. GOOD BUSINESS

A. Personal Integrity

Your integrity, as a saint of God, should be unquestionable:

will increase your goods. (See Psalms 1:1-3.) Do not get ahead of God. ESTABLISH A LIVING STANDARD THAT RELATES ONLY TO YOU.

The ability to live within your blessing, and pay all creditors on time, will give you much peace of mind. Burdens are intensified, friction arises in the home, and discouragement can result from financial difficulties. Freedom from financial pressure releases you to turn your thoughts and energies more completely to the work of God.

GOOD BUSINESS DOES NOT DEPEND ON GOD, IT DEPENDS ON THE MAN IN CHARGE.

A Christian needs to know how to manage his money. He will, by example and training, also teach others this important aspect of economics. Inflation and rising costs of living have beset this generation. It is timely and critical that a man knows what he earns and spends.

C. Buying Within Your Blessing

1. Love Of Money

"For the love of money is the root of all evil:..."

I Timothy 6:10

Achan looms before us as an example of a man who refused to wait for God to bless him. He willfully took a goodly Babylonish garment, two hundred shekels of silver, and a wedge of gold of fifty shekels weight. (See Joshua 7:21.)

The stern displeasure of God is revealed in a word of knowledge to Joshua:

"Israel hath sinned, and they have also transgressed my covenant which I commanded them: for they have even taken of the accursed thing, and have also stolen, and dissembled also, and they have put it even among their own stuff."

Joshua 7:11

5. Reduce or eliminate paper products.
6. Avoid prepared foods, TV dinners, pot pies, cakes, etc.
7. Buy house brands (the brand the store features) for canned products.
8. Shop for advertised specials, but don't run all over town.
9. Avoid buying non-grocery items in a grocery supermarket (except on sale).
10. For baby foods, use normal foods processed through a blender.
11. Buy expensive cuts of meat on sale in large quantities and store in a freezer, if possible.

b. Other Spending

This same kind of cost awareness may be used in other areas of regular spending such as: buying a house, household appliances, furniture, telephone calls, electricity, home care, recreation, gifts, clothes, insurances, car expenses, and borrowing money.

D. Attitude Toward Creditors

When you take out a loan or buy on credit with time payments, you are using borrowed money and have, therefore, put yourself in the position of a servant.

"The rich ruleth over the poor, and the borrower is servant to the lender."

Proverbs 22:7

You must maintain the attitude of a servant and be considerate of your creditors and lenders. If you experience financial difficulties and are unable to make your payments on schedule, you should communicate with your creditor. A quick call, with an explanation of your situation, will be deeply appreciated and, often times, provide the grace period you need to recover from your dilemma.

E. Consolidation Loans

Consolidation loans should only be used as a last resort, and then used only if a definite plan for financial restoration is outlined and enacted. Without a definite plan, consolidating

ANNUAL FAMILY BUDGET

*Figured on 4-week month & 48-week year

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	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL	QUARTERLY	MONTHLY	BI-WEEKLY	WEEKLY
1. Home 1st																	
2. Home Insurance																	
3. Health Insurance																	
4. Electricity																	
5. Fuel - (Heating)																	
6. Car Payment 15th																	
7. Car Insurance																	
8. Water & Sewer																	
9. Real Estate Taxes																	
10. Income Taxes																	
11. Social Security																	
12. Tithe																	
13. Missions																	
14. Telephone																	
15. Life Insurance																	
16.																	
17.																	
18.																	
19.																	
20.																	
21.																	
22.																	
23.																	
24.																	
25.																	
TOTALS																	

*Budget does not include: Food, Travel, Conferences, Clothing, Drycleaning, Offerings, Gasoline, Auto Repairs, Savings, Loan Payments, Incidentals.

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ANNUAL FAMILY BUDGET

*Figured on 4-week month & 48-week year

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL	QUARTERLY	MONTHLY	BI-WEEKLY	WEEKLY
1. Home 1st	✓	✓	✓	✓									2,400.00	600.00	200.00	100.00	50.00
2. Home Insurance													192.00	48.00	16.00	8.00	4.00
3. Health Insurance				✓									480.00	120.00	40.00	20.00	10.00
4. Electricity	✓	✓	✓	✓									384.00	96.00	32.00	16.00	8.00
5. Fuel - (Heating)	✓	✓	✓	✓									384.00	96.00	32.00	16.00	8.00
6. Car Payment 15th	✓	✓	✓	✓									1,800.00	450.00	150.00	75.00	37.50
7. Car Insurance													480.00	120.00	40.00	20.00	10.00
8. Water & Sewer			✓										84.00	21.00	7.00	3.50	1.75
9. Real Estate Taxes													600.00	150.00	50.00	25.00	12.50
10. Income Taxes				✓									600.00	150.00	50.00	25.00	12.50
11. Social Security				✓									600.00	150.00	50.00	25.00	12.50
12. Tithe	✓	✓	✓	✓									1,200.00	300.00	100.00	50.00	25.00
13. Missions	✓	✓	✓	✓									600.00	150.00	50.00	25.00	12.50
14. Telephone	✓	✓	✓	✓									384.00	96.00	32.00	16.00	8.00
15. Life Insurance	✓	✓	✓	✓									480.00	120.00	40.00	20.00	10.00
16.																	
17.																	
18.																	
19.																	
20.																	
21.																	
22.																	
23.																	
24.																	
25.																	
TOTALS													10,668.00	2,667.00	889.00	444.50	222.25

*Budget does not include:
Food, Travel, Conferences, Clothing, Drycleaning, Offerings, Gasoline, Auto Repairs,
Savings, Loan Payments, Incidentals.

There are numerous buying traps that can ensnare the buyer. Impulsive buying, bargains (when we don't have cash to pay), and subconscious competitive buying (keeping up with others) can become a snare. It is easy to mistake desires for needs when purchasing. A man must not buy beyond his ability to repay.

"The rich ruleth over the poor, and the borrower is servant to the lender."

Proverbs 22:7

"Owe no man any thing,..."

Romans 13:8

2. The Decision To Buy

Certain questions should be considered and answered honestly whenever you are confronted with a decision to buy or not to buy: Do I really need it? Is the price reasonable? Could I wait and buy this item on sale? Is this item serviceable? Is the dealer reputable? Will this item contribute to our family unity? Does this item require expensive upkeep? Does it complement my Christian testimony?

Paul said it well,

"All things are lawful unto me, but all things are not expedient (necessary): all things are lawful for me, but I will not be brought under the power or any."

I Corinthians 6:12

3. Practical Buying Tips

a. Grocery Shopping

1. Always use a written list of needs.
2. Buy for longer periods of time to conserve gas.
3. Save by buying large quantities.
4. Use a calculator, if possible, to total purchases.

"Seest thou a man diligent in his business?
he shall stand before kings; he shall not
stand before mean (obscure) men."

Proverbs 22:29

"Then the presidents and princes sought to
find occasion against Daniel concerning the
Kingdom; but they could find none occasion
nor fault; forasmuch as he was faithful,
neither was there any error or fault found
in him."

Daniel 6:4

"And he left all that he had in Joseph's
hand; and he knew not ought he had, save
the bread which he did eat. And Joseph
was a goodly person, and well favoured."

Genesis 39:6

Live your witness among your fellow man and the business
world. Be able to look everyone straight in the eye and
walk with your head erect.

It is not the will of God that you live in financial bondage,
but that you live with a clear conscience, no tension, and a
knowledge that God is in control of your life.

You will have money to pay your bills, when due, and be able
to break the fetters of financial bondage by doing the
following:

1. Know the cost of your financial obligations
2. Set aside sufficient funds to meet those obligations
3. Not spend monies out of reserve funds

B. Living Standard

It is important that you not yield to financial peer pressure.
This pressure causes an inward yearning to keep up with
others by purchasing such items as new cars, nicer clothes,
a larger home, and more expensive vacation. LIVE ON WHAT YOU
EARN. Don't be ashamed to admit you can't afford it. If you
will be faithful and practice good money management, God

will not come due unexpectedly. You can see your whole year at a glance. You will know exactly what it is costing you to live. You must avoid incurring any new debts until you can fit them into your budget.

C. Two Checking Accounts

It is convenient and less confusing to use two checking accounts—an Escrow (Reserve) Account and a Personal Account. Your paycheck should be deposited into your Personal Account. Free checking accounts are becoming difficult to find, but if you can locate a bank that offers free checking, this will also help you save money. Money for regular bills is then transferred from your Personal Account to your Escrow (Reserve) Account. This account is your budget account and should only be used to pay budgeted bills. Only one checkbook for each of these accounts should be used, and both accounts should be balanced monthly as soon as bank statements arrive.

Ignore the surplus balance that will accumulate in your Escrow (Reserve) Account. This surplus came from the four extra weeks in the year that were not calculated into your forty-eight week annual budget (forty-eight, based on twelve times four weeks per month). This extra money can be used very nicely for a vacation expense or, in our present economy, may serve as a cushion for rising costs of living.

(combining) previous loans into one loan with a smaller minimum payment will only open the door for further overspending. When consolidation of loans is being considered, ALL credit cards should be destroyed as a strict discipline not to continue poor spending habits.

III. PREPARING A BUDGET

It is an absolute must that a complete yearly budget be written out. Once the various expenses are determined, do not cheat on the budget, but follow it religiously. It will pay dividends in the long run.

"Not slothful in business;..."

Romans 12:11

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A. A Model Budget

The following pages display two budgets. The first is a MODEL BUDGET. It has been filled in for the first four months of the year. The figures may not relate to your income or expenses but they explain how to list all normal obligations.

After listing expenses, it is important to know when they are due and how much. Some payments are annual, semi-annual, quarterly, etc. If you receive a weekly income, find out what each payment costs per week. If you use a four week month, and a forty-eight week year, you will have four extra weeks of unused monies at the end of the year. If your income is monthly, find out what your expenses are each month. Deduct from every pay check the amount needed to meet your expense budget. This money should be put into a special escrow (reserve) checking account at the bank. The escrow money should not be commingled with other monies—it must be kept separate. If any of this money is used for expenses not scheduled, there will be insufficient funds to meet regular bills when they come due.

B. A Working Budget

The second budget is a WORKING BUDGET. It will probably require three or four hours to set up your budget for the year. When you are finished, you will know when every regular payment is due, and how much. Annual, semi-annual, and quarterly payments