

Proverbs 3:1-15; Luke 15:11-19
 “Wisdom and Finance”

I. Where Did All the Money Go?

I started working early in life; I was offered a job by a friend in school whose father owned the popular cafeteria in Parkersburg. So a lot of the guys got jobs serving banquets and cleaning tables. About the same time, I worked at the old Dils Department Store downtown, because of some family ties to the store. So throughout high school I was getting a check, having some spending money. I didn't have to bother Mom or Dad anymore.

But there are a couple unique wonders that come with your own pay check. Like at the beginning of the new year you receive an end of the year statement for how much money you had earned. Someone wants you to keep track of that! I remember seeing, what was for a 16-year old high school student, a pretty substantial amount of money! None of which I had saved! I don't know that I had anything to show for it: \$1,500 or \$2,000! Where did all the money go?

I look back and think, it's too bad I didn't see the bigger picture. Because I sure didn't have a savings plan!

A. Living as Prodigals

Where did all the money go?

Jesus tells the story of a young man who had to ask the same question. We know it as the story of the Prodigal Son who had the habit of squandering and spending. The word *prodigal* does not mean someone who wanders away or is lost. It literally means “one who wastes money.” A prodigal is one who wastes or recklessly spends!

Luke 15:11-19

¹¹ To illustrate the point further, Jesus told them this story: “A man had two sons. ¹² The younger son told his father, ‘I want my share of your estate now before you die.’ So his father agreed to divide his wealth between his sons.

¹³ “A few days later this younger son packed all his belongings and moved to a distant land, and there he wasted all his money in wild living. ¹⁴ About the time his money ran out, a great famine swept over the land, and he began to starve. ¹⁵ He persuaded a local farmer to hire him, and the man sent him into his fields to feed the pigs. ¹⁶ The young man became so hungry that even the pods he was feeding the pigs looked good to him. But no one gave him anything. ¹⁷ “When he finally came to his senses, he said to himself, ‘At home even the hired servants have food enough to spare, and here I am dying of hunger!

¹⁸ I will go home to my father and say, ‘Father, I have sinned against both heaven and you, ¹⁹ and I am no longer worthy of being called your son. Please take me on as a hired servant.’”

Some of *us* struggle with the habit of the prodigal. We're not *worried* about tomorrow. We want to get what we want *today*.

The problem with that kind of thinking is that, for most of us, the “famine” or the crisis eventually comes. It comes when we've spent everything we have and even a little bit of next year's income. So we use the credit card and charge expenses in order to recover from an emerg-

ency going further into debt. Finally, we come to a place where we “come to our senses,” often between a rock and a hard place. We have nothing left, not even any credit, and we can’t figure out how we’re going to make it.

B. The More We Make, the More We Waste

It should amaze us that people can spend everything they make regardless how much they make! Stories are plentiful about those who win the lottery or rich athletes who spend millions and millions of dollars within a short time of the big contract or winnings, and have nothing to show for wealth when they reach their mid-40s!

Mike Tyson: The boxer earned between \$300 and \$400 million during his career but spent nearly all of it on pet tigers, mansions, and an expensive divorce.

Curt Schilling: The former Red Sox pitcher's video game company filed for bankruptcy after missing loan payments. He lost the \$50 million he earned playing baseball. His company owed \$150 million and had just \$21.7 million in assets.

Kenny Anderson: Despite the fact that he earned about \$60 million and played for nine different NBA teams during his basketball career, Kenny Anderson still lost a bunch of money.

Anderson had three ex-wives, the first of whom challenged the couple's pre-nuptial and walked away with half of everything. In addition, he supports his other two ex-wives, his seven children, and helps his mother financially. In the end, he lost about \$60 million.

If we are prone to spend as much as we make – which is a habit for many Americans – then a huge raise isn’t really the answer to our dreams ...because we will spend as much as we make!

It seems the more financially secure some people become, the less they worry about spending. We waste a dollar on this or that, and we forget where it went. We’re not as careful with our money as we should be. There are many ways to waste money, but there are two typical money-wasters with which many of us non-millionaires struggle. It’s not necessary to eliminate these two things all together, but we want to think more carefully about how we spend our money.

The first is **Impulse Buying**: Buying things you didn’t know you needed until you saw it at the store, on the shelf. We’re all guilty of this and sales reps are trained to present their product with flash and pizzazz! It’s hard for me to avoid the M&Ms bag that’s displayed prominently at eye level on the main aisle close to the checkout registers! The next time you’re in a store, watch how specific displays are set up in order to grab your attention!

Let’s talk about some simple tips to avoid impulse buying:

- Try not to go grocery shopping when you are hungry. We understand that, don’t we? When we’re hungry, everything looks good *right now!* We shop as though we were going to fix the craving with each item going into the buggy!
- Only shop for what you need. And know what the word “need” really means!
- Make a list of what you need and stick to it; buy what you need and get out of the store!
- When it comes to some big-ticket items, give yourself twenty-four hours before making the impulsive purchase. It’s okay to walk – and think about it.

The second thing to eliminate is **Eating Out**. Did you know that?

The issue is frequency. The average American eats out an average of four times a week.³ By eating out less frequently, we will have more money to save, more money to spend on something more important, and more money to give to the ministries we intend to support!

II. Clarifying Our Relationship With Money and Possessions

There's a reason the Church teaches about money issues. In the Bible we find 43 parables from Jesus. Twenty-seven of those stories refer to money and possessions. [Herb Miller, *Money Is Everything*]

We do not exist to consume as much as we can, and get as much pleasure as we can while here on earth. We need to understand our life purpose – our mission and calling from the One who made us – and then manage our money in ways that are consistent with this purpose and calling.

A. Be Clear About Your Purpose and Calling

Our culture tells us that our life purpose is to collect or accumulate all that you can – to make as much money as possible and spend as much as possible.

But the Bible tells us that we were created to love God and to love our neighbor as ourselves. We were created to care for our families and for people in need. We were created to glorify God, to seek justice, and to do mercy. We want to devote money and resources to help fulfill this calling.

We have a “life purpose” that is greater than our own self-interests, and how we spend our God-given resources reflects our understanding and commitment to this life purpose.

B. Set Worthy Goals

But we won't fulfill the mission God has for us unless we make plans and are *intentional* in our planning. By that, I mean we have to set goals “on purpose!” Taking time to set goals related to our lives and our finances is crucial if we are to become wise stewards of our God-given resources.

(Bulletin insert “My Life and Financial Goals Worksheet.”)

I'd like you to think about your life-purpose and goals and then identify two short-term financial goals, two mid-range financial goals, and two long-term financial goals that are aimed at helping you to accomplish your life goals. At least one goal in each category should relate specifically to your faith.

III. The Discipline of Managing Your Money

A. The Necessity of a Budget/Spending Plan

Once we've set some financial goals, we can think about a plan to meet those goals. A budget is a “spending plan” that allows us to accomplish our goals. (In the same way you budget your time to complete chores for the day, you have to get children to their practice fields, you want to fix some time for meals and so on, we need to plan our spending!) For those who find themselves in the midst of a financial crisis, a financial counselor can help work out terms with creditors and develop a workable financial plan. Whatever approach you choose, the important thing is simply to make a plan.

B. Six Financial Planning Principles

There are six planning principles that can help us manage our money with wisdom and faith: *(Bulletin list)*

1. Pay your tithe and offering *first*.

When the Bible talks about tithing, it teaches that 10% of our income should be offered to the mission and purpose of God and His Church. God intends to care for the needs of people in the world around us through what we have to share! For those to whom tithing is new, it seems like such a brutal restriction! But others find the 10% tithe can be a valuable spiritual discipline.

Getting our financial lives in order can take some time, but tithing forces me to form a

plan, helping me discipline myself in a way that I'm more careful with the 90% from out of which I intend to live. And I don't mind the "discipline" to practice restraint in spending!

As people of faith, we put God first in our living and our giving. So give your tithe and offering from the "top" of your pay, from the first of the month, and then live on what is left over.

2. Create a budget and track your expenses.

Creating a budget is simply developing a plan in which you tell your money what you want it to do. (*Bulletin insert "Basic Budget Worksheet"*) Tracking your expenses with a budget is like getting on the scales: It allows you to see how you're doing and motivates you to be more careful with your expenses.

3. Simplify your lifestyle (live below your means).

Because this discipline is critical to the success of any financial plan, we will spend more time here with next Sunday's message.

4. Establish an emergency fund.

An emergency fund is an account different from checking or long-term savings that you set aside specifically for emergencies. Dave Ramsey recommends beginning with \$1,000 and building that to three months' worth of your income.⁴ It'll take some time, but when you have this amount, you won't need to use your credit cards anymore.

5. Pay off your credit cards, and use cash/debit cards for future purchases.

As you're building your emergency fund, begin to pay off your credit card debt and start using cash or debit cards for purchases. Some experts suggest starting with the credit card that has the highest interest rate. Others suggest paying down the smallest debt first, experiencing that accomplishment as a "victory," and applying your payments with the first card to the second, and so on, creating a snowball effect to pay off the cards as soon as possible. Cut up your cards as you pay them down so that you are not trapped in the future because of present-day pleasures, as the prodigal son was. If you must use a credit card, like when traveling or making purchases online, be sure to pay off the debt each month. If you are unable to do this, then it's better to cut up your cards and stop using them altogether.

6. Practice long-term savings and investing habits.

Saving money is the number-one wise money management principle everyone should practice. We don't save merely for the sake of saving. There's a word for that: hoarding. Hoarding is frowned on from a biblical perspective as the practice of fools and those who fail to understand their greater purpose. Saving, on the other hand, is meant to be purposeful. There are three types of savings we should think about: 1) emergency savings, 2) savings for wants and goals, and 3) retirement savings.

INVITATION: The Bible says:

**Good planning and hard work lead to prosperity,
but hasty shortcuts lead to poverty.** Proverbs 21:5 (NLT)

Good planning and hard work! Despite the get-rich-quick schemes you hear about, the majority, by far, of those who find prosperity do so through good planning and hard work!

PRAYER: God, You know what we don't even know. We don't know where every dime went, but somehow You know what we did with all that we had last year and the year before that. You don't forbid us from having joy in our possessions. In fact, You delight in having joy for us.

But what You know is that just acquiring more and more stuff isn't where we find joy.

Lord, forgive us for being wasteful, for being prodigals. Forgive us for abusing our future in order to have pleasure in the present. And help us to be good managers of the resources that You've given to us. Help us to be generous and willing to share, kingdom-minded and focused on accomplishing Your purposes for our lives. In Jesus' name. Amen

Resources for Developing a Budget

Note the web-sites listed in today's program for assistance with financial planning:

www.daveramsey.com/new/baby-steps/

<http://www.daveramsey.com/tools/budget-lite/>

www.crown.org

³ "Statistics About Eating Dinner Out," by Magali Rheault, *Kiplinger's Personal Finance Magazine*, October 2000;

http://findarticles.com/p/articles/mi_m1318/is_10_54/ai_65368848?tag=content;coll

⁴ *The Total Money Makeover*, by Dave Ramsey (Thomas Nelson, 2007); pp. 102–08.

Basic Budget Worksheet

<u>Item</u>	<u>Actual %</u>	<u>Suggested %*</u>	<u>Plan for next 12 mon.</u>
Housing		25–35%	_____
Transportation		10–15%	_____
Charitable Gifts		10–12%	_____
Food		5–15%	_____
Saving		5–10%	_____
Utilities		5–10%	_____
Medical/Health		5–10%	_____
Debt		5–10%	_____
Clothing		2–7%	_____
Miscellaneous		12–23%	_____

*These percentages are adapted from Dave Ramsey's *The Total Money Makeover* (Thomas Nelson, 2007).

My Life and Financial Goals Worksheet

How would you define or describe your life purpose?

What are three goals that can help you to achieve this life purpose?

What are some financial goals that can help to support your life goals and purpose?

Short-term financial goals (next 12 months):

1.

2.

Mid-range financial goals (2–5 years):

1.

2.

Long-term financial goals (5 years to retirement):

1.

2.