

5 BIBLICAL PRINCIPLES FOR HANDLING MONEY

Knowing that economic uncertainty is certain, God has given us principles concerning finances and money management that work under **all economic conditions**.

5 Biblical Principles

1. God owns it all
2. Have a Plan
3. Spend less than you earn
4. Avoid the use of debt
5. Save for the future

1. God owns it all

Psalm 24:1 The earth is the LORD's, and everything in it, the world, and all who live in it
Haggai 2:8 "The silver is mine and the gold is mine," declares the LORD Almighty.

- Ownership v stewardship (trustee, custodian)
- Landlord v tenant
- Rights v duties & obligations
- Chauffeur of his car
- Butler in his house

Changes our approach to the question of making financial decisions

- We are stewards of his resources – what plans does God have for those resources?
- God can take whatever he wants whenever he wants
- Every spending decision is a spiritual decision – not to constrict you but free you
- Faith process – faith requires action – leads to growth
- Stewardship cannot be faked – demonstration of faith – if you show me your bank statement
- The amount is not important
- Not just about giving – spending decisions

2. Have a Plan

Everyone gets somewhere – some people get there on purpose.

Luke 14:28-30 "Suppose one of you wants to build a tower. Won't you first sit down and estimate the cost to see if you have enough money to complete it? For if you lay the foundation and are not able to finish it, everyone who sees it will ridicule you, saying, 'This person began to build and wasn't able to finish.'

- God-given goals – what is God's plan for your life?
- Written goals – business, family, personal – the hardest part
- Not financial goals – although they may be – most goals have financial implications

- How do you decide about the house you are going to buy? Geography, schools, transport, size, cost, kitchen, play the market?
- I would like to be financially independent when I am 65.
- I would like to pay off my mortgage by the time I am 60.
- I would like to be able to help my kids go through university and will need so much money in 10 years' time.
- I want to set up my own business.
- I would like to give away substantially.
- Voluntary work.

Need a plan in order to “spend less than you earn”, “avoid the use of debt”, “save for the future”.

3. Spend less than you earn

“I'm living so far beyond my income that we may almost be said to be living apart.”

W. Cowper – Author

Wilkins Micawber, Charles Dickens', David Copperfield. Annual income twenty pounds, annual expenditure nineteen nineteen and six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery.

i.e spending 5p less than you income equals happiness, 5p more equals misery

- 4 in 5 people spend more than their income – why?
- Spending Choices – consumerism, style over substance, image over character

Ecclesiastes: 5:10 Whoever loves money never has money enough; whoever loves wealth is never satisfied with his income. This too is meaningless. As goods increase, so do those who consume them. And what benefit are they to the owner except to feast his eyes on them? The sleep of a labourer is sweet, whether he eats little or much, but the abundance of a rich man permits him no sleep.

1 Timothy 6:9 Those who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge people into ruin and destruction.

- Lust for more, more, more
- Avoid a consumptive lifestyle – live within your means, cut your suit according to the length of your cloth
- Spending = comfort, confidence, happiness
- Know how much you earn – next 1 month/12 months
- Know how much you spend – have a spending plan
- Discretionary and non-discretionary
- Budgeting suggestions:
 - Countdown method
 - Cash not contactless
- Give first, then allocate your budget, the 90% goes further than the 100%, God's maths

What is the result if we do spend more than our income?

4. Avoid the use of debt

- Scripture not prohibitive but gives a warning

Proverbs 22:7 The rich rule over the poor, and the borrower is servant to the lender.

- The borrower is the servant of the lender – change in status and priorities
- Friend lending – what happens to your relationship
- Restricts choice
- Mortgages? Provide a home not an asset.

5. Save for the future

Proverbs 6:6 Go to the ant, you sluggard; consider its ways and be wise! ⁷ It has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest.

Proverbs 13:11 Dishonest money dwindles away, but he who gathers money little by little makes it grow.

Why save?

- Liquidity, cash when you need it
- Mission trip, washing machine replacement, car repair
- Short term liquidity and long-term savings for specific events
- Improves quality when you have to spend on something
- Provides flexibility
- Provides choice
- Encourages and enables bigger goals

God grants us a financial situation for many reasons and in many ways. He wants to bless us, he wants us to enjoy the good things of life and creation and he knows best how to lead us into faithfulness, trusting him and into joy and financial freedom.

Philippians 4:6-7 Do not be anxious about anything, but in everything by prayer and petition, with thanksgiving, present your requests to God. And the peace of God, which transcends all understanding, will guard your hearts and your minds in Christ Jesus.

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