

## **Wisdom and Finance**

Luke 15 – I Corinthians

A woman proudly told her friend, “I’m responsible for making my husband a millionaire.”

“Well what was he before he married you?”

“A billionaire.”

After 40 years of hard work, a man retired with \$9,000,000, which he had gained through courage, diligence, initiative, skill, devotion to duty, thrift, efficiency, shrewd investment, and the death of an uncle who left him \$8,999,999.50.

A young college co-ed came running in tears to her father. “Dad, you gave me terrible financial advice!”

“I did? What did I tell you?” said the dad.

“You told me to put my money in that big bank, and now that big bank is in trouble.”

“What are you talking about? That’s one of the largest banks there is,” he said, “there must be some mistake.”

“I don’t think so,” she sniffed. “They just returned one of my cheques with a note saying, ‘Insufficient Funds’.”

From Jesus’ description in Luke 15, we see that the prodigal son had the habits 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 money, who is a spendthrift.

Many of us struggle with that habit. We’re not worried about tomorrow. We want it today.

The problem with that kind of thinking is that, for most of us, the “famine” -- or some other day of reckoning eventually comes.

It comes when we have spent everything we have and even a little bit of next months, or next year’s income.

Then we use the credit card and charge it, and we go a little further into debt.

Finally, we come to a place where we “find ourselves” -- where we have to face our reality.

We have nothing left, not even any credit, and we can’t figure out how we are we going to make it.

Is it that the more financially secure we become, the less we worry about spending money here and there?

We rather easily waste a dollar on this or that, and we forget where it went.

It’s my experience that the more income we come into, the more things that are on our radar – things we never dreamed possible. It’s harder the more we make.

Money just seems to flow through our fingers.

We’re not as careful with our money as we should be.

And we are all in different places on our learning curve around this.

Some of us have learned these lessons. Some of us are learning them now. Some of us always seemed to know them, having put them in places years ago – possibly during the great depression.

There are many ways we waste money, but there are two primary money-wasters many of us struggle with.

It is not necessary to eliminate these two things altogether. But we could think more carefully about how we spend our money.

One primary money-waster is impulse buying.

Here are a couple of tips for avoiding impulse buying:

Never go grocery shopping when you are hungry.

Let me tell you from experience – I go work out at the Ontario Racquet Club – an hour on the cross trainer – and then try to go shopping at the Metro behind it – the things that jump in the shopping card are amazing! Mostly things on the margin of Canada's food guide! Peppers and bananas never jump in like chips and dip or extra old cheese or ice cream.

(And it's worse if the TV set in front of where you are working out on a cross-trainer is set on the food channel!)

Never go grocery shopping when you are hungry!

Shop for what you need only.

Make a list and stick to it. Buy what you need and get out of the store!

Wait 24 hours before purchasing an impulse buy.

Our second primary money waster is eating out. The issue is frequency. On average people eat out four to five times a week.

By eating out less frequently, we will have more money to save, spend on something more important, or to give away.

We do not exist simply to consume as much as we can and get as much pleasure as we can while we are here on this earth.

We are those who have a higher purpose.

We need to know and understand our life purpose —our vision, or mission, or calling — and then spend our money in ways that are consistent with this purpose or calling.

We work at being clear about our purpose and calling.  
What is the purpose and calling of your life?

Our society tells us that our life purpose is to consume — to make as much money as possible and to blow as much money as possible.

The Bible tells us that we were created to care for God's creation.

We were created to love God and to love our neighbours as ourselves.

We were created to care for our families and those in need.

We were created to glorify God, to seek justice, and to do mercy.

Our money and possessions should be devoted to helping us fulfill this calling.

We are to use our resources to help care for our families and others — to serve Christ and the world through the church, its missions, and our everyday opportunities.

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 or mission.

Being able to accomplish the greater purposes God has for our lives requires some measure of planning.

Taking the 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.

Each of us should think about our 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 us to accomplish our broader life goals.

At least one goal in each category should relate specifically to our faith.

\*See the bulletin insert "My Life & Financial Goals Worksheet."

Once we have set some financial goals, we need to develop a plan to meet those goals. A budget is a spending plan that enables us to accomplish our goals.

Some people use an envelope system to help them manage their saving and spending and stay on budget. Others use a variety of different approaches.

Many people find it helpful to seek the advice of a financial advisor. For those who find themselves in the midst of a financial crisis, a financial counsellor can help to work out terms with creditors and develop a workable financial plan.

Whatever approach you choose, the important thing is simply to have a plan.

We are sharing this morning “Six Financial Planning Principles.”

The following financial planning principles can help us to manage our money with wisdom and faith:

1. Pay your tithe and offering first.

Put God first in your living and your giving.

Give your tithe and offering from the “top” of your pay cheque, and then live on whatever remains.

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.

Tracking your expenses with a budget is like getting on the scales: It allows you to see how you are doing and motivates you to be more careful with your expenditures.

\* See the bulletin insert “Basic Budget Worksheet.”

3. Simplify your lifestyle – live below your means.

Thursday night I started the new men’s group at The Compass. It’s supposed to be life skills, learning, a community of support and encouragement.

One of the topics that resonated with the group was “learning to live within our means.”

We’re not alone as we wrestle with this and make large and small course adjustments.

Because this discipline is critical to the success of any financial plan, next Sunday’s sermon will touch on this topic. (Chris Orme will help us with this conversation.)

#### 4. Establish an emergency fund.

An emergency fund is an account separate from chequing or long-term savings that is set aside specifically for emergencies.

Some experts recommend beginning with \$1,000 and building that to three months’ worth of income.

When you have this amount, you won’t need to use your credit cards anymore.

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

As you are 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, experience that victory, and apply your payments from the first card to the second, and so on, creating a snowball effect to pay off the cards a.s.a.p.

Cut up your cards as you pay them down so that you are not trapped or leveraged by your future for present-day pleasure, as the prodigal son was.

If you must use a credit card, such as when traveling or making purchases online, be sure to pay off the debt monthly.

If you are unable to do this, then it is better for you 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 do not save merely for the sake of saving. There is a word for that: hoarding.

Hoarding is frowned upon in the Bible as the practice of fools and those who fail to understand the purpose of life.

Saving, on the other hand, is meant to be purposeful.

There are three types of savings we should have:

- 1) emergency savings;
- 2) savings for wants and goals; and,
- 3) retirement savings.

We are those who know the blessing and the encouragement of God's Spirit as we work at these things – making large or small or no course corrections in our lives.

I invite you to pray with me...

O 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 leveraging 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 we pray. Amen.