

Grace

Session 2

HANDLING YOUR FINANCES

Community Church

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MOVING IN THE RIGHT DIRECTION (1 TI. 6:6-10; HEB. 13:5)

Heb. 13:5 *Make sure that your character is free from the love of money, being content with what you have; for He Himself has said, "I will never desert you, nor will I ever forsake you,"*

INTRODUCTION

- It is very important as Christians to have a proper view of money and possessions and manage them Scripturally.
- Money is neither righteous nor evil – it is morally neutral. However, it is an accurate measure of our morality.

I. THE HEART OF OUR FINANCIAL PRACTICES

A. The Goal of Personal Finance

- To learn how to be “well pleasing” to God in this area of our lives (1 Cor. 10:31; 2 Cor. 5:9,10).
- The problems we experience in this area are fundamentally spiritual. (Lk. 12:15; 16:11).
- Stewardship: God-given responsibility with accountability. (1 Cor. 4:2)

B. Our Response to Financial Trouble

- So where is God in the midst of financial difficulty/trials/trouble? (Ro. 8:28,29a)
 1. Recognize God is in the problem.
 2. Remember God is up to something.
 3. Believe that He is up to something good.
 4. Discover where and how God is at work.
 5. Get involved in what He is doing.
 6. Expect good effects (v. 29).

II. THE BASICS OF BIBLICAL FINANCE

- A. God owns everything - You own nothing. (Ps. 24:1)
- B. God entrusts you with everything you have. (Mt. 7:11)
- C. You are responsible to increase what God has given you. (Mt. 25:21)
- D. God can call you into account at any time. (2 Cor. 5:10)
- E. God gives us the ability to make money. (Dt. 8:18)
- F. Many things are more valuable than money.

- G. Coveting, Discontentment, & Worry about material things = Sin. (Col. 3:5)
- H. God still expects hard, honest work. (Pro. 6:6,9,11; Col. 3:23,24)
- I. Balance “hard work” with: avoid “get rich quick” schemes, excessive OT, extra jobs if it causes you to neglect God-given responsibilities. (Pro. 28:20).
- J. Give to the Lord and the needy. (2 Cor. 9:6,7; Gal. 6:6)
- K. Proper Planning. (Pro. 27:23,24; Lk. 16:9-11; Jas. 4:15,16)
- L. Live within your Means. (Pro. 6:1-3; 22:7; Ro. 13:8)

III. PRACTICAL STEPS TO GROWTH

A. Tools and Disciplines

- Scripture Memory and Application
- Journaling
- “Think List”

B. Evidence of Growth

1. If you are careful to study these clear principles and to be obedient to them, ...
 - You can be free from worry about finances
 - You can become content with whatever you have
 - Your relationships to God, family, and others will prosper
 - In short, God will bless you
2. If not ...
 - Money can put a strangle hold on spiritual priorities (Mt. 13:22).
 - The desire for more can put unrealistic pressure on the family (Pro. 15:27).
 - Failing to work hard will result in sleepless nights (Ecc. 5:12).
 - The love of money will result in spiritual shipwreck and sorrow (1 Ti. 6:9,10).

THE MECHANICS OF A BUDGET (JAS. 4:13-15)

Jas. 4:15 *Instead, you ought to say, "If the Lord wills, we will live and also do this or that."*

I. GETTING STARTED

A. Gather initial data:

- Income
- List of monthly expenses
- List of current debts (minimum payments and payoff amounts)

B. Establish a plan and follow through:

- Balanced budget
- Debt elimination
- Growth in stewardship

II. CREATING A BALANCED BUDGET

A. Realistically determine your income.

B. Plan and prioritize your outflow.

1. Set aside for giving 1st. (Mal. 3:8)
2. Account for taxes. (Ro. 13:6,7)
3. Make a detailed breakdown of all family needs. (1 Ti. 5:8)
 - "3-6 month" guideline
4. Debts come next.
5. Surplus (your goal; control your budget to maximize this)
 - 2 Cor. 8:14 - Allows us to respond to the needs of others.

C. Compare income with outflow. If you're spending more than you're making, ...

1. Try to decrease expenditures.
2. Attempt to increase income.
3. "... but in all things through prayer and supplication ..." (Phil. 4:6-9)

III. MAINTAINING A BUDGET

A. The “KISS” Principle (Keep It Simple, Stupid)

- Update every one or two weeks.
- If it’s taking more than 30 minutes per week, it’s probably too complicated.
- Stick to it!

B. Hazards (a reminder)

- Discouragement
- Legalism / inflexibility
- Overcorrection

C. Cultivate self-control in “problem areas”.

- For example, keep “Entertainment” and “Lunch” money in envelopes.

DEBT

Pro. 22:7 *The rich rules over the poor, And the borrower becomes the lender's slave.*

I. AVOIDING DEBT TO GROW IN STEWARDSHIP

A. Definitions

1. *Debt* – condition of being in bondage to another person where you are obligated to pay what is owed.
 2. *Bankruptcy* – condition of having loans come due without being able to pay in acceptable currency.
 3. *Depreciating Items* – one whose value decreases the longer it is used or owned.
 4. *Appreciating Items* – one that tends to increase in value the longer that it is used.
 5. *Credit Buying* – operating on another person's money charge.
- ✦ We are primarily concerned with using debt to purchase *depreciating* items.

B. Consequences of Borrowing

1. It produces bondage to the creditors. (Pro. 22:7; 2 Ti. 2:4)
2. It may presume upon the future. (Pro. 27:1; Jas. 4:13-14; Lk. 12:16-21)
3. It may give the illusion of independence. (Jas. 4:14-17)
4. It may prevent self-examination. (2 Ki. 4:1)
5. It may remove barriers to harmful items. (Jas. 4:3; 1 Ti. 6:9)
6. It may demonstrate discontent with the basics. (1 Ti. 6:8)
7. It devours resources through high interest rates.
8. It promotes impulse buying. (Pro. 19:2)
9. It causes overspending. (Ecc. 5:10)

II. DEBT REDUCTION

A. Setting the Stage

- Don't let the idol of being debt-free replace the idol of materialism.
- Don't get in too big of a hurry: "This is going to take as much time as it is going to take."
- Eliminating debt is always secondary to knowing God.

B. Gathering data:

- List of all debts (depreciating items)
 - Payoff amounts
 - Minimum monthly payments

C. Snowball it!

- Establish an "emergency fund"
- Aggressively pay off your smallest loan 1st (minimum payments on all others)
- Roll that loan payment onto the next smallest loan ... and keep rolling