The Art of Wealth

by Terran Williams

The book of Proverbs teaches us how to live. And it offers a lot of timeless wisdom with regard to wealth. This e-book draws out and applies that wisdom to our lives now.

Be sure to not just read this e-book, but then fail to apply it to your life. Throughout there are *action steps*. Be sure to do them. This will mean making appointments with one's self, financial advisor, bank and most importantly for those who are married, with one's spouse (I strongly recommend couples work through these action steps together.)

The contents of this book will prove to be very challenging for some people. I hope it provokes change where change is due. But it may also make some people feel a deep, crippling sense of failure, and that is certainly not my goal. Where you have failed, humbly acknowledge your failure to God and receive his grace. 'Where sin increases, God's grace increases all the more' (Rom 5:20). Then let God's grace transform your finances. Redeem the time (and money) in the days and years to come by diligently, and in dependence on God's Spirit, applying God's financial wisdom to your life.

In the first section of this e-book I offer three points with regard to thinking about wealth rightly. In the second section I offer eight points about how to use your wealth wisely.

A) THINK ABOUT WEALTH CORRECTLY.

1) See yourself as a steward not an owner of your wealth.

This is arguably the most important point the Scriptures make with regard to the use of wealth. It is simply this: all the money we possess – even if we earned it through our own hard work and talent – comes from and still belongs to God (see Deuteronomy 8:18), and we are answer-able to him for how we use it.

In the final analysis, we are not owners of our own wealth. Rather God entrusts *his* wealth to us as stewards (or managers) of it. And we will give an account to him with regard to how we use his finances. If we misappropriate funds, say for example spending money on ourselves that was meant to be given away, then we are guilty of stealing or mismanaging God's money. That's serious. In Luke 16:1-2, Jesus illustrates this teaching about stewardship and accountability in the form of a story: "There was a rich man whose manager was accused of wasting his possessions. So he called him in and asked him, 'What is this I hear about you? Give an account of your management."

Sigrid Midonko says, 'We all have to give account for the money we manage. If we are not good at dealing with money we might think it is easier to give it to someone else to manage. But we, not them, will have to give an account to God, so embrace the challenge. Read what you can, seek counsel and enjoy the journey of discovering how money can benefit God's Kingdom.'

Peter Hobbs reminds us, 'Regardless of how much we earn we are to be good stewards of that amount. Just because we are relatively low earners does not mean we are less accountable to God. Besides, even apparently low earners accumulatively will deal with a lot of money in their lifetime.'

Mark Driscoll adds, 'We tend to (wrongly) think that the poor are righteous, and the wealthy are unrighteous. But the Scriptures teach that there are four categories, not just two. There are 1) the righteous poor 2) the unrighteous poor, 3) the righteous wealthy, and 4) the unrighteous wealthy. Whether we're righteous or unrighteous depends on how we have stewarded our wealth, whether we have much or little. But what should drive our stewardship? Answer: a heart that worships God. After all, what we do with our money is determined by what we worship. If we worship God, then we will use wealth to love people. But if we worship wealth itself, as most people in our culture do, we will tend to use people to get wealth.'

2) Beware of the pursuit of wealth.

One eager to get rich will not go unpunished. (Prov 28:20)

We are all in danger of being eager to get rich. This can be described as the greedy, idolatrous pursuit of wealth. 1 Timothy 6:10 says, 'the love money is a root of all kinds of evil'. It is not money itself, but rather the idolatrous, greedy love of it that is the problem. Not only is greed a sin, but it is a sin *which gives rise to even more sin.* Just think how that is the case in modern society where greed is the root of crimes such as stealing, robbery, hijacking, fraud, embezzlement, counterfeiting, larceny and tax evasion. It is the root behind environmental exploitation. It is commonly the root behind married people neglecting their spouses, parents neglecting their kids, single people living in social shells, and Christians neglecting their pursuit of God and involvement in spiritual community!

But it is not just the idolatrous *pursuit* of money that can attract evils into our life. Also, *the possession* of it can lead us into temptation. Having much money is itself a temptation. With increased wealth comes increased independence and social power, which are the breeding ground of sins such as pride, self-sufficiency, excessive luxury and self-indulgence. The most tragic temptation wealthy people face is the tendency to try to live life without God…

'I (fear I) may have too much (money) and disown you and say, 'Who is the Lord?' (Prov 30:9)

On this point, Christo Bredenkamp says, 'I have learnt in my walk with God not to exaggerate the power of money. Money needs to be held lightly and in its right place. I come across so-called "powerful" people on a regular basis chasing money. Their lives are usually a complete mess. Don't make the mistake of thinking that money will solve your problems. We do need it, but it is nonetheless very limited in its ability to make life work, never mind bring any lasting happiness.'

3) Pursue wisdom not wealth.

Only a fool loves wealth more than wisdom. The book of Proverbs urges us to love and seek wisdom not wealth. But why should we love wisdom rather than wealth? The book of Proverbs gives four reasons:

a) Wisdom is worth so much more than wealth.

Blessed are those who find wisdom for she is more profitable than silver and yields better returns than gold. She is more precious than rubies; nothing you desire can compare with her. (Prov 3:13-15)

b) Wisdom tends to attract wealth.

Long life is in her (wisdom's) right hand; in her left hand are riches and honour. (Prov 3:16)

This verse teaches is that the possession of wisdom increases our chances of possessing wealth. This is because a wise person will tend to acquire wealth in a more godly and sustainable way, and will be able to use it in a more God-pleasing way.

Another reason that wisdom attracts long-term wealth is that if you love wisdom you're less likely to chase get-rich schemes, which are a sure-fire way to lose wealth….

Haste leads to poverty. (Prov 21:5)
Dishonest money dwindles away. (Prov 13:11)

Think of Lottery winners here. A study of lottery winners shows that within 5 years most of them file for bankruptcy. The initial novelty and promise of getting rich quickly leads to nothing but pain. Think also of the terrible global economic meltdown of 2009, which had greed in the housing market of the USA as its primary catalyst. The desire and attempt to get rich quickly generally leads to disappointment.

Does this mean that we should avoid any potentially big earning business or investment opportunity? Obviously not, just that this should not be our basic approach to wealth accumulation, and that we should be very careful of being blindsided by greed. Only a fool thinks that he will become wealthy by bouncing from one get-rich-quick opportunity to the next.

c) Wisdom helps us to be content with what we have.

Listen to the words of a wise man who asked God for enough, not more than enough…

Give me neither poverty nor riches, but give me only my daily bread. (Prov 20:8-9)

On this point, one of the secrets to the art of wealth is to draw a 'daily bread' circle, in which one in list form describes the standard of living that will be 'enough' for the rest of one's life, or at least for the next 5-10 years. Then if you earn more money than is needed to sustain this lifestyle, you simply refuse to spend that money on yourself and raise your standard of living. Warren Buffet is an inspiring example of this. Though becoming one of the world's wealthiest men he didn't buy a bigger home. Or think of Time Mag's 2009 'man of the year' who, though being the head of the Federal Reserve in the USA, chose to drive a Ford Focus (no offence to those who drive Ford Focuses!).

Action Step: Write down answers to these questions. 'What is my 'daily bread' circle? What is the standard of living that I believe, by the grace of God, I'd be happy to have in the current season of life I'm in? And for the rest of life?'

d) Wisdom knows that wealth isn't forever.

Riches are not forever. (Prov 27:23)

When Rockefeller died, someone asked his accountant, 'How much did he leave behind?' Incredulously, he answered, 'All of it!' Our lives extend beyond the grave, but our wealth doesn't. We are all in danger of getting caught up in the pursuit of things with temporary value. Better to live for things with eternal value because these will outlast us. In a sense, we can take them with us when we die.

Wealth is worthless in the day of wrath, but righteousness delivers from death. (Prov 11:4)

There is coming a day when we will stand before God on Judgment Day. If we have lived in the pursuit of temporary things we will experience 'God's wrath'. All our wealth will be totally worthless. More than that, all our wealth will betray us. Ezekiel 7:19 paints even more of a vivid picture to illustrate this truth: 'They will throw their silver into the streets, and their gold will be treated as a thing unclean. Their silver and gold will not be able to deliver them in the day of the LORD's wrath. It will not satisfy their hunger or fill their stomachs, for it has caused them to stumble into sin.'

In summary: 1) See yourself as an owner not a steward. 2) Beware of the pursuit of wealth. 3) Pursue wisdom not wealth.

B) HOW TO USE YOUR WEALTH WISELY.

1) Know your current financial state.

Be sure you know the condition of your flocks, give careful attention to your herds (v23) … (for) the lambs will provide you with clothing, and the goats with the price of a field (v26). You will have plenty of goats' milk to feed your family (v27). (Prov 27:23,26,27)

Verse 23 is amongst the most misquoted verses in the Bible. People think it refers to the need for shepherd-leaders to carefully look after the people under their spiritual care (which is true), but actually, as evidenced by verses 26-27, it refers to a careful assessment of ones' wealth. In those days wealth was measured in livestock. The point: we should pay careful attention to our current financial state. Practically speaking, this means we should know 1) our assets (what we own), 2) liabilities (what we owe), as well as our 3) monthly income and 4) expenses.

Your net worth is measured by all you *own* (your assets) minus all you *owe* (liabilities). Suze Orman encourages us to calculate our net worth. Why? 'We tend to focus on assets and forget about debts. Financial security requires facing up to the big picture: assets minus debts.'

Action Step: Type "net worth calculator" into any Internet search engine and you will find plenty of free online tools to help you take stock of your assets and debts.

Then we need to calculate our **monthly income.** It may consist of salaries, rent received, child support, alimony, pensions, dividends etc. Then we need to calculate our current **monthly expenses** and see where your money is going.

Action Step: Calculate your monthly expenses. Keep all cash slips (or carry a small notebook with you and record every cash purchase you make, whether it is R1 or R1000). Also look on the Internet (start Internet Banking if you haven't already) to see your last month's credit card and bank statements. Now add all the expenses up, and see where your money went. For greater accuracy do this three months in a row.

Suze Orman says that most people are aware of their big-ticket items (such as house and car repayments) but that when you do a exercise like this you will have a few "Yikes, I had no idea" moments. This is part of knowing the truth.

2) Be generous toward God's work.

Honour the LORD with your wealth, with the firstfruits of all your crops; then your barns will be filled to overflowing, and your vats will brim over with new wine. (Prov 3:9-10)

Christ-followers should make giving money to God's work through their local churches the priority use of their money. This is the most practical way that we 'honour the LORD with our wealth'. The word 'honour' here means to acknowledge God's worthiness, greatness and weightiness. It is not just the words we speak to God in a time of musical worship, but what we do with our money that is true worship.

What are the 'firstfruits' mentioned here? It refers to the ancient Israelite practice of giving the very first portion of one's income (which came in the form of crops) to God, by giving to the temple. This was given as a way of responding to God's saving grace, and of acknowledging that all they had comes from God anyway (see Deuteronomy 26:8-10).

In the Old Testament this giving sustained the functioning of the temple along with those called by God to serve in it. But the giving described in the New Testament is far more important. It is no longer a material temple of solid stones, but now a spiritual temple of living stones that benefits. It is no longer maintenance-minded priests whose work it was to monopolize ministry opportunities who are employed. Now it mission-minded leaders whose work it is to multiply ministry opportunities for the whole church. It is no longer about sustaining a static temple system, now it is about multiplying outward-focused gospel-communities into the nations. How much more critical is giving now than then!

How much did the Israelites give? Most pastors have taught that they give 10%, but a more thorough study of the law of Moses shows that they gave two tithes as well as a third tithe every three years, which means that they gave more than 20%. How much are we meant to give to God's work through the church? The New Testament does not say exactly how much. What it does say is that we should give *proportionately* to our capacity to give. For this reason Jesus was far more impressed with the few cents a poor widow gave than the huge amount of money a millionaire gave, who he believed could have given much more (see Luke 21:1-4). And the New Testament says that we should give *generously and sacrificially*. The general practice most mature Christ-followers have embraced over the centuries is to give 10%. But this 10% should be treated more as a floor than as a ceiling. And Christ-followers need to be open to giving far more at certain times, especially to unusual kingdom ventures like supporting churches facing desperate times, funding church planting, and strategic building projects.

Listen to what Allan Fergusen says about his own practice: 'I commit to give at least 10% of all my income. This is what this means for me: 1) It is one way I thank God for what He has done for me. 2) It reminds me to worship and to rejoice in God. 3) It reminds me to remain obedient to God's will. 4) It reminds me that Jesus is overlord of my entire life – without Him in it I would really make a mess.'

Listen to Christo Bredenkamp's journey in this regard: 'I would say that I've learnt my most important lesson about money when I had none and it comes down to this: hold money lightly and trust God fully. Let me explain: we lost our business in 1998 and we went through an extended lean period in which I felt God ask me one night at a small group: "Christo, what will it take for you to really trust me?" And I felt the reference was specifically around our finances. At that stage I was a new convert and I guess still hanging on to my ability to make things work (and believe me I tried just about everything). From that moment on I promised God to make Him and Him alone my source and this decision had some important consequences. From a financial point of view I thought one way to demonstrate my new found faith in my provider was to hold money lightly and become much more generous than I've ever been before, at all levels, including giving back to God. Basically, from that moment on I've always given generously to God because He is my provider, given me so much and trusted me with so much. This is not a transaction (If I give will you bless me God!) but just the most natural overflow of my life. It's incredible to see how God has opened doors for me since that decision which has become the number one principle underpinning my use of finances.'

Christo mentions how he has experienced God's blessing in the wake of his generous lifestyle (and those of us who know him are blown away by the evidence of it!) That he has been so blessed by God should not comes as a surprise. Proverbs 3:10 promises that as we give generously to God our 'barns will be filled to overflowing, and vats will brim over with new wine.' What blessing can we expect? 1) One way he blesses us is with joy (that's what the 'new wine' refers to). It feels great to give to God's work! 2) Another way he blesses us is that our money tends to go further than if we had just kept it for ourselves. As an example of this consider how Haggai the prophet reprimanded God's people for putting all their money into building their own houses but failing to build God's house, the temple. The consequence? 'You earn wages only to put them in a purse with bigger holes in it' (Haggai 1:6). 3) At times, but not always, God may choose to bless us financially too. This is because, generally speaking, God would rather give more money to a person he can trust. And surely a person who prioritizes his work with their money is someone he can trust?

Action Step: What is your current practice (or lack of it) with regard to giving to God's work through the church? Any changes needed? What is your plan to give consistently?

In Common Ground Church, over 75% of all giving is done so electronically. If you'd like to make use of this option, our bank details are: *Common Ground Church, Account: General, First National Bank, Claremont, Br Code 200109, acc no. 5015 006 0446, Cheque.*

3) Be generous to people, especially the needy.

One person gives freely, yet gains even more; another withholds unduly, but comes to poverty. A generous person will prosper; whoever refreshes others will be refreshed. (Prov 11:24-25)

Depending on our capacity, we should strive to be generous people. In fact the closer we get to God, the more we should reflect his generosity to others. Though we should try to save money generally, there needs to be times when we celebrate life and relationships through being generous. This would include being generous to our family and friends, as well as to waiters who tip us, and sometimes even perfect strangers. A common opportunity for generosity is to pay the bills when eating out. But we also need to be generous to those who are truly in need, starting first with the needy in our own church, then the needy in our city (as Galatians 6:10 counsels us)…

Whoever oppresses the poor shows contempt for their Maker, but whoever is kind to the needy honours God. (Prov 14:31)
Those who are kind to the poor lend to the LORD, and he will reward them for what they have done. (Prov 19:17)

The early church tended to give to the poor through the vehicle of their local church (see Acts 5:32-35). Still today, we should give to the poor through our churches.

Action Step: What is your current practice (or lack of it) with regard to giving to the needy in the church? And to the poor in the city? If you're not doing this, why not start giving in these areas?

In Common Ground Church, we have two funds that we invite our members to regularly give in to. There's a fund for the neediest in our church, and there is a foundation which underwrites the Common Good Initiatives through which our church partners with the poor of the city.

To give to the neediest within our church, deposit money into: *Common Ground Church, Account: Mercy, First National Bank, Claremont, Br Code 200109, acc no. 6202 673 8586, Cheque.*

To give to the poor of our city, deposit money into: *Common Good Foundation, Std Back, Rondebosch, Br Code 025009, acc no. 270 604 553, Cheque.*

4) Save, save, save.

Ants are creatures of little strength, yet they store up their food in the summer. (Prov 30:25)

Little by little the ant practices delay gratification and accrues surplus! That is a picture of saving, or storing up for the future. Sigrid, out of her expertise as a financial advisor, recommends we have three different saving accounts or vehicles:

a) Save into an emergency fund.

Christ himself warned that we live in a world of rust, moth and thief. Therefore, we should expect unexpected costs. For example, our car breaks down, or the whole family gets sick and medical bills suddenly pile sky high, or we're retrenched. What we tend to do when these emergencies come up is 1) to dig into their long-term savings, or more commonly 2) to go into debt on our credit cards. Both options are unwise! Rather we should apportion the same amount every month into an emergency fund. When do we stop putting money into the emergency fund? Mark Driscoll advises, only when we have enough to live on for six months (assuming all income stopped.)

b) Save short-term (i.e. less than 5 years).

We should anticipate foreseeable bumper expenses in the coming years such as school fees, going on a mission trip, the purchase of a car, a big holiday, a wedding, a deposit into a house etc. A good place to keep this kind of money is in a call account, which earns fairly good interest but takes a while to get out (with this serving as a deterrent). This short-term saving must not be put in fluctuating stocks or unit trusts, which are a very unreliable form of short-term saving.

c) Save long-term.

One day we will be too old to earn an income. If we don't plan for that season of our lives then we doom other people to carry us as a financial burden, or worse yet (if no one is able or willing to care for us) we are reduced to rags. The sooner we start saving for that season the better. In contrast to short-term saving, this kind of saving can be done by investing money in stocks, unit trusts or a retirement annuity. The key to this kind of saving is to start as early as possible in life. For many of us, another long-term cost we can save for is our children's varsity education.

The sooner we start the better. Brad Merrit warns us that a 'common mistake that people make with their money is to put-off saving and investing. When it comes to saving and investing your money, time can be your best friend. The purpose of saving and investing your money is to take advantage of compound earnings. The longer that you save and the earlier that you start investing the faster you can reach your financial goals. Waiting just makes it much harder to meet the same goal. So find a way to start saving and investing today.'

He who gathers money little by little makes it grow. (Prov 13:11)

Compound interest is an example of how we grow our money 'little by little'. Say you put in R167 a month – that's R2000 a year – into an investment that pays 8 percent interest. In 30 years time you would have put in only R60000 yet because of compound interest that account would be R245000 – that's R185000 that's yours simply because you applied the little by little principle faithfully and patiently, all the way refusing the temptation to draw from it.

The way to wealth is to get compound interest working for you over a lengthy period of time. The way to poverty is to have it working against you. Which is why wise long-term investing is so important! Ask your financial advisor or some trusted people to help you choose a good investment product. Don't forget that the number one rule of good long-term investments is to diversify. (After all, Ecclesiastes 11:2 counsels us, 'Divide your portion to seven, or even to eight, for you do not know what misfortune may occur on the earth.')

5) Budget how you will spend your money.

The plans of the diligent lead to profit as surely as haste leads to poverty. (Prov 21:5)

Every earning person and married couple should go into a month with a clear *plan* of where their money will go that month. This is called budgeting. It should include monthly items (like giving, home loan or rent, car loan, kids education, savings, utility bills etc) as well as regular small-ticket items (like food, clothing, household expenses, fuel, entertainment etc).

In the last three points, we have seen that God's word instructs us to 1) give to God's work through our local churches, 2) give to the poor, and to 3) give to ourselves through saving. But how much should we apportion? A simple exercise could help you answer this question…

Big Action Step: Evaluate your current capacity to apportion in the areas of 1) giving to God, 2) the poor and 3) yourself (by saving). What overall percentage of your income can you give to these three areas? Next, prayerfully and thoughtfully decide for yourself how much of this portion you will place where *(perhaps embrace the 10/2/8 plan described in next paragraph).* Also be sure to figure out how you can increase your future capacity to give an even greater percentage of your total income in these three areas.

The 10/2/8 plan: If you're not sure about how much to give, perhaps let me suggest a very practical goal that I advise earning Christ-followers to embrace in these three areas. It's called the 10/2/8 plan. Simply put, I advise that people, out of their pre-tax income, give…

- 10% to God's work through their church.
- 2% to the poor (1% to the needy in the church, 1% to the poor in the city)
- 8% to saving (ask a financial advisor or some trusted people for help to decide how to divide this 8% into 1) saving for emergency fund, 2) saving short-term, and 3) saving long-term).

(With regard to giving to God's work and to the poor, the wealthier a person is, the greater portion they should give.)

One more important tip: w*ith regard to all big monthly items, tap into the power of pre-set automated payments and transfers.* There are certain bigger payments that you are obligated to make or else you will be in legal trouble (such as repayment of home and car loans, utility bills, school fees etc). I call these *urgent* payments. Then there are big monthly items that if you don't make, you will not get into any trouble at all, but *later on* you will come to deeply regret (such as giving to God's work, giving to the poor, short-term and long-term saving). I call these *important* payments. What many of us tend to do is make the urgent payments, but then see how much money is left at the end of the month, and based on that make the important payments. But this is a reactive kind of spending, and we end up neglecting some of our most important outflows, hurting ourselves in the long run. Rather decide before the beginning of the month how much you wish to give to *both* kinds of monthly items – the urgent ones and the important ones.

Then actually make those payments. But how? Answer: *set up however many automatic payments or stop orders with your bank that transfer or pay pre-allocated amounts into various accounts.* You simply cannot hope that there will be money left at the end of the month; you must proactively take it out. Automating is a way of forcing ourselves to actually translate our intentions into actions. If you receive different amounts each month then work out an average based on several months of income.

Action Step: Once you have decided how much money on a monthly basis to allocate where then go to your bank and set up automatic payments and transfers. Be sure to update these amounts with every pay rise.

6) Live within your means.

We have needs, and we have wants. We can't live without needs being met. But we can live, even happily so with God's help, without our wants being met. Most of the money we spend on wants can be reduced or eliminated, so that we are able to live within our means. A good starting challenge is to reduce all spending on wants by at least 10 percent. But to do so will be to cut against the grain of our culture. We live in a consumer culture that encourages us to live beyond our means. Credit cards and buy-now-pay-later schemes make this possible. Listen to how Proverbs calls us to burst this self-deluded bubble, and start living within our means…

One person pretends to be rich, yet has nothing. (Prov 13:7)

Budget smaller expenses: We have spoken about budgeting big monthly expenses in the previous points, but we need to also budget smaller expenses. Based on what you have spent in previous months (which you discovered in point 1) why not set a limit to the amount you will spend on things like food, entertainment, clothing, fuel, gifts, etc. Mark Driscoll reminds us that paying with cash as opposed to swiping a credit card is a far more effective way of controlling spending. He recommends the cash envelope system, which is described in the following action step…

Action Step: Decide how much money you're willing to spend every month on all the small ticket items you can think of: food, entertainment, gadgets, clothing etc. Then draw cash at the beginning of the month, or perhaps each week, and keep it in an envelope (in a safe place) with the category of spending written on the envelope. Then once the envelope is finished, tough luck. Don't spend any more money in that area. Any money not spent can either be put into savings or can flow over into the following month's spending in that particular area.

Let me suggest other ways to start cutting expenses:

- Ask yourself searching questions like, '**Can you really afford the car you're driving? And the house you're living in? And the school you're sending your kids to? And the restaurants you're eating out at? And the shoes you're wearing?'
- Know what drives you to spend. Jean Chatsky urges us, 'Stop using shopping as therapy. Emotional spending causes a lot of people to end up in serious debt. Seventy-nine percent of women go on spending sprees to cheer themselves up, according to a 2009 study released by the University of Hertfordshire, in England. Forty percent of the women surveyed named 'depression' as a reason to go shopping.'
- Tear up your credit cards. If you don't have the courage to do this, then tear up all your credit cards but one, and set a low limit on the amount you can borrow from the creditor.
- Eat out at restaurants less often. They're exorbitant relative to the cost of homemade food. Besides you'll enjoy them more if you frequent them less often.
- Buy good used cars. For a person who is tight financially, the craziest thing they can do is to buy a new car, an asset that depreciates rapidly. For example, the moment a new car is driven out of the show room in depreciates 10%! Rather carefully select and buy a used car, look after it, and then drive it till it dies. A lot of money will be saved.
- Shop wisely. Allan Fergusen tells us how he saves money when he shops: 'I shop on Friday afternoons when the specials happen at Pick n Pay or Woolies. I save 22% every month simply by doing this. Also I look at the bottom shelves – the bargains are there – not on the shelves at eye level. I look at the rows of stuff behind the first row – again a lot of the times I find the prices are cheaper. I also draw out cash for the month – 1 transaction per month which means I reduce my bank charges. Whenever I go shopping I also eat something before – that way I don't load the trolley with chips and chocolate because I am not hungry. I also follow my list – avoid impulse buying just because it's on special. If it's not essential don't buy it. When moms go shopping it is a good idea to leave the kids behind otherwise you come home with loads of chips and chocolates or whatever the kid fancies.' Similarly, Sigrid shops only once a week, and only after drawing up a meal-plan for that week. And a note to the bargain-buyers: it's only a bargain if you genuinely need the item.
- Sigrid also encourages us to make space for God's provision: 'If you don't have the money – don't buy it! Sometimes we need to have faith that God, who is our provider and who has our best interests at heart, will come

through for us in our every day needs. In the detail of our lives! Be it nappies, bread or even a new car!'

- Reprice household and car insurance, without forfeiting the required levels of coverage. Make the effort to phone around, and request better deals. Buy clothing on sale, cancel dstv, get a cheaper phone contract, and don't buy every new gadget.
- Paul Maughan offers this (and all of the following points too!) as advice: 'Think 'functional economics'. This means that you weigh up what the item will be used for (how important is it?) over the cost of the item. Example: Tennis shoes. I love tennis and play quite a bit. I need to buy a new pair of shoes. Some are selling for R400 and others are R700 – which to choose? How many wears will I get out of the different pairs? How will my life be different should I choose the more expensive pair? In this case, since tennis isn't that regular a sport for me, and R400 is already quite a bit of money, the extra R300 doesn't make sense for me. If I were an A league player I'd go for the more expensive ones though. What function does the item play in your life? The answer to that will be different for everyone so hence it is hard to set strict rules for all purchases – we are different. Having said that, always review after the purchase and acknowledge when you have made a mistake (it will happen). Another example: the long table that seats 12 in my home. Entertaining others and being around a single table is important to us. My wife and I paid a lot of money for it BUT we are putting that table through it's paces – hosting dinners and now even playing table tennis on it! Two years later, I can say that it was a good call. If the table had just been used by Lee and I, then it would have been a dud.'
- 'When you want something expensive set aside some time to consider it and save up for it (even if you have the cash already, pretend you don't!) – this means that when you buy it, it is so much more appreciated and generally cared for than if you had just gone out and bought it on impulse.' I'd add to Paul's advice by encouraging you to discipline yourself to get three quotes when buying something expensive, or when purchasing a service.
- 'Take care of your stuff. Bottom line – purchasing something is the start of the relationship, the hard work has only just begun. This means: don't put your clothes in the wash after wearing them once (the machine damages it over time); get your car serviced regularly; don't you're your things etc.)'
- 'Be aware that entertainment can be a lot cheaper than you imagine – pricetag doesn't equal value! Find out where the winter specials at good restaurants are, take your own sundowners and snacks somewhere, join the library (7 books for a 2 week period! What a win!)'
- 'Be weary of paying via debit orders. R200 a month doesn't sound like much, but that adds up over time. Rather save up for a few months and pay cash for the item OR if it is something like gym, internet, cellphone etc. – are you really making enough use of it or should you consider scaling down?'
- 'Know how much money you're really spending when you buy something: If you buy a car – it is losing value as you drive it BUT more than that it requires cash to pay for insurance, license, petrol, repairs, maintenance

etc. Consider all of the cash flows involved in a purchase and not just the initial amount.'

- 'If it looks too good to be true, it probably is. Don't be greedy and never response to investment/purchase decisions that need to be made "NOW!"'

Action Step: Which of bits of advice from the list can be applied to you? What spending areas will you cut down in? What is your plan to do so? Make a list.

When we're tempted to cut costs, we must ***beware however of avoiding paying for insurance***. Brad Merrit writes, 'Another common mistake people make with their money is not making sure that they are fully covered by their insurance. The financial fallouts caused by emergency insurance situations can be devastating. Be sure you stay fully covered with auto, homeowners (or renters), health care and disability insurance at all times. If you have a family, you should also have life insurance coverage.' Shop around. Also see what tax benefits can be derived on health and life insurance.

This point deserves an e-book of its own, but let me say it anyway: ***do what you can to earn more.*** Allan Fergusen says, 'Earn more. Develop competencies – know what you are doing. If you don't then get training or change to a job where you competencies are needed. Work hard, with a good attitude and with integrity. Become an asset to any company.' Paul Maughan adds, 'Think about creative ways to increase your income. A couple of points here – God is creative and we are made in his image – we can be creative in the area of finance as well! What do you love doing? Are there people prepared to pay for what you love doing or do you need to improve some things first? Example: I love writing, so I wrote a few finance articles and after awhile got paid for doing so – what fun!'

Action Step: Any ideas how you can earn more?

7) Get out of debt.

'The rich rule over the poor, and the borrower is slave to the lender.' (Prov 22:7)

To get into debt is to sign up as a slave. It is be avoided as far as possible. Allan writes, 'The average middle class in South Africa today will earn between R 2700000 and R7500000 in a 45 year working career starting at age 20 and finishing at age 65. What amazes me is that they will on average spend between 50 and 60% of this amount servicing the debt that they collect in this working career, most of it going to interest. Who in their right mind when they start working wants to spend 50% of their life's income servicing debt?'

Brad Merrit says, 'The first most common mistake people make with their money is to pile up their debt. When you pile up debt, you create an enormous financial setback for yourself that is both extremely difficult to get out of and which also costs you more money in the long run through accrued interest. It is extremely important to use your credit cards responsibly. Building good credit can help you qualify for lower interest rates on loans, but charging your cards to the max and not paying them off destroys your credit and puts you deeper into debt. Pay in cash instead to keep spending within your means.'

If you're in debt, here are some pointers…

- The most common debt people face is their home loans. There are two ideas to more quickly eliminate this debt. First: whenever you get a pay rise, be sure to increase your monthly repayments by that same amount. If you get a pay rise of 10% per year, and follow this plan, then you will save yourself in effect nine years of repayments! Second: Suze Orman (speaking to Americans) urges that people add a 13th bond repayment. She says, 'Pay off your loan five years faster! If you're in your 50s and plan to live in your current home forever, try to pay off the mortgage before you stop working so you remove that big cost from your postretirement expenses. One way to do so is to make one extra mortgage payment a year. You can even spread the payment over 12 months. Let's say you have a $1,500 monthly mortgage payment and a 30-year fixed-rate mortgage. If you divide $1,500 by 12, that's $125, so instead of paying $1,500, you send in $1,625 each month. That will cut your repayment time by five years and reduce your interest payments over the life of the loan; for a $250,000 mortgage charging 6 percent, you will save $61,000. That $125 a month is a tough, but doable small step now, but one giant leap toward future financial security.' How much more do South Africans who have far higher interest rates need to do this!
- Roy Parfitt gives the following four bits of counsel to those who are in excessive debt: '*1) If you have been unwise, or even reckless, in incurring excessive debt, repent.* Make a firm commitment to address your indebtedness. Realize too that marriages come under great stress in severe debt situations. It is vital for married couples to avoid assigning blame and maintain unity of purpose. *2) Sell off non-essential assets.* For example, is a second car essential? In cases of severe debt it may be necessary to sell your house and down scale. 3) *Invite input from a trusted, mature believer* who has a good understanding and applies biblical principles in his/her financial stewardship. Open up your finances and share your repayment plan. Remain accountable on a long term basis as you are disciplined in your debt reduction program. If you need some guidance in your financial planning but don't know who to go to, contact your elders and ask them to point you to people in the church who can help you. 3) *Approach your creditors and inform them of your commitment to repay your debt.* Request a sustainable monthly repayment amount and even an interest reduction.
- Allan also offers a list of advice on the subject: 1) Change your focus – focus on what you do have and what you can do. 2) Calculate your budget – see how much you can cut down on all living expenses then calculate how much you can allocate on debt repayments. 3) Make a list of all your creditors, money owed as well as interest rates. 4) Allocate a percentage of the monies available to pay each creditor regularly. 5) Contact each

creditor and make an offer of what you can pay and secure an agreement in writing from the creditor. 6) Pay the agreed amount each month to the creditor. 7) Expect God to move supernaturally on your behalf providing an overflow for rapid debt reduction.'

- Jean Chatsky speaks of the 'Debt Dash Plan': 'List your debts, starting with the smallest. Take all the extra money you can find in your budget and apply it to that debt, and make only the minimum payments on your other debts. When you pay off the first debt, move on to the one with the next lowest balance, and so on. This strategy works because people get an emotional boost from eliminating one of their debts quickly, which motivates them to stick to their debt repayment plan.' Sigrid adds that we should pay off those debts with the highest interest rates first. This usually consists of short-term loans, store cards and credit cards.

Action Step: What are your debts? What parts of the counsel listed above can you apply to your situation?

On the topic of debt, **beware of the danger of taking on the debts of other people**…

A man lacking in sense pledges and becomes surety in the presence of his neighbour. (Prov 17:18)
Do not be one … who become security for another's debts. (Prov 22:26)

Brad Merrit counsels us, 'A common mistake that people make with their money is co-signing for loans. The next time a friend or family member asks you to vouch for them on a loan, politely run the other way. When a bank requires a co-signer, it's often because the person applying has no credible history of paying debts on time. If the person who received the loan is late on payments or simply doesn't pay up, you'll be responsible - and this will damage your credit.'

8) Leave an inheritance for your kids and grand kids.

The righteous leave an inheritance for their children's children. (Prov 13:22)

The main gift we can give our kids is to point them toward Christ, and in their formative years, to build into them the character, life experiences and memories that will likely increase their chances of success in life. It will also be giving them a good education. But Proverbs tells us of yet another gift we can give them: a financial inheritance.

Mark Driscoll tells how he would like to in the coming decades help his grandkids buy their first home, or go to college, or give themselves to be missionaries or social workers. He also says that he hopes he will still be alive when these inheritances are given.

Here's an idea that many of us will be able to achieve with enough foresight: Imagine paying for a large percentage of our children's first home one day (perhaps the whole amount?) on the basis that they pay back the amount we give interest free into a trust, a trust set up for their own (future) children's tertiary educations in the decades ahead. And imagine encouraging them to do the same for their kids and grandkids. Imagine being able to leave that kind of legacy?

On this point of leaving an inheritance let me add three more thoughts: 1) Write your will today. It is deeply unloving to not do this. 2) Teach your children the contents of this e-book. The book of Proverbs was a primary tool that Jewish parents once used to teach their children how to live. (Is that perhaps a reason that generally Jewish people today tend to be more financially savvy than the general population?) Even more important than leaving for our kids a *material* inheritance is to leave them a *wisdom* inheritance in the area of wealth! 3) Leave some of your inheritance to support God's work. After all, we have more than just a biological family. We have a spiritual family too!

Action Step: Do you have a dream with regard to leaving an inheritance? What is it? And what is your plan to make it happen?

Last word: Trust and rejoice in Christ!

Trust in the LORD with all your heart and lean not on your own understanding; in all your ways submit to him, and he will make your paths straight. (Prov 3:5-6)

Trust in Christ. Though you need to be responsible with how you steward your wealth, never let wealth become your focus in life. Rather focus on God. Trust him to care for and guide you. Perhaps, no matter how financially responsible and generous you are, you may face significant financial setbacks at times in life. Continue to trust in the Lord and not on your own understanding of what's happening. God will use it to move us forward in your journey. 'He will make our paths straight'. Perhaps some of the greatest lessons God will ever teach us will be in times of financial difficulty.

I (fear I) may have too much (money) and disown you and say, 'Who is the Lord?' (Prov 30:9)

Rejoice in Christ. The verse above reveals the insanity of letting our possession of money blind us to something so much greater – the privilege of knowing the Lord. Devastatingly, we can sometimes be compared to a person who can't see the starlight on a dark night, because we're staring at a burning match. The match-light of material wealth is so small and short-lived when compared to the star-light of God's eternal beauty and glory. If we could put financial value on our possession of Christ, what would it be? Not all the mountains, seas, precious metals and gems in the entire universe would be enough! This is reason to rejoice. This is why, generally speaking, we should not be enamoured with how much wealth we have, nor anxious about how little wealth we have. We have Christ. Those with Christ have so much more than they realize. (And those without him have so much less). So, if you do have him, regardless of your financial state, then rejoice!

Sources used: *This e-book was written as part of a series we did at Common Ground Church in 2010, which explored practical life themes dealt with so masterfully in the book of Proverbs. I wrote to many financially savvy Christians and asked them about their own approach to wealth. I quote them throughout. They are Sigrid Midonko (my financial advisor), Peter Hobbs, Roy Parfitt, Paul Maughan, Christo Bredenkamp, and Allan Fergusen. I also drew on some of the current financial wisdom available through books and websites. I went to Suze Orman, Jean Chatsky and Brad Merrit. (We must remember that Christ once even commended the way 'the people of the world' wisely used their finances (see Luke 16:8), so we must be open to discerningly taking some counsel from the financial experts.) I am also grateful to Anthony Selvaggio (author of 'A Proverbs Driven Life') and Mark Driscoll, whose teaching on the subject of money from the book of Proverbs was very helpful.*