

Financial Principles

Question: Do you believe that being wealthy is a sin?

Some People believe so, based on the following Scriptures:

- **Matt. 19:21**: *“Jesus said to him, “If you would be perfect, go, sell what you possess and give to the poor, and you will have treasure in heaven; and come, follow me.”*
- **Matt. 19:24**: *“Again I tell you, it is easier for a camel to go through the eye of a needle than for a rich person to enter the kingdom of God.”*
- **Mark 10:23**: *“And Jesus looked around and said to his disciples, “How difficult it will be for those who have wealth to enter the kingdom of God!”*

Answer: No, read on what the Word says:

- In **2 Chron. 1:7-12** we read that the Lord told Solomon to ask whatever he wants. When Solomon asked for wisdom, the Lord also gave him more riches and treasures than anyone ever had before.
 - Does this mean that God did not want Solomon to enter the Kingdom of God? **No.**

Having money is therefore not wrong! It is not about how much money you possess, but about how much money possesses you.

I have often prayed for Christian business men and asked the Lord:

1. Why do many Christians' businesses not flourish?
2. Why do they keep on losing money?
3. Why are they cheated?
4. Where does the problem lie?

The Lord showed me a vision:

I saw a big dam wall with two wooden doors in the middle and water flowing through underneath and spurting or dripping through the holes. Many of the people stood collecting the water. Some stood hip-deep in the stream and drew buckets-full of water, while others only collected a few drops in a cup. On the other side of the dam wall I saw a multitude of water, and waves hitting against the doors to break them open. If God had removed the wall, all the people would have been washed away.

Meaning of the vision:

The Lord gives us what we can handle, because He loves us. (Many people become proud and undergo a personality change as soon as they obtain financial success.)

Conclusion:

- Having money is no sin, but when your possessions become a status symbol that you show off with and struggle to give away, you start moving on dangerous territory.
- Do not allow your possessions to become a “monument” or status symbol in your life.
- If a business person does not care whether he/she makes any profit, the person can just as well work for a salary and enjoy the fringe benefits. Success in the business world is measured by how much money a person earns.
- **1 Cor. 3:19:** *“For the wisdom of this world is folly with God ...”*
 - We are faced with the “wisdom of the world” every day, but to God it is actually foolishness.

**People buy, with money they don't have,
things they do not need,
to impress people they do not like...
That is foolishness!**

One must become debt-free. It is non-negotiable.

- Someone who is in debt has no life. One has to reach a point where one decides to become debt-free, otherwise one will never be able to enjoy “life in abundance”.
- **John 10:10:** *“The thief comes only to steal and kill and destroy. I came that they may have **life and have it abundantly.**”*
 - It is God’s plan for His children.
- **Rom. 13:8:** *“Owe no one anything ...”*
- There are wise and unwise ways to become debt-free.

Wise ways of becoming debt-free:

1. Get a plan

Work out a budget. Write down everything you need to buy, and buy *only* that. (Do not walk out of a shop with groceries worth R150 if you have planned to buy only milk and bread.) Start with the small amounts.

2. Set goals for yourself

- If I want to cross a river to get to the opposite bank, I have to focus on a specific point, otherwise the stream will carry me further away.
- People often have a goal (e.g. selling a property in order to settle their debt), but when they come close to the goal, a bargain comes along that distracts them so that they cannot reach their goal.
- Sometimes an opportunity seems so irresistible, that we feel sure it “*must* be from the Lord”. **But the Lord will not tempt us into making debt!**
- First reach the other side “on dry ground” before you start looking out for bargains again. **Refrain from getting into debt again!**

3. Always be certain of your facts

- When you are confronted with a potential bargain or an “investment of a lifetime”, first make very sure of all the facts.
- **1 Pet. 5:8**: *“Be sober-minded; be watchful. Your adversary the devil prowls around like a roaring lion, seeking someone to devour.”*
 - The devil wants to destroy God’s children financially so that they do not have money for the things of the Lord.
- **1 Cor. 8:2**: *“If anyone imagines that he knows something, he does not yet know as he ought to know.”*
 - If something sounds too good to be true, it quite probably is *not* true. Leave it immediately! (Many people burn their fingers with pyramid schemes promising 20% interest.)

4. Pray with someone else about the matter

- If you are unmarried, pray with a prayer partner. If you are married, discuss everything with your spouse. (**Eph. 5:31** speaks of unity).
- It is very difficult to set up a budget if the husband and wife don’t look at their finances together.
- It is often more difficult to manage the finances if husband and wife have separate bank accounts.

5. Never make hasty decisions

- People lose money due to ill-considered decisions. First pray about a matter and the Lord will give you wisdom. **1 Cor. 3:19**

- **Success story:** A man became mega rich, because he started farming on a cash basis and never made debt. Rather start with cash, even if you start at the bottom. Do not try to start at the top.

6. Your body is a temple of the Lord

- **1 Cor. 3:16** *“Do you not know that you are God's temple and that God's Spirit dwells in you?”*
 - We read it in a spiritual context, but it also applies in a physical context.
- Become physically fit. You will work and sleep better and also be able to think more clearly when you are fit. It is important to eat and live healthily.

7. Avoid negative conversation

- The bad things in life are a reality, but to constantly talk about these things is not uplifting for anyone; it arouses fear and causes people to start thinking negatively.
- Speak positively. Even if there are many things wrong in our country, there are also many opportunities for those who walk closely with the Lord.

8. Learn from the ants

- **Prov. 6:6-8:** *“Go to the ant, O sluggard; consider her ways, and be wise. Without having any chief, officer, or ruler, she prepares her bread in summer and gathers her food in harvest.”*
 - Ants build their nests in specific places and gather food for the “lean seasons”.
 - Do you have a plan for the future? Start by saving the little you have. See what you can go without and ask yourself whether you truly need something, before buying it.
 - Teach your children to work wisely with money.

9. Gather for yourself treasures in heaven

- Be careful of earthly wealth (status symbols and “monuments”).
- Read **Matt. 6:19-21**.
- **Question:** When do you want to start living? Many people dream of relaxing and enjoying their lives when they retire one day, but when they get there, they do not even enjoy it... Start living *now*! **John 10:10** is applicable to our earthly existence.
- **Ask yourself the question:**

- What do I enjoy doing? (E.g. a sea vacation...)
 - Why don't I do it more often? (Too little time or money...?)
 - What is the shortest (responsible) way of fulfilling this desire?
- Sometimes we have no "life", because our standards of living are too high.
 - Our possessions do not bring joy; it is the memories of the enjoyable things we do with our loved ones that bring joy.

10. Give a tithe to the Lord and see what He does for you

- **Mal. 3:10**: *"Bring the full tithe into the storehouse, that there may be food in my house. And **thereby put me to the test**, says the LORD of hosts, if I will not open the windows of heaven for you and pour down for you a blessing until there is no more need."*
 - But examine your heart and give with a joyful heart. The Lord does not need our money, but He wants us to be joyful and grateful when we give.

11. Can you really afford that which costs you money?

- Do you possess something (such as a holiday house), which costs you a lot of money, but which you seldom enjoy? Consider selling it.

12. Do not pressurise yourself

- It is not wrong to desire to buy a property. But never buy above your ability.
- Estate (and other sales) agents will encourage you to buy something bigger or more expensive, but decide beforehand how much you are willing to spend and stick to it!
- Do not spend money which you have not yet received.
- **Matt. 22:29**: "But Jesus answered them, "You are wrong, because you know neither the Scriptures nor the power of God."
 - We make mistakes because we do not know the Word of God.
 - If we know the Word (which is the Sword) of God, we will never lose a fight.

Further scriptures and thoughts on finances and being debt-free:

- **Rom. 12:2:** *“Do not be conformed to this world, but be transformed by the renewal of your mind, that by testing you may discern what is the will of God, what is good and acceptable and perfect.”*
 - Trust the Lord to help you change the way you think.
 - Commit yourself fully to your plan.
- **Phil. 4:13:** *“I can do all things through him who strengthens me.”*
 - Manage your finances with the Lord’s help.
- **2 Tim. 3:16-17:** *“All Scripture is breathed out by God and profitable for teaching, for reproof, for correction, and for training in righteousness, that the man of God may be competent, equipped for every good work.”*
 - All the answers you need are in the Word.
- **Eccl. 5:18:** *“Behold, what I have seen to be good and fitting is to eat and drink and **find enjoyment in all the toil with which one toils** under the sun the few days of his life that God has given him, for this is his lot.”*
 - You therefore have to work, but it is also necessary to enjoy the fruit of your labour.
- **Phil. 4:19:** *“And my God will supply every need of yours according to his riches in glory in Christ Jesus.”*
- **John 10:10:** *“The thief comes only to steal and kill and destroy. I came that they may have life and have it abundantly.”*
 - He wants to bless you and care for you, but you must remain in His will.
- **Ps. 118:8-9:** *“It is better to take refuge in the LORD than to trust in man. It is better to take refuge in the LORD than to trust in princes.”*
 - Do not rely on people; trust God! Any person can disappoint you.
 - Ask the Lord if you need something.
 - Learn from successful people.
- **Hos. 4:6:** *“My people are destroyed for lack of knowledge ...”*
 - Do the necessary homework. (Find out all you have to know about your medical package, bank costs, short-term insurance, etc.)
 - By doing so, you will spare yourself unnecessary costs, become aware of benefits and you will not be easily tricked.
- **Col. 3:23-24:** *“Whatever you do, work heartily, as for the Lord and not for men, knowing that from the Lord you will receive the inheritance as your reward. You are serving the Lord Christ.”*
 - Work as though you are doing it for the Lord. It is not right to make long, personal phone calls on the work’s account or take home the work’s stationery.

- I cannot ask the Lord to bless my finances, when I am actually “stealing”...
- **Luke 6:35**: *“But love your enemies, and do good, and lend, expecting nothing in return...”*
 - When lending money to someone, you should actually be willing to give it away.
 - Rather try to avoid lending money to friends. It is a death sentence for a friendship.
 - People who cannot pay you, avoid you because they feel ashamed and embarrassed.
- **Prov. 17:18**: *“One who lacks sense gives a pledge and puts up security in the presence of his neighbor.”*
 - Do not even stand surety for your own child.

Consider the following:

- Who do I ask to pray with me when I am in financial trouble? Someone who is wealthy and will feel sorry for me? What are my motives?
- **What is my purpose in Christ?** When I start giving and supporting people, I become a Kingdom investor. Find your life’s purpose in Christ. What drives you to work? Emotional pain or fear, because you want to prove something to somebody? Read **Matt. 6:12,15**. Forgive those who have hurt or humiliated you and said that you would never make it in life. Be set free from the emotional pain that drives you.
- It is much more pleasant to give than to receive and it is a great blessing and a gift from God.
- There is a difference between one’s “profession” and one’s “calling”. All people cannot possibly be missionaries. Most people have professions, such as teachers, doctors and lawyers. But my **calling** is being a **Christian** within my profession. I must make a difference where I am. If I succeed in what I do, people will want to relate to me and be interested in my way of living (as Christian).
- Pray for your business/company and clients. Pray that the Lord will send good, honest clients across your path and keep away the wrong clients. Also pray that He will bless your clients.
- Do something that you enjoy. It will motivate you to work harder.
- Do not be afraid of surrounding yourself with people who are cleverer than you. You can learn from them.

- Even baby steps count. Keep on moving toward your goal, even if you give small steps. Do not stand still or remain passive.
- Determine what you regard as enough. If you are running after money, you will never “catch” it. (Think of a dog who constantly tries to chase a car, even though the dog will never “catch” it.)
- Be careful of things that steal your time. The devil will constantly try to keep you “busy”. (“BUSY” can stand for: “Being Under Satan’s Yoke”). The Lord promises to even bless you in your sleep.
Ps. 127:2: *“It is in vain that you rise up early and go late to rest, eating the bread of anxious toil; for he gives to his beloved sleep.”*
- Not everyone is meant to be super rich, yet God longs to bless each person with goodness and mercy (“life in abundance”).
- **Matt. 18:19:** *“Again I say to you, if two of you agree on earth about anything they ask, it will be done for them by my Father in heaven.”*
- Become debt-free and never be caught in the debt snare again. It is worth while to downscale and persevere until all your debt has been cleared.
- Be totally honest with yourself: is your money controlling you, or are you controlling your money?

Turn around your negative mindsets

- **Money myths that keep people in bondage:**
 - I will never have enough or be able to become debt-free.
 - I do not have the ability to work with money.
 - I will first wait and only later start planning for my old age.
- **Break these lies in your mind and turn them around by saying:**
 - I *will* have enough; I know the Lord will provide for me!
 - I *can* work with money.
 - I will *immediately* start making provision for old age.

“Money is time and time is money” – Benjamin Franklin

- The time value of money is fundamental for any type of financial planning. (With an inflation rate of 10%, you will be paying R110 next year for that which costs you R100 today.)
- Be knowledgeable. Do not store away money under your mattress; it will lose value!
- From a business perspective: you cannot wait for your money for longer than 60 days, otherwise you are working at a loss. Business is black and white; refrain from doing business emotionally.

Interest upon interest upon interest – the eighth wonder of the world

- Invest your money. If you invest R10 000 at 9% interest today, it will be worth R56 044 in 20 years – a profit of R46 044!
- Most people pay the bank interest upon interest. (By the time you have paid off your house, you have paid the value of about three houses!) Therefore, try to always pay off a bit more than is required, in order to stay ahead. It will save you a lot!

Good and bad debt

- **Good debt** is long-term debt which is ensured, e.g. a home loan.
- **Bad debt** is short-term debt which is uninsured, e.g. personal loans, accounts at stores, credit card debt, etc. It is expensive debt on which you have to pay a lot of interest.
- Go and have a look at your credit score at: www.credithealth.co.za.

A few tips on saving

- Instead of buying take-aways, take lunch to work.
- End bad habits, such as smoking – cigarettes are expensive!
- Eat out less often.
- Prepare food in large amounts and store away or freeze for later use, rather than buying expensive prepared meals (or take-aways).
- Rent out a DVD rather than going to the movies.
- Do not spend money on potential benefits you do not use. Do research on your your medical package, bank costs, credit card benefits, etc.

Tips for drawing up a budget

- Visit the website www.pearbudget.com to obtain your statements and download a document from “Google Personal Budget Template” which will help you to set up a budget.
- Apply for your bank statements of the past three months; these will give you a good indication of what you have spent money on.
- Always make provision for unforeseen expenses (5% of your income).
- Aim to put aside 10% your monthly income for your old age.

- Budget for tax and pay it punctually – do not fall behind! Get a good auditor to help you.
- Be realistic when setting up your budget. If your budget is too tight, you will lose courage and struggle to keep it up.
- Get support. Discuss your budget with your spouse or a friend (if you are unmarried). Hold each other responsible for the budget.
- Get a (common) goal, e.g. a seven-year plan.
- Determine your needs by asking: is it really necessary, or can I go without it?
- If need be, look for an extra job to pay off your debt.

Tips on becoming debt-free

- Do not try to run away or sit in a hole – stand up and handle the problem!
- Commit yourself to becoming 100% debt-free and set for yourself a realistic deadline.
- Do not consolidate debt, for then you will be taking a step backward.
- Prioritise your debt on a chart – first list the debt with the highest interest.
 - Look at your minimum repayment.
 - Tick off the debt you have paid off – it motivates you!
- If you know that your credit card gets you into trouble, cut it up.
- Plan your attack. If you have some excess capital in another place (e.g. an investment), use it to clear your debt. Then you can start saving again.
- Be accountable toward someone else.
- Speak to your creditors. Find out from the bank whether they can give you a settlement amount in writing.
- Visit www.ncr.org.za (National Credit Regulator) for more information when you feel you are being taken advantage of.

Tips on credit cards

- Check your credit card statements monthly to make sure that there are no mistakes.

- Pay all monthly instalments punctually, to avoid being charged more interest.
- Try to pay off your credit card monthly.
- It is helpful to use your credit card as a debit card. In other words, first load money onto the card and then use the card to your advantage (e.g. to obtain voyager miles).
- Try to pay more than the minimum payment into your credit card account.
- Do not move along the minimum margin, for then you will gradually be moving deeper into debt.
- Lower your credit limit to avoid running into trouble again.

A few points to consider

- Write down five things that you can be grateful for (not necessarily material possessions). When the enemy tries to remind you of negative things, start thanking the Lord for those five things.
- Remember: you remain responsible for the debt you have accrued.
- There is no such a thing as a person who has saved too much.
- It does not necessarily matter where you save, as long as you just save! (But stay with familiar names, such as Sanlam and Old Mutual. Do not invest in unfamiliar pyramid schemes.)
- Be encouraged by the Word:
 1. **2 Cor. 4:16-18**: *“¹⁶ So we do not lose heart. Though our outer self is wasting away, our inner self is being renewed day by day. ¹⁷ For this light momentary affliction is preparing for us an eternal weight of glory beyond all comparison, ¹⁸ as we look not to the things that are seen but to the things that are unseen. For the things that are seen are transient, but the things that are unseen are eternal.”*
 2. **2 Cor. 5:17**: *“Therefore, if anyone is in Christ, he is a new creation. The old has passed away; behold, the new has come.”*
 3. **Rom. 8:37**: *“No, in all these things we are more than conquerors through him who loved us.”*
 4. **Ps. 8:5**: *“Yet you have made him a little lower than the heavenly beings and crowned him with glory and honor.”*