

**BASIC  
PRINCIPLES  
OF FINANCE**

DEVELOPING      **A PROPER**

**VALUE SYSTEM**

☐ A proper value system will result  
in the following:



1. ACKNOWLEDGING TO GOD THAT ALL I POSSESS (possessions, property, time, money and earning power) BELONGS TO HIM. This commitment makes God responsible for "His property." Therefore, whether He reduces my income and material goods, or increases them, I can thank Him. This was Job's response when God took his possessions. Job 1:21

2. MAKING WISDOM MY OBJECTIVE IN LIFE. Looking at life (including finances) from God's perspective will change concepts of what is really important in life. Instead of using money just to acquire more things, the chief goal becomes to communicate the love of God by meeting the needs of others, as God enables. 1 John 2:15; 3:23,24.

When a person has or is acquiring assets he may view them as a means to fulfill God's purposes in his life, as he discerns God's purpose in increasing the funds.

- If my primary goal is to make money or get the things money will buy, then I have a wrong value system. Symptoms of a wrong value system include:
  - Being willing to sacrifice things which are better than money for money, such as a clear conscience, a good name, etc.
  - Attempting to use money for things it can't buy, such as peace of mind, security, gaining friends, etc.
  - Forgetting about God or neglecting responsibility to Him.

**3. GIVING GOD THE TITHE AS A REMINDER THAT ALL I HAVE BELONGS TO HIM.** The tithe was established before the law began. Genesis 14:20

When a person doesn't give God what rightfully belongs to Him, the money is given to Satan. Scripture says that such a person is cursed with a curse. However, God will rebuke the devourer (Satan) when the tithe is given. Malachi 3:8-11.

**4. REALIZING THAT FOOD AND CLOTHING ARE THE BASIC NEEDS WHICH GOD HAS PROMISED TO SUPPLY. ANYTHING MORE THAN THESE ONLY INDICATES GOD'S ABUNDANT BLESSING!**

• "And having food and raiment let  
| us be therewith content." | Timothy 6:8

- If our children feel they deserve more than food and clothing, then they are developing a wrong value system. Philippians 4:19

● **DISTINGUISHING NEEDS FROM WANTS.**

There are many physical things in addition to food, clothing and shelter which may make life more pleasant or productive.

Before acquiring these wants, a person must evaluate these wants in light of God's purposes for his life.

- A. How will acquiring these wants assist me in fulfilling God's purposes for my life?
- B. How will God's purposes for my life be hindered if these wants are not acquired?

(Also, see evaluation sheet at back of materials)

When these items are purchased in light of God's purposes, these "wants" will assist him in deepening his relationship with the Lord, the needs of others and helping him be more productive for God.

5. BEING FLEXIBLE ENOUGH TO ADJUST NATURALLY TO AN UNEXPECTED GAIN OR LOSS.

"I have learned to be content, whatever the circumstances may be. I know how to live when things are difficult and I know how to live when things are prosperous. In general, and in particular I have learned the secret of facing either plenty or poverty." Philippians 4:11 (Phillips)

- A key to financial ease is to adjust the basic level of living to the lowest point of income. This practice will permit wise giving and wise investments rather than having to pay up old debts.

6. INCREASING TO THE FULLEST THE MEANS GOD HAS GIVEN TO EARN IN ORDER TO GIVE AS GOD DIRECTS. All through Scripture a person is warned against laziness. He is expected to take what God has given him and use it to its fullest.

- "Be not slothful in business." Romans 12:11

- It is important, however, that a person be content with what he has at the present. Otherwise, when funds increase he will set his heart on them rather than on the purpose for which God is increasing them.

7. LEARNING HOW TO MAKE WISE INVESTMENTS. Jesus refuted this Many Christians feel it is wrong to invest their money. Jesus refuted this attitude when he called the man who hid his talent (gold) a "wicked and slothful servant." "You ought to have put my money in the bank and when I came I should at any rate have received what belongs to me with interest." Matthew 24: 26,27. (Phillips)

8. DEVELOPING A SENSITIVITY TO THE NEEDS OF OTHERS. A Christian should be involved in his world. He needs to become sensitive to the total needs of a person. Everyone has spiritual, psychological and physical needs. It is essential to determine which needs should be met first and which ones God is directing him to meet.

- WAYS TO DEVELOP SENSITIVITY to the needs of others:

- OBSERVATION - Look for an opportunity to meet the needs of others.
- ASSOCIATION - Become involved with people.

- CONVERSATION - Learn to ask questions and be a good listener to discern the needs of others.
- DISCERNMENT - Discover what God is seeking to accomplish in the people He brings into our lives. Discern how to cooperate with Him.
- PRAYER - Pray for these individuals.

9. ESTABLISHING GUIDELINES FOR DETERMINING WHERE TO GIVE.

- The following points were shared by a Christian leader who had seen God bless and prosper him as he was a faithful steward of God's money.

- a. Is the message true to the Scriptures? I Thessalonians 1:6,8
- b. Are people responding positively to the message? I Thessalonians 2:13-14
- c. Is the leader's life an example of his own message? I Thessalonians 2:10-12
- d. Is there a standard of excellence? Freedom from waste? I Thessalonians 3:10-13  
I Thessalonians 4:11-12 and 5:22
- e. Do they beg? Distinguish between persons or organizations who share various needs and those whose motive is to get money. Some are perpetually in debt. It is equally important to discern what God is trying to teach them by not supplying their needs.  
I Thessalonians 2:9 and II Thessalonians 3:10-13
- f. Is there some assurance of continuance/reproduction within the organization? I Timothy 2:2

This would also be a valid basis for any Christian organization to use in self evaluation.

10. KEEPING FINANCES IN THEIR PROPER PERSPECTIVE.

- "Lay up for yourselves treasures in heaven, where neither moth nor rust doth corrupt, and where thieves do not break through nor steal; for where your treasure is, there will your heart be also." Matthew 6:20,21

● A PERSON'S ABILITY TO GIVE IS DETERMINED BY WHAT HE HAS ALREADY GIVEN:

- "Give, and it shall be given unto you; good measure, pressed down, and shaken together, and running over, shall men give into your bosom. For with the same measure that ye mete withal it shall be measured to you again." Luke 6:38

- "He which soweth sparingly, shall reap also sparingly; and he which soweth bountifully shall reap also bountifully." II Corinthians 9:6

- "God can give you everything that you need, so that you may always have sufficient both for yourselves and for giving away to other people. . . The more you are enriched by God, the more scope will there be for generous giving." II Corinthians 9:8, II (Phillips)

● A PERSON'S MOTIVE IN GIVING WILL DETERMINE HIS REWARD FOR GIVING.

- "Every man according as he purposeth in his heart, so let him give: not grudgingly or of necessity; for God loveth a cheerful giver." II Corinthians 9:7

- "After all, the important thing is - be willing to give as much as we can, that is what God accepts." II Corinthians 8:12 (Phillips)

● A PERSON'S INVESTMENTS WILL BE AS ETERNAL AS THE THINGS HE INVESTS IN:

- ". . . be rich in kindly actions, be ready to give to others and to sympathize with those in distress. Your security should be invested in the life to come so that you may be sure of holding a share in the life which is permanent." I Timothy 6:19 (Phillips)

II. USING THE HOME AS A MEANS FOR MEETING THE NEEDS OF OTHERS  
AND SHARING THE GOSPEL WITH THE PEOPLE IN YOUR NEIGHBORHOOD.

# **HOW TO GET OUT OF DEBT**

I. DEFINE FINANCIAL FREEDOM.

Financial freedom is;

- freedom from debt,
- dishonest financial dealings,
- from worry over lack of necessary funds
- and to give in response to God's direction.

2. VISUALIZE BENEFITS OF FINANCIAL FREEDOM.

- a. To be able to give to the needs of others as the Holy Spirit leads.
- b. To experience God's supernatural provision. Supernatural in the sense that God provides the precise amount needed, at the precise time which results in bringing glory to God.
- c. To develop wisdom and insight for using economy to meet financial responsibilities. This must be based upon contentment with the basics.
  - God doesn't waste things. He doesn't build anything into a persons life that has no purpose.
  - God wants to make the most of what He has given us. (Parable of the talents.)

3. DISTINGUISH EXPENDITURE FOR DEPRECIATING ITEMS FROM INVESTMENTS IN APPRECIATING ITEMS.

Stop borrowing money for depreciating items (appliances, furniture, automobiles, etc.) See

- Romans 13: 8 -
  
  - Proverbs 22:7 -
  
  - I Timothy 5:8 -
  
  - II Corinthians 9:11 -
  
  - Isaiah 55:8, 9 -
- LAW OF DEPRECIATION assumes a person pays cash for his initial investment and can thereafter save an amount of money equal to the depreciating rate of the item.

● ILLUSTRATION OF AUTO:

● LAW OF '72' :

- 1% on \$1.00 simple interest requires 100 years to double the money.
- 1% on \$1.00 compounded interest takes only 72 years to double the money.
- Divide the rate of interest earned into 100 or 72 years, whichever applies and determine how many years it takes to double the money.
- For example: 6% on \$1.00 simple interest will take 16.6 years to double the money. While 6% on \$1.00 compounded interest will take only 12 years to double the money.



4. REALIZE THAT GOD'S WORK AND REPUTATION ARE AFFECTED WHEN I AM IN DEBT. PURPOSE TO GET OUT OF DEBT BY WHATEVER SACRIFICES ARE NECESSARY.

5. COMPLETE FINANCIAL WORKSHEETS (pages 11 - 13). EVALUATE EVERY EXPENDITURE ON THE BASIS OF HOW IT WILL BENEFIT THE WORK AND REPUTATION OF GOD. DISCONTINUE UNNECESSARY SERVICES.

6. BEGIN TO BUY ON A CASH BASIS. God's supply of money will indicate the importance and timing of each purchase. Give Him a chance to provide the item before you buy it. Remember that God can supply by decreasing bills or increasing income. Discontinue use of credit cards for credit.

7. REALIZE THAT GOD IS ABLE TO SUPPLY FUNDS WHEN A BILL IS DUE. "God's work done in God's way will not lack financial support. God is able to provide funds just as well ahead of time as afterwards, and he much prefers to do so. He is too wise a God to frustrate His purposes for lack of funds." Hudson Taylor.' Therefore, if the bill is due and the money is not there, then God is not testing your faith. He has some other goal to accomplish.

8. USE GREAT CAUTION IN CO-SIGNING FOR ANYTHING.  
See Proverbs 6:1, 11:15; 17:18; 20:16; 22:26; and 27:13.

9. NEVER LOAN FOR NON-ESSENTIALS, BUT GIVE TO BASIC NEEDS.

10. DEVELOP SALES RESISTANCE.

11. UTILIZE PERSONAL SKILLS FOR HOME MAINTENANCE.

12. DISCERN GOD'S REASON FOR INSUFFICIENT FUNDS:

- a. He is testing my faith. If however, the money is not supplied when the bill is due, God is not testing the person's faith.
- b. He doesn't need it. Is the individual prepared to be content **either** way.
- c. The money was supplied but it was misspent.
- d. There is sin in the camp.
- e. The decrease in funds is God's way of directing the person towards a major change.

- For further insight into getting out of debt, see the book, Here's How to Succeed with Your Money by George Bowman, Moody Press. 1960.

BUDGET WORK SHEET

I. GROSS INCOME \$ \_\_\_\_\_ III. NET INCOME \$ \_\_\_\_\_  
 II. TAXES and \$ \_\_\_\_\_ (100% of available funds)  
 TITHE \$ \_\_\_\_\_

NET INCOME  
\$ \_\_\_\_\_

10% \$ _____ PERMANENT SAVINGS (If in a savings account - be sure your money is drawing compound interest.)	70% \$ _____ USED FOR BASIC LIVING EXPENSES	20% \$ _____ SAVINGS: • Pay off Time payments • Emergency Fund • Accumulation for major purchases or projects • Freedom to give as the Lord directs
AMOUNT MONTHLY ITEM AMOUNT PER PAY PERIOD	AMOUNT MONTHLY ITEM AMOUNT PER PAY PERIOD	AMOUNT MONTHLY ITEM AMOUNT PER PAY PERIOD
_____ Life Ins. _____ _____ Savings _____ _____ _____	_____ House _____ _____ Electric _____ _____ Gas _____ _____ Phone _____ _____ Medical _____ _____ Car Ins. _____ _____ Union Dues _____ _____ Business _____ _____ Recreation _____ _____ 6% variable _____ _____ Groceries _____ _____ _____ _____ _____	_____ Car Payment _____ _____ Camping Eqpt. _____ _____ Major Dept. Store _____ _____ Furniture _____ _____ Savings _____ _____ _____ _____ _____

FINANCIAL WORKSHEET

I. LIST ALL DEBTS

ITEMS PURCHASED	MONEY OWED TO	ANNUAL % INTEREST	TOTAL AM'T.	EVALUATION		SHOULD I SELL IT?
				Yes	No	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	

EVALUATION OF EACH ITEM: (Allow one point for each statement.  
Total score in evaluation boxes.

It does not increase my effectiveness in serving God.

It increases my effectiveness in serving God.

It is not absolutely essential.

It is absolutely essential.

It does not contribute directly to family unity and harmony.

It contributes directly to family unity and harmony.

It could be replaced by a less expensive item.

It could not be replaced by a less expensive item.

It does not provide more time with the family.

It provides more time with the family.

Its value is not increasing.

Its value is increasing more than interest and inflation costs.

It requires upkeep expense.

It does not require upkeep expense.

SHOULD I SELL IT?

YES



NO

FINANCIAL WORKSHEET

II. ITEMIZE ALL MONTHLY EXPENSES

ITEMS	EXPENSE	PURPOSE OF ITEM	RESPONSIBILITY		HOW CAN I REDUCE THIS EXPENSE?
			Husband	Wife	
Total monthly expenses		How does it make my service more effective for God?	Can I discontinue it? Can I make it? Can I rent it? Can I buy it for less? Can I buy it used?		