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*New York Times* best-selling author and nationally syndicated radio talk show host

Worldview matters. Ron Blue and Jeremy White give us a wonderful antidote to the era of conspicuous consumption in which we live. This is a very valuable resource if you're interested in a solidly biblical view of financial planning.

**Chuck Colson**

Founder, Prison Fellowship

Ron Blue has been making sense out of cents for a long time. This new volume is a much-needed contribution to his library of work. You can count on him for sound, solid financial advice. I'm hoping that every family heeds the good counsel of this good man and this great volume.

**Max Lucado**

Best-selling author and minister

If you are looking for life-changing financial solutions that really work, search no more! Ron Blue and Jeremy White's masterful application of God's timeless financial truths makes this book a must-have resource for everyone!

**Janice A. Thompson, CFP**

President, Strategic Financial Solutions, Inc.

Ron Blue understands people, families, and money. If you are looking for practical, biblical financial help, then you've found it. This is a comprehensive book about your family finances.

**Dr. Dennis Rainey**

President, FamilyLife

In this day of overwhelming expectations, demanding schedules, family pressures, and an unpredictable economy, I want reliable and comprehensive resources at hand that I *know* I can trust. I've just added *Faith-Based Family Finances* to my "essentials" list for this critically important arena of life.

**Bob Reccord**

Founder and CEO, Total Life Impact Ministries

Barb and I believe that Ron Blue and Jeremy White have penned the gold standard resource of biblical and financial principles for the body of Christ. God has drilled down into Ron's heart for over 30 years the insights, practices, and biblical truths you are holding in this book. Read it. Practice it. Pass it on. And let God be glorified.

**Dr. Gary and Barb Rosberg**

Cofounders, America's Family Coaches and The Great Marriage Experience;  
authors of *6 Secrets to a Lasting Love*

Ron offers families a blueprint that, if followed, will lead to financial freedom and contentment. Full of biblical counsel and practical tools, *Faith-Based Family Finances* is a resource your family will turn to again and again.

**Andy Stanley**

Founding and senior pastor, North Point Ministries



**F O C U S   O N   T H E   F A M I L Y ®**

# FAITH-BASED FAMILY FINANCES

*Let go of worry and grow in confidence*

A U T H O R S

RON BLUE WITH JEREMY L. WHITE, CPA



FOCUS  
ON THE FAMILY

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The information in this book provides a general overview of financial principles and topics. Since government regulations change and every family's situation is different, this book is not intended to take the place of consultation with a financial expert when specific legal, tax accounting, investment, or real estate guidance is needed.

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I would like to dedicate this book to all of those families who desire to honor God with the financial resources entrusted to them.

They are legion, and I am humbled to be able to assist in their journey.



# Contents

<i>Acknowledgments</i> .....	xi
<i>Introduction</i> .....	xiii

**PART 1: THE BIG PICTURE: A BIBLICAL APPROACH  
TO FINANCIAL DECISION MAKING . . . . . 1**

<i>Chapter 1</i>	Money: A Tool, a Test, and a Testimony . . . . .	3
<i>Chapter 2</i>	God’s Big Idea about Finances . . . . .	19
<i>Chapter 3</i>	Commonsense Financial Principles That Can Change Your Life . . . . .	31
<i>Chapter 4</i>	How Much Is Enough? . . . . .	47
<i>Chapter 5</i>	Setting Goals for Financial Fitness . . . . .	59
<i>Chapter 6</i>	Making Smart Financial Choices . . . . .	73
<i>Chapter 7</i>	Does What Happens in China Stay in China? . . . . .	91

**PART 2: MANAGING MONEY THROUGH  
THE STAGES OF LIFE . . . . . 101**

<i>Chapter 8</i>	How to Spend Less Than You Make . . . . .	105
<i>Chapter 9</i>	“Oh No! How Will I Pay for That?” . . . . .	119
<i>Chapter 10</i>	Don’t Drown in Debt, Part 1: The Ins and Outs of Debt . . . . .	127
<i>Chapter 11</i>	Don’t Drown in Debt, Part 2: Good Debt/Bad Debt . .	147
<i>Chapter 12</i>	Don’t Drown in Debt, Part 3: Debt Busters . . . . .	171
<i>Chapter 13</i>	Rent or Own? Read This First . . . . .	185
<i>Chapter 14</i>	A Car Won’t Make You, but It Might Break You . . .	205
<i>Chapter 15</i>	Hidden Compensation: Don’t Leave Anything on the Table . . . . .	223

<i>Chapter 16</i>	Teaching Your Children about Money . . . . .	231
<i>Chapter 17</i>	Double Whammy: Taking Care of Your Parents While Your Kids Still Need You . . . . .	247
<i>Chapter 18</i>	Retirement: Work's End or Second Wind? . . . . .	263
<i>Chapter 19</i>	How to Keep the Income Flowing after the Paycheck Stops . . . . .	275
<i>Chapter 20</i>	Passing It On before You Pass On . . . . .	293
<i>Chapter 21</i>	Estate Planning Tools and Techniques . . . . .	311

**PART 3: FINANCIAL TOPICS AND STRATEGIES:  
AN IN-DEPTH VIEW . . . . . 327**

<i>Chapter 22</i>	Investing 101 . . . . .	329
<i>Chapter 23</i>	Making Your Money Work for You . . . . .	347
<i>Chapter 24</i>	Taxes: Just Doing Your Duty . . . . .	365
<i>Chapter 25</i>	Taxes: The Ways It Pays to Plan Ahead . . . . .	379
<i>Chapter 26</i>	Giving: A Foolproof Way to Enrich Your Life . . . . .	391
<i>Chapter 27</i>	Giving until It Feels Good . . . . .	403
<i>Chapter 28</i>	Life Insurance: Don't Let It Take the Life Out of You . . . . .	417
<i>Chapter 29</i>	Other Insurance You Can't Do Without . . . . .	431
<i>Chapter 30</i>	Can't Buy Me Love: Communicating with Your Spouse about Money . . . . .	443
<i>Chapter 31</i>	The Working Woman: At Home or in the Workplace . . . . .	457
<i>Chapter 32</i>	Single Again: Managing the Financial Fallout . . . . .	477
<i>Chapter 33</i>	Choosing a Financial Advisor: Where and When to Get Professional Advice . . . . .	493

**PART 4: BRINGING IT HOME: FINAL THOUGHTS AND  
ADDITIONAL RESOURCES . . . . . 507**

<i>Afterword</i>	The Whole Conclusion of the Matter . . . . .	509
<i>Appendix A</i>	Important Consumer Protections . . . . .	513
<i>Appendix B</i>	Saving for College . . . . .	525
<i>Appendix C</i>	Recommended Resources and Ministries . . . . .	533
<i>Notes</i> . . . . .		539
<i>Glossary</i> . . . . .		547
<i>Index</i> . . . . .		557
<i>About the Authors</i> . . . . .		565



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—Ron Blue

F. Scott Fitzgerald once said, “The reason one writes isn’t the fact he wants to say something. He writes because he has something to say.” I’m far more of a financial nerd than a novelist or acclaimed writer. But I’ve had “something to say” with Ron Blue’s outstanding insights and perspective on managing money wisely. Working with Ron on this project, our fifth book together, is a blessing. Ron has mentored me in my career with his wisdom and content.

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—Jeremy White

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# Introduction

**H**ow did this book come about? Its roots can be traced back to a conversation I had in 1979 with my wife, Judy, over a hot-fudge sundae. During that fattening conversation in an ice cream parlor, we wrote a vision on the back of a napkin: to help individuals apply God's principles of stewardship in order to free up financial resources for the fulfillment of the great commission.

This book is more than just a reference book; it's really the result of a lifelong journey. Let me briefly explain my journey, and you may find some parallels in your own journey.

As I was growing up, my family was neither rich nor poor. My parents didn't go to college. My dad worked in a factory to provide for us. We weren't able to buy new clothes or toys but lived with hand-me-downs. I'll never forget the many broken baseball bats and worn-out gloves we taped together. I was motivated—by many wrong motives—to succeed.

At the age of 24, I had every appearance of success—a master's degree in business, my certified public accountant (CPA) license, a well-paying job in the New York City office of the world's largest CPA firm, ambition, and a pretty and supportive wife.

I didn't have a personal relationship with God at that time. I thought too much religion would get in the way of my focused effort to succeed. Oh, I went to church when it was raining—when it was sunny I was working on my golf game and networking for clients.

By the age of 32, I had achieved the financial goals I had set:

- I had moved rapidly up the corporate ladder.
- I had founded the fastest-growing CPA firm in Indiana, and it became one of the 50 largest accounting firms in the United States.
- Two partners and I owned two small banks in Indiana.
- I had the outward signs of success: new cars, country club memberships, and a new home.

Then our family experienced its first significant crisis. My wife, Judy, nearly died in 1972 through a series of medical problems. From that experience, she began seeking answers to the eternal questions of life. That search led her to a personal relationship with Jesus Christ. I didn't mind her pursuing some answers for comfort after her illness. What did bother me, though, was her asking what I thought about the Bible and about Jesus Christ.

Her question threatened the safe, socially conscious world I had created. Ever the sensitive husband, I turned on Judy and nearly exploded. "I know more about the Bible than you do," I said. Then I pointed out that I'd gone to a Christian elementary school and attended church all my life.

I now know that my anger back then stemmed from the conviction I felt because of my wife's gentle question. I had been pursuing an agenda leading to what I thought was success. Just as my efforts were paying off, Judy began asking me about my thoughts on Christianity.

Judy didn't argue with me. In fact, she said little about her faith for two years. The Bible instructs wives in this situation to win their husbands over without words but by their behavior (1 Peter 3:1-2). That's what Judy did. She continued to study her Bible, and she radiated vitality and a constant joy. Reluctant as I was to admit it, I could not help but notice the change in her life.

I attended church enough to hear a teacher manage to work something called "The Four Spiritual Laws" into his lesson: *God loves you and offers a wonderful plan for your life; Man is sinful and separated from God; Jesus Christ is God's only provision for man's sin; and We must individually receive Jesus Christ as Savior and Lord.*<sup>1</sup>

One day I found an evangelism tract with these four spiritual laws lying on my dresser. (To this day, Judy insists she did *not* put it there!) I put it in my pocket as I was headed out to play golf. Alone in the car en route to the golf course, I read through the four laws again. I knew they were true, and I made a conditional commitment to the Lord: "I believe in Jesus and I accept Him as my Savior," I said. "But I'm not going to change my life!"

Actually, I was not trying to be flippant. I reasoned that if what the Bible said about Jesus was really true and I accepted it, then my life would change on its own, without my forcing the issue. I was right, but I wasn't prepared for how quickly the change would take place. After playing the few first holes of golf that afternoon, I suddenly realized I had stopped swearing. Likewise, my desire for alcohol disappeared.

My whole way of looking at life, in fact, took a dramatic turn. I began to value my time with my family more and more—to the point where I almost resented my business contacts and commitments on the golf course. This represented a major change in my thinking, since I had once been consumed with the pursuit of wealth, power, and social recognition. And although I didn't immediately tell Judy about my decision on the way to the golf course, she spotted the difference.

Meanwhile, the business I had started continued to thrive. I sat behind my expensive mahogany desk each day and enjoyed calling the shots on all manner of financial decisions. But when Judy and I got involved in a citywide evangelistic campaign, I realized that my daytime activities could not compare to the work we pursued each evening during the crusade. I was in charge of the telephone center located in a warehouse that took calls from people who saw the campaign on television. Each night, sitting behind my stark metal desk in the barren warehouse, I tallied the results as our evangelism team ministered on the telephones to callers from all over the city. I knew that humble as it appeared, my ugly metal desk saw far more significant “profits” than its daytime mahogany counterpart.

My wife and I began to pray about a career change. Eventually, we sensed God calling us to move to Atlanta to work full-time in ministry. We knew the change would be dramatic. When we arrived in Georgia, we had four children; a smaller, 20-year-old house; and only 20 percent of the income to which we had grown accustomed in Indiana.

In my new role as an employee of a ministry, I was regularly traveling to Africa. I made 11 trips to Africa in a two-year period. When I was back in the United States, I was preparing for and leading seminars.

You can imagine how difficult it was for Judy—a mother with four kids and one on the way in a new town without family nearby and a husband gone 70 percent of the time. She called me at the office one day and asked, “How do you get ‘un-Christianed’?”

Somewhat surprised, I asked, “What do you mean?”

She stated rather strongly, “If this is the abundant life I’m supposed to have, then I have all the abundance that I can take!”

I realized we needed some date time. So we went to our favorite ice cream shop, talked about a different job option, and jotted on a napkin the vision of helping individuals apply God’s principles of stewardship in order to free up financial resources for the fulfillment of the great commission.

Our conversations and prayers led to starting a financial planning firm to achieve that vision and then to writing books to help others who may never be clients of my firm.

This book is by far the most comprehensive financial book I’ve ever written. In it, I explore the various financial stages of life and common financial concerns. As I do, you will learn to arm yourself with the truth and fortify yourself in a position of uncompromised freedom from fear—even amid the most uncertain or unstable financial conditions. Armed with such a proactive approach to financial planning, you can maximize your potential for posterity and prosperity while looking forward to a secure and stable future.

Certain financial strategies and topics covered in parts 2 and 3 of this book are based on U.S. tax code and legislation. But no matter where you live, I believe you will benefit from this book because the principles are rooted in

biblical guidelines on the use of money, which, when followed, inevitably lead to a contented and meaningful life.

Perhaps you picked up this book because your family is struggling with specific financial questions or concerns, some of which may even keep you up at night. If so, you may be surprised—maybe even a little frustrated—that I don’t address these questions right away (though I suspect you will find the answers you’re looking for later in this book). The reason is simple: Unless the proper spiritual foundation is laid first, you’ll never experience real financial freedom. You might apply a surface solution to the problem, but until the fundamentals are in place, you’re likely to experience the same difficulty again, though perhaps in a different form.

To illustrate the importance of one’s spiritual outlook in the area of finances, I often ask people to picture an iceberg. The entire iceberg represents all the wealth and resources for which you are responsible. It includes both financial and spiritual capital.

Your financial capital includes money and material assets such as land, stock, and jewelry and is represented by the ice you see emerging from the water.

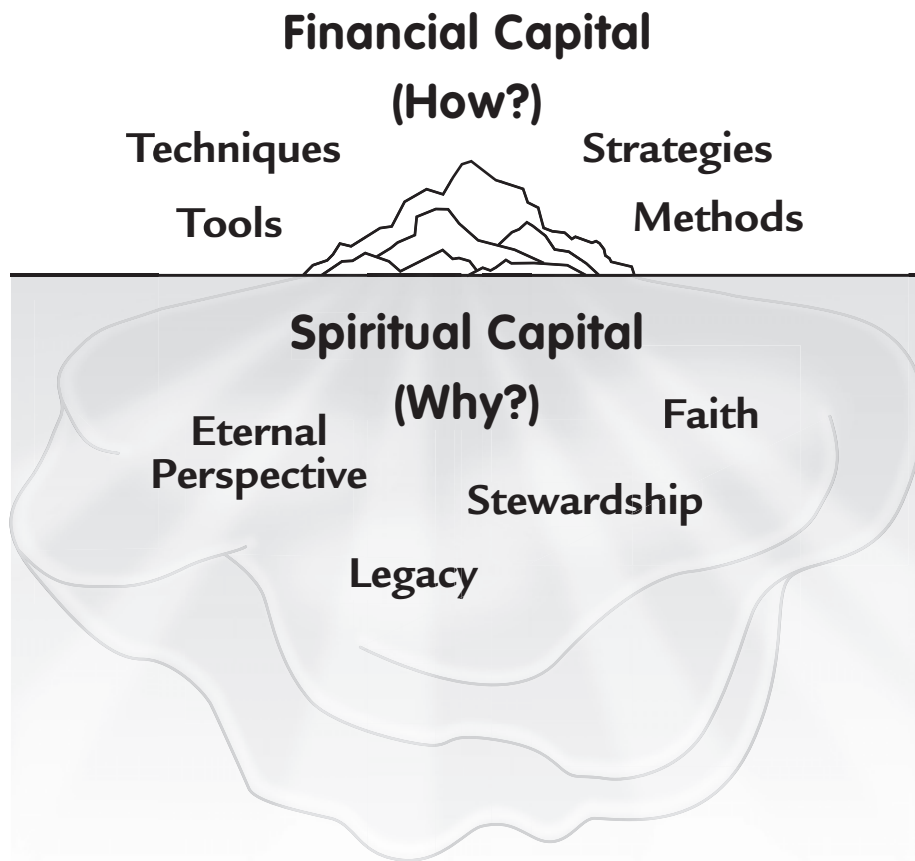
Spiritual capital is knowing the Bible and being able to apply it. Spiritual capital manifests itself in understanding biblical absolutes, having a relationship with Jesus Christ, walking by faith, trusting God, knowing biblical principles of money management, developing child-rearing skills, and improving your relationship with your spouse. It is represented by the portion of ice below the surface. (By the way, scientists estimate that about 90 percent of an iceberg is below the ocean’s surface.)

The visible or more obvious part of the iceberg deals with the “How?” questions of the financial tools, methods, and strategies. The more substantial portion of the iceberg, which provides its girth, volume, and support, is below the surface. It represents the less obvious spiritual capital, dealing with the “Why?” questions that drive financial decisions.

After being asked many different financial questions—whether by small groups of clients or in large seminars or by *Time* magazine reporters—I’ve learned that the answers all trace back to biblical wisdom. All good advice has roots in Scripture, but Wall Street and Main Street don’t know it.

Because of my passion to spread God’s truth concerning finances to as many people as possible, several years ago I transitioned from heading a financial planning firm to leading Kingdom Advisors. This organization equips other financial advisors to convey a biblical outlook on finances to their clients. Even this current project—the book you are holding—is designed to show that biblical wisdom is relevant to all good financial decisions. More than just a reference book, *Faith-Based Family Finances* is the result of the journey the Lord has brought me through. I’ve tried to bring together in one book all the learning, advising, counseling, and teaching I’ve done for over 40 years.

To help you navigate, I’ve divided the book into four major parts:



## **Part 1—The Big Picture: A Biblical Approach to Financial Decision Making**

My approach in the first part is to explore topics applying to everyone, whether young or old, lower-middle class or upper class, financial novice or financial professional. This part lays the foundation and—by providing a biblical perspective—is different from secular money-management guides. All good financial advice has its roots in biblical wisdom.

## **Part 2—Managing Money through the Stages of Life**

This part covers various topics from budgeting and credit card management to choosing pension options. For your ease as a reader, we group these topics among typical stages of a family's life cycle. For example, young married

couples likely face the challenges of setting up a household, managing debt, and teaching kids about money. A 63-year-old will be more interested in wealth transfer and retirement issues.

### **Part 3—Financial Topics and Strategies: An In-Depth View**

Because this section is divided into specific financial topics, you can find more in-depth information on specific subjects of interest. These topics generally apply to various stages of life and are not limited by age. Find out more about investment strategies or what insurance to avoid or how to choose a financial advisor.

### **Part 4—Bringing It Home: Final Thoughts and Additional Resources**

Here you will find information on laws affecting your credit, more information on saving for college, a list of recommended resources, and a glossary.

Throughout the book I've included worksheets for you to use as you evaluate your finances and make decisions. You'll also find sidebars containing stories about several families making financial decisions of their own. And question-and-answer sections in each chapter address topics such as how long to keep financial records and how to make Christmas less stressful financially.

My writing partner is Jeremy White, who is also a certified public accountant and author. Because he's still working regularly with clients at his firm, he brings fresh, current insight on the challenges readers face. Neither of us intends this book to serve as an investment or financial planning textbook. Rather, it's written as a book of encouragement to those who want to have the proper perspective and plan for managing the resources entrusted to them by God. You *can* experience more contentment, reduce your stress about your financial future, and leave a meaningful financial and spiritual legacy. More important, you can look forward to standing before the Lord and hearing Him say, as He said to the faithful steward:

Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things. Come and share your master's happiness! (Matthew 25:23)



# The Big Picture: A Biblical Approach to Financial Decision Making



IT'S A LITTLE OVERWHELMING to have to decide where to begin a book that weighs as much as the weights I work out with. I'm an avid reader, but committing to reading a book as large as this one causes me to pause. So how do I go about writing something so voluminous that it would scare me as a reader?

Here's the approach that Jeremy White and I came up with. We decided to delve into the key principles of a biblical approach to financial decision making first. That's the content of part 1. Then we'll drill down into more and more detail.

As I've transitioned away from working with clients to equipping financial advisors, I've spent more time researching and focusing on God's big-picture principles—such as acknowledging that God owns it all, defining the finish lines, and having an eternal perspective when making decisions. This runs counter to the worldly wisdom of “get rich quick” and accumulate perpetually in case something happens. It's no wonder people are stressed, because they never know if they have enough and they have



no security if the stock market tanks. I'm convinced that focusing on God's principles as explained in His Word is where we need to start this book and where everyone needs to begin when trying to understand how to master their money without their money mastering them.

As I said previously, I've worked professionally in accounting, financial planning, and investing for over forty years. I've seen God's principles on managing money work in my own life, in the lives of hundreds of clients, and in the lives of thousands of others. I've seen the financial successes and failures of people from the vantage points of both before I was a Christian and after. I can confidently say that I've seen God's principles work. As my late friend Larry Burkett often said, "These principles don't work because I say they do; they work because God says they do."

Here's how I've organized part I:

- Chapter 1** Money: A Tool, a Test, and a Testimony, *page 3*
- Chapter 2** God's Big Idea about Finances, *page 19*
- Chapter 3** Commonsense Financial Principles That Can Change Your Life, *page 31*
- Chapter 4** How Much Is Enough? *page 47*
- Chapter 5** Setting Goals for Financial Fitness, *page 59*
- Chapter 6** Making Smart Financial Choices, *page 73*
- Chapter 7** Does What Happens in China Stay in China? *page 91*

# Money: A Tool, a Test, and a Testimony

Perhaps, like me, you have briefly daydreamed about having a dependable butler. The portrayal of butlers in the movies—perpetually proper with their British accents and black suits—interested me as I was growing up. Though I never knew anyone with a butler, who wouldn't want someone to carry out the errands of the household efficiently and amicably?

Another common English word for a butler is *steward*. Some of the general definitions of *steward* follow:<sup>1</sup>

- one employed in a large household or estate to manage domestic concerns (as the supervision of servants, collection of rents, and keeping of accounts)
- shop steward
- a fiscal agent
- one who actively directs affairs: manager

In Christian circles, we use the terms *steward* and *stewardship* quite often. We usually apply them to someone who handles money wisely and gives regularly to the church. Actually, the Bible doesn't use the exact word *steward* for this meaning. If you look in a Bible concordance for the New International Version, you will find only a few uses of the word *steward*. All of those uses are in the typical context of an employee working for his employer or serving food or drink.

Throughout the Bible, however, the concept of stewardship is pervasive. The recurring idea is that God owns it all and that we are managers for a temporary period. All we have is from God's hand. He entrusts us with it. Throughout this book, here's our working definition of stewardship from a biblical perspective:

**Biblical stewardship:** The use of God-given gifts and resources (time, talent, treasure, truth, relationships) for the accomplishment of God-given goals and objectives.

As His steward, I use whatever He's given me for His goals and objectives. I'm trying to accomplish what He's asked me to do by using what He's given me. You could use the above definition of *biblical stewardship* to define *success* also. Someday I want to hear Him say, "Well done, good and faithful servant."

Let me illustrate what stewardship is by telling a story about a man who goes off on an extended trip:

He called his servants together and delegated responsibilities. To one he gave five thousand dollars, to another two thousand, to a third one thousand, depending on their abilities. Then he left. Right off, the first servant went to work and doubled his master's investment. The second did the same. But the man with the single thousand dug a hole and carefully buried his master's money.

After a long absence, the master of those three servants came back and settled up with them. The one given five thousand dollars showed him how he had doubled his investment. His master commended him: "Good work! You did your job well. From now on be my partner."

The servant with the two thousand showed how he also had doubled his master's investment. His master commended him:

"Good work! You did your job well.

From now on be my partner."

The servant given one thousand said, "Master, I know you have high standards and hate careless ways, that you demand the best and make no allowances for error. I was afraid I

might disappoint you, so I found a good hiding place and secured your money. Here it is, safe and sound down to the last cent."

The master was furious. "That's a terrible way to live! It's criminal to live cautiously like that! If you knew I was after the best, why did you do less than the least? The least you could have done would have been to invest the sum with the bankers, where at least I would have gotten a little interest.

"Take the thousand and give it to the one who risked the most. And get rid of this 'play-it-safe' who won't go out on a limb. Throw him out into utter darkness." (Matthew 25:14-30, *The Message*)

I borrowed this story from Jesus, the genius storyteller. He told it primarily to give us a picture of His ultimate return, but it also gives us a picture of what it means to be a steward. I've read and taught from this passage many times, but God continues to provide new lessons from this insightful parable.

Let me comment on four biblical principles of money management, or biblical stewardship, in this story.

## God owns it all; we are managers for a temporary period.

**1. God owns it all.** It's evident the master owns the money and gives it to the servants. Few Christians would argue that God owns it all, and yet if we follow that principle to its natural conclusion, there are three revolutionary implications. First of all, God has the right to whatever He wants, whenever He wants it. It's all His, because an owner has *rights*, and I, as a steward, have only *responsibilities*. I may receive some benefits while meeting my responsibilities, but the owner retains ownership.<sup>2</sup>

One of the reasons my hair turned gray early in life is because I taught five teenagers to drive. When my oldest child reached driving age, she was very eager to use my car, and as her father, I entrusted my car to her.

There was never any question that I could take back my car at any time for any reason. She had responsibilities. I maintained all the rights. I, as the owner, gave her a great benefit by entrusting her with the car's use, and she returned that benefit with responsible use and

**It's all God's, because an owner has *rights*, and I, as a steward, have only *responsibilities*.**

care of the car. In the same way, every single possession that I have comes from someone else—God. I literally possess much but own nothing. God benefits me by sharing His property with me. I have a responsibility to Him to use it in a way that glorifies Him.

Try this exercise for me. If you own your own home, take a walk around your property to get a feel for the reality of this principle. Go barefoot if weather permits. Reflect on how long that dirt has been there and how long it will continue to be there. Then ask yourself if you really own it or whether you merely possess it. You may have the title to it in your fireproof file cabinet, but that title reflects your right to possess it temporarily, not forever. Only God literally owns it forever.

The ultimate truth about God's ownership of financial resources is found in Haggai 2:8. When encouraging the Israelites, recently back from their exile, to finish rebuilding the Temple, God reminded them of an important truth: "The silver is mine and the gold is mine, declares the LORD Almighty." Not only does God own it all, He has given written instructions regarding the proper attitudes and decisions about money and its management. We'll discuss these shortly.

If you really believe that God owns all your resources, two things will happen. First, you will treat each financial decision as something important to God because you are handling His resources. Second, you will have less anxiety regarding money because, rather than being an owner of financial resources, you are a manager, trustee, or steward of someone else's resources—and He has promised to meet all your needs.

Therefore, whether you have a little or a lot becomes unimportant to you. That's true contentment.

If you really believe that God owns it all, then when you lose any possession, for whatever reason, your emotions may cry out, but your mind and spirit have not the slightest question as to the right of God to take

## Every spending decision is a spiritual decision.

whatever He wants, whenever He wants

- it. Really believing this also frees you to
- give generously of God's resources to
- God's purposes and His people.

The second implication of God owning it all is that not only is your giving decision a spiritual decision, but *every spending decision is a spiritual decision*. Notice in the story how much leeway the master gave the stewards. He didn't set any limits or state any restrictions. There is nothing more spiritual than buying a car, taking a vacation, buying food, paying off debt, paying taxes, and so on. These are all responsible uses of His resources. He owns all that you have. He doesn't say you must use it all in one way, say as an offering. He doesn't say you must use it all the same way each time. He gives us resources to provide for us, benefit us, and reach the world for Christ. Many God-glorifying responsible uses fit into these broad categories.

### FAMILY FINANCE



Brian and Tanya Park sat together at the back of the church, holding hands as people slowly filed out of the sanctuary.

Tanya wiped her eyes. "It was a beautiful funeral, wasn't it? So many people came. I still can't believe Grandpa's gone, though."

Brian put his arm around her. "I know you'll miss him, honey. Man, I just hope people have such great things to say about me when I'm gone."

"I know what you mean, Brian. He really was one of a kind," Tanya said. "I have so many wonderful memories of him playing catch and Candyland with me when I was little." She laughed. "Grandpa even took me clothes shopping once when I was a teenager and

needed a new dress for Homecoming. I can still see the embarrassed look on his face when I made him sit down outside the dressing rooms and tell me what he thought about everything I tried on."

"Do you know what surprised me most about what I heard today?" Brian asked. "He can't have made much money working as a maintenance man at that factory, and he lived very simply. Yet he still gave a lot away. He definitely trusted God to meet his needs."

"I know. He told me that when he and Grandma were first married, they couldn't make ends meet. One time the only solution they could see was to take money out of the tithe envelope and use that to pay for groceries. They prayed about it and decided they just couldn't

Think about the freedom of knowing that if God owns it all—and He does—He must have some thoughts about how He wants you to use His property. The Bible reveals many specific guidelines as to how the Owner wants His property used. As a steward, you have a great deal of latitude, but you are still responsible to the Owner. Someday you will give an accounting of how you used His property.

The third implication of the truth that God owns it all is that *wise stewardship is an indicator of spiritual health*. Your checkbook reveals all that you really believe about stewardship. Your life story could be written from your checkbook. It reflects your goals, priorities, convictions, relationships, and even the use of your time. A person who has been a Christian for even a short while can fake prayer, Bible study, evangelism, and going to church, but he can't fake what his checkbook reveals. Maybe that is why so many of us are so secretive about our personal finances. Even within accountability groups, where people share many intimate struggles, it's rare that anyone shares about how much (or how little) he or she gives.

- 2. We are in a growth process.** In reading the Scriptures, we can't escape the truth that our time on earth is temporary and is to be used for our Lord. I believe that God uses money and material possessions in our

take what they knew was God's money, even though they weren't sure how they would pay all their bills. The very next day, a neighbor told Grandpa he'd pay him to help him reroof his house! God was faithful to him when he was faithful in his giving."

"You know, Tanya," Brian said, "maybe we should think a little more about how to imitate your grandpa. We haven't been very deliberate about our finances since we got married last year. We haven't set a budget, and we sure haven't been tithing. We worry about money a lot more than we pray about it."

"Well, we did have to put down a lot for our apartment deposit, not to mention the furniture," said Tanya. "And then there are all those student loans."

"I'd hate to see us dig ourselves into a hole like my brother and his wife did," said Brian. He paused. "Remember my friend Rob at work? He told me that he and Kathy met with a financial planner a few weeks ago. Sounds like they learned a lot about how to budget and begin building their retirement fund."

Tanya was quiet for a minute. "A financial planner? Isn't that a bit premature? I mean, it's not like we have a lot of money or assets to worry about."

"Actually, Tanya, maybe now is the best time to talk to someone about our finances—before we have enough to really mess up," Brian said. "Life is a bit more complicated than it was when Grandpa started out."

earthly lives as *a tool, a test, and a testimony*. The apostle Paul seems to have mastered this growth process. As he says in Philippians 4:11-12:

I am not saying this because I am in need, for I have learned to be content whatever the circumstances. I know what it is to be in need, and I know what it is to have plenty. I have learned the secret of being content in any and every situation, whether well fed or hungry, whether living in plenty or in want.

Money and material possessions are effective tools that God uses to help you grow. Therefore, you always need to ask, *God, what do You want me to learn?* You should not focus on the question (really a whine) *God, why are You doing this to me?* My role as a counselor has been to help people discover what God is teaching them, whether from their abundance or from their apparent lack of financial resources. God is not trying to frustrate us. He is trying to get our attention, and money is a great attention-getter.

Money is not only a tool; it is also a test.

So if you have not been trustworthy in handling worldly wealth, who will trust you with true riches? And if you have not been trustworthy with someone else's property, who will give you property of your own? (Luke 16:11-12)

I don't understand it, but I do know that somehow our eternal position and reward are determined irrevocably by our faithfulness in handling property that has been entrusted to us by God. And not only that, but this verse and others indicate that God trusts the true riches of knowing and understanding Him more to those who show their resolute commitment to Him in tangible ways, such as letting go of money or relationships. Remember our story earlier in this chapter about the faithful servants? Two were rewarded with even more, and the other had some taken away.

In Matthew 5:13-16, Jesus tells His followers that we are called to be salt and light. I believe we can say God can utilize our use of His resources as a testimony to the world. Our attitudes toward wealth as Christians become a testimony. Our attitudes when He withholds anything we desire are also a testimony. Our verbal praise when He arranges and allows financial blessings—or prevents our undoing—is also a testimony. Has He worked a financial miracle for you? Don't discount it as coincidence. Don't forget it years down the road when you have more affluence.

Remember, rest, and revel in His answered prayer over financial matters; just don't let resentment creep in when things don't go your way in human terms. This is teaching time. This is testimony time. Have you



failed in your use of God’s money? What was your response to His “no”? What is your verbal witness of His involvement in your life? Don’t let your first failure keep you so defeated that you talk yourself into failing again. Confess it, receive His mercy, and move on. You’ll have another chance tomorrow. Remember, growth is a process, not a once-for-all event. Jesus wants children who rely on Him and students who listen to Him, not grown-up graduates who don’t need Him anymore.

- 3. The amount is not important.** When you look back at the story of the three servants, notice that the commendation for the first two servants is exactly the same. Both are reminded that they have been faithful with a few things and both are promised something as a reward. You can draw the conclusion that the amount you have is unimportant but how you handle what you have been entrusted with is very important.

Yet as I was meditating on this story again for this book, I paused when reading the tongue-lashing that the master gives the unfaithful servant. Before this third servant is cast out into the darkness, his portion is given to the one who already has the most. Why is it not given to or shared with the other commended servant? They both doubled their shares. They both received the same commendation.

Perhaps the master feels the first servant can manage more and wants to bless him for the risk undertaken. It occurred to me that I have no idea why the master does what he does, but that it doesn’t

matter. It’s his money. He can do what he wants to do with it. I don’t need to know, and I don’t have a right to know. It was his to begin with and his to decide what to do with. That’s a life-changing thought.

How much energy and time do we waste trying to figure God out when He just wants us to be faithful? Why do some people in this world have more than I do? I don’t know. I’m only accountable for what He’s given me. I’m not the auditor; it’s not my job to determine if everyone’s received what I think is fair. Most of us don’t ask, “Why do some have less than me?” We should be thankful for what we have.

There is much controversy today about whether an American Christian is more spiritual by accumulating much (God’s “blessing”) or by giving it all away (God’s “martyr”). I believe that both are extremes and not reflective of what God desires. He neither condemns wealth nor commends poverty, or vice versa. The principle found in Scripture is that He owns it all. Therefore, hold with an open hand whatever He chooses to give you, allowing Him to entrust you with more if He so chooses, or

**God uses money and material possessions as a tool, a test, and a testimony.**



allowing Him to take whatever He wants. It is all His. That is the attitude He wants you to develop, and whatever you have—little or much—your attitude should remain the same.

**4. Faith requires action.** Simply knowing God owns it all isn't enough. The lazy and wicked servant knows he has his master's money, but he does nothing. Many of us know what we ought to do, but we disobey or delay. We have emotional faith and/or intellectual faith, but not volitional faith. We know, *but . . .*

We know deep down what God would have us do, but we take no action because of the fear of making a mistake biblically or financially. Or we are frustrated and confused. We do only what we feel good about. Living by our feelings rather than the truth can be very dangerous. Jesus said, "I am the way and the truth and the life. No one comes to the Father except through me" (John 14:6).

Also, we are constantly bombarded with worldly input, which tells us to acquire and consume. This mind-set is so pervasive that it has affected many people's worldview—and consequently their beliefs and actions—without them realizing it.

Unfortunately, when you ask people about their worldview, most give you a blank stare. They likely have no idea what the word even means. Yet it colors every one of their perceptions and actions. A worldview epitomizes a person's ultimate core belief. It is the sum total of our convictions about ourselves and the world we live in.

The dictionary defines *worldview* as: (1) the overall perspective from which one sees and interprets the world; and (2) a collection of beliefs about life and the universe held by an individual or a group.<sup>3</sup> Your belief system, or worldview, comes from somewhere, whether television shows, friends, old wives' tales and superstitions, advertising, or family. Perhaps the most common worldview today—one that is evident in consumer advertising—is "it's all about me."

Yet my aim, and I suggest the same for you, is to have a biblical worldview that drives you to take the right actions. Unfortunately, the polls and research conducted by George Barna indicate that only 4 percent of adults have a biblical worldview and only 9 percent of born-again Christians have a biblical worldview.<sup>4</sup> These findings are startling, since a biblical worldview should be the basis for all decision making by believers. How can we act like Jesus if we don't think like Jesus?<sup>5</sup>

If you have a biblical worldview, then your behavior is dictated by what the Bible says. It follows, then, that your financial decision making is based on the biblical understanding that God owns it all and you're a steward. You're not driven by what advertisers tell you about how

you need the newest car, beauty products, or other creature comforts financed by expensive debt.

But if your worldview is “grab the gusto” and “he with the most toys wins,” then you may make the wrong decisions and choose the wrong products. The underlying worldview is a potent part of lifestyle decisions: living in a certain neighborhood, dressing a certain way, or driving a particular car. You may come to the erroneous conclusion that these lifestyle decisions will make you attain more importance, appear more attractive, experience less pain, and escape from challenges.

You may be thinking, *Now, wait a minute, what does worldview have to do with personal finances? I just want to manage debt, learn to budget, invest more wisely, or understand insurance.* Later in this book we’ll cover the technical aspects of these financial basics. But your worldview has everything to do with *why* and *how* you make decisions. Ultimately, it determines whether you’ll be a good steward of God’s resources.

## What Does a Good Steward Look Like?

The leader of a large evangelical organization once asked me what a major donor would look like. I answered that if a person *looks* as if he can give large sums of money by the home in which he lives, the car he drives, and so on, chances are good that he is actually *unable* to give significantly. Outward looks can be deceiving.

From my experience and observations, I can generally tell whether someone is a good steward or not. But until recently I hadn’t developed a succinct list describing what a good steward looks like. When preparing to speak at a philanthropy conference of generous donors not long ago, I put together the following list of characteristics:

### Indicators of stewardship

1. Proportionate giving
2. Controlled, debt-free lifestyle
3. Taxes paid with integrity and thanksgiving
4. Financial goals set as a family
5. Accountability

### 1. Proportionate giving

I can’t tell you how many people have wanted to ask (really, debate) the biblical requirements of giving. Must Christians still give a tithe, or 10 percent, of their income? Is that the minimum or the maximum? Is it based on gross pay or net pay? Must the tithe go only to the church, or can it include other parachurch ministries? How do I tithe from increases of net worth and not just income? If the tithe is required, why doesn’t Jesus specifically command it?

I believe there are answers to these questions (see part 3, chapter 27 for more discussion), but sometimes we miss the overall point. Your giving should be based on your income and should increase as your income increases. Proportionate giving is measurable. If you showed me your last five years of income tax returns, I could tell whether or not you are giving within your proportionate income. There is objective data.

Most people deduct everything they can for charitable giving—and, though it's not legal, perhaps a bit more. This is how the conversation between a client and tax preparer usually goes: "How much charitable giving did you do this year?"

The client often responds, "Well, how much did I do last year?"

"Exactly one thousand dollars," the tax preparer says.

"Oh, I did more than that this year; increase it by \$500."

This is not the approach we recommend.

So based on the giving and income data on your tax return, how do you measure up? Test yourself over the past few years. What's the trend of your giving? Are you showing this indicator of good stewardship?

## 2. Controlled, debt-free lifestyle

A second indicator is your lifestyle. I've known athletes and doctors and businessmen who had very high incomes but lived beyond their means. If something unexpected occurred or they missed a few paychecks, financial ruin was near. I'm not suggesting you must be debt free to be a good steward. But you should at least be moving toward a debt-free lifestyle if you're not there yet. We'll drill down into the details of the types of debt, debt management, and getting out of debt in chapters 10–12.

Here's the lifestyle test: If God called you into full-time ministry tomorrow, could you go? Or are you in bondage to your lifestyle?

As a board member of a not-for-profit organization, I was involved in the hiring for a senior leadership position. Our committee had identified a talented professional who was passionate about serving the Lord. He was in the latter years of his career. He really wanted to get out of the rat race of his

### Debt is often symptomatic of maintaining a lifestyle beyond our means.

profession and work in a life-changing organization. As we tried to finalize the job arrangements, he finally declined the position. Despite his desire to work for our organization, he was making \$450,000 a year as an attorney and couldn't live on less. Because of his present commitments—a couple of homes, expensive hobbies, memberships, etc.—he felt he couldn't accept our offer of a lower salary.

Please understand: I'm not saying it's wrong to have nice things, a vacation home, or a high salary. I'm also not saying it's preferable to work in a Christian ministry rather than the marketplace. I'm simply suggesting a litmus test: With

## Q: To prepare for marriage, what should young couples do or talk about in regard to money and personal finances?

**ANSWER:** Everything! One of the greatest areas of conflict in a marriage is money. The reasons are easy to understand—when you put two people together with one checkbook who have different value systems, different personalities, different training, different goals, and different priorities, you’re bound to have conflict. Determining how you are going to make financial decisions and who pays what bills, who determines the budget, etc., are absolutely essential in preparing for marriage. As I started answering this question, many other issues came to mind. Here are a few:

- What is your belief about credit cards?
- Are you bringing any credit card debt into the marriage?
- How soon do you expect to buy a house?
- What is your belief relative to financial assistance from parents and grandparents in the marriage? How are you going to handle that situation?
- What are your lifestyle expectations?
- Do you have student loan debt?
- What are your beliefs relative to private and public schools or Christian and non-Christian schools for your children? If you agree you want private education, how are you going to pay for that?

The list could be endless in terms of questions that need to be answered before couples ultimately get married. I go so far as to recommend that young couples prepare a combined budget before they get married, and if they are fortunate enough to know a good Christian advisor, have a financial plan prepared ahead of time. Most of the financial conflict that occurs in marriage can be avoided if couples spend any amount of time prior to their marriage talking through all of these issues.

An even bigger issue is when second marriages occur between divorced or widowed couples. My mother died, and my father remarried later in life to a widow. Both of them had some financial resources. They were able to decide ahead of time how their finances were going to be handled so there was no conflict when my father ultimately died before his second wife.

It’s been my experience that many problems are, in reality, communication problems. If a couple can’t discuss money, which will affect their lives on a daily basis, they are bound to have issues that show up in other areas of their lives. Values, goals, priorities, philosophies, training—all of these things are important for couples to understand about themselves and their intended spouse before they get married. This is a critical area that unfortunately most young couples never address until they are in conflict after they are married. Then, many other complicated dynamics can come into play.

some minor adjustments, would your lifestyle allow you to go full time into Christian work? We need to be unencumbered by the things of this world. Debt is not the only encumbrance, but it's often symptomatic of maintaining a lifestyle beyond our means.

### **3. Taxes paid with integrity and thanksgiving**

Generally, most citizens dislike paying taxes. Oh, we may try to muster up some patriotic feelings to ease the displeasure. As Arthur Godfrey said, "I'm proud to be paying taxes in the United States. The only thing is—I could be just as proud for half the money."

It's quite a shift to pay the correct amount of taxes with thanksgiving. After all, any of us can find disagreement with spending decisions by a large and complex government. But I'm not suggesting we say thanks to the government as much as I'm suggesting we say thanks to God.

If you're paying more income taxes, most of the increase is due to making more money. No one pays 100 percent of their income in income taxes. You're taxed on a percentage far less than 100 percent. So if you have been blessed with property or income and have planned for your taxes well, the taxes you pay are evidence of God's provision. Because all we have comes from Him, I should utter thanks rather than curses when paying that property tax bill in the fall, the income tax amount on April 15, or the quarterly estimated income tax payment. I'm attempting to practice it myself in writing the tax check by saying, "Thank you, Lord, thank you for blessing me in this particular way, so that I can even do this."

I believe that you should not render unto Caesar any more than he requires. Avoiding taxes can be wise stewardship as well. (We'll discuss the tax system and tax strategies more in part 3, chapters 24–25.) The Bible commands us to pay taxes to those in authority. The availability of money to pay the tax *and* the attitude of gratitude are indicators of stewardship.

### **4. Financial goals set as a family**

I've seen the power of goal setting work to my advantage and the advantage of many clients. God can use the process of goal setting. Working and praying through setting goals is where the benefit lies, not just the end goals.

Some people don't set any goals at all, and they suffer for it. Others go to the opposite extreme and set ambitious financial goals with little regard to family goals. Let's say the husband wants to have a certain amount of income per year or a target amount in his retirement plan. It's good to have a goal. But if he has to work a lot of overtime to earn the income or puts too much in a retirement plan instead of giving, then he may be sacrificing in other important areas, such as family time, health, or his wife working less outside the home. Set family goals first, then let the financial goals be a subset of the family goals.

Husbands and wives should be talking together, thinking together, planning together. Single parents can work with older generations or close friends or older teenagers to set family and financial goals. Remember that financial goals should be a subset of your family goals, not the driver of them. We've devoted an entire chapter later in this part on goal setting.

## 5. Accountability

I believe that the concept of accountability is scriptural—iron sharpens iron (Proverbs 27:17); we are to carry one another's burdens (Galatians 6:2), seek wise counsel (Proverbs 15:22), and so on. When it comes to financial matters, are you accountable to anybody?

You may be surprised to know that I've used a financial advisor for years. When I was involved with my financial planning firm, we required every staff member to have a financial advisor. I still have one. It's not because I don't understand how to plan—in fact, my advisor uses my material and the programs I developed to give me advice.

The reason I use an advisor is because I need somebody in my life to ask me questions such as “Why are you doing that?” “Why are you buying a vacation property?” “Why are you getting another car now?”

Here's a recent example of how accountability works. I bought a really nice car in 2001. It now has 100,000 miles on it and doesn't smell like a new car anymore. As it approached 100,000 miles, I thought maybe it was time to get a new car. But while researching and writing several financial books in the 1980s, I had concluded that the cheapest car is the one that you already have. No exceptions. Yet that was 20 years ago. Surely things had changed, I thought, as I considered replacing my 2001 model.

I called Layne, my advisor, who incidentally is five “generations” down from me in terms of training. That is, I trained an advisor in the firm who later trained an advisor and so on. I said, “Layne, I'm sure the rules have changed. Judy has her own business now. Perhaps it'd be better to buy a new car and use it in the business. Would you look at it?”

He called me back a couple of days later and said, “Ron, the rules still apply. The cheapest car you will ever have is the one you presently have.” My own words hit me in the head like a boomerang. So now I understand—if I'm going to get a new car, it's strictly an ego decision. I can't justify it as a wise financial decision. But I needed him to challenge me on that.

(As a “P.S.” to this car story: Only a few days after my discussion with Layne, a car pulled out in front of me. I hit him broadside—very hard. After realizing that nobody was hurt, my first thought was *Yes! God's provision*. I could smell that new car now! The wrecker towing my car stated the obvious: “It's totaled.” The response from the collision center and the auto insurance, however, was that they never “total” that type of car. So they spent thousands

of dollars repairing my car, and I am still driving this older, repaired car. God does have a sense of humor!)

We all need accountability. Whether or not I know the rules, I needed someone to say no and tell me why.

Having a financial advisor also enables spouses to get objective advice on issues that they may see differently and ensures that neither spouse will be left in the dark when it comes to their finances. In my family's case, I realize that chances are my wife will outlive me. Judy and I were talking recently one afternoon, and she said she wanted to meet with our financial advisor. We were getting ready to make a couple of major financial decisions. I knew what the financial consequences were, but she wanted somebody to talk to and wanted to make sure that we had thought through them well.

We can all seek to become better stewards by growing in these five areas. As citizens of one of the world's richer countries, we are blessed to have more wealth at our disposal than most people on this planet. As we've seen, with that privilege comes great responsibility. How do we make good decisions about the wealth over which we are stewards and managers? No, we don't need to be math whizzes, understand foreign currency exchange fluctuations, or budget every nickel to be wise stewards.

## Summary View about Money

Earlier in this chapter, I described what money is.

- Money is a *tool* (Philippians 4:11-13).
- Money is a *test* (Luke 16:11-13).
- Money is a *testimony* (Matthew 5:13-16).

Money is simply something I use in my life to reach God-given objectives. God uses it as well as a "tool" to "test" me so that I may someday bring a "testimony" to Him.

It's also important to understand what money is not.

- Money is not a measure of self-worth (Deuteronomy 8:16-18; Proverbs 22:2; Ephesians 2:10).
- Money is not the reward for godly living (1 Corinthians 3:13-15; Hebrews 11).
- Money is not a guarantee of contentment (Ecclesiastes 5:10; Philippians 4:11-13).
- Money is not a measure of success (Joshua 1:8).

Throughout the book, I'm hoping to provide practical help in meeting a goal I assume you have: to become a good steward. Biblical stewardship can be defined as the use of God-given resources for the accomplishment of God-

given goals or objectives. It's a lifelong process of growth in spiritual character and implies that spending decisions are spiritual decisions. But the lifelong process is worth it so that we can someday hear, "Well done."



# Other Resources

## **Crown Financial Ministries**

PO Box 100  
Gainesville, GA 30503-0100  
770-534-1000  
800-722-1976  
<http://www.crown.org>

This ministry offers biblically based financial advice and study materials for all ages on the biblical approach to stewardship and money management.

## **Focus on the Family**

(Street address not required)  
Colorado Springs, CO 80995  
719-531-5181  
800-A-FAMILY (800-232-6459)  
<http://www.focusonthefamily.com>

Focus on the Family offers some articles on family finance in the “Life Challenges” section of their Web site: <http://www.family.org/lifechallenges/ManagingMoney/>.

## **Generous Giving**

820 Broad St., Suite 300  
Chattanooga, TN 37402  
<http://www.generousgiving.org>

This privately funded ministry offers practical advice and helpful resources to people of all income levels who long to experience the joy of giving and live a lifestyle of generosity.

## **Kingdom Advisors**

5605 Glenridge Dr., Suite 550  
Atlanta, GA 30342  
Phone: 404-497-7680  
Fax: 404-497-7685  
<http://www.kingdomadvisors.org>

This organization equips Christian financial advisors to communicate biblical wisdom to their clients, apply professional principles in their practices, and live out their faith in the marketplace. Kingdom Advisors may also be able to provide you with the names and contact information of Christian financial advisors in your area. Visit their Web site for more information.

# Notes

## Introduction

1. See <http://www.campuscrusade.com/fourlawseng.htm>.

## Chapter 1

1. *Merriam-Webster's Collegiate Dictionary*, 11th ed., s.v. "steward."
2. The four principles of stewardship are adapted from Blue, *The New Master Your Money* (Chicago: Moody, 2004) 22–26.
3. *The American Heritage Dictionary of the English Language*, 4th ed., s.v. "worldview," <http://dictionary.reference.com/browse/worldview> (accessed December 27, 2006).
4. Barna's research was based on, in my opinion, a very accurate description of a biblical worldview: First, absolute moral truth exists, and this truth is defined in the Bible. This truth leads to six specific religious views: (1) Jesus lived a sinless life; (2) God is the all-knowing and all-powerful creator of the universe; (3) salvation is a gift of God and cannot be earned; (4) Satan is real; (5) Christians have a responsibility to share their faith in Christ; and (6) the Bible is accurate in all its teachings. These results come from a national random survey of 2,033 adults from September through November 2003. The Barna Research Group, "A Biblical Worldview Has a Radical Effect on a Person's Life," *The Barna Update*, The Barna Group, Ltd., December 1, 2003, <http://www.barna.org/FlexPage.aspx?Page=BarnaUpdate&BarnaUpdateID=154>.
5. Recognizing that Christians as a whole are not impacting the culture or living eternally significant lives, Focus on the Family has founded the Truth Project. This DVD-based small group curriculum includes 12 one-hour lessons designed to help Christians understand the relevance, importance, and practicalities of living out the Christian worldview in daily life.

## Chapter 2

1. W. Ian Thomas, *The Mystery of Godliness* (Grand Rapids, MI: Zondervan, 1964).

# Glossary

**After-tax return:** The yield of an investment after taxes have been taken out.

**Annual percentage rate (APR):** The cost of credit expressed as a yearly rate.

**Annuity (immediate):** An individual pays an insurance company a specified amount of money in exchange for a promise that the insurer will, at some time in the future, begin to make a series of periodic payments to the individual for as long as he or she lives, or for some other specified period of time.

**Appreciation:** An increase in fair market value.

**Assets:** Everything a person owns, including cash, investments, property, or vehicles. It includes physical, tangible assets (land, jewelry, cash) as well as intangible assets (patents, mineral rights, intellectual property).

**Automated teller machines (ATMs):** Electronic terminals located on bank premises or elsewhere, through which customers of financial institutions may make deposits, withdrawals, or other transactions as they would through a bank teller.

**Balance sheet:** A condensed financial statement showing the amount and nature of an individual's assets and liabilities at a given time. A "snapshot" of what a person owns and what he or she owes. Sometimes referred to as net worth statement.

**Bankruptcy:** The inability, for whatever reason, to repay debt.

**Basis:** The price paid for an asset. Used to figure capital gains tax.

**Beneficiary:** One who is designated to receive a benefit; for example, the person who would receive the proceeds of a life insurance settlement.

# Index

- 401(k) 224–226, 272–273, 284, 286–287, 329, 336–337
- 529 plan 525–527
- accountability 15–16, 152, 180–182
- accumulation phase 102–103
- adjustable loan 197
- adjustable rate mortgage. *See* ARM
- adjustable term mortgage 552
- adult children
  - giving to 251–255, 257–258
- after-tax return 547
- Alcorn, Randy 297
- allowance. *See* children, allowance
- amortization 196
- annual gift exclusion 318, 321, 323
- annual percentage rate. *See* APR
- annuity 290–291, 547
- appreciation 547
- APR 157, 514–515
  - definition of 547
  - how to compare 515
- assets 547
- ARM 193, 195–196, 198, 552
- ATM
  - definition of 547
  - withdrawals and
    - budgeting 113, 235
- auto insurance 219–221
- automated teller machine. *See* ATM
- automobile
  - leasing 212–213
  - new versus used 211
  - paying cash for 211, 213–217
  - principles for buying 205–221
  - used 217–218
  - when to replace 207–211
- balance sheet 547
- balloon mortgage 552
- bankruptcy 119, 130–132, 136, 145, 148, 167, 518, 522–524, 547
- basis 547
- beneficiary 547
- benefits package. *See* fringe benefits
- biblical commands for spending
  - money 35–36
- biblical principles of money
  - management 4–11
- bid and asked 548
- bond
  - definition of 331, 548
  - versus stocks 330–331
- borrow 548
- borrowing. *See* debt
- borrowing from life
  - insurance 426
- budget
  - definition of 548

creating 107, 109–116, 143,  
 158–159, 244  
 software to create 117–118  
 Burkett, Larry 97, 99  
 business debt 166–167  
 business partner 363  
 cafeteria plan. *See* flexible spending  
 plan  
 capacity and credit 516  
 capital gain or loss 548  
 capital needs 548  
 car. *See* automobile  
 cash flow 548  
 cash flow margin 348, 350–351  
 cash surrender value 548  
 certificate of deposit (CD) 124,  
 316, 337–340  
 character  
   credit and 517  
 checkbook  
   managing 116–117  
 checking account 123  
 charitable bequests 298  
 children  
   allowance 234. *See*  
     *also* envelope system  
   teaching financial wisdom  
     to 231–246  
   wealth transfer decision  
     and 297, 299–303  
 Christian school 495  
 Christmas. *See* holidays, financing  
 closing costs 192–193  
 COBRA 228  
 collateral 517, 548  
 college  
   cost of 102, 142, 167–169, 248  
   loans and  
     scholarships 167–169,  
     529–530  
   saving for 249–251, 334,  
     525–531  
 common financial  
   mistakes 119–120  
 common stock 549  
 compounding 129  
 Consumer Credit Protection  
   Act 513  
 consumer debt. *See* credit card debt  
 Consumer Leasing disclosures 514  
 consumer reporting  
   agency 518–520  
 contentment 19–20, 23–25, 143  
   generosity and 393–395  
 cosigner 549  
 cost per thousand 549  
 Coverdell Education Savings  
   Account 526–527  
 CRA. *See* consumer reporting  
   agency  
 credit 513–515, 549  
   debt and 148–149  
 credit bureau 549  
 credit card 147–148, 150, 549  
 credit card debt 153–155, 173  
   eliminating 158–159  
 credit history 549. *See also* credit  
   rating  
 credit insurance 549  
 creditor 549  
   how they assess risk 516–517  
 credit rating 147–148, 194  
 credit report 518–520  
   dealing with errors in 520  
   obtaining 519  
 credit-scoring system 549  
 credit unions 124  
 creditworthiness 516–517, 549  
 criteria-based decision model 80,  
   86–89  
 current assets 549  
 custodial accounts 527–528  
 Dayton, Kenneth 416  
 death tax 314  
 debit card 158, 549

## A B O U T   T H E   A U T H O R S

**RON BLUE** has been a financial planner and consultant for more than 30 years. Early in his career he founded an Indianapolis-based CPA firm that is now one of the 50 largest such firms in the United States. He then spent two years with Leadership Dynamics, developing and teaching biblically based leadership and management seminars in the United States and Africa. In 1979, he founded a financial planning firm because of his conviction that Christians would handle their personal finances better if they were counseled objectively with the highest technical expertise from a biblical perspective. That firm grew to manage over \$2 billion in assets for more than 5,000 clients nationwide.

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