

First United Methodist Church, Eaton Rapids, Michigan
Sermon for Sunday, 8 November 2009: "Finance and Wisdom"
Part Three of "Discovering Joy through Simplicity and Generosity"
Text: Luke 15.11-16 (The Message) The Reverend Daniel Hofmann

Then he said, "There was once a man who had two sons. The younger said to his father, 'Father, I want right now what's coming to me.'
"So the father divided the property between them. It wasn't long before the younger son packed his bags and left for a distant country. There, undisciplined and dissipated, he wasted everything he had. After he had gone through all his money, there was a bad famine all through that country and he began to hurt. He signed on with a citizen there who assigned him to his fields to slop the pigs. He was so hungry he would have eaten the corncobs in the pig slop, but no one would give him any.

Introduction

The idea of keeping up with the Joneses is very much alive today, and it is a phenomenon that crosses all socio-economic boundaries.

The result is pretty much the same, though: people live beyond their means.

The trouble with living beyond our means is that we are living in a false sense of reality.

Many people today are on a treadmill of consumerism, and that treadmill just keeps going faster and faster. But the day will come when either we are going to break down or the treadmill is going to break down, because we cannot continue to go faster and faster in our passion to consume.

This morning we want to look at some biblical wisdom and basic money management principles that can help us manage our money and get back on the right track.

Perhaps you are already familiar with these principles in theory, but not in practice.

So often we are like dieters who know that in order to loose weight we must eat right and exercise, yet still we fail to do so.

Similarly, we may know many wise money-management principles; yet we often fail to practice them.

I The Prodigal in Each of Us

Let's begin with one of the primary struggles we face: Many of us have a bit of the prodigal son in us.

The prodigal son, who was the younger of two sons, demanded his share in his father's inheritance, left home, and squandered everything.

This parable Jesus told in the gospel of Luke, is a story about the love of God—about how God takes us back even when we've squandered everything we have.

God's mercy is abundant and God joyfully welcomes us home. This is the aspect of the story we typically focus on, but there is another important element to this story I don't want us to miss.

As the parable begins, Jesus describes the habits of the young man—and they are habits many of us emulate today: The prodigal son had the habits of squandering and spending.

The word *prodigal* does not mean someone who wanders away or is lost; the word *prodigal* literally means "one who wastes money."

The prodigal goes literally on a spending spree.

II The More We Make, the More We Waste

It seems that the more financially secure we become, the less we worry about spending money here and there.

We don't seem to be worried about tomorrow. We want it TODAY. The problem is that kind of thinking is that, for most of us, the "famine" eventually comes. It comes when we have spent everything we have and even a little bit of next year's income.

Others of us do not find ourselves broke. We are not abusing our credit cards. There are no creditors calling and asking for payments. We simply have become wasteful and extravagant, throwing our money away.

We burn money on things we neither need nor derive value from—almost recklessly, as if we just need to spend for the sake of spending.

There are many ways we waste money, either way, but I want to highlight two of the primary money-wasters so many of us struggle with.

Money-Waster #1: Impulse Buying

The first way we waste money is by impulse buying. Let me be perfectly frank with you: when it comes to impulse buying, I have at least a PhD in it!

I walk into a store and see something that catches my eye, and I think, "I have got to have that!" I must have this thing so desperately, even though just a few minutes ago I didn't even know I needed it or knew that it existed!

Here are some helpful tips I have learned when coping with impulse buying:

1. never go grocery shopping when you are hungry;
2. shop for what you need only;
3. make a list and stick to it; buy what you need and get out of that store!
4. wait 24 hours before purchasing something you “just got to have”, particularly a large purchase

Money-Waster #2: Eating Out

Eating out tends to become a huge money-waster with many of us. According to *Kiplinger's Personal Finance Magazine*, the average American eats out four times a week.

If a family of four were to eat out at a sit-down restaurant, and order burgers with fries and soft drinks, that would cost—including tax and tip—anywhere from \$48 to \$55 a meal, depending on the restaurant and other variables.

Now multiply the cost for that one meal by four times a week times 52 weeks a year, and that family of four would roughly spend \$10,000 or more on eating out annually.

If that family were to prepare that same meal at home (burger, fries, soft drinks, and even a healthy vegetable on the side), the same meal would cost between \$15 to \$20.

The difference is somewhere between 30 and 40 dollars per meal—more than \$6000 per year.

I am not suggesting that we never eat out again. That is not the point. What I am suggesting though is that perhaps we eat out too often and the only thing we have to show for is a spare tire around the waist and a skinny wallet.

III The Discipline of Managing Our Money

Let's shift gears and look at what practical steps we can take in order to become better stewards of our resources.

A. Create a Budget/Spending Plan

A budget is a spending plan that enables us to accomplish our goals.

One approach is the “Envelope System”: Where you have an envelope for each item in your budget that is labeled “discretionary” that is line items in your budget that you have control over spending like; groceries; entertainment; clothes etc.

You then place your pre-determined amount of cash in an envelope, and only use the money that is in the envelope for the month.

You could also seek advice from a financial advisor

In addition, if you find yourself overwhelmed with debt and don't know where to turn to, you may want to seek the advice of a reputable credit counselors.

Whatever approach you choose, the important thing is TO HAVE A PLAN.

B. Six Financial Planning Principles

These six financial planning principles can help us to manage our money with wisdom and faith:

1. Pay your tithe and offering first. (@ Corinthians 9.6-7)

Put God first in your living and your giving. Give your tithe and offering from the "top" of your paycheck, and then live on what remains.

2. Create a budget and track your expenses. (Proverbs 27.23-24)

Creating a budget is simply developing a plan in which you tell your money what you want to do with it. Tracking your expenses with a budget is like getting on the scales: It allows you to see how you are doing and motivates you to be more careful with your expenditures.

3. Simplify your lifestyle (live below your means). (Matthew 6.19-33)

Because this discipline is so critical to the success of any financial plan, next Sunday's message will be devoted to this topic.

4. Establish an emergency fund. (1 Timothy 6.9-12)

An emergency fund is an account separate from checking or long-term savings that is set aside specifically for emergencies. Dave Ramsey recommends beginning with \$1,000 and building that to three months' worth of income. When you have this amount, you won't need to use your credit cards anymore.

5. Pay off your credit cards, use cash/debit cards for purchases, and use credit wisely. (Proverbs 22.7)

As you are building your emergency fund, begin to pay off your credit card debt and start using cash or debit cards for purchases. Some experts suggest starting with the credit card that has the highest interest rate. Others suggest paying down the smallest debt first, experiencing that victory, and applying your payments from the first card to the second, and so on, creating a snowball effect to pay off the cards as soon as possible. Cut up your

cards as you pay them down so that you are not trapped or leveraged by your future for present-day pleasure, as the prodigal son was.

If you must use a credit card, such as when traveling or making purchases online, be sure to pay off the debt monthly. If you are unable to do this, then it is better for you to cut up your cards and stop using them altogether.

6. Practice long-term savings and investing habits. (Luke 14.28)

Saving money is the number-one wise money management principle everyone should practice. We do not save merely for the sake of saving. There is a word for that: hoarding. Hoarding is frowned upon in the Bible as the practice of fools and those who fail to understand the purpose of life. Saving, on the other hand, is meant to be purposeful. There are three types of savings we should have:

- 1) emergency savings,
- 2) savings for wants and goals, and
- 3) retirement savings.

Let us close with prayer:

God,

you know what we don't even know.

We don't know where every dime went, but somehow you know what we did with all that we had, last year and the year before that.

You don't forbid us from having joy in our possessions. In fact, you delight in having joy for us.

But what you know is that just acquiring more and more stuff isn't where we find joy.

Lord,

forgive us for being wasteful, for being prodigals.

Forgive us for leveraging our future in order to have pleasure in the present.

Help us to be good managers of the talents you have given us.

Help us to be generous and willing to share, kingdom-minded and focused on accomplishing your purposes for our lives.

In Jesus' name, **Amen.**