

# Lesson 7

## Wise or Foolish? Shouldn't Be Much of a Decision

Most of us have heard the quote by Benjamin Franklin, “In this world nothing can be said to be certain, except death and taxes”. A rather pessimistic and fatalistic view of the world, but he had a point. Obviously, we have to be alive to be in this world, so the life we have is just as certain. I make this distinction to say this: **while we are alive, the Lord has given us choices as to how we handle money.** As we discussed in the last two lessons, our first priority should be to Him. Another priority, and to Franklin’s point, is the necessary obligation to the state and federal governments. Consequently, in our budget, **we should be planning and setting aside resources for both our giving and taxes.**



Let’s establish some terminology, so we can be on the same page throughout the remainder of this study. First, we’ll assign the title **Total Income (TI) to all of the sources of income we may receive throughout the year.** Earned income, pension, social security, dividend, gifts received, sale of assets, etc. are all part of your **TI**. Also, most of us have payroll deductions held out of our checks (taxes, Medicare, Social Security, insurance, etc). So, let’s assign the title **Available Income (AI) to the amount of the check or direct deposit that we receive.** For the self employed, subtract estimated tax payments to compute your **AI**. If we’re following the Lord’s guidance to honor Him first, we should set His tithe apart (**we should consider Total Income when establishing the tithe to truly honor Him with the first fruits**). As you will see

in this lesson, our next priority should be setting aside dollars to meet our future needs, i.e. saving and investing. Consequently, the amount remaining after we have given to the Lord; met all of our payroll deductions and directed money to savings will be referred to as **Usable Income (UI)**. **UI is the amount we have remaining for spending.**

Hopefully you agree with the point made in the previous paragraph – that after we honor the Lord with His first fruits, our next focus should be to make sure we have enough money saved to take care of our own future needs? I hope so, because it is logically sound and consistent with scripture.

**Proverbs 21:20** – “There is precious treasure and oil in the dwelling of the wise, but the foolish man swallows it up”.

Scriptural Foundation

Once again, let’s update this to 21st century language: You are wise if you set aside money for

unexpected needs; you're foolish if you consume all you have. Do you want to be wise or do you want to be foolish? Probably an unnecessary question, don't you think?

Try this on for size:

**Proverbs  
6:6-8**

"Go to the ant, O sluggard, observe her ways and be wise, which having no chief officer or ruler, prepares her food in the summer and gathers her provision in the harvest."

At first glance, you might not see much wisdom here, but when we dig deeper there is a lot to gain. First of all, you and I are told to observe the ant (I guess we have to accept that we fit into the sluggard category, but hopefully you get the point). Have you ever taken a few moments to watch an ant colony at work? I have. You see these little critters constantly working - they never stop. They bump into each other, trip over blades of grass, drop what they're carrying, then go back to get it. It's really fascinating - they are tireless.

The proverb tells us they "prepare" the food in the summer. In other words, during the growing season they are preparing.

**Preparing suggests the idea of a plan.** So, our plan should include setting money aside during our growing season (when we are able to earn it), so it can be gathered "in the harvest". The ant's harvest time was when food wasn't available. Do you get it? God is providing you and me resources today, so we can set them aside now. He knows there will come a day when we will need resources beyond our ability to earn at the time. Remember, God is sovereign - He knows what needs are down the road and part

of the way **He provides for our future needs** is by providing money for us today.



There is a story about a scientific study of relocating an ant colony from the northeast US to southern Florida. The scientist wanted to observe the climate change on the ants. Interestingly, the first winter in southern Florida, the ants did what they had always done - they built their ant hill. But when the next winter, if you want to call it winter in southern Florida, rolled around there was no ant hill. The ants had somehow discerned that the very moderate climate didn't require the extra food normally stored in the summertime. Moral of the story: the ants store, the ants do not hoard. You see, the Lord wants us to set aside resources because He knows we'll need them, but He doesn't want us to build "bigger barns" (See Luke 12:18) to store more than we would ever need.



We will make a distinction between saving and investing. Saving is basically setting money aside to meet future unexpected expenses. As you will see later, you will set saving targets that will gradually help you gather an amount equal to at least 6 months worth of your living expenses. Investing, on the other hand, is planning for the long term future, i.e. education, business, retirement.

The flip side of saving, of course, is spending and borrowing. We'll deal with spending in the next lesson, but let's take a quick look

at the Lord’s guidance for borrowing. He had lots to say on the subject when He established guidance for the children of Israel. Interestingly, He did not prohibit borrowing. It would make teaching on this subject a lot easier if He had, but He didn’t. But here is the subtlety that most people miss: He instructed His children to be the lender and not the borrower (**Deuteronomy 28:12** – You shall lend to many nations, but you shall not borrow). **Our Lord knew the long term problem that debt would cause, and He wanted His children to avoid it.**

The premier Scriptural reference on debt can be found in **Proverbs 22:7**:

**“The rich rules over the poor, and the borrower becomes the lenders slave”.**

According to this truth, if you or I have borrowed from a person or a company, that person or that company is our master. How many masters are we to serve? The clear answer from Scripture is One – His name is Jesus! And Jesus tells us in very straight forward language that **“no one can serve two masters” (Matthew 6:24)**. The reason that debt hangs over us and we sense a burden because of it, is not just because it creates stress and stretches our budget, but also because we’re violating a Scriptural principle by having more than one master. We’ll talk more on this subject in our group discussion this week, but for now take comfort in knowing that the financial plan you will create will include an aggressive plan to eliminate debt as soon as practical.



**REFLECTION:** Prayerfully read again Proverbs 21:20; 6-6-8; 22:7. Are you making a conscientious effort to set money aside each month before you spend it? Are you being wise or foolish? Pray and ask the Lord for guidance to help you establish the right priorities. In the last six months, have you created any additional debt? If so, do you sense additional pressure to meet your monthly obligations? How many masters do you have? On the flip side, have you been so preoccupied with increasing your savings that other needs have been placed on a back burner? Read Luke 12:18 and spend time in

prayer asking the Lord to help you seek a balance. Identify and prepare to discuss with your group the scripture, statement or concept that was most meaningful to you in this lesson.

**Record your thoughts:**

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**ACTION STEP:** By the end of this week, accumulate information necessary to accurately calculate your annual **Total Income (TI)**, **Available Income (AI)** and **Usable Income (UI)**. The actual calculations will be accomplished during next week's lesson. Your ultimate goal will be to compute a monthly **UI** as accurately as possible. The budget will be established on a monthly basis because that's the way we live life. The house payment or rent is due monthly; likewise utilities, loan payments, etc. The more accurate the **UI**, the easier it will be to prepare your monthly budget. Continue tracking your daily expenses using the spending areas listed on page A-4.

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