

Lesson 8

The Piper Will Be Paid . . . So Plan For It

So far we've dealt with three of our four options for using money. We have saved the most popular option (spending) for last. As we said in an earlier lesson, most people consider this to be the most enjoyable option. We see immediate results. Yesterday, the shelf was bare; today a high definition flat screen TV sits on it. Yesterday, the tank was empty; today it's full. Yesterday, the jeans we wore were 3 years old and generic; today they are new with a designer label on them. Yesterday, there were no plans for June; today the boarding passes have been downloaded for the trip. And more often than not, the bank balance hasn't decreased a penny because the credit card payment isn't due for almost a month. Ahh, the joys of the American way!



The problem with the scenarios laid out in the previous paragraph is that eventually the piper must be paid. The credit card bill comes due, and if we don't have the funds to pay the balance, we experience the thrill of paying double digit interest rates on all of that "enjoyable" or even necessary spending. Please don't get me wrong - there are very legitimate reasons to spend money, and yes, sometimes it is for pleasure. But I am hopeful that you clearly see the point of this discussion. **It is simply this: all spending should be a conscious decision made within the boundaries of the spending plan you have previously developed.** In short, all of us should have a plan for spending money. That plan is called a budget.

Scriptural Foundation

Proverbs 27:23: "Know well the condition of your flocks, and pay attention to your herds".

Before you start laughing and wondering what in the world the previous Proverb has to do with anything we're talking about, think about this. In biblical times, wealth was stored and resources were traded with livestock. A man's status and ability to influence others was determined by the size of his flocks and herds. If we fast forward several centuries and restate Proverbs 27:23 in today's language it would read something like this: Know well the condition of your bank account and pay attention to how you use (spend) your money. In other words, we should be on top of our finances. We should be absolutely certain that our deposits exceed our expenditures. And if for some reason they don't at a point in time, we should have a definite plan to quickly remedy the situation.

You may have noticed that the word, **plan** has already been used on multiple occasions in the study. Here is one reason why: **Proverbs 21:5:** "The plans of the diligent lead surely to advantage, but everyone who is hasty comes surely to poverty."

It must be time for another needless question with an obvious answer. Do you want to have an advantage, or would you like to experience poverty? I don't have to wait for your answer. Do you see the amazing wisdom in the book of Proverbs? It is loaded with extremely practical guidance that is as relevant today as it was when it was written.

If we will put a plan in place and make our financial decisions based on that plan, we will definitely find an advantage in managing money today, tomorrow, and next year. (This point will be hammered over and over for the remainder of this study, so you might want to read it again.) On the other hand, if we go through the motions without any sort of plan and make hasty financial decisions, i.e. decisions that are made on the emotion of the moment, we will find ourselves living paycheck to paycheck and digging ourselves into a deeper and deeper hole. That, my friends, is what the Proverb refers to as “poverty”. The choice could not be simpler. **Do we want to put a plan in place and take control of our financial lives, or do we want to continue to do what we have been doing and hope for the best?**

In the next lesson, you will begin to develop your plan. But before we get into the mechanics of it, allow me to share some of my experiences. In a previous lesson's action step, I asked you to begin tracking your expenses. There was a definite reason for that. It has been my experience in life that **I have no hope of managing money unless I first know where I'm spending it.**



To illustrate, I offer two counseling experiences:

I was counseling Ron and asked him how much money he was spending each month for lunches at work. He thought for a second and said, “Fifty dollars”. I started asking more questions, like “how many days do you eat out?”, “where do you eat?”, “what do you eat?” etc. I helped Ron discover that he was not spending the \$50 he thought, but he was spending \$218 per month – about \$2600 per year. I spoke with Debra who discovered she was spending \$60 per week in vending machines! That's over \$3000 per year! Interestingly, both Ron and Debra said the exact same thing to me; they just used slightly different words. The first thing they said was “I can't afford to do that”. And the second thing they said was more important than the first. It was this: “I don't want to do that.”



Here is the **key point** that I am committed to stomp into the floor until the day the Lord takes me off this earth: **Until you know where you are spending the money, you do not have enough information to make a decision as to whether you want to continue spending it that way.** You see, Ron and Debra didn't want to spend what they were spending, **but they didn't know it** until they tracked their expenses. They became aware of what they were doing! You must know where you are spending money if you have any hope to manage your finances well.

Another Proverb that has had a significant impact on my financial life is found in the 16th chapter – **Proverbs 16:3:**

“Commit your works unto the Lord, and your plans will be established.”

That’s quite an offer. The Lord is telling us that if we commit our financial life to Him, He will help us set up our plan. As previously stated, next week’s lessons begin the practical portion of this study. Our Lord is offering to help you as you move forward. **Once again, you have two choices.** You can go it alone, or you can benefit from His help. Why don’t you take Him up on His offer?



REFLECTION: Spend time meditating on Proverbs 21:5 and 16:3. Are you ready to develop and follow a plan to take control of your finances? Are you ready to commit your financial life to the Lord? Before you answer, think about what that means - you’ll follow His lead and His principles on giving, saving, investing, borrowing, and spending. It also means that you may have to say “no” to things to which you’ve previously been saying “yes”. 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:**



ACTION STEP: There is another aspect of expenses that makes up today’s action step. I call it Minimum Required Expenses (MRE). For those of you with military backgrounds, you might know the acronym MRE as Meals Ready to Eat - essential food items for one in the field or deployed. There is an interesting parallel between the two acronyms. The military MRE provides the essential nutritional requirements without many frills. The MRE I’m talking about are those expenses that you will likely incur every month, without too many frills. So, this action step asks you to add up those expenses that you expect to incur on a monthly basis and determine

your MRE. It’s not necessarily limited to just the essentials (housing, food, transportation, medical, etc.). But, for example, if you take your family out for fast food every Thursday night or if you subscribe to a streaming movie service, that is included in your MRE. The importance of knowing your MRE is this: if your income, for whatever reason, should drop below your MRE then you know that life style changes must occur to prevent accumulating

debt. Knowing your MRE will help you in many ways, not the least of which is determining your margin between Usable Income (UI) and your MRE - in other words, are you in danger of not having enough Usable Income to meet your Minimum Required Expenses? Use the spending areas listed on page A-4 to assist you in determining your MRE. Continue tracking your daily expenses using the spending areas listed on page A-4.
