

THE LAWS OF FAMILY FINANCES

Dowlen Road, May 17, 2009 AM

INTRODUCTION:

- A. When I first started preaching, there was one other couple in the congregation that was the same age as Heidi and I.
 - 1. Although they had only been married a few years, they were in the middle of an oppressive financial crisis. I've never encountered anyone so far in the hole. The husband shared with me that they had debts in excess of one hundred thousand dollars. It was a debilitating burden that caused anxiety for them every day.
 - 2. I'd like to tell you that, at some point, they set out in a new direction and turned their lives around. But the truth is, their marriage did not survive. Within a few years after we moved away, they were divorced. I'm certain that this financial hole they dug for themselves was the first among many reasons their marriage failed.
- B. This is not how God wants His people to live their lives.
 - 1. He wants us to have peace in all aspects of our life, including our finances (Galatians 5:22-23).
 - 2. But if we are to have this peace, we must allow God to guide us. Specifically, we must listen to what He says about handling our resources.
- C. In this lesson we will examine some of the things God has said about handling our resources wisely. We call these the laws of family finances. If we want to avoid financial crisis and the grief it brings into our lives, we have to learn and live by these five laws.

Law [1] *I must get my attitude right.*

- A. This law addresses our attitude and it is vital. It's our thinking that often gets us into financial trouble. Think about this scenario:
 - 1. A good friend buys a new truck with everything on it and I stop by to check it out.
 - 2. As I climb into my old truck beat up truck that's on its last leg, I start thinking to myself:
 - a. I'd sure like to have a new truck. This old thing is a piece of junk.
 - b. What do the guys at work think of me when I pull up in this old thing? Everyone else has a new truck. I look like I'm living in poverty.
 - c. I work as hard as anyone else. I deserve to enjoy the fruits of my labor. I have a right to have a new truck.
 - 3. After pouting about it for a week, this guy finds himself in the finance office at the Chevy dealer signing up for six years of payments which will leave him right on the brink of making ends meet.
 - 4. He's happy for about a month, until that first payment hits and he begins to realize he's made a mistake. He's headed for a crisis.
- B. It's his thinking about things that got him into trouble.
 - 1. This is where we begin to win the battle. My life is not about stuff (**Luke 12:15**). In fact, if I let myself get caught up in that kind of thinking, I'm headed for trouble (**I Timothy 6:6-10**).
 - 2. What life is about is having a relationship with God and living a life that pleases Him (**Ecclesiastes 12:13**).
 - 3. This brings us back to that new truck. It is not God's will that I create an oppressive debt that puts me at risk for a financial crisis just so I can impress people I really don't care about anyway. I don't deserve a new truck. It's not unfair that others have new things that I do not. Keep in mind that they may also have a big debt to go with the big truck and I will not have that either.
 - 4. Financial peace begins with right thinking.

Law [2] *My income must exceed my expenses.*

- A. We are living at a time when it is easy to live beyond our means.
 - 1. Credit card companies offer a quick and easy solution when we have too much month and not enough money. When we've spent all of our income, we can still buy groceries – even go out to eat – simply by swiping the card and deferring payment until another time.
 - 2. Society also makes this easy because it has decided that credit debt is socially acceptable. Go back a few generations and folks frowned upon buying on time. You saved up and paid cash for the things you wanted. Today, people think nothing of financing lunch at McDonalds.
- B. Of course, the problem with continually using credit to push the consequences of our spending into next month is that – eventually – judgment day comes. We fall into the trap of debt (**Proverbs 22:7**).
 - 1. The only way to avoid this trap is to change the way we do business. We must live within our means. We cannot spend more than we make. This is a law of family finances that we just can't get around.
 - 2. It's like trying to lose weight. If you want to lose weight, then you have to burn more calories than you take in. We don't like this law, but we can't get around it. We can make excuses – I deserve this pizza because I worked hard; it's a special occasion so I'll have two desserts – but if we take in more calories than we burn, we will not lose weight.
 - 3. It's the same way with our money. It doesn't matter what excuses we use: I deserve this new truck. I need this new dress for the wedding I'm attending. We went out to dinner to be with other Christians. If we spend more than we make, we will be in debt.
 - 4. If we want financial peace, this has to stop!

Law [3] *I must have a budget.*

- A. This law is inseparably linked to the second.
 - 1. If I am to be successful in my efforts not to over spend and live within my means, then I must have a budget.
 - 2. This word "budget" means different things to different people (scratches on a yellow pad; four worksheets in an excel file).
 - 3. But it all boils down to this: a budget is simply a plan of action for how we will spend the money God has blessed us with each month (**Proverbs 21:5**). It involves two key parts.

- a. On the left side of the page, I need to list all of my income for the month.
 - b. On the right side of the page I need to list all of my expenses.
 - c. Now here's the key: the final number on the income side must be bigger than the final number on the expense side.
 - d. Those are the basics of a working budget.
- B. Let me add a few additional details.
1. A budget needs to be detailed. I studied with a couple about to be married and encouraged them to prepare a household budget together. They came back with four items in the expense column. I challenged them to get more detailed. When they did, they discovered that they would have to wait to get married because they did not make enough money. We need to be detailed. Often it is the little holes in our budget that sink our financial ship.
 2. I need to assign every dollar. If you have extra money after paying all of your obligations, decide where that extra will go before it disappears. Assign some of it to savings, college fund, retirement, giving to others, even fun activities. Every dollar needs to have a place to go.
 3. Married couples need to build a budget together. Two things kill a family budget.
 - a. The first is when one spouse arbitrarily imposes a budget without the necessary input from the other (\$25 a week for groceries and \$100 a week from green fees). This isn't going to work. It's not reasonable (most families can't eat on \$25 a week) and it's not fair. This is something that husbands and wives must work out together. Everyone needs to have input; everyone needs to be onboard.
 - b. The second killer is when the budget is ignored. Budgets will not work if what's on paper has nothing to do with how we live. Once it's set, both have to stick with it. Only spend what you've budgeted. If something unexpected comes up, you need to have a budget meeting and move the money around to cover the extra expense. Remember law #2, I can't spend more than I make. When we have an emergency, we have to make adjustments. If the kids need a \$200 prescription, then we have to skip golf or put off getting the new dress. We have to have a budget, and we have to stick with it.

Law [4] *I must anticipate the unexpected.*

- A. It is important to have a budget. But it is delusional to believe that life will follow the budget.
1. We all understand that unexpected things come up. This is so obvious that we probably should not describe these things as unexpected.
 - a. Your car will need a repair sometime this year.
 - b. Your kids will need to go to the doctor or someone in your family will require a \$200 prescription.
 - c. An appliance will die (let's hope it's the coffee maker and not the refrigerator).
 - d. At some point your car will need tires and your air conditioner will need a new compressor.
 2. Sometimes the unexpected things really aren't so unexpected.
 - a. We will have Christmas this year and it will fall on December 25th. It does every year.
 - b. If you're married, you will have an anniversary.
 - c. If you have kids, they will have birthdays.
 - d. Property taxes and insurance premiums will go up this year.
 3. Sometimes these setbacks will be more than minor inconvenience.
 - a. 1/3 of all Americans had an unexpected expense in the last year that seriously set them back financially. (Pewresearch.org) Most faced a medical crisis or a serious problem with the car.
 - b. Living on the Gulf Coast we could face a hurricane and be forced to come up with thousands of dollars for repairs to our homes.
 - c. In these uncertain economic times, you could lose your job.
 4. We all know that stuff like this happens all the time.
 - a. It's not a question of "if", but "when."
 - b. Most people are completely unprepared for even little unexpected expenses and are forced to resort to credit cards.
 - c. Get hit with two or three emergencies and you have a debt crisis (**Proverbs 22:7**).
- B. If we want to have financial peace, we must anticipate the unexpected.
1. In Proverbs 22:3 Solomon said, "The wise see danger ahead and avoid it, but fools keep going and get into trouble."
 2. We must see the financial setbacks that will confront every one of us in the future. We must prepare for them.
 3. The best way to do this is with an emergency fund. Most experts suggest that a family have enough money set aside to cover 3-6 months of expenses. I know it's not fun to have this large sum of money just sitting round not doing anything. But neither is it fun to pay for our insurance every month. This is what this fund is...insurance that protects us from unexpected expenses.

Conclusion: If you violate the law you will pay the penalty.

- A. Some will quibble over whether or not these things are important.
1. They will argue that they've lived for years without a budget or an emergency fund and they're doing just fine.
 2. We may need to define what "just fine" really means. It may also be that life just hasn't caught up with them yet.
- B. Pick up the outline. Read the passages. See if the things we've taught are rooted in the principles of God's word. If I want to have financial peace, I must let God guide me in everything I do with my money.
- C. In fact, God needs to guide everything I do. Is He the Lord of your life?