GOD AND MONEY

FINANCIAL WISDOM

DEALING WITH MONEY BY THE BOOK

(OF PROVERBS)

“HOW MUCH BETTER TO GET WISDOM THAN GOLD, AND GOOD JUDGEMENT THAN SILVER!”

(PROV 16:16)

“SHORT CUTS MAKE LONG DELAYS.”

(JR TOLKIEN, THE FELLOWSHIP OF THE RING)

CONTENTS

INTRODUCTION

This booklet draws on wisdom from the book of Proverbs. The 66 books of the Bible have a lot to say about money. This booklet limits its insight to the most practical book in the Bible – Proverbs.

This booklet also quotes and draws wisdom from many people in and beyond Common Ground Church who have excelled in applying this wisdom to their lives.

It attempts to be as practical as possible – but this level of specificity means five disclaimers must be given:

> 1) Common Ground Church takes no responsibility for your financial choices.
>
> 2) Though much of the advice is widely applicable, some of it may not suit your unique situation.
>
> 3) Distinguish between the clear principles taught in Proverbs and the varied applications suggested in this booklet (which are negotiable).
>
> 4) Knowing the wisdom of God's Word is not enough. We need to apply it. *(Note: Throughout this resource there are boxed action steps - do them. This will mean making appointments with yourself, as well as your financial advisor, your bank and for those who are married, with your spouse.)*
>
> 5) Apologies to those who are in far higher as well as far lower brackets of income to the one's assumed in this document. Hopefully, you will still apply the principles even if the suggested applications do not fit you.

Some people will find this book very challenging. We hope it provokes change where change is needed. But it may also make some people feel a deep, crippling sense of failure, which is certainly not our goal. Where you have failed, humbly acknowledge your failure to God and receive his grace. Romans 5:20 tells us, *"Where sin increases, God's grace increases all the more."*

Allow God's grace to transform your finances. Redeem the time (and money) in the days and years to come by diligently, and in dependence on God's Spirit, applying God's financial wisdom to your life.

THREE WAYS TO THINK ABOUT WEALTH BIBLICALLY

1) SEE YOURSELF AS A STEWARD NOT AN OWNER OF YOUR WEALTH

This is arguably the most important point the Scriptures make about wealth. It is simply this: all the money we possess – even if we earned it through our own hard work and talent – comes from and belongs to God (*see Deut 8:18*), and we are answerable to him for how we use it.

In the final analysis, we are not the owners of our wealth. Rather God entrusts his wealth to us as stewards (or managers) of it. And we will give an account to him with regard to how we used his finances. If we misappropriate funds, for example spending money on ourselves that was meant to be given away, then we are guilty of stealing or mismanaging God's money. That is serious. Jesus illustrates this teaching about stewardship and accountability in the form of a story:

> *"There was a rich man whose manager was accused of wasting his possessions. So he called him in and asked him, 'What is this I hear about you? Give an account of your management..." (Luke 16:1-2)*

Financial advisor Sigrid Midonko says, *"We all have to give an account for the money we manage. If we are not good at dealing with money we might think it's easier to give it to someone else to manage. But we, not them, will have to give an account to God, so embrace the challenge. Read what you can, seek counsel and enjoy the journey of discovering how money can benefit God's kingdom."*

Businessman Peter Hobbs reminds us, *"Regardless of how much we earn, we are to be good stewards of that amount. Those who are relatively low earners are no less accountable to God than those who earn more. Besides, even low earners accumulatively will deal with a lot of money in their lifetime."*

We tend to wrongly think that the poor are godly, and the wealthy are ungodly. But the Scriptures teach that there are four categories, not just two. There are 1) the godly poor 2) the ungodly poor, 3) the godly wealthy, and 4) the ungodly wealthy. In part, our godliness depends not on how much we have, but on what we do with what we have – whether much or little. The key to godliness is worship. It shapes how we steward what we have. If we worship God, then we will use wealth to love people. But if we worship wealth itself, as most people in our culture do, we will tend to use people to get wealth.

2) BEWARE OF THE PURSUIT OF WEALTH

> *One eager to get rich will not go unpunished. (Prov 28:20)*

We are all in danger of being eager to get rich. This can be described as the greedy, idolatrous pursuit of wealth. 1Timothy 6:10 says, "The love of money is a root of all kinds of evil." It is not money itself, but rather the idolatrous, greedy love of it that is the problem. Not only is greed a sin, but it is a sin which gives rise to even more sin. Just think how that is the case in modern society where greed is the root of crimes such as stealing, robbery, hijacking, fraud, embezzlement, counterfeiting, theft and tax evasion. It's at the root of environmental degradation. It's commonly at the root of the neglect of loved ones – spouses or children; single people living in social shells; and Christians neglecting their pursuit of God and spiritual community!

But it's not just the idolatrous pursuit of money that can attract evils into our life. Also, the possession of it can lead us into temptation. Having much money is itself a temptation. With increased wealth comes increased independence and social power, which are the breeding ground of sins such as pride, self-sufficiency, excessive luxury and self-indulgence. The most tragic temptation wealthy people face is the tendency to try to live life without God…

> *'I (fear I) may have too much (money) and disown you and say, 'Who is the Lord?' (Prov 30:9)*

On this point, businessman Christo Bredenkamp says, *"I have learnt in my walk with God not to exaggerate the power of money. Money needs to be held lightly and in its rightful place. I regularly come across so-called 'powerful' people chasing money. Their lives are usually a complete mess. Don't make the mistake of thinking that money will solve your problems. We do need it, but it is nonetheless very limited in its ability to make life work, never mind bring any lasting happiness."*

3) PURSUE WISDOM NOT WEALTH

Only a fool loves wealth more than wisdom. The book of Proverbs urges us to love and seek wisdom not wealth. But why should we love wisdom rather than wealth? The book of Proverbs gives four reasons:

First, wisdom is worth so much more than wealth.

> *Blessed are those who find wisdom for she is more profitable than silver and yields better returns than gold. She is more precious than rubies; nothing you desire can compare with her. (Prov 3:13-15)*

Second, wisdom tends to attract wealth

> *Long life is in her (wisdom's) right hand; in her left hand are riches and honour. (Prov 3:16)*

This verse teaches us that the possession of wisdom increases our chances of possessing wealth. This is because a wise person will tend to acquire wealth in a more godly and sustainable way, and will be able to use it in a more God-pleasing way.

Conversely a lack of wisdom tends to repel or lose wealth:

> *Haste leads to poverty. (Prov 21:5)*
>
> *Dishonest money dwindles away. (Prov 13:11)*
>
> *Greedy people try to get rich quick but don't realize they're headed for poverty. (Prov 28:22)*

Think of people who win the lottery. A study of lottery winners shows that within five years of their windfall, most of them file for bankruptcy. The novelty of riches soon leads to pain. Think also of the global economic meltdown of 2008, the primary catalyst of which was greed in the US housing market. The desire and attempt to get rich quickly generally leads to disappointment.

Does this mean that we should avoid any potentially big-earning business or investment opportunity? Obviously not, just that this should not be our approach to wealth accumulation, and that we should be very careful of being blindsided by greed. Only a fool thinks that he will become wealthy by bouncing from one get-rich-quick opportunity to the next.

Third, wisdom helps us to be content with what we have.

Listen to the words of a wise man who asked God for enough, not more than enough…

> *… give me neither poverty nor riches, but give me only my daily bread. (Prov 30:8)*

This is a prayer that few pray. Most of us want more, more, more. Alain De Botton in his book, Status Anxiety, puts this masterfully: *"Blessed with riches and possibilities far beyond anything imagined by ancestors who tilled the unpredictable soil, modern populations have nonetheless shown a remarkable capacity to feel that neither who they are nor what they have is quite enough."*

> *Better to have little, with fear for the Lord, than to have great treasure and inner turmoil. (Prov 15:16)*
>
> *Don't wear yourself out trying to get rich. Be wise enough to know when enough is enough. (Prov 23:4)*

Wisdom teaches you to *be happy with who you are regardless of what you have, cultivating a sense of completeness that is unrelated to the acquisition and consumption of experiences and things.*

In my opinion, contentment is something deeper than happiness. Happiness is more short-lived, and hinges upon circumstances. But money cannot buy contentment. In fact money can't buy any character trait at all.

And what a pity when we spend the lion's share of our lives living for more money – and forget to intentionally, daily, habitually cultivate character traits like contentment.

What happens when we pursue money, but neglect the formation of traits like discipline and contentment? Here is a true story: a woman was married to a financially struggling man. After years of slog and setbacks, they made it big. The discipline and humility she once admired in him quickly fell away. He got upgrades of everything – a new (over) confident demeanour, a new bigger house, a new faster car – and a new younger wife. A decade on, he's still acquiring more and more stuff, but isn't close to achieving contentment. His ex-wife on the other hand, has far less than she used to have but has dedicated her life to lifting up others. She's started an NGO and her life is full of, not possessions, but people and purpose.

Instead of wanting more, more, more – we should take the time to draw a "daily bread" circle, listing the standard of living that will be "enough" for the rest of your life, or at least for the next 5-10 years. Then if you earn more money than you need to sustain this lifestyle, you simply refuse to spend that money on yourself and raise your standard of living. Warren Buffet is an inspiring example of this. After becoming one of the world's wealthiest men, he didn't buy a bigger home. Or think of Time magazine's Person of the Year in 2009, Ben Bernanke, who was the head of the Federal Reserve in the USA, yet chose to drive a Ford Focus (no offence to anyone who drives a Ford Focus!).

Clarify the limits of your standard of living.
What is my 'daily bread' circle?

What is the standard of living that I believe, by the grace of God, I'd be happy to have in my current season of life? And for the rest of life?'

Fourth, wisdom knows that wealth isn't forever.

> *In the blink of an eye wealth disappears, for it will sprout wings and fly away like an eagle. (Prov 23:5)*
>
> *Riches are not forever. (Prov 27:24)*

With a personal fortune of US$1billion, John D Rockefeller was one of the richest people in history. When he died someone asked his accountant, "How much did he leave behind?" Incredulously, he answered, "All of it!" Our lives extend beyond the grave, but our wealth doesn't. We are all in danger of getting caught up in the pursuit of things with temporary value. Better to live for things with eternal value because these will outlast us. In a sense, we can take them with us when we die.

> *Wealth is worthless in the day of wrath, but righteousness delivers from death. (Prov 11:4)*

The time will come for us to stand before God on Judgment Day. If we have lived in the pursuit of temporary things we will experience "God's wrath". All our wealth will be worthless. More than that, all our wealth will betray us. Ezekiel 7:19 paints even more of a vivid picture to illustrate this truth: "They will throw their silver into the streets, and their gold will be treated as a thing unclean. Their silver and gold will not be able to deliver them in the day of the LORD's wrath. It will not satisfy their hunger or fill their stomachs, for it has caused them to stumble into sin."

EIGHT WAYS TO DEAL WITH MONEY WISELY

1) Know your current financial state

2) Earn more

3) Be generous toward God's work

4) Be generous to people, especially the needy

5) Save

6) Budget how you spend your money

7) Live within your means

8) Get out of debt

1) KNOW YOUR CURRENT FINANCIAL STATE

> *Be sure you know the condition of your flocks, give careful attention to your herds ... (for) the lambs will provide you with clothing, and the goats with the price of a field. You will have plenty of goats' milk to feed your family. (Prov 27:23, 26, 27)*

Verse 23 is amongst the most misquoted verses in the Bible. People think it refers to the need for shepherd-leaders to carefully look after the people under their spiritual care (which is true), but actually, as evidenced by verses 26-27, it refers to a careful assessment of one's wealth. In those days wealth was measured in livestock. The point: we should pay careful attention to our current financial state.

Practically speaking, this means we should know:
1) Our assets (what we own)
2) Liabilities (what we owe)
3) Monthly income (what comes in)
4) Monthly expenses (what goes out)

Your net worth is measured by all you own (your assets) minus all you owe (liabilities). Personal finance writer Suze Orman encourages us to calculate our net worth. Why? *"We tend to focus on assets and forget about debts. Financial security requires facing up to the big picture: assets minus debts."*

Calculate your net worth.
Type "net worth calculator" into any Internet search engine and you will find plenty of free online tools to help you take stock of your assets and debts.
Assets – Liabilities = Net Worth

Then calculate your monthly income. It may consist of salaries, rent received, child support, alimony, pensions, dividends etc. Then calculate your monthly expenses and see where your money is going.

Calculate your monthly expenses.
Keep all cash slips (or carry a small notebook with you and record every cash purchase you make, whether it is R1 or R1000). Also look on the Internet (start Internet Banking if you haven't already) to see your last month's credit card and bank statements. Now add up all your expenses and see where your money went. For greater accuracy do this three months in a row.

The **www.22seven.com** app is amazingly helpful at this. It tracks your finances and categorizes them based on where you swipe. It's an almost effortless way of creating an expenditure report without having to input much data.

Suze Orman says that most people are aware of their big expenses (such as house and car repayments) but when you do an exercise like this you will have a few *"Yikes, I had no idea"* moments. This is part of knowing the truth.

2) EARN MORE

Once we have battled against our greed and discontentment, and sought character and wisdom over money, we're ready to actually earn money. There's nothing spiritual about earning less, when there are legitimate opportunities to earn more. The example of the business woman in Proverbs 31 inspires us to take initiative and be proactive, to be industrious and to capitalize on opportunities, and to invest wisely:

> *She finds wool and flax and busily spins it. She is like a merchant ship, bringing her food from afar. She gets up before dawn to prepare breakfast for her household and plan the day's work for her servant girls. She goes to inspect a field and buys it; with her earnings she plants a vineyard. (Prov 31:14-16).*

Our income is not static. There are things we can do that push up our earnings. Things like getting a good education, and then getting further education or accreditation. Or diligently looking for work. Or finding a second job. Or starting your own business. Or making ourselves indispensable to our company. Or finding the convergence point of the world's needs and my passions. Or investing.

Allan Fergusen says, *"Earn more. Develop competencies – know what you're doing. If you don't know what you're doing, get training or change to a job where your competencies are needed. Work hard, with a good attitude and with integrity. Become an asset to any company."*

Paul Maughan adds, *"Think about creative ways to increase your income. A couple of points here: God is creative and we are made in His image. We can be creative in the area of finance as well! What do you love doing? Are there people prepared to pay for what you love doing or do you need to improve some things first? Example: I love writing, so I wrote a few finance articles and after a while got paid for doing so – what fun!"*

3) BE GENEROUS TOWARD GOD'S WORK

> *Honour the LORD with your wealth, with the firstfruits of all your crops; then your barns will be filled to overflowing, and your vats will brim over with new wine. (Prov 3:9-10)*

Christ-followers should make it a priority to give money to God's work through their local churches. This is the most practical way to "honour the LORD with your wealth". The word "honour" here means to acknowledge God's worthiness, greatness and weightiness. It is not just the words we speak to God in a time of worship, but what we do with our money that is true worship.

What are the "firstfruits" mentioned here? It refers to the ancient Israelite practice of giving the very first portion of one's income (which came in the form of crops) to God, by giving to the temple. This was given as a way of responding to God's saving grace, and of acknowledging that all they had came from God (*see Deuteronomy 26:8-10*).

In the Old Testament this giving sustained the functioning of the temple along with those called by God to serve in it. But the giving described in the New Testament is far more important. It's no longer a material temple of solid stones, it's now a spiritual temple of living stones that benefits. It's no longer maintenance-minded priests whose work it was to monopolize ministry opportunities. Now it's mission-minded leaders whose work it is to multiply ministry opportunities for the whole church. It's no longer about sustaining a static temple system, now it's about multiplying outward-focused gospel-communities into the nations. How much more critical is giving now than then!

How much did the Israelites give? Most pastors have taught that they gave 10 percent, but a more thorough study of the law of Moses shows that they gave two tithes as well as a third tithe every three years, which means that they gave more than 20 percent. How much are we meant to give to God's work through the church? The New Testament does not say exactly how much. What it does say is that we should give proportionately to our capacity to give. For this reason Jesus was far more impressed with the few cents a poor widow gave than the huge amount of money a millionaire gave, who could have given much more (*see Luke 21:1-4*). And the New Testament says that we should give generously and sacrificially. The general practice most mature Christ-followers have embraced over the centuries is to give 10 percent. But this 10 percent should be treated more as a principle than a law, and also more as a floor than as a ceiling. And Christ-followers need to be open to giving far more at certain times, especially to unusual kingdom ventures like supporting churches facing desperate times, funding church planting, and strategic building projects.

Listen to what Common Grounder Allan Fergusen says about his own practice: *"I commit to give at least 10 percent of all my income. This is what this means for me: 1) It's one way I thank God for what He has done for me. 2) It reminds me to worship and to rejoice in God. 3) It reminds me to remain obedient to God's will. 4) It reminds me that Jesus is overlord of my entire life – without Him in it I would really make a mess."*

Listen to businessman and Common Ground elder Christo Bredenkamp's journey in this regard: *"I would say that I learnt my most important lesson about money when I had none, and it comes down to this: hold money lightly and trust God fully. Let me explain: we lost our business in 1998 and we went through an extended lean period in which I felt God ask me one night at our small group meeting: 'Christo, what will it take for you to really trust me?' And I felt the reference was specifically around our finances. At that stage I was a new convert and I guess still hanging on to my ability to make things work (and believe me I tried just about everything). From that moment on I promised God to make Him and Him alone my source and this decision had some important consequences.*

From a financial point of view I thought one way to demonstrate my new-found faith in my provider was to hold money lightly and become much more generous than I've ever been before, at all levels, including giving back to God. Basically, from that moment on I've always given generously to God because He is my provider, given me so much and trusted me with so much. This is not a transaction (If I give, will you bless me, God?) but just the most natural overflow of my life. It's incredible to see how God has opened doors for me since that decision which has become the number one principle underpinning my use of finances."

Christo mentions how he has experienced God's blessing in the wake of his generous lifestyle. That he has been so blessed by God should not come as a surprise. Proverbs 3:10 promises that as we give generously to God our *"barns will be filled to overflowing, and vats will brim over with new wine."* What blessing can we expect? 1) One way He blesses us is with joy (that's what the "new wine" refers to). It feels great to give to God's work! 2) Another way He blesses us is that our money tends to go further than if we had just kept it for ourselves. As an example of this consider how Haggai the prophet reprimanded God's people for putting all their money into building their own houses but failing to build God's house, the temple. The consequence? *"You earn wages only to put them in a purse with bigger holes in it" (Haggai 1:6)*. 3) At times, but not always, God may choose to bless us financially too. This is because, generally speaking, God would rather give more money to a person He can trust. And surely a person who prioritizes his work with their money is someone He can trust?

Reflect on your giving to God's work.

What is your current practice (or lack of it) with regard to giving to God's work through the church? Any changes needed? What is your plan to give consistently?

Here are some practicalities of giving that you might find helpful:

1. Give first.
Giving the first slice of your hard-earned cash to Christ clearly communicates that he is first in your life.

2. Use a benchmark.
Using the biblical pattern of the tithe, consider taking a tenth as a bench-mark in our giving. Of course the Holy Spirit may guide you to give much more. I say this because in the Old Testament, the people of God gave a tenth of their income to maintain the temple system. But now the church is a spiritual temple – and we're not just trying to maintain. We're trying to change the city. If it took 10% to maintain, it might take more to change the city!

3. Build it up.
If your financial situation is particularly dire, perhaps start by giving a smaller percentage and building it up over time. That's fine. God understands. And be sure to get wisdom and help in your finances.

4. Give via EFT, and, if you get a set salary, why not automate your giving as a powerful token of faith in his future provision toward your life. There are 2 ways to give, either through the Sunday giving box or electronically. For security reasons we strongly encourage you to rather give via EFT.

Here are our bank details (these can also be found at: *https://commongroundbosch.co.za/giving)*.

BANK DETAILS

Account Name: Common Ground Church
Bank: First National Bank
Branch Name: Claremont
Branch Code: 200 109
Account Number: 5015 006 0446
Reference: RB followed by either RCG / GEN 12
Reference Codes:
RCG - 'Regular Committed Giving' - i.e. your regular tithing to the church.
GEN12 – For activities that we do out of being a base church, blessed to be a blessing to others.

Why do we use reference codes?
We want to make sure your money goes where you want it to, please take the time to choose the correct reference code for your giving.

4) BE GENEROUS TO PEOPLE, ESPECIALLY THE NEEDY

> *One person gives freely, yet gains even more; another withholds unduly, but comes to poverty. A generous person will prosper; whoever refreshes others will be refreshed. (Prov 11:24-25)*

We should strive to be generous people. The closer we get to God, the more we should reflect His generosity to others. Though we should try to save money generally, there needs to be times when we celebrate life and relationships by being generous. This would include being generous to our family and friends, as well as to waiters who serve us, and sometimes even perfect strangers. A common opportunity for generosity is to pay the bill when eating out with friends. But we also need to be generous to those who are truly in need, starting first with the needy in our own church, then the needy in our city, as Galatians 6:10 counsels us.

> *Do not withhold good from those who deserve it when it's in your power to help them. (Prov 3:27)*
>
> *Whoever oppresses the poor shows contempt for their Maker, but whoever is kind to the needy honours God. (Prov 14:31)*
>
> *Those who are kind to the poor lend to the LORD, and he will reward them for what they have done. (Prov 19:17)*
>
> *Whoever gives to the poor will lack nothing, but those who close their eyes to poverty will be cursed. (Prov 28:27)*

The early church tended to give to the poor through the local church (see Acts 4:32-35). Still today, we should give to the poor through our churches.

Reflect on your giving to the poor.
What is your current practice (or lack of it) with regard to giving to the needy in the church?
And to the suffering and the poor in the city?
If you're not doing this, why not start giving in these areas?

In Common Ground church, we invite our members to contribute regularly in two ways:

1) To give to the neediest in and through our congregation.

Here are the details and reference codes (these can also be found at: *https://commongroundbosch.co.za/giving*).

Account Name: Common Ground Church
Bank: First National Bank
Branch Name: Claremont
Branch Code: 200 109
Account Number: 5015 006 0446
Reference: RB followed by either RTP / MERCY
RTP - 'Remember The Poor' is a fund for compassion and justice efforts across the city.
MERCY - A reserve of funds to help Common Grounders who may have stumbled upon hard times.

2) To give specifically towards Common Good's work into the city.

Here are the giving details:

Account name: Common Good
Bank: FNB
Branch name: Vineyard Road
Account number: 6235 715 7033
Branch code: 254 00
Swift: RIRNZAJJ
Reference: Name and cell no *

(* This can be anonymous but the reason for your name and number is that you can then request an 18A tax certificate.)

5) SAVE

> *Ants are creatures of little strength, yet they store up their food in the summer. (Prov 30:25)*

Little by little the ant practices delayed gratification and accrues surplus! That is a picture of saving, or storing up for the future. Though this level of practicality goes beyond the counsel of Scripture, yet Sigrid, out of her expertise as a financial advisor, recommends we have three different saving accounts:

Save into an emergency fund.
Christ warned that we live in a world of rust, moth and thief. Therefore, we should expect unexpected costs. For example, our car breaks down, or the whole family gets sick and medical bills suddenly pile up, or we're retrenched. What we tend to do when these emergencies come up is 1) dig into our long-term savings, or more commonly 2) to go into debt on our credit cards. Both options are unwise! Rather we should apportion a set amount every month into an emergency fund. When do we stop putting money into the emergency fund? Answer: a rule of thumb is to save the equivalent of 3 months' salary (assuming all income stopped).

Save short-term (i.e. less than 5 years).
We should anticipate foreseeable bumper expenses in the coming years such as school fees, going on a mission trip, the purchase of a car, a big holiday, a wedding, a deposit on a house etc. A good place to keep this kind of money is in a call account, where your money earns fairly good interest but is not easily accessible (which prevents erratic spending). For this type of saving, you can also consider SA retail bonds, but not stocks or unit trusts, which are subject to market fluctuations.

Save long-term.
One day we will be too old to earn an income. If we don't plan for that season of our lives then we doom other people to carry us, or worse yet (if no one is able or willing to care for us) we're reduced to rags. The sooner we start saving for retirement the better. In contrast to short-term saving, this kind of saving can be done by investing money in stocks, unit trusts or a retirement annuity. The key to this kind of saving is to start as early as possible in life. For many of us, another long-term cost we can save for is our children's tertiary education.

The sooner we start the better. When it comes to saving and investing your money, time can be your best friend. The purpose of saving and investing your money is to take advantage of compound interest. The longer that you save and the earlier that you start investing the faster you can reach your financial goals. Waiting just makes it much harder to meet the same goal. So find a way to start saving and investing today.

> *He who gathers money little by little makes it grow. (Prov 13:11)*

Compound interest is how we grow our money "little by little". Assuming you contribute R167 a month (that's R2004 a year) to an investment that pays you 8 percent interest. In 30 years you would have put in only R60,120 yet because of compound interest your money will grow to R248,890 – in other words, you'll earn R188,770 in interest alone because you applied the little-by-little principle. (You can do your own sums using an online bond calculator.)

The way to wealth is to get compound interest working for you over time. The way to poverty is to have it working against you. Which is why wise long-term investing is so important! Ask your financial advisor or some trusted people to help you choose a good investment product. Don't forget that the number one rule of good long-term investing is to diversify. (After all, Ecclesiastes 11:2 counsels us, "Divide your portion to seven, or even to eight, for you do not know what misfortune may occur on the earth.")

6) BUDGET HOW YOU SPEND YOUR MONEY

> *The plans of the diligent lead to profit as surely as haste leads to poverty. (Prov 21:5)*

Every earning person and married couple should go into a month with a clear plan of how they are going to spend their money. This is called budgeting. It should include monthly items (like giving, home loan or rent, car loan, children's education, savings, utility bills etc) as well as regular small-ticket items (like food, clothing, household expenses, fuel, entertainment etc).

There is wisdom in demarcating a portion of one's income to give to:
1) God's work through our local churches
2) The poor
3) Ourselves (through saving).

But how much should we apportion to each? A simple exercise could help you answer this question:

Plan your overall giving and saving.
1. Evaluate your current capacity to apportion in the areas of 1) giving to God, 2) the poor and 3) yourself (by saving).
2. What overall percentage of your income can you give to these three areas?
3. Next, prayerfully and thoughtfully decide for yourself how much of this portion you

7) LIVE WITHIN YOUR MEANS

We have needs and we have wants. We can't live without our needs being met. But we can live, even happily so with God's help, without our wants being met. Most of the money we spend on wants can be reduced or eliminated, so that we're able to live within our means. A good starting challenge is to reduce all spending on wants by at least 10 percent. But to do so will be to cut against the grain of our culture. We live in a consumer culture that encourages us to live beyond our means. Credit cards and buy-now-pay-later schemes make this possible. Listen to how Proverbs calls us to burst this self-deluded bubble, and start living within our means…

> *One person pretends to be rich, yet has nothing. (Prov 13:7)*

1. Live within your means by budgeting.
We have spoken about budgeting for big monthly expenses in the previous point, but we need to also budget for smaller expenses.

1. Find out on average how much you spend on what every month. Based on what you have spent in previous months (which you discovered in point 1: Know your financial state.) why not set a limit to the amount you will spend on things like food, entertainment, clothing, fuel, gifts, etc.

2. Next plan an ideal month of expenditure, using a budget. When you budget, you're spending in theory, on purpose, every cent you get before the month begins. Many people view a budget as a straight jacket, but when you see that a budget is just spending your money with intention, you'll actually experience more freedom than before. Give it three to four months to start working. It won't be perfect the first time you do it. By the way, over-fund your food and groceries category – most people naively under-fund here.

3. Oversee your budget with the help of an app. There are some amazing apps that can help you as you navigate the rocky road of learning how to stay in control of you money. There's YNAB and GoodBudget apps. But because local is lekker, and in this case, actually best, Old Mutual's 22seven app is recommended. This is what Tessa Brown says about it, *'It tracks my finances and categorizes them based on where I swipe. It's an amazing and effortless way of creating an expenditure report without having to input much data myself. I can now work with the monthly averages on each category, such as eating out etc, and am able to adjust my budget accordingly. Such a useful tool. I was always too overwhelmed at the mammoth task of budgeting, but this app really made it easy.'*

2. Live within your means by spending less where possible.

HERE ARE EIGHT IDEAS FOR SAVING MONEY GENERALLY:

1. Transport: pay less for getting around, cars and fuel.

- Try to live near your work. You'll save time then too.
- If possible cycle or walk.
- Use public transport.
- Buying a car? Must you really buy new? It will depreciate as it's driven from the showroom. Hasn't your previous car still got some more mileage? A car is a depreciating item, not an asset. The more expensive the car, the higher the maintenance and insurance costs. When buying, be sure to investigate fuel efficiency and maintenance costs too.
- Want to save fuel? Avoid peak traffic – stop-start driving costs a lot. Accelerate slower and glide toward a red light while in gear. Stay beneath 100kph. (Generally every 10kph faster than 97kph adds 7-10% to the cost, as well as increasing the risk of an accident.)

2. Communication: save on your phone.

• Don't upgrade your phone so often. For example, someone used the same iPhone for 5 years before upgrading, saving 15k over the 3 years she had a phone-free contract. The same is often true of a pay-as-you-go option.

3. Home: reduce water and electricity costs.

• Water costs. Let your gardens and pools thirst. Select plants that need less water, such as proteas, aloes and succulents. Have a water tank outside the house that collects the water from your clean gutters. Research a borehole option too. Use it to wash cars, water the garden and refill the pool. Dishwashers use less water than washing basins

• Electricity costs. Get a geyser timer, and reduce the specified heat on your geyser to just hot enough. Go solar – this could cut your bill by 40%. Cook on a gas stove. Boil a full kettle and keep hot water in a thermos flask for hot water through the day. Otherwise boil only as much water as you need. LED strip lights use next to no electricity.

4. Insurance: reduce your premiums.

• Insurance companies are notorious for increasing your premiums every year. What about (maybe once a year?) phoning your insurance providers for car, house and possessions and update your portfolio. But more importantly, politely express yournon-loyalty, saying 'I am not totally happy with my premiums and am considering exploring your competition's offers. Is there anything you can do to reduce them?' They usually do.

• Only insure what you can't afford to replace. Use savings not insurance for low cost risk.

5. Keep your antennae out there for good prices on things you need.

• You're a sucker not a saver when you buy something you don't really need, no matter how cheap it is.

• When it comes to the things you really need though, as a general rule get threequotes first.

• Ask for discounts on expensive items.

• Perhaps start a Whatsapp group with your friends, where you share any news about useful specials. For starters, Takealot has loads of specials – and delivers for free.

• Buy secondhand. Not everything you buy has to be new. Buy some furniture, toys and sports equipment second-hand on Gumtree or on a secondhand Facebook group. Don't be afraid to negotiate here too.

6. Collaboration: team up with others.

• Consider trading skills. There's someone who does her hairdresser's Facebook page on the side, who in turn cuts the whole family's hair. Another does part-time admin for a company who cooks and delivers meals, in exchange for food delivered every night.

- Some friend who live near each other share appliances such as lawn mowers, printers and washing machines. Not only do they save money, but it heightens their sense of community.
- Lift clubs (for you or your kids) save time and money, and reduce carbon emissions.

7. Stuff: look after it, and think functional economics.

- Purchasing something like a surfboard or clothing or car or smartphone is the start of the relationship, the hard work has only just begun. If you put in the minimal effort of looking after it (keeping a surfboard in a board bag, or not washing your clothes after every use unless obviously dirty, or servicing your vehicle regularly) it will last longer and save you money in the long run.
- Understand 'functional economics': weigh up what the item will be used for (how important is it?) over the cost of the item. For example, should you use that extra money on new tennis shoes and racket (if you play twice a month) or on a bigger dining table (which your family will use twice a day)? Go for bang for your bucks.

8. Payback: take advantage of money-back schemes.

- For example, there's Discovery and Vitality membership, with kickbacks on food purchased at Woolies and Pick n Pay. There's also FNB ebucks, and Clicks Club and PNP Smartshopper cards.

HERE ARE FOUR IDEAS FOR SAVING MONEY ON FOOD:

1. Reduce the temptation of impulse buying.

(People who can avoid impulse spending save nearly 25% on their grocery bills! But how?)

- Shop with a list. Don't go into a shop hoping the food will choose you. You choose it ... before you arrive.
- Better yet shop online – especially if all current specials are included on the website.
- Shop less. The less you shop, the more you save. Try once a month for non-perishables and once a week for the rest.
- Never shop hungry. The tempting check-out queues will nail you. Beware of the straight-after-work shopping routine when one is feeling stressed and a little peckish.
- Shop alone. If you can, or else everyone will add their favourites to the trolley.
- Tap away at your mobile calculator. Be cautious when buying big or in bulk. Will you be able to finish all of that before it goes off? Is it really cheaper per kg? Check quantities. Do the sums. On your calculator, you can also add up your items to help you stay within budget.
- Give yourself a time limit. The quicker you are in and out, the less temptation. Also, know the layout of the shop – the less aisles you walk, the less you will buy.

- Use the smallest cart you can. Studies have proven that the quicker your container fills, the less you are inclined to buy.
- Don't be duped. Stay away from luxury items even if they are cheaper than usual. When they say 'save' they really mean 'spend'.
- Shop with cash. Swiping that credit card makes whatever amount you're paying feel inconsequential. But when you're counting notes, you feel it. (MacDonalds did a study that showed that people will spend 50% more with a credit card than with hard cash.)

2. Don't buy what you don't have to.

- Know what is in your freezer and pantry. That way you won't buy what you already have. About once a month, just as you're about to go shop, don't. Instead ransack your shelves and freezer and unleash your inner masterchef by whipping up something interesting from all the odds and ends.
- Take your own re-usable carrier bags. This will save the planet (polymers are forever) as well as a little extra cash you can splash out on the car guard.
- Buy house-brands or cheaper brands. If you feel that the cheaper product is not nearly as good, then switch back and know the extra money is well spent.
- Don't buy pre-packaged foods. Make your foods from scratch where you can.
- Don't buy ready-made meals. Besides, the more invested you are in food, the better it tastes. Besides, those ready-made portions are seldom dude-sufficient.
- Find cheaper substitutes. Review your last grocery receipt and circle your most expensive purchases. It may be as simple as eating chicken more and red meat less.

3. Look out for the best prices on stuff you need.

- Search **www.findspecials.co.za** before you hit the shops. Check out the stores you shop at. Perhaps do this before you create a complete meal plan, because the specials can be clues of what meals to have this week.
- Buy in bulk and stockpile non-perishable and frozen foods when they are on good promotions. How often does a promo like that come around? Every 10-12 weeks it seems – so buy 3 months' worth.
- Find out the best prices on your 10 most common purchases. You might not have the capacity to compare prices on everything, but surely you need the best prices at various shops for these foods you purchase most often – I'm thinking meat, nuts, dairy, fruit and veg etc.
- Enjoy loyalty benefits. There's PNP Smartshopper with a 3% payback for example. If you have Discovery and Vitality membership, you can get a 25% discount on allocated healthy foods at your choice store. If you shop at Checkers, then use FNB's ebucks or download the Eezicoupon app.

- Scan the high and low shelves. Companies pay more to place products at your eye level—and they tend to be the most pricey.
- Buy bulk at factory shops or wholesalers. Are there any near you that sell what you're looking for?
- But beware: deal chasing can force you to go to too many shops. Try to minimize the amount of shops you go to, because more fuel and time is needed (and that time is money). If the savings are only slight, don't bother.

4. Stretch out your food.

- Prepare several meals in one go. When you have the time, make a large batch of freezable meals (stews and soups for example).
- Keep leftovers. Refrigerate ASAP to preserve. Use it the next day as lunch, or whip it up into something new. For example, leftover chicken can be used in a salad, sandwich or soup.
- Reduce waste. Use smaller plates, especially for kids. Use over-ripe fruits in smoothies, and wilting vegetables in stews and soups.
- Encourage your family to relax and eat slower. Also coach them to remember that the goal of a meal is not to eat until you feel full, but until you've had enough. We only need to be eating the nutrients and energy our bodies needs until the next meal.
- Create some distance. Leaving the serving dishes on the kitchen counter not the dinner table tends to prevent people from reaching out and over-eating.

Develop a strategy to spend less.
Which bits of advice from the list can be applied to you? What spending areas will you cut down in? What is your plan to do so? Make a list.

3. Live within your means by telling the difference between necessities and luxuries.

The first sign of greed is that you can't tell the difference between necessities and luxuries. So name the luxuries that you have come to assume are your birthright. Contemplate that millions of people live happily without them.

Let's think of simpler examples…

- Like fast food – a luxury not a necessity.
- So is DSTV.
- So is having a green lawn. Stop spending so much on your lawn, and rather spend on a vegetable garden.

- If you eat out less you might enjoy it more. Some people cut restaurants out totally, while others set a budget for a month, and then stick to that.
- Think how much money you could save every month if you took lunch to work or cut out that daily flat white.
- Date nights are so important. But picnic, coffee or dessert dates can be just as special.

This principle plays out in bigger expenses too …

- Purchasing a reliable car for transport may be a necessity, but getting a new one or a very fancy one is a luxury.
- Getting your kid into a good school is a necessity. An elite school could be a luxury.

Let your mind go on this. List all the things and experiences that you expect to be yours. Now, for each one, ask yourself whether it is a luxury. Or a necessity.

8) GET OUT OF DEBT

> *'The rich rule over the poor, and the borrower is servant to the lender.' (Prov 22:7)*

One common mistake people make with their money is to pile up debt. When you pile up debt, you create an enormous financial setback for yourself that is both extremely difficult to get out of and which also costs you more money in the long run through accrued interest. To get into debt is to sign up as a slave. It is to be avoided as far as possible. True, there is such a thing as good debt, such as purchasing a rental property where the rental starts covering the repayment soon enough. But most of us live in bad debt.

Allan Ferguson says, *"The average middle class South African spends between 50 and 60 percent of their entire life earnings servicing debt – most of it going to interest. Who in their right mind wants to spend 50 percent of their life's income servicing debt?"*

Einstein said that the way to wealth is to get compound interest working for you. The way to poverty is to get it working against you. That's what makes debt so despicable.

Much better to save up for things you want. Clothing accounts are a definite problem. Buy clothing cash. And be wary of paying via debit orders – do the maths, you will end up paying a lot more.

Don't use a credit card unless you have the discipline to settle the full balance every month. Credit card interest is extremely expensive. Cut them up if you can. If you do choose to keep one, set a low limit on the amount you can borrow from the creditor – and tell them not to increase that amount without your permission.

Slam the phone down on the sweet salesperson who kindly offers you more credit. No, they are not the answer to your prayers. Treat credit offers like a honey comb surrounded my bees. Enticing, but if you touch it you're going to get stung!

If you're in debt, here are some pointers…
If you do have debt (loans, store cards, store credit facilities) try and consolidate the debt. This may reduce the total installment. Use any money saved to further pay off the debt.

If you don't consolidate the debts, Jean Chatzky speaks of the Debt Dash Plan: *"List your debts, starting with the smallest. Take all the extra money you can find in your budget and apply it to that debt, and make only the minimum payments on your other debts. When you pay off the first debt, move on to the one with the next lowest balance, and so on. This strategy works because people get an emotional boost from eliminating a debt quickly, which motivates them to stick to their debt repayment plan."* Sigrid adds that we should first pay off those debts with the highest interest rates. This usually consists of short-term loans, store cards and credit cards.

The biggest debt most people have is their home loan. Two ways to quickly eliminate this debt: First, whenever you get a pay rise, be sure to increase your monthly repayments by that same percentage increase. If you get a pay rise of 10 percent a year, and you follow this plan, you will save yourself nine years of repayments! Second: Suze Orman advocates for a 13th annual 4repayment. *"Pay off your loan five years faster! If you're in your 50s and plan to live in your current home forever, try to pay off the mortgage before you stop working so you remove that big cost from your post-retirement expenses. One way to do so is to make one extra mortgage payment a year. You can even spread the payment over 12 months. Let's say you have a R1,500 monthly mortgage payment and a 30-year fixed-rate mortgage. If you divide R1,500 by 12, that's R125, so instead of paying R1,500, you send in R1,625 each month. That will cut your repayment time by five years and reduce your interest payments over the life of the loan; for a R250,000 mortgage charging 6 percent, you will save R61,000. That R125 a month is a tough, but doable small step now, but one giant leap toward future financial security." How much more do South Africans who pay far higher interest rates need to do this!*

If you're in heavy debt, now that the NCA protects you from being over- or surprise-charged, debt counsellors are well worth considering. Roy Parfitt gives the following counsel to those who are in excessive debt:

1) If you have been unwise, or even reckless, in incurring excessive debt, repent. Make a firm commitment to address your indebtedness. Realise too that marriages come under great stress in severe debt situations. It is vital for married couples to avoid assigning blame and maintain unity of purpose.
2) Sell off non-essential assets. For example, is a second car essential? In cases of severe debt it may be necessary to sell your house and down scale.
3) Invite input from a trusted, mature believer who has a good understanding and applies biblical principles in his/her financial stewardship. Open up your finances and share your repayment plan. Remain accountable on a long-term basis as you are disciplined

biblical principles in his/her financial stewardship. Open up your finances and share your repayment plan. Remain accountable on a long-term basis as you are disciplined in your debt reduction programme. If you need some guidance in your financial planning but don't know who to go to, contact your elders and ask them to point you to people in the church who can help you.
4) Approach your creditors and inform them of your commitment to repay your debt. Request a sustainable monthly repayment amount and even an interest reduction.

Allan Ferguson also offers advice on the subject:
1) Change your focus – focus on what you do have and what you can do.
2) Calculate your budget – see how much you can cut down on all living expenses then calculate how much you can allocate on debt repayments.
3) Make a list of all your creditors, money owed as well as interest rates.
4) Allocate a percentage of the monies available to pay each creditor regularly.
5) Contact each creditor and make an offer of what you can pay and secure an agreement in writing from the creditor.
6) Pay the agreed amount each month to the creditor.
7) Expect God to move supernaturally on your behalf providing an overflow for rapid debt reduction.

Pay off your debts.
What are your debts? What parts of the counsel listed above can you apply to your situation?

> *A man lacking in sense pledges and becomes surety in the presence of his neighbour. (Prov 17:18)*
>
> *Do not be one … who puts up security for another's debts. (Prov 22:26)*

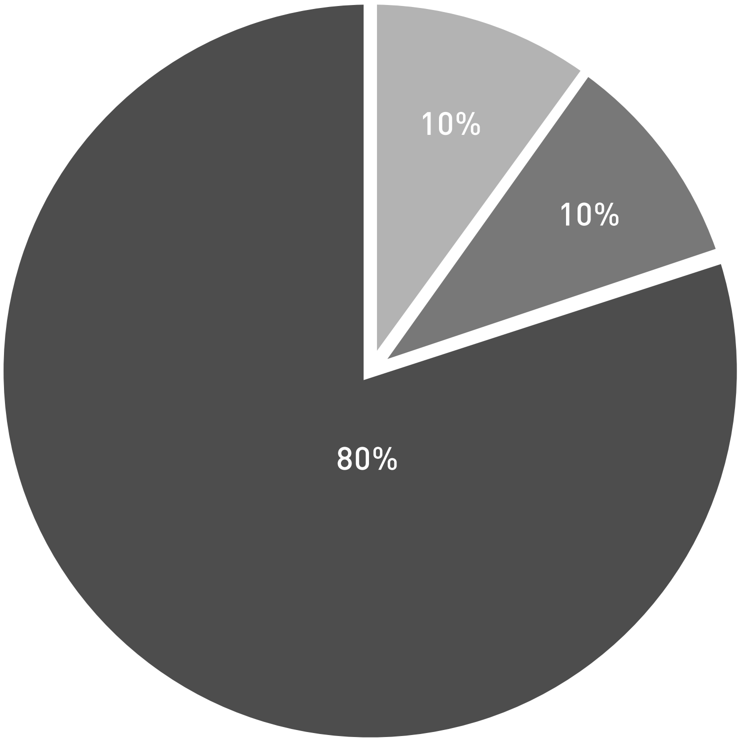
The next time a friend or family member asks you to vouch for them on a loan (in other words, to sign surety for them), politely run the other way. When a bank requires a co-signatory, it's often because the person applying (for credit) has no credible history of paying debts on time. If the person who received the loan is late on payments or simply doesn't pay up, you'll be held liable – and this will damage your credit.

In the case of a child in need of a student loan, signing surety may be unavoidable. If this is the case, it is critical that as the surety (the person who signs for the debt) you make sure that you do not sign an open-ended suretyship. In other words, the surety must be in respect of one loan and for a fixed period. This is to ensure you don't get tied up in indefinite liabilities. For example, you may sign surety for your child's student loan, which he eventually pays off. But many years later, he may find himself heavily indebted – with a personal loan, vehicle finance and debt on his/her credit card. If you signed an open-ended universal suretyship, the bank and his creditors will be fully entitled to hold you liable for all of these new debts.

A CLOSER LOOK AT BOSCH FINANCES

How do we spend our money?

All Regular Committed Giving is spent on the following way:



10% - Remember the Poor:
Giving to Common Good and other areas of need in our city

10% - Gospel Advance:
Including the Advance network we are a part of, partner churches in other nations, and resourcing current and future CGC plants

80% - Bosch Church Activities:
Including venue costs, events, ministry and running costs. Also pastoral, ministry, and administrator's salaries. Staff are briefed not to do the work, but to enable and mobilize God's people to do the work. This way every salary actually translates into a multiplied ministry.

How do we set salaries:

A word on how salaries are set in Common Ground: Common Ground and Common Good went through a thorough salaries benchmarking exercise with an external consultant, that has brought further integrity to our salary setting process. All salaries across both organisations are sized using a job grading system that ensures integrity in the process and fairness in clustering job sizes. The same system to map these roles to Patterson grades was used, in order to compare all salaries to the market. For market information, the Avril Ryder, South African NPO salary report was used and our salary bands track the 50th percentile. This clarity of approach and industry standardization has enabled us to make sure that all salaries are being set in a fair and transparent way and that our staff are being appropriately looked after, as they seek to focus on serving Common Ground / Good and the larger Cape Town.

Who are we financially accountable to?

We have appointed a sub-team of elders and deacons as a finance team who work together for accountability and stewardship wisdom.
We also undergo an annual audit with an independent, external audit firm.

Sources used in this booklet:
This booklet, originally written for a series at Common Ground Church in 2010, but edited several time since then, explores practical life themes dealt with so masterfully in the book of Proverbs. We invited the contributions of financially-savvy Christians – including financial advisor Sigrid Midonko, Peter Hobbs, Roy Parfitt, Paul Maughan, Christo Bredenkamp, and Allan Fergusen – and drew on some of the financial wisdom of authors Suze Orman, Jean Chatzky and Brad Merrit. We must remember that Christ once commended the way "the people of the world" wisely used their finances (*see Luke 16:8*), so we must be open to discerningly taking some counsel from financial experts. We also acknowledge the wisdom of Anthony Selvaggio (the author of *'A Proverbs Driven Life'*). Much data was also drawn from 2 blogs of www.thedaddude.com.