

Money Matters (3): Timeless Insights From The Book of Proverbs

Proverbs On Managing Money Wisely

If you are concerned about today's economy, you probably are not alone. Our national debt is escalating, the cost of living is rising, and the value of the dollar is weakening. We conservatives applaud the government's efforts to cut out waste, fraud and abuse in our spending, and to maximize our productivity. But the financial forecast is still filled with uncertainties (as always).

However, as *Bible-believing* conservatives we don't have to fear these uncertain times. We know God's Word is "*a lamp*" to our feet and "*a light*" to our path (Ps. 119:105). There are biblical principles that guide us, and sustain us, as we seek to work our way through the maze of financial challenges that are constantly before us.

As we have seen, the book of Proverbs sheds a great deal of light on what the Bible says concerning wealth and poverty. It also sets forth principles that are essential for managing money wisely. It doesn't matter *where* we are on our journey, or *who* we are, or *where* we live, or how much money we may or may not have. These are universal principles, and they are timeless.

Like building blocks, each one is a component of a larger, workable, step-by-step plan, one that can help all of us put our financial house in order. The first principle is undoubtedly the most important. It's the bed-rock foundation upon which the rest of the plan is built.

A. Know the Condition of Your "Flocks and Herds" (27:23-27, ESV): "*Know well the condition of your flocks, and give attention to your herds, for riches do not last forever; and does a crown endure to all generations? When the grass is gone and the new growth appears and the vegetation of the mountains is gathered, the lambs will provide your clothing, and the goats the price of a field. There will be enough goats' milk for your food, for the food of your household and maintenance for your girls.*" There are three distinct parts to this amazing proverbial poem.

1. The Admonition (v. 23): In an agrarian economy, long-term financial success depended on how well you took care of your flocks of sheep and herds of goats. They were the sources of your income. Hence the admonition; “*Know well the condition (the well-being) of your flocks, and give (careful) attention to your herds.*” As we shall see, to be involved on this level with one’s fields and animals will require the virtues of wisdom.

2. The Negative Explanation (v. 24); “*For riches do not last forever; and does a crown endure to all generations?*” As we have seen, wealth is fleeting. It will “*surely sprout wings and fly off to the sky like an eagle*” (23:5). Here, we see that even kings may lose their wealth and status (as symbolized by “a crown.”) Both are depreciating, transitory “commodities.” They can be retained however, by diligence and constant vigilance, as illustrated by providing rich pastures for the flocks.

3. The Positive Affirmation (vv. 25-27, an amplified translation): “*When the grass is gone (the wild grass that grows in the rainy season and which must be harvested as food for the animals) and the new growth appears (the new grass which replenishes the fields and is available for grazing) and the vegetation of the mountains is gathered in (the wild plants from the highlands that also must be harvested and fed to the livestock), the lambs will provide your clothing (from the wool, once sheared) and the goats the price of a field (from the he-goats, once sold). There will be enough goats’ milk for your food (from the she-goats, once milked), for the food of your household (no matter how large) and the maintenance of your girls (the servant girls, or milkmaids).* As we can see, this illustration unites the Lord’s providential care (the seasonal rains and growth in the hills and fields) with the human wisdom to reap it at the right time.

The point of the Proverb is self-evident: “If one wisely looks after one’s animals, they will provide rich rewards” (Waltke, p. 388). This principle holds true for us today. By knowing the condition of our financial resources, and by paying careful attention to them as wise stewards, we too can expect to reap the blessings they will generate for us – and for others in the years to come. In light of this principle, here is your first assignment: take the time to answer the following three questions:

1. What was my income last month? When determining this amount, include *all* sources of income: wages, salaries, bonuses, tips, side-jobs, overtime, rental income, social security income, disability income, investments, pension, and family gifts. Write down that number: _____.

2. How much money did I spend last month? In his best-selling book, *Master Your Money*, Ron Blue explains that there are only five short-term uses for all income coming into a household. It can be (1) given away; (2) spent to support a lifestyle; (3) used for the repayment of a debt; (4) used to meet tax obligations; and (5) saved. In his words, “How much money is allocated among the five categories is a function of just two factors: the commitments I already have and my priorities” (p. 34). That being said, determine how much you spent in each of those five areas, total them up and write down that number: _____.

3. Look at both numbers and then ask, “Did I spend more or less than last month’s income? The goal is to spend *less* than you earn and save the difference. The key to having *more money* is to *save more* and *spend less*. The key to financial freedom is to save more and spend less for a *long time*, which is the guaranteed key to financial success. This will, however, require a financial plan, which naturally leads to the second principle of managing money wisely.

II. Develop A Basic Financial Plan

A. What Proverbs Teaches about Wise Planning

1. It requires a dependent walk with the Lord: “*Commit to the Lord whatever you do, and your plans will succeed*” (Prov. 16:3).

2. It incorporates sound advice: “*Make plans by seeking advice; if you wage war, obtain guidance*” (Prov. 20:18; Cf. 24:6).

3. It leads to prosperity: “*The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to poverty*” (Prov. 21:5).

4. It leads to financial stability: “*Finish your outdoor work and get your fields ready; after that, build your house*” (Prov. 24:27).

5. It is tempered by the realization that the future is always uncertain: “*Do not boast about tomorrow, for you do not know what a day may bring forth*” (Prov. 27:1).

6. It is always subject to God’s providence: “*A man plans his ways, but the Lord directs his steps*” (Prov. 16:9).

B. A Recommended Monthly Financial Plan

Once we know the condition of our “flocks and herds,” the next step is to develop a spending plan. The *ideal goal* is to give 10% to the Lord as the “firstfruits” of our monthly income (Prov. 3:9-10), save 10%, and live on the remaining 80%.

1. The First Priority: Give 10% every month. Before the Old Testament tithing system became part of the Mosaic Law, Abraham gave “*a tenth of everything*” to Melchizedek, King of Salem (Gen. 14:17-20). A tenth was a king’s share (1 Sam. 8:15, 17); thus, Abraham was acknowledging Melchizedek’s kingship in Salem, later named Jerusalem. Years later, Jacob acknowledged Yahweh’s kingship over his life when he vowed, “*Of all you give me, I will give you a tenth*” (Gen. 28:20-22).

Once the Law was instituted, it appears there were three tithes the Israelites were required to give: **(a)** a tenth of everything was to be given to the Levites (Lev. 27:30-33), who in turn tithed what they received and gave it to the high priest (Num. 18:26-29); **(b)** a tenth of the remaining 90% was to be taken once a year to Jerusalem and consumed in a sacred meal or feast (Deut. 14: 22-27); **(c)** every third year an additional tithe was to be given to care for the strangers, fatherless and widows (Deut. 14:28-29). If so, the people of God were *required* to tithe 21.7% of their income every year.

Q. Does the New Testament require Christians to tithe? **A.** No. We are free to give more (See 2 Cor. 9:6-11). But since the benchmark for giving is 10%, that’s a good place to start. Here’s your *second assignment*: Go back to the first number you wrote down (last month’s income). Then look at the amount that you gave last month. Calculate the *percentage* of your income that you gave and write down that percentage _____. The chart at the end of the study is an example of this based on one’s weekly income.

2. The Second Priority: Save 10% every month. After giving to the Lord’s work, the next check you write is to yourself. *Saving is paying yourself*. This money should be placed in a *separate savings or checking account*. This is for the expenses that will occur other than what you plan to spend on a fixed monthly basis. “Vacations, gifts, insurance payments, car repairs, and seasonal clothing are all examples of this type of expense” (Ron Blue, p. 154). Keep this account separate from your general checking account and add to it every month; “*He who gathers money little by little makes it grow*” (Prov. 13:11).

3. The Last Priority: Learn to live on the remaining 80% every month. There are only three remaining ways to spend this money: **(a)** supporting our lifestyle; **(b)** paying off the debt we owe; **(c)** meeting our tax obligations (quarterly tax estimates or escrow shortages for some). If we can't cover these three areas of spending, then there are only two options: earn *more* money or spend *less* money! **Q.** Which of these is the better option? **A.** It is *always* better (and easier) to spend less!

Q. Is there a way to *begin* spending less every month? **A.** Yes. First don't use your debit cards for any weekly purchases. Second, limit the use of your credit card purchases to those you can pay off in full when the balance is due. Third, pay cash for everything else. By changing the way you spend your money, your spending mentality will change. It's much more difficult to let hard cash go (you'll think twice about buying things you really don't need), and it will eliminate most impulsive purchases. You'll soon discover that you're spending less and saving more. Here's your next assignment: *try this for the next three months.*