

# Can Savings Save You?

Proverbs 3:5-10

Preached November 15, 2009 by Dr. Dwight Kilbourne

Trust in the Lord with all your heart, and do not rely on your own insight. In all your ways acknowledge him, and he will make straight your paths. Do not be wise in your own eyes; fear the Lord, and turn away from evil. It will be a healing for your flesh and a refreshment for your body. Honor the Lord with your substance and with the first fruits of all your produce; then your barns will be filled with plenty, and your vats will be bursting with wine.

**Introduction.** Here in our scripture lesson Solomon paints a picture most of us can see and interpret easily in our minds: *your barns will be filled with plenty and your vats will be bursting with wine.* Would you like that to be a picture of your financial situation?

I dare say that nearly all of us would prefer to be in a healthy financial situation and to see it improve in days to come. We desire to have the resources to pay our bills, provide for our families, give generously to our church and other ministries we believe in and insure we will have what we need as long as we live on this earth. Most of us would like to leave some money to the church, our family and other things that have been important to us. From my perspective, I believe these are worthy and healthy goals.

But do the Bible and our faith provide us insights into how to obtain these blessings? This morning, I want look at three areas that can help to bring about a healthy financial situation for us: debt, investing and a key spiritual principle.

**Buried by borrowing.** We are a part of an economy that is largely fueled by debt. People, businesses, institutions and government commonly borrow in order to purchase things. Our present economic recession was largely a result of individuals and businesses being over leveraged. It is interesting that our government decided to borrow nearly one trillion dollars and ramp up spending on those borrowed dollars to stimulate the economy in order to get us out of the recession. (Now many who are more intelligent than I can argue the merits or problems with this type of action. Unfortunately, I think in many ways the

government may be mirroring what is common in our homes.)

Credit is readily available to many of us. Most of us routinely get offers in the mail to open another credit card account several times each week. These offers come whether one is employed or unemployed and are often made to those with poor credit ratings. If I were worth the total lines of credit I have been offered over the past few years, I could retire now and preach here for free.

According to credit.com, there are nearly 180 million Americans representing 91 million households who have credit cards. (That is a large majority of adults.) Most of us would agree that just possessing a credit card is generally a good thing, but the bad news is the average credit card debt for households with one or more credit cards is \$10,679. The total credit card debt in the US is around \$972 billion and we spend nearly 14% of our consumer income servicing that debt.

Nearly 20 years ago, a young couple sat in my office as we talked about their wedding. During our time together, we discussed money. They shared with me that together they had over \$10,000 in credit card debt. The sad thing was both of them made just over minimum wage. I thought, "I do not know how they can make it financially."

Does scripture teach us anything about the subject of borrowing? Is there wisdom that flows from our Christian understanding related this subject?

I guess the first issue we should ask is, "Is borrowing and going into debt wrong?" The scripture and witness of our faith does not condemn borrowing. It is not evil or wrong. But there are warnings about its potential dangers and there are guidelines that can help us. Listen to Proverbs 22:7: "*The rich rules over the poor, and the borrower is the slave of the lender.*" Borrowing leads to a type of slavery where a person has an obligation to repay on the lender's terms. Failure to do so can have unwanted consequences. I think it is safe to say, particularly on a personal and family level, it is better to live without debt than

to live under its burden.

The availability of credit tends to intensify strong temptations nearly all of us face. The first is seen early on in small children and continues through most of life – "I want it now." This desire for hasty satisfaction is intensified when we know we can put it on credit. Solomon warns about this desire: *The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to want* (Proverbs 21:5). If we can learn to wait 24-48 hours for those things we do not have the money to purchase (and the things we can afford to purchase), we will probably find we did not need them as desperately as we thought.

The second temptation that the ability to borrow feeds is purchasing bigger and better things, often beyond what we can afford. Jesus warned a man who can to him wanting a fair share of his inheritance, "*Be on your guard against all kinds of greed; for one's life does not consist in the abundance of possessions*" (Luke 12:15). Many have found that lending institutions were far too generous in lending them money to purchase houses that they could not afford.

Many wonder if it is possible in our culture to live debt-free. As best I can tell there are three principle types of debt for the average person:

- Consumer debt – paying for items we use routinely such as food, clothing and entertainment. It is difficult for me to imagine a situation when buying consumer goods on credit is a great idea. If I can't afford to pay for it today, I need to wait before purchasing it. There will be a sale or another one will be available later when I have the money.
- Big ticket debt – automobile, boat, RV. It is better not to borrow or to have limited borrowing for big ticket items. If we do borrow, we need to be sure to count the cost and what long range impact the purchase will have on us.
- A mortgage – few people can purchase a home without a loan. In general, paying a mortgage for a house is a good investment. But we need to be

careful of the greed tempter to buy more house than we need or can afford. When borrowing for a house, we need to live within our means.

Perhaps the greatest advice related to living healthy financially is *to live within one's means*. Spend less than you make and you will be healthier financially. In reality, that is the only way to move from being a borrower to an investor.

Things I have said here are preventative advice. But what if you are being buried by debt? I urge you to get help. It may mean swallowing your pride but it will be worthwhile. Our advisors – Financial peace – Crown ministries. (Provide list in bulletin guide.)

Before we leave borrowing, let me share a joke. A businessman walked into a New York City bank and asked to borrow \$5,000 for a business trip to Europe. When the loan officer asked for security for such a loan, the man handed over the keys to a Rolls Royce that was parked on the street in front of the bank. The loan officer accepted the car as collateral for the loan and had an employee drive the Rolls into the bank's underground garage and park it there. Two weeks later the businessman returned, repaid the \$5,000 plus the interest, which came to \$15.41. The loan officer said, "We do appreciate your business but we were puzzled when we learned you are a millionaire. Why did you borrow \$5,000?" The business man replied: "Where else in New York City can I park my car for two weeks for fifteen bucks?"

**Interest in investing.** On the other end of the spectrum from borrowing is saving and investing. One of my favorite biblical images in this area is found in Proverbs 6:6-8: *Go to the ant, you lazybones; consider its ways, and be wise. Without having any chief or officer or ruler, it prepares its food in summer, and gathers its sustenance in harvest.* Ants are smarter than many human beings who never prepare for the "winter." (The typical pre-retiree 55 and older has only \$60,000 in retirement savings – [www.zero2rich.com/average-retirement-savings.html](http://www.zero2rich.com/average-retirement-savings.html)).

If we spend less than we earn, then we will have money to save and invest. If one saves or invests merely for the sake

of saving, that probably isn't healthy. We need to give thought to what our future needs will be and how we will service those needs. Setting financial goals is important.

When our three boys were younger, Patty and I had a goal to get them through college debt free. Nearly 18 months ago, our youngest son graduated and there was not one penny owed for any of their college expenses. I must confess it was not because of disciplined investing strategies that the goal was reached. While one of the boys was still in college, I was bitten by the bug to buy a new truck. A few years ago, I had my heart set on purchasing a new and larger truck. After some time, I went shopping for a truck – arrh – arrh. I found the one I wanted, had made a good deal, and thought I was ready to buy. I needed to check out a couple of things – what Patty thought, if it would fit in the garage, and a final check on the numbers. So I drove it home for the night – It fit in the garage and Patty liked it. Then I began to run the numbers. I soon realized that with college tuition facing us, going into debt for the truck would put us in a financial strain. So the next morning, I had to swallow my pride and return the truck to the dealership. Our goals helped make the decision about that truck.

Ron Blue, founder of Crown Ministries, suggests there is a 5-tiered hierarchy of investing: first level is to eliminate all high interest and short-term debt (this could be the highest return on your money in terms of any investment); second level is to establish an *emergency fund* or cash reserve of 3-6 months of expenses to cover any emergency such as health needs, auto repair, air conditioner repair; third level is to save for major purchases such as automobile, vacation, home addition, college education; fourth level is for long-term goals such as retirement, lifestyle changes, etc.; fifth level is investments in active ventures, such as new business or hard assets. Once most people take care of debt and establish an emergency fund, they can begin to contribute systematically toward the last three. It is good to use advisors on these levels.

There are at least four biblical principles that are helpful in the area of saving and investing.

- Be consistent – This is the pattern of the ant. Some financial advisors speak of this as "paying yourself first," in other words set aside an amount of your earnings to be placed into the invest categories. The biblical prejudice which I share would be "pay yourself second." The first fruits go to giving which is an investment in the Kingdom of God.
- Be patient when investing - *The faithful will abound with blessings, but one who is in a hurry to be rich will not go unpunished* (Proverbs 28:20). Get rich schemes nearly always end badly for us. If it is too good to be true, it is too good to be true.
- Think long-term and know things go up and down. Cycles happen in nature and the economy. What has been will be again.
- Diversify your investments. If you have all your eggs in one basket and drop the basket, you will be in a mess. *Divide your means seven ways, or even eight, for you do not know what disaster may happen on earth* (Ecclesiastes 11:2). If all the means crash, then everyone will be in the same boat as you.

**Spiritual postscript.** For nearly all of us, there is no earth-shattering revelation in the words of this sermon. These are commonsense things that are reinforced by scripture.

But before I close I want to share a very important spiritual postscript that takes us back to our scripture lesson. All of us have two great needs – the need for significance and the need for security. Unfortunately, most Americans look for these through financial assets. "If I can make enough money or save enough money, I will be recognized as somebody." "If I can accumulate enough, then I will be secure when I retire."

These attitudes are misguided because neither significance nor security comes from our assets or possessions. Both come from God. We are somebody because of our relationship to God through Jesus Christ. He is our security who promises to care for his children.

So "Trust in the Lord with all your heart and lean not on understanding."