

*The Four Keys*  
*to*  
*Unlocking the Door*  
*to*  
*Financial Success!*

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## THE FOUR KEYS TO UNLOCKING THE DOOR TO FINANCIAL SUCCESS

**W**e all can have financial success by just applying some simple principles to our lives.

Nearly every person in the world is searching for financial success. Yet many of us have different opinions or ideas of what financial success actually is.

The good news is that financial success is attainable or achievable to every person. Whether you earn \$10,000 per year or \$100,000 you have what it takes to be financially successful.

The “Four Keys” are not going to explore some excellent investments, nor, how to become rich.

For riches do NOT equal financial success. Just ask some extremely unhappy millionaires, or read about people with millions who have died miserably or have taken their own lives.

Many families are at bitter odds over money. Some dispute the distribution or inheritance from family members that have passed away. All the while, if it had not been for the planning and generosity of the deceased family member, they would not have received a penny.

My favorite story is one I had heard which told about a widow who was outraged because she received **only** \$100,000,000.00 instead of her husband’s \$200,000,000.00 net worth. Who knows she may still be fighting for the other hundred mil -- spending lots of money on lawyers and bean counters!

## **THE FOUR KEYS TO UNLOCKING THE DOOR TO FINANCIAL SUCCESS**

No, financial success is not having lots of money, but understanding and applying some fundamental building blocks to our character and lives.

Ron Blue of Ronald Blue & Co., in Atlanta, Georgia. -- a world-renowned Christian financial consultant was asked “What is Stewardship”, he stated:

- a. God owns it all.
- b. Money is never an end in itself, but merely a resource used to accomplish other goals and obligations.
- c. Spend less than you earn and do it for a long time, and you will be **FINANCIALLY SUCCESSFUL**.

He quotes a verse from Proverbs 13:11 - “He who gathers money little by little makes it grow”.

**Before we can apply the principles of financial success we must understand and believe the following facts!**

**A.** Everything we have and possess is God’s. All our money, our possessions, our talents, our family, and our time belongs to God. We are merely stewards, custodians, caretakers, administrators and managers of all these items.

Once we realize this we understand that the proper handling of our entrusted resources is not an option but a life long commitment.


## **THE FOUR KEYS TO UNLOCKING THE DOOR TO FINANCIAL SUCCESS**

Thus, with this in mind we must learn to handle God's treasury (no matter how large or how small) properly. Remember Scripture instructs us to be faithful in the small areas as well as the large.


Thus, faithfulness in being a good steward with God's resources (money) is another form of worship. Just as singing praises to the Lord, or tithing, the Godly use of our finances is worshipping the Lord. So next time we prioritize our spending, or use the gifts, talents, or **resources** God has entrusted to us, we choose to whether to worship the Lord or not.


## THE FOUR KEYS TO UNLOCKING THE DOOR TO FINANCIAL SUCCESS

We will now explore the “*Four Keys*” that open the door to financial success.

 **AVOID DEBT** - “Like the Plague!” If you have debt, make the elimination of debt your unconditional aspiration.

 **LIVE BELOW YOUR MEANS** - not within your means.

 **LIVE ON A BUDGET** - “A budget is merely a well organized plan to conquer debt, live below your means, save regularly, and thus attain financial success!”

 **SAVE REGULARLY** - the difference between your income and your expenses (when positive) is called a Surplus. You must have a designated, agreed upon savings plan to put away the money. For example, auto, home, emergency, vacation, gift, etc.

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Usually the two most difficult keys “to hold on to”, to the door of financial success according to statistics are, **DEBT & BUDGETING.**

What are some of the struggles, temptations, or problem areas that **you** would like to see changed in the area of your individual or family finances situation?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

{Let’s commit the above areas to the Lord in prayer and watch how he works in our finances. Remember proper handling of our finances is another form of worship!}

# **KEY - #1**

**AVOID DEBT!**

**AVOID DEBT - Like the Plague!**

*“For the Lord your God will bless you as he has promised, and you will lend to many nations but will borrow from none.”  
Deuteronomy 15:6<sub>a</sub>(NIV)*

**A. What is Debt?**

*“Let no debt remain outstanding except the continuing debt to love one another...” Romans 13:8<sub>a</sub>(NIV)*

**A**s we know the Webster’s 1960’s definition of debt - “That which is due from one person to another; a thing owed; obligation; liability; a **SIN**; That portion of capital of a company represented by obligations secured by the property of the company.”

A sin as referred to by Webster as definition of a debt is pretty radical. Yet according to Romans 13:8<sub>a</sub>, it states “Let no debt remain outstanding except the continuing debt to love one another...” Therefore, perhaps we can understand the understanding behind this traditional view.

But what is today’s definition? Debt is the amount owed on an obligation, which cannot be satisfied with the original transaction or goods. Thus, we do not have what we purchased to give back in forgiveness for what we owe.

**B. What is wrong with debt?**

*“The rich rule over the poor, and the borrower is servant to the lender.” Proverbs 22:7(NIV)*

“80% of couples seeking divorce state that the focus of their disagreements is money”, according to research which Larry Burkett conducted.

Debt is a modern day virus that consumes without prejudice. As it is nearly impossible to dabble in sin, or experiment with drugs, and not get hooked, debt has similar addictive characteristics. So in most instances a little debt usually leads to greater debt.

According to Larry Burkett, he estimates that 40% of American families go into debt each year. Debt is bondage. Debt is consuming and the greater the debt the fiercer the stronghold.

Dr. James Dobson notes that “Materialism and DEBT have devastated more families than perhaps any other factor, and believe me, it could destroy your marriage as well.”

What areas of our lives have we allowed debt to creep in without our permission, or knowledge; or what areas have we willingly surrendered to debt?

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**C. Why is debt so prevalent?**

*“The wicked borrow and do not repay, but the righteous give generously.” Psalms 37:21(NIV)*

Credit is the main culprit! Although credit is not debt! Actually credit is good. However, debt is the abuse or overuse of credit. Thus, when our attitude toward spending is changed from “my money” to “God’s money”, we will think long and hard before we place God’s money in debt; or agree to purchase something we cannot afford with credit. We often want something enough and must have it now instead of when we have saved for it. As a result of our impatience, debt occurs.

The attraction or incesasable appetite to our things and the things we think we need is the driving force or the fuel behind our debt.

Let’s identify what debt is and what type of debts we have, and what debts we should have in our lives.

- I. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

But what about our homes? Does the 1960’s or does the today’s “feel good” definition apply?

**D. Must I always pay back what I owe?**

*“The wicked borrow and do not repay, but the righteous give generously.” Psalms 37:21(NIV)*

As Christians we have but one option -- “What would Jesus do?”. When we filter every financial decision through that filter we understand that we must decide on serving God or our earthly desires.

By not paying our obligations (or bills) we as “Christians” defame the name of the Lord! A strong statement but Scripturally true.

## **KEY - #2**

Live below your means!

**LIVING BELOW YOUR MEANS**

*“...For I know the plans I have for you, ‘declares the Lord,’ plans to prosper you and not to harm you, plans to give you hope and a future...”Jeremiah 29:11(NIV).*

**L**iving below our means is a prerequisite for staying out of debt, living on a budget, and saving on a regular basis. Therefore it is incredibly important to keep track of every dollar you spend. Without an accurate accounting of where your money goes, you will not be able to budget, save or stay out of debt to your full potential.

Therefore, we will explore some practical tips to cut down some of our everyday expenses. We will follow the line items on the budget and explore tangible saving ideas for each category.

However, this is the area that is the easiest to get obsessive-compulsive over. True, we are to be better stewards of the money God has entrusted to us. We can see certain tangible results by stretching our dollar, using coupons, and shopping for bargains. But don't be so obsessed that if you forget your coupons on one shopping trip, you can hardly forgive yourself! Or, if the light is left on all day long the world will still survive! The key to living on a budget long term is BALANCE -- as is the key to many other areas of our lives. We can be content in any situation (Phil. 4:11).

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### I. Housing:

a. Mortgage - “Make an extra payment per year on the principle”. This could cut your payments in half if started early enough. If you rent, look for the most inexpensive rental you can find and save the difference. An expensive rental is only beneficial to the landlord not the tenant. “Rent cheap and save the difference for a home purchase”. The very best advice I can give a couple second only to getting out of debt is pay your house off as fast and as furious as you possibly can!

b. Insurance - Do not over insure your home, autos, life, etc. Get the minimum insurance and bank the difference in a fund that is exclusively for insurance savings and see how much you have after five years -- the amount may be staggering.

c. Utilities & Telephone - Turn off lights, turn up thermostats, crank up overhead fans, put up shades on window to cut out direct sunlight, and put additional insulation in the walls and crawl space.

Log EVERY long distance call. Set a limit for calls and monitor the log. Set a goal, and when reached plan a reward the entire family (or couple) can enjoy. Allow this to be a fun quest. The telephone bill will actually be anticipated each month instead of dreaded.

d. Maintenance, pest control, cable, services - This is an area that can be cut easily, but not painlessly. For example, to mow your own lawn may save you \$50.00 per month, and may or may not be worth the investment of all the equipment; but, someone must be willing to work at this important job. Thus, pain and

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savings all wrapped up in one package. Another is cable, this is a good source of extra money. However, taking away one man's cable is like taking a bone away from a Rotweiler. Sometimes we need to determine where and how deep the cuts are going to have to occur if we are truly going to LIVE BELOW OUR MEANS.

II. Groceries - This is an area that the whole family can help and see tangible results instantly. The first step in controlling spending in this area is to have a solid and tight shopping list. However, you must leave room for flexibility. For, when a "good deal" comes along you must allow yourself to take advantage of it if it is indeed on sale.

Before you start out, have a good meal, do not shop hungry. Go through your refrigerator, pantry, etc., and find out what you have and what you do not have. I call this an "Inventory List". Next, check out the circulars, flyers, and coupons that you have received. **It may be hard to believe but when you use coupons you are actually honoring God! So next time you choose to use a coupon for an item you would normally buy, you are choosing to honor God.**

In Wednesday or Thursday's newspaper the supermarkets usually have their advertisements with their "Loss Leaders". These are the items that the supermarkets have purchased in bulk to get you in their store; they usually do not make much or any profit on these items. Stock up on these items, because they are GOOD deals!

When you do get to the store do not be in a hurry. You have come to buy and conquer, not to order fast food. When you are comparing prices, looking at coupons, and making split second decisions it is easy to make a mistake. **Remember you are actually earning money every time you make the right choice**

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**in purchasing.** Be shrewd, know your prices, enlist your kids, husband, wife, mother, father, to compare prices at several different grocery chains and at Sam's or Costco. Be sure to get prices on both name brand and generic foods.

According to Consumer Reports magazine the difference between name brands and generic brands quality and taste difference was "NIL". Many of the magazine's conclusions stated: "No brand stood out. Shop by price."

With this in mind the only other hurdle to climb is the psychological one in convincing yourself that it is okay to purchase generic. Well let me put it in perspective. Generic brands cost 20-50 percent less than the name brand. This means that at an average savings of 33 percent over the course of a year with a food budget at an average of \$200 a month for a couple, \$400 per month for a family, the yearly savings would be \$792.00 to \$1584.00. I am sure you do not mind buying the generic now!

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Now here are some real cost cutting ideas as adopted from *Focus on the Family* magazine March 1995, by Mike Yorkey on Stretching your Grocery Dollars adapted from his book, *Saving Money Any Way You Can*.

1. Ask meat manager when reduced meats are set out for quick sale.
2. Check out bruised fruit or spoiling vegetables for reduced sale or FREE.
3. Stock up on brand-name soda - Coke, Pepsi, 7-Up – when it goes on sale at 99 cents a six-pack.
4. Shop the “scratch and dent” corner.
5. Stay away from costly prepared foods.
6. Consider purchasing an old refrigerator or freezer for storage of great bargains.
7. Shop at day-old bread stores.

My favorite way to calculate savings is through the use of coupons. My wife consistently saves several dollars each time she shops through the use of coupons. She frequently “gets paid” to use a product due to a price reduction coupled with a coupon. For example she has often a “one-dollar” off coupon she has been able to use on an item that the store had reduced under one dollar. Sometime she uses coupons in conjunction with rebate offers of a stated amount that are in excess of the purchase price after using the coupon. Therefore, she is often rewarded financially to shop as she receives the difference towards other purchases. What a wonderful wife!

Double coupons are worth double the pleasure. So look for places that double and sometimes triple your coupons.

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Be cautious! Many manufacturers know the attraction to coupons and are just trying to entice you to buy their overpriced product.

One more observation: warehouse clubs (according to Mike Yorkey) are 15-48 percent cheaper. However, a test conducted by Consumer Reports showed a 67 percent savings over a supermarket in New Jersey.

### III. Transportation -

- a. Buy the most car for the least amount of money and try to pay cash (do not finance). This is the first prescription for transportation success. If you cannot pay cash, pay your car off in an accelerated fashion.
- b. Shop for “your gas station”. The one with the lowest price, even if it is across town, fill-up when you are there, not when you are empty. Statistics state that your car gets better gas mileage when you do not run it bone dry between fill-ups. Change your own oil or find a place that will do it for \$15.00 or less. That is a good deal.
- c. Find a good, honest, preferably Christian mechanic and maintain your car regularly. This will keep more life in your car, and will increase your gas mileage.
- d. Make sure you are not over insured. Drop useless coverage. Educate yourself about the various insurance coverages and make a decision that you completely agree upon, not one that is based on what they say you need.

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### IV. Insurance.

a. As I stated earlier, do not be over insured. Pick and know your coverages, remembering the costs and that the insurance company is banking on you not having a problem, and they are usually right.

### V. Debts - ELIMINATE DEBTS.

### VI. Recreation.

a. Plan your vacations when most people do not. It is usually cheaper to travel when most people are not. If your job(s) permit, plan vacations when air travel is low, and hotels are hurting. Hotels usually give some fantastic rates out of season. They often advertise in the travel section of the Sunday newspaper and have deals that may be a quarter of their regular rate.

b. Eating out and entertainment - Look for “buy one get one” deals at various restaurants and entertainment facilities. Often schools and businesses sell coupon books with these type of deals. They are very often worth the initial price. We love these type of coupon books. This year alone my wife and I have saved a few hundred dollars by using our coupon book. It is worth the seldom embarrassing moment when asking the establishment if they accept our discount book.

VII. Savings - Put away the difference that you have just saved.

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VIII. Clothing - Go to outlets, sales, flea markets, thrift shops, consignment stores, and buy clothes when you DO NOT need them. This is correct. When you need a particular item of clothing you may be forced to pay top dollar; however, when you purchase items on sale that you or your family may need and will grow into (show some restraint) you will have what you need without paying full price for it. For example, Walmart is discontinuing some type of line of children's shoe. You do not just buy one pair for your kids but several in assorted sizes and colors so when one pair is worn they have a new pair all ready to wear. This will at the time take additional funds but in the long run the clothing budget will be cut dramatically.

IX. Misc. - Shop at stated above for the items such as laundry (remember laundry soap does not spoil so if you run into an incredible deal and have storage - go for it!), and gifts.

X. If your prescription is cheaper in bulk, buy it in bulk. If you know of a price increase -- buy several months supply.

Remember balance and faithfulness go hand in hand.



# **KEY - #3**

Live on a budget!

**LIVE ON A BUDGET**

*“Commit to the Lord whatever you do, and your plans will succeed.” Proverbs 16:3*

**A** budget is merely a well-organized PLAN to conquer debt, to live below your means, and to save regularly. Thus a budget is the systematic definition of FINANCIAL SUCCESS.

Our budget is our “pre-flight” checklist. As a pilot routinely uses a checklist upon departure, even though certain elements may come natural, she must still follow a written checklist upon each and every flight, for even the slightest oversight could spell disaster. As the “pre-flight checklist” is critical to the pilot, our budget is as crucial to us. For each of the categories on our budget is necessary and thus must be treated as such.

Each and every one of us must follow a budget in order to be absolutely sure we are being a good steward of the resources God has entrusted to us.

Therefore, let us explore the makings of a budget and the all-important categories that must be present.

Each category on your budget is strategically placed in a specific order. Thus, each category is necessary! We will see why in the following.

We lead off the budget with income. Gross income is the most accurate figure in accounting for all deductions and

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discrepancies. By using our Net income we may not take into account certain deductions that may not be necessary, premature, overstated, or understated as demonstrated on our budget.

We then deduct the exact amount of taxes that we are liable for (see your last year's tax return, multiply your gross income by the social security amount you are liable for and your federal tax bracket, or see your neighborhood tax specialist for help in this area!).

Remember what Scripture tells us about taxes, "...*Give to Caesar what is Caesar's, and to God what is God's*". *Matthew 22:21<sub>b</sub>(NIV)*.

We then deduct our tithe, which is deducted second only to tax on the budget. Our worship of God through proper handling of our finances is complementary to our worship of God through our giving. When we allow God to influence our every financial decision we unconsciously practice worship. Therefore, since proper handling of our finances cannot be attained without worshipping God through our giving or tithing; the tithe is the single most important line item of our budget.

*"On the first day of the week, each one of you should set aside a sum of money in keeping with his income, saving it up, so that when I come no collections will have to be made."* *I Corinthians 16:2(NIV)*

*"Will a man rob God? Yet you rob me. But you ask, 'How do we rob you?' 'In tithes and offerings. You are under a curse - the whole nation of you - because you are robbing me. Bring the*

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*whole tithe into the storehouse, that there may be food in my house. 'Test me in this, says the Lord Almighty, 'and see if I will not throw open the floodgates of heaven and pour out so much blessing that you will not have room enough for it.' Malachi 3:8-10(NIV)*

*"Each man should give what he has decided in his heart to give, not reluctantly or under compulsion, for God loves a cheerful giver." II Corinthians 9:7(NIV)*

From our expendable income we deduct our "Housing" expenses, our "Groceries", our "Transportation" costs, our "Insurance", our "Debts", "Recreation", our "Savings", our "Clothing", and our other "Misc." expenses. Each of these expenses should be whittled down to the lowest possible to avoid slothfulness or frivolity. {In "Key Two", "Live Below Your Means", we will explore creative ways to cut expenses. }

**I must mention "Debt", "Recreation", and the "Savings" categories. For there are constant reminders needed for each of these.**

First, "Debt" -- try at all costs to pay off **all** debt and to avoid debt in the future. This means all credit cards, all signature loans, all auto payments, and YES even your mortgage payment. Work on your debts in that order.

Start with credit cards and signature loans; pay them off as quickly as possible, take all savings including retirement dollars to retire these debts. **You cannot save when you have debt!** Saving while you are in debt is a technical impossibility. When these are

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paid off use your credit cards in conjunction with your budget. The first month you do not pay off your credit card(s) CUT THEM UP!

Work on auto loans next. Accelerate your payments and start saving for a new car (or upgrade replacement) NOW. The goal here is to pay off your existing auto and save the most, over a period of months or years, for the best auto in your price range, and pay cash for it. This is not only a budget victory, but also a moral victory, for you will have done what less than twenty percent of all people do when they want a car -- they finance!

After your autos are paid off at record speed, start making at least one extra payment per year on your home. This will cut your payments in half if you apply the total amount to your principle, while making your monthly payments as normal.

Two, three, or four extra payments per year will prove to further accelerate your mortgage payoff and will result in your home being actually owned by yourself sooner -- we all know that the bank owns the home until we pay it off!

Larry Burkett says to pay off the home before you save for retirement. I must agree, for your home is your retirement and so much more. However, you must save for an emergency prior, or keep a small amount aside (approximately three to six months income) as a "Buffer in Debt" fund. This is your emergency money if you lose your job, or in an emergency you need a non-budgeted item (death, disability, etc.).

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As long as you have this fund established you have the green light to put every additional dollar on your debts to eliminate them for good!

The “Recreation” category is a necessary item due to the difficulties in adapting to a budget. Usually a budget is radically different than most people’s normal spending habits, since friction is usually present, therefore the husband and wife must have some type of weekly “Date Night”. Each week it is necessary to have a date. This does not have to cost much or anything at all. For the beach is still free, and long drives are inexpensive, picnics are wonderful. Awake your creativity as was once present in your courting days.

I stress this area when counseling couples, for without the continuing bonding that is necessary for the survival of all couples, they have a good chance of being another divorce statistic as opposed to a successful example.

Singles can invest time on a regular basis on recreation or hobbies, church functions, etc. A good, clean diversion is therapeutic at the very least.

“Saving” -- “...*but diligent hands bring wealth.*” *Proverbs 10:4<sub>b</sub>(NIV)*. This category is additional to your surplus or the difference between your income and expenses. This is the category that you may have amounts automatically deducted from your payroll (as a 401(K), a pension, or deferred compensation), or you may save for retirement on your own, and you may have an additional taken out for savings bonds, or credit union. Whatever

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you do you must plan ahead. We will talk further about this subject in “Key Four” - “SAVE REGULARLY”.

Remember our key verse - *“Commit to the Lord whatever you do, and your plans will succeed.” Proverbs 16:3(NIV).*

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**Monthly Budget for the Family.**

“A budget is merely a well organized **PLAN** to conquer debt, to live below your means, and to save regularly -- thus attaining financial success!” by: R. Kevin Cross.

I. Income -	\$ _____.		
II. Taxes -	\$ _____		
III. Tithe -	\$ _____		
IV. Expendable Income -	\$ _____.		
V. Expenses:			
A. Housing:	\$	F. Recreation:	\$
Mortgage	\$	Entertainment.	\$
Insurance	\$	Trips	\$
FPL	\$	Eating out	\$
H2O	\$	Vacations	\$
Gas	\$		
Telephone	\$	G. Savings:	\$
Pest control	\$		
Maint.	\$	H. Clothing:	\$
Other	\$		
B. Groceries:	\$	I. Misc.	\$
		Laundry.	\$
C. Transportation:	\$	Uniforms	\$
Payments	\$	Tuition	\$
Gas & Oil	\$	Beauty/barber	\$
Repairs	\$	Allowance	\$
Ins.	\$	Gifts	\$
Other/tag	\$	Subscrip.	\$
		Child Care	\$
D. Insurance:	\$	Other	\$
Health	\$	J. Medical/Dental -	\$ _____
Life	\$	Total Expenses	\$ _____
Mortg.	\$	Expendable Inc.(-)	\$ _____
		Total Surplus<Deficit>	\$ _____
E. Debts:	\$	{Remember the KEY to the	
Credit Cards	\$	success of your budget is to	Other
\$			Other
\$			
Other	\$		

**LIVE BELOW YOUR MEANS.**

**{Spend less than you make!}**

{{Remember our key verse is Proverbs 16:3 - “Commit to the Lord whatever you do, and your plans will succeed”}}

# **KEY - #4**

Save Regularly!

**SAVE REGULARLY**

*“In the house of the wise are stores of choice food and oil, but a foolish man devours all he has.” Proverbs 21:20(NIV)*

**W**hy do we save? At first blush an obvious answer comes to mind. But, have you ever identified your exact motivation for saving?

Saving and having a “savings account” is a biblically based practice. Not only is it mentioned in Scripture many times as in the reference above but in other ways. Such as the following verses:

*“Go to the ant, you sluggard: consider its ways and be wise! It has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest.” Proverbs 6:6-8(NIV)*

Not only does the Bible instruct to save but also we have many Godly men and women throughout Scripture (old & new) who practiced this lifestyle and were called blessed.

Abraham is my favorite. This man was the first recorded investor to have a diversified portfolio. In my opinion he was a modern day Donald Trump, without debt and with Godly motives. In my booklet “Debt, Death, & Taxes” , I titled the chapter on investing, “The Who, What, Where, and When’s, of Investing”. I researched the following investment strategies of Abraham:

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“Abraham was probably the first recorded person to acknowledge the importance of investments. He had a diverse portfolio. This means he did not have all his investment dollars in one type of investment. This is the soundest way of investing. Today it is called "diversification". Financial advisors earn millions of dollars applying the same Scriptural fundamentals that Abraham used over ten thousand years ago. Abraham was merely a good steward with the money God had entrusted to him.

The diversification of Abraham's investments incorporated livestock (Gen.13:2a), silver (v2b), gold (v2b), land (v15), workers (Gen.12:16b), and other resources (v16). Of course there was not the New York Stock Exchange back in Abraham's day. However, some of his investments were volatile.

Having the responsibility to pay and board his workers is the modern equivalent of owning a corporation or a business. If productivity went down, profits went down. This was a higher risk investment.

Livestock is a little less volatile than workers. Of course disease could strike and wipe out the entire population. However, consistently livestock were breeding and producing food and milk for consumption or profit.

Land on the other hand was an even lower risk investment. While drought and famine could hit the land, habitability was still stable due to ownership in the land. Silver and gold were an investment that did not yield a high return. Yet in tough times Abraham could quickly convert the gold and silver into food, clothing, and shelter for him and his family. A wise portfolio Abraham did have.”

After we identify our need to save, we need to identify our motives. Identifying our motives is the true test for (1) our success of our savings, and (2) the blessing to our savings and investments that we receive from God.

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Let us take a look at the various spectrum of motives from the ridiculous to the sublime.

- ⇒ Save to achieve complete financial independence, thus being able to buy anything our heart desires, and not have to account to anyone for the rest of our lives.
- ⇒ Save to be truly comfortable not dependent on anyone or anything.
- ⇒ Save to have a retirement that is free of any worry or need to produce financially.
- ⇒ Save to have the resources when a need or a want arises.
- ⇒ Save to have the resources when an emergency arises.
- ⇒ Save for a rainy day!
- ⇒ Save for a specific want or need in the future.
- ⇒ Save for a specific need immediately.
- ⇒ Save until it is needed.
- ⇒ Save for a day.
- ⇒ Why save, I need so much!

The degrees range from the comical to the greedy. Where are you? Where would you be if you could? And where should we strive to be? These are the million dollar questions.

If we save to become rich, riches are our motive. If we save to be independent, independence can easily mean independence from God, and dependence on ourselves. When we reach the point that we are dependent on ourselves for our needs and wants, this may be the very worst position we could ever attain. The reason it is

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easier for a camel to pass through the eye of a needle rather than a rich man to enter the kingdom of God, (Matt. 19:23&24, Mark 10:25, Luke 18:25){this verse is repeated three times in Scripture!}, is that a rich man's dependence is on his riches or himself, and not on Christ.

If we strike that delicate balance, where our dependence is maintained on Christ and yet blessed with the extra resources to give and share as we are gently instructed or led by the Holy Spirit, we will find true success and blessing in our savings.

### **This cannot be attained overnight!**

Remember the “Four Keys to Opening the Door to Financial Success” are practiced and are a result of faithfulness and obedience. So is “Saving” a result of the same faithfulness and obedience.

*“He who gathers money little by little makes it grow”.*  
*Proverbs 13:11(NIV)*

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We will now explore types of investments to incorporate our pure motives for saving.

My rules of thumb are:

I. If your wife does not agree, understand, “feel good about it”, or the like -- DON’T DO IT! God has placed a little barometer in every wife to guide the husband’s decision process. Men make more bad financial decisions than women. Husbands have made more bad financial decisions by contradicting their wife’s barometer more times than not. So, if you want to make a good financial decision, even if you pass up the “deal of the century”, listen to your wife. If she agrees with her mouth and not with her heart -- DON’T DO IT! You will win in the long run.

II. If you do not understand it -- don’t do it!

III. If you can make a bunch of money in a short amount of time -- don’t do it! Get rich quick really means “get poor quick”.

IV. Save for your retirement. This is the savings that we will attempt to live on the interest, never spending the principle. The principle will not be willed to our heirs but willed to one or a few worthy charitable organizations (like Miramar Evangelical Free Church).

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V. Save to spend - Long Term. This is the savings that you will use to buy your little retirement cottage in the mountains, or the amount that you are putting on your mortgage to pay it off at an accelerated pace, or your children's college tuition, etc.

VI. Save to spend - Short Term. This is the savings that you will use to purchase a new car, or use to replace the leaky roof, or put a down payment on a home, or to get out of debt, etc.

VII. Invest - I have a modified conservative approach to investing. 25-50% of your investment dollar should be in cash reserves or the equivalent. These are CDs, treasury notes, bonds, savings accounts, etc., and are safe areas that will not be affected if the bottom falls out of the market. (At the end of this handout you will see some examples of different types of investments.)

I believe in the investment of gold coins (10% of your investment dollar). Because during tough times these instruments can be traded for food, shelter, and other life sustaining items. Gold coins because they are very difficult to reproduce (counterfeit), they are lighter than the equivalent in silver, they do not have to be drilled as gold bullion must be to insure authenticity, and better than diamonds because only gemologists can tell the difference between them and Cubic Zirconias.

I believe in 30-40% of your investment in stocks. The stock market has outpaced CDs in the entire history of time. Do your homework, and invest long-term. This is the best formula for success. There are a billion

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stories about how a little old lady invested in Coca Cola in 1929 as a child, and is now a rich old lady. Time plus small investments for many years spell certain success.

I believe, as Larry Burkett does, in mutual funds and specifically international funds. These are hedges against a certain economic disaster we may face in our country unless things change.

Real estate 25-40% - Your Home! This is the best real estate bargain. You have to live somewhere. Rental property can be a wonderful blessing or the worst curse in the world. Beware of the “lure of the land”. Being a landlord is not for everyone, especially not absentee ownership.

## **THE FOUR KEYS TO UNLOCKING THE DOOR TO FINANCIAL SUCCESS**

There are "*Ten Keys to Successful Investing*" according to Larry Burkett. Listed below are the ten keys. (Copyright 1990 by Christian Financial Concepts, Inc., page 2).

- i. Formulate Clear-cut Investment Goals - Retirement, preservation, education, income, growth, tax sheltering, etc.
- ii. Avoid Personal Liability - No get rich quick and don't co-sign or sign surety (Proverbs 22:26).
- iii. Evaluate Risk and Return - Ask yourself "Can I really afford to take this risk?"
- iv. Keep Some Assets Debt Free - As a rule you should keep at least fifty percent of your assets debt free.
- v. Be Patient - Greed and speed often work together.
- vi. Diversify - "Don't put all your eggs in one basket."
- vii. Follow Long-range Trends - Invest with the eye to long-range economic trends, especially inflation.
- viii. Focus on What You Own - It is not your net worth that matters. It is how much you actually own unencumbered by liabilities.
- ix. Know Where to Sell - Before you buy, always know where you can sell the investment.
- x. Train Family Members - 85% of the time the wife is going to outlive her husband.

## Appendix A

### Mr. & Mrs. Big:

Bought a nice home for \$250,000

Put no down payment, went to “Rooms-to-Go” and furnished the house at zero percent interest for one year (with no plan to pay the furniture off within one year, although they had good intentions!)

They financed their closing costs of \$10,000 for a total mortgage of \$260,000 over 30 years at 6%. The monthly payment was \$1,558.83.

(Total amount spent after 30 years \$561,180.00)

## Mr. & Mrs. Small:

Bought meager home for \$125,000

Saved \$5,000 for closing costs, and bought \$5,000 in furniture from “Rooms-to-Go” and unlike Mr. & Mrs. Big they took the “one year same a cash option” and put their \$5000 in the bank for a year at 2% and made \$100 thanks to R2G. They donated this windfall to their local church.

Financed \$125,000 over 7 years at 6%, choose a bi-weekly payment option and their payment every two weeks was \$841.67.

**Mr. & Mrs. Small:**

(at the end of the seven years...)

Sold meager home for \$125,000\*.

\*appreciation not considered

Put \$125,000 down on home next door to Mr. & Mrs. Big for the price of \$250,000.

Financed \$125,000 over 7 years at 6%, made the same bi-weekly mortgage payment of \$841.67.

## Mr. & Mrs. Small:

At the end of mortgage - 7 years  
(14 years after first home) they have  
paid off their home.

They feel bad for their neighbors who are still making a monthly mortgage payment so they decide to continue to make the identical monthly payment as their neighbors, however they are sympathetic not stupid and they invest in a 4% investment for 16 years.

With interest this savings account has grown to a respectable \$421,400.

## Mr. & Mrs. Big.

- \* A home worth at least \$250,000.
- \* No savings to speak of.

VS.

## Mr. & Mrs. Small.

- \* A home worth at least \$250,000.
- \* A savings account in the amount of \$471,400.

## Appendix B

### Biweekly loan conversion

Name: **Mr.& Mrs. Big**  
(who want to save money like Mr. & Mrs. Small)

**Current Loan:**

Present loan balance.....	\$ 200,000
Interest rate.....	6%
Monthly payment.....	\$ 1199.10
Remaining term.....	30 years
Total remaining interest.....	\$ 231,667

**Biweekly Loan:**

Biweekly loan payment.....	\$ 599.55
Remaining term .....	24.51 years
Total remaining interest.....	\$ 182,052.94
<b>Total interest savings.....</b>	<b><u>\$ 49,624.10</u></b>

**Shown above are the savings that result by converting from a standard monthly loan to biweekly payments.**