

Chapter 3

SPEND WISELY

“The wise have wealth and luxury, but fools spend whatever they get.” Proverbs 21:20 (NLT)

Financial freedom does not require great wealth. Rather, it requires the proper management of whatever assets and funds one possesses. That is financial faithfulness.

The Bible speaks of honest earning, generous giving, wise spending, and careful investing. This chapter will focus on God’s guidelines for spending money and the consequences of not following those guidelines.

Have you noticed how some people who don’t earn much money end up, over time, becoming financially free? While others who have large salaries end up with very little or nothing to show for it? How does this happen?

“You have planted much but harvested little. You have food to eat, but not enough to fill you up. You have wine to drink, but not enough to satisfy your thirst. You have clothing to wear, but not enough to keep you warm. Your wages disappear as though you were putting them in pockets filled with holes!” Haggai 1:6 (NLT)

Starts Out Easy

To go from having much to having little, starts out easy. It is easy to spend money on things you don’t really need.

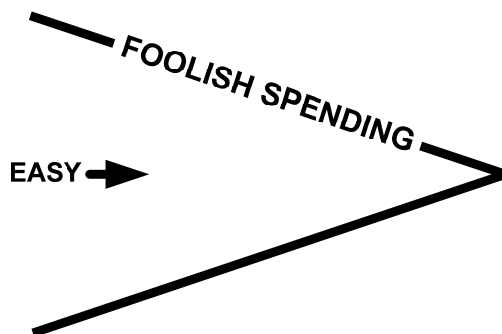
Q1. Do you spend money on things you don’t need?

- Q2.** Do you purchase things on credit so you can get them right now instead of waiting until you have the funds to purchase them?
- Q3.** Have you ever spent more than you had because you saw something you wanted?

Believing money is yours to use as you please leads to foolish spending.

The diagram below illustrates how *foolish spending* is like a wide gate. There are many people who go down this path because it is *easy* to get started on it. However, as you will see, it is a dangerous path.

*“...**Wide** is the gate and broad is the way that leads to destruction, and there are many who go in by it.”*
Matthew 7:13 (NKJ)



When you go through the wide gate, you are spending more than you have, using credit to get what you want, and buying whatever you want whenever you want it. Although this path starts out easy, it typically leads to unpaid bills and working more jobs or longer hours just to keep up with daily living expenses. This path often leads to strained relationships, headaches, stress, and discontentment.

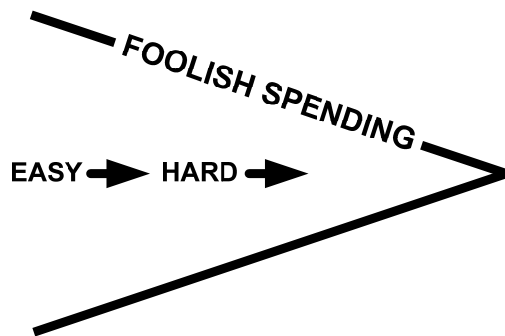
- Q4.** Has there been a strain on your relationships due to wrong spending? Explain.

- Q5.** Have you experienced any negative emotions (depression, anxiety, and worry) due to your finances? Explain.

Gets Hard

Foolish or unwise spending is the main cause of financial hardship. Notice how the path becomes *hard* and difficult.

“But don’t begin until you count the cost. For who would begin construction of a building without first getting estimates and then checking to see if there is enough money to pay the bills?” **Luke 14:28** (NLT)

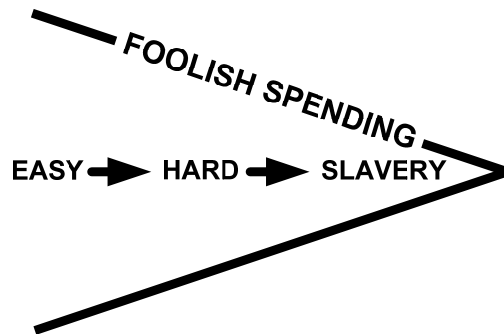


Slavery

The way that once was easy, over time, gets harder and ends in *slavery*. You are a slave to debt, creditors, and possibly even bankruptcy.

*“The rich rules over the poor, and the borrower {becomes} the lender’s **slave**.”* **Proverbs 22:7** (NASB)

- Q6.** If you are having financial difficulties, mark (X) to show where you are on the following diagram.



- Q7.** Are you a slave to your bills, loans, and creditors? Explain.
- Q8.** In what ways have you been foolish in your spending?
- Q9.** If you find yourself on this diagram, have you believed that God's money is your money?
- Q10.** Do you think the consequences of foolish spending will catch up with you? When?

*"But if the servant thinks, 'My master won't be back for a while,'...The master will return unannounced and unexpected. He will tear the servant apart and banish him with the unfaithful. The servant will be severely punished, for though he knew his duty, he refused to do it." **Luke 12:45–47** (NLT)*

God Uses It

God can use your financial slavery to help you make a decision to stop doing things your way. He wants you to go His way because when you obey Him, you will be blessed.

*“If troubles come upon them and they are **enslaved** and afflicted, he [God] takes the trouble to show them the reason. He shows them their sins, for they have behaved proudly. He gets their attention and says they must turn away from evil. If they listen and obey God, then they will be blessed with prosperity throughout their lives. All their years will be pleasant.” Job 36:8–11 (NLT)*

Q11. How has God been using what you are going through to get your attention?

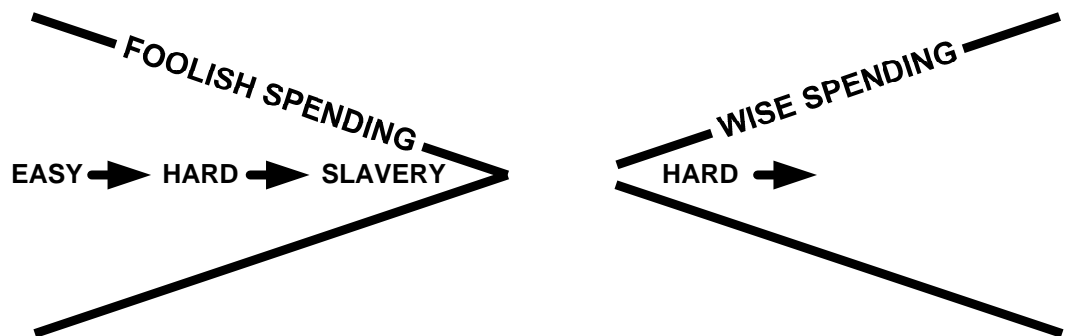
Q12. Are you ready to give up foolish spending and do things God's way?

The Bible calls people who manage their money God's way, good stewards. A good steward is someone that uses money wisely and desires to please God. As a good steward, you need to be faithful whether God has given you much or little to manage.

“Unless you are faithful in small matters, you won't be faithful in large ones. If you cheat even a little, you won't be honest with greater responsibilities. And if you are untrustworthy about worldly wealth, who will trust you with the true riches of heaven? And if you are not faithful with other people's money, why should you be trusted with money of your own?” Luke 16:10–12 (NLT)

In the next diagram, notice the gate to wise spending is *narrow*. It is reached through a commitment to doing things God's way.

*“...**Narrow** is the gate and difficult is the way which leads to life, and there are few who find it.” Matthew 7:14 (NKJ)*



Q13. Why do you think moving from foolish spending to wise spending starts out hard?

Starts Out Hard

Wise spending might seem hard at first because you are more familiar with doing things your own way instead of God's way. New things always start out difficult and awkward. Secondly, it takes time to make a plan or budget. Finally, it's difficult because you will be putting off immediate gratification as you spend wisely.

God's Guidelines

Consider the following items and scriptures as you prepare your monthly budget.

1. Pay taxes.

*"Give to everyone what you owe them: Pay your **taxes** and import duties, and give respect and honor to all to whom it is due."* **Romans 13:7** (NLT)

This verse answers the question about whether God expects you to pay taxes to the government or not. You don't need to pay more than you owe, but do pay what you owe.

Q14. Do you deny the government its money or cheat on your taxes? Explain.

2. Take care of necessities.

"But those who won't care for their own relatives, especially those living in the same household, have denied what we believe. Such people are worse than unbelievers." 1 Timothy 5:8 (NLT)

Take care of your family by providing for their necessities. *Necessities are food, clothing, shelter, and basic transportation.* The Bible makes it clear that God considers meeting these needs for your family very important.

Q15. What are your family's necessities? Are they provided for?

Q16. Do you spend money on wants and then not have enough money to pay for your needs? Describe.

3. Spend less than you earn.

*"There is desirable treasure, and oil in the dwelling of the wise, but a **foolish** man squanders it."*
Proverbs 21:20 (NKJ)

One of God's principles is to not spend all the money that you have. Spending everything you earn makes it impossible to save or ever have anything to invest carefully.

Q17. Are you living within your income?

4. Practice prompt payments.

"Do not say to your neighbor, 'Go, and come back, and tomorrow I will give it,' When you have it with you."
Proverbs 3:28 (NKJ)

Another one of God's principles is to practice prompt payments for the things you have promised to pay. Don't use the money that is committed to a lender for other things you want.

Q18. Are you quick to pay your bills and debts? Why or why not?

5. Eliminate debt.

*"Pay all your **debts**, except the debt of love for others. You can never finish paying that!..." Romans 13:8 (NLT)*

If you have gone into debt, you need to honor your obligation to pay it back.

Foolish spending can involve self-indulgence and poor planning, which are both indications of not following God's plan. These end in financial slavery like overdue bills, debt and bondage to lenders, dissatisfaction, property decay, worry, and family poverty.

Even though doing things God's way may start out hard, financial slavery is much worse.

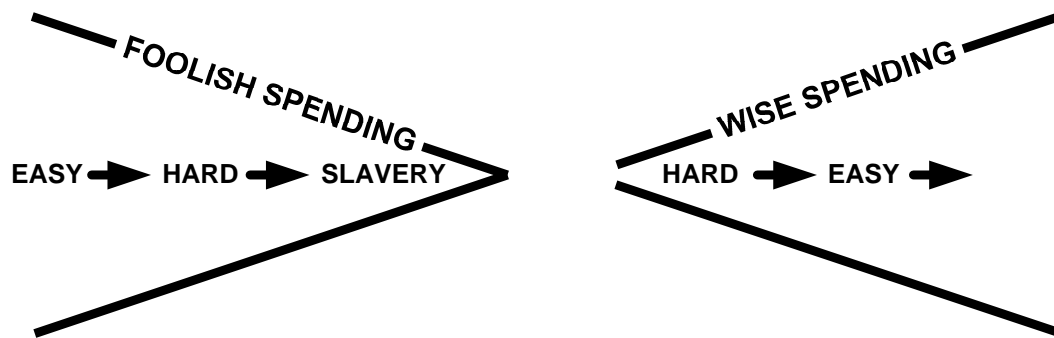
In summary, determine what you owe in taxes and pay them first. Then determine what your family's real necessities are and pay for those next. Then determine what you owe and pay off your debts. Lastly, what is left over can be used for investments.

Q19. Are you using your money the way God desires? Why or why not?

Gets Easier

Although the path of wise spending starts out hard, it does become easier as you consistently follow God's patterns. The benefits of wise spending will be that your needs will be met and you will have extra to give and eventually invest.

"So don't get tired of doing what is good. Don't get discouraged and give up, for we will reap a harvest of blessing at the appropriate time." Galatians 6:9 (NLT)



Freedom

As you continue on the path of wise spending, not only will it become easier, you ultimately will experience financial *freedom*.

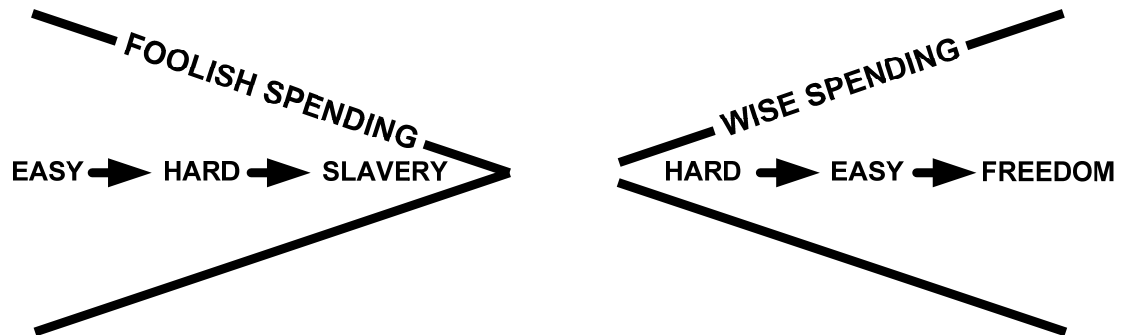
*"God has led you away from danger, giving you **freedom**.
You have prospered in a wide and pleasant valley."*
Job 36:16 (NLT)

Many people at this point begin to really enjoy the fruit of their wise spending. Some are able to retire and serve in ministries or donate their time and talents to worthy causes.

*"The **wise** have wealth and luxury, but **fools** spend
whatever they get."* **Proverbs 21:20** (NLT)

Consider this paradox. Foolish spenders think they are free to do whatever they want with their finances, but it leads to slavery and bondage. Wise spenders give up their way to become servants of God and find freedom.

Freedom doesn't come from doing what you want but from doing what God wants.

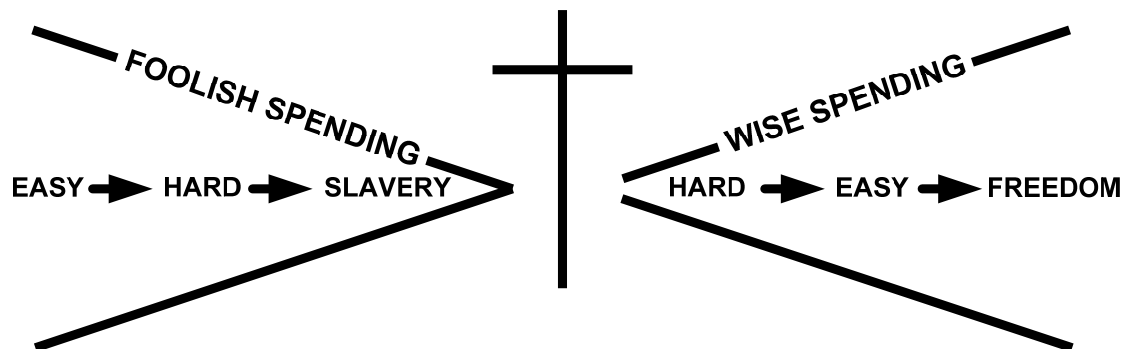


*"I will walk in **freedom**, for I have devoted myself to your commandments."* **Psalm 119:45** (NLT)

Deny Yourself

The power to change from foolish spending to wise spending comes from Jesus. When He is at the center of your life, He enables you to turn from being self-focused, unfaithful, and foolish to being God focused, faithful, and wise.

On the next diagram, the cross illustrates Christ's obedience and your need to deny yourself and follow Him.



"And He was saying to them all, 'If anyone wishes to come after Me, he must deny himself, and take up his cross daily and follow Me.'" **Luke 9:23** (NASB)

Q20. What would denying yourself look like in the financial area?

Personal Application

Make a Plan

Make a plan or budget to accomplish financial freedom. Planning is an issue of faithfulness. It is up to us to make our plans, but up to God to allow us to carry out our plans.

*“We **plan** the way we want to live, but only God makes us able to live it. It Pays to Take Life Seriously.”*

Proverbs 16:9 (MSG)

Even God makes plans.

*“‘For I know the plans I have for you,’ says the LORD. ‘They are plans for good and not for disaster, to give you a future and a hope.’” **Jeremiah 29:11** (NLT)*

Faithful planning requires paying attention to detail. In ancient times, shepherds were to know exactly what was going on with their work and source of revenue. It is the same for us today.

Some people still have livestock to care and account for. Others have different income sources and amounts. To be faithful requires you to know what is happening in the financial area of your life.

*“**Know well** the **condition** of your flocks, {And} pay attention to your herds.” **Proverbs 27:23** (NASB)*

Q21. Do you have a financial plan for you and your family?

Q22. Does your plan take into consideration your future and your present situation?

Q23. If you don't have a plan, is there something you are waiting for?

Ask God to help you make a budget and give up whatever is necessary to enter the narrow gate.

“And the Lord replied, ‘I’m talking to any faithful, sensible servant to whom the master gives the responsibility of managing his household and feeding his family. If the master returns and finds that the servant has done a good job, there will be a reward. I assure you, the master will put that servant in charge of all he owns.’”

Luke 12:42–44 (NLT)

If you don’t have a plan you already follow, start by filling out the **Budget Planning Form** at the end of this manual.

Ask God to give you the opportunity to share this diagram and the truth you have learned with someone else this week.

With the excess that wise spending creates, you will have money for investing, saving, and debt reduction.

Foolish and Wise Spending

Diagram

Notes

