

Biblical Financial Principles

Who will be Master?

No servant can serve two masters; for either he will hate the one and love the other, or else he will be devoted to one and despise the other. You cannot serve God and wealth. Luke 16:13

For where your treasure is, there your heart will be also. Luke 12:34

He who loves money will not be satisfied with money, nor he who loves abundance {with its} income. This too is vanity. Ecclesiastes 5: 10

For the love of money is a root of all sorts of evil, and some by longing for it have wandered away from the faith and pierced themselves with many griefs. 1 Timothy 6:10

Then He said to them, "Beware, and be on your guard against every form of greed; for not even when one has an abundance does his life consist of his possessions". Luke 12:15

For what does it profit a man to gain the whole world, and forfeit his soul? Mark 8:36

The Bible is clear that we must decide who we will serve God or wealth (money). If our treasure is money we will not be satisfied with money or an increase in abundance. We are not to be greedy for it may lead us away from the faith and bring us much grief. Finally the big question comes, "what does it profit a man to gain the whole world and forfeit his soul?" Each of us should consider this question carefully.

How do we master money?

Honor the LORD from your wealth and from the first of all your produce; So your barns will be filled with plenty and your vats will overflow with new wine. Proverbs: 3: 9-10

Give, and it will be given to you. They (people) will pour into your lap a good measure, pressed down, shaken together, and running over. For by your standard of measure it will be measured to you in return. Luke 6: 38

Trust in the LORD with all your heart and do not lean on your own understanding. Proverbs: 3:5

For nothing will be impossible with God. Luke 1:37

Do not let money make the rules, let God change the game. God has unlimited resources. Mastering any problem in life depends on not depending on ourselves and depending on God instead. In the world everything is presented as if there is a limited amount available. This is best illustrated by this bible verse:

Now the day was ending, and the twelve came and said to Him, "Send the crowd away, that they may go into the surrounding villages and countryside and find lodging and get something to eat; for here we are in a desolate place." But He said to them, "You give them something to eat!" And they said, "We have no more than five loaves and two fish, unless perhaps we go and buy food for all these people." (For there were about five thousand men.) And He said to His disciples, "Have them sit down to eat in groups of about fifty each." They did so, and had them all sit down, Then He took the five loaves and the two fish, and looking up to heaven, He blessed them, and broke them, and kept giving them to the disciples to set before the people. And they all ate and were satisfied; and the broken pieces which they had left over were

picked up, twelve baskets full. Luke 9: 12-17

This is the perfect illustration showing that with God there is no limitation, He is not bound like men are bound. He created the whole world from nothing. The zero sum concept is a man made concept. In the world if someone has a thousand dollars and needs fifteen hundred then they cannot meet their obligations. But with God we have access to much more than what is in our bank account. We should not lean to our own understanding but instead trust in the Lord with all our heart. This is the key to mastering what ails us in life. If you want to work your way out of bondage to money, then you must be willing to Trust in God and let Him work things out. Our critical action is to honor the Lord with our substance, and the first fruits of all our increase. From a money perspective this is the one key responsibility we have. God has promised that we will be rewarded but, it takes an act of faith to break the chains of bondage placed upon us by money.

Do we need a budget?

For which one of you, when he wants to build a tower, does not first sit down and calculate the cost to see if he has enough to complete it? Luke 14:28

This illustration was used to show how men must be willing to sacrifice everything to be Jesus disciple and that it requires counting the cost to determine if you could finish. But it likewise was an acknowledgement of Jesus himself that this was a good and necessary approach. The Bible does not use the word Budget. But a budget is used to do exactly what Jesus is talking about here, to help us count the cost to see what we can afford to do.

Should we borrow money?

The rich rules over the poor, and the borrower {becomes} the lender's slave. Proverbs 22: 7

Owe nothing to anyone except to love one another; for he who loves his neighbor has fulfilled the law. Romans 13:8

Say you are buying a car, what should be your test to see if you can afford it? Well, to help with this we need to understand the relationship between a lender and a borrower. If you borrow money you become a slave to the lender. In other words you accept your lender as your master. So what should you do? Well, here is the answer: The whole point is to master money and not let money master us, so first we need to understand how money masters us, money masters us in two primary ways:

We buy what we do not have the money to support (do not count the cost)
We borrow because we do not want to wait.

We, for example, covet a car to the point where we accept a lender as our master. We get into a cycle where our whole existence revolves around money. So what can we do to master money?

Always count the cost of everything that has a cost and that is called budgeting.
Realize that if we cannot pay cash for something then we cannot afford it.

This of course requires that we not desire those things we cannot buy with cash. This probably sounds like a crazy concept. But wait just a minute are we leaning to our own understanding or are we trusting God with our whole heart? Remember with God the game changes and money is not a zero sum game anymore. So we should pray about everything. If you need a new car then ask God to provide it. He can do this many ways, he can put the money in your hand, he can give you the car you want at the price you can afford, or he can change your desire from buying a Mercedes to buying an economy car.

Budgeting is very important, it is a way to manage money, but it is not a way to limit your life. Remember God sets no limits on you. Many people do not budget because they do not want to be limited. A budget is actually a very freeing thing, it gives us a method to live free from the bondage of debt, and it allows us to manage the money rather than the money managing us. But having a budget does not change habits. God, however, can help us change our habits and teach us better ways to live.

Do we own what we have?

All things came into being through Him, and apart from Him nothing came into being that has come into being. John 1: 3

The earth is the LORD'S, and all it contains, The world, and those who dwell in it. Psalms 24:1

The key to mastering money depends on whether we view ourselves as the masters of what we have or as the steward (manager) of what we have. If we are masters then we are only accountable to ourselves. But if we are stewards we are accountable to God and that can make all the difference. So if we lean not to our own understanding and lean instead to hear and understand that still small voice of God, then we will know that we are merely stewards of all that God has given to us. That includes our possessions, our money, our talents, our spouse and our children. We simply cannot address any single area of life without bringing it into the overall context of who God is and what our role is in our relationship to him. So we are to be managers of what God gives to us.

What does God want for us?

'For I know the plans that I have for you,' declares the LORD, 'plans for welfare and not for calamity to give you a future and a hope.' Jeremiah 29:11

Blessed is the man who trusts in the LORD And whose trust is the LORD. For he will be like a tree planted by the water, that extends its roots by a stream And will not fear when the heat comes; But its leaves will be green, And it will not be anxious in a year of drought Nor cease to yield fruit. Jeremiah 17:7-8

If you then, being evil, know how to give good gifts to your children, how much more will your Father who is in heaven give what is good to those who ask Him! Matthew 7:11

Now to Him who is able to do far more abundantly beyond all that we ask or think, according to the power that works within us, to Him be the glory in the church and in Christ Jesus to all generations forever and ever. Amen. Ephesians 3:20-21

First we must know that God loves everyone of us, his plans for us are focused on our welfare, not to give us problems but to give us a hope and a future. Those of us who trust the Lord and obey his word are promised to be blessed and to prosper even in troubled times. But more than any of this we must understand what motivates him to do good things for us is his love for us. He calls us his children and wants us to call him father. Finally he is able to do far more abundantly beyond all that we ask or think according to the power that works within in us. This power is his power working within us. So living a life for God can be an incredibly blessed and prosperous existence well beyond what we could ask or think for ourselves.

How does God provide for us?

Give, and it will be given to you. They (people) will pour into your lap a good measure--pressed down, shaken together, and running over. For by your standard of measure it will be measured to you in return. Luke 6: 38

God provides for us through other people. The man who is good in Gods sight will give generously to others and by the

measure we use to give so will the return be measured back to us. So the more generous we are the more we will have to give again.

And He told them a parable, saying, "The land of a rich man was very productive. And he began reasoning to himself, saying, 'What shall I do, since I have no place to store my crops?' Then he said 'This is what I will do: I will tear down my barns and build larger ones and there I will store all my grain and my goods. And I will say to my soul, Soul, you have many goods laid up for many years to come; take your ease, eat, drink and be merry.' But God said to him, 'You fool! This very night your soul is required of you; and now who will own what you have prepared?' So is the man who stores up treasure for himself, and is not rich toward God. Luke 12:16-21

Jesus illustrates to us the foolishness of seeking to keep all of our blessings for our own consumption. Our role here on earth is not to store up or save money so that we can eat, drink and be merry. The key message here is that we should be rich toward God (emphasis added). God wants to prosper us and bless us and give us good things. But God likewise wants us to be generous towards others, concerned with meeting their needs and doing so as if for God. This is the balance we must seek to maintain, like being wise as a serpent and yet harmless as a dove. God wants to prosper us more as we give more to help others. So invest with wisdom, carefully and prayerfully. Do not put all of your eggs in one basket and do not bury your money in the ground. But then as you reap the benefit share the increase with those in need around you. This can be in the form of charities, or your church or your neighbor or a friend or a family member. There is no limit to the needs that exist around us.

Should we tithe?

From the days of your fathers you have turned aside from My statutes and have not kept {them.} Return to Me, and I will return to you, says the LORD of hosts. "But you say, 'How shall we return? Will a man rob God? Yet you are robbing Me!' But you say, 'How have we robbed You?' In tithes and offerings You are cursed with a curse, for you are robbing Me, the whole nation {of you!} Bring the whole tithe into the storehouse, so that there may be food in My house, and test Me now in this," says the LORD of hosts, "if I will not open for you the windows of heaven and pour out for you a blessing until it overflows Then I will rebuke the devourer for you, so that it will not destroy the fruits of the ground; nor will your vine in the field cast {its grapes,}" says the LORD of hosts. All the nations will call you blessed, for you shall be a delightful land," says the LORD of hosts. Malachi 3:7-14

There is a grievous evil which I have seen under the sun: riches being hoarded by their owner to his hurt. Ecclesiastes 5:13

Now he who supplies seed to the sower and bread for food will also supply and increase your store of seed and will enlarge the harvest of your righteousness. You will be made rich in every way so that you can be generous on every occasion, and through us your generosity will result in thanksgiving to God. 2 Corinthians 9:10-11

Instruct them to do good, to be rich in good works, to be generous and ready to share, storing up for themselves the treasure of a good foundation for the future, so that they may take hold of that which is life indeed. 1 Timothy 6:18-19

Currently society takes a casual look upon tithing. Even in some churches people do not want to hear about tithes and offerings. This should be a danger sign to those of us who know Gods position on this. In Malachi God takes a very strong stand saying that those who do not tithe are robbing God and are cursed. Likewise God takes his strongest position in the entire bible when God says test me and see if I will pour out a blessing for you until it overflows. He then goes further and says he will rebuke the devourer for our sake and the devourer shall not destroy the fruits of your ground. In other words God is imploring us to test Him in His word in this area. Put in this light spending or holding on to money that should be offered to God looks much riskier than giving it to God. It all comes down to faith. Do we really believe in God? Do we really believe and trust his word? God does not need our money but he does want our obedience. What is important to understand is that God will increase what you have so that you can be generous on every occasion.

Should we invest?

You may charge interest to a foreigner, but to your countrymen you shall not charge interest, so that the LORD your God may bless you in all that you undertake in the land which you are about to enter to possess. Deuteronomy 23:20

This is saying that it is appropriate to lend your money in return for interest. In essence when we put our money in the bank we are lending it. When we buy bonds we are lending money. The other point here is that we should not charge interest to our countrymen. This speaks to the Jewish people of that time. But it may have an application today in that we probably should not lend money with interest to our families, our friends or the church.

For it is just like a man about to go on a journey, who called his own slaves and entrusted his possessions to them. "To one he gave five talents, to another, two, and to another, one, each according to his own ability; and he went on his journey. "Immediately the one who had received the five talents went and traded with them, and gained five more talents. "In the same manner the one who had received the two talents gained two more. "But he who received the one talent went away, and dug a hole in the ground and hid his master's money. "Now after a long time the master of those slaves came and settled accounts with them. "The one who had received the five talents came up and brought five more talents, saying, 'Master, you entrusted five talents to me. See, I have gained five more talents.' "His master said to him, 'Well done, good and faithful slave. You were faithful with a few things, I will put you in charge of many things; enter into the joy of your master.' "Also the one who had received the two talents came up and said, 'Master, you entrusted two talents to me. See, I have gained two more talents.' "His master said to him, 'Well done, good and faithful slave. You were faithful with a few things, I will put you in charge of many things; enter into the joy of your master.' "And the one also who had received the one talent came up and said, 'Master, I knew you to be a hard man, reaping where you did not sow and gathering where you scattered no seed. 'And I was afraid, and went away and hid your talent in the ground. See, you have what is yours.' "But his master answered and said to him, 'You wicked, lazy slave, you knew that I reap where I did not sow and gather where I scattered no seed. 'Then you ought to have put my money in the bank, and on my arrival I would have received my money back with interest. 'Therefore take away the talent from him, and give it to the one who has the ten talents.' "For to everyone who has, more shall be given, and he will have an abundance; but from the one who does not have, even what he does have shall be taken away. "Throw out the worthless slave into the outer darkness; in that place there will be weeping and gnashing of teeth. Matthew 25:14-30

Note: a talent had a value larger than 1 thousand dollars

Not only should we invest and grow what God has given to us, these scriptures also say that it is dangerous not to. In fact God will give more to those who are realizing gain through their investments and will take away even the principal from those who are not investing to realize a gain.

There is precious treasure and oil in the dwelling of the wise, but a foolish man swallows it up. Proverbs 21:20

A sign of a wise person is that he accumulates precious treasure and the sign of a foolish person is that he consumes all that he has. It is wise to save and it is foolish to consume all that you have.

The plans of the diligent {lead} surely to advantage, but everyone who is hasty {comes} surely to poverty. Proverbs 21:5

One other aspect of investing is that we should be diligent and consistent in investing. We should not seek to get rich quick, successful investing comes from investing consistently over a long period of time. It may not be exciting but it brings about good results.

Should we use automatic investment?

Just as you do not know the path of the wind and how bones {are formed} in the womb of the pregnant woman, so you

do not know the activity of God who makes all things. Sow your seed in the morning and do not be idle in the evening, for you do not know whether morning or evening sowing will succeed, or whether both of them alike will be good.
Ecclesiastes 11:5-6

Solomon is saying here that we should be diligent in terms of sowing or investing because we do not understand what moves the wind and likewise we do not understand what moves the market. We should be consistent and diligent in investing. The best way to ensure that you invest consistently is to use automatic deposits such as payroll deposits or monthly bank deposits into investments.

Should we diversify our investments?

Cast your bread on the surface of the waters, for you will find it after many days. Divide your portion to seven, or even to eight, for you do not know what misfortune may occur on the earth. Ecclesiastes 11:1-2

This likewise was spoken by Solomon and what he is saying is to spread our investments out to 7 or 8 different investments. This is because no one knows what things may go wrong.

Should we time the market?

There is an appointed time for everything. And there is a time for every event under heaven Ecclesiastes 3:1

He who watches the wind will not sow and he who looks at the clouds will not reap. Ecclesiastes 11:4

There is a right time for everything under heaven. So when and what we invest in should be investigated and we should pray about it. But this is completely different from timing the market, as it is known today. On the one hand not everything is a good investment all the time on the other hand the market is volatile and unpredictable much like the weather. It is important to carefully choose your investments and to change what you invest in overtime as needed and it is also important to consistently invest because if you do not you will not sow or reap results.

Should we save for retirement?

Now the Lord spoke to Moses, saying, "This is what applies to the Levites: from twenty-five years old and upward they shall enter to perform service in the work of the tent of meeting. But at the age of fifty years they shall retire from service in the work and not work anymore. Numbers 8:23-26

I have had more than one person tell me that retirement is not a biblical concept but clearly the concept was first identified by God himself and this verse shows that. As God acknowledges here and we also should acknowledge, there comes a time in life when we need to step down so to speak, when we need to let the younger generation pick up the work. To do that we must be prepared, the Levites had resources to sustain them but in our society we must have our own resources in place to sustain us in our old age.

"Let Pharaoh take action to appoint overseers in charge of the land, and let him exact a fifth of the produce of the land of Egypt in the seven years of abundance then let them gather all the food of these good years that are coming, and store up the grain for food in the cities under Pharaoh's authority, and let them guard it. Let the food become as a reserve for the land for the seven years of famine which will occur in the land of Egypt, so that the land will not perish during the famine."
Genesis 41:34-36

God instructed the King of Egypt to set aside food and goods through 7 years of abundance to provide, food and goods for a coming 7 years of famine. Taking this illustration a step further if we know there will be a time later in life when we may not earn as much money as we are in the present then we would be wise to save money so that in those later years

we would have money to live on. Having said this let me provide a little caution too, the concept of retirement, which according to the Webster dictionary is, withdrawal from one's position or occupation or from active working life, is a biblical concept. The idea that we should retire at a young age to a life of leisure is a modern-day concept and a dangerous one. What we should do however is understand that we all age and our capabilities to do many types of work diminish as we age and that means that our ability to earn the same money we did as younger people can diminish as well. On the other hand we should leave an inheritance to our children and our grandchildren and not become a financial burden on them. Likewise we should seek to continue to share and give generously in our older years as well. So saving for this period of time in life is a good thing. The opportunity to work in our older years is still good; the wisdom gained from living life is incredibly valuable to younger people. The ability to be gracious and supportive of others is also enhanced with age. So we are wise to save for the later years and to look for ways that we can help others as well. We should look for a different type of occupation, one that fits our abilities and interests at that time.

Should we leave an inheritance?

A good man leaves an inheritance to his children's children, and the wealth of the sinner is stored up for the righteous. Proverbs 13:22

The Bible has a lot to say about inheritance, in the book of Numbers it gets very specific about how to divide up the inheritance and how to determine who should get an inheritance. But the passage that struck me most was this one proverb that plainly says, a good man leaves an inheritance to his children's children and the wealth of the sinner is stored up for the righteous. I would say if we are going to leave an inheritance to our grandchildren we probably need to leave and inheritance to our own children. Both would be considered good. On the other hand we are not responsible for how our children and grandchildren use their inheritance and thus the warning here that, 'the wealth of the sinner is stored up for the righteous.'

An inheritance gained hurriedly at the beginning, will not be blessed in the end. Proverbs 20:21

Proverbs further warns those who would seek to get their inheritance early, that their inheritance would not be blessed. You may want to inform your children of this particular passage. In a similar fashion the bumper sticker that says, I am spending my children's inheritance is not a reflection of being a good man but rather of being a selfish man.

Now I say, as long as the heir is a child, he does not differ at all from a slave although he is owner of everything, but he is under guardians and managers until the date set by the father. Galatians 4:1-2

It is wise to consider the age and maturity of your children when deciding how much and in what method their inheritance will be paid out to them. This verse in Galatians indicates that a younger child or less mature child should be under the guidance of a guardian or manager until an appropriate time set by their father.