



Managing GOD'S ministries Money

T w i n s !

Fall 2003 Letter

Combating The Debt Crunch

Household Debt Is Soaring

 Recent reports in England, Australia, USA and Canada indicate continuing rise in household debt and debt service ratios. Indeed, according to the 27 September Australian *Financial Review*, Australians went on an *unprecedented borrowing binge* in the quarter ended in June: total household debt at 34% higher than two years ago is now at record levels. Meanwhile in the UK, the 26 September *Financial Times* quoted from a recent *Bank of England* report, *household debt can be expected to keep rising for the next five to 10 years as a result of recent rise in house prices.*

In Canada, household debt reached an historical high in the second quarter of this year at 103.7% of personal disposable income (PDI): Canadian consumer and mortgage debt exceed PDI by 3.7%.

The bad news is central banks in these countries continue to use low interest rates to lure consumers to increase borrowing to help stimulate sluggish economies! This is particularly grim, as further spending, quite likely for unnecessary items, will increase expensive credit card debt! In turn, the emotional cost will surge as more families become engulfed in money-related stress!

Regrettably, this is just one piece of the puzzle. Though Governments have been reducing debt since the mid to late 1990's, public debt levels are still high: in Canada, the federal debt is just over half of Canada's Gross Domestic Product (GDP); per person, it has soared from \$2641 in 1976 to \$20,748 in 2001! If it keeps growing, taxes will likely remain high or increase to support interest payments. Indeed, as interest rates rise from current historic low levels, debt-servicing costs also will escalate! In 2001, the cost of servicing the federal debt was about \$45 billion, or 26% of all government spending¹.

The Issue Isn't Money

 Our *worldview or attitude* towards money fuels this debt epidemic. Unfortunately, we view money as something we can manage, control, and by which we measure progress. Governments brag about increasing spending as an important positive performance criterion while wasting billions of tax dollars! Yet taxpayers insist

Governments spend even more to deliver poorly managed services; rather than insisting on first improving effectiveness, efficiency and elimination of waste! Of course, sometimes more money is necessary, but first we must ensure it is allocated for the right reasons, on the right goods and services and in the right amounts. And we must demand value for each dollar spent!

Canada's Department of Justice displayed probably one of the most outrageous examples of recent Government waste and lack of accountability with the Firearms Program. Chapter 10 of the December 2002 Auditor General's Report states this:

In 1995 the Department [Justice] told Parliament that the Canadian Firearms Program would cost \$119 million to implement, which would be offset by \$117 million in fees... by 2001-02 it had spent about \$688 million on the Program and collected about \$59 million.

Latest estimates to 2004-05, when the Program is expected to be up and running, was indicated then at \$1 billion, to be offset by \$140 million in fees!

Unfortunately, some churches are no different from Governments: they have become *seeker friendly* and behave like the secular world. They *modify and 'soften' specific teachings* in the Bible to accommodate growth: among other things, they do the following:

1. Teach *stewardship* once or a few times per year as a means of fund raising, rather than a lifestyle to be practiced daily;
2. Emphasize giving money to receive material benefits instead of joyfully giving time, talents and money for His glory and to further His Kingdom;
3. Highlight church growth based on formulae of specific churches, instead of seeking to know God's will and timing for their situations;
4. Behave as if they possess the power to add numbers to God's Kingdom, and they don't provide discipleship training for those who, through the power of the Holy Spirit, surrender their lives to Christ!

Church lay-leadership's ignorance helps perpetuate this behaviour by churches. In a study titled, *Church Lay Leaders Are Different From Followers* dated June 26, 2000, the *Barna Research Group Ltd.*, of Ventura, California, reported the following unbiblical teachings by church lay-leadership:

1. 58% said the Bible teaches that "God helps those who help themselves"
2. 39% believe there is no such thing as Satan
3. 43% believe there is no such thing as the Holy Spirit
4. 33% asserted that Jesus Christ never had a physical resurrection
5. 25% agreed that it doesn't matter what faith you follow because all faith groups teach the same lessons
6. 22% agreed that all people will experience the same outcomes after death, regardless of their religious beliefs
7. 20% said there are some sins a person can commit that cannot be forgiven
8. 19% believes that Jesus Christ committed sins when He was on earth.

The survey also revealed only 53% of church leaders believe there are moral

truths that are absolute.

Regrettably, these leaders present their erroneous views to impressionable minds that in turn believe and pass them on. Become like the Bereans and examine everything church and secular leaders present as truth:

Now the Bereans were of more noble character than the Thessalonians, for they received the message with great eagerness and examined the Scriptures every day to see if what Paul said was trueⁱⁱ.

Do we appreciate the legacy we are leaving our children? We must stop our politically correct behavior, halt and start reversing this crazy debt spiral! Folks, money merely is a means of exchange; the medium for which we exchange goods and services we wish to acquire. It is not a problem and should never be our focus; understanding and differentiating our desires between wants and needs, and being *content with who we are and what we have are the real issues!*

Likewise, Governments, churches and other institutions need to understand their purposes, responsibilities, and accountabilities and get the most from what they have; in other words, work unto the Lordⁱⁱⁱ and use resources efficiently! More money isn't a panacea and often is the easy way out for Governments, Christian charities and churches that have not acknowledged their stewardship responsibilities! Irrespective of our views, ultimately, *God owns everything and all of us are merely managers of His resources^{iv}!*



Getting Out From Under The Debt Crunch

What can we do about this pervasive, irresponsible spending that has created this massive debt? I suggest each of us adopt the following approach as we interact with Governments, churches and Christian charities.

Governments

First, accept the authorities that exist today, even though their decisions and actions may not be Godly. Apostle Paul in Romans 13:1 states, *everyone must submit himself to the governing authorities, for there is no authority except that which God has established. The authorities that exist have been established by God.*

Politicians have a difficult job and need our prayers even if we disagree with their views and policies; pray for them and other leaders of our country. Become informed about issues being discussed by various levels of Governments; contact elected representatives and share your views on policy matters and legislation.

Hold politicians accountable but act in love with grace and let the light of Christ shine through you. Remind them God owns everything and we are all stewards of His resources. Further, their spending needs to be justified. Require them to work towards amending the constitution to **require annual balanced budgets.**

Remember, interest rates are at historic lows. Governments' debts, though reduced from astronomical levels in the 1990's, are still high and now require too many tax dollars to service!

The trend today is away from democracy and towards oligarchies run by unelected liberal judges. Encourage elected officials to regain their intended roles to make laws and to stop abdicating responsibility to renegade judges. Remind elected officials of the huge emotional and financial costs poorly researched and implemented Government policies have on our society; the Canadian Firearms Program is merely one example.

Governments haven't learnt and are making the same mistakes today: in Canada proposed marijuana and same sex marriage legislations are but two examples! Folks, please understand, these laws, directly or indirectly will have negative effects on our families and pocket books, among other things!

Churches and Christian Charities

We are called to fulfill the great commission of making disciples - Matthew 28:18-20; we need to fund this! Ask the Lord to show you your gifts and areas to apply them. Give time, talents and money as He directs. Hold church leadership and Bible-based Christian charities you support, accountable to appoint leaders according to Biblical standards in 1 Timothy 3 and to function as good stewards of God's resources.

Like the Bereans, check teachings of these leaders in the Bible. Remind leadership of seeker friendly churches that Jesus never changed His message to suit audiences though His presentations reflected situational differences.

Revelation 3:20 asserts, *here I am! I stand at the door and knock. If anyone hears my voice and opens the door, I will come in and eat with him, and he with me. When you seek Him you will find Him!*



Eliminating Personal Debt

How do we tackle spiraling household debt? Not with more money but by identifying and surrendering core issues to Jesus. *Money management* is a misnomer; it's impossible! Lifestyle choices determine how we spend money, time and talents! The source of our *ABC's* - attitude, behavior and choices - is the real issue to address! Changing our worldview is essential to solving our debt problems.

If you are in debt and feel overwhelmed I assure you on the basis of Scripture, Jesus Christ took all our debts when He died at Calvary. In Mark 9:23, Jesus told a man whose son an unclean spirit possessed, *everything is possible for him who believes.*

Step one towards relief from your financial debt burden, therefore, is to turn your life over to Jesus Christ, so you will develop the right *ABC's* toward money. Apostle Paul tells us in Romans 10:9, *that if you confess with your mouth, "Jesus is Lord," and believe in your heart that God raised him from the dead, you will be saved.* In Matthew 6:24, Jesus

says, "No one can serve two masters. Either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve both God and Money.

Choose Jesus today; ask Him to direct you to a Bible believing Church to start your discipleship journey. If already you surrendered your life to Christ, step one is to ask yourself about your walk with the Lord: have you been seeking first His Kingdom and His righteousness? Is your walk demonstrating your love for Christ with all your heart, soul, strength and mind?

After establishing or reestablishing a sincere, vibrant relationship with Christ, become a detective; set a timeframe, maximum one month, to discover how, not why you got into debt. Your goal as an individual or couple is to find where dollars went, and how they got there, then to design and implement a system to prevent a recurrence; a fact-finding mission, not a finger pointing, name-calling or blaming process. You are not interested in why funds were spent; otherwise your creative juices will consume you as you rationalize previous behavior - don't go there, especially couples!

One key question to answer is this: Do you have a **GRIP** on your finances?

- ❑ Do you have **G**oals - life goals^v and material goals?
 - What motivates you? What's your mission in life?
 - A goal is your destination; it helps you focus on where you wish to go. We get distracted and lost without goals.
- ❑ What does a detailed **R**eview of actual spending for the past six months tell you?
 - Where did the funds go?
 - What was the decision process you used before spending? Did you respond to advertising and easy credit terms? Did you spend because of a need that could not wait? Did you practice these two essential words, **NOT NOW!**
 - What would Jesus say about your spending and other financial affairs? Did they honour Him?
- ❑ What does a detailed **I**nvestigating of all aspects of your loans tell you?
 - What's the actual, annual percentage cost of each loan?
 - At current rates of payment, when will each be fully repaid?
 - Often, paying minimum balances on credit cards will never repay loans! A credit card is not a source of financing! Use it when funds are in the bank and you will pay the balance in full; otherwise you can't afford to keep it!
- ❑ Did you have **P**lans in place to carry out the goals?
 - Prepare a net worth statement- listing things of value you "own" -assets- less all your loans -liabilities to see if you have assets you could sell to repay loans? Sell only after prayer.
 - Prepare a debt repayment **plan** to eliminate loans starting with the highest annual percentage cost loan.

Following this investigation, note your findings; confess the misuse of funds; repent and ask the Lord to direct your path as you prepare a plan to become debt free.

Meanwhile, transfer the *debt burden* to Christ as He requests in Matthew 11:28, "*Come to me, all you who are weary and burdened, and I will give you rest.*"

Next, establish a spending decision process to avoid re-entering the debt trap: Never spend before praying - yes, *never* spend before praying! To assist to establish affordability before spending, visit www.managinggodsmoney.com and use the Affordability Index; as the name implies, it is designed to indicate if you can afford an item before you spend. Even if you can afford the purchase, the final requirement is to consult the Lord.

Decide to save to buy for cash all items except a home. Couples should agree a joint approval process, and a dispute resolution process. For example, both should approve all spending on items not in the regular budget. If both can't agree, decide up-front how to break the impasse: dialogue with a trusted third party, pastor, or other practical arrangement.

Finally, start to work with a budget^{vi}. This is much simpler than you think. First, set a goal to honour God with your finances. Before receiving your income ***ask Him to guide you to minimize the amount of income you keep and maximize the amount you give to further His Kingdom***^{vii}. This is not tithing it's ***keeping***: acknowledging God owns 100%, our goal is to leave as much with Him as He requires. Thereafter, do the following:

1. Decide not to spend more than the amount you ***keep*** - daily when the urge to spend comes, practice two key words, ***NOT NOW!***
2. Establish categories to record spending - groceries, transportation, housing and so on. Use the six-month analysis mentioned earlier to guide you.
3. Divide categories into discretionary and non-discretionary; allocate amounts, first to discretionary then to non-discretionary.
4. Record your spending using these categories and a formal recording format such as computer software or other standardize forms.
5. Weekly, allocate two to three hours to review performance against budget; effect changes after prayer to stay on course.
6. Ask a trusted friend to hold you accountable to manage God's money for His glory and to further His Kingdom: give him permission to call you once per week to ask how you are doing. Your ultimate accountability is to Jesus - Matthew 25:14-30.

Summary



We have a major crisis that needs addressing now! Determine by God's grace to minimize the debt we will pass **onto** our children and grand children. Let's play our part in encouraging Governments to become responsible stewards of God's resources - yes, I do believe in miracles! Simultaneously, let's demonstrate responsible stewardship of time, talents and money and practice ***keeping***, by funding the great commission maximally. Demand the same from churches and Christian charities.

Upcoming Events



Please pray for Michel and Doreen, specifically that Jesus be glorified through the following:

- 9 October - Michel's Focus on the Family interview scheduled to be aired.
- 17 October - Michel speaking at Langley Leadership Prayer Breakfast

Managing God's Money Seminars:

- 18 October - Newlands Golf and Country Club, 21025 48th Ave, Langley BC
Call 1-800-661-9800 or email stewardship@fotf.ca
- 1 November - Garden City Baptist Church, St Catherines, Ontario
Call 905-937-0411
- 8 November - The People's Church, 374 Sheppard Avenue East, Toronto, Ontario. Call 416-222-3341 x 457 or visit www.thepeopleschurch.ca
- 15 November - Island Wesleyan Church, 19311 Trans Canada Highway, Hampton, PEI - Call 902-658-2588

We are redesigning our website - www.managinggodsmoney.com - to be more user friendly and to provide better services. These are some specific changes:

- The Affordability Index will now be interactive - by 30 October.
- We are adding a weekly devotional by 30 October, and by 30 November, an interactive budget computation and interactive Capital Fund computation.

To God be the glory!

Managing God's Money Ministries teach individuals, couples and groups to manage God's resources so they may use them for His Glory and to further His Kingdom. It is not a charity, does not solicit funds, and does not charge fees to present seminars and workshops. Visit www.managinggodsmoney.com for more details.

ⁱ Statistics Canada

ⁱⁱ Acts 17:11 (NIV).

ⁱⁱⁱ Colossians 3:23

^{iv} Psalm 24:1-2

^v A life goal defines your purpose in life; it is the filter through which you process all decisions. Mine is to *serve Jesus Christ at any cost, then to serve my wife*. Every decision I make must be congruent with this goal. Refer to my book, *Managing God's Money-The Basic*, pages 40-43, if you wish further discussions on this subject.

-
- vi Chapters 6 and 7 of *Managing God's Money-The Basics*, describe the budgeting process in detail
 - vii Read about the attitude of the Macedonian church in 2 Corinthians 8:1-7