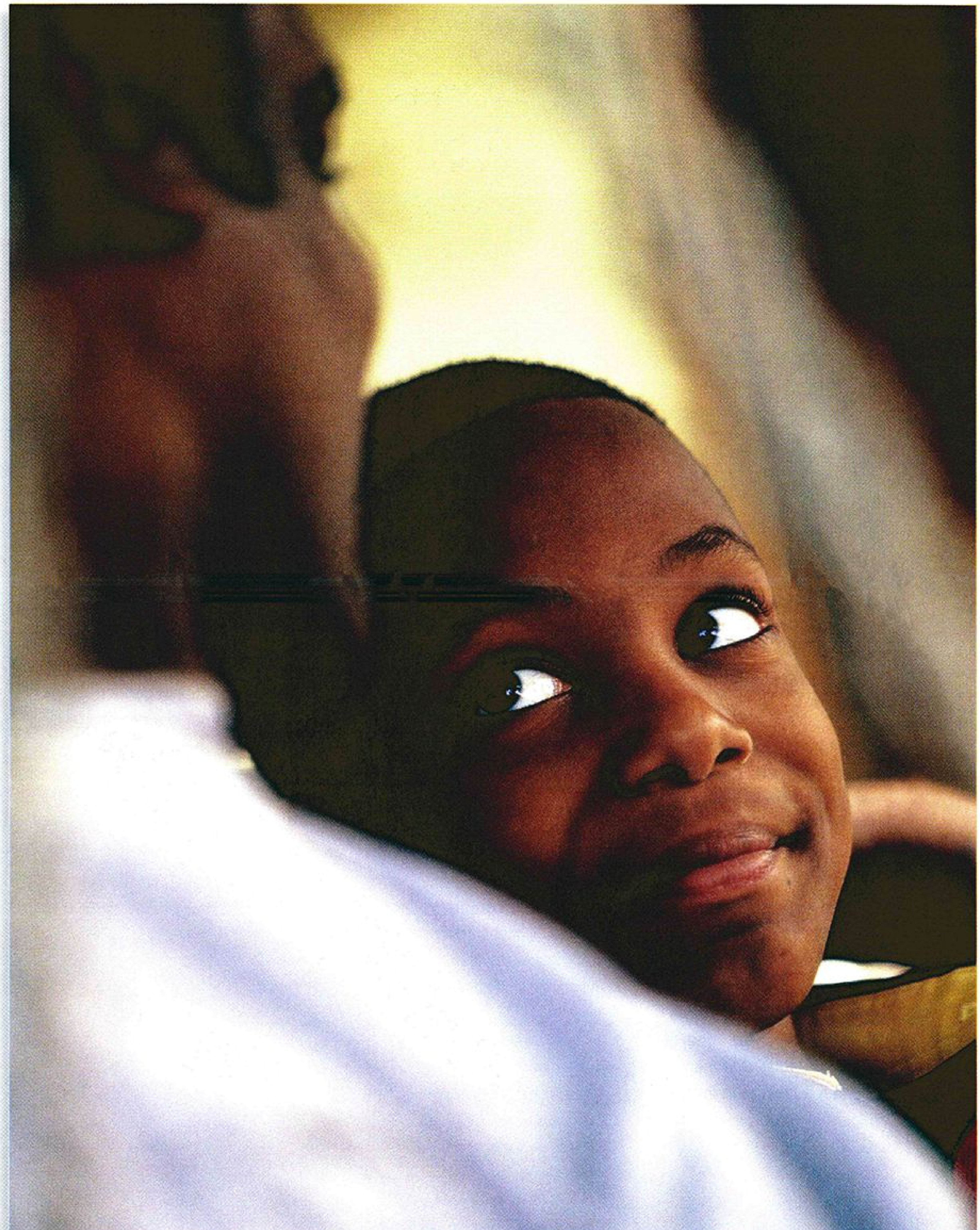

The best things in life aren't things.

Lesson 8

Money Management and Career Clashes

Here's a challenge: If you were used to living on $4,000 a month, could you live on less than a thousand? Sandy and Joe had a combined monthly income of almost $4,000, but it didn't buy them happiness, and their marriage was suffering. They became convinced that going back to school would be a positive move for them. But how could they when they couldn't earn that kind of money if both were in school? Frustrated with the thought of having to give up their dreams, they went for counseling.

"What do you really want?" the counselor asked. "Money or marriage? I challenge you to live for a year on $800 a month and put $200 a month in savings for emergencies."

It seemed impossible—and it would have been if they would have stubbornly held on to their current lifestyle. Instead, they chose to control their money instead of allowing money to control them. They made their marriage and their dreams priorities. While their friends were living in comfortable houses or apartments, they found a single room near the university with an elderly woman who allowed them to use her kitchen, sold their expensive cars and unnecessary possessions, and put the money in savings. They bought an old but reliable car. However, most of the time to save gas money, they rode the bus, biked, or walked. They ate nourishing but inexpensive food, bought their clothes at thrift shops, got grants to pay for their educations, and completed their schooling with a saving's account—all on less than $800 a month. In the process they put their marriage back together.

Couples like Sandy and Joe have proved what counselor Willard Harley calls a law of marriage. "Happy is the couple who tries to live on what they need, not what they want."[1]

By the time most couples marry, few remember the days when their folks existed on bread and beans and hand-me-down furniture. Without a model of sacrificial living, they think they have to begin their marriage on a scale equal to their parents—or their friends! A few generations ago, without cash, this was impossible. Credit cards have changed that. But there's a price to pay. When couples live too high on too little, they find money matters a major contention in their marriage.

Scripture says, "The love of money is a root of all kinds of evil" (1 Timothy 6:10). More specifically, marriages driven by the need for money, rather than love, are doomed to failure. You don't have to be a slave to debt! Raise your standard for meaningful relationships to fit your highest expectations for love, and lower your stan-

Buying a house may not always be the wisest choice

Consider this: When purchasing a home with a $100,000 fixed-rate mortgage for thirty years, you can anticipate paying over $229,000 in interest charges for the duration of the mortgage plus payment of the principle. Unless the resale value of your home is likely to exceed that combined amount and there are substantial tax advantages, couples should seriously consider buying something less expensive or waiting until they can pay more down. If you pay 20 percent down, you can avoid private mortgage insurance.

dard of living to fit your income! Most families can live on less.

How to Live on Less

Scale down your housing wants to actual needs. Housing is the most expensive item in most family budgets. For many families with one child under eighteen, housing is at least a third of the total family expenditures. Most families could exist on one salary if they would scale down their housing. A more expensive house means more time on the job to pay for it, usually at a time when your kids need you the most.

For young marrieds, renting has some advantages: easy mobility, amenities—like a pool, tennis, laundry facilities, etc., no maintenance or repairs, no large down payments, no risk of large financial loss, and low moving-in costs.

When buying you have the advantage of pride of ownership, higher status, better credit rating, stable monthly payments, and income-tax deductions for mortgage interest and taxes. But don't buy unless you're sure you'll be there for at least four years—which is the break-even point. The price of a home shouldn't be more than two or two and a half times your annual income.

Cash or Credit?

Avoid buying expendables if you don't have cash. A credit card is convenient, if you don't purchase anything until you have enough money in the bank to pay for it at the end of the month. Never get into a position where you're paying 18 percent interest on credit-card purchases!

If each partner can control spending, a credit card (not a debit card) is a wise method for making purchases. Here are the benefits of credit-card purchases:

1. There is a monthly accounting of all purchases.
2. Disputes are handled by the credit card company, guaranteeing money back for returned products.
3. If the card is stolen, there is a guarantee that not more than a certain amount can be taken out of the account.
4. Some credit cards offer free air mileage and other benefits with each dollar charged.
5. It builds your credit rating.
6. Depending on when you make the purchase, you may have another three or four weeks to "use" your money before you are charged for it.

None of the above (except 1) applies to a bank debit card, which you use like a credit card, but the amount "charged" is immediately withdrawn from your bank account. The biggest risk in using a debit card is if the card is lost or stolen, your bank account can be wiped out!

Consider buying items that depreciate in value (such as cars) used instead of new. Just driving a new car off the lot means a significant reduction in value. If times are tough, let someone else take that loss!

Shop Smart

Consider weekly or seasonal specials. White sales usually come in January or July, and buying fruits and vegetables in season is less expensive. Ask when the next sale will be—and, if possible, wait.

Use discount coupons only for needed items.

Avoid impulse purchases. When you want something, give yourself three days to think about it, and chances are you'll realize you can do without.

Shop in warehouse stores where items are purchased in bulk.

Evaluate name and generic brands. Often the quality is similar.

Do comparison shopping. Don't be afraid to ask if a merchant will match another store's advertised price.

Do you need insurance?

Consider carefully if life insurance is necessary. Life insurance is to protect dependents. If you don't have any, you probably don't need it! Many couples with children choose term insurance that will cover expenses and debts so the family will not be left destitute should the wage earner die. Once the mortgage is paid off and the children are on their own, however, the need for life insurance again diminishes. There are two exceptions:

1. When life insurance is purchased to insure the payment of an expensive item purchased on credit.
2. When life insurance is purchased as a non-taxable "inheritance" for the family. But that's not something a newly married couple usually needs to worry about!

If a family does not purchase life insurance, but instead adds the amount of the premium to their long-term savings, chances are good that they will come out far ahead. Insurance agents try to convince young couples that if they really loved each other, they would make sure the surviving spouse is cared for in the event of the other's death. But it's rare that a young surviving spouse becomes destitute. Most remarry within a few years or have the skills to earn a livable wage.

Instead of spending $50 per month on life-insurance premiums, a couple who invests that money will have at a 10 percent annual rate of return (stock investments), $630 after one year, $10,000 after ten years, and $870,000 after fifty years. This is far more than a couple would have with an insurance company—and if it's needed before death, it's there!

Health insurance is important. While life insurance is a luxury, health insurance is essential. One never knows when an accident or disease may require prolonged hospitalization and therapy. Childbirth may have complications, or a child could be born with serious problems requiring extended hospitalization. Without insurance these types of family crises can leave a couple hopelessly in debt.

Most colleges offer low-cost medical insurance to students. Upon graduation, most couples seek employment with a firm that has a good benefit package. Many families are joining PPOs (Preferred Provider Organizations), which direct insured members to a list of "preferred" health providers for treatment at discounted rates, or HMOs (Health Maintenance Organizations), where medical care is provided at discounted rates at certain clinics or by approved physicians. On the other hand, many don't like this type of care because they can't always choose the family physician or specialist they want.

Because of the high cost of medical insurance, organizations where Christians pay other Christians' medical bills, such as Christian Care Ministry, have formed. This is not "insurance." Monthly rates are extremely low, and the fees go to meet others' needs. Usually there is a deductible, and medications, dental work, and eyeglasses are not covered. Prevention of disease is stressed in order to keep monthly rates as low as possible.

What's your philosophy of Christian stewardship?

Jere was a spender; Julie, a saver—a volatile marriage combination. If Jere had the money or a credit card and saw something he wanted, he got it! When courting Julie he bought her the very best, and she had seemed happy and grateful for his generosity. He said he tithed—but there never seemed to be enough to give a full 10 percent, and he tended to ignore the offering plate when it came around. After marriage, Julie wanted not only to give tithe, but set an additional 10 percent for donations, and 10 percent for savings. When she insisted they live by a budget, Jere was furious. Money to him meant freedom, power, and prestige, and he felt Julie was stripping him of these rights!

It took a financial counselor to hold this marriage together through three shaky years until Jere and Julie could work out a mutually agreed upon philosophy of stewardship.

Stewardship has to do with the use of a person's resources: time, talents, energy, and money! For a Christian the whole point of earning money is to have sufficient resources to meet your own needs and have a surplus of resources that can be used to bless others. There are only two ways that resources can be increased: (1) more income or (2) less spending!

Couples should decide together what proportion of their income to save, and they should start their marriage with financial goals. Income can be increased by wise investments and by working smart, training for a higher-paying job, or working extra hours. Spending smart means adjusting your lifestyle to fit your budget, having a good investment plan, and taking advantage of tax benefits.

Tithing and offerings: Giving 10 percent of your income back to the Lord and the

Stewardship: the tangible expression of gratitude

"However large, however small the possessions of any individual, let him remember that it is his only in trust. For his strength, skill, time, talents, opportunities, and means, he must render an account to God. This is an individual work; God gives to us, that we may become like Him, generous, noble, beneficent, by giving to others. Those who, forgetful of their divine mission, seek only to save to spend in the indulgence of pride or selfishness, may secure the gains and pleasures of this world; but in God's sight, estimated by their spiritual attainments, they are poor, wretched, miserable, blind, naked.

"When rightly employed, wealth becomes a golden bond of gratitude and affection between man and his fellow men, and a strong tie to bind his affections to his Redeemer. The infinite gift of God's dear Son calls for tangible expressions of gratitude from the recipients of His grace. He who receives the light of Christ's love, is thereby placed under the strongest obligation to shed the blessed light upon other souls in darkness."[2]

giving of offerings are nondebatable obligations for the Christian who wants to obey God's Word.

> "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 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).

Many newlyweds are tempted to skimp in giving offerings, thinking they will give when they don't have so many needs themselves. The problem is, that time never comes! "Needs" accumulate to fit the amount you have to contribute to them!

Giving is a blessing. It's stepping out in faith to be a part of God's plan of prosperity. God says to give, and the result is that God will bless so "you will not have room enough for it." God's plan for prosperity is like an elaborate system of waterworks. If all containers continue the flow, there's plenty of water to feed the system. If, however, one container fails to release what it has, the system clogs. If every Christian willingly gives, there will always be enough to meet the needs of God's work.

Who should manage the money?

Sharing financial responsibilities is a trait found more often among happily married couples, than those who divorce. Also, happily married couples make purchases that suggest long-term planning, like making a down payment for a house, while most of those who later divorce purchase things for immediate pleasure like stereo equipment, living-room furniture, and television sets.

Setting up a marriage is like setting up a business. Whether the president of the company keeps the books or hires someone doesn't really matter, as long as the job gets done. Most couples, after some trial and error, decide that the person who wants to manage the money and is most capable should take primary responsibility for such technical things as paying the routine bills and balancing the checkbook. Purchases should be joint decisions, unless they are regular budgeted items.

In Jason's family his mother always managed the money, so he expected Beth to do the same. The problem was, she wasn't interested, couldn't remember to record the checks she wrote, and forgot to pay bills. Beth was primarily an impulse buyer who took advantage of bargains and buying in quantity—which at times stressed their monthly budget.

Jason, used to living on a strict budget, began complaining about Beth's financial irresponsibility. Opening two bank accounts was the answer for them. Half of Beth's salary went into her discretionary fund, out of which she made most of the household purchases. If she needed more money, they transferred it. If money accumulated in her fund, they put the surplus into savings. By using her debit card whenever possible, Beth had a monthly record of her purchases. Jason then managed the rest of their finances, making sure tithe was paid, savings were set aside, gifts and offerings they agreed on were paid, and financial records were kept for income-tax purposes. It didn't take Jason and Beth long to discover that communicating on a regular basis about money issues was absolutely essential. They both had to be involved in determining their short-term and long-term financial goals, making a plan so their dreams could come true and encouraging each other to stick to the plan.

Money problems in marriage become escalated when money means power! You can't run a business when there's an ongoing struggle about who's in control. And you certainly can't run a marriage that way. When couples begin playing tug of war with their money, it's time to get some professional help. Sometimes, all you need is good financial planning or consumer-credit counseling, which is typically available from credit unions, insurance companies, banks, and many large corporations. Other couples may need to get to the source of their power struggle and see a family counselor. Just don't let the love of money dampen the love you have for each other.

Making a Financial Plan

Too many newlyweds skip the hard work of making a financial plan and merely take the total of their paychecks and start spending. To do so is paving the road to divorce!

A financial plan asks where you would like to be financially in a year, two, or five, and how you can make it happen based on your current income and expenses. It's a spending guide based on your philosophy of stewardship, rather than merely an inflexible budget with specific income and expense items. As circumstances change, the plan is adjusted. A budget is based on your financial plan.

Here are some benefits of having a financial plan:

1. Couples make wiser decisions about spending their income.
2. The influence of keeping up with the Joneses, customs, latest fashions, and being swayed by advertising is minimized.
3. It assists in planning major expendi-

tures several years in the future. It's easier to save when you know what you're saving for!

4. Purchases are made based on values and priorities, rather than on impulse.
5. It helps you analyze previous spending trends and establish ones that will make it possible for you to reach your goal.
6. It helps identify unnecessary expenditures.

Making Budget Allocations

Budget items can be adjusted, but the Christian has an obligation to God that can't be manipulated. That's why it's a good idea to first give 10 percent of your income for tithe and then make your budget based on the amount of income you have left. When you follow this plan, you will not confuse God's money with the money He has given you to spend.

Who should bring home the income?

Except for single parents, one-income families are a dying breed. Between 1940 and 1990, the proportion of breadwinner/full-time homemaker families fell from almost 70 percent to about 20 percent. The percentage of working mothers with young children in North America is similar to other industrialized countries, but the amount of parental leaves and family support isn't always there. The result is that most two-career families experience a tremendous amount of stress, trying to meet job expectations and family needs.

When couples have children, they should ask, "What is the best plan for our marriage and our children?" There is no right answer. Some feel the woman's place is in the home—especially after children. Others believe in a more equal approach to child rearing, suggesting that it is unfair for one to spend significant time away from the children earning a living while the other spends the majority of time with them. Some men enjoy household tasks and child care; some women don't! Some jobs can more easily be home-based than others, allowing one or both parents the flexibility of working at home. And one never knows when one parent may lose a job, forcing the other into the job market.

Some couples plan that the wife will continue working after having a baby, only to find the care of the baby so demanding, or the mother's health so frail, that work is impossible. Other mothers change their minds and decide they want to stay home, after all. Some women who have planned to stay home find they are more satisfied with themselves, their marriages, and their children if they work at least part-time out of the home. And with computers making it possible to work from home, the number of "Mr. Mom's" is increasing.

Will having both parents work harm the children? No, not if parents are happy and the children adequately cared for. If one stays home and wishes he or she could be working, the children will catch the dissatisfaction. If parents are happy working and come home with enough energy to meet their children's needs, children will adjust. The most satisfied working parents have flexible careers that allow them to be with their children when needed, and supportive spouses who share home responsibilities. Children benefit from the lifestyle that extra income makes possible, from being inspired by their parents' careers, and from learning homemaking skills and taking responsibilities around the home.

Career decisions and changes within marriage are inevitable. The more flexible a couple can be to meet personal and family needs, the better. But to do this, a couple must be wise financial managers and pace their careers to meet their family's changing needs. In addition, it helps to have some savings!

Marty was a master high-school teacher, highly involved in extracurricular activities that kept him from his own growing children. One day he suggested to his wife that they put their house up for sale as a fleece before the Lord to determine if he should stay in this demanding career or do something different for a while. Within days the house sold for what they were asking, even though the real estate market was plummeting. They bought a recreational vehicle and for two years lived frugally on their savings and income from odd jobs, as they both spent meaningful time with their children. Traveling and doing things together would have been impossible if Marty had continued teaching. The children are in school now—and Marty is back in the classroom. But the two years when Marty chose to pace his career have resulted in memories money could never buy.

A Plan to Transition From Job to Home[3]

1. At least three months before quitting, adjust to a one-income budget.

2. Set a realistic but definite date to quit. Be fair to your employer. At the same time, don't let your employer lay a guilt trip on you.

3. Build a cash reserve. There will always be unplanned expenses such as a car repair or medical bills. That's why it's important to have six months of operating expenses as a reserve when planning to live on one income.

Job versus Family

Brian Knowles, a reformed workaholic, spells out some frightening trends among career-driven families. A Lou Harris poll reported that in 1973, the average full-time worker put in 40.6 hours a week. Fourteen years later the amount was up to 46.6 hours for laborers, 52 hours for professionals, and 57 for small business owners and corporate executives. Today, as job pressures increase, the hours keep going up.

How has this affected the family? It's estimated by the Family Research Council that parents spend 40 percent less time interacting with their children than they did twenty-five years ago. In the mid-sixties an average parent spent about thirty hours a week with a child, but today it's only seventeen. For too many families, this means there's no time to watch Little League games, provide transportation for school outings, or just take a walk around the block together.[4]

Sylvia Ann Hewlett, Ph.D., economist and president of the National Parenting Association in New York City, states in her book *When the Bough Breaks: The Cost of Neglecting Our Children*, that children are suffering from "an enormous parental time famine"—with 700,000 eight-year-olds in self-care for more than ten hours a week.[5]

But the children aren't the only ones hurt by a money-driven lifestyle. Couples are suffering. There's less time to talk to each other, less time to go places together, and less time for intimacy. Time together is like glue for families; without it they're breaking apart.

The family you establish someday doesn't have to be career driven and money hungry. Instead, you can make money work for you. You can live by the Bible principle, "Seek first his kingdom and his righteousness, and all these things will be given to you as well" (Matthew 6:33).

Anchor Text

"Dear friend, I pray that you may enjoy good health and that all may go well with you, even as your soul is getting along well" (3 John 2).

Bible Search

Money management based on the Bible

Look up the following texts about money management and record what each states.

A. Work:
- (1) Exodus 20:9.
- (2) Proverbs 12:11.
- (3) John 5:17.
- (4) Colossians 3:23, 24.

B. Savings:
- (1) Proverbs 6:6-8.
- (2) Proverbs 21:20.
- (3) Matthew 6:19-21.

C. Gaining prosperity and riches:
- (1) Proverbs 13:7.
- (2) Proverbs 13:11.
- (3) Proverbs 15:16.
- (4) Proverbs 16:8.
- (5) Proverbs 22:1.
- (6) Proverbs 23:5.
- (7) Proverbs 21:5.
- (8) Proverbs 28:22.
- (9) Luke 16:10-12.
- (10) Deuteronomy 8:18.

D. Borrowing and lending:
- (1) Proverbs 22:7.
- (2) Proverbs 22:26.

E. Being content with your financial status:
Philippians 4:12, 13.

Based on what you learned in the above texts, what is your philosophy of money management?

Endnotes

1. Willard F. Harley, *His Needs, Her Needs* (Old Tappan, N.J.: Fleming H. Revell Company, 1986), 123.
2. Ellen G. White, *Counsels on Stewardship* (Hagerstown, Md.: Review and Herald Publishing Association, 1940), 22, 23.
3. "Women Leaving the Workplace," *Focus on the Family*, March 1996, 10-12.
4. Brian Knowles, "Job Versus Family: Striking a Balance," *Adventist Review*, 17 June 1993, 16.
5. Sylvia Ann Hewlett, *When the Bough Breaks: The Cost of Neglecting Our Children* (San Francisco, Calif.: HarperCollins, 1992).

Reaction

Discussion Questions

1. Why is money a major area of conflict for so many couples?

2. What do you think most couples argue about concerning money matters?

3. If a couple wanted to lower their standard of living to fit their income, what would you suggest they do?

4. What is stewardship? When developing a philosophy of stewardship, what should couples consider?

5. In a marriage, who should manage the money?

6. Why is a financial plan important?

7. Should both parents work? Do the ages of their children make a difference in your answer? Why?

8. Many couples are career-driven. How does this affect their families?

Personal Response

1. There is no better time to begin practicing stewardship than right now. Ask, Am I a good steward? What can I do to increase my income and savings and decrease my spending so I can have more resources to meet my personal needs and to help others?

2. Read the following and then answer this question. Under what conditions would you work outside the home while you have young children?

An Example to Consider

Ellen White was a very busy working mother, who wrote books by longhand and traveled extensively via horse and buggy. Because of their heavy travel schedule, she and her husband, James, had to arrange for their first son, Henry, to stay with the Howlands (Mr. Howland was a very loving grandfatherly type) for five years (Arthur L. White, Ellen G. White: *The Early Years, 1827-1862*, 152, 153). They also left their second son, Edson, nine months old at the time, in the care of Clarissa Bonfoey (ibid., 177).

Ellen worried about how her work might affect them and longed to be with them more. In one of her dreams she said, "I can do so little good; why may we not be with our children, and enjoy their society?" A tall angel who stood by her side said, "You have given to the Lord two beautiful flowers, the fragrance of which is as sweet incense before Him, and is more precious in His sight than gold or silver, for it is a heart gift. It draws upon every fiber of the heart as no other sacrifice can. You should not look upon present appearances, but keep the eye single to your duty, single to God's glory, and follow in His opening providences, and the path will brighten before you. Every self-denial, every sacrifice, is faithfully recorded, and will bring its reward" (ibid., 177, 178). This experience strengthened Mrs. White as a working mother, and by faith she continued her work until the end of her life.

Practical Application

1. Who manages the money?

Interview a married couple to find out how they have worked out the money-management issues in their marriage; then write a summary report. If you are not well acquainted with how your parents manage their money, you could interview them.

Sample questions:

A. When you first got married, how did you determine how you were going to manage the money?
B. Did you have any problems implementing your plan?
C. How do you as a couple manage your money now?
D. What did you do when you disagreed on money matters?
E. What advice would you have for a newly married couple about finances?

2. Working Parents

Before deciding to become a two-career family with children, couples should consider what the real costs may be.

Interview a two-career couple with preschool children and write a short report on your findings. The following questions can be used as the basis for the interview and the report of your findings.

A. As a parent of preschool children, why have you both decided to work outside the home?
B. What are the benefits of both being working parents?
C. What is the biggest problem each of you faces as a working parent?
D. From your experience, what advice would you give a couple expecting their first child about working, meeting their own personal needs, and meeting the baby's needs?
E. What kind of child care have you found for your child/children?
F. How does the child care compare to the care that you feel you could give if one of you were home full time?
G. What hidden costs have you discovered since you have been working?
H. Estimate the amount you spend each month on the following items that you wouldn't have to spend if one of you were home with the children.
   (1) Child care
   (2) Transportation costs if an extra car is needed, such as car payment, fuel, maintenance, etc.
   (3) Work-related clothing
   (4) Additional food costs because of greater use of convenience foods and dining out more often
   (5) Home-maintenance expenses
   (6) Miscellaneous expenses, such as dry cleaning, office gifts, extra baby sitting beyond day-care costs, etc.
   (7) Higher taxes because of the increased income