

Session 7

Obtaining Godly Counsel and Wisdom



OBJECTIVE OF THIS SESSION

To learn where and how to obtain godly counsel and wisdom.

KEY BIBLICAL PRINCIPLE

God admonishes us to obtain godly counsel—first from him personally, secondly from his Word, and thirdly from godly financial advisers.

COUNSEL AND WISDOM FROM GOD

When dealing with an important financial decision, it is critical to obtain counsel from God. Why? “To God belong wisdom and power; counsel and understanding are his.” (Job 12:13)

Too often we believe that we have to figure things out on our own, but this is not God’s will. God wants us to seek his counsel on any important decision: “But Jehoshaphat also said to the king of Israel, ‘First seek the counsel of the LORD’ “ (1 Kings 22:5). Isaiah described God as “wonderful in counsel and magnificent in wisdom” (Isaiah 28:29).

God’s wisdom will be invaluable in making any financial decision. “The LORD gave Solomon wisdom, just as he had promised him.” (1 Kings 5:12) Similarly, today God will provide his wisdom if we ask in faith. James 1:5 states: “If any of you lacks wisdom, he should ask God, who gives generously to all without finding fault, and it will be given to him.”

If you want true financial wisdom, the starting point is to have the utmost respect for God—that is “the fear of God.” Proverbs 9:10 states, “The fear of the LORD is the beginning of wisdom, and knowledge of the Holy One is understanding.” If you do not have a personal relationship with God (“knowledge of the holy one”), you will never be able to access true financial wisdom.

If you do have a personal relationship with God (Revelation 3:20), it is critical that you study God’s Word for his financial principles and spend quality time with God in prayer listening to his voice. Jesus said, “My sheep listen to my voice; I know them, and they follow me” (John 10:27).

Many times God will speak to us by providing verses from his Word that clearly indicate his wisdom and his direction in a particular situation. For example, God’s admonition to plan ahead (Luke 14:28–30), the dangers of debt (Proverbs 22:7), and the importance of giving to God’s work (Proverbs 3:9, 10) can all provide specific direction in certain situations.

However, sometimes there are no verses that specifically apply to your financial decision. Then the only option is to spend quality time with God in prayer, seeking his wisdom and direction. God has promised that he will direct us (Psalm 32:8) and provide his wisdom (James 1:5).

A committed Christian who has a close personal relationship with God and who spends

quality time with God on a regular basis can hear God's gentle whisper (1 Kings 19:12) and discern God's will for his or her life.

Whenever I am faced with any important decision, I spend quality time with the Lord, seeking God's wisdom and direction. I use a spiritual journal to document my prayer requests and what I believe the Lord is saying to me. I specifically ask God to speak to my heart and mind and protect me from the enemy and my own selfish desires. I regularly review my journal, and if there is consistency in terms of what God has been saying to me, in faith I accept that as being God's will for my life and act accordingly. When I have listened and implemented God's wisdom and God's specific direction in any financial decision, history has shown that it was the best decision.

In summary, when faced with an important financial decision, first seek the counsel of the Lord through prayer and listen to God's directive. God has promised that he will provide his wisdom and his direction to us when we sincerely seek to do his will.

COUNSEL AND WISDOM FROM GOD'S WORD

Howard Dayton, CEO of Crown Financial Ministries, completed an in-depth study of the Bible and found that God's Word contains 2,350 references to money and material things. Sixteen of the 24 parables that Jesus Christ gave us deal with money and material things. Clearly, the Bible, has tremendous wisdom to assist you in making any financial decision.

The psalmist makes the following comments regarding God's Word: "Your statutes are my delight; they are my counselors" (Psalm 119:24) and "Your word is a lamp to my feet and a light for my path" (Psalm 119:105).

God's Word was considered to be so important that God instructed Joshua, "Do not let this Book of the Law depart from your mouth; meditate on it day and night, so that you may be careful to do everything written in it. Then you will be prosperous and successful" (Joshua 1:8).

In my experience, when people have got into financial difficulty, frequently it was because they have unknowingly violated one or more of God's financial principles. Some examples include the following:

- no savings for an emergency (Proverbs 21:20)
- taking on too much debt (Proverbs 22:7)
- cosigning a loan, for which the Bible uses the term "striking hands in pledge" (Proverbs 17:18; 22:26, 27)
- getting involved in a financial transaction they did not understand (Proverbs 19:2) and that was not biblically diversified (Ecclesiastes 11:1, 2)

Many times the financial stress could have been avoided by simply following the counsel and wisdom from God's Word, the Bible.

God promises great blessings to the believer who meditates on and follows his Word.

Blessed is the man who does not walk in the counsel of the wicked or stand in the way of sinners or sit in the seat of mockers. But his delight is in the law of the LORD, and on his law he meditates day and night. He is like a tree planted by streams of water, which yields its fruit in season and whose leaf does not wither. Whatever he does prospers. (Psalm 1:1–3)

Blessed are they who keep his statutes and seek him with all their heart. (Psalm 119:2)

Solomon was the wisest man who ever lived. God gave him incredible wisdom and knowledge. At the end of his life Solomon concluded, “Now all has been heard; here is the conclusion of the matter: Fear God and keep his commandments, for this is the whole duty of man” (Ecclesiastes 12:13). In the financial arena, the only way you can “keep God’s commandments” is to understand and implement God’s Word on finances.

In summary, when faced with an important financial decision, it is absolutely necessary to seek God’s counsel and wisdom by studying and implementing what his Word says on finances.

If you would like to learn more about what God’s Word says on finances, visit the web site of Crown Financial Ministries (Canadian site: www.crowncanada.ca; U.S. site: crown.org) and obtain some of the excellent materials available through this organization. In addition, you may wish to be on my “Financial Moment” e-mail list by sending an e-mail request to tom@copland-ca.com. A “Financial Moment” is a one-page summary of a biblical principle on finance. These are provided on a ministry basis at no charge.

COUNSEL AND WISDOM FROM GODLY FINANCIAL ADVISERS

God admonishes us to obtain counsel. Proverbs 12:15 states, “The way of a fool is right in his own eyes, But a wise man is he who listens to counsel” (NASB), and Proverbs 15:22 states, “Plans fail for lack of counsel, but with many advisers they succeed.”

Unfortunately, sometimes Christians refuse to seek counsel because of pride. Proverbs 13:10 states, “Pride only breeds quarrels, but wisdom is found in those who take advice. Proverbs 11:2 states, “When pride comes, then comes disgrace, but with humility comes wisdom.”

God indicates that your probability of success is greater with many advisers. Proverbs 24:6 states, “For waging war you need guidance, and for victory many advisers.”

God recommends that we obtain biblical counsel from godly financial advisers.

The man without the Spirit does not accept the things that come from the Spirit of God, for they are foolishness to him, and he cannot understand them, because they are spiritually discerned. The spiritual man makes judgments about all things, but he himself is not subject to any man’s judgment. (1 Corinthians 2:14, 15)

Blessed is the man who does not walk in the counsel of the wicked. (Psalm 1:1)

There are some non-Christian financial advisers who do give good practical advice. However, if you want advice from a biblical perspective, which is God’s will for every Christian, then you can get godly advice only from a godly financial adviser (i.e., a believer). A

non-believer is simply not going to understand the desire in the believer’s heart for giving a significant portion of one’s income to God’s work. The believer has an eternal perspective, wanting to build up “treasures in heaven” rather than “treasures on earth” (Matthew 6:19–21).

In addition, a godly adviser would counsel you to use minimal debt (Proverbs 22:7), while many worldly advisers would encourage the use of substantial debt, based on the belief that “smart people use other people’s money” or “buy now and pay later”—two assertions that are common but unbiblical.

Therefore, before making any major financial decision, seek the advice of two or three godly financial advisers. A godly financial adviser would be a spiritually mature Christian who understands and applies God’s financial principles (Psalm 111:10), has a close personal relationship with God (John 15), has the necessary practical financial knowledge (Proverbs 24:3, 4), and habitually puts the interests of clients first (Philippians 2:3, 4).

Another of your financial counsellors should be your spouse (Genesis 2:24), even if she or he has limited financial knowledge. God, through his Holy Spirit, can give his peace or lack of peace to an objective spouse who is not emotionally excited about or biased against a particular financial decision.

After obtaining the counsel outlined above, it is your responsibility to pray and ask God to give you his wisdom (James 1:5) in weighing the advice you have received. Proverbs 14:15 states, “A simple man believes anything, but a prudent man gives thought to his steps.”

In summary, before making any major financial decision, seek counsel from two or three godly financial advisers and from your spouse. Proceed only after you and your spouse have spent considerable time in prayer and God has given you his peace and his wisdom.

MEMORY VERSES

The way of a fool is right in his own eyes, But a wise man is he who listens to counsel. (Proverbs 12:15 NASB)

Blessed is the man who does not walk in the counsel of the wicked or stand in the way of sinners or sit in the seat of mockers. But his delight is in the law of the LORD, and on his law he meditates day and night. (Psalm 1:1, 2)

CASE STUDIES, RELATED QUESTIONS, AND SUGGESTED ANSWERS

Case Study #1

Gord and Lucy have been married for 10 years. They both work full-time and earn average salaries. They are still renting because they have not saved a reasonable down payment toward the purchase of a house. Lucy has suggested that they obtain some financial counsel from a member in their church. However, Gord feels that they do not need financial advice, just more money.

Gord points out some areas where he “pinches his pennies,” and by doing so he implies that he is a good money manager. However, Gord loves to buy a new car every three years. He also likes to get his wife, Lucy, a new car, for her benefit, of course, every three years. Lucy says she does not need a new car every three years and neither does Gord. Gord argues that it’s best to buy a new car frequently to avoid large repair bills. Both cars are financed, and hence their car loan payments and related car expenses are higher than average.

On the other hand, Lucy really enjoys her trips to the shopping mall. Gord frequently comments that Lucy buys more clothes than necessary. Generally, Lucy uses her credit cards and does not pay them off each month. She knows that most of her friends “run a balance” on their credit cards and therefore she feels this is normal. Gord runs a balance on his credit cards too. When Gord and Lucy discuss finances, they usually end up arguing.

Except for praying for more income, Gord and Lucy have not asked God for wisdom and direction regarding their financial problems. They do not have a budget, and they both rely on gut feel in making financial decisions.

Questions

1. Gord and Lucy have not obtained biblical financial counsel. Do you think they need to? Why?

◆ **Yes, because Gord and Lucy have been violating several biblical financial principles, which has resulted in their financial problems.**

2. Do you think that Gord and Lucy are open to receiving biblical counsel? Please explain your answer.

◆ **It would appear that Lucy is open to receiving some biblical counsel (she has suggested it), but unfortunately, at present, Gord is not.**

3. Gord believes that the solution to their financial problems is to increase their income. What do you think? (Hint: see Luke 16:10.)

- ◆ From a biblical perspective, Gord and Lucy have been mismanaging their present level of income, and therefore, if they get more income, they will likely mismanage that as well (Luke 16:10). As a practical matter, with a higher level of income, their borrowing capacity will increase, and they will probably get further into debt.

4. What do you think Gord's real issue is with respect to obtaining counsel?

- ◆ Gord has a spiritual issue in that either he is too proud to listen to godly counsel (Proverbs 16:18) or he is simply unwilling to accept God's provision for him, in terms of lifestyle, particularly with respect to automobiles. This demonstrates a lack of contentment (Hebrews 13:5).

5. What biblical principles are Gord and Lucy violating? Please list them below.

- ◆ Gord and Lucy have not sought counsel from the Lord (1 Kings 22:5) or God's Word (Psalm 119:24) or a godly financial adviser (Proverbs 12:15).
- ◆ They are not content with God's provision (1 Timothy 6:6).

- ◆ They are spending all of their income, and as a result they are not saving for future needs (Proverbs 21:20 TLB).
- ◆ Gord likely has an issue with pride (Proverbs 13:10).
- ◆ It is likely that they are not giving to God's work regularly (Proverbs 3:9, 10).
- ◆ Gord's and Lucy's focus or "heart" is on material things (1 Timothy 6:10), not on God (Colossians 3:1, 2).
- ◆ They have not developed and implemented a budget (Luke 14:28–30) to ensure that they are spending less than their income and they have a surplus to pay down debt and save for future needs (Proverbs 21:5).

6. Gord maintains that purchasing a new car every three years is a good financial decision because he avoids any major repairs. What do you think?

- ◆ I disagree. Gord is incurring high depreciation costs by purchasing a new automobile every three years. Statistically, automobile costs are minimized if an individual either buys a new car and keeps it until it is worn-out (i.e., 7 to 14 years) or buys a good used automobile and allows someone else to incur the high depreciation costs. Yes, repair costs will be higher with the used car but generally a lot less than the high depreciation costs in the first three years. Gord is very likely justifying his frequent purchase of new automobiles because he simply likes to drive a new car.

7. Gord and Lucy both feel that it is normal and therefore appropriate to run a balance on their credit cards because everyone is doing it. What do you think?

- ◆ Running a balance on your credit cards is very costly (interest rates of 18 to 28 percent), financially unwise, and unbiblical (Romans 13:8, Romans 12:2).

8. On average, at any one time Gord and Lucy owe about \$20,000 on their credit cards. If they continue with this bad habit for the rest of their lives, how much interest will they pay over 50 years on just their credit cards? Assume the average credit card rate is 25 percent per annum.

- ◆ The interest over 50 years is as follows: \$20,000 times 25 percent equals \$5,000 per year times 50 years equals \$250,000. This represents a significant portion of their retirement fund that is going to the credit card companies. What a waste of money.

9. Suppose that Gord and Lucy became open to receiving counsel and that you were their financial adviser, what advice would you give them? Provide a reference to scripture to support your advice.

- ◆ Learn God's financial principles (Psalm 119:2). A good starting point would be to participate in a small group biblical financial study.
- ◆ Meditate on God's Word regularly (Joshua 1:8), in order to change the way they think about money and material things (Romans 12:1, 2).
- ◆ Develop and implement a budget (Luke 14:28–30).
- ◆ Learn to be content with God's provision (Philippians 4:11–13).
- ◆ In prayer, ask God for his wisdom (James 1:5) and implement it (James 1:22).
- ◆ Regularly, seek counsel from a godly financial adviser (Psalm 1:1–3).
- ◆ Give the firstfruits to God's work (Proverbs 3:9, 10).
- ◆ Make debt reduction a priority (Proverbs 22:7).
- ◆ Reduce their lifestyle as they have been living beyond their means (Luke 9:23).
- ◆ Avoid financial temptations to spend money (1 Corinthians 10:13). For example, Lucy needs to avoid the shopping mall and Gord needs to look at new automobiles about once every 10 years (i.e., after they are worn out) or, better, purchase a used one. If practical, operate with one automobile only.
- ◆ Perform "plastic surgery" by cutting them up credit cards (Romans 13:8).



10. Discuss the relevance and application of the following verses with regard to Gord and Lucy's situation. Write your comments below each verse.

The way of a fool is right in his own eyes, But a wise man is he who listens to counsel. Proverbs 12:15 NASB)

- ◆ Gord is a fool, at present, because he is not open to counsel. Lucy is foolish as she follows the crowd with respect to running a balance on her credit cards. She's doing what the world does. Both need to seek and follow godly counsel.

"Pride only breeds quarrels, but wisdom is found in those who take advice." (Proverbs 13:10)

- ◆ Gord's pride, which prevents him from receiving godly counsel, has resulted in financial difficulties and arguments with his wife. Both need to obtain and implement biblically based financial counsel.

If any of you lacks wisdom, he should ask God, who gives generously to all without finding fault, and it will be given to him. (James 1:5)

- ◆ In prayer, both Gord and Lucy need to ask God for his wisdom and his direction and then implement it (James 1:22).

Whoever can be trusted with very little can also be trusted with much, and whoever is dishonest with very little will also be dishonest with much. (Luke 16:10)

- ◆ Because Gord and Lucy have not been faithful stewards with their present level of income, they will not be faithful to God with more income. As a practical matter, they would manage a larger amount of income with the same worldly mindset and likely end up with more debt because their borrowing capacity would increase. In short, more income will not solve their problems.

But godliness with contentment is great gain. For we brought nothing into the world, and we can take nothing out of it. But if we have food and clothing, we will be content with that. (1 Timothy 6:6–8)

- ◆ In general, Gord and Lucy need to learn to be content with a lesser lifestyle. For example, Gord needs to be prepared to drive a used car, and Lucy needs to reduce her expenditures at the shopping mall.

To God belong wisdom and power; counsel and understanding are his. (Job 12:13)

- ◆ Gord and Lucy both need to seek the counsel of the Lord regularly, particularly before they make any important financial decision. Unequivocally, God is our number one source of counsel and wisdom.

Your statutes are my delight; they are my counselors. (Psalm 119:24)

- ◆ Gord and Lucy both need to delight in (i.e., focus on) God's financial principles in

his Word. In order to do this, they would be wise to study it every day and meditate (Psalm 1:1–3) on specific verses that apply to their circumstances, such as learning contentment (Philippians 4:11–13), avoiding debt (Proverbs 22:7), developing and implementing a budget (Luke 14:28–30), being willing to sacrifice (Luke 9:23), and giving God the firstfruits (Proverbs 3:9, 10), etc.

Case Study #2

John and Susan have been married for five years. They have developed and implemented a budget to ensure that they are spending less than they are earning. John and Susan have saved a reasonable down payment for a home, and the bank has approved their financing. They feel some pressure to purchase a home because the prices have increased substantially over the past five years. Nevertheless, they really wanted to be sure that it is God's will for them to purchase a house before they make the commitment.

As a result, over the next two months, John and Susan spent considerable time in prayer and studied God's financial principles. They noticed that God's Word encourages the seeking of biblical counsel. Therefore, they decided to meet with an individual from their church who regularly leads a financial Bible study. The counsellor commented that they have managed their money well to date, and he gave them several articles that explain God's wisdom in the area of investing.

John and Susan were amazed that there is so much wisdom in God's Word in the area of investing. As they studied the articles and related scriptures, they came to realize that only God knows the future, and therefore only God knows the direction of the real estate prices. Even though all of the "experts" were telling them that real estate would only increase in price, John and Susan decided to prayerfully seek God's specific direction for their life. After spending considerable time with the Lord in prayer, listening to God's voice, and seeking God's peace on the matter, John and Susan concluded that they sensed that God was telling them not to buy a home at present.

Of interest, over the next three years, the fair market value of real estate in their area decreased by about 25 percent. Also, after three years, God did give John and Susan his peace to go ahead with the purchase of a home. They can see God's tremendous blessings from obtaining his specific counsel. First, they paid approximately \$50,000 less for their home; second, their down payment was about \$25,000 greater (because of their monthly savings over the past three years), and therefore, the mortgage that they assumed was an incredible \$75,000 less than what it would have been three years earlier. They praise God regularly for his wisdom and his specific direction in their life.

John and Susan also see another blessing from God in that if they continue to apply their monthly surplus against the mortgage, they will be debt free within eight years. What an awesome God!

Questions

1. What are the three sources of biblical counsel that John and Susan obtained?

- ◆ The first and most important source of counsel was God himself (Isaiah 28:29). John and Susan spent considerable time in prayer over a period of three months asking God to direct them according to his will (Psalm 32:8).
- ◆ Second, John and Susan studied what God's Word says on the topic of investing, which relates to the important decision that they were about to make (Psalm 119:24, 105).
- ◆ Third, they obtained counsel from a godly financial adviser (Proverbs 15:22 and 1 Corinthians 2:14, 15).

2. What do you think is different about John and Susan's approach to this important financial decision compared to what many other Christians would do? Support your answer with a reference to scripture.

- ◆ They were willing to obey God regardless of their own desires (Acts 5:29).
- ◆ John and Susan were willing to wait upon the Lord for his timing (Psalm 37:7).
- ◆ In faith, they trusted God's counsel not to purchase a house when they wanted to (Proverbs 3:5, 6 and Acts 27:25).
- ◆ They spend quality time in prayer, asking God for his wisdom (James 1:5) and listening to God's voice (John 10:27) for his specific plan for their lives (Jeremiah 29:11–13).

3. John and Susan spent considerable time in prayer listening for God's voice (John 10:27) and asking the Lord to give them either his peace or lack of peace with regard to buying a home. Did God bless this approach?

- ◆ Absolutely yes, God did bless them.

Is this approach common?

- ◆ **No, this is very rare even for Christians.**

Is this approach biblical? Explain.

- ◆ **Absolutely yes! God has a specific plan for each of his children (Jeremiah 29:11–13) and God has promised to individually direct us (Psalm 32:8). However, God wants to bless us according to his will, not our will (Psalm 40:8) because his will is better for us. It is a demonstration of his unconditional love for us.**

4. In Psalm 32:8 God says to his children, “I will instruct you and teach you in the way you should go; I will counsel you and watch over you.” In general, in what ways does God instruct and counsel us? Please provide a reference to scripture for each point.

- ◆ **In response to prayer, God can provide a peace or lack of peace regarding a contemplated course of action (John 14:26, 27).**
- ◆ **God can, and often will, instruct us and counsel us through his Word (Psalm 119:105). The Holy Spirit can counsel you by highlighting specific passages that address your situation (John 14:15–17 and 26).**
- ◆ **During our quiet times, sometimes God will speak to our hearts and minds via a “gentle whisper” (1 Kings 19:12, John 10:3, 4).**
- ◆ **God can instruct us through godly counsel (Proverbs 15:22).**
- ◆ **Jesus has promised that “my sheep hear My voice, and I know them, and they follow Me” (John 10:27 NASB).**
- ◆ **God can open and close doors according to his will (Psalm 103:19).**

5. Do you think that circumstances are important? Where do they fit in terms of priority in making an important financial decision?

- ◆ **Circumstances can be important, but we need to consider the circumstances in conjunction with the following:**
 - All decisions must be within God's financial principles as outlined in the Bible (Proverbs 30:5, 6).
 - I believe that asking God in prayer for his specific direction (Psalm 119:35) and waiting upon the Lord for his instruction (Psalm 37:7) are even more important than circumstances.
 - God did use circumstances, through the fleece (Judges 6:36–40), to specifically direct Gideon. However, this arose as a result of Gideon's personal relationship with God. God had already spoken to Gideon specifically on what he should do, and the fleece was used simply as a confirmation, not as an original means of direction.
 - Above all, our relationship with Christ is paramount. Jesus used the analogy of a shepherd and his sheep to explain that through a close personal relationship with God, we can hear his voice and follow his leading. "The watchman opens the gate for him, and the sheep listen to his voice. He calls his own sheep by name and leads them out. When he has brought out all his own, he goes on ahead of them, and his sheep follow him because they know his voice." (John 10:3, 4)

6. Real estate experts advised Susan and John to purchase their home as soon as possible because they were confident that real estate would always increase in price. What is the essence of God's warning in Proverbs 27:1: "Do not boast about tomorrow, for you do not know what a day may bring forth."

- ◆ **No human being knows the future. Hence, before making any important financial**

decision, every Christian really needs to spend quality time with the Lord, asking God to provide his specific direction. More often than not, as believers, we make decisions on our own without consulting God, and we frequently suffer the consequences or inadvertently choose second best.

7. Proverbs 27:1 and James 4:13–15 both indicate that humans do not know the future. Knowing the future and being in control of what happens in this life would be a tremendous asset in making most financial decisions. Does anyone know the future? Is anyone in control of what is going on in our society? Who is it? (Hint: see Isaiah 46:9–11; 1 Chronicles 29:11, 12; and Psalm 103:19.)

- ◆ **Only God knows the future (2 Kings 7:1–19 and Isaiah 46:10) and only God is in control (Psalm 103:19). Also, remember that in Genesis 41, God revealed the future seven years of prosperity and seven years of famine to Pharaoh in a dream, and then God purposely provided the interpretation for the dream to Joseph. In short, God knew the future then and he knows it today.**

8. What implications does the answer to this question have for your life, particularly with respect to making important financial decisions?

- ◆ **I must look to God for his wisdom and his direction (James 1:5) in making financial decisions and not rely on my own knowledge and understanding or anyone else's (Proverbs 3:5, 6).**

9. In summary, if you really want God's best financial decision, what do you need to do?

- ◆ I must always spend quality time in prayer with the Lord (Psalm 5:3), listening for his voice (John 10:27), reading his Word (2 Timothy 3:16), seeking godly counsel as he directs (Proverbs 12:15), and waiting upon God (Psalm 37:7) for his specific direction (Psalm 32:8) for my life. Once God provides his specific instructions to me, I must obey them (Deuteronomy 28:1–12) and trust God for the results (Proverbs 3:5, 6).

10. Discuss the relevance and application of the following verses with regard to John and Susan's situation. Write your comments below each verse.

But Jehoshaphat also said to the king of Israel, "First seek the counsel of the LORD." (1 Kings 22:5).

- ◆ John and Susan sought God's counsel, and God blessed them accordingly.

Your word is a lamp to my feet and a light for my path. (Psalm 119:105).

- ◆ John and Susan studied God's Word before purchasing a home. God's Word provided "a light" with respect to God's financial principles, which the worldly experts had not provided.

My sheep listen to my voice; I know them, and they follow me. (John 10:27)

- ◆ In prayer, John and Susan listened to God's voice and followed God's directive and were blessed accordingly.

Now listen, you who say, "Today or tomorrow we will go to this or that city, spend a year there, carry on business and make money." Why, you do not even know what will happen tomorrow. What is your life? You are a mist that appears for a little while and then vanishes. Instead, you ought to say, "If it is the Lord's will, we will live and do this or that." (James 4:13–15)

- ◆ John and Susan learned from God's Word and acknowledged that no human being knows the future. As a result, they decided not to rely on the advice of the worldly real estate experts who believed that real estate would never go down in price. Instead, John and Susan decided to seek God's wisdom and God's direction with respect to the important financial decision of purchasing a home.

Elisha said, "Hear the word of the LORD. This is what the LORD says: About this time tomorrow, a seah of flour will sell for a shekel and two seahs of barley for a shekel at the gate of Samaria." ... The Lord had caused the Arameans to hear the sound of chariots and horses and a great army, so that they said to one another, "Look, the king of Israel has hired the Hittite and Egyptian kings to attack us!" So they got up and fled in the dusk and abandoned their tents and their horses and donkeys [and their food]. ... So a seah of flour sold for a shekel, and two seahs of barley sold for a shekel, as the LORD had said. (2 Kings 7:1, 6, 7, 16)

- ◆ John and Susan learned from God's Word that only God knows the future, and therefore they can and should depend only on God for his specific instruction as to what they should do at any particular time. As a result, they were blessed by waiting to purchase a home.

Everything in the heavens and earth is yours, O Lord, and this is your kingdom. We adore you as being in control of everything. Riches and honor come from you alone, and you are the Ruler of all mankind; your hand controls power and might, and it is at your discretion that men are made great and given strength. (1 Chronicles 29:11, 12 TLB)

- ◆ John and Susan believed that God is in control and that God can provide them with a home at the right time.

The LORD has established His throne in the heavens; And His sovereignty rules over all." (Psalm 103:19 NASB)

- ◆ **The biblical truth is that God is in control over everything that goes on in this earth. God may allow things to happen that we don't understand; nevertheless, he is in control. Because John and Susan understood this, they put God first and trusted God to meet their needs at the right time (Matthew 6:31–33).**

Case Study #3

Laura is a single woman who earns an average income. Unfortunately her parents died a couple of years ago. She inherited a considerable amount of money from her parent's estate, which enabled her to purchase a home with no debt. Not too long after that, Sam, a member of her church, approached Laura, recommending that she buy some mutual funds. She responded with a "no," explaining to Sam that she did not have any money, as all of the inheritance was invested in her home.

Sam confidently explained that he was a professional investment adviser and that she should borrow against the equity in her home and purchase mutual funds from his company. Sam said that this was a great strategy as the interest would be tax deductible and she would get the equity in her home working for her. Sam advised that she would not need to invest any of her personal cash, but rather she could borrow all of the money from the bank, which would register a charge on her home as collateral for the loan.

Laura wasn't sure what to do. However, she remembered from a financial Bible study that God's Word recommends that Christians obtain biblical counsel from more than one source. As a result, she met with an investment adviser, named Tim, who had a reputation of understanding God's Word on finances. Tim strongly advised Laura *not* to follow Sam's strategy. Tim showed Laura several scriptures that indicate that God discourages borrowing. He also demonstrated, based upon several scriptures as well as historical results, that no human being knows the future value of any particular investment. With debt, if the investment does well, additional returns can be made; however, if the investment decreases significantly in value, the results can be disastrous.

Further, Tim pointed out that in Deuteronomy 28 God promised the people of Israel that if they fully obeyed him, God would bless them so much that they be would lenders and not borrowers. In other words, God can bless Laura's investments without the use of debt. As a result, Tim recommended that Laura develop a budget to determine how much she could afford to invest each month. Tim explained that her monthly surplus should be invested in a portfolio that is biblically diversified, and if she faithfully invested a fixed amount over a long period of time, she would very likely accumulate a good retirement fund with minimal investment risk.

Questions

1. In the first part of this session, I defined a godly financial adviser as follows:
 - a. is a spiritually mature Christian

- b. understands and applies God's financial principles (Psalm 111:10)
- c. has a close personal relationship with God (John 15)
- d. has the necessary practical financial knowledge (Proverbs 24:3, 4)
- e. habitually puts the interests of clients first (Philippians 2:3, 4)

Review the five components of this definition and identify which criteria were met by Sam and which were met by Tim.

- ◆ It is likely that Tim meets all five characteristics of the godly financial adviser. Sam, on the other hand, has provided advice that is not consistent with God's Word. Therefore one would conclude that Sam is probably not a spiritually mature Christian as he does not understand some basic biblical financial principles related to investing. Sam likely does not have a close relationship with God and it would appear that he is putting his own personal interests ahead of Laura's interests. He may have some practical financial knowledge, but unfortunately Sam is providing worldly advice that is predominantly to his benefit.

2. Judging whether a financial adviser meets the requirements of a godly financial adviser may be difficult. How could you evaluate the financial adviser?

- ◆ Ask her or him to explain preferred approach/strategies, with real-life examples, to financial planning and investing (Proverbs 24:3, 4).
- ◆ Obtain information on the track record of the adviser's recommendations over the past several years. Ask for names and phone numbers of current clients and check those references. If practical, try to check a reference the adviser did not provide.
- ◆ Ask whether the adviser recommends the use of debt (Proverbs 22:7).
- ◆ Inquire about the person's knowledge of God's financial principles. Ask specific questions, such as, What does the Bible say regarding ... (a specific financial topic you are familiar with)? In a sense, test the adviser's biblical knowledge.

- ◆ **Confirm, from an independent source(s), the representations made above.**
- ◆ **Talk to several clients for references.**
- ◆ **At all times, throughout the process, pray and ask God to direct you.**

3. In the long run, who do you think would likely do better on their investments, Sam's clients or Tim's clients?

- ◆ **Tim's clients would likely do better in the long run, with much less volatility than Sam's clients. Tim's clients would have the significant benefit of "dollar cost averaging" of entering the equity markets. Sam's clients will have (probably unknowingly), assumed greater risk than Tim's clients because of the use of debt.**

4. Who do you think would earn the most commissions initially, with regard to the two strategies proposed by Sam and Tim?

- ◆ **Sam would initially earn a lot more commissions than Tim from the lump-sum investment that he wanted Laura to make by borrowing money from the bank.**

What does this likely reflect with regard to (a) Sam's character, and (b) Tim's character?

- ◆ **Sam is selfish and possibly even greedy (Luke 12:15). Tim is taking a biblical perspective on investing and putting the interests of his clients first (Philippians 2:3, 4). In the long run, Tim and his clients will very likely do better than Sam and his clients because of Tim's biblical approach to financial planning and investing.**
- ◆ **Of interest, over the past 30 years, I have seen at least 100 situations where people have borrowed money in order to increase their investment returns. Often, either the results were disastrous or the volatility of the portfolio was so great that the individuals lost a lot of sleep. Generally, people who invested a fixed amount of their own money each month over a long period of time ended up much better off financially**

than those who used debt with the objective of increasing returns. This is no surprise as it is consistent with God's Word.

- ◆ In short, God's Word discourages debt (Deuteronomy 28:1, 2, 12, 15, 43, 44, and Proverbs 22:7) and encourages saving a little at a time over a long period of time—like the monthly contributions that Tim was suggesting (Proverbs 13:11).

5. Discuss the relevance and application of the following verses with regard to Laura's situation. Write your comments below each verse.

Plans fail for lack of counsel, but with many advisers they succeed. (Proverbs 15:22)

- ◆ Laura's retirement planning will likely succeed because she obtained counsel from more than one source; more importantly she obtained biblical counsel (Psalm 1:1–3).

Do not boast about tomorrow, for you do not know what a day may bring forth. (Proverbs 27:1)

- ◆ Sam assumed that he knew the future value of the markets, and therefore he was recommending that Laura use debt in order to get the equity in her home working for her. God advises against this approach to investing. On the other hand, Tim explained to Laura the risks of investing (presumably in equities) and therefore recommended that she not use debt. Tim understood the biblical principle that no human being knows the future of any market and therefore Laura would be wise to simply invest her own money, not borrowed money.

Disonest money dwindles away, but he who gathers money little by little makes it grow (Proverbs 13:11, emphasis added).

- ◆ With Tim's counsel, Laura was following this biblical principle by investing a little at a time over a long period of time.

Case Study #4

David and Joyce are married. Recently a friend recommended a tax shelter investment that had saved him about \$10,000 in income tax. David reviewed the proposal and thought it was a good idea. The tax shelter investment was unusual and involved some complicated tax laws that David was not familiar with. The promoters had received an opinion from a tax lawyer, but when David read the opinion, he did not understand it. Nevertheless, because his friend had received such a large income tax refund the previous year, David was excited about this investment. David hated paying income tax and wanted to be smarter than most in managing his money.

David happened to mention it to Joyce over dinner. Joyce reviewed the proposal and admitted that she could not understand it. However, after praying about it, Joyce told David that she did not have peace about investing in this tax shelter. She did not feel comfortable with it and suggested that David not get involved. David discounted his wife's advice, on the basis that she did not understand it. As a result, David invested in the tax shelter investment.

Questions

1. Do you think that David was wise in discounting his wife's comment that, after praying about it, she did not have peace about him investing in this tax shelter? Please explain your answer and support it with scripture.

- ◆ **No, David was unwise in discounting his wife's comment, because Joyce prayed and ask for God's counsel (1 Kings 22:5) while David did not. The only counsel that David received was from the promoters (who were clearly prejudiced in wanting to sell the investment) and his friend. Second, scripture indicates that a husband and wife are to be "one flesh" (Genesis 2:24), and therefore I believe that they should be unified before making an important financial decision.**

2. Did David have sufficient knowledge to judge the tax risks of this tax shelter investment?

- ◆ By his own admission, David did not understand the opinion prepared by the tax lawyer. From a biblical perspective, David had “zeal without knowledge” (Proverbs 19:2), and therefore, as the proverb predicts, he will likely “be hasty and miss the way” (i.e., miss God’s specific direction for him).

3. Do you think that it is possible that God, through his Holy Spirit, was directing Joyce but not David?

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- ◆ In light of the fact that Joyce prayed and asked God for his counsel (1 Kings 22:5) and direction (Psalm 32:8), while David did not, it is probable that God was directing Joyce and not David. God, through his Holy Spirit, can give his peace or lack of peace (John 14:27) to an objective spouse who is not emotionally excited about an investment.

4. What three things should David have done before he put his money into this tax shelter investment?

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- ◆ First, seek the counsel and wisdom of the Lord (Job 12:13) and ask God to direct him according to his will (Psalm 25:4, 5).
 - ◆ Second, obtain counsel from God’s Word; that is, determine what God’s Word says about investing (see Session 9 on investing), including investing in something you do not understand (Proverbs 19:2, Proverbs 28:19, 20).
 - ◆ Third, obtain counsel from a godly financial adviser who understands the investment and the income tax risks associated with it. Obtain counsel from his wife, as God can, through the Holy Spirit, speak to an objective spouse (via peace or lack of peace regarding a proposed decision—John 14:27), even if the spouse does not understand it.

5. Discuss the relevance and application of the following verses with regard to David and Joyce’s situation. Write your comments below each verse.

It is not good to have zeal without knowledge, nor to be hasty and miss the way. (Proverbs 19:2)

- ◆ David had zeal, or excitement, regarding the potential income tax savings without the necessary knowledge, and therefore there is a high risk that he would make a mistake and miss God's will for his life.
- ◆ In my 30 years of providing specialized income tax advice, when an individual gets involved in something he or she does not understand, in the majority of the cases, the investment goes sour; and where the investment is tax motivated, often the government disallows the tax savings and requires repayment of the income taxes plus interest and penalties.

For this reason a man will leave his father and mother and be united to his wife, and they will become one flesh. (Genesis 2:24)

- ◆ In most cases, God wants husband and wife to be in agreement with regard to any important financial decision. As a practical matter, if they are in agreement and the financial decision goes sour, then their relationship should remain intact.

A simple man believes anything, but a prudent man gives thought to his steps. (Proverbs 14:15)

- ◆ David was simple-minded in that he believed the representations made by the promoters and his friend regarding the tax savings from the investment. Scripture instructs us to carefully think through the short- and long-term implications of any important financial decision. David did not do this.

The way of a fool seems right to him, but a wise man listens to advice. (Proverbs 12:15)

- ◆ David was a fool in that he made a decision, probably based upon what he wanted to believe, and he did not listen to the advice of his wife or obtain counsel from the Lord or a godly financial adviser.

SUMMARY

In the past 30 years, I have seen 400 to 500 cases where significant financial problems could have been avoided if the individual or couple had obtained godly counsel as outlined above.

Before you make any important financial decision, you must seek financial counsel, first from God himself, secondly from God's Word, and thirdly from godly financial advisers and your spouse.

When seeking God's specific direction on a particular decision, there is no substitute for spending significant time with the Lord in prayer, studying his Word, and listening to his voice. Your relationship with Christ is paramount.

My sheep listen to my voice; I know them, and they follow me. (John 10:27)

The watchman opens the gate for him, and the sheep listen to his voice. He calls his own sheep by name and leads them out. When he has brought out all his own, he goes on ahead of them, and his sheep follow him because they know his voice. (John 10:3, 4)

PRAYER

Review the prayer logs at the back of this book, and pray for each other. Also list any new prayer requests and answers to prayer, and feel free to share them at the next meeting.

DEVELOPING A BUDGET

Continue recording your personal expenditures and developing your budget each week.