

Non-Negotiable Strategies Of Successful Money Management

Personal Money Controls!

1) Do all you can to stay married. Divorce and/or separation may be regarded as the greatest ‘crippler’, if not the greatest ‘killer’ for future financial success, **but** from a common sense, and a biblical sense, working towards problem solving and restitution is less costly than the divorce you’re headed towards - **GUARANTEED!**

Consider these figures:

The results are from the information gleaned from lawyers across Canada who voluntarily sent in their responses to the survey. Across Canada the respondents reported the following ranges for fees:

- Uncontested Divorce \$540 to \$1,610
- Contested divorce \$2,600 to \$18,900
- Separation Agreement \$540 to \$2,470
- Child Custody and Support \$1,490 to \$13,990

Hand out article: “The High Cost Of Divorce” by Harold and Bette Gollogly (see Appendix)

To succeed in financial management, it is absolutely essential that husbands and wives need to be on the same page. Therefore, there is no private, exclusive income or spending. On the other hand, however, couples possess a joint account which is **EQUALLY ACCESSIBLE** to both partners with equal **RESPONSIBLE ACCOUNTABILITY**. Although some may think this suggestion is presumptuous because it robs many from individuality. their argument is unfounded. During the marriage covenant couples wilfully pledge to become one flesh; this oneness extends to all areas of life including the **FINANCES OF THE MARRIAGE**. In light of this, all purchases of significant costs should be **DISCUSSED** and **AGREED UPON** by both parties of the marriage. If both partners cannot agree on a purchase it should be deferred down until further consideration of the need, the value, and the benefit has been done. Implicit in this strategy is the belief that the final decision on spending money is directly related to the couple in question; there may be counsel from a pastor, friends, and/or family members, but, despite these, the final decision must remain with the couple. Once the decision has been made either to spend or not to spend, all other opinions on the table should be dropped. Further implicit in this strategy is the belief that a strong trust relationship exists between the couple in question. When couples learn to work as a **TEAM**, competition of personal gain is

minimized, and in exchange for this, there is established a culture of blended joint benefits.

When a couple enjoys financial team management, they enjoy a check and balance on proposed purchases which may be a protectorate against unsuspected waste.

In 1992 I was convinced that I needed to purchase a used AB Dick 9810 printing press advertised for the sum of nine thousand dollars. Martha and I discussed the issue, and, much to my surprise she said “no” to the purchase because the machine was used.

At first I was very upset with her decision, but because we were at team, I accepted her objection and forgot about the purchase.

About five weeks later I received a call that the Langley School District had a brand new AB Dick 9810 that had only two hours operating time on it for sale for eleven thousand dollars.

Martha, upon hearing of the availability of this machine, immediately agreed to the purchase. Within a week the machine was in our shop, and we used it for six years before trading it off on a newer press.

2. Maintain continuous employment at the same firm as long as possible, and refrain from taking days off except FOR ESSENTIAL REASONS!

Stability of work is the principle foundation for stability of financial management for it provides a surety to the household that an established, regular, source of income is guaranteed. Furthermore, it also provides continuous, stable resources by which **BUDGETED** and **EXPECTED** liabilities can and will be paid! Every time there is a shift in employment, uncertainty and distress related to financial survival always increases! Retain your job, affirm stability, and immediately stewardship of resources towards sustainability is increased.

A friend of mine has had over twenty-five different jobs in a period of less than twenty years. In parusing his problems because of shifting employment, one discovers he has no on hand financial resources, he has lost his credit rating, he has lost his home, he has lost two vehicles, he has lost most of his furniture, and he faces continuous friction in his marriage.

Years ago, had he followed wise, godly counsel, he would have avoided his present crisis. But, he would not, because he had dreams he wanted to fulfill which could only be realized if he got what he called, ‘better and more fulfilling employment!’

3. Attribute financial management success to following a BUDGET

As I talk to individuals in my travel, while conducting seminars, I’m shocked beyond belief as to how many never talk about budgeting. There are a

number of reasons why this is left out of the equation, but regardless of the excuse proffered, most couples report that they are having problems managing their financial affairs.

It is vital that before one establishes a budget they understand what it represent because the wrong purpose for a budget will cripple financial success.

A budget is not:

- a documentation of who is bringing in what amount of money
- a record of income and expenses
- a straight jacket placed on financial income or expenses
- a path to reach certain dreams or goals

A budget is: an accepted guide for financial management, based upon income from all sources, and all projected expected expenses over a period of time.

As one develops the budget, he sets out his guaranteed sources of income, and his essential expenditures (gift to charity, housing, food, clothing, transportation). From the remaining surplus of available resources set out secondary expenditures (sports, entertainment, eating out) keeping in mind that a portion should be set aside for savings.

Prudently adhering to a budget will guarantee that one is not swept away by impulse; if the money is not in the budget, the expenditure cannot be made! On the positive side, if surplus in anyone of the budgeted areas is found, it can be added to another area, or it could be more profitably set aside for savings for some future pleasure.

Budgeting provides a foundation for a life-style free of fear, anxiety, frustrations, and dreaded loss of possessions because one may have carelessly overspent that which didn't come in!

Visual monitoring of one's budget is essential if it is going to have positive results of financial management. Each month, therefore, it is strongly recommended that the family accurately chart income/expenses, and then compare the information to previous monthly budgets. This visual charting will become a valuable aid in establishing if planned goals are on target!

If, upon examination, it is discovered that the budget is not being maintained because of credit card or Interact expenditures, the family might choose to implement a 'cash only pay' policy which stipulates that all expenditures, except mortgage payments and insurances are paid in cash. Once established, jars with budgeted cash allotments are set aside; when the jar is empty there is no more spending in that budeted area allowed. (This, of course, will demand integrity, restraint, and accountability one member to the other!)

** A suggested budget format is provided in the Appendix

4. Develop a system of TRACKING your income and expenses!

There are a number of computer accounting programs, such as Quicken, Mind Your Own Business, Quickbooks, Simply Accounting, etc. to help you do this. But, before you start, you must understand the need of in asking for a receipt everytime you make a purchase, and then documenting it.

To track your income use entry names such as “work income”, “children’s tax credit”, “special gifts”, “education income”, etc. To track your expenditures, use names such as “automobile expense”, “home: heating/hydro” “automobile fuel purchase”, “grocery purchase”, “meals”.

Record Keeping cannot be taken lightly. It must be regarded as being as equal in importance as budgeting is if one is to be financially secure. Regardless of on what or how much you spend resources, document it so that you’re money doesn’t only tell you ‘goodbye’, it also will tell you where it has gone! **Ignore this, and you’ve ignored being a MONEY MASTER!**

Financial fitness counsellor Pauline Laforet adds:

“Families must learn to track expenses monthly; in so doing they will quickly learn where their money is going. If they document it continuously over the year, they will as they budget, they will realize a dramatic increase in stability as related to their finances. It’s the small expenses that cripple the budget; knowing where your money has gone can help reverse unnecessary expenditures. Documenting and reviewing one’s spending helps people stay focused on spending their money on what is vital, essential and valuable. People know what their dreams; however, they often never attain them because they spend their money frivolously on the ‘wants’ and that’s what gets them in trouble!”

(Ellen Van Wageningen, The Province, “Keep Tabs On Your Spending”. [Monday, December 21, 2009] p. A27)

To help you get started, a sample chart is provided below, and a complete chart for copying is provided in the Appendix. I have used this for the past twenty-five years, and it has proven to be of immense help for me; I know that it will be of great benefit if you use it systematically and continuously!

DATE	DESCRIPTION	EXPENSE		INCOME		BALANCE	

After the income and expense entries are made on the chart, major invoices are placed in labelled 9 X 12 folders while **ALL MINOR CASH PURCHASE** receipts are placed in a #10 envelope marked JANUARY 20___, FEBRUARY 20___, MARCH 20___ and so on throughout the year so that, if they are needed, they can be easily found.

5. Run your personal finances like a business! Businesses cannot spend money indiscriminately; they must justify their income and every expenditure they make. Therefore, regardless what resources you possess, before you part with them, demonstrate that you value them by spending **ONCE** and **ONLY WHEN you can** justify purchasing an item out of genuine need!

So many people are getting caught up with the glitter, the glamour and the glory of the moment, and they are purchasing items as if tomorrow will never come. The greatest craze today is the 49 - 64 inch flat plasma televisions that sell for between \$900 to 1400 dollars. And they do nothing more than show a picture that is seen on my 27 inch regular TV that cost me \$247. You're right, they have a bigger TV, but they've also wasted an additional \$700 - \$1200. Buy once, but buy demonstrates wisdom in managing resources for the future!

Furthermore, whenever you purchase anything - regardless what the cost is - attach a copy of the receipt to the **INSTRUCTION BOOKLET** so you can find it readily if you should need to return the item. Accurate storage of receipts demonstrates prudent stewardship, and will make the exchange or return it easier should either be necessary!

You can't afford to purchase the same item TWICE so do it PRUDENTLY by checking prices, checking quality, and checking, or validating, THE REAL NEED of the purchase!

6. Do COMPARATIVE PRICING before you buy ANYTHING.

You can do this from the comfort of your home using your computer or your telephone. You'd be **SHOCKED** to discover how much you can save if you **SIMPLY CHECKED the prices in other businesses nearby.**

Just recently I damaged the trunk of our 1998 Sunfire. Due to my carelessness, I now need a new trunk lid. At Ralph's Used Auto and Truck Parts the price is two hundred and fifty dollars. Across the fence at A-Central, the same lid, was priced at one hundred fifty dollars. Because I took the time to do price checking, I was able to save one hundred dollars which I really wouldn't feel good about **THROWING AWAY** if I purchased the first option that came my way.

On a recent trip from Hope I blew a tire on my Sunfire while it was in tow. Upon arriving home I decided that I should purchase two front tires. I priced the tires at two hundred eighty dollars. Feeling rather uncomf

able with the price, I drove a couple blocks away to a nearby auto wrecker. Within minutes of checking the tire rack I found two tires with ninety percent thread left on sale for twenty dollars each. After purchasing them, I drove the car to a nearby shop I deal with, and had the tires put on the car, balanced and rotated for another twenty dollars. My total cost was fifty dollars as compared to the two hundred eighty dollars I could have spent had I purchased the tires at my first stop!

Every penny I place in someone else's pocket **would feel just as comfortable in mine** if I were to give it the opportunity by **PROSPECTING IT** by comparative price checking before **PURCHASING!**

7. Before purchasing anything, CHECK YOUR PRESENT SUPPLY to see if you ALREADY have the item on hand.

Watch people shop in Costco, Wal-Mart or other stores, and they're buying new clothes, new pictures, new this and that. The amount they're spending could well be kept in their hand if they checked at home and qualified the need before they purchased the item.

While talking to a humanitarian aid worker from Nairobi in February of 2009 I was impressed by the statement, "You know, sir, Canadians already possess so much, yet they have no qualms about buying and buying until the house is filled with items that are never used. If people from Nairobi could see what is happening here," he continued, "they would blush with embarrassment for you people. They have nothing, and yet they never worry about getting more!"

Some years ago I was at the Army & Navy Department Store in New Westminster waiting for a friend to join me for coffee. In that he was late, I decided to stroll through the store observing shoppers making their purchases. As I was about to leave the main floor, I noticed a lady carrying five or six pull overs.

Being set back with what I saw, I said, "Ma'am, looks like you've got a large family with all the sweaters you're purchasing."

"No," she responded, "they're on sale; I'm buying them for myself."

In response to this I said, "You know, I think I could help you save all the money you're about to spend if you'd let me!"

Shocked by what I was saying, she asked "How, sir, do you plan to do that?"

Well," I responded, "if we went to your home and checked the closets and the drawers, I'm sure we'd find a number of sweaters that are in good condition, that fit you well, and that are still in style."

Without saying a word, she turned around, placed them on the shelf behind us and started walking out. As she headed towards the door she

turned to me and said, “Saving money really isn’t that hard; thanks for the advice!”

8. Keep homes, offices, garages, etc. tidy.

Demonstrate a caring pride in everything you possess. After all, you’ve spent your hard earned cash and you’ve made a purposed decision to buy them. In light of this, then, doesn’t it seem proper to keep them clean, keep them functional, and to be stored neatly so you can find them when needed.

Purchasing a tool for the second time is **WASTEFUL** especially if it’s because you can’t find the one you already purchased, but didn’t replace it where it would have readily been found. Have a tool kit, label the drawers appropriately (screw drivers, wrenches, sockets, etc.), and then replace the tools in the appropriate place once the project you have been working on is completed. And don’t forget to wipe them clean with solvent. Oiling certain tools once in a while will also add life span to them.

To make return of belongings plausible, imprint your phone number on them. I cannot guarantee that you will always have them returned, but should an honest, caring individual find them, it is more probable you’ll get them back if the phone number is on them, than if it isn’t.

9. Purchase products that offer a LIFE TIME WARRANTY

Sure, they cost a little more at first, but consider the savings if you purchased a tool without the warranty and then later, because it became damaged you had to purchase the same tool again at the full price.

Make sure, however, when purchasing tools with the LIFE TIME WARRANTY OFFER that the warranty coverage extends into Canada.

Some years ago I purchased a set of T-handle Allen wrenches for my business. Within a month the tip of the 7/8 wrench broke off. I phoned my supplier for a replacement saying that I had a warranty with the product. In fact I had no warranty as the manufacturer had no Canadian office.

10. Take advantage of all “FREEBIES” BEING OFFERED!

Companies continuously are offering sample productions as advertising. Regardless whether it is food, clothing, tools, etc., if a business is offering something **FREE** take it! And in taking it, don’t be afraid that you’re a **LEACH**; the business thinks you should have it, and, now, so do you! You never know when that item offered will be of value to you, or the **SOLUTION** to the problem and save you **MONEY!**

Some years ago, “Uncle Bill” at Hillcrest Plumbing & Heating, was offering special plumber’s wrench free to customers that visited his business before nine o’clock on a certain Saturday. Liking tools, and

believing that it might have value to me somewhere along the way, I visited his shop and obtained one. For approximately five years the wrench lay unused in my tool box and Donna often said that it was taking up room. That was until our sink had to be replaced; the nuts at the base of the sink were rusted and could not be removed with regular tools. Taking the 'FREEBEE' Bill had provided me years earlier, I had no difficulty disassembling the sink.

When the Olympics were coming to Vancouver, Donna and I didn't have even the remotest thought of attending them because of both the cost, and because of the unlikelihood of getting a ticket. Things changed, however, when we purchased our new HHR in February of 2009. With the purchase General Motors threw in two tickets for the Olympic Short Speed Skating on February 17th, 2010. As I'm writing this, Donna and I have just arrived home from that event in which Canada won silver. Yes, we actually attended the Vancouver 2010 Olympics, and we did this with **FREE TICKETS!**

11. Purchase QUALITY, SECOND HAND ITEMS whenever possible.

Garage sales, thrift stores, the 'Sally Ann', Bibles For Missions, Value Village are excellent resources for bargains if one is willing and able to **HUMBLE HIMSELF** to shop there.

Just because you're shopping at a 'thrift store' does not mean you're buying 'junk'. Listen to people who shop at these stores talk, and you will be astounded with the jubilant stories they relate whether it be because of the savings or because of a unique product they found. Rarely, in the last twenty years of shopping at second hand stores, have I heard people complain about the items they've purchased. Try it once, and I'm sure you'll become addicted to the craze!

All my suits came from thrift stores and cost me less than twelve dollars. If you shop wisely and cautiously you can look like a millionaire for less than a dollar.

One day, in September 2008, a lady of Harvest Church greeted me as I walked into Bible For Missions, Maple Ridge saying, "Pastor, we've got the perfect suit for you." I responded, "I've already got enough suits." My friend wasn't impressed with what I was saying, so she added, "But you'll look great in it, why not try it on?" The rest of the story is simple, I purchased a brand new suit for less than twelve dollars and it still fits me great three years later!

A friend of ours has discovered a gold mine of wealth by purchasing jewelry at second hand stores. Often, totally, unawares, individuals give or sell, at very low prices, quality jewelry to thrift store. As a jeweller he is able to visually assess the quality of jewelry. When he

finds it he purchases it, and then sells it at a higher price!

A NOTE OF CAUTION - Whereas I highly recommend purchasing items from second hand stores, pawn shops, and garage sales, I add this caution: never purchase second hand electrical tools or used computers **unless the merchant** is willing to provide you with no less than a thirty day money back guarantee on the merchandise!

12. When making a MAJOR PURCHASE or PLANNING AN INVESTMENT seek out wise, godly, and knowledgeable COUNSEL from trustworthy sources.

I have mentioned this earlier, but I regard it as such an imperative, that I'll mention it again. Advice, even though it is not openly welcomed by many, can become the hedge of protection against undesired wasteful spending. Without it, many will readily succumb to the vultures of profit because they are seduced by half-truths. Scripture concurs with seeking out advice; in Proverbs 11:14 we read, *"Where there is no counsel, the people fall: but in the multitude of counsellors, there is safety."*

Some would say that Christians can't be trusted. In response to this, wise counsel is not received only from Christians; there are others of integrity that can be 'invited into the conversation of money management'. Further more, should you decide to receive counsel from a fellow believer, "hold him accountable for the advice he/she offers." Believers, like others, are called to limit their area of competency; if they go beyond it, they need to be called to task! If an advisor states he has specialized training, ask for authentication of the claim!

If you're unsure with whom to deal, ask a Pastor, or phone an registered association (CGA, Medical, ICBC CAR etc.) for a recommendation of one of a member, who has demonstrated **COMPENTENCY** in his field, and deal with him. The aforementioned person may have the advice and aid you are looking for; once obtained, follow it as the the route by which you can **save money!**

In August of 2009 I desperately needed my rear brakes replaced on my Pontiac Sunfire. At four shops I visited, the price was ninety-five to one hundred ten dollars for labour, plus seventy-five dollars for the materials. I wasn't prepared to pay the requested three hundred dollars, and so I decided to seek out advice where I might get the work done more reasonably. Travelling by Dan The Man's Autobody, where I have my autobody work done, I asked my friend could, Dan, if he could recommend a shop where I might get them replaced cheaper. Without hesitating, he recommended a shop two blocks away from his where the brakes were put in for forty-five dollars labour, plus forty dollars for parts. Had I not sought his counsel, I

would have paid three hundred dollars instead of eighty-five dollars and, unfortunately **WASTED** two hundred and ten dollars plus taxes!

13. Before purchasing, INQUIRE OF YOUR FRIENDS whether or not they have an ITEM that you need or that you're looking for.

People are always on the move; some are moving to a new location, some are down sizing, and some are doing 'estate sales' because of a death in the family. Because of this, there is a high probability that people close to you will be discarding items they no longer need, but will meet yours. If this should happen, ask your friends if you could take items of value they're discarding! They won't be offended, and you will be enriched by saving resources you presently desperately need!

If, perhaps, they might ask for payment for items requested, you can be assured that the charge will be demonstratively lower than that which you would pay in a regular store purchase!

In 1998 my wife, Martha died. Within the year I married Donna. Because she already possessed all the amenities we needed, I had items of which I wanted to be freed. Through the Union Gospel Mission, (Vancouver), I heard about a young couple who were planning to get married. About a month before the wedding I phoned Murray and offered him all my furniture, except the dining room table, and cabinet free. When he came to pick up the desired items, he expressed interest in the dining room table and cabinet. Because of the quality, and because of the sentimental attachment to it, I sold it to him for half the assessed value. Both he and I were delighted with the exchange made.

Some years ago I was in need of an electric Gestetner for printing the gospel tracts I was writing. I didn't have the resources with which to purchase a new one, so, upon the wise counsel of a pastor friend, I placed an add in The Pentecostal Fellowship News. Within a week I was in Grand Forks picking up a brand new electric Gestetner and all the supplies that came with it.

At Harvest Fellowship, we needed a gasoline mower so we could maintain the front lawn. In May 2007 we didn't have extra cash to buy an old one, never mind a new one. In the April 2007 church newsletter I mentioned our need. Miraculously, through the kindness of concerned friends, we were given two reliable mowers.

Individuals often never obtain what they need, unless they pay the 'big bucks for the items', simply because they've never learned to ask.

Scripture reminds us that sometimes we have not because we ask not, while at other times we have not because we ask for the wrong, self-

centred reasons. Rearrange your thoughts by asking, and God, through others, will supply your all your needs!

14. Know your WEAK AREA OF PURCHASING ENTICEMENT and then stay away from stores.

Ninety-five percent of marketing is contingent on **IMPULSE BUYING**. The issue for the marketer is not to get you into the store - you'll come on your own! All he desires of you is the satisfaction that you will find immediate fulfillment to your need or dream regardless of the price you'll pay!

Most shoppers give into accommodating the market despite the fact that they know their weakness, but do not control it because they **ARE ADDICTED** to purchasing certain products.

Watch the shoppers; some have no inhibitions about purchasing purses; some find no difficulty in purchasing CD's or DVD's. They don't necessarily need them or have partiality towards the music or the movies; they have a subconscious, and uncontrolled bent to needing them and so they buy them! Ask them why they've spent money on these items, and they often cannot provide a reasonable explanation!

Admit your weakness - everyone has one - and then avoid going near stores which may drug you into buying items that have no purposed value. By **restricting** your travels you will safeguard yourself against wasting wealth on purchases because of the lust of the eyes and the pride of life. Martha and I had three complete sets of dishes, along with numerous mugs in our home. From what people saw, we possibly had more than we needed! However, during our travels we purchased 'trophy desig mugs' from the cities, towns and villages we visited. Within five years of being married we possessed a total of six hundred ninety-two mugs which attractively decorated our kitchen, and acted as conversation pieces! We didn't use any of the mugs, but we sure enjoyed collecting them because we **WERE HOOKED** to fill a projected fantasy - having something exclusive to talk about!

After Martha's death I calculated that we had spent well over seven thousand dollars on mugs that we didn't need and didn't use. Had we set boundaries on the purchases, we could have used the money to a better end; supporting a missionary effort that would have brought eternal benefits to others!

15. Purchase adequate insurance(s) for your possessions!

I'm saddened every time we hear reports of families who lose their possessions through an unexpected fire, flood, or other 'untimely' disaster. But, what saddens me more than this is that many of these families have no home or contents insurance, (when living in an apartment), by which they will be able to rebuild, or repurchase the items they've lost.

Godly and wise stewardship necessitates one purchasing adequate insurance so that **personal finances will not be spent a second time on items stolen, lost or destroyed through accidents.**

Often individuals starting out, or on 'fixed incomes' state that they can't afford insurance because of other added expenses. Previously I mentioned that there are two types of needs - essential needs, and secondary commendable needs. The five, primary, essential needs mentioned were: a gift to God, shelter, food, clothing, and transportation. The, three, secondary commendable needs were home insurance, medical insurance, and provisions for entertainment and social interaction. Anything beyond the essential and commendable needs, I suggested, **should be considered as a luxury!**

Anyone resisting to purchase adequate insurance, because they are 'pressed' to accommodate other pleasures, is a 'fool' in his own right. Simply put, it can be concluded that he/she does not understand the importance of protecting one self from being positioned to later spend extended resources to replace items lost, simply because they wouldn't spend a minimal amount for purchasing insurance!