



Biblical Financial Management Principles

Managing Resources and Technology

In Godzone country, where the grass grows, sheep eat the grass and we grow rich, questions abound for most of us. How do I manage the money God has given me? How do I increase it? How do I spend it? What about debts? savings? insurance? partnerships?

Real estate and our industries are morphing into something far more complex than in the past. And there are many financial structures that the middle class access, that are not discussed in the scriptures – retirement, share markets, bonds, insurance, risk management, mortgages... It is important to know the Biblical principles, but then we need to be very careful to interpret them into the new environment of the technological nation in which we live.

Meanwhile other leaders in business are under constant need of supportive governmental frameworks that enable them to be competitive in the global market. For if they misstep they perish as the balance their *creativity* in development of new products with the needs of *production* at a level that continues to bring in a reasonable profit for those who have invested in their company and can sustain the consistent needs of their workforce in a godly manner. If such economic leaders fail to *manage* and keep pace with the global realities, we all lose. The evolution of a model of a mixed economy largely

following capitalist principles is essential in the midst of these diverse pressures.

Our Principle 8, *financial management is the wise allocation of the monetary resources that God has dispensed to us for the maximum extension of the Kingdom of God.* This includes avoiding debt, not charging usurious interest rates, not entering partnerships with unbelievers, and a host of financial management skills. We will expand the underlying Biblical themes, and comment on some ways these impinge the structuring of a debt-based economy. Financial management programs abound for families, so we will not venture into these. MBA's at business level are a highly refined art that builds from the Biblical principles that underlie our Western culture, though rarely referencing them.

Biblical Principles of Financial Management for Families

From Genesis, we can build some foundations for a theology of management. First, God is the *Giver* of all things because he is the *Creator* of all things,¹ and therefore He is the *Owner* of all things.² Despite our sin, He has freely given us salvation through his own Son and through Him also he has provided us with all our needs.³

He has delegated to humanity the rights and responsibilities of having dominion over the earth and all living creatures. People are *managers* on behalf of God, accountable to God and required to rule as God would have him rule. They own nothing but have everything on trust. They are God's stewards on earth.

From the Wisdom literature we also learn the need for wisdom in handling money matters – accountants like the phrase *prudence*. Solomon, the wisest and richest King in Israel likely collated the book of Proverbs so that men and women might know wisdom. Many of these proverbs relate to management. Wisdom is the ability to understand the situation, anticipate consequences and therefore, make sound decisions. It is a rare combination of discretion, maturity, keenness of intellect, broad experience, extensive learning, profound thought and compassionate understanding. But true wisdom begins with the fear of the Lord. And the right kind of fear is that which springs out of a true love for the Lord. It is standing in awe of him.

The allocation of resources requires planning in order to control their use and misuse as well as to give attention to the different needs according to priorities. All plans should be committed to the Lord.⁴ For this reason we're told to *develop your business first, before building your home.*⁵

These proverbs continue through the New Testament. Jesus also used parables. What then are some qualities of a steward (or manager) as mentioned in Jesus and the Epistles? They are faithful and wise, honest,

trustworthy⁶ and employ God's given blessings for others' welfare and good and not only for their own.⁷

In practice, first take out your tithe.

While reading some patristic documents recently I was startled to discover that the Church Fathers are univocal in their insistence that the bulk of the revenue collected by a local church belonged by right to the poor. There was no expectation among them that a large percentage of what was collected by a local congregation would be used for its own maintenance and ministry. In fact, to do so would have been viewed by them as a misappropriation of funds.⁸

The amount left needs to be allocated according to priorities as an effective steward. It is here that many problems arise. Often, because we have given to God first, we think God will bless us and then we spend our money on anything we feel we need and desire. An effective steward is one who plans on how best they can benefit from what they have now.

We do not work for their own luxury and selfish enjoyment. We need enough money to (1) care for family and relatives.⁹ (2) To pay taxes and other payments imposed by the government.¹⁰

In our training in the third world we then work with people to keep a daily record of spending. One accountant friend who hosted me in Auckland, when asked what was the most important step in managing finances, replied, *keeping a daily record of expenses*. Based on that they prepare *a weekly or monthly budget*. In time this leads to a recording of monthly *income and expenses* and the development of a *balance sheet*. There are Christian budgeting services in New Zealand that can assist with these issues.

Partnerships

We are not to be mismatched to unbelievers in marriage.¹¹ Most Christian businessmen understand that this applies to business also. In a partnership, all partners take responsibility for management decisions. If your partner is not a Christian, you cannot be sure of their honesty, and certainly they will not be seeking as their primary objective to extend the Kingdom of God, through their business dealings. This does not mean we do not work under or employ non-Christians or relate to them. The issue here is one of responsibility for decisions.

Similarly, full time pastors not to get entangled in civilian pursuits,¹² since we are involved in the work of ministry. Entanglement in business contracts can be deadly for those called to ministry, but also for those within business circles.

Management of Savings

It is the later wisdom literature at the time of an urban society that expands on the nature of work and with it the pattern of building savings. Life is lived in cycles. There is a time to save and a time to spend.¹³ We all save, even if we only save our salary for a few days. We are to follow the example of the ant;¹⁴ during a time of abundance, we should put aside money for the lean years. *The wise person saves for the future, but the foolish spends whatever he gets.*¹⁵

The principle behind savings is consistency. You have to stick at it. After a while it becomes second nature. Some people teach give 10% to the Lord's work, save 10% and budget the rest for the present needs.

Life Stages

As incomes increase, consumption tends to increase proportionally. We have to keep a shrewd eye on how to live simply, and maximize savings, and giving at every stage of life.

The first difficulty is debt funding of tertiary education. A degree is now regarded as essential for survival in the knowledge society, and New Zealand has rapidly been extending its tertiary education options. A generation ago, while studying Engineering at Canterbury University, and working every vacation day in sheep shearing, fruit picking, delivering sacks of coal, internships in electronics companies, plus a small bursary, I could complete my degree without debt. Despite government support keeping fees for New Zealanders at lower levels than most other countries, and if a student is working 10 hours per week at minimum wage, this is now nearly impossible. At minimum, youth end up with \$5000 per year of debt. It is critical to immediately pay down that debt, once one is earning.

With the increased income from a degree, the next hurdle is the cost of a wedding, traditionally funded by parents, but often this is not fully an option. If you know you will get married, you should be saving for it. In New Zealand, once you can buy a house to live in, your money will generally continue to increase, so the collective wisdom of the generations has been to save for this first. Set aside also a certain percentage for emergencies such as sickness, unexpected guests, or deaths.

Paying off your first mortgage month by month is a great expense. Thus you are engaged in the systems of finance of the country. And there is not a lot of room to wriggle. With good management, and God's blessing, the systems should enable you to survive well within the cultural *milieu*. Once paying off a mortgage instead of paying rent, you are likely saving.

Most families can then increase income and wealth through time. It is preferable to own your own business, if you can succeed than to be an

employee. Despite the abuses of global capitalism, in the mixed New Zealand economy, these are all good things –provided we have done some research into ethical investing in companies that do not undermine our belief system.

In our society, retirement savings are essential. Within the guidelines of the above principles there are many options for savings of funds in banks, stocks, bonds, real estate, currency within the modern economy.

If older, likely your employer has asked you to monthly pay into some insurance scheme and some retirement scheme. You are having to manage stocks and bonds, with little knowledge of who is benefiting from your money. A wise person looks ahead and plans for kids' university and retirement in culturally acceptable ways, for they see hard times and plan for them.¹⁶ But greed is despised:¹⁷ we don't need to save a great nest egg for some unknown future calamity.

There is a great deal of teaching available as to how one can engage in these markets. There are funds which meet criteria for ethical investment, though one has to be careful as even the most immoral companies seem to find a way to proclaim they are involved in ethical investing. I was looking at one ethical investment portfolio on the stock market the other day, and noticed Pepsi was listed. It certainly provides drinks in the slums where the water is no good. On the other hand, those drinks can dissolve a nail, so they say - I have not done the experiment -so is marketing a faulty product to the world's poor globally make it an ethical company? It would be outside the brief of this paper to engage in an analysis of these, applying the principles above.

The godly man thus provides for his retirement, for his widow and leaves an inheritance for his children.¹⁸ Churches need to provide systems of support in financial decisions like these, and in budgeting processes. The modern state needs to provide stable infrastructure to sustain employment, accessible house prices that enable home ownership for all, and education that does not end up with a generation in deep debt.

¹ Gen 1:1, Jn 1:1-3.

² Gen 14:22, Psa 24:1-2.

³ Rom 8:32, Phil 4:19

⁴ Prov 3:5, 16:3, 19:21, 24:3.

⁵ Prov 24:27.

⁶ Luke 12:42, Luke 16:1-9, 1 Cor 4:1,2.

⁷ I Pet 4:10.

⁸ Ray Mayhew, 2016.

⁹ I Tim 5:8; 2 Cor 12:14; Mark7:9-13.

¹⁰ Matt 17:26; 22:21; Rom 13:6.

¹¹ II Cor 6:14.

¹² II Timothy 2:2-6.

¹³ Ecc 3:1-9.

¹⁴ Prov 6:8.

¹⁵ Prov 21:20.

¹⁶ Prov 27:23-27; 14:16.

¹⁷ Prov 15:27; 28:25.

¹⁸ Prov 13:22.