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## Haggai 1:5-7 “Financial Pitfalls to Avoid”

Intro. Have you ever felt like the people the Lord was addressing here in Haggai? You work hard, but you have little to show for it. You seem to lack even the necessities of life? And what you earn seems to slip away from you like coins put in a bag with holes. Well, the Lord says, “Consider your ways.” They were having financial problems because they were putting their own interest ahead of the Lord. They were building their own houses, but neglecting the house of the Lord. We are going to consider today other reasons why people have financial problems.

This morning I want to share a message entitled, “Financial Pitfalls to Avoid.” Two weeks ago I shared a message about the fact that we are to be good stewards of all that God has entrusted to us. Now in order to be good stewards, we need to avoid the financial pitfalls that will drain away your financial resources. A pitfall is a hole in the ground that is hidden from view. Thus, it refers to an unapparent source of trouble or danger; a hidden hazard. Many people are out to get the money God has entrusted to you. Some will drain away your savings, or your regular income will sink into a trap, and you will never get it back. People who are after your money conceal these traps. They do not put warning signs over them. And if the government requires disclosure, it is in the very fine print.

One thing you don’t want is to have financial problems. There are enough problems in life we have to deal with. Most of the time, when we have financial problems, we blame it on too little income, and we blame the problem on others. The fact is, in most cases, we get into trouble because we don’t avoid the financial pitfalls I will talk about today.

Let’s examine if you are in financial trouble. Do you argue over financial issues with other family members at least once/month? Do you bounce checks more than once/year? Are you behind on paying your bills? Have you maxed out your credit limits? Are you having to use credit even for basic living expenses? Have you borrowed money to make a debt payment? Do you routinely make the minimum payments on credit cards? Do you have creditors calling your home? If you answered yes to more than one of these questions, you are either in financial trouble, or you are on your way.

So this morning I want to warn you about some of the financial pitfalls that are out there. I want you to gain wisdom concerning these pitfalls, so you may avoid them, and be a good steward for the Lord, and for your family.

Now the first financial pitfall that we need to watch out for is:

### I. DEBT

Romans 13:8 says, “Owe no one anything except to love one another.” However, I am not one who believes it is a sin to borrow, as long as you pay your debts on time and in full. The present tense of the verb “owe” suggests that Paul is saying, “Leave no debt unpaid, except the debt of love.” Love is a debt that we never pay in full. What *is* a sin is to borrow, and not repay. Psa. 37:21 says, “The wicked borrows and does not repay.” That is why you should never borrow without a clear & realistic plan for repayment. And if you do not pay your debts, it will not only hurt your credit score, but a bad credit score can affect your ability to get a job!

While going into debt is not a sin in itself, it can be unwise for a number of reasons. Proverbs 22:7 warns, “The borrower is servant to the lender.” Once you take on that debt, you have to work to pay off that debt. You have just made yourself a servant of that lender. If you buy a new car with one of those 6-year loans, you have just committed yourself to 6 years of servitude. Yet 1 Cor. 7:23 says, “You were bought at a price; do not become slaves of men.” Furthermore, when you borrow, you precommit your future income. Yet Proverbs 27:1 says, “Do not boast about tomorrow, for you do not know what a day may bring forth.” Will you always have a job? Will you always be able to work? This also means you will have less flexibility, and more constraints. Finally, getting into debt can also put stress on your marriage. That’s because financial problems are magnified with debt.

Debt can also damage your relationship with God. You see, God promises to provide, but only if you follow His plan. If you get over your head in debt, don’t blame God if you have to suffer the consequences. Once you learn your lesson, He often will intervene by His mercy & grace. But too often people become bitter toward God because He doesn’t immediately bail them out of their financial problems. That’s wrong. Another spiritual problem with debt is that too often, it becomes a substitute for faith. Instead of trusting God to provide, we are able with decent credit and look to the lender to provide.

It is especially unwise to take on debt that involves high interest. I’m talking about credit card interest of 18% interest or higher. I’m talking about payday loans of 36%. It is extremely difficult to get out from under high interest loans. For example, if you make the minimum payment on an 18% loan, it will take you some 32 years to pay off the loan!

One form of indebtedness that we are warned about in the Bible is co-signing for a debt. Proverbs 17:18 says, “A man devoid of understanding shakes hands in a pledge, and becomes surety for his friend.”<sup>1</sup> Of course, you will say, “Well, what about my children. I need to co-sign their house or something like that.” Well, when it comes to our children, we should be more willing to help them out, and help them establish credit. But you had better watch out. Don’t even co-sign a note for your children unless you are willing & able to take over that debt if your children fall behind on their payments.

Our politicians in Washington certainly haven’t been a good example in this regard. Due to their excessive use of debt, our national debt is rising faster & faster. It will soon reach 10 trillion dollars. That is approximately \$37,000 for every man, woman and child in the USA. It will soon require a majority of the taxes the IRS collects just to pay the interest on the national debt!

So unless you *have* to go into debt to take care of a necessity, & except for very large purchases like a house, it is far better to avoid going into debt by saving up for what you want or need. Now if you are just unwilling to wait, then at least limit your debt to what is very manageable. Your debts should never exceed your total assets. And to maintain a good credit rating, your debts should not surpass 50% of your credit limit. Maintaining a good credit score will save you lots of money when you do need to borrow.

In light of the problems associated with debt, I want to encourage you to work on a plan to reduce debt, starting with the debts that have the highest interest rates & fees. This is one of the most important things you can do to achieve financial freedom & prosperity.

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<sup>1</sup> Likewise, Proverbs 22:26-27 says, “Do not be a man who strikes hands in pledge or puts up security for debts; if you lack the means to pay, your very bed will be snatched from under you.” He didn’t say, don’t do it. But He says you had better be careful, because if that guy doesn’t come through, you don’t have enough to cover it, they’ll take not only that person’s bed, but they are going to get your bed too.

Now to have money to reduce debt, you need to increase your income, or decrease your expenses, or both. It took time to build up your debt, and it will probably take more time to pay off your debt. But be patient, and keep at it. While some of you could work to increase your income, the most important thing you can do is avoid the second financial pitfall:

## II. UNWISE SPENDING

There is one simple principle that we need to follow in order to be financially free and good stewards: spend less than you earn. This is a challenge, because as long as credit is available, your ability to spend will always exceed your ability to earn. The fact is our yearnings will always exceed our earnings. Furthermore, there will always be unanticipated expenses. So we have to get control of our spending, especially unwise spending. There are several types of unwise spending we should avoid as good stewards:

A. Impulsive Spending - Anytime you make an unplanned purchase, you are engaging in impulse buying. Proverbs 21:20 says, "There is desirable treasure, and oil in the dwelling of the wise, but a foolish man squanders it." A foolish person spends all that he has, and then some. One big culprit of such spending is impulsive spending.

Do you go to the store with a shopping list of 10 items, and come home with 20 items? If so, you have just engaged in impulsive spending. How often do you buy something you see in the checkout line? When you do, you have just fallen victim to impulse spending.

So to control impulsive spending, we should rarely buy on the spur of the moment. Take time to think & pray about it. Ask yourself some questions, "Do I really need this?" "Will it have any lasting value, or will it just end up in storage?" Can I borrow or rent this rather than buy it? Do you have peace about the purchase? Can I buy this item used for much less?

If you have trouble with impulse spending, leave your credit cards at home. They are the #1 tool for impulse spending in America. If you have a serious problem with impulse spending, you should seriously consider cutting up the credit cards. Something else you should do is try to leave your children behind! They are extremely prone to impulsive behavior, & they will try every technique in their arsenal to get you to buy something they want. So leave them with a spouse or grandparent or friend. Also, don't fool yourself into believing that you are saving money by spending money! A husband or wife comes home and says, "Look, I saved \$30 on this purchase." "Well, how much did you spend?" their spouse asks. "Oh, \$200." "So you spent \$200 to save \$30." The only time you are actually saving money is if you buy something on sale that you would have to buy anyway.

Controlling our impulse to buy, and being willing to wait, is even more important with electronics. Prices tend to come down significantly once such items have been out a while.

B. Wasteful Spending – I do not believe the Lord wants us to be wasteful, either in our spending, or with our possessions. In Luke 15:13 He told the story of the prodigal son, who "journeyed to a far country, and there wasted his possessions with prodigal living." The word translated "wasted" was used to separating the chaff from the grain by tossing the beaten grain into the air, and the wind would carry away the chaff, and the grain would fall back to the threshing floor. The same word is used of the story of the unjust steward in chapter 16. In v.1 it says that an accusation was brought to his boss "that this man was wasting his goods." The way some people spend money, they might as well be throwing it to the wind.

Do you remember the story of Jesus feeding the 5000? John is the only Gospel writer who adds the fact that after Jesus fed the 5000, He instructed His disciples saying, "Gather up the fragments that remain, so that nothing is lost" (Jn. 6:12). So in v.13 we read, "Therefore they gathered them up, and filled twelve baskets with the fragments of the five barley loaves which were left over by those who had eaten." What is amazing is the fact that even though Jesus had proven Himself to be the source of a limitless supply of bread, He commanded that nothing be wasted.

I know that people who lived through the Great Depression are much less prone to waste than the baby boom generation. Yet because of their frugal ways, we are witnessing the greatest transfer of wealth from one generation to the next that has ever occurred.

In the days in which we are now living, it is even more important that we be careful about wasteful spending, or allowing our possessions to go to waste or ruin. Don't be guilty of waste.

A third kind of spending that we need to be careful about is:

C. Self-Indulgent Spending - Proverbs 21:17 says, "He who loves pleasure will be a poor man...." In other words, if your love of pleasure causes you to engage in self-indulgent spending, you can lose your wealth rather quickly. Now turn over to James 5. He begins the chapter with a rebuke of the wealthy. Then he says in v.5, "You have lived on the earth in pleasure and luxury...." The word for "pleasure" means to be given to an easy and luxurious life. The word for "luxury" is a word that means literally "reckless waste, excessive luxury." At some point, our spending crosses the line from what we need, to what is excessive, and even wasteful.

One aspect of this kind of spending is the "keeping up with the Jones'" worldly attitude. Our houses, our cars, our clothing can be status symbols. It's one thing if you can afford such things without going into a lot of debt. It's even worse when you go into debt to buy expensive things just to keep up with others.

The last 40 years or so I have seen are marked increase in self-indulgent spending. Advertisers have convinced people that they "deserve" the latest & greatest of everything. We've gone from simple, relaxing vacations to extravagant vacations. Never mind if we are up to our eyeballs in debt. When we go into significant debt to attain our luxuries, or if we spend all that we make on ourselves, we clearly have a self-indulgent attitude.

James especially has in mind wasteful luxury. There is difference between spending money on quality, and spending money on wasteful luxury. If you spend money on quality, in the long run you may actually save money. But when we pamper ourselves or our children with luxury, we often cross the line into indulgence & wasteful luxury. [However, contrast Matthew 26:8].

On the other hand, Jesus taught that "the laborer is worthy of his wages" (Luke 10:7; cf. 1 Tim. 5:17-18). We should be able to enjoy the fruits of our labor. And 1 Tim. 6:17b says that God gives us richly all things for enjoyment. So there is nothing wrong with enjoying the nice things that God provides for us, especially when it leads us to an attitude of thanksgiving to God. Remember, James himself said back in 1:17 that "every good gift and every perfect gift is from above, and comes down from the Father of lights...."

So one of the financial pitfalls that we should avoid is unwise spending. Be careful about impulse spending, wasteful spending, and self-indulgent spending. You can lose what you make rather quickly with these kinds of spending.

So how can you control these kinds of spending? The classic way is to set up a budget, or what we may call “a strategic spending plan.” Then, you need to discipline yourself to stay within your budget. I will talk more about that in a later message.

If you don’t live by a budget, it is very important that you adopt some other strategies to control spending. First, put strict controls on the use of credit. You will always spend more buying on credit than when you pay cash. Have you noticed that a salesman will frame the purchase in how much more it will cost you per month, or even per day? Well, when you put it *that* way, it doesn’t seem to cost much. Always translate it into the final cost including interest. Secondly, you need an accountability partner. If you are married, you already have one. Be willing to submit to your spouse’s approval for purchases over a certain amount. The less discretionary income you have, the smaller this amount should be. You should also have your spouse’s approval before taking on a new debt. And don’t try to manipulate your spouse to get what you want. If you don’t have a spouse, use someone else that has your best interest at heart, such as a parent or best friend.

Of course, the root cause of these unwise types of spending is greed. The 10<sup>th</sup> Commandment says, “You shall not covet.” Jesus warned in Luke 12:15, “Take heed and beware of covetousness....” The apostle John says, “Do not love the world or the things in the world. If anyone loves the world, the love of the Father is not in him. For all that is in the world—the lust of the flesh, the lust of the eyes, and the pride of life—is not of the Father but is of the world” (1 Jn. 2:15-16). Stores and advertisers appeal to the lust of the flesh & the lust of the eyes. They appeal to the “pride of life” when they suggest you deserve this product. If you want to avoid the kinds of spending we have talked about, you need to limit your exposure to the advertisers & stores! This means you need to avoid recreational shopping unless you are very self-disciplined, or unless you have lots of money to spend!

You need to adopt the Christian virtue of self-denial. If you have crossed the line into self-centered indulgence, I call upon you to turn from that wrong attitude. Aren’t you glad Jesus didn’t insist on living a life of ease and luxury? Aren’t you glad He was willing to deny self for the sake of others?

Another character quality you need to control spending is self-control. Paul says in Gal. 5:23 that self-control is a fruit of the Holy Spirit. So you need to be saved and filled with the Spirit to have the kind of self-control you need to control these kinds of spending.

By way of contrast, we are to spend or buy wisely. Proverbs 31 speaks of the virtuous woman. In v.16 it says, “She considers a field and buys it....” The word translated “considers” refers to being thoughtful. It’s very important to buy wisely. I would say that most of the time, if you would hold off on that first impulse to buy, and pray about it and think about it, you will often not buy. Or you may get a better deal elsewhere. Buy wisely. After all, it is God’s money you are managing.

There is one other major pitfall that you need to watch out for and avoid:

### III. ADDICTIONS

Addictive behavior can become a major financial drain, and lead you to poverty. Proverbs 23:21 says, “For the drunkard and the glutton will come to poverty....” Proverbs 21:17 says, “He who loves wine and oil will not be rich.” Some people are addicted to alcohol, some are addicted to drugs, including prescription drugs. Others are addicted to food. They spend far more on food than they need to. Many people are addicted to cigarettes. You can spend at least

\$100/month on that addiction! Some are addicted to shopping. Others are addicted to pornography. These and other addictions will lead to poverty.

Of course, to control spending, you need sound judgment. Yet alcohol & drug abuse adversely affects sound judgment. Proverbs 20:1, “Wine is a mocker, Strong drink is a brawler, and whoever is led astray by it is not wise.”<sup>2</sup> Not only are alcoholic drinks more expensive than non-alcoholic drinks, but when you are addicted, you will spend lots of money feeding that addiction.

These addictions will not only hurt your family, but they hurt society. A study from Columbia University found that substance abuse and addiction cost federal, state and local governments at least \$468 billion in 2005 (*Baptist Press*, 6/18/09).

Furthermore, these additions will adversely affect our health. That leads to spending more and more money on doctors and medical care. In Mark 5:26 we read about a woman who “suffered many things from many physicians. She had spent all that she had and was no better, but rather grew worse.” Health care has always been expensive! If you want to loose wealth, don’t maintain a healthy lifestyle. Jesus stated the obvious in Mark 2:17, “Those who are well have no need of a physician, but those who are sick.” And the cost of health care has risen much higher than the rate of inflation. It can be very expensive.

Gambling is to be avoided because it can be addictive. A parent from Waynesboro, Virginia wrote in to Reader’s Digest saying, “My son actually became addicted to online gambling. After graduating college as a computer engineer, he ran up credit-card debts in excess of \$50,000 in three months, then committed suicide. He left a note saying that he wanted people to know there are real dangers to online gambling.”<sup>3</sup>

Furthermore, gambling is bad stewardship. That’s because on average, you will loose more than twice as much as you would gain. I have 40¢ in my hand. Would anyone trade me a dollar bill for the 40¢. Well, that is about what you are doing when you play the lottery and engage in other gambling activities over an extended period of time.

Young people, the best way to avoid these addictions is to never start. Of course, you can’t avoid food, but you can live just fine without alcohol, cigarettes, gambling, and other addictive behaviors.

Conclusion: So how good of a steward have you been? Have you been avoiding the financial pitfalls that we have talked about, or have you fallen into some of them. It’s not a good feeling to be drowning in debt. It not a good feeling to realize that unwise spending makes it seem like there are holes in your pocket. Are you struggling with an addiction that is draining away your financial resources? Well if you have experienced these feelings, you don’t have to continue that pattern. You can achieve financial freedom. You can learn to be wise, and avoid these financial pitfalls.

The starting place is repent of any unwise behaviors. Be willing to die to self. Make a commitment to the Lord to change starting today. Furthermore, you must trust in the Lord to enable you to change. Self-control comes from His Spirit. Are you saved today? If not, trust in Christ as your Savior today. Are you filled with the Holy Spirit? If not, ask Him to fill your life, and bear the fruit of the Spirit, which includes self-control.

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<sup>2</sup> Likewise, Isaiah 28:7 says, “But they also have erred through wine, and through intoxicating drink are out of the way; ... They ... stumble in judgment.”

<sup>3</sup> *Readers Digest*, January 2006, page 14.

Sources: Ron Blue & Jeremy White, *Surviving Financial Meltdown* (Carol Stream, IL: Tyndale House, 2009); Larry Burkett, *Debt-free Living* (Chicago: Moody Press, 1989); John Hagee, *Financial Armageddon* (Lake Mary, FL: Front Line, 2008); Jim Henry, Pastor, First Baptist Church Of Orlando (notes from his Proverbs sermon on this subject); J. Vernon McGee, *Thru The Bible*, Vol. 3, Proverbs (Pasadena, CA: Thru The Bible Radio, 1982); Larry Pierce, *Online Bible* [CD-ROM] (Ontario: Timnathserah Inc., 1996). Other sources listed in the footnotes. Unless otherwise indicated, all Scripture quotations are from *The New King James Version* (Nashville: Thomas Nelson Publishers, 1982).

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