

# Principles from Proverbs: Financial Matters

Introduction: Financial practices frequently determine the success or failure of an individual, family, or business. The Bible has much to say about money, both its use and abuse. Strict adherence to the financial principles in the Proverbs will lay a foundation for success in financial matters.

## I. Meet your obligations in a timely manner.

***Withhold not good from them to whom it is due, when it is in the power of thine hand to do it. Say not unto thy neighbor, Go, and come again, and tomorrow I will give; when thou hast it by thee. (Proverbs 3:27, 28)***

- A. While debt is not condoned in the Proverbs, certain financial obligations are a fact of life. For example, utility bills constitute a financial obligation not incurred by consumer debt. Whether in debt or not, everyone has financial obligations.
- B. It is a wicked sin to withhold “good,”—money, labor, material goods—from someone to whom we are debtor when we have the resources to settle the debt when it is due.
- C. It is a wicked sin to delay paying a “due” obligation when you have the resources to do so. Some people put off paying a debt even though they have the money. Such practices constitute disobedience to God’s Word.
- D. It is a wicked sin to defer paying an obligation in order to spend the money on something else. Robbing Peter to pay Paul is never a good option.
- E. What if you genuinely do not have the resources to meet your obligations?
  - 1. Analyze the problem—Is your shortfall due to an unexpected expense, or will the shortfall be repeated in future months?
  - 2. Avoid additional debt—*Never* borrow to pay debt. Do not transfer credit card balances in order to avoid/make a monthly payment. *Temptation to do so indicates serious financial problems.*
  - 3. Approach the creditor—Do not avoid contact with your creditor, but rather *initiate* it. Explain your difficulty and present possible solutions. Always attempt to pay something. Reasonable creditors will work with you if you are a reasonable debtor.
  - 4. Attack the problem—Go to extreme measures to pay your debts. You may need to sell things or get a second job. Be creative.

## II. As much as possible, avoid debt.

***The rich ruleth over the poor, and the borrower is servant to the lender. (Proverbs 22:7)***

- A. In every society, wealth is power.
  - 1. Wealthy people usually exercise authority over poorer people.
  - 2. Wealthy people have more “buying power” because they can purchase large items more cheaply by paying cash.
  - 3. Wealthy people have more control over their time than poorer people.
- B. In every society, debt is slavery.
  - 1. Dr. Jack Hyles said, “Time is money wrapped in a paper sack.” Money is a physical representation of time because most people must surrender time in order to have money. (You work 40 hours and are paid for 40 hours.)
  - 2. When one owes money, he—in reality—owes time. He owes the portion of his life that it will take to earn the money to pay the debt.
  - 3. The creditor, therefore, has legitimate claim to the time (life) of the debtor *until the debt is satisfied*.
  - 4. When you borrow money, use credit cards unwisely, and make purchases requiring indebtedness, you voluntarily enter a contractual agreement to become a slave.
- C. Not all debt is sinful. Debt becomes sinful when you can not meet your obligations. However, since all debt is slavery, one should be hesitant to get into debt.

III. Do not cosign for the debts of others.

***A man void of understanding striketh hands, and becometh surety in the presence of his friend. (Proverbs 17:18; see also 22:26, 27; 11:15)***

- A. Cosigning for a debt indicates a fundamental lack of understanding. Those who cosign do not understand the most elemental, fundamental concepts of sound financial practices.
- B. Frequently “friends” apply the pressure to cosign. There is no better way to permanently lose a friend than to sign for his debts. (If refusing to sign cause loss of friendship, then you really didn’t have a friend in the first place. Such people are opportunists in friendship’s disguise.)
- C. Cosigning for a debt is always risky (and, therefore, typically foolish), but it may not always be *sinful*. Unwise choices are not always sinful choices, but they usually reveal themselves as unwise in painful ways.
- D. It is always preferable to *give* to those in need (Deut. 15:1-15) or to *lend* without charging interest (Lev. 25:35-38).
- E. Christians should not put others “on the spot” by asking them to cosign. If you don’t have the credit, you can live without it.
- F. Anyone who has unwisely entered into a cosigning agreement (perhaps in a weak moment) should seek to be legally extricated from his obligation if at all possible. (see Proverbs 6:1-5)