

# FINANCES

*The possession of wealth or the acquisition of significant income is not a mark of heavenly favor, and their absence is not evidence of heavenly disfavor.*

—Elder Dallin H. Oaks

## SELECTED TEACHINGS

### Elder Dallin H. Oaks

"The deceitfulness of riches can choke out the fruits of the gospel in many ways. A person who covets the wealth of another will suffer spiritually. A person who has wealth and then loses it and becomes embittered and hateful is also a victim of the deceitfulness of riches.

"Another victim is the person who becomes resentful of the wealth of the wicked. The prophet Jeremiah gave voice to the old question, 'Wherefore doth the way of the wicked prosper? wherefore are all they happy that deal very treacherously?' (Jeremiah 12:1.) Those who brood over the prosperity or seeming happiness of the wicked put too much emphasis on material things. They can be deceived because their priorities are too concentrated on worldly wealth.

"Another victim of the deceitfulness of riches is the person who consciously or unconsciously feels guilt at having failed to acquire the property or prominence the world credits as the indicia of success.

"Those who preach the gospel of success and the theology of prosperity are suffering from 'the deceitfulness of riches' and from supposing that 'gain is godliness' (1 Timothy 6:5). The possession of wealth or the acquisition of significant income is not a mark of heavenly favor, and their absence is not evidence of heavenly disfavor. Riches can be among the blessings that follow right behavior—such as the payment of tithing (Malachi 3:9–12)—but riches can also be acquired through the luck of a prospector or as the fruits of dishonesty" (*Pure in Heart*, 75–76).

## ONE FOR THE MONEY: GUIDE TO FAMILY FINANCE



*Elder Marvin J. Ashton  
Of the Quorum  
of the Twelve Apostles  
Booklet*

*In the welfare session of the April 1975 general conference, Elder Marvin J. Ashton, a member of the Quorum of the Twelve Apostles, delivered the address from which this booklet is adapted. President Spencer W. Kimball endorsed Elder Ashton's message when in the same meeting he stood and said:*

*"I have been thinking of many things since we came to this meeting. I endorse what Brother Ashton has said. I think if I were starting with a young family, I would want to get the twelve points explained by Brother Ashton and follow them explicitly myself and teach my children and my family and everybody with whom I came in contact. It is basic. All my life from childhood I have heard the Brethren saying, 'Get out of debt and stay out of debt.' I was employed for some years in the banks and I saw the terrible situation that many people were in because they had ignored that important counsel.*

*"I agree with all that Brother Ashton has said . . . with regard to family financing in the home. Every family should have a budget. Why, we would not think of going one day without a budget in this Church or our businesses. We have to know approximately what we may receive, and we certainly must know what we are going to spend. And one of the successes of the Church would have to be that the Brethren watch these things very carefully, and we do not spend that which we do not have."*

Recently I had the opportunity to visit with a choice young couple. They were to be married within the week. Their eyes sparkled in anticipation of the important event and with evidence of their continuing love for one another. Both had the advantages of college education, good homes, and cultural experiences. It was delightful to share their personalities, plans, and potentials. Their courtship already seemed appropriately launched on an eternal basis.

During our interview, their responses to only one question gave me concern. I hope my anxieties and

suggestions caused them to reassess their pending partnership.

To the question, "Who is going to manage the money in your marriage?" she replied, "He is, I guess." He responded, "We haven't talked about that yet." These comments surprised and shocked me.

How important are money management and finances in marriage and family affairs? May I respond, "Tremendously." The American Bar Association has indicated that 89 percent of all divorces can be traced to quarrels and accusations over money. Others have estimated that 75 percent of all divorces result from clashes over finances. Some professional counselors indicate that four out of five families are strapped with serious money problems.

May I at this time hasten to emphasize the fact that these marriage tragedies are not caused simply by lack of money, but rather by the mismanagement of personal finances. A prospective wife could well concern herself not with the amount her husband-to-be can earn in a month, but rather with how he (and she) will manage the money that comes into their hands. Money management should take precedence over money productivity. A prospective husband who is engaged to a sweetheart who has everything would do well to take yet another look and see if she has money-management sense.

In the home, money management between husband and wife should be on a partnership basis, with both parties having a voice in decision- and policy-making. When children come along and reach the age of accountability, they too should be involved in money concerns on a limited partnership basis. Peace, contentment, love, and security in the home are not possible when financial anxieties and bickerings prevail. Whether we are anticipating marriage or are well into it, today is the time for all of us to review and repent as necessary to improve our money management skills and live within our means.

As proper money management and living within one's means are essential in today's world if we are to live abundantly and happily, may I make some recommendations for improved personal and family financial management. The following twelve points will help each of us achieve this goal, I believe.

### ***Pay an Honest Tithing***

Successful financial management in every LDS home begins with the payment of an honest tithe. If our

tithing and fast offerings are the first obligations met following the receipt of each paycheck, our commitment to this important gospel principle will be strengthened and the likelihood of financial mismanagement will be reduced. Paying tithing promptly to Him who does not come to check up each month will teach us and our children to be more honest with those physically closer at hand.

### ***Learn to Manage Money Before It Manages You***

A bride-to-be would do well to ask herself, "Can my sweetheart manage money? Does he know how to live within his means?" These are more important questions than, "Can he earn a lot of money?" Financial peace of mind is not determined by how much we make, but is dependent upon how much we spend.

New attitudes and relationships toward money should be developed constantly by all couples. After all, the partnership should be full and eternal. Management of family finances should be mutual between husband and wife in an attitude of openness and trust. Control of the money by one spouse as a source of power and authority causes inequality in the marriage and is inappropriate. Conversely, if a marriage partner voluntarily removes himself or herself entirely from family financial management, that is an abdication of necessary responsibility.

### ***Learn Self-Discipline and Self-Restraint in Money Matters***

Learning how to discipline oneself and exercise constraint where money is concerned can be more important than courses in accounting. Young couples should recognize that they cannot immediately maintain the same spending patterns and life-style as that to which they were accustomed as part of their parents' family. Married couples show genuine maturity when they think of their partner's and their family's needs ahead of their own spending impulses. Money management skills should be learned together in a spirit of cooperation and love on a continuing basis. A disgusted husband once said, "I think that in life money talks, but when my wife gets hold of it, all it ever says is 'good-bye.'" To the husband who says his wife is the poorest money manager in the world, I would say, "Look in the mirror and meet the world's poorest teacher-trainer."

### Debt-Elimination Calendar

	Credit card	Dept. Store	Dentist	Piano loan	Auto loan
March	110	70	50	75	235
April	110	70	50	75	235
May	110	70	50	75	235
June	110	70	50	75	235
July		180	50	75	235
August		180	50	75	235
Sept.		180	50	75	235
Oct.			230	75	235
Nov.			230	75	235
Dec.				305	235
Jan.				305	235
Feb.					540
March					

We live in a self-indulgent, me-oriented, materialistic society. Advertisements entice young buyers by demonstrating how easy it is to get credit and buy on time. Interestingly, no ads focus on the glamour of paying the money back, nor do they mention how long or hard it is to do just that—especially with the unavoidable interest added on.

A debt-elimination calendar can help you reduce or eliminate unnecessary debt. Mark off several columns on a piece of paper. In the first column on the left, write the names of the months, beginning with the upcoming month. At the top of the next column, write the name of the creditor you want to pay off first. It may be the debt with the highest interest rate, or the earliest pay-off date. List the monthly payment for that creditor until the loan is repaid as shown in the illustration above. At the top of the next column, record the name of the second creditor you want to repay, and list payments due each month. After you have repaid the first creditor,

add the amount of that monthly payment to your payment to the second creditor. (In the example above, notice that the family finished making monthly payments on their credit card. They then added \$110 to the department store's \$70 payment, creating a new monthly payment of \$180.) Continue the process until all loans are repaid.

### Use a Budget

Every family must have a predetermined understanding of how much money will be available each month and the amount to be spent in each category of the family budget. Checkbooks facilitate family cash management and record keeping. Carefully record each check when written and balance the checkbook with the monthly bank statement.

With the exception of buying a home, paying for education, or making other vital investments, avoid debt and the resulting finance charges. Buy consumer durables and vacations with cash. Avoid installment

credit, and be careful with your use of credit cards. They are principally for convenience and identification and should not be used carelessly or recklessly. The use of multiple credit cards significantly adds to the risk of excess debt. Buy used items until you have saved sufficiently to purchase quality new items. Purchasing poor-quality merchandise almost always ends up being very expensive.

Save and invest a specific percentage of your income. Liquid savings available for emergencies should be sufficient to cover at least three months of all essential family obligations. Every LDS family should file honest and timely tax returns.

BUDGET FOR _____ 19_____		
INCOME	PLANNED	ACTUAL
Wages/Salaries (after taxes)		
Other income		
Total income		
EXPENDITURES		
Planned		
Actual		
Church donations		
Savings		
Food		
Mortgage or rent		
Utilities		
Transportation		
Debt payments		
Insurance		
Medical		
Clothing		
Other		
Total Expenditures		
Income less expenditures		

Please listen carefully to this—and if it makes some of you feel uncomfortable, it is on purpose: Latter-day Saints who ignore or avoid their creditors are entitled to feel the inner frustrations that such conduct

merits, and they are not living as Latter-day Saints should! Bankruptcy should be avoided, except only under the most unique and irreversible circumstances, and then utilized only after prayerful thought and thorough legal and financial consultation.

A budget helps you plan and evaluate your expenditures.

Budget for a specified period (such as weekly, biweekly, monthly), according to your pay schedule.

Balance income with expenditures, and spend less than you earn.

### ***Teach Family Members Early the Importance of Working and Earning***

"In the sweat of thy face shalt thou eat bread" is not outdated counsel. It is basic to personal welfare. One of the greatest favors parents can do for their children is to teach them to work. Much has been said over the years about children and monthly allowances, and opinions and recommendations vary greatly. I'm from the "old school." I believe children should earn their money needs through service and appropriate chores. Some financial rewards to children may also be tied to educational effort and the accomplishment of other worthwhile goals. I think it is unfortunate for a child to grow up in a home where the seed is planted in the child's mind that there is a family money tree that automatically drops "green stuff" once a week or once a month.

### ***Teach Children to Make Money Decisions in Keeping with Their Capacities to Comprehend***

Based upon appropriate teaching and individual experience, children should be responsible for the financial decisions affecting their own money and suffer the consequences of unwise spending. "Save your money" is a hollow pronouncement from a parent to a child. "Save your money for a mission, bicycle, doll house, trousseau, or car" makes understandable sense. Family unity comes from saving together for a common, jointly approved purpose. In our home we found it unifying to have a child save for a major project; then, when the amount was achieved, we matched it with a predetermined percentage. Incentives are a powerful force in motivating and achieving desired behavior.

## ***Teach Each Family Member to Contribute to the Total Family Welfare***

As children mature, they should understand the family financial position, budget and investment goals, and their individual responsibility within the family. Encourage inexpensive fun projects, understandable to the children, that contribute to a family goal or joy. Some families miss a tremendous financial and spiritual experience when they fail to sit together, preferably during family home evening, and each put in his share of the monthly amount going to the son or daughter, brother or sister, who is serving in the mission field. When this monthly activity is engaged in all at once, he or she becomes "our" missionary, with pride becoming a two-way street.

## ***Make Education a Continuing Process***

Complete as much formal, full-time education as possible, including trade schools and apprentice programs. This is money well invested. Based on potential lifetime earnings, the hours spent in furthering your education will be very valuable indeed. Use night school and correspondence classes to further prepare. Acquire some special skill or ability that could be used to avoid prolonged unemployment. The ability to do basic home and auto repairs can frequently be helpful, as well as a source of family savings. Periods of unexpected unemployment can happen to anyone. We should not allow ourselves, when we are out of work, to sit back and wait for "our type of job" if other honorable interim employment becomes available.

## ***Work Toward Home Ownership***

Home ownership qualifies as an investment, not consumption. Buy the type of home your income will support. Improve the home and beautify the landscape throughout the period you occupy the premises so that if you do sell it, you can use the accumulated equity and potential capital gain to acquire a home more suitable to family needs.

## ***Appropriately Involve Yourself in an Insurance Program***

It is most important to have sufficient medical, automobile, and homeowner's insurance and an adequate life insurance program. Costs associated with illness, accident, and death may be so large

that uninsured families can be financially burdened for many years.

## ***Understand the Influence of External Forces on Family Finances and Investments***

Inflation continues to offset a major portion of average wage increases. A larger paycheck may not mean more purchasing power and should not be an excuse for extravagant purchases or additional debt. Beyond the emergency liquid savings, families should plan for and utilize a wise investment program preparing for financial security, possible disability, and retirement. Avoid all proposals for high-risk investments and get-rich-quick schemes.

## ***Appropriately Involve Yourself in a Food Storage and Emergency Preparedness Program***

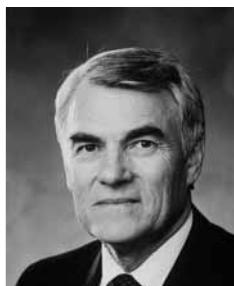
Accumulate your basic food storage and emergency supplies in a systematic and orderly way. Avoid going into debt for these purposes. Beware of unwise food storage promotional schemes. Planting and harvesting a garden annually is helpful to the family in many ways, including the food budget. Eat nutritious foods and exercise appropriately to improve health, thus avoiding many medical costs.

These few points and suggestions are not intended to be all-inclusive or exhaustive. Rather, it is hoped that a need has been brought to the surface for our serious consideration. We need to recognize and be aware of these basic guidelines for wise money management.

God help us to realize that money management is an important ingredient in proper personal welfare. Learning to live within our means should be a continuing process. We need to work constantly toward keeping ourselves free of financial difficulties. It is a happy day financially when time and interest are working for you and not against you.

Money in the lives of Latter-day Saints should be used as a means of achieving eternal happiness. Careless and selfish uses cause us to live in financial bondage. We can't afford to neglect personal and family involvement in our money management. God will open the windows of heaven to us in these matters if we will but live close to him and keep his commandments.

## GREED, SELFISHNESS, AND OVERINDULGENCE



*Elder Joe J. Christensen  
Of the Presidency  
of the Seventy  
In Conference Report,  
Apr. 1999, 8–11;  
or Ensign, May  
1999, 9–11*

They say the gospel is to comfort the afflicted and to afflict the comforted. My purpose today is to speak to the comforted: the rich, the poor, and all of us in between.

The Lord has said, "Wo unto you rich men, . . . for your riches will canker your souls." He has also said, "Wo unto you poor men, whose hearts are not broken, . . . [and] whose eyes are full of greediness."<sup>1</sup>

Many of you probably have heard this little prayer somebody wrote:

"Dear God,

"So far today I have done all right. I haven't gossiped, haven't lost my temper, haven't been greedy, grumpy, nasty, selfish, or overly indulgent. But in a few minutes, Lord, I am going to get out of bed, and from then on, I am probably going to need a lot more help."

When it comes to overcoming being greedy, selfish, and overly indulgent, we all need a lot more help. In his candid manner, President Brigham Young said: "The worst fear . . . I have about this people is that they will get rich in this country, forget God and His people, wax fat, and kick themselves out of the Church. . . . My greater fear . . . is that they cannot stand wealth."<sup>2</sup>

Our prosperity brings some real challenges because many are getting rich, more of us are waxing fat, and as a result of greed, selfishness, and overindulgence, we could lose the Spirit and literally kick ourselves out of the Church.

### ***Materialism Consuming Our Thoughts***

Money and material things are on the minds of almost everyone. As Morris Chalfant wrote: "The great [question] of the twentieth century is[,] 'How

can I acquire wealth?' No question occupies a larger place in the minds and . . . hearts of . . . people today than this. . . . This is true of men in every station and in every walk of life."<sup>3</sup>

Money in and of itself is not an evil, but as Paul taught Timothy, it is the love of money that is the root of all evil.<sup>4</sup> There are some of the wealthy who deal with their prosperity very well, using their resources to bless others and build the kingdom. For many, however, wealth presents major difficulties.

As we deal with the materialism that threatens us, here are four suggestions for each of us to consider.

### ***Wants Are Not Needs***

First, we should not confuse wants with needs.

My mother taught me an important lesson along these lines. For many years my father had a practice of trading for a new car every year. Then shortly after World War II when grain prices increased, we were surprised one day when Dad drove home in a more expensive car.

One morning my mother asked, "How much more did the new car cost than the other one?"

When Dad told her, my mother said, "Well, the other car has always been able to get me where I need to go. I think we ought to give the difference to someone who needs it more than we do."

And so it was. The next year Dad returned to the less-expensive cars, and they continued their generous ways.

If we are not careful, it is easy for our wants to become needs. Remember the line "There, there, little luxury, don't you cry. You'll be a necessity by and by."

### ***Avoid Spoiling Children***

Second, we should avoid spoiling children by giving them too much.

In our day many children grow up with distorted values because we as parents overindulge them. Whether you are well-to-do or, like most of us, of more modest means, we as parents often attempt to provide children with almost everything they want, thus taking away from them the blessing of anticipating, of longing for something they do not have. One of the most important things we can teach our children is to deny themselves. Instant

gratification generally makes for weak people. How many truly great individuals do you know who never had to struggle?

Elder Maxwell has voiced this concern when he said: "A few of our wonderful youth and young adults in the Church are unstretched. They have almost a free pass. Perks are provided, including cars complete with fuel and insurance—all paid for by parents who sometimes listen in vain for a few courteous and appreciative words. What is thus taken for granted . . . tends to underwrite selfishness and a sense of entitlement."<sup>5</sup>

A wise young mother said: "I choose not to give our children what I can afford to give them. I hold back for their sake."

In the words of Fred Gosman, "Children who always get what they want will want as long as they live."<sup>6</sup> And somewhere along the line it is important for the character development of our children to learn that "the earth still revolves around the sun" and not around them.<sup>7</sup> Rather, we should train our children to ask themselves the question, How is the world a better place because they are in it?

We live in a world of entertainment in full color with a lot of fast action, a world in which many children grow up thinking that if it isn't fun, it is boring and not worthwhile. Even in family activities, we need to strike a balance between play and work. Some of my most memorable experiences while growing up centered around family activities: learning how to shingle a roof, build a fence, or working in the garden. Rather than being all work and no play, for many of our children it is almost all play and very little work.

As a consequence of overindulgence, many children leave homes ill-prepared to meet the real world.

President Hinckley said: "Of course, we need to earn a living. The Lord told Adam that in the sweat of his face should he eat bread all the days of his life. It is important that we qualify ourselves to be self-reliant, particularly that every young man at the time of marriage be ready and able to assume the responsibilities of providing for his companion and for the children who may come to that home."<sup>8</sup>

All too many enter marriage who have never learned to cook, sew, or develop other important life skills.

Ignorance of these needed skills, along with the lack of understanding of the management of money, sow the seeds for many failures in our children's marriages.

I fear that in many cases we are rearing children who are slaves to expensive fads and fashions. Remember the scripture "For where your treasure is, there will your heart be also."<sup>9</sup> How do we determine where our treasure is? To do so, we need to evaluate the amount of time, money, and thought we devote to something. Might it not be well to evaluate how much focus we place on shopping and spending?

This does not mean that our children should not dress in some of the appropriate clothing that is in fashion because that can be very important to them. But they don't need a closet full. As members of the Church, we have a responsibility to present ourselves in a well-groomed, attractive, and modest manner. With good planning, this can be done without being driven to spend extravagantly on our clothing.

More than 10 times the prophets in the Book of Mormon warn us about the problems of pride related to the nature of our clothing. Here is one example of them: "And it came to pass . . . that the people of the church began to wax proud, because of their exceeding riches, and their fine silks, and their fine-twined linen. . . . In all these things were they lifted up in the pride of their eyes, for they began to wear very costly apparel."<sup>10</sup>

We would do well if in all these areas of material things we and our children would follow the oft-quoted motto of our pioneer forebears to "fix it up, wear it out, make it do, or do without."

### ***Live Modestly and Avoid Debt***

Third, as we have heard so often, live modestly and avoid debt as if it were a plague.

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President Hinckley recently reminded us of President Heber J. Grant's statement: "If there is any one thing that will bring peace and contentment into the human heart, and into the family, it is to live within our means. And if there is any one thing that is grinding and discouraging and disheartening, it is to have debts and obligations that one cannot meet.' (*Gospel Standards*, comp. G. Homer Durham [1941], 111)."<sup>11</sup>

Samuel Johnson said, "Do not accustom yourself to consider debt as an inconvenience, you will find it [to be] a calamity."

How much house do we really need to accommodate our family comfortably? We should not endanger ourselves either spiritually or economically by acquiring homes which are ostentatious, feed our vanity, and go far beyond our needs.

If we are to be self-reliant and in a position to share, obviously we must acquire some resources. If we live within our means and avoid debt, resources can be accumulated. There are those with average incomes who, over a lifetime, do amass some means, and there are those who receive large salaries who do not. What is the difference? It is simply spending less than they receive, saving along the way, and taking advantage of the power of compound interest.

Financial consultants indicate that "most people have it all wrong about wealth. . . . Wealth is not the same as income. If you make a good income each year and spend it all, you are not getting wealthier. You are just living high. Wealth is what you accumulate, not what you spend."<sup>12</sup>

### ***Give Generously to Others***

Finally, be generous in giving and sharing with others.

The more our hearts and minds are turned to assisting others less fortunate than we, the more we will avoid the spiritually cankering effects that result from greed, selfishness, and overindulgence. Our resources are a stewardship, not our possessions. I am confident that we will literally be called upon to make an accounting before God concerning how we have used them to bless lives and build the kingdom.

The prophet Jacob provides us with some excellent counsel about how riches can be acquired and for what they should be used:

"But before ye seek for riches, seek ye for the kingdom of God.

"And after ye have obtained a hope in Christ ye shall obtain riches, if ye seek them . . . for the intent to do good—to clothe the naked, and to feed the hungry, and to liberate the captive, and administer relief to the sick and the afflicted."<sup>13</sup>

In addition to paying an honest tithing, we should be generous in assisting the poor. How much should we give? I appreciate the thought of C. S. Lewis on this subject. He said: "I am afraid the only safe rule

is to give more than we can spare. . . . If our charities do not at all pinch or hamper us, . . . they are too small. There ought to be things we should like to do and cannot do because our charitable expenditures excludes them."<sup>14</sup>

There are many worthy individuals and causes to which we might contribute. We should give generously to the fast offering and humanitarian funds of the Church. And if we desire our families to live lives of depth and meaning, we must have the courage to examine honestly where our treasures lie and avoid the pitfalls that result from greed, selfishness, and overindulgence.

Let us each remember:

- First: Not to confuse wants with needs.
- Second: Avoid spoiling our children.
- Third: Live modestly and avoid debt.
- Fourth: Be generous in giving to others.

Giving really is at the heart of our faith. At this Easter time, we again commemorate that "God [our Heavenly Father] so loved the world, that he gave his only begotten Son,"<sup>15</sup> who came to the earth and could have possessed any material thing but rather chose to give to all of us an example of a simple life free from any shade of greed, selfishness, or overindulgence. May we strive daily to live more like He lived, the ultimate example of a life of depth and meaning.

I testify that Jesus is the Christ, this is His Church led by living prophets, and His tomb was literally empty on that third day. In the name of Jesus Christ, amen.

### **Notes**

1. Doctrine and Covenants 56:16–17.
2. Reported in James S. Brown, *Life of a Pioneer* (1900), 122–23; see also Preston Nibley, *Brigham Young: The Man and His Work* (1936), 128.
3. Morris Chalfant, "The Sin of the Church," *Wesleyan Methodist*, quoted by John H. Vandenberg in Conference Report, Oct. 1965, 131; or *Improvement Era*, Dec. 1965, 1154.
4. See 1 Timothy 6:10.
5. BYU devotional, 12 Jan. 1999.
6. *Spoiled Rotten: American Children and How to Change Them* (1992), 37.

7. *Spoiled Rotten*, inside front cover, 11.
8. "Thou Shalt Not Covet," *Ensign*, Mar. 1990, 2.
9. Matthew 6:21.
10. Alma 4:6.
11. In Conference Report, Oct. 1998, 71; or *Ensign*, Nov. 1998, 53.
12. Thomas J. Stanley and William D. Danko, *The Millionaire Next Door* (1996), 1.
13. Jacob 2:18–19.
14. *Mere Christianity* (1952), 67.
15. John 3:16.