

Right on the Money

by Linda Piepenbrink

Now is the time to take aim at your finances.

Perhaps you can afford an iPod, fast food, or a cell phone because of a good part-time job—or generous parents! Or maybe you're already having trouble affording your current lifestyle (road trips, DVDs, eating out with friends). Have you considered those bigger expenses ahead—a car, college education, wedding, children, house? How do you plan to pay for all that?

"The foolish person is walking through life living paycheck to paycheck, not looking ahead at all, and pretty soon—bang—I need a car—bang—a wedding—bang—it just keeps

going," says Dr. Mike Duffy, who directs Maranatha's Department of Development and Stewardship Services. Unfortunately, he learned about managing money from the school of hard knocks.

"I had no instruction and no example," he says. Although he regrets not learning the value of saving money as a teen, he did budget his money. "That kept me from making some really foolish purchases, such as spending too much money on cars or having credit card debt," says Dr. Duffy.

You don't have to have a big bank account to learn how to manage your money and avoid spending pitfalls.

Here are some simple strategies to start now:

How Two Siblings Paid for College

Before Deborah Mather came to Maranatha, she had a full-time job and financial stability. "As a preschool teacher in Minneapolis, I was paying off all my bills, enjoying my rented house and my cat without the pressures of debt," she says. "Plus, I loved my job!" But through her daily devotions, the Lord reminded her that her belongings were simply on loan from Him. He also began to change her heart's desire and direct her to attend Maranatha Baptist Bible College for nursing.

"My dad was thrilled to hear the news, but my mom wondered why I would want to move five hours away," she says. "I didn't have a car, and neither of my parents could help me pay one penny toward my education." Nevertheless, with about three month's wages to cover the down payment, Deborah arrived at Maranatha, not knowing one person or having visited the campus.

The first two years were her toughest financially. Despite her reluctance to take out loans, she finally had to borrow about \$4,000. With much prayer, campus jobs, and

Two years after high school, John Mather still had hopes of going to college, but he didn't know how to afford it. All he knew was that he liked to draw superheroes and wanted to design video games.

Although he didn't care what the Lord wanted him to do, when his friend's dad challenged him to go to a Bible college, he took the words to heart and saved money all summer through a maintenance job at McDonald's. "I had no idea how I would go to college on a summer's income, but I remember a faithful saying of my dad's: 'Where God guides, He provides!'" And the Lord provided. By the end of John's first semester, with a summer's income, financial aid, and an on-campus grounds crew job, John had paid for his semester.

That spring, he took out a \$2,500 loan but was awarded the \$500 Marilyn Hilsen Weniger Memorial Scholarship for those who have a physical disability. (John has chronic kidney failure.) Then the Lord led him to pray that he would not have to take out another school loan. After another summer at McDonalds, more financial aid, campus work, and the scholarship applied to his tuition, his entire sophomore year was paid. John also began to tithe on his work check, his tax return, or even a check from his grandma. "I cannot tell you how many times I wished I could keep the tithe, but this is where I needed to see the Lord work as I trusted Him," he says. "I believe I had no business being at Maranatha if I couldn't give to the Lord what was already His."

In April of 2005, John was awarded another scholarship



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TRACK YOUR EXPENSES.

Get a columnar pad or open an Excel file. (See sample budget.) In the top left column, record your income, including employment, allowance, or cash gifts from relatives. Below that, record your monthly expenses (such as tithe, gasoline, clothing, gifts, and hobbies). In separate columns to the right, type in the months (Aug., Sept., Oct., etc.). Keep track of your receipts and record your actual monthly expenses in each category (e.g., \$20/month for gas). Do your monthly expenses add up to less than your income? If you are unable to live on less than your income, you must reduce expenses or find ways to increase your income.

DO SOME TRIMMING

Ask yourself whether something is a necessity (such as tuition payments) or a luxury (such as magazine subscriptions or eating out). Then trim expenses by eliminating luxuries. (If you stopped buying a 50-cent can of Mountain Dew every day, you would save \$15 a month, or \$180 a year!) Never spend more than you have budgeted, and never buy a big-ticket item until you can afford it without a co-signed loan.

USE ENVELOPES

One way to budget your money is to divide your earnings and gift money among envelopes labeled for each of your expense and saving categories. When your entertainment money is used up for the month, do not borrow from other envelopes.

PRIORITIZE YOUR MONEY

As soon as you get paid or get a gift of cash, you have four priorities. After first giving to the Lord, you should save for short-term responsibilities (for youth activities, gifts, etc.), then save some for long-term needs (college, marriage), and finally use the rest as you desire (for saving, spending, or giving away).

GIVE TO YOUR LOCAL CHURCH

"The silver is mine, and the gold is mine, saith the LORD of hosts" (Haggai 2:8). When you put money in the offering plate, you're simply giving back to God a portion of the money He entrusted to you. Ten percent of whatever you make (before taxes) is a good starting point. Also look for opportunities to give sacrificially to missionaries or a needy family in your church or neighborhood. Be discerning. It's not necessary to give to everyone or to give away everything you have. When you do give, don't expect praise or anything in return. You might even want to give in secret (Matt. 6:1-4).

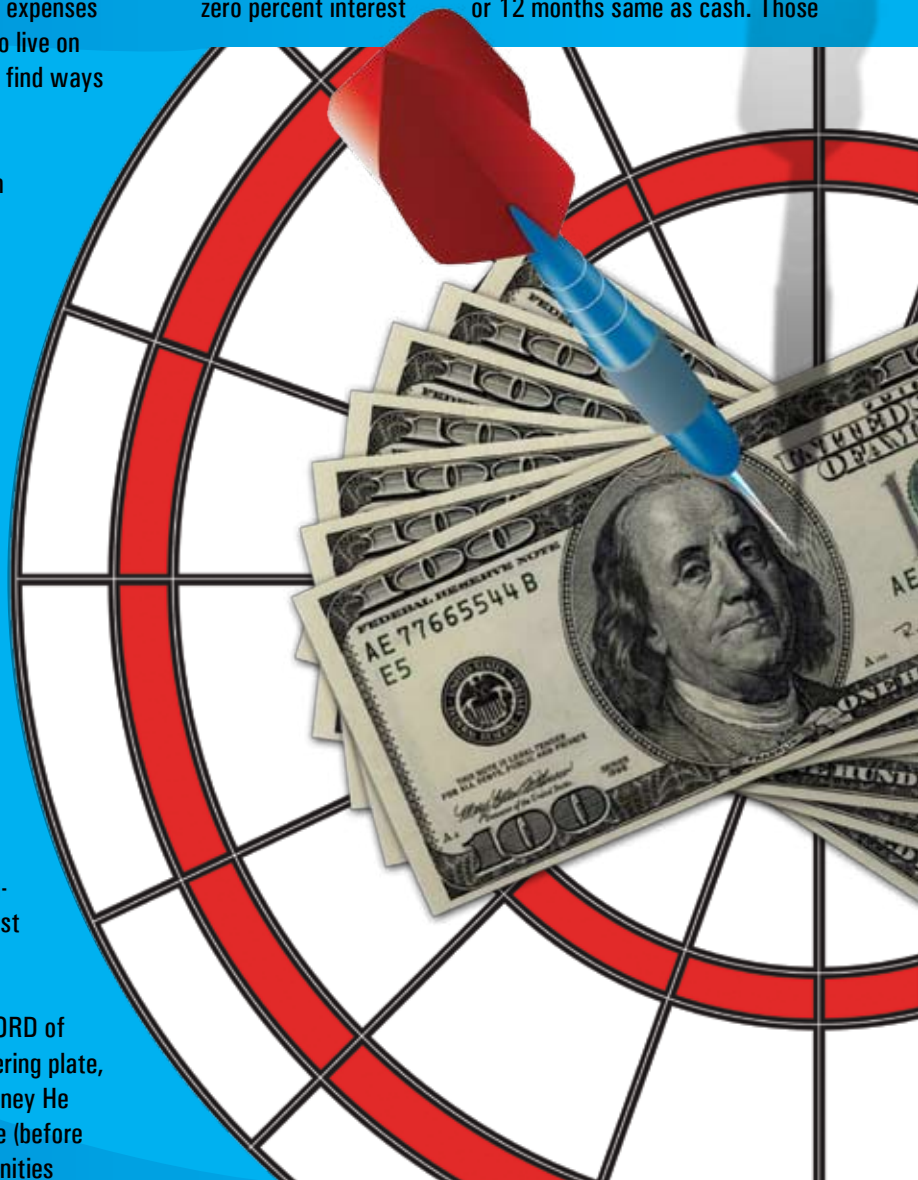
SET GOALS

Identify and write down some financial goals. Do you want to buy a mountain bike or prepare for college? The earlier you

begin to save money, the more time it has to grow. Consider this: If you saved and invested \$2,000 every year (that's about \$166 a month) from age 26 until age 65, the \$80,000 you invested until retirement could grow to \$975,000, thanks to the power of compounding interest.

AVOID THE CREDIT CARD TRAP

Don't be fooled by credit card companies that promise you zero percent interest or 12 months same as cash. Those



supposed benefits can quickly turn into 20-percent or higher interest rates and consumer debt. According to national statistics, the average household has 10 credit cards and carries \$8,000 worth of credit debt! And what happens when you don't have money to pay your bills? Are you going to quit school and go to work full time? Don't count on your parents to bail you out. Studies show that people spend less with cash than they do when using plastic.

grant money, however, she has not had to take out any loans since! She learned to appreciate the work the Lord provided as she cleaned bathroom toilets and scrubbed the carpet on her hands and knees while other students walked by. It was humbling, but she didn't mind, knowing she was doing what the Lord wanted her to do. God also acknowledged her steps of faith in coming to Maranatha by allowing her to be the night monitor for the Student Health Center, a job that took about \$1,000 off her school bill.

When Deborah took another step of faith and joined an area church, she grew consistent in tithing. Since she comes from a lower-middle class family and has had to pay her own way through college, Deborah has gone without a vehicle for four years. Recently, though, she prayed, "Lord, I think it is finally becoming a need to have a car. You know all my needs and I trust you will supply in your time." The next Wednesday, her mom told her that her aunt wanted to give Deborah a car! That same week, the Lord also provided a nursing position about a 15-minute drive away.

Deborah's financial testimony recounts the Lord's faithfulness. "He is the God of miracles who can turn our pennies into priceless investments," she says. "If the Lord is leading you to Maranatha, take that step of faith and come, trusting Him with your finances. 'For with God, nothing shall be impossible.'"

for \$750 but received less financial aid than in previous years. This summer, he spent a portion of the time paying off his spring semester bill instead of saving for his fall down payment. Plus, he missed work for a week and a half due to surgery. When he called his sister Deborah, he said, "Humanly speaking, I don't see how I'm going to make it back to Maranatha this fall." But then he confessed that "God is mightier than our circumstances," and he quoted Luke 1:37: "For with God nothing shall be impossible."

John then asked the Lord to provide an additional \$1,500-\$2,000 so he could return to school. God answered that prayer too, without forcing him to take out any additional loans, which will save him money and not reduce his Pell Grant. He has not had to take out any additional loans. "The seemingly impossible is now becoming a reality, thanks to Jesus Christ," he says.

Another reality is that John's dreams of designing video games have changed. While at Maranatha, he was called into full-time ministry, called to preach, then called to the mission field. During his years in college, John has grown closer to the Lord and seen many answers to prayer. "Through it all," he says, "the Lord has met my every need and will continue to meet my every need in the future—because where God guides, He provides!"

Make Some Moolah

Want to increase your income? Try babysitting, pet-sitting, tutoring, counseling at a summer camp, doing yard work, creating websites, working in a department store (while enjoying employee discounts), or selling jewelry or other items on eBay. Get creative—offer to do chores for siblings or jobs for neighbors in exchange for money. Sell clothes you no longer wear at a consignment shop, do a paper route, or be a golf-course caddy.

More Tips for Smarter Spending

These questions will help you resist impulse purchases:

- * Go to thrift stores and garage sales for bargains instead of hitting the mall.
- * Pass the shopping carts and buy only what you can carry in your arms. You'll spend less, guaranteed.
- * Before buying something, ask yourself, "Would the Lord be pleased with this purchase? Do I really need this item?"

BUDDY, AGE 18-SAMPLE BUDGET

	SEPT	OCT	NOV	DEC	JAN	FEB
INCOME						
(BUDGETED)						
FROM JOB (\$270/MO.)	\$270	\$270	\$270	\$270	\$270	\$270
NEIGHBORHOOD YARD WORK	\$30	\$30	\$20	\$10	\$40	\$20
GIFT MONEY	\$0	\$0	\$0	\$25	\$0	\$0
TOTAL INCOME	\$300	\$300	\$290	\$305	\$310	\$290
EXPENSES:						
(TITHE)						
GIVING (GOAL 10% OR MORE OF GROSS)	\$30	\$30	\$29	\$31	\$31	\$29
SAVE:						
SHORT TERM						
LONG TERM						
SPEND:						
CLOTHING	(\$50)	\$40	\$20	\$60	\$35	\$30
TOILETRIES/HAIR	(\$25)	\$25	\$30	\$20	\$20	\$15
CELL PHONE	(\$45)	\$45	\$45	\$45	\$45	\$45
CAR EXPENSES/GAS	(\$50)	\$50	\$10	\$30	\$40	\$50
GIFTS	(\$10)	\$10	\$20	\$0	\$45	\$
GIVE AGAIN (OFFERINGS)	(\$75)	\$20	\$30	\$40	\$40	\$
LUXURIES	(\$40)	\$35	\$25	\$35	\$35	\$30
EATING OUT	(\$35)	\$20	\$30	\$285	\$299	\$331
ENTERTAINMENT				+\$15	+\$9	[-\$26]
TOTAL EXPENSES:						
SURPLUS OR DEFICIT CASH FLOW						