

Women's Ministries Seminar Series

How to *Stretch* Your Dollars

by
Celia Cruz

Produced for the
General Conference
Department of Women's Ministries

About the Author

Celia Mejia Cruz worked closely with Rose Otis for over six years when GC Women's Ministries was beginning and growing. It was during these years she wrote this seminar.

She currently is a Shaklee distributor, seminar presenter, and is employed as an office manager for a structural engineering firm. She and her pastor/husband live in southern Georgia. She is the proud mother of four sons, one daughter and grandmother of three. Celia collects Siamese cat figurines and decorative plates. She enjoys story telling, writing and public speaking.

Preface

This material is prepared for the North American audience. Principles apply anywhere but the presenter will need to know local laws and gather local statistics. Skip those that are not locally applicable.

How to Stretch Your Dollars

Welcome

Introduce self

Open with prayer

Tell story of how MY finances used to be.

I believe we're living in a time of financial crisis for families, cities, our government, and the entire world. Every day the news carries the grim warning signals (*show news clippings*).

Examples:

USA Today, August 25, 1995 - Unlucky Number: \$5 Trillion Debt:

"The current debt ceiling limit is \$4.9 trillion. But once Congress and President Clinton agree on a budget, it will be raised to \$5.5 trillion."

Newsweek, October 9, 1995 - Billion-Dollar Bath:

"Toshihide Iguchi...for 11 years, took Japan's Daiwa Bank for a ride, losing a fortune trading bonds in New York while fabricating profits...Daiwa's loss: an eye-popping \$1.1 billion...he averaged \$400,000 every business day since 1984..."

"Nicholas Leeson lost \$1.4 billion for Barings, the British merchant bank..."

Time, December 19, 1994 - The California Wipe Out:

"Orange County, stunned by a \$1.5 billion loss in the \$20 billion investment pool that Citron managed, filed for bankruptcy protection in the largest municipal collapse in U.S. history...There are no bankruptcies larger than this one. The unprecedented action: Froze the funds of 185 Southern California school districts, towns and local agencies..."

(Orange County, California lost \$1.7 billion in bad investments).

Newsweek, November 13, 1995 - We Might Be Next:

"The only reason our banks survived the Excessive Eighties is that Fed chairman, Alan Greenspan, bailed them out by cutting interest rates in 1990. That let big U.S. banks, many loaded to the eyeballs with bad debt, make enough profits to offset loan losses. But now, a mere five years after Citicorp and Chase Manhattan were in such desperate trouble, signs of wretched excess are once again emerging...Consumer lending is one favorite way to grow. Banks are showering the world with credit card applications, trying to steal market share from each other...Credit card delinquencies shot up to 3.3 percent in June, a 30% rise from the start of the year."

Time, January 29, 1996 - Winners & Losers:

“Sarah Ferguson - Duchess is \$4.5 million in hock; queen won't bail her out.”

USA Today, October 30, 1995 - Rising Tide of Debt:

“People are binging on credit card debt, a development that could sink many into bankruptcy if the economy sours. The credit ratings:

- Total credit offered to consumers by bank card issuers is up 33% in one year, to \$1.02 trillion.
- Consumers owe lenders a record 19% of their disposable income - not including mortgage and home equity loans or auto leases...
- Consumers are shifting more of their purchases onto credit cards; use at supermarkets for example, is up more than 50% in six months.
- The average cardholder carries a balance of \$3,900; only about a third pay their credit card bills in full each month.”

OVERHEAD #1

(Presenter: use current figures)

- Credit cards are easy to get and the interest rates are between 15.9% and 21%.
- Banks are offering interest on regular savings accounts of only 2 2 to 4%.
- **(OVERHEAD 1-a)** 50% of marriages end in divorce and 90% of those divorcing say money was their major source of conflict.
- **(OVERHEAD 1-b)** The number of families going bankrupt every year has doubled since 1989. In 1989 it was 12,365 families every week. In 1992 it was up to more than 20,000 families every week! That comes to over 1 million families every year!
- **(OVERHEAD 1-c)** Some estimates say that over 60% of American families have borrowed so much money that they cannot make the monthly payments without borrowing additional money.
- **(OVERHEAD 1-c)** Over 70% of all Americans today have borrowed more money than they can ever repay!
- **(OVERHEAD 1-d)** 3/4 of all new businesses fail in the first year.
- **(OVERHEAD 1-d)** Over 30% of Americans draw some form of government subsidy (welfare).
- **(OVERHEAD 1-f)** 95% of Americans get married with no background in money management. They conclude that in three years they can have what it took their parents 30 years of married life to have; new home (bigger than they can afford), new car, new

furniture, designer clothes, etc.

Within three years, 65% of them can't pay their bills. They then get a bill consolidation loan, which shrinks their monthly payments by extending them over a longer period of time at a higher interest rate. Because they haven't changed their buying habits, within 6 to 9 months they are even deeper in debt than before.

- If credit cards are not paid off in full monthly, you are soon paying heavy interest.
- (OVERHEAD 1-g) Women outlive their husbands by an average of 7 years.
- (OVERHEAD 1-g) 2/3 of all married women will outlive their husbands (we need to know how to manage our money)!

What About Bankruptcy?

The law allows you to file for it only once every seven years. Once you file bankruptcy, your creditors come courting your business because they know that they have you in a corner. You **MUST** pay your loans now! And even after the seven years is up, your credit history still shows your bankruptcy! It will be there for life!

- A family using credit cards will spend 34% more per year than a family without credit cards. They buy more often, pay higher prices and are not as prudent in what they buy.

(OVERHEAD 1-h) Is credit the problem! **NO!** *The misuse of credit is the problem.* Everyone is affected by it. It is a universal issue.

OVERHEAD #2 Church Families and Debt

Over 40% are overspending every month.
Over 20% are on the verge of divorce.
Over 50% of all marriages end in divorce.
Over 90% of these point to financial issues as a major problem in their marriage.
Over 40% pay \$2,000 a year in interest (excluding their mortgages).
Only 34% return a tithe to the Lord.
40% give 3% or less to the church/Lord.
26% give virtually nothing to the church/Lord.

Our attitude toward money and possessions can be the difference between eternal death and eternal life. The Bible is full of examples of people who made money and material possessions their god and died because of it.

OVERHEAD #3

Money and Possessions in the Bible

- More than 2/3 of all Christ's parables dealt with money. All three parables in Matthew 25 use money situations to distinguish between the saved and the lost.
- Christ knew it was a way for us to measure where we are with the Lord.
- Whatever you are doing in your finances is just an outside indicator of your spiritual condition on the inside. If you are anxious about money, fearful or obsessed by it, this is not a financial matter. It is a sign of your spiritual condition.

Luke 12:15: "Take heed and beware of covetousness, for one's life does not consist in the abundance of the things he possesses."

Luke 16:13, NIV: "No servant can serve two masters. Either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve both God and money."

When faced with the decision of whether to serve God or become the next Pharaoh of Egypt, Moses chose to suffer affliction with the children of God. He put God first. In Daniel 3, when Shadrach, Meshach, and Abednego were faced with the choice of bowing to the golden image which King Nebuchadnezzar had made, or serving God, they chose to serve God, even if He did *not* deliver them from the fiery furnace.

We too must be willing to make a commitment to God and follow through with it.

The #1 problem with us is caring more about our finances than about God.

Psalm 37:5 "Commit your ways unto the Lord; trust also in Him; and He shall bring it to pass."

Abraham and Lot

Lot chose to live near Sodom. Before long, he and his family had moved into Sodom. When it came time for Sodom to be destroyed because of its wickedness, his children would not heed the warning to leave and they died in Sodom. Lot's wife, feeling that God was unfair to make her leave Sodom, looked back and became a pillar of salt.

"While her body was upon the plain, her heart clung to Sodom...She rebelled against God because His judgments involved her possessions and her children in the ruin. Although so greatly favored in being called out from the wicked city, she felt that she was severely dealt with, because the wealth that it had taken years to accumulate must be left to destruction." *Patriarchs and Prophets*, p. 161.

Achan (*Joshua 7*)

Israel was going to attack Jericho. God told them that all the booty was to be an offering to Him - they were not to keep any of it for themselves. Achan fell in love with a beautiful, expensive garment and decided to keep it. He hid it in the floor (ground) under his tent.

Then, in the battle with Ai, 36 Israelites were killed and they were disgraced. Achan's sin was found out and he and his entire family were stoned to death and then burned along with their possession. He robbed God - He broke the 10th commandment and coveted.

Gehazi (*2 Kings 5*)

Gehazi, Elisha's servant, ran after Naaman, who had been healed of leprosy, and lied to him to get some of the silver and clothing that he had offered to Elisha for his healing - covetousness. He became a leper and was one until he died.

The rich young ruler

He loved his money more than he loved God and he turned away sorrowfully. (*Matt. 19:22*)

Annanias and Sapphira

They made a pledge to sell a piece of land and give the money to the church to help the needy. After they sold it and saw how much they got for it, they decided to only give part of the money. They both died.

“Everyone is to be his own assessor and is left to give as he purposes in his heart. But there are those who are guilty of the same sin as Annanias and Sapphira. They think that if they withhold a portion of what God claims in the tithing system, the brethren will never know it. Thus thought the guilty couple whose example is given us as a warning. God in this case proves that He searches the heart. The motives and purposes of man cannot be hidden from Him. He has left a perpetual warning to Christians of all ages to beware of the sin to which the hearts of man are continually inclined.”

“Although no visible marks of God's displeasure follow the repetition of the sin of Annanias and Sapphira now, yet the sin is just as heinous in the sight of God and will as surely be visited upon the transgressor in the day of judgment, and many will feel the curse of God even in this life,” *Testimonies*, vol. 4, p. 469, 470.

We can't take our money with us when we die. The thing that should be most important to us is preparing for heaven.

(OVERHEAD 3-a) Christ always put prerequisites for following him—absolute, total surrender. He must be Lord of our entire life or He can't be Lord of any of it.

The number one sin Christians are guilty of are stealing from God (tithe and offering) and

cheating on income tax! If we are dishonest - steal/cheat, we cannot experience the fruits of the Spirit in our finances or our lives.

Proverbs 3:5-10 “Trust in the Lord with all your heart, and lean not on your own understanding; in all your ways acknowledge Him, and He shall direct your paths. Do not be wise in your own eyes; fear the Lord and depart from evil. It will be health to your flesh, and strength to your bones. Honor the Lord with your possessions, and with the first fruits of all your increase; So your barns will be filled with plenty, and your vats will overflow with new wine.”

OVERHEAD #4

Five Basic Stewardship Principles (more details later on)

1. God is the owner of everything. (*Ps 24:1*)
2. Our purpose in life is to glorify God. (*1 Cor. 10:31*)
3. The tithe is the minimum testimony of our Christian commitment. (*Mal. 3:6-10*)
4. Debt is bad. (*Prov. 22:7*)
5. Prosperity is having what you need when you need it. (*Phil. 4:19*)

“Some think that only a portion of their means is the Lord’s. When they have set apart a portion for religious and charitable purposes, they regard the remainder as their own, to be used as they see fit. But in this is their mistake. All we possess is the Lord’s, and we are accountable to Him for the use we make of it,” *Christ’s Object Lessons*, p. 351.

Psalms 50:12 “If I were hungry, I would not tell you; for the world is Mine, and all its fullness.”

All the people in the Bible who God was able to use had already made a commitment to Him.

FIVE BASIC STEWARDSHIP PRINCIPLES

1. God's Ownership

Psalm 24:1 “The earth is the Lord’s, and everything in it, the world, and all who live in it.” This principle of understanding God’s ownership applies to business management as well.

“Even in this age of passion for money getting, when competition is so sharp and methods are so unscrupulous, it is still widely acknowledged that, for a young man starting in life, integrity, diligence, temperance, purity, and thrift constitute a better capital than any amount of mere money.

Yet even of those who appreciate the value of these qualities and acknowledge the Bible as their source, there are but few who recognize the principle upon which they depend.

That which lies at the foundation of business integrity and of true success is the recognition of God’s ownership. The Creator of all things, He is the original proprietor. We are His stewards. All that we have is a trust from Him, to be used according to His direction,” *Education*, p. 137.

“Money is not ours; houses and grounds, pictures and furniture, garments and luxuries, do not belong to us. We are pilgrims; we are strangers. We have only a grant of those things that are necessary for health and life...Our temporal blessings are given us in trust, to prove whether we can be entrusted with eternal riches. If we endure the proving of God, then we shall receive that purchased possession which is to be our own glory, honor, and immortality,” *The Adventist Home*, p. 367.

2. Our purpose is simply to glorify God

“Therefore, whether you eat or drink, or whatever you do, do all to the glory of God,” (*1 Cor. 10:31*)

“Let your light so shine before men, that they may see your good works and glorify your Father in heaven,” (*Matt. 5:16.*)

3. Tithe - A barometer of our spiritual commitment - our covenant relationship

“...Will a man rob God? Yet ye have robbed me. But ye say, wherein have we robbed thee? In tithes and offerings. Ye are cursed with a curse: for ye have robbed me...Bring ye all the tithes into the storehouse, that there may be meat in mine house, and prove me how herewith, saith the Lord of hosts, if I will not open you the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it,” (*Mal. 3:6-10*)

The tithe is not an offering, but a vow we make to God at our conversion and baptism as we enter into covenant relationship with Him.

4. *All debt is bad*

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

5. *Prosperity is having what you need when you need it*

“Beloved, I pray that you may prosper in all things and be in health, just as your soul prospers,”
(*3 John 2*)

Prosperity is claiming the promise of God; it is not the accumulation of possessions. “And my God shall supply all your need according to His riches in glory by Christ Jesus,” (*Philippians 4:19*)

“The love of money, the desire for wealth, is the golden chain that binds [people] to Satan,”
Steps to Christ, p. 44.

Satan Has a Plan For Your Money!

Selfishness - materialism - lies at the very heart of the conflict between good and evil. God gave Ellen White a vision of one of Satan’s counsel meetings. Outlining his strategy for the last days, Satan presented his plan for overcoming the faith of God’s people. Among other things he said,

“Go, make the possessors of lands and money drunk with the cares of this life. Present the world before them in its most attractive light, that they may lay up their treasure here and fix their affections upon earthly things. We must do our utmost to prevent those who labor in God’s cause from obtaining means to use against us...Make them care more for money than for the up building of Christ’s kingdom and the spread of the truths we hate, and we need not fear their influence; for we know that every selfish, covetous person will fall under our power, and will finally be separated from God’s people,”

Testimonies to Ministers, p. 474.

God’s Tithing System

God instituted the tithing system as a way for us to **acknowledge His sovereignty** and to **show our trust of Him**. It is an act of **worship**. Of course, Satan would not like this plan of systematic support for God’s church.

Psalm 50:12 “If I were hungry, I would not tell you; for the world is Mine, and all its fullness.”

Deuteronomy 14:23 “That you may learn to fear the Lord your God always.”

“Of the means which is entrusted to man, God claims a certain portion - a tithe; but He leaves all free to say how much the tithe is, and whether or not they will give more than this,” *Testimonies*, vol. 5, p. 149.

The first tithe recorded in Scripture was given more than 4,000 years ago; more than 400 years before God gave the law to Moses. Abraham had returned from a successful hostage rescue mission to save his nephew Lot, his family, and the other people captured from Sodom.

“There are only two places in the world where we can deposit our treasures - in God’s storehouse or in Satan’s, and all that is not devoted to Christ’s service is counted on Satan’s side and goes to strengthen his cause,” *Testimonies*, vol 6, p. 448.

OVERHEAD #5

Three questions Christians should ask themselves:

1. Am I certain that I am giving from my income all that the Lord has asked me to give?
2. Am I certain that my family and I are living at the standard God would have us to live at?
3. After all this, is there still a surplus of money?

There is a difference between saving and hoarding. The ant saves enough for the winter. In the parable of the rich man, he had more than he could possibly use but decided to build bigger barns to store it rather than give it away. That night he died!

The Slavery of Debt

“...remember what happens when a family buys a home with a 30-year mortgage? For a \$100,000 loan with a 12% interest rate, the total payoff is more than \$300,000. That means that you will pay more than \$200,000 in interest. How much of the \$200,000 interest helps to advance the cause of God? The answer is: none! No self-respecting Christian would ever sit down and write a check to the devil, but when we are in debt, he effectively siphons off large portions of our income (the interest we pay) so that these funds can never be used to advance God’s cause,” *It’s Your Money, Isn’t It?* p. 54.

OVERHEAD #6

“Those in debt find that it takes all that they can earn just to keep their heads above water. Consequently they have little or nothing left to help others or the church, the only ways to store up treasure in heaven,” *Testimonies*, vol. 2, p. 279.

“Many, very many, have not so educated themselves that they can keep their expenditures within the limit of their income...They borrow and borrow again and again and become overwhelmed in debt, and consequently they become discouraged and disheartened,” *The Adventist Home*, p. 374.

Ellen White, writing to a man in debt said, "This has been the curse of your life, getting into debt. Avoid it as you would the smallpox," *The Adventist Home*, p. 393.

The apostle Paul counseled, "Let no debt remain outstanding, except the continuing debt to love one another," (*Romans 13:8, NIV*).

"When one becomes involved in debt, he is in one of Satan's nets, which he sets for souls...Deny yourself a thousand things rather than run into debt," *The Adventist Home*, pp. 392, 393.

Breaking the Debt Cycle

This is based on *Counsels on Stewardship*, page 257 (originally written in 1877).

First you must make a commitment to **faithful tithing**. God promises to give you wisdom and blessings (see Deuteronomy 28, Proverbs 3, Malachi 3, Matthew 6, and Matthew 25).

Step 1:

Declare a moratorium on additional debt. Stop using credit and stop impulse buying. We get into debt by overspending. The only way out of debt is by under spending. If you don't borrow more money, you won't get further into debt.

Step 2:

Make a covenant with God that forms this point on. As He blesses, pay off your debts as quickly as possible and stay out of debt. When God blesses you financially, use it to reduce debt - not to purchase more things.

Step 3:

Keep a diary of your spending for 30 days. Count every nickel you spend. List categories - housing, food, clothing, recreation/entertainment, medical, etc.

Determine where your money is going, and where you want to be in two years. Set a target date for being debt-free.

Step 4:

Commit yourself to living on what you make—no credit cards and no bank loans (except for buying a home). If you don't borrow money, you won't get into debt. If you stop borrowing money, you won't get further into debt. Everything starts somewhere. Begin by making at least the minimum payment due on each of your debts on a monthly basis. Next, double up or increase in any way you can your payments on your smallest debt. You will be happily surprised how quickly you can eliminate the one debt. Then use the money that you were paying on that debt to add to the basic payment on the debt listed next. As you eliminate your smaller high interest debts, you will free up a surprising amount of money to place on the next debt. By starting at the bottom of the list, you will have many occasions to praise God for His blessings and for the freedom you are beginning to experience.

When you reach the home mortgage debt, your biggest and last debt left, ask your bank to send you an amortization schedule. It will show month by month how much money goes for interest and principle on your loan. Start making extra principal payments each month to reduce your debt. Send a note to the bank telling them this is an extra check to be applied to the principal payment. You will save years of payments and thousands of dollars in interest.

- 85% of the cost of a home is debt. Only 15% is labor and materials. If you have a thirty year mortgage, by the end of the 30 years you have paid 92% interest on your loan. If you make two extra payments a year (which pays principle only), you will pay it off about 10 years early and save yourself 120 payments!

Step 5:

Build a financial plan:

1. Decide what your yearly income is.
2. Decide where you want to be in 2 years, 5 years, etc.
3. Put your financial plan on paper.
4. Make sure your total expenditures are the same as your income.
5. Stay within your financial plan.

Budgeting

A budget is a plan of how a family will spend their money over the next year. Both husband and wife must agree upon this plan or problems will develop. However, it is still the husband's responsibility to be sure you have a workable budget.

If a husband and wife cannot communicate about money, they will not be able to communicate about anything else. Budgeting is objective, measurable, and determinable.

Who will keep the books, pay the bills, balance the checkbook, and keep the records? Who is the better bookkeeper? That is who should keep the books!

Do not depend on the wife's income. If you do and children come along, she will be forced to continue working.

Budget Guidelines

(For an average gross income of \$30,000 a year for a family of four).

Tithe	10%
Offering	5-10%
Income Tax	15%
Savings	3%
Housing (<i>rent/house payment, property taxes, utilities, & phone</i>)	35%
Food	14%
Car (<i>payment, insurance, and maintenance</i>)	9%
Clothing	4%
Entertainment (<i>recreation, eating out, vacation</i>)	3.5%
Miscellaneous	1.5%
TOTAL	100%

* Of course, this is not laid in concrete! For example, if your housing expenses are greater than 35% of your gross income, something else will have to be adjusted.

* Also, as your children grow and begin school, something will have to be adjusted to allow for tuition expenses.

Commit yourselves to living on what you make - no credit cards and no bank loans (except for buying a house).

SEMINAR HANDOUTS: HOW TO STRETCH YOUR DOLLARS

Credit card delinquencies shot up to 3.3 percent in June, a **30% rise from the start of the year.**"

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- The average cardholder carries a balance of \$3,900; only about a third pay their credit-card bills in full each month."
 - **50%** of marriages end in divorce and **90%** of those divorcing say _____ was their major source of conflict.
 - The number of families going bankrupt every year has doubled since 1989. In 1989 it was _____ families every WEEK. In 1992 it was up to more than _____ families **EVERY WEEK!** That comes to **over** _____ families every year!
 - Some estimates say that over _____ of American families have borrowed so much money that they cannot make the monthly payments without borrowing additional money.
 - Over _____ of all Americans today have borrowed more money than they can **ever** repay!
 - _____ of all new businesses fail in the first year.
 - Over 30% of Americans draw some form of government subsidy (welfare).
 - _____ of Americans get married with no background in money management. Within three years 65% of them can't pay their bills.

- Once you start a cycle of credit you must always increase it and it takes an increasing amount to do the same thing.

What about bankruptcy?

The law allows you to file for it only once _____. Once you file bankruptcy your creditors come courting your business because they know that they have you in a corner. You **MUST** pay your loans now! And even after the seven years is up, your credit history still shows your bankruptcy! It will be there for life!

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Church Families and Debt

Over _____ are overspending every month.

Over _____ are on the verge of divorce.

Over _____ of all marriages end in divorce.

Over _____ point to financial problems as major problem in their marriage.

Over _____ pay _____ a year in **interest**. (Excluding their mortgages)

Only _____ return a Tithe to the Lord.

40% give _____ or less to the church/Lord.

_____ give virtually nothing to the church/Lord.

Our _____ toward _____ and _____ can be the difference between eternal death and eternal life. The Bible is full of examples of people who made money and material possessions their god and died because of it.

Money and Possessions in the Bible

- More than _____ of all Christ's parables dealt with money.
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Luke 12:15 "Take heed and beware of covetousness, for one's life does not consist in the abundance of the things he possesses."

Five Biblical Principles

1. God is the _____ of everything.
2. Our purpose in life is to _____.
3. The tithe is the _____ of our _____.
4. All _____ is bad.
5. Prosperity is having what you need _____.

1. *God's Ownership*

"Some think that only a portion of their means is the Lord's. When they have set apart a portion for religious and charitable purposes, they regard the remainder as their own, to be used as they see fit. But in this they mistake. All we possess is the Lord's, and we are accountable to Him for the use we make of it" *Christ's Object Lessons*, p. 351.

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All the people in the Bible who God was able to use **had already** made a commitment to God.

2. *Our purpose is simply to glorify God.*

"Therefore, whether you eat or drink, or whatever you do, do all to the glory of God" (*1 Corinthians 10:31*).

3. *Tithe—A barometer of our spiritual commitment—our covenant relationship.*

"Will a man rob God? Yet ye have robbed me. But ye say, wherein have we robbed thee? In tithes and offerings. Ye are cursed with a curse: for ye have robbed me ...Bring ye all the tithes into the storehouse, that there may be meat in mine house, and prove me now herewith, saith the Lord of hosts, if I will not open you the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it" (*Malachi 3:6-10*).

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God's Tithing System

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"That you may learn to fear the Lord your God always" (*Deuteronomy 14:23*).

"Of the means which is entrusted to man, God claims a certain portion—a tithe; but He leaves all free to say how much the tithe is, and whether or not they will give more than this" *Testimonies*, vol. 5, p. 149.

The first tithe recorded in Scripture was given more than _____ years ago—more than _____ years before God gave the law to Moses. Abraham had returned from a successful hostage rescue mission to save his nephew Lot, his family, and the other people captured from Sodom.

"There are only two places in the world where we can deposit our treasures—in God's storehouse or in Satan's, and all that is not devoted to Christ's service is counted on Satan's side and goes to strengthen his cause" *Testimonies*, vol 6, p 448.

Three questions a Christian should ask themselves:

1. Am I certain that I am giving from my income all that the Lord has asked me to give?
2. Am I certain that my family and I are living at the standard God would have us to live at?
3. After all this, is there still a surplus of money?

There is a difference between saving and hoarding. The ant saves enough for the winter. In the parable of the _____, he had more than he could possibly use but decided to build bigger barns to store it rather than give it away. That night he died!

The Slavery of Debt

“Remember what happens when a family buys a home with a 30-year mortgage? For a \$100,000 loan with a 12% interest rate the total payoff is more than \$300,000. That means that you will pay more than \$200,000 in interest. How much of the \$200,000 interest helps to advance the cause of God? The answer is: none! No self-respecting Christian would ever sit down and write a check to the devil, but when we are in debt he effectively siphons off large portions of our income (the interest we pay) so that these funds can never be used to advance God's cause.” *It's Your Money, Isn't It?* p.54,55.

“Those in debt find that it takes all that they can earn just to keep their heads above water. Consequently they have little or nothing left to help others or the church, the only ways to store up treasure in heaven.” *Testimonies, vol. 2, p. 279; vol. 3, p. 546.*

The apostle Paul counseled, "Let no debt remain outstanding, except the continuing debt to love one another" (*Romans 13:8, NIV*).

Breaking the Debt Cycle

First you must make a commitment to _____.

God promises to give you wisdom and blessings (see Deuteronomy 28, Proverbs 3; Malachi 3, Matthew 6; and Matthew 25).

Step 1:

Declare a _____ on additional _____. Stop using credit and stop buying. We get into debt by overspending. The only way out of debt is by _____. If you don't borrow more money, you won't get further into debt.

Step 2:

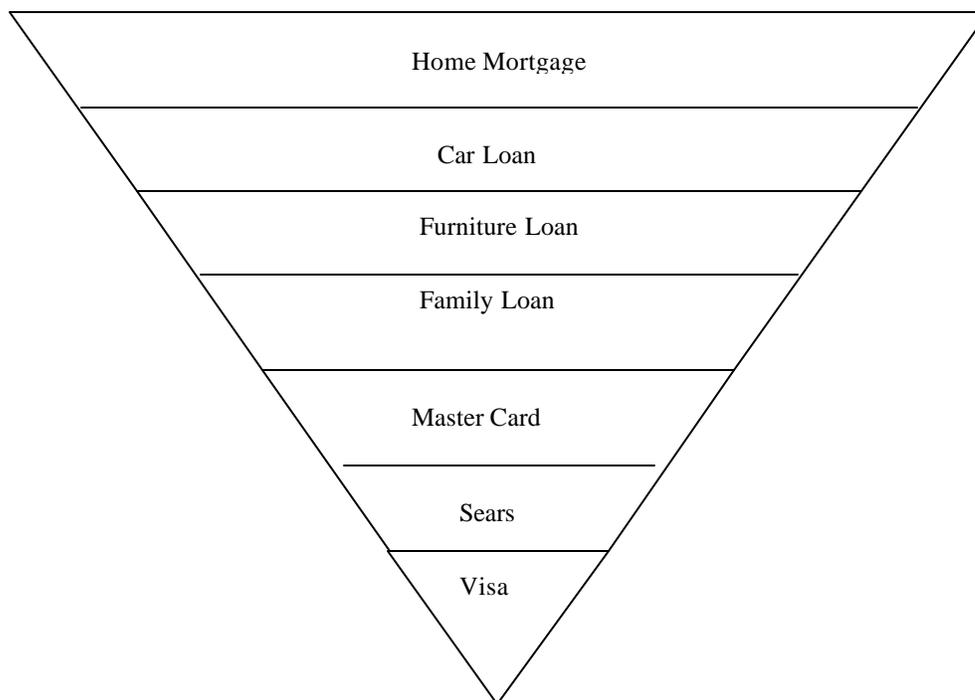
Make a covenant with God that from this point on, as He blesses, you will _____ your debts as quickly as possible and _____ of _____. When God blesses you financially, use it to _____ not to purchase more things.

Step 3:

Keep a diary of your spending for 30 days. Count every _____ you spend. List categories—housing, food, clothing, recreation/entertainment, medical, etc. (See worksheet) Determine where your money is going, and where you want to be in two years. Set a target date for being _____.

Step 4:

Commit yourself to living on _____ no credit cards and no bank loans (except for buying a home). If you don't borrow money you won't get into debt. If you stop borrowing money you won't get further into debt. Everything starts somewhere. Begin by making at least the _____ on each of your debts on a monthly basis. Next, _____ or increase in any way you can your payments on your smallest debt. You will be happily surprised how quickly you can eliminate that one debt. Then use the money that you were paying on that debt to add to the basic payment on the debt listed next. As you _____ your smaller high interest debts, you will free up a surprising amount of money to place on the next debt.



When you reach the home mortgage debt, your biggest and last debt left, ask your bank to send you an _____. It will show month by month how much money goes for interest and principle on your loan. (See sample) Start making extra _____ each

month to reduce your debt. Send a note to the bank telling them this is an extra check to be applied to the principal payment. You will save years of payments and thousands of dollars in interest.

_____ of the cost of a home is debt. Only _____ is labor and materials. If you have a thirty-year mortgage by the end of the 30 years you have paid _____ interest on your loan. If you make two extra payments a year (which pays principle only) you will pay it off about _____ early and save yourself _____ payments!

Step 5:

Build a financial plan:

1. Decide what your yearly income is. (Fill out the worksheet – p.10)
2. Decide where you want to be in 2 years, 5 years, etc.
3. Put your financial plan on paper.
4. Make sure your total expenditures is the same as your income.
5. Stay within your financial plan.

Budgeting

A budget is a plan of how a family will spend their money over the _____. This plan must be agreed upon by both husband and wife or other problems will develop. However, it is still the husband's responsibility to be sure you have a workable budget. Budgeting is _____, _____, and _____.

Budget Guidelines

(For an average **gross** income of \$30,000.00 a year for a family of four.)

Tithe	10%
Offering	5%-10%
Income Tax	15%
Saving	
Housing <i>(This includes rent/house payment, property taxes, utilities, and phone)</i>	3%
Food	35%
Car <i>(payment, insurance, and maintenance)</i>	14%
Clothing	9%
Entertainment <i>(recreation, eating, out, vacation)</i>	4%
Miscellaneous <i>(medical insurance or bills, anything else not in budget)</i>	3.5%
	1.5%
TOTAL	
	100%

Of course this is not laid in concrete! For example, if your housing expenses are greater than 35% of your gross income something else will have to be adjusted. Also, as your children grow and begin school, something will have to be adjusted to allow for tuition expenses.

COMMIT YOURSELVES TO LIVING ON WHAT YOU MAKE - NO CREDIT CARDS AND NO BANK LOANS (EXCEPT FOR BUYING A HOUSE).

OUR FAMILY INCOME FOR 20__

INCOME

Salaries (Net Amounts)

You	\$	
Your Spouse	\$	
Bonus(es)	\$	
Loan(s)	\$	
Other	\$	
TOTAL SALARIES		\$ _____

Investment Income

Interest (Taxable)	\$	
Interest (Nontaxable)	\$	
Dividends	\$	
Real Estate	\$	
Profit Sharing	\$	
TOTAL INVESTMENT INCOME		\$ _____

Other Income

Cash Gifts	\$	
Bonus(es)	\$	
Inheritance	\$	
Other	\$	
TOTAL OTHER INCOME		\$ _____

NET INCOME FOR 12 MONTHS OF 20__

PRINCIPLE: 60,000.00 %RATE: 12.000 YEARS: 30 MONTHS
MONTHLY Payment: 617.17 (No Pre-Payment Penalty)
FINAL est. Payment: 608.64

DATE	NO.	INTEREST	PRINCIPLE	BALANCE
1/1990	1	600.00	17.17	59,982.83
2/1990	2	599.83	17.34	59,965.49
3/1990	3	599.65	17.52	59,947.97
4/1990	4	599.48	17.69	59,930.28
5/1990	5	599.30	17.87	59,912.41
6/1990	6	599.12	18.05	59,894.36
7/1990	7	598.94	18.23	59,876.13
8/1990	8	598.76	18.41	59,857.72
9/1990	9	598.58	18.59	59,839.13
10/1990	10	598.39	18.78	59,820.35
11/1990	11	598.20	18.97	59,801.38
12/1990	12	598.01	19.16	59,782.22

1990 Totals 7,188.26 217.37

1/1991	13	597.82	19.35	59,762.87
2/1991	14	597.63	19.54	59,743.33
3/1991	15	597.43	19.74	59,723.59
4/1991	16	597.24	19.93	59,703.66
5/1991	17	597.04	20.13	59,683.53
6/1991	18	596.84	20.33	59,663.20
7/1991	19	596.63	20.54	59,642.66
8/1991	20	596.43	20.74	59,621.92
9/1991	21	596.22	20.95	59,600.97
10/1991	22	596.01	21.16	59,579.81
11/1991	23	595.80	21.37	59,579.81
12/1991	24	595.58	21.59	59,536.85

1991 Totals 7,188.26 245.37

1/1992	25	595.37	21.80	59,515.05
2/1992	26	595.15	22.02	59,493.03
3/1992	27	594.93	22.24	59,470.79
4/1992	28	594.71	22.46	59,448.33
5/1992	29	594.48	22.69	59,425.64
6/1992	30	594.26	22.91	59,402.73
7/1992	31	594.03	23.14	59,379.59
8/1992	32	593.80	23.37	59,356.22
9/1992	33	593.56	23.61	59,332.61
10/1992	34	593.33	23.84	59,308.77
11/1992	35	593.09	24.08	59,284.69
12/1992	36	592.85	24.32	59,260.37

1992 Totals 7,129.56 276.48 \$14,290.23
Pay: \$521.85 Save: 2yrs

Notes for Overheads

How to Stretch Your Dollars

Notes for OVERHEAD #1

- Credit cards are easy to get and the interest rates are between 15.9% and 21%.
- Banks are offering interest on regular savings accounts of only 2 to 4%.
- 50% of marriages end in divorce and 90% of those divorcing say money was their major source of conflict.
- The number of families going bankrupt every year has doubled since 1989. In 1989 it was 12,365 families every week. In 1992 it was up to more than 20,000 families every week! That comes to over 1 million families every year!
- Some estimates say that over 60% of American families have borrowed so much money that they cannot make the monthly payments without borrowing additional money.

- Over 70% of all Americans today have borrowed more money than they can ever repay!
- 3/4 of all new businesses fail in the first year.
- Over 30% of Americans draw some form of government subsidy (welfare).
- 95% of Americans get married with no background in money management. They conclude that in three years they can have what it took their parents 30 years of married life to have. Within three years, 65% of them can't pay their bills. They then get a bill consolidation loan, which shrinks their monthly payments by extending them over a longer period of time at a higher interest rate. Because they haven't changed their buying habits, within 6 to 9 months they are even deeper in debt than before.
- If credit cards are not paid off in full monthly, you are soon

paying heavy interest.

- Women outlive their husbands by an average of 7 years.
- 2/3 of all married women will outlive their husbands (we need to know how to manage our money)!

Notes for OVERHEAD #2

- Over 40% are overspending every month.
- Over 20% are on the verge of divorce.
- Over 50% of all marriages end in divorce.
- Over 90% of these point to financial issues as a major problem in their marriage.
- Over 40% pay \$2,000 a year in interest (excluding their mortgages).
- Only 34% return a tithe to the Lord.
- 40% give 3% or less to the church/Lord.
- 26% give virtually nothing to the church/Lord.

Notes for OVERHEAD #3

**MONEY AND POSSESSIONS
IN THE BIBLE**

More than 2/3 of all Christ's parables dealt with money.

Christ knew money is a way for us to measure where we are
with the Lord.

Whatever you are doing in your finances is just an outside
indicator of your spiritual condition on the inside.

Notes for OVERHEAD #4

BASIC STEWARDSHIP PRINCIPLES

1. God is the owner of everything (Ps. 24:1).
2. Our purpose in life is to glorify God (1 Corinthians. 10:31).
3. The tithe is the minimum testimony of our Christian commitment (Mal. 3:6-10).
4. Debt is bad (Prov. 22:7).
5. Prosperity is having what you need when you need it (Phil. 4:19).

Notes for OVERHEAD #5

THREE QUESTIONS CHRISTIANS SHOULD ASK THEMSELVES:

1. Am I certain that I am giving from my income all that the Lord has asked me to give?
2. Am I certain that my family and I are living at the standard God would have us to live at?
3. After all this, is there still a surplus of money?

Notes for OVERHEAD #6

THE SLAVERY OF DEBT

“Those in debt find that it takes all that they can earn just to keep their heads above water. Consequently they have little or nothing left to help others or the church, the only ways to store up treasure in heaven.”

Testimonies, vol. 2, p. 279.

Overheads

How to Stretch Your Dollars

**50% of marriages end in divorce and
90% of those divorcing say MONEY was
their major source of conflict**





The number of families going bankrupt every year has doubled since 1989.

In 1989 it was 12,365 families every WEEK.

In 1992 it was up to more than 20,000 families every WEEK!

That comes to over 1 MILLION families every YEAR.



Some estimates say that over 60% of American families have borrowed so much money that they cannot make the monthly payments without borrowing additional money.

Over 70% of all Americans today have borrowed more money than they can **EVER repay.**



**3/4 of all new businesses fail in
the first year.**

**Over 30% of Americans draw
some form of government
subsidy (welfare).**

**95% of Americans get married
with no background in money
management.**





**Women outlive their husbands
by an average of 7 years.**

**2/3 of all married women will
outlive their husbands**

**WE NEED TO KNOW HOW TO
MANAGE OUR MONEY!!**

The MISUSE of credit is the problem.



A family using credit cards will spend 34% more per year than a family without credit cards. They buy more often, pay higher prices, and are not as prudent in what they buy.



Church Families and Debt

- **Over 40% are overspending every month.**
- **Over 20% are on the verge of divorce.**
- **Over 50% of all marriages end in divorce.**
- **Over 90% point to financial problems as the major problem in their marriage.**
- **Over 40% pay \$2,000 a year in interest.
(Excluding their mortgages)**
- **Only 34% return a tithe to the Lord.**
- **40% give 3% or less to the church/Lord.**
- **26% give virtually nothing to the church/Lord.**

Money and Possessions in the Bible



More than 2/3 of all Christ's parables
dealt with money

Whatever you are doing in your finances is just an
outside indicator of your spiritual condition
on the inside.

Christ always put prerequisites for following him. . .

**ABSOLUTE,
TOTAL
SURRENDER**



He must be Lord of our entire life or He can't be Lord of any of it.

Five Basic Stewardship Principles

- 1. God is the Owner of Everything (*Ps. 24:1*)**
- 2. Our Purpose in Life is to Glorify God (*1 Cor. 10:31*)**
- 3. The Tithe is the Minimum Testimony of our Christian Commitment (*Mal. 3:6-10*)**
- 4. Debt is Bad (*Prov. 22:7*)**
- 5. Prosperity is Having What you Need When you Need it. (*Phil 4:19*)**



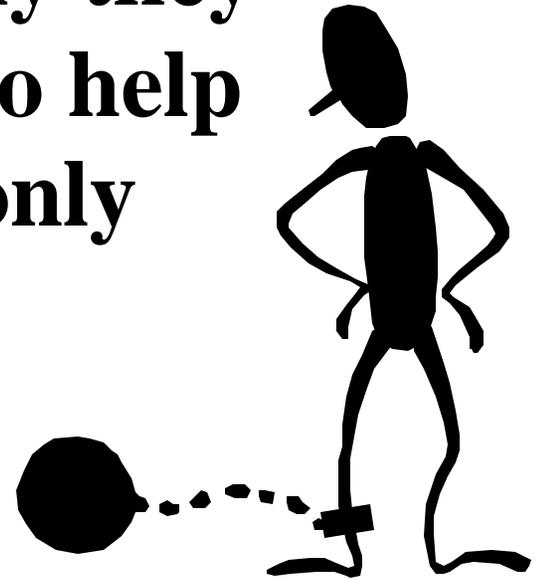
Three Questions Christians Should Ask Themselves:

- 1. Am I certain that I am giving from my income all that the Lord has asked me to give?*
- 2. Am I certain that my family and I are living at the standard God would have us to live at?*
- 3. After all this, is there still a surplus of money?*

The Slavery of Debt

“Those in debt find that it takes all that they can earn just to keep their heads above water. Consequently they have little or nothing left to help others or the church, the only ways to store up treasures in heaven.

(Testimonies, Vol. 2, p. 279)



Supplemental Materials

(to hand out)

How to Stretch Your Dollars

MONTHLY INCOME & EXPENSES

INCOME PER MONTH

Salary _____
 Interest _____
 Dividends _____
 Notes _____
 Rents _____

TOTAL GROSS INCOME

LESS:

1. Tithe _____
 2. Tax _____

NET SPENDABLE INCOME

3. Housing

Mortgage (rent) _____
 Insurance _____
 Taxes _____
 Electricity _____
 Gas _____
 Water _____
 Sanitation _____
 Telephone _____
 Maintenance _____
 Other _____

4. Food

5. Automobile(s)

Payments _____
 Gas & Oil _____
 Insurance _____
 License _____
 Taxes _____

6. Insurance

Life _____
 Medical _____
 Other _____

7. Debts

Credit Cards _____
 Loans, Notes _____
 Other _____

8. Entertainment / Recreation

Eating Out _____
 Trips _____
 Baby Sitter _____
 Activities _____
 Vacation _____
 Other _____

9. Clothing

10. Savings

11. Medical Expenses

Doctor _____
 Dentist _____
 Drugs _____
 Other _____

12. Miscellaneous

Toiletries, Cosmetics _____
 Beauty, Barber _____
 Laundry, Cleaning _____
 Allowances, lunches _____
 Subscriptions _____
 Gifts (including Christmas) _____
 Special Education _____
 Cash _____
 Other _____

TOTAL EXPENSES

INCOME vs. EXPENSE

Net Spendable Income _____
Less Expenses _____

LEFTOVER

WAYS TO ECONOMIZE

1. Begin the habit of saving, even if it is only \$10 a month. As you are able, put more aside. Soon you will have a nice amount you had not expected. If you start saving the \$4 you spend eating lunch out five days a week and brown bag it, in one year you will have saved \$1,000! If there are two of you spending an average \$4 each, you will have \$2,000 in one year!
2. Furniture: Look in the paper for people who have advertised moving sales and furniture salvage stores. We have been able to buy good quality furniture for a fraction of the cost.
3. Clothing: Set a budget for each member of the family for clothing.
4. Keep a list of people you have to buy for; their birthday, clothing size, and colors. As you find things on sale throughout the year, you can buy them with the money you've already set aside for birthday presents and Christmas. Also, keep a list of what you buy, how much it cost, and who it's for.
5. Christmas: We establish a limit on how much we can afford to spend on each member of the family for Christmas and we save with that in mind. Also, if you plan for it, you can begin next years shopping when the after Christmas sales begin in January.
6. Vacation: Be innovative; find alternate ways to take a vacation on less money. Maybe you can go camping or take short day trips sight seeing close to home.
7. Entertainment: Determine how much you can afford to spend on entertainment a month. This includes renting videos, sports, eating out, having a party, hobbies, etc. If you don't spend it all one month, the next month you can do something extra special.
8. Establish a limit on a miscellaneous fund and what it can be used for. We use our fund for buying birthday presents, flowers and cards for the sick, and any other need which arises and does not fit in one of the other categories.
9. Savings: Make a habit of saving something every month. Some goals could be a new car, a nicer house, and college education for the kids, etc. You and your spouse know what it is that you need or would like to have. Set yourselves a goal and it will be much easier to save towards it.

GROCERY SHOPPING:

1. Start a price book (loose-leaf binder). Alphabetize pages. List item, name of store, brand, size of item, price, and unit price. Shop at different stores each week of the month so that within a 30-day cycle you can hit them all. You'll be able to tell if a sale is really a sale.

2. Compare price with coupons to see which product is really the best deal.
3. Never shop when you're hungry.
4. Always make a menu before making your shopping list.
5. Shop without hubby and kids. They will want items not on your list.
6. NEVER USE A COUPON TO BUY AN ITEM YOU WOULDN'T BUY ANYWAY.
7. Find a salvage depot to buy dry food items like beans, rice, and canned foods that may have been damaged in shipping. Find a farmers market to buy vegetables and fruits by the bushel. If a bushel seems like more than you can use, find another family who would be willing to split the items in half and save some money also.
8. Join a local co-op to buy food items at a lower price than the grocery store and make new friends from other faiths at the same time.
9. Steel Wool Pads - After using a soapy steel wool pad, pop it in the freezer. It will thaw quickly for the next use and won't be a pile of rust next to your sink.
10. Instead of buying expensive air fresheners with chemicals, place small containers with baking soda in inconspicuous places around the house - bathrooms, etc.
11. Wash out plastic produce bags, turn inside out to dry, reuse.

TIME/MONEY-SAVER

1. Meal Exchange - Exchange main dish meals with a friend once a week. You cook for her on Tuesdays; she cooks for you on Thursdays. All you have to do is make a salad, vegetable, etc.
2. Install a water heater timer. Set it to go on from 4:00 to 9:00 a.m. and from 4:00 to 10:00 p.m. It can save from \$10 to \$15 a month in your electric bill.
3. Buy a battery charger and rechargeable batteries. The cost of the recharger and a pair of D rechargeable batteries equals the cost of about eight pairs of disposable D batteries.
4. Juice can lids make excellent garden wind chimes or reflectors to mark your driveway and mailbox at night. Punch holes in it and put in the bottom of flowerpots. It keeps the pebbles in. Punch holes near the edges and tie together for a suit of armor for kids.
5. Butter wrappers. Fold in half and store in butter compartment in fridge. Use when buttering cookie sheets, etc.

6. Watermelon seeds - dry and save to mix with birdseed.
7. Old towels - cut up, sew edges, use for cleaning rags, washcloths.
8. Old cotton sock - Put hand inside and use to dust furniture, blinds, windowsills, etc. Use in garage for grease rags.
9. Buy identical socks in bulk. If one wears out, you only lose one sock.
10. Roll-on deodorant bottles. Pry cap off, rinse, fill with tempera paint thinned with water. Replace top and let children use to paint with.
11. Old mattress pads - cut down to smaller sizes and use for a child's changing pad or a filler for potholders.
12. Mesh onion bags - twist and secure with rubber band. It becomes a scouring pad. Fill with soap bar scraps and make bath scrubber.
13. Buy syrup in gallon jugs and refill your smaller bottles.
14. Plastic milk jugs - Several ideas: 1) Cut off the top for a container for clothespin holder, legos, matchbox cars, tinker toys, etc. Handle makes them easy to carry. 2) Punch holes in bottom to make irrigation jug. Set into the ground near plants - waters them slowly without evaporation. 3) Cut bottom off at an angle for a shop dustpan. 4) Use X-Acto knife to make simple stencils from the side panels. 5) Cut bottom off to make miniature greenhouse. Remove the cap during the day or use to cover plants when frost threatens.

As we pledge ourselves to giving God His portion first and turning our finances around, being faithful stewards of all He entrusts us with, we can claim the promise found in Deut. 28:12, 13.

QUESTIONS FOR EVALUATING POTENTIAL PURCHASES

1. Do I really need it? (*Phil. 4:19*)
2. Have I given God an opportunity to supply it within the price we can afford? (*Prov. 16:3*)
3. Will it advance my spiritual growth? (*1 Cor. 6:12*)
4. Is this purchase motivated by a “love” of things? (*1 John 2:15*)
5. How long can I wait for it before I have real need? (*Phil. 4:12,13*)
6. Do I have doubts about it? (*James 1:6*)
7. Is it a good investment? (*Matt. 25:14-30*)
8. Can I pay cash or will this purchase put me in debt? (*Romans 13:8*)
9. Is it meaningful to my family? (*1 Tim. 5:8*)
10. Will the purchase please God? (*1 Cor. 10:31*)

POINTS TO REMEMBER WHEN BORROWING MONEY

- **BORROW AS LITTLE AS POSSIBLE.**
Frequently when folks borrow money, they rationalize that “while I am getting the loan, I might as well get money for...” Don’t!
- **MAKE THE PAYBACK TERM AS SHORT AS POSSIBLE.**
The monthly payment should not be the only criterion for the length of the payback term. Remember the longer you have the money, the more interest you pay.
- **HAVE A FIXED RATE OF INTEREST.**
Most new mortgages are adjustable-rate mortgages (ARMs). The interest rate on the loan fluctuates with the interest rate to which it is tied. Problem: Interest rates are bound to increase sometime over the life of the mortgage, so interest payments will also rise. An ARM, therefore, puts all of the risk on the borrower. Fixed rate loans, on the other hand, put the risk on the lender.
- **BE SURE THERE IS NO PREPAYMENT PENALTY.**
Your goal for any loan should be to pay it off as quickly as possible to be out from under the burden of debt and to save interest costs. If there is a prepayment penalty, then if you attempt to prepay the principal amount, you may have to pay part or all of the interest as if the loan ran its full course. Make sure “there is no prepayment penalty” is in writing.
- **AVOID PERSONAL SURETY.**
Try to have the object for which you are borrowing the money be the full security and not your other assets as well.
- **SHOP FOR THE MONEY.**
Closing costs and interest rates vary from lender to lender. Make sure you are getting the best deal for you.
- **DO NOT PURCHASE CREDIT LIFE INSURANCE.**
Up to 60% of the premium goes to the salesperson as commission. A better plan would be a simple term life insurance policy to cover all your debts.
- **KNOW WHAT YOU ARE DOING.**
Know the points above. Tell the bank what you want to do. Tell the lender you are shopping for the money.

