

THINGS WORTH KNOWING

By: Austin Pryor

To prepare me for my role as a financial advisor, I scan the dozens of newspaper, magazine and newsletter articles, seeking the latest information on the economy, interest rates and the financial markets. As I do so, one question dominates my thinking: Is this something my readers should be aware of?

Reading what the experts are saying about the economy, interest rates, and the markets, I realize two things: Often they're just guessing, and you can always find impressive experts on both sides of every argument. In reviewing how the stock, bond, and foreign markets have behaved over the past month, I also recognize that market behavior is erratic over the short-term, so it should have little bearing on financial decisions you make.

Over my years of financial counseling, I have learned that the wisest approach is to set financial priorities that honor God and the principles He teaches in the Bible. For this reason, I am convinced that the things most worth knowing about how to use our finances are, first and foremost, rooted in God's Word. For instance:

- It's worth knowing that we should **look primarily to God's wisdom, not the conventional wisdom, for principles to guide our decision-making.** The principles God has given us are practical and personally relevant. *"All Scripture is God-breathed and is useful for teaching, rebuking, correcting and training in righteousness"* (2 Timothy 3:16).
- It's worth knowing that we must each **accept personal responsibility for making knowledgeable, biblically-consistent financial decisions.** We cannot look to others to make the tough choices for us. *"Now it is required that those who have been given a trust must prove faithful"* (1 Corinthians 4:2).
- It's worth knowing that **debt is potentially enslaving and that we should avoid it as much as possible.** *"The rich rule over the poor, and the borrower is a servant to the lender"* (Proverbs 22:7).
- It's worth knowing that maintaining **a proper balance between current spending and long-term saving is a sign of wisdom.** *"In the house of the wise are stores of choice food and oil, but a foolish man devours all he has"* (Proverbs 21:20).
- It's worth knowing that **we should consistently invest from a carefully considered strategy** rather than impulsively on a case by case basis. *"The plans of the diligent lead to profit as surely as haste leads to poverty"* (Proverbs 21:5).
- It's worth knowing that **we should rely on diversification**—rather than a preoccupation with market cycles—**as a means of controlling risk and protecting our capital.** *"Divide your portion to seven, or even to eight, for you do not know what misfortune may occur on the earth"* (Ecclesiastes 11:2).
- It's worth knowing that **we must be on guard against greed**, spending our energies in a futile attempt to get the greatest returns. *"Do not wear yourself out to get rich; have the wisdom to show restraint"* (Proverbs 23:4).

As we continually "renew our minds" with these guiding principles, we can apply them to the day-to-day financial decisions we each face. We can have confidence that, whatever the short-term sacrifices may be, we are making wise spending, saving, and investing choices. That frees us to leave the results with God, knowing that *"Godliness with contentment is great gain"* (1 Timothy 6:6).

Austin Pryor is the publisher of Sound Mind Investing, America's best-selling financial newsletter written from a biblical perspective. He also is the author of the book, Sound Mind Investing, and you can read his investment advice on his web site, www.soundmindinvesting.com.



Discussion Questions

1. How much time do you spend reading and considering “expert” assessments of financial conditions in your country and around the world? How helpful – over the long-term – have you found that to be for your own decision-making?
2. When you make personal financial decisions, are they most typically focused on short-term or long-term goals? What about financial decisions you make at work – are they designed for short-term or long-term results? Why do you take this approach?
3. Have you ever thought about relating principles from the Bible to your day-to-day financial decisions? Why or why not?
4. Of the principles cited in Austin Pryor’s article, which do you find the most helpful or useful? Explain.