
Financial Freedom on Any Income

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These 10 tips for good financial management can help you find peace of mind.

Jan D. Andersen, "Financial Freedom on Any Income," *Ensign*, Aug. 2006, 27

We've all heard that money can't buy happiness, yet many of us don't believe it. Some of us may spend significant portions of our lives trying to prove that simple truth wrong.

In the Doctrine and Covenants the Lord commanded, "Set in order your own house, for there are many things that are not right in your house" (**D&C 93:43**).

How can we set our financial houses in order? Prophets, past and present, have taught money-management principles that if followed will provide financial freedom and financial peace of mind. I will highlight 10 of them that apply whether we are rich or poor.

Principle 1: Put God first.

Financially, we can put God first by paying our tithes and offerings *before* all other expenditures. We also put God first by seeking His will and guidance in all of our money matters. In response to putting Him first, God promises to open "the windows of heaven" and pour out both temporal and spiritual blessings, blessings greater than we have the capacity to receive (see **Mal. 3:10**).

Principle 2: Work.

When Adam and Eve left the Garden of Eden, they needed to work if they wanted to eat. Further, they were promised that making a living would be hard work (see **Gen. 3:19**).

The world places great emphasis on leisure and retirement. Lifelong work, however, is ordained of God and is necessary for our growth and salvation. While we may retire from our financial employment, we cannot retire from God's plan of life for His children.

Principle 3: Don't covet the possessions of others.

The last of the Ten Commandments given to Moses was "Thou shalt not covet" (**Ex. 20:17**). During His mortal ministry, Christ reemphasized this commandment when he told the multitude to "take heed, and beware of covetousness" (**Luke 12:15**).

Elder Joseph B. Wirthlin of the Quorum of the Twelve Apostles has taught that covetousness “is one of the great afflictions of these latter days. It creates greed and resentment. Often it leads to bondage, heartbreak, and crushing, grinding debt.”¹

President Gordon B. Hinckley described coveting as the “trap that can destroy any of us in our search for joy and happiness. It is that devious, sinister, evil influence that says, ‘What I have is not enough. I must have more.’”²

Principle 4: Increase financial knowledge.

The parable of the talents teaches us that we have a sacred obligation to be wise stewards of the financial resources with which we have been blessed, be they few or vast. We are judged not by how much we have but by what we do with what we have. The servant who increased his talents from five to ten and the servant who increased his talents from two to four received the same reward; the Lord told both: “Well done, thou good and faithful servant: thou hast been faithful over a few things, I will make thee ruler over many things” (**Matt. 25:21**; see also **Matt. 25:23**).

Sometimes it seems we are bombarded with financial advice from many different sources, even trusted friends or loved ones. I would not suggest that all of this advice is necessarily wrong, but it may be incomplete or based on the philosophies of men, or it simply may not apply in every situation. We must learn to recognize our own financial weaknesses and seek out the knowledge that we lack.

A helpful resource is Elder Marvin J. Ashton’s pamphlet *One for the Money: Guide to Family Finance* (1992), available at www.ldscatalog.com. Another good resource is the “Provident Living” section at www.lds.org.

Principle 5: Control spending.

The key to financial success is to always spend *less* than we earn. This allows us to stay out of debt and to put some money away for a rainy day. President N. Eldon Tanner (1898–1982), First Counselor in the First Presidency, observed: “There is no way that you can ever earn *more* than you can spend. I am convinced that it is not the amount of money an individual earns that brings peace of mind as much as it is having *control* of his money. ... Whether early in life or late, we must all eventually learn to discipline ourselves, our appetites, and our economic desires.”³

As a first step in developing financial discipline, I suggest an exercise that I give each semester to my students. Obtain a small notebook that you can carry with you. Each day for a month record all—yes, every penny—of your spending in that notebook. For each expenditure include a brief explanation along with the dollar amount. Include all of your transactions: cash, checks, credit or debit cards, electronic transfers, or IOUs. At the end of the month go back through your **spending** log and categorize your transactions. Total the amount **spent** in each category. Then ask yourself, “Did I **spend** my money the way I should have? What changes do I need to **make** in my **spending** behavior?”

Because many of us want more than we have, creating a budget to prioritize our **spending** is helpful. In this process we should keep in mind the words of Jacob: “Wherefore, do not spend money for that which is of no worth, nor your labor for that which cannot satisfy” (**2 Ne. 9:51**).

Principle 6: Get out of debt.

Many people have fallen into the habit of using credit to live a lifestyle that greatly exceeds their income. When we live on credit, we are spending tomorrow’s income today; we essentially rob our future selves.

I am not referring to those who use credit cards as a convenience, paying the balance in full each month. Rather, I am referring to those who use credit to live a debt-based lifestyle. Many people find themselves unable to pay more than the minimum payments each month. The credit card companies like these people because they make the most money from them.

For example, if only the minimum payment is made each month, a \$2,500 Christmas shopping spree—with a credit card that charges 18 percent interest and requires a minimum payment of interest plus 1 percent of the balance—will take 20 years and 4 months to pay off. And that’s assuming that no additional charges are made during the 20 years and 4 months. With interest, that \$2,500 shopping spree will end up costing about \$5,865.

In Proverbs we read that “the borrower is servant to the lender” (**Prov. 22:7**). Consumer debt not only creates financial and emotional bondage, but it strains marriage and family relationships and prevents spiritual progression.

Principle 7: Save for the future.

The Lord counseled the early Saints, “Save all the money that ye can ... that in time ye may be enabled to purchase land for an inheritance” (**D&C 48:4**). The basic concept of inheritance is providing for future needs. The Old Testament story of Joseph in Egypt illustrates the wisdom of saving for future events, for times may come when financial and material resources are scarce or beyond our ability to obtain (see **Gen. 41**). The Lord’s command to save still applies to each of us today.

In April 2004 general conference, Elder Wirthlin reminded us: “The wise understand the importance of saving today for a rainy day tomorrow. They have adequate insurance that will provide for them in case of illness or death. Where possible, they store a year’s supply of food, water, and other basic necessities of life. They set aside money in savings and investment accounts.” ⁴

Principle 8: Teach children sound money-management skills.

Elder Wirthlin also noted that “too many of our youth get into financial difficulty because they never learned proper principles of financial common sense at home. Teach your children while they are young. Teach them that they cannot have something merely because they want it. Teach them the principles of hard work, frugality, and saving.” 5

Bishop H. David Burton, Presiding Bishop of the Church, observed that parents, especially those parents who can afford to say yes, “have a difficult time saying no to the demands of overindulged children. Their children run the risk of not learning important values like hard work, delayed gratification, honesty, and compassion.” 6

Principle 9: Sacrifice.

“Of him unto whom much is given much is required” (**D&C 82:3**). The Lord *requires* us—not “expects,” as it is often misquoted—to give freely of our earthly wealth. Writer and philosopher C. S. Lewis said: “If our charities do not at all pinch or hamper us, I should say they are too small. There ought to be things we should like to do and cannot do because our charitable expenditure excludes them.” 7

President George Q. Cannon (1827–1901), First Counselor in the First Presidency, taught that riches have “a very corrupting effect upon the human heart, and it requires a very pure people to be as honest, virtuous, humble and upright when surrounded by luxury and wealth as when they are in poor and destitute circumstances. ... Always remember that your lives, your ability, the food you eat, the water you drink, the clothes you wear, the earth you tread, the air you breathe, are all the Lord’s. ... Then, whether you are rich or poor will make no difference. ... You will look upon yourselves as stewards, and if you have a hundred dollars in your hands, you will say, this is the Lord’s, and if He wants it, He can have it. If you have a million dollars, you will feel the same. And where people have this feeling, riches cannot hurt them. Latter-day Saints must have this kind of faith and feeling, or they cannot build up Zion and be the people the Lord is desirous they should be.” 8

Principle 10: Endure joyfully to the end.

Life is not a competition that we win if we acquire the most money or possessions. Christ taught that “a man’s life consisteth not in the abundance of the things which he possesseth” (**Luke 12:15**). Rather, life is a test that requires sustained effort for as long as we live. God proclaimed to Nephi: “He that endureth to the end, the same shall be saved” (**2 Ne. 31:15**).

How we respond to our economic condition, especially the manner in which we acquire and manage our financial resources, is part of life’s test. Unlike earthly competitions, however, everyone can pass this test and receive the highest reward; all can be winners. And unlike man-made tests, we are allowed—even commanded—to seek help during life’s examination. “Ask and ye shall receive; knock and it shall be opened unto you. Behold, I will go before you and be your rearward; and I will be in your midst, and you

shall not be confounded” (D&C 49:26–27). Let us rely on this wonderful promise as we seek to put our financial houses in order.

I have witnessed the heartache that financial mismanagement can bring. I have also experienced the joy and peace that come when finances are in order. Bishops and stake presidents are anxious to help us become better stewards; we can benefit by following their counsel and using the resources they offer. If we seek the guidance of the Spirit, divine help can strengthen our efforts and sanctify our sacrifices. Whether we are rich or poor, good financial management can bring peace of mind.

Gospel topics: financial management, tithing

Notes

1. “Earthly Debts, Heavenly Debts,” *Ensign*, May 2004, 40.
2. “Thou Shalt Not Covet,” *Ensign*, Mar. 1990, 2.
3. “Constancy amid Change,” *Ensign*, Nov. 1979, 81.
4. *Ensign*, May 2004, 42.
5. *Ensign*, May 2004, 42–43.
6. “More Holiness Give Me,” *Ensign*, Nov. 2004, 98.
7. *Mere Christianity*, rev. and enlarged ed. (1952), 82.
8. *Gospel Truth: Discourses and Writings of George Q. Cannon*, sel. Jerreld L. Newquist (1987), 525.

[illustrations] Illustrated by Steve Kropp

[illustrations] Left: *Adam and Eve Driven Out of Eden*; right: *Moses Coming Down from Mount Sinai*, both by Gustave Doré

[illustrations] Left: *Joseph Makes Himself Known to His Brethren*; right: detail from *The Disciples Plucking Corn on the Sabbath*, both by Gustave Doré