ONE for the MONEY

GUIDE TO FAMILY FINANCE

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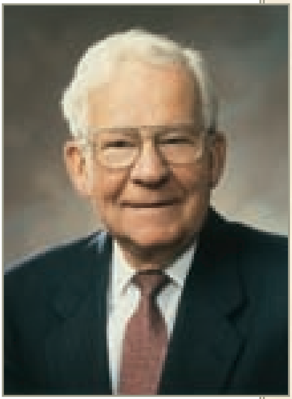
In the welfare session of the April 1975 general conference, Elder Marvin J. Ashton, a member of the Council of the Twelve, delivered the address from which this booklet is adapted. President Spencer W. Kimball endorsed Elder Ashton's message when in the same meeting he stood and said:


Elder Marvin J. Ashton

"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."

The wind and waves will periodically interfere with our chosen course, even in financial matters; but the laws of the gospel can bring us back on course and guide us to peaceful waters.

Elder Marvin J. Ashton

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.

THE AMERICAN BAR ASSOCIATION HAS INDICATED THAT 89 PERCENT OF ALL DIVORCES CAN BE TRACED TO QUARRELS AND ACCUSATIONS OVER MONEY.

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.

1. 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.

FINANCIAL PEACE OF MIND IS NOT DETERMINED BY HOW MUCH WE MAKE, BUT IS DEPENDENT UPON HOW MUCH WE SPEND.

2. 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.

3. 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."

> MARRIED COUPLES SHOW GENUINE MATURITY WHEN THEY THINK OF THEIR PARTNER'S AND THEIR FAMILY'S NEEDS AHEAD OF THEIR OWN SPENDING IMPULSES.

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.

DEBT-ELIMINATION CALENDAR

	Credit Card	Furniture	Dentist	Physician	Auto Loan
Mar.	110	70	50	75	235
Apr.	110	70	50	75	235
May	110	70	50	75	235
June	110	70	50	75	235
July		**180**	50	75	235
Aug.		**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**
Mar.					

A debt-elimination calendar can help you reduce or eliminate 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 $70 furniture payment, creating a new monthly payment of $180.) Continue the process until all loans are repaid.

4. 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.

LIQUID SAVINGS AVAILABLE FOR EMERGENCIES SHOULD BE SUFFICIENT TO COVER AT LEAST THREE MONTHS OF ALL ESSENTIAL FAMILY OBLIGATIONS.

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.

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.

BUDGET FOR ____________ 20____

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		

- 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.

5. 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.

> FAMILY UNITY COMES FROM SAVING TOGETHER FOR A COMMON, JOINTLY APPROVED PURPOSE.

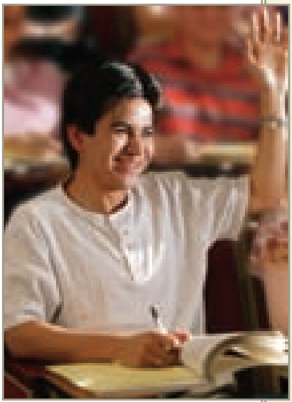
6. TEACH CHILDREN TO MAKE MONEY DECISIONS IN KEEPING WITH THEIR CAPACITIES TO COMPREHEND

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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

DEBT-ELIMINATION CALENDAR

Month	Debt 1	Debt 2	Debt 3	Debt 4	Debt 5

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