Jesus once said something that at first glance seems a bit strange: “If ... ye have not been faithful in the unrighteous mammon [worldly riches], who will commit to your trust the true riches?” (Luke 16:11.) In other words, if you have not faithfully managed your worldly wealth, who will give you heavenly wealth?

Although the Lord has cautioned us that we cannot serve both him and money (see Luke 16:13), he has given us worldly goods to see if we will manage them wisely in his service. One of the best places to learn how is from the Lord himself, through his words and example as recorded in the scriptures.

**Lesson 1: Know How Much Money You Have**

It’s important to know at all times how much money you have. “Not enough,” you may say. And that may be true. But remember the miracle of the loaves and the fishes. The Savior needed to feed five thousand people. The first thing he did was to ask his disciples, “How many loaves have ye?” (Mark 6:38.) He knew they didn’t have enough food, but he still had them count up what they had—five loaves and two fishes. Knowing how much you have, even if it’s not enough, gives you a little more power over your circumstances and makes it possible for you to plan what you will do with what you do have.

Even if you have been blessed with abundance, the Lord expects you to manage it wisely. After the multitude had been fed, Jesus told the disciples, “Gather up the fragments that remain, that nothing be lost.” (John 6:12.) Then they counted the surplus food. Mark reports that “they took up twelve baskets full of the fragments.” (Mark 6:43; see John 6:13.) Whether we have little or much, we need to keep careful track of our resources.

**Lesson 2: Know How Much Money You Owe**

Do you know how much money you owe? “Too much,” you may say. Yes, but how much is that? and how can you plan to pay it if you don’t really know? After the Savior had learned how many loaves they had, he had the people sit down on the grass in carefully counted groups, “by hundreds, and by fifties.” (Mark 6:40.) Perhaps he did this to see exactly how far he had to spread their resources, even though there were far more people than there was food.

The Savior once explained this principle explicitly: “Which of you, intending to build a tower, sitteth
not down first, and counteth the cost, whether he have sufficient to finish it?

“Lest haply, after he hath laid the foundation, and is not able to finish it, all that behold it begin to mock him,

“Saying, This man began to build, and was not able to finish.” (Luke 14:28–30.)

Knowing how much you owe gives you some control over your obligations and, surprisingly, gives you a sense of security, even if what you owe is much more than what you have.

What if you are unable to meet all of your obligations? The Lord has given counsel on that, too: “Agree with thine adversary quickly, whiles thou art in the way with him; lest at any time the adversary deliver thee to the judge, and the judge deliver thee to the officer, and thou be cast into prison.” (Matt. 5:25.)

In other words, before you get into legal entanglements, talk to your creditors. Let them know about your problems. If they can see that you are honest, are willing to work out a plan for payment, and are not evading them, many may be willing to make adjustments.

**Lesson 3: Thank God for What You Have**

When Jesus fed the five thousand, he “gave thanks” for the food he had, even though it wasn’t enough. (See Matt. 15:36.) In our anxiety over financial problems, sometimes we become bitter and ungrateful. But we will handle our problems better if we humble ourselves and thank God for what we have rather than worry about what we don’t have. The Savior literally did “count his blessings,” and the people were surprised at what the Lord had done.

**Lesson 4: Ask God for Help in Meeting the Obligations You Can’t Cover**

The Lord commanded his disciples to ask for what they needed, then promised that “every one that asketh receiveth.” We need not suppose that our asking must be limited to requests for inspiration, though that is important. Our Father in Heaven is willing to “give good things to them that ask him.” (Matt. 7:7–11.)

Jesus himself looked to his Father for help. Mark notes that in feeding the five thousand, Jesus “looked up to heaven, and blessed, and brake the loaves.” Then he divided the food among the people, “and they did all eat, and were filled.” (Mark 6:41–42.)

Our Father has not promised us free handouts, but he expects us to ask righteously for things we truly need. If we have faith in the Lord and ask for his help, surely he will open up ways for us to meet our obligations, even when it seems impossible.

The Lord has resources we know nothing about. When Peter was asked to pay taxes, Jesus told him: “Go thou to the sea, and cast an hook, and take up the fish that first cometh up; and when thou hast opened his mouth, thou shalt find a piece of money: that take, and give unto them for me and thee.” (Matt. 17:24–27.)
This is not to say that God will simply send the money you need, though that is possible. More likely, he will bless your efforts to get out of debt and help you manage better on what you have. If you are teachable, he may bless you to remember resources or possibilities you had previously overlooked. In faith, heed the promptings of the Spirit, and the Lord will lead you along.

As the Savior said: “Seek not ye what ye shall eat, or what ye shall drink, neither be ye of doubtful mind.

“For all these things do the nations of the world seek after: and your Father knoweth that ye have need of these things.

“But rather seek ye the kingdom of God; and all these things shall be added unto you.” (Luke 12:29–31.)

**Lesson 5: Save Something, Even If Only a Little**

Part of wise money management is saving for the future. If you have more money than you need, this should be easy. But even if you don’t, try to save something, even if only five dollars or pounds a month. While this doesn’t sound like much, it will help you establish a habit of saving. Also, eventually it will begin to add up, and this will encourage you to save more.

The Lord expects us to increase what we have, no matter how little it is. In the story of the talents, one servant received five talents; another, two; and the last, one. The servant who received two talents and invested them wisely received the same praise from his lord as the one who had received five talents. He was called a “good and faithful servant.” Because he had been faithful over a few things, his lord made him a ruler over many things. (Matt. 25:22–23.) Only the servant who did not invest any of his money was condemned. The Lord said that, at the very least, he could have earned interest on it. (See Matt. 25:27.)

We can learn to manage our money more effectively by applying the lessons Jesus taught. You can find many more of these lessons in the scriptures, for they contain dozens of references to money and its place in our lives. (See accompanying table.) You can look in the Topical Guide under “Family, Managing Finances in,” “Debt,” “Stewardship,” “Money,” “Riches,” “Wealth,” and “Work, Value of.” Also, consider your favorite scripture stories in relation to money management.

As you apply what you learn, you will begin to see your financial situation improve. While you look forward in hope to the day when the Lord will give you the riches of eternity, you will have the satisfaction of knowing that you are faithfully managing what he has given you now.

**Scriptures about Money**

On Financial Management Haggai 1:6 [Hag. 1:6]; 1 Timothy 5:8 [1 Tim. 5:8]; Jacob 2:19; Doctrine and Covenants 38:39–40 [D&C 38:39–40]; D&C 136:27

Debt—How to Get Out and Stay Out!

We’re often counseled to stay out of debt, but if you’re like many people, it’s already too late. Having more than 35 percent of your take-home pay tied up in debt payments is no longer unusual. This may make meeting other needs and obligations difficult. Often people who are in debt see no way out. But there are ways to get out of debt—and much sooner than you might think.

1. Keep from Going Further into Debt

To get out of debt, you must first keep from going further in. More and more, people go into debt not for luxuries but for necessities. How can this be? One reason is because opening a checking account without also opening a “check-protection” account is almost impossible. Thus, if you’re a little short on grocery money, it’s easy to write a check for money you don’t actually have, and soon your check-protection loan limit is up to the maximum.

One solution: Use checks only to pay bills that you send through the mail. For all other purchases, use cash. Or don’t use a checking account at all; pay bills with cashier’s checks or money orders. This is the norm in many countries. In Japan, for instance, personal checks are rare. Perhaps this is one reason the Japanese have one of the lowest levels of consumer debt and one of the highest levels of personal savings in the world. Using cash prevents bounced checks and service charges. It also keeps you from spending more than you have.

Another way to keep from going into debt is to use outmoded technology as long as possible. Sure, you can buy a new digital VCR with stereophonic sound. But if you have an old standard model that still works, keep it going. You thought it was wonderful three years ago when you bought it. Isn’t it good enough until it wears out completely? When we see one neighbor buy a new TV, another buy a new car, and still another buy a new carpet, we may think we have to buy a new TV and a new car and a new carpet. But instead of coveting what others have, perhaps we should develop gratitude for what we already have and learn to repair and take care of our possessions.

Resist the impulse to go further into debt—even when unexpected needs arise. Look for alternatives. Avoid luxury shopping, even at the grocery store.

2. Get Out of Debt Faster

Are you discouraged because so much of your income goes for monthly debt payments? Take heart! You can make this work for you instead of against you. How? Apply any new income to one of your debts. For example, the next time you get a raise, apply the amount—or even half of it—to one of your debts each payday, in addition to your regular payment. Which debt? Ideally, one with a low balance and a high payment. This means you can pay it off quickly.

Then, when that loan is repaid, continue to use those payments and the added income toward retir-
ing another debt. Continue this way until all your debts are paid off. Some people have followed this method to pay off all their debts—including their house mortgage. They have also done it without spending any less for food, clothing, and other necessities. This method works best for those who are heavily in debt. (See the accompanying sidebar, “Stacking Your Debt Payments.”)

Many people find themselves going into debt every few years for a car. Here’s an alternative: once you have paid off an automobile loan, keep making the payments to yourself in a savings account—and keep your car going as long as you can. In a few years, you will have enough to make a hefty down payment on a new car or to pay cash for a used one.

3. Pay Extra Principal on Your Mortgage

If you have a house payment, arrange with your mortgage company to pay extra principal (the money that does not go for interest or insurance) on your loan each month. This is especially effective for new loans, when most of the payment goes for interest. Paying extra principal adds a little more to your payment, but it will shorten the life of your mortgage by many years and will save you thousands of dollars in interest.

If you get paid every two weeks, you’ll also find two paychecks every year not used for regular monthly payments (twenty-six paychecks a year for twenty-four semi-monthly payments). Use some of those paychecks to pay extra principal. This will work on other loans, too.

If you are in a high tax bracket, check with a tax accountant before attempting extra principal payments. You should also check with an accountant before trying any other financial technique you are not sure you can handle.

4. Chart Your Progress

Paying off loans is easier and more satisfying if you can see your progress. List the names of all your loans and debts (perhaps excluding your mortgage). Then, as you pay them off, cross them off your list. Also, write down the total amount of money you owe. Each month as you make your payments, subtract the estimated principal from the total. To be really accurate, adjust your total when you receive your next statements.

5. Save for the Future

Even if you are heavily in debt, there are ways you can save. Your most important savings is food storage, which you can accumulate a little at a time—an extra can each time you shop, for instance.

Use payroll deduction to make saving automatic and relatively painless. Many employers will match a percentage of the money you save. If your employer does this, take advantage of it; you will probably not find a better return on your money anywhere. For example, if you pay 3 percent of your salary into a savings plan and your employer matches it with 3 percent, you have made a 100-percent return on your investment, even before any interest that money will earn!

After your debts are paid or substantially lowered, you will have even more to invest. Perhaps your children will soon be serving missions or attending a vocational school or college. You may even
want to invest in yourself by improving your education. Perhaps you can use your money—cau-
tiously—to start a business. One thing you must not do is incur new debt, thinking that now you can
afford the payments. If you do, you will have undone all your efforts in getting out of debt.

An encouraging exercise is to obtain an inexpensive book of compound interest tables from your
bookstore or library. Use it to calculate the amount of money you would have in ten, twenty, and
thirty years if you invested the money you are now using for debt payments. This is a real eye-opener.
(See Table 2.) Then, just as you kept a record of your debt payoffs, keep a record of your savings and
interest earnings. This will motivate you to keep going.

No matter how far into debt you are, there are ways to get out. It takes know-how, planning, and
self-discipline. The ideas discussed here should help you get started on the know-how and planning.
If you can add the necessary self-discipline, your financial woes can, in time, be turned into peace
of mind.

Stacking Your Debt Payments

You can project approximately how long paying off all of your debts will take if you use debt stack-
ing. Add up the remaining balances on all your loans (including credit cards). Add up your monthly
payments, then divide the total balance by the total payments. This will tell you roughly in how
many months you will be out of debt.

For example, suppose your total debt balance is $10,000 and your total payments come to $500 a
month. That means you can be out of debt in about 20 months, or, taking interest into account (let’s
say 15 percent), 23 months.

The greater your debts, the higher will be the interest, and the lower will be the principal applied to
your payments—and thus, the less accurate this kind of rough projection will be. If you want more
accurate figures, use a book of interest tables or a computer software program that will calculate the
figures for you.

## Growth of Monthly Savings at 5% Interest

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### Growth of Monthly Savings at 10% Interest

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