

APPENDIX 5

STUDY ON FINANCES

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The subject today, money management, is not where I want to begin the topic for the simple reason that before we can manage money, we must have acquired it. Or acquired the means to have that which we are going to manage. In this sense it is appropriate that we do take a look at some of the principles in the Bible. And here I would suggest that we turn to the book that you would all guess comes first in this matter, which is the book of Proverbs.

I am opening up to the area of Chapter 12, 13, and 14. We could pick others, but after all, there are certain areas, and within a given period of time we can just focus on specific statements. I would encourage you to read more widely on this subject. First of all, let me point out that in a group such as this, we have young men and young women; we have individuals who have over the years been married and now are either widows or divorced circumstantially, who have the responsibility of managing funds or property in some way that now belong on your shoulder and not the shoulder of the mate. There are those also who are older who have gone through a series of crises so that they have very little to manage. That presents a unique problem from those who have that same difficulty but may be 20 to 30 years younger. We will take a look at some of the principles, and I think if we approach this topic as many others with a valid view of life, that we will be able to find solutions much more readily. We will start with a simple proverb in chapter 12 verse 11.

Here in a farming community, we read, he who tills his land shall be satisfied with bread. He that follows vain pursuits, would be the better rendering, is void of understanding. What we learn is very important here, that if we were given the topic such as this in 1948, our approach would be quite different than it would be in 1978 in terms of solving the specific problems. In the days gone by, we had a far more significant emphasis on the farming situation. In the early 1950's when we had the Feast of Tabernacles in Big Sandy, Texas, I would dare say that the bulk of all financial problems were the problems of the farmer in the Church, with incidental problems of some few in the cities, because the bulk of the people God was calling into His Church were rural in orientation. Now we are in 1978 and this is different. So we should recognize that with each passing year there will be a different approach to the problem, and if you were going to either read the Bible and interpret it, you have to read it in the light of your contemporary problems — that is, get the principle and apply it to the contemporary situation. As of this moment, the power of voting in the United States vested in the farming community is 3%. Ninety-seven percent of people are not farming voters. This is very significant in the sense that it implies the problems we deal with are essentially suburban in the Church, not necessarily urban, though some clearly are. And there is the distinction as you should know. And the fact remains that the bulk of the people whom God called live a kind of suburban life. So what we recognize is that there are differences in problems with each generation, and what we once discussed, let us say, some generation ago in the 50's — and that is 20 years ago, and brings a whole new generation into the work force — then we dealt often with the problem of unemployment and a kind of recession or depression situation.

Today our problem is quite different. For the elderly in a recession situation, the problem is far simpler than it is when we have inflation. So we have to take a look at the problems in the world around us, and when we read material, we should also recognize the possibility that information will be dated, and you should keep up-to-date in this very area because it is an area of fluctuation. Money is a measure of human labor. It is not an entity within itself. This measure of human labor is determined broadly

speaking by society in general, and now not insignificantly, by government. With that premise, and I wanted to state it, it is possible to read a set of proverbs where the emphasis may indeed be on a more rural and only slightly suburban community. But the principle is still fundamental, He who tills his land is equivalent to anyone who actually gets out and works. So I will now start with the fundamental premise that was an experience of the last several months. It is very easy for individuals who are looking for work who are on unemployment to be looking for solutions that will enable them to stay on unemployment, hence, we often seek to have interviews that will indicate that we are working at finding interviews so that we can remain unemployed and receive sufficient remuneration that way. This is a very tragic problem in Europe more so than in the United States, especially in Great Britain. On the other hand, if you are face-to-face with a financial crisis, you will want to go to those places where it is quite clear that they are hiring now. That means, today you can get the job. It may not be the job you want. But I do believe that too many face-to-face with financial crisis — I'm not talking about those who can afford to make a long-term decision — need to follow the premise that where the job is available, that's where you go.

I met two young men between 18 and 20 at the time — and I will cite this because I think it is a good illustration — they come from Texas via another state to Southern California and could not afford to rent. The family was without money circumstantially. All they could do was to camp in the national forest at \$2 a night for the family. Now I know for a specific illustration that it is the person often without the money who decides — listen carefully — to rent a motel by the week, and then the Church often becomes burdened. I was very appreciable of the fact that this family had decided on the other route; to come to us for advice. But they chose first of all to camp out because they had no other choice, and they took the wise route.

Now at the moment they came here, the two boys (it was a mother and a son and a father with a son) ... they went out to work and the day they first looked for work they got work and began to bring money in by a week's time or 10 days or whenever the check would next come. They said to me that what we needed was to go to a place that was hiring: not to a place where your job application could be considered in the next two months. I know what that is like, I applied years ago when I was a college student for a job, and I would have starved to death in the meantime because four months later I got the call. I appreciated the fact that these two young men hired out in areas in which they had no expertise but in which the employer said, we will train you. It is not the job that is their lifetime calling, but it enabled them to move from a camp at \$2 a night in the Angeles National Forest, which may seem really odd but it really worked for them, to a place where they could rent. The mother got a job immediately. The father had greater difficulty. In the meantime, what he did, and it was the same principle here, his car did not work. And this is how I got acquainted with him because I had to help a bit in transportation. He walked in the areas in which his sons and wife were working and sought to find a place to rent that was within reason whereby they could commute by bus to guarantee that if something went wrong with the car, that each one could get to work. And he found such a place at a very reasonable price. But he walked. He walked the streets till he found a solution. He didn't find it the first day or the second. But he came up with a solution that I think was the logical result of doing the kind of work he did. This is a principle that we will not have acquired the money unless we have acquired the desire to put out labor and money is the measure of that labor — whether a physical or mental force.

Different people with different backgrounds, and in our society with different ideas and what a job is worth, will find that you will make more or less. But the point that we bear in mind here is that money is not an end in itself. Money is a measurement of effort. It is only a form that makes it convenient to exchange the effort for some product that another man or woman worked on, instead of ourselves having to do everything we need. We have the advantage in our modern industrialized society, despite its disadvantages, of profiting by an individual's expertise. If I'm better at something than something else, I spend my time at that which I am better at, I may not have gotten that as my first job. But at least I got a start which enabled me to then proceed to that place where I would have the kind of work I like. This matter of vain pursuits is very important. We learn in the modern world that there are people who are cut out for sales. And there are people who, frankly, will not succeed well in

such a field. We should be very careful — and I always admonish that in this field of sales, which is one of the very common areas today, an individual may be a remarkable success and an individual may not merely because the job is open, we must be very careful that we do not follow areas in which we are not qualified. I do not say selling or sales is a vain pursuit. I'm only talking about the fact that vain pursuit varies with the individual. What might be a vain pursuit for me might not be for you. It is what leads to nothing. And you need to recognize what your skills and talents are. For a person with many kinds of ability, tests indicating your skills and aptitudes would have far less meaning. There was a married man some two years ago — I guess it is, at least now — who took aptitude tests and found they really told him nothing because he could do so many kinds of work. And this was a real problem. Perhaps with fewer aptitudes and skills, those tests will enable us to better focus and then we learn what would be a vain pursuit.

In chapter 13 are a few important verses. Verse 8: The poor hears not rebuke. Now unfortunately, one of the reasons people tend to be poor — not the only reason but one of them — is that they don't listen to advice, counsel, or some strong admonition. This may not be your problem. It could have been an accident. You might not have been this way in your past. We always recognize it, but then you won't stay this way. But normally speaking, Solomon perceived and we have also that one of the problems of the poor is that they cannot take advice. It is the wise man, you see, who listens to counsel. Hence, we move in verse 10: With the well advised is wisdom. The last part of that verse: if you take good counsel and have been well advised and you are by nature in the possession of wisdom — your own for having listened and others for having listened to someone else. Wealth, verse 11, gotten by vanity. And there are different methods that perhaps are not our problem, but that kind of wealth is quickly accumulated, takes advantage of situations, may well diminish. He that gathers by labor shall increase. That is, you want to be sure always that there is a steady means of growing and turning your labor into money and goods and services for others. What you get quickly is some reward because you happen to get the right number in a lottery is likely also to vanish quickly. So we learn the importance of continuous labor. Not just laboring in spurts or periods of time only.

Verse 18: Poverty and shame shall be to him that refuses instruction. He that regards reproof shall be honored, whether financially or otherwise. And a good man, verse 22, leaves his inheritance to his children's children. For the wealth of the sinner is laid up for the just. That's an incidental statement but that's important there. We learn that we have a responsibility. I have said, Mr. Armstrong has said, that we should act as if the world could come to an end almost overnight and build in terms of the possibility that it might not be here for a thousand years, That is, we must do it in such a way that we have both a long-term and a short-range goal. And in this sense, the Bible admonishes us — and this is part of the Word of God — that we should aim so that we have a responsibility that we can fulfill eyes toward grandchildren. If not our own, then to help through funds for others.

Verse 1 of chapter 14 is interesting in this connection, *"Every wise woman builds her house, but the foolish plucks it down with her hands."* Now in our society this is not literally the case. I visited a society once, and I lived in a house that women very greatly assisted in. In the Kingdom of Tonga, for instance, the man builds the walls and the women put on the roofs. And all the ladies of the community got together and put the roof on. In societies that used to be done. But you know there are different ways of applying this today. It does imply that a woman has more responsibility in the acquisition, the maintenance of her home than many women in our society think. There was a tendency to grow out of the '50s and even the '60s where women were housewives or mothers, and that image, and seemed to have little responsibility beyond rearing children and caring for a husband. Now we've gone in another direction in society. But I would point up here that in the days of Solomon, and in principle today, it is valuable that we take a firm look at the fact, not only in Proverbs 31 but here also, that a woman has a major role in seeing that her home, which becomes if you please an inheritance for her grandchildren, is maintained. My wife knows how to hang paper. For some, paper hanging is a profession. I do not hang paper; my wife does. That is a skill that she has acquired. She tells me not to intrude! Nor do I attempt to do so. She likes to do that, and I just cite it as an illustration. There are things that a woman can do to keep what she has being improved. When it comes to plumbing, that's

my responsibility. But a woman can also let something like this fall into disarray. God does not imply that this is necessarily the man's task in our society; it may well involve it. But what you note is that if you were to read the Proverbs carefully, you will discover that a woman has far more what I would call family responsibility beyond our dreams and far more responsibility for maintenance of the house as distinct from the household and the maintenance of property than one would have thought. And I think we should bear this in mind in terms especially of the older women where this becomes a major burden that they are widowed or divorced.

We can look again in verse 20: *"The poor is hated even of his own neighbors, the rich has many friends;"* would indicate the importance of resolving the problem of poverty for the simple reason that with the acquisition of money, which is a token of one's labor, you also acquire friendship. It may be selfish on the part of others but people who work and have the personality to work well with others acquire friends. And with the knowledge of friends you begin to acquire new opportunities. I will cite an illustration here: my son started at 16 and he is now 17 in a first full-time summer job at a research laboratory, a subsidiary of Bausch & Lomb. Having done well in a certain skill, he had a friend who was his teacher. And his teacher is a success, and he has friends, in this case, professionally. You will discover therefore that it is much easier to find jobs when you have certain skills and next you have friends. Now the skill itself is equivalent to money whether you realize it or not because what you do with it is what generates money, which is equivalent to the labor expended. So it is important to be sure that as you mature — I'm addressing myself to young people here — that you also make use not of your money to acquire friends but of your skills to have friends who know where jobs are. I'm interpreting this for your specific needs. It is unfortunate, of course, in some of the inner cities where young people don't have — especially in the black and secondarily in the chicano community where they don't have the same contact and opportunity. Verse 23 (we'll stop our quotations of proverbs with this); *"In all labor there is profit, but the talk of the lips tends only to penury."* There is profit in labor. It may be more or less depending on society and the kind of job. But the one thing you want to be sure of is if you have a job as a roofer, this is not the place at the housetop from which to preach. This is the place where you work. And you learn that a lot of talk on the job can lead to loss of the job. We happen to have cases just like that because there are men in this Work who employ individuals — and I use this one illustration because it's easy sometimes to talk too much on the job, and you discover that the boss doesn't need you any more. So it is very important that you concentrate on your responsibility.

As we proceed, we'll take a look at some of the major areas. This morning I would like to summarize what you should consider, and then perhaps answer your specific questions that will be generated, that will lead us to some specific and helpful answers. Broadly speaking, I would also like to point the way to solving problems along the way, for we could not possibly answer all the specific difficulties on a morning like this.

The area we will start with in looking at the question of money management and our responsibility to acquire that which we manage would certainly be in the broad area of education. In this area of education, we recognize, first of all, a responsibility of men and women, which is job preparation, and then the responsibility of women more specifically, with respect to marriage or professional needs. First of all, education is broader than job preparation. We should understand this because education should be of the whole man. And Solomon defined it essentially as underwritten by the keeping of the Commandments, which has to do with moral and spiritual responsibility. You would much rather hire a person who tells the truth than a lie. So from that alone, we have an illustration of the importance of keeping the commandments in terms of one's totality of learning and character — one's education. Within this area, in order to live in this world, God has — as the book of Ecclesiastes tells us — assigned mankind the responsibility of learning to handle jobs. These jobs differ for every individual. Most certainly in the area of men and women. There are major responsibilities that differ. It can be fun to work and achieve and sleep sweetly. But when you haven't worked and haven't perspired, that is if you've been working outside, and you haven't achieved, and your mind is troubled, you do not sleep so well. So you learn that it does pay to put out a little effort to accomplish. Job preparation is important in our area because in order to acquire the money to manage, you have to have a job, and to

have that job you must prepare for it. So you see you must run back until you get at the root of the situations. There are different ways of looking for a job.

I pointed up that the kind of job you want might be evaluated through testing, contact, experience. Not everybody knows the kind he or she wishes. Some have a better sense of what they like than others. If you have a good sense of what you like to do, then focus in on it. You might want to change in the middle of life in the 40's. But if you don't have a focus, it is very important that you get some kind of counsel until you do focus on what you want to do. Well, somebody says, I can do most anything or I like to do most anything, and this is the reason, of course, he's unemployed! You should use available sources of information. Here I have brought a book. We could of had any number of books. My wife heard on radio this author interviewed and found it sufficiently interesting that she suggested I acquire a knowledge of the book. And since I was going to speak to you on this broad subject, I told her I would buy the book. And I feel it is a worthwhile volume. It's not the only volume in its field, but it illustrates that a work that is well written can be attractive and you tend to read it for information and pleasure whether you need it or not. It is called "Good Jobs," And its a paperback. "High paying opportunities working for yourself or for others," is the subtitle. The author is Allen J. Lieberoff. High paying jobs working for yourself or others — that is, essentially self employed where you're selling your services. The price is \$5.95. It's a rather thick volume. And I can recommend it for the simple reason I found it is simply and nicely broken down. I will read and give you an idea of the importance of using available sources. It defines the mechanical trades, the construction trades, the technical services trades, paramedicine, creative special fields, administrative and clerical fields, the food service industries, special service businesses, professional sales, fields requiring a four-year college degree. And then under that you would be surprised at all the areas that are broken down. In so doing, what our author tends to do — I'll just turn to a section here — he will explain the nature of the field, what people in it accomplish, what you have to know and the training required to get that information, then the sources of training by writing for information as to where this training is available. For instance, in a creative field such as interior design or decorator, he points up that vast amounts of information may be available, and he lists three institutions that give you that information. I don't need to name them here because that's not the point, something so specific. With this information, then he describes salary and employment opportunities. That is, is this a field with vast areas open to you or is it highly competitive? Thus, his book spends little time on explaining the opportunities for a history teacher because we have already too many and they're unemployed. He spends time in areas where opportunities are available.

Fashion designer, he does the same thing, showing where training may be acquired, and salary and employment opportunities. A way in which you are able to evaluate what your standard of living you would like to have will be. Some jobs are essentially \$10,000 a year; others may be \$50,000. It may depend on you. It may be that the job in fact has limitations. But on the other hand, with these limitations there may be side benefits. Then there is a section on jewelry and flatware designers and the training required. Can you imagine getting down to something like that? Now you have to know something of this field and training. You then make use of opportunities by pushing yourself. You may need to know something of your skill in selling. You may need to know something of your skill with your hands. Anyway, in looking at the broad perspective of education and job preparation, I would like to suggest that before you have already decided, that it would be good for you to analyze this, because there are some of you who can make a successful living at \$10,000 a year and others who could fail at \$20,000. Because income is one thing and management is the next.

Management is important. You may have to have greater management skills or you may be aware of your skills, in which case you might like by nature a job that doesn't pay so well. Because in reality, it will provide you all you need because you have the rest of the skills to make what you earn work for you. I will leave this available — there are other books that for you might even be more satisfying. But having looked at the few that were available, on this specific topic, I thought this certainly was as good as any. And since my wife had heard about it and the interviewer was quite impressed by this man's up-to-date summation in the way he presented it, especially if you are involved in your

own business whatever it might be — he's done a very thorough job in presenting the information you need to know. Then you can proceed for more information because everyone has two, three, four or more areas of broad information. So we will leave this here as a good illustration.

In this connection, there is the Consumer Information Center of the government in Pueblo, Colo., which has significant government publications that are inexpensively available or are free. The zip code is 81009. Consumer Information Center, Pueblo, Colo. 81009 for varied government publications. So we learn of the importance of using the sources of information. Incidentally then, in proceeding to jobs, and these could be developed more than I want to do, you need to have proper resumes and most certainly you need to know how to present yourself in an interview. Different people approach this problem differently. My oldest daughter recently went for an interview — well, not so recently, this was on her previous job — and someone had recommended her, and when she came to the office, the employer asked this person, is this the one you had recommended? The person said yes, and the boss said, she's hired! It is the way you come in, what you look like — and here a very important thought was presented to me from Mr. Bill Butler. We were thinking of it as men, but in this case it was a young woman. To Dress For Success, to dress the part, to dress for the job, dress also to feel good, that is, how you appear when you go for a job will be important. To have a business suit like I have and white gloves is not the way you approach a job in heavy industry unless you're interested in top management. To dress in a tank top when you're asking for a secretarial job in a fine suite is not the way you approach the employer. So let me repeat those: you dress for success. You dress for the part, you dress for the job. Dress to feel good. These are different ways of putting it because they're all a part of the same field. You have to be comfortable, and you have to also realize you have to make others comfortable.

With respect to jobs, I would like to point up the importance of pursuing a job that is immediately available when you need the cash to get the start, and being patient and not taking the first job when you can afford to be patient and selective. You therefore need to know when it is that the money is the issue, that is, you've got to have it in order to have something over your head, something to wear, and something to eat. And when you can afford to take that money and step by step to lay sufficient aside, that you can afford either to have night training, or since you may already be trained, to be more selective in the job you are pursuing. This in my estimation is the greatest weakness of certain men — and I would like to stress this before we go further in this management of funds — and that is the importance of being willing to take most any job that will get your feet financially on the ground. Take, of course, the best paying, the most likely job when you have such an opportunity. But where you can go right to work because as I said to one of the gentlemen here, you acquire momentum. If you're willing to go out to work you are moving in a certain direction. If you don't find a job and you go out again and you don't find a job, you don't get momentum. When you feel you have gone out, you've gotten a job, you are learning, you are being trained, and you can set aside sufficient monies over a period of time to begin to do something else. Then you can sit back later and contemplate a little more carefully and thoroughly what you really want to do or train yourself in the meantime. One of the tragedies would happen when, if you have to get a job right away, you discover that you have to be married or there is a child on the way — in or out of marriage seems to be the way society is today. It's unfortunate when you start a family before you get your feet on the ground.

I think you need to realize that in this case moral responsibility — the issues of marriage and having children — should carefully be thought of because they can make it very difficult for you to get ahead if you've had limited training. The only way there would be to have some kind of night training, night school, that will enable you in the meantime to rise in responsibility. Unless you happen to have special talents. I have always encouraged college age girls — whether they go through a two-year as at Pasadena City College or a four-year institution — to have some saleable skill. I've always also used, when addressing this question the example of Miss Lucy Martin who for years from the very beginning of the college, was a responsible person in our Music Department and who most Church members heard of until she retired. Lucy Martin was a woman who married, had a daughter, and her husband died early in their married life. I do not know the circumstances. It was a tragedy. She never

remarried. She had no reason to, and she looked upon the rest of her life in terms of a job as indeed a professional responsibility, and enjoyed the company of other men and women and young people so that her life was emotionally fulfilled. But she focused in on a professional job as her responsibility. She was a skilled individual. But her example should illustrate that any accident like this could happen to you. And even though you may not use your training for other than pleasure or the home and immediate family, you may discover that an accident can happen. We have men who do die before 69 or 70. We cannot guarantee and therefore the Law of God has built in it the principle of the third tithe as you remember, which was to take care of the needs of the fatherless and the widow, which presumes that men by the very nature of work in society can die unexpectedly and prematurely. So it does help, from the woman's point of view, irrespective of what the man may have done in the meantime, from the woman's point of view to have some potential skills. To develop them in the meantime. If anything were to happen to my wife there are any number of things besides paperhanging that she could do. I will cite an illustration:

Maybe it's not your field but it illustrates what you can use your skills for. And there might be surprising job openings for someone who maintains a general interest. My wife has an interest in horticulture. We were with American Historians Professional Teachers college graduates in 1967 in the Crimea visiting botanical gardens that the Czar had authorized with Swedish assistance. The Russian guide attempted to explain in English what we were all seeing. She had difficulty, and my wife would say, well, this is this in English. Or this is what it is. It came to the place where the guide said, well look, why don't you take over the tour and I will listen? And my wife who only has a degree from Ambassador College where we did not learn horticulture but where she's been learning this on her own, led the tour. With people who not only were college graduates, may have had master degrees and beyond, but had interest in some other fields and really didn't understand what they were seeing without some explanation. This is not something where she is going to use this as a wedge to get free from me. But I think you'll understand and you'd be surprised what we would call either hobbies or interests on the side, can be developed by women in the home or in the garden depending on what you're renting. And ultimately either turned culturally to the advantage of the family and friends and neighbors, community, or could be used in terms of job skills in a crisis. That's the approach we can use at whatever age level — I won't embarrass you by asking how many are over 50 — but no small number of you are definitely over 39, and I'm addressing the case where you may have a family situation in your past and now have to face this. It would be nice to have been able to develop it in the meantime. So it is important that we do consider as well as the job for marriage from a woman's point of view, a job as a professional skill before you're married. Or later, of course, in life.

In this connection, I want to cite something that occurred to my attention years ago. One of the very jobs that we think every young woman normally has skill in is one of the areas in which we have the least number of skilled individuals. And that's simply typing. I would like to state that I don't care what your job. It certainly wouldn't hurt you to be more skilled in typing. Now that came to my attention over the years from business people who say, look, I wish we could hire individuals who could type 60 not 35 words a minute. This brings up the next point as we go along here. The higher your skill in a particular area, the more likely your salary will be greater and your promotion faster. Simple. This is not a revelation. This is a repetition of historical information. But it is important that we repeat it because it's very easy in this society with women's liberation to assume that typing is no longer a responsibility. I've never felt that typing and secretarial work was a very suitable end in itself for women, unless indeed the kind of work you did was so creative, and working with such interesting and lively personalities that it was an education or a real life-time experience. But most such jobs are routine, in which case you use it only as a stepping stone.

I want to address this matter of jobs for women and much as for men because this is important. Having recognized therefore that the Church teaches we all must be willing to work, I say willing because we're not all able. That's a separate matter and the Church cares for those. Once we have acquired certain skills and decided to look into certain areas, then we can proceed to the question of what we do with our earnings. I have a book here which is somewhat out of date. I just pulled it off the

shelf this morning because my wife suggested that we might find in here at least an approach to a topic, such as this. It happens to be *Good Housekeeping's Guide for Young Homemakers*. Now not every homemaker is a married person. You can also be single. And there are some who are men as well as women because you still have to care for these things. And you may not always be that young. But you've got a responsibility. This book is dated. More likely there are up-to-date ones, and I have not felt the need because the principle I've already laid out; keep up-to-date. 1,001 time and money saving ideas for successful home management. You may know of far more interesting books, You might like to recommend anything in the notes in these questions that we will address later do not have to be merely questions of me. They might be principles and advice that you should like to give. But I will merely cite that a book like this covers every imaginable thing — emergencies, handy information, what you should know about appliances, automobiles, clothes, entertaining, food preparation, furniture and furnishings, houses, kitchen ideas, laundering, and specifically, money management. In sections there you will have vast information pertaining to insurance, the working wife, the home itself, credit and debt charge accounts, I will just leave this here as an illustration.

In this area, now, of inflation, to my knowledge it is unlikely in the foreseeable future, knowing the state of government and the power of the electorate, that we will have other than built-in inflation rather than the kind of deep recession and depression of the 1930's. Therefore your approach should take in mind that the savings that come from, let's say, insurances, annuities, or any area that you might have put your money in — savings in the bank — have to be measured against the actual rate of inflation. I deal with a man in the Church. This person retired many years ago, and let's say at 65, or a quarter of a century ago as in his case. He retired and he was to receive certain money from an insurance policy that came from his work. If he had owned his home and could have raised significant amount of his vegetables or had fruit from trees around his home, he would do reasonably well at the time his retirement was to take effect. His check every month was \$31. I want you to think about that in terms of what you spend with two other people in a restaurant today, apart from McDonald's. This man in that day could have lived reasonably well with this for Social Security, and he would have never had to have any other help. But I'm using this to illustrate that you must take a whole new view from what you may have heard from grandparents or parents to experience the 1930's and early 40's. You need a whole new view of what you do with your money. And I'm addressing here first of all the elderly, the older individuals who are not just young and out of high school and college. You need to realize that if inflation is going at the rate of 8 or 9%, and your sayings are bringing in 5 to 5 1/2%, you are losing money every year. You may be gaining on the sum but you are actually losing money. And so it is important that we take note of the specific area and books that on this subject, and that is, assuming you have funds to work with, the importance of investing those funds in areas that keep you ahead or ahead with inflation. *U.S. News and World Report*, I believe in the most recent issue (I didn't bring all sorts of magazines that have articles to keep you up-to-date) pointed up the value of the dollar, how much you would have to save now in order to achieve what you would have if you had saved 20 years ago. The state of the value of the dollar and where the money spent will produce more. The most valuable investment it has turned out in the last 30 years has been farmland. The next most valuable investment has been home or real estate property. The least of course would be the old traditional methods of saving in a bank, where you have gone behind and not kept up with inflation.

My wife's father is a widower. He saved his money up through the '50s. And he has found that what he saved would have been very satisfactory if the standard of living had remained only at basically a 1 or 2% increase. But going an average of 6 to 10% over the last several years, he is finding those savings cannot be significantly maintained in the traditional manner. In order to take care of his needs as an older person in his 80's. Therefore, if you think that older people now have their own problems, but you're 20 or 25, you won't have them, you need to realize, of course, that it's a long way down the road. Nevertheless, it is important to contemplate how we will use the money you receive that you can set aside. The importance of investment and handling such funds is a separate issue because most of us here are more or less starting out. But I would point this up as an aim and consideration. I will use one illustration and ask for a show of hands. How many of you are renting rather than buying a piece of property? How many of you are either owning or buying a piece of property? Did you notice that only

the latter were gaining on inflation and the rest of you are losing? Because that is exactly what's happening. Mr. Bill Butler is a property owner. He decided if he is going to marry, if he is going to be responsible to himself, that it was very important for him to start at some point — even if nothing else but a one-bedroom house and they're still available. You can work up. But to begin. Where your money is not a beautiful stack of rent receipts. But your money is increasing in value because the costs of living in inflation demands that home construction becomes more expensive and the increase in population demands more homes, and therefore it is very difficult today to have an environment in which homes will ever play a normal role in inflation. They are going to be one of the abnormal pressures. And therefore, it is the most likely and advantageous area.

I have found myself that really all the money I've ever saved has ultimately been what I've been able to acquire as a result of having the opportunity to begin to buy one's own home, And now it is possible to say that what inflation has done for me, I didn't do for myself. But inflation has done that, and the value of the property is such now that I at least have the capacity to borrow on it if I want to, which is not the normal route, but you sometimes need to. I would like to suggest that I think not more than 20% are purchasing homes and 80% are not. Now some of you in your old age have no choice, and there are some who are really in old age who are here, I very much appreciate the fact you are. So we'll just take a look at the reality. It does pay — definitely pays — not to be wholly dependent on government funds because those funds will keep you at the lowest standard of living acceptable, whereas if you have the capacity though investment, like the woman in Proverbs 31, you should develop yourself. On the premise it is very important that you do acquire some information from some articles, some books, so I will merely point up that sometimes you can pick up a magazine such as the Sept. 27 issue of *Woman's Day* — I believe that's the latest one — 101 Inflation Fighters, better ways to eat well so you don't have to pay the doctor bill later, you can still save money without scrimping and hurting yourself. Dress superbly. Get a good job and make it pay. And do it inexpensively. And then home decoration, renting a car, buying a house and still keep your money in your pocket. These are ideas and you can get it in a 49¢ publication such as this. You will find that probably every month magazines come out, and they're mostly repetitious. Get one that seems reasonably well and thoroughly presented, and then maybe a book, and then perhaps a night course even at PCC (Pasadena City College) or real estate investment. You'd be surprised what can happen. You have to think, you have to be willing to work, you have to be willing to study.

I started in Proverbs with the determination that effort is important at the beginning. And the effort is measured ultimately in the financial remuneration. And so now we learn, once we receive that, how to govern or manage this money step by step. We should have some serious knowledge of the impact of taxes at all levels throughout our lives, that is, tax rates that will differ when you no longer have an income because you have money set aside, because there are new systems today where you put money aside and then pay taxes later only when you withdraw it. The recognition of the impact of taxes, especially property taxes, would be very important, because if you own a home, you have to bear this in mind. There are some, of course, who have such bargains and rentals that probably you won't need to do it. And some of you will never have the chance to accumulate enough for a down payment. What you really need to do is what the Jewish community always has done, and that is to have friends and relatives who will get you started, and show what you're willing to do.

Unfortunately, without friends or relatives, it's a harder row to hoe. When you have the money — now we've taken the long range look, now we're going to take the shorter look — you are confronted as young people, perhaps interested in home and marriage and children, or just simply friendship and your own education, with the impact of entertainment. It is here important that the old principles of budgeting must not be neglected. That is, you need to evaluate what you are doing with your money. I will not here dwell on the separate subject of how to budget. But we merely address the question that you should budget. Depending on your income, you need to budget more or less. It's always easy if you have a reasonably good income and are single to feel you don't need to. In this area of entertainment, you want to be very careful that you get the most — as in everything else — for your effort. It may be sufficient pleasure. You like to spend money. But you need to be careful. Now on the other

hand, don't go to the other extreme you deny yourself healthful food and you become unbalanced in what you eat and later pay a heavy price in medical bills. That is very significant. This area of entertainment is important, especially for younger people. You need to sit down and contemplate how much money you really need to put out in comparison with, let's say, the car, home, clothing. I would certainly say, if you put entertainment on your priority list as #1, and you are renting at a high level, let's say \$175 to \$225 a month, you're making a terrible mistake. My daughter is not quite like everybody else. She is money conscious. She's renting, but she has a place at \$100 a month. She really pays \$200 but she has somebody with her, so they split it. She found she could put three in there, and that cut it down to \$67.50 let us say. That's not bad. Now she's beginning to be able to put some money aside. You will find sometimes that a cooperative effort of two fellows or two girls can go a long way. You don't have to be just one in a room, you can be two, maybe the place is designed so that it is a little more expensive but you can have three and then the cost can be cut down a great deal. Think about that seriously. In my estimation, in the present set of circumstances, you have no alternative in the long range planning but considering that your home, or your house, or wherever you are living has to be the focus of your #1 priority. What you need to do is design it in such a way that you maximize the value of your money and hopefully are able to set aside some money over a period of time to be able to make a down payment on a piece of property, a home. And you may start out with something very small and gradually through investment you work up.

A car is one of the biggest drains. And I will warn you that there are sometimes for single people far more remarkable uses of the money than expensive cars because you made a wrong choice either in the initial purchase or have gotten a lemon. I have found that if people are very careful here, they can make major savings. A car seems to be essential in our society because 1) we have adopted the idea that we want to live where we want to live and we want to work where we want to work, and to get to the two places we have to have a car. It is much wiser to coordinate the place where you work with the place where you live and have access to it either by foot. And my daughter decided to go that route — she's able to walk to work from where she lives. We could also ride the bus which may be very satisfactory on some routes, less on others. I have designed my home such that if we had a crisis, I would be able to ride a bus back and forth every day, come to church services or go to work, I don't use that unnecessarily; I have in times past, when I had the opportunity and the time to do so. We designed also that we have a freeway from my home directly to the College. That was unusual — it's my private driveway; the 210 West from here.

Clothing can be costly. Clothing need not be. That is a separate area where good advice in women's Journals can go a long way. Where men and women can go through what we call proper stores that have legitimate sales and ask the person who knows how. There are people who are well dressed for very little cost. So if we prioritize in terms of home and transportation, food and clothing, and focus in where the greatest drain will occur, be very careful with even such a little area as a telephone. It can be very expensive. Analyze its real value. How many people can use a single phone, or share? Because you'd be surprised. Each one of these areas becomes a drain.

I would point up that along the way you need to analyze what your decision will be in the question of health insurance. That is, what have you decided is the role that you will take in terms of illness or accident, apart from automobile insurance which would cover accident? You need to be prepared for this because you can have large financial expenses. I will say if anybody decides that he is going to go thoroughly the route of hospitals and medical care, the Church recognizes you have a responsibility to yourself and not to drain the funds from others. You have a responsibility for health insurance. And I have always said with respect to driving or auto that I do not think any Church member, and I will say it here — I don't care what your age — you have, in my estimation, no valid right as a Christian to drive a car in your name if you don't have auto insurance or the equivalent money in cash set aside. Now I know that some do not do what I am telling you, and sooner or later you're going to pay a penalty, and the penalty can run into the thousands of dollars. If you cannot afford insurance you cannot afford to drive your car. You can only afford to take the bus or walk to work, you don't want to take needless chances. We already discussed the area in terms of insurance and property. Be sure

that if you are renting unfurnished, if you are owning a piece of property, that you have a policy that properly will be taking pace with inflation. There will be booklets, books, articles on the subject on how to proceed with respect to keeping a record, photography (photographing what you have) because these are problems to be considered. You need to take a look and read. You may find that there are things that will be important to you that I have not included. But I've tried to give an overview here briefly to give you an idea of areas where you will want to spend a little more time and money on. And now I would like to be able to take some of the questions. And we will see what you think we should cover.

Q: It has been said that a certain percentage of one's income should be distributed among various expenditures. Can you give us such expenditures, for example, it has been said that 25% of our net pay should be used for house rental or payment on a mortgage. Could you then break down the various percentages for us?

Now this is the kind of question I would like to suggest, that since this is a Sabbath service, in a certain sense as you know, that what we are doing — and I think it is normally better as we take a look at the approaches as to how to solve problems, the principals that are laid out in scripture, and then proceed. Let me state that normally for people who have property payments or rentals, 20-25% is an appropriate and acceptable figure. I would point up, however, that there are some variations. Obviously for a single person, you might be able to put 30-35% into a more than minimum property. I'm not taking about rentals here but property. You actually could afford to spend more. Because you happen to have been buying a property that is just going like this. I will state what everyone in real estate knows: if you find that the value of your property increases 50% in a three-year period. Now let me illustrate a point. If you were able to buy a property for \$30,000 on the market, at 50% increase in three years it's worth \$45,000, clearly. But suppose you happen to have enough down payment that you could get started on a property that originally was \$60,000. In three years 50% increase it's \$90,000. You get what's happening? You have increased \$30,000 instead of \$15,000. The more expensive the initial property, the greater the actual cash increase, so that if you marry, you now may say (and if you could cash it in), you start out with \$30,000 and not \$15,000 as a result of inflation. Therefore, if you are able to do this, it always pays to analyze specifically one's opportunities. There are no hard and fast rules when you are young and single. Take advantage of your situation.

If you happen to be a person with children — we're not normally addressing that group — but suppose you're falling in love with a widow with five children. There your percentage is much more likely to be 20% and even 25%. For the rest of them, I suggest that you take a good article or book on the subject specifically of budgeting. And here I would like to suggest that a happy solution to things of this nature would be to go to a paperback section in a leading bookstore and go to the area where you can focus in on the specific illustration. Or take a night time course or daytime course for some few who can at a local community college, addressing the question specifically of budgeting. It is better that I approach it that way and you analyze the wisdom of those who are specifically in the field, realizing that you may be able to have great exceptions to your advantage. Once you own the property (and happily I made the right decision once to sell a property where we lived in La Canada and we bought two cheap ones in Sunland and we sold one of the two and paid the other off so that right now I'm paying zero percent of my salary in property payment. Because I was able with inflation to pay the other off. I went down from a four-bedroom home to a two.) And suddenly money can be used for something else. But on the other hand, two of the children have left. I'm able to take that money to pay rent for my children so they can be near the college they want to go to. See the advantage you have. When you get married it definitely pays because it is probably the case that you can have your property paid off at the time your children will be going to college. And then that money that goes into normal rent or property payments can go into taking care of their housing till they get a start. That's the way you should look at your life and think of marriage as a proper place in the sequence the earning money, that is, where you have enough money to really have roots. And that means to have a home. It is absolutely worth it for 90% if you possibly can.

Q: If a person seems to be in financial need, is it wise to give that person money assuming that one can afford to do so, whether the person asks for it or not?

If a person is in financial need, you should advise the person if you happen to know the individual on what he should do. If he really needs money, then you should advise him to analyze whether a loan is what he needs to get him over the hurdle, or to encourage him not to be so full of pride as some people are that they won't ask for help. We do not normally recommend that brethren loan to others, unless they are absolutely willing to write the money off. We do not recommend that you loan to anyone else unless you are willing to write the money off as a total loss. If you would be willing to do so, fine. Then that would be your decision. Otherwise, if you think you need the money back, don't loan it. I'll just tell you that. If you know the other person can pay, you're still taking the chance. You're certainly free to make those decisions. You have to really use your judgment. But we know that a number of cases have arisen in this Church in which people have loaned to others and they haven't been able to pay back. If you know somebody has property, somebody has certainly a good job, there's no reason to think you'd ever lose it? Then you may have obviously sufficient security. But don't risk getting into a bad attitude. I wouldn't give anybody any money unless he really needed it, and I wouldn't do it unless he also asked for it, or you discussed the possibility with him that you could help over a temporary crisis. But I think the person should make his own decision in terms of what he really wants.

Q: Having personal savings is a sound principle. Do you have any suggestions or guidelines to follow while investing?

Well, I already have in this sense pointed up that in my estimation, I start in the following way. Now, you will understand I'm not really answering the question directly, but indirectly. My son had a summer job. I told him, look, don't get a savings account — you're not going to earn this much. Get a checking account and learn how to use it wisely. There are some people who don't even know how to use a checking account wisely. Now if you have a larger sum, a year-round job, then start with a savings account.

In this matter of a checking account, I actually met a man who did not know that what you write out in checks ought to be equivalent to what you put in. We had to bail him out, and we actually told the bank and worked with the bank to close out his checking account and we guaranteed the remaining checks that were out. We took away all the other checks and his account was closed. Because he didn't know how to handle money, he just plainly didn't. He had to be on a cash basis. Now when you have a savings account and your money is small, then a proper savings investment in a bank savings and loan or some other means — that's a matter for you to investigate as the next step. And when you have a sufficiently large sum that you think you can parley into real estate, then go ahead. Now let me illustrate an interesting point that I heard some time ago. My wife had just before this heard of a man who got his start doing this. You will discover that sometimes after you have a little money — and just a little, doesn't have to be this much — you can offer to purchase a piece of property. Now what will happen is, sometimes the owner will have to sell and somebody comes along and offers more and you come along and offer less. I will use an illustration that I heard.

This person had some money. The wife of the man I talked to bid \$100,000 lower than anybody else and normally would never get the bid. For obvious reasons you take the man that offers you the most. There were about six who bid. The top man couldn't come through with a loan; the next person couldn't come through with a loan; the next person couldn't come through with a loan; and finally the low bid was the one they had to take. She automatically earned \$100,000 because she underbid, and she guessed that the others could not come through with the cash. She wouldn't have lost a thing if she had never been accepted. After all, she would still have her own money. Now I'm talking here about big figures because that was an illustration. What my wife heard was the case of a man who would start — he started out on a shoestring offering the smallest possible sum to get started. And mostly they turned him down. And finally somebody needed it so much that they said, well look, I'll carry — we won't even have anybody down, just the closing costs, and the owner would carry the second in order to get rid of it. Then the bank would loan the rest. Sometimes you can have some marvelous situations start when you start from practically nothing. But you have to wait, you have to think, you have to read a book on the subject. And be a little daring. That is, try something that you

never thought of before. Maybe I made the mistake, I don't know, I knew of a piece of property in one case where it was nothing down, the woman would take the second — it was a one-bedroom affair, too small for anything. We could have picked it up 4-1/2 years ago for \$16,000. A very large piece of property with a one-bedroom house. I needed something else so I didn't go that route because my mind must be on my job and I do not recommend the ministry get involved in anything like this. But it was an illustration. Someone else could have come along. Get the owner to carry the second mortgage or what would be practically the equivalent of a down payment. Or borrow from a relative, get the money down, get somebody to take the second mortgage, you take the second mortgage and pay off your relative. Or did you hear what I said? There are some clever ways of doing things. And you didn't even put any money down of your own; you put your relative's money down, converted it into a second mortgage. Now if you really have some people who are your relatives who could help you get started like this, you'll go a long way. And I feel many marriages that are unhappy can be resolved by some practical solutions this way.

Q: As it now stands I don't have the money for a down payment in the area we are discussing. Do you recommend borrowing the money for a down payment, plus making the house payments in such a case as mine?

Well, I do not know what you can do. But I already just told you that you might be able to get started by borrowing from a relative, and converting it, because you have a good job — not a poor job, but a good job — to take care of your payments, and to help you get started in such a way that you can convert your relative's good faith in you into a down payment and then take out a second mortgage to cover that so your relative is paid. Now I think that is a very business-wise maneuver if you are handling affairs correctly.

These were the questions presented. Now I would like to state there are two areas we are looking at in terms of money management. One which I have not dealt with in particular, and that is the day-to-day management of the budget, because we have some very fine material, and we have ourselves in the church published material on budget, in our own literature. And therefore I should not have to repeat that significantly. If you don't have any of those or wanted to put them to work, you'd better take heed because it will certainly profit you in the next step where, when you have a little savings or use the opportunity of friendship with others to convert it into some kind of investment. It is that second step that is critical to a happy marriage. Too many women discover they are living with men living hand-to-mouth from day-to-day, and don't have the feeling of security. A woman deserves the feeling of security. And you get it by properly managing and investing and initially by working in order to have enough to manage. Then day-to-day you learn to conserve expenses. Don't think that you shouldn't set aside something in planning. But you start out little by little. And you know you don't want to start out when the money is tight, unless of course you have an unusual opportunity. You want to start out when the money is loose in terms of loans being more readily available. Right now the money is getting tight and you should analyze that and know that you may have to wait a year or two for some in order to achieve it. But learn to curb it. Especially watch your rents, watch the restaurant outgo expenses. Watch the car expense. It's so easy to be tempted to either buy something cheap that needs immense sums in repair or buy something new when a good used one that is fairly new has all the advantages of not losing the first year's appreciation. Get proper advice. I've always called someone before I've ever purchased a car, I've always called an individual since I'm not a mechanic and not in the field, to know something or to read something from a local public library on the particular model. I say in this case you go to the community library nearest you, ask a reference librarian if you need to. Many of the questions you might have are resolvable. It all goes back to the premise we started with at the beginning: that a wise man seeks counsel; the poor do not heed admonition.

— END —