Anxiously Engaged
Supplemental Lesson

Implementing financial practices from prophetic teachings

Matthew T. Saxey and Ashely B. LeBaron-Black

Introduction

In Anxiously Engaged Lesson 5 we discussed some basic principles and attitudes about shared financial stewardship in marriage:

- understanding each other's financial story
- cleaving to each other in financial equal partnership
- facilitating healthy, regular communication about finances.

While this is an essential foundation for financial marital success, it is also important to put these financial principles into practice. This lesson focuses on financial practices from prophetic teachings – reinforced by financial experts – on how we can best manage our finances.

Practices of Shared Financial Stewardship

1. **Seek First the Kingdom of Heaven: Tithing**
   In the Sermon on the Mount, Jesus Christ teaches us to "seek first the kingdom of God," promising that "all these things shall be added unto [us]" (Matt 6:23). This means we should prioritize paying tithing by putting the Lord first in our finances. By tithing 10% of our income, we demonstrate faith, and the necessary financial means will follow. If challenges arise, we find ways to manage or do without.

2. **Build and Maintain an Emergency Savings Fund**
   Elder Robert D. Hales of the Quorum of the Twelve Apostles counsels that we must diligently save and prepare for "rainy-day emergencies."[1] Start by building a $1,000 emergency savings fund and aim to eventually save 3-6 months of expenses for situations like job loss or unexpected expenses. Define what constitutes an "emergency" (e.g., car repairs, medical bills) and avoid spending the fund on non-essential items. If you use any of the emergency funds, work to replenish them promptly.

3. **Create a Spending Plan**
   Consider using a "spending plan" to manage finances –a "budget" by another name. Many free apps can track your spending for you. You set the categories (rent, groceries, transportation, etc.) and the monthly spending amounts and the app keeps track of it for you. A crucial aspect of your spending plan is to spend less than you earn.

   When creating spending plan categories, it is wise to include categories for savings and investments (which we will discuss next) as well as "fun money." "Fun money" allows each of you to spend a set amount without needing approval from the other, reducing frustration.

   Elder Robert L. Simpson of the Seventy taught that, "*each husband and wife needs to reason together about the family [spending plan] on a regular basis*."[2] A spending plan, essentially, helps us to "act" and not be "acted upon" with our finances (2 Nephi 2:14). For more information on how to best create and implement a spending plan, see the resources on marital financial management at the end of the lesson.

4. **Save Money Toward Your Financial Future**
   After tithing 10%, Elder L. Tom Perry counsels to "pay [ourselves] a predetermined amount directly into savings."[3] Short-term savings should be for upcoming big expenses like a house, car, or vacation. The amount saved depends on income, expenses, and family financial goals, but the key is to consistently save. It's wise to choose a savings account that offers higher interest rates, such as a high-yield savings account, to maximize returns. This account should keep your money accessible and able to earn interest, helping your savings grow over time.

5. **Invest for Your Financial Future**
   After paying 10% to the Lord, it's crucial to save for retirement using compound interest, often called the 8th wonder of the world. [4] As an illustration of this principle, let's say that we start our investment with $20,000 and add $200 every month for the next 30 years. Below are three different scenarios and outcomes:
   - Savings Account: With 0.25% annual interest, the total will be around $96,000.
   - High-Yield Savings Account: With 3.5% annual interest, it grows to about $184,000.
   - Investment Fund (like a Roth 401(k) or Roth IRA): With an 8% annual return, it reaches around $517,000.

   Investing wisely, rather than using low-yield options, helps your money grow significantly. Even if you don't have an employer-sponsored retirement plan, starting a Roth IRA with as little as $5 a month can benefit from compound interest. The earlier you start, the more you'll accumulate for retirement.

6. **Avoid Excessive Debt**
   Elder Joseph B. Wirthlin of the Quorum of the Twelve Apostles taught that, "Some debt—such as for a modest home, expenses for education, perhaps for a needed first car—may be necessary. But never should we enter into financial bondage through consumer debt without carefully weighing the costs."[5]

   It's important to weigh the costs carefully and avoid excessive consumer debt. Debt should only be considered if it aligns with family financial goals and if a plan is in place to repay it. For example, saving up to buy a car with cash can help avoid interest costs and excessive debt. Consulting with the Lord can help guide decisions on whether taking on debt will support achieving financial goals effectively.

7. **Make Insurance a Priority**
   Without employment benefits, paying for insurance can appear daunting. However, Elder Marvin J. Ashton of the Quorum of the Twelve Apostles counseled that we should 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."[6] To protect your family's financial future, we highly recommend making these kinds of insurance a priority.

8. **Save, Spend, But Also Give**
   Financially, we can choose to spend, save, or give. While it's important to manage money to meet personal goals, serving others is a key purpose of our lives. Elder Jeffrey R. Holland said, "*The great Redeemer has issued no more persistent call than for us to join Him in lifting [the burden of poverty] from the people. As Jehovah, He said He would judge the house of Israel harshly because 'the spoil of the [needy] is in your houses*.'"[7]

Incorporating giving into our financial plans—paying fast offerings, supporting those in need through our ward, donating to reputable charities, or volunteering—reflects our commitment to this principle. Generosity is not only a command but a way to align our financial practices with our spiritual responsibilities.

Couple Conversation: Engaging in Healthy Financial Management Practices—Together

Discuss the following questions together:

- What is our plan to put the Kingdom of Heaven first by paying our tithing?
- What is our plan to build, and maintain, an emergency savings fund?
- How will we implement a spending plan and save and invest for the future?
- What are things we would go into debt for?
    - How can we make insurance a priority?
- How will we be generous with our finances and give to others?

Conclusion

It's not a secret that finances can be a problem for couples. However, as you focus on engaging in healthy financial management practices together, you can make finances one of the strengths of your relationship.

Endnotes

[1] Hales, R. D. (2009). Becoming provident providers temporally and spiritually. General Conference of the Church of Jesus Christ of Latter-Day Saints.

[2] Simpson, R. L. (1982). A lasting marriage. General Conference of the Church of Jesus Christ of Latter-Day Saints.

[3] Perry, L. T. (1991). Becoming self-reliant. General Conference of the Church of Jesus Christ of Latter-Day Saints.

[4] This quote is attributed to Albert Einstein.

[5] Wirthlin, J. B. (2004). Earthly debts, heavenly debts. General Conference of the Church of Jesus Christ of Latter-Day Saints.

[6] Ashton, M. J. (2000). Guide to family finance. *Liahona*.

[7] Holland, J. R. (2014). Are we not all beggars? General Conference of the Church of Jesus Christ of Latter-Day Saints.