

CHRISTIAN MONEY \$ENSE

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Common Mistakes People Make with Money

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“But everybody’s doing it!” I’m sure you said that to your parents when you were younger and can probably recite the answer they gave you: “If everyone jumped off a bridge, would you jump too?”

Examples abound regarding people who make mistakes with how they handle money. Financial blunders are one area where you don’t want to join the crowd. “Know well the condition of your flocks, and pay attention to your herds; For riches are not forever, nor does a crown endure to all generations” (Prov 27:23-24, NASB). Your life will be shorter than you think. In the light of eternity, make long-term financial decisions.

Here are some of the common mistakes people make with money.

- Not having a will or trust
A will is not simply a way to leave your “stuff” to others. It is a way to pass on your Christian legacy to others. Therefore, everyone needs a will. This is especially true if you have children or a family business. In addition, a trust can be especially helpful if you want to safeguard money for your spouse, distribute funds to children over time, or reduce probate costs and estate taxes.
- Putting property in your child’s name
Many surviving spouses consider naming a child as the co-owner on assets (bank accounts, houses). There are pros and cons to this. It is true that if the child is a co-owner, he or she will receive the asset outside of probate. But if the asset is large (over \$11,000), then there can be adverse tax consequences to this transaction. In addition, an asset in your child’s name can be taken from you if your child is ever sued.

- Having too much of the wrong life insurance
In my experience, many people are underinsured. Also, in my experience, many people purchase more expensive life insurance policies than they need. A whole life policy can have benefits over time because it builds cash value. But often it eats up precious dollars in the monthly budget that could go toward investments. Consider a term life insurance policy roughly equal to ten times your salary.
- Waiting to improve your finances
Do you have more debt than you would like? Is your savings or retirement smaller than it should be at this point? These issues will not resolve themselves without you taking action. Don’t wait another year. Tackle this issue today.
- Not teaching your children about money
I have two daughters. They mimic me more than they should – from facial expressions to telling jokes. They will also mimic my money handling skills. Do your children know how to handle money? Will the inheritance they receive from you further their walk with God or destroy it? Talk about money with your family, and make sure your children leave home knowing that God owns it all.

Many people are making financial mistakes, but God wants us to cut against the grain of our culture. Above all else, He wants us to be faithful with what He has given us. The book of Proverbs has a tremendous amount to say on finances. Also, BBC Foundation can address your specific questions. Be uncommon with your finances.

BBC Foundation has been ministering to churches and individuals regarding biblical stewardship since 1992. Send your questions on finances and stewardship to: BBC Foundation, 538 Venard Rd., Clarks Summit, PA 18411. Phone: (800) 451-8668, website: bbcfoundation.org; e-mail: info@bbcfoundation.org