

IN  
THE  
**BEGINNING**

Steps to Take *Before*  
You Seek Wealth



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Steps to Take *Before*  
You Seek Wealth

Dale Goodrich



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But godliness with contentment is great gain. For we brought nothing into the world, and we can take nothing out of it. But if we have food and clothing, we will be content with that. Those who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge people into ruin and destruction. For the love of money is a root of all kinds of evil. Some people, eager for money, have wandered from the faith and pierced themselves with many griefs.

—1 Timothy 6:6-10 NIV



# ACKNOWLEDGMENTS

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Since my intent was to create a short narrative that got right to the heart of personal financial management, I wouldn't have to get terribly long winded before I produced an acknowledgment section that rivaled the length of the book. That would be bad, so I'll keep this brief.

I got lots of wonderful help from family and friends in the form of reviews, comments, edits and, most importantly, encouragement. A cast of characters I want to make sure I single out include my parents, Glenn and Alene Goodrich, as well as my sisters, Linda Way, Shary Kempton and Lisa Laufer. Your support over the years has meant the world to me!

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The most important actors in my life story are the ones for whom I've been beating the financial responsibility drum for more years than I care to count. To my kids, Logan and Jillian, you are

the reason I get up and race rats everyday. Just thinking about the magnitude of the gift God gave me when He allowed me to be your father leaves me speechless. You'll never know how much I love you and thank you for being such an inspiring presence in my life.

And to Susan, my wife, life partner and best friend in the whole wide world, what can I say? You've been with me every step of the way, making sure the house I've worried about paying for was actually a home after all. I'd try to pen the words that tell you how much I love you but those words don't exist. So I'll simply say ... thank you for being you!

Matthew 10:32 (NIV) says, "Whoever acknowledges me before others, I will also acknowledge before my Father in heaven." If I can barely find the words to adequately thank the people in my life, then I'm not sure how I'm supposed to do that for my personal Lord and Savior Jesus Christ. Lord Jesus, I've tried to live for you because you died for me. For some reason, "thank you" seems to ring a little hollow. But Romans 8:26 (NLT) assures us that "... the Holy Spirit prays for us with groanings that cannot be expressed in words." Perhaps He's groaning for me even as we speak. Thank you, Jesus.



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# INTRODUCTION

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**I**n my experience as a financial coach, the two words “personal finance” can dredge up feelings that a lot of people think are better left un-dredged. But that experience has also validated, time and time again, that the best defense is a good offense. A lack of available material has definitely not been a problem in building a financial game plan. When I Googled “personal finance,” just to see what was already out there, I got 538,000,000 hits! Considering that it was such a nice, whole number I think the Google people must have just terminated the search and rounded off the answer as their server approached “red line” and full, thermo-financial meltdown. In other words, there’s plenty of help out there.

There’s a pretty good chance that not everything I say will be brand new music to your ears. But have you ever read the same thing numerous times, such as Scripture for example, only to see something in a completely different light than you’d ever seen it before? That actually happens to me on a somewhat regular basis. I’m hoping that might happen for you as you read what I have to say about my own journey through (and often around ... ugh) personal financial management. Maybe I’ll say something you’ve

heard before, but it will resonate in a new way that leads to a nugget or two you can use to get on the happy side of your money management challenges. Maybe you'll just read this and be entertained. That wouldn't be such a bad thing either. Sometimes life's nicest blessings come in small, simple packages. I'll have more to say about that a little later in this story.

If you're at all familiar with Dave Ramsey and Financial Peace University (FPU), you know he often talks about having done "stupid with zeros on the end." Well, fans, I am a humble member of the "stupid with zeros on the end" club. That said, I did complete financial counselor training with The Lampo Group (Dave Ramsey's company) so I do have *some* background in the subject matter. I have also been blessed to serve as a budget coach to numerous members of my church family over the years. But, my most compelling qualification to delve into this subject matter is that I truly do care about people in general and like to help whenever and however I can.

While we're on the subject of getting advice (reading books, being coached, listening to your co-workers at the water cooler, whatever), be careful. Whenever advice is offered to you by a self-proclaimed "expert" always remember that  $x$  is an unknown quantity and a "spurt" is just a drip under pressure. The best advice you get out of this book might just be to question *everything* and to be very careful about whose advice you follow. Just remember it only takes a couple of bucks and a scant handful of mouse clicks to build a website. "The Finance Emporium of Lower Slobovia" might just be a sixteen-year-old putz goofing off in his bedroom, trying to see how many phish he can catch. Just because it's on the Internet doesn't mean it's reliable. In fact, the opposite might be more the case. You're most likely going to be far better off following Dave Ramsey's advice and listening to someone with the heart of a teacher. That particular brand of "someone" is far less likely to have his or her hand in your pocket.

As you begin to recruit your circle of advisors and drink from the fount of their knowledge, be careful about “the halo effect.” If you’re unfamiliar with that phenomenon, it has to do with giving credit to someone for having expertise in one thing just because he naturally has something else, unrelated to the first thing, going for him. For example, the most physically fit soldier in the outfit might not necessarily be the brightest bulb on the Christmas tree when it comes to infantry tactics, but it may be assumed he is because he happens to be super physically fit.

Now, take the short, mental leap to your own family. You’re twenty-three and your father is forty-seven. He’s never spoken to you about money before because in our society parents just don’t do that. We teach our kids how to stay away from sex, drugs, and all other kinds of dangerous things, but we never tell them how to avoid a lifetime of slavery to an out-of-balance balance sheet. Be that as it may, you see your father has managed to keep a roof over your head and food on the table for all twenty-three years that you’ve been keeping score, so he must naturally know everything you need to know about money, right? Unfortunately, for all you know he may have housed, fed, and entertained you by maxing out every credit card he has and is simply marking time until he can execute his plan to move into your basement when he retires. You love him and he’s an awesome dad, but when it comes to money he might not be the best guy to go to for advice. The bottom line message is ... tread carefully!



## CHAPTER ONE

# THE BATHROOM MIRROR

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I would love to know the exact date when political correctness replaced common sense and personal accountability. We so desperately want to live in a world where every answer is correct and negative end-results are always someone else's fault. I've seen that happen with my own kids.

One example comes to mind that led to side-splitting laughter. Both my son and daughter participated in a youth bowling league many years ago. They eventually learned a little something about bowling, but it was really just an excuse to go have some fun on a Saturday morning and eat greasy food. None of us ever expected full-ride scholarships to emerge from the midst of that experience—and we weren't disappointed. What we found so funny, though, happened at the end of one of their "seasons." It was time for the final bowling match and awards ceremony. When we walked back to the game room for the presentation of trophies, *everybody* got a trophy! One might wonder what goes on the faceplate of a trophy presented to the competitors who finish towards the back of the pack. Well, you're in luck, because that's where my kids finished that season so I can tell you. It says "Participant!" I kid

you not ... my wife, both “participant” children, and I laughed until we cried at the absolute stupidity of a trophy being awarded to the last place finishers just so their fragile little egos wouldn’t be damaged. You have *got* to be kidding me! It was a very nice gesture by the league organizer and her heart truly was in the right place. But *really*? “Participant” on a trophy?

Fortunately, we’ve raised our kids to know that not everybody can finish in first place, so they don’t expect accolades just for being alive every time they swing their feet out of bed. Unfortunately, humankind has become deathly afraid to label anyone anything other than a winner. It’s politically incorrect and might lead to a lawsuit over the psychological damage wrought by such insensitivity.

Sadly, an “all-lanes-lead-to-the-victory-circle” mentality can have absolutely devastating effects if it permeates one’s methodology for making life-changing choices like the ones we sometimes make with our money. I’m sorry but all courses of action *do not* lead to victory! Attitudes are woven together over many, many years by the sum total of what we’re taught and what we experience.

Be very careful as you form your expectations about what this life owes you. There are consequences for “doing stupid with zeros on the end.” I think there is a natural tendency to ignore that reality when we’re making those stupid choices early in life because we know, deep down inside, that we’re young and have lots of time to make up for lost ground. But if you’re under thirty years of age, just ask pretty much anyone over thirty years of age whether or not time seems to be slipping by faster and faster with each passing year. You don’t have as much time to get it right as you may think.

It seems to be getting harder and harder to find people who are willing to acknowledge they are where they are financially, to a very large degree, because they *chose* to be there. That whole personal accountability thing can feel nasty. I absolutely get the fact that many people have to cope with tragic circumstances in their past over which they had no control. It’s not fair and maybe



someday when I'm face to face with my personal Lord and Savior, Jesus Christ, I'll be able to ask Him about that. But I have seen many people make bad financial choices in response to those circumstances, insisting they either deserved a break or thought they were punishing the perpetrators of their life's story. But they were only enslaving themselves.

Not everyone comes from a background of abuse and involuntary financial servitude. And yet, I've seen the "you first, right after me" entitlement mindset result in absolute financial devastation and all kinds of missed sleep. Financial pressure is like a wet blanket that just never dries up. You can learn to live with it but it's always there, wet and cold, in one form or another. Can you tell I have enough of that in my history to be able to say, "Been there, done that, don't want the t-shirt?"

So, what did I mean when I chose the title of this chapter to be "The Bathroom Mirror"? At the risk of oversimplifying things, that's a good place to start when searching for the culprit of one's financial challenges. I've spent a lot of years looking at that rascal and I haven't always liked what I've seen.

Did some unqualified knucklehead offer bad financial advice? Maybe. Did the promise of quick riches or overnight solutions to your financial problems sound too good to be true but you chased them anyway? Maybe. But they were your (my?) decisions and you (I?) made them ... didn't you (we)? And I can tell you many of my choices did not get me a trophy ... not even one that said "Participant" on it. What I did get were sleepless nights that produced bags under my eyes which said "moron."

You may be familiar with the phrase "death by a thousand cuts." Ever since I began leading Financial Peace University and doing financial coaching on the side, I've modified that phrase to say "debt by a thousand butts." I've counseled numerous families who've listened to me describe this personal accountability dynamic, only to have them respond by saying, "Yes ... but ... our situation is

different because ...” Well, that may be true, but it doesn’t erase the fact that you’ve amassed \$50,000 in credit card debt one purchase decision at a time and the lenders want their money back. I know it’s a cruel reality and life isn’t always fair, but it is what it is. The only question is, “What are you going to do about it?”

In an attempt to publish my first nugget of sage financial advice, I can actually only repeat what has been said numerous times before by people a lot smarter than me. If it doesn’t *feel* different, don’t expect a different outcome.

Here’s a good, real-life example that explains how that looks. Let’s pretend, for the sake of illustration, that you’re not fully onboard with Dave Ramsey’s advice and haven’t weaned yourself off the use of credit cards just yet. However, you have decided to dip your toe in that water and *ease* off the use of credit card A. Perhaps you just sense the balance is getting a smidge too high. So you say to your spouse, “We need to stop using credit card A because the balance is getting a smidge too high.”

Okie dokie ... good plan. However, doing that only implies that you seem to *sort of* have a budget. But, then the family gets an urge to order pizza and party down a little on a Friday night after a long, hard week. Since that’s how you normally medicate long, hard weeks, you order the pizza. You can’t afford to pay for it with cash, but you know if you run low on the green stuff toward the end of the month, you can just tap into your home equity line of credit (HELOC) and transfer money into your checking account. This will tide you over until your next paycheck shows up in a week.

You might try to pat yourself on the back because it *seems* like something has changed. You didn’t put any more charges on credit card A after all. But nothing has actually changed because you still made a decision to consume what you could not afford. You just changed the method of payment, i.e. source of credit. That’s especially tempting to do with something like a HELOC because, indirectly, that’s your money anyway. It just happens to be tied up

in the form of your house. But it's still debt that comes with an interest rate that you get to pay to the lender ... of "your" money.

In my worldview, the change you need to engineer happens when you deny yourselves that pizza and *feel* the unpleasant impact of actually *being* on that budget you seem to *sort of have*. Having a budget is easy. I could e-mail one to you right now. You could also buy Quicken®, Microsoft Money®, or any one of the other billion products out there that do a good job of tracking cash flow, not the least of which are the awesome tools available *free of charge* through Financial Peace University. But the hard work comes when *behavior* changes. That's the central theme that actual financial experts such as Dave Ramsey offer us.

A perfect parallel example happens for me almost every Thanksgiving. I often push away from the turkey and trimmings only to proudly announce that I'm now on a diet. However, I'm not actually *on* the diet yet because my shirt is now untucked and my belt is begging for mercy. In other words, it's easy for me to say, "I'm on a diet," because I'm not actually hungry at the moment. I won't actually be *on* the diet until (and unless) I *choose* not to eat the next time I really am hungry.

Speaking of the parallel food/fitness example, I'd be willing to bet there are an awful lot of people in the world who own treadmills that have freshly ironed laundry hanging on them. The difference between owning exercise equipment and actually using it is identical to the difference between *having* a budget (tracking cash flow) and being on one (going without that pizza on Friday night).

In this day and age of ever-increasing sophistication, advancing technology, instant worldwide communications, deteriorating family values, and raging appetites for immediate gratification, we seem to want whatever we want *right now*. When we finally come to grips with the view in the bathroom mirror and admit there's a problem, we want an instant solution. It doesn't work that way. The problem usually didn't materialize overnight, so don't expect

the solution to either. More often than not, large debt is piled up one bad choice at a time ... over a long *period* of time.

Once you actually do decide to *be* on a budget, give yourself permission to be human. Two steps forward and one step back is still one step forward. If you reduce your debt a lot but then have to go a little back into debt to pay for the slice of life you couldn't quite handle with your emergency fund, don't wig out! You're human. Press on, regroup and keep your eyes on the prize ... debt-free living!