



DEALING WITH FINANCIAL HARDSHIP

When financial hardship hits, it can be a difficult conversation for folks to have. However, the most loving thing to do is to talk about it. Money is the most frequently referenced topic in the entire Bible. Below are three steps to consider if financial hardship hits your group.

STEP 1

If someone in your community group expresses they are experiencing financial hardship, ask this person to share their full financial picture (i.e. what they own, what they owe, where their money goes) with the group. If the group does not have the full context then it is difficult for the group to provide good counsel. The Moneywise ministry has a great tool to help gather these facts called The Client Profile. Please email: moneywise@watermark.org for a copy of this tool (*Proverbs 15:14 & Proverbs 18:13,15,17*).

STEP 2

Once the full financial picture has been reviewed, think through the various options to remedy the situation. Financially speaking, most of the time a person only has three options:

1. Increase Income
 - Can they work overtime, get a new job, a second job, or start a side business?
2. Sell Something
 - Do they have anything of value to sell (collectibles, a vehicle, furniture, etc.)?
3. Reduce expenses
 - Are there certain expenses that can be reduced?

Note: Oftentimes someone wants their financial situation to change without changing their lifestyle, but a person's situation rarely changes without changes to their lifestyle. Of the three options listed above, it is important to keep in mind that increasing income is often out of a person's control and selling stuff is not sustainable long-term. Therefore, the best way for someone to change their financial situation is to reduce their expenses. Experience has proven that when it comes to reducing expenses, the two areas to examine first are housing and transportation. A person can find ways to trim \$5 here or \$20 there by looking at other expenses. However, the best way to reduce expenses by hundreds—if not thousands—of dollars is for a person to change where they live and what they drive.

STEP 3

If you have gone through step 1 & step 2 and someone in your group is still experiencing financial hardship and asks for money, here are three steps that need to be followed:

1. Gather facts:
 - Have the person making the request share their complete financial picture with the group (The Client Profile discussed above is a great tool to help with this step). Do not move forward to the next step until everyone in the group believes they have all the relevant facts. The importance of this first step cannot be emphasized enough. Often as a person goes about gathering their facts the solution to their problem begins to present itself.
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2. Assess need

- The group will next determine if there is a need for financial assistance. Biblically, our needs are food, shelter and clothing (see *1 Timothy 6:6-8*. Note the word “clothing” in v8 is the word for “covering” which is considered to be covering of our bodies—clothing—and covering of our heads—housing).

3. Determine solution

- If there is a need, the priorities should be as follows: (1) family, (2) immediate friends (i.e. community), (3) church (i.e. Watermark) (*1 Timothy 5:8 and Acts 4:32*). First determine if this person’s family can help them with this financial hardship. If the family cannot help, next determine if anyone in the community group can help. Finally, if neither their family nor their community group can help, present the request to your community Director to determine if Watermark’s benevolence ministry should help in this situation.

TWO OTHER ITEMS TO CONSIDER:

Their failure to plan is not your emergency. If someone approaches the group claiming they are going to lose their house or car tomorrow, do not feel the need to bend over backwards to help with this immediate need. Part of what the Lord might be teaching this person is that they need to better track their finances so they can better access when needs will arise (*Proverbs 22:3*).

Involvement is often better than money. Most of the time what people need is someone to help them get organized and brainstorm solutions, not write them a check. Each person is responsible to determine whether or not the financial contribution is going to help, not hurt. A great way to determine if the contribution will help or hurt is determining the person’s history with receiving gifts to help through tough financial circumstances. If the person needing help has a history of receiving help then it might not be a good idea to continue that cycle and provide another financial gift (*John 13:34-35*).
