

# Wisdom Booklet 38



## WISDOM QUIZ

Matthew 6:19-21

*"Lay not up for yourselves treasures upon earth. . . . For where your treasure is, there will your heart be also."*



Ewing Galloway

**How well do you understand the concept of investments?**

**1** A person who is not a Christian receives no spiritual benefit by giving money to God. ☐ ☒

(Read Acts 10:1-8.)

- Giving to God does not merit salvation, but it may remove a hindrance to salvation because a man's heart is with his treasure and for salvation he must give his heart to the Lord. The fact that treasures can hinder a person from receiving salvation is seen in Christ's answer to the rich young ruler who wanted to gain eternal life. (See Luke 18:18-25.)

Every gift a Christian gives brings spiritual benefit. ☐ ☒

(See Acts 5:1-11.)

**2** If a Christian puts \$10 more in the offering than he intended to give, he will be rewarded for the full amount. ☐ ☒

(Read II Corinthians 9:6-11.)

- When it comes to giving, God judges motives rather than amounts. Thus, the widow gave more than the rich man, and the Pharisees have no reward from God. (See Mark 12:41-44 and Matthew 6:1-4.) This giver would be rewarded for the full amount only if he gave it with the right motives.

The rewards for giving come in Heaven rather than on earth. ☐ ☒

(See Mark 10:28-31.)

**3** The command not to lay up earthly treasures would rule out accumulating wealth for an inheritance. ☐ ☒

(Read Proverbs 13:22.)

- God designed the inheritance for such purposes as providing homes for sons and caring for widowed mothers. (See Proverbs 19:14 and I Timothy 5:1-14.)

To avoid conflict, inheritances should be equally divided. ☐ ☒

(See Deuteronomy 21:15-17.)

**4** Wise investment planning should include a retirement account. ☐ ☒

(Read Luke 12:16-21.)

- Retirement to a life of ease is not a Scriptural concept for Christians. We must continue functioning as members of the Body of Christ and labor until the night comes when no man can work. (See John 9:4 and Ephesians 5:16.) When David was old and gray-headed, he prayed for strength to show God's power to the next generation. (See Psalm 71:18.)

Scripture teaches that money is the root of all evil; for this reason, Jesus called it "filthy lucre." ☐ ☒

(See I Timothy 6:5-11.)

Total Correct 8

## Open My Eyes That I May See

CLARA H. SCOTT

CLARA H. SCOTT



1. O - pen my eyes, that I may see Glimps-es of truth Thou hast for me;
2. O - pen my ears, that I may hear Voi - ces of truth Thou send-est clear;
3. O - pen my mouth, and let me bear Glad - ly the warm truth ev-'ry-where;



Place in my hands the won-der-ful key That shall un-clasp, and set me free.  
And while the wave-notes fall on my ear, Ev - 'ry-thing false will dis - ap-pear.  
O - pen my heart, and let me pre-pare Love with Thy chil-dren thus to share.



Si - lent - ly now I wait for Thee, Read-y, my God, Thy will to see;  
Si - lent - ly now I wait for Thee, Read-y, my God, Thy will to see;  
Si - lent - ly now I wait for Thee, Read-y, my God, Thy will to see;



O - pen my eyes, il - lu - mine me, Spir - it di - vine!  
O - pen my ears, il - lu - mine me, Spir - it di - vine!  
O - pen my heart, il - lu - mine me, Spir - it di - vine! A - MEN.



## WISDOM WORKSHEET ON MATTHEW 6:19–21



**“LAY NOT UP FOR  
YOURSELVES TREASURES  
UPON EARTH, WHERE  
MOTH AND RUST DOTH  
CORRUPT, AND WHERE  
THIEVES BREAK  
THROUGH AND STEAL:  
BUT LAY UP FOR  
YOURSELVES TREASURES  
IN HEAVEN, WHERE  
NEITHER MOTH NOR  
RUST DOTH CORRUPT,  
AND WHERE THIEVES DO  
NOT BREAK THROUGH  
NOR STEAL”**



The more ingenious rich men become in protecting their treasures, the more capable thieves become in “breaking through and stealing” them.

Christ did not condemn the laying up of treasures. He *did* condemn laying them up for ourselves and laying them up on the earth. When we “treasure earthly things,” we cause others to focus on temporal riches and miss the true and lasting value of eternal treasures.

**“FOR WHERE YOUR  
TREASURE IS, THERE  
WILL YOUR HEART  
BE ALSO.”**

The reason God wants us to lay up treasures in Heaven is obvious: He wants us to “set [our] affection on things above, not on things on the earth” (Colossians 3:2).

## Linguistics

Languages,  
Grammar, Vocabulary,  
Communication



### LAY NOT UP

Greek: θησαυρίζω  
(thay-saw-RID-zoe)

DEFINITION: To accumulate wealth; to collect and store up things considered of value for the future.

INSIGHT: The present tense indicates to “stop storing up.”

### TREASURE

Greek: θησαυρός (thay-saw-ROSS)  
DEFINITION: A strong house or a storehouse; a place of safekeeping. Literally, “to treasure up treasure.”  
INSIGHT: It is from this word that we get *thesaurus*, a term used figuratively as a “storehouse of knowledge.”

Do Resource A.

### MOTH

Greek: σῆς (SACE)  
DEFINITION: A clothes moth: the word can also mean “devourer.”

### RUST

Greek: βρῶσις (BROE-sis)  
DEFINITION: Literally, “an eating away”; also translated “food.” It may refer to moths eating through clothing, rodents eating grain, or rust “eating” metal.

### CORRUPT

Greek: ἀφαιρίζω (aff-ahn-ID-zoe)  
DEFINITION: To disfigure; to change the nature of or the value of.

### TO BREAK THROUGH

Greek: διορύσσω (dih-aw-RUSE-soe)  
DEFINITION: To dig through. From *διά* (through) and *ορύσσω* (to dig). Thieves would literally dig through mud walls of eastern houses. Thieves would also dig up soil where treasures had been buried.

### STEAL

Greek: κλέπτω (KLEP-toe)  
DEFINITION: To rob, to pilfer, to plunder, to carry off; the basis for the English word *kleptomaniac*—one who has a persistent impulse to steal.

Do Resource B.

## History

Archaeology,  
Geography, Prophecy,  
Music, Art, Literature



How did laying up eternal riches teach a businessman to manage earthly treasure?

One of the most respected names in early twentieth-century business circles was John Wanamaker. He is recognized as not only the pioneer of the modern department store, but the innovator of many customer-oriented policies which today are hallmarks of successful retailing.



John Wanamaker  
(1838–1922)

His wisdom in the business world can be traced directly to his lifelong concentration on laying up treasures in Heaven.

Do Resource C.

What lesson does a 3,400-year-old tomb teach on laying up earthly treasures?



Ewing Galloway

Egyptian rulers laid up fabulous wealth in their tombs, believing they would enjoy it in the “next life.” Robbers dug through and plundered most tombs, but in 1922, two British archaeologists discovered King Tut’s tomb. Four rooms were filled with hundreds of treasures including a solid gold coffin. Today, millions view these treasures and smile at King Tut’s false beliefs.



The gold mask of  
King Tutankhamen



# Science

Chemistry, Biology,  
Astronomy, Geology,  
Physics, Mathematics



How do gold and silver resist the corruption of rust?



Reed & Barton

A craftsman fashions a silver teapot.

Gold and silver are two of the *noble elements*. Noble elements remain relatively inert, that is, they tend to remain in their pure state rather than combining with oxygen to form rust.

As precious metals, they resist corrosion, and this quality makes them more irresistible to thieves.

How do moths and rust corrupt our earthly treasures?

Both moths and rust corrupt treasures by devouring them. The word *moth* comes from the word *mouth* and literally means "devourer." It includes any insect which destroys crops and stored goods. What insects do not devour, they contaminate. On the other hand, rust corrupts treasures by returning them to dust.

Do Resource D.

How do depreciation, appreciation, and inflation corrupt earthly treasures?



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Even the gold-backed currency of the Revolutionary War period became worthless when it could not be traded.

Do Resource E.

# Law

Government,  
Economics, Logic



How does our probate court system devour inheritances?

If a person dies *intestate* (without a will) his estate will be administered according to the inheritance laws of the probate court system.

Originally, probate court procedures were designed to safeguard the assets of the deceased until they were delivered into the hands of the rightful heirs.

However, greed has turned this court system into "a political tollbooth exacting tribute from widows and orphans."



Heirs listen to the reading of the will of the Vanderbilt estate (1877).

Not only do delays, fees, and taxes devour the estate, but widows face a new danger when legal notices are placed by the court in newspapers, informing unscrupulous advisors of available funds. In the first year after their husbands die, a significant percentage of widows lose their inheritances through bad investments.

When delays are caused in probate court by those who contest the will, a sequence of bitterness among relatives is often initiated, and many times it continues long after the estate has been distributed. Thus, what was intended for the benefit of the family becomes the means of its destruction. Such grievous events highlight the wisdom of laying up treasures in Heaven rather than on earth.

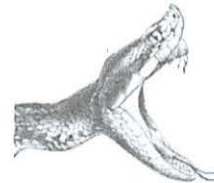
Do Resource F.

# Medicine

Health,  
Nutrition, Behavior,  
Counseling



When do earthly treasures become like canker sores?



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The Greek word for *canker* is also used for *snake venom*.

God warns that the employer who withholds just wages is doing it to his own physical destruction.

"Go to now, ye rich men, weep and howl for your miseries that shall come upon you.

"Your riches are corrupted, and your garments are moth-eaten.

"Your gold and silver is cankered; and the rust of them shall be a witness against you, and shall eat your flesh as it were fire . . ." (James 5:1-3).

A canker sore is a small, painful ulcer, usually in the mouth. It can become infected, causing chronic inflammation and spreading corruption and debilitation throughout the body.

The exact cause of canker sores is unknown, as is a definite cure for them; however, it is certain that they do devour the flesh.

How does our response to aging determine how we will invest our treasures?

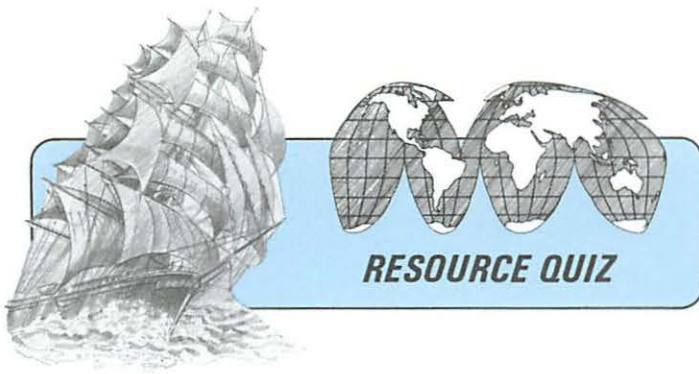


Ponce de León searched for the "Fountain of Youth."

Those who deny the process of aging will invest undue treasures on a fruitless search for perpetual youthfulness. One result is medical overcare. In 1983, more than twelve billion medical tests were performed in the U.S. That is more than 30 million per day!

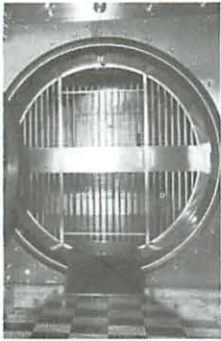
Do Resource G.





How many of these questions can you answer before studying the resources?

### HOW DO WE "LAY UP" TREASURE?



- How does the Greek word for *treasure* reveal something more valuable than gold? . . . . . 1903
- Why is "lay not up" not in the Greek text? . . . . . 1904
- When is it right to heap up riches? . . . . . 1904
- How can we use earthly treasures to set our hearts on things above? . . . . . 1904

### HOW CAN A PERSON BE PARSIMONIOUS?



- What determines whether a person will be called "frugal" or "stingy"? . . . . . 1905
- Has your family made the most economical decision regarding transportation? . . 1906
- What is the Biblical counterpart of frugality? . . . . . 1907
- What is the secret of thriftiness? . . . . . 1908
- Is it a compliment to call a person "parsimonious"? . . 1909

### HOW DID GENEROSITY TEACH MANAGEMENT?



- What was John Wanamaker's "biggest purchase"? . . 1912
- What Christian service captured the attention of young John Wanamaker? . . . . . 1913
- How did a disappointing purchase shape John's business philosophy? . . . . . 1916
- How did John learn to avoid partnerships? . . . . . 1920
- How was John's good name worth more than money? . . . . . 1924

### HOW DO MOTHS CORRUPT TREASURES?



- How many different types of devourers are there in the insect world? . . . . . 1931
- How do insects develop an insatiable appetite? . . . . . 1934
- How do moths corrupt treasures they cannot eat? . 1936
- How does rust turn treasures to dust? . . . . . 1937

### HOW DOES INFLATION STEAL?



- How does depreciation devour earthly treasures? . . 1939
- How is the amount of depreciation figured? . . . . . 1940
- How does the Consumer Price Index work? . . . . . 1943
- How does inflation evaporate treasures? . . . . . 1944
- How does appreciation add false value? . . . . . 1949

### HOW DO PROBATE LAWS CONSUME RICHES?



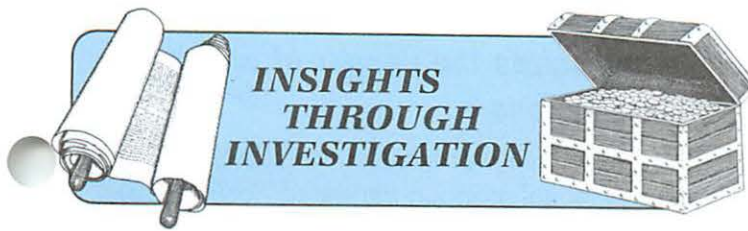
- How are death taxes like income taxes? . . . . . 1951
- What happens when an estate goes to probate? . . . . 1952
- How can a probate judge deplete an estate? . . . . . 1953
- How can giving *before* death avoid loss later? . . . 1956
- What is the value of a trust? . 1957

### HOW DOES AGING AFFECT TREASURES?



- Why does God allow aging? . 1959
- What is aging? . . . . . 1960
- How does aging affect various body systems? . . . . . 1961
- What are the symptoms of those who resist aging? . . 1965
- How does fear of aging affect treasures? . . . . . 1967
- How does denial of aging influence spending? . . . . . 1967





## INSIGHTS THROUGH INVESTIGATION

### HOW DOES THE GREEK TEXT CLARIFY GOD'S INSTRUCTIONS FOR LAYING UP TREASURES?



Ewing Galloway

Most people have a natural inclination to store up treasures in a safe place, such as a bank vault. Is Jesus' command to lay up treasures in Heaven an appeal to the same motivation?

Each of us tends to have a "collector's instinct." We may collect stamps, coins, dishes, antiques, or other items. Presumably, we collect things with the hope that they will increase in value or simply because they have some special significance to us.

When that collector's instinct is focused on money, it turns into the heaping up of riches for future security. God condemns this kind of storing up in James 5:1-3:

*"Go to now, ye rich men, weep and howl for your miseries that shall come upon you. Your riches are corrupted, and your garments are moth-eaten. Your gold and silver is cankered; and the rust of them shall be a witness against you, and shall eat your flesh as it were fire. Ye have heaped treasure together for the last days.*

Is the instruction of Jesus in Matthew 6:19-21 simply a command to transfer our collector's

instinct to Heavenly riches so we will have a greater storehouse of rewards awaiting us in Eternity? The Greek text casts light on this significant question.

19 Μὴ θησαυρίζετε ὑμῖν θησαυροὺς  
Treasure not up for yourselves treasures

ἐπὶ τῆς γῆς, ὅπου σὴς καὶ βρῶσις ἀφανίζει,  
upon the earth, where moth and rust spoil,

καὶ ὅπου κλέπται διορύσσουσιν καὶ κλέπτουσιν·  
and where thieves dig through and steal:

20 θησαυρίζετε δὲ ὑμῖν θησαυροὺς ἐν  
but treasure up for yourselves treasures in

οὐρανῷ, ὅπου οὔτε σὴς οὔτε βρῶσις ἀφανίζει,  
heaven, where neither moth nor rust spoils

καὶ ὅπου κλέπται οὐ δι- ορύσσουσιν οὐδὲ  
and where thieves do not dig through nor

κλέπτουσιν.  
steal:

21 ὅπου γὰρ ἐστὶν ὁ θησαυρὸς ὑμῶν,  
for where is treasure your,

ἐκεῖ ἔσται καὶ ἡ καρδία ὑμῶν.  
there will be also heart your.

Both the Greek words and the structure of the sentences reveal important insights about the instructions which Jesus gave about laying up treasures in Heaven rather than on earth.

### 1 The Greek word for "treasure" reveals the variable worth of the things we collect.

When we think of a treasure, we usually picture silver or gold or gems. We do not usually consider words as treasures. Yet the Greek word for *treasure* is θησαυρός (thay-sow-ROSS). This Greek word is transliterated as *thesaurus* in English. A thesaurus is a collection of selected words or concepts. It is a treasure-house of words.

Words in and of themselves do not have value, but as they are wisely and carefully combined, they gain value. The ultimate treasury of words is the Bible. Every word is inspired by God and gives life to those who receive Its message. Jesus explains the eternal nature of these words in Matthew 24:35: "Heaven and earth shall pass away, but my words shall not pass away."



Jesus Himself is personified as the Living Word, and He is the greatest treasure we could ever receive. "In the beginning was the Word, and the Word was with God, and the Word was God" (John 1:1).



H. Armstrong Roberts

Peter emphasizes the eternal nature of God's "thesaurus" by contrasting it with the grass and the flower, which wither, "but the word of the Lord endureth for ever . . ." (I Peter 1:25).

## 2 The Greek word for "lay not up" keeps us from misunderstanding Christ's true intent.

Notice that the Greek text does not contain the words *lay not up*. Rather, it uses the verb *treasure* twice. It literally means "treasure not for yourselves treasures upon the earth." This structure is very significant, showing that Jesus does not state categorically that laying up treasure is wrong.

The Greek structure of "treasure not treasures on earth" emphasizes the point that if we do have treasures, we should not set our hearts upon them, and that if we do not have treasures, we should not set our affections on getting them.

God warns in Psalm 62:10, "... if riches increase, set not your heart upon them." The same point is expressed in I Timothy 6:10. Money is not the root of all evil, but "... the love of money is the root of all evil. . . ."

To treasure money is to esteem it highly, to value it above other things, to cherish it, to revere it, to hold it dear, and to prize it.

The result of treasuring earthly treasures is to become an idolater because we then expect from treasures what only God can give us.

1904

## 3 The Greek pronoun for "yourself" emphasizes the danger of wrong motivations.

The Greek word *ὑμῖν* (hoo-MINN) is a possessive personal pronoun translated "for yourselves." This word identifies the wrong motivation of earthly treasures, which is to store them up for ourselves.

God knows when we are heaping up riches for personal goals rather than for His Kingdom. He provides a classic example of a man who treasured earthly treasures for himself. This man's secret goal was a life of ease, but when he had filled his barns, God said to him, "... Thou fool . . ." (Luke 12:20).

## 4 The Greek word *διορύσσω* exposes the foolishness of burying treasures on earth.

The Greek word, *ορύσσω* (or-OOS-so), means "to dig up soil or to dig a pit (especially for hiding something)." *διορύσσω* (dee-or-OOS-so) literally means "to dig through," rather than "to break through," as rendered by the King James translators.

The obvious reference is to buried treasures and could have application to the custom of heathen cultures to bury treasures with a deceased person so he could use them in his "next" life.

The treasures buried within the pyramids represented the misguided human efforts of laying up treasures for a future life. They were not only useless to their owners, but were also often stolen by vandals.



Picturesque Palestine

## 5 The position of "treasure" in the Greek sentence confirms the reward of laying up treasures in Heaven.

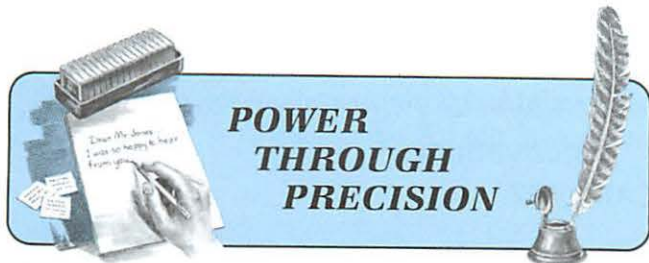
In the structure of both the Greek and the English sentences, the word *treasure* is listed before *heart*, thus confirming the fact that man does not give his treasure where his heart is. Rather, his heart follows his treasure.

## PROJECT

Discuss how many appeals for giving to charitable causes focus primarily on emotions rather than on obedience to God's commands.

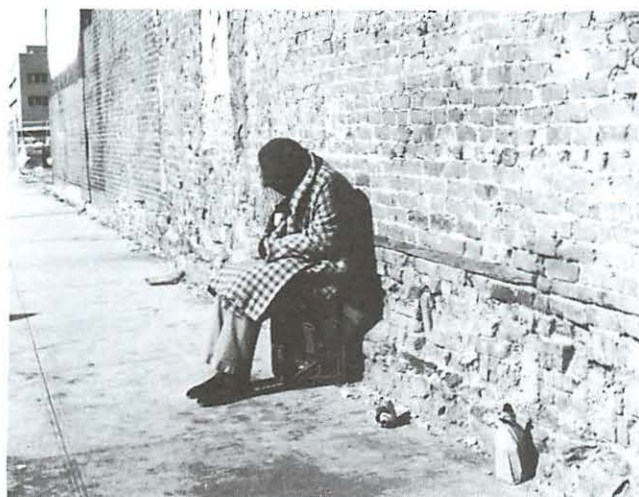
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## POWER THROUGH PRECISION

### HOW DOES A PERSON'S GOAL FOR TREASURES DETERMINE WHETHER HE WILL BE THRIFTY OR MISERLY?



H. Armstrong Roberts

If you knew that the person in this picture lived on the barest of necessities but had actually saved hundreds of thousands of dollars, would you say this person was economical, frugal, or miserly?

The first step in laying up treasures in Heaven is learning how to live on less so we have more to give. When it comes to saving money, however, what starts out to be thriftiness can end up in stinginess, and what begins as frugality can become miserliness.

The determining factors begin with the motives of the person who is saving and end with the effect that his thriftiness has on those around him.

*"There is that scattereth, and yet increaseth; and there is that withholdeth more than is meet, but it tendeth to poverty" (Proverbs 11:24).*

If a person's motive is to scrimp for future security or to accumulate desired possessions, he will be judged as miserly. If he is saving to benefit others and advance the Kingdom of God, he will be praised for his frugality.

It is, therefore, important to understand the shades of meaning and varying motivations of the following words:

## WORD QUIZ

Number the following words, assigning number one to the word which expresses the most generosity and number six to the word which describes the most tight-fisted person.



- ☐ 5 **STINGY**
- ☐ 3 **THRIFTY**
- ☐ 4 **PARSIMONIOUS**
- ☐ 6 **MISERLY**
- ☐ 1 **ECONOMICAL**
- ☐ 2 **FRUGAL**



Study these words on the following pages to see how accurate you were.



# 1 ECONOMICAL



Ewing Galloway

Is this couple being economical by shopping for the best buy on a new car?

## DEFINITION:

Being *economical* is using good judgment in household management. It is not being wasteful on the one hand or extravagant on the other. It is preserving and using resources through prudent management.

## BIBLICAL TERMS:

The word *economy* comes from the Greek word οἰκονομία (oy-kon-aw-ME-ah) and refers to household management. An economist is literally a housekeeper, one who carefully administers the affairs of an estate without loss or waste.

## THE SECRET OF WISE ECONOMY:

The Greek word οἰκονόμος (oy-kon-AW-moss) is used for *stewardship* and, thus, designates the perspective we are to have when managing resources. We are to look upon them as entrusted to us by the Lord to be used for *His* purposes, not simply for our pleasures.

Paul expressed this perspective when he said, "Let a man so account of us, as of the ministers of Christ, and stewards [οἰκονόμος] of the mysteries of God. Moreover it is required in stewards, that a man be found faithful" (1 Corinthians 4:1-2).

Οἰκονομία is also translated *dispensation* and refers to that which is entrusted to one for the benefit of another. "Whereof I am made a minister, according to the dispensation of God which is given to me for you, to fulfil the word of God" (Colossians 1:25).

## APPLICATION:

One of the most important measurements of a person's ability to be economical is revealed in how

he provides for his transportation needs. How would you answer the following questions?

## CAR QUIZ

### Has your family made the most economical transportation decision?

1. Was your present car new when you bought it?  
☐ Yes ☐ No
2. If your car was new at the time of purchase, how much did it depreciate the day you drove it home?  
\_\_\_\_\_
3. At 10 percent interest, how much would the depreciation money be worth today?  
\_\_\_\_\_
4. Did you buy your car with cash?  
☐ Yes ☐ No
5. If you bought it on credit, how much more will it cost you when you finish paying for the loan?  
\_\_\_\_\_
6. Does your loan require you to provide greater insurance coverage?  
☐ Yes ☐ No
7. What does it cost you per mile to operate your car?  
\_\_\_\_\_
8. Would it be more economical for you to take public transportation?  
☐ Yes ☐ No
9. If you were to sell your car today, how much could you get for it?  
\_\_\_\_\_
10. Based on your answers, would it be more economical to sell your car and purchase one you could afford to buy with cash?  
☐ Yes ☐ No

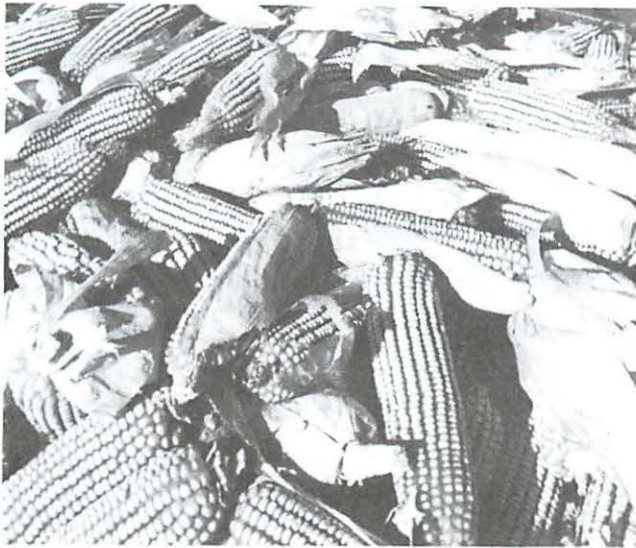
# 2 FRUGAL

## DEFINITION:

Frugality is prudent economy. It is a sparing use or appropriation of money or commodities. It is the judicious use of anything to be expended or employed. Frugality involves that careful management of money, goods, or time which expends nothing unnecessarily and applies what is used to a profitable purpose.



A frugal person is one who wastes nothing but makes sparing appropriation of money or goods and gains maximum profit from them.



The word *frugal* comes from the Latin word *frugalis*, which comes from the root *fruge*, and literally means "fit for food," hence, "worthy." Another root word of *frugalis* refers to corn. This root means "to use" or "to take a profit from."

#### BIBLICAL TERM:

The concept of frugality is contained in the Biblical word *prudent*. "A prudent man *forseeth the evil, and hideth himself: but the simple pass on, and are punished*" (Proverbs 22:3).

A prudent person is able to discern the wisest course of action and experience the best results from it. He understands a matter before going forward with it as explained in Proverbs 14:15: "*The simple believeth every word: but the prudent man looketh well to his going.*"

"*The wisdom of the prudent is to understand his way . . . the prudent are crowned with knowledge*" (Proverbs 14:8,18).

#### THE SECRET OF FRUGALITY:

The key to frugality is recognizing basic needs and learning how to meet them in the wisest possible way for a reasonable profit. "*The heart of the prudent getteth knowledge; and the ear of the wise seeketh knowledge. A man's gift maketh room for him, and bringeth him before great men*" (Proverbs 18:15,16).

#### APPLICATION:

A frugal person does not spend any more than is absolutely necessary on himself. He is also very aware of how much he has spent on himself.

List the five most recent items you have purchased for yourself. Indicate which ones were basic needs. List the price you paid. Check the items which you know were the lowest possible price.

ITEMS	BASIC NEEDS	COST	BEST PRICE
_____	<input type="checkbox"/>	_____	<input type="checkbox"/>
_____	<input type="checkbox"/>	_____	<input type="checkbox"/>
_____	<input type="checkbox"/>	_____	<input type="checkbox"/>
_____	<input type="checkbox"/>	_____	<input type="checkbox"/>
_____	<input type="checkbox"/>	_____	<input type="checkbox"/>

Give yourself five points for each box you can check. Deduct five points for each blank box. To the degree that you have a positive score, you are frugal. To the degree that you have a negative score, you lack frugality.

## 3 THRIFTY



Ewing Galloway

#### DEFINITION:

Thriftiness is not allowing myself or those under my authority to spend that which is unnecessary.

The word comes from the Old Norse root *thrifa* which means "to hold onto tightly."

*Thrifa* literally means "acquisitiveness; the acquiring of goods and resources which are of value."

The practical result of thriftiness is prosperity, and this result is also contained in the etymology of the word *thrifa*. It means "thriving, successful, and increasing in goods."

#### BIBLICAL TERMS:

The actual functions of thriftiness are contained in the Scriptural terms *diligence* and *faithfulness*. The Greek word for diligence, σπουδή (spoo-DAY), means "earnest carefulness." It implies a guarding of one's own and others' possessions and time, thus, including maximum efficiency in accomplishing tasks.

Notice how diligence and the prosperity of thriftiness are related in the following Scripture verses.



- “He becometh poor that dealeth with a slack hand: but the hand of the **diligent maketh rich**” (Proverbs 10:4).
- “The slothful man roasteth not that which he took in hunting: but the **substance of a diligent man is precious**” (Proverbs 12:27).
- “The **thoughts of the diligent tend only to plenteousness**; but of every one that is hasty only to want” (Proverbs 21:5).
- “Seest thou **a man diligent in his business? he shall stand before kings**; he shall not stand before mean men” (Proverbs 22:29).
- “Be thou **diligent to know the state of thy flocks, and look well to thy herds. For riches are not for ever**: and doth the crown endure to every generation?” (Proverbs 27:23–24).

The word *faithful* relates to the responsibilities of stewardship. It means that the steward is trustworthy in the smallest details as well as the larger responsibilities. A faithful steward wisely manages assets of time, energy, money, and possessions.

“Moreover it is required in stewards, that a man be found faithful” (I Corinthians 4:2).

### THE SECRET OF THRIFTINESS:

A thrifty mind approaches every financial decision with the same attention and scrutiny. It gives the same diligence and faithfulness to small details as it does to large responsibilities.

This is the message of Luke 16:10–11: “He that is faithful in that which is least is faithful also in much: and he that is unjust in the least is unjust also in much. If therefore ye have not been faithful in the unrighteous mammon, who will commit to your trust the true riches?”

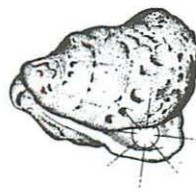
### THRIFT QUIZ

Discuss how the following three Scriptural illustrations describe aspects of thriftiness.



#### • THE TREASURE

“Again, the kingdom of heaven is like unto treasure hid in a field; the which when a man hath found, he hideth, and for joy thereof goeth and selleth all that he hath, and buyeth that field” (Matthew 13:44).



#### • THE PEARL

“Again, the kingdom of heaven is like unto a merchant man, seeking goodly pearls:

“Who, when he had found one pearl of great price, went and sold all that he had, and bought it” (Matthew 13:45–46).



Tom Hollyman, Photo Researchers

#### • THE NET

“Again, the kingdom of heaven is like unto a net, that was cast into the sea, and gathered of every kind:

“Which, when it was full, they drew to shore, and sat down, and gathered the good into vessels, but cast the bad away” (Matthew 13:47–48).

### APPLICATION:

An important evidence of a thrifty person is the lack of clutter and junk in the basement, garage, attic, and closets. A thrifty person eliminates things he is not using, or wisely exchanges things he is not using for items he can use.

List five items of value which you are no longer using and, thus, could eliminate altogether, sell, or exchange for something which would be of use to you.

ITEMS	VALUE
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

In addition to eliminating these items, clean out any clutter which belongs to you and organize the things you have in a neat and efficient way.

## 4 PARSIMONIOUS

### DEFINITION:

To be *parsimonious* (par-sih-MOE-nee-us) is to carry frugality and thriftiness too far. It is to be so sparing of generosity that what one gives to another is inadequate.

One who is parsimonious has an excessive attachment to property and holds it close to himself.



The Latin origin of *parsimonious* is *parcere*, which means “to spare, to hold back from giving, to guard closely.”

The Latin word comes from the Saxon root *beorgan*, which refers to a fortified city or castle. Our English words *burg*, *borough* and *park* have the same origin.



Ewing Galloway

A fortified “burg”

### BIBLICAL TERMS:

A parsimonious Christian is one who gives “sparingly to the Lord.” This meager giving is a symptom that he lacks generosity and clings to his earthly possessions.

The consequence of his lack of faith is a sparse reward from the Lord. “*But this I say, He which soweth sparingly shall reap also sparingly . . .*” (II Corinthians 9:6).

A parsimonious person is also identified in Proverbs 11:24: “*. . . There is that withholdeth more than is meet, but it tendeth to poverty.*”

### THE SECRET TO CONQUERING PARSIMONY:

God gives us a clear human object lesson for every major spiritual truth so we can grasp its true meaning and see its practical application.



As we sow, we shall reap.

When we consider the matter of generosity, God wants us to picture a harvest, realizing that the very same laws which govern the harvest of wheat determine the measure of God’s blessing as a result of our sowing.

The practical applications are obvious, including the fact that there are enemies which destroy crops just as there are enemies which destroy our resources unless God rebukes them. He promises to do this for those who are generous. (See Malachi 3:10–11.)

### APPLICATION:

How faithful have you been in giving tithes and offerings during the last year? Have you determined what God wants you to give and presented it to the Lord each week as an act of worship and a reminder to yourself that all your possessions belong to the Lord?

After reading Malachi 3:8–11, list your income last year and the percentage you gave to the Lord.

“*Will a man rob God? Yet ye have robbed me. But ye say, Wherein have we robbed thee? In tithes and offerings.*”

“*Ye are cursed with a curse: for ye have robbed me, even this whole nation.*”

“*Bring ye all the tithes into the storehouse, that there may be meat in mine house, and prove me now herewith, saith the Lord of hosts, if I will not open you the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it.*”

“*And I will rebuke the devourer for your sakes, and he shall not destroy the fruits of your ground; neither shall your vine cast her fruit before the time in the field, saith the Lord of hosts.*”

Last Year's Income	Percentage Given to the Lord:
_____	_____

## 5 STINGY

### DEFINITION:

A stingy person carries thriftiness too far. He is skimpy, giving or spending inadequately in size, fullness, or amount. He carries out a task too hastily, carelessly, or with poor materials.

To be stingy is to give reluctantly or unwillingly. It is to be scanty and meager. It is to provide that which is insufficient, sparse, or lean.

There is an interesting origin for the word *stingy*. It comes from the Old English word *sting*. Hence, a stingy person feels a sting every time he parts with money. The sting he feels is also felt



by others as he communicates a begrudging attitude in fulfilling his obligations. He also tends not to carry out responsibilities as thoroughly as he should.



Dover, Inc.

**The sting of a scorpion is delivered by its tail.**

## BIBLICAL TERMS:

Paul spoke directly to stingy Christians in II Corinthians 9:7: *“Every man according as he purposeth in his heart, so let him give; not **grudgingly**, or of necessity: for God loveth a cheerful giver.”*

The word *grudgingly* comes from the Greek word λύπη (LOO-pay), which means “sadness, grief, heaviness, and sorrow.” The Greek word for necessity, ἀναγκή (ahn-ahg-KAY), means “constraint or distress.”

Thus, the Christian who is grieved about the offerings he must give to help other Christians is guilty of being stingy and will severely limit his own fruitfulness.

## THE SECRET OF CONQUERING STINGINESS:

God provided the motivation to overcome stinginess by pointing out that whatever we give to help a fellow Christian, no matter how insignificant that Christian may seem, we are actually giving to the Lord.

It would be unthinkable to be stingy with the Creator of the universe, Who has the power and the resources to reward us far beyond what we could even be capable of receiving.



Bible Art Series, Standard Publishing, Cincinnati

**The Good Samaritan**

Thus, as long as we keep our focus on the truth of Matthew 25:40, we should be able to overcome stinginess: *“... Verily I say unto you, Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me.”*

## APPLICATION:

The last time your church took an offering for needy Christians, how much money did you put in

the plate? Pick out the neediest Christian you know and imagine that this person is the Lord Jesus Christ. Consider what you would do if He had the same needs as that needy Christian, and then do it.

# 6 MISERLY

## DEFINITION:

A miser is one who hoards money or possessions for only himself, who is greedy and filled with avarice.



A miser lives miserably for the sake of saving money. The Latin origin of miser means “miserable” and comes from the root which means “wretched or unfortunate.” A miser indulges in self-improvement and lives on the most meager of provisions in order to accumulate personal wealth.

## BIBLICAL TERMS:

One of the definitions of *miserly* is “covetous.” God explains that covetousness is **idolatry**. (See Colossians 3:5.) Covetousness is expecting from money or possessions what only God can give.

A person cannot be covetous without also being guilty of the **love of money**, which is the root of all evil. (See I Timothy 6:10.)

## THE SECRET OF CONQUERING MISERLINESS:

A miser hoards his assets because he fears poverty. Yet, in attempting to avoid poverty, he literally spends his life experiencing it.

His security is in the wealth which he collects; however, he dares not touch it lest it be diminished. Based on this, no Christian should be a miser because he has at his disposal the limitless and inexhaustible riches of Christ. The Christian needs only to ask according to the will of God, and he will receive all he needs.

## APPLICATION:

Picture something you want very much. Begin selling the things you have been hoarding. Rather than using the money to purchase the item you want, give the money to the Lord’s work. This will please the Lord because He loves a cheerful giver.

Date completed \_\_\_\_\_ Evaluation \_\_\_\_\_





## **HOW DID A MAN'S DESIRE FOR ETERNAL TREASURES TEACH HIM TO MANAGE EARTHLY TREASURES?**



John Wanamaker, Herbert Gibbons, Harper and Row Publishers

**John Wanamaker**  
**1838-1922**

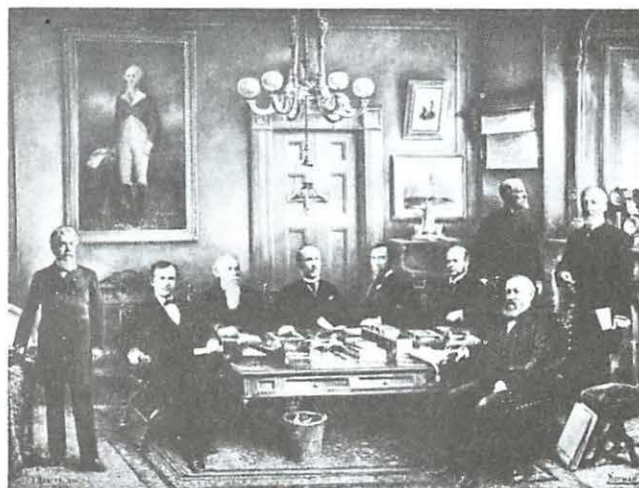
John Wanamaker was born in 1838, the first-born son of a Philadelphia brickmaker. Growing up on the southern edge of the city in a neighborhood that was more rural than urban, the boy's rather sporadic formal education came to an end when he started his first full-time job at only fourteen years of age.

In 1861 he opened a men's clothing store in downtown Philadelphia. It was a small operation with very little capital, but the business did so well that within a few years he had established a second, larger store on Chestnut Street in a more fashionable part of the city. Unable to expand further in either of those locations, Mr. Wanamaker bought land and in 1876 opened a huge retail operation that is often considered the first modern department store in America.

The Philadelphia store became the largest retail establishment in the world and brought its owner great wealth and popular recognition. Twenty

years later he bought out the A.T. Stewart store in New York City for over a million dollars and developed it into one of that city's leading department stores.

In addition to serving as Postmaster General under President Benjamin Harrison, Mr. Wanamaker was also active for many years in state and local politics. Had he been willing to accept the nomination, he might have become the Republican candidate for President in 1912.



John Wanamaker, Herbert Gibbons, Harper and Row Publishers

**Mr. Wanamaker (second from left) served in President Harrison's Cabinet from 1889 to 1893.**

The business world remembers John Wanamaker for the grand scale of his retail merchandising operations, his original marketing strategies, and his creative use of advertising. What truly makes his life unique among the big businessmen of that era, however, is not his innovative ideas or his willingness to give away millions of dollars to help people.

His uniqueness lies in the fact that he understood that true wealth can be laid up only in Heaven, and that he built his business, indeed his whole life, on that foundation.

Even as a lad of ten, John had begun to understand the basis of spiritual riches. One warm Sunday afternoon John was more eager than usual to go to Sunday school. He had wanted a Bible of his own for a long time, and this was the day his teacher was to bring him one. John was very excited when he walked into the classroom and saw what the teacher had brought. It was a small, red Bible with gilt-edged pages—just what he wanted!

His excitement quickly evaporated, though, after he asked the price. It cost \$2.75! John's face fell, for two dollars and seventy-five cents was a lot of money in 1848, especially in the Wanamaker household. In fact, it was more money than John had ever had in his life.





Painting by Mabel Woodrow

**In the simple brick house where John was born and spent his first twelve years, there was plenty of love but very little extra money.**

He did not dare ask his parents for that much money. So John, with his teacher's approval, determined to work to earn the money. Even though he was not yet a Christian, he saw the value of having God's Word, and he was willing to put his treasure where he wanted his heart to be.

It took nearly five months, but finally he earned enough for the little Book. John always considered it his "biggest purchase," even after becoming a successful and influential businessman, making millions of dollars in his retail stores, serving as Postmaster General of the United States, and gaining fame as a philanthropist.

At age seventy he said: "Looking back over my life, that little red Bible was the foundation on which my life has been built, and it has made possible all that has counted most in my life. I know now that it was the greatest and most important and far-reaching purchase I have ever made; and every other investment of my life seems to me, after mature years, only secondary."

He explained the reason on another occasion, when he made the statement: "All I am and all I have done in the world is due to the counsels and promises of the Book of God."

Later on when John got his first job in the city, God continued to use His Word to draw the young man to Himself.

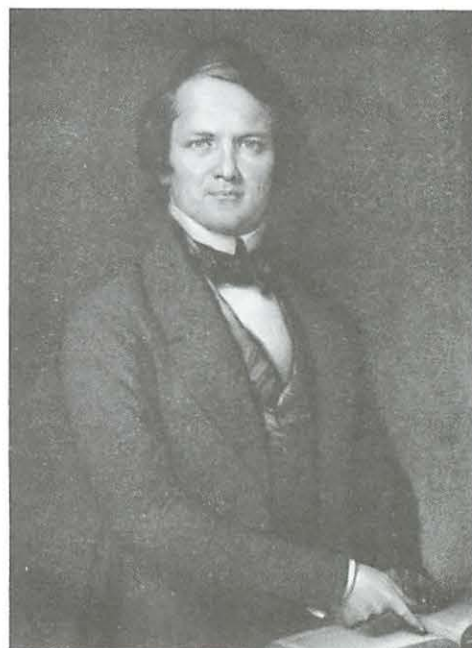
As an errand boy, he was sent one day to the office of an insurance man who was a Christian. A small sign John noticed on the side of the man's

desk made a big impression on him. Some words from Hebrews 11:6 were printed in block letters:

**HE IS A REWARDER OF  
THEM THAT DILIGENTLY  
SEEK HIM.**

"As I look back upon that card," he wrote later, "and remember its influence upon me, it still seems to be the greatest thing that I ever saw in Philadelphia, because it spoke to me; I believed the statement; and I trusted myself to lean back upon the Word of God. Everybody told me to be honest, and truthful, and energetic, but not even the strongest men could make me an absolutely sure promise."

John began to seek the Lord diligently by attending church. As with the little red Bible, John was seeking true riches. He went to the large church started by a courageous conservative pastor named John Chambers.



John Wanamaker, Herbert Gibbons, Harper and Row Publishers

**Dr. John Chambers was a fiery evangelistic preacher who was controversial because of his convictions about abstinence and keeping the Lord's day. Mr. Wanamaker came to admire him so much that he later hung his portrait in every room of his private office in the Philadelphia store.**

The very first Sunday he attended, Dr. Chambers was making an appeal for funds to construct a new building. He reminded the congregation



that anyone who did not have money to give could donate building materials.

A youthful voice called out from the balcony, "I'll give a load of bricks from my father's brickyard." Thus began a flood of contributions that turned out to be more than enough to finance the new building. John Wanamaker's gift must have cost him considerable financial sacrifice plus a great deal of hard work, but it set a precedent for his lifelong commitment to the work of the Lord through the local church.

It was in this same church a couple of years later in 1856 that God was able to take hold of John's heart in a new way. During a Wednesday evening prayer service a young man gave his testimony about what his faith in Christ meant to him in terms of his everyday life. John was quite impressed by the practicality of what he said.

After the service John waited until almost everyone else had left. Then he walked up to the pastor and took his hand firmly, saying that he had finally settled things that night and given his heart to Christ. "God bless you, my boy," said Dr. Chambers, "you will never regret the step you have taken."

The events of the years that followed proved the pastor right. John would indeed never regret that decision he made at eighteen years of age. Those who know his story all agree that his faith was not *part* of his life—it *was* his life. What he eventually became cannot be understood apart from the hand of God upon him.

Even before John Wanamaker started his own business, he established the right personal priorities by dedicating himself to the Lord's work. At the time he was saved, he was working full-time in a clothing store; thus, he began by witnessing faithfully to his fellow employees.

He also began teaching Sunday school. This was not a matter of babysitting the well-behaved children of church members. He had to go out and get his own class—a project which included rounding up boys from the streets.

The young clothing salesman started using his lunch hours to hold prayer meetings with other young men in the business district. As the great revival of 1857 swept across the country, these noon meetings grew quickly. Within just a few weeks, the group was filling up the largest auditorium the city had to offer.

During this same time period Mr. Wanamaker was spending several evenings a week conducting evangelistic meetings in fire stations throughout Philadelphia.

He also became involved in an international organization that was just getting started in the United States—the Young Men's Christian Association (YMCA). Although it has since strayed from its original purpose, the YMCA's goal in that day was to evangelize and minister to the many single fellows who were flocking to urban areas to find jobs.

John developed some health problems at this time in his life, and a doctor strongly urged him to get out of the city for a prolonged period of rest. His employer and the YMCA president could see how essential it was for their young friend to take care of his health, so they each offered to provide money to finance a trip. However, John had been careful to save some of his salary each month and had enough funds of his own.



New York State Department of Commerce

John spent several months during 1857 traveling around in the region of the Great Lakes; he went as far west as Chicago and as far north as Niagara, which he called "sublimely beautiful."

Everywhere he went, John marveled at the beauty of God's creation. He did not really rest, but the change seemed to do him good, and God used this time to continue preparing him for the work He wanted him to do.

A letter John wrote while on this trip indicates that his mind was occupied primarily with spiritual things. "I saw much to regret," he wrote. "It is with a sad heart I refer to the carelessness and indifference manifested in many places to those principles of vital Godliness upon which I sincerely believe rests the foundation of the peace and prosperity of the land."

"I feel as we cultivate holiness of heart and spread the glorious tidings of peace, inculcating the truth as it is in Jesus, so do we bind together our beloved Union. Inseparable with our prosperity is



the religion of the Bible. As we grow in the grace of our Lord Jesus Christ, so will our beloved land prosper and advance."

As his health improved and funds ran low, John headed back east, still unsure what the Lord wanted him to do. He was greatly attracted to the ministry, a calling his mother had always hoped he would pursue. He also had interests in law and architecture, as well as several other fields.

His parents felt strongly that he should not go into business, but he lacked the educational background required for seminary and the ministry. Besides, his pastor and other Christian friends who knew him well counseled him to rule out preaching for health reasons.

Around the end of 1857, John Wanamaker returned to Philadelphia, very uncertain about his future but eager to get back into the fellowship of Christian friends. To his delight John discovered that God had a job waiting for him. It was a position for which John was uniquely qualified, and he would be paid the unheard-of salary of \$1000 a year for doing things he loved to do!

Since the Philadelphia YMCA was only three years old at that time, it was still a small organization run entirely by volunteers. The leadership decided, however, that they needed a full-time paid director in order to meet the challenge of what they had set out to do. This was a bold move because no other YMCA in the country had a paid staff member. Not only that, the idea of anyone other than a clergyman receiving a salary for religious work was quite unusual.

Even though he was not yet twenty, John Wanamaker was already effective in witnessing and discipleship, had keen business sense, and was a skillful organizer. God had closed several other doors, but when He opened this one, Mr. Wanamaker was ready to walk through it.

Many church people still looked on the YMCA as a competitor. Pastors often regarded it with suspicion, if not open hostility. Even some of the men on the YMCA board were opposed to the idea of having a paid staff. All this made Mr. Wanamaker's task of raising the organization's financial support (including his own salary) a difficult one, but the opposition and the challenge of breaking new ground served only to motivate him to greater diligence.

After his first year the board no longer wondered if they had done the right thing. Mr. Wanamaker's efforts had resulted in two thousand new members. Hundreds of New Testaments had been distributed. More than forty teachers had been

placed in local Sunday schools. Not only were enough funds donated to cover his salary, more money was received in contributions and dues than one year than during the previous four years combined.

At the time he took the YMCA position, Mr. Wanamaker was still not in the best of health. The responsibilities of his new job were demanding most of his time and energy, yet he was determined to start a Sunday school of his own. So one Sunday in early 1858 found him walking down Pine Street with a missionary from the Philadelphia Sabbath School Association.



**The Sabbath School Association had given up on trying to start a work in this neighborhood on the south side of the city, but Mr. Wanamaker saw it as a place where he could begin laying up Heavenly treasures.**

It was a rough section of the city. The residents did not welcome outsiders, especially ones trying to hold religious meetings. The missionary showed Mr. Wanamaker the vacant house he had arranged for them to use and then left.

Mr. Wanamaker led the dozen or so boys who had assembled up to the second floor. After prayer and a short Bible reading, he began to tell them about his plans for a Sunday school. Meanwhile, a rowdy mob had gathered outside and was making a lot of noise. Almost before their young leader realized what was happening, the frightened boys ran downstairs and out the back door.

When Mr. Wanamaker appeared at the door, the crowd jeered and hollered. They warned him



to get out and stay out or he would “get his head bashed.” Some of them were brandishing clubs with which to carry out their threats.

There was no hope of regrouping his scattered class. So Mr. Wanamaker went home, but he was not ready to give up. During the next week he located some rooms over a shoe shop that he could use to try again. He even had enough confidence in this venture to give it a name—the Bethany Mission Sunday School.

The attendance that second Sunday afternoon was encouraging. Twenty-seven eager children were waiting for Mr. Wanamaker. He had tried to get the two girls who had volunteered to serve as teachers to wait until he had surveyed the situation, but they insisted on coming with him.

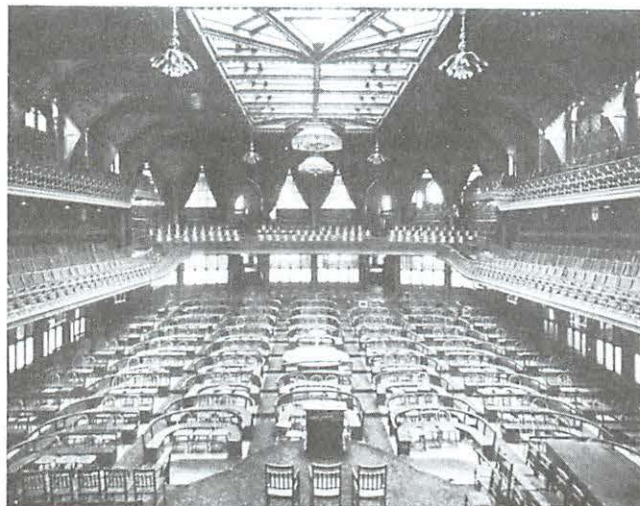
Everything was going along fine, when right in the middle of the lesson a gang of thugs broke down the door and chased the children out. The three young people were advised not to show their faces again in that neighborhood.

Undaunted, Mr. Wanamaker found a deserted store and got permission to use it the following week. With Sunday came a big snowstorm, and there was no way to heat the dilapidated building, but fifty children and a handful of interested adults came anyway. Once again, though hoodlums broke up the class, Mr. Wanamaker stood his ground even when they began to pelt him with snowballs and garbage.

People from the neighborhood saw what had happened and could not help but admire the young man's courage. The volunteer firemen from that district heard about it and decided he deserved another chance. They let it be known that they would be there in force the next week so the children could come without being afraid. That put an end to the harassment.

The new Sunday school grew rapidly and by summer had to move to a big tent on a nearby vacant lot to have enough room. The first Sunday in the tent there were over three hundred children present. Then Mr. Wanamaker began to hold evening evangelistic services in the tent during the week.

The work continued to grow. By fall the people had bought the lot on which the tent was erected and had laid the cornerstone of Bethany Chapel. Within a year from the time the mission Sunday school had begun, the congregation held a dedication service in their new building. By that time a total of 275 pupils and 17 teachers were enrolled.



*John Wanamaker, Herbert Gibbons, Harper and Row Publishers*

**Under Mr. Wanamaker's diligent and loving leadership, Bethany became the largest Sunday school in America and one of the leading Presbyterian churches in the nation. Several buildings were erected during the 1860s and 1870s, including this unique Sunday school hall completed in 1875.**

From his own boyhood experiences Mr. Wanamaker recognized the lasting value of building Scripture into the lives of others. He believed that the Sunday school was one of the most effective ways of accomplishing that objective.

Near the end of his life he would write: “I became a member of a country Sunday school when a boy ten years old and have been a member continuously for seventy-three years. I regard the Sunday school as the principal educator of my life. Through the Holy Scriptures, the Bible, I have found knowledge not to be obtained elsewhere, which established and developed fixed principles and foundations upon which all I am and whatever I have done were securely built upon and anchored.”

John Wanamaker's phenomenal success as a merchant and as a man can best be explained in terms of seven Biblical principles he followed in his business.

## **1 THE PRINCIPLE OF MAINTAINING PROPER PRIORITIES**

The next major turning point in John Wanamaker's life came after the Bethany ministry had gotten off to a good start. In 1860, he married Mary Brown, who had been active with him in the Bethany work from the very beginning.

Although Mr. Wanamaker had been in the YMCA job about three years and had been so successful in it that other branches all over the



country were basing their programs on the Philadelphia model, this was not to be his life's work.

After much of prayer and self-examination, he reached a decision. "I would have become a minister," he later wrote of this time, "but since I couldn't, the idea clung to my mind that I could accomplish more in the same domain if I became a merchant and acquired means and influence with fellow merchants."

From the outset his motivation for going into business was not to lay up treasure on earth, or even merely to earn a livelihood. Mr. Wanamaker's purpose, as he later explained, was "to bend every energy to raise the standards, to the end that business dealings might be more agreeable and safe, and that the rising generations might come into systems tolerably free from practices that had gradually lowered mercantile character."



John Wanamaker, Herbert Gibbons, Harper and Row Publishers

**John Wanamaker's  
first photograph (1863)**

Two childhood memories illustrate the kind of retailing practices Mr. Wanamaker hoped to change and two of the principles that would guide him in building his business:

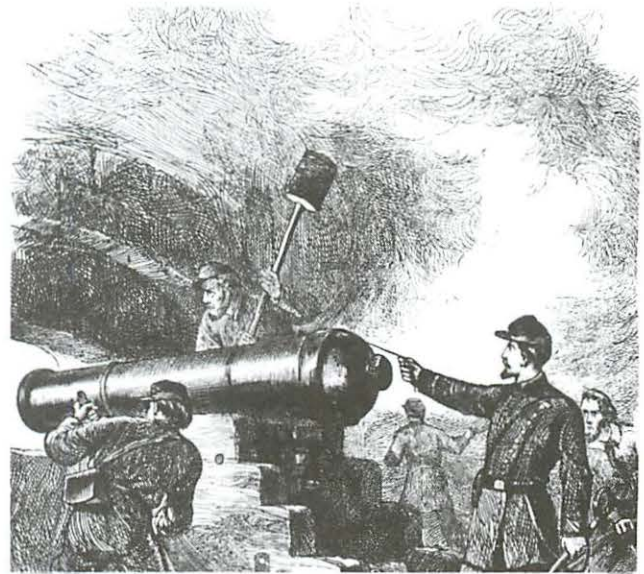
- Sometimes his mother would send him to town on an errand. He hated having to go into a big store to buy something. He always felt awkward and out of place. The clerks embarrassed him, especially when they would stop him on his way out to ask if he had gotten what he wanted and if there were anything else they could offer him. In those days no one would ever feel comfortable coming into a store just to browse. John resolved then that if he ever owned a store, he would make it "easy to get in, easy to do business in, and easy to get out of."
- Stores of that era typically did not allow exchanges and normally would not refund a customer's money. One Christmas John had gone into a jewelry store to buy a gift for his mother. After he picked out a small item and paid for it, he noticed another piece he liked better. Even though it was the same price, the salesman refused to let him exchange the article he had just bought, suggesting

that he make a second purchase. John did not have the money and left the store keenly aware of the injustice of such a policy.

Thus, the young entrepreneur had plenty of ideas about how he wanted to run his shop, but it was not a good time to try to go into business. All his friends told him so. The United States was on the verge of civil war, and everyone thought even well-established businesses would go bankrupt if fighting actually broke out.

Though he had lived frugally on his YMCA salary in order to save, he did not have much capital to invest. He was relatively inexperienced, and the competition would be very stiff. Besides, the Wanamakers' first child had just been born, and John had also assumed the support of his widowed mother.

Being confident of God's leading, however, John Wanamaker and his brother-in-law went ahead with plans to form a partnership. In April of 1861, they opened a men's clothing store called Oak Hall. John later came to the conviction that he must be the sole owner of his stores.



**Within days of Oak Hall's opening, Fort Sumter was fired upon, and the nation was soon engulfed in civil war. Young John Wanamaker volunteered to fight in the Union army that summer but was rejected because of his health.**

The years that followed were not easy ones for the business. The world would attribute the survival and ultimate success of Oak Hall to the young merchant's hard work, innovative marketing strategies, and good fortune. The truth is that God was honoring Mr. Wanamaker's desire to lay up Heavenly treasures rather than earthly ones.



A striking example of how this principle contributed to Mr. Wanamaker's success occurred in the 1870s when the business had outgrown the Oak Hall and Chestnut Street stores.

First, Mr. Wanamaker opened a store in Pittsburgh. Soon he had branches in Washington, D.C., Richmond, and a number of other cities. Even though these new ventures were doing well, his personal priorities kept him from becoming the first chain-store operator. He knew that a system of stores in widespread cities would have meant constant travel, and he was not willing to give up his commitment to the Sunday school work at Bethany and time with his growing family.



*John Wanamaker, Herbert Gibbons, Harper and Row Publishers*

**Mary Brown Wanamaker was the devoted wife of the millionaire merchant for sixty years and the mother of their six children, of whom one son died in infancy, and one daughter died at age five.**

Local expansion of his operations in Philadelphia then seemed the logical course for Mr. Wanamaker. So in 1874 he bought the old Pennsylvania Railroad freight depot. He was not sure at the time what he could do with the property because it was quite a distance from the main shopping district.

A few months later, even before the purchase was complete, Mr. Wanamaker found out that the Lord had plans for the old depot. A committee of businessmen (which certainly would have included Mr. Wanamaker if he had not been in Europe with his family at the time) had decided to invite Dwight L. Moody to come and hold an evangelistic crusade in the "city of brotherly love."



*John Wanamaker, Herbert Gibbons, Harper and Row Publishers*

**The depot property cost half a million dollars and covered almost a complete city block on which stood a four-story office building, a huge, ugly shed, and several smaller outbuildings.**



*Moody: His Words, Work, and Workers*

**Mr. Moody's meetings were attracting huge crowds in New York and Chicago. So the Philadelphia committee knew they needed to find a building large enough to hold several thousand people.**

Someone suggested that the old Pennsylvania Railroad depot might be a possibility for housing such a meeting since it was no longer being used. When the committee inquired at the railroad office, they were at first disappointed to learn that someone was in the process of buying the property. What a blessed surprise it was, though, to find that the buyer was John Wanamaker!

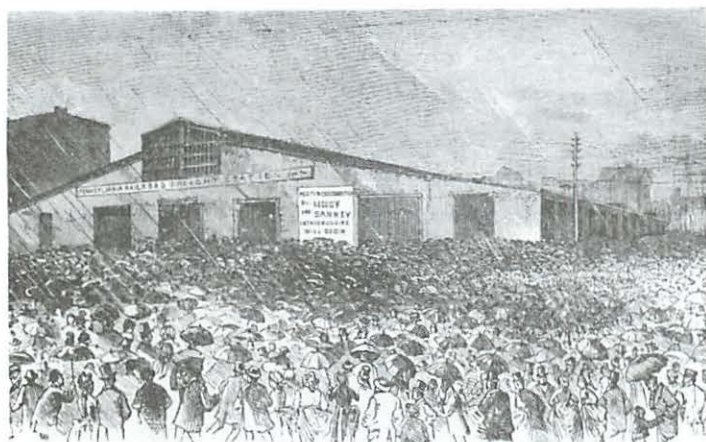
When Mr. Wanamaker received a cable requesting the use of the building for the crusade, he immediately wired back his affirmative answer. He not only allowed the committee to use the facility



rent-free, he took an active part in and probably bore most of the expense of preparing the big shed for the meetings.

The preparations took most of the fall. The old tracks were taken up and a wooden floor laid. A large platform was erected at one end, and additional exits were made. Finally, over 10,000 chairs were brought in and arranged.

Mr. Moody and his family stayed in the Wanamaker home the entire time they were in Philadelphia. The services began in late November of 1875 and lasted for two months. The response was tremendous.



Sketch by Theodore Davis

**Every night of the week, rain or shine, thousands of people from all over the city converged on the former railroad shed. The street-car company had to change schedules and run extra cars in order to handle all the people.**

Inside the building everything went smoothly, probably due in large measure to Mr. Wanamaker's superb organizational skills. The floor had been built with a gradual slope so the speaker could be seen from every seat. The acoustics were excellent, which is miraculous considering the depot was really just a big barn and there was no public address system. The wide corridor which had been constructed on three sides of the building made it easy for the crowds to get in and out.

The meetings captured the attention of the entire city—and more. The justices of the Supreme Court attended as a group, and President Ulysses Grant and most of his Cabinet were there from Washington one night. More significantly, Mr. Moody's powerful preaching brought many to repentance and salvation.

No one participated more actively in the revival than John Wanamaker, and no one enjoyed it more. Most of the three-hundred ushers were employees from his two stores.

From a business standpoint his decision to allow the committee to have the crusade in his building appeared foolish. He had a great deal of money invested in it. To let someone else use it without charge for two months (even allowing costly modifications to the structure) certainly did not produce any revenue for the owner.

Since Mr. Wanamaker was more interested in Heavenly treasures than in earthly profits, however, God was free to reward him in an unexpected way. The Moody campaign had attracted so much attention from the press that by the time it was over, everyone in Philadelphia knew where the old depot building was located. They were also aware that John Wanamaker owned it and planned to roof over the whole site for a huge store.

Even a master advertiser like Mr. Wanamaker could not have conceived of a more effective publicity strategy. In fact, some people even accused him of bringing D.L. Moody and Ira Sankey to town solely for that purpose!

At first, Mr. Wanamaker had toyed with the idea of consolidating his other two stores at the new location, but instead he ultimately decided to establish what he preferred to call "a new kind of store." Although it officially carried another name, the new establishment came to be known as simply the Grand Depot.

Another example of Mr. Wanamaker's priorities is the place that Bethany continued to have in his busy life. As that ministry grew and prospered, it would have been understandable if Mr. Wanamaker had gradually withdrawn himself from it, but instead he continued to take an active part. He served as Sunday school superintendent until he died, never resigning from the responsibility he had accepted over sixty years before.

Nor was his commitment a matter of Sundays only. He gave priority to Christian service every day of the week. His secretary was instructed to give preference to those who came to his office to talk with him about the Lord's work. Often a roomful of executives and prominent businessmen were kept waiting while he discussed some charitable or religious project with a church member or Sunday school worker.

Always ready to share his faith, he frequently would talk with employees about their spiritual condition while on his daily tour of the store. Many times a clerk or salesman would be summoned to his office to continue the discussion.





John Wanamaker, Herbert Gibbons, Harper and Row Publishers

**At times other concerns interfered with Mr. Wanamaker's business, but he seldom allowed anything to keep him away from his church on Sundays. During the four years he lived in Washington, he traveled over 100,000 miles in order to be in his accustomed place at Bethany each week.**

Mr. Wanamaker also made it a habit to call on the sick, the elderly, and the needy of the Bethany congregation in their homes. He hardly ever went anywhere in the city without stopping once or twice on the way to make a personal visit. Usually he took a bouquet of flowers or a basket of fruit.

Another aspect of Mr. Wanamaker's right priorities that made a big difference in the ultimate growth of his business was his attitude toward retirement.

While still in his early forties, Mr. Wanamaker had already accomplished enough both in business and in Christian work to be considered successful. However, he realized that true success is measured not merely by what a man has done, but by what he has done compared to what he *could* have done. He did not slacken his pace as he grew older, but rather broadened the scope of his interests and involvement in the lives of people.

By the time he was fifty, the Grand Depot was such a profitable operation that the owner could have retired from business and had more than enough money to live well the rest of his life. When the Philadelphia newspapers offered to give a banquet in honor of his fiftieth birthday, he graciously refused, saying, "I should not feel it to be right at this time to accept it, since I am yet on the scaffolding of an incompleting building in the sphere

of my proper life work. I do not feel that I have yet attained to that which is in any large degree commensurate with the truest purposes and plans of my life."

To Mr. Wanamaker work was always a joy rather than a burden, because he was striving to attain something more lasting than retirement ease for himself. In 1911 on the occasion of celebrating fifty years in business, he described his feelings: "All these things fill me not only with wonder, but with great thanksgiving that I have been permitted to toil so long and that I was enabled to trust, that wisdom might be wrought into the foundations for something to remain when my years are over. The greatest thing in my eyes and heart this morning is the sense of the goodness of the Heavenly Father to have permitted me to live to see so much of His hand of love toward me in the things that are surrounding me today."

Several years later, still actively managing the Philadelphia store while his son was taking care of the New York store, Mr. Wanamaker wrote: "No man of seventy-seven can know that he is indispensable and at the same time know that he is old. Of course every man can be replaced and things would go on without me; but as long as God is using a man, as long as a man serves, he isn't on the shelf."



Harry S. Hood

**The Lord allowed Mr. Wanamaker to stay at the helm of his business right up until the time of his death at age 84.**

Mr. Wanamaker's understanding of the principle of priorities is perhaps best illustrated by an incident which occurred in 1907. One icy winter night in February of that year, he and Mrs. Wanamaker were at their home in Philadelphia when the telephone rang. They were shocked to learn that Lindenhurst, their country estate, was on fire.

When the house was built, Mr. Wanamaker had made sure that it was as fireproof as possible. An elaborate system was installed to make use of the water from the artificial lake in case of fire. He had even recently had experts come to inspect and update the system. The night of the fire, however, the temperature was so low that hardly anything could be done to stop the blaze.





John Wanamaker, Herbert Gibbons, Harper and Row Publishers

**Lindenhurst was the house the Wanamakers had carefully planned and built in 1884. More than any of their other houses, it was home. It contained their most treasured possessions, including many famous paintings and other art objects that Mr. Wanamaker had collected over the years.**

While the fire raged, Mr. Wanamaker tried to direct the salvage efforts by phone. He insisted that priority be given to the things Mrs. Wanamaker valued highly. Most of her favorite furnishings and art objects were rescued and stored in the stable. Several months later, however, a fire broke out in the hayloft, and all these treasures burned.

Many of the most valuable paintings were saved, but the house was completely destroyed—a two-million-dollar loss. The next morning before he got any information about what had actually been retrieved from the burning house, Mr. Wanamaker wrote in his journal, “It will be a blessed thing for us if all our fires are in this world and not in the next.”

## 2 THE PRINCIPLE OF AVOIDING PARTNERSHIPS

It took many years for Mr. Wanamaker to come to the point of having a conviction about this principle. Had he been more perceptive as a boy, perhaps he would have learned a lesson from the problems that were apparently rooted in the business partnership of his father and grandfather.

The elder Wanamakers owned and operated a brickyard in the south Philadelphia suburb where John grew up. They were both hard-working men

and were highly respected in the community for their honesty in trading, but the business did not do well during the late 1840s.

Grandfather Wanamaker sold his interest in the partnership and decided to go into farming. He then took his second wife (John’s grandmother had died) and their children to a frontier area of Indiana. A year later he wrote to



O.H. Willard

**Nelson Wanamaker  
(John’s father)**

John’s father, urging him to come to Indiana, too.

The brickyard was sold, and the younger Wanamakers headed west to join Grandfather in farming. Regrettably, this second attempt at partnership turned out even worse than their previous venture. John’s mother was very homesick, and his dad hated farming. The snow was so deep that winter that John could not get to school, and on top of everything else, Grandfather got sick and died in early 1851.



John Wanamaker, Herbert Gibbons, Harper and Row Publishers

**Grandfather Wanamaker was a committed Christian, and as a boy John greatly admired his strong faith. Years later John would recall how he read the name on his grandfather’s tombstone (his own name) and prayed that he could be as good a man as his grandfather had been.**

As soon as the roads were passable in the spring, John’s father moved his family back to Philadelphia.

Mr. Wanamaker’s own first experiences with partnerships were not as disastrous, but neither were they blessed by the Lord. During the time he was



working for the YMCA, he and his brother ran a small dried-meat shop on the side. They managed to break even, but there was hardly any profit. John had to spend a significant amount of his time keeping the books, hiring the employees, and buying the stock.

After he had decided to make business his career, Mr. Wanamaker tried to form a partnership with the store owner for whom he had worked before he took the YMCA job. The former employer would have been glad to have the young salesman back, but not as a partner. This was God's protection because such a partnership would likely have been disastrous for both of them.

The man who agreed to be his partner in starting Oak Hall was his wife's brother, Nathan Brown. It might be said that Mr. Brown was the ideal partner. He was a hard worker and was quite willing to let Mr. Wanamaker take the lead, apparently never standing in the way of his partner's outrageous ideas.

Even though things seemed to be working out fine at first, after a few years God saw fit to remove Mr. Brown from the partnership by death. As the business expanded and his responsibilities became heavier, Mr. Wanamaker would have liked to have had another partner to share the burden, but apparently he had learned his lesson. Never again did he enter into a partnership.

Later Mr. Wanamaker brought in other men to work with him as associates and made arrangements for them to share in the profits. This was the approach he took with his own sons, but the business itself remained under his sole ownership until he died.

The significance of his adherence to this principle is illustrated by something which happened shortly after World War I. During the war prices had been high, but wages had risen at the same time. People accepted the need for sacrifice as part of the war effort. However, prices continued to go up at an alarming rate even after the war was over.

By April of 1920, although his business was not suffering, Mr. Wanamaker had become quite concerned about this problem. The Christmas season of 1919 had been one of the best in the history of his stores, but he could see the hardships inflation was inflicting on ordinary people.

Consulting with his department heads, Mr. Wanamaker found that the situation was even worse than he had thought. Prices on some household items had tripled or quadrupled in the previous four

or five months, and no relief was likely until mid-summer at the earliest.

Mr. Wanamaker decided to take bold action. He determined to put the entire stock of his stores on sale for a twenty percent reduction in price. He not only advertised the sale to the public but also let it be known that he would spend up to a million dollars a week in cash to purchase suitable goods from manufacturers. In this way he sought to encourage those who were holding goods in hopes of even higher profits to go ahead and sell for a more reasonable price now.

The response from the public was overwhelming. On Saturday at the end of the first week of the sale, the Wanamaker stores set a world record for the amount of retail sales in a single day. The two stores sold over a million dollars' worth of merchandise. Other retailers were forced to follow his example in order to compete. In other cities all across the United States stores began imitating the twenty-percent-off sale.

Critics claimed Mr. Wanamaker was just pulling off an advertising stunt or that he was trying to raise cash by getting rid of stock. During the second week of the sale, someone offered to buy all of Mr. Wanamaker's stock at twenty percent off. He refused without a second thought, saying, "Our sale is not to raise cash, but to bring down prices to the public—to the public, not to other merchants."



*John Wanamaker, Herbert Gibbons, Harper and Row Publishers*

The way most people felt about Mr. Wanamaker's effort to combat inflation is indicated by this cartoon entitled "Knocking a Homer," which appeared in *New York World* on May 5, 1920. The baseball labeled "H.C. of L." represents the high cost of living.



Still, the opposition from some quarters was very strong. There were threats of lawsuits and boycotts, but Mr. Wanamaker held firmly to the course he had chosen, and he had the loyal support of his son and the other store executives.

At the outset Mr. Wanamaker intended to run the sale for two weeks; it ended up lasting for two months. With the cash that it generated, he was able to purchase new merchandise worth over \$13 million. By the end of May the high cost of living had begun to come down, and a severe nationwide financial crisis had been avoided.

If Mr. Wanamaker had had partners, he might not have been free to follow God's direction in this situation. As one biographer put it, "Only a merchant who was the sole owner of a gigantic retail business could have launched such a campaign and have seen it through successfully."

### **3 THE PRINCIPLE OF WORKING WITH DILIGENCE**

Even as a schoolboy Mr. Wanamaker began earning a reputation for his persistence. Being particularly fond of arithmetic, he was the pupil who, instead of being kept after school by the schoolmaster, kept the schoolmaster after school! The teacher would not dismiss pupils who had mistakes in their arithmetic problems until they reworked them and got the right answers. Sometimes, however, if the children were slow about it, he would let them go without finishing. Not John Wanamaker! He would insist on staying until he understood the rule and could work the problem correctly.

After he was hired on a job, John was a diligent and conscientious employee even when it came to the most menial tasks. One of his two bosses at the publishing company where he worked later told how different John was from the other errand boy they had working for them at that same time.

Young Wanamaker, according to this employer, could always be counted on when he was given an errand to do. He would always go straight to his destination and come right back. The other boy had the habit of stopping to watch an organ grinder's monkey or look at interesting store window displays. While John was never distracted from his assigned task, this other lad would run off at the first clang of the fire bell to find the burning building.

Then the employer was away from the city for several years. One day shortly after he returned, he was walking down Market Street. A large clothing

store caught his eye. When he looked up and saw the name Wanamaker in big letters over the door, he could hardly believe, on one hand, that his former errand boy had been so successful in just a few short years. On the other hand, he was not surprised at all.



A few days later, this same man was walking by the docks when he came across a drunken man lying on the sidewalk. He rolled him over to see his face and immediately recognized his other former errand boy!

John's wages for running errands totalled \$1.25 a week, all of which he gave to his parents to help support the family. His diligence was rewarded, though, as he was able to advance his career, even if somewhat slowly. The following year, 1852, just before Christmas, John was hired to work in a reputable Market Street clothing store. He was still just a stock boy, but his salary rose to \$2.50.

Applying his keen intellect, John began learning all he could about the clothing business. The store owner, however, was not willing to let him use what he had learned. One morning John suggested that the clothing on the mannequins in front of the store should match the weather. He readily admitted that he had gotten the idea from Tower Hall, a competitor down the street.

The boss thought John was just a presumptuous teenager and said he could go work for Tower Hall if he liked their ways better. John did exactly that and received a dollar a week raise!

Tower Hall was the best clothing establishment in the city at that time and was well-known for innovative advertising and marketing. It was the perfect place for sixteen-year-old John to learn more about the clothing business during the next three years. He was soon promoted to salesman and was then made supervisor of the men's accessories department.

His diligence made a good impression on this employer also. One day Mr. Wanamaker's department received a shipment of neckties to sell. When he came back from lunch that afternoon, he noticed that one of the ties was missing, even though he had not sold any. He asked all his co-workers if they had sold any while he was gone, but they said they had not. After a more careful investigation, he discovered that the store owner had taken one of the ties to give



to a visiting friend. When the owner heard that the young salesman had found him out, he was slightly embarrassed but very pleased to know he had such a meticulous employee.

After Mr. Wanamaker went into business for himself, his diligence was obvious in his desire to personally oversee the entire enterprise. During the early days at Oak Hall he established the habit of a daily tour of the store. As he made his way around to each department, he often greeted clerks and customers, but his purpose was to observe the store in operation to see how it might be improved.



John Wanamaker, Herbert Gibbons, Harper and Row Publishers

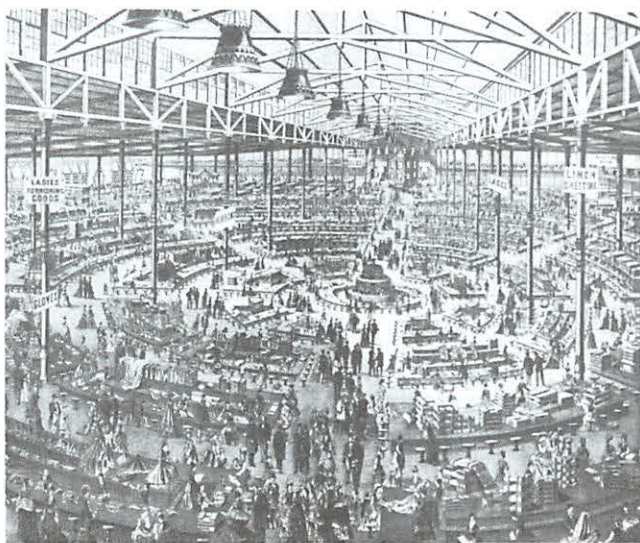
**The Oak Hall store was originally confined to the ground floor of this six-story structure. Within a few years the operation had grown so large that it occupied the entire building.**

As the business grew, many thought he would give up his regular walk through the store, but Mr. Wanamaker felt it was essential that he not be closeted away in his office, dealing only with theoretical problems. It was this desire for personal oversight that kept him from building his business into a mail-order firm. By 1870 Oak Hall had gained such a good reputation nationally that he could have easily done that.

When the Chestnut Street branch opened, he still found time to make his rounds and to visit the new store as well. In the Grand Depot store each department head was an expert in his particular line, so the need for close supervision was perhaps less than before. Yet Mr. Wanamaker was still "on the floor" every day. He was not there to spy or to scold, but to encourage and inspire.

Once when Mr. Wanamaker was on a tour of the store, he saw a customer waiting at a counter

while a group of salespeople was laughing and talking at the other end. He quietly slipped behind the counter and waited on the customer. When the clerks realized what was happening, they sheepishly returned to their places. After the woman had made her selection, Mr. Wanamaker simply handed it to the salespeople to be wrapped and left without saying a word. No doubt the people who worked at that counter were more diligent after that!



John Wanamaker, Herbert Gibbons, Harper and Row Publishers

**Although the Grand Depot store covered fourteen acres, Mr. Wanamaker toured the store daily.**

As Postmaster General, Mr. Wanamaker had the idea that a government agency should be run with the same sort of diligence and efficiency that a successful business demanded. Accordingly, he made it his habit to arrive at his office before eight o'clock each morning.

The staff was shocked when they arrived and found their chief already hard at work. The old doorman, who had served under thirteen previous Postmasters General, had to buy an alarm clock for the first time in his life! Everyone was just as surprised when Mr. Wanamaker stayed at his desk until six in the evening.

Another aspect of Mr. Wanamaker's persistence that contributed greatly to his business success was his use of advertising. From the very beginning he put a large percentage of his profits into advertising. In a day when most merchants considered ads a rather poor investment, he took the position that he could not afford to let a single working day pass without using the newspapers to tell people what he had to sell.

He gradually increased the amount of ad space he was using. Other businesses began to



follow his lead, but he always kept one step ahead of them. In 1874 he was the first to use a half-page ad. Five years later he was the first merchant ever to purchase a full page. Twenty years after that he made advertising history by signing a contract for a full page of advertising for every business day of the entire year.



John Wanamaker, Herbert Gibbons, Harper and Row Publishers

God rewarded Mr. Wanamaker's diligence just as Proverbs 22:29 promises. Several Presidents visited his famous store, and in 1911 he was invited to the coronation of King George and Queen Mary in London.

## 4 THE PRINCIPLE OF CHOOSING A GOOD NAME

Mr. Wanamaker's use of advertising also illustrates his desire to maintain a good name. He would not tolerate extravagant praise or exaggeration in his ads. Believing that "the best advertisement is a pleased customer," Mr. Wanamaker thought that the purpose of advertising was to create good will.

He knew that could not be done unless the content was accurate and interesting. So he gradually came to the conclusion that advertising should be the same as news. He instructed his advertising manager in 1880: "Your sole business as a writer of our advertising is to find out the truth regarding the merchandise and to tell it in plain words as briefly as you can."

On another occasion he commented about advertising, "Only a very few as yet see that business writing is a different thing from the humbuggery of varnishing unsalable goods with a pen that must always write white and never black."

The ad writers were instructed to go out into the stores and examine the merchandise themselves

before writing about it. Mr. Wanamaker insisted that they "tell the truth even though it hurts." For example, one clothing ad stated, "The patterns are bad, but the article will give good wear."

His concern for a good name is also reflected in his refusal to compromise his convictions even when standing by them meant financial loss. He felt strongly that the Lord's day should be kept holy, for example. Therefore, he never advertised in the Sunday edition of any newspaper. In fact, he even refused to read a Sunday paper.

In Mr. Wanamaker's later years, after his competitors were imitating all the innovations in advertising that he had pioneered, some of his own employees brought him a report showing how effective his competitors' Sunday ads were. He adamantly refused to consider changing his policy, and there is no evidence that his business ever suffered because of it.

Mr. Wanamaker's policy of honest advertising was just an outgrowth of a commitment that was even more basic to establishing a good name. He had determined that as a businessman he would reject any gain that came from another person's loss.



John Wanamaker, Herbert Gibbons, Harper and Row Publishers

Men who bought their suits at Oak Hall soon came to believe, as Mr. Wanamaker so persistently advertised, that his store sold quality goods at reasonable prices.



Realizing that selling poor quality goods even at bargain prices was not to the customer's advantage, he believed that he could keep his good name by operating on this basis: "Only what benefits the customer truly benefits the merchant."

Mr. Wanamaker always kept a sharp eye on his stock to make sure that the quality was worthy of his name. It was a constant struggle to get the kind of goods he wanted from the manufacturers. He found that once they were producing high quality items he still had to be alert because they would often rely on their good reputation while at the same time letting their standards slip.

Often Mr. Wanamaker would go to considerable expense and inconvenience to be sure he was getting top quality. He established his own laboratory where products were tested for quality. One time he discovered that all the mattress manufacturers were using poor-quality stuffing material. Worse than that, they were lying to his buyers about it. He promptly quit buying from them and opened his own bedding factory.

Similarly, the only candy his stores would sell was made in the Wanamaker kitchens. He had found no other way to be absolutely sure that only pure ingredients were being used.

Because it was his good name that was at stake, Mr. Wanamaker took the matter of quality very personally. Whenever there was a customer complaint regarding quality, he would investigate it himself. To one department head whose merchandise Mr. Wanamaker thought was not up to his high standards he said, "I wouldn't have it in my house, and I won't have anything in my store that I wouldn't be willing to buy and use myself."

Mr. Wanamaker wanted his customers not only to have confidence in his merchandise but also in the way he conducted his business. From his beginning at Oak Hall he followed a one-price policy. Although he is sometimes credited with originating this practice, he simply adhered to it more consistently than what most of his competitors were willing to do.

In that day prices were not marked on the goods in stores. In order to make a purchase, the shopper would haggle with the salesman, sometimes for hours, until an agreement was reached. The customer, therefore, had to be a shrewd judge of the actual value of an item or else pay more than it was really worth. Store owners and clerks were not necessarily dishonest, they were simply trying to get the highest price possible for every item.

Mr. Wanamaker's Christian principles would not allow him to feel comfortable with the way this practice made merchant and customer suspicious of each other. Nor could he tolerate the injustice of charging some people a higher price for the same item. So at Oak Hall each item was marked with a price, and there was no bargaining.

In advertisements for the store this policy was frequently highlighted, but Mr. Wanamaker decided he needed to go one step further in order to develop a relationship of trust with his customers. He became the first American retailer to offer a "money back" guarantee. Never before had a merchant established the policy of allowing a customer to return something and get a refund. One commentator went so far as to say that this was a "stroke of genius that revolutionized the American mercantile world of the post-Civil War period."

As a result of his choosing a good name, Mr. Wanamaker enjoyed unprecedented customer confidence in his business. People knew they could trust Wanamaker's quality and count on a fair deal, so they kept coming back.



Dover, Inc.

The phenomenal loyalty Philadelphians felt for Mr. Wanamaker's store gave rise to a joke that was told in the city around the time the Grand Depot was attracting so many new customers.

A person would say to someone who was reading the newspaper, "Say, did you notice that long list of names of people who are not going to shop at Wanamaker's any more?"

"No, I didn't," the other would answer in shocked disbelief.

"Well, it's there; just keep looking."

Eagerly scanning page after page, the reader would finally say, "I don't see it anywhere."

"Look, it's right on that page."

"Where?"

"There," the wag would say smugly, pointing to the obituary column.





John Wanamaker, Herbert Gibbons, Harper and Row Publishers

**John Wanamaker's personal dedication to principle earned him great loyalty and confidence among his customers. Appropriately, people soon began calling the Grand Depot simply "Wanamaker's."**

Mr. Wanamaker considered his good name the single most valuable business asset he possessed. At the height of the Panic of 1907, Mr. Wanamaker was under tremendous pressure to pay bills and salaries in order to keep the stores in business. A group of men offered to buy him out. They proposed to pay him whatever impartial appraisers would set as the value of the two stores and his stock. On top of that, they offered him ten million dollars for the right to use the name of John Wanamaker.

The offer was an attractive one because it would have allowed Mr. Wanamaker to emerge from the panic a wealthy man. To refuse meant the possibility of going bankrupt and losing everything.

Mr. Wanamaker would not even discuss it with them. A financial crisis might someday force him to sell his buildings and merchandise, but his good name was not for sale! Besides, he had to consider his employees and their families.

He felt that the men making the offer "would not have understood the point of honor involved. If I had told them that the captain could not abandon the ship to save himself, they would have thought I was a crazy old fool. They did anyway. I could not have quoted to them what the Proverbs say about the value of a good name."

## 5 THE PRINCIPLE OF PROVIDING PERSONAL SERVICE

In addition to choosing a good name, the other foundational principle Mr. Wanamaker implemented in order to build up the trust between merchant and customer was that of service. When

the New York store was about to open, he said, "The task of life we have set before us is not to make money the goal, but to serve interesting people in a business way. . . ."

For Mr. Wanamaker one of the most important elements of serving customers was treating them with courtesy. He defined courtesy as "the unwearied practice of the Golden Rule." He often told his salespeople that "the best commodity under this roof should be a full stock of Courtesy."

He always stressed the fact that courtesy is more than just being agreeable; it involves thoughtful consideration of another person's needs coupled with taking the initiative to meet them. In the early days of Oak Hall, he set the example for his employees. When he waited on customers, he was so sensitive to their needs and desires that many men refused to deal with anyone other than the proprietor himself.

*Civility costs little but  
Counts much  
yet Courtesy counts more*  
*John Wanamaker*

John Wanamaker, Herbert Gibbons, Harper and Row Publishers

Another element of service Mr. Wanamaker considered vital to the retail trade was always trying to have the item the customer wanted. He said that a merchant could never build a successful business on the slogan, "Whatever you want, we can order it for you." His goal for his general store was to be able to say with confidence, "Whatever you want, we have it."

The motive for each stage of the expansion of his business was not merely to increase profits but rather to have a wider selection of merchandise available as a service to the customer. For this reason Mr. Wanamaker eventually opened buying offices in several European cities.

A third element of service on which Mr. Wanamaker concentrated was providing the most pleasant and efficient facilities for shopping. The steady increase in the size of his store buildings reflects this concern. Even though the Grand Depot boasted a sales area of over two acres, the largest



retail establishment in the country, Mr. Wanamaker was continually looking for ways to expand it.

He bought adjacent lots and buildings and incorporated them into the huge store. Within five years it contained three acres of floor space. In another couple of years it had nearly tripled that. By 1889, thirteen years after it opened, Mr. Wanamaker even closed off a street between two blocks and roofed it over with glass, giving the Grand Depot a total of fourteen acres.

Eventually the money and the technology became available to construct a new building on the same site. Mr. Wanamaker worked out a way for the store to go on serving customers during the entire time the new building was under construction. The way this was accomplished was to erect one section of the building at a time.



John Wanamaker, Herbert Gibbons, Harper and Row Publishers

**Completed in 1911, the new store was ten stories high and included 32 acres of selling area. It incorporated all the latest technological developments to make the place safe, pleasant, and efficient for both shoppers and workers.**

Through the years Mr. Wanamaker was quick to use any new invention he thought would enhance his store's service to the public. For example, Mr. Wanamaker had promised to keep the store open evenings during the Christmas season in 1878, but he was nervous about the fire hazard of so many gas lights being lit in that old wooden building with thousands of shoppers inside.

At the 1876 Centennial Exhibition in Philadelphia, which Mr. Wanamaker had helped finance and organize, he had been very interested in one particular display. It was the first public showing of machines for generating electric light. Soon he was trying out some experimental lights in his store windows. Later he built a generating plant and then

went to visit Thomas Edison to see if he could tell him how to use it to light his store.

Within a few months the Grand Depot had been wired for electricity and the newly invented bulbs installed. The day after Christmas was set as the time to try out the new system.

Many people thought Mr. Wanamaker was foolish because they expected the whole building to explode or at least be set on fire. Crowds gathered outside the store that evening to see what would happen when they turned on the switches.

What happened was that John Wanamaker once again made history when the Grand Depot became the first public building ever to be lit totally by electric lighting. Mr. Wanamaker was pleased, but he was already hard at work trying to figure out how electricity could also be used to provide better ventilation so his customers would be more comfortable.

Similarly, he was quick to see how having telephones would enable the store to serve people better. In 1906, Wanamaker's was the first store to install a private exchange. Later, the new Philadelphia store had 3,000 telephones, 19,000 miles of phone wiring, and a switchboard staffed by a dozen operators.

Mr. Wanamaker's concept of serving the customer was not limited to merely being practical. He wanted his store to be a pleasant and interesting place as well. For this reason the aisles were carpeted, art masterpieces were displayed, and beautiful music was played. The new Philadelphia store, in fact, had three fine organs, one of which was the largest organ in the United States.

In literally hundreds of other ways Mr. Wanamaker made it a point to provide services to customers without worrying about getting any profit from them. When the Grand Depot store opened during the Centennial, it was almost as much of an attraction for out-of-town visitors as the exposition itself. Mr. Wanamaker made sure that a number of his employees had no other duties except to give tours for people who came to the store just to look and not to buy.



Dictionary of American Portraits

**Thomas A. Edison**



## 6 THE PRINCIPLE OF BUILDING LOYALTY IN EMPLOYEES

When Oak Hall first opened its doors, the only person Mr. Wanamaker had working for him was one errand boy, whom he soon had to let go because things were so tight. Eventually, however, his work force grew to over 13,000 employees. Mr. Wanamaker was well aware of how the success of his whole enterprise depended on these individuals.

"Business," he once said, "is not a matter of machinery; it is not a great granite building; it is not iron and steel and rock; it is the human force that is in it. It is the man. What we are after, I am sure, is to see that every man becomes a better man and has a greater sense of responsibility and a larger vision of things that ought to be done."

The primary way Mr. Wanamaker built loyalty in his employees was through relating to them, as much as possible, on a personal level. His Godly character influenced them to be loyal to him, not just to the business. He had several qualities which enabled him to develop this kind of relationship:

### • **Attentiveness**

Mr. Wanamaker loved people and took a genuine interest in every individual he met. He had learned to give a person his undivided attention even if it were just long enough for a warm handshake and a few words of greeting.



John Wanamaker, Herbert Gibbons, Harper and Row Publishers

**Mr. Wanamaker made people feel special by remembering their names. He once said that he could call about four thousand people at Bethany church by name, and it was the same way at the store. He usually managed to recall something about a person's job or family, too.**

He was not concerned about distinctions of race, class, or position. Even the lowliest worker in the store was made to feel that working for Mr. Wanamaker was not a job, but a career.

### • **Sensitivity**

Mr. Wanamaker had a marvelous way of making people feel at ease. Even though he had very high standards for his employees, he avoided dealing with them in a judgmental way.

One day a cash boy came to his private office to show him a cheaper way he had found to wrap packages. As he handed a sample package across the desk, his sleeve caught on the inkwell and spilled it. The boy was mortified, but Mr. Wanamaker, quite unruffled, said, "Now I am going to show you something. If you attack a pool of ink with the edge of a blotter, instead of stamping the blotter flat down on it, it is astonishing how quickly it disappears."

By his sensitivity in that awkward moment he won a lifetime of loyal service as that boy went on to become one of the executives in the Philadelphia store.

Mr. Wanamaker also knew that he could not expect his salespeople to be courteous and patient with customers if he did not treat *them* the same way.

One time a man who sold neckties in the store became angry with a customer and threatened to punch him in the nose. The customer, who happened to be an important official of the Pennsylvania Railroad, complained to Mr. Wanamaker.

The offending employee, who had an excellent record of service and a reputation of being very courteous, was called into the office. Mr. Wanamaker asked to hear his side of the story. The salesman admitted that he had lost his temper and that he had been wrong to do so. He went on to explain that the customer had come in during a very busy morning and asked to see some ties. He spent a long time showing him ties, but nothing seemed to satisfy him. Finally, he picked out several but then changed his mind and said he did not want to buy any after all. During this time the clerk had missed making several other sales.

Mr. Wanamaker asked, "How long have you been working here?"

"Nine years, sir," said the man.



"Well," said the employer thoughtfully, "I think you need a change. Do you suppose you could sell clothing without losing your temper?"

"I sure could," said the man, who had expected to be fired.

Mr. Wanamaker gave him not only a promotion, but a hefty raise in salary as well.

### • **Humility**

Another Wanamaker trait which made his employees want to be loyal was Mr. Wanamaker's recognition of their importance. He readily acknowledged that he could not have built the business by himself.

On Christmas Eve in 1911 Mr. Wanamaker was standing in the Grand Court of the new Philadelphia store. Earlier that year he had celebrated a half-century of doing business and then had seen the new store completed. In a week the President of the United States, William H. Taft, would be there to dedicate the building.

The store was crowded with people doing their last-minute shopping, and many of them paused to sing along as the great organ played Christmas carols. Later the seventy-three-year-old merchant described what he felt at that moment as he stood there surrounded by the fulfillment of his dreams, listening to the people sing: "I said to myself that I was in a temple—but may I never say, 'I built it!'"

### • **Gratefulness**

His genuine humility resulted in a spirit of gratitude to God and to those who had carried out his dreams. He frequently expressed his thanks in public and always took great pains to let his people know they were appreciated. For example, when he left office after serving as Postmaster General, he signed 69,000 letters of appreciation to the local postmasters of the nation, personally thanking them for their service during his administration.

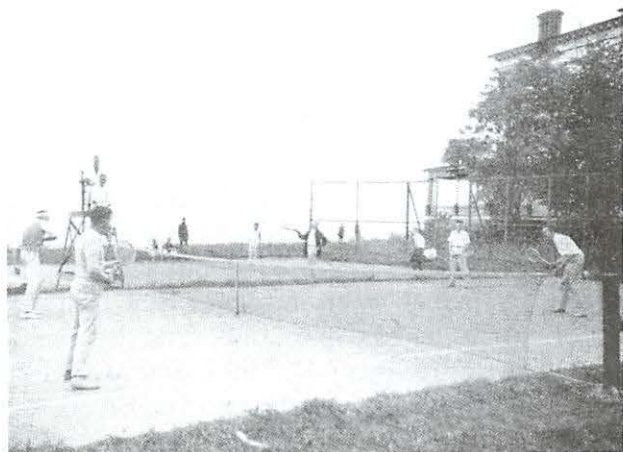
In addition to being a man whose character merited loyalty, Mr. Wanamaker applied his standards of honesty and justice to his dealings with employees and thereby gained their confidence. The earliest example of this is the way he paid his employees at Oak Hall.

At that time it was customary for employers to pay workers with vouchers that could be exchanged for groceries, coal, or other goods. The employers got a kickback, or percentage, of the profit from these other businesses. Mr. Wanamaker considered this practice unjust to the employee and began instead to pay his people in cash.

He also established shorter workdays solely for the benefit of the workers. He was one of the first employers in the nation to grant paid vacations and to set up a profit-sharing arrangement.

Whenever there was a problem with an employee, Mr. Wanamaker tried to give the worker the benefit of the doubt. There was always an opportunity given for the employee to improve in performance or attitude. In cases where it was necessary to dismiss someone, it was done reluctantly and with compassion. Mr. Wanamaker often took it upon himself to find the person another job somewhere else in the city and frequently helped former employees years after they had left the store.

The great variety of employee benefit programs Mr. Wanamaker created and implemented indicate his concern for his employees and their families. He even established in his store an employees' medical clinic staffed by several doctors and nurses.



*John Wanamaker, Herbert Gibbons, Harper and Row Publishers*

**Each store had an employee athletic association with its own excellent sport facilities located outside the city. In addition, the new Philadelphia store had a running track and tennis courts on the roof.**

Mr. Wanamaker was especially concerned about the education of his younger employees. In the nineteenth century teenagers often had to drop out of school to go to work to help support their families. As early as 1878 courses of instruction were being offered in the store, and by 1890 this effort had developed into an actual school with a principal and staff of teachers.

It is estimated that during Mr. Wanamaker's lifetime a total of about a quarter of a million people had been employed in his stores. Yet, there was never a strike or even the threat of one.



## 7 THE PRINCIPLE OF SAVING RATHER THAN BORROWING

Since it was through several years of frugal living that he had accumulated enough capital to launch Oak Hall in 1861, John Wanamaker realized early in his business career the importance of saving money. However, it would be many years before he was fully convinced of the dangers of borrowing and credit.

Once convinced, he considered "easy credit and consequent debt as the worst of all destroyers in the business world." It was never his desire to increase his sales if it meant causing his customers to buy more than they could afford. For that reason he constantly warned his salespeople not to "oversell."

He ran his business on a cash basis and would not allow people to run up charge accounts which would get them into debt. His store offered a budgeting service to help young couples see how they could furnish their homes without buying on credit.

Even his advertisements, which were so carefully designed to make people want to buy things, would often carry editorials such as this: "It is better to wear patched shoes and pay as you go than to be in debt, wearing patent leathers and silken gowns and losing your self-respect by inability to keep contracts too easily entered into. It is said that the downfall of many men and women is to be traced to getting hopelessly into debt and becoming disgraced by broken promises, the memory of which destroyed their chances and prospects. Be advised to think twice before you plunge head over heels into debt."

Mr. Wanamaker came to believe so strongly in this principle that he used any means he could to motivate his people to learn the habit of saving rather than borrowing. He established a savings fund in the store and encouraged employees to make regular deposits. He paid a higher rate of interest than what banks were paying at the time, and money could be withdrawn at any time.

Those who maintained a good savings record over a period of seven years received an extra dividend, and for a while he would even match the junior employees' savings dollar for dollar. Several building and loan associations were formed among the employees as well.

In a letter to a friend, Mr. Wanamaker once gave the following practical advice: "The way to save is to begin at once. Put away what you can

in a reliable savings bank and do not withdraw any part of the principal except to make a permanent investment when a sufficient amount has accumulated."



John Wanamaker, Herbert Gibbons, Harper and Row Publishers

The New York Wanamaker's store consisted of the old A. T. Stewart building (foreground), which was purchased for one million dollars in 1896, and the new building, which was constructed and equipped without a mortgage. The new Philadelphia store was completed on the same debt-free basis.

John Wanamaker's life as well as his business were built solidly on the foundation of Biblical truth, and that was the secret of his success.

### PROJECT

Match the following verses of Scripture to the seven business principles to which John Wanamaker was committed:

- |                      |                      |
|----------------------|----------------------|
| 1. Right priorities, | 5. Personal service, |
| 2. No partnerships,  | 6. Employee loyalty, |
| 3. Diligent work,    | 7. No debt.          |
| 4. A good name,      |                      |

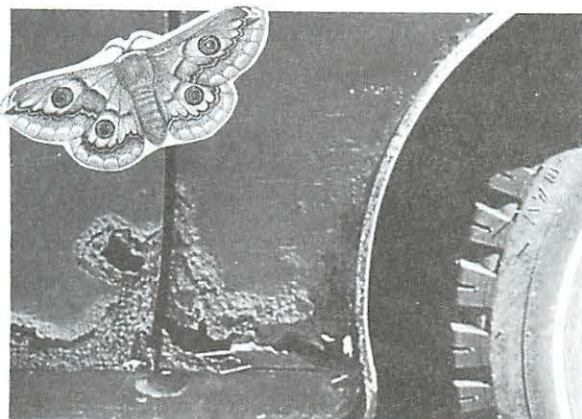
- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Psalm 15:4b      | <input checked="" type="checkbox"/> Proverbs 22:24      |
| <input checked="" type="checkbox"/> Proverbs 10:4    | <input type="checkbox"/> Proverbs 23:4-5                |
| <input checked="" type="checkbox"/> Proverbs 11:1    | <input checked="" type="checkbox"/> Proverbs 27:18      |
| 4 <input type="checkbox"/> Proverbs 11:4             | <input type="checkbox"/> Matthew 6:33                   |
| 2 <input checked="" type="checkbox"/> Proverbs 11:15 | <input checked="" type="checkbox"/> Matthew 23:11-12    |
| <input checked="" type="checkbox"/> Proverbs 15:1    | <input checked="" type="checkbox"/> Romans 13:8         |
| <input checked="" type="checkbox"/> Proverbs 15:6    | <input checked="" type="checkbox"/> I Corinthians 15:58 |
| <input checked="" type="checkbox"/> Proverbs 21:5    | <input checked="" type="checkbox"/> II Corinthians 6:14 |
| <input checked="" type="checkbox"/> Proverbs 22:1    | <input checked="" type="checkbox"/> Galatians 6:10      |
| <input type="checkbox"/> Proverbs 22:4               | <input checked="" type="checkbox"/> I Peter 3:8         |
| <input checked="" type="checkbox"/> Proverbs 22:7    |   |

Date completed \_\_\_\_\_ Evaluation \_\_\_\_\_





## HOW DO MOTHS AND RUST CORRUPT OUR EARTHLY TREASURES?



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**Man's treasures are corrupted by three things: moths, rust, and thieves.**

Part of the curse resulting from Adam and Eve's sin is the return to dust.

*"In the sweat of thy face shalt thou eat bread, till thou return unto the ground; for out of it wast thou taken: for dust thou art, and unto dust shalt thou return" (Genesis 3:19).*

Not only does man return to the dust of the ground, but the treasures we so carefully store up for ourselves also fall under this curse. Everything that is made of dust returns to dust.

Treasures such as clothing, food, homes, money, automobiles, appliances, and even precious metals come from the dust of the earth and return to dust in due time according to God's Word.

Seeing our earthly treasures turn to dust, however, does have its benefits. Losing earthly treasures frees us from their bondage and encourages us to seek after those treasures which are incorruptible.

Learn how God uses moths and rust to confirm the fact that the things which are seen are temporal, but the things which are not seen are eternal. (See II Corinthians 4:18.)

## 1 Moths corrupt our treasures by devouring them.

If we honor God with our tithes and offerings, He promises, "... I will rebuke the devourer for your sakes, and he shall not destroy the fruits of your ground..." (Malachi 3:11).

The word *moth* comes from the Old English word *moththe*, from which we also get the word *mouth*. *Moththe* literally means "devourer" and includes just about any insect that destroys crops and stored goods.

The Greek word for moth is σήξ (SACE). σήξ is one of the few Greek words that has a direct Hebrew equivalent. σήξ in Hebrew is סוף (SAWCE), which means "the agility of the fly." σήξ is a general term referring to insects that fly. Like the Old English term *moththe*, its usage includes a variety of flying insects such as butterflies, beetles, and locusts.



Dover, Inc.

**Devourers come in all shapes and sizes.**

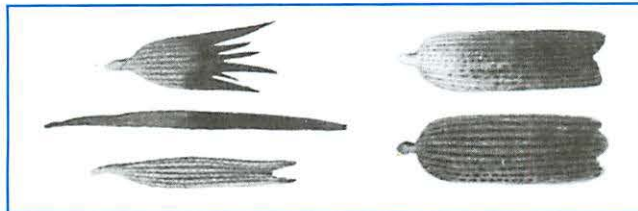
Insects make up almost three-quarters of the animals on the face of the earth. In fact, there are more than 1,000,000 kinds of insects known to man. There are 300,000 different kinds of beetles alone and around 140,000 different kinds of butterflies.

Entomologists today use the term *moth* in a much more limited sense. They use it to refer to



only those families of the order *Lepidoptera* (lep-uh-DOP-tuh-ruh), which have complex antennae, stout bodies, fore and aft wings that are attached by *frenula* (FREN-yuh-luh), are nocturnal (active mostly at night), spin cocoons, and rest with their wings spread apart. The other families of this order are the butterflies.

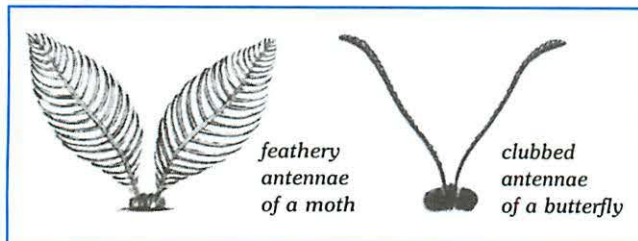
The word *lepidoptera* comes from two Greek words, *λεπίς* (lep-ISS) meaning "scale," and *πτέρυξ* (PTER-oox), meaning "wing." Thus, moths and butterflies are literally "insects with scaly wings."



*Butterflies and Moths*, Richard A. Martin, Golden Press

### Magnified wing scales from various "moths"

Even though entomologists use the term *moth* in a very limited way, there are more than eight thousand different kinds of moths in North America alone. They range from miniature ones, measuring less than a quarter inch from wing tip to wing tip, to giant ones having a wingspan of over eleven inches.



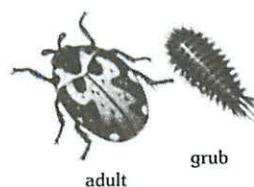
*Butterflies and Moths*

Entomologists distinguish between moths and butterflies on the basis of the following characteristics. Butterflies have simple antennae with delicate "tear drops" at their ends, thin bodies, independent fore and aft wings, are diurnal (active mostly during the day), form pupae instead of cocoons, and rest with their wings in a closed, vertical position.

Of these eight thousand species, different groups specialize in destroying different types of treasure. For example, more than one hundred species specialize in devouring clothing and carpets. In 1960, they were so effective in turning earthly treasures into dust that they did more than twenty-five-million dollars' worth of damage.

Other moths attack stored grain, leather goods, dried fruit, books, furs, flour, and even the silvering on the backs of mirrors.

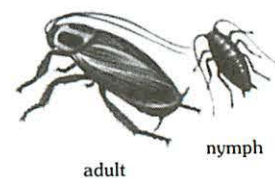
### Types of "moths" and the treasures they corrupt



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#### Carpet beetle

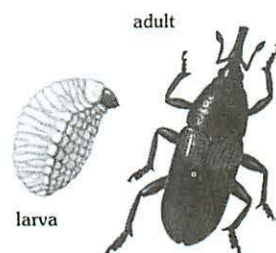
Grubs (wormlike larvae) eat holes in rugs, upholstery, and other goods made of animal products.



©World Book, Inc.

#### German cockroach

Adults and nymphs eat and/or contaminate food in homes, stores, bakeries, and restaurants.



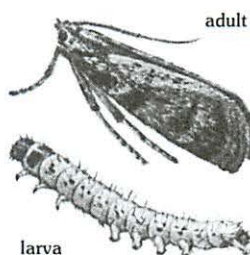
*Insect Pests*, George S. Fichter, Western Publishing Company

#### Rice weevil

Larvae develop secretly inside whole grains and do not reveal their presence until after they have completely hollowed out the inside of the kernels.

#### Webbing clothes moth

Larvae of the webbing clothes moth are so small they can crawl through the woven threads of fabric. Damage is most common in the folds of clothing, especially under collars and in pockets.



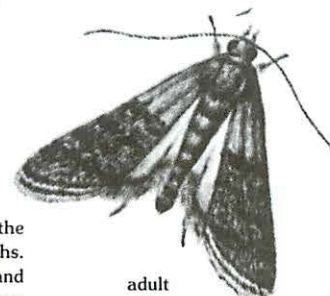
*Insect Pests*

#### Tobacco moth

These moths rarely infest anything except stored tobacco leaves, chocolate candy, and nuts.

#### Indian-meal moth

Meal moths are among the most destructive of all moths. They eat just about anything and reproduce so quickly they are difficult to control.



*Insect Pests*



*Insect Pests*



## 2 Moths corrupt our treasures through explosive and unpredictable multiplication.

When God gave the word for judgment, “He spake, and the locusts came, and caterpillars, and that without number” (Psalm 105:34).

When conditions are right, the population of some insects may literally explode. Their numbers increase so rapidly that a billion of them may be concentrated into an area of less than eight square miles. A horde that size may consume up to three thousand tons of food a day. Yet, they may disappear as quickly as they came.

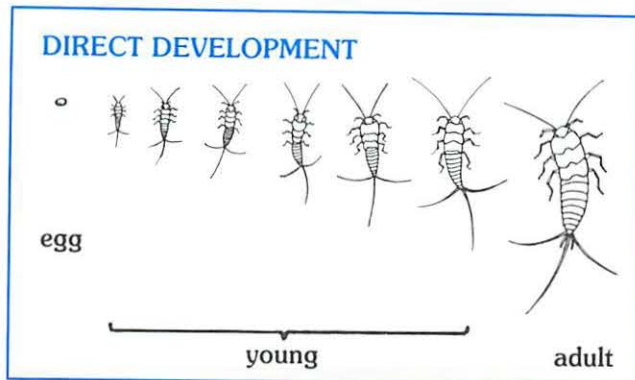


European

**Swarms of insects cannot remain in one place for very long. If they do not move to sources of fresh food, they will eat everything in sight and then starve.**

Even under average conditions, entomologists estimate that there are more insects living in any given square mile than there are people living on the entire earth.

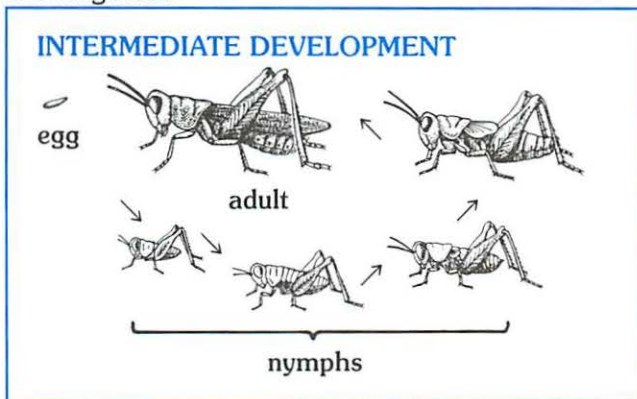
The rapid growth and decline of insect populations is the result of three remarkable developmental patterns. Some insects, upon hatching from an egg, look exactly like their adult parents, only smaller. As they grow, they do not change except to get bigger and bigger. Entomologists call this process “direct development.” These insects begin to eat as soon as they hatch and continue to destroy treasures throughout their adult lives.



Courtesy of Su Zan Noguchi Swain

**Silverfish are an example of insects that do not change form as they mature. They simply grow larger and larger, shedding their skin six times before they become adults.**

A second type of development involves an intermediate stage between egg and adult. Entomologists call those in this intermediate stage nymphs. Nymphs look like tiny adults without wings. They gradually develop wings as they mature but are unable to fly until they reach adulthood. Since millions of nymphs may reach adulthood on the same day, swarms of adults often suddenly take to the air as if they had come from nowhere. Nymphs are also capable of destroying large quantities of stored goods.



Courtesy of Su Zan Noguchi Swain

**Locusts are an example of intermediate development. The intermediate stage, in which the insects are called nymphs, develops gradually each time the locusts shed their skin. Only the adult, however, is capable of flying.**

A third type of development is the most dramatic. Many insects hatch from their eggs as tiny caterpillars. Entomologists call them larvae (singular, larva). Regardless of what they are called, however, they are designed as “eating machines.” Caterpillars eat so much and grow so quickly that in just two weeks they increase in size approximately 2,700 times.

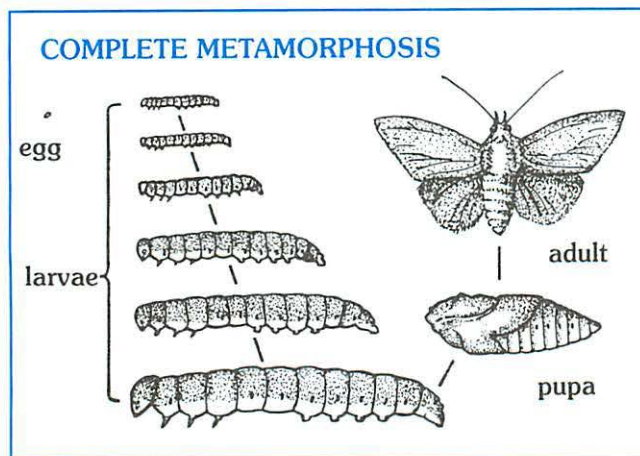
As a caterpillar matures, it eventually stops eating and enters the pupa stage. During this time



the caterpillar seals itself inside a *cocoon* and is dramatically transformed into the likeness of its parent. Entomologists call this transformation *metamorphosis*.

The word *metamorphosis* means “change of form” and comes from the Greek words μετά (meh-TAH), meaning “change,” and μορφή (mor-FAY), meaning “form.”

Unlike the first two types of development in which *all* the stages are “eating machines,” insects that follow this third type of development often eat only as caterpillars. The adult forms either do not eat at all or harmlessly feed on pollen or nectar.



Courtesy of Su Zan Noguchi Swain

**In complete metamorphosis, insects change dramatically as they develop. In most instances only the caterpillar (larva) stage destroys our earthly treasures.**

As “eating machines,” young caterpillars and nymphs grow so fast they actually split out the seams of their skin. Entomologists call this splitting process *ecdysis* (ECK-dih-sis).

*Ecdysis* is a Greek word meaning “an act of getting out.” The common term for it is *molting*. Before molting, an insect stops eating and begins producing a fluid that dissolves its old skin from the inside out. Eventually the old skin becomes so thin that it splits apart. The insect then wriggles out of the old skin, and a new layer of skin hardens in less than an hour.

Unfortunately, the new skin is the same size as the old skin. To stretch the new skin before it hardens, an insect swallows air or water to puff itself up. This action gives it room to eat more food. By molting, insects are able to satisfy their appetites without limit.

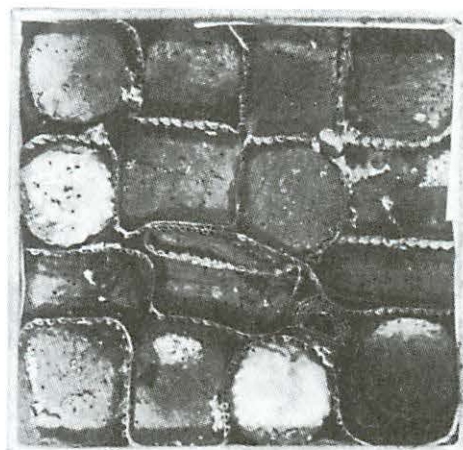
In some areas the swarms of insects may eat as much in a day as the human population in that same area eats in a year. For example, bean weevils in Nigeria regularly eat approximately half of the stored beans before farmers are able to plant their next crop.

1934

### 3 ***Moths corrupt our treasures by contaminating them.***

In addition to consuming stored goods, moths also contaminate them with their droppings, their shed casings, their webs, their eggs, and their dead bodies. For example, when contaminated grain is ground to make flour, insect parts and their wastes discolor the flour and give it an unpleasant taste. In many instances contaminated food and other goods also carry disease.

Most governments have a maximum allowable limit for insect contaminants in food. Grain or flour which exceeds these limits must be destroyed even though the grain itself may still be in good condition.



Controller of Her Britannic Majesty's Stationery Office

**“Moths” have not consumed all the cookies in this gift box. However, their droppings, eggs, and dead bodies essentially contaminate the entire collection of cookies.**

In the United States the Food and Drug Administration determines acceptable levels of contamination. These are technically referred to as “Defect Action Levels.” For example, stored wheat that contains thirty-two or more insect-damaged kernels in a one-hundred-gram sample is considered to be contaminated and unfit for human consumption.

Wheat flour has a “Defect Action Level” of fifty insect parts per fifty grams. Flour which exceeds that level must be destroyed. However, wheat flour that has fewer insect parts is considered safe to eat.

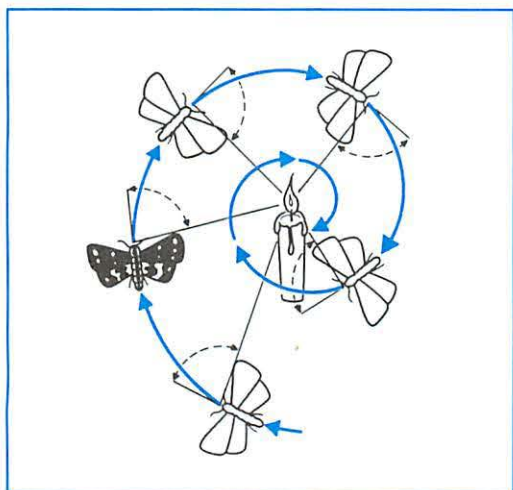
Raisins, peanut butter, apple butter, asparagus, macaroni, and cereals all have their own specific



Defect Action Levels. In fact, the FDA has a "DAL" for just about every type of stored food product.

<u>FOOD</u>	<u>DEFECT ACTION LEVEL</u>
Raisins	10 or more whole insects or 35 fruit fly eggs per 8 ounces
Peanut Butter	30 or more insect fragments per 100 grams
Apple Butter	5 or more whole or equivalent insects per 100 grams
Asparagus	10 percent by weight or 6 or more attached eggs or cocoons per stalk
Macaroni	225 insect fragments per 225 grams

## 4 *Moths corrupt our treasures by searching them out.*



Exposure to light often kills moths at night. Their attraction to bright objects such as candles or light bulbs is a result of their innate guidance system. Normally moths use the light of the moon to give them direction. They stay on course by flying at a constant angle to the rays of moonlight.

However, when moths fly at a constant angle to the rays of a local light source, they spiral closer and closer to the light. Eventually the heat of the light bulb burns their wings, causing them to fall helplessly to the ground.

While insects such as bees, butterflies, and ladybugs are most active during the day, the insects which attack stored goods typically prefer darkness. They are reclusive and secretive, preferring cracks and dark corners to daylight.

The clothes moth, for example, is active mostly at night and seeks the secluded folds of stored clothing to lay its eggs. Since the clothes moth attaches its eggs lightly to fabric, they can be shaken off quite easily. In most instances simply wearing a piece of clothing is enough to shake off any freshly laid eggs before they can hatch and do any damage. Clothes which remain in dark closets for long periods of time, however, literally invite clothes moths to be their guests.

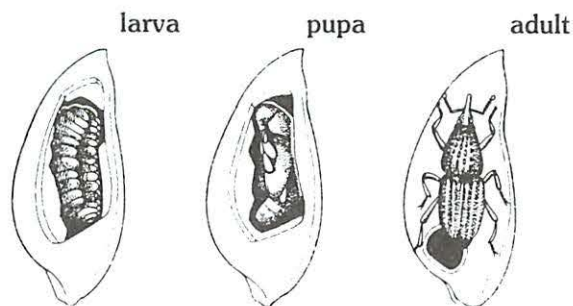


*Insect Pests*

Webbing clothes moths feed from within. They are very secretive and less visible than other insects. In fact, they spin tiny tunnels as they feed to protect themselves from light. Clothing that is worn regularly and exposed to light is rarely affected by moths.

Many insects also feed on stored kernels of grain from the inside out. For example, the granary weevil lays its eggs one at a time inside individual kernels of wheat. When the caterpillar hatches, it begins eating the soft inner parts of the kernel. Only after the larva turns into an adult beetle does it leave the kernel to find fresh food.

### Granary weevil

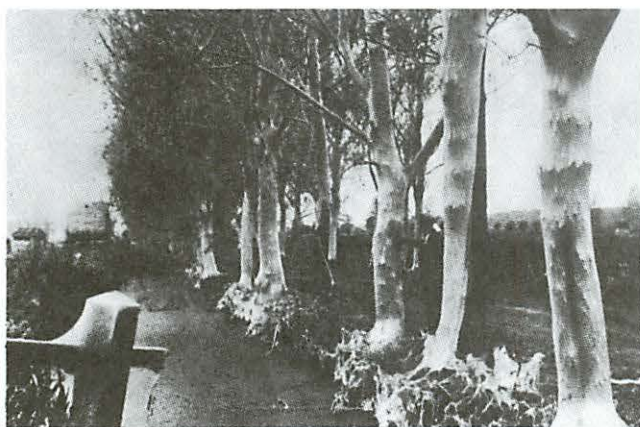


*Man and Insects, L.H. Newman, Natural History Press*



Mexican “jumping beans” are another example of insects that devour from within. The tiny larva of the *Laspeyresia saltitans* (lasp-uh-REEZH-(ee)uh sal-TEE-tanz), commonly known as the Mexican jumping bean moth, twists and turns inside a bean as it eats away, making it jump. Only after the caterpillar has completely hollowed out the bean and matured into an adult does it emerge to continue its life cycle and produce offspring.

Many types of moths actually prepare dark, webbed chambers in which to live. The casemaking clothes moth, for example, weaves a portable cocoon which it carries wherever it goes. When threatened or exposed to light, the casemaker retreats into its “case.”



Swains Ltd., Norwich

**Tent caterpillars produce extensive enclosures that seal in moisture and ward off hungry predators. They literally seal themselves and their food inside a homemade bag of silk. These caterpillars damage trees by eating most or all of their leaves, and they sometimes damage or destroy large sections of forest.**

Tent caterpillars may be kept under control by spraying with lead arsenate or by collecting and burning the eggs and larvae.

## 5 Moths corrupt our treasures by attacking our storehouses.

Insects have greatly varying lengths of life. Some live for less than a month, while others, such as the seventeen-year cicada, live for years. Most insects, however, complete their life cycles in one to two months and may lay anywhere from a dozen to several thousand eggs. Entomologists conservatively estimate that the average female insect lays approximately four hundred eggs during a two-month life cycle.

At that rate, an average pair of insects may give rise to as many as six generations in the course

of a year. In other words, 128,643,216,080,400 offspring are produced from one set of parents in a year's time.

Theoretically, a pair of houseflies that are far more prolific than average could produce about 190,000,000,000,000,000 young in only four months. Aphid parents, however, may be the real champions, spawning  $210^{15}$  young in less than a year. This number is approximately ten followed by thirty-four zeros.

Obviously that many insects would require a tremendous amount of food. That abundance is precisely what is available when large amounts of grain or other goods are stored in one place. Such conditions as those in storage bins, silos, granaries, or feed mills provide all the food a few insects need to reproduce explosively.

For example, a study done in Kenya, Africa, reveals the tremendous reproductive capabilities of “moths.” Uninfected bags of corn were placed in a granary full of beetles and their eggs for just four months. When the bags were inspected, researchers found that the one hundred-pound bags contained fifteen thousand beetles apiece. That is approximately one hundred fifty adult beetles per pound of corn. The reproductive rates evidenced by the number of adults in the bags were so dramatic that the researchers did not even bother to count the larvae, pupae, or eggs in each bag.



Her Britannic Majesty's Stationery Office, British Crown Copyright

**Fresh bags of grain are placed in a contaminated storehouse (upper left). Within a matter of days “moths” (beetles) enter the sacks and lay their eggs (lower left). After four short months the new grain is almost completely covered with webs and contains more than fifteen thousand insects per one hundred-pound bag (right).**



## HOW DOES RUST CORRUPT OUR EARTHLY TREASURES?

### 1 Rust corrupts our treasures by turning them to dust.

The dust of the earth contains iron ores such as hematite, magnetite, limonite, pyrite, siderite, and taconite. These ores are basically iron oxides that have become mixed with various impurities such as sulfur, carbon, or other elements. *Iron oxide* is the general name given to any compound made of iron and oxygen.



Ewing Galloway

Iron ores come from the dust of the earth. The chemical name for iron comes from the Latin word *ferrum*, from which iron also gets its chemical symbol, "Fe." Chemists refer to iron ores as *ferric* or *ferrous* oxides, depending on the relative amounts of iron and oxygen. Ferric oxide is written  $\text{Fe}_2\text{O}_3$ . Hydrated ferric oxide ( $\text{Fe}_2\text{O}_3 \cdot \text{H}_2\text{O}$ ) is *rust*.

To produce iron from the dust of the earth, iron workers first crush iron ore into a workable powder. They then concentrate the ore by washing away any particles that do not contain iron. Since nonferrous impurities are lighter than iron, they remain suspended in water, while the heavier iron ore settles to the bottom. Iron workers call these wastes *tailings*.

Some iron ore is magnetic and can be separated from tailings with the use of powerful magnets. The ore that results contains a high percentage of iron oxide. To separate the iron from oxygen, iron workers mix the concentrated ore with limestone and coke and then heat the mixture to more than  $3000^\circ\text{F}$ .

Coke is a purified form of coal that contains about 90 percent carbon. It burns to form *carbon monoxide* (CO). Carbon monoxide is a strong reducing agent that chemically separates oxygen atoms from iron atoms. This reaction produces carbon dioxide and pure iron.

Limestone reacts with other impurities in the iron ore to form what is called *slag*. As slag floats to the top of the melting iron, it is poured off and discarded, leaving the purified iron behind.

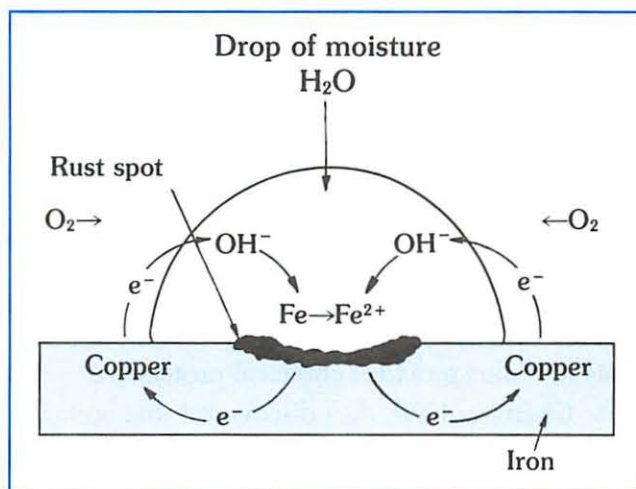
However, as soon as iron workers have gone to all this trouble to purify iron, iron begins to rust. Rusting is the process in which iron combines with oxygen and water in the presence of trace amounts of any remaining impurities to form  $\text{Fe}_2\text{O}_3 \cdot \text{H}_2\text{O}$ . In other words, as soon as iron workers have purified iron from the dust of the earth, the iron begins to return to its original iron oxide form.

### • The chemistry of rusting

Rusting is a complex electrochemical reaction which actually produces an electrical current. This reaction takes place whenever iron is exposed to moisture and oxygen in the presence of even a few atoms of a natural impurity such as copper. (Impurities cannot be *completely* removed.)

Experimental research suggests that even the tiniest drop of water on the surface of a piece of iron can complete an electrical circuit that connects the iron atoms with the atoms of the hidden impurities (copper). Because iron is more chemically reactive than copper, the presence of water produces an electrical potential difference between the iron and copper atoms.

This difference acts as a "pump" which starts electrons ( $e^-$ ) moving from one atom to another. Electrons leave the iron atoms (causing them to become positively charged), and move toward the copper. Along the way, however, oxygen atoms from the air intercept these loose electrons, and in the presence of water, form hydroxide ions ( $\text{OH}^-$ ) which are extremely corrosive.





The hydroxide ions join with iron to produce molecules of ferrous hydroxide  $[\text{Fe}(\text{OH})_2]$ . Further exposure causes the reaction to continue until eventually the iron combines with enough oxygen in moist air to form  $\text{Fe}(\text{OH})_3$  (ferric hydroxide), which is converted to  $\text{Fe}_2\text{O}_3 \cdot \text{H}_2\text{O}$ . As the iron continues to rust, it turns reddish brown and crumbles into dust.

Rusting proceeds even more rapidly when salt or the acids from auto exhausts are present. As they dissolve in water, they often double or even triple the rate at which iron oxidizes (loses electrons). This damage is especially noticeable on the undersides of bridges and overpasses. As moisture collects from early morning dew, exposed iron begins to rust. As the moisture dries up, the rusting stops. However, the salts and acids do not evaporate as water does. Instead, they accumulate over the years and greatly shorten the useful life of a metal bridge.

## **2** *Rust corrupts our treasures by requiring constant funds to protect them.*

The most common way of protecting iron is to coat it with paint, plastics, or other metals, or to use a special steam treatment. Coating is intended to reduce iron's contact with oxygen and moisture.

Metal bridges, for example, are sandblasted and repainted every twenty years. In between these major paint jobs, highway departments often repaint the paint to protect it from chipping and cracking. By protecting the paint they protect the bridge. Even with this extra effort, however, the average bridge is expected to last only fifty years.

Another way of preventing chipping and cracking is to electroplate a metal such as zinc onto the surface of a piece of iron. We know this process as *galvanizing*. Galvanizing protects iron from contact with oxygen and moisture. Even though the zinc itself rusts, it does not flake or crumble the way iron does.

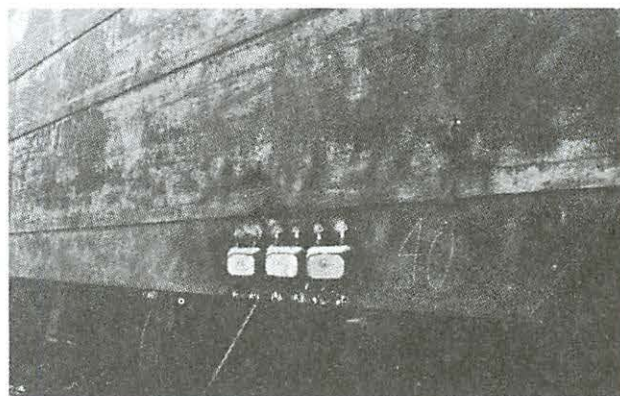
Because zinc is more reactive than iron, the two elements establish a potential difference between the iron and the zinc atoms. This potential difference pumps electrons from the zinc atoms to the iron atoms—just the opposite of what happens when iron rusts. Thus, galvanizing the iron not only coats it, it also provides chemical protection.

Chemists have also discovered that spraying iron with steam while it is still red hot from the furnace produces another type of rust-resistant

coating. The steam produces a thin layer of black rust that does not crumble as does ordinary rust. Instead, it seals the iron beneath it from any further exposure to oxygen and moisture.

Perhaps the most creative means of protecting iron is with a process that chemists call a *sacrificial cathode*. To protect ships and buried pipelines that are especially susceptible to rust, workers attach magnesium to the iron hull or pipe.

Like zinc, magnesium is more reactive than iron. It reacts so enthusiastically with oxygen that the iron is spared. The magnesium literally sacrifices itself for the iron. Unfortunately, the magnesium has to be replaced periodically. Failure to provide a fresh "sacrifice" causes the rusting process to resume.



American Smelting and Refining Company

**Magnesium attached to the iron plates of a ship's hull acts as a substitute and prevents the iron from rusting.**

These efforts, as ingenious as they may be, only postpone the inevitable. Even iron that has been coated, rustproofed, and sacrificially cathodized will eventually rust. In fact, the battle against rust consumed more than eight billion dollars' worth of our treasures between 1980 and 1987. That is more than a billion dollars a year.

## **PROJECT**

**Study the story of the rich man who tore down his barns in order to build bigger ones. (See Luke 12:16–21.) List ten advantages that the rich man would have enjoyed if moths and rust had consumed all his stored goods. How do you benefit when moths and rust corrupt your earthly treasures?**

Date completed \_\_\_\_\_ Evaluation \_\_\_\_\_





## AUTHORITY THROUGH ACCURACY

### HOW DO DEPRECIATION, INFLATION, AND APPRECIATION CORRUPT EARTHLY TREASURES?



H. Armstrong Roberts

The husband and wife pictured above are preparing to drive their new car home. Do you know how long it will take for their "investment" to lose 20 percent of its value? 50 percent? 70 percent?

### 1 DEPRECIATION, LIKE A MOTH, DEVOURS EARTHLY TREASURES BY EATING AWAY AT THEIR VALUE.

Six months ago, Mr. B bought a new car. Since then he has driven it only 3,000 miles. One month ago he became dissatisfied with the car and decided to trade it in on a different new car. He had paid \$13,600 for the first car. When he went to trade it in on the second car, he discovered that his first car was now worth only \$11,900!

Mr. B found out that "depreciation" had eaten away \$1,700 of the value of his car between the time he bought it and the time he wanted to trade it.

Economists define *depreciation* as "a drop in the value of any sort of property or asset." Think of something you own. How much did you pay for it?

For how much do you think you could sell it now? The difference is the amount that item has depreciated since you bought it.

Almost everything you buy depreciates—cars, furniture, clothing, appliances, even toys.

Although the amount of care given these things helps to slow their depreciation, all of these pieces of property are worth less now than when you bought them.

The amount a car depreciates is determined by used car guides commonly called "Blue Books." One such guide is published monthly by the National Automobile Dealers Association (NADA). Car dealers, bankers, and insurance companies use this guide to determine the present value of a used car.

#### DEPRECIATING VALUE OF A NEW CAR

Date of Purchase	Purchase Price	Depreciated Value of Car (February, 1988)	Percent of Depreciation
1981	\$8,114	\$3,400	58%
1982	8,603	4,100	?
1983	9,084	5,050	44%
1984	10,051	6,700	?
1985	10,596	8,100	?
1986	12,760	10,525	?
1987	13,639	11,925	13%

This chart is based on figures from the NADA Used Car Guide, February 1988.

For example, according to the NADA Official Used Car Guide, a car that sold for \$8,114 in 1981 was worth \$3,400 in February of 1988. A comparable model, selling new for \$8,603 in 1982, was worth \$4,100 in February of 1988. In 1985 a new car that sold for \$10,596 was worth only \$8,100 by February 1988. The 1987 model, which sold for \$13,639, was worth only \$11,925 by February of 1988.

The NADA guide considers that on the average, any car more than seven years old has depreciated completely and has no value left. A 1980 model car is worth nothing in 1988, according to the guidebook. A 1988-model car valued at more than \$10,000 will be worth *nothing* by the year 1996! Although you might still be able to find a buyer for the car, a bank would not grant a loan for it, and an insurance company would pay very little to repair it if it were involved in an accident.



Suppose your family buys all new appliances for your house. You buy a new washer, refrigerator, dryer, and stove. What will these “treasures” be worth in ten years?



Ewing Galloway

**How quickly will the new stove above lose all its value?**

The chart below can answer these questions. The columns give the average new price for each of these appliances, how long each one is expected to last, the percentage each one depreciates in one year, the dollar amount each one depreciates in one year, and the net worth of each one after one, two, five, and ten years.

What is the average price for a new washer? Look at the column labeled “Average new price.” Go down the figures until you come to the one on the same line as the word “washer.” You will find

the amount, \$400. That is the average price you would expect to pay for a new washing machine.

In the next column to the right, the life expectancy of that washer is given as eight years. In other words, it is expected that after eight years, this “treasure” will be worn out, and your family will have to buy another one.

Each year your washer loses 1/8 of its value, or approximately 12 percent. This is the figure in the next column to the right, “Depreciation each year.” Because \$48 is 12 percent of the original price of \$400, this is the figure in the column labeled “Amount depreciated each year.”

To find out what your washer is worth after one year, subtract the amount of one year’s depreciation from the original price.

$$\begin{array}{r} \$400.00 \text{ New price} \\ - 48.00 \text{ Depreciation in 1 year} \\ \hline \$352.00 \text{ Value of washer after 1 year} \end{array}$$

To find out what your washer is worth after two years, first calculate the amount of depreciation for two years.

$$\begin{array}{r} \$48.00 \text{ Depreciation in 1 year} \\ \times 2 \text{ Number of years} \\ \hline \$96.00 \text{ Depreciation in 2 years} \end{array}$$

Then subtract this amount of depreciation from the original price to find out what your washer is worth after two years.

$$\begin{array}{r} \$400.00 \text{ New price} \\ - 96.00 \text{ Depreciation in 2 years} \\ \hline \$304.00 \text{ Value of washer after 2 years} \end{array}$$

If you add up the average new prices for these appliances, you find that the total amount of money your family would have to spend for the “treasure” of new appliances is \$1,895.

If you add up the worth of these appliances after ten years, you find that this “treasure” is now worth only \$352.50.

$$\begin{array}{r} \$1,895.00 \text{ Total original purchase price} \\ - 352.50 \text{ Total value after 10 years} \\ \hline \$1,542.50 \text{ Depreciation} \end{array}$$

Depreciation is not always figured the same way because assets depreciate at different rates.

STRAIGHT-LINE METHOD OF DEPRECIATION								
Item	Avg. new price \$	Life expectancy in years	Dep. each year	Amount dep. each year	Depreciated value after			
					1st year	2nd year	5th year	10th year
Refrigerator	650	15	7%	45.50	604.50	559.00	422.50	195.00
Washer	400	8	12%	48.00	352.00	304.00	160.00	00.00
Dryer	320	8	12%	38.40	281.60	243.20	128.00	00.00
Stove	525	15	7%	36.75	488.25	451.50	341.25	157.50
Totals	1,895							352.50



There are two ways to figure depreciation. The easiest way is the **Straight-Line Method**, which is the way you figured the depreciation for the appliances. Simply divide the purchase price by the number of years the item is expected to last, and then subtract that amount each year from what the item was worth the previous year.

A second way to figure depreciation is to depreciate an item a greater amount the first few years it is owned than the last few years it is owned. Cars are depreciated this way. A new car loses as much as 15 percent of its value in the first year, and only 6 or 7 percent the following year.

One of the ways to figure this second method of depreciation is called the **Double-Declining Balance Method**. The formula used in this method is

$$D = \frac{2}{n} R \quad \text{or} \quad D = \frac{2R}{n}$$

“D” stands for the amount of depreciation, “n” stands for the number of years the item is expected to last, and “R” is the amount of value left in the object.

Use the washer as an example. When the washer is new, the formula looks like this:

$$D = \frac{2}{8} \times \$400.00$$

$$D = \$100.00$$

For the first year, the amount of depreciation using the Double-Declining Balance Method is \$100. Using the Straight-Line Method, the depreciation the first year is only \$48.

What would the depreciation be for the second year? The value for “n” remains the same, 8, but the value for “R” changes. It is now the original value, \$400, minus the first year’s depreciation, \$100. “R” now equals \$300.

### DOUBLE-DECLINING BALANCE METHOD OF DEPRECIATION

ITEM	AVG. NEW PRICE	LIFE EXPECT- ANCY	AMOUNT DEP. 1ST YEAR	AMOUNT DEP. 2ND YEAR	AMOUNT DEP. 3RD YEAR
REFRIGERATOR	\$650	15 years	$D = \frac{2}{15} \times 650$ $D = \$86.67$	$D = \frac{2}{15} \times 563.33$ $D = ?$	$D = \frac{2}{15} \times ?$ $D = ?$
WASHER	\$400	8 years	$D = \frac{2}{8} \times 400$ $D = \$100.00$	$D = \frac{2}{8} \times 300$ $D = \$75.00$	$D = \frac{2}{8} \times ?$ $D = ?$
DRYER	\$320	8 years	$D = \frac{2}{8} \times 320$ $D = \$80.00$	$D = \frac{2}{8} \times 240$ $D = ?$	$D = \frac{2}{8} \times ?$ $D = ?$
STOVE	\$525	15 years	$D = \frac{2}{15} \times 525$ $D = \$70.00$	$D = \frac{2}{15} \times 455$ $D = ?$	$D = \frac{2}{15} \times ?$ $D = ?$



$$D = \frac{2}{8} \times \$300.00$$

$$D = \$75.00$$

The second year's depreciation is \$75, which is an amount less than the first year's depreciation, but still more than what was figured using the Straight-Line Method.

Taking a greater amount of depreciation the first few years and less the last few years more accurately reflects the value of the washer. The first year the washer needs few, if any, repairs, and those repairs are usually covered by an agreement from the manufacturer. The older the washer gets, the more likely it will need repairs, and the cost of those repairs must be paid by the owner. As the cost of keeping the washer working goes up, the value of the washer goes down.

Some material possessions, like the washer, depreciate as they lose their usefulness, or as they begin to cost more to continue using them. Others depreciate because they have been damaged. A brand new washer with a scratch in the side has already depreciated even though it still has all of its useful life left.

Many items depreciate because of style changes. Clothing is an example of this. A sweater or coat that was a popular style last year is worth less this year, even if it was never worn, and even if it can still serve its purpose of keeping you warm.



Finally, items depreciate because newer, more technologically advanced models replace them. During the 1980s, computer companies redesigned their personal computers so quickly that "almost new" models rapidly became obsolete and lost almost all of their original value to depreciation.

## PROJECT 1

1. From the chart on Straight-Line Depreciation of appliances (page 1940), find the worth of the average refrigerator, washer, dryer, and stove after three, four, six, and seven years.
2. Look at the chart on the depreciation of a new car (page 1939). The 1981 car, worth \$8,114 new,

was worth \$3,400 in February, 1988. The amount that the car had depreciated was:

$$\begin{array}{r} \$8,114.00 \\ - 3,400.00 \\ \hline \$4,714.00 \end{array}$$

Use the same method to calculate the amount that each car has depreciated.

3. (For older students) The column on the far right of the same chart gives the percent each car has depreciated. For example, the 1981 car has lost 58 percent of its value through depreciation. To find this percent of loss, take the amount of depreciation and divide it by the original purchase price.

The amount of depreciation for the 1981 model is \$4,714. (You found this in problem 2.) The original purchase price for the 1981 model was \$8,114.

$$4,714.00 \div \$8,114.00 = .58, \text{ or } 58\%$$

Use the same method to find the percent of depreciation for the remaining cars. (Use your answers from problem 2.)

4. (For older students) Use the Double-Declining Balance Method, and fill in the blanks in the chart on page 1941.

## 2 INFLATION, LIKE A THIEF, STEALS EARTHLY TREASURES BY SHRINKING THE DOLLARS USED TO BUY THEM.



The average cost of a gallon of gasoline in 1967 was 32¢. By 1987, the cost of that same amount of gasoline averaged \$1.05. Did the gasoline increase in value during those twenty years?

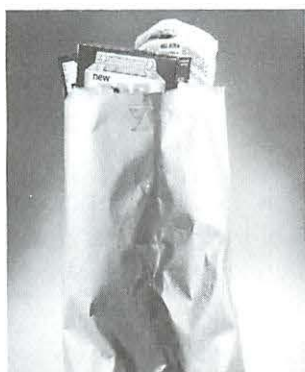


Pretend it is 1967. You and your family have just gone shopping and have bought four items whose prices total \$100. Now pretend it is 1980. Your family takes the same shopping trip, but this time must spend \$247 to buy the same four articles. By 1986, the prices for the same four items total \$331. The dollars you spent for these items in 1967 have "shrunk." You now need 331 of them to buy what 100 used to buy.

Why does your family have to pay \$231 more for these needs in 1986 than it did in 1967? The reason is something called **inflation**.

Economists define inflation as an increase in the prices of the things that we buy. There are two ways of looking at how inflation affects you. The first way is to compare the dollars it takes to buy an item now with the dollars it took to buy that same item a few years ago.

For example, a house or apartment that cost \$110 to rent for one month in 1970 cost \$191 to rent in 1980 and cost \$285 to rent in 1986. A family that spent \$113 on groceries each month in 1970, spent \$251 for those same groceries in 1980, and \$308 in 1986!



Ewing Galloway



Ewing Galloway

**Very few items in the grocery store are sold today at a cost of less than \$1.00. Interview family members from different generations to compare costs of individual items throughout their lives. Make a chart comparing the average cost of a bag of staple grocery items.**

What \$110 could rent in 1970 required \$285 in 1986. What \$113 could buy at the grocery store in 1970 required \$308 in 1986. Between 1970 and 1986, inflation shrank the amount \$110 could buy in rent, and what \$113 could buy in groceries.

The amount of inflation, or how many dollars it will cost to buy an item in the future, is not something that can be predicted, like depreciation.

It can be figured only by looking backward in time, by comparing the price of an object now against its price a few years ago.

Each month the Bureau of Labor Statistics, a division of the U.S. Department of Labor, gathers

information from 85 different areas of the country, and from over 70,000 sources on the prices of food, housing, transportation, health care, clothing, and other goods and services. It compares the present cost of these items with what the same items cost the previous month. The percent of increase is the amount these items have "inflated."

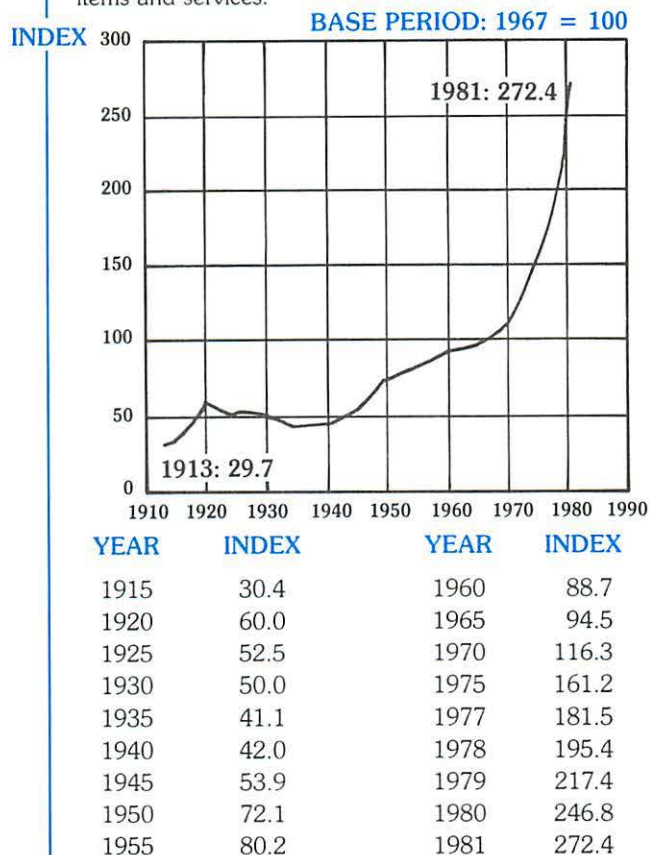
This information is then put into a table called the *Consumer Price Index*. It measures price changes as a percent of what an item cost the month before. Suppose that during the month of January a gallon of unleaded gasoline cost \$1.00 in your area. By the end of February this same gallon of gasoline cost \$1.03. The amount of increase was \$0.03. Figured as a percentage:

$$\frac{\$0.03}{\$1.00} = .03 \text{ or } 3\%$$

The Consumer Price Index uses the year 1967 as its base. Prices for years before and after 1967 are expressed as a percentage of average 1967 prices.

## COST OF LIVING IN THE UNITED STATES

The Consumer Price Index, prepared by the U.S. Bureau of Labor Statistics, measures the cost of living in the United States. The index shows changes in prices of goods and services purchased by city and suburban residents. The bureau collects prices for thousands of items and services.





Look at the chart on the previous page which shows the changes in the Consumer Price Index between 1915 and 1981. To understand the dates and figures under the chart, imagine that you and your family went shopping in 1981 and spent \$272.40. If you had bought exactly the same items in 1967, you would have only spent \$100.00. If you had bought these items in 1915, you would have spent just \$30.40!

How much would you have spent in 1945? In 1960?

The Consumer Price Index measures price changes in food and drink, housing, clothing, transportation, medical care, and entertainment. It then averages these price changes together to come out with one figure to express the amount of inflation from one year to the next.

Look at the chart below entitled "Average Consumer Price Indexes." Locate the column "1980." Under the year 1980 are the words "Index," and under the word "Index" is a column of numbers. Find the first number under the word "Index." It should be 247.0.

Now look on the same line to the left of the number 247.0. The words there read, "All items." This means that the average Consumer Price Index for all items for the year 1980 was 247.0. Remember that the year 1967 is used as the base. This means that what cost \$100.00 to buy in 1967 cost \$247.00 to buy in 1980.

In the column to the right of 247.0 is a second number. This gives the percentage that prices increased over the previous year. Prices increased 13.5 percent from 1979 to 1980. For every \$100.00 spent in 1979, you needed \$113.50 in 1980.

Now look at the other numbers on the lines under the year "1980." Which item had the highest index? Medical care was the highest at 267.2. Again, \$100.00 worth of medical care in 1967 cost \$267.20 in 1980.



**How many factors which have contributed to the rapid and dramatic rise in medical costs can you identify?**

Which item had the highest percent increase over 1979? Transportation, increased 17.7 percent over the previous year. Which item had the lowest index and the lowest percent increase between 1979 and 1980? Apparel and its upkeep at 177.4 had only a 6.6 percent increase.

A negative sign (–) in front of a percent means that the average cost of the item went *down* from one year to the next. During the years 1980 to 1986 only one item went down. Can you find it?

This first way of looking at inflation examines how much prices have gone up. A second way of

### AVERAGE CONSUMER PRICE INDEXES

The Consumer Price Index (CPI) measures the average change in prices of goods and services purchased by urban wage earners and clerical workers (1967 = 100).

	1980		1981		1982		1983		1984		1985		1986	
	Index	% +	Index	% +	Index	% +	Index	% +	Index	% +	Index	% +	Index	% +
All items .....	247.0	13.5	273.3	10.2	288.6	6.0	298.4	3.2	311.1	4.3	322.2	3.6	331.1	1.1
Food, drink .....	248.7	8.7	267.8	7.7	278.5	4.0	284.7	2.2	295.1	3.7	302.0	2.3	317.0	3.7
Housing .....	263.2	12.3	293.2	11.4	314.7	7.3	322.0	2.3	336.5	4.5	349.9	4.0	362.1	1.8
Apparel, upkeep .....	177.4	6.6	186.6	5.2	190.9	2.3	195.6	2.5	200.2	2.4	206.0	2.9	210.9	0.9
Transportation .....	250.5	17.7	281.3	12.3	293.1	4.2	300.0	2.4	311.7	3.9	319.9	2.6	308.4	-5.9
Medical care .....	267.2	11.3	295.1	10.4	326.9	10.8	355.1	8.6	379.5	6.9	403.1	6.2	446.8	7.7
Entertainment .....	203.7	8.5	219.0	7.5	232.4	6.1	242.4	4.3	255.1	5.2	265.0	3.9	277.4	3.4
Other .....	213.6	8.8	233.3	9.2	257.0	10.2	286.3	11.4	307.7	7.5	326.6	6.1	355.2	5.6



looking at inflation examines how much the value of the dollar has gone down. Money depreciates in much the same way as do washers, dryers, and cars.

Examine the chart (below), "Purchasing Power of a Dollar: 1940 to 1985." Find the year 1967. Again, this is the base year when \$1.00 = \$1.00.

Look at the years before 1967. The value of \$1.00 in each of those years is more than \$1.00. That means that a 1967 dollar could have bought

\$2.38 worth of goods in 1940. A 1967 dollar could have bought \$1.40 worth of goods in 1949.

What happens to the value of that dollar after 1967? It keeps going down. A 1967 dollar bought only \$.86 worth of goods in 1970, and only \$.62 by 1975. What could it buy in 1985?

From 1967 to 1985 the dollar's worth dropped from \$1.00 to \$0.31. Inflation, like a thief, stole \$0.69 from every dollar from every person in the United States. That was quite some robbery!

#### PURCHASING POWER OF A DOLLAR: 1940 TO 1985

YEAR	PURCHASING POWER OF A DOLLAR	YEAR	PURCHASING POWER OF A DOLLAR	YEAR	PURCHASING POWER OF A DOLLAR
1940	\$2.38	1960	\$1.13	1973	\$0.75
1945	1.86	1961	1.12	1974	0.68
1948	1.39	1962	1.10	1975	0.62
1949	1.40	1963	1.09	1976	0.59
1950	1.39	1964	1.08	1977	0.55
1951	1.28	1965	1.06	1978	0.51
1952	1.26	1966	1.03	1979	0.48
1953	1.25	1967	1.00	1980	0.40
1954	1.14	1968	0.96	1981	0.37
1955	1.25	1969	0.91	1982	0.35
1956	1.23	1970	0.86	1983	0.34
1957	1.19	1971	0.82	1984	0.32
1958	1.16	1972	0.80	1985	0.31
1959	1.14				

Inflation is not limited to the United States. Notice the chart below which shows the inflation rate (Percent Change in Consumer Prices) for some other countries. Between 1970 and 1975, the average inflation rate each year in the U.S. was 6.7%.

During that same time period Portugal's average inflation rate per year was 15.4%.

Between 1975 and 1980, our average inflation rate was 8.9% each year. For the same time period, the average yearly rate of inflation in Turkey was

#### PERCENT CHANGE IN CONSUMER PRICES IN SELECTED COUNTRIES

COUNTRY	1970- 1975, avg.	1975- 1980, avg.	1980- 1985, avg.	COUNTRY	1970- 1975, avg.	1975- 1980, avg.	1980- 1985, avg.
United States .....	6.7	8.9	5.5	Luxembourg .....	7.2	6.1	6.9
Australia .....	10.2	10.6	8.3	New Zealand .....	10.2	14.8	12.0
Austria .....	7.3	5.3	4.9	Netherlands .....	8.6	6.0	4.2
Belgium .....	8.4	6.4	7.0	Norway .....	8.4	8.4	9.0
Canada .....	7.3	8.7	7.4	Portugal .....	15.4	21.8	23.2
Denmark .....	9.3	10.4	7.9	Spain .....	12.1	18.6	12.2
Finland .....	11.7	10.7	8.6	Sweden .....	8.0	10.5	9.0
France .....	8.8	10.5	9.6	Switzerland .....	7.7	2.3	4.3
Greece .....	12.3	16.3	20.7	Turkey .....	18.6	50.1	37.8
Ireland .....	13.3	14.1	12.3	United Kingdom ....	13.0	14.4	7.2
Italy .....	11.3	16.3	13.7	West Germany .....	6.1	4.1	3.9
Japan .....	11.5	6.5	2.7				



50%. Can you find from the chart the country with the highest average inflation rate between 1980 and 1985?

Although economists have many theories about inflation, they do agree on one thing—inflation occurs when the supply of money grows faster than the supply of goods and services. What economists disagree on is what causes this imbalance between the supply of money and the supply of goods and services it can buy.

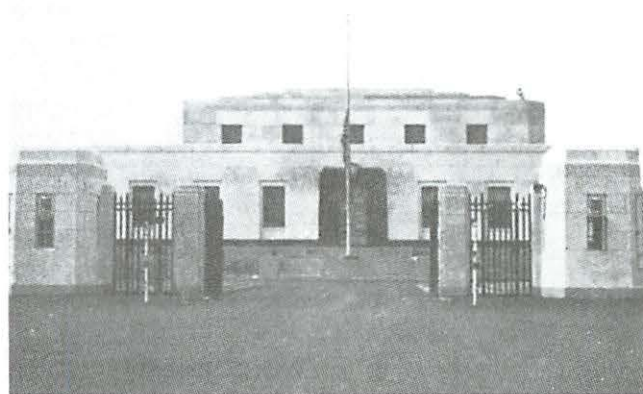
Excessive government spending is one cause. When the government repeatedly spends more than it receives in taxes, the result is a large deficit. To cover a very large deficit, the government borrows money from banks by selling what are called *securities*. Although banks buy these securities, no money actually changes hands. The banks simply credit, or add, the price paid for the securities to the government's checking account without adding any "real" money to the government's account.



The government then "writes checks" on these accounts to pay its bills. Companies receiving these checks add them to their own checking accounts and write checks to pay their employees. The employees then cash these checks or add them to their checking accounts.

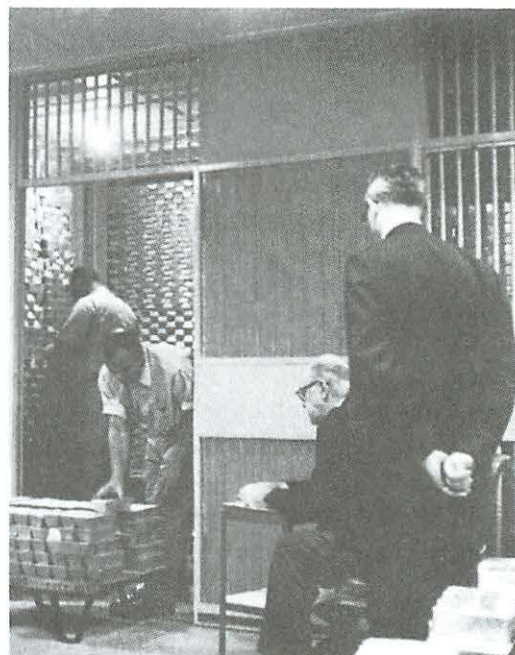
This entire supply of money started with the sale of government securities to a bank. Although no "real" money was ever added to the government's account, the amount that was credited to the government's checking account created an additional supply of money. For example, if the government sold one million dollars' worth of securities to a bank, and the bank added one million dollars to the government's account without any "real" money to back it up, a new supply of one million dollars would exist in the economy that had not been there before.

An imbalance has now been created between the supply of money and the supply of goods and services. There is now more money than there used



U.S. Bureau of the Mint

**Fort Knox houses much of the U.S. gold supply in special vaults. At one time the Federal Reserve was limited in the amount of money it could produce by the government's supply of the metals it used to back money; however, changes in economic philosophy have increasingly caused government to move away from the gold standard to issue inflationary dollars not backed by gold or silver.**



Federal Reserve Bank of New York

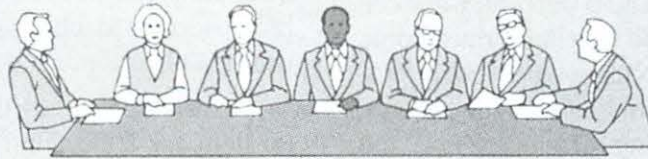
**Major Federal Reserve banks have gold storage vaults such as the one pictured here with compartments assigned to various nations. International debts are paid by moving the gold from one compartment to another.**

to be, while the supply of goods and services has stayed the same. The supply of money has inflated.

Manufacturers' overpricing of goods also contributes to inflation. This happens when a company sells a product for much more than it cost to make it in order to take advantage of a big demand for the product. This happened when the oil-producing countries suddenly raised the price of oil in the 1970s from \$2.60 a barrel to over \$38.00 a



## HOW THE FEDERAL RESERVE SYSTEM ADJUSTS THE MONEY SUPPLY



**The Board of Governors** of the Federal Reserve System reviews data on employment, industrial output, inflation, and other economic trends. It decides to increase the money supply.

**The Discount Rate** is the interest rate banks pay to borrow from the Federal Reserve. Lowering the rate encourages banks to grant loans.

**Open-Market Operations** involve buying and selling government securities. To boost the money supply, the Federal Reserve buys securities.

**The Reserve Requirement** is the amount of money banks must keep on reserve. Lowering the requirement enables banks to make more loans.



**An Open-Market Trader** of the Federal Reserve buys securities from dealers and pays by check. The dealers deposit the checks in their banks, which must put part of the money on reserve but can lend the rest.



**The Money Supply Expands** when banks make more loans because of a lower discount rate, open-market purchase, or lower reserve requirement.

The Federal Reserve System, the central bank of the United States, regulates the nation's money supply. This chart shows how the Federal Reserve puts more money into circulation. To shrink the money supply, the Federal Reserve takes opposite actions.

World Book diagram by David Cunningham



barrel, even though the cost of producing the oil remained the same.

Labor unions also contribute to inflation by asking for higher wages for workers without increased production. If wages go up 6 percent but actual production goes up only 3 percent, the extra money to pay for the increase in salaries must come from an increase in the price of what is being produced. Again, the relationship between the amount of goods and services being produced and the amount of money available to buy these items is out of balance.

## PROJECT 2

In 1969, the magazine *U.S. News and World Report* published the book *Inflation Simplified: What It Means to You and Me*. By examining inflation rates from the years before 1969, the authors made some projections as to what certain items would cost in the year 2000.

Listed below are the items and the predictions for the year 2000. Find out what the current prices are in your area for these items. (You will get several answers for some items.)

PROJECTED COST OF SELECTED SERVICES AND PURCHASES			
SERVICE / PURCHASE	AVERAGE COST IN 1967	PROJECTED COST FOR 2000	ACTUAL COST IN YOUR AREA
ROOM CHARGE FOR ONE DAY IN HOSPITAL	\$75	\$630	
MAN'S HAIRCUT	\$2	\$10	
WEEK'S FOOD FOR A FAMILY OF SIX	\$60	\$168	
AVERAGE HOUSE	\$40,000	\$86,000	
NEW CAR	\$4,000	\$9,900	
MAN'S SUIT	\$80	\$270	
DR.'S FEE FOR DELIVERING A BABY	\$200	\$640	
YEAR AT A PRIVATE COLLEGE	\$2,570	\$6,000	



### 3 APPRECIATION SPOILS EARTHLY TREASURES BY ADDING A FALSE VALUE TO THEM.

In 1984 the country of Israel had an inflation rate of about 1,000 percent. In September, 1984, a certain model car cost 4,628,726 shekels. On October 21, 1984, the same car cost 5,313,272 shekels. At 12:29 p.m. on October 24, the same car cost 5,594,544 shekels. At 12:31 p.m. on October 24, the cost was 5,673,370. By early November the car cost over 6,000,000 shekels.

During periods of inflation, the world tells us to buy now, because whatever we want to buy is going to cost more tomorrow.

However, what happens to the value of what we buy once it is purchased? It begins to depreciate. The price of the car in the illustration above kept going up. What will happen to the value once the car is purchased? It will go down, losing perhaps as much as 15 percent of its value within a few months.

What is the answer? If I wait to buy my "treasure," it will cost me more tomorrow; but as soon as I buy my "treasure," its value will be less.



**The world's solution is to buy or invest in items which will "appreciate" or gain in value.**

Popular "investments" include buying stocks and bonds, diamonds, gold, silver, and real estate, and purchasing such collectibles as antiques, rare stamps, books, coins, and works of art.

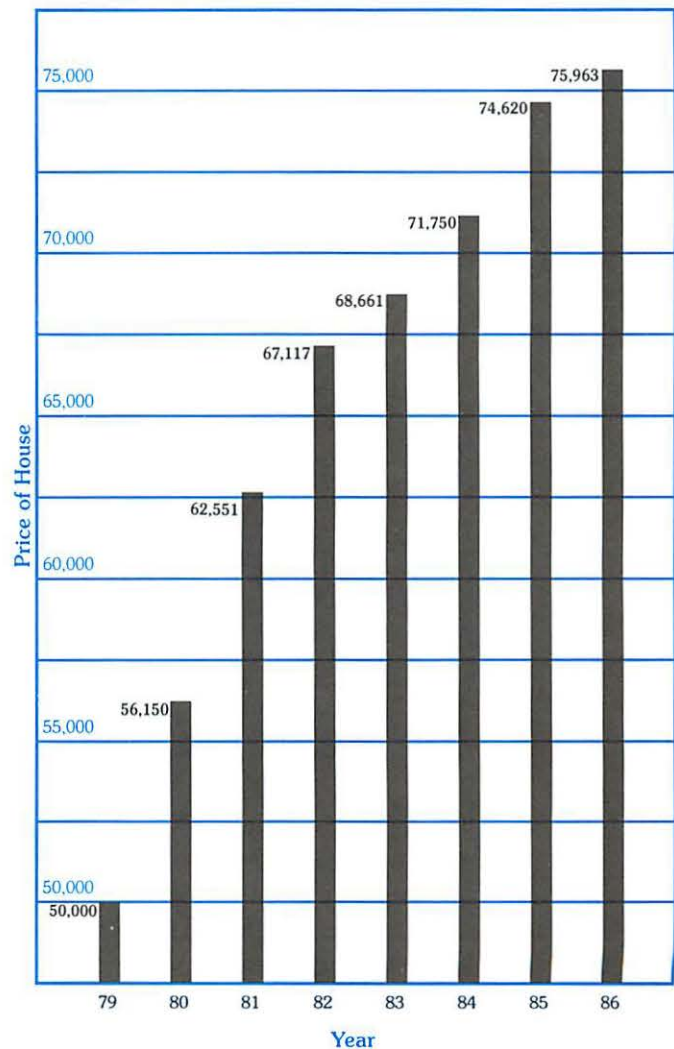
Not every stock, diamond, stamp, or antique appreciates. What makes some appreciate and not others? This difference results from an extra or false value that the world has added. This false value depends on the principle of supply and demand, existing only when the supply of these items is small and the demand for them is great. This drives the price up, and the item appreciates.

For example, if you have a half dollar in your pocket, it is worth \$.50. But if you have a half dollar made in 1964 it is worth much more. Its value in 1985, depending on its condition, was about \$7.00. Why? President Kennedy was killed in 1963. The half dollars minted in 1964 were the first ones made with his likeness on them, and were made to honor him.

Although more than 277 million of these half dollars were made, people kept them as souvenirs and did not use them as money. As the rumor spread that the value of the coin was going up, even more of the coins were hoarded and not spent.

The supply of available half dollars went down as the demand for them went up. What happened to the price? It went up also. What would happen to the price of the coins if all 277 million of them were put back into the market and there were no buyers? Each of the 277 million would be worth \$.50 again; their false value would disappear.

#### INCREASE IN PRICE OF A HOUSE DUE TO INFLATION





## INCREASE IN PRICE OF A HOUSE DUE TO INFLATION

Year	Price of House	Year	Price of House
1979	\$50,000	1983	\$68,661
1980	56,150	1984	71,750
1981	62,551	1985	74,620
1982	67,117	1986	75,963

Housing and real estate have always been considered “good investments” since it is believed that the price of houses and land will always appreciate. Examine the graph and table entitled “Increase in Price of a House.” A house that cost \$50,000 new in 1979 had to be worth \$75,963 in 1986 just to keep up with inflation. That same \$50,000, deposited in a bank at 10.25 percent interest in 1979 would have been worth over \$100,000 in 1986.

In 1977, an acre of farmland in Wisconsin on the average sold for \$691. In 1981, the average price of an acre of Wisconsin farmland had risen to \$1,050. The number of people with enough money buying farmland (the demand) was greater than the amount of land available (the supply).

By 1986, the average price had fallen to \$684. What happened during those years? The supply and demand reversed. As more and more farmers put their land up for sale, the amount of land available (the supply) became much greater than the number of people with enough money to buy the land (the demand).



H. Armstrong Roberts

What causes a ten-year-old car in good condition to have little value, whereas a forty-year-old car in good condition has great value? The principle of supply and demand has caused the value of the older car to appreciate by adding a false value—there are relatively few antique cars and relatively many who would like to own one.

1950

Investors have looked at gold and silver as something that will appreciate and protect their earthly treasures. In 1970, a fine ounce of gold sold for \$36.40. By 1980 the price was \$612.60. But by 1985 the price had dropped almost in half to \$312.70.

A fine ounce of silver sold for \$1.77 in 1970. In 1980 the price was \$20.63. But by 1985 the price had dropped by almost two thirds to \$6.14.

Diamonds increase in value. Are they outside of the principle of supply and demand? No. Diamond producers have formed a syndicate, the Central Selling Organization, that controls almost completely how many diamonds are for sale at any given time. The CSO carefully ensures that the supply of diamonds is always less than the demand in order to keep prices high. Should the control of the CSO break down, the market would be flooded with more diamonds than buyers, and prices would drop sharply.

Stocks on the New York Stock Exchange are also bought and sold on the principle of supply and demand. When the demand for a certain stock is great, the price of the stock rises. When the supply of that same stock is great and the demand is small, the price goes down.

When the demand for stocks is higher than the supply for a long period of time, the price of stocks appreciates too much and becomes inflated. Many economists feel that this is what caused the fall in stock market prices in October, 1987. The false value created by the imbalance in supply and demand “spoiled” the prices of the stocks.

## PROJECT 3

The real estate agent is telling the couple they will save more money buying this house with a mortgage during a time of inflation than they will trying to save the money in the bank for a cash-in-full purchase at a later time.

In view of Christ's parables in Matthew 13:44–46, is the counsel of this saleslady correct? What roles could the media and pressures from society play in influencing this couple?



H. Armstrong Roberts

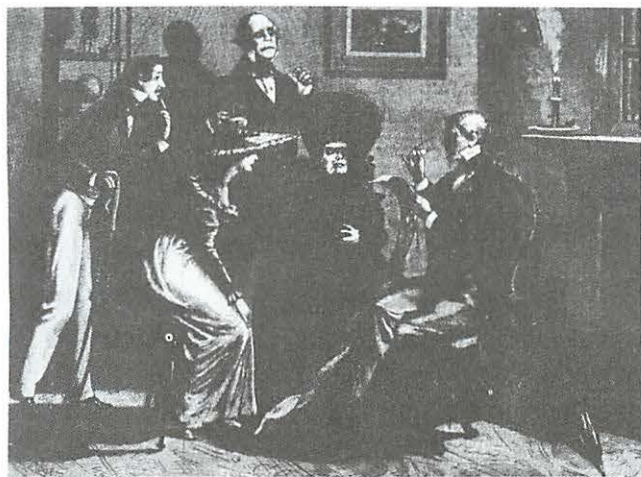
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## LAW RESOURCE

### HOW DO INHERITANCE LAWS PENALIZE THOSE WHO LAY UP TREASURES ON EARTH?



Harper's Weekly, 1878

**These expectant heirs, eagerly listening as the lawyer reads the will, do not realize that the treasures their relative laid up on earth are about to be plundered by "thieves," "moths," and "rust."**

Mr. Adams had worked hard all his life. He was not a rich man, but he had managed to provide a comfortable living for his wife and three sons.

After his wife died, Mr. Adams continued to live in the modest house they had purchased years before in a nice neighborhood.

Then Mr. Adams died. Shortly after the funeral, some "thieves" came in and began taking away many valuable items. The neighbors never called the police. Mr. Adams' sons knew all about it, but they did not notify the authorities either.

At the same time, a kind of "moth" got into the cash Mr. Adams had set aside in the bank and began consuming it. The bank officials knew what was happening, but they never tried to take measures to stop it. Meanwhile, as time went by, the treasures in Mr. Adams' safety deposit box began to be devoured by "rust."

Mr. Adams had wanted his sons to inherit all his money and property when he died. He had been careful to prepare a last will and testament saying so,

but federal and state inheritance laws permitted "moths" to consume, "rust" to corrode, and "thieves" to break through and steal a significant portion of the treasures he had laid up on earth.

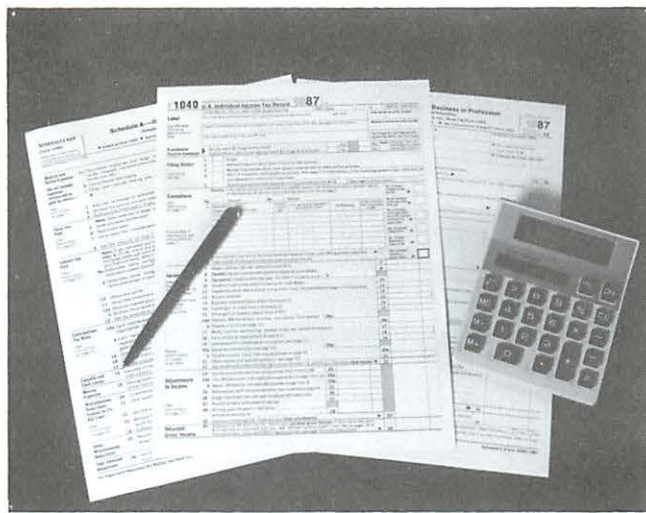
What happened to the Adams' estate was, for the most part, perfectly legal. In fact, the "thieves" were judges and attorneys; the "moth" was taxation; and the "rust" was probate court procedure.

### 1 **Death taxes consume like a moth.**

Death taxes are of two kinds: estate taxes and inheritance taxes.

The federal government levies a tax against the estate itself. A certain percentage of the assets a person leaves goes directly to the Internal Revenue Service before the heirs receive anything. Although this appears to be a tax on the property, it is, legally speaking, a tax on the right to transfer property to one's heirs.

A few states also have an estate tax, but most states collect an inheritance tax, which is based on the amount an individual heir receives. This tax, however, is actually paid not by the heirs but by the estate before the assets are given to them. Again the property itself is not being taxed, but rather the person's right to receive an inheritance.



**Death taxes are similar to income taxes in two ways. The taxpayer can claim deductions to reduce the taxable amount, and both types of tax are progressive in nature.**

Both estate and inheritance taxes are similar to income tax in that they allow for certain deductions and exemptions which serve to reduce the amount the government will collect. Recent legislation has increased federal inheritance tax so that only very large estates are actually taxed.

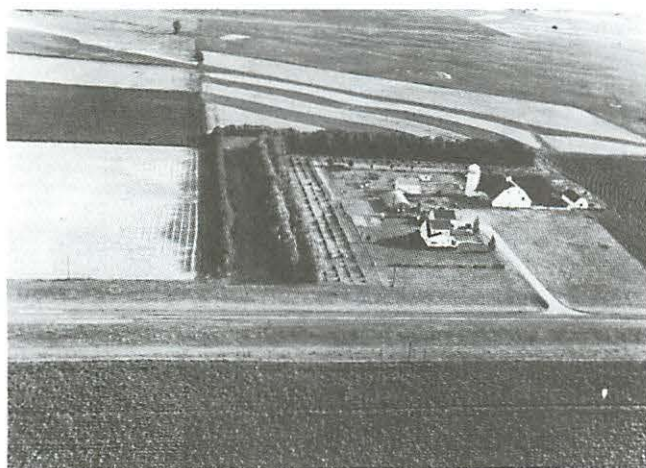


By 1987 the standard exemption had risen to \$600,000. Estates valued at less than this amount are not required to file a return. Even above this gross amount, the taxable value of an estate can be reduced by the marital deduction and deductions for gifts to individuals and contributions to charitable organizations.

As a result, only a very small percentage of estates end up paying the federal tax. Very few estates, regardless of size, escape the state inheritance tax, however, because all but two states have what is called a "sponge tax." This tax procedure absorbs the maximum credit for state tax allowed by the federal estate tax law.

Inheritance tax rates are based on the relationship between the deceased and the heir. Closer relatives are allowed higher exemptions and pay less tax than more distant kin or nonrelatives. For those who are not members of the immediate family, the inheritance tax rate may be as high as 30 or 40 percent with the exemption, if there is one at all.

Estate and inheritance taxes are also similar to income tax in that they are graduated, or progressive, in nature. This means that the larger the estate, the greater the percentage that goes to taxes. For example, the estate tax on a taxable estate of \$10,000 is about 18 percent, but out of a taxable estate of \$100,000 the federal government would take almost 24 percent.



U.S. Department of Agriculture

**The combined effect of estate and inheritance taxes can be drastic. This ranch was the main asset in one estate, for example. Since it was appraised at just under a million dollars, the death taxes were quite high. The heiress had no choice but to sell the ranch in order to pay the taxes.**

Death taxes are significantly different from income taxes in one regard. Normally a person's income is taxed only once (in the year that he receives it). An estate, however, may in effect be taxed each time it changes hands. An elderly single woman willed her estate to her sister, and taxes were paid on the transfer as required.

The sister was also wealthy and, thus, did not need to use any of the inheritance before she died ten years later. The first sister's estate, still virtually intact except for the taxes already paid, was taxed again as it was transferred to the second sister's heirs. In fact, it was taxed at an even higher rate because of the progressive nature of the tax schedule.

## **2 Probate procedures destroy like rust.**

*Probate* is the court procedure by which a will is validated and an estate is administered. The procedure was originally intended to safeguard the dead person's assets until they were delivered into the hands of the rightful heirs, but greed has motivated some unscrupulous attorneys and judges to use it to their own financial advantage.

This "corrosion" presents a greater danger to the average person's estate than taxation. Probate affects even those estates that are not large enough to be taxed. Indeed, the very fact that an estate is smaller means that it has proportionately less money to cover probate expenses.

One writer has said that the probate system "is essentially a form of private taxation levied by the legal profession upon the rest of the population." One United States senator called it "a political toll-booth exacting tribute from widows and orphans."

Widows especially have reason to regard probate as a threat. Not only does the probate court insert a legal notice in the local newspaper, giving information about the size of the estate, provisions of the will, and the identity of the potential heirs, but also all the information then becomes a matter of public record.

If the estate is not particularly large, the legal notice will probably not make headlines, but there are certain types of greedy individuals who are eager to try to separate an unsuspecting or even naive widow from her financial security. Lists of widows are compiled from probate court records and sold to such devious operators.



Furthermore, this public exposure will often encourage those who have no valid claim on the estate to contest the will. Even if the probate judge throws out these bogus claims as he should, having to defend the estate may take several months or years and thousands of dollars.

Delay is, in fact, the primary way probate can corrode the earthly treasures someone has laid up. Probate is by its very nature time-consuming. According to experienced lawyers, the probate of even an uncomplicated estate normally takes two to five years. Any challenge to the will or disagreement among the heirs can tie it up for much longer.



Library of Congress, Frank Leslie's Illustrated Newspaper, December 1, 1877

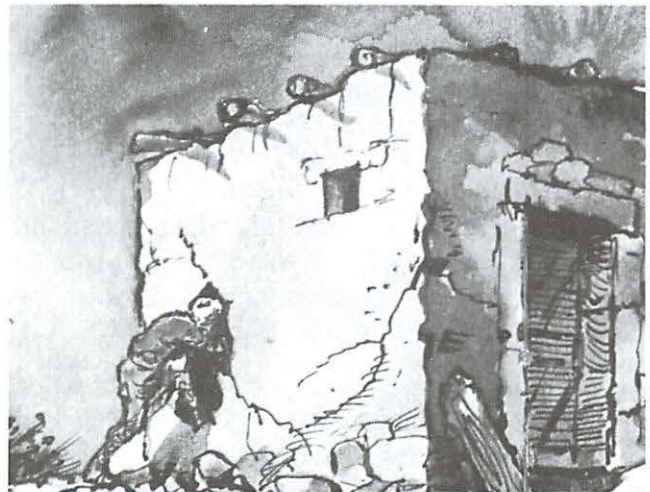
In 1877 the \$100-million estate of Cornelius Vanderbilt was tied up in probate court because one of his daughters challenged the validity of the will. Not receiving as much as she wanted, she claimed that her father had not been of sound mind when he made the will. This drawing shows a physician giving testimony about Mr. Vanderbilt's physical condition at the time he made his will.

In a speech to the American Bar Association calling for probate reform, a Denver probate court judge mentioned a Nevada case in which the heirs had been waiting for twenty years, a Colorado estate that was still in probate after thirty-three years, and two in New York that had been tied up for twenty-five and thirty-six years, respectively.

Even cases which do not drag on that long keep heirs from using assets which are rightfully theirs. One woman whose stepfather's \$400,000 estate had been tied up in probate for several years applied for welfare because she saw no end to the delay. In another case, a young man had to drop out of college for lack of funds to pay his tuition.

Meanwhile, he had no access to his father's estate of nearly two million dollars, which had been in probate for four years.

Such delays are costly because they contribute to the exorbitant fees attorneys already charge for probate services. It would seem logical that the lawyers would want to resolve things quickly so they could be paid. However, attorneys are often able to request that legal fees be paid in one or more installments during the time the heirs are still waiting for their money.



100 New Testament Stories, Norman J. Bull, ©The Hamlyn Publishing Group, Ltd.

Speaking of treasures laid up on earth, Jesus said that thieves would break *through*, not break *in*. The Greek verb literally means "to dig through," which is the way burglars would often get into the mud plaster houses of that day. The "moths" of taxation can come in through the windows and doors, but probate thieves dig their own openings through the wall.

### 3 Probate charges break through like thieves.

Probate charges, which are completely separate from taxes, can also consume a significant portion of an estate before the heirs receive anything.

For example, 11 percent of Franklin D. Roosevelt's estate was siphoned off by those who were supposedly "protecting" the heirs. When Robert Sterling Clark died in New York, it cost \$856,747 to administer the estate. The executor of the will received \$2,965,683; the attorney was paid a million dollars.

Since probate costs are usually a percentage of the estate, they are expensive for both the wealthy and the not-so-wealthy. In fact, the modest estate which is often sorely needed by a widow and minor children may be hit the hardest by probate.



In one case in Missouri nearly half of an estate of \$19,425 was eaten up by fees. Two lawyers got 40 percent of the estate. Sometimes even the cost of the mechanical process of distributing the money to the heirs takes the entire estate.

Actress Marilyn Monroe left an estate of over half a million dollars, but the ones to whom she left bequests did not receive them because taxes, debts, and administrative expenses (probate) took the whole amount.



UPI/Bettmann Archive

The fees lawyers and others can charge are technically limited by professional standards or by law in most states. Probate judges, however, will often approve much higher rates.

For instance, an unmarried Cincinnati school teacher died and left an estate of \$38,000. The local bar association's fee schedule indicated that the attorney's fee should be \$1,347. However, the court gave approval for a charge of \$8,625. The lawyer claimed he had spent nearly fifty hours inspecting the property, which consisted of a small, dilapidated house. He inflated his appraisal of the house, making his fee larger still, and then sold it to a fellow attorney for \$7,000 less than the appraisal. He claimed that he could find no heirs. By the time out-of-state relatives learned that the woman had died, there was nothing left in the estate.

In another case a postman in Ohio left \$22,864 when he died. Since he had not made a will, the court appointed an administrator of the estate. According to state law, the administrator should have received \$874, but the court actually approved his fee of \$2,077. The lawyer hired by the administrator was also supposed to receive \$874, but his charge was \$3,500—four times the amount allowed by law! Yet, the probate court allowed him to collect it from the estate.

After a delay of over two years, the attorney and the administrator reported that they could find no heirs. The judge ordered that what was left of the estate be paid to the state of Ohio. A newspaper reporter investigating the case was able to find five heirs in three days simply by looking in local telephone directories.

Attorneys are not the only ones who benefit from the probate process. In one state, the law allows a probate judge to collect 164 different fees for various procedures. In addition to the charges that the law allows, there are other ways a judge can "break through" to take earthly treasures.



Ray Ostrin, © Cleveland Plain Dealer

This editorial cartoon entitled "Pennies from Heaven?" highlights the need for reform in probate laws. Even where the laws have been changed, problems persist. In New York, for example, where lawyers are required to report probate fees to a court-appointed officer, one study showed that 20 percent of the fees went unrecorded.

An elderly single woman lived in a small town in Connecticut. She owned her home there and had never lived anywhere else. When she became sick, however, she spent several weeks in the hospital in a nearby city because these facilities were not available where she lived. During this time an attorney from her town, who also happened to be the local probate judge, came to the city and helped her draw up her will.

The will named the lawyer himself as executor, which is perfectly legal. When she died shortly after that in a convalescent home in the city, the lawyer-judge filed her will there even though she was not



legally a resident of the city. If he had filed it in her hometown, he would have had to disqualify himself from serving as executor. The city probate judge knowingly went along with this dishonest scheme.

The first thing the judge did as executor of the woman's \$70,000 estate was to hire an attorney, as if he did not know enough about probate to handle it himself. The lawyer he hired, however, was himself! This made it possible for him to collect a full attorney's fee on top of his full executor's fee. He even went so far as to charge the estate an additional \$350 for handling the closing when he sold the woman's house. He collected nearly \$5,000 from the estate before he finished handling it.

Another way a probate judge can deplete an estate is through the matter of appraisers' fees. The judge is authorized to appoint anyone he chooses to determine the value of the property in the estate. Dishonest judges often select their own relatives or friends and then give approval for the estate to pay them exorbitant fees. Many times part or all of the fee is "kicked back" to the appointing judge. In one state the law used to allow a judge to appoint himself as appraiser.



In the day when Jesus called Matthew, the people were quite familiar with the burden of excessive taxation, but they did not have to pay death taxes or probate fees. In Israel an inheritance was primarily land, which was seen as belonging to God rather than to the state. Since private property was a family possession, not an individual one, there was no government interference when it was transferred from one generation to the next.

A judge in Cincinnati appointed his brother-in-law as appraiser in six cases within a period of a few

months. His fee for one of the appraisals was \$36,000. The same judge's son-in-law collected \$6,584 for one appraisal he did. Another son-in-law made \$1,760 for appraisals he did during the same period. A close friend of the judge also charged \$36,000 to appraise a large estate, but he readily acknowledged that the only work he did was to sign his name.

Abuses of this type do not necessarily involve large amounts of money. The court-appointed administrator of a \$12,000 estate in Chicago hired his brother-in-law to appraise a few books. For his trouble he received \$28.50. Then the books were sold for \$2.00. The administrator would have saved the estate \$26.50 by simply giving them away! Even when judges, attorneys, and appraisers perform their duties with integrity and in accordance with the law, as many do, probate costs can consume a significant portion of any estate.

***Only Scriptural principles of finance make it possible to leave both a good inheritance and a Godly heritage.***

Jesus made it clear that the only treasures which are safe from moths, rust, and thieves are those which are stored up in Heaven rather than on earth. However, by diligently adhering to the Biblical guidelines concerning money management (earthly treasures), a man who maintains right financial priorities and plans ahead carefully can do a great deal to provide a good inheritance for his family, in addition the heritage of a Godly life.

The field of estate planning is a complicated one. Tax laws and probate procedures vary from state to state and change frequently. Therefore, it is wise to consult a knowledgeable attorney or an experienced financial advisor in these matters. However, the following examples of how principles of Scripture can be applied in the area of inheritance show some of the potential benefits of trying to do things God's way.

## **1 Giving rather than hoarding is the way to have true treasures.**

The basic premise behind everything Scripture says about finances is that some things, such as



wisdom and eternal life, are much more valuable than any amount of money or possessions. This fact can be seen in what Jesus told the wealthy young man who asked how he could inherit eternal life.

*“Now when Jesus heard these things, he said unto him, Yet lackest thou one thing: sell all that thou hast, and distribute unto the poor, and thou shalt have treasure in heaven: and come, follow me” (Luke 18:22).*

One of the simplest and most effective ways to avoid both taxes and probate costs is to give away assets that would otherwise be included in the estate. The law used to encourage this by setting the gift tax rate lower than the estate tax. Since 1976, however, the two rates have been the same.

Nevertheless, there are still several reasons why it makes sense to transfer property to heirs and others before death rather than as part of an estate.



Dictionary of American Portraits

President Ulysses Grant is an example of the many people who die without having made a will. When a person dies *intestate* (without a will), a probate court divides up the estate according to set guidelines which often do not reflect the way the deceased would have wanted it done. The same thing can occur if a probate court determines that a person's will is not legally valid.

The first reason is that gifts to churches, ministries, or any other charitable organizations recognized by the Internal Revenue Service not only escape the gift tax, but also provide an income tax deduction for the donor.

Secondly, a taxpayer can give up to \$10,000 to one individual each year without any gift tax. A married couple can combine their exemptions, which means they can give as much as \$20,000. There is no limit on the number of individuals to whom such gifts can be given each year. The regulations also allow an unlimited amount to be given for someone's medical expenses or school tuition.

Gifts above the annual exemption will proportionately reduce the \$600,000 exemption for the estate tax. For those people who do not reach that limit, every dollar they give away before death in effect reduces the amount on which inheritance taxes and probate costs will be based.

Giving the inheritance before death in this way is consistent with Biblical instructions. The prodigal son is an example of one who received his inheritance before his father died. (See Luke 15:12.) One feature of this arrangement is built-in accountability.

It also allows the donor to give a larger or smaller gift depending on how the first “installment” is utilized by the receiver. This is not possible when a person's will provides for a lump-sum distribution of the estate. Often heirs who receive a large bequest at one time do not manage it well.

*“An inheritance may be gotten hastily at the beginning; but the end thereof shall not be blessed” (Proverbs 20:21).*

**EXAMPLE:** Mr. and Mrs. Nelson, an elderly Christian couple, were not wealthy, but God had prospered them. They wanted to use what the Lord had given them to provide for their family and to advance the Kingdom of God. They had been faithful in tithing and giving part of their income all their lives.

As they became older, they began to make special gifts of money and property which would otherwise have been part of their estate. They gave to their church and other Christian ministries, especially those committed to helping the poor. Other gifts went to needy individuals.

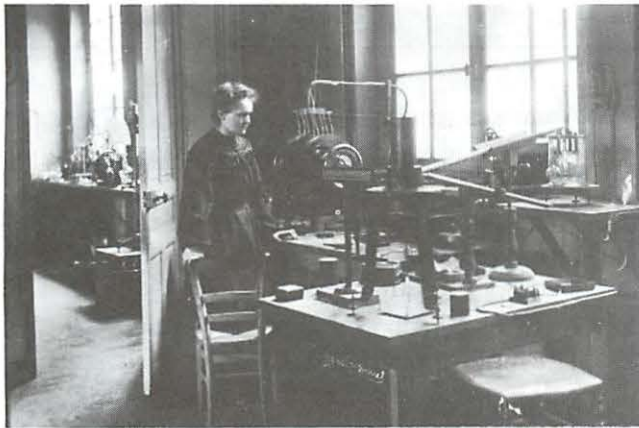
By the time they died, there was relatively little money or property in the estate. Thus, there were no federal taxes to be paid, and the state taxes were minimal. In fact, the estate was small enough that the regulations in their state allowed it to be distributed to the heirs without going through probate.





Bettmann Archive

In his will, Alfred Nobel, the Swedish chemist who invented dynamite in 1866, established a trust which provides the money each year for the giving of the Nobel prize in six different categories.



Bettmann Archive

Marie and Pierre Curie were honored after his death with the Nobel Prize for Physics in 1903, recognizing their discovery of radioactivity and the elements radium and polonium. Alfred Nobel's nine-million-dollar estate has encouraged many accomplishments in chemistry, medicine, physics, literature, economics, and the pursuit of peace.

## 2 Setting up trusts can help preserve the inheritance for the heirs.

A trust is a legal arrangement in which a person who owns something of value turns it over to another person to manage. The owner of the asset is called the *settlor*. The one who manages it is called the *trustee* and may be either an individual or a bank.

The trustee is responsible for distributing any income from the trust to the person the settlor has named as the beneficiary. Often a trust begins to function upon the death of the settlor so that the

beneficiary, normally his widow, will begin receiving the income at that time and continue to for the rest of her life.

Often when the beneficiary dies, the trust asset itself is given to a specified individual or is divided among several people (called *remaindermen*), usually the children. At this point the trust terminates.

When properly set up, a trust can be an effective way to avoid death taxes legally.

**EXAMPLE:** Mr. Morris died, leaving a taxable estate of one million dollars to Mrs. Morris. Death taxes claimed approximately \$300,000 of that. When the widow died ten years later, she bequeathed the remaining \$700,000 to their only son. This time approximately \$195,000 went into government coffers.

The son eventually died, having willed what was left of his father's estate to his three children. After another \$128,000 was paid in taxes, each received just over \$125,000.

Mr. Morris overlooked the Scriptural principle that says, "A good man leaveth an inheritance to his children's children . . ." (Proverbs 13:22). He could have applied it by setting up a generation-skipping trust, which would have allowed his widow to receive income from the estate as long as she lived.

Then their son would have received the income until his death. Finally the estate would have been divided among the three grandchildren. Since it would have been taxed only at the time of Mr. Morris' death, they would have received over \$233,000 each, a tax savings of approximately \$323,000.



The Guide to American Law

The most common asset placed in a trust is stocks, but a trust may also include bonds, real estate, savings accounts, or other property.





Goodhue County Historical Society, Red Wing, Minnesota

**Some people have the mistaken idea that they can avoid probate simply by executing a valid will. However, even when there is a valid will the estate is subject to probate. In fact, after probate the will itself is retained in a special vault like this one in Minnesota.**

In order to avoid probate, it is possible to set up a different kind of trust—an *inter vivos*, or “living trust.”

Most trusts are of the testamentary type, which means they go into effect upon the death of the person setting up the trust. Parents often make this kind of arrangement through their wills in order to provide for minor children. This type of trust, however, must go through probate.

The *inter vivos* trust goes into operation while the settlor is still alive. The trust document in this case will often designate the settlor as the beneficiary for the duration of his lifetime. A successor trustee will also be named.

Since the individual or institution designated as trustee begins managing the trust before the settlor’s death, the settlor has the opportunity to evaluate the trustee’s efficiency and make changes, if the trust is the revocable type.

**EXAMPLE:** Mrs. Garcia, a widow, left \$43,500 in a savings account when she died. Normally, her only son and heir would have had to wait several years to get it, and the amount would have been significantly reduced by probate costs. Instead he simply walked into the bank, presented his mother’s death certificate and another document, and walked out with a check for \$43,500.

Mrs. Garcia made it possible for her son to avoid the expense and delay of probate by using a “one-party trust.” As settlor, she appointed herself as trustee. Her son was designated both beneficiary and successor trustee.

His instructions upon the death of the trustee were simply to turn the trust assets over to himself and terminate the trust.

Thus, Mrs. Garcia’s savings account was not included in her probatable estate. Her action did not avoid taxes, but it did eliminate the high cost and delay of probate.

Jesus commended the unjust steward for his shrewdness with money. (See Luke 16:1–8.) Avoiding taxes and probate by wise use of trusts is one way to follow His instruction to “. . . make . . . friends of the mammon of unrighteousness . . .” (Luke 16:9).

## PROJECT 1

Learn the vocabulary of inheritance laws. Match each term below with its definition.

<input checked="" type="checkbox"/> progressive tax	<input checked="" type="checkbox"/> beneficiary
<input checked="" type="checkbox"/> intestate	<input checked="" type="checkbox"/> heir
<input checked="" type="checkbox"/> probate	<input checked="" type="checkbox"/> bequest
<input checked="" type="checkbox"/> <i>inter vivos</i>	<input checked="" type="checkbox"/> estate
<input checked="" type="checkbox"/> trustee	<input checked="" type="checkbox"/> legacy
<input checked="" type="checkbox"/> settlor	<input checked="" type="checkbox"/> will

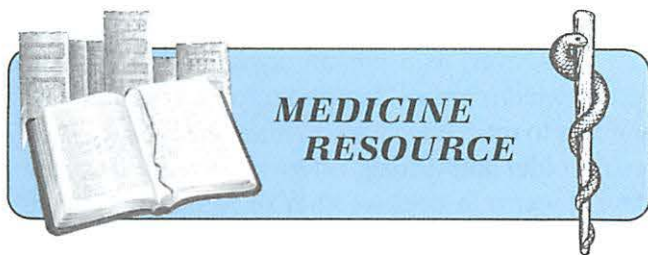
- ☒ A. All real and personal property a person owns
- ☒ B. A written or spoken expression of a person’s wishes as to the distribution of his property after his death
- ☒ C. A transfer of the care or possession of personal property to another by a will
- ☒ D. From one living person to another
- ☒ E. A gift of personal property given by a will
- ☒ F. The one appointed by law to succeed to a person’s estate if that person dies intestate
- ☒ G. The court procedure by which a will is tested for its validity. Presently, this procedure also includes all matters dealing with the administration of estates, guardianships, etc.
- ☒ H. Anyone who profits from the act of another
- ☒ I. Without establishing a will or leaving anyone to tell what a person’s wishes were for the distribution of his property after his death
- ☒ J. A person who holds the title to property or possessions and then administers them for the benefit of others
- ☒ K. A graduated tax which has a higher tax rate on an individual as income increases
- ☒ L. The donor in a deed or transfer of settlement

## PROJECT 2

Study Chapter 20, “Prepare Now for a Lasting Heritage,” in *Men’s Manual*, Volume II. Discuss practical ways your family can build a Godly heritage by laying up treasures in Heaven.

Date completed \_\_\_\_\_ Evaluation \_\_\_\_\_





## MEDICINE RESOURCE

### HOW DOES A PERSON'S RESPONSE TO AGING DETERMINE THE WAY HE WILL INVEST HIS TREASURES?



H. Armstrong Roberts

**One of the tragic consequences of exalting youthfulness is the rejection of aging and those who are experiencing it. This rejection produces fears and prompts irrational decisions on how we are to lay up our treasures.**

Aging is one of the ten unchangeables God designed for our lives. Aging demonstrates the mercy of God in the death process which began with Adam and Eve's sin. Aging begins at birth and continues throughout our lives. As time passes, aging is an increasing reminder of our daily dependence upon God and our need to prepare for the reality of eternity.

Some aspects of aging are slow and gradual; others are sudden and unexpected. Some aspects are under our control, while others appear to be "predetermined" by the genes we inherit from our parents. Those who fear aging fail to realize that we have no claim on tomorrow and that today is an undeserved gift from God.

Those who attempt to thwart aging typically invest their treasures in frustrating ventures to improve the "quality" of their lives. Unfortunately our hearts always follow in the footsteps of our treasures. Investing treasures to prevent aging typically results in a heart that is bound to temporal and corruptible pursuits.

There are also those people who seek to thwart aging by terminating their own lives prematurely. When the "quality" of life is less than they had hoped, they are tempted to abuse their bodies as an escape from reality.

### GOD'S PURPOSE FOR ALLOWING PEOPLE TO AGE

God's original design for mankind was that people would never age. God made provision for perpetual health and vigor by creating the tree of life. Instead of partaking of this fruit, Adam and Eve chose to disobey God and eat of the tree of the knowledge of good and evil.

Aging is God's way of reminding us that even though our physical bodies will die, our spirits can lay hold of the tree of life, which is Christ and His wisdom, as was promised in Proverbs 3:1-18.

*"My son, forget not my law; but let thine heart keep my commandments; For length of days, and long life, and peace, shall they add to thee. . . . Happy is the man that findeth wisdom, and the man that getteth understanding. . . . She is a tree of life to them that lay hold upon her: and happy is every one that retaineth her."*

(See also I Corinthians 1:30 and 15:20-23.)

### THE INEVITABILITY OF AGING

The warning that aging is our motivation to focus on God during youth is reemphasized in Ecclesiastes 12:1:

***"Remember now thy Creator in the days of thy youth, while the evil days [days of sorrow and difficulty] come not. . . ."***

Learn how your body ages and how your response to that aging process reveals where you have invested your treasures.



U.S. Dept. of Agriculture

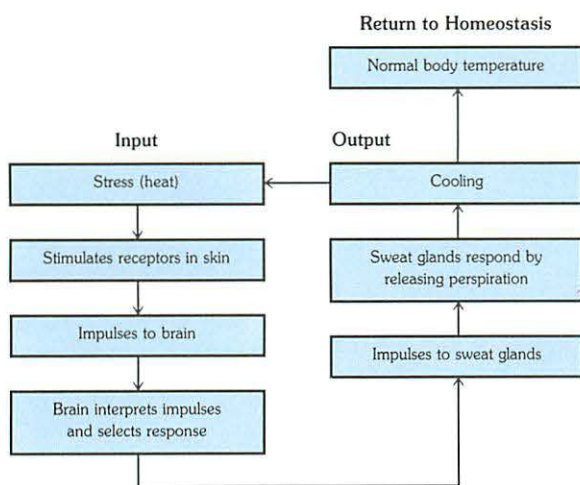


- **Aging is the progressive failure of the body's ability to keep itself in balance.**

There is an awesome and delicate balance both within and among all the systems of the human body. When this balance is maintained, health, vigor, and growth result. When this balance is not maintained, the consequences are malfunction, sickness, and aging.

The technical description of aging is a progressive failure of the body's homeostatic adaptive responses.

Simply put, this means that changes in the structure or function of cells due to aging prevent the body from keeping itself in balance.



Adapted from Principles of Anatomy and Physiology

**One of the body's primary functions is maintaining balance within itself.**

For example, one type of homeostatic response maintains the body temperature at precisely 98.6°F. If body temperature rises above that level, sensory nerves alert the temperature-regulating area of the brain that the body is out of balance.

This temperature-regulating area is located in the hypothalamus. Doctors refer to it as the *preoptic area*. If body temperature rises above normal, the brain cells in this area fire more rapidly. If body temperature drops, they fire more slowly. Surrounding areas of the hypothalamus pick up these signals and adjust the body's heating and cooling systems accordingly.

Under hot conditions the hypothalamus increases the production of perspiration from the *sudoriferous* (soo-duh-RIF-er-us) (sweat) glands. As the perspiration evaporates, it cools the skin and lowers body temperature. The body can also adjust its temperature by regulating the flow of blood to the skin, by changing the metabolic rate, and by shivering.

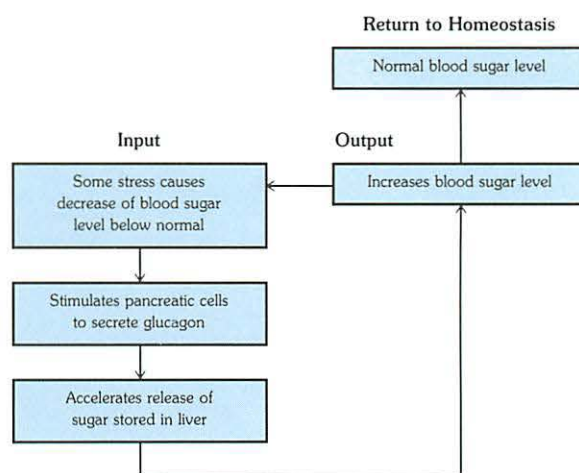
1960

However, as a person ages, the homeostatic system which controls temperature loses its precision and fails to react effectively to maintain balance. As a result, older individuals often have a harder time staying warm in cold weather or remaining cool in hot weather.

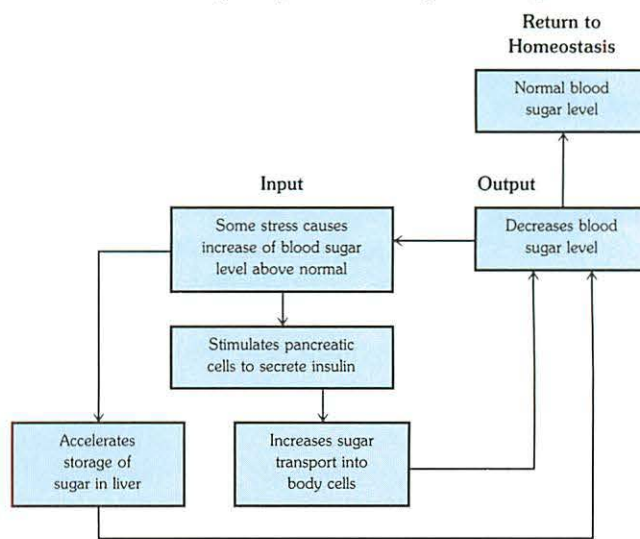
Aging also affects other homeostatic functions of the body, including the maintenance of normal blood pressure, blood sugar levels, enzyme production, kidney function, muscle tissue, and even the calcium level in the bones. These imbalances make the body more vulnerable to stress and disease as a person ages and accelerate the rate at which the earthly body is corrupted.

### Homeostasis of Blood Sugar

How the body compensates for low blood sugar:



How the body compensates for high blood sugar:



Adapted from Principles of Anatomy and Physiology

**Approximately 90 percent of the cases of diabetes mellitus occur after age forty. This type of diabetes, called *maturity-onset diabetes*, arises not from a shortage of insulin, but from a breakdown in the "machinery" which helps to balance insulin levels.**



- **Aging is designed by God and cannot be eliminated by man.**

Some of the inevitable effects of aging include hair loss and graying, wrinkled skin, decreased muscle mass, increased fat deposits, and loss of flexibility.

Wrinkling, for example, is the result of changes in a substance known as *elastin*. The body makes elastin from fibers that stretch. Young skin remains tight and smooth because it stretches over muscles and bones. However, as skin ages, elastin loses its ability to stretch. It inevitably thickens and breaks apart into fragments. This change allows the skin to loosen and wrinkle.

Ultraviolet [UV] rays from the sun contribute to the breakdown of elastin fibers. Skin exposed to excessive doses of sunlight inevitably ages and wrinkles more rapidly than skin protected from UV light. UV, as an aging factor, is also associated with cataracts, suppression of the immune system, and skin cancer.

Protecting skin from excessive amounts of ultraviolet rays is within our control. However eliminating all exposure results in loss of valuable vitamin D. Vitamin D is crucial to healthy bones, muscles, and nerves. As with every other aspect of the body, the key is **balance**.



Understanding Vitamins and Minerals, Rodale Press

**Sunscreens come in a variety of protection levels. Level 2 provides the least protection, while level 15 filters out all UV light from the sun.**

Elastin also acquires an affinity for calcium as we age. This change makes skin brittle rather than pliable. Sweat glands and sebaceous glands atrophy with age as well. Normally these glands keep the skin soft and moist, but as aging takes its toll, they cease to function. This loss causes the skin to become dry and makes it even more susceptible to wrinkling.

Some of the internal signs of aging include the inevitable wear and tear on the joints, kidneys, and

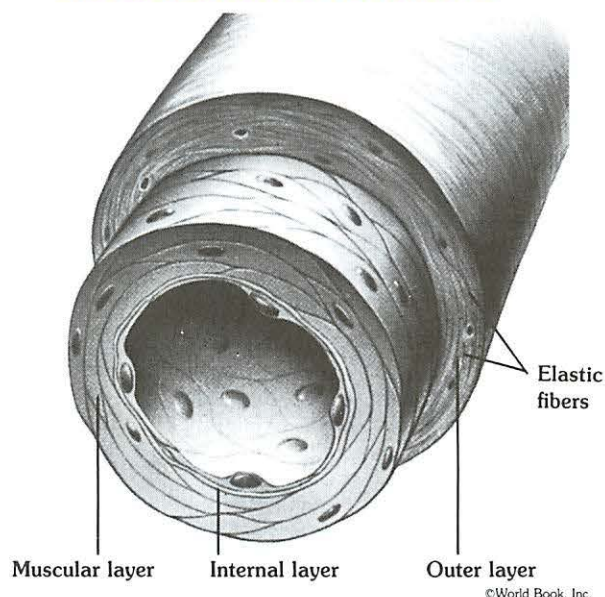
digestive system. With age these body parts gradually become less able to respond to extreme situations. Joints stiffen and lose their flexibility. Certain foods begin to “upset” the stomach, and the body is less able to eliminate excessive amounts of salts and minerals in order to maintain a healthy balance.

Other inevitable changes which take place as we age include the following.

## EFFECTS OF AGING ON VARIOUS BODY SYSTEMS

- **BLOOD VESSELS**—Collagen fibers, which give strength to tendons and blood vessels, gradually multiply with age. This increased toughness hardens capillary walls and contributes to the development of atherosclerosis. *Atherosclerosis* comes from the Greek words *athere*, meaning “gruel,” and *skleros*, meaning “hard.” The increase in collagen fibers literally turns artery walls into “hard gruel” as a person ages.

### CROSS SECTION OF AN ARTERY



**The outer layer of arteries contains elastic fibers which stretch as blood pulses through them. When the elastic fibers contract, they squeeze blood forward. This pumping action relieves the heart of much of its work load. When aging hardens these fibers, artery walls become rigid and can no longer assist the heart.**

- **BRAIN CELLS**—On the average, an adult loses about 100,000 brain cells a day after the age of thirty-five. These are not replaced or repaired; they are actually lost. Fortunately the brain contains billions of cells, and the loss of a few million or



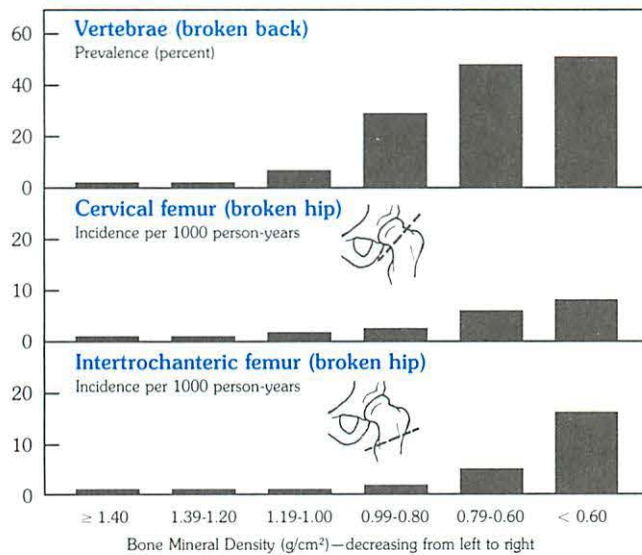
so per year poses no real problem; our brains simply compensate for their loss.

However, as we grow older, the loss of brain cells accelerates and the cumulative loss inevitably begins to affect function.

A brownish pigment called *lipofuscin* (lie-poe-FUSS-in) also begins to accumulate in brain cells as we age. While the role of lipofuscin is not clear, some researchers believe that it is an indication that brain cells become less active with age.

- **SKELETON**—*Osteoporosis* (OSS-tee-oh-pour-OH-sis) is a condition associated with aging in which bones become brittle and permeated with holes. In fact, they can become so brittle that they can snap as easily as a dry twig. Normally the cells that create and break down bone tissue (osteoblasts and osteoclasts, respectively) balance one another. However, as a person ages, the two processes become imbalanced and more bone is removed than replaced. The result is a gradual decrease in bone mass, which usually begins around age forty for women and age fifty for men.

**The Relationship of Bone Density and Broken Bones**



**Over 150,000 women suffering from osteoporosis break a hip each year.**

- **SKIN**—The skin of the average adult covers over three thousand square inches, weighs about six pounds, and uses about one-third of the body's total blood supply at any given time.

As a person ages, there is a gradual redistribution of the fat which normally lies just under the skin. This change reduces the body's insulation against cold and causes skin to look somewhat

“baggy.” Blood flow to the skin also tapers off with age, hindering the body's ability to maintain a balanced temperature.

The deterioration of pigment-producing cells in hair follicles allows hair to turn gray, while the increased size of pigment cells in the skin gives an elderly person a “blotchy” complexion.

- **MUSCLES AND FAT**—As we age, the ratio of muscle to fat decreases. This inevitably happens to everyone, regardless of whether or not they exercise. It is not so much a matter of additional fat, but more the actual loss of muscle tissue. Aging causes muscle cells, called *myofibrils* (my-oh-FIE-brils), to shrink.

Muscle fibers are also a major site of glycogen storage. *Glycogen* (GLY-koe-jen) gives quick energy in emergency situations. Thus the loss of muscle tissue reduces glycogen storage capacity and causes us to react more slowly to emergency situations.

- **KIDNEYS**—Kidneys filter the blood in tiny units called *nephrons* (NEFF-rons). As a person ages, the nephrons decrease in number. In fact, a seventy-five-year-old person has probably lost a third to a half of the nephrons he had at birth. This loss coupled with a decrease in blood flow to the kidneys reduces their function by half at the age of eighty.

- **NERVES**—Not only do we lose brain cells (*neurons*) as we age, the cells which remain have a decreased capacity for carrying impulses to and from the brain. The velocity of impulses along neurons actually decreases. This change inevitably slows down voluntary movement and delays reaction time.

Unfortunately, sluggish reaction times make it more difficult for elderly persons to regain lost balance or to move out of the way of danger quickly. As a result, aging significantly increases a person's vulnerability to accidents.

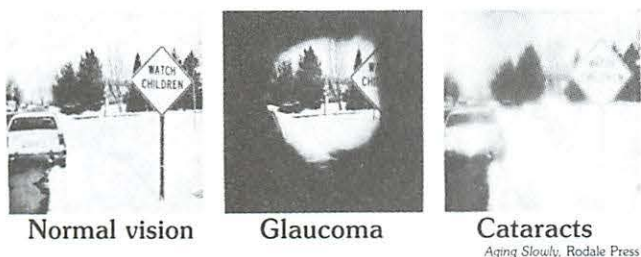
- **SENSE RECEPTORS**—Like brain cells, sense receptors cannot be replaced or repaired. As they die, the senses of touch, taste, and smell gradually die with them. In fact, it is estimated that by the time a person is forty-five he has lost more than 60 percent of his taste receptors. The senses of smell and touch suffer the same fate.

While sensory changes tend to begin during the forties and fifties, there is usually no appreciable handicap until about seventy or eighty years of age.



- **VISION AND HEARING**—*Presbyopia* (hardening of the lens, resulting in alternating nearsightedness and farsightedness) and *cataracts* (clouding of the lens) are also inevitable consequences of aging. In fact, the word *presbyopia* (PREZ-be-OPE-ee-uh) is a Greek term for “old eyes,” and the word *cataract* comes from the Greek word *kataraktes* which means literally “to break down.” Presbyopia is the result of the weakening of the small muscles attached to the lens. Cataracts result from the deterioration of the transparency of the lens.

Aging also reduces peripheral vision, making it harder to see in dim light, and impairing the ability to see the colors of blue, green and violet.



**Glaucoma** (glau-KOE-muh), the build-up of pressure within the eyeball, may cause, among other problems, loss of peripheral vision. Cataracts may blur the field of view in some directions, yet leave vision perfectly normal in others. Night vision becomes difficult as cataracts worsen.

*Presbycusis* (PREZ-bih-KOO-sis) comes from a Greek word meaning literally “old hearing.” Presbycusis is the loss of ability to perceive or discriminate sounds, especially high-pitched sounds. For example, a young ear can recognize tones of up to twenty thousand cycles per second. However, many people over age sixty have difficulty hearing sounds above eight to ten thousand cycles per second. This aging process of the ear may involve a loss of sensory cells and nerve fibers or mechanical changes in the structure of the inner ear, such as a thickening of the eardrum itself.

- **HEART**—The circulatory system is responsible for distributing oxygen throughout the body, transporting food to body cells, removing waste products, moving protective antibodies to sites of infection, and regulating equilibrium among the various systems.

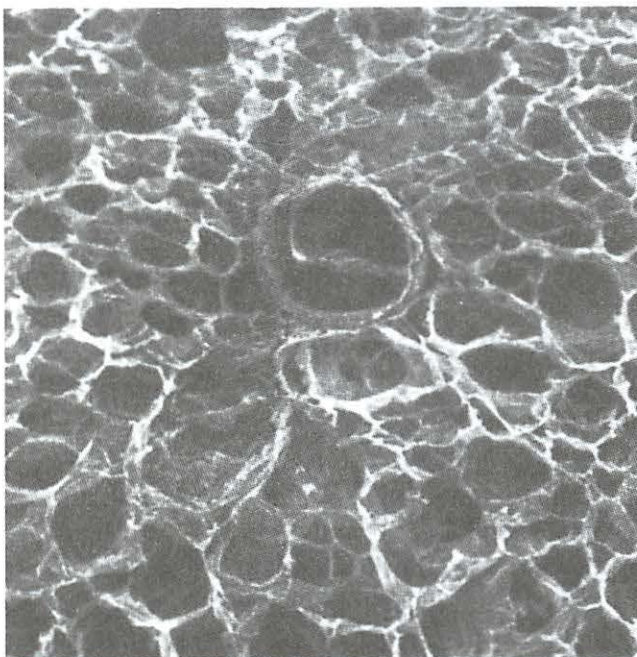
All of this is powered by the heart. As the heart ages, however, it has the potential to affect every other member of the body. Because heart muscles—like brain cells—never regenerate, they must last a lifetime. If they are damaged or wear

out, they are lost forever. As the heart ages, fatty tissue replaces muscle fibers, causing an inevitable reduction in strength.

Older heart muscles also require a longer time to recover after each beat, and their lack of reserve strength causes them to be more prone to heart failure. For example, an eighty-year-old heart may pump only one-half as much oxygen as that of a twenty-year-old heart. By the age of ninety a heart may pump only one-third of what it pumped at the age of twenty.

Changes in elastin and collagen fibers also stiffen the major blood vessels which surround the heart and inevitably increase blood pressure.

- **BREATHING**—The cells that make up the airways and lungs also contain elastin and collagen. These cells must stretch and contract with each breath. However, as elastin and collagen age, they become less elastic and more rigid. This condition reduces the overall air capacity of the lungs and promotes shallow breathing. Thus, aging increases susceptibility to pneumonia, tuberculosis, bronchitis, emphysema, and lung cancer.



Fisher Scientific Company and S.T.E.M. Laboratories ©1975

The lungs are made up of tiny elastic sacs called **alveolae** (al-VEE-oh-lie). These sacs expand and contract with every breath. As we age, the sacs become brittle like the dried remains of a sponge. This condition hinders breathing and leaves the body more vulnerable to disease.

- **DIGESTION**—Natural aging results in a gradual loss of the enzymes which digest the food we eat. For example, the enzyme called *pepsin* digests proteins by breaking the chemical bonds which hold the proteins together. Because pepsin works



best in the presence of acids, stomach cells called *parietal* (puh-RIE-uh-tul) cells secrete large amounts of hydrochloric acid. Still other cells, called *mucus* cells, protect the lining of the stomach and prevent pepsin from digesting the stomach.

Aging affects these digestive fluids as well as the hormones which control their release and balance. This situation leads to increasing problems with "heartburn" and "upset" stomach.

Taking large doses of antacids to compensate for these imbalances unfortunately produces other imbalances by stripping the body of phosphorus. The loss of phosphorus softens bones and allows them to bend under stress. This imbalance can lead to osteomalacia. *Osteomalacia* (OSS-tee-oh-muh-LAY-she-uh) comes from two Greek words: *osteo*, meaning "bone," and *malakia*, meaning "softness."



Aging Slowly

**Antacids contain aluminum hydroxide, which blocks the absorption of phosphorus.**

Because the human digestive system is about twenty feet long, strong muscles are required to move food through its twists and turns. Doctors call this process *peristalsis* (pehr-ih-STALL-sis). As a person grows older, these intestinal muscles weaken and slow down, resulting in possible obstructions and progressive difficulties with constipation.

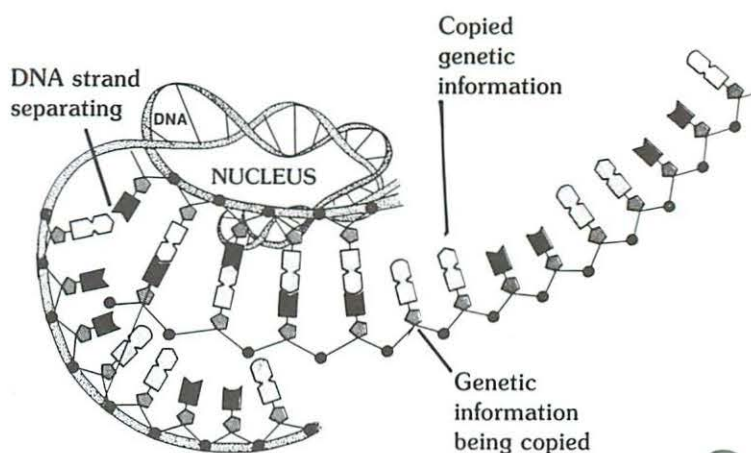
The cumulative effects of aging also allow some valuable nutrients to pass through the digestive system without being broken down and absorbed. This condition leads to increased vitamin and mineral deficiencies in spite of an adequate diet.

The most common nutritional deficiencies among people over sixty-five years of age are with protein, calcium, iron, thiamine, niacin, and vitamins C, E, and A.

- **CHROMOSOMES**—In every human cell there are more than 100,000 genes which must be copied every time a cell divides. Occasionally in this copying process errors are made which are then passed on to the next generation of cells.

Even though the body is capable of correcting these errors, about 5 percent of them inevitably go uncorrected. When the damage is not repaired, the abnormal cells fail to function, and they die. This same damage also seems to initiate the series of events which leads to cancer.

The older we become, the more opportunities there are for these errors to crop up and the less capable the body is of identifying and correcting the mistakes. Some scientists believe that this problem results in a gradual deterioration of the genetic information which controls the function and balance of every cell.



Heath Biology, ©1985. Reprinted by permission of D.C. Heath and Company

**Genetic information is coded in long strands of deoxyribonucleic (dee-OX-see-rye-boe-noo-KLEE-ick) acid (DNA). When the information needs to be copied, the strands separate. Any error in the copying process corrupts the genetic blueprint which controls the activity of the cell. As a person ages, these errors accumulate to the point where the cells can no longer function properly.**

### • **Aging is the decreased ability of cells to divide.**

In addition to the inevitable changes which take place gradually as we age, there is a third aspect of aging that is much more dramatic, yet far less understood.

Recent medical experiments suggest that the body's cells are apparently capable of dividing only so many times and then they stop. Researchers found that the number of these divisions correlates closely with the donor's age. That is, cells taken from older subjects divide fewer times than cells taken from younger subjects.

When cells were taken from various animals with different life expectancies, those animals which normally lived the longest were found to have cells



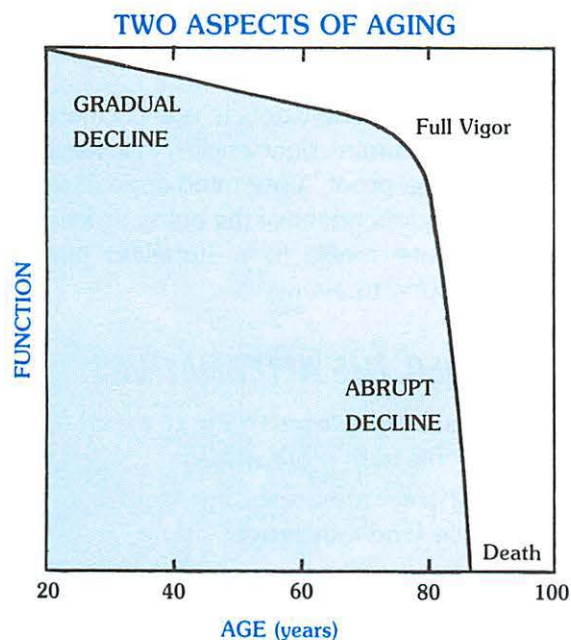
that divided the greatest number of times. Cells taken from animals with short life spans divided only a few times before dying.

It is almost as if living cells are limited in the number of times they can reproduce themselves. When they reach that limit, they simply stop dividing. This situation leaves an organism extremely susceptible to disease and injury. As a result, the organism rapidly deteriorates and dies.

This conclusion suggests that the cessation of cell divisions may be a programmed event which varies according to the genes we receive from our forefathers. Even a person in good health reaches this genetic limit, causing his body to slow down and cease to perform the vital processes of life.

Put in more positive terms, the research suggests that apart from the inevitable consequences of aging, a healthy person is likely to maintain or even increase his capacity for useful work up to the point at which his biological clock reaches its limit. Only then does he face an inevitable and abrupt decline.

Because of this characteristic of living cells, researchers have estimated that even if cardiovascular disease, which accounts for nearly 45 percent of all deaths, were completely eliminated, overall life expectancy would not increase more than two years.



*"To every thing there is a season, and a time to every purpose under the heaven: A time to be born, and a time to die; a time to plant, and a time to pluck up that which is planted" (Ecclesiastes 3:1-2).*

## 1 THOSE WHO RESIST AGING CONSUME TREASURES ON A SEARCH FOR YOUTHFULNESS.

The word *geriatrics* comes from the Greek roots *geras*, meaning "old age," and *iatr*, meaning "physician." Thus, *geriatricians* are physicians who focus on treating the medical problems associated with growing older.

Unfortunately those who invest their earthly treasures in treating the symptoms of aging will always be disappointed. At best, medical treatments can alleviate the symptoms of aging only temporarily. They cannot reverse the aging process.

Early Spanish explorers spent huge fortunes searching for the Garden of Eden, which they thought lay hidden in the Americas. According to legend, Ponce de León's explorations of Florida were motivated by an intense desire to find the mythical "Fountain of Youth."



Brown Brothers

### Ponce de León searched for the "Fountain of Youth."

Man's search for a "fountain of youth" continues today. Wrinkle creams, vitamin supplements, fitness programs, plastic surgery, and even early retirement are exploited in hopes of postponing aging and prolonging life. However, when a man's desire for youthfulness begins to consume his treasure, his heart will inevitably follow.

Some invest their treasures in expensive nutritional supplements and special foods. For example, deficiencies in thiamine and a vitamin-like substance called *choline* appear to be linked to forgetfulness. Restoring their levels increases the levels of the neurotransmitter, *acetylcholine* (uh-set-ul-KOLE-een), which is essential for the smooth flow of information within the brain.



However, controlled experiments reveal that reducing a diet to the bare essentials so a person is *undemourished* without being *malnourished* does more to eliminate the chronic and debilitating diseases associated with aging than any other treatment. This research suggests that regular fasting, which costs a person nothing, may be a better investment than all the special supplements and extravagant nutritional gimmicks man can devise.

### MIRACLE HAIR TREATMENT?



*Aging Slowly*

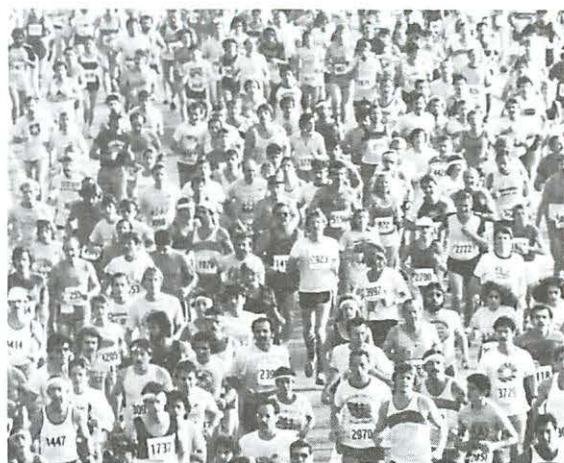
**Treasuring one's hair has prompted some to whip up a concoction of yogurt, bananas, strawberries, wheat germ, brewer's yeast, lecithin granules, vitamin C crystals, egg yolks, gelatin, and honey in a blender. While the drink is nutritious and tasty, it does not stop the inevitable loss of hair which comes from genes and/or aging.**

In spite of all man's efforts to remain youthful, no amount of exercise can alter the inexorable effects of aging. The futile pursuit of youthfulness can, however, consume earthly treasure as surely as moths devour wool.

Those who invest their treasures in special clothes, fitness clubs, and gimmicks such as "gravity boots" or fingertip heart computers may also be searching for their own "fountain of youth."

Fitness enthusiasts point to the fact that muscle disuse causes the body to atrophy and greatly accelerates the aging process.

While exercise does help to maintain flexibility, prevent muscle loss, improve reaction time, and eliminate many cardiovascular problems, it can also become an obsession—a "hidden treasure" which we store up for our own pleasures, often to the detriment of maintaining quality relationships. For example, a survey of New York Marathon runners showed they had a divorce rate 340 percent above the national average.



H. Armstrong Roberts

**Marathon runners experience an exhilarating high which can become addicting.**

Headlines on a nationwide advertisement read, "How to Age-Proof Your Mind: Leading Scientists Reveal New Discoveries to Keep Your Mind 'Forever Young.'" According to the advertisement, top brain researchers from Harvard Medical School, M.I.T., Stanford, Yale, and other leading medical centers can improve your memory in less than twenty minutes.

For twenty dollars they promise to reveal secret brain foods, brain boosters, "smart" pills, sleep foods, and memory vitamins which are guaranteed to "silence senility." Incidentally, fresh whole wheat bread provides these same "secret nutrients," and fiber, too.

Certainly no one wants to age prematurely as a result of vitamin deficiencies. However, the promise to "age-proof" your mind appeals to man's desire to be independent of the aging process. That appeal will lure many to a hopeless pursuit of remaining young forever.

### CONSIDER THE ALTERNATIVES:

- ☐ Consume treasures trying to avoid aging and gain man's admiration.
- ☐ Invest treasures resulting from aging to receive God's approval.

*"For this corruptible must put on incorruption, and this mortal must put on immortality. So when this corruptible shall have put on incorruption, and this mortal shall have put on immortality, then shall be brought to pass the saying that is written, Death is swallowed up in victory. O death, where is thy sting? O grave, where is thy victory?" (I Corinthians 15:53-55).*



## 2 THOSE WHO FEAR AGING HOARD THEIR TREASURES FOR FUTURE SECURITY.

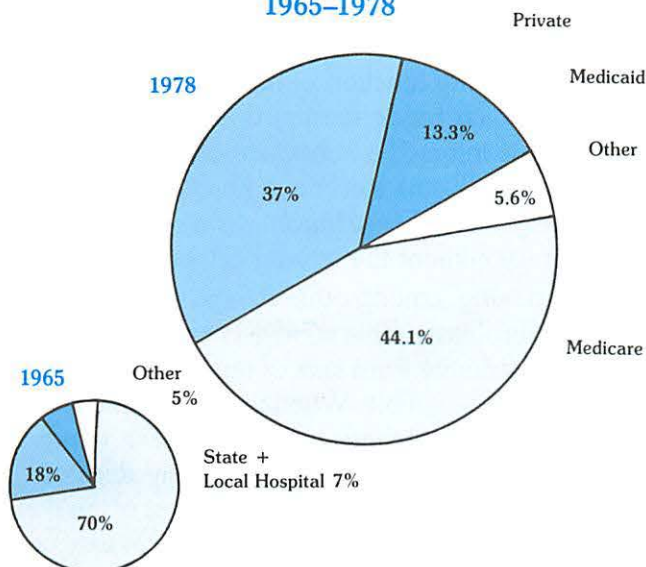
In 1965 nursing home care consumed \$2.1 billion. By 1970, this amount had more than doubled to \$4.7 billion. Furthermore, in the ten years between 1970 and 1980, the total expenditure for nursing home care increased by almost 500 percent to more than \$20 billion annually.

By 1985 the cost of nursing home care had risen to \$35 billion. That figure represents a 1,600 percent increase in just twenty years. By the year 2000, researchers estimate that the cost of nursing home care will be almost \$130 billion.

When these staggering costs are coupled with the fact that 20 percent of those over sixty-five have no living children and almost half of those who do have children see them only once a week or less, the fear of aging becomes a very real temptation.

Surveys reveal that the greatest fear among the elderly is not death, but rather being left alone and unable to care for themselves. Where there is a family who can preserve the honor and dignity of an older person, such fears subside. However, where individuals feel alone, there is a temptation to hoard treasures as a security against loneliness and debility.

COMPARISON OF MEDICAL CARE FOR THE ELDERLY 1965-1978



In response to the rising costs of aging, the federal government has assumed more than twice the responsibility for health care that it had in 1965. However, taking responsibility away from the family and the church creates greater dependence and loneliness.

Retirement trends under Social Security also reveal that almost 60 percent of those on Social Security have retired early, and are, therefore, receiving "reduced benefits." While early retirement can open up opportunities for new areas of ministry and new ways in which to invest our treasures, it can also represent a fear of aging that prompts a person to "claim" his treasures before it is too late to enjoy them.



Gendreau

The practice of having small families contributes to the loneliness and dependence of old age.

### CONSIDER THE ALTERNATIVES:

- ☐ Hoard treasures out of fear of the future.
- ☐ Invest treasures out of hope for the future.

*"So is he that layeth up treasure for himself, and is not rich toward God" (Luke 12:21).*

## 3 THOSE WHO DENY AGING SQUANDER THEIR TREASURES ON FRUITLESS TREATMENTS.

Aging is one of the means through which death enters our mortal bodies. In fact, two-thirds of the deaths in this country occur among those who are sixty-five years of age or older, even though they make up only about 11 percent of the population.

When you consider that the number of people over sixty-five is expected to increase by 30 percent between 1980 and 2000 and that the number over eighty years of age is expected to increase by close



to 60 percent during that same period, the death rate will also increase dramatically.

However, in our society death is a mysterious event about which most people avoid thinking or discussing. As many people approach death, they invest their treasures in desperate measures to extend the life of their corruptible bodies and, thus, deny the inevitability of death.

Since deaths usually occur in hospitals or nursing homes away from family and friends, most people have never experienced a death firsthand. This artificial shielding creates an aura of the unknown around death and allows many to deny its very existence.

A study of death rates and health care expenditures reveals the futility of squandering our treasures during the last days of our earthly life. Statistics show that approximately 75 percent of a person's total health care expenditures occur during the last six months of life. Fifty percent of the total is paid out in the last two weeks. These expenses are typically used for heroic measures which only postpone the inevitable.

Unfortunately many of the last-ditch efforts to postpone death have such serious side effects

that they frequently increase the dying person's suffering.

### CONSIDER THE ALTERNATIVES:

- ☐ Squander treasures for a few more days on earth.
- ☐ Invest treasures for an eternity in Heaven.

*“And Asa in the thirty and ninth year of his reign was diseased in his feet, until his disease was exceeding great: yet in his disease he sought not to the Lord, but to the physicians. And Asa slept with his fathers, and died in the one and fortieth year of his reign” (II Chronicles 16:12–13).*

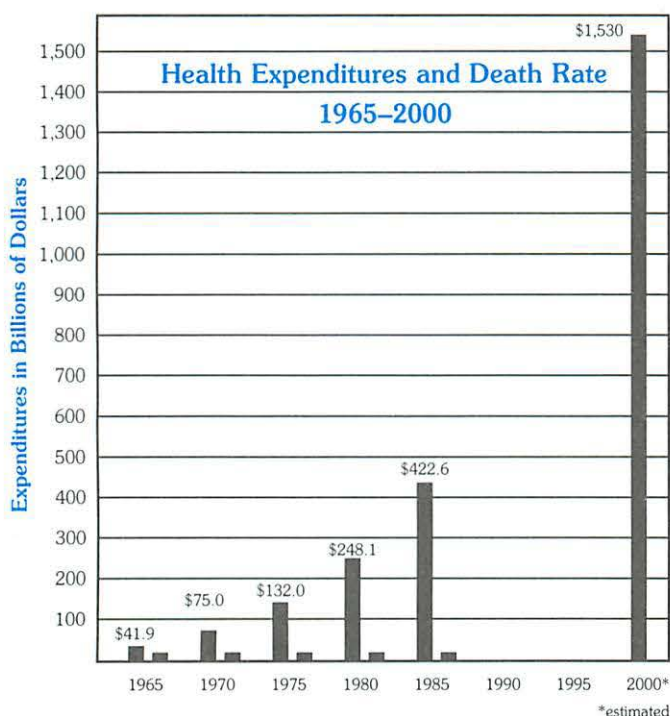
## 4 THOSE WHO CURSE AGING ABANDON THEIR TREASURES THROUGH PREMATURE DEATH.

Failure to allow God to determine the quality and number of our days can also lead to anger. Anger, in turn, often leads to abuses which accelerate the aging process and result in premature death. Two of the leading abuses that accelerate aging are cigarette smoking and alcoholism.

Cigarette smoke contains nicotine and a complex mixture of four thousand other chemicals which impair the function of *fibroblasts*. Fibroblasts are cells which repair damaged cells. Whenever a body cell is injured, a substance called *fibronectin* (fie-broe-NECK-tin) summons fibroblasts to repair the damaged cell. These fibroblasts secrete collagens that literally cement the injured cell back together.

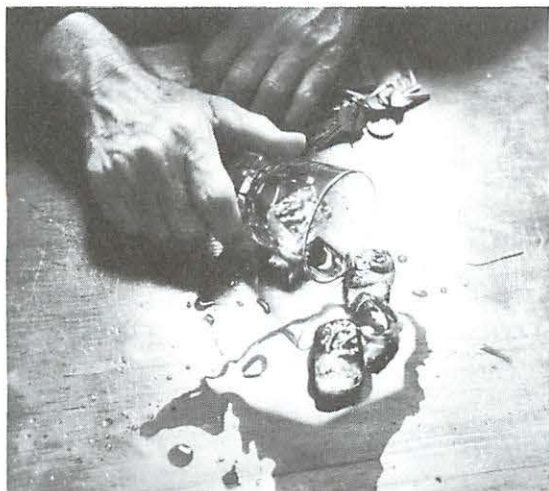
Smoking, among other things, impairs the activity of fibroblasts. This condition causes damaged cells to deteriorate from lack of repair. Skin cells are particularly susceptible. When they are damaged by ultraviolet light and there are no fibroblasts to repair them, the number of skin cells actually decreases. This process greatly reduces the thickness of the skin, causing it to wrinkle easily and creating an exaggerated appearance of aging.

In addition to its effect on skin, smoking is a major risk factor in cardiovascular disease, cancer, complications in pregnancy, peptic ulcers, and osteoporosis. It contributes to more than 300,000 premature deaths each year.



**While health care expenditures increased approximately 1,000 percent between 1965 and 1985, death rates (the second bar for each year above) dropped by only six one-hundredths of one percent (0.06%), remaining at about nine deaths per thousand persons throughout the time period.**





H. Armstrong Roberts

**Alcoholism is another form of abuse which may be prompted by an angry response to aging.**

Doctors estimate that about ten million Americans drink enough alcohol to cause serious abuse to their bodies. Another eighty million people drink enough alcohol to produce limited abuse.

The destructive ingredient in alcohol is an organic compound named *ethanol*. Ethanol is absorbed directly from the stomach into the bloodstream, where it diffuses rapidly into every member of the body. About 10 percent of it is eliminated through the kidneys and the lungs, but the rest must be metabolized by the liver.

Ethanol is a powerful depressant which acts much like ether or chloroform. It has been estimated that 50 percent of all highway deaths and 25 percent of all suicides are related to alcohol abuse. These statistics make alcohol the fourth most common cause of death in the United States.

Ethanol also affects every cell in the body. It accelerates the aging process by killing brain cells, destroying osteoblasts which build strong bones, and creating deficiencies in zinc, iron, vitamins B<sub>1</sub>, B<sub>6</sub>, A, and folic acid.

### CONSIDER THE ALTERNATIVES:

- ☐ Squander treasure in an effort to find pleasure.
- ☐ Invest treasure through a life of obedience.

***"He that loveth pleasure shall be a poor man: he that loveth wine and oil shall not be rich" (Proverbs 21:17).***

***"Wine is a mocker, strong drink is raging: and whosoever is deceived thereby is not wise" (Proverbs 20:1).***

## 5 THOSE WHO ACCEPT AGING ARE GENEROUS WITH THEIR TREASURES AND BECOME RICH TOWARD GOD.

God designed aging as a daily reminder of our total dependence upon Him and of the certainty of eternity. Therefore, the wise Christian will use the motivation of aging to help him release his grip on temporal things and invest them in ways that will advance the Kingdom of God and give him eternal riches.



Library of Congress

**In the final analysis, relationships are far more valuable than financial resources. It is through relationships that we invest in eternity, since Jesus said, "... Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me" (Matthew 25:40).**

### • **Provide an inheritance for grandchildren.**

By providing funds for grandchildren, sons and daughters can be encouraged to have more children and are enabled to care for them with provisions that are laid up for that purpose.

By wisely prescribing the use of their money, grandparents are able to encourage such things as home education, buying a debt-free home, caring for the needs of elderly parents, and performing other Scriptural responsibilities.

*"A good man leaveth an inheritance to his children's children: and the wealth of the sinner is laid up for the just" (Proverbs 13:22).*

### • **Distribute to the needs of Christians.**

God instructs us to use our treasures in order to do good to all men, especially to Christians.

*"As we have therefore opportunity, let us do good unto all men, especially unto them who are of the household of faith" (Galatians 6:10).*



There is a greater need for generosity among Christians because we are all members of the Body of Christ. Only as each member contributes to making the Body strong will the Body effectively minister to those who are on the outside. Therefore, we are commanded in Romans 12, "So we, being many, are one body in Christ, and every one members one of another. . . . Distributing to the necessity of saints. . ." (Romans 12:5, 13).

### • Give to the poor.

Christians also have a responsibility "to the poor within their gates." As we give to the basic needs of the poor, we actually lend unto the Lord, and whatever we "loan" to Him, He gives back many times over.

"He that hath pity upon the poor lendeth unto the Lord; and that which he hath given will he pay him again" (Proverbs 19:17).

Jesus said to the rich young ruler, ". . . Go and sell that thou hast, and give to the poor, and thou shalt have treasure in heaven: and come and follow me" (Matthew 19:21).

## PROJECT 1

One of God's motivations in instructing young people to remember their Creator is a symbolic description of aging. See if you can match the following evidences of old age with the Scriptures from Ecclesiastes 12 which are listed below.

### EVIDENCES OF AGING

- ☐ 1. White hair
- ☐ 2. New fears
- ☐ 3. Burdened by little things
- ☐ 4. Light sleep
- ☐ 5. Hearing loss
- ☐ 6. Loss of teeth
- ☐ 7. Silence
- ☐ 8. Fragile bones
- ☐ 9. Feebleness
- ☐ 10. Hunchback
- ☐ 11. Gumming food
- ☐ 12. Depression



Dictionary of American Portraits

- ☐ 13. Dim vision
- ☐ 14. Impotence

"Remember now thy Creator in the days of thy youth. . . ."

- A. "While the sun . . . be not darkened"
- B. "Nor the clouds return after the rain"
- C. "The keepers of the house shall tremble"
- D. "The strong men shall bow themselves"
- E. "The grinders cease because they are few"

- F. "Those that look out of the windows be darkened"
- G. "The doors shall be shut in the streets"
- H. "The sound of the grinding is low"
- I. "He shall rise up at the voice of the bird"
- J. "The daughters of music shall be brought low"
- K. "Afraid of that which is high"
- L. "The almond tree shall flourish"
- M. "The grasshopper shall be a burden"
- N. "Desire shall fail"

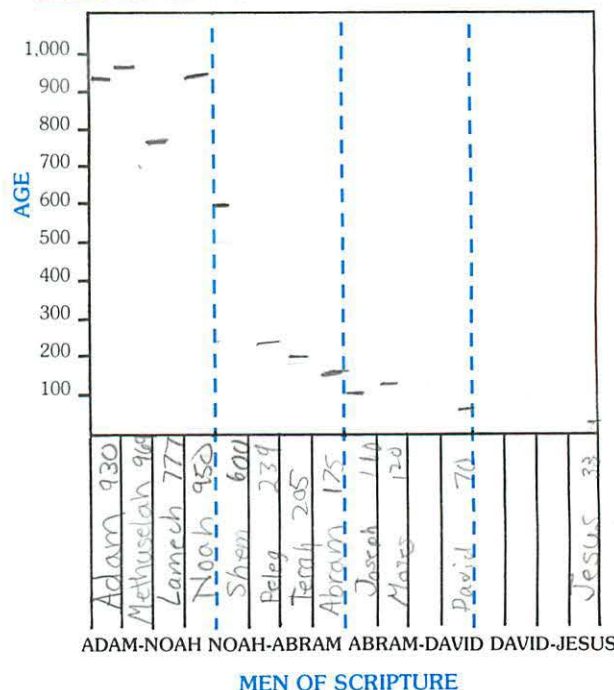
## PROJECT 2

### Trace the history of aging through Scripture.

Scripture reveals that life expectancy has changed over the centuries. Make a graph of the ages of noted men. Divide the graph into four sections. Include in the first section the ages of men from Adam to Noah. Include in the second section men between Noah and Abram. Include in the third section men from Abram to David, and, in the fourth section, men between David and Jesus.

What does this graph suggest about predictions that medicine will one day extend man's life indefinitely?

### HISTORY OF AGING THROUGH SCRIPTURE



Date completed \_\_\_\_\_ Evaluation \_\_\_\_\_