



Setting Up a Budget That Works

KNOWLEDGE IS POWER!

I. PRINCIPLES TO UNDERSTAND – *PROVERBS 27:23-27*

“The financial principles given throughout God’s Word are not there to see if we’re strong enough to live by them – they’re given because God know that they are the best for us. God’s principles of finances are not an arbitrary set of rules by which to govern us – they are a loving Father’s wisdom to those who will listen and trust Him” – Larry Burkett

- A. Your purpose on earth is to glorify God (Matthew 5:16).
- B. A Wise man builds his house upon the rocks (Matthew 7:24-27).
- C. God rewards those who diligently seek Him (Hebrews 11:6).
- D. Everything you have belongs to God (Exodus 9:29; Psalm 24:1; 1 Corinthians 10:26).
- E. God is your provider (Deuteronomy 8:18).
- F. You must honor God with everything He has entrusted to your care (Proverbs 3:9-10).
- G. The husband is to bear the emotional burden for the family’s finances (1 Timothy 5:8)
- H. You are accountable for your stewardship (1 Corinthians 4:2; Romans 14:12).
- I. Tithes, offerings, and giving are the will of God (2 Corinthians 8:5).
- J. Financial success comes through hard work (Proverbs 10:4; 22:29).

II. FIVE PRIORITIES OF FINANACIAL STEWARDSHIP

A. Giving to the Lord. Honor God (Proverbs 3:9; Genesis 14:20; Acts 4:36-37).

Giving back to the Lord the first tenth demonstrates your faith and is an acknowledgement to Him that you believe that all you have come from Him. This is your first stewardship responsibility.

B. Saving for you Future. Honor your family (Proverbs 6:6-11, 21:20, 22:3, and 21:5).

People are impulsive spenders by nature. (Why is the milk always at the back of the store?)

1. Recognize your need for discipline in spending.
 - a. Is there too much month left at the end of the money?
 - b. Do you save for a rainy day? But it rains every Tuesday?
2. Plan for the future.
 - a. Don’t consume to the level of your income.
 - b. Save 10%– remember, tithe 10%, save 10%, use 80%.
 - c. Have a short-term savings. Cash reserves equivalent to 4-6 months of living expenses are recommended by financial planners.
 - d. Have a long-term savings, including investments for retirement and other things.
3. Keep your savings in balance and perspective (Luke 12:16-20)
Value your money, but do not shift your dependence from God to money.

C. Spending on your needs. Pay your bills; preserve your testimony (Psalm 37:21; Romans 13:7a; 1 Thessalonians 4:11-12).

Knowing your means, and living within them, is crucial to good stewardship.

D. Offerings to others (Proverbs 19:17; 1 Corinthians 16:2-3; Romans 15:24).

Give as the Lord directs your heart. God does not intend for you to meet everyone’s need, but He does want you to meet the needs of some.

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Budgeting is knowledge!
Knowledge is Power!
Power to make the
Right financial choices!

E. Enjoying luxuries for your personal pleasure (Job 42:12; 1 Timothy 6:17; 1 Corinthians 4:7).

1. Conveniences, not necessities
 - a. Cell Phone
 - b. Cable/satellite TV
2. Additional investments
After your responsibilities are met, and you have given as God has directed, invest the rest. God has a plan for your money—and you.

III. THE BUDGET WORKSHEET

A. Record your income

1. List gross income for both spouses from your jobs.
2. Subtract all deductions to arrive at your net spendable take-home pay.
3. List all other forms of income: social security, investment, pension, rents, etc.

B. Record your expenses

1. Giving to your church (tithe)
2. Savings for your family (Long and Short Term)
3. Living Expenses (needs)
 - a. Housing expenses
 - b. Groceries
 - c. Auto repairs and gasoline
 - d. Gifts for birthdays, weddings, Christmas, etc.
 - e. Clothing
4. Give to the needs of others (Offerings or Faith Promise)
5. Enjoy the fruits of your labor
 - a. Recreation/entertainment, eating out, etc.
 - b. Vacations, hobbies.
 - c. Cable TV

C. Visualize your cash flow. Understand that peaks and valleys will happen. This helps you see the need to set aside funds for those difficult times.

D. Use a saving method.

1. Envelope system
2. Money market-automatic bank transfers. This is usually the best option.

E. Budgeting tools that help you.

1. Quicken, other computer programs (Excel), etc.
2. Budget booklets

F. Record your actual expenses as you pay your bills (tracking). This will provide the information you need to make next year's budget.

G. Stick with it! This is the only way to measure your money and avoid future debt. Biblical Stewardship is a lifestyle that displays wisdom in your choices.

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H. If you are married – work together as a team and review regularly. Share with your spouse.

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