

A graphic of a green beam of a scale with a black triangle fulcrum in the center, tilted downwards to the right.

LIVING WITH LESS
IN THE LAND OF MORE

3. THE PRACTICE OF BUDGETING

REVIEW: THE PRINCIPLE OF TRUST

Have you ever had to trust God — really depend on Him?

Do you find yourself playing the “what if” game? What does your worrying gain you?

Three times in the Sermon on the Mount Jesus commanded people to stop worrying. Look at these three commands in **Matthew 6:25, 31, and 34**. Reword them so they are positives. “You may stop being anxious about _____ because _____.”

Read Gary Haugen’s definition of “poor” on **page 64**. How does it compare to your experience of being poor?

Who are the “thems” in your life? Who is counting on you to provide for them — and what do they need from you? Be specific.

PRINCIPLES + PRACTICES = REAL PROFIT

The **Practice of Debt-Free Living** and the **Practice of Saving** both call for commitment, as does the **Practice of Budgeting**. However, this practice also calls for **a plan**. As Gary writes on **page 125**, “every person in the family has to help if the plan is going to work — particularly mom and dad.”

Nobody stumbles into **REAL PROFIT**. It requires a plan. “When God gives us a marriage and family, He has given to us a trust. The Word tells us that when we’re given a trust, we must be faithful to fulfill that trust. (**page 125**)” Budgeting is an essential tool to fulfilling the trust God has given us.

On **page 66** on *The Principle of Trust*, Gary writes, “Worry is irrelevant. Getting right to the heart of the matter, Jesus asked a pointed question: ‘Can any one of you by worrying add a single hour to your life?’” What does **REAL Profit** look like and feel like when the **Practice of Budgeting** is added to the **Principle of Trust**?

“People hate budgeting. They just do. It’s kinda like people hate exercising. But that doesn’t mean you shouldn’t do both. It’s no surprise those people who hate exercising and budgeting the most are often the people who need to exercise and budget the most.”

Peter Dunn, Financial Planner



THE PROBLEM

Read page 126

Do you balance your checking account regularly? If so, what do you learn about your spending pattern? If not, why not?

Describe the “*condition of your flocks*” (i.e.; your finances). Be specific. What is your debt load? How much money do you have invested? Are you sufficiently insured?

What is your attitude about budgeting? Does it need to change? If so, how and why?

THE PLAN

Take a look at the story of Nehemiah inspecting the walls of Jerusalem in **Nehemiah 2:11-18**.

Why do you think Nehemiah told no one about what God had put in his heart to do for Jerusalem?



What did Nehemiah see in **verses 13-15**? How easy would it have been for him to be discouraged by what he saw?

How did Nehemiah sell his plan to the officials in **verses 17-18**? What strategy did he use?

How did the workers respond?

Budgeting is simply a matter of creating a plan for success. It doesn’t need to be unnecessarily difficult. Making a spending plan is an essential practice if we are to have healthy finances.

On **page 131** Gary begins an outline of four simple steps to putting together a budget.

Step 1: List All Sources of Income

“Identify the sources and frequency of your income, such as paychecks, work bonuses, sales commissions, interest on investments, rental income, monetary gifts, stock dividends, tax refunds, proceeds from sales, etc.”

Step 2: List All Expenses

Page 132 and 133 include a very simple list of expenses to get you started. Another great resource for budgeting can be found on Dave Ramsey's website at <https://www.daveramsey.com/budgeting/how-to-budget/>

Once you have completed the list, identify those expenses that are fixed and recurring. For further insight into this practice, consult page 133 of the book and consider the standard percentages of income provided by Dave Ramsey.

Step 3: Calculate the Difference & Make Adjustments

Hopefully, your income will exceed your expenses. If so, consider what to do with your excess income. In light of your immediate, intermediate, and long-term financial goals, how can you best use this unspent income?

If your expenses exceed your income, you will need to adjust your spending. Failure to do so will result in living paycheck to paycheck, and will actually create a spending deficit. The longer you keep spending more money than you make, the longer it will take for you to recover financially.

Step 4: Make Budgeting a Regular Practice

"Once you create a budget, use it."

The actual implementation of a budget is where a lot of people run into trouble. Without regular discipline, it's easy to give in, give up and lose your budget and your plan for **REAL Profit**. Consider one of the many simple budgeting systems available:

The Envelope System is probably the easiest. Make an envelope for every expense you have (i.e., rent/house payment, gas, car payment, groceries, tithe, eating out, etc.). Write the dollar amount of that expense on that envelope. Then, cash your paycheck and put the amount of money needed for that expense into the envelope. Don't take any money out of the envelopes! Save it up from pay period to pay period, and you will have sufficient money on hand when that expense comes due.



You also might want to consider a budgeting program/app like **EveryDollar.com**. **EveryDollar** is free budget software accessible from your desktop, **iPhone** and **Android**. It is based on a proven plan that's helped millions of people get out of debt and save.

Whatever you choose to do, make sure your budget works for you. Just like diets and exercise, budgets are necessary. But also, just like diets and exercise, everyone doesn't fit into the same plan. Carefully pick one that you can commit to and follow.

THE THREE-QUESTION FORMULA

On pages 135-137, Gary writes about **The Biblical Side of a Budget** and outlines a three-question formula for considering purchases. Describe how each question might impact a purchase you're considering, or might have prevented you from making a purchase you regret.

Is This Biblical?

Is This Sensible?

Is This Loyal?

Proverbs 24:3 states, *“by wisdom a house is built, and through understanding it is established.”* As you consider your own need for budgeting, pray about the peace you might have through a carefully built and firmly established household budget.



SKIN IN THE GAME

Have you ever tried budgeting before? Whether or not you kept it up, what did you learn that was encouraging? What was it about the process that you find difficult or discouraging?

Does your income exceed your expenses, or do your expenses exceed your income?

Depending on your answer to the question above, how are you responding to your current financial condition?

What are your immediate, intermediate, and long-term financial goals? If you don't have specific financial goals, why not?