

LESSON FOUR

PUTTING IT ALL TOGETHER

Putting Your Budget Into Practice

A budget takes about three to six months to put into practice, some unexpected expenses such as car or home repair may come up before you have enough saved to cover them. If this happens show a negative balance for the expense on your savings record and reduce the negative balance as you save for that expense each month. As the months go by your savings will accumulate enough to cover future expenses.

You may be tempted to spend emergency savings if they aren't needed but don't give in. You may need that money for a "rainy day" right around the corner.

Changing Your Budget as Your Finances Change

Your budget will change over time and you may need to make changes when the following events happen;

1. Increase in income; An increase in income allows for more retirement savings or a greater amount for emergency expenses like car repair, home repair, schooling, vacation etc. if you get a bonus or an income tax refund or to set it aside for larger expenses like car replacement.
2. Variable expenses become more defined; As you keep track of spending for groceries, utilities, clothing, gas for the car etc adjust your budget accordingly.
3. Change in expenses; If you suddenly need to replace a car or need to repair something at home (air conditioner, roof, carpeting) you may need to change your budget to cover payments. For example you may need to save a little less for clothing or vacation and use that money to pay a bill. Emergency expenses illustrate the importance of planning your spending and setting aside money for unexpected events.
4. Paying off debts; You may want to adjust your budget to pay off loans or other debts more quickly than by making the minimum payment. Once a debt is paid the money can be used for other expenses.

Make copies of the Monthly Spending Record and continue to record daily spending to help make adjustments to your budget.

SETTING LONG TERM FINANCIAL GOALS

On a scale of 1 - 5 (1 is least important, 5 is most important) indicate how important each of the following items is to you. Deciding what is important will help you set long term goals and determine how to save and spend your money. If you don't know how important a particular item is to you now think about it and fill it in later.

- _____ Paying bills on time
- _____ Having a new car
- _____ Saving for retirement
- _____ Being generous with friends
- _____ Sending your children to college
- _____ Giving to church or charities
- _____ Wearing fashionable clothes
- _____ Having more time with family
- _____ Enjoying a hobby or sport
- _____ Taking a yearly vacation
- _____ Having a computer\internet
- _____ Having savings for emergencies
- _____ Entertaining\eating out
- _____ Owning a larger home

Congratulations! You have successfully finished the Family Budgeting and Money Management course.

REFERENCES and LINKS

Information and resources to help you with family or business financial matters can be found on the Crown Ministries web page:
www.crown.org

Current financial information including investment advice from a conservative perspective can be found in the Wall Street Journal (wsj.com). Some articles on the web site are limited to subscribers.

Financial management from an experienced money manager can be found in "Financial Peace University Revisited" (2003) by Dave Ramsey, Viking Press and subsequent revisions. The author's website daveramsey.com offers various classes and learning tools.

Strategies for wealth accumulation (saving and growing financial assets) can be found in "T Millionaire Next Door" (2010) by Thomas Stanley and William Danko, Taylor Trade Publishing.

How personality affects the way we handle money is described in "Smart Money" (1994) by Jerry & Ramona Tuma with Tim LaHaye, Multnomah Books.

A man and woman engaged to be married need to bring their finances together. A plan for that is described in "Money Before Marriage" (1996) by Larry Burkett with Michael E. Taylor, Moody Press.

"Your Money Counts" by Howard Dayton, Crown Ministries. This book is a Biblical guide for earning, saving, spending, investing, giving and getting out of debt.

"Dollars and Sense" (1967) by Larry Burkett, Barbour Publishing, Inc. Biblical wisdom for the faithful steward.