

THE TRUTH ABOUT BUDGETING

As Christians, part of our daily walk with God should be good stewardship (management) regarding personal finances. A key facet in establishing and maintaining financial integrity in our families is a budget or spending plan. **A budget is simply a written financial plan for the home.** The plan brings finances under God's control and relieves the worry, frustration, and anxiety that result from uncontrolled spending.

Many people lack confidence when it comes to financial matters. The following list of truths can help us overcome some of the myths of budgeting that often hamper our journey to financial freedom.

Myth: We tried to budget before and it just didn't work.

Truth: We get very few things perfect the first time we try. It takes time and patience to develop a skill. If you have had an unsuccessful budgeting attempt in your past, you are really in the best position to succeed because you can learn from your mistakes and you know it takes some effort, so now you can be determined to make it work!

Myth: We don't have time to keep track of a budget.

Truth: It will take much more time to get out of a financial mess than it does to keep your finances in order. Maintaining a budget takes less time than you think. A properly prepared, established budget should not take more than 30 - 45 minutes per week to maintain.

Myth: We are not mathematically inclined.

Truth: You do not need an accounting degree to establish and maintain a budget! Budgeting does not involve complex mathematical equations. Knowing simple addition and subtraction is enough, and tools exist, such as calculators or computers, to eliminate any math that may be difficult or tedious.

Myth: We don't earn enough income to budget.

Truth: Everyone needs a budget. When you budget, you limit excess spending, and it's as if your income grows!

Myth: We earn too much income to worry about a budget.

Truth: Unfortunately, as incomes rise, spending usually rises at the same or greater rate. Ecclesiastes 5:11 says, *"...the more you have, the more you spend..."* A budget will help you use your growing income according to God's plan for the benefit of your family and others.

Myth: We have a variable income and, therefore, we can't budget.

Truth: Probably more than anyone, those on a variable income should budget. Following a budget will ensure that expenses don't exceed your average variable income. A variable income budget is slightly different from a fixed income budget, but not difficult.

Myth: It is impossible to budget for unplanned expenses.

Truth: Actually, just the opposite is true. One of the main reasons for budgeting is to accrue balances in expenses categories that will allow you to take care of inevitable unplanned expenses such as medical emergencies and car repairs. It's not a matter of "if" those kinds of things happen, but "when." Contingency funds built into your budget gives you the peace of knowing you can meet those demands when they arise without going into debt.

One of the most common reasons people abandon their spending plan is that it's too complicated. We want to keep our plan as simple as possible. **Our goal is this: To establish a level of spending for each expense category, allocating spendable income to those categories, and knowing where you stand at all times.**