

# FAITHFUL IN FINANCES\$

BIBLICAL PRINCIPLES ON BUDGETING, SAVING, FINANCIAL GOAL  
SETTING AND DEBT MANAGEMENT

# I. PLAN YOUR SPENDING

## THE PRINCIPLE OF BUDGETING

### Proverbs 21:5

*“Plan carefully and you’ll have plenty.  
But if you act too quickly you will  
never have enough.”*



# BUDGETING

A budget can often help:

- build financial independence and freedom.
- set you on the right path to achieving your financial goals
- Spend within your means
- save for retirement
- build an emergency fund
- analyze your spending habits.

# BUDGETING

- ITEMIZATION OF YOUR INCOME, EXPENSES AND SAVING
- SPECIFIC FACTS AND FIGURES
- GET BANK ACCOUNT HISTORY AND BILLS
- OBSERVE AND DOCUMENT THE LIFE OF YOUR MONEY

# TYPES OF INCOME AND EXPENSES

## **INCOME**

- SALARY FIXED
- HOURLY WAGE (AVERAGE 3 TO 6 MONTHS)
- CHILD TAX BENEFITS
- ALLOWANCES
- RENTAL INCOME

## **EXPENSES**

- TITHES
- MORTGAGE
- RENT
- CAR PAYMENT
- TRANSPORTATION
- HYDRO
- CABLE/INTERNET/
- CELL PHONE
- TAX
- DEBT
- GAS
- ENTERTAINMENT
- CHILDREN EXPENSES
- FOOD
- DINING OUT

# BUDGET DEFICIT VS BUDGET SURPLUS

- Budget deficit- when spending exceeds the revenue available in a given period of time.
- Budget surplus- when expenses are less than the income

# Results of Budgeting

- build financial independence and freedom
- set you on the right path to achieving your financial goals
- spending within your means
- saving for retirement
- building an emergency fund
- analyzing your spending habits.

# SAVING

Proverbs 6:6-8:“

Go to the ant, O sluggard; consider her ways, and be wise. Without having any chief, officer, or ruler, she prepares her bread in summer and gathers her food in harvest.”

# REASONS TO SAVE

- There are many reasons why you may need to save money. But here are common things you may need to set aside cash for in the future:
  - Emergency funds
  - Retirement
  - Education
  - Down payment for a house
  - Vacations
  - Larger purchases

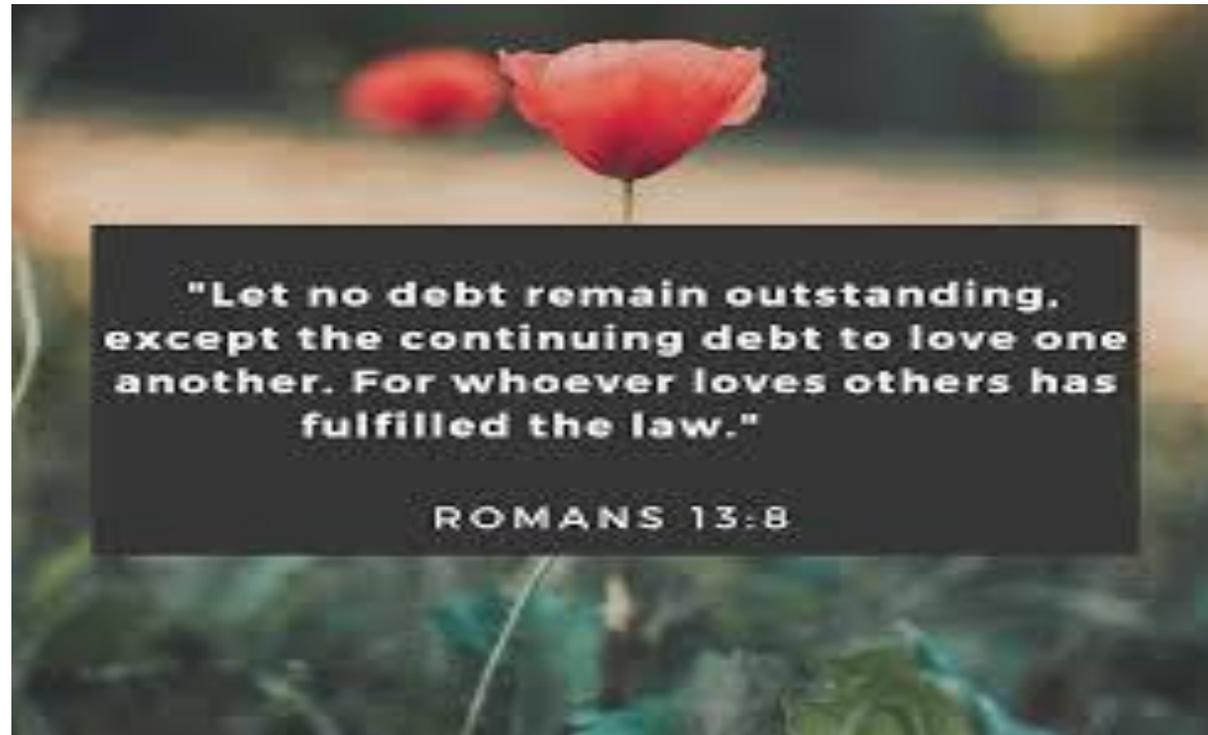
# HOW TO SAVE

- Identify and calculate your saving goals
- Practice mindful spending
- Be diligent/intentional and consistent
- Get help - Seek wisdom
- Reduce your expenses
  - cutting the cable
  - limiting the number of times you eat out or buy coffee
  - Reduce banking fees
  - Coupons
  - Shop for needs (not wants)
  - Shop on sale

# SAVING SOLUTIONS

- To get good at saving you have move from the habit of saving to spend to the habit of saving to make money.
- A good saver does not spend all they have unless it's an emergency
- Ideally you want to have six months of your saving stashed away. But if you can save three it's a good start.
- Pay yourself first
- Have an emergency fund

# DEBT MANAGEMENT



# WHAT IS DEBT MANAGEMENT

- Debt management is a way to get your debt under control through financial planning and budgeting. The goal of a debt management plan is to use these strategies to help you lower your current debt and move toward eliminating it.

# TYPES OF DEBT

- Generally, there are two main types of debt:
- Secured
  - Mortgage
  - Auto loans
  - Secured credit card and Line of Credit
- Unsecured
  - Credit card
  - Pay day loans
  - Personal loans
  - Utility bills

# Tips to get out of Debt

- Pay more than the minimum
- Pay off the most expensive debt first AVALANCHE
- Pay the smallest debt first SNOWBALL
- Track your spending and identify areas to cut
- Get a consolidation loan
- Create a spending plan
- Get a second job
- Get help

# FINANCIAL GOAL SETTING

- A financial goal is any plan you have for your money. You can have short-term financial goals (like saving up \$1,000) or long-term financial goals (like investing for retirement). You should set goals for every area of your life, but having specific financial goals helps you literally put your money where your goal is.
- Having a goal helps you be more future-minded with your money. You'll start to see how every decision you make adds up and matters to your overall financial health.

# 5 Steps to Setting Financial Goals

1. Make your goal specific
2. Make your goal measurable
3. Give yourself a deadline
4. Make sure they're your own goals
5. Write your goal down

# 5 Common Financial Goals

1. Create and stick to a budget
2. Build up an emergency fund
3. Get out of debt
4. Save up for your retirement dreams
5. Spend less and save more

# Questions and Answer

# Conclusion

- Faithful in finances start with acknowledging that what we have has been given to us by God, so we need to be good steward of all He has given to us.
- "The earth is the Lord's, and everything in it" (Psalm 24:1).
- Proverbs 3:6, 9-10: "In all your ways submit to Him, and He will make your paths straight. Honor the Lord with your wealth, with the first fruits of all your crops; then your barns will be filled to overflowing, and your vats will brim over with new wine."



**LISTEN WELL TO  
WISE COUNSEL  
AND BE WILLING  
TO LEARN FROM  
CORRECTION  
SO THAT BY THE  
END OF YOUR LIFE  
YOU'LL BE KNOWN  
FOR YOUR WISDOM.**

—  
PROVERBS 19:20 (TPT)

