



Chapter 14 Sample- Budget

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FOURTEEN

BUDGET

Keep Abreast of the Facts



The day Bev and I went to see Jean Hitchcock's parents, Frank and Vivian Webster, they were enjoying the visit of their youngest granddaughter, Taliyah. As they watched her play, there was not even a hint of what they had gone through the previous year. For the Websters it had been a year of dramatic upheaval. Frank had suffered a stroke that paralyzed his left side and caused him to lose his job. They were forced to sell their cozy lakefront home and readjust to a much lower standard of living.

The clean, neat apartment they now called home was sparsely furnished. It was apparent that they were going through hard times. Vivian explained their readjustment. "We have been amazed at what we can live without. We

have been forced to watch every penny and follow a strict budget.”

Their backs were against a financial wall, and the Websters had responded by economizing at every turn. They went without air conditioning, no longer ate at restaurants, and limited the use of the hot water heater to 30 minutes a day—just enough for showers and the dishes. Their conservation was paying off. They were actually putting more money into savings than when they were living on Frank’s lucrative salary as an engineer. However, during those years of easy spending, they had lived without the restraints of a budget.

“The trauma of unemployment forced us to communicate in an area of our lives that had been ‘off limits’ during the ‘good old days,’” Vivian explained. “We have learned more about each other through this adversity than at any other time during our 37 years of marriage. As strange as this may sound, we are grateful that this hardship happened. There is more peace in our family now than during the years of prosperity.

WHAT IS A BUDGET?

The Websters are proof that when we plan where our money is to go, we can make the money go further. That’s what a budget is—a plan for spending money.

WHY BUDGET?

When the bank notified the depositor of his overdraft he replied in disbelief, “I must have more money left in my account. I still have six checks in my checkbook!” Like the surprised depositor, if you are not using a budget, chances are that you are flying by the seat of your financial pants.

Budgeting is not always fun, but it is the only way to follow through and apply what has been learned about getting out of debt, saving and giving. Regardless of income, most of us have difficulty making ends meet unless there is a plan for spending. It seems there is always “too much month at the end of the money” unless a planned and disciplined approach to spending is followed.

Budgeting provides an opportunity to pray about spending decisions.

This is important because according to a survey of young husbands, more than 50 percent of the most serious marital problems are financial. In fact, one judge has said, “Quarreling about money is the major reason for our unprecedented divorce rate.” I seldom see a family with financial problems where there is not real tension within the marriage.

A successful budget should be a team effort. It is a good communication tool for the husband and wife to use. A budget also can help a family get full value for its money without losing sight of the things its members want most.

A family in our neighborhood is committed to sending their children to camp each summer. Several years ago as they were planning their annual budget in January, it became apparent that there would not be enough money for the children to go to camp. The family then agreed each member would “contribute” to summer camp by making a sacrifice: The father gave up his golf game once a month, the mother did not join her summer bowling league and the children received half their normal allowances. By using a budget, the family was able to anticipate a problem and adjust their spending to enable them to get what they wanted most, in this case, summer camp.

HOW TO BUDGET

A budget is useful only if it is used. It should be a plan tailor-made for managing *your* finances, not someone else’s. Some people are more comfortable using a hand-written system, while others prefer using budget software or an online budget.

To set up your budget, follow these three steps:

