

Week 11

XLI. Introduction

A. Homework

B. Budget Principles

1. Budget...just the spending plan for your household
2. Know where you are starting from and where you are going
3. Adjust your spending to meet your income
4. Plan for the (Un)Expected
5. Pay Yourself not somebody else – Debt and Taxes
6. Increase Your spendable income
7. Care for our and our extended family
8. Invest
9. Plan for your protection
 - a. Insurance provides us the opportunity to transfer some of our risk to another
 - b. Insurance can provide us some ability to protect against potentially catastrophic financial risks
 - c. By wisely considering what to insure and for how much we can multiply the power of our money

C. Biblical Principles

1. God's HIGH priorities for our money
 - a. Paying our taxes (Romans 13:1-7)
 - b. Repaying our Debts (Psalm 37:21)
 - c. Providing Food and Covering (1 Timothy 5:8)
 - d. Giving (Luke 6:38)
2. God's MODERATE priorities for our money
 - a. Saving (Proverbs 21:20)
 - b. Planning (Proverbs 16:3)
 - c. Repaying our debt more quickly than we have too (Proverbs 27:1; Ecclesiastes 5:5; Proverbs 22:7)
3. God's LOW priorities for our money – everything else

4. We are Stewards because God owns it all...we own nothing – Psalm 24:1
5. Money in and of itself is morally neutral...it is what we do with it that makes it good or bad – Hebrews 13:5
6. Money is an excellent indicator of our heart...both good and bad – Mt 6:21
7. The believer is to be self-controlled – Titus 2:12
8. Work is a Blessing – Ecclesiastes 5:18-20
9. We are to be content – 1 Timothy 6:8
 - a. If we have food and protection against the elements we have all that is required for our contentmentAs for food and clothing we are not to worry about those (Luke 12:22-30)

XLII. Biblical Principle – God Has Provided All Things For Our Enjoyment

- A. God provides good things to people
 1. Beyond the grace and mercy that we receive because of his loving kindness
 2. God has also created and provided material things that are good
 3. We see this in creation

Genesis 1:31a *“God saw all that He had made, and behold, it was very good.”*
 4. Better than good...it was VERY good
 5. God is the author of good things

James 1:17 *“Every good thing given and every perfect gift is from above, coming down from the Father of lights, with whom there is no variation or shifting shadow.”*
 6. He provides good things to all people (common grace)

Matthew 5:45 *“for He causes His sun to rise on the evil and the good, and sends rain on the righteous and the unrighteous.”*
 7. Beyond just providing good things He has provided those things abundantly
 - a. Life – John 10:10
 - b. Grace – Acts 4:33
 - c. Comfort in Christ – 2 Corinthians 1:5
 - d. Does for us more than we can think or ask – Ephesians 3:20
 - e. Entrance into the kingdom – 2 Peter 1:11
 - f. Loving kindness – Numbers 14:18
 - g. Prosper the work of the Jews hands – Deuteronomy 30:9

- h. Rain – Job 36:28
 - i. Prosperity – Psalm 37:11
 - j. Redemption – Psalm 130:7
8. God provides these things so that we can know and honor Him (Romans 1:20-21)
- B. The good things He provides we may enjoy
- 1. We are not called to live in poverty to demonstrate our righteousness
 - 2. Remember God does give abundantly
 - 3. God is not a cosmic killjoy...the good things He has provided we may enjoy
¹ Timothy 6:17 *“Instruct those who are rich in this present world not to be conceited or to fix their hope on the uncertainty of riches, but on God, who richly supplies us with all things to enjoy.”*
 - 4. Remember that here “All means all”
 - 5. Everything we have we may enjoy
 - 6. We are not told we will be given lots of stuff to enjoy...just that what we have been given is to enjoy
 - 7. The enjoyment comes not in the amount...just in the having
 - 8. Ultimately even the enjoyment is provided through God
Ecclesiastes 2:25 *“For who can eat and who can have enjoyment without Him?”*
- C. A word of caution
- 1. We should find our enjoyment in serving God with our money by meeting his HIGH and MODERATE priorities
 - 2. We find joy when our will is aligned and subjected to His will
 - 3. Beyond that we may find enjoyment in our life style
 - 4. The caution here is we are not to find hope or satisfaction in these things...just enjoyment
 - 5. As we saw in Week 2 there is condemnation around putting our hope in wealth and possessions rather than the Giver
 - 6. We have also seen that we are not to use what has been provided to indulge the flesh or live extravagantly
 - 7. Another item of note...In many cases the enjoyment of an item may be its own reward...this may mean that there is no future reward

D. Summary

1. God has provided great and wonderful things
2. He has given these items that we may enjoy them
3. We may enjoy these things because we know from whom they come

XLIII. Budget Principle – Putting It All Together

A. As we track our finances the final activity is to balance the books

1. Remember that we are to live within our means...spend less than we earn
2. To track how we are doing we need monitor our spending over the long term
3. Balancing the books each month allows us to verify that we spending less than we take in over the long term
4. We are going to use the monthly anticipated spending, the monthly balance sheet and the tracking forms to balance our books

B. Example balancing acts...

1. Get Your Anticipated Monthly Expenses Worksheet

<p>Anticipated Monthly Expenses</p> <p>Giving <u>\$165.00</u></p> <p>VBC \$105.00</p> <p>Organization 2 \$60.00</p> <p>Organization 3 _____</p> <p>Organization 4 _____</p> <p>Discretionary _____</p> <p>Housing <u>\$233.00</u></p> <p>Mortgage/Rent \$367.00</p> <p>Property Taxes \$55.00</p> <p>Insurance \$25.00</p> <p>Utilities \$113.00</p> <p> Electric \$38.00</p> <p> Gas \$27.00</p> <p> Water \$15.00</p> <p> Trash \$9.00</p> <p> Sewer _____</p> <p> Home Phone \$18.00</p> <p> Cel Phone _____</p> <p> ISP \$6.00</p> <p> Cable/Dish _____</p> <p> Other _____</p> <p> Maintn'c/Upkeep \$40.00</p> <p> Improvements _____</p> <p> Other _____</p> <p>Groceries <u>\$200.00</u></p> <p>Health <u>\$40.00</u></p> <p>Insurance 1 _____</p> <p>Insurance 2 _____</p> <p>Doctor Visits \$17.00</p> <p>Dental \$10.00</p> <p>Eyes \$10.00</p> <p>Medication \$3.00</p> <p>Other _____</p>	<p>Clothing <u>\$52.00</u></p> <p>Husband _____</p> <p>Wife _____</p> <p>Kids _____</p> <p>Recreation <u>\$100.00</u></p> <p>Eating Out \$35.00</p> <p>Movies/Activities _____</p> <p>Kid Sitter _____</p> <p>Vacations \$50.00</p> <p>Boat \$15.00</p> <p>Camper _____</p> <p>Hobby _____</p> <p>Other _____</p> <p>Life Insurance <u>\$115.00</u></p> <p>Husband \$88.00</p> <p>Wife \$27.00</p> <p>Kids _____</p> <p>Other _____</p> <p>Debt Buy Down _____</p> <p>Consumer _____</p> <p>Auto Loan _____</p> <p>Mortgage _____</p> <p>Student Loan _____</p> <p>Other Buydown _____</p> <p>Savings (Emerg Fund) <u>\$75.85</u></p>	<p>Anticipated Monthly Expenses</p> <p>Transportation <u>\$182.00</u></p> <p>Payments _____</p> <p> Auto 1 _____</p> <p> Auto 2 _____</p> <p>Insurance \$56.00</p> <p> Auto 1 \$28.00</p> <p> Auto 2 \$28.00</p> <p>Tags/Taxes \$4.00</p> <p> Auto 1 _____</p> <p> Auto 2 _____</p> <p>AutoClub \$2.00</p> <p>Fluids (Gas, Oils) \$75.00</p> <p>Maintenance \$45.00</p> <p>Improvement _____</p> <p>Toll, Rail, Bus _____</p> <p>Other _____</p> <p>Personal Allowances <u>\$136.00</u></p> <p>Husband \$32.00</p> <p>Wife \$32.00</p> <p>Kids \$72.00</p> <p>Miscellaneous <u>\$125.00</u></p> <p>Film/Developing _____</p> <p>Toiletries _____</p> <p>Hair Cuts _____</p> <p>Paper Goods _____</p> <p>Subscriptions _____</p> <p>Dues _____</p> <p>Pets _____</p> <p>Other _____</p> <p>Gifts _____</p> <p>Birthdays _____</p> <p>Christmas _____</p> <p>Anniversaries _____</p> <p>Other _____</p>	<p>School/Childcare _____</p> <p>Tuition _____</p> <p>Day Care _____</p> <p>Meals _____</p> <p>Supplies _____</p> <p>Investments <u>\$120.00</u></p> <p>Retirement _____</p> <p>Investments _____</p> <p>College Funds \$120.00</p> <p>Business Start Up _____</p> <p>Other _____</p> <p>Total Expenses <u>\$1,910.85</u></p> <p>(Add up all categories)</p> <p style="text-align: right;">Net Income <u>\$1,910.85</u></p> <p style="text-align: right;">Total Expenses <u>\$1,910.85</u></p> <p style="text-align: right;">Shortfall or Unallocated Surplus <u>\$0.00</u></p>
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Monthly Expenses Form

ban/29Aug12

Monthly Expenses Form

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2. Transcribe the Anticipated Monthly Expenses for each category onto your Balance Sheet Monthly Allocation column

Monthly Balance Sheet

Month of _____

		Income 1	Income 2	Income 3	Income 4			
Category	Monthly Allocation					Prev. Monthly Balance	From Category Tracking	Final Balance
Debt Due	\$367,00					\$1,790,35		
Net Spendable	\$1,543,85							
Giving	\$165,00					\$3,376,45		
Savings	\$75,85					\$9,354,85		
Housing	\$233,00					\$3,512,80		
Transportation	\$182,00					\$3,579,30		
Groceries	\$200,00					\$174,85		
Clothing	\$52,00					\$66,25		
Medical	\$40,00					\$659,50		
Miscellaneous	\$125,00					\$176,10		
Life Insurance	\$115,00					\$792,95		
Recreation	\$100,00					\$456,05		
Personal Allowance	\$136,00					\$1,223,60		
Investments	\$120,00					\$7,280,00		

Balance Form

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3. Example shows distribution of monies to a balance for each month

4. Track your income on the Balance Sheet and allocate it to each category

Monthly Balance Sheet

Month of _____

Category	Monthly Allocation	Income 1	Income 2	Income 3	Income 4	Prev. Monthly Balance	From Category Tracking	Final Balance
		1910' 85						
Debt Due	\$367,00	\$367,00				\$1,790,35		
Net Spendable	\$1,543,85	\$1,543,85						
Giving	\$165,00	\$165,00				\$3,376,45		
Savings	\$75,85	\$75,85				\$9,354,85		
Housing	\$233,00	\$233,00				\$3,512,80		
Transportation	\$182,00	\$182,00				\$3,579,30		
Groceries	\$200,00	\$200,00				\$174,85		
Clothing	\$52,00	\$52,00				\$66,25		
Medical	\$40,00	\$40,00				\$659,50		
Miscellaneous	\$125,00	\$125,00				\$176,10		
Life Insurance	\$115,00	\$115,00				\$792,95		
Recreation	\$100,00	\$100,00				\$456,05		
Personal Allowance	\$136,00	\$136,00				\$1,223,60		
Investments	\$120,00	\$120,00				\$7,280,00		

Balance Form

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5. Add your spending from each of the category Tracking Sheets and calculate the balances

Monthly Balance Sheet

Month of _____

Category	Monthly Allocation	Income 1	Income 2	Income 3	Income 4	Prev. Monthly Balance	From Category Tracking	Final Balance
		1910 ¹ 85						
Debt Due	\$367,00	\$367,00				\$1,790,35	\$0,00	\$2,571,35
Net Spendable	\$1,543,85	\$1,543,85						
Giving	\$165,00	\$165,00				\$3,376,45	\$871,25	\$2,670,20
Savings	\$75,85	\$75,85				\$9,354,85	\$0,00	\$9,430,70
Housing	\$233,00	\$233,00				\$3,512,80	\$202,55	\$3,543,25
Transportation	\$182,00	\$182,00				\$3,579,30	\$207,05	\$3,554,25
Groceries	\$200,00	\$200,00				\$174,85	\$147,10	\$227,75
Clothing	\$52,00	\$52,00				\$66,25	\$38,95	\$79,30
Medical	\$40,00	\$40,00				\$659,50	\$7,00	\$692,40
Miscellaneous	\$125,00	\$125,00				\$176,10	\$237,30	\$63,80
Life Insurance	\$115,00	\$115,00				\$792,95	\$0,00	\$907,95
Recreation	\$100,00	\$100,00				\$456,05	\$834,90	(\$278,85)
Personal Allowance	\$136,00	\$136,00				\$1,223,60	\$54,65	\$1,304,95
Investments	\$120,00	\$120,00				\$7,280,00	\$0,00	\$7,400,00

Balance Form

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6. Note the shortfall in the Recreation category

7. Reallocate your Income to categories to cover the shortfall in recreation

Monthly Balance Sheet

Month of _____

Category	Monthly Allocation	Income 1	Income 2	Income 3	Income 4	Prev. Monthly Balance	From Category Tracking	Final Balance
		1910,85						
Debt Due	\$367,00	\$367,00				\$1,790,35	\$0,00	\$2,571,35
Net Spendable	\$1,543,85	\$1,543,85						
Giving	\$165,00	\$165,00				\$3,376,45	\$871,25	\$2,670,20
Savings	\$75,85	\$0,00				\$9,354,85	\$0,00	\$9,354,85
Housing	\$233,00	\$233,00				\$3,512,80	\$202,55	\$3,543,25
Transportation	\$182,00	\$182,00				\$3,579,30	\$207,05	\$3,554,25
Groceries	\$200,00	\$174,10				\$174,85	\$147,10	\$201,85
Clothing	\$52,00	\$52,00				\$66,25	\$38,95	\$79,30
Medical	\$40,00	\$40,00				\$659,50	\$7,00	\$692,50
Miscellaneous	\$125,00	\$125,00				\$176,10	\$237,30	\$63,80
Life Insurance	\$115,00	\$115,00				\$792,95	\$0,00	\$907,95
Recreation	\$100,00	\$201,75				\$456,05	\$834,90	\$177,50
Personal Allowance	\$136,00	\$136,00				\$1,223,60	\$54,65	\$1,304,95
Investments	\$120,00	\$120,00				\$7,280,00	\$0,00	\$7,400,00

Balance Form

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8. Still have a shortfall therefore need to take money from another category

9. Transfer money from savings to make up the remainder of the shortfall

Monthly Balance Sheet

Month of _____

Category	Monthly Allocation	Income 1	Income 2	Income 3	Income 4	Prev. Monthly Balance	From Category Tracking	Final Balance
		1910 85	\$177,50					
Debt Due	\$367,00	\$367,00				\$1,790 35	\$0 00	\$2,571 35
Net Spendable	\$1,543,85	\$1,543,85						
Giving	\$165,00	\$165,00				\$3,376,45	\$871,25	\$2,670,20
Savings	\$75,85	\$0,00				\$9,354,85	\$177,50	\$9,177,35
Housing	\$233,00	\$233,00				\$3,512,80	\$202,55	\$3,543,25
Transportation	\$182,00	\$182,00				\$3,579,30	\$207,05	\$3,554,25
Groceries	\$200,00	\$174,10				\$174,85	\$147,10	\$201,85
Clothing	\$52,00	\$52,00				\$66,25	\$38,95	\$79,30
Medical	\$40,00	\$40,00				\$659,50	\$7,00	\$692,50
Miscellaneous	\$125,00	\$125,00				\$176,10	\$237,30	\$63,80
Life Insurance	\$115,00	\$115,00				\$792,95	\$0,00	\$907,95
Recreation	\$100,00	\$201,75	\$177,50			\$456,05	\$834,90	\$0,00
Personal Allowance	\$136,00	\$136,00				\$1,223,60	\$54,65	\$1,304,95
Investments	\$120,00	\$120,00				\$7,280,00	\$0,00	\$7,400,00

Balance Form

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10. Once this is complete you can reconcile your balance sheet with your bank account and cash on hand to verify that you are capturing all of your spending

XLIV. The Homework

A. Memory Verses

1. ^{1 Timothy 6:17} *“Instruct those who are rich in this present world not to be conceited or to fix their hope on the uncertainty of riches, but on God, who richly supplies us with all things to enjoy.”*
2. ^{1 Timothy 6:8} *“If we have food and covering, with these we shall be content.”*
3. ^{Acts 20:35b} *“...He Himself said, ‘It is more blessed to give than to receive.’”*
4. ^{1 Timothy 5:8} *“But if anyone does not provide for his own, and especially for those of his household, he has denied the faith and is worse than an unbeliever.”*

5. Colossians 3:23 *“Whatever you do, do your work heartily, as for the Lord rather than for men”*
6. Psalm 37:21 *“The wicked borrows and does not pay back, But the righteous is gracious and gives.”*
7. Proverbs 21:20 *“There is precious treasure and oil in the dwelling of the wise, But a foolish man swallows it up.”*
8. Titus 2:12 *“..instructing us to deny ungodliness and worldly desires and to live sensibly, righteously and godly in the present age,”*
9. Matthew 6:21 *“for where your treasure is, there your heart will be also.”*
10. Hebrews 13:5 *“Make sure that your character is free from the love of money, being content with what you have; for He Himself has said, ‘I WILL NEVER DESERT YOU, NOR WILL I EVER FORSAKE YOU,’”*
11. Psalm 24:1 *“The earth is the LORD’S, and all it contains, The world, and those who dwell in it.”*

B. Question and Answer Time

References

1. Unless otherwise indicated all scripture quotations are from the New American Standard Bible (NASB), 1995
2. **John MacArthur**, *Whose Money Is It Anyway?: A Biblical Guide to Using God’s Wealth* (Nashville, TN: Word, 2000)
3. **Ron Blue**, *Master Your Money: A Step Buy Step Plan for Financial Freedom* (Nashville, TN: Thomas Nelson, 1991)