

dollars & sense

practical help in
managing your money

Part 3 - Practical Tips on Managing Our Money Proverbs 21:5

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The way that God most often meets our daily needs is actually by blessing our **obedience** to His principles in regard to the money He gives us.

I. DEVELOP A **PLAN**.

Luke 14:28-30 “Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it? ²⁹ For if he lays the foundation and is not able to finish it, everyone who sees it will ridicule him, ³⁰ saying, ‘This fellow began to build and was not able to finish.’”

Proverbs 21:5 “The plans of the diligent lead to profit as surely as haste leads to poverty.”

A. The plan is a **budget**.

B. Precautions to remember:

1. Our yearnings will always **exceed** our earnings.
2. **Both** husband and wife must be in **agreement** about the budget.

Amos 3:3 "Can two walk together, except they be agreed?"

3. **Prayer** should be a beginning part of your budget planning.

C. The steps for building a budget:

1. Know **what** you are spending and **where**.

Proverbs 27:23 "Be sure you know the condition of your flocks, give careful attention to your herds;"

Evaluate a period of time of your spending. (6 - 12 months) Classify what you spent into two categories on a per month basis:

- **Needs**. Food, clothing, home, car expenses, health coverage, etc.
 - **Wants**. Things that are not life and death. Things you desire but you don't actually need to survive.
2. Compare your **percentage** of expenses to the chart provided. Take an honest look at the differences. If you are overspending, it will probably show you where. Those are the areas you should then begin to attack first. (*Chart percentages can change per family.*)
 3. Develop a set of short-range and long-range goals.
 - a. The short-range goals are the realistic **monthly** expenses for basics such as food, transportation, housing, utilities, etc. – when and how much? Assign what gets paid per pay period.
 - b. Long-range goals are the realistic monthly goals for saving and retirement.
 - c. If you are **married**, you must do this together and agree to live by what you have planned.
 - d. Commit the plans to God and ask Him to help you establish some **new patterns** of spending.
 4. Include within your monthly budget **unaccountable allowances** for both husband and wife.

II. ESTABLISH AN ON-GOING **SAVINGS ACCOUNT.**

Proverbs 21:20 "In the house of the wise are stores of choice food and oil, but a foolish man devours all he has."

III. PAY OFF YOUR **CREDIT CARDS** EVERY MONTH.

A. Two good reasons to use a credit card:

1. To establish a good **credit rating**
2. For **convenience**

B. Credit card debt is a **delusion** because it gives the impression we are increasing our standard of living, when in reality, we are lowering it.

IV. LEARN TO BE **CONTENT** WITH WHAT YOU HAVE.

A. How does a person reach financial contentment?

1. Be willing to be **grateful** for what God has given you.

Proverbs 15:17 "Better is a dish of vegetables where love is, than a fattened ox and hatred with it."

Proverbs 17:1 "Better is a dry morsel and quietness with it than a house full of feasting with strife."

2. Be willing for **friends** to live on more.
3. Be willing for others to financially succeed beyond you. The amount of money you make doesn't determine the **value** of your life.

Proverbs 23:4-5 "Do not weary yourself to gain wealth. Cease from your consideration of it. ⁵ When you set your eyes on it, it is gone. Money can be gone in a flash as if it had grown wings and flown away like an eagle."

V. REFUSE TO **CO-SIGN** SOMEONE ELSE'S LOANS.

A. *Proverbs 11:15 "He who puts up security for another will surely suffer, but whoever refuses to strike hands in pledge is safe."*

B. *Proverbs 17:18 "It is poor judgment to countersign another person's note, to become responsible for his debts."*

C. *Proverbs 6:1-5 "My son, if you have put up security for your neighbor, if you have struck hands in pledge for another, ² if you have been trapped by what you said, ensnared by the words of your mouth, ³ then do this, my son, to free yourself, since you have fallen into your neighbor's hands: Go and humble yourself; press your plea with your neighbor! ⁴ Allow no sleep to your eyes, no slumber to your eyelids. ⁵ Free yourself, like a gazelle from the hand of the hunter, like a bird from the snare of the fowler."*

D. **80%** of all co-signers have to pay back much or all of the notes they co-signed.

VI. PROVIDE FOR THE NEEDS OF YOUR FAMILY IN THE CASE OF YOUR **DEATH**.

A. *Proverbs 13:22 "A good man leaves an inheritance for his children's children, but a sinner's wealth is stored up for the righteous."*

B. *Proverbs 20:21 "An inheritance quickly gained at the beginning will not be blessed at the end."*

VII. THE GREATEST ASSET FOR MANAGING ANY PART OF MY LIFE IS TO COME TO KNOW THE ONE WHO GAVE ME **LIFE** IN THE FIRST PLACE.

MONTHLY BUDGET GUIDE

Monthly Income

1. Salaries
2. Interest
3. Rental Income
4. Other

Gross Income

Less:

- 10% Giving to the Lord
- 10% Savings for emergencies / retirement

Monthly Expenses (100% of remaining income)

1. Housing (38%)* Rent\Mortgage, Insurance, Utilities, Taxes, Telephone, Upkeep, Other
2. Transportation (13%) Car Payments, Insurance, Gas & Oil, License, Maintenance, Other
3. Food (15%)
4. Clothing (5%)
5. Insurance (5%) Medical, Life, Other
6. Entertainment & Recreation (4%) Meals Out, Vacation, Hobbies, Other
7. Medical Expenses (3%) Dentist, Doctor, Drugs, Other
8. Gifts (2%) Christmas, Birthday, Other
9. Debt Reduction (5-10%) Credit Cards, School loans, Other
10. Miscellaneous (10-5%) Household, Personal Money, Education, Child Care, Other

Total Expenses

* The percentages are a suggested guide for family expenses. For your family some percentages may be more and others less.

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Notes:
