



To some, the word “budget” might seem like a four-letter word, while others have meticulously planned excel spreadsheets with every dollar made and every penny spent.

If you don’t have a family budget, perhaps you think it’s too complicated to figure out, or you think you make enough money that you don’t need a budget – either line of thought is incorrect.

Your budget is what helps keep you on track with your finances each month. Whether you make \$1,000/month or \$100,000/month, you should still have a budget! If you don’t, your money is controlling you, and instead, *YOU* should be controlling your money and how it’s spent each month.

If you need a starting point, print off your bank and credit card statements from the last 3 months, and calculate an average of what you’ve spent in each of the following categories:

1. Tithing/Charitable Giving
2. Housing & Utilities
3. Transportation (Car payments, repairs, oil changes, fuel)
4. Insurance
5. Food (Both Eating Out & Groceries)
6. Personal Care (Haircuts, Makeup, Nails, Gym Membership)

- 7. Savings
- 8. Education
- 9. Loans/Debt Reduction
- 10. Entertainment
- 11. Other

If you find that you're spending more on eating out and getting your nails done than you are on savings and investments, for example, that's a problem!

People typically fall into one of two categories – Are you a saver or are you a spender? What about your spouse? Determining this is important because it helps you understand your relationship with money, allowing you to make informed financial decisions, set realistic goals, and create a disciplined approach to your finances.

Whether this means finding ways to increase savings, or finding ways to control impulse purchases, knowing your relationship with money gives you an insight as to how best to navigate your finances based on your natural tendencies.

Many online resources will guide you to what's called “baseline budgeting”. This method is used by our federal government, and well, I think we all can agree that it's not exactly working very well. It assumes that your current spending levels will remain the same and uses this for a basis to calculate future spending needs. The problem with this, is two-fold:

1. *It doesn't account for unexpected emergencies* (things like car repairs, home maintenance, health issues, disabilities), or *increased*

expenses due to a change in family dynamics (marriage, divorce, new baby) or any *long-term savings goals*.

2. Just because you *can* get it, doesn't mean you *should* buy it. This is how couples (and our government) end up with piles of debt and little to no retirement savings. Proverbs 22:7 says, "The rich rule over the poor, and the borrower is slave to the lender."

In today's day and age, credit is readily available. While it may be necessary to borrow money in some situations, if you're not careful, the "keeping up with the Jones'" mentality can be a fast way to financial ruin.

Hebrews 13:5 says, "Keep your life free from the love of money, and be content with what you have, for he has said, 'I will never leave you nor forsake you.'"

Similarly, Philippians 4:12-13 says, "I know what it is to be in need, and I know what it is to have plenty. I have learned the secret of being content in any and every situation, whether well fed or hungry, whether living in plenty or in want. I can do all things through him who gives me strength."

While baseline budgeting is better than no budget at all, you don't really get an accurate depiction of any unnecessary or frivolous spending. The way to practice good stewardship, is to think of it like this...

What are my needs vs wants? What areas of my spending are necessary vs luxuries? Start by determining the amount of gross income you have each month, and then subtract 10% for tithing, and

another 10-15% for retirement savings. If you don't have a proper emergency fund established (3-6 months worth of living expenses), then, you should set aside another 5-10% of your gross income. Next, subtract all of your fixed expenses (anything that is the same amount each month - i.e. mortgage payments, utilities, auto loans, cell phone, etc). You will then want to determine which of your variable expenses (dollar amounts that change from month-to-month) are necessities (things like food, clothing, gas). Assign a reasonable dollar amount to each of these categories, and then subtract that amount from your previous subtotal. The net result is your surplus (hopefully it's a positive number, or you have bigger issues to resolve)!

I have highlighted a few examples of items listed below that are luxuries (not necessities) and thus, areas of improving your budget. These categories should be the last thing you add to your budget, or the first thing you remove if you have a deficit or are trying to reduce your spending & increase your savings for specific goals, like buying a new car, building a new home or taking a family vacation.

FAMILY BUDGET



MONTHLY INCOME	Income 1			SURPLUS/DEFICIT (Monthly income minus Expenses)	\$0.00
	Income 2				
	Total monthly income		\$0.00		

HOUSING	Projected Cost	Actual Cost	Difference
Mortgage or rent			\$0.00
Electric/Gas			\$0.00
Water/Sewer			\$0.00
Garbage/Waste Removal			\$0.00
Phone			\$0.00
Television			\$0.00
Internet			\$0.00
Maintenance or repairs			\$0.00
Household Supplies			\$0.00
Other			\$0.00

ENTERTAINMENT	Projected Cost	Actual Cost	Difference
Night out			\$0.00
Music streaming services			\$0.00
Movies			\$0.00
Concerts			\$0.00
Sporting events			\$0.00
Live theater			\$0.00
Apps/Online Subscriptions			\$0.00
Other			\$0.00
Subtotal			\$0.00

INSURANCE	Projected Cost	Actual Cost	Difference
Home			\$0.00
Health			\$0.00
Life			\$0.00
Other			\$0.00
<b>Subtotal</b>			\$0.00

  

FOOD	Projected Cost	Actual Cost	Difference
Groceries			\$0.00
Dining out			\$0.00
Other			\$0.00
<b>Subtotal</b>			\$0.00

  

PETS	Projected Cost	Actual Cost	Difference
Food			\$0.00
Medical			\$0.00
Grooming			\$0.00
Toys			\$0.00
Other			\$0.00
<b>Subtotal</b>			\$0.00

  

PERSONAL CARE	Projected Cost	Actual Cost	Difference
Medical			\$0.00
Hair/nails			\$0.00
Clothing			\$0.00
Dry cleaning			\$0.00
Health club			\$0.00
Organization dues or fees			\$0.00

  

SAVINGS OR INVESTMENTS	Projected Cost	Actual Cost	Difference
Employer Retirement account (401(k), 403(b), TSP, ESOP)			\$0.00
Individual Retirement Account (Roth IRA, Traditional IRA)			\$0.00
Non-Qual. Investments (Ind/Jt Brokerage, Savings Bonds, CD's)			\$0.00
Bank Savings/Money Market			\$0.00
Custodial Accounts (529 Plans, UTMA, Coverdell ESA)			\$0.00
Other			\$0.00
<b>Subtotal</b>			\$0.00

  

GIFTS AND DONATIONS	Projected Cost	Actual Cost	Difference
Tithing			\$0.00
Charity 1			\$0.00
Charity 2			\$0.00
<b>Subtotal</b>			\$0.00

  

EDUCATION	Projected Cost	Actual Cost	Difference
Tuition			\$0.00
Room & Board			\$0.00
Books/Equipment			\$0.00
Student Loans			\$0.00
Other			\$0.00
<b>Subtotal</b>			\$0.00

  

<b>TOTAL PROJECTED COST</b>	<b>\$0.00</b>
<b>TOTAL ACTUAL COST</b>	<b>\$0.00</b>

For a full description, including a downloadable family budget worksheet, please visit my website: [www.thechristianmoneymom.com](http://www.thechristianmoneymom.com).

Like the Net Worth Statement, developing a family budget is a critical element when it comes to successful financial planning.



[www.thechristianmoneymom.com](http://www.thechristianmoneymom.com)