

The Blessed Life Session VII

“Putting your Budget First”

- I. After putting God first and the other first priorities in their proper place, the logical next step is to take a look at your finances for budgetary purposes.
- II. Jesus directly ties money management to Life management. Lk 14:28-30 For which of you, intending to build a tower, does not sit down first and count the cost, whether he has enough to finish it — 29 lest, after he has laid the foundation, and is not able to finish, all who see it begin to mock him, 30 saying, 'This man began to build and was not able to finish.'
- III. Solomon wrote a nice little budget for an Israelite ranching household. Pr 27:23-27 Be diligent to know the state of your flocks, And attend to your herds; 24 For riches are not forever, Nor does a crown endure to all generations. 25 When the hay is removed, and the tender grass shows itself, And the herbs of the mountains are gathered in, 26 The lambs will provide your clothing, And the goats the price of a field; 27 You shall have enough goats' milk for your food, For the food of your household, And the nourishment of your maidservants.
  - A. What Purpose Does Money and Its Management Play in Our Life?
  - B. The writer of this parable (ultimately the Holy Spirit) felt that wise financial planning and asset or resource allocation was extremely important. Note how on top of it this manager was.

1. He knew the time when profit taking and reinvestment was to occur, (hay removed, tender grass showing, herbs are gathered in.)
2. He knew which assets to market-- lambs, goats, and goats' milk
3. He knew which resources would meet each need of his budget.
4. Lambs will provide clothing--[shelter]
5. Goats the price of a field--[business expansion]
6. Goats' milk for the food of the household, including the nourishment of the maidservants--[daily and monthly expenses]
7. If good financial management was encouraged at 940 B.C., do you think it might apply for the turn of the 21st century A.D.? This management of our lives is often referred to in Christian circles as stewardship.

IV. Steward Defined: Anglo Saxon, keeper of a cattle pen

V. Steward defined more clearly

1. a man entrusted with the management of the household or estate of another; one employed to manage the domestic affairs, super-intend the servants, collect the rents or income, keep the accounts, etc.
2. one who acts as a supervisor or administrator, as of finances and property, for another or others.

Dear believer you will always handle money during your lifetime. You must begin to see yourself as a steward over your resources to wisely allocate its uses for Christian service, education, investment, living expenses and every other purpose that this journey of life will take you. You absolutely must prioritize. You simply can't take the stance of, "I never have enough so I don't need to manage what I do get." Wrong, wrong, WRONG. If you are faithful you will be given more by God Himself.

VI. Website help for management and budgeting

## **About Debt-Free-Christian.com**

**Wise Stewardship | Practical Living**

**At Debt-Free-Christian.com we know there is more to life than just working paycheck to paycheck to make ends meet.**

**Debt-Free-Christian.com is owned and operated by the son of a preacher in North Carolina who gave his life in ministry and left behind a legacy for the generations that follow. We firmly believe that Christians are called to live life free from the debt that keeps us from doing the work of ministry and providing influence to the world in this age.**

**This site was built to provide information on different financial topics and is not all inclusive. Browse the articles and use the free financial calculators, but most importantly be in prayer about your finances and see what doors the Lord will open for you when you ask.**

## **Cash Flow Analysis**

**POSTED BY: DEBT FREE CHRISTIAN STAFF WRITER**

**No business can operate successfully without using a cash flow analysis, but most people forget that their own personal solvency might also benefit from the use of a solid cash flow analysis and research.**

**Quite simply, cash flow analysis is a record of your cash flow, both in and out. For many, the recording of personal expenses can be a huge boon to becoming financially responsible and ultimately, solvent. Basically, it works like this: You write down everything you spend. This is your cash flow. You can also record what comes in, but that's a detail you'll save for your personal budget. People who are trying to get control of their finances often begin with a cash flow analysis. Then they develop a budget.**

**You can't successfully develop a budget until you know where your cash is going. Until you understand where you are spending your money, you can't figure out how to budget funds in specific categories. What is interesting about a cash flow analysis is this: Often you are shocked and surprised at where you are spending your money. Because so many of us use debit and credit cards almost exclusively, we often don't really "see how much money we are spending on things. If you keep a cash flow analysis, you'll have a better feel for where your money is going.**

**How you set up your cash flow analysis is up to you, but many people just record their purchases in a small notebook or in their daily planner. Here's the trick, though: You must record every single penny you spend. You should remember to record the big things, like when you fill your car with gas and the celebratory dinner you have on a Friday night, but also the small things like a Starbucks latte or a candy bar out of the machine need to be recorded as well.**

**Perhaps the crucial unspoken aspect of the cash flow analysis, then, is the element of being honest. Being honest with yourself about the money you do spend is critical to your personal financial solvency. Having a record of where you spend your money is critical as you begin the process of setting up a budget. If you know where you spend your money, you can easily budget for the various categories. For example, you might find that you spend \$20 each month on coffee at Starbucks. If this is an expense you can afford and you have no trouble continuing, then you simply will budget \$20 for Starbucks.**

**If you never write down where you spend your money and you simply make guesses, you might assume that you spend \$50 at Starbucks each month, or only \$10. You'll only know if you record that expense for a period of time. To that end, it's important to know that you won't need to always record where you spend your money. Once you have done this for a month or two, and you get a good feel for where your money is generally spent, you can stop recording your every purchase and begin using that information to help you develop a personal budget.**

**To successfully enact this plan, here are some tips:**

- **If you are married, make sure both you and your spouse participate in the spending record.**
- **Record everything, even if you think it is not necessary such as the road tolls, the parking meter expense, the candy bar from the vending machine.**
- **Don't forget to record your expenses when you go shopping, for example for shoes or clothes. This will help you figure out how much cash is going out each month for these items.**
- **When you go to the grocery store, and you record the expense, be sure to record expenses in different categories (for example, \$30 of the \$65 was groceries, \$20 was personal care item and \$15 you took in cash).**
- **Set up reasonable categories for you to place your expenses into. You can just record the expenses and later, put the various expenses into the correct categories, but make sure you have the right categories for your specific spending patterns.**
- **If you are trying to get out of debt, or to reduce your overall use of credit cards, be sure to record any expenses you make that you charge to your credit card, even though those don't qualify "cash" per se. Make a note that the expense was via credit card, but record it, so when you stop using your credit cards, you'll know that you've accounted for all your monthly expenses in your budget.**

**Once you feel comfortable with your cash record, you might want to step it up a bit and make it a true cash flow analysis by setting a budget and taking into account all your various expenses each month. Once your cash flow analysis is complete you will have taken the first important step in getting your finances under control.**

**Pr 16:32 He who is slow to anger is better than the mighty, And he who rules his spirit than he who takes a city.**