

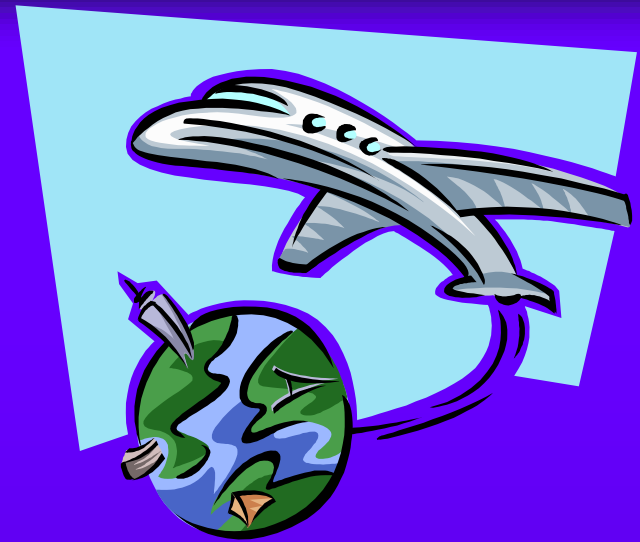


# Developing A Budget That Works

The failure to budget is NOT a *skill* issue. It is a *will* issue.

# Overview

- Remapping poor thinking
- Active and passive budgeting
- Identifying your barriers to success
- Rules of thumb
- Practical tips



# Remapping Our Thinking

- WORDS lead to THOUGHTS
- THOUGHTS lead to FEELINGS
- FEELINGS lead to ACTIONS or (inaction)



Replace ***BUDGETING*** in your vocabulary  
with ***FINANCIAL PLANNING***.



# You Are Already Budgeting

- PASSIVE BUDGETING takes place by default
- ACTIVE BUDGETING requires a GOAL

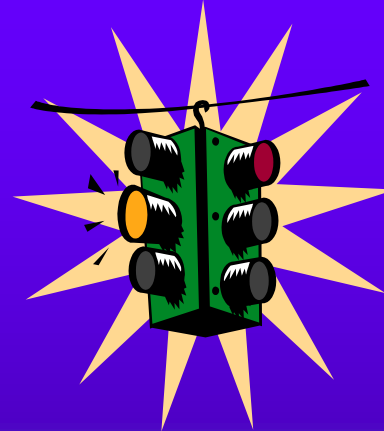
*What are your goals?*



# Barriers to Success

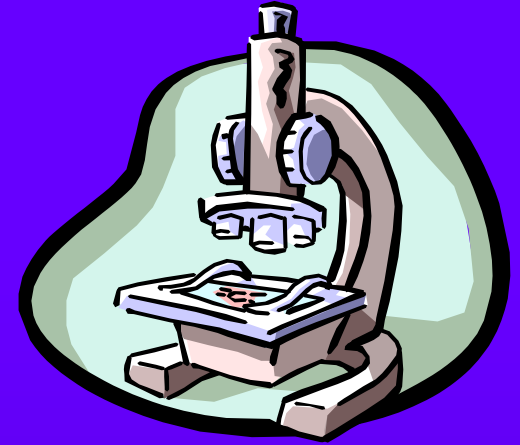
*What stands in your way right now?*

- Credit cards
- Discontent
- Instant gratification
- Bad habits learned from Mom and Dad
- Status
- Therapeutic shopping



# Rules of Thumb

- Analyze your expenses first
- Keep your budget simple
- Don't make the budget too austere
- Don't forget annual and semiannual expenses



# Practical Tips

- Pay the Lord first
- Pay yourself second
- Use cash
- Save at least 10% of your income
- Have three to six months of cash on hand
- Max out your 401(k) contributions



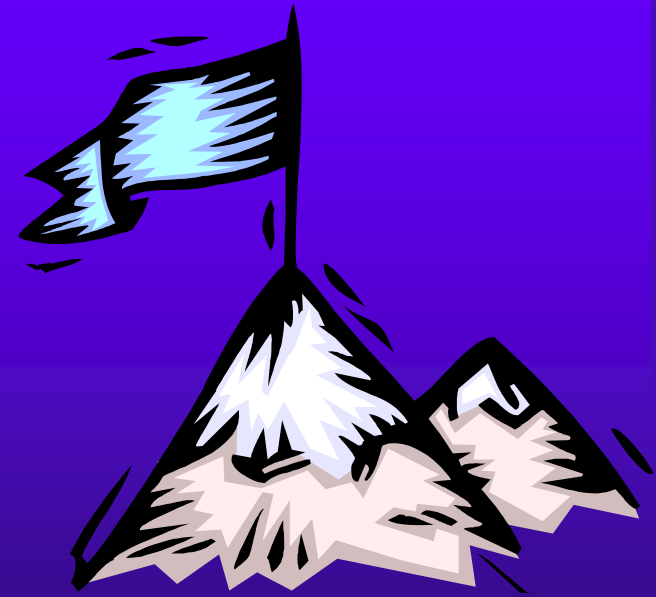


**MONTHLY INCOME AND EXPENSES**

<b>INCOME PER MONTH</b>		\$ _____	<b>7. Debts</b>	\$ _____
Salary	\$ _____		Credit Cards	\$ _____
Interest	\$ _____		Loans and Notes	\$ _____
Dividends	\$ _____		Other	\$ _____
Notes	\$ _____		<b>8. Enter. &amp; Recreation</b>	\$ _____
Rents	\$ _____		Eating Out	\$ _____
<b>TOTAL GROSS INCOME</b>	\$ _____		Trips	\$ _____
<b>LESS:</b>			Babysitters	\$ _____
<b>1. Tithe</b>	\$ _____		Activities	\$ _____
<b>2. Tax</b>	\$ _____		Vacation	\$ _____
<b>NET SPENDABLE INCOME</b>	\$ _____		Other	\$ _____
<b>3. Housing</b>	\$ _____		<b>9. Clothing</b>	\$ _____
Mortgage (rent)	\$ _____		<b>10. Savings</b>	\$ _____
Insurance	\$ _____		<b>11. Medical Expenses</b>	\$ _____
Taxes	\$ _____		Doctor	\$ _____
Electricity	\$ _____		Dentist	\$ _____
Gas	\$ _____		Drugs/Copay	\$ _____
Water	\$ _____		Other	\$ _____
Garbage	\$ _____		<b>12. Miscellaneous</b>	\$ _____
Telephone	\$ _____		Toiletry, cosmetics	\$ _____
Maintenance	\$ _____		Beauty, barber	\$ _____
Other	\$ _____		Laundry, cleaning	\$ _____
<b>4. Food</b>	\$ _____		Allowances, lunches	\$ _____
<b>5. Automobile(s)</b>	\$ _____		Subscriptions	\$ _____
Payments	\$ _____		Gifts	\$ _____
Gas	\$ _____		Special Education	\$ _____
Oil	\$ _____		Cash	\$ _____
Insurance	\$ _____		Other	\$ _____
License	\$ _____		<b>TOTAL EXPENSES</b>	\$ _____
Taxes	\$ _____		<b>INCOME VS EXPENSE</b>	
Maint./Repair/Replacement	\$ _____		<b>Net Spendable Income</b>	\$ _____
<b>6. Insurance</b>	\$ _____		<b>Less Expenses</b>	\$ _____
Life	\$ _____		<b>SURPLUS/DEFICIT</b>	\$ _____
Medical	\$ _____			
Other	\$ _____			

# Developing a Financial Plan That Works

- Recognize developing a financial plan is a *will* issue
- Identify the barriers to success
- Recognize you are making budgeting choices now
- Successful financial planning requires you to establish *goals*
- Analyze your spending
- Make your budget simple





Questions???