**Steps to Financial Success**

Tip #1: HAVE A WRITTEN PLAN FOR SPENDING

*Household Budget = Accountability*

Luke 14:28-29, “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— lest, after he has laid the foundation, and is not able to finish, all who see it begin to mock him.”

**Key thought: Count the Cost**

The Bible teaches that before you build a tower, before you have a project, you want to first sit down and count the cost. Before you begin to spend your hard-earned money, you need to have a budget so you don’t run out of money. This written plan is the first thing you want to do to have a strong financial life.

You cannot be accountable unless you do some accounting. Any accountant will tell you that they need to have the receipts, so they know how the money is being spent.

CREATING A BUDGET

Step 1: Keep and study your receipts to figure out where it’s all going. *Be honest with yourself.*

The first step in creating a budget is understanding your current spending. Gather all receipts or credit/debit card statements for a month and take a close look at where your money is going. Start by making a list of the amounts of regular expenses like utilities, rent or mortgage, car payment, etc. For smaller or occasional items, put them in categories like “clothes” or “restaurants” and total them up.

Step 2: Write down all your income and expenses.

Add the totals from your data gathering in a budget sheet and compare it with the total household income. Don’t forget to add lines in your budget for things you don’t spend money on every month, like automobile repairs, vacations, insurance, etc.

Once you have listed all your expenses, group them into Car, House, Food, etc. This sheet gives a sample of how you can lay things out to figure out the big picture. Compare the total of your expenses with your total income. If your expenses are higher, you need to find somewhere to cut back. Some expenses, like eating out, vacation, or clothing, will be the easiest targets for these cutbacks, but you may need to make a more extreme reduction in expenses by finding a less expensive home or car.

This is the way you follow the Bible’s advice to sit down and count the cost.

You could also use a computer program to write all your expenses, or a cell phone app that will do the math for you. The important thing is that you “count the cost.”

A piece of advice: if you are married, involve your spouse, so your spouse is on board and agrees with the budget. You will have less stress in your marriage.

Step 3: If you have debts, allocate how much you can pay on those debts to be rid of them sooner rather than later.

As you look at how to balance your budget you need to find a little extra each month to put toward any debts you may have to start getting rid of them faster. We’ll talk more about how to do that in a later meeting.

Step 4: Create a strategy to stick with your budget.

Having a pretty plan is one thing; sticking to it is another. It’s essential to create a strategy that will work for you. Some people have gone so far as to put their credit cards in a small dish with water and put the dish in their freezer. That way, if they feel an urge to use one to buy something they have to wait until it thaws to follow through on the urge, and they may convince themselves in the meantime that they don’t need the item that badly. Everyone’s circumstance and personality is different and you’ll need to craft a strategy that fits you.