

**Shayla:** Could you advise me on budgeting?

**Meforshim:**

**Determine where you are now.** As you approach your budget, look at old credit card bills and your check book to see what you're actually spending now. You're going to have to have a clear, honest look at where you actually are so that you can know how to get to where you want to be.

**Set realistic goals.** If you are twenty-thousand dollars in debt you're not likely going to be debt free within a couple months. Don't get so frantic to get out from under the financial pressure that you quit eating healthy. If you get sick, you can't work. If you can't work, you can't get debt-free. Similarly, keeping a roof over your head has to take precedence over paying off your credit cards. Your transportation to and from work must be more important than a medical bill that will take small regular payments.

**Set positive goals.** The best defense is a good offense. If your only purpose in life is to pay off all your creditors, you're going to get discouraged and quit. Instead, set positive goals like retirement, paying for your children's education, traveling, etc.

**Celebrate goals achieved.** Give yourself a little treat. Party a little when you pay off a credit card. You got into debt wanting pleasure. Start associating getting debt free with a pleasure obtained.

**Budgets are general plans.** Like all the best plans, they rarely survive contact with the enemy! Don't freak out when the car breaks down or the roof leaks and it blows your budget. Also, don't think there's a one-size-fits-all budget. Your budget must fit YOU; your income, your debt, your long-term and short-term plans.

**Budgets must be based on known facts.** The more constants and the less variables the better. Don't make plans for money you don't actually have yet. Don't base your budget on winning the lottery, getting a promotion, etc.

**Budgets should be balanced between clarity and usefulness.** Include enough detail so you can account for stuff; see where you're bleeding money. Keep things broad enough that you don't get so bogged down you quit tracking.

**Account for miscellaneous items that come on a semi-regular basis** like: auto maintenance, various types of insurance, taxes, and service contracts.

**Watch out for daily cash spending.** Coffees at Starbucks add up quickly, as do newspapers, tobacco products, sodas, and other sundry junk. It's best to keep a little journal and write everything down. At the end of the month add each item up. List them. You might be surprised at how much you're spending.

**Tithe** (Proverbs 3:9). Tithing is based on the fundamental understanding that everything belongs to Hashem in the first place (Psalm 24:1). We are not owners. We are *asher al bayit* or "stewards" (Genesis 43:19; 44:1, 4; 1 Kings 16:9). He just lets us use some of His stuff. The tithe is simply a way of acknowledging that truth. The tithe is also a way of recognizing that any wealth, power, or influence that we may have accrued came from the Lord. There are no "self-made" people (Deuteronomy 8:17-20). God says we rob Him if we don't give tithe and offerings (Malachi 3:8) and challenges us to test Him on this matter and discover His good blessings in the process (Malachi 3:10-12; 2 Corinthians 9:6-7).

**Treat savings like a bill.** Make it regular and make it disciplined. Think of it as paying yourself first. It doesn't matter if it's only a couple dollars a week at first. It's a couple dollars more than nothing, isn't it? It'll add up over time with interest. As you can, give yourself a promotion and increase your savings. Having said that, debt-retirement has to take precedence over savings. Always save, but be more focused on ridding yourself of debt's slavery.

A good general budget could be:

Tithe – 10%  
Housing – 25%  
Miscellaneous – 20%  
Food – 20%  
Transportation – 10%  
Clothing – 5%  
Insurance – 5%  
Savings – 5%

**Some basic principles of spending would include:**

1. Tithe first.
2. Then pay your bills on time. This will help you pay the minimum by not having to pay late fees and penalties. It will also help you with the next item.
3. Establish a credit rating. Like it or not this society is based on credit and credit is based on the wise management of debt. As stupid as it may seem, people who have NO debt are actually penalized. So, the next two items are designed to live in this society without falling for its Lowlander schemes.
4. Get them, but avoid using credit cards like the plague! Accept the invitations and collect them like you'd collect snakes: cautiously keeping them under lock and key.
5. Try not to buy anything without cash. Say you want to buy a stove. Save your money till you have enough. Put the stove on a credit card and immediately send a payment to the credit card company. It adds a little complexity over simply paying cash but it builds up your credit rating.
6. Do not develop extravagant tastes. Who needs pheasant under glass, truffles, and Lamborghinis anyway? Develop a taste for frugality.
7. Keep your children's tastes simple. Anyone who spoils their child is a fool. I've never seen a happy spoiled child. Do you want them happy and content or do you want to try to buy their favor?
8. Set aside money for others (Ephesians 4:28). Greed is idolatry (Matthew 6:24; Colossians 3:5). If you live a self-centered life you will never be happy no matter how much money you have. However, we should not give to the point that it damages our ability to take care of ourselves or our families (2 Corinthians 8:12-14; 1 Timothy 5:8)
9. Set up a budget now, even if it is only for a small amount.
10. Never go "into the red". Wrap your brain around the concept that debt is slavery. If you value freedom, hate debt (Proverbs 6:1-5; 11:15; 17:18; 20:16; 22:7, 26-27).
11. Set up a checking account and keep it in good order.
12. Think before buying. Wait a while before buying some things. Do you really need this? Will it enhance your life long-term or will you soon bore of it? Can you get a better one or a cheaper one elsewhere? Can you make do with something else instead?
13. Shop around for a good buy. Best do this by phone or the internet else the traveling time/gas expense will counteract any savings.
14. Learn to do things yourself. Every skill you learn is money in the bank. If you doubt me, then hire a plumber for an hour so you can learn this particular lesson. Maintenance is always cheaper than repair/replacement!
15. No more than 25% of your income should go into housing. Any more than this and you are likely either transgressing principle #6 or not heeding #14.
16. Make sure each spouse has an allowance for personal spending.
17. Only borrow to purchase what can be collateral. Never borrow to pay clothes – that means don't put those shoes on the credit card unless you have the cash in hand to pay the credit card company as soon as you get home.

18. Never buy a new car. It devalues as soon as you drive it off the lot. Also, avoid a second car if you can. It would be better to move closer to work than to deal with the increased cost, gas, oil, insurance, maintenance, and pollution. Can you bicycle or walk to work?
19. Save on grocery bills. Buy in bulk if you can without wastage. Think Aldis and Costco before you think of Schnuck's or Whole Foods.
20. One person must keep the books and write all the checks. Any two-headed creature is a monster. Talk to each other and advise each other but like the Highlander said, "There can be only one!"

### **Some last words of advice**

1. Work hard and regularly (1 Thessalonians 4:11; 2 Thessalonians 3:10).
2. Work for your company or your boss as though you were working for the Lord (Ecclesiastes 9:10; Colossians 3:23).
3. Work diligently and intelligently even when you are not being directly supervised (Ephesians 6:6; Colossians 3:22).
4. Value independence and an honorable reputation (1 Thessalonians 4:12).
5. Preserve your health (Proverbs 3:8; 4:20-22). Eat healthily. Drink water. Get a full night's sleep. Exercise a little each day. Get in some sunshine. Take some vitamins to compensate for this world's poor nutrition. Minimize stress. Minimize things that hurt you (alcohol, tobacco, junk food, stress).
6. Keep cheerful and positive. (Proverbs 14:30; 15:4, 30; 16:24; 17:22) This will go a long way toward keeping your health, your social relations, and even your job!