

# BUDGETING

## How to Spend All Your Money (and Enjoy Doing It)

By Jay Seidler

### THE MONEY MYTH

Rarely did I ever hear any authority figure ever tell me to spend all my money. Usually, it was the opposite advice: “Don’t spend it all in one place!” This kind of advice put an inherit fear in me to hoard money or to be afraid that I might end up without any. This put an unhealthy poverty mentality in me about money from a young age. Even today, I’m discovering how much this mindset effects my spending and generosity.

*Whoever loves money never has enough; whoever loves wealth is never satisfied with their income. This too is meaningless.*

*- ECCLESIASTES 5:10 NIV*

As I got a real job and made real money, I discovered that was a complete myth! The reason I didn’t have any money wasn’t because I didn’t have enough or that I was aimed at spending it; it was because I was aimed at *not* spending it. I came to figure out—from people who were wiser than I was—that I was running out of money because I wasn’t spending it all when I got it. Let me explain.

### SAY MY NAME, SAY MY NAME

Every dollar in your paycheck via your budget should be spent as soon as you get it. Yep, I said it. Spend all your money when you get it. (You’ve been waiting all your life to hear that advice!) Every dollar has a name. You can either name it on purpose or name it on accident, but it will eventually have a name whether you like it or not. So, you might as well face it.

Call it a b\*\*\*\*\*. No, not that b-word—a budget. Call it a budget. Gotcha! “Budget” can feel like such a swear word sometimes, but it’ll save you time and...money. Who knew?! If every dollar has a name when you get it, it won’t get spent accidentally or foolishly. It won’t happen like magic. It’ll take some getting used to, but once you’re in the flow, you’ll become master of your money and not money your master. Let’s take a closer look at how to do this, but first, let’s take a selfie.

### LET’S TAKE A SELFIE

Good selfies are hard to come by. Why? Because they make you take a hard look at yourself in HD and close-up. Let’s do just that! Let’s take a close look at our self through the lens of scripture.

Believe it or not, budgeting is first a heart issue. We have to take an honest look at our values before we start putting our budget together. I would recommend looking at the last 2 month’s bank statements and organizing your expenses in the following categories:

- Charity (tithe, offering, missions, etc)
- Savings
- Housing (rent, utilities, etc)
- Food (groceries, restaurants, etc)
- Transportation (gas, car maintenance, etc)
- Debt (loans, credit cards, etc)
- Other (clothing, entertainment, recreation, medical, etc)

*Do not store up for yourselves treasures on earth, where moths and vermin destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven, where moths and vermin do not destroy, and where thieves do not break in and steal. For where your treasure is, there your heart will be also.*

- MATTHEW 6:19-21 NIV

If we really want to know where our heart is, we have to see what we treasure the most. When we put our dollars on paper, we will be surprised to see where our treasure lies. I know when I did this for the first time, I was *shocked*

to see how much money we spent on eating-out! Hundreds of dollars every month spent on one meal at a time right under our noses. I didn't know how much I valued food! We were putting our money where our mouth was, but not in a good way.

## THE (FREE) SECRET SAUCE

The best gift Ashley and I have ever gotten from anyone was an enrollment to a money management class. We couldn't even afford it at the time, and our friends graciously paid the enrollment fee for us. It's been the best investment in our lives next to the gospel. Now, I'm going to give you the quick basics for free! Our family has used this method for 10 years and counting and they've never let us down yet!

The best part about this method is that you don't have to have a lot of money to do it. It's all based on percentages. These percentages have been given to me both from a financial advisor and the class we took.

CATEGORY	SUGGESTED %	ESTIMATED \$	ACTUAL %
Giving (Tithe/Missions)	10 - 15%		
Savings	5 - 10%		
Housing (w/Utilities)	25 - 35%		
Food	5 - 15%		
Transportation	10 - 15%		
Debt	0 - 10%		
Other (Leftover \$)	0 - 45%		

Take the total amount of money you make in 4 weeks and divide it by the amount you actually spent and that will give you the "Actual %". Below is an example of the table using a real income scenario to give you an idea what it looks like for an entire month.

<b>Hourly Pay = \$8.30/hr</b>	<b>Hours Per Week = 25hr</b>	<b>Tax Rate = 15%</b>
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$$\text{Hourly Pay} \times \text{Hours Per Week} \times \left(\frac{100 - \text{Tax Rate}}{100}\right) = \$/\text{Paycheck} \times 2 = \$/\text{month}$$

$$8.30 \times 25 \times \left(\frac{100-15}{100}\right) = \$352.75/\text{paycheck} \times 2 = \$705.50/\text{month}$$

$$\frac{\text{Estimated } \$}{\$/\text{month}} = \text{Actual } \% \qquad \frac{\text{Estimated } \%}{100} \times \$/\text{month} = \text{Estimated } \$$$

<b>CATEGORY</b>	<b>ESTIMATED %</b>	<b>ESTIMATED \$</b>	<b>ACTUAL %</b>
Giving (Tithe/Missions)	15%	\$118.00	16.73%
Savings	5%	\$35.28	5.00%
Housing (w/Utilities)	35%	\$255.00	36.14%
Food	15%	\$105.83	15.00%
Transportation	10%	\$80.00	11.34%
Debt	0%	\$0.00	0.00%
Other (Leftover \$)	20%	\$111.39	15.79%
<b>TOTAL</b>	<b>100%</b>	<b>\$705.50</b>	<b>100.00%</b>

Why only 4 weeks? Most places you collect a paycheck from pay every 2 weeks. If you make your month an even 4 weeks, you'll be ahead of the game. When that elusive third paycheck in the month comes in twice a year, you'll have a *whole* paycheck of extra money to put where you need it—debt, savings, or even missions!

*Bring the whole tithe into the storehouse, that there may be food in my house. Test me in this," says the Lord Almighty, "and see if I will not throw open the floodgates of heaven and pour out so much blessing that there will not be room enough to store it.*

- MALACHI 3:10

Now, let me give you a disclaimer on the percentages listed above. If the percentages are higher than listed, that may be fine for your situation, but it's not recommended for a healthy standard of living. We would recommend that you have *no* debt except for school debt if you can help it, especially credit card debt. It's an endless black hole. You'd be surprised how much income is wasted from managing debt.

If you find that your living expenses in the above categories are outside the suggested range, you can do one of two things: 1) figure out how to rein in your expenses in that area, or 2) figure out how to raise the level of your income. The whole point is to get your budget to a healthy, manageable state so it doesn't stress you out and you have enough money for necessities: tithe, food, shelter, etc.

## THE BIG FOUR

Here are some general principles. I follow them in my own budgeting, and I believe they would serve you well to follow them too. If you don't know where to start in developing a healthy budget, these would be 4 things I would recommend putting into practice first.

- 1. Never stop tithing.** Money can get tight at times, but giving 10% of your income as a baseline is not the place to trim up your spent. Tithing is sowing, not spending. Malachi 3:6-12 is pretty clear on the benefits of tithing. It might be hard to imagine yourself being able to afford to tithe at this particular moment, but I would say that *you can't afford not to!*
- 2. Pay yourself first.** Once you've given God the first 10%, pay yourself by putting money into savings. Emergencies will always happen: a trip to urgent care, a flat tire, or a surprisingly-high utility bill. You can't escape them, so you might as well have a cushion to prepare for them. I recommend having \$500-1000 to start out and save up to it a little at a time. *Never use a credit card as an emergency fund.* (I wouldn't even recommend having a credit card.)
- 3. Utilize a "cash budget".** The best way to be disciplined with money is to physically limit your access to it. If you have a problem eating out too much, set aside a certain amount of cash for that part of your budget (within reason). Once it's gone, it's gone. You'll have to wait to eat out again next month. Not only will you prevent yourself from overspending, but you'll have plenty of money for some of the most important items in your budget like rent, utilities, and groceries when it comes time. I recommend using a cash budget for typical problem areas like food (groceries and restaurants), entertainment/recreation, and "blow money".
- 4. Leave room for fun.** It can be tempting to cut out all fun from your budget, but that will only suck the joy of life and out of you. It's because we have discipline, we can afford to have fun. This looks different for everyone: seeing a movie, going out for ice cream, buying a new book. I call this "blow money" because you have the freedom once a month to blow this money on whatever you want and not feel guilty about it! (I would recommend using cash for this portion of your budget.)

## THE BOTTOM LINE

Along with this article is a spreadsheet template to get your started. I would recommend making 2 versions: one you use to estimate your budget and a new copy for each month that you use as a working document to enter actual numbers into. It's important to estimate your budget at every employment change or at the very least major every life change. I do a revamp on my budget just about once a year for good measure. Sometimes my spending discipline drifts throughout the year, and I need a fresh look at how to spend it smarter next year. In the end, do it as often as you need to as to keep yourself on track and spending smarter.

Money isn't a scary thing as long as you know how to wield it well. It's like anything in life—nothing that a little discipline, practice, and moderation can't fix. Don't be afraid to talk about money with someone more expert than you. Reach out to a staff member, your parents, or someone else; just don't do this alone. Money is a powerful tool in the Kingdom of God if we can get it to all the right places!