

Stewardship Faith and Finance

# “Establishing a Budget”

(Lesson 1 of 4)

Compiled by the Reid Temple AMEC Stewardship Ministry

# Session Objectives

- In this session, we will address:
  - Reasons for establishing a budget
  - The definition and nature of a budget
  - The budgeting process
  - Best practices for establishing and maintaining a budget
  - God's promises

# Why Establish a Budget?

- *"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"* (Luke 14:28)

# What is a Budget?

- Roadmap
- Plan
- Blueprint
  
- Budgeting is simply laying out a course of action with respect to our finances that begins with a set of Goals

# Setting Goals

- Budgeting begins with goal-setting
- Goals broadly state what you want to achieve
- Goals give direction to your plan
- Goals must be important otherwise they will easily be abandoned

# What Could be our Goal?

- Pay bills on time
- Purchase of a home or a car
- College tuition
- Buy gifts for Christmas 2008
- Pay our tithes
- Give an offering

# Budget Items

Supply = Expenses + Savings + Giving

# Supply

- Pay
- Grants
- Government funds
- Gifts
- Other support - Church and family



# Expenses

- Utilities
- Rent/Mortgage
- Child Care
- Tuition
- Transportation
- Insurance
- Food
- Clothing
- Entertainment

# Expenses (cont'd.)

- The Unexpected
  - Inclement weather
  - Major emergencies
  - Repairs and maintenance
  - Family needs
  - Even the unexpected should be expected

# Budgeting Timeline

- Prepared *annually*
- Reviewed *monthly*
- Followed *daily*

# Budgeting Key Points

- Create a balanced budget
- The budget should be detailed
- Overestimate expenses
- Underestimate income
- Plan for the unexpected

# Budgeting Key Points (cont'd.)

- Consistently review budget vs. actual
- Past performance is a good indicator of the future
- The budget is a guide - make adjustments where necessary
- Do not use the budget as a shackle, whip or hammer

# Budgeting Reality

- Many families overspend monthly because:
  - They fail to establish a budget, or
  - They fail to live within the budget they established

One drop of water from a faucet per second wastes 200 gallons of water in one month. Likewise, uncontrolled and unaccounted for spending adds up to a substantial sum and drains your family's resources. Like water, too much income goes down the drain.

# Our Problem

We believe that money is the only adequate and complete source of providing all we need in life.

# Our Promises

## ■ He has said...

- He knows what we need
  - *And when you pray, do not keep on babbling like pagans, for they think they will be heard because of their many words. Do not be like them, for your Father knows what you need before you ask him.* (Matt 6:7-8)
- He has already supplied our needs
  - *"as it is written: "He who gathered much did not have too much, and he who gathered little did not have too little."* (2 Cor 8:15)
  - *"And God is able to make all grace abound to you, so that in all things at all times, having all that you need, you will abound in every good work."* (2 Cor 9:8)
- We already have everything we need
  - *"His divine power has given us everything we need for life and godliness through our knowledge of him who called us by his own glory and goodness. Through these he has given us his very great and precious promises, so that through them you may participate in the divine nature and escape the corruption in the world caused by evil desires."* (2 Peter 1:3-4)



# Our Promises (cont'd.)

- *"But seek ye first the kingdom of God, and his righteousness; and all these things will be added unto you"*  
(Matthew 6:33)
- *"Let us hold unswervingly to the hope we profess, for he who promised is faithful."* (Heb 10:23)

# Homework

- Review the following passages and list five principles with respect to your own stewardship that you would like to apply in 2008.
  - Deuteronomy 8:18
  - Proverbs 30:7-9
  - Ecclesiastes 5:10
  - Matthew 6:33
  - Luke 12:15
  - 1Timothy 6:9
  - James 4:13-17
  
- Develop a list of five short-term and five long-term financial goals. Be mindful that this is an excellent time to listen to the Holy Spirit.

# References

- Federal Trade Commission consumer protection website (<http://www.ftc.gov/bcp/consumer.shtml>)
- “Making Ends Meet” by Henry Edward Felder
- “Using Money Wisely” by Larry Burkett