

Budgeting & Biblical Principles

Class #1

Why is talking about finances difficult?

Trends between finances, marriages, and the future. Research shows that:

- Money is the number one issue that married couples fight about.
- Money is the second leading cause of divorce.
- 63% of all marriages start off with debt.
 - 41% of couples with debt say that they argue about money the most.
 - 1 in 3 people who argue with their spouse about money confess they have hidden purchases from their spouse.
- 25% of couples who are debt free say that they argue about money, but it is not even in their top 5 topics they argue about.
 - 94% of couples who say their marriage is “great” also say that they set financial goals and work through it together.
 - Couples who have joint bank accounts are more likely to have better relationships and fight less about money.
- In Q3 of 2023, the national average credit card debt balance was \$6,993 for a total of \$1.079 trillion.
- The federal US debt is \$34 trillion.
- The average expenditure in the US is about \$72,000 per year or about 76% of their total income.
- In 2022, Americans donate only 1.7% of their disposable income. The lowest it has ever been since 1995.

The United States is seen as one of the wealthiest, if not the wealthiest, nations in the world. According to the statistics above, one could conclude that the United States is one of the

greediest nations, financial irresponsible, and one that idols money. Should this be our standard? Should we follow along? Will money provide peace, control, comfort, status, or joy?

Jeremiah 9:23- 24

Matthew 25:14-30

1 Timothy 6:7-10

Proverbs 11:28

Proverbs 28:19-27

What are the desires behind our budget? What are our hearts after? Is our trust in the budget or the Lord?

Matthew 7:17-20

- Reflect where your heart is at regarding your money. What fruit is it producing? Are there items that you need to address, repent of, and submit to the Lord?

The Gospel Redeems our worship of money.

“Everyone carries with them a worldview that shapes their understanding of everything... we will never make proper sense of the world of money, which influences us, perhaps more deeply than we realize, unless we first put on our gospel glasses. If you and I don’t let the gospel of Jesus Christ correct our assumptions about life, we won’t be able to evaluate and gain ground in the way we understand and relate to money and make practical money decisions.”

- Tripp, Paul David. 2018. Redeeming Money: How God Reveals and Reorients Our Hearts. Wheaton, IL: Crossway.

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Class #2

Review:

- The world does *not* teach us how to be good stewards of our money.
- What does our heart desire when we put together our budget?
- Our hearts should aim to glorify, honor, and praise the Lord with our finances.
- We must seek the Scriptures for guidance on how to use our money.
 - Seek the Scriptures, pray biblically, and seek biblical counsel.
- The power of the Gospel can come in and redeem our brokenness and sinful nature to have victory in our financial lives.

Budgeting Tips:

1. Set goals or a family vision.
 - So often only one person in a relationship handles the finances.
 - Come together, learn together, share each other's perspectives and temptations.
 - Take the time to write down these goals. What do you want your family to look like?
 - Short term – 1 year
 - Mid-term – 1-5 years
 - Long term – 6-10+ years
 - How will you get there?

- Be specific! Do you need to save or give a certain amount?
 - Be unified and reflect these goals to God's word. Do they align? What is the heart desiring?
- 2. List out all Expenses.
 - Budgeting takes time!
 - Try to get an exact total of all expenses and if it changes over month to month.
- 3. Cash Flow
 - $\text{Income} - \text{Expenses} = +/- \text{Cash Flow}$
 - The goal is to have positive cash flow.
 - If negative, consider what expenses are needs (typically fixed payments) versus wants (discretionary spending)
 - Are there items that we need to check our hearts for?
 - *Make sure you are consistent with before or after-tax income*
- 4. Develop a system to organize, track, and meet your goals and vision.
 - Apps, spreadsheets, envelope method
 - Find a system that works best for your family!
 - Are there items that can be set up automatically? Is it better for you to write out the checks? Can you negotiate prices? (utilities or other fixed costs)
- 5. Review periodically and make necessary changes.

Budget guidelines based on average U.S. household.

- Housing = 25%
- Transportation = 15%
- Food = 15%
- Personal Care (Health Care Costs)/Entertainment = 15%
- Insurance/retirement = 10%
- Gifts/donations = 10+%
- Savings = 10+%
- Misc/Other = 5%

- You do NOT have to match this. Each budget will be different.
- Have 3-6 months of living expenses in cash for an Emergency Fund.
- Keep giving, savings, and investments constant or increasing percentage.
- Don't forget about taxes!
 - Are you saving money in the correct accounts or the tax friendly accounts?
 - What does your employer offer? Is there free money on the table?
 - What if you paid very little or zero in taxes?



Baby Steps by Dave Ramsey



Applications:

- Work hard with the skills God has given you.
- Men, lead you families in work, finances, budgeting, and more.
- Be good stewards of our money. Commit to thoughtful, intentional, productive, fruitful spending.
- Use wisdom found in God's word to guide major decisions.
- Use our money for his Glory. Be generous, open our homes, and more!
- Support and serve one another.
- Check our hearts.

Other questions

1. *Knowing that the U.S. is in trouble financially, is it appropriate for us to protect what we have?*

2. *Is it okay to have debt? What is good debt vs. bad debt?*
3. *Is it okay to save and save for retirement? Is retirement a biblical concept?*