

Financial Success

Staying on Budget and Out of Debt Tips

Theme Verses:

“And my God shall supply all your needs according to His riches.” Philippians 4:19

“I can do all things through Christ who gives me strength.” Philippians 4:13

1. Use the envelope cash system (see next page).
2. Keep track of every dime you spend, where you spend it and why (hunger, lonely, fun, kid bribe, tired, etc.) Before you spend money ask yourself, am I Hungry, Angry, Lonely, Tired? It's the H.A.L.T. system. If you know why you are doing it, then you can make a change. (i.e. coffee, chocolate, ice cream)
3. Write down your short-term and long-term financial goals. Keep them posted where you see them everyday--on the bathroom mirror, in your car, or in your wallet. It reinforces your values, your beliefs and your commitment to meet these goals.
4. Make a budget and check with the budget at least monthly.
5. Involve your kids in the budget decisions. Show them how much money you made and how it needs to be divided up. Help them visualize where the money needs to go. Sometimes sharing the envelope system with them helps instill value and can be fun for the whole family.
6. Relate things to something you understand. Example: \$25 grocery certificate buys one week of groceries for a small family. Or, go to Red Robin for lunch for 4 people and you will spend at least \$25 for one lunch.
7. Audit your bills. Example: home phone bill, what all is being charged? Insurance, check it periodically. Did it go up, if so, why?
8. Networking, share ideas on how you or somebody you know saves money.

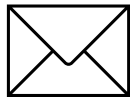
Envelope System

Cash your paycheck and get it all in cash. Divide the income into envelopes that are used only for that category. Spend the money from that envelope for only that category. When the money is gone, then you have nothing left till the next paycheck for that category.

Example: Bob and Sue bring home \$2500 every 2 weeks. Here is their breakdown. You may substitute your income and multiply the percentages to get an idea of how your system could work for two weeks (or month). If your expenses run more than the allocation, then you have to take money from another envelope to fill the gap.

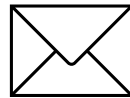
Do this process with your kids. Only spend money out of these envelopes, no credit or debit cards. Write on the outside of the envelope the allocation for the pay period. When you buy something, write what you bought and the amount on the envelope.

$\$2500 \times 10\% = \250 Church



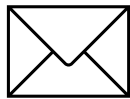
\$500/mo.

$\$2500 \times 34\% = \850 Housing & Utilities



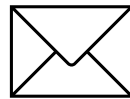
\$1700/mo.

$\$2500 \times 12\% = \300 Food



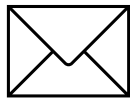
\$600/mo.

$\$2500 \times 12\% = \300 Transportation



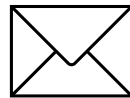
\$600/mo.

$\$2500 \times 5\% = \125 Insurance



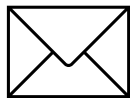
\$250/mo.

$\$2500 \times 5\% = \125 Debt



\$250/mo.

$\$2500 \times 3\% = \75 Entertainment/Recreation



\$150/mo.

$\$2500 \times 3\% = \75 Clothing



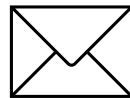
\$150/mo.

$\$2500 \times 3\% = \75 Savings



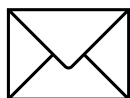
\$150/mo.

$\$2500 \times 5\% = \125 Medical/Dental



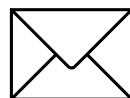
\$250/mo.

$\$2500 \times 5\% = \125 School/Childcare



\$250/mo.

$\$2500 \times 3\% = \75 Investments



\$150/mo.