

The Budget

by Charles Hodge

"I didn't have anything in the depression, and I still have it." It never ceases to amaze me in financial counseling how little most people know about basic finances. This is even true of successful and right people. Many people who are rich do not have insurance, wills, estate-planning, or even a budget. Poor people need a budget, and rich people need a budget too. *All* need a budget! Anyone can spend any amount of money. People who cannot live on \$50.00 weekly cannot live on \$500.00 weekly. It is not so much how much you make, but how you utilize it. Billionaires can go bankrupt too! If you are in too much debt, budgets are mandatory. There is absolutely no other way. If you will put yourself under a good budget, you will never get too much in debt.

Most do not have a budget! This is scary! Those in catastrophic situations literally do not know what a budget is. *Most* who do have a budget, do not use it! They are like dieters; they cheat! Budgets are like diets; they do not do the work. *You* do the work. You honor the diet, and you can be healthy. You honor the budget, and the budget will take care of you.

Also, like a budget, you cannot correct in three months what it took you three years to do! You have to trust a diet; you have to trust a budget. The key is discipline. You have to get on one and stay on it.

TITHING

Tithing was more than "Old Testament church giving." It was God's way of prioritizing finances. God tried to put Israel on a budget. Now you believe. You have written down your budget! Where is God in the budget? Most leave

God out. Most cease their church contributions in difficult times. This denies our trust in God. This means we take advantage of God. We "take vacations" on God's money. Malachi talked about "robbing God" with tithes. Haggai talked about our "financial sack having holes in it." The most frightening Old Testament statement is this: "You curse your blessings." Budgets give us priorities; budgets keep us "out of the poor house."

God demands "His first." No one will ever make enough money to tithe. You just start out with that. What is a budget? A budget polices your "net spendable income" (NSI). You make \$500.00. This is not your NSI. You give God at least 10 per cent (\$50.00). Your NSI is \$450.00. This is faith; this is commitment. This will order your priorities. Granny Cosand taught me this years ago in Arkansas. She was retired and widowed and had little income (but she was not poor). She had a "special jar" in the kitchen. When she received any money, she took out God's and put it in the jar! It was not to be touched for personal reasons! You "pay your tithe." You "pay God" to manage your life. Your faith is in God, not yourself. In budgets there cannot be exemptions and exceptions. When you cheat on your budget, you cheat yourself. Congress needs to learn this. Our young people must be taught this. Non-tithers cannot have the same vision for the church as tithers.

BUDGETED ALLOTMENTS

When outlining your budget, take God's out *first*. Then "the rule of thumb" is never to exceed the amounts in your budget. The following percentages can be helpful:

BUDGET ALLOTMENTS (After God's Percentage)

Housing.....	30%	
Car	15%	Unless rich—no new cars! That is out. Cars ruin more budgets than anything. Poor people have poor ways. Do not be "car poor."
Insurance	5%	(Get insurance)
Clothing	5%	
Recreation	7%	
Medical.....	5-7%	
Retirement	5%	
Savings	5%	(at least)
Education for children	5%	
Debt.....never exceed	7%	Etch this in concrete. Some moderns have taxed this to 25%!

OBSERVATIONS

Do not wreck your finances even for a fancy house.

Do not allow the "tyranny of the urgent" to out-vote the important.

Do not buy items not on the budget! In "big ticket" items on the budget, wait thirty days before signing! This allows clear-headedness, cancels impulse buying. On most purchases, wait twenty-four hours (in other words, sleep on it). Stores order their stores to promote impulse spending. It keeps them in business; it puts you out of business. Impulse buying concerns *wants* not *needs*! Stay away from it.

Evaluate your budget monthly. If this takes longer than one hour, then your budget is too complicated.

Remember! Your budget is a *friend*, not a *law*. It can be changed when necessary. It must never become a taskmaster. It is your best paper friend!

It is a lot of fun to get into debt, yet sheer misery to get out of debt.