



THE
EASY
GUIDE TO
A BUDGET
YOU
LOVE



You Can Make a BUDGET YOU LOVE

DID YOU KNOW that tracking your spending and creating a budget can lead to financial freedom and bring you peace? A budget empowers you to know exactly where your money is going and helps you reach your financial goals. When you use a budget, your money starts working for you, not the other way around. It doesn't limit your spending, it gives you freedom to spend...the right way.

The Bible is full of examples of the importance of planning. God gave His people a detailed plan for building the tabernacle, the ark, and the temple. He also gave detailed laws that the Israelites were to follow while living in the Promised Land. Jesus, in Luke 14, talks about how foolish a man is who wants to build a tower but doesn't first sit down and count the costs, who does not make a plan.

A budget is simply a plan for how to spend the money we have. As Christians, we recognize that everything we have is a gift from God (1 Chronicles 29:11-12). We are not the owners; we are simply the managers of what He has entrusted to us. Knowing this should give us a better perspective on handling money. A budget is a great way to help us to be faithful to God.

If you're planning to spend money, you need to know how much you have, where it needs to go, and how it needs to be allocated.



Living within a budget will help you accomplish several things:

- 1 Give you freedom to spend
- 2 Help you develop a habit of saving
- 3 Show you how to get out, and stay out, of debt
- 4 Provide margin for when emergencies arise
- 5 Allow you to live with less stress and more confidence

But your budget will never work unless you work your budget. The saying, “those who fail to plan are planning to fail” applies to your budget as well. Once you have one, stick to it!

Proverbs 16 says, “Commit to the Lord whatever you do, and he will establish your plans.” It’s also a great idea to set up accountability for keeping your budget.

Ready to make a budget you love?



Steps to Making YOUR BUDGET

BUDGET TIP:

For families with two working spouses, consider only spending one income and saving the other.

STEP **1** Know Your Monthly Income

Start with your gross income from all sources.

This is how much you earn before you give your tithe and pay your taxes. When calculating your income, don't forget to include any side jobs, alimony, rent, dividends, tax refunds, etc.

Subtract yearly taxes and tithe.

You'll need to account for federal income, state income, federal social security taxes, etc. You can review your tax documents from last year or your pay stub to help you find an accurate number. Or you can reference [these spending guidelines](#) to estimate your taxes. Giving 10% of your gross yearly income as tithe is usually a good place to start.

You now have your Net Spendable Income, or NSI.

Divide your NSI by 12 to get your monthly spendable income. This is the amount of money that you have to spend every month, so this is the amount you will use to create your budget.

If you have variable income, use an average of the past 6-12 months as your NSI. Or, use the lowest month you've had in the past year as your NSI, and save any extra.



Steps to Making YOUR BUDGET

STEP 2 Know Your Monthly Expenses

Track your spending for 30 days.

Keep a notebook in your car, always ask for receipts, and review your online banking account.

If you prefer an online tool, there are plenty of free apps that make it easy to keep track of your spending. Check out a few and find one that's right for you.

Whatever method you use, try to get an accurate understanding of how you spend every cent. For married couples, each spouse should track spending individually and compile together.

Identify which expenses are fixed, and which are variable. [Here's a form to help make tracking easy!](#)

BUDGET TIP:

Your **fixed expenses** will be things like taxes (federal and state income, Social Security, property tax, etc.), tithe, and housing (mortgage or rent).

Your **variable expenses** are things like food, utilities, transportation, clothing allowance, and entertainment or recreation.

Don't forget to include any debts, savings, and surplus income.

You can get started immediately by referencing past spending and using the [Estimated Budget worksheet](#). Continue tracking your spending for 30 days and then revise your budget accordingly.



Steps to Making YOUR BUDGET

STEP 3 Put Your Expenses In Categories

Once you have an accurate idea of your income and your actual expenses, it's time to organize and categorize your expenses.

Every dollar you spend belongs in a category. You can use the **Estimated Budget worksheet** as a reference guide for the budget categories you need to track.

We recommend having a "Miscellaneous" category to keep track of those random, little expenses that come up every month.

No two months of budgeting will ever be exactly the same, so remember that your categories are an accurate estimation, but not an exact indication of what your budget will be. Keep track of your spending and adjust as necessary throughout the month.

If you know you're going to overspend in one category (Food, for example), you can move money from another category (like Entertainment and Recreation) to cover the expenses.

BUDGET TIP:

Keep your spending priorities straight by following this guideline:

- 1 **GIVE** 10% or more to God's Kingdom
- 2 **SAVE** 5-10% - pay yourself
- 3 **SPEND** 80-85% - pay everyone else



Steps to Making YOUR BUDGET

STEP 4 Implement Your Budget

BUDGET TIP:

It can be helpful to **use only cash** on the categories where you tend to overspend - maybe that's groceries, eating out, or shopping.

Try using the envelope system for these categories to keep you on track!

Your budget should be your visual guide to how you spend your money, and where you have freedom to spend. As you work on tracking your spending and controlling where your money goes, set goals. Your budget will help keep you on track and you'll know how and when you need to adjust to get there.

For variable expenses a simple way to keep to your budget is to use cash envelopes for those categories that you tend to overspend. This method will allow you to know exactly how much you have available at all times. And when you spend all the money in that envelope, you should stop spending in that category. If you need more money for the category, you will need to borrow or transfer money from another spendable expense category.

Find a system that works for you.

For many people, an app on their phone will be the most convenient and accurate way to keep track of a budget. Others may prefer keeping track with **Crown's worksheets**, a spreadsheet, pen and paper, or cash in envelopes.

No matter what system you choose, you should be able to set it up easily. You've already done all the work of deciding how much money goes in each category!



Steps to Making YOUR BUDGET

STEP **5** Compare and Adjust

Now that you have your budget and are following a spending plan, you'll be able to see areas where you tend to overspend, and where you have cash left at the end of the month.

The goal is to always have your income exceed (or match) your expenses. If you're spending more than the income you earn, slim down on some of your spending categories to prevent this.

Set aside time every month to review your budget.

Keep revisiting your budget and adjust as you need to stay on target for meeting your goals.

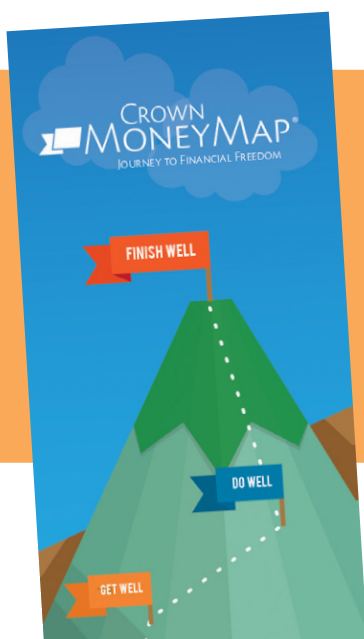
If you find yourself discouraged or frustrated, don't worry - we've all been there! You may make mistakes along the way, but it's important to just adjust and keep going - don't give up. Remember that God tells us if we are trustworthy with a little, we can be trusted with a lot (Matthew 25:21). Faithfully following your budget, and adjusting when needed, is a great small way to demonstrate your trustworthiness. Ask the Lord to help you and reach out to a friend or family member to encourage you.

Way to Go!

You just made a budget! Already, you're bringing order and discipline to your financial habits, and are on your way to living in freedom as a faithful steward.

Remember that it takes at least 3 weeks to form a habit and closer to 10 weeks to make a lifestyle change, so don't give up. No two months are ever exactly the same, so if you make mistakes, don't become frustrated. Just adjust, plan to stay on track in the future, and keep up the good work.

Remember Proverbs 21:5 - *steady plodding brings prosperity*. Your work should always be unto the Lord, so keep a thankful heart and attitude as you develop these habits and surrender your finances to Him.



The Money Map

is a wonderful companion to your budget. It outlines the financial goals you should be working on in a step-by-step guide that's easy to follow. **You can download yours for FREE here!**

More Resources

Yours, O Lord, is the greatness, the power, the glory, the victory, and the majesty. Everything in the heavens and on earth is yours, O Lord, and this is your kingdom. We adore you as the one who is over all things. Wealth and honor come from you alone, for you rule over everything. Power and might are in your hand, and at your discretion people are made great and given strength.

- 1 Chronicles 29:11-12

The master was full of praise. 'Well done, my good and faithful servant. You have been faithful in handling this small amount, so now I will give you many more responsibilities. Let's celebrate together!

- Matthew 25:21

Spending Guidelines

The **Percentage Spending Guidelines** will help you estimate what your taxes and other expenses will be. Each guide is based off personal circumstances (ie single with a roommate, married with two kids), and includes different income levels, so you can get the most accurate estimation of what your taxes and expenses will be. (Keep in mind that these are only estimates, and each person's individual needs will vary.)

Track Your Spending

Use this **Spending Tracker** to keep up with your daily spending habits. You can fill it out digitally or print it and take it with you. Tracking your spending is an important step in making a budget you love!

Create a Budget

Get started on your budget NOW by using this **Estimated Budget worksheet**. It will help you organize your budget by categories. Fill it in digitally, or print it out for reference.

Start Saving

Developing a habit of saving is an important part of keeping a budget. Use this **Savings Goal Calculator** to adjust the amount you are saving every month, and reach your goals faster.

Get Out of Debt

Budgeting is a crucial step to getting out of debt. If you have debt of any kind, use the **Debt Snowball Calculator** to make a plan to eliminate it today. You just enter your information and it creates a detailed payoff plan for you, and shows you how much time and money you'll save by using the debt snowball method.

If you have overwhelming credit card debt, you may need a debt management plan. Contact **Christian Credit Counselors** for a free debt analysis.

Make a Plan to Be Financially Free

Creating and keeping a budget is a big step towards finding freedom and aligning your finances with Scripture. To stay on the right track, download the free **Money Map**. It's a simple, step-by-step guide to achieving your financial goals and learning to be a faithful steward.

Get Daily Encouragement on Your Journey

Stay encouraged on your journey with daily Scripture and timeless biblical principles from Crown's founder, Larry Burkett, and CEO, Chuck Bentley. The **God is Faithful daily email devotional** arrives in your inbox every morning to help you start your day off right.

More Help

Discover more helpful articles and tools with **Crown's Weekly Update**. You'll get the latest, most popular, articles on personal finance and career delivered straight to your inbox.