

HOW BUDGETING BENEFITS YOUR DAILY LIFE AND ATTITUDES

Budgeting gives you another chance. Having a budget is what you should have been doing all along. So don't look at it as unpleasant. Setting up a budget is like getting a new lease on life. It's a way to start over. It's a way to make a success out of your finances. Remember, your plan probably will have to be long-range.

The chances are your home mortgage will be the greatest debt you have to pay. At least let's hope that is the case! Generally that is a fixed sum of money. So if you have 10, 20 or even 30 years yet to pay, your long-range budget should be set up as long as you have one outstanding debt.

Then take your debts one by one and lay out a realistic repayment plan. Your automobile may take another two years to pay. During that time, be sure to maintain your vehicle properly so that it can last several additional years.

If you unwisely went into debt for furniture, clothing and other items, then they too will have to be paid each month—you may have charged enough that your long-range plan may take two, three or even four years. But do formulate a plan. It is never too late to start and better now than never.

Make up your mind not to create any new debts while paying off the old ones. That is not going to be easy. It may take more family self-discipline than you have ever had to use before. Those debts will all have to be paid. There is no use putting it off any longer.

Budgeting helps you break bad habits. Most of us have taken many years to establish our spending habits, accumulate our debts and dig ourselves into financial holes.

Habits are indeed hard to break. It is not so easy or logical that we should be able to snap our fingers and get out of debt and onto sound financial footing by next week. Not even next month. Not even next year.

How do we get out of debt? Just like we got into debt—one step at a time.

Regardless of your past habits of money mismanagement, a sound plan, carefully thought out, can bring financial success in the future. A budget is simply an organized way to manage your finances.

Because we live in a “now” world, we are used to having everything done yesterday or today at the very latest. But some things are not this easy. Getting out of debt falls into this category. You need to sit down and pencil out a practical long-range plan. This planning period involves careful budgeting.

Budgeting will free you, not confine you. God expects us to be participants in planning budgets, not observers. As Proverbs 16:9 says, “The mind of man plans his way, but the Lord directs his steps.” (NASU)

Therefore, as we apply practical concepts in handling our money, God provides godly wisdom. It should free you from worrying about whether the annual insurance payment will be made, whether you put money aside for the taxes on your home, and whether enough money will be available to buy the clothes your children need.

If those are not problems for you, you’re among the fortunate few. They are problems for the majority of Americans and they may well be problems for your children when they have families. If you’re not willing to live on a budget, you will not be able to help them live on budgets. So a budget can be a good teaching tool, as well as a good measure of self-discipline.

Budgeting enables you to walk in wisdom. Personal budgeting allows you to know exactly how much money you have, even down to the penny, if you so desire. Furthermore, a budget is a self-education tool that shows you how your funds are allocated, and how they are working for you; it reflects what your plans are for them and how far along you are toward reaching your goals. Knowledge is power, as the oft-quoted saying goes, and knowing about your money is the first step toward controlling it.

Budgeting offers you extra time. All your financial transactions are automatically organized for tax time, for creditor questions, or for any query that may come up about how and when you spent money. Being armed with such information saves time digging through old records.