

Living on Very Limited Income

Financial freedom is the goal.

Your needs are all met, you take care of your responsibilities, you are content with your income and you are not worried about money. The best way to find financial freedom is to seek first God and His kingdom, and He will take care of your physical needs and remove any need to worry (Matthew 6:25-34). Then make a plan that goes beyond meeting your immediate needs. Planning is a “spiritual” activity: Proverbs 12:5; 16:3; 20:18; 21:5; 24:27.

What is a budget?

A budget outlines how you will use your money. It covers everyday expenses and saving for future needs. The simple rule of budgeting is to spend less money than you receive, and to save that difference.

1. If you are satisfied with your income, you still don't want to go into debt. A foolish person *breaks even* (Proverbs 21:20), spending all income.
 - a. You'll need an emergency fund to avoid debt, so you'll need to save for that.
 - b. The amount of that fund depends upon how much it would cost to replace or repair something you must have (a car or refrigerator, for example), or what you might have to personally spend for medical and other larger expenses.
 - c. Save enough to open a savings account, then deposit the money into a savings account, rather than hiding it somewhere where it could be stolen.
 - d. Don't spend more than you earn, or you will lower your standard of living later.
 - e. Avoid at all costs “cash advance” or “payday” loans, which often have extremely high interest rates. According to Consumer Credit Counseling, you may pay a 391 percent Annual Percentage Rate. For example, you may pay \$60 to borrow \$100 for 8 weeks (rolling over the loan 3 times). Avoid “rent-to-own” deals, which cost more than saving for a television, for example, and buying it. Instead, “save to own” at a bank, or put the item on layaway. The cost will be much less if you purchase at a discount store such as Wal-Mart or K-Mart, and the item will be new.
2. If you're in debt, your standard of living is reduced by past purchases.
 - a. If you will budget in order to save, you'll be able to repay debt and gradually gain more and more income to save and spend.
 - b. Once out of debt you will have more freedom to enjoy life.
3. If you do not have debt, but would like to increase your standard of living, you will need to budget in order to save as much as you can.
 - a. You may want to move into a Section 8 house, or buy a used car, or help your child in school, or have a vacation.
 - b. You may need to get a job, a second job, or a better job.
 1. If you don't have a GED, you may want to get one, to get a better

job.

4. One of the smartest ways to increase your income is to give.
 - a. Proverbs 11:24 (NIV version) "One man gives freely, yet gains even more; another withholds unduly, but comes to poverty. 25 A generous man will prosper; he who refreshes others will himself be refreshed."
 - b. Proverbs 19:17 "He who is kind to the poor lends to the Lord, and he will reward him for what he has done."
 - c. Proverbs 3:9-10 "Honor the Lord with your wealth, with the first fruits of all your crops; then your barns will be filled to overflowing, and your vats will brim over with new wine."

How to Budget:

1. Write down all your monthly income.
2. Subtract your regular expenses, including your giving.
3. At the end of the month, total all your expenses and see if you have overspent or under spent. If you have money left, save it. If you have overspent, take it out of your next check, but don't make a habit of living off next months' income.

Typical budget problems:

1. Eating at restaurants too much.
2. Spending too much on entertainment, such as expensive cable TV payments.
3. Failing to save regularly for larger expenses.
4. Not having adequate insurance (health, life, car) or paying too much for insurance.
5. Paying too much for telephones.
6. Spending too much for clothing.
7. Spending too much for miscellaneous expenses.
8. Giving money to irresponsible people.
9. Not writing down your expenses.
10. Wasting money on lottery tickets—trying to get something for nothing.

Budget Suggestions:

1. You may need to increase your income with part-time or fulltime work. Unless we are simply unable to work, God's will is that we work for our food (1 Thessalonians 3:10 "If a man will not work, he shall not eat.").
2. Ask someone who is good with money to review your budget and to suggest ways to reduce your expenses.
3. Ask God to show you what your goals should be. Pray about those goals and ask God for wisdom how to achieve them. Ask for advice concerning how to reach those goals.
4. Self-control is a spiritual issue (Galatians 5:23). The Spirit can put to death the desires of the "flesh" (Romans 8:13). If we cannot control our spending, we probably are out of control in other areas of our life. We need the power of God to enable us to resist the things we cannot afford, or that are not good for us.

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