

Creating a Spending PLAN

A spiral-bound notebook is pinned to a white brick wall. The notebook's calendar page is visible, showing a grid of days from Sunday to Saturday. A blue one-dollar bill is tucked into the calendar grid, with its top edge protruding from the top of a silver piggy bank in the foreground. The piggy bank is positioned directly below the calendar, and the dollar bill is inserted into its slot.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6		8	9	10
11	12	13		15	16	17
18	19	20		22	23	24
25	26	27				

Creating a
Spending
PLAN

PRACTICAL VIDEO STUDY



CROWN®

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Time...

seems to move quicker than ever, doesn't it?



And in that rush of time and activity, it's a challenge to stay focused on maintaining a working spending plan. On the surface, it seems so easy and carefree to go through life without a plan to follow—especially for you spontaneous, free spirits!



But, when did we convince ourselves that planning ahead was restrictive? Actually, stressing about making ends meet each month or not ever reaching your financial goals is what's really restrictive, isn't it? And, we should deal with the deeper root issues that get us there in the first place, right?



So congratulations on taking the next step in creating a plan for your finances. We're so proud of you, and God sees your willing heart, too.

Your Friends at Crown

Did you know that God has His own unique economy? It consists of **three essential** elements:

1. His _____ over all areas of my life.
2. My commitment to being a _____ .
3. My growth in living _____ .

A wise saying goes something like this: "If your outgo exceeds your income, then your upkeep will be your downfall."

It's actually very true. You cannot _____ more than you _____ .

God's principles help us learn to live in His economy. The simple key is this:

Spend less than you earn and _____ a portion of all that you earn over a long period of time.

How can we learn to save money? Larry Burkett used to say that saving money is actually a fruit of the Holy Spirit.

"So I say, live by the Spirit, and you will not gratify the desires of the sinful nature. For the sinful nature desires what is contrary to the Spirit, and the Spirit what is contrary to the sinful nature. They are in conflict with other, so that you do not do what you want."

-Galatians 5:16-17

"But the fruit of the Spirit is love, joy, peace, patience, kindness, goodness, faithfulness, gentleness and self-control. Against such things there is no law."

- Galatians 5:22-23

In God's Economy, self-control is not "self" controlling "self." It's the _____
_____ controlling self.

"Whoever loves money never has money enough; whoever loves wealth is never satisfied with his income. This too is meaningless."

– Ecclesiastes 5:10

"Like a city whose walls are broken down is a man who lacks self-control."

– Proverbs 25:28

As we walk in the Spirit (Galatians 5:16), we experience the power of self-control.
It becomes like a wall of _____ around you.

Having a relationship with God provides _____ whatever the
circumstances.

"I know what it is to be in need, and I know what it is to have plenty. I have learned the secret of being content in any and every situation, whether well fed or hungry, whether living in plenty or in want."

– Philippians 4:12

The Definition Contentment:

Peace of mind, mental or emotional satisfaction; with God's help, suppressing the constant 'want' and letting the 'need' drive instead.

"I can do everything through him who gives me strength."

– Philippians 4:13

What is a spending plan?

A _____ is simply a plan for how you will spend money—God’s money.

We begin with a _____, which is just a term we use to categorize where money is going.

It may be helpful to visualize your spending plan categories as several _____ of money, which together make up your “big bucket”—your checking account.



A spending plan provides _____ and makes decisions simpler—no more guessing.

How do we start?

First, you will need to determine your income and accurately track all your spending. *See form on next page.*

Monthly Income and Expenses

PRACTICE FORM*

GROSS INCOME PER MONTH _____

- Salary _____
- Interest _____
- Dividends _____
- Other (_____) _____
- Other (_____) _____

LESS:

- 1. Tithe** _____
- 2. Tax** (Est. - Incl. Fed., State, FICA) _____

NET SPENDABLE INCOME

- 3. Housing** _____
- Mortgage (rent) _____
- Insurance _____
- Taxes _____
- Electricity _____
- Gas _____
- Water _____
- Sanitation _____
- Telephone _____
- Maintenance _____
- Other (_____) _____
- Other (_____) _____

4. Food _____

- 5. Transportation** _____
- Payments _____
- Gas and Oil _____
- Insurance _____
- License/Taxes _____
- Maint./Repair/Replace _____

6. Insurance _____

- Life _____
- Medical _____
- Other (_____) _____

7. Debts _____

- Credit Card _____
- Loans and Notes _____
- Other (_____) _____
- Other (_____) _____

8. Enter./Recreation _____

- Eating Out _____
- Baby Sitters _____
- Activities/Trips _____
- Vacation _____
- Other (_____) _____
- Other (_____) _____

9. Clothing _____

10. Savings _____

11. Health Care _____

- Doctor _____
- Dentist _____
- Drugs _____
- Other (_____) _____

12. Miscellaneous _____

- Toiletry, cosmetics _____
- Beauty, barber _____
- Laundry, cleaning _____
- Allowances, lunches _____
- Subscriptions _____
- Gifts (incl. Christmas) _____
- Cash _____
- Internet _____
- Other (_____) _____
- Other (_____) _____

13. Investments _____

14. School/Child Care _____

- Tuition _____
- Materials _____
- Transportation _____
- Day Care _____
- Other (_____) _____

TOTAL EXPENSES

INCOME VERSUS EXPENSES

Net Spendable Income _____

Less Expenses _____

*A blank form is available on page A1 and online to download at Crown.org to use on an ongoing basis.

You need to _____ all your spending for the next 30 to 60 days. This will help you to determine the average amount you spend each month in each spending _____.

HINT: *Many people carry a small notepad or use their mobile phone to record all their expenditures. Be sure to note the category for each expenditure.*

“Be sure you know the condition of your flocks, give careful attention to your herds.”

– Proverbs 27:23

You will also need to record your monthly income, including alimony, child support, government assistance, part-time jobs, dividends, etc.

Determine your NSI

Next you will need to determine your income.

From your total income, you will subtract your _____ (10 percent).

Then, using your last year’s tax return as a guide, you will subtract the total amount of taxes you actually paid (include federal and state income taxes, FICA, and any other applicable taxes).

The resulting number, after subtracting tithe and taxes, is your

_____.

Your net spendable income (NSI) will be the amount you will use to fund all your spending categories (smaller buckets).



Finally, something worth texting on your cell phone—the reality of what you’re spending.

Types of Hair Coverage:



Full



The Great Divide



The Comb Over



Shiny Head

Conclusion:

There is no correlation between financial wisdom and hair coverage. It's the information *inside* that counts.

Estimate and record your expenses

You will record the expenses you have been tracking on the 30-Day Diary Form found in your workbook Appendix on pages A2-A3. If you are using a notepad or your mobile phone to record your daily expenses, transfer the totals here on a regular basis.

As you begin tracking your expenses, go ahead and write in any _____ that you already know in the box that corresponds with the date you paid it and the category (e.g., house and/or car payment).

Next, as a helpful exercise, go ahead and make your initial _____ for the remaining categories. Record these estimates in the "Estimate" column in the chart below.

#	Category	Estimate	Actual* (after 30-60 days)	Difference
	Gross Income			
1	Tithe			
2	Taxes			
	Net Spendable Income (NSI)			
3	Housing			
4	Food			
5	Transportation			
6	Insurance			
7	Debt			
8	Entertainment/Recreation			
9	Clothing			
10	Savings			
11	Health Care			
12	Miscellaneous			
13	Investments			
14	School/Child Care			
	Total			

*You'll get your "Actual" numbers from your 30-Day Diary forms on pages A2-A3.

Finally, at the end of the first 30 or 60 days, add up all your actual expenses you have been tracking in each category. Put these totals in the “Actual” column, and calculate the difference between your estimates and the actual expenses.

This exercise will help you realize just how important having accurate numbers is!

“All progress begins when we tell ourselves the truth.”

Compare with the guideline budget

Once you have recorded your actual expenses (those in the “Actual” column in the chart above), compare those figures to the _____ budget below.

CAT no.	Suggested Guideline Percentages for Net Spendable Income		Example
3	Housing	5 - 40%	34%
4	Food	6 - 11%	12%
5	Transportation	12 - 18%	14%
6	Insurance	5 - 12%	8%
7	Debt	0 - 8%	5%
8	Entertainment/Recreation	2 - 11%	3%
9	Clothing	3 - 7%	3%
10	Savings	3- 10%	5%
11	Health Care	4 - 8%	4%
12	Miscellaneous	1 - 6%	2%
13	Investments	0 - 10%	1%
14	School/Child Care	0 - 30%	9%
	Maximum Total	100%	100%

NOTES:

- A balanced budget is unattainable if spending is at the upper range in each category.
- Strive to limit spending to middle or low end of each category’s percentage range.
- If spending is at upper range or exceeds the guideline range of major categories, other category spending will require significant reductions.
- You can use the online spending plan calculator at Crown.org to determine the guideline amount for your specific income.

Question:

Is it better to rent or buy a home?

Answer:

What are your financial goals? Some people love the freedom and flexibility of renting, while others want to own where they live. As long as it makes sense within your spending plan, the choice is up to you.

SPENDER FAMILY HISTORY:

Country of Origin:

I Need Moreia

Original Surname:

Spenthrift

Coat of Arms:



Noteworthy Accomplishments:

- *studied the Bible*
- *created a spending plan*
- *fulfilled their financial goals*

The suggested guidelines are percentages of the net spendable income. The following chart provides an example of a guideline budget for the fictitious Spender family. Their NSI is \$3,315 per month.

Guideline Budget Example- The Spender Family

CAT no.	Adapting the Guideline Budget for \$3,315 Net Spendable Income		Adjusted Amount
3	Housing	34%	\$1,220
4	Food	12%	\$510
5	Transportation	14%	\$450
6	Insurance	8%	\$144
7	Debt	5%	\$175
8	Entertainment/Recreation	3%	\$150
9	Clothing	3%	\$150
10	Savings	5%	\$250
11	Health Care	4%	\$116
12	Miscellaneous	2%	\$150
13	Investments	1%	\$0
14	School/Child Care	9%	\$0
	Total	100%	\$3,315

Please note: The Spenders chose not to utilize categories 13 and 14 and adjusted the other category amounts accordingly.

Conduct a budget analysis

Using the Spender family as an example, the next step in developing a spending plan is to conduct a _____.

First, the Spenders entered their current spending amounts in the “Current” column of the **Budget Analysis Form** (see below). They discovered that their total expenditures were \$583 over their NSI! They realized that this was not sustainable.

Then they went to Crown’s Web site and plugged in their income to get their guideline percentages. They recorded the resulting amount ranges in the “Guideline Amount” column of the Budget Analysis form.

The Spenders’ then compared their current spending to the guideline amount and noted the difference in the “Comparison/Difference” column.

Now, because they had accurate numbers, the Spenders could adjust their spending to make sure it matched their NSI (see *how they made minor adjustments in the “New Monthly Budget” column*).

Spender Family Budget Analysis

Category	Current	Guideline Amount	Comparison/Difference	New Monthly Budget
Gross Income Per Month	\$4,400			\$4,400
1 Tithe	\$150	\$440	- \$290	\$440
2 Tax	\$1,050	From 1040s and W-2		\$645
Net Spendable Income (NSI)	\$3,200			\$3,315
3 Housing	\$1,280	\$160 - \$1,280	High	\$1,220
4 Food	\$525	\$192 - \$352	+ \$173	\$510
5 Transportation	\$785	\$384 - \$576	+ \$209	\$450
6 Insurance	\$144	\$160 - \$384	- \$16	\$144
7 Debt	\$283	\$0 - \$256	+ \$27	\$175
8 Entertainment/Recreation	\$300	\$64 - \$352	High	\$150
9 Clothing	\$175	\$96 - \$224	Mid	\$150
10 Savings	\$0	\$96 - \$320	- \$96	\$250
11 Health Care	\$116	\$128 - \$256	- \$12	\$116
12 Miscellaneous	\$175	\$32 - \$192	High	\$150
13 Investments	\$0	\$0 - \$320	Low	\$0
14 School/Child Care	\$0	\$0 - \$960	Low	\$0
Total	\$3,783			\$3,315

A blank Budget Analysis form is included in the Appendix (page A4).

Take the next steps

_____ your journey to the Lord.

“Commit your works to the LORD and your plans will be established.”

– Proverbs 16:3 (NASB)

Next steps:

1. Make your best _____ for all the spending categories and write them down.
2. For the next 30 to 60 days, track all your _____ and write them down.
3. Begin comparing your initial estimates with the guideline numbers, and then adjust your plan when your actual numbers become available.
4. Seek God’s wisdom as you live each day as a _____
_____.

Final Note:

You are now equipped to take your next steps. You can do it. Do not give up. Do not have something or someone convince you that it’s not worth it. It is worth it.

Stay connected to your local church, and stay in touch with Crown. We want to help you each step of the way.

Appendix

Monthly Income and Expenses

GROSS INCOME PER MONTH	_____	8. Enter./Recreation	_____
Salary	_____	Eating Out	_____
Interest	_____	Baby Sitters	_____
Dividends	_____	Activities/Trips	_____
Other (_____)	_____	Vacation	_____
Other (_____)	_____	Other (_____)	_____
		Other (_____)	_____
LESS:		9. Clothing	_____
1. Tithe	_____	10. Savings	_____
2. Tax (Est. - Incl. Fed., State, FICA)	_____	11. Health Care	_____
NET SPENDABLE INCOME	<u> </u>	Doctor	_____
3. Housing	_____	Dentist	_____
Mortgage (rent)	_____	Drugs	_____
Insurance	_____	Other (_____)	_____
Taxes	_____	12. Miscellaneous	_____
Electricity	_____	Toiletry, cosmetics	_____
Gas	_____	Beauty, barber	_____
Water	_____	Laundry, cleaning	_____
Sanitation	_____	Allowances, lunches	_____
Telephone	_____	Subscriptions	_____
Maintenance	_____	Gifts (incl. Christmas)	_____
Other (_____)	_____	Cash	_____
Other (_____)	_____	Internet	_____
4. Food	_____	Other (_____)	_____
5. Transportation	_____	Other (_____)	_____
Payments	_____	13. Investments	_____
Gas and Oil	_____	14. School/Child Care	_____
Insurance	_____	Tuition	_____
License/Taxes	_____	Materials	_____
Maint./Repair/Replace	_____	Transportation	_____
6. Insurance	_____	Day Care	_____
Life	_____	Other (_____)	_____
Medical	_____	TOTAL EXPENSES	<u> </u>
Other (_____)	_____	INCOME VERSUS EXPENSES	
7. Debts	_____	Net Spendable Income	_____
Credit Card	_____	Less Expenses	_____
Loans and Notes	_____		<u> </u>
Other (_____)	_____		<u> </u>
Other (_____)	_____		<u> </u>

30-Day Diary

Month		Year		Monthly Budget			
Category	INCOME	TITHE/GIVING	TAXES	HOUSING	FOOD	TRANSPORTATION	INSURANCE
BUDGETED AMOUNT	\$	\$	\$	\$	\$	\$	\$
Date							
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
This month SUBTOTAL	\$	\$	\$	\$	\$	\$	\$
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
This month TOTAL	\$	\$	\$	\$	\$	\$	\$
This month SURPLUS/DEFICIT	\$	\$	\$	\$	\$	\$	\$

30-Day Diary

Monthly Budget

Category	DEBTS	ENT./REC.	CLOTHING	SAVINGS	HEALTH CARE	MISCELLANEOUS	INVESTMENTS	SCHOOL/DAYCARE
BUDGETED AMOUNT	\$	\$	\$	\$	\$	\$	\$	\$
Date								
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
This month SUBTOTAL	\$	\$	\$	\$	\$	\$	\$	\$
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
This month TOTAL	\$	\$	\$	\$	\$	\$	\$	\$
This month SURPLUS/DEFICIT	\$	\$	\$	\$	\$	\$	\$	\$

CAT no.	Suggested Guideline Percentages for Net Spendable Income		Example
3	Housing	5 - 40%	34%
4	Food	6 - 11%	12%
5	Transportation	12 - 18%	14%
6	Insurance	5 - 12%	8%
7	Debt	0 - 8%	5%
8	Entertainment/Recreation	2 - 11%	3%
9	Clothing	3 - 7%	3%
10	Savings	3- 10%	5%
11	Health Care	4 - 8%	4%
12	Miscellaneous	1 - 6%	2%
13	Investments	0 - 10%	1%
14	School/Child Care	0 - 30%	9%
	Maximum Total	100%	100%

Budget Analysis Form

Category		Current	Guideline Amount	Comparison/ Difference	New Monthly Budget
Gross Income Per Month					
1	Tithe				
2	Tax		From 1040s and W-2		
Net Spendable Income (NSI)					
3	Housing				
4	Food				
5	Transportation				
6	Insurance				
7	Debt				
8	Entertainment/Recreation				
9	Clothing				
10	Savings				
11	Health Care				
12	Miscellaneous				
13	Investments				
14	School/Child Care				
Total					

Income Allocation

Pay Period (Event)	1	2	3	4	5	6	7
Date							
Balance Forward							
Income							
New Balance							
Categories	<i>Monthly Allocation</i>						
1 Tithe							
2 Tax							
3 Housing							
4 Food							
5 Transportation							
6 Insurance							
7 Debts							
8 Entertainment/Recreation							
9 Clothing							
10 Savings							
11 Health Care							
12 Miscellaneous							
13 Investments							
14 School/Child Care							
Total							
Balance							

Instructions: One column per pay period (pay event). Limit expenditures until balance in each period grows (build savings). Expenditures are recorded for respective pay period. Balance at bottom of each column carries forward to top of next column. Project forward until monthly budget can be implemented. Use multiple worksheets, as necessary. Assumes income is sufficient to meet essential expenses.

Answer Key

Introduction

1. His **Lordship** over all areas of my life.
2. My commitment to being a **faithful steward**.
3. My growth in living **generously**.

You can't **spend** more than you **earn**.
save a portion of all you earn.

It's the **Holy Spirit** controlling self.

It becomes like a wall of **protection** around you.

Having a relationship with God provides **contentment**.

What is a spending plan?

A **spending plan** is simply a plan for how you will spend money—God's money.

We begin with a **budget**.

several **smaller buckets** of money.

A spending plan provides **freedom**.

How do we start?

You need to **track** all your spending.

average amount you spend each month in each spending **category**.

Determine your NSI

you will subtract your **tithe**. (10%)

is your **net spendable income**.

Record your expenses

write in any **fixed expenses**.

make your initial **best estimates**.

Compare with the guideline budget

compare those figures to the **guideline** budget.

Conduct a budget analysis

conduct a **budget analysis**.

Make necessary lifestyle adjustments

To be able to **balance** the budget.

Begin to live the budget

Know where you are in each **category**.

Offset **excess** spending.

Make spending decisions based on your **spending plan**.

Allocate income for pay periods.

Account for **automatic** deductions.

Keep it **simple**.

Take the next steps

Make your best **guesimates**.

track all your **expenses**.

live each day as a **faithful steward**.

Group Facilitation

Guidelines for Facilitators

If you're using this personal study in a group, below are some helpful guidelines designed to assist the group's facilitator.

As a facilitator, you are not required to be an expert in the subject matter. However, you should be familiar with the content of the video study and any accompanying resources. Prior to your scheduled event, please set aside time to view the video and utilize the provided manual.

This video study is formatted for a single session. However, depending on the composition of your group, you may want to include a short break (5 to 10 minutes) approximately halfway through the study.

Introduction

- Welcome the attendees, and open with prayer. Assure participants that everyone's financial situation is unique, and it may be that some portions of the study may not fully apply to them. However, the study offers solid, biblical principles that will help anyone on their journey toward financial faithfulness.
- Ask the attendees to hold any questions that may arise during the study until the end of the session. For additional help and clarification, we encourage you to refer people to the Web site noted in the manual.

Venue

- If possible, set up tables to provide a writing surface for the attendees. Have pencils available along with the study manuals. (A manual is recommended for each attendee.) Make sure all participants can see the screen and hear the audio clearly.

Options

- The video menu includes a short, clear presentation of the Gospel. Please feel free to play this optional segment as God leads you.
- <https://www.crown.org/cspvideos/>

Follow-up

- Approximately one month after the event, you may wish to contact the attendees with a word of encouragement and a reminder to visit the Web site noted in their manuals for additional help and resources.

Crown has a variety of practical learning options—group studies, self-paced online courses, one-on-one budget coaching, and more. Let us come alongside as you take the next step in building a holistic teaching ministry that focuses on the stewardship of time, talent, and treasure. To take the next step in your church ministry, contact us at 1-800-722-1976.

About Crown

The vision of Crown Financial Ministries® is to see the followers of Christ in every nation faithfully living by God's financial principles in every area of their lives. Since 1976, the nonprofit ministry has taught millions of people worldwide.

In the mid-1970s, Larry Burkett (1939-2003) and Howard Dayton, unknown to each other at the time, were separately called by God to search the Scriptures to find out what He said about managing money. Larry Burkett founded Christian Financial Concepts in 1976 and Howard Dayton founded Crown Ministries in 1985. In 2000, these two ministries merged to form Crown Financial Ministries®.

In 2007, Chuck Bentley became CEO of Crown Financial Ministries. He had been previously selected by both cofounders, Larry Burkett and Howard Dayton, to become their successor.

Today, Crown now reaches around the world with staff on every continent, a global media presence, and books and materials serving the spiritual and financial needs of all people, regardless of their economic condition. Crown's outreach impacts individuals, families, churches, businesses, educational institutions and governments through the joyful, liberating biblical truth of making and managing money so that God's purposes for one's life can be fulfilled.

For more information about the ministry of Crown, go to Crown.org or call 1-800-722-1976.



Quick. Help. Now.

Sounds like everyday life doesn't it?

This practical video study is quick help on creating a budget by applying God's wisdom. In less than two hours, you'll be ready to take your personalized plan from good to great!

What you will learn:

- Why a plan can be your best offensive strategy
- The best way to get started
- Practical tips and techniques for success
- How to live and achieve your goals

Its flexible format is perfect for individual or group study.



Chuck Bentley, CEO of Crown Financial Ministries and host of the *MoneyLife*® radio broadcast, shares his encouraging thoughts on how you can meet your financial goals.

Then Kevin Shahan, Crown seminar instructor and entrepreneur, outlines the practical steps to creating a successful spending plan.



Use this manual along with the *Creating a Spending Plan Practical Video Study DVD*. (available separately, ISBN 978-1-56427-272-0)



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