

◆ The Freedom Report ◆

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Principle to ponder:

The monthly budget plan is a tool that enables you to establish an orderly method to “provide” for the future financial needs of your family. It is not however meant to financially “protect” your family.

When we develop a plan, we often want to put our trust in the plan to protect us. We are clearly instructed to plan our way but it is God who directs our steps (*Proverb 16:9*). We must remember that when we trust in our riches, we will inevitably fall. (*Prov. 11:28*)

Planning With Purpose

The difference between wishful thinking and reality is a **plan** that is designed with a **purpose** in mind. The *plan* is your monthly budget and the *purpose* is your saving goals.

The Plan:

A monthly *written* budget plan is the foundation for financial order in the home. The monthly *written* budget plan is the tool that gives you not only spending guidelines for the upcoming month but also should provide you with daily feedback on how you are doing. Without it, your spending is subject to uncontrolled, reckless, impulsive results.

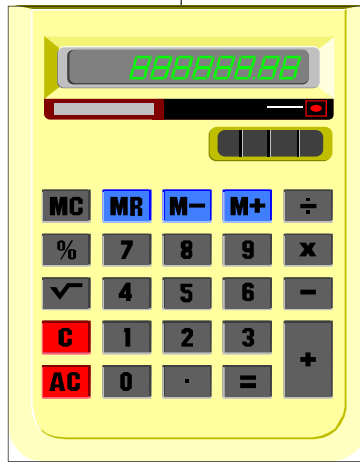
The budget is designed to keep you on track as you reach for greater financial goals such as establishing an emergency fund, debt elimination, mortgages, college funds, automobiles, retirement savings, etc. **The budget is a means to an end, not an**

end in itself!

With an effective budget, you should be able to look back several months and see that progress is being made towards your goals; your emergency fund is established, your debts have been reduced, taking a cash vacation or having a cash Christmas is finally possible, or maybe you have finally started funding your 401(k) or opened an IRA.

So, what are the key concerns in putting together a good budget plan?

- 1) It must be written.** Don't fool yourself by believing that you can keep your budget in your head. Write it down on paper! (*And don't confuse a spending record - what was spent, with a budget - what will be spent.*)
- 2) It must be a joint effort.** The spenders need to be planners. Sit down together, before the month begins, and agree (*on paper*) to next months expenditures. Any deviations should be discussed and agreed upon.



The budget is a means to an end, not an end in itself!

Counting the Cost!

“For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it? Lest haply, after he hath laid the foundation and is not able to finish it, all that behold it begin to mock him. Saying, This man began to build, and was not able to finish.”

Luke 14:28-30

As Jesus taught on discipleship, He chose what appeared to be a very practical and easily understood illustration. I would like to bring your attention to two very interesting points made in the illustration.

First of all, without a detailed plan (*budget*), you will never know if you have sufficient resources to reach your goals.

Secondly, even with a solid foundation (*budget plan*) you are still subject to failure if you can't obtain the objectives (*goals*) you set out to accomplish.

“For which of you, intending to provide for your family does not first establish financial goals? Lest after you grow old you are broke and dependent on your children or the government. They will mock you and say, He had a budget but spent all that he made”.

Financial Freedom Seminars



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Christian Oriented Education, Inc. is a non-profit ministry whose mission statement is summarized by Colossians 1:28: "...warning every man, and teaching every man in all wisdom: that we may present every man perfect in Christ Jesus:"

Planning With Purpose (continued)

(3) **It must be easy.** Once the budget is established, it must be easy to use and it must provide daily feedback (*see my budget organizer*). I recommend that you not use a computer system for the daily budget maintenance unless all of the planners and spenders enjoy using the computer and it is easily accessible.

A well thought out monthly budget is a plan to spend **100%** of your next months income on paper (*before the month begins*). By dividing your budgeted expenses into categories (*I recommend 10-12 total categories*) it will make it easier to monitor your progress throughout the month.

The Purpose:

After charitable contributions and taxes are deducted, the first and most important spendable category should be **SAVINGS**.

"The primary objective of the monthly budget is

Your saving goals are the reason you have a budget. Dollars that are allocated to savings are used to do things like; build the emergency fund, eliminate debts and save for major purchases like vacations, Christmas, auto repair/replacement, college funds, new furniture, etc. (*long-term savings should first be done pre-tax*).

Therefore, the primary objective of the monthly budget plan is to protect your savings. It is with your savings dollars that you are able to realize your financial goals.

Remember, a well executed budget plan may keep you out of debt but a well executed budget plan **with a purpose** is the difference between wishful thinking and reality!

In The Next Issue..

Living Without Debt!

Financial Freedom Seminars are being conducted by C.O.E., Inc. in churches for the sole purpose of helping Christians understand and apply God's plan for financial freedom!

The seminar has a strong Biblical emphasis while at the same time giving the necessary instruction in the practical areas of money management.

Christian Oriented Education - Ministry Update

Opportunities continue to arise for me to conduct the **Financial Freedom Seminar**. My greatest constraint is my limited ability to confirm future seminar dates around my current work schedule. This limitation has required me to limit the number of out of town seminars that we are able to conduct due to the extra days required for travel to and from the location.

My focus, beginning in the fall is going to be on the development of follow up materials. I have a great burden to establish accountability groups

under the local pastors direction in the churches where we have conducted seminars.

Our prayer is that God would burden someone's heart in each church to make themselves available to their pastor to serve in this ministry. We would then like to be a resource to strengthen that ministry in it's ability to serve that church.

Just by talking with your friends and family members I am sure that you will attest to the fact that personal financial troubles are growing every day.

I believe that the church is the starting place for reaching those in

financial distress. Not only can you help free someone in need from the temporary pain and fear of financial troubles, you can point them to the **"Owner of it All"** who can free them permanently from the fear of eternal failure.

God Bless,
Mike

**Upcoming Seminar
 July 17th - 18th
 First Baptist Church
 Dothan, Alabama**