

Mark Donovan

SESSION 2: Practical Application

I. 7-STEP PROGRAMS AND OTHER RESOURCES

- A. Dave Ramsey/Ramsey Solutions - popular and reaching a wide audience through books and radio, Christian, teaching sound stewardship principles, simple and direct – encourages focus, emphasis is on changing behavior, dynamic personality, for-profit company.
- B. Crown Financial – founded by Howard Dayton in 1985 and merged with Larry Burkett’s organization in 2000, Chuck Bentley is the current CEO, Non-profit Christian ministry, less expensive, Biblical, examines heart issues and idols.

Chuck Bentley’s *“non-negotiable number one”* is *“I accept that both the cause and the solution to my money problems lie within my own heart.”* The Root of Riches.

- C. Compass – Founded in 2009 by Howard Dayton formerly of Crown, MoneyWise radio show, non-profit Christian ministry, Biblical, focus on small group studies to help people learn and apply, complimentary to Crown.

II. YES, THE “B” WORD. A written budget is Step 1 or the prerequisite.

- A. Negative connotations:
 - Cheap, tightfisted
 - Restrictive, smothering, stifling
 - Tedious and painful, as much fun as a root canal
 - B. Benefits of a Budget (or if you prefer, an Income Allocation, or a Spending Plan)
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MONEY: THE MEASURE OF THE HEART

“The term spending plan is more accurate. It suggests you that you are telling your money where you want it to go, rather than wondering where it went.” Howard Dayton, Your Money Map.

- Defines God’s will and priorities.
- Clarifies goals and objectives.
- Produces freedom and eases stress.
- Holds us accountable, and builds self-control.
 - *“I had to quit telling myself I had innate discipline and fabulous natural self-control. That is a lie. I have to put systems and programs in place that make me do smart things.”* Dave Ramsey, The Total Money Makeover.
- Strengthens communications between spouses. Husbands, please lead!

C. How does a budget work?

ACTUAL SPENT ON DINING OUT MONTH TO DATE – 10 TH OF THE MONTH	BALANCE AVAILABLE TO SPEND
\$0 \$60 +	\$40 = \$100

D. How do I get started?

- Five ways to spend money. Start with percentages.

Spending Category	Suggested Percentage
GIVING	10% to 15%
SAVING	10% to 15%
TAXES	10% to 20%
DEBT REDUCTION (may be quite high during debt snowball)	5% to 10%
LIVING EXPENSES (non-discretionary and discretionary)	40% to 65%

- One month at a time, adjust monthly as you progress
 - Involve someone else for encouragement and accountability
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E. Budgeting tools:

- Quicken for Windows or Mac (quicken.com)
- Mint (mint.com)
- You Need a Budget (YNAB) (youneedabudget.com)
- Every Dollar (everydollar.com)