The No-Nonsense Guide to Managing Your Money

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Your Money
Building God's Kingdom

Introduction

"Commit your actions to the Lord, and your plans will succeed."
(Proverbs 16:3, NLT)

Welcome!

Did you know that the Bible contains over 2,000 verses that involve money? That means there are many more verses about money than about prayer or faith. Why? Perhaps it's to help us be mindful of the resources that God has allowed us to enjoy so we may steward them well and faithfully. Good stewardship means we're managing all of our resources responsibly, and in a way that honors God.

If you're struggling with your personal finances, if you feel confident and just need a few words of advice, or if you have no idea where to begin managing your money, we can help. This guide is meant to answer some common questions and, like the title says, provide some simple, no-nonsense ideas to help you make the most of your money.

Managing your money can seem confusing and complicated, and we hope this guide is useful to you. If you have additional questions not covered in this guide, we invite you to contact us directly—we'd be glad to hear from you! Call us at 800.347.CCCU (2228), or e-mail us at info@mycccu.com.

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Write down all of your income streams and how regularly they come in. Include things like side business income and tips. Then, note down fixed expenses like rent or mortgage, property taxes, etc. Also, add your varying expenses such as utilities, clothing, and food. How big is the difference between your income and expenses? Track everything you spend for a month. Do you have any "money leaks?"

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Chapter 1: What's Your Spending Style?

"The wise have wealth and luxury, but fools spend whatever they get."
(Proverbs 21:20, NLT)

Do you like spending money, or do you obsess over every penny you spend? Or are you somewhere in between?

Do you indulge in "retail therapy," buying new stuff to feel better when you've had a bad day? Do you like splurging on extravagant dinners and exotic vacations? Or do you prefer to spend when you'll have something to show for it, like a new car or a big-screen TV?

Relax—there are no wrong answers to these questions. However, your answers can explain a lot about your attitudes towards money. You have to understand how you feel about money before you can change that attitude and chart a course for a steadier financial future.

We can break down spending styles into a few basic types: **impulse** spending, **experience** spending, **cautious** spending, and **reluctant** spending. Your spending is likely a mix of these styles, so find the one that fits you best.

Impulse spenders like the excitement of buying whatever they want, whenever they want it. This can be fun in moderation, but impulse spending can leave you with a lot of regrets. It can also leave you with a lot of clutter from buying more stuff than you need.

If you aren't in debt now, too much spending will likely get you there. Preparing your budget (see chapter 5) will help you get a handle on your spending.

Try keeping a little cash separate from the rest of your money so you can still have the fun of the occasional impulse buy. After a while, you may find that saving up for a new car or a down payment on a house is just as exciting as a shopping spree.

Experience spenders would rather spend on exciting trips and events than on things they can keep. It's important to take time to enjoy the world around you. But if you spend only on having a good time now, you may cheat yourself out of a prosperous future (see chapter 3.)

You can still have great experiences while saving up for a rainy day. Try taking shorter trips in your immediate area or taking classes to learn a new skill. And if you save enough, you might be able to continue traveling well into the future.

Cautious spenders weigh their options carefully and manage expenses to avoid debt. But even cautious spenders may not be making the most of their money. It's important to establish savings and other investments rather than simply letting your money sit in a checking account. That way, you can truly prosper.

Your budget should include a giving practice (see chapter 6) so you can store up treasure in heaven as well. Share the fruits of your good stewardship with those who are doing Kingdom work.

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Reluctant spenders spend only after every possibility has been considered and only on what is absolutely necessary. Reluctant spenders may skimp on necessities, which can lead to problems with family and friends.

Spending wisely is good, but be careful not to obsess over money. Worrying over money may be robbing you of the peace and joy that comes from true stewardship. A budget will help you balance giving with investing for your future.

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Whatever kind of spender you are, these tips can help you come up with a solid, manageable budget. Good money management means your money is working for you. And adding a giving plan to your budget means your money is also working for God's Kingdom!

If you have any questions, please let us know.

Chapter 2: Money and Relationships

"Wherever your treasure is, there the desires of your heart will also be."
(Matthew 6:21, NLT)

How you think about money says a lot about how you see the world. Those beliefs can affect all of your relationships. That's why you need to understand and express your feelings about money.

Your past experiences and your values affect how you feel about money. In this chapter, we'll look at how to talk about money with some important people in your life.

1. Your spouse:

Do you feel comfortable talking about money with your spouse? If not, you're not alone. Disagreements about money are a big factor in divorces.

There are three basic differences that arise between couples:

- **Differences in upbringing.** If your parents are wealthy, you'll feel differently about money than someone from a family of more modest means. If your parents often argued about money, you may be afraid to talk about it with your spouse.
- **Differences in outlook and values.** Are you a conspicuous consumer? A back-to-basics minimalist? Or are you somewhere in between? Does your sense of self-worth depend on how much you have on deposit or the brands in your closet? How important is it to you to tithe, to give to charity, to go on expensive vacations?
- **Differences in long-term goals.** Do you value saving for retirement? Do you want to travel the world in your golden years, or to set aside money for your children's education? Or have you never really thought about it?

Whatever your money differences, honest and God-honoring communication is key to helping your relationship succeed. What matters most is that you both feel your needs and concerns are met.

Working together can help ensure neither of you feels resentful or left out of financial decisions. If one of you would like to stay home with your children, how can you best manage your financial resources to make that happen? How much house can you afford? Can you prepare a household budget and long-term plans that will please you both? Bringing in an impartial financial advisor can help you make these big decisions and smooth the way to building a successful relationship that can ride out financial setbacks.

Set aside some time that works for both of you, perhaps in a neutral location like a coffee shop or a park, to talk about finances and your long-term goals. Share your own story and feelings honestly, and above all, try to be flexible. You're in this together!

Like many other aspects of a relationship, money management requires regular attention. Check in with each other about whether you're both still feeling informed and empowered about your part in the family finances. In a relationship, the best arrangement is the one that works for both of you in moving together towards a common goal.

2. Your child(ren):

"Start children off on the way they should go, and even when they are old they will not turn from it." (Proverbs 22:6, NLT)

Does your child think money grows on trees—or in ATMs? Kids are naturally curious about money. It's never too early to talk about money with your kids. When they ask questions about it, answer truthfully and in an age-appropriate manner.

Giving kids an allowance is a vital first step. Don't link it to chores, as those are part of learning responsibility and should remain unpaid. Instead, make sure your kids know that this money is to be divided equally into "give," "save," and "spend" categories. Invest in some large, clear plastic bins and label them so the children can see their money adding up.

You may choose to let your child use their "spend" money on toys, clothes, or luxury items like video games. Don't bail them out even if they spend unwisely. Any purchases they later regret can be turned into a valuable lesson about stewardship.

Use the "give" bin to talk with your children about supporting your church, missions, and charities, and let them decide whom to support. This is a powerful lesson in the importance of sharing what we have with others. When your children are thanked for their donations, they will learn the joy that comes from giving.

Once there's enough in the "save" bin, let your children open a credit union savings account. Older children may benefit from their own checking account. Through saving, your child may someday be able to finance a car, student loans, or even a home.

Leading by example is powerful. Be honest with your children about your income and financial situation. If you are paying down debt, discuss how you're doing so in a calm and reassuring manner. If you tithe and/or give to charity, talk to your kids about it. Explain why giving is important to your family instead of keeping the money or spending it on luxury items.

Talking to your kids about finances will help keep them from feeling anxious about money. This can help them form stronger relationships later. The good stewardship they learn now will set them on the path to a healthy financial future.

3. Your Friends

"There are 'friends' who destroy each other, but a real friend sticks closer than a brother." (Proverbs 18:24, NLT)

Unfortunately, finances can sometimes complicate our relationships with friends. If you have more money than your friends, you may find yourself expected to treat others to drinks or food. And if your friends have more money than you, you may feel left out of trips and parties.

Some solid money etiquette can help you preserve your friendships. Here are a few tips:

- Don't take advantage of wealthier friends. If you borrow money from them, pay it back promptly. And don't expect them to treat you every time you go out.

- If you are the wealthier friend, don't brag about expensive outings. Limit your social media posts about new possessions or from exotic vacation spots.

- Be thoughtful about friends who are in different economic situations. Don't ask your friend to be in your wedding party if you're getting married on a tropical island and you know she can't afford the trip.

- Birthdays and Christmas can be tricky. Try giving handmade gifts or agreeing on a spending limit. Personalized, thoughtful presents will always mean more than a gift card or pricey trinket.

- Be creative in making new experiences and ways to spend time with friends! If going out every weekend is busting your budget, invite your pals for potluck dinner and a rented movie. If you're going out, make sure you've agreed beforehand how to split the bill, or ask for separate checks.

Don't let awkward feelings about money spoil your friendships. Be open and honest about what you can and can't afford. A true friend will enjoy your company over homemade lasagna every bit as much as at a four-star restaurant.

Chapter 3: Some Common Financial Mistakes (And How to Avoid Them)

"Wealth from get-rich-quick schemes quickly disappears;
wealth from hard work grows over time."
(Proverbs 13:11, NLT)

Everyone makes a financial mistake now and then. However, being well-informed can help reduce your risk. Avoid these real-life money mistakes to help keep your finances on an even keel.

1. **Living beyond your means.** This sounds like an obvious choice, but many people spend as if they'll always earn the same amount or more. Job changes and other life events can take a toll on your financial well-being.

2. **Going into debt for a wedding or vacation.** It's tempting to treat yourself to a lavish vacation or a wedding fit for royalty. Don't go into debt to fund one experience. Instead, consider postponing your plan and saving up for the experience you want. Or scale down your expectations and enjoy a more frugal event. After all, you want your memories, not the debt you incurred, to last a lifetime.

3. **Not buying insurance.** It's tough to appreciate the value of insurance when you're in good health and employed, but insurance on your life, health, and home is a must. Getting these policies early in your working life can help insure that costs stay down.

4. **Not having an emergency fund.** You've probably heard that you should have one to six months' expenses in an emergency fund. Unfortunately, very few people actually have that much saved up. Got a raise or an unexpected bonus? Sock the extra cash away. A money market account is a good place to put your emergency fund. It'll earn higher interest rates than a savings account, and there's no penalty if you need the cash in a hurry.

5. **Not budgeting.** Spreadsheets! Math! It seems complicated, but a good budget will free you from worrying about money. Make a note of all your expenses for a month—not just rent and utilities, but those little extras like lunches out and online impulse purchases. Once you see exactly where your money goes in a month, you can start figuring out where it can be better spent—or saved. Our free budget app can help!

6. **Not investing early, or not investing at all.** It's never too early—or too late—to invest. Investing isn't just for the rich. Over time, compound interest can grow even the pennies you pinch with your budget into a comfortable nest egg. You'll want to get some good advice on the best investment mix for your stage of life and your long-term goals. That brings us to the next point:

7. **Not setting financial goals.** You might have a few dollars stashed away for an upcoming trip or a friend's birthday, but what about long-term goals? Are you ready for life events such as a wedding, buying a new car, or having a child? Will you be faced with having to care for aging parents? Setting aside money for the future is an important step towards real financial independence.

8. **Not saving for retirement.** When you first start working, retirement seems far away. But it's a mistake not to start a retirement plan while you still have decades left to pay into it. A good financial calculator will give you an idea of how much you can save now. Try to maximize your contributions to any retirement plan your employer offers, especially if they match contributions.

9. **Carrying too much debt.** Borrowing sensibly and within your means for a car or a home is one thing. But too much consumer debt can sink anyone's budget fast. If you're in debt, make a budget and follow it. Take a careful inventory of everything you owe. You'll need a solid plan to eliminate your debt, but careful stewardship can make it happen.

10. **Not knowing (or understanding) your credit score.** Most people don't know their credit score. But those three digits can mean the difference between getting great rates on loans for a car or house—and paying extra. Your credit score tells prospective lenders, employers, and landlords how you handle your money. Get your yearly free credit report and correct any mistakes you find.

Managing your money means not only that you spend it wisely, but that you know where it's all going. In the next two chapters, we'll discuss how to keep track of all of your income and expenses.

Chapter 4: Your Money And Where It Goes

"Be sure you know the condition of your flocks, give careful attention to your herds; for riches do not endure forever, and a crown is not secure for all generations."
(Proverbs 27:23-24, NLT)

If you're like most people, you're not exactly sure what happens to all of your money after you get paid. Sure, there are the bills you have to pay every month, like rent or your house payment, utilities, and food. But where did the rest of it go? With a few simple steps, you'll be on your way to mastering your money—rather than letting it control you. You can use your own form, or use one like this from our partners at GreenPath Financial Wellness.

Step 1: Check Your Income

In order to start budgeting, you need to know exactly where you are with money. What sources of income do you have—a full-time job? Freelance work? Both?

Write down your monthly income; if you have a side job that makes a varying amount of money each month, put down a conservative estimate of that income. You can't budget money you don't have, so don't overestimate how much is coming in.

Don't write down unusual windfalls like tax refunds or anticipated birthday checks. Those should be funneled right into paying down debt or into savings if and when they show up.

Step 2: Know What You Owe

Now you're ready for the next step: writing down all of your current monthly financial obligations. Gather up all of your bills and your latest checking account statements. Write down all of your fixed and regular expenses.

Fixed expenses, like rent and Internet access, don't change month to month. *Regular* expenses, like clothing, food, and utilities, can vary each month. Include seasonal expenses like car registration or property taxes.

If you make any regular payments on debts like car or student loans, be sure to include those. Write down the APR (annual percentage rate of interest) for each of those debts.

Keep your expenses in categories as you write them down. This will help you to figure out how much flexibility you can build into your budget.

Step 3: Track Your In-Between Spending

In-between spending is the spending you do that isn't "fixed" or "regular." This can include entertainment, meals out, and other purchases. Notice how much of your spending is in-between. Your checking account statements will help here.

For one week, take a small notebook in your purse or pocket and write down every dollar you spend. It doesn't matter if it's your usual grocery trip or a coffee run. At the same time you write down your purchases, write down your mood at the time. Did you buy yourself a new outfit because you felt down? Or a drive-through burger because you felt hungry? This will help you see how your moods influence spending.

Once you've completed these three steps, you should have a better idea of where your money goes each month. Do you spend every penny that comes in, or is there a little left over each month? Tracking your spending will identify your "money leaks" and how you feel when you spend.

Chapter 5: Making Your Budget

"Good planning and hard work lead to prosperity, but hasty shortcuts lead to poverty."
(Proverbs 21:5, NLT)

Once you've tracked your spending and added up your bills (see Chapter 4), you're ready for a budget.

If you're like most people, the word "budget" makes you cringe and imagine skimping and doing without. But there's no need to fear! A budget is actually a good thing.

Your budget will free up your money so you can do more with it. You'll know that your money is working for you, rather than wondering at the end of the month where it all went.

Step 1: Find Your Budget Leaks—And Fix Them

You may notice places where money is leaking out of your wallet. Are you spending more than you should on impulse purchases? How about cable TV, lunches out—and bank fees? Is your checking account costing you money, or earning you interest? Are you paying high interest rates on credit cards?

Shopping around can help you find more cost-effective services, like lower costs for Internet service. You may be able to find credit cards with lower interest rates you can transfer your balances to. Shop for savings accounts that will help your money earn more interest. If you like your cable or satellite TV, try talking to the provider to see if they can offer you a better deal. It never hurts to ask!

Changing your expectations can help save you money, too. Instead of nights out with friends, try trading off potluck gatherings at each other's homes. Instead of eating lunches out, plan ahead and bring lunches and snacks from home. Try borrowing or renting things you'll only need for a limited time. Just by making a few simple changes, you can discover money you didn't know you had!

Step 2: Set Your Goals

You've come a long way. You've figured out how much money you have, how much you owe, and how much you've been spending. Now, it's time to tie it all together.

What is your biggest goal right now? Do you have debt to pay down? Or do you want to save for a house or a car? What about putting money away for retirement? You may want some wise financial counsel to help you decide the best way to achieve these goals. Some main points to keep in mind are:

- Have an **emergency savings fund**. You should have at least three to six months' expenses in savings in case of an emergency. Keep this money in a money market account so it can earn interest.
- **Pay yourself first**. Use direct deposit and automatic transfers to save some of each paycheck. Got a tax refund check, raise, or unexpected bonus? Put that cash into your most important investment—yourself.

- Build yourself a **fun fund**. Feeling like you're pinching every penny can get tedious. So set aside a little money each month to spend on whatever you want. Don't feel bad about spending this cash; it's already accounted for in your budget!

By truly understanding where your money goes, you can make your money work for you. Unleash the full potential of every paycheck! A budget can help you live your best life now—and into the future.

Chapter 6: Giving Joyfully

"You must each decide in your heart how much to give. And don't give reluctantly or in response to pressure. 'For God loves a person who gives cheerfully.'"
(2 Corinthians 9:7, NLT)

How we spend our time and money reflects our values. Charitable giving and/or tithing should be part of your budget.

Giving to others is a vital part of stewardship. Cheerful giving demonstrates our faith in, and obedience to, God. It reminds us that we are only stewards, not owners, of our money and resources.

If you choose to give regularly to your church, decide on a percentage and stick to it. For example, tithing is giving 10% of your income to the church. Make this the "first fruits" you give, before you pay anyone else. You may decide to adjust the percentage higher after a while, but try not to go lower. Prayer and discussion with your spouse (if you are married) will be important in making your decision.

You may also want to build a little extra generosity into your budget. This will allow you to help out when you see someone in need. An extra tip to a server who's a single parent can be a powerful blessing. And being able to help out when a friend has an emergency can make a huge difference.

Your giving will also demonstrate good stewardship to your children. Seeing you give cheerfully will teach them the joy of serving others. And don't forget to give generously of your time too! Volunteering as a family will help strengthen the example you set.

Giving regularly will *do* good while making you *feel* good. Your money should work not just for you in savings and investments, but for God's Kingdom as well.

Chapter 7: What To Do If You're In Debt

"The Lord your God will bless you as he has promised. You will lend money to many nations but will never need to borrow."
(Deuteronomy 15:6a, NLT)

Making your budget in Chapter 5 showed how your spending and your earning stack up. If you've already racked up some debt, it's vital to pay it down as soon as possible. Unresolved debt can put strain on your budget and your relationships. Here are some strategies for success:

- If you've tracked your *money leaks*, plugging those leaks is a great way to start. Bring lunch instead of buying it; make coffee at home instead of buying it on the way. You'll see your changes add up when there's more money left in your wallet at the end of the month.

- Switch to using *cash or your* debit card *only* for your everyday purchases. If you can't afford to buy something right now, don't buy it. By getting creative and making do, you can stretch your money a little further.

- You may have to add some *extra income* to help make this plan work. If you already have a side job, it's time to work harder at it. If you don't, think about some ways you can get one. Many hobbies can become extra income streams.

- When you wrote down all of your debts from your budget, which was the smallest? Once you have all of your debts sorted by amount you owe, resolve to *pay off the smallest one*. Use every available dollar to pay down that one debt and make minimum payments on your other debts.

  This might sound like an unusual step, but it's called a *debt snowball*—and it really works! Once you get that first debt paid off, switch to paying off the next smallest one, and keep going until you've paid off all your debt.

- *Tell a trusted friend* about your plan. Accountability will help you succeed and keep you on track. Make sure your spouse and your children are aware of your plan. Your whole family can and should work together towards this goal.

Paying off debt isn't easy, but you can do it. You'll have to make some temporary sacrifices, but they'll be worth it. Don't lose heart. You *can* become debt-free and achieve your financial goals!

Chapter 8: Building a Sound Financial Future

"Remember this—a farmer who plants only a few seeds will get a small crop. But the one who plants generously will get a generous crop."
(2 Corinthians 9:6, NLT)

To achieve your financial goals, you'll need to faithfully manage your money. If you've been putting the advice in this e-book to work, you should be well on your way. But you'll need to plan ahead to enjoy a prosperous future.

At what age would you like to retire? Does retirement seem too far away for you to plan? Then think of it this way: what would it take for you to feel truly financially independent? Do you dream of traveling the world? Starting your own business? Staying home with your family? This is where we talk about how to make that happen.

Never thought about how much you need to retire on? You're not alone! Try a retirement calculator to help you figure it out. Setting realistic goals will help you prepare your finances.

Besides your savings account and emergency fund, you may want to invest in an Individual Retirement Account (IRA.) IRAs are safe investments that grow your money over time. Once your money is in an IRA, you won't be able to withdraw it until you are 59 ½ years old. Because of this, IRAs are generally used to invest for retirement.

IRAs come in a few different types. You'll want to learn more about each before deciding how to invest. Each type of IRA has different tax benefits and withdrawal rules.

There are many other investments to consider. Diverse investments can help you build a comfortable future. You may want to seek wise counsel to help you invest prudently and in a God-honoring way.

Estate planning is crucial. Planning ahead will help you provide for your loved ones for years to come. Don't wait—start building your family's future now!

Your Next Move: Take Control of Your Money!

"The master was full of praise. 'Well done, my good and faithful servant. You have been faithful in handling this small amount, so now I will give you many more responsibilities. Let's celebrate together!'"

(Matthew 25:21, NLT)

Thank you for downloading this e-book! We hope this has helped inspire and empower you to take control of your financial future. Wherever you are in life, we want you to enjoy the blessings of good stewardship.

For more information and stewardship resources, please visit our Financial Education page.

Please let us know how this ebook has made a difference! If you have any questions about what we've covered, please call us at 800.347.CCCU(2228) or e-mail us at info@mycccu.com.