



QUICK START GUIDE

The common cents approach

Pennies & Proverbs

Okay! Maybe you've neglected your finances, got yourself into a pinch or maybe you've just never tried to budget. Either way, you've taken the most important step, doing something about it. This checklist has some basic ideas for anyone who doesn't know where to start.

Some items may not work for you, that's fine! The first part of taking control of your finances is deciding what is best for you.

Step 1 – Pray

Whether you feel full of hope and ready to make a change, or you are desperate and can't imagine making any difference in your life, now is the time to ask for a little extra help. Seeking direction, strength, wisdom and favour are all good prayer points to start with. You may also have specific points that tie into situation. *"... With man this is impossible, but not with God; all things are possible with God." Mark 10:27*

Step 2 – Review

Whether it be an app, figures in your internet banking or highlighter pens and bank statements, make sure you know where your money has been going. Go through 3-6 months of expenses and check for 'money leaks'. The step takes time but is so important as most people don't know how much they spend and where it all goes.

Matthew 6:21 'Where you treasure is, there your heart will be also.'

Step 3 – Rank Your Priorities

Step 2 shows you where your priorities have been, this step is all about where you want them to be. Come up with a few things that are important to you and most importantly, rank them. You may find you won't be able to 'do it all' or may have conflicting goals. Also look at long-term and short-term goals and see if they align. There's no wrong answer. Some people want to save money to buy their first home and others find traveling is more important than home ownership. Remember not to complain when you see what others have that you don't, you need to remember what you have that others don't. Every journey is different and we often show unrealistic lives on social media. ***You never truly know someone's financial position.***

Step 4 – Make A Budget & Reframe Your View of it.

The word budget has become a dirty word. I know many people who don't want a budget because it means 'they can't spend money.' That's not what it means at all. A budget is simply a plan to spend money based on what's important to you. Are hair or nails important to you? Put it into the budget. Food and shelter are probably even more important so take that into account. You can't spend more than you earn without

going into debt and robbing your future self. You need to care more about yourself and your future than that! There are also so many budget frameworks, apps and programs to choose from. Pick one that suits you and that you can stick to. I find some people go extreme with unrealistic budgets that after a few weeks, they break, lose momentum and spiral.

Savings

I want to make a special point about savings. Having savings is so important. I could tell you so many horror stories about this point. I would recommend considering getting yourself to the point of having at least 3 months' income in case something happens. Income protection, repayment holidays on your mortgage, short-term loans and government help are not as easy as people think and may not be an option at all. Don't leave your future security in someone else's hands. Budget for a decent amount that goes into savings and ***don't touch it***. This is not for goals.

Step 5 – Track Your Spending

Whether it be apps, spreadsheets a written diary or cash, find a way to keep track of your spending. I personally like to have a combination of cash and spreadsheets. My long-term bills, which generally can't be paid in cash, are put aside in an account and tracked on a spreadsheet so I know exactly what's due, when and how much I have aside for it. My groceries and takeaway allowances are cash. This is really handy as research shows you spend a lot less when using cash and groceries and takeaway is where money disappears. Imagine when you don't feel like cooking, you open the takeaway envelope and find there's nothing there. Instead, you throw something quick together like toasted sandwiches or noodles. Previously you would have just bought it without a second thought.

The same goes with groceries. Before doing the grocery shop, I plan what I'm going to cook, write a list and take the cash out of the ATM. After years of doing this, I know roughly how much I will spend and always come under. If you are trying this for the first time, consider what you previously spent in step 2 and remember this is a guide not a goal. You can spend less. Put the items that are 'want's not needs' at the back of the conveyor belt so you can choose not to buy them if you reach your budget. There is no shame in this. I worked as a checkout assistant in high school, and this was very common. If you make financial decisions based on trying to impress strangers, you will be broke! Particularly when we start talking about car choices (not today).

Step 6 – Review

For a budget to work long-term, it will need to be tweaked. In some cases, the method won't work for you at all, and you need to start from scratch. At the very least, with pay changes, family and life changes and increases in cost of living, numbers need to be changed. My husband and I review the budget when changes occur but have a monthly review of our bills, savings, goals and spending. Everything is up to date, and we know where we stand. For example, my car service is coming up, I can check the spreadsheet and see how much is sitting in the car maintenance allocation. This category is one where we want to have a lot of extra buffer as car expenses can creep up and be very costly.



QUICK START WORKSHEET

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Step 1 – You Can List Your Prayer Points or Encouraging words here

Step 2 – Review. Was there anything that surprised you?

Step 3 - Rank your priorities

- 1.
- 2.
- 3.

Step 4 – Make a budget, reframe your thinking! Write something positive about this step.

Multi-billion-dollar corporations have budgets. That's how they are so successful and post ridiculous profits. A budget is *your own plan* for success with your finances. It's also very liberating to be able to spend money knowing that it's there for that purpose.

Step 5 – Track your spending. What works best for you?

Step 6 – Review. What's working well and what needs to change?
