

HOW TO CONTROL SPENDING

Spending is a habit - Does money burn a hole in your pocket? Does buyer's remorse set in after you have spent your money? If this sounds familiar, how can you manage your spending so you can buy the things you need now and also save for the things you need in the future.

In order to change spending habits, people must first understand how habits are shaped and the ways spending behavior can be changed. In essence, they must identify spending leaks that give immediate satisfaction but do not help reach financial goals and, instead, substitute desirable spending behavior that may not be immediately gratifying but will allow financial goals to be reached.

How to change the habit Luke 16:11 says, "Therefore if you have not been faithful in the use of unrighteous wealth, who will entrust the true riches to you?" People need to learn to handle the smallest thing God has put under their authority—their money. Larry believes that if the following guidelines are followed it will help control spending.

Establish self-discipline. Put all spending under God's control. In so doing, individuals become managers of God's finances and all spending should then be from the vantage point of whether He would be pleased with the purchase. With God's guidance, any bad habit can be broken. People need to learn to recognize the drive that places them in a spending situation and then when they shop they can avoid the spending pitfalls produced by that drive by having a purpose for the shopping, a time limit, and a written plan. They need to make a list before they go shopping and then stick to it. In addition, they should limit the number of trips to the store or mall and never shop when hungry or depressed.

How far money goes usually depends on how much people want something. 3 As such, they need to be in control of the money, under God's direction, instead of having the money control them by limiting what they do. 4 Once spending has been brought under control, there should be a determination of how much needs to be spent each month in every area of an implemented budget; and, since the basic idea behind budgeting is to

save money up front for both known and unknown expenses, there must be a commitment to stick to the budget. Larry believes that if people are having difficulty with income equaling outgo, they must cut some of their outgo. As such, they need to look at their budgets realistically and see where they can start trimming. A budget is a money plan. With it, people can organize and control their financial resources, set and realize goals, and decide in advance how money will work for the good of the family. Therefore, because every purchase should be considered in light of the established budget, buying any non-budgeted items on impulse should be avoided, especially if those non-budgeted items will need to be purchased with a credit card.

People need to be accountable to other persons for a specified period of time for everything they spend. Ecclesiastes 4:9,10 says, “Two are better than one because they have a good return for their labor. For if either of them falls, the one will lift up his companion. But woe to the one who falls when there is not another to lift him up.” If there is accountability, people will be more inclined to be more cautious in their spending habits—more of a look now, buy later attitude. So, shop around before buying and learn to say no. Keep a record of spending and purchases and share these with the accountability partner.

Establish a want-to-buy list. Whenever people feel they need to buy something that is not budgeted, they should put it on the list, but then wait seven days and find two additional prices for the same item, to be sure they are getting a good buy. If they still want the item after a week has passed, they will have thought about it and probably will be getting the best buy on the item. However, they still should not charge it. Finally, people can have only one item on the list at a time, so if they find new “wants” during the week, they will have to decide between the two.

Conclusion A good way to reduce debt is to develop discipline in spending habits. That may include taking away any security that might be used in case of emergencies: credit cards or other avenues of borrowing. By committing not to go further in debt, people begin to reverse the process that produced the debt. Larry often recommends cutting up the credit cards and not taking out any bank or family loans. Then, they can develop a balanced budget that will control spending and will allow them to stay within the parameters of their financial

means.

Larry Burkett, Counselor Self-Study Course, vol. 2, Christian Financial Concepts, 1999, p. A-4.

Larry Burkett, Counselor Self-Study Course, vol. 2, Christian Financial Concepts, 1999, p. A-5.

www.nccc.org/Business/devel.spend.plan.html

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Larry Burkett, The Complete Guide to Managing Your Money, Inspirational Press, 1996, p. 113