

Happily

Living within Our Means



Building on a foundation of solid spiritual and financial principles is the best safeguard against economic disaster.

Church leaders have repeatedly encouraged us to prepare ourselves temporally. Part of our temporal preparation involves proper financial management. The following accounts from Church members give helpful suggestions on how to budget, cut costs, eliminate debt, and live within our means—and how to be happy while doing so.

Be Personally Accountable

Properly employed, money can help us further the Lord's work and provide us contentment and comfort. Unwisely used, money can cause marital strife, personal frustration, and feelings of enslavement and desperation.

Some people covet money to the extent that they sacrifice everything of value—including their integrity and family relationships—while chasing the satisfaction they imagine material wealth will provide.

Given the powerful influence money has in our lives, we might think that money management would be one of the most important topics discussed in our homes and studied in our schools. But for most of us, money comes with few instructions. We earn it, count it, and spend it. The following ideas examine spiritual principles that can change the way we view earthly possessions.

The Lord has blessed us with everything we have, and He requires that we be wise and accountable for these blessings. This means that we use our resources responsibly. We need to remember that we may have earned something,



but we did so only with the life, strength, resources, and help that Heavenly Father has given us.

Korihor, an anti-Christ in the Book of Mormon, had a different idea: that “every man fared in this life according to the management of the creature; therefore every man prospered according to his genius, and that every man conquered according to his strength; and whatsoever a man did was no crime” (Alma 30:17).

In effect, Korihor is saying, “I earned it. It’s mine. I can do whatever I want with it.” His attitude is destructive in that it strips away gratitude, enflames pride, and engenders selfishness. His philosophy leads people to acquire money at the expense of things most valuable.

First and foremost a person must ask, “Am I a full-tithe payer?” The payment of tithing is our expression of gratitude

for the gifts and blessings God has provided. Then consider four differences that an attitude of responsibility can make:

1. I am responsible for how my money is earned. It should come honestly from labor and wise investment.

2. I am responsible for how my money is used. The Lord wants my money to have a positive impact—to please, gladden, strengthen, and enliven.

3. I will be cautious about incurring debt. Debt may be essential when purchasing an essential asset, such as a house, but it can destroy me when used to buy things I don’t need.

4. I will report how I use my money. I will counsel with my spouse about how we earn and spend our money, and we will counsel with the Lord in prayer regarding our finances.

Too often, financial decisions are made without considering possible implications. One way to manage money

wisely is to keep a record of expenditures and prepare a budget to guide future spending, which is more a state of mind than a piece of paper. A budget requires you to consider alternative ways of spending money before committing to a specific purchase. It also provides a way to compare benefits and costs, thus enabling you to direct spending to the greatest good.

A simple way to decide if a particular choice will increase happiness is to consider the spiritual implications. For example, an expensive car can feed your ego, but the added debt can be damaging. A comfortable, affordable family car can help create memories that last a lifetime through family outings. Money spent on a home that exceeds your needs may come at the expense of wonderful family vacations. Inexpensive board games may create shared time together at much less cost than electronic games that tend to isolate family members. Seeing past the initial excitement of a purchase to its effect on family well-being allows you to make the best possible choice.

In the end, you must define the path that's best for you and your family. By including the principle of stewardship in your thinking, you can add a spiritual dimension to your moneymaking decisions.

Jim Jenkins and Jerry Borrowman, Utah

Control Spending

Living within our means requires responsibility. Often owning more, acquiring more, and spending more only obligates us further, yet we still find ourselves always wanting. Following are some ideas to help keep spending down and help us live more gratefully and contentedly.



As we pay an honest tithe, we give the Lord an opportunity to open the windows of heaven on our behalf. The spiritual and financial blessings that come from tithing make it an essential part of our budget.

1. Give. Pay tithing and fast offerings, and donate usable household items to charity or to a needy family. When we fill the needs of others, our own needs are often met. After seeing what others lack, we realize that we no longer *need* certain things.

2. Use what you have. Tired of your current decor or furniture? Try painting, stenciling, refinishing, or repairing them for a fresh look.

3. Purchase used items. Shop thrift stores, garage sales, online auctions, and

classified ads, especially when buying items such as clothing and toys. Buying all of these things new can rapidly deplete income, and children quickly outgrow them.

4. Grow a garden. Plant produce that your family likes to eat, and where possible, preserve enough for the entire year.

5. Be handy. Learn how to handle household projects and make repairs. Instructional books can be helpful and may be checked out at a local library, or you can find do-it-yourself tips on the Internet.

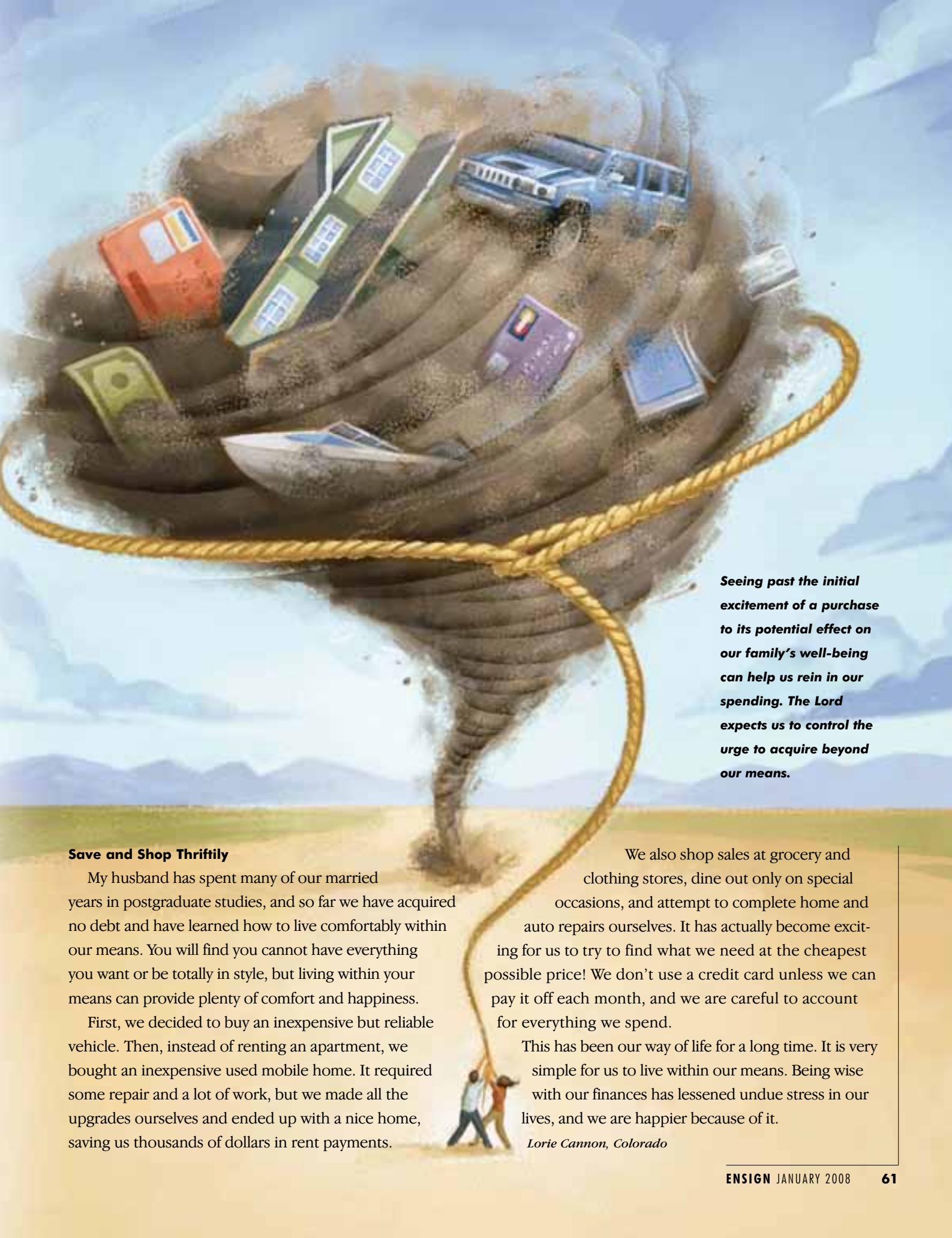
6. Pack a lunch. Instead of eating out during your lunch hour, bring prepared food from home.

7. Limit major expenses. Rather than going into debt to buy items such as a computer or furniture, be patient, save, and then buy them with cash.

8. Plan creative activities. Low-cost activities that you and your family can enjoy may include a family game night, a picnic at the park, or a movie at home. Entertainment doesn't need to be expensive.

Cutting costs involves being creative and can take some getting used to, but you will find it to be rewarding and will realize that you can be happy and content without things you once thought to be necessities.

Brian and Maralee Turner, Idaho



Seeing past the initial excitement of a purchase to its potential effect on our family's well-being can help us rein in our spending. The Lord expects us to control the urge to acquire beyond our means.

Save and Shop Thriftily

My husband has spent many of our married years in postgraduate studies, and so far we have acquired no debt and have learned how to live comfortably within our means. You will find you cannot have everything you want or be totally in style, but living within your means can provide plenty of comfort and happiness.

First, we decided to buy an inexpensive but reliable vehicle. Then, instead of renting an apartment, we bought an inexpensive used mobile home. It required some repair and a lot of work, but we made all the upgrades ourselves and ended up with a nice home, saving us thousands of dollars in rent payments.

We also shop sales at grocery and clothing stores, dine out only on special occasions, and attempt to complete home and auto repairs ourselves. It has actually become exciting for us to try to find what we need at the cheapest possible price! We don't use a credit card unless we can pay it off each month, and we are careful to account for everything we spend.

This has been our way of life for a long time. It is very simple for us to live within our means. Being wise with our finances has lessened undue stress in our lives, and we are happier because of it.

Lorie Cannon, Colorado

Avoid Financial Bondage

Financial bondage can create serious personal and family problems. The following principles will help build the skills needed for sound financial management, preparing the way for happier, more productive lives and families.

First, realize that the amount of money available for discretionary spending has little to do with numbers on a paycheck. For example, a \$30 expenditure may seem trivial when compared to a \$2,000 paycheck, but if \$1,950 is already committed to bills and other necessities, then that \$30 is more than half the discretionary budget.

Second, before going into debt, consider the results. For some expenditures, debt may be appropriate. However, the prophets have repeatedly warned against entering into unnecessary debt. I like to divide debt (and other expenses) into two categories—consumption and investment debt.

Consumption debt does not bring a financial return. Examples are recreational equipment, household furniture, and vacations. It is better to avoid this type of debt and instead pay cash for such items.

Investment debt is that which *can* bring a financial return. It may include education expenses, a car, and a house. Investment debt can be appropriate if it meets family needs and fits into your budget.

Consider major purchases for a few days before making any commitment. Be certain that they are wise and appropriate for you and your family and that you can afford them. Also consider other ways of obtaining what you need. Rentals or shared items sometimes work just as well as new, higher priced items and can save a lot of money.



As we document our expenditures, we can see where our money is going and increase our awareness of how we spend discretionary income.

Last, and most important, practice self-discipline. Just as the Lord expects us to live the commandments, He also expects us to control the urge to acquire beyond our means. This may take practice but will be rewarding in terms of your happiness, both here and hereafter.

Wise management of earthly stewardships helps prepare us for the stewardship of eternal glory in His kingdom.

Hal Lillywhite, Oregon

Plan and Budget

Some people think their financial difficulties would be solved if they could earn more money. But the truth is that most people's expenses continue to rise as income rises. The trick is to spend less than you earn.

The following steps have allowed us to live within our means and achieve our financial goals.

1. Pay a full tithe. We cannot afford to *not* pay our tithing. Many blessings, both financial and spiritual, have come to us by obeying this law.

2. Save 10 percent. Wouldn't it be nice to have saved as much as you have paid in tithing? Along with encouraging us to have a year's supply of food storage, Church leaders have also encouraged us to save enough money to live for one year.

3. Track your expenses. Document everything you spend. This helps you see where your money is going and decreases spending simply by making you aware of how you spend discretionary money.

4. Formulate monthly budgets. After we had written down our purchases for two months, we set a monthly budget for the following eight categories: groceries, food storage, children (clothes, toys, diapers), entertainment,



HELPS FOR HOME EVENING

1. Consider playing a budget game.

Give each group the same imaginary monthly salary. On a board, create a list of family “needs” in one column and family “wants” in another. Let the groups decide where to spend their money using the two lists. Discuss the results.

2. Consider making a family budget plan with all family members included in understanding how the money is spent and in deciding how to spend any extra income.

way we do this is by having our utility bills averaged throughout the year so that costs are equal every month.

6. Plan ahead. To assist us in our efforts to equalize our monthly spending, we have a list of expenditures that occur once or twice a

health, home, gasoline, and miscellaneous (haircuts, gifts, postage, and so forth). We then documented the amount spent in each category and subtracted it from the budget.

One suggestion to help control spending is to put the budgeted amount of cash in an envelope for each category. That way, when the envelope is empty, you can’t spend anymore!

5. Equalize expenses. Because our income is the same each month, we try to keep our expenses the same. One

year, such as car insurance and registration, vacations, and Christmas. We take the estimated amount for each of these and divide it by 12. This gives us a monthly amount to save for each of the expenses, and we set aside a separate savings account for this money.

A home that exceeds our needs may lead us to financial bondage and come at the expense of our spiritual happiness.

7. Practice making payments before taking on future obligations. Before we bought our home, we practiced making our new house payment by putting the difference between our future mortgage and our current rent into a savings account.

This helped us see that we could make our payments without further tightening our budget.

8. Avoid using credit cards. As an alternative, a debit card gives the convenience of a credit card without the pitfalls. It prevents you from spending money you don’t have because it comes directly from your checking account.

9. Finally, evaluate your wants and needs. Sometimes what you think you need can wait until later, or you’ll eventually realize you don’t need it at all. It isn’t easy to forego items that might make life more enjoyable, but it is worth it when you feel in control of your money instead of letting your money, or lack thereof, control you. ■

John and Carrie Corless, California

For more ideas on financial management, see the Family Finances link at www.providentliving.org.

