



5

STICKING TO A BUDGET

MY FOUNDATION PRINCIPLE

- Solve Problems

FINANCIAL PRINCIPLES AND SKILLS

1. Set Realistic, Motivating Financial Goals
2. Find and Use a Budgeting System
3. Hold Yourself Accountable
4. Seek the Lord's Help, and Keep Trying



REPORT—Maximum Time: 25 Minutes

LAST WEEK'S COMMITMENTS

- Ⓐ Practice and share last week's My Foundation principle.
- Ⓑ Create a budget.
- Ⓒ Hold a family council and discuss our budget.
- Ⓓ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the "Evaluating My Efforts" chart at the beginning of this workbook. Share your evaluation with your partner and discuss with him or her the question below. He or she will then initial where indicated.

Discuss: What challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS				
INSTRUCTIONS: Evaluate your effort to keep the commitments you make each week. Share your evaluation with your action partner. Ponder ways you can continue to improve as you practice forming these important habits.				
KEY: ● Minimal Effort ● Moderate Effort ● Significant Effort				
Ⓐ Practice and share the My Foundation principle	Ⓑ Plan and Manage My Finances	Ⓒ Hold a Family Council	Ⓓ Contact and Support My Action Partner	Action Partner's Initials
Example Be obedient ● ● ●	Track expenses ● ● ●	Counsel about obedience ● ● ●	● ● ●	● ● ●
Week 1 Self-reflect: Is a principle of liberation ● ● ●	Track expenses ● ● ●	Counsel with the Lord ● ● ●	● ● ●	● ● ●
Week 2 Exercise faith in Jesus Christ ● ● ●	Track expenses ● ● ●	Counsel about income and expenses ● ● ●	● ● ●	● ● ●
Week 3 Repent and be obedient ● ● ●	Track expenses ● ● ●	Counsel about tithes and offerings ● ● ●	● ● ●	● ● ●
Week 4 Live a balanced life ● ● ●	Build a budget ● ● ●	Counsel about budgeting ● ● ●	● ● ●	● ● ●
Week 5 Solve problems ● ● ●	Choose a budgeting system ● ● ●	Counsel about budgeting ● ● ●	● ● ●	● ● ●
Week 6 Use time wisely ● ● ●	Put money toward financial priority ● ● ●	Counsel about emergency fund, insurance ● ● ●	● ● ●	● ● ●
Week 7 Show integrity ● ● ●	Put money toward financial priority ● ● ●	Counsel about debt ● ● ●	● ● ●	● ● ●
Week 8 Work take responsibility and persevere ● ● ●	Put money toward financial priority ● ● ●	Counsel about debt ● ● ●	● ● ●	● ● ●
Week 9 Communicate, partition and listen ● ● ●	Put money toward financial priority ● ● ●	Counsel about crisis management ● ● ●	● ● ●	● ● ●
Week 10 Seek learning: resolve where you are going and how to get there ● ● ●	Put money toward financial priority ● ● ●	Counsel about saving, home ownership, education ● ● ●	● ● ●	● ● ●
Week 11 Become one, serve together ● ● ●	Put money toward financial priority ● ● ●	Counsel about retirement planning ● ● ●	● ● ●	● ● ●

STEP 2: REPORT TO THE GROUP (8 minutes)

After evaluating your efforts, come back together and report your results. Go around the group and each state whether you rated yourself “red,” “yellow,” or “green” for each of last week’s commitments.

STEP 3: SHARE YOUR EXPERIENCES (10 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have practicing or sharing the My Foundation principle?
 - What did you learn while creating a budget?
 - How did your family council help as you created the budget?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Action partner’s name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: SOLVE PROBLEMS

—Maximum Time: 20 Minutes

Ponder: Why does Heavenly Father allow us to face problems and challenges?

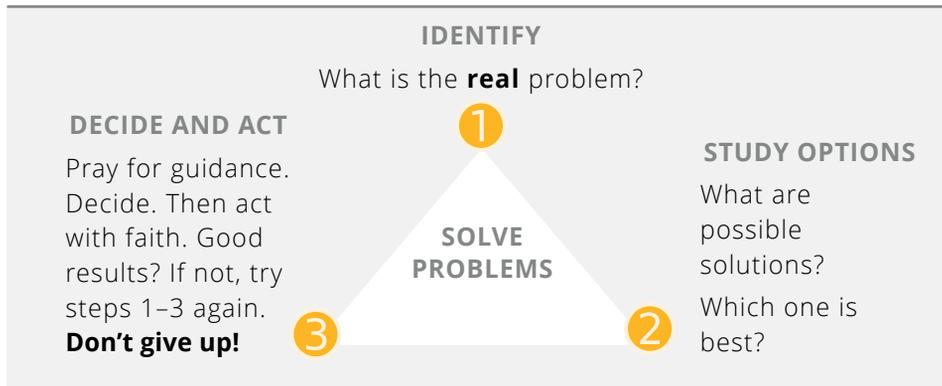
Watch: “A Bigger Truck?” available at srs.lds.org/videos. (No video? Read page 73.)

Discuss: What is the real problem in this story? What are some options for the two men?

Read: Doctrine and Covenants 9:7–9 and the quote by Elder Robert D. Hales (on the right)

ACTIVITY

Step 1: Choose a partner, and read the steps below.



Step 2: Choose a problem you are facing and write it below.

Step 3: Apply each step to your problem.

Identify: _____

Study options: _____

Decide and act: _____

“Behold, you have not understood; you have supposed that I would give it unto you, when you took no thought save it was to ask me.

“But, behold, I say unto you, that you must study it out in your mind; then you must ask me if it be right, and if it is right I will cause that your bosom shall burn within you; therefore, you shall feel that it is right.

“But if it be not right you shall have no such feelings, but you shall have a stupor of thought that shall cause you to forget the thing which is wrong.”

DOCTRINE AND COVENANTS 9:7–9

“The Lord expects us to help solve our own problems. . . . We are thinking, reasoning human beings. We have the ability to identify our needs, to plan, to set goals, and to solve our problems.”

ROBERT D. HALES,
“Every Good Gift,”
New Era, Aug. 1983, 8, 9

Read: 1 Nephi 17:51 and 1 Nephi 18:2–3 (on the right)

Discuss: How was Nephi able to build a ship?

Commit: Commit to do the following actions during the week. Check the box when you complete each action.

- Act on the steps you discussed in the activity to begin solving your problem. Remember, don't give up. It takes time to solve problems and make changes.
- Share what you've learned today about solving problems with your family or friends.

A BIGGER TRUCK?

If you are unable to watch the video, read this script.



ELDER DALLIN H. OAKS: Two men formed a partnership. They built a small shed beside a busy road. They obtained a truck and drove it to a farmer's field, where they purchased a truckload of melons for a dollar a melon. They drove the loaded truck to their shed by the road, where they sold their melons for a dollar a melon.

They drove back to the farmer's field and bought another truckload of melons for a dollar a melon. Transporting them to the roadside, they again sold them for a dollar a melon. As they drove back toward the farmer's field to get another load, one partner said to the other, "We're not making much money on this business, are we?" "No, we're not," his partner replied. "Do you think we need a bigger truck?" ("Focus and Priorities," *Ensign*, May 2001, 82)

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"And now, if the Lord has such great power, and has wrought so many miracles among the children of men, how is it that he cannot instruct me, that I should build a ship?"

1 NEPHI 17:51

"Now I, Nephi, did not work the timbers after the manner which was learned by men, neither did I build the ship after the manner of men; but I did build it after the manner which the Lord had shown unto me; wherefore, it was not after the manner of men.

"And I, Nephi, did go into the mount oft, and I did pray oft unto the Lord; wherefore the Lord showed unto me great things."

1 NEPHI 18:2–3



LEARN—Maximum Time: 45 Minutes



TODAY'S DISCUSSION:

BUDGET

Read: Congratulations on building a budget! A budget can be a powerful tool for controlling your financial situation and reducing stress in your life. In the scriptures, we learn that “truth is knowledge of things as they are, and as they were, and as they are to come” (D&C 93:24).

Discuss: How might this verse from the Doctrine and Covenants apply to your finances and the use of a budget?

Read: Knowing where your family finances really stand is essential for successful financial stewardship. Elder Joseph B. Wirthlin taught, “Those who live safely within their means know how much money comes in each month, and even though it is difficult, they discipline themselves to spend less than that amount” (“Earthly Debts, Heavenly Debts,” *Ensign or Liahona*, May 2004, 42).

Sticking to a budget can be difficult. It requires commitment, discipline, and perseverance—it may take several tries to get it right! As you strive to change your spending behaviors, remember to counsel with the Lord and your spouse or an accountability partner. With sustained effort and loving support, you can become more like the children who waited in the marshmallow experiment (discussed in the previous chapter).

Discuss: How can the Lord help us develop Christlike attributes, including self-discipline and diligence?

Read: Today we will discuss four principles for sticking with a budget:

1. Set realistic, motivating financial goals.
2. Find and use a budgeting system.
3. Hold yourself accountable.
4. Seek the Lord's help, and keep trying!

1. SET REALISTIC, MOTIVATING FINANCIAL GOALS

Read: Goal setting is a powerful tool that helps us develop and maintain a long-term perspective.

Elder M. Russell Ballard taught, "Let me tell you something about goal setting. I am so thoroughly convinced that if we don't set goals in our life and learn how to master the technique of living to reach our goals, we can reach a ripe old age and look back on our life only to see that we reached but a small part of our full potential. When one learns to master the principle of setting a goal, he will then be able to make a great difference in the results he attains in this life" ("Do Things That Make a Difference," *Ensign*, June 1983, 69–70).

Discuss:

- How have goals helped you progress in the past?
- How is goal setting an act of faith?

Read: It is important to set financial goals that are both realistic and motivating. Throughout the next few chapters, we will learn about many financial goals and priorities, including building a one-month emergency fund, getting out of debt, building a longer-term emergency fund, investing for retirement, and saving for other worthy expenses. The following activity will help you identify which of these should be your current financial priority.

ACTIVITY (5 minutes)

Answer the questions below by yourself. The first question to which you answer “no” represents what should be your current financial priority.

WHAT IS MY CURRENT FINANCIAL PRIORITY?	YES	NO
1. Do I pay tithing? (See chapter 2.)	<input type="checkbox"/>	<input type="checkbox"/>
2. Do I have a one-month emergency fund? (See chapter 6.)	<input type="checkbox"/>	<input type="checkbox"/>
3. Do I have health insurance or some other access to medical care?	<input type="checkbox"/>	<input type="checkbox"/>
4. Am I free from consumer debt, like credit cards and car loans? (See chapter 7.)	<input type="checkbox"/>	<input type="checkbox"/>
5. Do I have a three- to six-month emergency fund? (See chapter 9.)	<input type="checkbox"/>	<input type="checkbox"/>
6. Am I contributing to a retirement savings fund? (See chapter 11.)	<input type="checkbox"/>	<input type="checkbox"/>
7. Am I working to eliminate mortgage and education loans? (See chapter 10.)	<input type="checkbox"/>	<input type="checkbox"/>
Write your current priority: _____		

Read: You can choose to work toward other long-term goals in addition to your current financial priority, which may include saving for education, a mission, a car, a home, or a family vacation or other recreational expenses. There will be many temptations to choose the short-term perspective over the long-term perspective. Goals can give you a reason to say no now by giving you something to look forward to in the future.

Discuss: What motivates you personally to want to stick with your budget?

2. FIND AND USE A BUDGETING SYSTEM

Read: There are many tools and systems available to help you manage your budget and track your expenses. Effective budgeting systems range from simple pen-and-paper systems to mobile and computer applications.

There are two primary ways to pay for goods and services: cash or electronic payments. Each of these general methods has positives and negatives and will affect the way you manage your budget and track your expenses. In the next few sections, we will go over two common budgeting systems. One of your commitments this week will be to find the right system for you.

Watch: “The Envelope System,” available at srs.lds.org/videos.
(No video? Read page 83.)



Watch: “Digital Systems,” available at srs.lds.org/videos.
(No video? Read page 84.)



ACTIVITY (10 minutes)

Step 1: Divide into small groups of two to four people.

Step 2: As small groups, read from the chart below the positives and negatives associated with each budgeting system.

Step 3: Discuss additional positives and negatives you think of, and write them in the following chart.

Step 4: Come back together as a full group. Invite a member from each small group to share his or her additional positives and negatives with the whole group.

COMPARING BUDGET MANAGEMENT SYSTEMS

SYSTEM	PROS	CONS
CASH ENVELOPE	Clear boundaries: you know when you have run out of budgeted money	Very manual process: need to organize your cash after every pay period; need to keep manual records
	_____	_____
	_____	_____
	_____	_____
DIGITAL SYSTEMS	Real-time information about your budget	Can be easy for some people to ignore or forget to record or review expenses
	_____	_____
	_____	_____
	_____	_____

Read: With any method, be sure that you:

- Don't cheat by changing your established amount or borrow from other categories. Counsel with your spouse or accountability partner if adjustment is needed.
- Track all expenses closely, and adjust your budget categories next month as necessary.

3. HOLD YOURSELF ACCOUNTABLE

Read: You can only succeed in sticking to a budget by holding yourself accountable. Your weekly family council can serve as a way to review your goals and budget and to make adjustments if necessary. If you have a difficult time holding yourself accountable, it may be wise to report your progress to someone else—a friend, action partner, mentor, or financial adviser. The important thing is that you make time to consistently evaluate your progress and that you make changes as needed.

Discuss: Why is it important to hold yourself accountable? How will you hold yourself accountable to your budget?

4. SEEK THE LORD'S HELP AND KEEP TRYING

Read: Remember that faithful financial stewardship may require you to change your perspective, habits, and behaviors. Faith in Jesus Christ and His Atonement will help you to undergo this transformation. Because these changes may uproot deep habits, and because budgeting is a learning process, you may fail at times to stick to your budget.

Additionally, you may slip up and make impulsive purchases or encounter financial crises like job loss, medical emergencies, or unforeseen maintenance costs. You will learn about building an emergency fund and handling financial crises in later chapters, but for now it is important to remember that a budget is adaptable and that sticking to a budget requires perseverance.

When you encounter setbacks to your budget, discuss them in your family council, and review areas of your budget that may need adjusting. While you may feel discouraged and inclined to give up on sticking to a budget, remember that you can keep trying, and by counseling with the Lord and seeking His help, you will gain the power and ability to persist in your efforts.

Discuss: What will you do when you face setbacks to your budget?

DISCUSS STICKING TO A BUDGET IN YOUR FAMILY COUNCIL

Read: Sticking to a budget requires unity with your spouse and with your family. This week, discuss possible budgeting systems you can use and ways in which you can adjust your budget should you encounter challenges. Additionally, discuss your current financial priority and other long-term goals and your plans for achieving them. You may want to use the “Sample Family Council Discussion” outline below. Remember, if you are not married, your family council might include a roommate, friend, family member, or mentor.

SAMPLE FAMILY COUNCIL DISCUSSION

Be sure to begin and end with a prayer to invite the Spirit.

Part 1: Review

- What can you do to improve your budget?
 - What is your current financial priority? Discuss the assessment on page 76.
-

Part 2: Plan

- What are your financial priorities and long-term goals?
- What budgeting system will you use to keep a budget and track expenses?
- How will you stick to your budget, and what will you do if you go over budget?



TAKE NO MONEY OUT THE DOOR

My wife and I realized that for some reason we always spent more on silly things toward the end of the month; perhaps as a psychological reward or something. So we made it our rule to take no money out the door the last five days of the month. We call it our ‘TANOMOD week,’ and it has both saved us money and helped us better plan the rest of the month.



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture or quote below and write responses to the questions.

“For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it?”
(Luke 14:28).

What are the most meaningful things I learned today?

What will I do as a result of what I learned today?



COMMIT—Maximum Time: 10 Minutes

Read each commitment aloud to your action partner. Promise to keep your commitments and then sign below.

MY COMMITMENTS

Ⓐ I will practice and share this week's My Foundation principle.

Ⓑ I will choose a budgeting system.

Ⓒ I will discuss sticking to a budget in my family council.

Ⓓ I will contact and support my action partner.

My signature

Action partner's signature



RESOURCES

THE ENVELOPE SYSTEM

The cash envelope system is simple: immediately after being paid, you place the amount of money you have allotted to spend in each budget category into its own envelope.

For example, let's say you have budgeted 400 for the "groceries" category this month. When you receive your pay for the month or for the next few weeks, deposit that amount (in cash) into an envelope labeled "Groceries." No money—and this means no money—comes out of that envelope except to pay for food. If you go to the market and find you've left the envelope at home, go home and get the envelope! Keep a written record (in a simple notebook) of all expenses, so that you can later review it during your family council to remind you where your money is going.

In another envelope, place the budgeted amount for your transportation expenses. You will take from this second envelope when appropriate the portion needed for those costs, and track each expense in your notebook.

Divide each of your budget categories in this same way: rent or mortgage payment in one envelope; utilities in another; tithing and fast offerings in another; medical; insurance; and so on—each in its own envelope.

Each time you get paid, deposit the appropriate portion of your monthly budgeted amount into each envelope so that the total amount placed in each envelope each month is the amount predetermined in your written budget.

Do not spend more than you have budgeted. When the envelope is empty, you are done! If you must spend more in that category, you will have to take it out of another envelope. For the

(Continue to the next page.)

first few months this will require adjustments. Within that period you should gain a more accurate picture of whether your initial budgeted numbers are adequate—you'll learn the real average over a couple of months.

Some use the envelope system for everything. Others use this cash-only system for those categories that tend to tempt them to overspend, or for which it is easy to lose track or lose control, like food, restaurants, entertainment, gasoline, and clothing. Any left-over should go toward your financial priority.

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DIGITAL SYSTEMS

If seeing extra cash tempts you to spend more than you otherwise would, then using a debit card may be your best option. As with the cash-envelope method, a debit card draws from money already in your bank account.

When using a debit card, it is critical to track your expenses because, unlike the cash envelope system, a debit card does not provide hard boundaries between budget categories. You can record your expenses with a pen and paper or with a mobile phone or computer application.

Numerous financial management apps are available for cell phones or other mobile devices. These apps can store and organize information for you, and you can then access it from your home computer or other devices, as well.

Spend some time this week researching the best apps available in your language and region, using “money management,” “personal finance tools,” or “budgeting apps” as search terms. Many very good ones are free or cost very little.

Remember, to keep your information secure, access your personal financial information only from your own devices, not from public computers.

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