

## MARITAL COUNSELLING

### FINANCIAL MANAGEMENT

There is hardly a marriage that doesn't face difficulties in managing it's finances. These difficulties can be created by a vast number of reasons outside of one's ability to manage one's finances. We can never totally plan for the future, but we can eliminate several difficulties by following certain principles, such as:

1. Begin by making a personal evaluation of your financial situation (see Appendix). Once you understand it, you can make the necessary decisions to achieve your personal and family goals.
2. Define your goals (I Corinthians 9:24 - 27). Goals which are measurable, realistic and achievable should be divided between short term and long term goals (see Appendix). It's also important to then prioritize those goals.
3. Put into effect the proper principles of money management. **BE AWARE** of the trap of having to achieve a "good credit rating".

Get out of credit buying by:

- a. stop using/abusing credit cards;
  - b. write your creditors and indicate your commitment to settling the debt. Ask that your account be closed to further use;
  - c. return any items you have that you're not using or do not need, requesting a refund or credit to your account;
  - d. seek professional help.
4. **BE AWARE** of the cost of interest on unpaid debts.
  5. **BE AWARE** of long term advantage of savings account.
  6. **BE AWARE** of the long term advantage of R.R.S.P. & Mutual Funds
  7. **BE CAUTIOUS** in making a Power of Attorney & Last Will.
  8. **BE CAUTIOUS** in purchasing Insurance Policies.
  9. Don't depend upon the government for Old Age Security.
  10. Find freedom through the use of a Family Budget. (see Appendix).
  11. Teach your children **EARLY** to be responsible. Their money management will mature out of their habits. (see Appendix).
  12. **START NOW!**

There are recommended percentages of expenses in comparison to our income that are very helpful if followed (see Appendix)

- 1. Tithe** **10%**  
Give unto God a tithe of your first-fruits not from your leftovers. Offerings can also be given as God prospers you.
  
- 2. Housing** **30%**  
Once the expenditure for housing exceeds 40%, it is virtually impossible to balance the budget within an average income.
  
- 3. Automobiles** **15%**  
Most couples buy new cars they can't afford and trade them in long before they are depleted. Leasing is another way of obtaining an automobile.
  
- 4. Food** **16%**  
Food is probably the most flexible. Daily menus can help you in purchasing the ingredients required for the average of 22 different kinds of meals. A balance of nutritional requirement and indulgence is needed.
  
- 5. Insurance** **5%**  
This includes life, health and disability insurance.
  
- 6. Entertainment & recreation** **7%**  
Families often attempt to totally eliminate this expense. It is better to seek out less expensive alternatives.
  
- 7. Clothing** **5%**  
This cost area can be reduced by properly using and maintaining existing clothes.
  
- 8. Medical & Dental Expenses** **5%**  
Medical expenses must be anticipated therefore a careful selection of a group health insurance is required
  
- 9. Debts** **6%**  
Don't accumulate debt on consumable items such as food, clothing, or gasoline. Be very careful of credit card purchases.
  
- 10. Savings** **5%**  
No amount is insignificant. Savings will free you to buy when the price is right.

## **COST SAVING TIPS:**

### **FOOD:**

- \* Don't take your children grocery shopping. A child in a grocery store is like an octopus. A two year old sitting in a shopping basket seems to be able to reach candies and cookies four feet away! The pressures of your children will almost always force you to buy things you otherwise would not.
- \* Never go to the grocery store hungry. Hungry shoppers buy foods that satisfy whims rather than budgets.
- \* Shop food sales, particularly canned goods and bulk lot specials. Begin to establish a surplus of money from which you can draw to buy in quantity.
- \* Always use a written list of needs.
- \* Avoid buying non-grocery items in a grocery supermarket except on sale. These are normally "high markup" items.
- \* Avoid processed and sugar coated cereals. These are expensive and have little nutritional value. Also avoid prepared foods, such as TV dinners, pot pies, cakes etc. You are paying GST for labour.
- \* Determine good meat cuts that are available from roasts or shoulders and have the butcher cut these for you. Buying steaks by the package on sale is fairly inexpensive also.
- \* Try house brand canned products. These are normally cheaper and just as nutritious.
- \* Avoid products in a cyclical price hike. Substitute or eliminate them from your shopping list.
- \* Shop for advertised specials. These are usually posted in the store window.
- \* Avoid stores that give merchandise stamps if their prices reflect the cost of the stamps. Not all do -- some simply substitute stamps for other advertising.
- \* Purchase milk, bread, eggs, etc., from specialty outlet stores if available, as prices are usually 10 - 15 percent lower. Keep some dry milk on hand to reduce "quick" trips to the store.

## **HOUSING:**

- \* When house shopping, look for an older home that can be improved by your own labour. Older houses can sometimes be purchased for much less than new ones, and family labour will enhance its worth.
- \* Look into areas that are not currently building. Areas that are building usually have plenty of traffic from people looking for homes and therefore command higher prices.
- \* Check into areas that others consider to be less desirable. Don't be swayed by what others tell you. Make your own decisions. But out of season (winter).
- \* Look for a small basic home that doesn't have all the frills that the more expensive models do. The price of a house is increased generally because of the conveniences put into it. Many builders offer buyers the option of doing some of the finishing work themselves. This will often save several hundred dollars on the price of the home.
- \* Select a home that suits the current needs of your family. Don't try to plan for a lifetime in the first home you buy.

## **AUTOMOBILES:**

- \* Whenever possible save the money first. If you obviously cannot buy for cash and must use credit, negotiate for the car on a cash basis with no trade-in.
- \* When you have settled on the price for the car, go to your bank, borrow the money, and buy the car for cash. Then sell your old car yourself. You'll save a significant amount of money as opposed to trading in your old car and financing through the dealer. If you still owe on your old car, don't trade.
- \* Explore ways to borrow, including loans against your savings accounts, stocks or bonds, or other assets. Such loans can often save nearly half of the interest charged for auto financing.
- \* If you're a Christian, pray before you buy a car, and let God direct you to the right one.

## **ENTERTAINMENT AND RECREATION:**

- \* Rather than taking a long travelling vacation , find some place close where you can relax. Contact another family in the area where you are going and try to arrange a swap of residences for the vacation time.
- \* If part of your family's recreation is eating out, you might consider instead inviting friends over for meals.
- \* Plan vacations during "off" seasons if possible.
- \* Consider a camping vacation to avoid motel and food expenses. You might pool the expenses of camping items with friends.
- \* Use family games in place of movies.
- \* If you are flying, use the least expensive air fare (i.e. late night or early morning usually saves 10 - 20 percent).

## **CLOTHING:**

- \* If you have children who are thirteen or older, allow them buy some of their own clothing. Give them a budget and let them select their own clothes. You'll find your children treat clothes differently when they are responsible for them.
- \* Make a written list of clothing needs and purchase during the "off" season as much as possible.
- \* Select outfits that can be mixed and used in multiple combinations rather than as a single set.
- \* Frequent the discount outlets that carry unmarked "name brand" goods.
- \* Frequent authentic factory outlet stores for closeouts of top quality items.
- \* Select home washable fabrics in new clothes.
- \* Practice early repair for damaged clothing.

## **MEDICAL AND DENTAL EXPENSES:**

- \* Get an annual checkup. Practise preventive medicine. Give your body the right amount of sleep, exercise and nutrition, and it will respond with good health. Your teeth will also respond to care.
- \* Teach your children proper dental care, including the use of dental floss.
- \* Do not be hesitant to question doctors and dentists in advance about costs. Also, educate yourself enough to discern when you are getting good value for your money. Most ethical professional doctors will not take offense at your questions. If they do, that may be a hint to change services.
- \* In the case of prescriptions, shop around. You will be amazed to discover the wide variance in prices from one store to the next.
- \* Ask God to remove the worry and anxiety caused by finances. You'll find that both your financial life and physical life will improve.

## **FINAL GEMS OF THOUGHT**

1. When investing consider the following equation

$$\text{INCREASE} = \text{TIME} + \text{MONEY} + \text{RATE OF RETURN}$$

2. Money can be made in two ways. Either you will be at work or your money will be at work or any combination of the two.
3. Money markets change significantly. Therefore, evaluate your financial system each year with a qualified financial service group.