

Budgeting - Level 4

You have planned things and tried to stay within a budget that was given you. Now we are going into the process of setting the budget. In Level 1 we talked about how your parents have a budget, your congregation has a budget and that your Pioneer Train has some kind of a budget. So how do we go about setting the budgets for things?

Let's try and figure that out.

Needs vs. Wants

We talked about needs and wants. Needs we have to plan for and make sure there is money to cover the costs of them. Needs, by their definition, are things we cannot live without. Food, water, shelter are a few needs. One primary need we have not discussed up until now is the needs of the church. Jesus said, "give unto Caesar the things that are Caesar's, give unto God the things that are God's". Here God tells us that we need to support the church and the spread of the gospel. So we need to plan on giving to church.

Once we have budgeted and planned for all the costs associated with our needs, we move onto our wants.

Once again grab the paper, make up two columns, with the word, NEED for the title for the 1st column, and the word, WANT for the 2nd title. Starting with the NEED column, write down all of your needs for you. When that column is complete, do the same thing with the other column, the WANT column.

Need

1. Shelter
2. Water
3. Food

Want

1. An Xbox
2. A new bike
3. Candy

Income (incoming money)

Naturally, we can't get any of our needs and wants without having the money to buy them. Where does the money come from? Perhaps your Dad or Mom give you a weekly allowance for doing specific chores around the house. Maybe you have job outside the house. Maybe you get money on your birthday or at the holidays. Money that you receive could be used or perhaps it might be better to 'save' that money for the your future, rather than using the money for your current needs and wants. I'm sure that your Dad or Mom will advise you to the best use of those money gifts from your relatives. Doing work around the house is the best way to earn money for your needs and wants.

Now let's prepare a 'budget' for your original "Need / Want List". Remember that a budget is a plan and it's best to put that plan on paper. A budget will have several 'columns' and 'row's in it. Columns will be for 'time' (weeks) and rows will be for incoming money and needs / wants. Below is a sample of the budget using the sample "Need / Want List mentioned earlier in this chapter.

<u>Money/needs/wants</u>	<u>10/1/00</u>	<u>10/8/00</u>	<u>10/15/00</u>	<u>10/22/00</u>
Allowance (weekly)	\$5.00+	\$5.00+	\$5.00+	\$5.00+
Money + from last week	<u>\$0.00</u>	<u>\$1.50+</u>	<u>\$5.50+</u>	<u>\$7.00+</u>
Money available	\$5.00+	\$6.50+	\$10.50+	\$12.00+
Church Contributions (need)	\$0.50-	\$0.50-	\$0.50-	\$0.50-
Paper for school (need)	\$1.00-			
Pencils for school (need)	\$2.00-			
Xbox(want)				\$10.00-
Candy (want)		\$0.50-		
New Bike(want)			\$3.00	
Money left over	\$1.50+	\$5.50+	\$7.00	\$1.50+

When you plan your 1st budget, ask your Dad, Mom or Train Leader to help you.

Summary

You will have to make your "Need / Want List" and prepare your 1st "Budget". The Need / Want List should be looked at or reviewed every so often, perhaps weekly if you have a lot of needs and wants or at least monthly. When reviewing the list, cross off the items that you now have and add items that are new. Remember, re-prioritize the revised list, most important first and the least important last for both columns. If you change this list, you will have to change your "Budget" also. Most of the time, you won't have enough incoming money to buy all of your needs and wants. In the sample budget, there wasn't money available to buy the Xbox. You can only put the needs and wants on your budget 'date' column that you have available money to buy for the week. Try and use your list and budget. You will need to know how to make a budget and plan for things. Pioneers runs on a budget. You will need to produce a budget for your needs and wants.