

# LET'S GET PRACTICAL!

## PERSONALITY PROFILE

As we learned in Ephesians 2:10, “*We are His workmanship, created in Christ Jesus for good works, which God prepared beforehand so that we would walk in them.*” God has given each of us special physical and mental abilities and personalities.

It was eye-opening for me to discover some of the unique ways God made me—and it will be for you. Not recognising how you were made can lead to frustration in your work, simply because you might be in a job for which you are not well-suited.

If you are married, not recognising each other's personality can damage your relationship. It was a major breakthrough when Bev and I discovered ours. Why we acted and responded the way we did suddenly made sense, allowing us to respect each other's differences and reach a middle ground instead of constantly arguing. For the first time, we understood how to work together on our finances.

## ESTIMATED SPENDING PLAN

Do you know how your great-grandparents kept a budget before people used cheques, credit and debit cards and online banking? Simple! They used the cash-in-the-envelope system. They labelled envelopes for various spending categories and at the beginning of the month put a budgeted amount of cash in each envelope. And, for example, when the “clothes” envelope was empty, they didn't spend any more on clothes that month. It was simple and effective.

You'll use a similar system whether you use the COMPASS pencil and paper Spending Plan or the electronic spread sheet version.

You've been tracking your income and spending for 30 days, and you're now ready to complete your Estimated Spending Plan on pages 36-37 or download the electronic version from [www.compass1.org.au](http://www.compass1.org.au).

For many, this can be challenging, because you may be discouraged to learn you're spending more than you're earning. *But take heart—there is hope.* Every week for the rest of the study you will be refining a workable Spending Plan.

Complete the following steps:

### 1. LIST YOUR INCOME.

List all your income in the “Income” section of the Estimated Spending Plan.

Many people don't receive steady, predictable income. This is especially common for the self-employed and commissioned salesperson. If your income is not consistent, estimate your yearly income and divide by 12 to determine your average monthly income.

Business expense reimbursements should not be considered income. Avoid the temptation to spend expense money as if it were income. This can lead to increased debt when those bills come due.

### 2. LIST YOUR EXPENSES.

Review your 30 Days of Tracking on pages 37-38. Then complete and total each expense category on the Estimated Spending Plan. We've designed it to be very detailed to help you identify what you are actually spending. After you complete and total the 12 expense categories, add them together to determine your total expenses.

Not all spending is consistent each month. Spending that varies includes:

- *Irregular monthly expenses* - such as food and utility bills. Simply estimate what you spend in an average month. As you continue to use the Spending Plan, you will become more accurate in projecting these expenses.
- *Expenses that don't occur every month* - such as motor vehicle maintenance, medical bills, clothing, and holidays. Use the list on the next page to compute the average monthly cost by estimating the annual amount spent for an item and dividing by 12. For example, if you spend \$600 a year for home repairs, set aside \$50 a month to pay for repairs.

Expense Item	Annual Amount	÷ 12 =	Monthly Amount
Home Insurance	_____	÷ 12 =	_____
Real Estate Taxes	_____	÷ 12 =	_____
Home Repairs	_____	÷ 12 =	_____
Medical Bills	_____	÷ 12 =	_____
Life Insurance	_____	÷ 12 =	_____
Health Insurance	_____	÷ 12 =	_____
Disability Insurance	_____	÷ 12 =	_____
Car Insurance	_____	÷ 12 =	_____
Replace Car	_____	÷ 12 =	_____
Clothing	_____	÷ 12 =	_____
Tuition	_____	÷ 12 =	_____
Holiday	_____	÷ 12 =	_____
Other	_____	÷ 12 =	_____

### 3. DETERMINE YOUR SURPLUS OR DEFICIT

At the bottom of the Estimated Spending Plan, subtract the Total Expenses from your Total Income to determine whether you have a surplus or deficit.

**Total Income:** \_\_\_\_\_

**Minus Total Expenses:** \_\_\_\_\_

**Equals Surplus or Deficit:** \_\_\_\_\_

**Note:**

These items will automatically calculate as you complete the Estimated Spending Plan

*If income is greater than expenses, you have a surplus and need only to control spending to maximise the surplus. Using a spending plan will help you accomplish this. If expenses are greater than income, you have a deficit and a careful review will be necessary to bring the Spending Plan into balance. You will begin to work on this next week.*

**ESTIMATED SPENDING PLAN (BUDGET)**

**Income**

Monthly Salary	4,200
Interest Income	25
Dividends	15
Commissions Bonuses/Tips	0
Retirement Income	0
Net Business Income	0
Cash Gifts	10
Child Support/Alimony	0
<b>Total Income</b>	<b>4,250</b>

**1. Giving**

Local Church	350
Poor & Needy	25
Ministries	50
<b>Total Giving</b>	<b>425</b>

**2. Taxes**

Federal	600
Medicare/Centrelink	50
Other	50
<b>Total Taxes</b>	<b>700</b>

**3. Saving & Investing**

Emergency Savings	100
Car Replacement	0
Super/Retire Plans	0
College Funds	50
Stocks/Bonds/Other	0
	50
<b>Total Saving &amp; Investing</b>	<b>200</b>

**4. Housing**

Mortgage	720
Pre-pay mortgage	0
Land Tax	100
Homeowners Ins	40
Rent	0
Renters Insurance	0
Electricity	100
Lawn Care/Gardening	5
Water/Sewerage	20
Telephone/Mobile Phone	45
Gas	0
Maintenance/Pool	40
TV/Cable/Satellite/Internet	25
Pest Control/Termite Bond	5
Body corporate fees	0
<b>Total Housing</b>	<b>1,100</b>

**5. Food**

Groceries	200
Eating Out	50
<b>Total Food</b>	<b>250</b>

**6. Transportation**

Car Payments	165
Fuel & Oil	65
Car Insurance	40
Licenses & Taxes	5
Repairs/Maint/Tyres	25
Tolls/Transit Fares/Parking	0
Car Club (RACQ)	0
Other	0
<b>Total Transportation</b>	<b>300</b>

**7. Clothing**

Adults	55
Children / Diapers	25
Laundry / Dry Cleaning	10

**Total Clothing** 90

**8. Medical & Health**

Doctor	35
Dentist	20
Prescriptions	0
Eye Care / Glasses	20
Health / Vision / Dental Ins	30
Disability Insurance	0
Long-Term Care Insurance	0
Deductibles	20
Other	0

**Total Medical & Health** 125

**9. Education**

Adult Education	100
Kids Tuition / Supplies	25
Tutoring/Lessons/Activities	0

**Total Education** 125

**11. Entertainment/Holidays**

Activities	25
Holidays / Travel / Motel	25
Videos / Books / Movies	50

**Total Entertainment/Holidays** 100

**12. Debts** 310

(See Debt List)

**10. Personal**

Allowances	50
Childcare / Babysitting	25
Life Insurance	35
Liability Insurance	25
Cleaning Supplies	15
Toiletries/Cosmetics	15
Hair Care	65
Vitamins / Supplements	15
Gifts (Birthdays)	20
Gifts (Christmas)	30
Gifts (Anniversaries/Weddings)	10
Gifts (Graduation)	5
Postage	5
Alimony / Child Support	0
Pet Food & Supplies	0
Veterinarian	0
Vaccinations/Prescriptions	0
Boarding / Pet Sitting	0
Tax Preparation / Legal	25
Sports / Hobbies	60
Bank Charges / Fees	0
Credit Card Charges / Fees	35
Family Pictures	5
Subscriptions / Dues	10

**Total Personal** 450

**Total Income** 4,250

**Minus Total Expenses** 4,235

**Equals Surplus or Deficit** 15

**ESTIMATED SPENDING PLAN (BUDGET)**

**Income**

Monthly Salary \_\_\_\_\_  
 Interest Income \_\_\_\_\_  
 Dividends \_\_\_\_\_  
 Commissions Bonuses/Tips \_\_\_\_\_  
 Retirement Income \_\_\_\_\_  
 Net Business Income \_\_\_\_\_  
 Cash Gifts \_\_\_\_\_  
 Child Support/Alimony \_\_\_\_\_  
**Total Income** \_\_\_\_\_

**1. Giving**

Local Church \_\_\_\_\_  
 Poor & Needy \_\_\_\_\_  
 Ministries \_\_\_\_\_  
**Total Giving** \_\_\_\_\_

**2. Taxes**

Federal \_\_\_\_\_  
 Medicare/Centrelink \_\_\_\_\_  
 Other \_\_\_\_\_  
**Total Taxes** \_\_\_\_\_

**3. Saving & Investing**

Emergency Savings \_\_\_\_\_  
 Car Replacement \_\_\_\_\_  
 Super/Retire Plans \_\_\_\_\_  
 College Funds Stocks/ \_\_\_\_\_  
 Other \_\_\_\_\_  
**Total Saving & Investing** \_\_\_\_\_

**4. Housing**

Mortgage \_\_\_\_\_  
 Pre-pay mortgage \_\_\_\_\_  
 Land Tax \_\_\_\_\_  
 Homeowners Ins \_\_\_\_\_  
 Rent \_\_\_\_\_  
 Renters Insurance \_\_\_\_\_  
 Electricity \_\_\_\_\_  
 Lawn Care/Gardening \_\_\_\_\_  
 Water/Sewerage \_\_\_\_\_  
 Telephone/Mobile Phone \_\_\_\_\_  
 Gas \_\_\_\_\_  
 Maintenance/Pool \_\_\_\_\_  
 TV/Cable/Satellite/Internet \_\_\_\_\_  
 Pest Control/Termite Bond \_\_\_\_\_  
 Body Corporate fees \_\_\_\_\_  
**Total Housing** \_\_\_\_\_

**5. Food**

Groceries \_\_\_\_\_  
 Eating Out \_\_\_\_\_  
**Total Food** \_\_\_\_\_

**6. Transportation**

Car Payments \_\_\_\_\_  
 Fuel & Oil \_\_\_\_\_  
 Car Insurance \_\_\_\_\_  
 Licenses & Taxes \_\_\_\_\_  
 Repairs/Maint/Tires \_\_\_\_\_  
 Tolls/Transit Fares/Parking \_\_\_\_\_  
 Car Club (RACQ) \_\_\_\_\_  
 Other \_\_\_\_\_  
**Total Transportation** \_\_\_\_\_

**7. Clothing**

Adults \_\_\_\_\_  
 Children / Diapers \_\_\_\_\_  
 Laundry / Dry Cleaning \_\_\_\_\_

**Total Clothing** \_\_\_\_\_

**8. Medical & Health**

Doctor \_\_\_\_\_  
 Dentist \_\_\_\_\_  
 Prescriptions \_\_\_\_\_  
 Eye Care / Glasses \_\_\_\_\_  
 Health / Vision / Dental Ins \_\_\_\_\_  
 Disability Insurance \_\_\_\_\_  
 Long-Term Care Insurance \_\_\_\_\_  
 Deductibles \_\_\_\_\_  
 HSA / Flexible Spending \_\_\_\_\_

**Total Medical & Health** \_\_\_\_\_

**9. Education**

Adult Education \_\_\_\_\_  
 Kids Tuition / Supplies \_\_\_\_\_  
 Tutoring/Lessons/Activities \_\_\_\_\_

**Total Education** \_\_\_\_\_

**11. Entertainment/Holidays**

Activities \_\_\_\_\_  
 Holidays / Travel / Motel \_\_\_\_\_  
 Videos / Books / Movies \_\_\_\_\_

**Total Entertainment/Holidays** \_\_\_\_\_

**12. Debts**

(See Debt List) \_\_\_\_\_

**10. Personal**

Allowances \_\_\_\_\_  
 Childcare / Babysitting \_\_\_\_\_  
 Life Insurance \_\_\_\_\_  
 Liability Insurance \_\_\_\_\_  
 Cleaning Supplies \_\_\_\_\_  
 Toiletries/Cosmetics \_\_\_\_\_  
 Hair Care \_\_\_\_\_  
 Vitamins / Supplements \_\_\_\_\_  
 Gifts (Birthdays) \_\_\_\_\_  
 Gifts (Christmas) \_\_\_\_\_  
 Gifts (Anniversaries/Weddings) \_\_\_\_\_  
 Gifts (Graduation) \_\_\_\_\_  
 Postage \_\_\_\_\_  
 Alimony / Child Support \_\_\_\_\_  
 Pet Food & Supplies \_\_\_\_\_  
 Veterinarian \_\_\_\_\_  
 Vaccinations/Prescriptions \_\_\_\_\_  
 Boarding / Pet Sitting \_\_\_\_\_  
 Tax Preparation / Legal \_\_\_\_\_  
 Sports / Hobbies \_\_\_\_\_  
 Bank Charges / Fees \_\_\_\_\_  
 Credit Card Charges / Fees \_\_\_\_\_  
 Family Pictures \_\_\_\_\_  
 Subscriptions / Dues \_\_\_\_\_

**Total Personal** \_\_\_\_\_

**Total Income** \_\_\_\_\_

**Minus Total Expenses** \_\_\_\_\_

**Equals Surplus or Deficit** \_\_\_\_\_