

**A proven process for development of an annual PERSONAL spending plan
(from the BDA Conference workshop materials for bdaworkshops.org):**

DA Tool #6: “Spending Plan — The spending plan puts our needs first and gives us clarity and balance in our spending. It includes categories for income, spending, debt payment, and savings (to help us build cash reserves, however humble). The income plan helps us focus on increasing our income. The debt payment category guides us in making realistic payment arrangements without depriving ourselves. Savings can include prudent reserve, retirement, and special purchases.”

Before diving into this tool, let’s break down the long description above a little bit, starting with the last line: long-term solvency is almost always built on the ability to save, even if only for short periods of time. It’s important to know how much money we have available and in what accounts. Before beginning to plan, let’s assess where we are now:

- 1) Do I have a savings account? How much is in it? What are the parameters I have set for when it’s okay to spend my savings?
- 2) Do I have a prudent reserve? How much is in it? What are the parameters I have set for when it’s okay to spend my prudent reserve?
- 3) Do I have a retirement account? How much is in it? What are the parameters I have set for when it’s okay to spend my retirement fund?
- 4) Do I have funds for special purchases? How much are in them? What are the parameters I have set for when it’s okay to spend my special purchase funds?

We can ask similar questions about our debt lists and repayment plans:

- 1) What are my debts, who do I owe?
- 2) How much do I owe, individually and collectively?
- 3) Do I have a simple system or report so I can easily tell what my debts and their amounts are as they change?

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Let's pause here for a moment to talk about "depriving ourselves" and "putting our needs first" as referenced in this tool. The former is aligned with the message of the DA and BDA program; the latter is not. "Putting my needs first" is how most of us got into the mess and the compulsion that brought us into this program. We have established that we are selfish people who have been living beyond our means for years if not decades.

"Deprivation" is usually defined as "a lack of basic necessities." "Basic necessities" are usually defined as "food (including water), shelter, clothing, and healthcare." Those are the needs we put first; not our needs for manicures and pedicures and massages, for instance.

As we continue to work our way backward from the end of this tool's description to its beginning, we next need to ask why income follows spending and not the other way around. There's a good reason for that. How can we earn enough to afford our basic needs if we haven't yet defined those needs or how much paying for them will cost?

We recommend a 4-part approach to developing a spending plan in PRGs, as is suggested in DA's *Spending Plan* pamphlet. This approach can also be used to develop a personal spending plan with our sponsor or with a fellow member, which some of us have found much clearer, simpler, less frightening, and more informative, while also developing long-term active support for our use of our spending plans:

Before we share our numbers with anyone, we should make sure we trust them. Then ...

Session one can be focused on reviewing categories, subcategories, record maintenance processes, commitment to solvency, and planning ahead for the rest of the personal spending plan development process. Most newcomers have lots of questions at this point. We shouldn't be afraid to ask them. If we are, this is not the right PRG (or sponsor or program buddy) for us.

In sessions two and three, our PRG (or sponsor or program friend) can help us take a deep dive into our recent and future expenses, especially ferreting out areas of over-spending and deprivation. By the end of the third session, we should know how much money we need each month to live on comfortably, rationally, and with abundance.

In session four, our income can be brought front and center. We've described the life we want to live through our intended spending. Now how will we fund it?

ADDITIONAL NOTES:

Now we're ready to develop a spending plan that "gives us clarity and balance in our spending," including "categories for income, spending, debt payment, and savings ..." On the next tab we'll see a template for a personal spending plan using common categories and subcategories for DA and BDA members. These lines are completely customizable, although we suggest sticking with the categories offered, unless you need to add categories, even if your subcategories are significantly different. This template is also built on our actual spending and income for three calendar months, which we enter in the boxes highlighted in yellow. There are formulas built in to calculate our three month totals and averages.

In preparing to activate our spending plans, it's important to have processes for accurate and consistent record maintenance. Creating a spending plan for which we have no ability to calculate or compare our actual earning and spending is a wasted exercise. So we take the time suggested, gather our three months of numbers and establish our record maintenance protocol. We can also work with our categories and subcategories during this period, making sure we're tracking our money in a way that uncovers both our progress and our setbacks. We're sure to add more categories and subcategories during the creation of our spending plan. This is also a good time to re-commit to our solvency and to pry our mind as open as it can possibly get. We're about to have a miraculous experience. Willingness is the key!

Usually, when we talk about spending plans in DA and BDA, especially personal spending plans, we are not talking about spending plans we've made up ourselves. In the most common situation, our spending plans are gifts we've been given by working with our sponsor or another fellow DA and / or BDA member. Some spending plans are developed in PRGs with the three Higher Powers present at those meetings. However, the time and patience it takes to create a spending plan is often unavailable in the PRG format, and the depth of input from two fellow members rather than one can be counterproductive.

In either scenario, for the person receiving the spending plan, it's important to sit back, relax, and ask for a repetition of the Serenity Prayer when it's needed. Our PRGs (or our sponsors or our program peeps) will ask us LOTS of questions and offer LOTS of experience, strength, and hope. They will also offer very concrete suggestions for spending plan amounts and actions. It's often best to let the member who's helping us enter the numbers into the plan, while we take necessary notes. If planning in a PRG, we want to let one of our PRG peeps add the numbers into the plan and to let the other maintain a list of agreed-upon action steps. We'll likely want to jump into the driver's seat over and over. Please don't. Our PRG peeps (or our sponsors or our program buddies) have done this before. They, their Higher Powers, and our Higher Powers will take good care of us in this phase of our development. Please let them.