

How to Live on \$24K or even \$15K a Year

By

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Introduction

Today, many are enslaved to a mindset that in order to live they must make a lot of money. Well, in this minibook, my objective is to cast a vision of how it really is possible to live rather comfortably on only 24K or even 15K a year. Things can be a tight, but if you are diligent, you can still save to a point where you could purchase or build your own small home debt free, move toward cutting your food costs drastically, and even produce your own water, heat and cooling, and electricity. I hope this book stirs a vision up in you to live more wisely with your finances!

Vision of living on a net annual income of \$24K or \$15K (aka taxes already taken out)

Assuming small home is paid for, you can live on very little, when housing is essentially zero; only utilities, food, and taxes are your main concerns

-taxes

Larry Burkett's income guidelines

Based on Larry Burkett's income percentage guidelines	%	24K	15K
Housing	30%	\$7,200	\$4,500
Automobile	15%	\$3,600	\$2,250
Food	16%	\$3,840	\$2,400
Insurance	5%	\$1,200	\$750
Entertainment/Recreation	7%	\$1,680	\$1050
Clothing	5%	\$1,200	\$750
Medical	5%	\$1,200	\$750
Misc	7%	\$1,680	\$1050
Savings	5%	\$1,200	\$750
Debt	5%	\$1,200	\$750

Debt, 5% and Housing, 30%-- but if you don't have any debt or housing costs, put that money into savings and investments (Roth, 3-6 months of living expenses, emergency fund, giving, and next car fund)!

The following portrays a plan of how a husband and wife can live debt free on 24K a year. Now actual numbers will vary, and where you live is certainly a factor. In the area of the country I live in, small homes can be rented for \$450 and up every month and most apartments are \$700 or so a month. While it would be hard to live on this much with children and for one's entire life, if a man and wife live on less even if they make more for their first 5 years of marriage, they can save a tremendous amount toward buying/building a home debt free.

**Live on Net \$24K a year
For a Husband and wife**

Giving	\$200/mo	\$2,400/yr
Rent*	\$700/mo	\$8,400/yr
Own Car	\$0	\$0
Gas, Oil, tune ups, misc	\$250/mo	\$3,000/yr
2 Cell Phones	\$80/mo	\$960/yr
medical sharing plan	\$200/mo	\$2,400/yr
Food and house supplies	\$300/mo	\$3,600/yr
Misc	\$100/mo	\$1,200/yr
Car Insur and next Car Sav	\$300/mo	\$3,600/yr
Disability and Life Insurance	\$70/mo	\$840/yr

*no electricity, water, or trash—included in housing cost

Monthly break down of net (taxes already withheld) \$2,000

\$200	Giving
\$700	Apartment/Small Home rent
\$80	Cell phones
\$250	Gas and car maintenance
\$200	Samaritan Care
\$200	Food and House Supplies
\$100	Misc (save whatever possible each month)
\$200	Car Insurance
\$70	Disability and Life Insurance

Side jobs and little things on the side are done to make money to save in advance for another car. Tip: always buy used and try to spend \$4,000 max for a reliable car during your first decade of marriage.

In addition, having an emergency fund of \$1,000 in case the car breaks down and 3-6 months of living expenses or \$10,000 in this case is wise and recommended by most conservative financial advisors. God's Word teaches us very clearly to have something stored up and live wisely for we do not know when evil (trouble, famine, recession, etc) will come upon the land (Proverbs 21:20, 27:12, Ecclesiastes 11:1-6).

If you stick it out for a few years and really watch before you're married and during your first 5 years of marriage, then you can be debt free, likely own a small home and have a bright future simply due to your lack of debt! You can owe no man anything (Romans 13:8)! In addition, some things in this budget can be completely eliminated over time. For example, rent can be eliminated when one owns a home. Food costs can be offset significantly when a large garden is on land that you own. Electricity, heating, cooling, and water can be produced by wind, solar, geothermal power and a well.

Just think with me for a moment. On the low end of a housing cost (\$450-700/mo) you could save over \$8,000 in a year by merely setting that aside while living at home and working pretty much part-time! In just five years, you could have some \$40,000 in cash + interest! That amount can build a small home or buy a trailer and your own land. The point is don't get in debt—debt presumes upon the future that you will have the resources to pay it and you are on the losing end of the bargain. But when you live debt free, you can save very quickly and “get ahead.” **But just being financially ahead is not the main point. The main point is #1 having some provision stored up for your family and #2 able to give. When you are in debt, you not only have less money, but you tie up resources and tie your hands to being able to truly give because of monthly payments you must make.**