



FINANCIAL HOPE™

Steward Today, Impact Forever

Equipping Individuals To Budget
Like A Business For Their Personal Finances

Take Stock - Projects

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Taking Stock of Your Capital Projects

The first part of taking stock of your finances is understanding what comes in and what goes out of your account (**Your Income Statement**) then managing and growing what you own vs what you owe (**Your Balance sheet**). With these fundamentals in place, you can begin to explore the projects that will impact your financial picture—what are often called **capital projects**.

Capital projects encompass any planned investments that affect your financial health. They can be significant, like purchasing a car or renovating your home, or smaller expenses that still add up over time, such as buying new furniture or updating your landscaping. Even routine projects—like refreshing your porch furniture or replacing a dead bush in the garden—can have a cumulative impact if not managed carefully.

By compiling all of these projects, both large and small, into one cohesive plan, you create a **capital budget**. A **capital budget** is a planning tool that outlines the investments you intend to make, whether that's new equipment, home improvements, or other assets designed to benefit you over the long term. In personal finance, this might involve planning for a major home renovation, budgeting for new tires for your car, or setting aside funds for school supplies. The process involves estimating costs, scheduling expenditures, and evaluating the benefits, such as increased home value or improved living conditions.

The Index Card Method

A practical way to collect these projects is by using a simple framework with index cards:

Step 1: Brainstorming

Sit down with a stack of index cards and write down every project or purchase you foresee over the next 12 weeks (3 months). Don't worry about order or urgency at this stage—just let the ideas flow. This might include:

Home improvements (e.g., landscaping, purchasing new furniture)

Educational expenses (e.g., buying books for the next semester)

Large financial events (e.g., a major purchase or an expense related to a new family member)

Step 2: Evaluate Each Project

Once you have your list, turn to the back of each card and answer the following questions:

- **Urgency (1–7):** How soon the project/item is needed.
 - Determine whether it must be addressed immediately (a rating of 7) or if it can wait (a rating of 1).
- **Impact (1–7):** How significant the effect or benefit is.
 - Rate it on a scale from 1 (not very impactful) to 7 (very impactful).
- **Cost:** How much will this project cost?
 - Minimum Cost and Maximum Cost
- **Effort:** How much effort in hours will this project cost you?
 - Minimum Effort and Maximum Effort
- **Reversibility (Bonus Question) (1–7):** How “undoable” the decision is
 - (1 = hard to reverse; 7 = easily reversed).



Once you have your Stack Projects that you could or could want to undertake, it is wise to collect them somewhere you can review them later. To do this we have created an Excel sheet that follows exactly what we have outlined, and filling this in will help you in the next step (Establishing a roadmap).

Please Head here to download the free excel sheet

<https://www.financial-hope.com/resources/steward/take-stock>

Bringing It All Together

By systematically listing and evaluating your potential projects using these criteria, you create a clear picture of which projects are most crucial for the upcoming quarter. This structured approach helps ensure that you're not only aware of your current financial status but also well-prepared for future expenses. The key is to prevent aimless spending on multiple small projects that, if not prioritized, can collectively strain your finances.