

Keeping Up With The Joneses How To Deal With Debt

1. Consider the reasons why _____

a) We don't understand _____

Proverbs 27:23 *Be diligent to know the state of your flocks, and attend to your herds.*

b) We don't try to _____

Proverbs 21:20 *In the house of the wise are stores of choice food and oil, but a foolish man devours all he has.*

c) We don't plan for _____

Proverbs 21:5 *The plans of the diligent lead to profit...*

d) We lack _____

Proverbs 21:5 *... as surely as haste leads to poverty.*

2. Learn to _____

• Myth: Debt is no _____

• Reality: Debt _____ and can cost you everything

Proverbs 22:7 *The rich rules over the poor, and the borrower is the slave of the lender.*

• Myth: Debt is something you _____

• Reality: Many families enjoy the freedom of _____

3. Start making _____

a) Stop _____

Proverbs 27:12 *A prudent man sees evil and hides himself, the naive proceed and pay the penalty.*

b) Start an _____: _____

Key: You must _____

c) Implement _____

d) Take _____

___ Control and track your money: A budget provides a clear picture of where your money is coming from and where it is going.

___ Prioritize your spending: With a budget, you can prioritize your spending based on your financial goals and values.

___ Prevent overspending and debt: By budgeting, you can avoid overspending and live within your means.

___ Build an emergency fund: Budgeting allows you to allocate funds towards building an emergency fund. Having savings for unexpected expenses provides financial security and peace of mind.

___ Achieve financial goals: A budget serves as a roadmap to reach your financial goals. Whether it is paying off debt, saving for a down payment, or planning for retirement.

___ Reduce financial stress: By having a budget, you gain control over your money, reduce financial uncertainty, and alleviate stress.

___ Improve communication and teamwork: Budgeting is beneficial for couples as it encourages open communication about finances and promotes teamwork in achieving shared financial goals.

___ Plan for the future: A budget allows you to plan for future expenses such as education, home purchases, vacations, or retirement. It helps you set aside funds systematically to meet these future needs.

___ Gain financial freedom: Ultimately, budgeting empowers you to make informed financial choices, live within your means, and work towards long-term financial stability and independence.

Debt Snowball Steps: (www.daveramsey.com)

- Start by listing out all your debts from smallest to largest (don't worry about the interest rate).
- Keep paying all the minimum payments on the debts like normal. But that lowest debt on your list gets special treatment—that's the one you target first.
- Attack that first debt with everything you've got! Any extra income, any time you come in under budget, and any and all extra cash you have goes here. Pay it off as fast as you can!
- Once the smallest debt is gone and out of your life forever, take the *entire* amount you were paying on it and roll that over to the payment on your next-smallest debt.
- Keep this up until you've knocked out every single debt on your list. Then, congrats—you're debt-free!