

## Money: In God We Trust? How To Escape The Debt Trap

1. \_\_\_\_\_

**Deuteronomy 15:6** *For the LORD your God will bless you as He has promised you, and you will lend to many nations, but you will not borrow...*

a) God expects us \_\_\_\_\_

**Psalms 37:21** *The wicked borrow and never repay.*

b) It \_\_\_\_\_

**Proverbs 22:7** *...and the borrower is slave to the lender.*

c) It hurts \_\_\_\_\_

d) It has \_\_\_\_\_

Key: Learn to \_\_\_\_\_

2. \_\_\_\_\_

a) Create \_\_\_\_\_

**Proverbs 21:5** *The plans of the diligent lead to profit as surely as haste leads to poverty.*

b) Start \_\_\_\_\_

**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) Implement a \_\_\_\_\_

**Proverbs 22:3** *A prudent man sees danger and takes refuge, but the simple keep going and suffer for it.*

d) \_\_\_\_\_: Take *Financial Peace University*

[www.daveramsey.com](http://www.daveramsey.com)

## Signs that debt might be a problem (Bankrate.com)

- \*Living on credit instead of paying cash.
- \*Only paying the minimums on your accounts
- \*You are juggling bills
- \*You are at the limit on a credit card
- \*You don't know how much you owe and don't want to find out
- \*Creditors call you about delinquent payments
- \*You use credit to buy necessities like food
- \*You've dipped into your IRA to pay a bill
- \*You have hidden the true cost of something from your spouse

### How to Make A Zero-Based Budget

- List your income
- List your expenses
- Subtract expenses from income
- If the number is negative:
  - Cut some spending
  - Pick up a side job
  - Downsize your lifestyle
- Track all spending for an entire month
- Make adjustments monthly
- - **Starting A Debt Snowball**
- **Step 1:** List your debts from smallest to largest (regardless of interest rate).
- **Step 2:** Make minimum payments on all your debts except the smallest debt.
- **Step 3:** Throw as much extra money as you can on your smallest debt until it's gone.
- **Step 4:** Take what you were paying on your smallest debt and add that to your payment on the next-smallest debt until it's gone too.
- **Step 5:** Repeat until each debt is paid in full and you're completely debt-free!
- As you knock out your debts one by one, the amount of money you have to throw at the rest of your debt grows—kind of like a snowball rolling down a hill (hence the name).