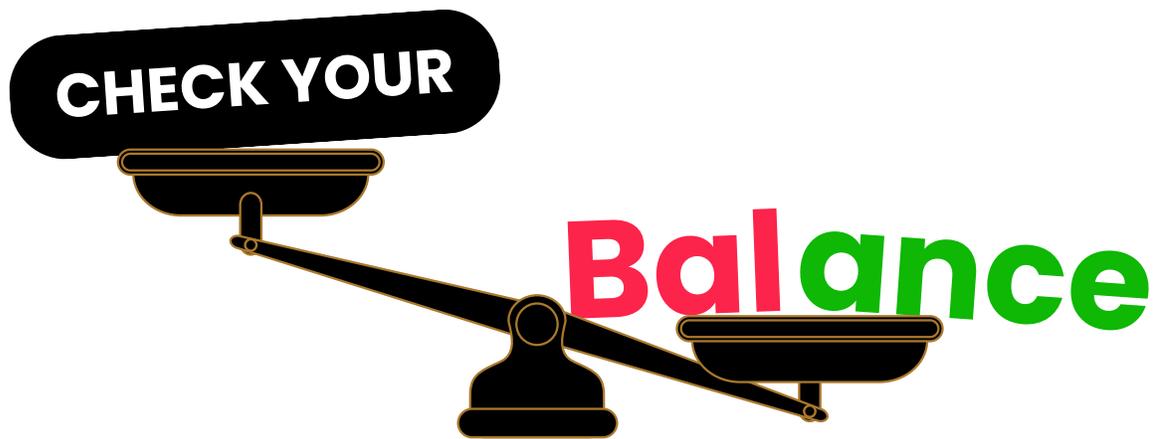


Master Your Money E-Book

A part of the Redemption Message Series



RedemptionPlano.com

6 STEPS TO BE DEBT FREE



1 ASSESS YOUR FINANCES

This can be painful, but it is important!

Calculate your Assets (Wealth) & Liabilities (Debt)

Determine your net worth



2 TRACK YOUR SPENDING

Where does your money go?

Track the last 3 months spending.

Track every expense this month.

Start a new habit of responsibility.

3 MAKE A BUDGET

You need a plan for your money.

Include a plan for paying off debt.

Be **SERIOUS** about your plan.



4 SAVE AN EMERGENCY FUND

AS FAST AS POSSIBLE - Save \$1000

This is for emergencies



5 PAY OFF DEBT

Build a Debt Snowball

Build Momentum **DO NOT** add more debt

6 LIVE FREE!

Build Wealth and Give Back



CHECK YOUR



Financial Overview

Assets _____ 

- Checking Account _____
- Savings Account _____
- Investments (Stocks, bonds, etc.) _____
- Cash Value of Life Insurance _____
- Real Estate (Home and any rentals) _____
- Business Value _____
- Vehicles _____
- Personal Property (Furniture, Jewelry, etc.) _____
- Retirement (401k, IRA, pension, etc.) _____
- Other _____

Liabilities _____ 

- Credit Card Debt _____
- Automobile Loans _____
- Mortgages _____
- Business Loans _____
- Education Loans _____
- Past Due Bills _____
- Other Liabilities _____

Net Worth _____ 

(Assets - Liabilities =)

CHECK YOUR



Actual Monthly Spending

1.	Income	\$ <input type="text"/>	
	Income #1	\$ <input type="text"/>	Monthly gross - before taxes
	Income #2	\$ <input type="text"/>	Monthly gross - before taxes
	Other	\$ <input type="text"/>	Rental, investment
		\$ <input type="text"/>	10%
2.	Giving	\$ <input type="text"/>	
	Church	\$ <input type="text"/>	
	Other	\$ <input type="text"/>	
3.	Saving	\$ <input type="text"/>	10%
	Emergency	\$ <input type="text"/>	
	Retirement	\$ <input type="text"/>	401-K, 403b, IRA
	College	\$ <input type="text"/>	
		\$ <input type="text"/>	20%
4.	Taxes	\$ <input type="text"/>	
	Federal	\$ <input type="text"/>	Use actual amount from pay stub
	State	\$ <input type="text"/>	Use actual amount from pay stub
	Social Security	\$ <input type="text"/>	Use actual amount from pay stub
	Medicare	\$ <input type="text"/>	Use actual amount from pay stub
		\$ <input type="text"/>	10%
5.	Debt	\$ <input type="text"/>	
	IRS	\$ <input type="text"/>	
	Credit Card #1	\$ <input type="text"/>	3% of balance paid monthly (CCCS)
	Credit Card #2	\$ <input type="text"/>	Minimum monthly payment
	Credit Card #3	\$ <input type="text"/>	Minimum monthly payment
	Credit Card #4	\$ <input type="text"/>	Minimum monthly payment
	Credit Card #5	\$ <input type="text"/>	Minimum monthly payment
	Car #1	\$ <input type="text"/>	Minimum monthly payment
	Car #2	\$ <input type="text"/>	Minimum monthly payment
	Student Loans	\$ <input type="text"/>	Minimum monthly payment
	Other	\$ <input type="text"/>	Minimum monthly payment
		\$ <input type="text"/>	
6.	Housing	\$ <input type="text"/>	
	Mortgage/Rent	\$ <input type="text"/>	May be part of home mortgage
	Home Insurance	\$ <input type="text"/>	May be part of home mortgage
	Property Taxes	\$ <input type="text"/>	Average for 12 months
	Maintenance	\$ <input type="text"/>	Average for 12 months
	Electricity	\$ <input type="text"/>	Average for 12 months
	Gas	\$ <input type="text"/>	
	Water	\$ <input type="text"/>	

CHECK YOUR



Actual Monthly Spending

	Trash	\$ <input type="text"/>
	Phone	\$ <input type="text"/>
	Association Dues	\$ <input type="text"/>
		\$ <input type="text"/>
		\$ <input type="text"/>
7.	Transportation	\$ <input type="text"/>
	Registration/License	\$ <input type="text"/>
		\$ <input type="text"/>
	Gasoline	\$ <input type="text"/>
	Toll & Parking	\$ <input type="text"/>
	Oil & Maintenance	\$ <input type="text"/>
	Other	\$ <input type="text"/>
		\$ <input type="text"/>
8.	Insurance	\$ <input type="text"/>
	Health	\$ <input type="text"/>
	Dental	\$ <input type="text"/>
	Life	\$ <input type="text"/>
	Disability	\$ <input type="text"/>
	Other	\$ <input type="text"/>
		\$ <input type="text"/>
9.	Food & Household	<input type="text"/>
		<input type="text"/>
10.	Health	\$ <input type="text"/>
	Fitness	\$ <input type="text"/>
	Medical Expenses	\$ <input type="text"/>
	Counselor	\$ <input type="text"/>
	Other	\$ <input type="text"/>
		\$ <input type="text"/>
11.	Personal	\$ <input type="text"/>
	Child Care	\$ <input type="text"/>
	Education	\$ <input type="text"/>
	Beauty & Barber	\$ <input type="text"/>
	Clothes	\$ <input type="text"/>
	Household Décor	\$ <input type="text"/>
	Cell Phone	\$ <input type="text"/>
	Gifts	\$ <input type="text"/>
	Cleaning	\$ <input type="text"/>
	Financial Services	\$ <input type="text"/>
	Security System	\$ <input type="text"/>
	Pest Control	\$ <input type="text"/>

Average for 12 months.

Average for 12 months
Average for 12 months

Groceries/household items you would buy at

Gym, Sports Leagues
Doctor, dentist, chiropractor, prescriptions

Tuition & supplies (books, uniforms, etc.)
Haircuts, nails and the spa Furniture, decor, home improvements Christmas, birthday, anniversary Dry cleaning, laundry, house cleaning Tax prep, software, financial planning

CHECK YOUR



Actual Monthly Spending

	Landscaping	\$ _____	Lawn service, plants, lawn care supplies
	Pets	\$ _____	Food and care
	Other	\$ _____	
12.	Entertainment	\$ _____	
		\$ 	
	Vacation	\$ _____	Family trips, summer activities
	Eating Out	\$ _____	Movies, theater, shows
	Events	\$ _____	Books, magazines, newspaper
	Reading TV	\$ _____	Cable, satellite, TiVO, rentals, equipment
	Technology	\$ _____	Computer, peripherals, software, PDA
	Internet	\$ _____	DSL, cable modem, dial-up
	Music Other	\$ _____	iPod, albums, downloads, satellite radio
		\$ _____	
13.	Cash	\$ _____	
	MARGIN	\$ _____	
		\$ 	
		\$ 	

If negative, reduce expenses starting from the bottom and working up. If positive, roll into giving or saving.

Wisdom is better when it's paired with money.
Ecclesiastes 7:12 (The Message)

#WiseWealth

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CHECK YOUR



Spending Plan

1.	Income	Target % _____	Actual % Monthly gross -
	Income #1	\$_____	before taxes Monthly gross -
	Income #2	\$_____	before taxes Rental,
	Other	\$_____	investment Actual %
2.	Giving	Target % _____	_____
	Church	\$_____	
	Other	\$_____ Target %	
		_____ \$_____	
3.	Saving	\$_____	Actual % _____
	Emergency	\$_____ Target %	401-K, 403b, IRA
	Retirement	_____ \$_____	
	College	\$_____	
		\$_____	
		\$_____	
4.	Taxes	\$_____	Actual % Use actual amount from
	Federal		pay stub Use actual amount from pay
	State	Target % _____	stub Use actual amount from pay
	Social Security	\$_____	stub Use actual amount from pay
	Medicare	\$_____	stub Actual % 3% of balance paid
		\$_____	monthly (CCCS) Minimum monthly
5.	Debt	\$_____	payment Minimum monthly payment
	IRS	\$_____	Minimum monthly payment Minimum
	Credit Card #1	\$_____	monthly payment Minimum monthly
	Credit Card #2	\$_____	payment Minimum monthly payment
	Credit Card #3	\$_____	Minimum monthly payment Minimum
	Credit Card #4	\$_____	monthly payment Actual % May be
	Credit Card #5	\$_____	part of home mortgage May be part
	Car #1		of home mortgage Average for 12
	Car #2	Target % _____	months Average for 12 months
	Student Loans	\$_____	
	Other	\$_____	
		\$_____	
		\$_____	
6.	Housing	\$_____	_____
	Mortgage/Rent	\$_____	
	Home Insurance	\$_____	
	Property Taxes	\$_____	
	Maintenance		
	Electricity		
	Gas		

CHECK YOUR



Spending Plan

	Water _____		Average for 12 months
	Rash _____		
	Phone _____		
	Association Dues _____		Average for 12 months.
	Target % _____		Actual % Average for
7.	Transportation _____		12 months Average for
	Registration/License \$ _____		12 months
	Gasoline \$ _____		
	Toll & Parking \$ _____		
	Oil & Maintenance \$ _____		
	Other \$ _____ Target %		
	_____ \$ _____		
8.	Insurance \$ _____		Actual % _____
	Health \$ _____		
	Dental \$ _____		
	Life \$ _____ Target %		
	Disability _____		
	Other _____		
9.	Food & Household _____		Actual % _____
10.	Health _____	Target % _____	Actual % _____
	Fitness \$ _____		Gym, Sports Leagues
	Medical Expenses \$ _____		Doctor, dentist, chiropractor, prescriptions
	Counselor \$ _____		
	Other \$ _____ Target %		
	_____ \$ _____		
11.	Personal \$ _____		Actual % Tuition & supplies (books, uniforms, etc.)
	Child Care \$ _____		Haircuts, nails and the spa
	Education \$ _____		Furniture, decor, home improvements
	Beauty & Barber \$ _____		Christmas, birthday, anniversary
	Clothes \$ _____		Dry cleaning, laundry, house cleaning
	Household Décor \$ _____		Tax prep, software, financial planning
	Cell Phone \$ _____		
	Gifts \$ _____		
	Cleaning \$ _____		
	Financial Services _____		
	Security System _____		

CHECK YOUR



Balance

Spending Plan

Pest Control \$ _____
 Landscaping \$ _____
 Pets Other \$ _____

Lawn service, plants, lawn care supplies
 Food and care

\$ _____ Target %
 \$ _____

12. Entertainment \$ _____
 Vacation \$ _____
 Eating Out \$ _____
 Events \$ _____
 Reading TV \$ _____
 Technology \$ _____
 Internet \$ _____
 Music Other \$ _____

Actual % ██████████
 Family trips, summer activities
 Movies, theater, shows
 Books, magazines, newspaper
 Cable, satellite, TiVO, rentals, equipment
 Computer, peripherals, software, PDA
 DSL, cable modem, dial-up
 iPod, albums, downloads, satellite radio

13. Total Spending ████████████████████
 MARGIN ████████████████████

**A greater life is ahead of you,
 when you learn to master your money.**

Building a DEBT SNOWBALL

Building a debt snowball is a popular and effective method for paying off debt.

Here's a step-by-step guide on how to build a debt snowball:

Step 1: List All Debts

Write down all your debts, including the creditor, total amount owed, minimum monthly payment, and interest rate. Order them from the smallest balance to the largest, regardless of interest rate.

Step 2: Make Minimum Payments

Ensure you are making at least the minimum payments on all your debts to avoid penalties and additional interest.

Step 3: Focus on the Smallest Debt First

Allocate any extra money you have each month to paying off the smallest debt while continuing to make minimum payments on the others. This extra amount can come from cutting expenses, increasing income, or both.

Step 4: Pay Off the Smallest Debt

Once the smallest debt is paid off, celebrate the win! The psychological boost of seeing a debt eliminated helps maintain motivation.

Step 5: Move to the Next Smallest Debt

Take the amount you were paying on the first debt and add it to the minimum payment of the next smallest debt. This increases the amount you pay on the second debt, allowing you to pay it off more quickly.

Step 6: Repeat the Process

Continue this process, rolling over the payments from each paid-off debt to the next smallest debt. As you eliminate each debt, the amount you can apply to the next one grows, creating a "snowball effect."

Example:

1. Credit Card A: \$500 balance, \$50 minimum payment
2. Credit Card B: \$1,000 balance, \$100 minimum payment
3. Personal Loan: \$3,000 balance, \$150 minimum payment

Suppose you can allocate an extra \$200 per month towards debt repayment.

1. Pay \$250 (\$50 minimum payment + \$200 extra) on Credit Card A while making minimum payments on Credit Card B and the Personal Loan.
2. After Credit Card A is paid off, apply the \$250 you were paying on Credit Card A to Credit Card B, making it \$350 (\$100 minimum payment + \$250 extra).
3. Once Credit Card B is paid off, apply the \$350 to the Personal Loan, making it \$500 (\$150 minimum payment + \$350 extra).

By following these steps, you gradually eliminate each debt, freeing up more money to attack the larger debts.

Tips for Success

- **Stick to a Budget:** Ensure you have a budget that tracks income and expenses to identify where you can cut costs and allocate more towards debt repayment.
- **Avoid New Debt:** While focusing on paying off existing debt, avoid incurring new debt to prevent setbacks.
- **Stay Motivated:** Track your progress and celebrate milestones. Remember that every small victory brings you closer to financial freedom.

By systematically targeting your debts from smallest to largest, the debt snowball method provides clear, achievable steps to becoming debt-free, building momentum and motivation as you go.

CHECK YOUR



Giving Plan

Where Should You Give?

The Bible does not spell in detail where we should give, but we can discern certain guidelines for our giving.

1. We should give to the local church. The local church is God's unique institution in the world. It

is our opportunity to provide for those leading the church (1 Timothy 5:17-18) and to support its' missionaries (Philippians 4:15-19).

2. We should also give to the poor. God has a special concern for those in need (Matthew 25:34-40), as well as widows and orphans (James 1:27). Beyond these priorities, there are also many organizations and individuals worthy of support.

Current Giving Assessment

Organization	Amount
Local Church _____	_____
Missions _____	_____
Other _____	_____
Other _____	_____
Other _____	_____
	Total \$\$ _____
	% of Income _____

Future Giving Plan

In light of your current assessment, what percentage of your income would you like to move toward giving?

	% of Income _____
	Total \$\$ _____
Local Church _____	_____
Missions _____	_____
Other _____	_____
Other _____	_____
Other _____	_____

What must happen for you to get from where you are to where you want to be?