

## Ten Steps for Getting Out of Debt

### 1. Righteous Prayer

- Ask for the Lord’s help and guidance in your journey toward your goal of being debt free.
- God may act immediately or slowly over time, but if you are faithful in your efforts, our all-powerful God will act. Remember, he loved you enough to sacrifice His own son on the cross for you. Why would he abandon you now?

### 2. Establish a Written Budget

- A written budget helps you plan ahead and analyze your spending.
- Having a budget will help you cut back on “impulse buying.”
- Pray over your budget.

### 3. List Your Assets – Everything You Own

- List every possession you own: your home, car, furniture, etc.
- Evaluate the completed list to determine whether you should sell any assets, e.g., downgrading your car, house, selling your coin collection, gun collection, country club membership etc.
- Your attitude toward things will determine your success in working your way out of debt. Don’t think about how much you will lose or what you paid for the item you are selling. Think about how much you will gain which can be applied to your immediate debt reduction.

### 4. List Your Liabilities-Everything You Owe

- Most people, who owe a lot of money, do not know exactly what they owe.
- List your debts to get an accurate picture of your current financial situation.
- Make sure to list the interest rate you are paying on these debts. This will assist you in establishing a priority of debt reduction.

### 5. Develop a Payment Schedule

	Monthly Payment	Months Remaining	Balance Due
January	\$100.00	12	\$1150.00
February	\$100.00	11	\$1050.00
March	\$100.00	10	\$ 950.00

- As you watch the balances diminish, it will give you incentive to persist in your plan.
- Pay off small debts first.
- Pay off higher interest rate debts.

#### **6. Consider Earning Additional Income**

- Added income to be applied to the elimination of debt.
- Make sure that by earning additional income, you are not harming your relationship with the Lord or your family.
- Be creative.
- Cut lawns during the evenings and Saturday's, deliver pizzas a few evenings during the week. Referee a sport, etc.

#### **7. Accumulate No New Debt**

- If you can't pay for it with cash, check or debit card, then you have to go without.
- Paying off debt at one end and adding to the other end will get you nowhere in terms of meeting your goal.

#### **8. Be Content With What You Have**

Three Facts

- The more television you watch, the more you spend.
- The more you look at magazines, the more you spend.
- The more you shop, the more you spend.

#### **9. Consider a Radical Change in Your Life**

- Lower your expenses significantly to get out of debt more quickly.
- Sell your home and buy a smaller one, or rent.
- Cars

#### **10. And Lastly.....DO NOT GIVE UP!**

- There will be 100 reasons for you to delay or quit your efforts to get out of debt.
- Don't yield to that temptation.
- Satan wants you to be in financial bondage; whereas, our Loving God wants us to have Freedom in the area of our finances.
- **DO NOT GIVE UP!!**