



DISCIPLE DEVELOPMENT MONTH

“Financial Management God’s Way”

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Steps 1 and 2: Starter Emergency Fund and the Debt Snowball

Week 2 || 01.18.24

1. Importance of Savings
 - a. Nearly 80% of Americans live paycheck to paycheck
 - b. 44% of adults can't cover a \$400 emergency and use debt instead
 - c. Protect yourself instead of relying on credit card companies
 - d. Precious treasure and oil are in a wise man's dwelling, but a foolish man devours it. - Proverbs 21:20

Notes:

2. Build a Starter Emergency Fund of \$1000
 - a. Store separately, but somewhere you can get to if needed
 - b. Build it quickly by selling stuff, extra work, cut back on expenses
 - c. Only use for an emergency (review with spouse/accountability partner)
 - d. If you use it, build it back up as soon as you can

Notes:

3. Pay off Consumer Debts
 - a. The rich rules over the poor, and the borrower is the slave of the lender – Proverbs 22:7
 - b. Owe no one anything, except to love each other, for the one who loves another has fulfilled the law – Romans 13:8
 - c. Be not one of those who give pledges, who put up security for debts - Proverbs 22:26

Notes:

4. The Debt Snowball

- a. List debts smallest to largest regardless of interest rate
- b. Make minimum payments on all debts except the smallest
- c. Pay as much as possible on smallest debt
- d. After first debt is paid, roll that payment to the next debt

Notes:

5. Get Intense about Escaping the Slavery of Debt

- a. Save yourself like a gazelle from the hand of the hunter, like a bird from the hand of the fowler – Proverbs 6:5
- b. Find extra money anywhere you can
- c. Put your debt snowball plan somewhere you'll see regularly
- d. Celebrate each debt paid off

Notes:

6. Non-negotiable vs Negotiable Debts

- a. Non-negotiables: federal taxes, student loans
 - i. Cars/furniture not paid will result in repossession
- b. Negotiables: medical, consumer, some utilities
 - i. Never settle without agreement in writing, no direct access to your bank account

Notes:

7. Reducing Expenses

- a. Periodically shop bills (insurance, TV, phone)
- b. Food: no restaurants, make meal plans
- c. Entertainment/Birthday/Christmas/Vacation: get creative

Notes:

8. Homework before next class

- a. Continue tracking January expenses, adjust as necessary
- b. Build starter emergency fund as fast as possible
- c. Build debt snowball plan and determine how you will celebrate
- d. Note challenges you are facing and bring them to next class session

Small Group Questions:

1. How did you do with building and tracking a monthly budget this past week? What struggles did you have? What tools worked for you? Are there any budget categories you forgot to add that you needed to adjust for?
2. Why is it hard for Americans today to live on less than we make? How can contentment in Christ help us as Christians to live differently?
3. How has not having a starter emergency fund hurt you in the past? How would having one reduce stress in emergencies?
4. How is life better without having credit card and other consumer debt? How is the borrower truly slave to the lender?
5. What questions do you have on how the debt snowball works? Do you have anything unique in your situation that makes it confusing?
6. What's a great idea you have on how to celebrate paying off a debt?
7. What are some areas you have already cut spending or feel you can cut spending to meet your financial goals? What areas can we tend to spend more money than we need to?
8. What's a big step you could take to help you make progress quickly? (sell something, start a side job, etc.)