

S E S S I O N



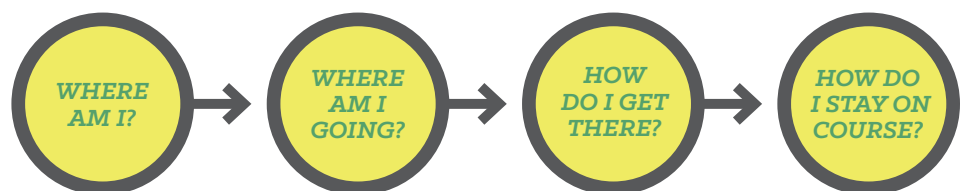
SNOWBALL FIGHTS

HOW DO I STAY ON COURSE?

My son, if you become surety for your friend, if you have shaken hands in pledge for a stranger, you are snared by the words of your mouth; you are taken by the words of your mouth. So do this, my son, and deliver yourself; for you have come into the hand of your friend: Go and humble yourself; plead with your friend. Give no sleep to your eyes, nor slumber to your eyelids. Deliver yourself like a gazelle from the hand of the hunter, and like a bird from the hand of the fowler. - **Proverbs 6:1-5**

HOW TO GET OUT OF DEBT? – PRACTICAL STEPS

1. **Cut up your credit cards and set a budget** (see Session 9)
2. **Reduce your interest rates** (check out CCC - page 169)
3. **Bring in extra income**
4. **Get your priorities straight** (see Session 7 – and set SMART goals)
5. **Chip away at debt aggressively**
6. **Reward your progress** (getting out of debt doesn't mean you can't ever spend again)
7. **Stop eating out** (start planning meals)
8. **Get organized**
9. **Be willing to part with your toys**
10. **Learn the difference between** ⁽¹²⁴⁾ _____ **and** ⁽¹²⁵⁾ _____
11. **Refinance high rate mortgages**
12. **Keep things in** ⁽¹²⁶⁾ _____





DEBT SNOWBALL – HOW TO STEPS

Note: Use the space provided below to get started, but we recommend you download and use the electronic version titled “Debt Elimination Plan” located at www.rockfinanciallife.com (under Resources)

This version will automatically perform the critical calculations needed to create the plan. However, the plan you create will only be as good and reliable as your commitment to stick to your plan. As stated above, you must exercise discipline to change spending habits and learn contentment.

Step 1 – List all Debts.

In the table below, or on the Excel spreadsheet downloaded from the website shown above, list all your debts from lowest balance remaining to highest balance remaining. Enter the name of the debtor and the current balance owed.

Step 2 – Fill in Payment Details.

On the Debt Elimination Form or on the Excel spreadsheet, enter the interest rate (APR) and minimum payment for each debt in the space provided.

Step 3 – Calculate the Totals

Total the minimum monthly payments. These totals are calculated automatically in the spreadsheet.

Step 4 – Determine Months to Payoff

Calculate the number of months it will take to pay off each loan. The exact formula for performing this calculation is more math than most of us would ever want to undertake, so use the internet to find some free “loan calculator” tools, or use the capabilities in the downloadable Debt Elimination Plan spreadsheet referenced earlier.



DEBT ELIMINATION PLAN

#	Name of Debtor	Balance	Interest %	Minimum Payment	Months to Pay-off

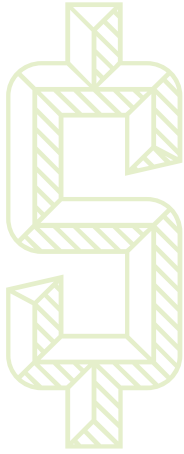
Step 5 – Start the Snowball

The months required to pay off each debt are calculated on a one-by-one basis. BUT - what would happen if after you paid off one loan, you took that first loan's payment amount and included that amount on the minimum payment of the second loan? Then after the second loan was paid off, you took that payment amount and added it to the minimum on the third? That's where the name "Debt Snowball" comes from!

Step 6 – Get Radical

In Step 5, you see how powerful the Snowball approach can be in eliminating debt. What would happen if you got a bit radical by reducing monthly spending in another area, such as reducing entertainment or eating out expenses or even cutting cable, and was able to throw another \$200 at debt payments. Using the Debt Elimination Plan, you can quickly see the results of this scenario.

SESSION 13 BIG IDEAS



Practice five is all about eliminating debt AS FAST AS POSSIBLE! The Debt Snowball is a simple but powerful technique for doing exactly that. What will it take to be successful? These easy to understand keys to success:

- **Practice one – Track Every Dollar Every Day**
- **Practice two – Set Godly Financial Goals (remember the Milestones)**
- **Practice three – Create a Cash-Positive Budget (and stick to it!)**
- **Practice four – Create a Debt Elimination Plan**
- **FIGHT for your financial life!**

1. What dreams have been squashed because of your debt?

2. What are the biggest obstacles to implementing an aggressive debt elimination plan right now?

GOD'S OFFER TO ESCAPE BONDAGE

And Moses said to the people: "Remember this day in which you went out of Egypt, out of the house of bondage; for by strength of hand the LORD brought you out of this place. No leavened bread shall be eaten." - **Exodus 13:3**

- Bondage can be physical, emotional, spiritual
- Escaping bondage requires a decision
- Escaping bondage requires the Lord's power

Now the Lord is the Spirit; and where the Spirit of the Lord is, there is liberty. - **2 Corinthians 3:2**

- If you are not experiencing freedom, God is NOT there

PRAY FOR FREEDOM

Father, thank You that Your will and purpose is for me to live in freedom in every area of my life.

Lord Jesus, thank You for becoming man to show me how to live in freedom, and how to escape bondage.

Holy Spirit, speak to me. Bring to my mind every form of bondage I suffer from. Give me eyes to see the bondage I've accepted as normal and acceptable. Bring to my mind an understanding of the weight of that bondage. My desire is to break the chains of every physical, emotional, and spiritual bondage – now and forever. Set me free in Jesus' Name.