

Financial Facelift

It is the vision of the Senior Pastor that each member of Greater Grace Temple Community Church becoming financially stable by intentional teachings on stewardship and holding each member accountable for their personal financial plan. The first Wednesday of each month the bible study will intentionally focus on money management and debt.

Step 1 Tithe Faithfully

Step 2 Establish a working monthly budget

Step 3 Set aside \$500 immediately as an emergency fund

Step 4 Eliminate all debt using the debt snowball

List your debts, excluding the house, in order. The smallest balance should be your number one priority. Don't worry about interest rates unless two debts have similar payoffs. If that's the case, then list the higher interest rate debt first.

The point of the debt snowball is simply this: You need some quick wins in order to stay pumped up about getting out of debt! Paying off debt is not always about math. It's about motivation. Personal finance is 20% head knowledge and 80% behavior. When you start knocking off the easier debts, you will see results and you will stay motivated to dump your debt.

Step 5 Have two months of your monthly budget in your emergency fund

Once you complete the first four steps, you will have built serious momentum. But don't start throwing all your "extra" money into investments quite yet. It's time to build your full emergency fund. Ask yourself, "What would it take for me to live for three to six months if I lost my income?" Your answer to that question is how much you should save.

Use this money for emergencies only: incidents that would have a major impact on you and your family. Keep these savings in a money market account. Remember, this stash of money is

not an
buffer

investment; it is insurance you're paying to yourself, a
between you and life.

**Step 6 Invest 15% of household income into Roth IRAs and pretax
retirement**

When you reach this step, you'll have no payments—except the
house—and a fully funded emergency fund. Now it's time to
get serious about building wealth.

Step 7 Pay off your house early and/or purchase your 1st home

Remember, these steps may take three to five years to complete depending on the severity of your debt. However, you must be unconditionally committed and practice the discipline necessary. This means making the commitment to attend Bible study, especially the first Wednesday of each month.