

PRACTICAL VIDEO STUDY

Eliminating DEBT



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CROWN™

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DISCLAIMER

The material in this publication is for informational purposes only. Please consult with a certified professional regarding your personal situation before making career, financial, and health decisions.

Here's Your Future...



Congratulations—you did it! You removed the weight of debt in your life, and floated back to the surface. With God's wisdom and help, you faced your fears, attacked your debt, and became free.

You don't owe anything to anybody, and future possibilities are wide open. Now you're free to consider that job transition you were too fearful of making in the past, or you can go back to school debt free, or you simply can cut back from working 80 hours a week to 40—because you can. You're sleeping peacefully at night—no more worries about paying the growing minimum payments on those credit cards.

Celebrate with a vacation of a lifetime. Give your time, talent, and treasure to others from your newfound abundance. You must be thrilled over this huge accomplishment, and yes—it's much better than you imagined it would be.

Send us a picture of your celebratory moments!*

Your Friends at Crown

*Crown.org
1-800-722-1976

Introduction

Are you _____ in debt?

Living with debt can be a constant source of _____ and _____.

I really want you to _____ that you should be debt free because God wants to have total _____ of your life.

“Live as free people, but do not use your freedom as a cover-up for evil; live as God’s slaves.”

– 1 Peter 2:16

The ultimate goal of this study is freeing you to live a life that is

_____ and significant according to God’s eternal plan.

Good or bad, the _____ ultimately owns the slave and directs how they operate in this world.

Fear can drive you to make poor _____:

- Credit cards are used by many people as a form of financial _____.
- People fear that their old car will _____ and leave them stranded.
- Some people fear that their children will not have a life that is _____ than their own.
- Making emotional decisions to alleviate our fears pushes many people to carry financial _____ far too heavy for them to bear.

The Definition of Slavery:

shackled by unnecessary weight; a form of forced labor or control for things that are the property of another person; limited freedom.

It's important to note that the Bible does not say that debt is a _____.

For most of us, debt is an _____, a choice we voluntarily make.

The proper motivation for becoming debt free is to live free from all forms of slavery so that we can be totally available for _____ purposes.

To say it in a modern way, "God has a better plan for your life than your _____!"

STEP 1: The first step toward financial freedom: **Face your** _____.

"For God gave us a spirit not of fear but of power and love and self-control."

– 2 Timothy 1:7 esv

You see, the reality is that you are fighting a _____ battle to become a slave to Christ, and the battle must be fought on _____ terms.

When it comes to finances, there are two parts to the equation. There is a good, strong defense, but you also need an aggressive _____.

STEP 2: Starting today, I want you to _____ your debt.

A good defense starts with having a _____
—a budget.

Once you have a good defense, you're ready to go on the offense, meaning you start making positive progress towards the _____ of all of your debt.

STEP 3: The final step is to _____.

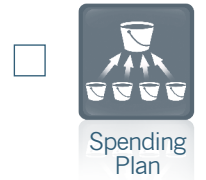
"It is for freedom that Christ has set us free. Stand firm, then, and do not let yourselves be burdened again by a yoke of slavery."

– Galatians 5:1

"The rich rule over the poor, and the borrower is servant to the lender."

– Proverbs 22:7

Please choose your debt attack weapons (*choose any that apply*)



What are some of your financial fears?

Clip out this reminder, and put in a prominent spot.



If God does not want you to be enslaved to any human master, then certainly He does not want you to be _____ to debt.

Remember this:

*Face the fear,
attack the debt,
and be free.*

The Problem Defined

Five reasons why people dive into debt:

1. Unavoidable Circumstances: Debt can attack us through no _____ of our own.
2. But sometimes we let debt build out of _____.
3. Debt often grows out of _____ and
4. _____.
5. Most issues with debt are essentially the result of poor _____.

Once we put a plan in place and operate under that plan, debt seems to _____, because we start making wiser decisions and we base those decisions on information within our plan rather than the impulse or _____ of the moment.

A Turning Point

Taking the very first step is _____ the situation.

Then, you accept and understand that there is a _____.

If we really believe that God is going to help us through this, we will _____
accordingly.

Practical Steps to Get Out of Debt

STEP 1: Stop borrowing.

Until we make the _____ to avoid borrowing, we'll always find
excuses to do so.

- Start aggressively _____.
- Here's an idea: it's called an _____.

Idea List				
No.	Idea	Decrease Expenses	Increase Income	Raise Cash (Sell Things)

A copy of this form is also in the Appendix.

- You may need to consider _____—in vehicles or housing.
- Think about practical ways to _____ income.

STEP 2: Create a spending plan.

Another word for a spending plan is a _____.

- First, you must determine your _____ and track your _____.
- So, your assignment for the next 30–60 days is to start tracking your expenses by _____.

Regardless of what type of system you use, it is absolutely critical that you establish your _____ and begin to make spending _____ based on it.

You may ask, “How do I ever get to the point where I can actually use a budget?” The answer to that question is to use a very powerful tool we call

_____.

Track your expenses electronically or manually — whichever is most convenient for you.



Finally, something worth texting on your cell phone—the reality of what you’re spending.

Income Allocation							
Pay Period (Event)	1	2	3	4	5	6	7
Date							
Balance Forward							
Income							
New Balance							
Categories	Monthly Allocation						
1 Tithe							
2 Tax							
3 Housing							
4 Food							
5 Transportation							
6 Insurance							
7 Debts							
8 Entertainment/Recreation							
9 Clothing							
10 Savings							
11 Health Care							
12 Miscellaneous							
13 Investments							
14 School/Child Care							
Total							
Balance							

Instructions: One column per pay period (pay event). Limit expenditures until balance in each period grows (build savings). Expenditures are recorded for respective pay period. Balance at bottom of each column carries forward to top of next column. Project forward until monthly budget can be implemented. Use multiple worksheets, as necessary. Assumes income is sufficient to meet essential expenses.

A blank copy of this form is found in the Appendix.

STEP 3: Develop a debt payoff plan.

If you are delinquent, or if some of the accounts have been turned over to _____ agencies, you have some preliminary work to do.

Once you have a spending plan in place, you will know exactly how many dollars you can allocate to your _____ category.

- Make a list of all of your _____ and determine the amount you owe each one.
- The key is to have a written, defensible plan.
- After you've verified your total debt list and know the monthly payment amount for each, you will establish a _____ plan, also known as a Debt Snowball (see form in Appendix).

Speeds of Typical Items



Scooter
25 MPH



Boat
50 MPH



Car
125 MPH



Your Debt
Snowball

_____ MPH

Celebrate Your Milestones!

Choose your favorite sundae combination:

- Hot Fudge
- Nuts
- Strawberries
- Caramel
- Gummy Bears
- Chocolate Cookies

Movie Goal:

Snack Goal:

Celebration Dinner Goal:

Your Debt-Free Celebration

(hint—make it a big one)

Next Step Life Goals:

Accelerated Debt Payoff Calculator

Entry Columns				Calculated Columns		
#	Creditor	Principal Balance (\$)	Interest Rate (%)	Payment Amount (\$)	Interest Cost	# of Pmts Left
1	Exxon	\$190	19	\$190	\$0	1
2	Sears	\$220	23	\$20	\$29.00	13
3	VISA	\$1,200	14	\$30	\$426.00	55
4	Master Card	\$3,600	21	\$80	\$3,542.00	90
5	Student Loan	\$11,000	5	\$150	\$2,155.00	88
6	Auto Loan	\$19,777	6	\$350	\$3,523.00	67
7	Mortgage	\$142,000	5.25	\$1100	\$67,618.00	191
8						
9						

That’s the way it works: We get organized, we get our budget in place, we hit the smallest and then the next and then the next and the next thing you know is you’re well on your way to becoming _____.

STEP 4: Trust God.

Here’s a promise that God makes to all of us:

“No temptation has overtaken you but such as is common to man; and God is faithful, who will not allow you to be tempted beyond what you are able, but with the temptation will provide the way of escape also, so that you will be able to endure it.”

– 1 Corinthians 10:13 NASB

That means that even if we’re in the middle of it, He will provide a way of

_____—a way out!

- He says that He'll provide the _____ – _____ that we need to stop spending, to start saving, to make wise decisions, to wait and not be impulsive, to set up a plan that will honor Him.
- We make a conscious decision to honor Him by being intentionally _____.

STEP 5: Seek Counsel and Assistance.

- Take advantage of the advice of others who have _____ what you are experiencing.
- Crown offers a *Budget Coaching* ministry.
 - 1-800-722-1976
 - Learn more at crown.org/budget-coaching
- *Christian Credit Counselors* is a trusted nonprofit agency that can often help clients negotiate a more cost-effective debt repayment plan with creditors than the client could do on their own.
 - 1-800-557-1985
 - crown.org/christian-credit-counselors
- Be very _____ about contacting other debt elimination companies.

Your Counsel List:

Counsel Sources You Can Trust (list them below):

1. _____
2. _____
3. _____
4. Crown Budget Coach

Counsel Sources to Avoid:

1. _____
2. _____
3. _____
4. Uncle Guido _____

Other Areas of Concern for Consumers

Bankruptcy

- The Scripture is clear that we are to repay our debt (see Psalm 37:21).
- This should be considered a _____ option.

Clip Out Encouragement Card

see the Appendix, page A3, for a complimentary Scripture card to display as encouragement.

Debt Consolidation

Only consider a debt consolidation loan if...

- You have been on your budget successfully for at least six months, AND
- You have your spending in check, AND
- You can move higher interest rate debt to lower interest rates.

Home Equity Loans

- Never use a home equity loan to pay off _____, because you're placing your _____ at risk.

Credit Scoring

- Your credit score has become a legitimate indicator of credit worthiness to traditional financial institutions as well as potential _____.

To develop a healthy credit score...

- Pay your _____ on time.
- Keep a good recent payment history.
- Keep your debt to available credit _____ low.

When Borrowing *Might* Make Sense

- For one's personal _____ (mortgage).
- To increase future _____ ability (education).
- To start a _____.

Before you implement any of the information you've learned in this study, make the conscious decision to _____ right now.

Take the Next Steps:

First, create a _____.

- Without a plan for _____ your money, you will not successfully become free from debt.
- Be sure to leave room in your plan for _____.

Second, begin the _____ process.

- The Debt Snowball form is in your manual.
- You can access the free Debt Snowball Calculator on Crown's website at crown.org/crown-calculators.

Third, get more _____ if you need it!

- Visit www.crown.org for free resources, or visit crown.org/budget-coaching to sign up for personal help
- Review other Crown resources:
 - Creating a Spending Plan at crown.org/cspvideos/
 - Money Life study at crownonline.org/
- Enlist the help of your local church.

Certificate of Honor

see the Appendix, page A5, for a special certificate that commemorates your debt elimination journey.

Final Note:

You are now equipped to take your next steps. You can do it! Do not give up. Do not have something or someone convince you that it's not worth it. It is worth it.

Stay connected to your local church, and stay in touch with Crown. We want to help you each step of the way.



Appendix

Income Allocation

Pay Period (Event)	1	2	3	4	5	6	7
Date							
Balance Forward							
Income							
New Balance							
Categories	Monthly Allocation						
1 Tithe							
2 Tax							
3 Housing							
4 Food							
5 Transportation							
6 Insurance							
7 Debts							
8 Entertainment/Recreation							
9 Clothing							
10 Savings							
11 Health Care							
12 Miscellaneous							
13 Investments							
14 School/Child Care							
Total							
Balance							

Instructions: One column per pay period (pay event). Limit expenditures until balance in each period grows (build savings). Expenditures are recorded for respective pay period. Balance at bottom of each column carries forward to top of next column. Project forward until monthly budget can be implemented. Use multiple worksheets, as necessary. Assumes income is sufficient to meet essential expenses.

Idea List				
No.	Idea	Decrease Expenses	Increase Income	Raise Cash (Sell Things)

Debt Snowball

Organize debt from lowest to highest balance; determine how much money per month is available to dedicate to debt reduction/elimination. Make minimum payments toward highest debt and pay maximum toward smaller balances. As accounts are paid off, roll the payment from the paid off account to the next higher. Continue to pay as much toward the total debt as possible. As each account is paid off, move payment to the next higher, and so on until all debts are eliminated. Then enjoy the freedom of being debt free! To automate this process, use the free Debt Snowball Calculator on Crown’s website at crown.org/all-resources/debt-snowball-calculator/

Debt Snowball Calculator						
Entry Columns					Calculated Columns	
#	Creditor	Principal Balance (\$)	Interest Rate (%)	Payment Amount (\$)	Interest Cost	# of Pmts Left
1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
6	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
7	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
8	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
9	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Encouragement Card

Clip out this reminder, and put in a prominent spot

I CORINTHIANS 10:13

“No temptation has overtaken you but such as is common to man; and God is faithful, who will not allow you to be tempted beyond what you are able, but with the temptation will provide the way of escape also, so that you will be able to endure it.”

GALATIANS 5:22

“But the fruit of the Spirit is love, joy, peace, forbearance, kindness, goodness, faithfulness, gentleness and self-control.”

PROVERBS 3:9

“Honor the LORD with your wealth, with the firstfruits of all your crops.”



This certificate of honor is provided to commemorate your debt elimination journey. There are spaces on the page to affix your credit cards as you pay them off, and there are spaces to write in other debts such as auto or home loans. We encourage you to print this certificate, frame it, and place it in a prominent place.



Certificate of Honor

I am free of the following debts as a testament
of praise and honor to God

Auto Loan –
Date Completed:

Home Loan –
Date Completed:

Answer Key

Introduction

Are you **drowning** in debt?

A constant source of **worry** and **stress**.

I really want you to **believe** that . . . **control** of your life.

A life that is **successful** and significant.

The **master** ultimately owns the slave.

Fear can drive you to make poor **financial decisions**:

- financial **security**.
- car will **break down**.
- a life that is **better**.
- carry financial **burdens**.

Bible does not say that debt is a **sin**.

Debt is an **option**.

Available for **God's** purposes.

"Than your **creditors!**"

STEP 1: Face your **fears**.

Fighting a **spiritual** battle . . . on **spiritual** terms.

Need an aggressive **offense**.

STEP 2: **attack** your debt.

A **spending plan**—a budget.

The **elimination** of all of your debt.

STEP 3: **be free**.

He does not want you to be **enslaved** to debt.

The Problem Defined

Five reasons why people dive into debt:

1. no **fault** of our own
2. out of **ignorance**
3. out of **indulgence** and
4. **impatience**.
5. poor **planning**.

Seems to **disappear...emotion** of the moment.

A Turning Point

Very first step is **acknowledging** the situation.

There is a **solution**.

Will **act** accordingly.

Practical Steps to Get Out of Debt

STEP 1: Avoid borrowing.

Make the **commitment** to avoid borrowing.

- aggressively **saving**.
- an **Idea List**.

- consider **downsizing**.

- ways to **increase** income.

STEP 2: Create a spending plan.

Spending plan is a **budget**.

- determine your **income** and track your **expenses**.
- tracking your expenses by **categories**.

Establish your **spending plan** . . . spending **decisions**.

Tool we call **Income Allocation**.

STEP 3: Develop a creditor payoff plan.

Turned over to **collection** agencies.

Allocate to your **debt** category.

- your **creditors**.
- establish a **debt repayment** plan.

On your way to becoming **debt free**.

STEP 4: Trust God.

Way of **escape**—a way out!

- **self-control**.
- intentionally **generous**.

STEP 5: Seek counsel and assistance.

- have **experienced**.
- Be very **cautious**.

Other Areas of Concern for Consumers

Bankruptcy

- a **last resort** option.

Home Equity Loans

- pay off **unsecured debt** . . . your **home** at risk.

Credit Scoring

- potential **employers**.
- Pay your **bills**.
- credit **ratio** low.

When Borrowing Might Make Sense

- personal **residence** (mortgage)
- future **earning** ability (education)
- start a **business**.

Stop all borrowing right now.

Take the Next Steps:

First, create a **spending plan**.

- plan for **managing** your money.
- plan for **generosity**.

Second, begin the **debt repayment** process.

Third, get more **help**.

Group Facilitation

Guidelines for Facilitators

If you're using this personal study in a group, below are some helpful guidelines designed to assist the group's facilitator.

As a facilitator, you are not required to be an expert in the subject matter. However, you should be familiar with the content of the video study and any accompanying resources. Prior to your scheduled event, please set aside time to view the video and utilize the provided manual.

This video study is formatted for a single session. However, depending on the composition of your group, you may want to include a short break (5 to 10 minutes) approximately halfway through the study.

Introduction

- Welcome the attendees, and open with prayer. Assure participants that everyone's financial situation is unique, and it may be that some portions of the study may not fully apply to them. However, the study offers solid, biblical principles that will help anyone on their journey toward financial faithfulness.
- Ask the attendees to hold any questions that may arise during the study until the end of the session. For additional help and clarification, we encourage you to refer people to the Web site noted in the manual.

Venue

- If possible, set up tables to provide a writing surface for the attendees. Have pencils available along with the study manuals. (A manual is recommended for each attendee.) Make sure all participants can see the screen and hear the audio clearly.

Options

- The video (crown.org/eliminatingdebtvideos) includes a short, clear presentation of the Gospel. Please feel free to play this optional segment as God leads you.

Follow-up

- Approximately one month after the event, you may wish to contact the attendees with a word of encouragement and a reminder to visit the Web site noted in their manuals for additional help and resources.

Crown has a variety of practical learning options—group studies, self-paced online courses, one-on-one budget coaching, and more. Let us come alongside as you take the next step in building a holistic teaching ministry that focuses on the stewardship of time, talent, and treasure. To take the next step in your church ministry, contact us at 1-800-722-1976 or visit us online at Crown.org.

About Crown

God has shown us that the practice of biblical stewardship not only restores broken finances, it also restores broken marriages, families, businesses, communities – it can even change nations.

Our mission is to teach and lead others to freedom in Christ through redemptive stewardship. This happens through unique experiences and events, collaborative partnerships and relevant, supportive content. When we do that -- for both rich and poor -- we discover a life that allows us to serve Him more fully. Then when we see Him, we will hear Him say, "Well done, good and faithful servant."

People everywhere are longing to see problems addressed by real solutions that make a real difference in their lives. But for this to happen, we must address the root issues. The world is not in danger of running out of resources; but we do believe the world is in danger of running out of faithful stewards.

Jesus came to seek, restore and redeem a broken world. The practice of biblical stewardship is an essential part of that redemption. Because when we care for what God has given us in the way He intended, we and those around us are blessed. But those blessings exceed far beyond our personal finances. In fact, every major aspect of life is impacted by good and faithful stewardship.

For more information about the ministry of Crown, go to Crown.org or call 1-800-722-1976.



Face the Fear. Attack the Debt. Be Free.

Is debt overwhelming you, or are you overcoming it?

If you think about it, the cover of this manual could illustrate both scenarios—a life vulnerable to a mounting flood of debt, or a life rising above it toward a stronger financial position. Which best describes your current situation?

There's no denying that debt takes a toll on us financially, emotionally, relationally, and spiritually. That's why this study is so crucial! In less than two hours, the *Eliminating Debt* video study will help you create a plan to attack your debt and be free from the dangers of debt dependence.

In this study, discover:

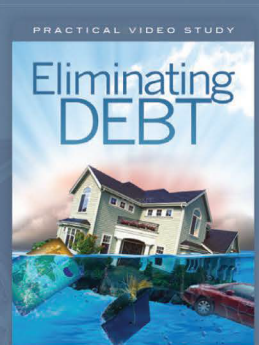
- Five reasons why people dive too deep into debt
- Steady, practical ways to eliminating debt
- How to address special issues like credit scores, dealing with creditors, and bankruptcy

Its flexible format is perfect for individual or group study.



Chuck Bentley, CEO of Crown Financial Ministries and host of the *MoneyLife*® radio broadcast, shares his encouraging thoughts on how you can meet your financial goals.

Then David Scobey, Crown seminar instructor and financial coach, outlines the practical steps to achieving a debt-free lifestyle.



Use this manual along with the *Eliminating Debt* Practical Video Study DVD. (available separately, ISBN 978-1-56427-274-4)



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