



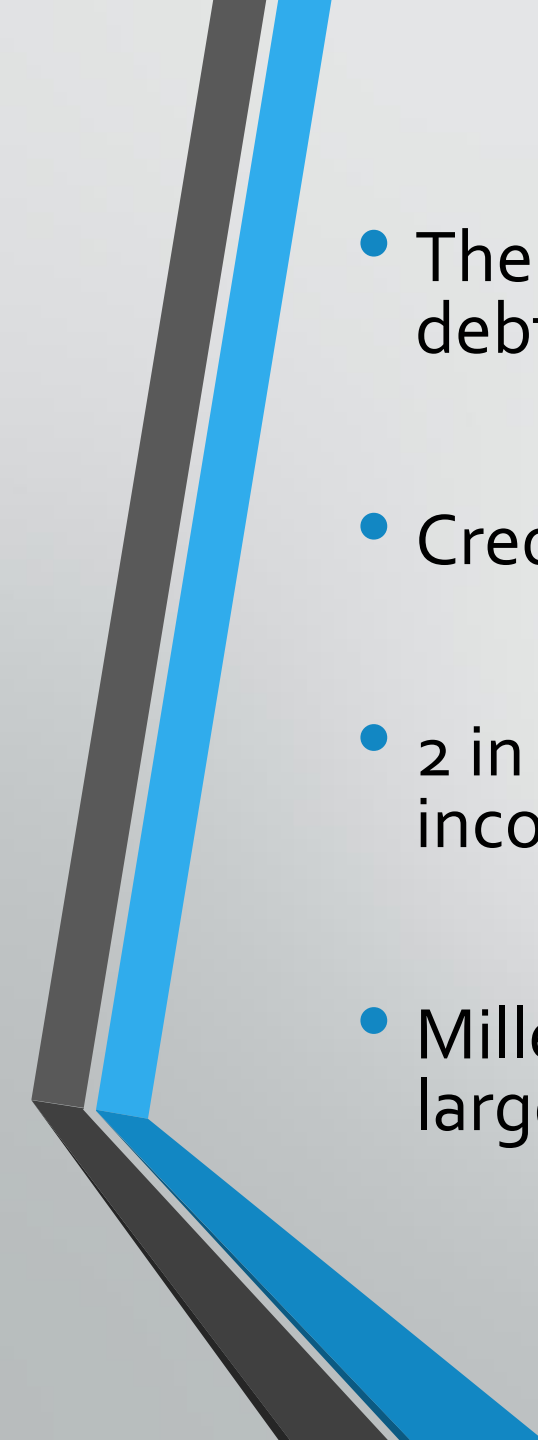
Debt Management Awareness

Bishop Jerry F. Hutchins
Kingdom Now Church
Snellville, Ga.

Debt Defined

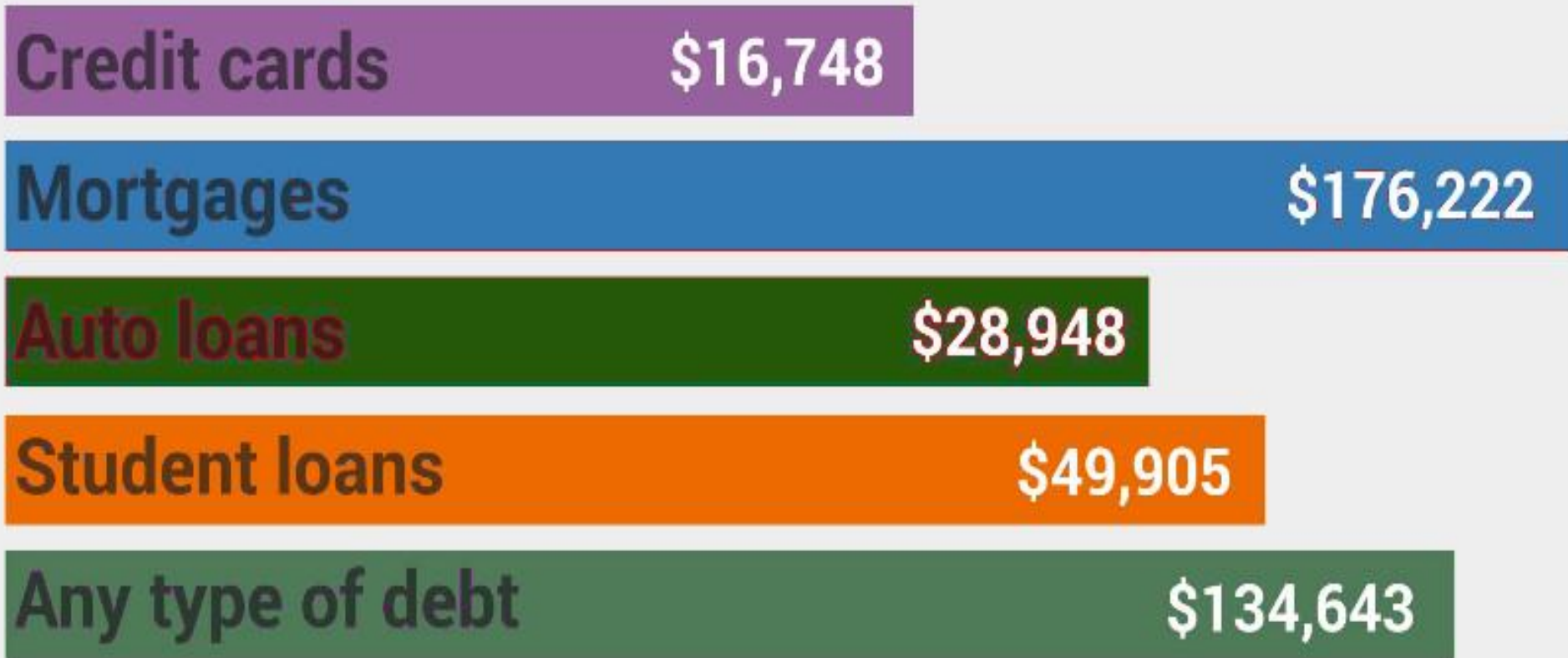
- Debt is an amount of money borrowed by one party from another. Debt is used by many corporations and individuals as a method of making large purchases that they could not afford under normal circumstances. A debt arrangement gives the borrowing party permission to borrow money under the condition that it is to be paid back at a later date, usually with interest.

(Investopedia)

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- The average American currently has about \$38,000 in personal debt.
 - Credit Card debt = 25% of all debt
 - 2 in 10 Americans spend 50% to 100% of their weekly/monthly income to pay debts
 - Millennials (age 25-34) and Generation X (age 35-49) have the largest amounts of personal debt.

Types of debt

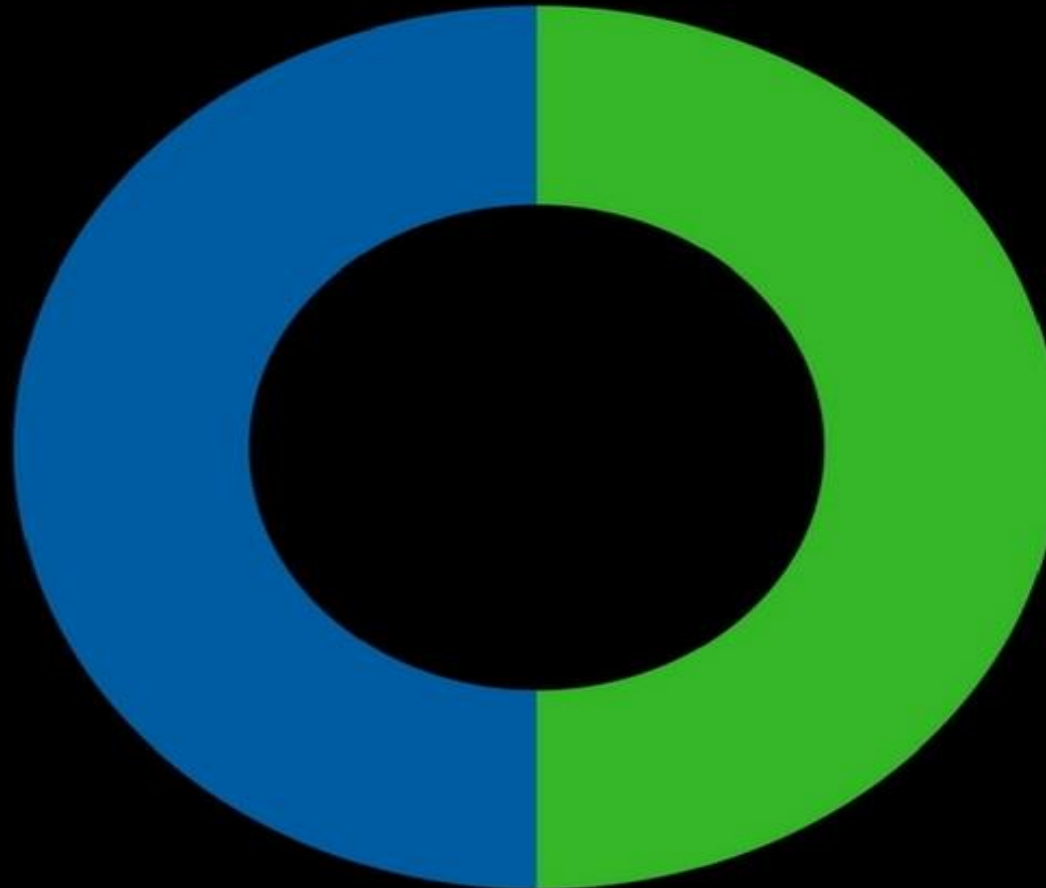
The total owed by the average U.S. household, by debt type.



GOOD DEBT vs. BAD DEBT

Bad Debt

Credit cards
Store or
Retail cards
Auto loans
Payday loans



Good Debt

Mortgage loans
Business loans
Student loans

What Should I do about my debt?





Pray for God's Wisdom

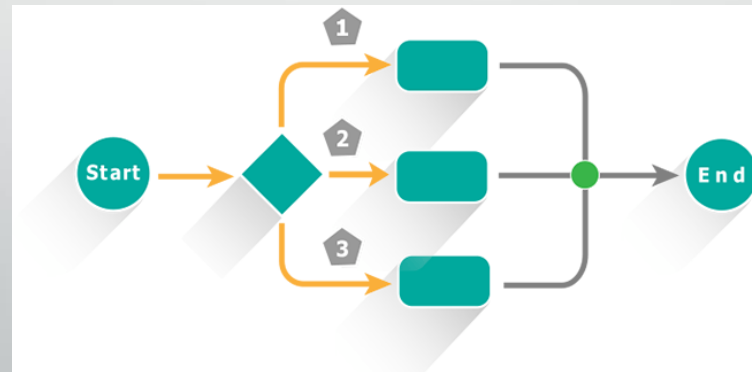
James 1:5

⁵ If any of you lack wisdom, let him ask of God, that giveth to all men liberally, and upbraideth not; and it shall be given him.

Commit to the process

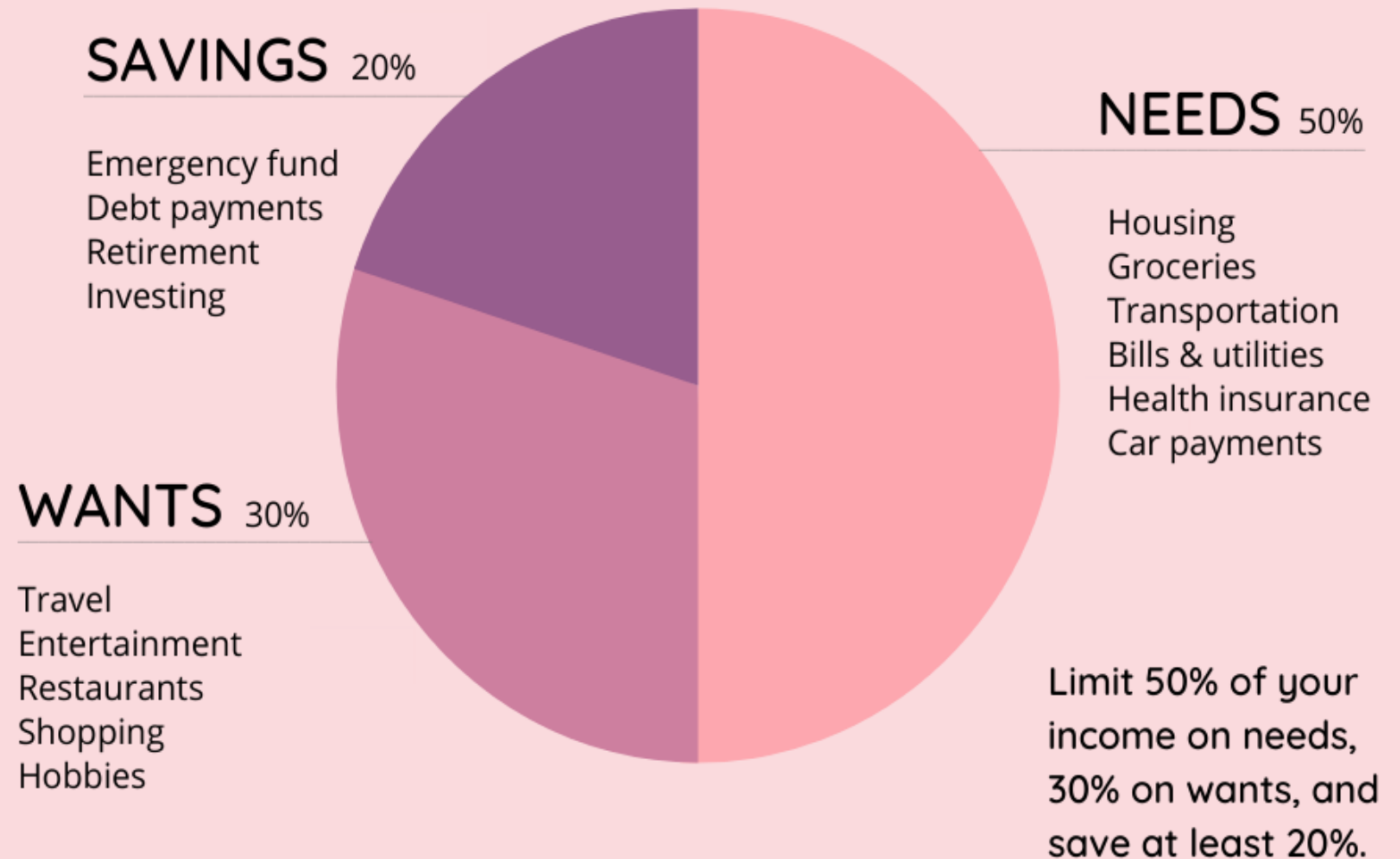
Psalm 37:5

5 Commit thy way unto the
Lord; trust also in him; and
he shall bring it to pass.



Set and Follow a 50/30/20 budget

The 50/30/20 Budget Rule



Savings and debt recovery

- Create an emergency fund with 3 to 6 months of living expenses
- Maximize your employer matched savings program
- Pay off high interest and high APR debt
- Contribute 15% of your gross income to retirement
- Pay off lower interest debts

Pay off debts
using the
method that
works best for
you

WHICH **DEBT PAYOFF METHOD** IS RIGHT FOR YOU?

DEBT SNOWBALL

Make minimum payments on all credit cards except the one with the smallest balance



Pay as much as you can on the card with the smallest balance until it's paid off. Repeat with the next smallest balance



Best for people who need immediate results to stay motivated



DEBT AVALANCHE

Make minimum payments on all credit cards except for the one with the highest interest rate



Pay as much as you can on the card with the highest interest rate until it's paid off. Repeat with the next highest interest rate



Best for people who can stick with long-term goals even without immediate results



VS



Some Do's and Don'ts

Do's

- Do take responsibility for your own financial destiny
- Do negotiate with creditors.
- Do get credit counseling
- Do consider consolidation if it makes sense for your situation
- Do know and keep track of your credit score

Don'ts

- Don't live in denial
- Don't close out credit card accounts as it may impact your credit score.
- Don't borrow from your retirement plan
- Don't trust all debt settlement companies. Do your homework
- Don't hide from creditors



Honor God with your financial tithe

Leviticus 27:30

30 And all the tithe of the land, whether of the seed of the land, or of the fruit of the tree, is the Lord's: it is holy unto the Lord


As you follow the 50/30/20 rule, include the tithe in the 50% "needs" section. Tithing is not a savings or a want.

Seek wise,
Godly
counsel



Proverbs 11:14

**Where no counsel is, the
people fall: but in the
multitude of counselors
there is safety.**



**Maintain
discipline in
financial matters**

Galatians 5:22-23

New King James Version

22 But the fruit of the Spirit is love, joy, peace, longsuffering, kindness, goodness, faithfulness, gentleness, self-control. Against such there is no law



**“The Way To Get Started is to
Quit Talking And Begin Doing”**

(Walt Disney)