**FINANCIAL MANAGEMENT ASSESSMENT TOOLS**

REFLECTING ON THE SIX FINANCIAL PLANNING PRINCIPLES

Review the six financial planning principles, reading the Scripture verse(s) related to each one and answering the questions that follow. This process will help you think through your current situation and begin to identify changes you can make over the next twelve months.

*I. Pay your tithe and offering first.*

*Read 2 Corinthians 9:6-7.*

* How much time do you currently devote to Bible study and prayer each week? What are two changes you could make in your weekly routine in order to move into a deeper study and prayer life?
* What percentage of your income currently goes to charitable giving? Are there changes you'd like to make in this area? (Examples: Track your giving more closely; be more aware of how charitable organizations spend your money; consolidate your giving.)

*2. Create a budget and track your expenses.*

*Read Proverbs 27:23-24.*

* What things are you doing well in the area of spending? In what ways is your spending off- track?
* What three changes could you make immediately in order to have a positive impact on your spending overall?
* How well are you doing in following a spending plan or budget? (Use the worksheet on provided to evaluate your current spending habits and create a budget for the next twelve months.)

*3. Simplify your lifestyle (live below your means).*

*Read Matthew 6:19-33.*

* What financial habits do you need to forgo in order to have money for things that are more important?
* In what ways do you burn or waste money? What changes can you make so that you may use this money for other things?

*4. Establish an emergency fund.*

*Read Proverbs 21 :20.*

* How much money do you currently have set aside for emergencies?
* How much can you set aside now as a starting balance for an emergency fund? How much can you save each month? How long will it take you to reach the goal of three months' worth of income?

*5. Pay off your credit cards, use cash/debit cards for purchases, and use credit wisely.*

*Read Proverbs 22: 7.*

* What is your total debt? (Include credit cards, mortgage, second mortgage, home equity loans, car loans, student loans, and so forth.)
* How would you like to change your personal debt situation over the next five to ten years?

*6. Practice long-term savings and investing habits.*

*Read 1 Timothy 6:9-12 and Luke 14:28.*

* What is the current amount of your savings? (Include personal savings accounts, money market accounts, CDs, mutual funds, pension funds, 40l(k) plans, and so forth.)
* How can you change your savings habits today and move toward security and fulfillment in the future?

**14 FINANCIAL MANAGEMENT TIPS**

1. Develop a spending plan.

2. Reduce your spending.

3. Pay down your debt. Make it your goal to eliminate consumer debt. Use a timeline of months, years.

4. Stop using credit cards; if you must use credit, use only one card.

5. Pay off credit card balances each month.

6. Find ways to earn more money.

7. Communicate dearly with your creditors.

8. Find a financial coach to help you do a financial assessment, spending plan, and develop your financial goals. Consider and compare certified credit counselor agencies (www.usdoj.gov/ust, www.fcaa.org/, or https:/ /www.nfcc.org/).

9· If you apply for a debt consolidation loan (second mortgage), make sure your new monthly payment is much lower and that you can make such payments.

10. Borrowing from a friend or family member should be the last resort. Do not ask someone to cosign on a loan.

11. Check your credit report each year for errors, at www.annualcreditreport.com.

12. Establish an emergency fund.

13. Protect your family with insurance: Term Life, Health Care, Disability, Auto, and Homeowners.

14. Buy your home.

**CREDIT CARD PAY-OFF STRATEGY**

Use this technique to pay off multiple credit card balances. This method is simple and effective.

**Review your credit card situation:**

* Which cards have the highest balances?
* Which cards have the highest interest rates?

**1. Start with the card that has the lowest balance.**

Determine the amount you can pay each month over the minimum payment in order to completely eliminate this debt. Be aggressive, pay it off, and celebrate when it is paid.

*Pay off the card according to your plan.*

**2. Next, move to the card with the next lowest balance.**

Apply the same amount you paid on the first card payment plus the minimum required and eliminate that credit card debt.

*Pay off the card according to your plan.*

**3. Continue to pay off each credit card in this way, one at a time, until they are all paid off. By using the determined amount plus the minimum, you can become debt free.**

*Note: If two cards have the same balance, pay off the card with the highest interest rate first.*