# Navigating Your Finances God's Way

## Starting Well

- [ ] Begin your journey of learning and applying God's way of handling money.
- [ ] Commit to multiply what you learn by sharing it with others during all phases of your journey.

## Phase 1

- [ ] Start giving
- [ ] Create an emergency fund
- [ ] Pay off credit card debt
- [ ] Start investing

## Phase 2

- [ ] Reevaluate giving
- [ ] Increase emergency fund
- [ ] Pay off consumer debt
- [ ] Reevaluate investing

## Phase 3

- [ ] Reevaluate giving
- [ ] Save for major purchases
- [ ] Pre-pay home mortgage
- [ ] Reevaluate investing

## Phase 4

- [ ] Reevaluate giving
- [ ] Save for major purchases
- [ ] Pay off home mortgage
- [ ] Reevaluate investing

## Finishing Well

Continue to learn, apply and multiply God's way of handling money so that you may one day hear, "Well done, good and faithful servant. Enter into the joy of your master."

COMPASS® | Christian CREDIT UNION

COMPASS
well-versed in finances

## Phase 1

**Start Giving** — Ten percent is a great place to start.

**Create an Emergency Fund of $1000** — Emergencies are unexpected, unbudgeted expenses that whack us all. Why save for emergencies? Because emergencies happen! The refrigerator goes on the fritz, cars break down, and health crises occasionally hit the family. If you have saved for emergencies, you don't have to pile up debt to pay for them.

**Pay off Credit Card Debt** — Focus on paying off your credit cards first, because they usually have the highest interest rate. And don't forget to implement the Snowball Strategy!

**Start Investing** — Remember, length of time is a crucial factor when investing, so the sooner you can start, the better. Don't be overly concerned with the amount at this stage. The goal is to start, even if it is a small amount. This could include contributing to retirement accounts like a 401k, a Roth IRA, or accounts like a 529 for higher education.

## Phase 2

**Reevaluate Giving** — You have just paid off your credit cards and should now have some extra money. Evaluate your giving and pray about increasing it, whether to current ministries or additional ones.

**Build your Emergency Fund** — After saving $1000, gradually increase your emergency savings to at least three month's living expenses. Keep these savings in an account that is safe and easily accessible.

**Pay off Consumer Debt** — Pay off auto loans and any other household debt (including student loans) by continuing to use the Snowball Strategy.

**Reevaluate Investing** — With credit cards paid off, you should have a little extra money. Evaluate your investments and pray about whether you should increase any contributions.

## Phase 3

**Reevaluate Giving** — You have just paid off your consumer debt and should now have some extra money. Evaluate your giving and pray about increasing it.

**Save for Major Purchases** — This could include a car, children's education, a house down-payment, or family vacations. Major purchases don't pay for themselves, and you don't want to rely on credit to fund them. Prioritize major purchases, determine the cost, and start saving for whatever you've decided to tackle first.

**Pre-Pay Home Mortgage** — Focus on paying off your house by adding an extra amount to your payment each month. This will reduce the principal, save a ton of interest, and help you pay off your home more quickly.

**Reevaluate Investing** — Now free of consumer debt, you can again pray about increasing investment contributions.

## Phase 4

**Reevaluate Giving** — Pray about increasing your giving to current or additional ministries. Also pray about what your giving will look like once you pay off your home.

**Save for Major Purchases** — Continue saving for major purchases and prayerfully identify what purchases are top priorities for this phase of your journey.

**Pay off Home Mortgage** — Continue pre-paying your home mortgage until it is paid off.

**Reevaluate Investing** — Continue to evaluate your investing. Prayerfully consider what your contributions to investments will look like once your home is paid for. This is also a good time to ask the question, "How much is enough?" to determine an investment finish line.