

# SNOWBALLING



Well, the holiday bills have arrived and once again, you're faced with the reality and guilt associated with overspending. What were you thinking? It was so easy to justify the expense at the time you were creating it!

The average American couple earns an annual income of \$40,000. Their monthly expenses include a mortgage and two car payments. Add in credit card, loan and miscellaneous payments for those big-screen TVs and you have about \$1,850 a month.

The average American couple pays two times their mortgage each month on consumer debt - spending more than half of their take-home pay on past debt. Food, clothing, utilities, gas and insurance "eat up" more than the leftovers, allowing nothing for savings, let alone retirement. Yup! This is the typical "American Dream" – drowning in debt.

Divorce, lay-offs and medical expenses are responsible for about 80% of bankruptcies. People who claim bankruptcy look just like the rest of us. Nobody would suspect they're in financial trouble, but they're just one payday away from disaster. Income rose 72% from 1990 to 2000; unfortunately, so did personal debt – a whopping 123%.

Signs of a debt problem:

- Is thirty days late "on time" to you?
- Are you regularly getting socked with late fees?
- Do you have more than two credit cards?
- Is your balance on those cards always getting higher?
- Are you using a credit card to pay for lunch?
- Are you an inconsistent giver?
- Do you count your volunteer time as part of your financial giving?
- Are you afraid to answer the telephone because it might be a creditor?
- Do you hide your "booty" after a shopping spree?

This might be the answer to your debt problem - "SNOWBALLING":

1. First of all, include God in your financial planning. Promise yourself and God that you will tithe as soon as you can.
2. Decide without fail not to borrow again until your bills are paid.
3. List your debts with the largest one first and the smallest one last.
4. Take a little from your usual household expenses, like giving up "take-out" once a month. Use this money to pay off your smallest bill *first*. This gives you a sense of accomplishment and motivation to succeed.
5. Then, work on your next smallest bill, etc. Like a snowball rolling downhill, your extra cash from paying off the smallest bills first will gradually increase, and by the time you get to the largest bill, you'll be able to handle it.
6. Design a budget including ALL your expenses. Remember - pray your way through every step.

If you think you're beyond snowballing, call Rev. Phyllis Bowers at The Stewardship Foundation for a confidential consultation (877-619-5974). Your Church might also benefit from our Christian Financial Living Seminar. Call us!

