

STAGE: BELIEVER

# CHRISTIAN FINANCES

## BIBLICAL STEWARDSHIP & GENEROSITY

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Real Testimonies. Radical Transformations.

ment for Freedom, Generosity, and Purpose — Tithing, Giving, Budgeting, Debt Payoff, and Financial Freedom from a

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# Christian Finances & Stewardship

Biblical Money Management for Freedom, Generosity, and Purpose. A Complete Guide to Tithing, Giving, Budgeting, Debt Payoff, and Financial Freedom from a Christian Perspective. For Christians Seeking to Align Their Money with Their Faith and Achieve Financial Peace.

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## INTRODUCTION

### God Cares About Your Money

A shocking truth: Jesus spoke about money more than heaven. He taught more about money than prayer.

Why? Because money reveals where your heart is.

*“Matthew 6:21: “For where your treasure is, there will your heart be also.””*

Your money tells the story of your priorities.

If you spend all your money on yourself, your heart is self-centered. If you spend it on God's kingdom and others, your heart is God-centered.

### The Spiritual Dimension of Finances

Money isn't just practical. It's spiritual.

Financial problems are often spiritual problems wearing financial clothes:

- Overspending = worship of comfort/pleasure
- Hoarding = worship of security/control
- Debt = reliance on yourself instead of God
- Stinginess = worship of wealth itself

Financial solutions are spiritual solutions:

- Generosity = worship of God
- Frugality = valuing God's provision
- Debt payoff = obedience to God
- Giving = investment in God's kingdom

When you align your finances with God's Word, you experience:

- Peace (no financial anxiety)
- Purpose (your money serves God's purposes)
- Power (freedom to serve God fully)
- Provision (God honors faithfulness)

### Seven Biblical Principles Overview

These principles form your financial foundation:

- **God Owns Everything** – Shift from owner to steward mindset
- **You're a Manager of God's Resources** – Accountability to God
- **Stewardship Requires Faithfulness** – Integrity in finances

- **Giving First** – Prioritize God in your finances
- **Avoid Debt Bondage** – Financial freedom requires minimal debt
- **Save and Prepare** – Plan for future needs
- **Generosity is Worship** – Give joyfully and sacrificially

These seven principles, properly applied, lead to financial peace and spiritual health.

## PART ONE — FOUNDATIONAL THEOLOGY OF MONEY

### Principle 1: God Owns Everything

*“Psalm 24:1: “The earth is the Lord’s, and the fulness thereof; the world, and they that dwell therein.””*

Every dollar you have belongs to God.

- Your house—God’s
- Your car—God’s
- Your paycheck—God’s
- Your investments—God’s
- Your business—God’s

You own nothing. You manage everything God has entrusted to you.

#### Why This Matters

This principle completely changes how you view money.

If you OWN your money, you’re entitled to spend it however you want. Giving is charity. Saving is your right. Spending is your choice.

If God OWNS your money, you’re a steward responsible to Him for how it’s used. Giving is worship. Saving is obedience. Spending must align with God’s purposes.

One mindset produces selfishness and anxiety. The other produces generosity and peace.

### Principle 2: You’re a Steward, Not an Owner

*“1 Peter 4:10: “As every man hath received the gift, even so minister the same one to another, as good stewards of the manifold grace of God.””*

A steward is a manager of someone else’s property.

In ancient times, a wealthy landowner might have a steward manage his estate. The steward:

- Made decisions about resources
- Was accountable to the owner
- Could be praised for faithful management
- Could be removed for unfaithfulness
- Could never claim ownership

You are God’s financial steward. You will give account for how you managed His money.

#### Your Stewardship Responsibility

As God’s financial steward, you’re responsible for:

**Faithfulness:**

- Managing God's resources with integrity
- Being honest in all transactions
- Following through on commitments
- Not being frivolous or wasteful

**Wisdom:**

- Making thoughtful financial decisions
- Avoiding unnecessary debt
- Planning for future needs
- Seeking wise counsel

**Generosity:**

- Giving to God's kingdom
- Helping the poor
- Supporting God's work
- Blessing others

**Accountability:**

- Tracking where your money goes
- Being willing to account to God
- Allowing others to help you stay accountable
- Submitting to biblical principles

**Principle 3: Money is a Spiritual Issue**

*"1 Timothy 6:10: "For the love of money is the root of all evil: which while some coveted after, they have erred from the faith, and pierced themselves through with many sorrows.""*

Money isn't neutral. It's either serving God or competing with God.

**Money as a God-Competitor**

The Bible calls money "Mammon"—personifying it as a spiritual force competing for your allegiance.

*"Matthew 6:24: "No man can serve two masters: for either he will hate the one, and love the other; or else he will hold to the one, and despise the other. Ye cannot serve God and mammon.""*

You cannot simultaneously:

- Serve God and serve money
- Trust God and trust your wealth
- Worship God and worship comfort

- Follow God's leading and follow financial security

You must choose.

### Money as Spiritual Warfare

Your financial struggles aren't just practical—they're spiritual battles:

- Debt = Satan's tool to enslave you
- Greed = Satan's tool to distract you
- Fear = Satan's tool to control you
- Inadequacy = Satan's tool to discourage you

But you have spiritual weapons:

- Faith = Trust God's provision
- Generosity = Worship God over money
- Obedience = Follow biblical principles
- Community = Be accountable

### Principle 4: Generosity is Worship

*"2 Corinthians 9:7: "Every man according as he purposeth in his heart, so let him give; not grudgingly, or of necessity: for God loveth a cheerful giver.""*

Giving isn't obligation. It's worship.

When you give:

- You declare God's ownership
- You acknowledge His provision
- You demonstrate faith
- You show love for His kingdom
- You worship with your wallet

## PART TWO — BIBLICAL GIVING: TITHING AND BEYOND

### Understanding Tithing (Old Covenant)

Tithe means “tenth.”

In the Old Testament, God required His people to give 10% of their income. But it’s more complex than modern churches often teach.

#### The Three Tithes of the Old Testament

##### First Tithe (10% – Levite Support)

- Given to the Levites who served in temple
- Supported religious leadership
- Leviticus 27:30

##### Second Tithe (10% – Festival Celebration)

- For three annual religious festivals
- Could be consumed by the giver at the festival
- Deuteronomy 14:22–27

##### Third Tithe (10% – Poor Support)

- Given every third year
- Supported the poor, widows, orphans, foreigners
- Deuteronomy 14:28–29

#### Total Old Testament Giving

If you do the math: 10% + 10% (first two years) + 30% (third year with third tithe)

Over three years:  $50\% \div 3 =$  approximately 23% total giving.

But many of these weren’t “offerings”—they were taxes funding the national religious/welfare system.

### New Testament Giving (New Covenant)

Everything changes in the New Testament.

#### Old Covenant → New Covenant Shift

##### Old Covenant:

- Tithing was required (enforced by law)
- 10%+ was mandatory
- Given to temple system

##### New Covenant:

- Giving is voluntary (from the heart)
- Amount is Spirit-led (not legislated)
- Given to advance the Gospel

## New Testament Teaching on Giving

*“1 Corinthians 9:14: “Even so hath the Lord ordained that they which preach the gospel should live of the gospel.””*

*“2 Corinthians 9:6–7: “But this I say, He which soweth sparingly shall reap also sparingly; and he which soweth bountifully shall reap also bountifully. Every man according as he purposeth in his heart, so let him give.””*

### Key principles:

- Give according to your ability (not beyond it)
- Give cheerfully (joyfully, not reluctantly)
- Give strategically (to advance the Gospel)
- Give as you purpose (thoughtfully, prayerfully)

## The Case for 10% Giving (Modern Application)

While 10% tithing isn't commanded in the New Testament, many Christians still use it as a baseline.

### Why 10% Makes Sense

- 1. Historical precedent.** Abraham tithed before the law (Genesis 14:20). Jacob tithed before the law (Genesis 28:22).
- 2. Recognition of God's ownership.** Giving away the first 10th acknowledges God owns the remaining 90%.
- 3. Clear benchmark.** Unlike “give what feels good,” 10% is a clear, measurable standard that prevents rationalization.
- 4. Proportional to income.** Whether earning \$30k or \$300k, 10% scales with your provision.
- 5. It's challenging but achievable.** For most people, 10% requires real sacrifice without being impossible.

### The Progressive Giving Model

Not all Christians can give 10% immediately. Here's a progression:

Income Level	Starting Point	Year 1 Goal	Year 2 Goal	Long-term
Low/Struggling	2–3%	5%	7%	10%
Moderate	5%	7%	10%	10%+
Comfortable	10%	12%	15%	15%+
Affluent	15%	20%	25%+	25%+

**The principle:** Give sacrificially, not comfortably. Give progressively as your income grows.

### Tithing While in Debt

Can you tithe while paying off debt? YES.

But there's nuance here.

#### If You're Heavily in Debt

Start small. You might:

- Give 2–3% now
- Increase to 5% after 6 months
- Reach 10% after debt begins decreasing

Why? Giving demonstrates faith and dependence on God. Even \$10–20/week testifies that God is your provider.

#### The Biblical Principle

Luke 21:1–4 describes the widow who gave her last two coins. Jesus praised her, not because the amount was large, but because she gave sacrificially.

Your giving should be:

- Consistent (not sporadic)
- Sacrificial (it costs you something)
- From the heart (cheerfully, not reluctantly)
- Faithful (ongoing, not occasional)

Even \$5/week given faithfully honors God more than \$100 given grudgingly.

#### When You're Completely Broke

If you have literally no discretionary income (every dollar needed for survival), you're not committing sin by not tithing. You're in crisis mode.

In that season:

- Focus on surviving
- Seek employment help
- Get community assistance
- Pray for God's provision
- Give WHEN you're able

God is merciful and understands poverty.

### Giving Tiers: Progressive Generosity

Different people can give different amounts. Here's a model:

#### TIER 1: Survival Tier (Income barely covers necessities)

**Giving:** 1–3% (if anything). **Focus:** Basic faithfulness, trusting God. **Example:** If earning \$2,000/month with \$2,000 in expenses, \$20 given demonstrates faith.

**How:** Give even small amounts. A \$5 weekly gift to church is “widow’s mite.”

### **TIER 2: Stabilization Tier (Income covers necessities + some margin)**

**Giving:** 5–10%. **Focus:** Consistent giving as debt decreases. **Example:** If earning \$4,000/month with \$3,000 in expenses, give \$200–400.

**How:** Build to 10% over 12–24 months.

### **TIER 3: Comfortable Tier (Income exceeds needs with comfortable margin)**

**Giving:** 10–15%. **Focus:** Sacrificial giving that stretches you. **Example:** If earning \$8,000/month with \$5,000 in expenses, give \$800–1,200.

**How:** Give beyond tithe through special offerings, mission trips, etc.

### **TIER 4: Abundant Tier (Income significantly exceeds needs)**

**Giving:** 15–25%+. **Focus:** Generosity that transforms lives and advances kingdom. **Example:** If earning \$15,000/month with \$6,000 in expenses, give \$2,250–3,750+.

**How:** Major giving to church, ministries, missions, and direct aid to poor.

## **Moving Between Tiers**

As God provides:

- Each tier should lead to increased giving
- Don’t stay at minimum giving as provision increases
- Let the Holy Spirit guide you to stretch generously
- Remember: Everything is God’s, you’re just a steward

## **Giving for God’s Kingdom Advancement**

Where should your tithe go?

### **The Biblical Purpose of Giving**

#### **1. Supporting Gospel Workers**

*“1 Corinthians 9:13–14: “Do ye not know that they which minister about holy things live of the things of the temple? and they which wait at the altar are partakers with the altar? Even so hath the Lord ordained that they which preach the gospel should live of the gospel.””*

Your giving supports:

- Pastors and church staff
- Missionaries
- Christian teachers and writers
- Gospel-centered nonprofits

## 2. Supporting Church Operations

- Building maintenance and utilities
- Discipleship materials
- Worship equipment
- Community outreach

## 3. Supporting the Poor

- Benevolence fund
- Crisis assistance
- Community partnership
- Serving vulnerable populations

## Giving Strategy

Prayerfully consider:

- 70% to your local church
- 20% to other ministries you're called to
- 10% to direct aid or spontaneous opportunities

But this is flexible. Let the Holy Spirit guide you to prioritize the Gospel advancement and care for the poor.

## PART THREE — BUDGETING FOUNDATIONS

### Why Christians Need Budgets

A budget is a spiritual discipline.

Many Christians resist budgeting thinking it's unspiritual—"Shouldn't I just trust God?"

But budgeting IS trusting God. It shows:

- Responsibility toward His provision
- Stewardship of His resources
- Planning (not irresponsibility)
- Obedience to biblical principles

*"Proverbs 27:12: "A prudent man foreseeth the evil, and hideth himself: but the simple pass on, and are punished.""*

Budgeting is the foundation of financial peace.

### The 50/30/20 Rule

A simple budgeting framework:

#### 50% for Needs

Absolute necessities to survive:

- Housing (rent/mortgage)
- Utilities
- Groceries
- Transportation
- Insurance
- Minimum debt payments

#### 30% for Wants

Lifestyle choices (discretionary):

- Entertainment
- Dining out
- Subscriptions
- Hobbies
- Shopping
- Travel

## 20% for Future

Financial security:

- Savings (emergency fund)
- Extra debt payment
- Investing
- Giving
- Retirement

## Example

Income: \$4,000/month

- 50% (\$2,000) = Needs
- 30% (\$1,200) = Wants
- 20% (\$800) = Future

This simple framework works for most people.

## Detailed Budget Worksheet

Use this to create your actual budget:

### MONTHLY INCOME

- Salary/Wages: \$\_\_\_\_\_
- Side Income: \$\_\_\_\_\_
- Other Income: \$\_\_\_\_\_
- **TOTAL INCOME:** \$\_\_\_\_\_

### FIXED EXPENSES

- Mortgage/Rent: \$\_\_\_\_\_
- Utilities: \$\_\_\_\_\_
- Insurance: \$\_\_\_\_\_
- Car Payment: \$\_\_\_\_\_
- Minimum Debt Payments: \$\_\_\_\_\_
- Other Fixed: \$\_\_\_\_\_
- **SUBTOTAL FIXED:** \$\_\_\_\_\_

### VARIABLE EXPENSES

- Groceries: \$\_\_\_\_\_
- Gas/Transportation: \$\_\_\_\_\_
- Dining Out: \$\_\_\_\_\_
- Entertainment: \$\_\_\_\_\_

- Shopping: \$\_\_\_\_\_
- Phone/Internet: \$\_\_\_\_\_
- Subscriptions: \$\_\_\_\_\_
- Childcare: \$\_\_\_\_\_
- Other Variable: \$\_\_\_\_\_
- **SUBTOTAL VARIABLE: \$\_\_\_\_\_**

### GIVING & SAVING

- Church Tithe: \$\_\_\_\_\_
- Additional Giving: \$\_\_\_\_\_
- Emergency Savings: \$\_\_\_\_\_
- Extra Debt Payment: \$\_\_\_\_\_
- Retirement: \$\_\_\_\_\_
- Investing: \$\_\_\_\_\_
- **SUBTOTAL GIVING/SAVING: \$\_\_\_\_\_**

**TOTAL EXPENSES: \$\_\_\_\_\_**

**INCOME – EXPENSES: \$\_\_\_\_\_** (Should be \$0 or positive)

Fill this out honestly. Every dollar should be accounted for.

### Budget Categories Explained

#### Needs (50%)

##### Housing:

- Rent/mortgage payment only (not maintenance/repairs)
- Target: 25–30% of income

##### Utilities:

- Electric, gas, water, trash, internet
- Target: 5–10% of income

##### Transportation:

- Car payment, gas, insurance, maintenance
- Public transit
- Target: 10–15% of income

##### Food:

- Groceries (not eating out)
- Target: 5–10% of income

**Insurance:**

- Auto, health, homeowner, life
- Essential protection
- Target: varies

**Wants (30%)****Dining Out:**

- Restaurants, coffee shops
- Should be minimized if paying debt
- Target: 5–10%

**Entertainment:**

- Movies, concerts, hobbies
- Target: 5–10%

**Subscriptions:**

- Streaming services, apps, memberships
- Often unnecessary
- Target: 1–5%

**Shopping:**

- Clothes, miscellaneous items
- Not essentials
- Target: 5–10%

**Personal Care:**

- Haircuts, gym, spa
- Mostly discretionary
- Target: 2–5%

**Future (20%)****Emergency Fund:**

- Save 3–6 months expenses
- Most important non-negotiable
- Target: After emergency fund established, shift to debt/investing

**Debt Payoff:**

- Aggressive extra payments
- Target: Once debt-free, stop this

**Retirement:**

- 401k, IRA, Roth
- Start early if possible
- Target: 10–15% once debt-free

**Giving:**

- Should be part of this 20%
- Consider: 3–5% of income initially (after emergency fund)

**Common Budgeting Mistakes****MISTAKE 1: Not Accounting for Every Dollar**

**Problem:** You budget \$4,000 for a \$4,000 income but forget irregular expenses (annual insurance, car maintenance, etc.)

**Solution:** Track actual spending for 3 months. Find where money actually goes. Plan for irregular expenses.

**MISTAKE 2: Making Budget Too Restrictive**

**Problem:** You cut everything fun, can't sustain it, and abandon budgeting.

**Solution:** Build in some discretionary spending. Your budget must be sustainable long-term.

**MISTAKE 3: Not Including Irregular Expenses**

**Problem:** Your budget is perfect on paper but ignores car maintenance, medical, and holiday spending.

**Solution:** Calculate annual irregular expenses, divide by 12, and budget monthly.

**MISTAKE 4: Setting Budget Without Accountability**

**Problem:** You create a budget solo and no one holds you accountable.

**Solution:** Share budget with accountability partner. Review monthly together.

**MISTAKE 5: Not Adjusting for Real Life**

**Problem:** Your budget assumes life stays constant but income fluctuates, emergencies happen.

**Solution:** Review and adjust budget quarterly. Be flexible while staying disciplined.

## PART FOUR — DEBT: THE BONDAGE CYCLE

### What the Bible Says About Debt

*“Proverbs 22:7: “The rich ruleth over the poor, and the borrower is servant to the lender.””*

Debt is bondage. When you borrow money, you become a servant to the lender.

#### Debt Creates Slavery

When you're in debt:

- You're enslaved to your job (need income for payments)
- You're enslaved to your lender (must follow their terms)
- You're enslaved to your past (can't escape previous mistakes)
- You're enslaved to anxiety (financial stress is constant)

Debt steals your freedom.

#### Romans 13:8

*““Owe no man any thing, but to love one another: for he that loveth another hath fulfilled the law.””*

**Paul's principle:** Debt is a form of bondage that violates God's design for freedom.

### Why Debt Enslaves

#### 1. Debt Requires Future Income

When you borrow, you commit your FUTURE income. You're no longer free to:

- Take a lower-paying job
- Switch careers
- Be more generous
- Take a sabbatical
- Pursue God's calling if it pays less

Your future is mortgaged to your past.

#### 2. Debt Steals Your Margin

A person with no debt living on \$4,000/month has flexibility. A person with \$1,000 in debt payments on \$4,000/month income has NO flexibility.

Debt removes your margin for life.

#### 3. Debt Creates Anxiety

Financial stress is massive. Couples argue about money. People lose sleep. Anxiety disorders develop.

Debt damages mental and physical health.

## 4. Debt Limits Your Giving

Someone paying \$1,000/month in debt payments can't give generously. They're enslaved to the lender instead of free to serve God.

Debt prevents kingdom generosity.

### Types of Debt (Good vs. Bad)

#### Mortgage (Generally Acceptable)

##### Characteristics:

- Long-term (15–30 years)
- Lower interest rate
- Builds equity
- Tied to appreciating asset

**Biblical consideration:** You're building something. This is different from consumption debt.

**Strategy:** Pay off within 15 years. 30-year mortgages tie you to debt too long.

#### Car Loan (Use Carefully)

##### Characteristics:

- Depreciating asset (car loses value)
- Moderate interest
- Essential for many to earn income

**Problem:** By the time loan is paid, car is dying. You buy another. Perpetual debt.

**Strategy:** Buy used car outright when possible. Or finance briefly, pay aggressively, and own long-term.

#### Student Loans (Problematic)

##### Characteristics:

- Large amounts
- Long repayment (10+ years)
- Ties you to income-based career
- Limits flexibility

**Problem:** Graduates start careers \$40k–\$100k+ in debt. Career choices limited.

**Strategy:** Keep student loans minimal. Work through school if possible. Choose affordable colleges.

#### Credit Card Debt (NEVER Acceptable)

##### Characteristics:

- High interest (15–25%)
- Consumed goods (no asset)

- Encouraged overspending
- Rapidly spirals

**Problem:** WORST form of debt. Enslaves fastest.

**Strategy:** ELIMINATE IMMEDIATELY. Cut card, stop using, attack principal.

### Payday Loans (ABSOLUTELY EVIL)

#### Characteristics:

- Predatory interest rates (300%+ APR)
- Designed to trap
- Exploits desperation

**Strategy:** NEVER. Get community assistance instead.

## The Spiritual Cost of Debt

### 1. Debt Violates Trust in God

When you borrow:

- You're saying: "I don't trust God to provide"
- You're relying on future earning
- You're betting on the future
- You're stepping outside God's provision

### 2. Debt Creates Worry

*"Proverbs 10:22: "The blessing of the LORD, it maketh rich, and he addeth no sorrow with it.""*

God's provision brings blessing WITHOUT anxiety. Debt brings anxiety.

### 3. Debt Can Enable Sin

Debt often finances:

- Lifestyle beyond means (pride/vanity)
- Immediate gratification (lack of discipline)
- Consumerism (worship of possessions)
- Addiction (using debt to fund addictive behavior)

## PART FIVE — DEBT PAYOFF STRATEGIES

### Debt Snowball Method (Detailed)

List all debts from smallest to largest balance (ignoring interest rate).

#### Example Debt List

Debt	Balance	Interest	Payment
Target Credit Card	\$2,500	22%	\$100
Best Buy Card	\$4,000	18%	\$100
Car Loan	\$15,000	6%	\$400
Student Loan 1	\$22,000	5%	\$250
Student Loan 2	\$31,000	5%	\$250
<b>TOTAL</b>	<b>\$74,500</b>	—	<b>\$1,100</b>

#### How Snowball Works

##### Month 1–2: Attack the smallest (Target Card – \$2,500)

- Pay \$100 (normal payment)
- Pay extra \$300/month
- Total: \$400/month on this debt
- Other debts: minimum payments only

##### Month 3: Target Card is paid off!

- \$2,500 debt eliminated
- Celebrate your first win
- “Snowball” grows

##### Month 4+: Attack second smallest (Best Buy – \$4,000)

- Pay \$100 (minimum)
- Add the \$400 you freed up from Target
- Total: \$500/month on this debt
- Other debts: minimum payments only

##### Month 8: Best Buy is paid off!

- \$4,000 debt eliminated
- Second win
- Momentum builds

**Month 9+: Attack third debt (Car Loan – \$15,000)**

- Pay \$400 (normal payment)
- Add the \$500 you freed up from Best Buy
- Total: \$900/month on this debt
- Other debts: minimum payments only

**The Pattern:** Each paid-off debt's payment rolls into the next debt. Your "snowball" grows. Momentum builds psychologically.

**Debt Avalanche Method**

List all debts from highest to lowest INTEREST RATE (ignoring balance).

**Example Using Same Debts**

Debt	Balance	Interest	Payment
Target Credit Card	\$2,500	22%	Minimum
Best Buy Card	\$4,000	18%	Minimum
Car Loan	\$15,000	6%	\$400
Student Loan 1	\$22,000	5%	\$250
Student Loan 2	\$31,000	5%	\$250

Attack Target Card (22% interest) aggressively first.

**Snowball vs. Avalanche**

Aspect	Snowball	Avalanche
Math	More interest paid	Less interest paid
Psychology	More wins early	Slower visible progress
Best for	People needing motivation	Detail-oriented people
Total time	Slightly longer	Slightly shorter
Interest paid	~\$3,000 more	Minimal

**For most people:** Snowball wins because psychological victories matter more than slightly higher interest.

**Which Method Should You Choose?****Choose SNOWBALL if:**

- You need motivation and wins
- You're easily discouraged

- You have many small debts
- Psychological momentum matters to you

#### Choose AVALANCHE if:

- You're mathematically motivated
- You don't need early wins
- You have high-interest debt
- You want to minimize interest paid

**Honestly?** Either works. Choose the one you'll actually DO.

### Step-by-Step Debt Payoff Plan

#### PHASE 1: Preparation (Month 1)

- **List all debts** — Balance, Interest rate, Monthly payment
- **Calculate total debt** — Add all balances. This is your target number
- **Create emergency fund** — Save \$1,000 minimum. Prevents new debt when emergencies hit
- **Cut unnecessary expenses** — Cancel subscriptions. Reduce dining out. Identify 20% cut to budget
- **Find extra income** — Side gig. Overtime. Selling items. Goal: Extra \$200–500/month

#### PHASE 2: Initial Payoff (Months 2–6)

- **Choose your method** — Snowball or Avalanche
- **Attack debt aggressively** — Minimum on all others. Extra toward target debt. Stay disciplined
- **First debt elimination** — Celebrate. Document the win. Reinvest that payment
- **Build momentum** — Snowball to next debt. Stay focused. Keep momentum visible

#### PHASE 3: Acceleration (Months 7–24)

- **Maintain discipline** — Don't add new debt. Keep extra income flowing. Stay accountable
- **Adjust as needed** — Can you increase extra payments? Should you take additional income? Is your budget right?
- **Track progress** — Watch balances drop. Celebrate milestones (50% paid, etc.). Stay motivated

#### PHASE 4: Final Push (Months 25+)

- **Victory is in sight** — Last debt. Final push. Stretch if possible
- **Prepare for freedom** — How will you use freed-up money? Redirect to savings? Giving? Investing? Plan now
- **Celebrate** — Your last payment. Acknowledge the sacrifice. Thank God for freedom

### The Psychological Power of Debt Payoff

Paying off debt is as much psychological as financial.

## Psychological Wins Build Momentum

Each paid-off debt releases:

- **Relief** – One less payment
- **Victory** – You won something
- **Momentum** – You can do this
- **Hope** – The end is visible

These feelings compound. Month 1 is hard. Month 12 is exciting.

## The Debt-Free Mindset Shift

When you start debt payoff, you enter a completely different mindset.

**Before:** “I’m trapped in debt. I’ll never escape.”

**During:** “I’m fighting debt. Progress is real. I can do this.”

**After:** “I’m debt-free. I control my money. I’m free.”

Each mindset shift brings greater freedom.

## Timeline Expectations

How long will it take?

### If You Have \$10,000 in Debt

- Extra \$200/month = ~50 months (4+ years)
- Extra \$400/month = ~25 months (2+ years)
- Extra \$600/month = ~17 months (1.5 years)

### If You Have \$50,000 in Debt

- Extra \$500/month = ~100 months (8+ years)
- Extra \$1,000/month = ~50 months (4+ years)
- Extra \$1,500/month = ~33 months (2.5 years)

### If You Have \$100,000 in Debt

- Extra \$1,000/month = ~100 months (8+ years)
- Extra \$2,000/month = ~50 months (4+ years)
- Extra \$3,000/month = ~33 months (2.5 years)

**Reality:** Large debt takes TIME. But forward momentum beats despair.

## PART SIX — SAVING AND EMERGENCY FUNDS

### The Emergency Fund Principle

Bad things happen to good people.

- Car breaks down (\$2,000)
- Medical emergency (\$5,000)
- Job loss (months of expenses)
- Home repair (\$3,000)
- Unexpected expense (always happens)

Without an emergency fund, one crisis creates NEW debt.

### The Emergency Fund Prevents Debt Spirals

#### Scenario A: No Emergency Fund

- Car breaks (\$2,000 needed)
- Put on credit card
- Can't pay credit card off
- Credit card debt becomes \$5,000 with interest
- Trapped in new debt spiral

#### Scenario B: With Emergency Fund

- Car breaks (\$2,000 needed)
- Withdraw from savings
- Continue with emergency fund plan
- Replenish savings when income recovers
- No new debt created

Having an emergency fund prevents financial disasters.

### Emergency Fund Levels

#### Level 1: Starter Emergency Fund (\$1,000)

**Timeline:** First month

**Purpose:** Prevent new debt from small emergencies

**If you have:** Student loans, car payment, credit card debt

**Action:** Build \$1,000 first, THEN attack debt

**Why:** \$1,000 prevents most emergencies from forcing new debt

## Level 2: Full Emergency Fund (3–6 Months Expenses)

**Timeline:** After debts paid off

### How to calculate:

- Monthly expenses: \$4,000
- Full fund: \$12,000–\$24,000 (3–6 months)

### Size depends on:

- **Job stability:** Stable job = 3 months. Unstable = 6 months
- **Family size:** Larger family = need more
- **Income predictability:** Commission/self-employed = need more

Most people should target 6 months expenses if possible.

## Where to Save

### Emergency Fund Account

#### Requirements:

- Easy to access (not physically far)
- Separate from checking (not tempting to spend)
- Interest-bearing (HYSA/Money Market)
- Tied up in investment (too slow to access)

#### Good options:

- High-Yield Savings Account (4–5% APY)
- Money Market Account (4–5% APY)
- Credit union savings
- Regular savings account (as last resort)

#### Avoid:

- Stocks/mutual funds (too volatile)
- Bonds (takes time to sell)
- Checking account (too easy to spend)

### Interest Matters

\$10,000 in 1% savings account earns \$100/year. \$10,000 in 5% account earns \$500/year.

That \$400 difference yearly is essentially free money. **Choose higher-yield account.**

## Building Your Emergency Fund

### Phase 1: \$1,000 Starter Fund (1–2 months)

**Action:** Save every extra dollar toward \$1,000

- Cut expenses
- Find side income
- Sell items
- Skip wants
- Goal: Build \$1,000 in 4–8 weeks

### Phase 2: Maintain While Paying Debt

**Action:** Make minimum payment, use extras for debt (not adding to emergency fund)

- Your \$1,000 stays protected
- All extra income goes to debt payoff
- Emergency fund is your safety net

### Phase 3: Expand After Debt

**Action:** Direct all freed-up money to emergency fund

- Previous debt payment (\$400/month) → emergency fund
- Other freed funds → emergency fund
- Goal: Reach 3–6 months expenses in 12–24 months

## When to Use Your Emergency Fund

### Valid Uses

- Car breaks (needed for work)
- Medical emergency
- Job loss (living expenses)
- Unexpected home/appliance repair
- Necessary replacement (shoes, etc.)

### Invalid Uses

- Vacation
- Birthday gift
- Impulse purchase
- “Fun money”
- Investment opportunity
- Wants (only for true emergencies)

If you're deciding whether to use it, it's probably not an emergency.

## PART SEVEN — FINANCIAL FREEDOM

### What Financial Freedom Means

#### Financial freedom is NOT:

- Being wealthy
- Being rich
- Never working again
- Having unlimited money

#### Financial freedom IS:

- Being debt-free (except possibly mortgage)
- Having emergency fund (3–6 months)
- Not being enslaved by payments
- Having choices about your life
- Being able to obey God's calling
- Margin to be generous

#### You can be financially free on a modest income.

A person earning \$40,000 with no debt is freer than a person earning \$100,000 with \$80,000 in debt.

### The Path to Freedom

#### Step 1: Stop Creating New Debt

- Cut up credit cards
- Stop using loans
- Live on what you earn

#### Step 2: Create \$1,000 Emergency Fund

- Prevents new debt when crises hit
- Takes 1–2 months

#### Step 3: Attack Existing Debt

- Snowball or Avalanche method
- Extra income + aggressive payment
- Takes 2–5+ years depending on debt

#### Step 4: Expand Emergency Fund

- Build to 3–6 months expenses

- Takes 12–24 months after debt freedom

### **Step 5: Start Investing**

- Once debt-free and emergency fund solid
- Retirement accounts
- Long-term investments
- Building wealth

**From starting point to financial freedom:** Typically 3–7 years for most people.

## **Characteristics of Financially Free People**

### **They think long-term**

- Decisions today impact tomorrow
- Sacrifice now for security later
- Delayed gratification

### **They're disciplined**

- Budget without resentment
- Say “no” to impulses
- Stick to their plan

### **They live below their means**

- Don't spend all they earn
- Drive older cars
- Live in modest homes
- Spend less than they could

### **They're generous**

- Give to church
- Help struggling people
- Support causes
- Tithe and beyond

### **They avoid comparison**

- Don't care what neighbors have
- Content with “enough”
- Don't need to impress
- Freed from status obsession

## Maintaining Freedom Long-Term

### 1. Stay Out of New Debt

**The rule:** No new debt except possibly mortgage

- Pay cash or don't buy
- Live on less than you earn
- Build margin, not lifestyle

### 2. Keep Emergency Fund Funded

**The rule:** Maintain 6 months expenses

- When you use emergency fund, replenish it
- Don't let it drop below 3 months
- Treat it as non-negotiable

### 3. Keep Living Below Your Means

**The danger:** Income increases → lifestyle increases → freedom disappears

**The solution:**

- When you earn more, don't spend more
- Redirect raises to savings/giving
- Maintain current lifestyle
- Let margin grow

### 4. Continue Giving

**The practice:** Tithe and give generously

- Even as finances improve
- As percentage of income grows
- Give sacrificially

### 5. Build Wealth Gradually

**After freedom:** Invest surplus

- Retirement accounts
- Real estate
- Long-term investments
- Generational wealth

## PART EIGHT — ACCOUNTABILITY AND COMMUNITY

### Financial Accountability Partners

Don't fight debt alone.

An accountability partner:

- Reviews your budget
- Checks spending
- Celebrates wins
- Encourages during struggles
- Prevents rationalization

### Finding Your Accountability Partner

**Who to ask:**

- Financially healthy Christian
- Same gender
- Willing to be honest with you
- Trustworthy with your finances

**What to ask:**

*“I'm working on getting out of debt. Would you be willing to be my accountability partner? I'd like to check in monthly and share where I am financially.”*

### Monthly Check-in

**Share:**

- Your budget for the month
- Unexpected expenses
- Victories and failures
- How much debt paid down
- Upcoming financial decisions

**Your partner asks:**

- Are you staying on budget?
- Any temptations to overspend?
- How can I pray for you?
- What's one win this month?

### Church Financial Accountability

Many churches offer financial counseling:

- Financial peace classes
- Dave Ramsey programs
- Financial coaching
- Debt counseling

**Benefits:**

- Biblical financial principles
- Community support
- Professional guidance
- Free or low-cost

**Find out:** Ask your pastor about financial discipleship.

## CONCLUSION — YOUR FINANCIAL PEACE

### You're Not Trapped

Debt feels permanent. Your financial situation feels hopeless. But it's not.

Thousands of Christians have become debt-free. Started from hopelessness. Did the work. Found freedom.

**You can too.**

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