

# **7 Years To Financial Freedom**

# 7 Years To Financial Freedom

*“For I know the plans that I have for you,” declares the Lord. “Plans to prosper you, and not to harm you, to give you a future, and a hope.”  
Jeremiah 29:11*

Case Study: Jerry and Karen

Jerry and Karen live in Middle America and are a fairly typical couple. They have two small children. They are in their mid-thirties and have been married for eight years.

## CURRENT FINANCIAL STATISTICS

- 1. Tithing:** They tithe 3% of their income on average each year.
- 2. Budget:** He makes \$70,000 a year and she works part-time earning \$30,000 a year. Karen has worked since the beginning of the marriage because they have never been able to make ends meet on Jerry's salary. Recently, despite her desire to stay at home with her children, Karen took a part-time position, working thirty hours a week. His monthly take home pay is roughly \$5,000 per month and hers is \$2,000 a month. They have two car payments. The payment on one is \$650.00 and the other is \$375.00. They have \$546.00 left over from their monthly budget. They have \$9,000 in credit card debt.
- 3. Savings:** They have \$3,000 in a short-term savings account.
- 4. Home ownership:** They have a mortgage on their own home. The value of the home is approximately \$395,000. They owe \$311,000. The interest rate is 6.75%. They refinanced a year ago and took \$30K in equity out of the house to remodel and pay off credit card debt. Their monthly house payment is \$2,656.00 per month including taxes and insurance. They have twenty-nine years left on the thirty-year mortgage.
- 5. Retirement savings:** They have \$31,000 in a 401K.

There are several clearly identifiable problems in their current financial situation. The first is that they do not tithe ten percent of their income. The second is that the wife has to work in order to meet the financial obligations. They have two small children that are relegated to daycare part of the day at a cost of \$800.00 per month. They are living beyond their means. They have \$546.00 left over at the end of each month, but that is only if they are making a minimum payment on their credit cards. They bring home almost \$7,000 per month and yet they have less than 10% left over. If you added \$700 per month for tithe they would have less money at the end of the month than what they bring in. They also have less than one months income set aside for savings. In reality they don't have a short-term savings account because they have a \$9,000 credit card bill. They own their home at a reasonable rate of interest but if you took away the wife's income the mortgage payment would be more than 50% of his take home pay.

**PROPOSED PLAN** - This is the plan that we would develop in this situation. Here are the immediate goals for the couple:

1. To develop a plan so that the wife can quit work within three months.
2. To pay off the credit card debt within eighteen months.
3. To create 50% of their income in a short-term savings account.
4. To pay off their home within seven years.
5. To fund their retirement.

Here is how we will accomplish those goals.

1. The first step is to begin tithing ten percent of their income every month. That is most important!
2. The second step is to put their home on the market at an asking price of \$415,000. The goal is to sell it for \$395,000 and after commissions and fees and paying off the mortgage, they would have \$60,000 cash left over from the sale.
3. They would then purchase a new house for \$225,000. They would put 20% down which is \$50,000 and pay off their credit card debt of \$9,000.00. They would use the remaining \$1,000 for moving expenses. They will get an adjustable rate mortgage 4.5% interest only loan. Their house payment will be reduced from \$2,656 a month to \$656 per month.
4. The car with the highest monthly payment would be sold. It has very little equity and they would only be able to get \$1,500 over what they owe on the car.
5. They will then purchase a \$15,000 used car on a four-year loan with payments of roughly \$350 per month. This will save them \$300 a month. They will use the \$1,500 for a down payment.
6. Karen will quit her job and the kids would stay home with her. This results in a minimum savings of \$800 per month not including the cost of gas, clothes, food, etc.
7. In addition, they are going to cut their remaining expenses by an additional \$500.00 per month by limiting extra spending and entertainment. This reflects 10% of Jerry's income.

Let's look at how this affects their cash flow:

Reduction in house payment:	\$2,000
Day care savings	800
Car payment savings	300
Credit card reduction	300
Cost cutting	500
<b>Total</b>	<b>\$ 3,900</b>

**RESULTS** -Considering the loss of income from Karen's job is \$2,000 per month. They have a net gain of \$1,900 per month.

- They are going to begin tithing ten percent of their income each month. This will increase their monthly expenditure by \$400 per month.
- That leaves them with a net of \$1500 a month. They already had a monthly surplus of \$546 (This was money left over after bills were paid in original budget.)
- This gives them \$2,046 per month in additional cash flow.
- Their credit cards are paid off and they are committed to not charging any more than they can pay off at the end of each month.
- This allows them to move to the next step, which is to accumulate 50% of their net take home pay into a short-term savings account. They will need \$25,000 saved within thirty-six months. They are starting with \$3,000. In order to reach their goal within thirty-six months they will need to save \$611.11 per month.
- This leaves them with \$1,435.00 per month available to pay towards their house. They will add that amount to their house payment each month as buy down of the principle.
- At the end of thirty-six months, they will have \$25,000 in short-term savings and they will owe \$130,000 on their house.
- At that time they will no longer need to put \$611 a month into short-term savings so they will add that amount to the principle on their house. Their house will be paid off in seven years!

- Now comes an even more exciting part of their plan. They will continue to make \$2,000 a month payment into a long-term savings account. And the result?.....

## **At the end of twenty years they will have \$1,261,844 saved for retirement.**

That is not a typographical error. Based upon a compounded annual rate of return of 8 percent, they will have over one million dollars saved by retirement.

Let's look at what we accomplished in this thirty-year plan. They tithe ten percent of their income so the church would have additional resources to carry out God's plan. Karen was able to quit her job and stay home with her kids. Jerry took over the full financial responsibility for his family. Their credit card debt was paid off within ninety days. They created 50% of their income in a savings account, which was always available to them in case of an emergency. Their two cars were paid for within thirty-six months. Their house was paid off in seven years and they had a plan to save over one million dollars for retirement. When that money grew to \$500,000, Jerry could quit his job and make enough money off of the investment to pay their monthly expenses. This would allow him to devote full-time to marketplace ministry.

## **Note: This is a very important point. They actually reached those goals with less money.**

Remember that Karen quit her job so they had \$30,000 less income each year than they would have had if she had kept her job. Notice the difference. If they had maintained their current situation, they would have paid \$2,600 a month for twenty-nine years. At the end of the twenty-nine years they would have had a house paid for. That is it. Under their current plan they had no short-term or long-term savings. They would have maintained credit card debt through the years, Karen would not have been able to quit her job, and all they would have had to show for the years of hard work was a house that was paid for. Under our plan they were still paying \$2,600 a month, but by purchasing a less expensive house, (a \$225,000 house is still a very nice house), they paid off all of their debts, created short-term savings, paid off their house in seven years, and saved a million dollars for retirement, and it didn't cost them anymore a month than they would have been paying anyway!

This plan also didn't include any raises or promotions that Jerry might have received during that time, nor did it factor in any of the likely blessings that God would have given them for being faithful. If you live within your means, and you develop a viable plan to become debt-free, and you tithe on your income so that God has an open door to bless you financially, then you can prosper financially and remove those frustrations that come with living in financial problems. It is God's plan for your life.

Now, let's begin your 7 year plan to financial freedom!

# 7 Years To Financial Freedom

*“Beloved, I pray that you may prosper in all things and be in health, just as your soul prospers.” - 3 John 2*

## **Day One: Introduction to Financial Freedom**

Financial freedom was God’s idea. In fact, it is God’s promise to every believer.

**Read Deuteronomy 28:11-** “And the Lord will make you abound in prosperity.”

The dictionary defines *abound* as “to be present in great quantity.” It defines *prosperity* as, “the condition of thriving, especially in economic well-being.” Put those two together and you have, “economic well-being that is present in great quantity.” God wants us to have economic well-being in great quantity!

Write out what you think it means to abound in prosperity.

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Notice what God said to the children of Israel shortly after He led them out of their slavery in Egypt.

**Read Deuteronomy 15:6.**

“For the Lord your God shall bless you as He has promised you, and you will lend to many nations, but you will not borrow; and you will rule over many nations, but they will not rule over you.”

What is God’s promise in this passage?

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This passage says that God has promised us that we would be in such a strong financial position that we will be the lender and not the borrower. That means that we will have enough resources to lend to others.

**Read and memorize Philippians 4:19.**

“And my God shall supply all your needs according to His riches in glory in Christ Jesus.”

What financial needs do you think that God wants to meet in your life?

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**Read Jeremiah 29:11.**

“For I know the plans I have for you,” declares the Lord. “Plans to prosper you, and not to harm you, to give you a future, and a hope.”

What four things does God promise you in this verse?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

God said that He would prosper you. He promises not to harm you. And He says that He will give you a future and a hope. Those are God’s four promises in this passage.

Are you living out those promises in your finances? Most people are living with financial problems. They go from paycheck to paycheck, living way beyond their means, and are swamped in credit card and other debt. Does that sound like God’s plan for you? Does that verse say, “I know the plans I have for you, plans for you to be in debt, plans for you to be unable to pay your bills, plans for you to have a miserable future?”

Write out God's desire for your finances based on these Scriptures. \_\_\_\_\_

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Clearly, God's plan for you and for every believer is financial freedom.

## What is Financial Freedom?

What is financial freedom from a biblical perspective? It involves three things. All three are vital to achieving true financial freedom and are a part of God's plan for your life. They are:

1. Debt-free living
2. Financial prosperity
3. Financial independence

Let's define those terms.

**1. Debt-free living** means that you don't owe anyone anything. This means that you are completely debt free including credit cards, home mortgages, student loans, car payments, etc. It is God's plan for your life!

**2. Financial prosperity** means that you do not have any financial needs. Every month you should have more than enough resources to meet all of your monthly obligations. It does not mean that you are rich. Financial prosperity does not mean that you have a big house and drive an expensive, fancy car. Financial prosperity has little or nothing to do with how rich you are or how many possessions you have. Financial prosperity means that your bills are paid without stress. It means that you have more than enough money to meet your basic needs of food, clothing, and shelter, and that you are content with what you have. It is part of God's provision. However, it doesn't mean that you overspend, run up debts, and then expect God to provide all of your needs. Financial prosperity means that your basic needs are met and that there is an abundance of finances based on those needs.

**3. Financial independence** means that you have enough money saved to meet all of your monthly bills and that neither you nor your wife has to work to meet your expenses. Financial independence means that you are financially free to pursue lifestyle marketplace ministry without being burdened by financial considerations. It means that God has blessed you so much, that you can be a blessing to others. (If you want to know more about our lifestyle marketplace ministry program, visit our website at [3dsuccess.com](http://3dsuccess.com), and click on *Extreme 180°*, to see if you are ready to accept the challenge.)

## God's Plan For Your Finances

### Read 3 John 2.

John said that in all respects, he wanted them to "prosper" and be in good health. That is our desire for you and that is God's desire as well. He wants you to prosper in your finances. Why else would He give us so many promises guaranteeing us financial prosperity? Throughout the Bible, God gives us various instructions that show us God's plan for our finances. Here is a summary of God's plan for your finances:

1. That you would tithe 10 percent of your gross income into the local church.
2. That you would live within your means and be completely debt free.
3. That you would have savings set aside for emergency situations.
4. That you would have food, clothing, and shelter provided and paid for.
5. That you would plan for retirement and leave an inheritance to your children and their children.

Over the next six days you are going to develop a plan to see all five of these become a reality in your life. You are going to complete six short lessons that will clearly show you God's plan for your finances and the biblical principles supporting each aspect of the plan. These lessons will not take a lot of your time. So set aside twenty minutes a day this week to complete each lesson. Be sure and talk with your accountability partner each day to confirm that you have completed the lessons. Discuss with him any questions that might have arisen from that day's lesson.

## Day Two: Tithing: Living Under God's Financial Blessing

TODAY'S PRINCIPLE: Tithing is a prerequisite to accessing Biblical success.

**Read Malachi 3:8-12.**

If we do not tithe, the Bible says that we will be robbing God and that our finances will be cursed.

How much is the whole tithe? \_\_\_\_\_

The word tithe means a tenth. To give the whole tithe means to tithe a tenth of your gross income.

Where is the tithe to go? \_\_\_\_\_

The storehouse is the local church. You are to tithe 10 percent of your gross income to the local church so the church will have the resources it needs to carry out God's work.

What two things does God promise if we tithe?

1. Verse 10: \_\_\_\_\_

2. Verse 11: \_\_\_\_\_

God promises to free us from financial need and to protect us from any attacks of Satan.

Do you currently tithe 10 percent of your income to your local church? Yes or No

The Bible is clear: You must faithfully tithe 10 percent of your gross income into the local church in order for your finances to be fully blessed. Most people have a hard time with these instructions. Less than 6 percent of Christians actually tithe 10 percent. It is one of the reasons that we have so many financial problems. Some even believe that tithing is an Old Testament command and not relevant to a New Testament believer. Jesus confirmed the tithe in Matthew 23:23, saying that we should not neglect tithing. You can't get around the basic instruction. You must be convinced that you cannot be fully blessed financially until you tithe 10 percent of your gross income.

Jesus also reaffirmed the tithe when He said to give to Caesar the things due Caesar and give to God the things that are due God. What are the things that are due to God?

\_\_\_\_\_

Clearly what Jesus was instructing is to pay your taxes that are due to the government, and pay what is due God, which is your tithe.

How much is your current monthly gross income from all sources? \$ \_\_\_\_\_

What is 10 percent of that amount? \$ \_\_\_\_\_

Are you willing to faithfully tithe that amount every single month? Yes or No

### Test God with the tithe:

What does it mean to test God with the tithe? \_\_\_\_\_

\_\_\_\_\_

Test God and see if He blesses your finances. He promises that He will. If you are not willing to start tithing, we suggest that you not go to lesson three. If you do not tithe, you will not have God's complete blessing on your finances, and the other lessons are basically irrelevant. This is your starting point. If you are committed to begin tithing immediately, then tomorrow you can go to the next lesson.

## Day Three: Debt-Free Living

TODAY'S PRINCIPLE: God wants you to be content with what you have, live within your means and be debt free.

### Read Deuteronomy 15:6

Why is the lender in the better financial position than the borrower? \_\_\_\_\_

**Read Luke 3:14.** John said to be content with your wages.

**Read Philippians 4: 10-12.** Paul said to learn to be content in whatever your circumstances.

What does it mean to be content with your wages and your circumstances? \_\_\_\_\_

A study asked Americans, "How much more do you need to make in order to be satisfied?" Every income group said that they needed 20 percent more. If they made \$20,000 they said that they needed 20 percent more. If they made \$50,000 they said that they needed 20 percent more. If they made \$120,000, they still were not satisfied. Every group needed 20 percent more to be comfortable. This shows that making more money is not the answer to being content. You must live within your means and be responsible with what you do have been given. To ensure that you will live within your means, you need a monthly budget to control your expenses.

A good rule of thumb is to tithe at least 10 percent, save 10 percent, and live on the rest. This only works if you are completely out of debt. You must always live within your means. If you do, it will be impossible to create credit card debt. If you have debt, it must be paid off as soon as possible in order to make this formula work.

Make a list of all of your debts. You'll need credit card statements and loan statements for this exercise.

Credit card debt: (Fill in the following information. You will need it at the end of the week to complete your seven-year financial plan.)

Credit Cards	Balance	Interest rate
_____	_____	_____
_____	_____	_____
_____	_____	_____

**A. Total Credit Card Debt** \_\_\_\_\_

Other Loans & Obligations including car payments. (**Do not include your house payment.**)

_____	_____	_____
_____	_____	_____
_____	_____	_____

**B. Total Other Loans & Obligations** \_\_\_\_\_

Divide the amount on line A by 18.  $A \div 18 =$  \_\_\_\_\_ (This is the amount that you need to pay each month, plus interest, in order to pay off your credit card debt within eighteen months.)

Divide the amount on line B by 36. \_\_\_\_\_ (This is the amount that you will have to pay each month, plus interest, in order to pay off your loans and obligations within thirty-six months.)

We will need these figures later in the process. If you have listed all of your debt obligations and completed the calculations, then move on to day four.

In your seven-year plan, you will develop a strategy to pay off your credit card debt completely within eighteen months and all of your other loans and obligations within thirty-six months. Your goal is to be completely debt free within thirty-six months. If you already have no credit card debt or other loans and obligations, then you are that much further along in the process.

## Day Four: Saving For a Rainy Day

TODAY'S PRINCIPLE: You should maintain at least six months of your monthly take-home pay in a short-term savings account for emergencies.

### Read Genesis 41:1-37.

Joseph interprets Pharaoh's dream and prophetically declares that there will be seven years of abundance in Egypt, followed by seven years of famine. God showed Joseph that the famine would be very severe. What was Joseph's solution in verses 33-36?

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### Read Genesis 45: 1-11.

What does this passage tell us about the importance of saving for difficult times ahead?

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### Read Proverbs 6:6-11.

What can we learn from the ant about the importance of saving?

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There are many who say we should just trust God and not worry about saving. While we should ultimately trust God for every provision, the Bible clearly teaches us that when times are good, we should set aside some of that provision for when times will be more difficult. Could it be that God often provides the provision before the need arises?

There are many unforeseen problems that could severely impact your finances. Here are some of the most common circumstances that can create severe financial problems.

1. The loss of a job
2. A disability
3. Severe economic downturn
4. Natural disaster
5. A need in your immediate family or your church

Have you ever experienced any of these difficult situations? \_\_\_\_\_

What was the impact on your finances? \_\_\_\_\_

Make a list of your current savings. This includes all liquid assets that you could access fairly quickly. This does not include your retirement accounts such as 401K or IRAs or stock options that cannot be quickly turned to cash without a significant penalty.

### Liquid Resources

Checking account \_\_\_\_\_  
Savings account \_\_\_\_\_  
Money Market Account \_\_\_\_\_  
Other savings \_\_\_\_\_  
Stocks and Bonds \_\_\_\_\_

### A. Total Short Term Savings \_\_\_\_\_

The goal is to have six months' net income (take-home pay) in a short-term emergency savings account.

- B. What is your family's monthly net take-home pay? \_\_\_\_\_  
C. Multiply that number by six.  $B \times 6 =$  \_\_\_\_\_  
D. Subtract A from C.  $C - A =$  \_\_\_\_\_

Is A greater than C? If not, then you do not have enough money saved for emergencies. D represents the amount of shortfall in your short-term savings plan. In your seven-year plan you are going to develop a strategy to create this amount in short-term savings within thirty-six months.

## Day Five: Owning a Home Free and Clear

TODAY'S PRINCIPLE: You should own a home completely free and clear from any mortgages.

One of the keys to financial freedom is owning a home debt-free. God has promised to provide us with food, clothing, and shelter. A primary aspect of your plan will be to create a strategy for paying off a home within seven years. This is a highly debated principle. The conventional wisdom is that it is better to have a mortgage for the tax benefits. The reasoning is that you can deduct mortgage interest on your tax return resulting in tax savings. For instance, if you pay \$10,000 in interest, and are in a 25 percent tax bracket then you will save \$2,500 in taxes. On the surface, this seems reasonable. However, despite saving \$2,500 in taxes, you are still paying \$10,000 in interest! You are \$7,500 behind!

Others say that you should never pay off your mortgage, but instead, you should invest any extra money in an investment account. The concept is that if you make 10 percent return in an investment account and you only pay 6 percent in mortgage interest, then you make 4 percent on your money. Again, that sounds reasonable on the surface. The problem is that the 10 percent investment return is not always guaranteed. What if you invest in the stock market and it goes down by 10 percent or more? What if you lose 30 to 40 percent of your money in a poor investment? In that scenario, not only will you still have a mortgage, but you will lose all or a part of your cash.

The Bible says to owe no man except to love him (Romans 13:8). Proverbs 22:7 says that the borrower is a slave to the lender. If you have a mortgage, you owe someone the money, and in some ways you are a slave to the lender. Your options are limited when you have a mortgage on your home. In addition, your home can be foreclosed upon if you are more than ninety days late on your payment. If you own your home free and clear, it can only be taken from you if you don't pay the property taxes for several years.

Many people lose their homes because of circumstances beyond their control. Many examples in the Bible teach us to prepare for both good and bad times. Joseph is a great example of a leader led by God to prepare for famine. Joseph's wisdom in money management is part of what made him such an effective leader. In the same way, owning your home will afford you the peace of knowing that you have a plan of protection in the unforeseen future. Imagine the peace of mind of having no mortgage payment. What would your monthly cash flow be like without that monthly obligation?

If you don't own a home then we will help you develop a strategy that will enable you to purchase an affordable home and pay it off within a seven-year time frame. If you already own your home, you will develop a strategy to pay off the mortgage within seven years. If you do not currently own a home, begin with step one. If you currently own your own home, skip step one and go to step two.

## Step One: Purchasing an affordable home.

A home is the most important financial purchase that you will likely make in your lifetime. Most families live beyond their means and, therefore, end up stretched at the end of each month because they made a poor decision when they bought their home. In today's lesson, you have two responsibilities: to determine what type of home you can afford and how to pay it off within seven years, so that you don't make a similar mistake. Answer the following questions:

A. How much money have you saved for a down payment on a home? \$ \_\_\_\_\_

What is your current gross monthly income? \$ \_\_\_\_\_

What is 33 percent of your monthly gross income? \$ \_\_\_\_\_

Thirty-three percent of your income is generally the maximum monthly payment that you can afford. Now you want to find out what price home you can afford based upon your monthly income with a fifteen-year mortgage term.

You will need to do a little research to find this number. It will depend upon the current interest rates and the value of homes in your area. You can do this calculation on the Internet or by calling a real estate company.

B. Based on your research what priced home can you afford? \$ \_\_\_\_\_

C. Multiply the price of the home by 20 percent.  $B \times 20\% =$  \_\_\_\_\_

This is the amount that you will need for the down payment. If you do not pay at least 20 percent down, you will have to pay PMI, an expensive mortgage insurance. PMI is wasted money and can add thousands of dollars to the cost of your mortgage.

D. If you don't have 20 percent saved, how much do you need to save for your down payment? You can calculate this amount by subtracting your actual current savings from the amount needed for a down payment.

$A - C =$  \_\_\_\_\_

E. How many months before you intend to purchase a home? \_\_\_\_\_ This should be no longer than thirty-six months. Divide the number of months by the amount you need to save.

$D \div E =$  \_\_\_\_\_

This is the amount that you need to save each month in order to have a down payment of 20 percent saved within three years. If you cannot afford to save that amount within thirty-six months, then you need to purchase a less expensive home. Keep in mind that you will also be building a short-term emergency savings account over that period of time. In addition, if you have credit card debt, it should be paid off within eighteen months. You can add the amount of the credit card payments into your savings strategy for the last eighteen months of your plan. If you still cannot save enough for a 20 percent down payment within thirty-six months, recalculate the price of the home based on what you can afford to save over the next thirty-six months.

Fill in the following blanks from your calculations:

Monthly payment: \_\_\_\_\_

Price of the Home: \_\_\_\_\_

20% down payment: \_\_\_\_\_

Amount currently saved for down payment \_\_\_\_\_

Monthly payment needed to save down payment within three years: \_\_\_\_\_

Important Strategy: Most individuals don't live strategically and, therefore, end up buying the biggest home that the mortgage company says they can afford. The plan we are helping you to create is not based on pride or living in a "dream home," but rather, biblical success. If you are tempted to go beyond this plan and live above these figures, we strongly encourage you to consider again whether or not you want God's best for your life. Long-term peace often comes from short-term sacrifices and a strong obedience to God's word. In Step Two, we will be helping individuals who own their own home to develop a plan to pay off that home in seven years. Frankly, it is much easier to develop a plan before you purchase a home than afterwards. Once you own a home, you are locked into the mortgage. Most people are already struggling to pay their mortgage without considering what it might take to pay it off within seven years. Many will have to sell their home and start all over. You have the opportunity to make a good decision right up front.

You may also be asking, "Why is it okay to get a mortgage on a home? Aren't we supposed to be debt free? Doesn't the Bible instruct us not to go into debt?" These are all valid questions. The ideal situation would be for you to pay cash for your home. However, that will be difficult for most people for two reasons. Since you must have somewhere to live, you will have to pay rent each month and will likely not be able to save enough to pay cash for a house. There is no difference between owing a landlord for rent and owing a mortgage company for a house payment. They are both considered debt. It is better to be paying that debt towards an appreciating asset than towards rent, which provides you with no equity in return.

In addition, our society requires some reliance on credit in order to purchase a home. If you tried to save enough to pay cash for a home, by the time you had enough saved to purchase the home, the prices would have risen, costing you significantly more. If you can afford a home now, and will set a reasonable time frame for paying that home off, then you can purchase it at today's rates and have it paid for within a few short years. Once it is paid for, you will not owe anyone for rent or for a mortgage. That is the ideal situation, and our seven-year goal for you and your family.

**STEP TWO:** If you already own your own home, complete the following calculations.

A. What is your current mortgage payoff balance? \_\_\_\_\_

B. What is your monthly payment? \_\_\_\_\_

What is your current interest rate? \_\_\_\_\_

What is the estimated value of your home? \_\_\_\_\_

C. Calculate the amount of the monthly payment needed each month to pay off the home within seven years. You can do this calculation on the Internet or by calling a real estate company.

What is the amount of the monthly payment needed to pay off the home within seven years?  
\$ \_\_\_\_\_

D. What is the difference between your current monthly payment and the amount needed to pay off your house within seven years?

$C - B = \$$  \_\_\_\_\_

That is the only information you need to complete today. You are going to use this information when you begin to develop your seven-year plan.

## Day Six: Leaving an Inheritance to Your Children's Children

Today's Principle: You should develop a plan so that you can leave an inheritance to your grandchildren.

Leaving an inheritance was God's idea. The word inheritance is used throughout the Bible. Deuteronomy 4:21 says that the Promised Land was given to the children of Israel as an inheritance from God. Jesus said in Matthew 19:29 that we can *inherit* eternal life. Inheritance is defined as the reception of a free gift, generally given by a relative.

### Read Ezra 9:12.

What does God mean when He said that they were to leave a portion of their inheritance to their children?

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This passage was referring to the inheritance of the Promised Land. God was saying that they should eat of the good things of the land, a land they had inherited from God, but that they should also leave it as an inheritance to their children. The principle is that we are to enjoy the blessings of God, while being mindful of the importance of leaving a portion of what God has given us to our children.

### Read Proverbs 13: 22.

What does this passage say that a good man will do? \_\_\_\_\_

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A good man will leave an inheritance to his grandchildren. This takes strategic planning. You need to plan for your own retirement so that you have enough resources to meet your needs through your retirement years. At the same time, you must plan to have more resources than you will actually need so that you can leave an inheritance to your children and to their children.

Most people would love to leave an inheritance to their children, but most individuals at retirement age find themselves still having to work to make ends meet, let alone having an inheritance to leave to their children. Many assume that they will just hit it big one day and when that happens, their future and their children's future will be safe. But living with such a "lottery" mentality is contrary to the strategic planning and wisdom that God has encouraged us to follow. In order to leave an inheritance to your children, you will have to have a precise plan, believe in the plan, and then make that plan work in your daily life.

## Planning for Retirement:

A. What is your current annual income? \_\_\_\_\_

As a general rule, you will need 50 percent of your yearly income during your peak earning years for each year of retirement.

B. Multiply A by 50% = \$ \_\_\_\_\_

C. Multiply B by 25 years. \$ \_\_\_\_\_

B is the amount that you will need to live on each year of retirement. C is the amount you will need over your retirement years. This would be a twenty-five year period of time, assuming a retirement age of sixty-five and a life span of ninety.

In how many years do you plan to retire? \_\_\_\_\_

# Planning Your Inheritance:

**Read Numbers 27: 5-11.**

What was the question that Moses brought before the Lord and what were God's instructions?

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God answered Moses with specific instructions regarding how to handle the inheritance of a man who died without a son. God's instructions even included several contingencies in case there were no immediate relatives.

You need to think through what would happen to your inheritance if you were to die prematurely. It is important to develop and maintain a will that details how you would like for your estate to be handled upon your death. The Bible says that a good man makes a provision for his children's children.

## **Suggestion:**

Here is how we suggest you fund your retirement. After you have paid off your house, continue to make the monthly payment into a savings account. If you pay off the house within seven years, and if you continue to make the same monthly payment for twenty-three years, in thirty years you will have a significant amount of money in your retirement account. With compounded interest, notice what you can build in the way of a retirement account:

If you saved \$1,000 a month for twenty-three years, with an average annual rate of return of 8 percent, you would have \$797,027 at the end of twenty-three years!

If you saved \$1,500 a month, the total would be \$1,195,540!

If you saved \$2,000 a month, the total would be \$1,594,053!

If you had \$797,027 at the time of your retirement, you would earn \$63,762.16 a year in interest without ever having to touch the principle. This would not include your retirement income from Social Security, 401K, or pension. If you never had to touch the principle you would have a significant sum of money to leave to your children and your grandchildren.

These numbers are staggering but true. Satan's plan for your life is to keep you strapped and barely getting by. He loves to see God's children and their money consumed by poor planning, pride, and mere ignorance to reality. Look at it this way: The world's plan tells you to get a thirty-year mortgage so that in thirty years you can own a house. Our strategic seven-year plan will not only enable you to own a home, but have a savings of hundreds of thousands or even millions of dollars in the same time period.

The enemy realizes that if we are without increase or abundance of finances, we can't effectively support the advancement of God's Kingdom on earth. But imagine how many orphanages, churches, missionaries, and other wonderful causes you could support if you were living in such financial freedom and had a savings account from which the interest alone could pay your bills. Think of what you could accomplish in marketplace ministry. You can already begin thinking about how to incorporate marketplace ministry into your Seven Years of Promise Plan. In our Mission 180° finance manual, we will show you how to develop a financial plan that will allow you to devote 50 to 100 percent of your time to marketplace ministry. At the very least, you should manage your finances so that you can devote at least 10 percent of your time to ministry.

## **Congratulations!**

You have finished your first six days of lessons. Are you ready to begin developing your Seven Year Financial Plan?

## Day Seven: Developing a Seven Years of Promise Financial Plan

You are now ready to develop your seven-year plan. You have worked hard this week, gathering all of your information. Now we want to help you see it all come together into a comprehensive plan to align your finances with God's plan for your life. You will be referring back to each of the lessons from this past week. We will be using that information as the basis for developing your plan.

Let's review the principles we have learned this week, and establish the goals for your seven-year plan.

1. You will tithe 10 percent of your gross income every month so that God's blessings will be on your finances.
2. You will pay off your credit card debt within eighteen months and will not charge any expenses each month that you cannot pay off at the end of the month. You will pay off all other obligations within thirty-six months.
3. You will create and maintain a short-term savings account with a minimum of six months of your net take-home pay within thirty-six months. You will only use that money for emergency situations.
4. You will pay off your home within seven years. If you cannot realistically do so, then you will either move into a home that you can pay off within seven years, or you will develop a viable plan to have it paid off as soon after seven years as possible.
5. You will develop a viable plan to save for your retirement, and you will save more than you need for retirement so that you can leave an inheritance to your children and your grandchildren.

### **These are your goals over the next seven years.**

We realize that every individual and family is different. No two plans are going to look exactly alike. For instance, you may not have any credit card debt. If that is the case, then you can immediately move to develop a short-term savings account. You may have never tithed and have a mountain of credit card debt. You are going to be starting from square one. Don't be discouraged. Anyone can make this plan work. Whatever your situation, you can develop a seven-year plan, and you can accomplish your goals.

For those of you who would like to go to the next level of learning and growth in the area of finances, we encourage you to commit to the Mission 180° Finances course as soon as you finish this program. This will give you even more detailed instructions in each of these areas of financial freedom.

Pray this prayer before you begin:

*"Dear God, I want to honor You with my life. Forgive me for the ways in which I have not been following Your plan for my finances. I ask You to help me to develop a plan that would be in line with Your plan for my life. Where it might seem impossible, give me the faith to believe that all things are possible with You. I pray that this plan would be with Your direction and blessing. In Jesus name, I pray. Amen."*

# 7 Years To Financial Freedom Plan

Your Name: \_\_\_\_\_

## Step One: Envision Your Goals:

Every family is different. Write out your own goals based on these principles and your own plans for the future. Make them as specific as possible.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_

## Step Two: Developing Your Plan:

Write out your specific plan based upon your own circumstances and goals. You will want to refer back to each day's lesson assignments. You should have already done all of the calculations necessary to formulate your plan. You will need paper and a calculator to work on your plan. We recommend a notebook so that you can refer back to your plan throughout the seven years.

### A. Tithing:

My plan is to give \_\_\_\_\_ % of my income to my church every month.

Begin by committing to tithe 10 percent of your gross income. Adjust your monthly budget to include your total tithe. You will find the amount you should be giving each month in Day One of your lessons.

### B. Debt Free Living:

My plan is to have our credit card bills completely paid within \_\_\_\_\_ months. This should be no longer than eighteen months.

My plan for paying off my credit card debt within eighteen months is: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Divide your overall credit card debt by 18 and commit to paying that amount each month until your credit card debt is completely paid off. You already did this calculation on Day Three. You may not have any credit card debt or you may be able to pay it off sooner than eighteen months. If that is the case, you can begin your short-term savings plan. If you cannot pay off your credit card debt in eighteen months based on your current budget, then you need to cut your expenses or increase your income.

My plan is to have all of my other loans and obligations paid off within \_\_\_\_\_ months.

My plan for paying off these obligations within thirty-six months is: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

All other loans and obligations should be paid off within thirty-six months. You did this calculation on Day Three. If you cannot pay off these obligations within thirty-six months, then you need to sell assets and cut expenses so that you can make the budget work.

**C: Savings:**

My plan is to have our short-term savings account fully funded within \_\_\_\_\_ months.

My plan for saving six months of my income in a short-term savings account within thirty-six months is:

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Your third goal is to have your short-term savings account fully funded within thirty-six months. That amount should be six months of your monthly take home pay. You did this calculation on Day Four. Any monies that you have available over and above your monthly expenses, including the monthly payment allocated to your credit cards in step two, should go into your short-term savings. Remember that the goal is to have that amount saved within thirty-six months. You actually need that money saved right now. Emergencies may not wait for you to get your savings in order. Adjust your budget and cut your expenses in every way possible so that you can achieve this goal as soon as possible. Once you complete step two, use all of the money that was going to your credit cards and apply that to your short-term savings along with what you already had budgeted for short-term savings. Also, it is important that you don't begin paying down your home loan until you have accomplished items A, B, and C.

**D: Paying Off Your Home:**

My plan is to own a home free and clear within \_\_\_\_\_ years. This should not be any longer than seven years if at all possible.

My plan for paying off my home within seven years is: \_\_\_\_\_

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This step will likely be the hardest and will require a lot of thought and prayer. Your goal is to have your home paid for within seven years. If it takes you the full eighteen months to pay off your credit cards, thirty-six months to pay off your other loans and obligations, and the full thirty-six months to develop your short-term savings account, then you may need ten years total to accomplish your goals. Do not take longer than ten years to pay off your house. If it takes longer than that, then your house is too expensive based on your income. Most people can pay off their house within seven years if they are living within their means. This step may require sacrifices. You may have to move into another house that you can afford. Don't be afraid to make the hard decisions and sacrifices. It will be worth the effort.

If you do not own a house, make plans to buy a home in the near future. Of course, there are exceptions. If you are planning to relocate in the next three years, then you are probably better off renting and saving for your move. Or you may not want to be encumbered with a mortgage. Your own personal situation may factor into your plans to own a home. Let God show you His will for your life. God has promised us shelter. If you have shelter, be content. If you can own a home and pay it off within seven years, that is the ideal situation. Once you have paid off your credit cards and other loans and obligations and have created your short-term savings account, then take all of the money used for those two goals and apply it to your mortgage.

**E. Retirement:**

I want to retire at age \_\_\_\_\_ which is in \_\_\_\_\_ years.

My plan for saving for retirement is: \_\_\_\_\_

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Once your mortgage is paid off, then you can begin your long-term savings plan. Take the money you were paying towards your mortgage and continue to make that same monthly payment into an investment account for twenty-three years. Over time, that money will grow and provide resources for your retirement. You may need to adjust your plan based on your age and your projected income needs at retirement. Your goal is to have enough saved at retirement so that you can live off of the interest.

**F. Inheritance:**

I want to leave \$\_\_\_\_\_ to my children's children.

My plan for achieving that goal is: \_\_\_\_\_

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If you have followed this plan as it is outlined, then when you die you will have a house that is completely paid for and a significant amount of money for retirement. You will not have used much of that retirement money, because you will have been living off of the interest. Write out a will that expresses your wishes for the use of that money when you die. Allocate in that will a portion of those assets to go to your children's children.

**Covenant:**

After prayerful consideration, I believe that this is the seven-year plan that God has given for my finances. Because of my desire to glorify God, I commit to diligently follow this plan and live out the biblical principles regarding finances, so that I might bring glory to God and His blessings upon my finances. I covenant to God and to my family (if applicable) that I will make my best good faith efforts to complete this plan.

If you are willing to covenant with God to live out this plan in your life, then sign and date below.

Signed: \_\_\_\_\_ Date \_\_\_\_\_

Spouse if applicable: \_\_\_\_\_ Date \_\_\_\_\_

**CONGRATULATIONS!!!!**  
Your best is yet to come!

