

## The Compass Construction Plan

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#### Starting Well

Taking this study indicates that you are starting well. Remember two things as you continue:

- Learning and applying God's way of handling money is a lifelong adventure. As you faithfully seek Him, God will faithfully lead you - in every phase.
- Financial discipleship is more than getting your finances in order: it's about helping others get their finances in order as well. So, don't hold it all in until the end: share with others what God is teaching you in every phase along the way.

#### The Four Phases

Review the Compass Construction Plan phase descriptions on the following pages.

- Check off the boxes you've already completed.
- The first uncompleted box determines your starting point. Once you've completed that phase, move on to the next phase of the plan.

#### Finishing Well

The finish line for your construction plan has only one question. And it isn't, "Did you pay off your house?" Or, "Did you become debt free?" Or, "Did you adequately fund your retirement?" These accomplishments are all great and worthy of celebrating, but here's the real question: "Have you been faithful with everything God has entrusted to you?"

Finishing Well is taking what God has given you and being faithful with it during every construction phase. Doing this brings you to the true finish line in which you will be able to hear Jesus say, "Well done, good and faithful servant . . . Enter into the joy of your master."

## Each Phase, Step by Step:



### PHASE 1

- ♦ **Start Giving** - And as we learned in this study, 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, health crises 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 critical factor when investing, so the sooner you 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 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.

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### 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** - These 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.
- ♦ **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.

## ADDITIONAL DIRECTIONS FOR YOUR PLAN

1. The Compass Construction Plan is designed to guide you through whatever phase you are in. There may be times where you have to go back to a previous phase. For example, if you had an unexpected expense in Phase 3, you may have to temporarily go back to Phase 2 and rebuild your emergency account before continuing to focus on your Phase 3 goals. Don't be discouraged by these perceived setbacks; every building project has them. You can be patient, because God is faithful.
2. Celebrate. Before moving on to a new phase, don't forget to celebrate your faithfulness with God's provision. Celebrating these milestones is a great way to honor the Lord and encourage your family.

# The Compass Construction Plan

## 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 4



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

### Phase 3



- ☐ Reevaluate giving
- ☐ Save for major purchases
- ☐ Pre-pay 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."



1 COR 4:2

LUKE 16:11

PHIL 4:11-13

ECC 11:2

PROV 21:5

2 COR 9:7

PROV 21:1

EX 34:21

1 CHRON 29:11-12