

Money Date #12 – Pay off Consumer Debt

1. Open in Prayer & Read Romans 13:8
2. Complete the Consumer Debt Worksheet below.
3. Choose a ["One Another"](#) verse to focus on this week.
4. Close in Prayer
5. Continue Your Journey
The [Building Your Finances God's Way](#) financial discipleship study is a great resource to help you continue on your financial discipleship journey and help you further develop a plan for getting out of debt.

Consumer Debt

Seventy percent of all cars are financed, and many people never get out of car debt. It's one of the biggest obstacles for most people. Fortunately, there's a way to get out of car debt for good by following these three steps.

Decide to keep your car at least three years longer than your car loan — and then pay off the loan.

After your last payment, keep making the same payment, but pay it to yourself. Put it into an account that you will use to buy your next car.

When you're ready to replace your car, the cash you have saved plus your car's trade-in value should be sufficient to buy a car without credit. It may not be a new car, but a low-mileage used car is usually a better value anyway.

After you have paid off your auto loans, focus on paying off your consumer debts in exactly the same way as you wiped out your plastic: snowball them. Make the minimum payments on all your consumer debts, but focus on accelerating the payment of your smallest consumer debt first. Then, after you pay off the first consumer debt, apply its payment toward the next smallest one. After the second one is paid off, apply what you were paying on the first and second to pay off the third, and so forth.

Use the [Snowball Debt Calculator](#) to snowball your Consumer Debt or download the [Debt Snowball Worksheet](#).