M♡NEY DATES

Money Date #15 – Save for Major Purchases

1. Open in Prayer & Read Proverbs 21:5

2. Read the Save for Major Purchases Notes.

3. Choose a "One Another" verse to focus on this week.

4. Close in Prayer

5. Continue Your Journey

   Trying to figure out how to budget for an emergency savings account? The Budgeting Webinar is a great resource that can help you allocate resources and help you grow on your financial discipleship journey!

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Saving for Major Purchases

A car, a house down-payment, family vacations — these are some great things that may be a part of your life. And they all have one thing in common: they aren't cheap!

These types of major purchases don't pay for themselves, and we've already learned that we don't want to rely on credit to fund them. So how do we make major purchases like these become a reality? We need to plan. These steps can help:

> 1. Before making a major purchase, make sure you have your emergency fund fully funded to at least three months.
>
> 2. Identify what major purchases are the top priority and what the potential cost is.
>
> 3. Determine how much you are willing (and able) to spend upfront.

For example, let's say you are ready to buy a house and want to be a new homeowner in two to three years. You've looked at the housing market and are thinking about a home in the $200,000 range. Knowing that you should save for a 20 percent down payment, you realize you'll need around $40,000.

If you are going to reach $40,000 in two years, you'll need to begin saving over $1650 a month! Depending on your financial scenario, this may be realistic or it may be overwhelming. If it is overwhelming, you may need to manage your expectations by either looking at a less expensive home or waiting three to four years to buy. Changing your goal from 2 years to 4 years cuts the

monthly amount you will need to save in half (just over $830 a month) and may make your goal of home ownership attainable.

Prayerfully discuss and prioritize a major purchase list.

Major Purchase Priority List

Purchase 1:_____Cost:_____.

Purchase 2:_____Cost:_____.

Purchase 3:_____Cost:_____.

Purchase 4:_____Cost:_____.

Purchase 5:_____Cost:_____.

Purchase 6:_____Cost:_____.