

Breaking Out Of The Debt Trap – Part 1

ICEBREAKER: What is the most stupid purchase you ever made?

One of the things I love about the Bible is it's such a practical guidebook for life. Because it guides us through the realities of life, it has a lot to say about money. In fact, it says more about money when it comes to the things we face in our life than any other subject besides love. As always, if we pay attention to what God says it brings freedom to our lives.

One of the reasons we have financial stress is that we live in a culture based on instant gratification – a buy now, pay later culture. That sets us up for major problems. Right now in North America consumer debt stands at nearly 2 trillion dollars. That's not national debt – that's just what people like you and me owe. That's over three times Russia's gross national product. That's the huge problem that many of us face.

Tonight and over the next couple of weeks we want to answer this question: "What is God's way out of the debt trap?"

Why is debt a trap? Because when you get in debt you lose your freedom. You end up serving the person that you borrow from. In some way you are indebted to that person.

Proverbs 22:7 (NLT) Just as the rich rule the poor, so the borrower is servant to the lender.

But when we talk about debt (which we usually get into through credit cards), we never hear about this servant thing! Look at the credit card ads you get in the mail – the basic message is "you deserve it!"

- Could there be a better way to achieve your financial freedom?
- An ideal way for you to become a master of your finances.
- The ideal way to give yourself the little extras you really deserve.
- Receive your new card and start enjoying life.
- Get what you want, when you want it. Spoil yourself. You deserve it.
- Save with your credit card and win!

There is one word you will never see in these advertisements – DEBT! But that is what you're getting when you get a credit card! The reason that word isn't used is it's an unpleasant word. Here are some synonyms from Roget's Thesaurus: owe, obligated, liable, in deficit, in default, insolvent, encumbered, in over one's head, tied up, out of pocket, in arrears, indigent, paupered, destitute, penniless, needy, lacking, distressed, in difficulty, a deadbeat, having a wolf at the door, living hand to mouth, beggarly, empty, having seen better days, gone to the dogs, racked and ruined, impoverished, bad off, hard up, beaten down, reduced to ruin, fleeced, stripped, bereft, bereaved, reduced, unable to make ends meet, embarrassed, broke, busted.

That's what debt is about – and that's why nobody wants to talk about it.

The Bible gives us some simple danger signs that warn us when we are getting into the debt trap, and some very practical advice about how to get out of the debt trap.

SIX DANGER SIGNS

1. Living on CREDIT instead of PAYING CASH.

If you begin to depend on credit to maintain your lifestyle you are spending too much. How do you know if you are living on credit? It's pretty simple – the balance on your credit card is increasing every month. You're using that card to maintain a lifestyle that you could not maintain just on your salary. You've begun to live on credit!

Proverbs 3:27 (LB) Don't withhold repayment of your debts. Don't say "some other time," if you can pay now.

God has two big problems with living on credit:

(a) It shows a lack of contentment. (*I have to have it now*)

Luke 3:14b (NCV) Be satisfied with the pay you get.

(b) It presumes on the future. (*Everything is going to work out*)

Proverbs 27:1 (GW) Do not brag about tomorrow, because you do not know what another day may bring.

Studies show that if you have a credit card you'll spend 23% more in a store. It's a lot easier to buy unnecessary things when you have a card in your hand. It is fun to spend money! And to spend money that you don't have – that is exhilarating! Credit buying is a lot like getting drunk – the buzz happens immediately, but the hangover comes the day after!

2. Delaying PAYMENTS or paying the MINIMUM DUE.

If you're missing payments, making late payments, or just paying the minimum due, you're in the debt trap! If you find yourself under tension constantly over money, if your checks frequently bounce because of insufficient funds, if you're having to dip into your reserves to pay bills – red flags! If you say, "What reserves?" – BIG red flags! It's the debt trap!

Romans 13:8a (NIV) Let no debt remain outstanding.

3. Unable to TITHE or SAVE.

When you get to the point where you can't save for the future and you can't tithe (give 10% to God), you're in the debt trap. God says "If you refuse to tithe or you're unable to tithe you're essentially using MY money to pay your bills." How seriously does He take this?

Malachi 3:8 (CEV) You people are robbing me, your God. And, here you are, asking, "How are we robbing you?" You are robbing me of the offerings and of the ten percent that belongs to me.

Proverbs 21:20 (LB) The wise man saves for the future, but the foolish man spends whatever he gets.

4. Unable to PAY TAXES.

This isn't very motivational, but it's a sign of the debt trap when you're unable to pay your taxes, or when you try to cheat on your taxes.

Matthew 22:21b (NIV) Give to Caesar what is Caesar's, and to God what is God's.

5. Extravagant SPENDING.

It's very easy to begin to spend extravagantly, to buy things you don't really need just because you have the money, but when you do that it won't be long before you find yourself in the debt trap.

DISCUSSION: What is the most stupid purchase you ever made?

ILLUSTRATION: Skymall catalogs (extravagant items)

If you're thinking, "Where can I buy that?" you're missing the point! The point is that it's easy to find ways to spend your money. When you buy things just because you have the money, watch out. Red flag!

We spend money we don't have to buy things we don't need to impress people we don't even like! Maybe you're trying to feel wealthy, classy or cool – but at best it's just a façade!

Proverbs 21:17 (LB) A man who loves pleasure becomes poor; wine and luxury are not the way to riches!

6. Looking for GET-RICH-QUICK ideas.

If you're not in debt already, this will get you in debt. And if you're already in debt, you are ripe for a rip off that will dig you in deeper!

Proverbs 21:5 (NLT) Good planning and hard work lead to prosperity, but hasty shortcuts lead to poverty.

When you get into debt it's easy to begin living in a fantasy world – somehow, this is all going to get taken care of immediately. But the truth is it's going to take you just about as long to get out as it takes you to get into debt. That's a basic law of how finances work.

There are a lot of people, especially guys, who are waiting for this big deal to come through. And most of them have been in debt for a decade waiting for The Big Deal to come through. We live in an entrepreneurial society, but how do you know if you're an entrepreneur or not? Well, you make money at it! If you're not making money at it, God probably wants you to work for someone else!

"Yes, but this deal is the right deal. This deal is the big deal. In fact, YOU need to get involved in this deal, it's so good!" Here's something painful you need to hear – look how long it's been! It's all your get-rich-quick ideas that have been keeping you in debt! Instead of waiting around for your ship to come in, swim out to it. Make a decision. Take some action. Stop living in a fantasy world!

There's a name for people who play the lottery. Loser! You have a better chance of getting hit by a meteorite on your way out of church today than winning the lottery. But some people pin all their hopes on it. The foolishness of gambling is in its "something for nothing" mentality. And the Bible warns us about "lottery thinking" (which by the way includes a lot more than lottery tickets!).

Ecclesiastes 5:7a (NLT) Dreaming all the time instead of working is foolishness.

ILLUSTRATION: Debt is like a pair of silver handcuffs!

So what does God want you to do to begin to get out of the debt trap? He has some practical advice, some steps in His Word that we can take to help us. No one just drifts out of debt – it has to be an intentional decision. Tonight, let's talk about eight very specific steps we can take to begin to feel some freedom in the financial area. Does that sound a bit depressing? It's not! This lesson is like aspirin. It's hard to swallow but the headache will go away afterward. God has some relief for you!

Some of you have just figured out that there are fourteen points in this sermon. But because there are fourteen points this week I promise you that next week's sermon will be pointless!

1. Commit to becoming DEBT FREE now.

Psalm 37:21 (NIV) The wicked borrow and do not repay, but the righteous give generously;

It all starts with a commitment. God says to borrow and not repay is wicked. Why? Because your decision obviously it hurts the person you didn't repay, and it also hurts you.

"But we're so far in debt. Why shouldn't we file for bankruptcy and start all over? That would be the easiest thing to do." The Bible says it's a wicked thing to not repay. There are some things that are LEGAL to do, but not RIGHT to do. There are some ways that are EASIER, but they are not SCRIPTURAL.

Why would God want us to do it the difficult way? First, to repay the people we owe because He cares about them. Second, because of what it does to our hearts. There's an incredible fulfillment that comes from knowing you've done the right thing even though it took a long time.

It will not be easy! It's always easier to get into debt than to get out of debt. It will take commitment. It will take discipline. It will take delayed gratification. It will take perseverance. And most of all, it will take character. Any fool can get into debt, but it takes a person of character to make a commitment to get out of debt.

2. Start paying GOD and YOURSELF first.

Here's a good plan for financial management: Right off the top you pay God the first ten percent (tithe) and you pay yourself the second ten percent (saving). That way, you create a financial margin to live on. Let's call it the 10-10-80 plan. Living on eighty percent is a plan that will help you get out of the debt trap. This takes some major financial reorganization, but it is worth it because it has great payoff. Here are some examples, using the 10-10-80 plan ...

- If you're 25 and make \$15,000 a year for the next 20 years, you can give \$30,000 to the Lord's work by age 45. And you will pay yourself \$85,900 in that same period, assuming 10% interest.
- If you're 35 and make \$30,000 a year for the next 20 years, you can give \$60,000 to the Lord's work by age 55. And you will pay yourself \$171,000 in that same period, assuming 10% interest.
- If you're 45 and make \$60,000 a year for the next 20 years, you can give \$120,000 to the Lord's work by age 65. And you will pay yourself \$343,000 in that same period, assuming 10% interest.

Deuteronomy 14:23b (LB) The purpose of tithing is to teach you always to put God first in your lives.

Proverbs 3:9 (LB) Honor the Lord by giving him the first part of all your income, and he will fill your barns with wheat and barley and overflow your wine vats with the finest wines.

Malachi 3:10 (NLT) Bring all the tithes into the storehouse so there will be enough food in my Temple. If you do," says the Lord Almighty, "I will open the windows of heaven for you. I will pour out a blessing so great you won't have enough room to take it in! Try it! Let me prove it to you!

1 Corinthians 16:2 (LB) On every Lord's Day each of you should put aside something from what you have earned during the week, and use it for this offering. The amount depends on how much the Lord has helped you earn.

3. List everything you OWN and everything you OWE.

Proverbs 24:3 (LB) Any enterprise is built by wise planning, becomes strong through common sense, and profits wonderfully by keeping abreast of the facts.

You have to experience a moment in life where you realize what you're facing and become honest about it. Why don't we want to list it? Because we're afraid of it! It's like not wanting to know the facts about our health. But the fear that you hide from is always greater than the fear that you're honest about. You can't make wise financial decisions without knowing the facts.

Proverbs 18:13 (LB) What a shame--yes, how stupid!--to decide before knowing the facts!

4. Have a SALE.

If you're stuck in the debt trap you have things you need to get rid of – too much stuff! If there's equity in it, if you're paying insurance on it, if you're spending money to maintain it, if you're taking up space to store it, if you don't need it, selling it can help you get out of debt. Have a sale!

Many people buy things for the wrong reason – they make purchases for STATUS. They want people to say, "Look at what they have!"

If there is anything in your life that if God told you to sell it you'd say, "I can't do that" the Bible has a word for it – an IDOL! An idol is anything that we put ahead of God in our lives, looking for it to bring us status, satisfaction or happiness.

Take those possessions you bought for status and buy something instead that's simply adequate to meet your needs. That will help you get out of the debt trap. Have a sale!

Ezekiel 20:7a (LB) Get rid of every idol.

5. Set up a **REPAYMENT** plan.

You'll never get out of debt accidentally – it has to be intentional, you have to have a plan. You may need a financial counselor or a good friend who has a knack for finances, but you need to make a commitment with them to set up a plan to get out of debt.

"I can do that myself." If you could have done it alone, you already would have; but you haven't be able to do it, so you need somebody else involved. What's the stigma about finances anyway? If you thought you had cancer, you would head straight for a doctor and get some help, you would have your friends praying for you and supporting you.

But debt is like a financial cancer, eating away at your family's finances. Yet when it comes to debt often we don't even talk about it in our own homes – we just ignore it and pretend that it's not there. The value of a counselor is that somebody can help you face the facts and make a wise plan. In fact, I'd encourage you to always seek wise counsel before making any financial decisions. All too often our emotions get in the way.

Every one of us has made financial decisions that we've regretted later. It seemed like the right thing at the time, but we've lived with the pain for years. Why do we avoid getting counsel? Because we don't want anyone telling us NO! We want what we want when we want it!

Proverbs 20:18a (LB) Don't go ahead with your plans without the advice of others.

6. Add no **NEW DEBT**.

Don't add new debt as you're trying to pay off your old debt. That's just a revolving door. Most of us get into debt for one reason – we spend more than what we make. So we have to make a decision: "I'm going to stop this merry-go-round now!" You will never get out of debt if you keep buying on credit. That's what got you into trouble!

Here are three criteria for using a credit card:

- (a) You pay it off every month.
- (b) You never use it to buy something you can't afford.
- (c) If you break either of the first two rules, you get rid of it!

If the reason you got in debt was credit cards, here's a project you need to do this week: Take all your cards and lay them out on a cookie sheet. Heat the oven to 450 degrees, and watch your worries melt away. Then mail them back to the credit card companies with a note saying, "Don't ever send me one of these again!"

A financial counselor at one church has a huge jar on his desk filled up with little strips of cut up credit cards. When somebody comes in and says, "I've got to get out of debt," he says, "Give me your credit card." He gets a pair of scissors and says, "How serious are you?" That is a real moment of decision!

Once you have used a credit card to go over the line to buy things you can't afford, human nature says you're going to do it again. You can have all the resolve in the world but when that card's in your pocket you think, "Just this once." You need to put a stop to it!

There's a heart attitude behind your debt problem (there's ALWAYS a heart attitude behind a problem!). The attitude is DISCONTENT. God help us to be content with what we have, to enjoy it because You gave it to us, and to not always be looking for something new to give us a thrill.

Contentment is the greatest key for staying out of debt!

Hebrews 13:5a (NIV) Keep your lives free from the love of money and be content with what you have.

7. Share your plan with your **CREDITORS**.

Creditors hate it when you don't communicate with them, when you try to hide. Tell them! Don't stop opening the bills or pretend they're not there. Tell them what you're going to do. Tell them, "I don't want to file bankruptcy on you." Tell them, "I can't pay you \$25 a month but I can pay you \$5 a month." Start somewhere – don't be too proud to ask for help.

Pay off the smallest bills first, or those that are charging the greatest interest. Get that done, then apply whatever you were paying on that to your other bills. Pay them off one at a time, slowly but surely.

"But my creditors will never do that." Try asking before you say that! And remember that you have God on your side! Try praying this promise ...

Proverbs 16:7 (GW) When a person's ways are pleasing to the Lord, he makes even his enemies to be at peace with him.

8. **STICK TO IT!**

Getting out of debt is not easy. It takes discipline. It takes effort. It takes sacrifice. But these principles do work. They've worked for thousands of people. But you have to work them. You have to ask for God's strength to stick to it.

Galatians 6:9 (LB) And let us not get tired of doing what is right, for after a while we will reap a harvest of blessing if we don't get discouraged and give up.

You can do this by God's strength and with God's help. You can do it by following God's Word and His principles for living. Next week, we're going to talk about some more real life principles concerning our finances. But you need to begin NOW with two vital commitments:

(A) YOU NEED TO FOLLOW GOD'S FINANCIAL PLAN.

That's exactly what we're going to discuss next week, but you can get a head start by putting the brakes on the debt trap beginning today!

(B) YOU NEED TO FOLLOW GOD'S PLAN FOR YOUR LIFE.

Even more important than God's financial plan is His plan for your entire life – and your eternal life.

You see, there is another crucial place where we are caught in the "debt trap." It's the debt of sin (the wrong things we've done to hurt God, ourselves and others) that we don't have enough resources to repay. And you can't balance out the account by doing enough good things. That is the horror of sin.

So what do you do about it? Do you just live with this debt? Do you hide from this debt? God has a different answer!

Colossians 2:14 (IBC) We owed a debt because we broke God's laws. That debt listed all the rules we failed to follow. But God forgave us and took away that debt and nailed it to the cross.

Financial freedom is wonderful, but freedom from sin is eternal!