

UNLEASHING THE CHAINS OF DEBT

Dowlen Road, May 24, 2009 AM

INTRODUCTION:

- A. II Kings 4:1; Nehemiah 5:4-5; Matthew 18:23-25; Luke 15:11-15. The stories fill the Bible. Sometimes they are accounts of events that actually happened, sometimes they are used as illustrations. But we encounter them again and again, stories of people enslaved by debt (sometimes literally so) and the grief it brought into their lives. But these stories are not limited to Bible times. We could multiply the examples in our own day of people whose lives have been devastated by debt.
- B. For the last few weeks we've been saying that God does not want us to live this way. He wants us to have peace in our lives, peace with our finances. As we continue our series, *"Prosperity, Poverty and the Wisdom of Proverbs,"* we want to examine more closely the problem of debt and how we can avoid becoming enslaved. If I'm to avoid slavery to debt, I need to know some things.

I need to know what the Bible says.

The Bible has a lot to say about debt. Let me give you four quick facts that will be important to remember as we go through this study.

- A. Debt is not a sin. You will occasionally encounter people who argue that it is wrong for Christians to take on a debt of any kind (Romans 13:8). Of course, they are not consistent. If it is wrong to incur debt of any kind, then you could not use public water or electricity. After a month of using these utilities, you have a debt that is owed. In fact, in verse 7 Paul just urged us to pay our debts. His point in verse 8 is that we should pay all of our debts (monetary, honor). Jesus actually encouraged us to lend to others (Matthew 5:42). In the Old Testament, the law required lending (Deuteronomy 15:7-8). Whatever we may say about debt, we are not suggesting that it is a sin to incur a debt.
- B. Debt might involve sin. When my life is all about having things and I'm driven by that spirit to buy what I cannot afford, then I'm certainly in trouble because of my attitude. The Bible condemns the materialistic mind (Luke 12:15).
- C. Debts must be paid. When I choose to take on a debt, I'm obligated by God to pay it (Psalm 37:21; Romans 13:8). We need to carefully consider this responsibility before obligating ourselves.
- D. Debt leads to enslavement (Proverbs 22:7). Because I'm obligated, I'm not working for the creditor. He gets his cut of my income. This will not be oppressive if the debt is small (a reasonable house payment). But as my debts grow and devour more of my income, I begin to feel that powerful burden of enslavement.

Summary: If you've ever been there, you know what a terrible burden it is. It is a trap into which we never want to fall. To avoid it,...

I need to know what causes debt.

- A. It is only fair to say that, at times, debt is unavoidable. If I lose my job and find myself out of work for 18 months, I'm probably going to have some debt. I might have a serious medical crisis that creates serious debt. To some degree we can anticipate and plan for such events (emergency fund). But there can be events for which no one has the ability to plan.
- B. But let's be honest and acknowledge that most debt is unnecessary. People are getting into financial trouble not because of a crisis, but because they are not being responsible with their resources. Most people get into debt because:
 1. They spend more than they make and finance the shortfall. If we do this, even just a little, eventually we will have a debt crisis. Take a person who makes \$50,000 a year, and each year spend 2% more than they make. This may not be a big deal after one year, but if he does this for the next ten years, he will have more than \$10,000 in debt, not counting interest.
 2. For others, the problem is not spending more than they make, but spending right up to their limit and saving nothing for emergencies (Proverbs 22:3). When a crisis does come – and it will – they are forced to borrow. The more emergencies they face, the deeper into debt that fall and the more difficult it becomes to get out.
 3. Still others fail to give proper attention to their resources (Proverbs 27:23-24). They don't want to be bothered with balancing the checkbook and preparing a budget. They really don't know how much money they make or where it goes. As a result, many don't save, they over spend and end up in trouble.
 4. Others struggle with impulse buying. This is the guy who goes into Best Buy to get a new mouse for his computer and comes out with a new 72" HD television. Maybe there was a big , or the salesman offered him a really great deal, or the playoffs are coming up and he really need this. But the problem is he did not think through his purchase: Can I really afford this? How will this impact my budget? What other expenses are coming up? Will it fit in my living room? If we get in the habit of impulse buying, in time it will lead to debt (Proverbs 21:5).
 5. Credit cards are also a problem. There is a different mentality that takes over when we buy with plastic. People who use cash are more reluctant to spend it, while those who use credit are more likely to over spend. People who make purchases with credit cards spend 15% more. With credit purchases we tend to lose that sense of how much money is actually going out. We tend to buy what we think we need or want, without a real sense of what it is costing us. Have you ever had "sticker shock" when you saw the bill at the end of the month? The more we get caught up in this method of buying, the easier it becomes to slip into debt. A safer course is to get out of the habit of buying with credit cards and use cash as much as possible.

Summary: We are living at a time when it is easier than ever to slip into a debt crisis. We need to be sensitive about the factors that get us there. But some are not concerned. They don't see debt as a big deal. This brings us to our third point.

I need to know the consequences.

Until you've been in the middle of a financial mess, it is difficult to appreciate the toll that it takes on a person. There is no part of our life that is unaffected.

- A. It affects us mentally. For men, money troubles leave them feeling like a failure. For women, it robs them of security. We become worried and fretful. Sometimes we're just worried about making ends meet at the end of the month. For others it's more serious: the car being repossessed or losing the house. Money worries can occupy our minds all the time and fill us with anxiety. This is not the way God wants us to live (Philippians 4:6; Matthew 6:25-34).
- B. It affects us physically. Anxiety not only drains our energy during the day, but it robs us of sleep at night and leaves us exhausted all the time. Over time it will rob us of our health.
- C. It affects our relationships. How do things go at your house when you are exhausted and filled with anxiety? We tend to be distracted, short-tempered, or depressed. Little things lead to big conflicts. Money issues now become a constantly flash point for conflicts between husbands and wives. It's no surprise to find that money issues are a significant factor in the failure of marriages.
- D. It affects us morally. When we are in throws of a financial crisis and not quite sure if we can make it, it is easier to compromise our values. Some find it easier to be dishonest – to lie about an insurance claim or promise to pay when they know they cannot (Proverbs 28:6).
- E. It affects our reputation (Proverbs 22:1). But being irresponsible with our financial resources can cost us our good name. When we get in over our head, don't pay our bills, ignore the collector's calls and perhaps never pay, we damage our good name. For those who know us to be Christians, we hamper our ability to reach them with the gospel.
- F. It affects us spiritually. Obviously there is a spiritual impact when we engage in behavior that is unethical and harms our influence, or when we mistreat our spouse during conflicts about money (I Peter 3:7). But there is another impact. When money starts to get tight, one of the first things that many people stop doing is giving to the Lord. Think about it: God has given me all these material blessings and I've squandered them and acted irresponsibly to the point that I am unable to give anything back to Him. I don't support His cause the way I should and I neglect this important obligation (II Corinthians 9:6-7).

Summary: The consequences of debt can be far reaching, negatively impacting every part of our lives. We ought to fear falling into this trap. To avoid it...

I need to know the warning signs.

There are some indicators that should give us a heads up that we are headed for financial trouble. Let's close with a quick list:

- A. Of course, there are some obvious things that all of us would recognize as signs of financial trouble.
 - 1. For example, if I get up in the morning wondering if the car has been repossessed... If I'm getting forty calls each day from bill collectors... If my utilities are shut off because I'm behind on my payments...
 - 2. When things like this start happening, I know I'm in trouble and I need to ask for help and seek counsel. It often happens that people try to hide their situation, make decisions that make the situation worse and get deeper into trouble. If you get into a crisis, get some help.
- B. It is also important that we are able to perceive the warnings signs that tell us we are headed for trouble. We will be better off if we can see the crisis coming and take some steps to avoid it (Proverbs 22:3) *"The wise see danger ahead and avoid it, but fools keep going and get into trouble."*
 - 1. What are the warning signs?
 - a. When I don't know my basic numbers (income, expenses, debts)...
 - b. When I fall short every month and use credit cards to cover the difference, and those balances continue to grow every month...
 - c. When I'm not saving anything (retirement, college, emergency fund)...
 - d. When I have no money to cover small, unexpected expenses (a prescription, car repair)...
 - e. When my credit cards are maxed out and I only pay the minimums...
 - f. When paying bills means there is going to be a fight with my spouse...
 - g. When I spend more time worrying about my bills than paying my bills...
 - 2. God doesn't want us to live this way. He wants us to have financial peace.
 - a. I need to see the crisis coming.
 - b. I need to get back to His word.
 - c. I need to discipline myself to manage my resources in a way that gives Him glory and peace to my family.

Conclusion: Are you at peace with God?