

Escaping the Debt Trap

How God Uses Money to Shape Us-- part 3 of 7

October 29, 2023

Proverbs 22:7 "The borrower is a slave to the lender."

DAY 1: 2 signs of moving toward the debt trap

1. One of the reasons there is debt is we live in a culture of instant gratification. We live in a buy now, pay later culture. American consumer debt is \$16.9 trillion. That's not our national debt. That's what *we* owe. Our government's national is over 33 trillion dollars!

Proverbs 22:7 "The borrower is a servant to the lender."

2. When you get in debt you lose your freedom. You end up serving the person that you borrow from.

3. Listen to credit card ads. You'll hear nonsense like, "You deserve it. Could there possibly be a better way to achieve your financial freedom? This is the way you can become master of your finances. The ideal way to provide yourself with the little extras that you know you really deserve. Just click here and receive your shiny new card and start enjoying life."

Danger Sign #1. You begin living on credit instead of paying cash.

4. If you begin to depend on credit to maintain your lifestyle you are spending too much.

Proverbs 3:27-28 "Don't withhold repayment of your debts. Don't say, 'Some other time,' if you can pay now."

5. As a young husband, a good friend helped me get my finances in order. 1. Tithe. 2. Put something in savings. 3. Pay my bills for that pay period. What I quickly realized that on Day 2 of a pay period we did not have this big wad of money sitting in our checking account ready to spend on demand. We started living in **Realityland** rather than Fantasyland.

6. How do you know if you are living on credit? The balance on your credit card increases every month.

Proverbs 27:1 "Don't brag about tomorrow. You don't know what may happen."

Danger Sign #2. Delaying payments or paying minimums.

7. If you're missing payments, if you're making late payments, if you're paying the minimum on cards, if you find yourself under tension over money, if checks bounce – red flags! Welcome to the debt trap.

Romans 13:8 Let no debt remain outstanding.

Leviticus 25:36 Do not take interest or any profit from them, but fear your God, so that they may continue to live among you.

8. What strikes you from today's writing?

DAY 2: 4 more signs of moving toward the debt trap

Danger Sign #3: You're unable to tithe or save.

1. You get to the point where you can't tithe and you can't save because it's all going for current bills.

Proverbs 21:20 "The wise man saves for the future but the foolish man spends whatever he gets."

Danger Sign #4: You begin living on credit instead of paying cash.

2. If you begin to depend on credit to maintain your lifestyle you are spending too much.

Proverbs 3:27-28 "Don't withhold repayment of your debts. Don't say, 'Some other time,' if you can pay now."

Danger Sign #5: Delaying payments or paying minimums.

3. If you're missing payments, if you're making late payments, if you're paying the minimum on cards, if you find yourself under tension over money, if checks bounce – red flags! Welcome to the debt trap.

Romans 13:8 "Let no debt remain outstanding."

Danger Sign #6: Unable to pay taxes.

Matthew 22:21 "Give to Caesar [the government] what is Caesar's and give to God what is God's."

4. Which of the six danger signs of debt gets your attention? (Review yesterday's notes).

5. What is something you can do to move in the right direction?

6. Is there a friend or someone in the church that can help you move ahead?

7. What strikes you from today's writing?

DAY 3: 3 steps toward getting out of debt

Step #1. Commit to becoming debt free now.

Psalm 37:21 "The wicked borrow and do not repay."

1. "We're so far in debt. Why shouldn't we get a bankruptcy and start all over?" But the Bible says it's a wicked thing to not repay. There are some things that are legal to do – and it's legal to get a bankruptcy.

2. There are some things that are legal to do but they're not necessarily the right thing to do. There are some ways that may seem easier to get out of but they're not the right way, God's way.

3. "Why would God want us to do it the hard way?"

- To repay the people because He cares about them,
- To repay people because it's the right thing to do,
- What it does to our hearts--the fulfillment of knowing I've done the right thing even though it took a long time,
- He also wants to use you to help other people in the same trap.

Step #2. Start paying God and yourself first.

4. Right off the top give to God and put something in savings.

5. You want to get to where you're living on a margin, not your entire paycheck.

6. This will force you to:

- rein in spending,
- get interest moving in your favor, and
- put yourself in a position for God to bless you.

Step #3. List all you own and all you owe

Proverbs 24:3 "By wisdom a house is built and through understanding it is established."

Proverbs 18:13 "It is stupid to decide before knowing the facts." You need to know the facts about your finances so you can make a wise financial decision.

7. What strikes you from today's writing?

DAY 4: 3 more steps toward getting out of debt

Step #4. Have a sale (a car sale, a yard sale, etc.)

1. You likely have things to get rid of. Some of you are thinking, “But they’re paid for.” Even if you’ve already paid for it there’s some equity in it that can help you get out of debt.

2. Some of you bought a car for status reasons. You didn’t buy it for transportation. You didn’t buy it even for safety of your kids. You bought that car so when you drive down the road people will go, “Look at that guy in that car!” When you drive to your office everyone rushes to the window to look at you in your car!” If there is any thing in your life that if God told you to sell it you’d say, “I can’t do that” the Bible calls that an idol. Any thing that we hope will give us status or power or satisfaction is an idol. Only God can give us those things.

3. What you may need to do is sell the car you bought for status and buy a cheaper car. Buy something that will help you get out of debt.

Ezekiel 20:7 says this “Get rid of every idol.”

Step #5. Set up a repayment plan.

4. You’ll never get out of debt accidentally.

Proverbs 21:5 “Good planning and hard work lead to prosperity.”

5. Chart out how long it will take you to get out of debt. Commit to those monthly get-out-of-debt payments.

6. You may need a financial counselor, somebody who can help you work this plan. If you knew you might have cancer, you’d go to a doctor. But there’s something about our finances where we don’t want to ask for help.

Step #6. Cut the time to be debt free in half.

7. You’re thinking, “That’s impossible.”

Luke 18:27 “What is impossible with men is possible with God.”

8. You’d be amazed at what you can do if you want to and if you ask for God’s involvement.

9. What strikes you from today’s writing?

DAY 5: 3 more steps toward getting out of debt

Step #7. Add no new debt.

1. You won't get out of debt if you keep buying on credit.
2. It's ok to have a card if you do three things. 1. Pay it off every month. 2. Don't use it to buy something you can't afford. 3. If you violate either criterion cut it up!
3. A financial counselor has a big jar on his desk filled with cut up credit cards. When someone asks for help to get out of debt he asks, "How serious are you? Serious enough to cut them up?" I can have all the resolve in the world but if that card's in my pocket, when I'm feeling bad, I think, "It's ok," I'm right back where I was.

Hebrews 13:5 "Be content with what you have."

Contentment is the greatest key for staying out of debt.

Step #8. Share my plan with my creditors.

4. Tell them what you're going to do. "I don't want to file bankruptcy. I can't pay you \$50/month but I can pay you \$20/month." You think, "They'll never go for that." God can do great things.

Prov. 6:7 When your ways please the Lord He will make your enemies into friends.

5. Debt Drive: pay bills with highest interest first. When you pay off a creditor apply that payment amount to the next highest interest debt.

Step #9. Stick to it.

6. Getting out of debt takes discipline and sacrifice, but these principles work. Ask God for strength to stick to it.

Galatians 6:9 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.

7. Getting out of debt has a number of "small" steps that add up to a big change in how you steward money God entrusts to you!

8. If you are in debt, you may want to simplify these notes into one page, print the page and leave the page in a prominent place where you will be constantly reminded of your next steps!