

Title: Personal finance seminar – dealing with debt
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What does the bible say? The bible discourages debt. It condemns the misuse of debt and the failure to repay debts (Psalm 37:21; Proverbs 3:27-28). In those rare cases where we go into debt, we should make every effort to get out as soon as possible (2 Kings 4:1; Matthew 5:25-26; 18:23-24)

Proverbs 22:7 (NKJ) (debt is bondage)

The rich rules over the poor, and the borrower *is* servant to the lender.

Nehemiah 5:3-5 (AMP)

Also some said, We are mortgaging our lands, vineyards, and houses to buy grain because of the scarcity. Others said, We have borrowed money on our fields and vineyards to pay the [*Persian*] king's heavy tax.... We are forced to sell our children as slaves; some of our daughters have already been thus sold, and we are powerless to redeem them, for others have our lands and vineyards.

When debt is especially dangerous:

1. When a possession's resale value is less than what is owed. (cars, clothes, furniture)
2. When it tempts us to violate our convictions.
3. When we are tempted to rob God to pay people. (tithing)
4. When our monthly payments leave us little freedom to respond to the Holy Spirit's promptings to give generously to meet others' needs.
5. When it restricts our freedom to respond to the Holy Spirit's call to move or change.

The consequences of debt:

1. Debt lingers : the new boat is fun for a while, but 2 years later, when it's sitting in storage, the motor needs repair and the kids don't want to ski anymore, we're still paying for it.
2. Debt causes worry and stress.
3. Debt causes denial of reality. You can't actually afford the fancy car which you are driving, but you think you can, because you can borrow the money.
4. Debt could lead to dishonesty. If you are really in a bad place, you can start lying.
5. Debt could be addictive: 98% of the time debt is an internal problem, not an external one.
6. Debt is presumptuous: Undertaking any debt is a gamble that our future income will be sufficient to make payments.
7. Debt deprives God of the chance to say no or to provide through a better means.
8. Debt ties up resources and makes them unavailable for the kingdom of God: Past unwise decisions inhibit present and future generosity.

Getting out of debt

If you are in debt, 2 questions are relevant:

1. How/Why did you get into debt and
2. How can you get out?

The reason for the first question is important to help you to make future decisions, as well as to identify the root of the debt. It could be a symptom of greed, impulsiveness, lack of self-control – which we need to bring before the Lord. Maybe it was a legitimate need and you had no other option and you did consult the Lord and had peace.

1. Bring it before the Lord – repent if necessary.
2. Incur no new debts.
3. Systematically eliminate existing debts – HOW? Start with the smallest debt first.
4. Destroy your credit cards if that is a temptation.
5. Don't compromise on your giving to God – you are cutting off your source by dishonouring.
6. Learn the difference between saving and spending. When we buy something on a sale, you are not saving, you are spending!
7. Consider ways to increase your income in order to eliminate your debts. You could get a part-time job or sell a few things in your house.
8. Buy cash! Exercise self-control!
9. Make a list when you go to the shop, otherwise the mammon spirit will make a list for you.
10. Live within your means. Prioritise.
11. Budget.
12. If debt seems the best or necessary choice, go slowly and prayerfully.

Note:

Some of the content of this message comes from the book, Money possessions & Eternity by Randy Alcorn. I can highly recommend it.