

“The Steps to Financial Freedom”

Breaking Out Of the Debt Trap Part 3 of 4

Luke 14:28-35 May 3, 2009

We are in the midst of historic financial times. Our government has pledged bailouts equal to more than a whole year's budget, and some in power are advising us to not be concerned about the debt. And yet we are in this position largely because many people were unable to pay their debts. At the encouragement of the government and with greed replacing good judgment, mortgages and other loans were made to people who could not afford to pay them back. That led to the financial meltdown and now we are holding the bill. Energy costs are down now, which seems hopeful, but they are down because of major concerns about the economy. And both the past and current Presidents have advised us to spend more money and to not be concerned about the debt. To me that sounds like a fireman telling us to put out a small fire by throwing gas on it.

Ford, GM, and Chrysler may not have a better idea, but God sure does. God knows that there is going to be pain in the future of this nation, and throughout the world, but He also knows the way out. We can find financial freedom if we just take the right steps. But what are the steps? What is God's plan? First of all, it is to limit our debt, because when we get into debt, we lose our freedom. Proverbs 22:7 *"The borrower is a servant to the lender."* We end up serving the person that we borrow from. But we don't think about it that way. When we talk about debt, an unsecured debt which usually begins with credit cards, we never hear about this servant thing. In fact we often hear how debt can set us free. Look at ads for loans and credit cards and you will never see the word debt. And yet our debts, personally and corporately are imprisoning us. Debt can be a sinister trap.

This week and two weeks from now we are going to look at debt. This week we look at the danger signs that we are falling into a debt trap, and later we will look at some specific steps to get out of the trap. I know retailers may not be very thrilled with me talking about this sort of thing, but we need to talk about this stuff. Because the traps are out there, and we need to know the warnings God gives us about those traps. There are six things:

1. We Begin to Live on Credit Instead of Cash.

If we depend on credit to maintain our lifestyle, we're 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."* How do we know if we are living on credit? It's pretty simple. The balance on our credit cards is increasing every month. Then we know that we're using those cards to maintain a lifestyle that we could not maintain just on our salary. In some way, we've begun to live on credit. There are two big problems with living on those unsecured credit cards. One, it shows a lack of contentment. *"I have to have it now. I can't wait for it."* In Luke 3:14 John the Baptist advised

us to *"Be content with your pay."* And the second problem, not only do we overextend our finances; we also assume something about the future. We say, "I can pay it off later. I'm going to still have this job. I'm going to still have my health. Nothing's going to happen in my family that's going to create a need. God's not going to ask me to do anything in my life that would cause me to disrupt my finances or lifestyle. So I'm going to spend it now presuming that in the future, everything's going to be fine." And we don't know that. Proverbs 27:1 *"Don't brag about tomorrow. You don't know what may happen."* Credit debt is a very dangerous thing.

Studies show that if we have a credit card, on average we'll spend 23% more in a store than we would otherwise. It's just a lot easier to buy unnecessary things when a credit card is available. Would we all agree that it is fun to spend money? And to spend money that we don't have, that can be exhilarating. There's something about it that is incredible. It has been said that credit buying is much like being drunk. The buzz happens immediately. The hangover comes the day after. We all know about that.

2. Delaying Payments or Paying the Minimum

When we have to delay payments or pay the minimum, we know we're in the debt trap. If we're missing payments, making late payments, if we're paying the minimum on cards, if we find ourselves under tension constantly over money, if our checks begin to bounce because of insufficient funds, if we're having to dip into our savings reserves to pay bills, they are all red flags! We're in trouble. We're in this trap. Romans 13:8 *"Let no debt remain outstanding."*

3. Unable to Tithe or Save.

If we get to the point where we can't give ten percent to God, where we can't tithe or save for the future because we need it all to pay for current bills, we're in a trap. Over the past couple of weeks we've talked about the value of tithing and saving. God takes this very seriously. God says "If you refuse or are unable to tithe, you're essentially using My money to pay your bills." How seriously does He take this? Malachi 3:8 *"Will a man rob God? Yet you rob Me. Yet you ask, 'how do we rob You?' In tithes and offerings."* If I'm not tithing, if I'm not saving, I'm spending too much. Proverbs 21:20 *"The wise man saves for the future but the foolish man spends whatever he gets."* It's one of those signs of a trap.

4. Unable to Pay Taxes.

Jesus said in Matthew 22:21 *AGive to Caesar [the government] what is Caesar's and give to God what is God's."* In banking, periodically I would get a loan request to pay taxes. Often they wanted to repay the tax loan over 2, 3, 4 years. I'd ask, *Alf could not save to pay this year's taxes, how are you going to pay this loan and next year's taxes."* We never looked on those loans very favorably because we knew a debt trap sign when we saw one. Not paying taxes is a big sign.

5. Extravagant Spending.

In York County, we're known to be pretty conservative. But we are not exempt from this temptation. Everyday we get new catalogs. We get flyers advertizing this or that. And often we look and say, "That would be nice, but ...". Then the day comes when we see and our desire overcomes our conservative nature. Maybe it is clothing, furniture, or the latest electronic toy; maybe a boat, car, or home. It's very easy to begin to spend extravagantly. And like every other foolish thing we do, once we violate our conscience once, it's easier to do the next time. One of the values of this danger signal is this is that we you can actually see it before we get into debt, before we're in trouble. AI've begun to spend extravagantly. I've begun to buy things I don't really need just because I can." When we begin to do that it is not long before we find ourselves in the debt trap.

Over the past couple of years I have gotten into golf. I have had to learn a lot about the game, and also about the tools and equipment. I see a Taylor Made driver or Calloway irons and I think, ABoy, imagine what that would mean to my game." I see golf balls that promise to go longer and straighter. There are GPS devices and electronic caddies that give me all sorts of information to help my game. There are even tools that promise to correct my swing and transform my golf game into the image of Tiger Woods. But the problem is that even with all those golf tools and toys; I am still stuck with these arms, these shoulders, and this mind. And yet there is the temptation to spend money. And it's easy to find ways to spend money. When we get to the point where we buy things just because we have the money, watch out. That is a danger sign of heading toward the debt trap B extravagant spending. Remember Proverbs 21:17: *AIndulging in luxuries, wine and food will never make you wealthy.*" Some people just want to appear to be wealthy and so they spend extravagantly. The appearance of wealth may not be real, but the debt certainly will be. It will never make us wealthy, and it will put us into debt.

6. Always Looking for Get-Rich-Quick Schemes.

If you're not in debt now, this will do it. And if you are in debt, you are ripe for a rip off to get you even deeper in debt. Proverbs 21:5: *ASteady plodding brings prosperity. Hasty speculation brings poverty.*" When we get into debt it's easy to begin to live in a fantasy world, a world of thinking that somehow, some way it's all going to be taken care of immediately. Something miraculous will happen. We go to get the mail expecting money to jump out of the mailbox any day now. APublisher's Clearinghouse will be mine. This trip to Vegas is going to payoff big." The fantasy world convinces us that suddenly we'll get out of debt. But the truth is it's going to take just about as long to get out of debt as it took to get into debt. That's how finances work.

We get into the idea that AI’ve got to get out quick.” Then we begin to fantasize about tomorrow and we devise a scheme that will make it happen. There are a lot of people who are waiting for their big deal to come through. We convince ourselves that some day it is all going to happen and life, not to mention our finances, will be just peachy keen. Some have languished in debt for five, ten, fifteen years waiting for The Big Deal to come through. Now is it possible that some big deal will happen. Of course. We still live in an entrepreneurial country. There are ideas that are just waiting to explode when they hit the marketplace. The entrepreneurs will find them. But how do I know if I’m really an entrepreneur? With my ideas, I am actually making money. If I’m not making money with this brilliant idea, it is not so brilliant and God has something else for us to do. But still, some have been waiting so long for the big deal to come through, and in the process, all that has been collected is pain and disappointment for themselves and their families.

For others the answer is the lottery. They play religiously believing that some day they are going to have to hit it big. That’s what all the commercials tell us. Now there are a couple of problems with that. One is that in reality, the lottery is a tax on people who are poor at math. Governments support it because they know that it will make money for them. They learned that from organized crime, who have been running numbers games for centuries. The odds are always in favor of the house, and now the government is the house. Over time, you are not going to beat odds. You will lose money. But even those who win and win big, don’t keep the money very long. About 1/3 of big lottery winners are in serious financial trouble or bankruptcy within 5 years of turning in their ticket. The lottery is not a way out but a way into even more debt, and an even more desperate situation. The A something for nothing” mentality is a self-imposed sin. The Bible warns us against that attitude. Ecclesiastes 5:7 *“Dreaming instead of doing is foolishness.”*

Now I don’t want you to be foolish, and I don’t want you to be in debt. I understand that some debt is necessary in this time and place, but we always have to be able to control our debt rather than allowing our debt to control us, to imprison us. But debt does not have to be a permanent way of life. The Lord gives us advice on how to eliminate our debt, or at least get it under control. There are nine principles, but those we will look at in two weeks. For today, if your debt is threatening to control you, or if you know someone whose financial situation is bleak, take a look at the six principles I talked about today. Which ones are keeping you in debt? What are the greatest temptations? If we know that these things have put our finances in a hole, it is time to stop digging that hole. It time to begin to look, listen and obey the Lord, that our God might be the only one to whom we are indebted. That is the situation that we all need in life. And in your life, may it be so. Amen.