

Debt



Student loans, mortgages, credit cards, car payments, and many other forms of debt consume almost everyone in the American culture. But what exactly is debt? And why is it so bad? Debt is the act of owing something, namely a sum of money, to someone else. It's what causes stress that puts a wedge between spouses in marriage. It's the bondage that holds the college graduate and keeps that person from making as much as they could at their new job. It's what controls the entrepreneurs' decisions and production. Debt is slavery. It's the downward spiral that many people never get out of and in addition pass on to their children. It prevents people from experiencing true financial freedom. It is not inevitable; it's preventable. It's not the only way; rather, it's illogical and I'll explain why. It is not the answer to your financial problems by any means. That would be like trying to wash a cut with bacteria-infested water. Debt, contrary to popular belief, is financially stupid. Let me explain.

The Word of God says that going into debt is foolish and unnecessary!

When a person decides to take out a loan he is putting his free will, his financial security, and even his family in his lender's hands. Think about it; when you decide to borrow money, especially if it's a large sum, from somebody, they have the right to cancel the debt, to demand their money back, because that's what it really is, whenever they want, to take your things as collateral, and to even put you in prison under certain circumstances. You literally put your financial freedom and responsibility into someone else's hands to do with it whatever they want. Proverbs 22:7 says very clearly, 'The rich rule over the poor, and the borrower is servant to the lender.' How is that deliverance from a financial rut? I don't think so.

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Why do people usually go into debt? The occasion differs greatly from each situation to another. There are those who take out student loans to pay for the college education that they don't have the money for at the moment, the fathers and mothers who can't afford to provide for their families anymore due to a setback in their jobs, the entrepreneurs who are just starting a business and can't yet afford to have the big business they want, or even the government who just doesn't have enough money to do all the things they want to and have foolishly promised to. But let's take a more basic example such as a family who wants to buy a house. Very few people can actually buy a house up front. They're just that expensive. So a new system has come about because of that fact. Mortgages are now normality in our culture. But, unknown to many people, the cost of the house goes up exponentially because of how they're paying for it! Let's take a house that originally costs \$250,000. Who do you know that can afford to pay that all at once? So this family decides to take out a mortgage. A mortgage is basically a debt on a house that is paid off in increments. But it's paid off with something called interest, which is a percentage addition to the money originally owed. Say this house has a 7.500% interest rate. Let's also say that this family paid \$40,000 up front. So what they borrow from the mortgage company is now \$210,000. The mortgage company charges you interest on the money you borrow for their services of lending it to you. It's their fee, if you will. If your mortgage plan is for 30 years on 7.500% interest rate, your monthly fee would be \$1,468.35. Your overall payment would be \$506,606.58 and the interest you paid on it would total to \$318,606.58. That's more than half of the overall price! Debt ends up costing you much more than it would if you paid up front. Most people fail to see just how much so. So while debt may give you the temporary feeling of freedom, in the long run it costs you much more than you probably planned on.

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An argument that many Christians use as an excuse for why they go into debt is that the Lord told them to or that it's stepping out in faith that the Lord will provide. But where is the logic in that? I believe that the Lord can and still does speak to people nowadays. I believe strongly in the intense power of the Holy Spirit. He worked miracles in the Bible and He works miracles today. The moving of the Holy Spirit isn't a Bible-time-only thing. The Bible says in many places that we are to eagerly desire the gifts of the Spirit, which includes healing, prophecy, speaking in tongues, interpreting tongues and many others. So I'm not at all saying that God doesn't speak, I'm saying that people all too easily use it as an excuse for doing something that they probably know in their hearts is irresponsible. The Bible never says "Thou shalt not go into debt," nor does it condemn those who do, but it does command to pay back all debts and brothers and sisters in the Lord to lend without interest. It even says to lend without expecting anything back. But the Word does encourage financial stability and wisdom. It says to work hard, earn an honest living, provide for your family, give to the Lord and the local storehouse (the local church), and to fear and honor the Lord in it all. It commends those who avoid debt, those who leave an inheritance for their children and their children's children and those who refuse to "put security up for a stranger." Surety, according to Larry Burkett in his book, Principles Under Scrutiny, is, "in a literal sense...to deposit a pledge in either money, goods, party payment, etc., for a greater obligation. Surety means taking on an obligation to pay later without a "certain" way to pay." Proverbs 6:1-5 says, 'My son, if you have put up security for your neighbor, if you have struck hands in pledge for another, if you have been trapped by what you said, ensnared by the words of your mouth, then do this, my son, to free yourself, since you have fallen into your neighbor's hands: Go and humble yourself; press your plea with your neighbor! Allow no sleep to your eyes, no slumber to your eyelids. Free yourself, like a gazelle from the hand of the hunter, like a bird from the snare of the fowler.' In short, he is saying that if

you have co-signed, which is putting something you have as collateral for someone else who is in debt, to get out of it as quickly as possible because it's foolish. The Word says that going into debt is foolish and unnecessary! The very next verse says, 'Go to the ant, you sluggard; consider its ways and be wise!' The Bible hands you hard work as an alternative for debt.

There are those who go into debt because they want something they can't afford and tell themselves, "I deserve this. I don't have the money for it, but I want it right now, so I'm going to take out a loan."

Many people also say that they went into debt because there was no other way out. They had to go into debt because if they didn't they wouldn't have made it. Sometimes this is true. There are two different kinds of people who go into debt. There are those who go into debt because they want something they can't afford and tell themselves, "I deserve this. I don't have the money for it, but I want it right now, so I'm going to take out a loan." This is impatience. Then there are the others. It's true that there are times when going into debt is the only apparent option at hand. Take for instance the father with a family to provide for who's just been laid off of work and can't pay his bills or provide money to buy groceries. He may need to borrow money from someone until he can get back on his feet financially. But even in this case you have to be extremely careful. That father needs to go to a fellow Christian or to the Church itself and ask for help. Perhaps he can earn some extra money by doing some odd jobs for those in the local church. But any money he borrows from someone should be paid back as quickly as possible. That's why normally when someone in the church "borrows" from a fellow believer it's normally a gift from one to the other. If the family can ever pay the giver back then great, but if not then it's fine. The one thing that family should never do is go into debt due to fear and despair. Matthew 6 speaks implicitly on the subject. Jesus commands us not to worry because we are loved more than the birds of the air and the beasts and flowers of the field and God will provide for us when we call. He is faithful. 'So do not worry, saying, 'What shall we eat?' or 'What shall we drink?' or 'What shall we wear?' For the pagans run after all these things, and your heavenly Father knows that you need them. But seek first His kingdom and His righteousness, and all these things will be given to you as well.' God knows we need these things to survive. He promises us that He will provide

for us if we seek first His kingdom and put God's will before our own. As I said earlier, Proverbs 6 talks about working like the ant and refusing to be a sluggard. In fact the entire book of Proverbs has things about working hard, saying that those who work diligently at their skill and their land will receive produce and will work before high up people. The Bible's alternative is this: seek God's will, work hard, and trust the Lord. He will provide.

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I have explained how debt is both financially and Biblically unsound and unsafe. It not only takes away your freedom and puts it in your lender's hands, it also costs much more than you would expect, than it even should. The Lord says that patience is a virtue. If you can't afford something you want then wait. Work diligently and save up for it. The Word also says that it's wrong to worry because we can trust in the fact that the Lord loves us with an undying passion and He will always take care of us when we put first His will before our own. We have nothing to worry about because God is in control of our lives. Everything that happens does so because He has a plan. When we seek Him first He will take care of us, no matter what the enemy does to harass or deter us. Debt is an unnecessary and a painful evil that is too commonly turned to in our culture as the norm. Debt has become something that is handled way too lightly and turned too much too often. There are alternatives, even when there doesn't seem to be. But it takes patience, creativity, hard work, and trust.

