

Surviving Bad Money Decisions

Living in debt brings us into bondage. *Proverbs 22:7 – “The rich rules over the poor, and the borrower is the slave of the lender.”*

Debt is a Spiritual Matter! *Romans 13:8 – “Owe no one anything, except to love each other...”*

Debt is like a financial cancer. If you found out today that you had cancer in your body, you wouldn't wait to schedule an appointment with a specialist. You would begin to read up on that type of cancer. You would begin to explore treatments. You would set doctors appointments. You would be aggressive to deal with the physical cancer. Debt is like that. You should treat debt like a financial cancer. And do all that you can to deal with it. To cut it out, eradicate it, or erase it. To do that, you need to identify the *problem* and establish a *plan*.

Six Danger Signs Regarding Debt:

- 1) If you are living on credit instead of paying cash

It's really easy to tell if this is a danger sign for you. You just look to see if your credit card amounts are increasing. If they are going up constantly, then this is a danger sign for you.

- 2) If you are delaying payment or paying the minimum due

There are two kinds of people in the world. There are people who make interest and there are people who pay interest. You need to decide which kind of person you want to be and then reorder your financial world around your decision.

- 3) If you are unable to tithe or save

- 4) If you are unable to pay your taxes

Jesus said we should give to Caesar that which is Caesar's. In other words, don't be afraid to pay the taxes that you owe but being unable to pay taxes is one of the danger signs.

- 5) If you are addicted to extravagant or unnecessary spending

- 6) If you are constantly looking for get-rich quick ideas

Proverbs 21:5 – “The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to poverty.”

Studies have shown that people who play the lottery regularly are indebted more than four times than the average person.

Eight Great Steps out of Debt

- 1) Commit yourself to becoming debt-free now.

- a) Recognize that debt is really a spiritual issue.

Psalm 37:21 – “The wicked borrows but does not pay back, but the righteous is generous and gives.”

- b) The first step is to commit to becoming debt-free now.
 - i) So what you do is say—“God, I’m making this commitment with You.” It’s not a commitment to yourself. It’s not a commitment to your friend. It’s not a commitment to your creditors. It’s a commitment to God.
 - ii) Then God brings all of His resources into place to help you do this. So you commit to becoming debt-free now.
- c) Two key words: delayed gratification

- 2) Start paying God and yourself first.

- a) This is the principle of tithing and saving.
 - i) Right off the top, whatever money comes into your life, you give the first 10% to God.
 - ii) The purpose of tithing is to teach you always to put God first in your lives.
- b) Learn to pay yourself.
 - i) Work the 10/10/10/70 Formula.
 - (1) 10% - Tithe
 - (2) 10% - Savings
 - (3) 10% - Debt Reduction or Long Term Investment
 - (4) 70% - Living Expenses
 - ii) You have to learn to live on less than you make or else you will constantly be falling back into this debt trap.

- 3) Face the truth. List all that you own and all that you owe.

- a) You just need to get it down on paper.
- b) If you don’t know what you owe and what you own, how will you ever get out of bondage.

Note: if you are not in debt and you have a lot of financial liberty, then it is just as important for you to take an inventory of your stuff so you see how best to use for the Kingdom and your family.

Look at *Proverbs 24:3 – “By wisdom a house is built, and by understanding it is established.”*

Married couples: your house can only be established through good understanding of your finances and obedience to God.

4) Simplify your life.

Luke 12:32-34NLT – “So don’t be afraid, little flock. For it gives your Father great happiness to give you the Kingdom. ³³“Sell your possessions and give to those in need. This will store up treasure for you in Heaven! And the purses of Heaven never get old or develop holes. Your treasure will be safe; no thief can steal it and no moth can destroy it. ³⁴ Wherever your treasure is, there the desires of your heart will also be.”

- a) Have a sale.
- b) Cancel unnecessary commitments.

5) Set up a repayment plan.

a) You are never going to get out of debt accidentally. You can get into debt accidentally, but you are not going to get *out of* debt accidentally. You have to be intentional. You have to have a plan.

b) 3 Plans to Consider:

i) Pay Off Your Smallest Debt First Plan

(1) Take the smallest debt and begin to pay it down aggressively.

Remember: Proverbs 21:5 – “The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to poverty.”

(2) Pay the minimum on all the other debts but be aggressive on that small debt.

(3) Repeat it until you are out of bondage.

ii) Pay Off the Debt that Makes You the Maddest Plan

iii) The Envelope Plan

(1) Put all of your credit cards in one envelope and write this on the front: DO NOT USE!

(2) Then you put cash in the other envelope, and you only spend out of the cash envelope.

And when you run out of money in the envelope, you stop spending.

6) Decide to do it in half the time.

- a) I know you are thinking—paying off my debt is impossible in the first place. Now it’s really impossible.
- b) Use your faith!

- i) Get God's perspective. See your debt as an enemy of your freedom! God doesn't want you to remain in debt. He wants you to be free.
- ii) So when you decide to honor Him by taking these first five steps, you can trust God to act supernaturally on your behalf.

Look at what Jesus says in Luke 18:27. *"What is impossible with man is possible with God."*

7) Add no new debt.

- a) Don't add any new debt as you are paying off your old debt. If you do, it's just a revolving door.
- b) *Hebrews 13:5 CEV – "Don't fall in love with money. Be satisfied with what you have. The Lord has promised that He will not leave us or desert us."*

8) Stick to it and trust God.

- a) Getting out of debt is not easy. It's going to take discipline. It's going to take effort. It's going to take sacrifice. But these principles do work.
- b) Allow God to work during the process.
 - i) Let Him work in your own heart during the process.
 - ii) Let Him work in your marriage during the process.

Unless you develop your character and become content, you are going to get back into debt. You have to become a different person than you are now to stay debt-free for the rest of your life.

Galatians 6:9 says, "So don't get tired of doing what is good. Don't get discouraged and give up. We will reap a harvest of blessings at the appropriate time."