

# Escaping the debt trap, and staying free

Message for Sunday, February 3, 2012  
by Bruce Fraser

**Scripture:** Proverbs 22:3; Psalm 37:21

## Children's Message:

I bought these chocolates from someone who was selling them for the Tilbury Figure Skating Club. *Have any of you ever done something like that?* That reminds me... I know a family where one of the children came home from school with a couple of cartons of chocolates to sell for the school, very similar to what we're talking about.

She went to see the neighbours, and sold a number of bars. And when the time came to take the money and the leftover chocolates back to school, the chocolates were all gone. The problem was: they weren't all sold. She loved chocolate, and had eaten ten boxes of chocolates herself!

She was \$30 short, which was far more than what she had in her savings bank. She got some money each week for her allowance, but it would take weeks of allowance before she could pay it all back.

What do you think her parents should have done?

- Pay the missing money, and give her some other punishment, like being grounded?
- Pay the missing money, and then take it out of her savings bank, her allowance and extra chores until it was all paid up?
- Something else?

Suppose the parents paid for the missing money, and never gave her any punishment at all? What would the girl learn from that?

The point is: if you borrow something, you are responsible for giving it back:

**Psalm 37:21, Today's English Version:**  
The wicked borrow and never pay back,  
but good people are generous with their gifts.

This is true whether it's money, or someone's toy.

**Sermon** "Escaping the debt trap, and staying free"

## 1) Easy credit but hard consequences

A piece of modern history was put into place in the year 1831. That's when Cyrus McCormick invented his reaping machine. This allowed farmers to harvest their crops five times faster than the former way using a scythe. That is not the whole story behind his success,

however. At the same time he also invented the installment plan so that farmers could buy his new machine.

Today, buying on the installment plan is available for vehicles, furniture, appliances — just about any expensive item. It is used as an advertising technique: e.g. the ads where it says "Buy this brand new *whazzit* for only \$29.99 per month!" Then you have to get out your magnifying glass and read the fine print to discover how much you're really paying in total.

Installment buying has made it possible for people to attain an amazingly high standard of living. Some people have become addicted to having nice things. But they're buying it with other people's money, and that's where the trouble begins. People get in over their heads.

This problem of living on credit has skyrocketed since the 1950s, when credit cards became popular. Banks and retailers are eager to give them away, because of the huge profits they make on the interest charges. The Guinness Book of World Records lists Walter Cavanagh of Santa Clara, California as having the world's largest collection of credit cards: 1,497. If he maxed out every card, he could get \$1.7 million. When money is that easy to come by, people become blind to the consequences.

There was a time that when people simply said, "We can't afford that. We'll manage without it." But now everyone can have a high standard of living... until the bill comes in.

All of this living on credit adds up: at the end of last year, Canadians had "consumer debt" (i.e. everything except mortgages) totalling \$497 billion! That's an average of \$18,000 for every adult in Canada. Obviously, since many people have no debts, there are a lot of people with huge debts. How many? Well, just last year, 76,000 Canadians declared personal bankruptcy.<sup>1</sup>

For most people, going bankrupt is a devastating experience, emotionally, financially and otherwise.

## 2) Simple rule: if you owe, you pay it back

What does God teach us in the Bible about being in debt? First of all, the Bible does not say that it's wrong to go into debt. Then again, neither does it say that it's wrong to play with crocodiles! Common sense is the key.

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<sup>1</sup> All these figures are from Statistics Canada, on their internet site.

**Proverbs 22:3, Today's English Version:**

**“Sensible people will see trouble coming and avoid it, but an unthinking person will walk right into it and regret it later.”**

For most people, it would be wiser to save up the money needed for major purchases, rather than pay for it afterwards. The experience of many people who have been trapped in debt would support this.

At the very least, only take a loan which can be completely secured by the item you're purchasing. For example, if you default on a house loan, you lose the house, but that's all. But if you default on a car loan, the car has depreciated in value, and even though you lose the car, you are still in debt for the remainder.

What is there in the Bible for people who are already deep in debt? Are there any quick and easy answers? Yes! That is, the answer is quick and easy; putting it into practice is something else...

**Psalm 37:21, Today's English Version:**

**The wicked borrow and never pay back, but good people are generous with their gifts.**

If we're in debt, and if we don't want to be reckoned as among the “wicked,” then we must repay any debt we owe. It's as simple as that. People who don't pay their debts are considered the same as thieves. Bankruptcy is not an option, if we want our lives to follow God's way. It really doesn't matter if the circumstances are beyond our control. If we get into debt, we're stuck with it. It may mean many years of sacrifices to pay even the minimum amount to creditors, but that's the consequence of accepting that debt.

All of a sudden, Proverbs 22:3 makes a lot of sense!

So far I've been talking about owing money to banks or credit card companies. Even worse is when it's between friends or among family. If your friend has money problems and asks you to loan them money, you're not doing them a favour by giving them the loan. You're just making their problem worse. A true friend will help someone face the truth, rather than avoid it. If the person has a genuine and desperate need, it would be better to just *give* the money, with no obligation to repay.

Some years ago, I visited an elderly man who said he didn't believe in God. He went to church on occasion, but his heart wasn't in it. As we talked, more of the story came out. His father had run a store, and the worst customers for running up a bill and not paying it were the church members. As he saw what they did to his

father's business, it turned his heart against the church and against God.

Simple rule: If you owe money, you pay it back. If you don't, even better! Try to stay that way.

**3) A plan for getting out of debt**

First of all, let's be realistic. People don't get into debt problems overnight. It's usually the result of habits that have been going on for years. It will likely take at least that long to get out of debt. This is why a lottery ticket looks so inviting — it's the quick and easy way out of our troubles. There's just one problem: it doesn't work, and robs what little money there is to pay bills.

Most of the problems we get into in our lives are the consequences of ignoring the principles for right living that God has given to us in the Bible. This is true for relationships, for families, for careers, for our own personal lives. It's also true for money problems.

The best way, then, to get out of that problem is to start following those Biblical principles. The best way to correct a bad habit is to replace it with a good habit.

The first two items in this plan are ones we saw the first two Sundays when I started this series on handling money.

**a) Put God in charge of everything**

The first Sunday we learned that everything we have really belongs to God. God owns it, we are the managers:

**Psalm 24:1, New Living Translation:**

**“The earth is the Lord's, and everything in it. The world and all its people belong to him.”**

The principle here, then, is to acknowledge that, and to commit ourselves to using our resources according to God's way.

**b) Give the Lord his part first of all**

The second Sunday we learned that we are to give to God in our offering the first and best of what we earn:

**Deuteronomy 26:1-2, Today's English Version:**

**“After you have occupied the land that the Lord your God is giving you and have settled there, each of you must place in a basket the first part of each crop that you harvest and you must take it with you to the one place of worship.”**

The purpose of this is very clear: it helps us learn to put God first in our lives.

Now this may seem dumb, when we're trying to save all the money we can to pay our debts. But remember: following our own ways helped get us into this mess. Maybe it's time to trust God, and try following his ways instead.

#### **c) Allow no more debt**

Quit cold turkey. That way of "solving" money problems has got to stop. All it does is buy time, while making the problem even worse.

#### **d) Develop a realistic, balanced budget**

We need to live within our means. Actually, we will need to live on *less* than our means, since part of our income will be for debt payment.

A priority in this budget will be that every creditor will receive as much as possible.

The letter to the Galatians in the Bible has a section where it talks about the result of God's Spirit being in our lives.

**Galatians 5:22-23, New Living Translation:**  
**"When the Holy Spirit controls our lives, he will produce this kind of fruit in us: ... self-control."**

We need self-control if we're going to make any progress.

Your children will never become thankful children if they always get what they want. The best way to guarantee kids will become thankful is teaching them to hear "No." Not all the time. But often enough so that they will appreciate the things that life can offer them. Because you know what happens when you finally say "Yes"? They look at you and say, "Oh, thanks, Dad/Mom!"

Now if that's true for children, it's true for adults as well. When we practice self-control, God is building our character. Living within a spending plan (a budget) will reduce or eliminate the burden of worry, frustration, and anxiety.

Plus: the habit of living within a budget will be valuable habit to follow after the debt is paid off.

#### **e) Start paying the debt**

Go to your creditors and ask to make arrangements. Right away, you've earned their respect. They'd much rather see you coming towards them, than running away.

Be humble and honest. Say, "I've blown it; I was a poor manager of money. I cannot repay you according to our agreement. Will you allow me to give you this much

now, and so much per month? And as soon as I can increase it, I will. Would you let me do that?"

Almost in every case your creditor will go overboard to let you. Five dollars a week is better than nothing.

If possible, concentrate on first paying off your debt with the highest interest rate. Then take the money you used for interest charges and attack the next one.

#### **4) How debt can help us!**

Another principle in the Bible is that God works through circumstances, even bad things, to bring good in our lives [see Romans 8:28]. "What possible good," you might ask, "could come out of being strangled by debt?"

Maybe God is using that situation to tell you to change your life around, to get your priorities straight.

**Psalm 119:71, New Living Translation:**

**"The suffering you sent was good for me, it taught me to pay attention to your principles."**

This could be the turning point in your life. Perhaps more than anything else in the world, money helps us discover what our true values are. Are we self-centred or God-centred? We can find out whether we really trust God or not.

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Maybe you're not in debt at all, and nothing I've said in this message was the least bit relevant for you. Great! I hope that I have at least encouraged you to remain debt-free.

There is one debt that all of us owe, no matter who we are. That is the debt of gratitude to Jesus Christ for what he has done for us. Nothing we do can ever pay him back for that. All we can do is say, "Thank-you, Jesus, my Lord. I love you, and want to follow you all my life." Money comes and goes, but our lives can last for eternity.