

Listen to this scenario about a typical American family...they have a \$40,000 annual income, an \$850 house payment, a \$350 car payment, a \$180 car payment, a monthly payment of \$165 for a \$12,000 student loan, and credit card debt of \$12,000 requiring a payment of about \$185 per month. They probably also have some other miscellaneous debt on things like furniture, television set, etc. on which they pay an additional \$120 a month. All those payments total \$1,850 per month. That's 75% of their take-home pay! **Can you imagine what that family could do with that \$1,850 a month if they didn't have any debt?**

This month we will continue the November, 2006 article on debt elimination.

We must examine credit from God's viewpoint. That means we must understand what responses on our part are acceptable to God. He will direct us individually to a specific response. **What is acceptable for one of us may be wrong for others.**

Psalm 37:21 says, *"The wicked borrows and does not pay back, but the righteous is gracious and gives."*

Romans 13:8 says, *"Owe nothing to anyone except to love one another; for he who loves his neighbor has fulfilled the law."*

One thing is clear; God does not want any of His children to be in financial bondage.

Warning Signs of a Debt Problem....

- ◆ Having required monthly payments to creditors total 20% or more of take-home pay (not including rent or mortgage).
- ◆ Using savings for daily expenses.
- ◆ Using cash advances from credit cards to pay other creditors or daily expenses.
- ◆ Paying the minimum amount or LESS each month on your bills.
- ◆ Not knowing how much you owe in debt.
- ◆ Receiving calls or letters from creditors due to not paying on time.
- ◆ Fighting in the home due to money issues.
- ◆ Experiencing creditor's law suits, repossessions, or garnishment of wages.

If you are experiencing any of these warning signs you may be in, or heading toward, serious financial trouble or what the Bible calls "servitude." Servitude is financial bondage. The first two steps to gaining release from servitude are these.....

1. Transfer Ownership to God. There is no substitute for this step. If we believe that we are owners of everything, then the ups and downs affecting those possessions will be reflected in our attitudes. **However, if we realize that God owns it all, then God can use possessions to accomplish His will in our lives.**

2. Get Out of Debt. According to scripture, debt is a condition that exists when any of the following circumstances are true..

- ◆ Past due money, goods, and services are owed to others.
- ◆ The total of unsecured liabilities exceeds total assets.
- ◆ Financial pressures produce anxiety.

There are ways to get out of debt, including the Big Three:

- 1. Stop overspending immediately, using a written spending plan.**
- 2. Start repaying what you owe.**
- 3. Don't borrow more.**

Remember, if you didn't get into debt in one month, you won't get out of debt in one month, **but getting out of debt is absolutely possible.** Many families, including Christian families, are trapped by debt. There are methods that are successful in helping families become debt free. Next month we will examine one called the "Snowball Method." Many financial advisors, including Dave Ramsey, promote this method. It is easy to understand, but difficult to do because it requires effort and sacrifice. But if you are tired of being enslaved by debt and are willing to do some radical things, you can become debt free!