



Christian Life Fellowship

Becoming fully devoted followers of Christ



Family Finances

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Introduction:

Ben Franklin once said that it was better to “go to bed supperless than run in debt for breakfast.” I don’t think anyone would argue with me that we are in some difficult times financially in America. I believe that there are some basic principles that we have ignored as a nation and individually that have caused us to be in this position. God’s word can give us insight and help us gain a strong footing when it comes to dealing with finances. Over the next three sermons, we are going to talk about money. Next week we will take time for you to ask questions about money. Starting on Sunday, March 22, we will have a four-week class on finances that will be taught by Lauren Miller.

It is impossible to spend ahead, to borrow and to keep on spending above and beyond what your level of income is and not get into a financial mess. This is exactly what has happened to America. We have become dependent on the government to bail us out and give us money because we think we are entitled. And the handouts don’t stop. For years leaders of government have spent money they didn’t have and fostered a dependency so that the mind set of people is that our government owes us. The government owes us when we retire, it owes us when we are unemployed, it owes us when we are impoverished, it owes us when our business is not managed well and we expect to be handed enough dollars to see us through.

We have arrived where we are economically for a number of reasons. Here are some of the reasons: 1. We have borrowed money that we don’t yet have. 2. We have become a society of spenders not savers. 3. We have been driven to do things that are not prudent and have proven unwise because of greed. 4. We believe lies and myths about money.

Growing up as a child, I remember mom and dad teaching my sister and me the fact that we did not buy something unless we had the money in hand to pay for it. I so wanted an English bicycle – which back then cost \$30.00. My dad could have given me the money but he wanted me to save for it and I did. When I paid for the bike and brought it home, you can believe I valued that bicycle! I didn’t own part of it, making payments on it. The bike belonged to me.

My goal today is to help you see and choose that you don't have to be in debt forever. You can gain financial freedom from debt. What a blessing that is! If one person is helped by this series, then I will be delighted. God doesn't want us in servitude to a bank or to a corporation. Those who borrow are servants to those who lend them money. God wants us free to serve Him, not the debt we have accumulated.

Proverbs 22:7 Just as the rich rule the poor, so the borrower is servant to the lender.

I. Borrowing will bring bondage.

There are legitimate reasons to borrow money. There are probably very few people who can pay cash for a house, so that would be one place you could borrow money. To finance your education is another place to borrow. There are times one has to borrow when health care costs are incurred that are not covered by insurance, or when one is starting a business, but outside of those major expenses, we should not be borrowing money to put food on our table, gas in our car or clothes on our back.

The US National Debt has continued to increase an average of \$3.48 billion per day since September 28, 2007! Our new president has just signed into law a bill that adds 787 billion dollars to the national debt in terms of a stimulus package. We continue down a path of spending money that we don't have to purchase things that we can't afford and don't really need.

If you are in debt this morning, you are not alone. However, you don't have to stay there. First of all you have to own the fact that the debt you have incurred is your responsibility. Getting beyond your debt begins with making a decision and lifestyle changes. Dave Ramsey says this, "Personal finance is 20% knowledge and 80% behavior." You need to cut out habits that make you spend more. You cannot build wealth with credit cards. Use common sense. When you play with a multi-billion dollar industry and you think you're going to win at their game, you are naive. You cannot beat the credit card companies.

We have become a nation of borrowers and spenders. Lenders want us to borrow more so we can become more and more enslaved in debt and financially dependent on a bank or the government.

II. Spending whatever you get is foolish.

Proverbs 21:20 -The wise have wealth and luxury, but fools spend whatever they get.

You and I don't have to spend every buck that comes through our hands. We should be honoring God, we should be saving and living so we can bless others. Total bankcard debt per bankcard borrower is \$5,710. This was alternately described as the total balance of bank-issued credit cards per consumer. (Source: TransUnion, December 2008) Among 41 credit cards Consumer Action looked at from 20 banks, the average interest rate for purchases was 13.54 percent. At 13.5% interest, remember that for every dollar you borrow on a credit card, you are paying 13.5 cents back on that dollar. That keeps on accumulating as time goes on. Just like interest is compounded on savings, it is also compounded on debt. If you are paying on a credit card, you need to pay not just the minimum balance but you need to aggressively deal with that debt.

Have a budget and live within its boundaries. **John Maxwell said, "A budget is people telling their money where to go instead of wondering where it went."** Among young adult households with incomes below \$50,000 (two-thirds of young households), nearly one in five with credit card debt is in debt hardship: This means they are spending over 40 percent of their income servicing debt, including mortgages and student loans. (Source: "Generation Broke: Growth of Debt Among Young Americans")

God's word says it is foolish to spend whatever we get, so how much more foolish we are when we borrow money to spend that we haven't even gotten yet. **Deut. 15:6 - The LORD your God will bless you as he has promised. You will lend money to many nations but will never need to borrow! You will rule many nations, but they will not rule over you!** God was speaking to Israel and he promised them that they would lend money to others but would not have to borrow.

Virtually all of the ethical teaching about debt is found in the Old Testament. In the economy of Pentateuchal times, Israelites were involved almost exclusively in agriculture. The most common commercial participant in those days was the traveling merchant or trader, called simply a “foreigner” While Israelites were to lend to their fellow Israelite farmers interest free, making loans with interest to foreigners (or traders) was permissible. Loans would have typically been sought not for commercial investment purposes but as a result of economic hardship, for example, crop failure or the devastation that resulted from enemy raids. Every seven years, the debts would be forgiven and people would start over debt free. Wow. What a novel idea to stimulate the economy.

III. How to look at resources.

If you are ever going to be financially independent, you have to have a change in your thinking about resources. You cannot think like the world around us and buy into the many myths that exist about money that go opposite to God’s word and expect to prosper. Getting out of debt and staying out of debt is like going on a diet for temporary weight loss or having a lifestyle change that is permanent. Unless you make lifestyle changes, you will make a dent and go back to your old patterns. So how do we look at resources?

1. Christians must see their financial resources as gifts from God with which they have been entrusted. Too many Christians assign this view strictly to the tithe. It is pointless to talk of financial objectives without first accepting that our resources are from God’s hand and that we are accountable to God for their use. This attitude provides a check on materialistic impulses. Businessman and author Jake Barnett puts it very well: “Credit’s main function is to serve materialism” (Barnett, p. 164).

2. Have the understanding that using debt and credit will not make you financially independent; it will make you financially dependent.

3. Buy what you need, not what you want. Dave Ramsey says it this way, **“If you will live like no one else, later you can live like no one else.”** We must exercise discipline in our choices when it

comes to what we do with the resources God gives us.

If you have accumulated debt in your life, here are some steps to take to free yourself. Believe that you can be out of debt and become financially independent. Change your thought pattern about the resources that God gives you. If you are married, make sure your spouse is on the same page as you are when it comes to eliminating your debt. Understand that there will be some pain in getting out of debt; it will mean some sacrifices, hard work, and it will take some time, but it will happen if you are diligent and the end result will be dramatic.

1. Start by establishing an emergency fund of \$1,000 that is only to be used for emergencies.

2. Have a budget and do all you can to live within your budget.

3. Evaluate where you can free up some money. Sell some stuff, get a part time job, cut down expenses. Whatever money you free up, put into paying down your debt. If you only pay the minimum balance on your credit card, you will be paying interest on the interest and you will stay in debt until Jesus comes back or you die.

4. Buy only what you need and at clearance or sale prices.

5. Ask yourself the question – Do I really need to make this purchase?

If you are in financial stress because of something you’ve done, you need to get yourself out of the mess by working. Sacrifices have to be made to get out of debt. **STOP SPENDING** for things you don’t need. Start paying more than the minimum on your debts. Pretty simple, either you have to earn more or spend less or do both. Laziness is a sickness and it will get you absolutely nowhere in life. We all make mistakes but the question is whether you are willing to **take responsibility** for your mistakes!

Dave Ramsey in his book, “The Total Money Makeover”, talks about the debt snowball. Here is basically what he says: Stop everything except minimum payments and focus on the smallest debt first. As you pay off that debt, take the money you

were paying on that debt and start working on the next debt. If you have a mortgage, then look into refinancing your mortgage. I did that recently. I had a decent rate and even though it is costing me \$400.00 to refinance, after spending that money, I

will save hundreds of dollars over the retirement of that debt. **Romans 13:8 - Pay all your debts, except the debt of love for others. You can never finish paying that! If you love your neighbor, you will fulfill all the requirements of God's law.**

Conclusion:

God's word is not against us borrowing but He never intends for His people to become enslaved to debt. If you are in that position, take the steps necessary to become debt-free. My challenge to you if you are in debt is to make the decision to turn that around no matter how deeply in debt you are. If you are not in debt, my challenge to you is to stay out of debt and use your resources to bless God's work and other people. God wants you free from the bondage of debt. Take control and purpose to do something about it.