

Facing Financial Facts – How to Kill the Debt Monster

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Proverbs 22:7 – “The borrower is a slave to the lender.”

Introduction

For an increasing number of people, debt is becoming a real monster. The fear and dread that comes from the “*Debt Monster*” is just as real as a predator in their home and the worry is just as constant. The chains are more than just heavy and cumbersome weight; these chains of debt are like vises and these vises have been put around their necks, strangling out their joy and ruining close relationships.

Consumer debt, for many today, has become an unwelcome predator. In a sense, a monster. And here is the really scary part about the whole thing: we know that the “*Debt Monster*,” this predator who looms in our house is **unwelcome**, but he is not **uninvited**. Now because of the sensitivity of this issue, as we talk about the “Debt Monster” I want to clarify some important distinctions related to debt and finances.

Some of us may be thinking, “*That’s something I used to deal with, but not anymore.*” But some of us begin to shrink down in our seats, afraid of one more talk, one more guilt-ridden message. I want to be very clear that there is no one economic lifestyle that is specifically right for every Christian believer. And those teachers or authors who make sweeping generalizations about how all Christians should spend their money, are saying things the Bible doesn’t say. The Bible paints the ideal financial picture in very broad strokes, offering principles that leave room for a variety of individual applications.

Explanation

In a sense, the Bible is very clear. It says that there are some major guidelines that you need to follow for saving, for spending, for giving and for getting into debt. And there are different types of debt. Some of you might say, “I have debt, BUT...” Because really, there are some debts that aren’t bad in a sense.

- 1) There is debt that comes from *investing in the future*.
 - Many of us have student loans so that we could get a higher education.

- Some of us have taken a calculated risk up front in starting a business or taken on debt by investing in a better future.
- 2) There is debt that comes from *appreciating assets*.
- Very few of us own our own homes free and clear, but hopefully it is appreciating.
 - Debt can come from land and houses that we buy, which is not altogether bad debt.
- 3) There is debt that comes from *unavoidable emergencies* – things beyond our control.
- Many of us know about medical emergencies, disasters that come to our lives, major vehicle and home repairs.
 - Long periods of unemployment that we just weren't prepared for. Maybe we're prepared for four months, but not 12 months.
- 4) There are many kinds of debt, but in this article about killing the "Debt Monster" we are dealing with the debt that derives its life from *foolish spending, crass materialism, a spirit of greed, a lack of budgeting, and poor judgment*.

A young married youth pastor named Ken was approached by a family member about investing in a new invention. The machine had been created by a person from Ken's small hometown, who had turned down an offer from the 3M Corporation in order to start his own company and allow other members of the town to "get in on the ground floor." Ken, having no expendable cash, but wanting to invest in this terrific opportunity, wrote a check for \$7,000 off his credit card line and waited for his investment to pay off. Eventually, the "friend of the community" skipped town with all of his investors' money. Ken was left to pay off this impulse debt over the years that followed.

Many of you may have debt that comes from poor judgment – sometimes it comes from foolish spending or materialism, it doesn't matter. The article isn't intended to be con-demning or guilt driven, but attempts to deal with a real problem that many are facing.

If you are not in debt, the chances are you know someone that is and this article can be of practical benefit to them. Be considerate enough to share it with them. Many experts would tell us that in most cases the other types of debts, like emergencies, would not hurt us if we were not already in debt from consumer debt. There's a lot of truth to that.

When it comes to debt from non-appreciating assets, consider that:

- The average consumer will take over 20 years to pay off that debt.
- We end up paying back three times the original amount borrowed.
- The amount of debt from credit cards has risen 20%, three times more than inflation.
- When we pay the minimum due, it will take 10-30 years to pay off that balance.

Consider this:

A balance of \$2,000 with a monthly payment of \$39 at the rate of 17%, if you just pay the minimum balance, will take you 34 years... Just a \$617 TV – you know, it's only \$15 per month – that's less than cable, right? Well, at 21% it would take you 10 years to pay for that TV, during which time, hundreds of new models would be invented!

The one that kills me is this one: For \$1,800 at 31%, paying the minimum payment, it would take 57 years to pay off that balance. That's amazing!

Let me pause right now, because I want to say that it's not evil or bad to have nice things. It's not evil or bad to want nice things. Don't go away thinking I condemn people who drive "Hummers" or live in houses with "brick on the front." I'm not saying that. It is not bad to have nice things, as long as we understand and live by biblical values and priorities. As we purchase things, the affordability of those things allows us to keep our priorities the main thing in life. So it's not bad to have nice things, as long as we're not sinking in debt in order to obtain them. That's why our main verse is Proverbs 22:7: "*The borrower is a slave [or servant] to the lender.*"

Forget what the Capital One credit card commercials tell you – "No hassles, no worries, no one will call you and tell you that you're in debt. We'll just give you the money! Not like those other credit card companies, we're like family!" Yeah, they're like family until you miss a couple of payments... Then they'll be like your mother-in-law!

I. Let's look at the *Main Weapons of the Debt Monster* – why it has power over us.

1. *Easy Credit*

This can be an offer that comes in the mail; three to four times a month many of us get an offer that says, "*You're pre-qualified! A credit card is waiting for you!*" Even college students are getting these offers in the mail. Or how about these furniture stores that offer you that new living room suite now, with no interest and no payments for 18 months? That's easy credit, and it's a weapon of the Debt Monster.

2. *Discontent*

Another weapon many get attacked with is the weapon of discontent; it's a weapon that hits us right in the heart. We do know that the marketing ploy is for all of us to feel incomplete, that we're not complete unless we have the newest, the best, and the fastest. As a matter of fact, you're not the coolest in the neighborhood or office if you don't have the newest and fastest computer. Dial up? That's no good anymore! You need DSL! How about your TV? Did you know that all your friends have gotten a plasma screen?

It's just stuff.

But there's this thing called discontentment that Ecclesiastes talks about (5:10): "*Whoever loves money never has money enough; whoever loves wealth is never satisfied with his income. This too is meaningless.*" Rich people have only one

thing over the poor —they **know** that “stuff” and money will never satisfy their soul. Money won’t help a wounded marriage, it won’t help troubled kids, it doesn’t fill the emptiness in your heart. It just leads to another weapon of the Debt Monster...

3. Pride, Greed, and Ego – keeping up with the Jones

It’s an age old weapon, one that probably stung your grandparents and their grandparents. Old, but very effective. Our self esteem is slighted when we can’t keep up with our friends, our neighbors. Our pride becomes envy when someone else has something we don’t have. And it leads to destruction. Proverbs 16:18 *“Pride goes before destruction, a haughty spirit before a fall.”* This is a huge weapon, and it makes us fall, but there is another weapon. This one is an internal weapon, but the Debt Monster knows how to use it...

4. Denial of Plain Truth

Romans 1 says that many of us understand truth, we can see it, it’s plain, but we deny it. And that’s what the Debt Monster uses against us. You see, I could give you all kinds of charts about *“good interest that works for you and bad interest that works against you.”* We’re all smart enough to know that. We all understand interest, we know our specific weaknesses. But there’s denial. We think, *“It won’t happen to me. I’ll get that new TV, but I will pay it off in three easy payments!”* Or, *“I’ll get that new furniture, and I know I don’t have to pay for it until December of 2010, but I’ll keep paying a little bit.”* But when we look at our history, we never do, and the debt keeps building up.

The weapons of the Debt Monster are very **recognizable**, but the wounds that he inflicts on unsuspecting consumers are **undeniable**. They’re out in the open for everyone to see, and many of us are walking wounded. We don’t think anybody knows, but they know. (like that TV Commercial – *“I’m in debt up to my eye balls.”*)

II. The Wounds and Pain Inflicted by the Debt Monster

1. Enslaves us with chains

He gives us a ball and chain around one ankle, then another around our wrist, another around our neck...and pretty soon, that which we thought would make us **cool**, and help us to *“keep up with everybody else,”* has now enslaved us. That which was supposed to give us freedom has instead given us enslavement. Every month, as we walk around, chained up under the enslavement of the Debt Monster, we feel him whipping us in the back. When he says, **“Feed me!”** you have to feed him. When he says, **“Pay me!”** you have to pay him, because he has enslaved you. Miss one pay check and you’re gone. Worst case scenario? Your wages are garnished and your bank account is frozen.

Throughout the New Testament, Jesus was clear. He wants to take everything that binds you and allow you to live in freedom. You were born and meant for freedom, but when you become enslaved by the Debt Monster, you lose that freedom. It’s a burden you were not meant to carry. Proverbs 22:7: *“The borrower is a slave to the lender.”*

2. Forces earning pressures on us

Men working two jobs, moonlighting, working longer hours – keep climbing the ladder! Why? Because, like the old bumper sticker said, *“I owe, I owe, so off to work I go.”* Ladies who would rather be a home maker are forced into the marketplace because they have to. There should be a choice, but when that choice is taken away and she has to go to work, it’s often because the Debt Monster is forcing earning pressures on us.

Couples were asked recently in a survey: *What is it that causes the highest amount of stress in your home?* Thirty nine percent said that the highest amount of stress in their home was caused by lack of money, finances, etc. Thirty seven percent said the highest stress comes from the lack of communication and arguing in the home. Then they were asked: *What do you argue about?* **Money!!!** So really, the number is closer to 70%. It’s a burden we weren’t supposed to carry.

3. Undermines our pursuit of joy

Life and the things that we can have should be fun. Enjoying nice things should be enjoyable. But when you are a slave to debt, with chains and balls and having to work more, you lose the joy.

How can you go out for that nice Valentine’s dinner when you have all kinds of debt? You sit there and enjoy the candlelight dinner with your “Sweetie.” It’s a great meal, but then they bring the bill. And as you slip that credit card out, something inside you says, *“The price I just paid for that dinner is more than the minimum amount due, and that’s all I’m able to make now.”* So you don’t enjoy it as much.

Vacations or Christmas gifts, weekends away – Guess what? When you leave, the chains are still there and the Debt Monster, that predator, comes with you. Now that weekend at the beach or going to Disney World is not quite as much fun with him reminding you, *“You’re already in debt...you’re just going deeper and deeper!”* And when you get home and look at your new bills – you’re sitting on that new furniture you haven’t even paid for – you’re thinking, *“Will this nightmare ever end?”* It just saps our joy.

4. Crushes our opportunities to give

Have you ever had that urge where you wanted to help somebody? Maybe you left here during the Christmas holidays and you wanted to help someone less fortunate, but when you saw the cost, you knew you couldn’t do it. And there was something inside you that said, *“But I really want to.”*

Jesus tells a parable in Luke 10. It’s the story we all know, about *“The Good Samaritan.”* A man is traveling from one city to another on a desolate road. Some robbers come up to him, beat him up, and leave him on the side of the road. They just tear his clothes off, take his wallet, and leave him there to die. Well, Jesus tells in this story that a priest comes by, looks at the man, and goes the other way. Another guy comes, he’s kind of a missionary/pastor guy too, and he looks at the man and goes on his way. But a *“Good Samaritan”* comes and says, *“I’ll help this guy!”* He bends down, gives him some water, nurses his wounds, puts him up on his donkey and takes him to the nearest hotel.

At that point, everyone applauds the compassion of the Good Samaritan. We say, “*We need to be like the Good Samaritan.*” But the story doesn’t end right there. You see, when he goes to the hotel, he goes up to the clerk and says, “*I have more business to attend to, but here’s a guy I found. I have helped him out as much as I can, but will you feed him and give him whatever he needs? Here’s some money to handle all of that. As a matter of fact, if it costs more than I have given you, I will pay you whatever it costs to help him fully, when I come back.*” In addition to his compassion, we should also applaud the Samaritan’s money management. He sees someone in need, is moved in his heart and has the financial wherewithal to help this person. Whatever it takes, he is able to help out!

Too many times these days, I talk with people who understand the life-giving grace of Christ; they’ve crossed the line of faith. Their hearts are changed and they want to do good things for other people. They want to bring others to the grace, love, and forgiveness of Christ. In their hearts, they want to use their resources to help others, but they can’t. And they feel guilty. Then I have to tell them that God never intended for them to feel guilt over what comes naturally for a Christ-follower. But because the Debt Monster is squeezing their hearts, they are wounded. They can’t do what their hearts long to do.

5. Ruthlessly exposes your character weaknesses. What is a character weakness?

Deficiencies like lack of:

a) **Contentment:** We understand that nobody is perfect, but what the Debt Monster does is he lays bare our character weaknesses. Weaknesses like discontentment. The apostle Paul says in Philippians 4:12 “*I know what it is to be in need, and I know what it is to have plenty. I have learned the secret of being content in any and every situation, whether well fed or hungry, whether living in plenty or in want.*” For many of us, it’s a character weakness that the Debt Monster lays open for everyone to see. And we have to ask ourselves, “*When is enough enough?*” Contentment says it will never be enough if we don’t get a handle on it.

b) **Patience:** Another character weakness that gets laid wide open is impatience. Sometimes what we want are good things, but we can’t have it now. And when we want it now, we force the issue with credit and do something really silly, and all of the sudden our lack of patience is shown to the world. I’m amazed at how many aspects of our lives would be simplified if we learned the discipline of delayed gratification. This plays out in so many areas. It affects our finances, sex outside of marriage, rushing into divorce, and the list goes on.

c) **Trust:** For those of us who have given our lives to Christ, we should trust that God wants good things for us and will meet our needs. But when our character weakness is a lack of trust in our personal relationship with God, all of a sudden we don’t believe that God knows our needs, we don’t believe He’s good, and we don’t believe that He really wants to meet the desires of our heart, even though the Bible says that He does. He does, but maybe He just doesn’t want to give it to you now. We force the issue.

6. Tears away at personal relationships and your Christian witness.

In a circle of friends, no one ever means to become the “*social leech*” when it comes to money, but when debt overwhelms us, we stop thinking clearly and become presumptuous about what people should do for us. People get tired of it. The harsh reality of debt can make us treat people differently. I have seen it and so have you. Even though they may be a good friend, this wound begins to tear away at the relationship.

So what about the “Christian witness?”

If we are Christ-followers, we understand something about biblical values and priorities. We are growing in the understanding of how our budgets should look. But if we owe everybody and are always late for payments, this can damage our witness. People begin to wonder, “*I thought that guy was a Christian. That guy never repays his debts, and worse – he keeps living as if he has money to burn! He’s always needing help, but he spends like there’s no tomorrow!*” And people begin to avoid relationships with such people.

Speaking of Christian witness to others... *what does the Bible say about debt?* For the most part, it says it’s wrong, but most scholars believe there are exceptions, as we’ve already talked about, such as appreciating assets, minimal debt for business or college, etc. We are asked to be wise.

Can you handle the worst case scenario?

Here’s the litmus test: If you can’t handle the payments of what you’re investing in and still honor God with what he asks you to do financially (tithe), then you’ve gone too far. This Debt Monster looms. He’s on our back all the time. Now let’s finish up and talk about...

III. How Can We Kill the Debt Monster?

1. Make a decisive decision to do it

You’re wrapped up in chains, but you know you want to be free. You have to stand up and face the monster, and make a decision today to kill it! Many of us know that kind of decision.

1) We remember the day we decided to go to college, get married, the day we decided, “*No more fighting in my marriage – I’m going to counseling.*”

2) We remember the day we made the decision to follow Christ. Today is the day, and when it comes to killing the Debt Monster, make a decisive decision. My hope and prayer for you is that as you leave here today, you say, “*Enough is enough*” and you make a decision to slay the Debt Monster.

2. Get a plan of attack

Once you have decided to do it, you need a plan of attack. “*Where do I start?*” is the question many of you are asking. You have to know the weapons that are working against you! Ask yourself these questions:

- Where am I the weakest? Is it credit card checks? Lavish vacations? Is it

when I drop my kids off at school and feel guilty that they don't have the clothes everyone else has? Where am I the weakest? What gets me all the time?

- Do I impulse buy?
- Do I buy soon after a friend buys something, having to have that new wave runner, DVD player, or plasma screen? (Is it all bad to have DVDs, plasma screens, and all that? NO! Not if you can save up for them and pay in cash! The Debt Monster doesn't loom in your home then!)

3. Cut up your credit cards

No more dinners I can't afford! No more shoes I can't afford! Start cutting them up – it feels good! There are some of you who may have planned to go eat out today with that credit card in your wallet. You can't afford it, let's just be honest. You're stacked up with debt, and one more \$40 meal on the way home is really too much. So just go home and eat a peanut butter and jelly sandwich, and as you're enjoying it, say to yourself, "*Freedom, freedom, freedom!*"

Another great idea is to get a debit card. Debit cards are cool – that's just money you have in the bank. They won't let you overspend, because when the money is gone, it's gone. If you have to have a credit card, keep only one, and pay off the balance every month. Now some of you are saying, "*Come on...pay the balance off, only one credit card, be out of debt...Is this what YOU do?*"

Yes! One day, you will write out that last check and we'll be able to say, "*Free at last, free at last, thank God Almighty, we're free at last!*" That's going to be a good day!

4. Get a repayment plan and stick to it

- Assess your present situation – *Where am I and what do I need to do?*
- Develop a budget. Some of us don't like that word – I don't like that word – but you have to get one! A budget defines our needs versus our wants. It doesn't allow impulse buying, and it helps us begin to pay down our debts.
- Pay down the highest interest rate credit cards first, and as you finish the first one, move on to the next...pretty soon we're "*free at last, free at last...*"
- Only use a credit card for budgeted items and pay it off at the end of the month.
- Don't use budget money to pay for unbudgeted items.

5. Team up with a trusted friend

Ecclesiastes 4:9-11 "*Two are better than one because they have a good return for their work: If one falls down, his friend can help him up. But pity the man who falls and has no one to help him up! Also, if two lie down together, they will keep warm. But how can one keep warm alone?*"

How can we do this thing alone?

We can't, most likely. We need someone to team up with.

6. Plan on a long battle

Depending on how much you're in debt and your income, it could be a long battle. It takes a long time, even when you're frugal. Sometimes an unexpected cost is thrown in. Things break; injuries happen. But you keep going, and you face the Debt Monster until you kill him!

Are you ready to slay the Debt Monster?

He's big, hairy, and ugly. But with wisdom, friends, and God's help, you can slay that monster. You can be out of debt, and you can start enjoying the life God meant for you to enjoy.