

WEEK 3: THE DEBT ELEPHANT

“My heart always follows God’s money” Randy Alcorn, The Treasure Principle

Week 1: We recognize the Lord of Heaven and Earth

Week 2: We serve as managers/stewards of every resource God entrusted us with

Week 3: Now we must expose one of the biggest schemes of Satan: DEBT.

Memory Verse: Rom 13:8 *Let no debt remain outstanding, except the continuing debt to love one another, for whoever loves others has fulfilled the law.*

Day 15: God’s Provision

1. Genesis 22:14 *Abraham called that place The Lord Will Provide. And to this day it is said, “On the mountain of the Lord it will be provided.”*
 - God called Abraham to sacrifice his son... yet in Abraham’s time of greatest need God provided.
 - What situations do you feel tempted to not trust that God will provide for you?
2. Matt 6:26 *Look at the birds of the air; they do not sow or reap or store away in barns, and yet your heavenly Father feeds them. Are you not much more valuable than they?*
 - Jesus challenge: believe that just as God provides for the birds of the air, he will provide for us
 - How has God provided for you?
3. Phil 4:19 *And my God will meet all your needs according to the riches of his glory in Christ Jesus.*
 - Paul encouraged the disciples that God would meet all their needs
 - What areas do you need to pray that God will meet your needs right now?
4. 1 Tim 6:17-19 *Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment. Command them to do good, to be rich in good deeds, and to be generous and willing to share. In this way they will lay up treasure for themselves as a firm foundation for the coming age, so that they may take hold of the life that is truly life.*
 - What does Paul believe might make the “rich” (us!) not trust God’s provision?
 - Why do you think God blesses us “with everything for our enjoyment”?
 - How does this command apply to you?
 - Pray for a perspective on God’s provision in your life.

Day 16: The World’s Message 1

Introduction: Satan’s Schemes

Exodus 22:25 *If you lend money to one of my people among you who is needy, do not treat it like a business deal; charge no interest.*

John 8:44 *You’re from your father, the Devil, and all you want to do is please him. He was a killer from the very start. He couldn’t stand the truth because there wasn’t a shred of truth in him. When the Liar speaks, he makes it up out of his lying nature and fills the world with lies. [Message]*

Revelation 12:9 *Satan, who leads the whole world astray.*

We probably realize that advertising promotes consumerism. During today’s devotional, pray to see how pervasive and insipient this message is and to recognize the lies being sold to us everyday.

1. YOU ARE BEING TARGETED

Debt is the most successfully marketed product in history!

- 1910: Sears catalog says, “Buying on credit is folly”; Ford banned the use of credit;
 - 1950: Diner’s Club – created a convenient way to pay at restaurants
 - 1958: Bank of America mailed 60,000 people the “BankAmericard” – renamed “VISA” in 1976; Sears broke off and formed the “Discover” card in 1986
 - 2010: Credit Card industry makes \$150 Billion in gross revenue/year!
- Our grandparents considered debt a sin (Jesus prayed “forgive us our debts!”)
- What changed? Were they wrong? Have you started to believe that living with debt is “okay”?

2. THE FATHER OF ALL LIES!!!

As a result of this mass marketing campaign, Americans tend to believe a number of lies:

- LIE: Debt helps Americans manage their wealth. TRUTH: Debt puts you on the *wrong side of the wealth equation*. Debts increase the same way that investments increase: *compound interest*.
- LIE: A Credit Score assesses my financial stability. TRUTH: The credit score is an indicator of how likely you are to *pay off your debt*, based on your history of paying off debt. It doesn’t factor in your income, your aversion to being in debt, or your current net worth.
- LIE: Calculating the monthly payment helps me determine if I can afford to buy an item. TRUTH: Any salesman trying to talk about financing and monthly payments is trying to get you to not think about how much the item *actually costs* but rather LURE you into debt.
- LIE: “90 days same as cash” is a good way to avoid paying interest. TRUTH: Actually if you don’t pay the amount in full when it is due, you will pay all of the interest and a penalty for not paying in full. *85% of the time* people pay late and end up paying the full fees!
- LIE: Credit Cards that offer cash back or rewards save you money. TRUTH: You spend about *20% more* with a credit card than you would with cash, so unless you are getting 20% back, you are not saving any money! Consumer Reports: “75% of award miles are never redeemed!”
- LIE: Student Loans are a good tool to help pay for college education. TRUTH: Student loans are *high-interest loans* given to people who have no means to pay them back (unsecured loan). Starting out your career burdened by \$1,000s or \$10,000s in student loans (average is about \$25,000) severely LIMITS your choices after graduation.

→ What lies have you listened to?

Day 17: The World’s Message 2

Prov 18:11 *The wealth of the rich is their fortified city; they imagine it a wall too high to scale.*

- Reminder: you are rich. Yes, I mean you.
- Warning: you are deceived by the world.
- Danger: you put too much security in possessions.
- Crisis: you are choking yourself by chasing a false god. You cannot serve God and money.

1. **Keeping up with the Joneses.** We have all heard the phrase. But *consider* the results of your spending habits and *decide* whether you really needed that nice of a house, that luxury of a car, that big of a TV, or those fancy clothes. These luxuries promote appearances. They increase your *standard of living*, enticing you to live *beyond your means*. Has this scheme decreased your standard of giving?
2. **My Precious.** We all love shiny new toys. How have you been lured by the world’s advertising message to buy the latest and greatest gadgets, beyond what you can really afford?

3. **The Finer Things.** Perhaps our weakness is for luxury. We like to eat out at nice restaurants, enjoy fine vacations, pamper ourselves with spa treatments. None of these things are sins. But did you do the work up front to make sure that you could afford the expense, or did you just make an impulse decision to spend on yourself? Perhaps you are buying the world's message: "you deserve a break today." Why do advertisers tell us to "spoil ourselves"? So we'll buy their products!

Spend some time praying about how Satan and the world is selling you a message that says you need things that are actually not "needs" but "wants" and/or "desires." ***Have these things made you happy?***

Day 18: Lending and Borrowing

Prov 22:7 *The rich rule over the poor, and the borrower is slave to the lender.*

- If you have debt, you are a slave. ***The borrower is always slave to the lender.***
- Don't believe this scripture? Try not paying the lender and see if they come after you and if there are consequences to non-payment of your debt!
- Who are you slave to right now? (list any company you owe money)

Prov 22:26-27 *Do not be one who shakes hands in pledge or puts up security for debts; if you lack the means to pay, your very bed will be snatched from under you.* Some advice:

1. **Don't Borrow Money.** You become a slave to the lender. It will strain your relationship. Don't take out payday loans or "same as cash" loans. Don't lease a disposable item (car, furniture, iPhone, etc.). Don't buy extra insurance on items. (Do some research on what insurance to buy!)
2. **Don't Lend Money.** Never lend to a friend – it will strain the relationship making them "slave" to you. Jesus teaches to "lend without expecting money in return" – consider giving a gift.
3. **Never Cosign a Loan.** The bank doesn't believe that person has the financial means to repay it. Just take the loan out yourself if you must cosign.
4. **Don't Use Debt Consolidation.** Taking out a loan to repay a loan doesn't make sense. Many of these organizations con people – keep in mind they are in business to make a profit so they will take their cut of your money.
5. **Don't Prepay.** This applies to funerals and college expenses. Invest the money in an account that grows with the market.

In what ways do you need to reconsider lending and borrowing practices?

Day 19: Do the Math – The Law of Compound Interest

Proverbs 13:11 *Dishonest money dwindles away, but he who gathers money little by little makes it grow.* The law of ***compound interest*** either works against you (debt) or for you (investment). Two examples:

1. Debt Accumulation. 25-year old couple, Joey and Janey Joneses, bought a \$500,000 house (payment \$3200/month), two \$30,000 cars (payment \$500/month each), had student loans of \$50,000 (\$25,000 each with payment of \$600/month), and credit card debt of \$10,000 (payment \$400/month). Their loan repayment load is \$62,400 with an annual income of \$100,000 and no ability to save.
 - ***After 20 years of this lifestyle, they will have paid more than \$1.2M in debt repayment!***
2. Investment Return. 25-year old couple, Marty and Molly Savers, saved for 10 years to buy a \$250,000 town house, saved for 5 years each to buy 2 \$12,000 cars, with no credit card debt and no student loans. They take all of the money they saved from not being in debt and invested it with an 8% return in the Stock Market.
 - ***In 20 years, they have a net worth from their investment of \$1.2M!***

➔ Same income, different outcome! Interest either works for you or against you!

There are no effective get-rich schemes.

- Millionaires typically buy used cars and don't live in fancier houses than they can afford.
- The lottery preys on the lower class and only raises money for the state.
- **When** you are faithful in managing the few resources God entrusted you with, **then** expect more.

Reflect back on Luke 16:10 *Whoever can be trusted with very little can also be trusted with much, and whoever is dishonest with very little will also be dishonest with much.*

- How do you want to apply the law of compound interest in your life?

Day 20: Owning My Debt

Psalm 37:21-26 *The wicked borrow and do not repay, but the righteous give generously; those the Lord blesses will inherit the land, but those he curses will be destroyed. The Lord makes firm the steps of the one who delights in him; though he may stumble, he will not fall, for the Lord upholds him with his hand. I was young and now I am old, yet I have never seen the righteous forsaken or their children begging bread. They are always generous and lend freely; their children will be a blessing.*

- The wicked borrow... and pay the consequences
- God takes care of the righteous – pray, get advice, and do all that you can to avoid borrowing
- When we borrow, we are telling God, “what you have given me isn't enough”
- How does the Psalmist describe the righteous?

According to the Wikipedia article on debt, *Over-indebtedness has severe social consequences, such as financial hardship, poor physical and mental health, family stress, stigma, difficulty obtaining employment, exclusion from basic financial service, work accidents and industrial disease, a strain on social relation, absenteeism at work and lack of organizational commitment, feeling of insecurity, and relational tensions.*

- Debt affects: health, family, career, performance, relationships, and our self-perception/esteem!

Consider how debt has affected you. Share your concerns in any of these areas with someone who can help you work through your emotions. Consider getting professional help if this has led to depression, erratic behavior, desperate thoughts, or panic.

Re-read the scriptures from Day 15 (God's Provision) and pray for a heart to completely trust God with what he has given you.

Day 21: Make the Decision

Prov 23:4 *Do not wear yourself out to get rich. Have the wisdom to show restraint.*

Prov 21:25-26 *The craving of a sluggard will be the death of him, because his hands refuse to work. All day long he craves for more, but the righteous give without sparing.*

- Debt makes banks rich and people poor.
- There is no effective get-rich scheme.
- The borrower is always slave to the lender. Always.
- Interest will either work for you or against you.
- Decide to do the homework, work on your finances, live by a budget, and get out of debt!

Rom 13:8 *Let no debt remain outstanding, except the continuing debt to love one another...*

What are your decisions from this week's lessons on debt?