

Lesson 3: The Debt Elephant

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

Lesson 1: Everything Belongs to God! Psalm 24:1

Lesson 2: We are God’s Managers! Matthew 25:21

Lesson 3: *Keep out of debt and owe no man anything* Romans 13:8 (AMP)

1. A Mighty Elephant

As of December 2014, U.S. household consumer debt profile:

- Average credit card debt: \$15,611
- Average mortgage debt: \$155,192
- Average student loan debt: \$32,264
- Add it up! _____ in debt!

Proverbs 13:11 *whoever gathers money little by little makes it grow*

- Debt puts you on the _____ side of interest.
- When interest _____, money grows!
- This elephant stole our “_____” – both spouses need to work, our time is consumed, our resources consumed. No wonder Americans are so stressed!

2. The Tethered Elephant

Just as a baby elephant is trained, we have been programmed to accumulate debt:

- The average American spends \$_____ for every \$1 earned
- _____% of Americans live paycheck to paycheck
- Our solution – borrowing – only says to God, “what you gave me isn’t _____”

Debt is the most successfully marketed product in history!

- **1910** Sears: “Credit is folly” to **1986** Sears sells off Discover Card
- **1950s** Diners Club and BankAmericard to **1976** VISA
- **Today:** _____% of Americans have a Credit Card
- Credit Card industry makes \$150 _____ in gross revenue/year!
- Average balance Americans carry = _____

Credit Myths

- ***I pay off my balance every month*** – yet 34% carry a balance!
- ***I get “rewards” for using my card***
 - You spend about _____% more with a credit card than cash
- ***I lease my car to get the tax write-off***
 - _____ ~ most expensive way to purchase a car (or other item)

- ***I lower my payment with a 30-year mortgage***
 - A 30-year mortgage nearly _____ the cost of the house!
- ***I consolidate my loans to save money***
 - It's a con – you can't borrow your way out of debt! Never pay late!

3. Slay the Giant

What does the Bible say about debt?

Prov 6:1,6 *“My son, if you have put up security for your neighbor, if you have shaken hands in pledge for a stranger... Free yourself, like a gazelle from the hand of the hunter, like a bird from the snare of the fowler.”*

- Debt is a life-sucking trap. If you want to live, run like a _____!

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

- The borrower is _____ slave to the lender!
- Don't lend money to a friend or relative – it will ruin the relationship
- Don't co-sign a loan (the bank doesn't think they can pay!)

Prov 28:8 *“Whoever increases wealth by taking interest or profit from the poor amasses it for another, who will be kind to the poor.”*

- Cash advances, rent-to-own, and title pawning are horrible rip-offs

How do I get out of debt?

- 1. Quit borrowing more money** – cut up any credit card that you owe a balance!
- 2. Start saving money** – you need a fund to pay for emergencies!
- 3. Pray fervently** – your Father wants to help you!
- 4. Sell something** – get rid of all of the stuff that you can sell and apply it to debt!
- 5. Get to work** – increase your income if possible!

Pay off your debts – Gazelle Like Intensity!

- Lowest balance to highest (or highest interest to lowest)
- Pay at least the minimum on the others
- Apply ____ of your available cash to maximize debt
- Stop saving for retirement or college until you get out of debt!
- Get an accountability partner: **Take Financial Peace University!**

Live the Dream!

- Imagine the debt elephant dead!
 - No more power in your life!
- Re-do your budget with no payments!
 - Imagine how much capacity you will create!
- Think about your life without the financial pressures of debt
- What could you do?