

Debt (2)

by Charles Hodge

TEXT: "If anyone does not provide for his own, and especially for those of his household, he has denied the faith, and is worse than an unbeliever" (1 Timothy 5:8).

A preacher had a huge medical debt. The hospital discounted the bill; the insurance paid a little; the local church contributed with a huge special collection. Then the preacher went out and purchased a luxury new car! To say the least, his timing was terrible. This story highlights several truths:

(1) This is equally the way we treat God. We call upon Him in need and then spend His blessings upon us.

(2) We are consumers. We want things: *"Now!"*

(3) We cannot discipline ourselves or handle our appetites.

(4) It is difficult to help people. Those who have not provided still probably will not. Those who are greedy will simply "bite" you. Most lazy people will always have money problems.

(5) Most financial problems still come from stupidity. God forgives sin, but not stupidity. Most still have no priorities, no plans, or no higher purpose.

(6) Most of us still think we have no problems money and more money cannot solve. *Remember!* No one has ever won the "rat race."

DEBT CAUSES . . .

Debt can cause severe problems:

(1) Worry and stress. Most family problems are money problems.

(2) A denial of reality. Do not buy things that make you think you are superior or better than others. There is no free lunch. You cannot

get something for nothing.

(3) Dishonesty. Greed will always do you in. Beware of greedy people. "You cannot cheat an honest man." Our brotherhood is always a target for scams.

(4) Addiction. Debt is like a drug. It is habit-forming. People become "consumer addicts" and "shop till you drop." When you buy to make yourself feel better, watch out.

(5) Presumption. Read James 4:14-17. We presume tomorrow will be an extension of today's prosperity. Do not gamble on tomorrow! Do not gamble, *period!*

(6) Poverty in the future. We become prisoners of debt. "It is not what we have; it is what we do with what we have." An interesting fact is this: People asked how much they would like to make. *All* (nearly unanimous) want *double* (twice) what they make. We call this the "doubling matter." If you cannot make it on \$500.00 weekly, you cannot on \$5,000.00 weekly! This problem lies within us. The answer simply is *discipline!* We spend our paycheck before we get it. Until you decide to live upon what you make, more money will not help you (Ecclesiastes 5:10). Here is a *suggestion*. Save *all* of your next raise. Bank it! Play as if you never got it in your lifestyle. In a neighborhood one makes \$25,000, another \$400,000, another \$60,000. All are struggling! The one making \$25,000 thinks he would have no problems if he made \$400,000. The one making \$60,000 would be horrified to be reduced to \$25,000. We have moved past buying things we *need* to buying things that have nothing to do with our lives. The *best* credit risks are those who never borrow; the *worst* are those who are compelled to borrow. Do not mortgage the future to pay for the whims of today.

HODGE RULES

Pay God first. This is our faith. God taught this with a tithe. God is our financial planner! This requires a minimum of 10 per cent. Faith pays God first. You will never handle financial problems by cheating God! God has priority in the budget.

Pay self second. Save 10 per cent if possible. Americans have ceased saving. The Japanese are "eating our lunch" because they save. Pay self before others! You may deny this, but this is a *must*!

Pay bills third. Live upon 80 per cent (or less) of your wage. You say you *cannot*! Then I say you *will not*! Until this is done, you will live with financial problems. The answer is obvious; the answer demands discipline. "Tighten your belt." Herein are the biblical principles:

- (1) Trust God. Put God *first*.
- (2) Work for your livelihood.
- (3) Provide for your family. Lay up for your children.
- (4) Do not covet the possessions of others.
- (5) Do not serve money.
- (6) Give generously and joyously.
- (7) Help the needy.
- (8) Avoid debts like the plague.

FOUR CAUSES OF DEBT

Four causes of debt are as follows:

- (1) Lack of discipline; instant gratification.
- (2) Lack of contentment.
- (3) Search for security; unrealistic expectations.
- (4) Search for significance. When borrowing, what is the real motive? Is it need or ego?

FOUR STEPS TO GET OUT OF DEBT

(1) Be honest about our present financial condition. We tell *two* stories. One is to bankers. We say, "We have it made." Another is to the elders. We say, "We have too much debt to give." Why are we where we are? Was it a catastrophe or a necessity? Was it greed or ego? Is our house too big? Is our car too expensive? *Our curse is this:* We think we can handle riches that others cannot. We think we can handle more riches without forgetting God. The *truth* is this: (1) We already have too much! We cannot handle what we have. (2) What we have has already distanced us from God. (3) What we have already consumes us.

Possessions take time. Possessions cause worry. Possessions require more possessions. "One works harder for the second million than the first!" A big house demands a bigger house!

(2) *Stop-Stop-Stop!* Debt must be handled like any other addiction. Alcoholics now abstaining cannot drink! Cut up those plastic charge cards! Stop going to shop at malls. Too much credit is given to those who have little idea how to control it. Put a minimum upon the plastic card. It must never exceed 15 per cent of your income. Pay off the bill monthly! Never, never, never simply make the minimum payment! Use the plastic! This actually provides an itemized bookkeeping service. Pay the total bill monthly. If you must borrow, borrow at the bank. Stop going into debt and more debt.

(3) Develop a plan to get out of debt. First, do not consolidate debts! *No! Never!* This is not an answer. Second, pay off the smallest debt first. Start cutting off debts. Double the payments when possible. This diminishes the principle. Get a fifteen-year house mortgage rather than a thirty-year one. The monthly payments are not that much greater. You will have the interest paid (or more).

(4) Discipline accountability. Involve your wife, children, and even close friend! Go public: "I am going to handle debt"; "I am doing something about it"; "This is what we did last month." Getting out of debt is like dieting. You must understand the proper habits. You must understand the basic principles. This must become your lifestyle. Dieters who go "up and down like a yo-yo" fail. So do the same in debt practices. Get out of debt and stay out.

PLASTIC FEVER (CREDIT CARDS)

There are various kinds of debt... mortgage, investment, business, installment, and credit cards. Merely having credit cards does not cause one to go in debt. Yet 1 out of 6 with cards are in dire trouble. Some, to be honest, cannot handle credit cards. *Cut them up!*

Fact! One spends more with *cards* than with *cash*! This is the deception plastic cards give! You really did not spend it! Counting out "cold cash" gets your attention. Cards do not have the impact cold cash has. Yet 7 out of 10 Americans have cards. There are 700 million accounts with 250 million people. This means three cards per

person! Why does anyone need *three*? Cards spend 34 per cent more than cash. *Why*? You have the *card*, but you do not have the *cash*. If you wait until you have the cash, you will never buy it. Cards are a tremendous convenience—and a cop-out.

To the young, do not let your parents bail you out. The sooner you stand with accountability, the better. Learn early how to handle your personal finances.

Get out your scissors! Invariably, in counseling I advise persons to cut up their cards. The

card is the culprit. When you cannot handle your cards, then destroy them. When paying the card bill monthly, the first month you cannot pay 100 per cent of that charged in cash cut up the card.

Do not use plastic to “fill-in-gaps” with other bills. Do not ever try to live off the card. Use the card solely for budgeted items. If you do not have a budget, you do not need a card. When you are tempted to charge non-budgeted items, cut up the card. Plastic fever is contagious and can be terminal.

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