

As we bring our series on Navigating the Financial Roadway to a close, I want to spend a time discussing debt elimination. See our website (www.livingwelloc.org) to view previous articles in this series and to download all the spending plan forms.

There is approximately \$2 trillion of unsecured credit card debt in America today, and according to *Goldman Sachs*, that number is growing at a rate of 10% per year. This debt averages out to be about \$12,000 per household. *Newsweek* magazine reports, "Sixty percent of American families actually spend more than their after-tax income. Even more astounding is the fact that 32 million families (80 million people) run an annual average deficit in their earnings/spending ratio of a negative \$8160." About 40% of consumers trading in cars currently owe more than their car is worth. The average American household has 13 credit cards. On average, consumers will spend 12% more on a credit card purchase than when using cash. According the U.S. Dept of Health & Human Services, 96% of all Americans will retire financially dependent on the government, family, or charity.

Those are just a few of a myriad of statistics painting a very grim picture of the debt situation in our country today. Sadly, Christians fare no better than non-Christians do when it comes to debt. **The area of finances, and particularly debt, causes more chaos in families than any other area.**

Just as God can use money to enhance and direct our lives, Satan can use it to shackle us and get us off course. Christians should learn to recognize the danger of money entanglements and financial bondage. Debts are delinquent financial obligations. If we borrow money and pay it back according to agreement, we are not "in debt" in strict terms. But when we fail to honor the repayment agreement, we are in debt. **To avoid bondage to the lender, we need to repay our financial obligations quickly and responsibly.**

There is much confusion regarding whether a Christian should borrow money. The Bible does not prohibit borrowing or lending, but it offers strong warning of problems that can accompany being on either side of debt, either as lender or borrower. God does not want us to be in bondage, because it inhibits our ability to serve Him. Conversely, Satan loves for us to be in financial bondage. One of the most common causes of financial bondage is the abuse of credit. Proverbs 22:7 says, *"The rich rule over the poor, and the borrower becomes slave to the lender."*

This principle should make us very cautious about borrowing. **When people consciously borrow beyond their normal ability to repay, usually it is because they lack the self-discipline or the strength of character to deny themselves what they can't afford.**

Fifty years ago when I was a young boy, debt was not nearly the problem it is today. Families had home loans and maybe a car loan, but not much else. But, things have changed dramatically since then. Debt has been sold to us so aggressively, so loudly, and so often that it's hard to imagine life without it. You are now looked upon as almost "abnormal" if you don't have multiple loans, including credit cards. **We have gotten so used to acquiring things through the use of credit that most people can't conceive of what it would be like to have no payments.** Just as slaves born into slavery can't imagine freedom, most Americans don't know what it would be like to not have debt.

John Maxwell tells of a study done on monkeys. In the study, a group of monkeys were locked in a room with a pole at the center. Some nice, ripe bananas were placed at the top of the pole. When a monkey would begin to climb the pole to get a banana, he would be knocked off with a blast of water from a fire hose. Each time a monkey would climb, off he would go, until all the monkeys had been knocked off repeatedly, thus learning that the climb was hopeless. It was then observed that the monkeys would pull down any monkey trying to climb. When researchers would introduce a new monkey to the group and he tried to climb the pole, the others would pull him down. One by one, each monkey was replaced with a new monkey and the scene was repeated until there were no monkeys left in the room that had actually experienced the fire hose. Still, none of these new monkeys would climb the pole. They pulled each other down each time one decided to give it a go. Not one monkey in the room knew why, but none were allowed to get the bananas.

We aren't monkeys, but sometimes our behavior seems to be similar to those monkeys. We don't even know why, we just know that debt seems to be necessary in today's world. When someone tries to live debt free, we often laugh or call that person a fanatic or maybe "uneducated in finance." In essence, like the monkeys, we are pulling each other down. **Next month we will continue our look at debt elimination by examining credit from God's viewpoint.**