

“The Debt Trap”

Proverbs 22:7

Big Idea – God wants to provide all you need.

How to Know if you are in the “Debt Trap.”

1. Living on credit instead of paying cash.

Proverbs 22:7 "...the borrower is the servant of the lender"

God's Word does not say ALL borrowing and lending is bad.

Some people take this proverb and Romans 13:8 "Owe no man anything but to love one another" as telling us to never borrow money for anything. There's a small circle within the Christian community who believe it's always sinful for a Christian to buy with credit.

That's not what the Bible teaches - Here's why. Throughout the Old Testament, the ability to loan a person money was thought of as a blessing from God. If you were financially well off enough to loan another person money, you were blessed.

For instance, in Deuteronomy 15:6 God promises that when Israel is walking in obedience with God, Israel will lend money to others, but would not need to borrow from anyone.

It's doubtful that when God blesses us, we are to then use that blessing to help another person sin. If borrowing is always sinful, that's what this passage would mean, that the lender is helping the borrower to sin.

Clearly borrowing isn't always the best idea, and most of what the Bible says about borrowing is negative, but I don't think the Bible forbids buying on credit.

Learn the difference between "good" debt and "bad" debt situations.

Usually, borrowing money on a depreciating item (one that goes down in value) is unwise, can be bad debt.

Usually, borrowing money on an appreciating item (one that goes up in value, like a house), is a good investment.

Also, Do not co-sign unless you can afford to lose the money!

Proverbs 6:1 My child, if you have put up security for a friend's debt or agreed to guarantee the debt of a stranger—

2 if you have trapped yourself by your agreement and are caught by what you said—

3 follow my advice and save yourself, for you have placed yourself at your friend's mercy.

Now swallow your pride; go and beg to have your name erased.

4 Don't put it off; do it now! Don't rest until you do.

2. Delaying payments or putting off payments.

Stop the financial bleeding of finance charges, late fees, high interest charges on unpaid balances.

A young couple had been married for about a year. They were struggling financially and decided to do something about it. They would develop a strategy. They sat down one day to talk about their finances, and after much analysis, the young wife said to her husband, "If we miss two payments on the refrigerator and one payment on the washing machine, we'll have enough money to make a down payment on a new television set."

3. Only paying the minimum payments due on credit card bills.

If the minimum payments are equal to interest plus 1% of the balance, it would take 342 months to pay off the debt by making minimum payments alone.

Proverbs 22:7 says when we borrow money, we put ourselves in a position of slavery under the lender. In ancient Israel this was often literally true. If a person couldn't pay back a loan, that person literally became a slave of the lender until he or she could work off the debt.

4. Checks bounce due to insufficient funds.

We get in trouble because as people we overextend ourselves with credit.

The average American had \$5,805 in credit card debt in 2022.

14 million Americans have over \$10,000 of credit card debt.

5. Not tithing (giving to God), or putting anything in savings.

Malachi 3:8-10 says when we rob God of tithes and offerings we are cursed with a curse.

Proverbs 6:6 Take a lesson from the ants, you lazybones. Learn from their ways and become wise!

7 Though they have no prince or governor or ruler to make them work,

8 they labor hard all summer, gathering food for the winter.

6. Tempted by "get rich quick schemes" on radio or TV

According to the FTC, Americans have lost \$610 million to "income illusions" since 2016 – and \$150 million of that was in the first nine months of 2020 alone.

Predatory get-rich-quick schemes have become so audacious, so prevalent that the federal government has launched a full-scale operation targeting them: Operation Income Illusion.

More than 46,000 people lost over \$1 billion in crypto to 'get rich quick' schemes reported the Federal Trade Commission (FTC), as cryptocurrency fast becomes a popular way to scam money from people. Oct 1, 2022

How to Escape the Debt Trap

1. Solve the discontentment problem

We always want more than we have! Paul said in Philippians 4:11 "I have learned how to be content with whatever I have."

What created your situation? Take inventory.

Most people do not really know what their true financial picture is, and sometimes they do not want to know because they are afraid.

Prov. 27:23 "Be diligent to know the state of your flocks, and attend to your herds; for riches are not forever..."

How?

Total your monthly expenses.

Total your monthly income.

Which is larger? If your outgo is larger than your inflow you have a flow problem!

How?

Lower your expenses – How?

Give – to the needy, and to the Lord

Prov. 22:8 He who has a generous eye will be blessed, For he gives of his bread to the poor.

Prov. 10:22 The blessing of the LORD brings wealth, and he adds no trouble to it.

Prov. 3: 9 Honor the LORD with your possessions, and with the firstfruits of all your increase;

10 So your barns will be filled with plenty, And your vats will overflow with new wine.

Buy less.

Luke 12:15 Then Jesus said to them, "Be careful and guard against all kinds of greed. Life is not measured by how much one owns."

Buy less expensive things. (Store brands instead of high priced names.

Buy from less expensive stores – like Aldi's, WalMart, Dollar Tree, Dollar General

Increase your income – How?

Ask for a raise.

Get a higher paying job.

Get a second job.

A few years ago the Christian Charles Colson wrote an intriguing book called *Why America Doesn't Work*. In that book Colson argues that it was this biblical work ethic that many of our founding fathers embraced that led to economic prosperity in early America. Viewing our jobs as a calling from God, and our work as something that glorifies God produces a strong work ethic. Colson worries that a loss of this idea of a biblical work ethic is at the heart of much of the unemployment and poverty in our culture today

Now we probably all know a lot of people who work really hard at their job but who don't care at all about God. I know lots of business owners who put in endless hours trying to make their business successful. I know executives who give their all to their job. But in many cases, these people are driven to work hard because they're ambitious and want to get wealthy. That is not what these proverbs are talking about.

You see, for the Christian to wise up about money, he or she needs to work hard as an act of devotion to Jesus Christ. We work hard on our job as a spiritual discipline, just like we pray hard, worship consistently, study the Bible in depth, and serve in ministry cheerfully. But having a spiritual motive for hard work is what prevents a biblical work ethic from turning into workaholicism.

Colossians 3:23 "In all the work you are doing, work the best you can. Work as if you were doing it for the Lord, not for people.

24 Remember that you will receive your reward from the Lord, which he promised to his people. You are serving the Lord Christ."

Ephesians 6:5 "Servants (employees), obey your earthly masters (employers) with deep respect and fear. Serve them sincerely as you would serve Christ.

6 Try to please them all the time, not just when they are watching you. As servants of Christ, do the will of God with all your heart.

7 Work with enthusiasm, as though you were working for the Lord rather than for people.

8 Remember that the Lord will reward each one of us for the good we do, whether we are servants or free."

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2. Ask for help – communication is the key!

Prov. 11:14 Where there is no counsel, the people fall; but in the multitude of counselors there is safety.

Pray and ask God for wisdom and direction.

Prov. 34:6 This poor man cried out, and the LORD heard him, and saved him out of all his troubles.

Call church office – ask for a financial counselor’s help.

Call Consumer Credit Counseling Services

Call creditors/credit card companies to make special arrangements.

Learn to be wise about financial matters – Dave Ramsey, Ron Blue

3. Make a goal to get out of debt and stay out of debt.

Start by saving something, every week.

Proverbs 21:20 In the house of the wise are stores (surpluses) of choice food and oil, but a foolish man devours all he has.

Oseola McCarty, 87, did one thing all her life: laundry. Now she's famous for it--or at least for what she did with her profits.

For decades, Miss McCarty earned 50 cents per load doing laundry for the well-to-do families of Hattiesburg, Mississippi, preferring a washboard over an electric washing machine. Every week, she put a little bit in a savings account. When she finally retired, she asked her banker how much money she had socked away.

"\$250,000," was his reply. She was in shock. "I had more than I could use in the bank," she explained. "I can't carry anything away from here with me, so I thought it was best to give it to some child to get an education."

This shy, never-married laundry woman gave \$150,000 to nearby University of Southern Mississippi to help African-American young people attend college. "It's more blessed to give than to receive," she tells reporters. "I've tried it."

4. Ask God to show you how to love Him more than money.

Luke 16:13 No one can serve two masters. For you will hate one and love the other, or be devoted to one and despise the other. You cannot serve both God and money.”

If you lost all your money could you respond like Job did? Turn to Job 1

Job 1:21 He said: “I was naked when I was born, and I will be naked when I die. The LORD gave these things to me, and he has taken them away. Praise the name of the LORD.”

Jesus Christ paid a sin debt you and I could never pay.

Colossians 2:14 We owed a debt because we broke God's laws. That debt listed all the rules we failed to follow. But God forgave us that debt. He took away that debt and nailed it to the cross.

